



## FREQUENTLY ASKED QUESTIONS ON RUDEVIT

### **What is RUDEVIT**

RUDEVIT stands for Rural Development Investment Initiative, a company limited by guarantee incorporated under the laws of Malawi, which was incorporated with the sole objective to commercially exploit the rural wealth potential for the benefit of the various stakeholders in Malawi. The initiative which culminated into a company was born out of the realization that more than 85% of population of Malawians live in the rural areas where there is also abundant land and labour resources that are generally not put to economic use. Land and labour constitute two of the major factors of production whereby if they were put to their right productive use could lead to significant economic gains, thereby creating employment, offering new markets to the rural areas, improving social economic activities and fast track the economic growth. This is a private sector initiative that commercially contributes to the attainment of Sustainable Development Goals eradication of poverty and achieving zero hunger in Malawi.

### **What is RUDEVIT Holdings Plc?**

RUDEVIT Holdings Plc stands for Rural Development Investments Holdings Plc a public company incorporated under the Companies Act 2013. RUDEVIT Holdings Plc was incorporated to implement the objectives of RUDEVIT with a view to attract a wider participation of Malawians to commercially invest in the rural economic activities. Since legally RUDEVIT Limited is a private company it could not absorb the wishes of the many Malawians to participate and earn a dividend from the investment. As a result, it was found necessary to incorporate a public company in which members of the public will participate without legal limitations. Therefore, the shareholders of RUDEVIT Holdings Plc are RUDEVIT Limited (a company limited by guarantee) and members of the public with shareholding of 60% and 40% respectively.

### **How will RUDEVIT Holdings Fulfill the mandate of RUDEVIT Limited?**

RUDEVIT Holdings Plc is investing in all sectors of the economy through incorporation of various subsidiary companies under it. All the subsidiary companies are 100% equity held by RUDEVIT Holdings Plc.

### **Why is shareholding of 60% and 40%?**

The reasoning for the above ratio was to enable RUDEVIT Limited to maintain control knowingly that members would not by themselves provide direction while fulfilling mandate for rural development. If the investment ratio was the other way, RUDEVIT will fail to fulfil investment mandate and may be hijacked by a single shareholder.

### **How can I become a member of RUDEVIT Holdings Plc?**

As the company is a public company, any persons of like mind who understand the investment thesis of the company can become members by buying shares in the company. To become a member one must first make a once-off contribution of MK20, 000 to RUDEVIT Limited then buy as many shares of RUDEVIT Holdings Plc.

### **Why pay MK20,000 fee to RUDEVIT Limited?**

The MK20,000 is a once-off contribution to enable RUDEVIT Limited to build capital to fulfil its shareholding of 60% in RUDEVIT Holdings Plc. This amount is defined in the articles of association as a requirement by which a person can access shareholding in RUDEVIT Holdings Plc, a highly diversified and self-de-risked investment. Please note that the K20,000 is a membership joining fee and not for buying of shares in the company, as RUDEVIT Limited, is a company limited by guarantee it does not have share capital. Shares can only be bought in RUDEVIT Holdings Plc.

### **Are there restrictions on membership?**

RUDEVIT Holdings Plc is a public company and anyone can be a member of it. To become a member, a person contributes MK20,000 to RUDEVIT Limited and then he can buy as many shares as possible in RUDEVIT Holdings Plc Presently at MK3.00 each and a person may buy a minimum of 10,000 shares. This is a Malawian company owned by all Malawians of like minds and will constitute probably the only entity that every income earning Malawian will belong to.

### **How many shares can a person buy?**

A person can buy as many shares as wishes within the 40% investment arm in RUDEVIT Holdings Plc. The authorized capital of RUDEVIT Holdings Plc is 10,000,000,000 (ten billion) shares. Should all shares be taken up by the public, the directors have been mandated to increase authorized capital so that they can accommodate anyone wishing to invest in this prestigious company. A person can buy shares by completing an application form available from the company by sending email to [info@rudevitalmw](mailto:info@rudevitalmw) or downloading from the company website [rudevitalmalawi.com](http://rudevitalmalawi.com).

