



**PARLIAMENT OF MALAWI**



*NATIONAL ASSEMBLY*

*52<sup>ND</sup> SESSION*

**REPORT OF THE  
PARLIAMENTARY COMMITTEE ON PUBLIC ACCOUNTS UPON CONDUCTING  
A SPECIAL PUBLIC INQUIRY INTO THE PURCHASE OF THE AMARYLLIS  
HOTEL BY THE PUBLIC SERVICE PENSION TRUST FUND**

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**ADOPTED BY THE COMMITTEE ON 31<sup>ST</sup> MARCH, 2026**

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**REPORT NO. 1**

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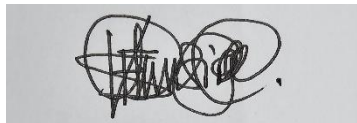


# REPORT OF THE PARLIAMENTARY COMMITTEE ON PUBLIC ACCOUNTS UPON CONDUCTING A SPECIAL PUBLIC INQUIRY INTO THE PURCHASE OF THE AMARYLLIS HOTEL BY THE PUBLIC SERVICE PENSION TRUST FUND

This is a Report of the Parliamentary Committee on Public Accounts upon conducting a *Special Public Inquiry into the Purchase of the Amaryllis Hotel by the Public Service Pension Trust Fund (PSPTF)*. The Report is a product of submissions (oral or otherwise) from key stakeholders who played various roles on the issue of the Purchase of the Amaryllis Hotel by the Public Service Pension Trust Fund (PSPTF). The Committee also relied on submissions from interest groups.

## Chairperson's Declaration

I, **Steven Baba Malondera Kamsiyamo**, MP, Chairperson of the Parliamentary Committee on Public Accounts, on behalf of the Committee pursuant to Standing Orders 150 (2) and 185 (3) present this report and its recommendations to the House for consideration and adoption.



Hon. Steven Baba Malondera Kamsiyamo, MP  
**CHAIRPERSON**



## TABLE OF CONTENTS

|   |      |
|---|------|
| Chairperson’s Declaration .....   | v    |
| Acknowledgements .....  | xi   |
| Committee Membership as at March, 2026 .....  | xii  |
| Secretariat.....  | xiii |
| Mandate of the Public Accounts Committee.....   | xv   |
| Powers of the Committee.....  | xvii |
| Executive Summary .....   | xix  |
| 1.0. INTRODUCTION.....  | 1    |
| 1.1. Background .....   | 1    |
| 1.2. Objectives of the Inquiry .....  | 2    |
| 1.3. Methodology of the Inquiry.....  | 2    |
| 2.0. THE LAW OF PUBLIC PENSION FUND AND THE ECONOMIC ASSESSMENT OF THE TRANSACTION.....                 | 5    |
| 2.1. Legal Framework Governing the Public Service Pension Trust Fund .....                              | 5    |
| 2.1.1. The Legal Status of the Fund.....  | 5    |
| 2.1.2. Governance and Fiduciary Responsibility of Trustees .....  | 5    |
| 2.1.3. Appointment and Tenure of Trustees.....  | 5    |
| 2.1.4. Administration and Operational Structure of the Fund.....  | 5    |
| 2.1.5. Regulatory Oversight and Legal Compliance .....  | 6    |
| 2.2. The Economic Assessment of the Transaction .....   | 6    |
| 2.2.1. The Asset Valuation Test .....   | 6    |
| 2.2.2. The Investment Return Test .....   | 6    |
| 2.2.3. The Portfolio Diversification Test.....  | 6    |
| 2.2.4. The Governance and Prudence Test .....   | 7    |
| 3.0. CHRONOLOGICAL RECONSTRUCTION OF THE AMARYLLIS TRANSACTION .....                                    | 8    |
| 3.1. Origin of the Transaction.....   | 8    |
| 3.2. Introduction of the Opportunity to the Pension Fund .....  | 8    |
| 3.3. Initiation of Due Diligence and Procurement of Independent Valuers .....                           | 8    |
| 3.4. Acceptance of the Offer and Negotiations with the Seller (September 2023) .....                    | 9    |
| 3.5. Attempted Revision of the Transaction Price (November 2023).....                                   | 9    |
| 3.6. Withdrawal of the Fund’s Investment Manager (December 2023 – January 2024).....                    | 10   |
| 3.7. Decision of the Fund’s Board Not to Proceed (January 2024) .....                                   | 10   |
| 3.8. Attempts to Revive the Transaction (February – October 2024).....                                  | 10   |
| 3.9. Renewed Pressure to Conclude the Transaction.....  | 11   |
| 3.10. Transition from the Second to the Third Cohort Board of Trustees (December 2024 – September 2025) | 12   |
| 2.1. Legal Opinions on the Purported Legal Action Threats from YIL (October 2025).....                  | 13   |
| 2.2. Developments Leading to the Renewed Decision to Proceed (October 2025) .....                       | 14   |
| 2.3. Engagement of EMJ and the Signing of the Sale Agreement (November 2025).....                       | 14   |

|        |  |    |
|--------|--|----|
| 2.4.   | Investigations by the ACB and the Attorney General (November - December 2025) .....  | 16 |
| 2.5.   | Lifting of the Restriction Order and Subsequent Payments to the Seller .....   | 17 |
| 3.0.   | SUMMARY OF DOCUMENTARY EVIDENCE AND ORAL TESTIMONIES FROM WITNESSES .....  | 18 |
| 3.1.   | Appearance of Officials from Malawi Law Society (MLS) .....  | 18 |
| 3.2.   | Appearance of Officials from NICO Asset Managers (NAM) .....   | 18 |
| 3.3.   | Appearance of Officials from FDH Bank Plc .....  | 19 |
| 3.4.   | Appearance of Officials from Continental Asset Management (CAM) .....  | 19 |
| 3.5.   | Appearance of Officials from EMJ Advisory Public Accountants .....   | 20 |
| 3.6.   | Appearance of the Acting Director General of the Anti-Corruption Bureau (ACB) .....  | 21 |
| 3.7.   | Appearance of the Former Board of Trustees (2nd Cohort) .....  | 22 |
| 3.8.   | Appearance of Officials from PSPTF Secretariat .....   | 22 |
| 3.9.   | Appearance of the New Board of Trustees (3rd Cohort) .....   | 23 |
| 3.10.  | Appearance of the Acting Principal Officer for PSPTF, Mr. Boyd Hamela .....  | 24 |
| 3.11.  | Appearance of Officials from the Office of the Registrar of Financial Institutions .....   | 25 |
| 3.12.  | Appearance of the Former Chief of Staff of State Residences, Mr. Prince Kapondamgaga .....   | 25 |
| 3.13.  | Appearance of Officials from the Financial Intelligence Authority (FIA) .....  | 26 |
| 3.14.  | Appearance of the Suspended Principal Officer, Mr. George Jim .....  | 27 |
| 3.15.  | Appearance of the Honourable the Attorney General, Frank Farouk Mbeta .....  | 28 |
| 3.16.  | Failure to Appear Before the Committee: Ms. Colleen Zamba .....  | 29 |
| 4.0.   | COMMITTEE'S OBSERVATIONS AND ANALYSIS FROM THE CHRONOLOGY OF EVENTS AND FROM THE TESTIMONIES .....                                 | 30 |
| 4.1.   | Assessment of the Transaction Against Key Economic Investment Tests .....  | 30 |
| 4.1.1. | A Valuation That Defies the Market .....   | 30 |
| 4.1.2. | An Investment Without a Convincing Payoff .....  | 30 |
| 4.1.3. | Putting Too Many Eggs in One Basket .....  | 31 |
| 4.2.   | Governance Failures, Disruptions, and Breakdown of Fiduciary Discipline .....  | 31 |
| 4.2.1. | Misplaced Reliance on Legal Risk .....   | 31 |
| 4.2.2. | Issuance of Commitment Letters: The Role Mr. George Jim .....  | 32 |
| 4.2.3. | Persistent Disregard of Professional Advice .....  | 33 |
| 4.2.4. | Breakdown of Established Investment Governance Framework .....   | 33 |
| 4.2.5. | Governance Disruptions and Reconstitution of the Board .....   | 34 |
| 4.2.6. | Distortion of the Decision-Making Process .....  | 34 |
| 4.3.   | Influence of External Institutional Engagements .....  | 35 |
| 4.3.1. | The 6 March 2024 Meeting as the Genesis of the Transaction's Revival .....   | 35 |
| 4.3.2. | The Central Role of Ms. Colleen Zamba .....  | 35 |
| 4.3.3. | The Silent Influence of Mr. Prince Kapondamgaga .....  | 36 |
| 4.3.4. | From External Influence to Internal Control .....  | 37 |
| 4.4.   | Conflict Between Prior Institutional Involvement and Subsequent Board Decision: Counsel Chizaso Nyirongo and Mr. Boyd Hamela ..... | 37 |
| 4.4.1. | Counsel Chizaso Nyirongo: Legal Advisor cum Board Chair .....  | 37 |