### **In what fields is RUDEVIT Investing?**

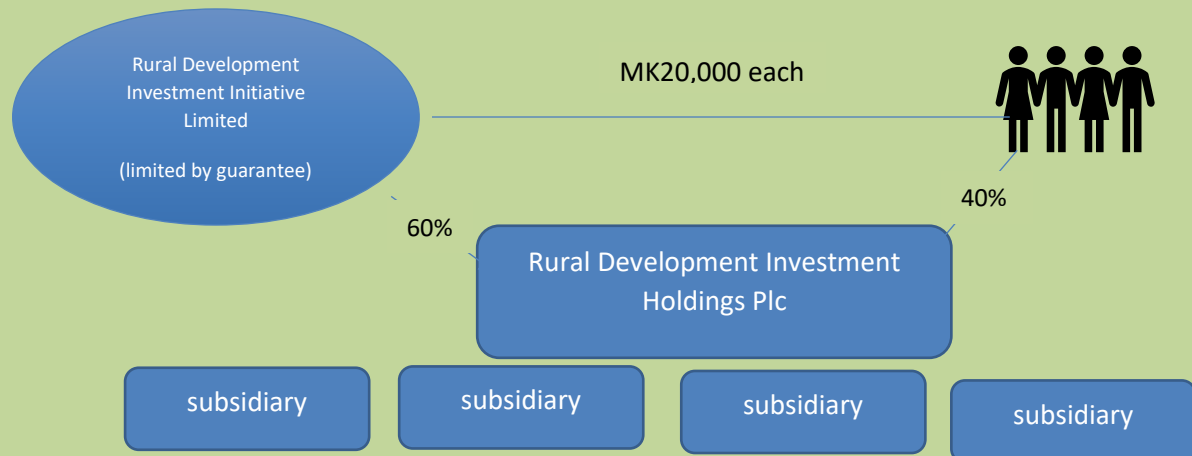
RUDEVIT HOLDINGS Plc is investing in all investible sectors of the Malawi economy that private companies and individuals have been shy of as a result of lack of capital. RUDEVIT Holdings Plc through its subsidiary companies will largely invest in projects that achieve import substitution for Malawi. The investments will target both primary and secondary agriculture, agricultural value addition, and farm mechanization, energy and mining and manufacturing and Tourism among other sectors.

### **How are major business risks mitigated?**

RUDEVIT is not immune to business risks. The major risk is that of failure where members lose on investments should the company be liquidated. Unlike any other investments, the setup of RUDEVIT investment is such that it is a self-de-risking investment. The investment is 60% held by RUDEVIT Limited a company that is guaranteed by its members. The shareholders have bought shares in the company and contributed to its set up by paying MK20,000, being income of RUDEVIT Limited which gets invested in RUDEVIT Holdings Plc, and RUDEVIT Limited is limited by guarantee where members have undertaken to contribute to it in the event that the company becomes unable to pay its creditors as they fall due. This is unlike in any other limited company by shares where the liability is limited to

subscribed capital and the company has no recourse of survival. Unlike any other investments, RUDEVIT is investing 100% in its subsidiaries thereby being assured of collecting all dividends for the benefits of its members.

### How is RUDEVIT Group Structure like?



### Can I earn a dividend from the MK20,000 invested in RUDEVIT Limited?

RUDEVIT Limited as a company limited by guarantee cannot distribute any of its assets to its members. Its assets can only be distributed to charity on winding up to charitable activities or another charitable organization. Dividends can only be paid by RUDEVIT Holdings Plc to its members based on the number of shares that have been subscribed.

### Who are the directors of RUDEVIT?

There are twelve competent directors all of good standing in their professional fields as follows:

| Name  | Age | Qualifications and brief profile   |
|---|-----|--|
| 1. Mr Hastings Bofomo Nyirenda, MSc Strategic Management, FCCA, CA (Mw) Bcom (Accountancy) Dip Business Studies | 54  | Executive Director- Grant Thornton in Malawi, Audit Partner at Grant Thornton in Malawi, formerly KPMG |
| 2. Mr John Kamanga, MSc, Economics & Finance, Bachelor of Social Science  | 54  | Chief Executive Officer, Malawi Stock Exchange, Chairman the Institute of Directors (IoD) in Malawi    |
| 3. Mrs Beatrix Mosiwa Ndovi, MBA, FCCA, CA Malawi   | 46  | Director of Finance at CDH Investment Bank   |
| 4. Dr Francis Gondwe, PhD, FCCA CA Malawi   | 53  | Chief Executive Officer , Institute of Chartered Accountants in Malawi (ICAM),                         |
| 5. Associate Professor Isaac Maliba Mvula, PhD, MSc Criminal Justice, CPA (Canada), Bcom, ACCA                  | 48  | Associate Professor of Criminology University of South Calorina,                                       |
| 6. Ms Wezzie Moyo, MA Gender and International  | 46  | Gender Activist, Currently serving as Malawian Ambassador to Mozambique                                |

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|---|----|---|
| Development, BA- Public Administration                                |    |   |
| 7. Allan Muhome, LLM, LLB (Hons), MBA                                 | 41 | Muhome Lawyers, Company Secretary Sunbird Tourism, Notary Public                |
| 8. Patricia Mwase, Bachelor of Business Administration                | 54 | Managing Director, Credit Reference Bureau, Malawi                              |
| 9. Mrs Patrick Chingati Phiri, BSc MBA                                | 55 | Chief Executive Officer, LIHACO, Limited former Managing Director of            |
| 10. Ms Dyna Kamowa  | 39 | Lecturer Kamuzu University of Health Sciences, Entrepreneur                     |
| 11. Mr Brian Zagwa Kapito, BACC, FCCI, MBA, Chartered Insurer         | 42 | Managing Director, Black Rose Insurance Brokers and Black Rose Holdings Limited |
| 12. Eng Eugenio Tebulo, Reg Engineer, Bsc Mechanical Engineering, MBA | 44 | Plant Engineer, Alliance One Tobacco, Malawi                                    |

### Can I buy shares of RUDEVIT Holdings Plc on the Malawi Stock Exchange?

RUDEVIT Holding Plc is a non-listed public company, therefore its shares are not yet tradable on the Malawi Stock Exchange or any other stock exchanges. Any person wishing to buy shares in the company should at all time check with the Corporate Secretaries by sending email request on [info@rudev.it.mw](mailto:info@rudev.it.mw) copy to [kelvin.nyirenda@mw.gt.com](mailto:kelvin.nyirenda@mw.gt.com) or visiting in person by prior appointment at their office Grant Thornton Chartered Accountants, MASM House, P O Box 508, Blantyre Malawi.

In future, upon meeting listing rules and requirements, RUDEVIT Holdings Plc will make an application for consideration of listing on the Malawi Stock Exchange. Only at that time when approval is granted will the shares of the company be traded on the Malawi Stock Exchange.

### What projects have already been invested by RUDEVIT?

#### **RUDEVIT Fertilizer**

RUDEVIT Holdings Plc is presently investing in **Granulated Organic Fertilizer** which is manufactured from recycled waste materials. At the time of writing, the company has already acquired Title to land, paid a deposit for the supply of the first machinery with capacity of 3 Metric Tons Per hour thereby producing around 20,000 MT per annum. The company will increase such investments in all 26 agricultural districts in order to eventually produce up to 600,000MT, thereby doing an import substitution of basal dressing fertilizer and saving the much-needed forex for the country, and reducing the cost of agricultural productivity. This helps to increase wealth and eradicating poverty among Malawians. According to projections on machinery will achieve sales of around MK4.8Billion and projected after tax profits of MK1.4Billion.