|        |   |    |
|--------|---|----|
| 4.4.2. | Mr. Boyd Hamela: Investment Committee Chair cum Acting Principal Officer .....  | 39 |
| 4.5.   | The Speed of Convenient Operations .....  | 40 |
| 4.5.1. | Sequence and Speed of Critical Decisions .....  | 40 |
| 4.5.2. | 25 October 2025 – Approval in Principle .....   | 40 |
| 4.5.3. | 14 November 2025 – Identification and Instant Validation of the Valuer .....  | 41 |
| 4.5.4. | 17 November 2025 – Convergence of Critical Decisions .....  | 41 |
| 4.5.5. | Regulatory Context and Disregard of Oversight .....   | 42 |
| 4.6.   | Narrow Interpretation of Corruption and Failure to Interrogate Critical Red Flags: The Role of the Anti-Corruption Bureau in Investigating the Transaction..... | 42 |
| 4.6.1. | Failure to Interrogate Critical Red Flags and Premature Conclusion .....  | 42 |
| 4.6.2. | Overreliance on Formal Compliance and Narrow Interpretation of Corruption .....   | 43 |
| 4.6.3. | Conflict of Interest Concerns: Dual Roles of Counsel Gabriel Chembezi .....   | 43 |
| 4.6.4. | Impact on the Integrity of the Investigative Process.....   | 44 |
| 4.7.   | Shallow Investigations Overlooking the Real Issues: Role of the Honourable the Attorney General in the Progression of the Transaction .....                     | 44 |
| 4.7.1. | Clearance of Concerns Raised by the Malawi Law Society .....  | 45 |
| 4.7.2. | Conditional Advice and Its Practical Effect .....   | 45 |
| 4.7.3. | Reliance on Incomplete and Deficient Information .....  | 45 |
| 4.7.4. | Failure to Interrogate the Integrity of the Decision-Making Process.....  | 46 |
| 5.0.   | RECOMMENDATIONS .....   | 47 |
| 5.1.   | Enforcement of Existing Legal and Governance Frameworks .....   | 47 |
| 5.2.   | Strengthening the Role of the Secretariat and Procurement Accountability .....  | 47 |
| 5.3.   | Reform of Investigative and Oversight Institutions .....  | 48 |
| 5.4.   | Clarification of the Role of the Attorney General .....   | 48 |
| 5.5.   | Specific Remedial and Accountability Measures for Key Actors .....  | 49 |
| 5.5.1. | Ms. Colleen Zamba (Former Secretary to the President and Cabinet) .....   | 49 |
| 5.5.2. | Mr. Prince Kapondamgaga (the Former Chief of Staff, State Residences).....  | 49 |
| 5.5.3. | Counsel Chizaso Nyirongo (Former Director of Legal Affairs, OPC; Chairperson of the Board of Trustees) .....  | 50 |
| 5.5.4. | Counsel Gabriel Chembezi (Acting Director General, ACB).....  | 50 |
| 5.5.5. | Mr. Boyd Hamela (Acting Principal Officer) .....  | 50 |
| 5.5.6. | Mr. George Jim (Suspended Principal Officer) .....  | 51 |
| 5.5.7. | Mr. Idrissa Mwale (Chairperson of the Investment Committee).....  | 51 |
| 5.5.8. | Dr. Maxwell Tsitsi (PS Administration at OPC).....  | 51 |
| 5.5.9. | Collective Responsibility of the Board of Trustees (3rd Cohort).....  | 52 |
| 5.6.   | Dissolution and Reconstitution of the Board of Trustees .....   | 52 |
| 5.7.   | Parliamentary Oversight and Follow-Up.....  | 52 |
| 6.0.   | CONCLUSION .....  | 54 |



## Acknowledgements

The Parliamentary Committee on Public Accounts expresses its sincere appreciation to the Right Honourable Speaker, Sameer Suleman, MP for entrusting this inquiry to the Committee. The Committee also appreciates all institutions and individuals who contributed to this inquiry through the provision of both oral and documentary evidence.

The Committee extends its gratitude to the Public Service Pension Trust Fund (PSPTF), including the former and current Boards of Trustees, the Secretariat, and officers of the Fund, for their cooperation and engagement throughout the proceedings. The Committee also acknowledges the valuable contributions made by FDH Bank Plc, Continental Asset Management, EMJ Advisory Public Accountants, and NICO Asset Managers, whose professional submissions provided critical insights into the valuation and viability of the transaction.

Special recognition is accorded to oversight and regulatory institutions, including the Anti-Corruption Bureau (ACB), the Office of the Attorney General, the Registrar of Financial Institutions at the Reserve Bank of Malawi, and the Financial Intelligence Authority (FIA), for their participation and for providing information relevant to the Committee's deliberations.

The Committee further expresses its appreciation to the Malawi Law Society for its detailed submission, which brought to light critical issues and provided a foundational framework for the inquiry.

The Committee is also grateful to individual witnesses, including Mr. George Jim, Mr. Boyd Hamela, and Mr. Prince Kapondamgaga, for appearing before the Committee and providing clarification on matters within their knowledge.

The Committee further acknowledges the support rendered to this inquiry through the public statement issued by His Excellency the President of the Republic of Malawi, Professor Arthur Peter Mutharika, which affirmed the importance of transparency, accountability, and the thorough investigation of matters concerning public resources. The Committee considers this expression of support as a significant reinforcement of the constitutional role of Parliament in exercising oversight and promoting good governance.

Finally, the Committee commends the Clerk of Parliament, Mrs. Fiona Kalemba, and the entire Secretariat for its technical, legal, and administrative support throughout the inquiry. Their diligence, professionalism, and commitment were instrumental in facilitating the work of the Committee and in the preparation of this Report.



## **Committee Membership as at March, 2026**

As at March, 2026, the Membership of the Parliamentary Committee on Public Accounts was as follows:

1. Hon. Steven Baba Malondera Kamsiyamo, MP - *Chairperson*
2. Hon. Tulinje Muluzi, MP - *Vice Chairperson*
3. Hon. Noel Lipipa, MP
4. Hon. Samson Santigo Phiri, MP
5. Hon. Themba Menson Mkandawire, MP
6. Hon. Bester Awali, MP
7. Hon. Symon Vuwa Kaunda, MP
8. Hon. Samuel Malume Bokosi, MP
9. Hon. Macpherson Mwai Ndalama, MP
10. Hon. Winston Kaimapanjira, MP
11. Hon. Eisenhower Nduwa Mkaka, MP
12. Hon. Gerald Snowden Phiri, MP
13. Hon. Lawrence Chaziya, MP
14. Hon. Dr. Patricia Annie Kaliati, MP
15. Hon. Booker Jones Matemvu, MP
16. Hon. Geoffrey Mulatinyu Onsewa, MP
17. Hon. Young Aubrey Nasson Phiri, MP
18. Hon. Gerald Tasaukadala, MP
19. Hon. George Katunga Million, MP
20. Hon. Fiskani Barnet Nyondo, MP
21. Hon. Amina Kajiya, MP
22. Hon. Susan Dossi, MP
23. Hon. Ireen Mambala, MP

### **Secretariat**

1. Ms. Nellie Nkhata - *Clerk Assistant*
2. Mr. Fredrick Kamwani - *Chief Clerk Assistant*
3. Ms. Isabel Tambala - *Senior Clerk Assistant*
4. Ms. Judith Sikaloka - *Clerk Assistant*
5. Mrs. Tilly Likomwa - *Head of Legal Services*
6. Ms. Sangwani Phiri - *Chief Budget Analyst*
7. Ms. Moira Fiona Matenje - *Senior Legal Counsel*
8. Mr. Alfred Mangani - *Researcher*



## **Mandate of the Public Accounts Committee**

1. The Public Accounts Committee derives its mandate from Section 18 and Section 19 of the Public Audit Act and Standing Order 161. The Committee's mandate includes the following:
  - a. Making available such information as will enable the National Assembly to be informed of the management of public expenditure, public money and public resources;
  - b. Promoting the accountability of Ministers and Members of the National Assembly, where public expenditure, public money and public resources are concerned;
  - c. Holding accountable ministries, agencies and other entities controlled by Government for the economy, efficiency and effectiveness with which they use public money and public resources;
  - d. Promoting the accountability of statutory bodies and those other persons charged with the management of public money and public resources;
  - e. Examining the audited public accounts showing the appropriation of the sums granted by the Assembly to meet the public expenditure; and
  - f. Examining such other public accounts laid before Parliament as may be referred to it by the Assembly.
  
2. Under the Public Audit Act:
  - a. Section 19 (d) provides that the Committee is mandated to report to the National Assembly, with such comments as it thinks proper, any items or matters in any financial statements and reports or any circumstances connected with them, to which the Committee is of the opinion that the attention of the National Assembly should be directed, and to report to the National Assembly any alteration that the Committee thinks desirable;
  - b. Section 19 (e) provides that the Committee is mandated to inquire into any question in connection with the financial management of the Government that is referred to it by the National Assembly, and to report to the National Assembly on the question; and
  - c. Section 19 (f) provides that the Committee is mandated to pursue any concerns that the Committee believes are justified.
  
3. In discharging its functions, the Committee needs to ensure the following:
  - a. That the expenditure was confined to the authority that governed it;
  - b. That the monies shown in the accounts as having been disbursed were legally available for and applicable to the services or purpose to which they have been applied or charged;
  - c. That every re-appropriation has been made in accordance with the provisions made under appropriate rules; and
  - d. That cases involving negative expenditure and financial irregularities wherever they have occurred in the financial year under study, having regard to the Auditor General's Report and the estimates as approved by the House are subject to scrutiny.



## **Powers of the Committee**

As a duly constituted Committee, the Parliamentary Committee on Public Accounts derives its powers from Standing Order 151 which states as follows:

- (1) The Powers of every Committee shall include:
  - a. Summoning or subpoenaing any person to attend and give evidence before a Committee at a stated time and place;
  - b. Requiring any person to disclose and produce to the Committee any papers and records in that person's control, possession and custody relevant to the Committee's proceedings;
  - c. Creating subcommittees of its members for specific tasks;
  - d. Delegating to its subcommittees all its powers except the power to report to the Assembly.
- (2) If any person summoned to attend before a Committee or to produce papers and records does not comply with the summons, the Committee may report this fact to the Assembly which may invoke the provisions of the National Assembly (Powers and Privileges) Act.