### How much more investment is required in the fertilizer business

RUDEVIT is implementing one plant located in Blantyre which will cost US\$300,000 in equipment and around MK520Million to construct a factory and ware houses. The company already bought its land where the building is to be constructedThe company will require initial working capital around MK100Million. The desire is to have these plants in all agricultural districts to produce up to 600,000MT of granulated organic fertilizer that will

largely replace the importation of the basal dressing fertilizer thereby reducing the country's import bill of fertilizer and saving forex, through import substitution.

### **What are pipeline projects for RUDEVIT?**

#### ***RUDEVIT Energy***

RUDEVIT has its application approved to produce 100Mega Watts from Hydropower. The company incorporated RUDEVIT Energy Limited an SPV to partner with a EPC for the purpose of designing, construction and running the energy business for RUDEVIT.

#### ***RUDEVIT Fund***

The company already incorporated a subsidiary - RUDEVIT Fund Limited, which will be responsible for mobilizing foreign capital in debt to be invested in the various subsidiaries. Eventually this RUDEVIT Fund will become a Rural Bank so that it helps to reduced the unbanked money as most existing financial institutions have concentrated themselves in the urban.

#### ***RUDEVIT Seed***

The company is also investing in a seed processing company that will see a Malawian owned seed company using locally developed varieties. The seed will be grown by Malawians on Malawian soils and processed by the Malawian company. The company aims at industrializing most of the locally grown crops through value addition thereby creating new markets for Malawians and encouraging Malawians to

### **Can any other company buy shares in RUDEVIT Holdings Plc?**

A company or any institutional investor can buy shares in RUDEVIT Holdings Plc following the procedures as for any other investor. A corporate body pays joining fees of MK200,000(two hundred thousand kwacha) and can buy any number of shares in the RUDEVIT Holdings Plc.

### **What benefits does this investment offer to members**

RUDEVIT provides the most derisked investment vehicle for any investor. It is the only company in Malawi whose going concern is guaranteed by its own shareholders through a purposefully set up entity which is limited by guarantee. The company is investing into several sectors of the economy unlike other forms of investment set ups in public companies or individual member companies. The company offers a progressive capital growth, thereby creating wealth for its investors. As a public company that is publicly trading, it provides an opportunity for a member to adjust their sharing holding, including divesting at any point in time. The Securities of RUDEVIT are registered with the Registrar of Financial Institutions under the Financial Services Act 2010 and Securities Act 2010. Members attend the company's annual general meeting thereby also providing an oversight of the company. With a company limited by guarantee as its holding company, the company can easily receive grants, donations and guarantees as direct injections into the private sector. Above all, members are entitled to receive dividends as declared from time to time.

### **Any external Financing/debt?**

The company received overwhelming support from NBM Development Bank Limited, a subsidiary of National Bank of Malawi plc, by providing debt for the importation of the machinery into Malawi. RUDEVIT Holdings Plc, continues its mandate to raise equity capital

from members to participate as shareholders in this what has become the most prestigious initiative by Malawians themselves.

### **Is there any appreciation of share price?**

RUDEVIT shares initially were selling at MK1.00 each up to 31 December 2021. From January 2022, the share was adjusted to MK3.00 each. The share was revalued on the basis that the company had acquired its first piece of land which also appreciated in value. The prospects of NBM Development Bank supporting RUDEVIT also raised its profile. The fact that an order for machinery was placed with the supplier provided hope to investors. Above all, the increase in price was to recognise time value of money to enable those early investors to make capital gains.

### **How can members in diaspora participate?**

Members in diaspora may buy shares in the company and make payment into the company's FCDA thereby providing a source of forex to meet certain foreign investment costs that the company is exposing itself to. Members need to complete the application form filling out details and submit to the company secretary.

### **Can RUDEVIT Limited receive donations or grants?**

The members in diaspora may assist in mobilizing grants and donations that will be put in RUDEVIT Limited to fulfill its investment mandate of 60% which in turn gets invested in the RUDEVIT Holdings Plc. RUDEVIT Limited is a company limited guarantee and responsible for carrying out its social responsibility throughout Malawi as part of contributing towards sustainable development goals.

For any further inquiries contact:

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