## Executive Summary

This Report presents the findings of the Parliamentary Committee on Public Accounts following a Special Public Inquiry into the proposed acquisition of the Amaryllis Hotel by the Public Service Pension Trust Fund (PSPTF). The inquiry was undertaken in exercise of the Committee's constitutional mandate to ensure accountability, transparency, and prudent management of public resources, particularly those held in trust for public servants.

The Committee's investigation established that the transaction evolved through a series of distinct phases, beginning with an initial investment proposal in 2023, followed by professional valuation and due diligence processes, the withdrawal of the Fund's investment manager, and a formal Board resolution in January 2024 not to proceed with the acquisition. Notwithstanding this decision, the transaction was subsequently revived and ultimately executed in November 2025 under materially different governance and procedural circumstances.

The evidence before the Committee revealed that the revival of the transaction was not driven by improved investment fundamentals or new professional advice. On the contrary, earlier independent assessments by FDH Bank Plc and Continental Asset Management had indicated that the business was not profitable and that the investment was commercially unsound even at significantly lower price levels. These professional positions were later reinforced by the withdrawal of NICO Asset Managers, the Fund's appointed investment manager, which cited fundamental due diligence deficiencies.

The Committee further established that the transaction was advanced in circumstances characterised by significant governance failures. These included the issuance of commitment letters without Board authority, the marginalisation of internal professional advisory structures, the absence of an investment manager at critical stages, and the engagement of an unregistered firm—EMJ Advisory—to conduct a valuation that ultimately informed a transaction valued at K128.7 billion.

A central finding of the Committee was that the decision-making process within the Fund was materially distorted. The transaction came to be framed not as an investment to be evaluated on its merits, but as an obligation to be fulfilled, largely on the basis of perceived legal risk. This perception, however, was not supported by the Fund's own legal advisors, both internal and external, who unequivocally concluded that no binding contractual obligation existed and that the Fund could lawfully withdraw from the transaction.

The Committee also found that external institutional engagements, particularly the meeting of 6 March 2024 convened by the Office of the President and Cabinet, played a catalytic role in the revival of the transaction. The subsequent issuance of commitment letters and continued correspondence with the seller contributed to the creation of a perceived obligation, which later influenced the trajectory of decision-making within the Fund.

Further, the Committee observed that the final stages of the transaction were executed with unusual speed and in defiance of regulatory oversight. Critical decisions—including valuation, legal review, and execution of the sale agreement—occurred within an implausibly compressed timeframe. The signing of the sale agreement on 17 November 2025, three days after a stop-order had been issued by the Registrar of Financial Institutions, demonstrated a deliberate disregard for regulatory authority.

The Committee also identified serious deficiencies in the investigations conducted by oversight institutions. The Anti-Corruption Bureau’s initial findings were based on incomplete information and failed to interrogate key red flags, while the Attorney General’s advice effectively cleared all concerns raised by the Malawi Law Society, notwithstanding significant gaps in the evidentiary basis upon which such clearance was made.

In all this, the Committee found that the Amaryllis transaction was not the product of a properly constituted investment process. Rather, it was the culmination of a sequence of actions marked by governance disruptions, disregard of professional advice, mischaracterisation of legal risk, external influence, and procedural irregularities.

The Committee, therefore, concludes that the transaction represented a serious breakdown of fiduciary discipline and a departure from the principles of transparency, accountability, and prudence that must govern the management of public pension funds. The findings contained in this Report form the basis for the recommendations set out in the subsequent Chapter, aimed at restoring integrity in the governance of pension assets and ensuring accountability for actions taken in relation to this transaction.



## 1.0. INTRODUCTION

### 1.1. Background

- 1.1.1. The stewardship of public resources is among the most solemn responsibilities entrusted to public institutions. Nowhere is this duty more sacred than in the management of pension funds – savings accumulated through the lifelong labour of citizens who entrust their future security to the prudence, diligence, and integrity of those appointed to manage such funds.
- 1.1.2. The Public Service Pension Trust Fund (PSPTF) was established pursuant to the Pension Act to safeguard the retirement benefits of public service employees in Malawi. In law and in principle, the trustees and officers of the Fund act not merely as administrators of financial assets, but as fiduciaries – custodians of the deferred earnings of thousands of public servants whose economic security in retirement depends upon sound, prudent and transparent management of the Fund.
- 1.1.3. In recent months, public attention was drawn to the acquisition of the Amaryllis Hotel in Blantyre by the PSPTF. The transaction, reportedly involving a substantial financial outlay from the Fund, generated widespread concern within the public domain regarding the governance processes surrounding the acquisition, the valuation of the asset, the integrity of the due diligence undertaken, and the decision-making framework within the Fund.
- 1.1.4. These concerns were formally brought to the attention of Parliament through petitions from CSOs (NACA and National Advocacy Platform) as well as the Press Briefing by the Malawi Law Society (MLS) and finally from information circulating in the public domain, particularly on communications between various public institutions involved in oversight of the pension sector. The allegations raised included, among other matters, claims of a significant escalation in the proposed purchase price of the hotel, possible conflicts of interest in certain advisory reports, questions surrounding the adequacy and independence of the due diligence processes undertaken, and concerns regarding the governance procedures within the Fund during the period in which the transaction was considered.
- 1.1.5. Considering the magnitude of the financial implications involved, the potential impact on the retirement savings of public servants, and the broader public interest in ensuring accountability in the management of pension assets, the National Assembly resolved that the matter warranted Parliamentary scrutiny.
- 1.1.6. In exercise of its oversight mandate over public expenditure and the management of public resources, the Public Accounts Committee of Parliament was accordingly tasked to conduct an inquiry into the circumstances surrounding the acquisition of Amaryllis Hotel by the Public Service Pension Trust Fund.
- 1.1.7. This inquiry was, therefore, undertaken not merely to interrogate a transaction, but to reaffirm the principle that public trust, once entrusted to public institutions, must be exercised with the highest standards of prudence, transparency, and accountability.

## **1.2. Objectives of the Inquiry**

1.2.1. The primary objective of the Committee's Inquiry was to establish the facts and circumstances surrounding the acquisition of Amaryllis Hotel by the Public Service Pension Trust Fund and to assess whether the processes leading to the transaction were conducted in accordance with the applicable legal, regulatory, and governance frameworks governing pension funds in Malawi.

1.2.2. Specifically, the Committee sought to:

1. Establish the chronological sequence of events leading to the acquisition of Amaryllis Hotel by the Public Service Pension Trust Fund;
2. Examine the governance processes and decision-making procedures undertaken by the Board of Trustees and management of the Fund in relation to the transaction;
3. Assess whether appropriate due diligence, valuation, and financial analyses were conducted prior to the decision to proceed with the acquisition;
4. Determine whether the acquisition price of the asset was consistent with prevailing market valuations and professional advice provided to the Fund;
5. Examine the roles played by various service providers, advisors, and regulatory institutions involved in the transaction;
6. Assess whether any conflicts of interest, irregularities, or breaches of fiduciary duty may have arisen during the course of the transaction;
7. Determine whether the processes followed were consistent with the provisions of the Pension Act, the Trust Deed of the Fund, and other relevant legal and regulatory frameworks governing pension funds in Malawi; and
8. Draw recommendations to remedy the irregularities that would be discovered during the Inquiry.

1.2.3. Through these objectives, the Committee sought to ensure that the retirement savings of public servants are protected from imprudent investment decisions and that those entrusted with the management of such funds are held to the highest standards of accountability.

## **1.3. Methodology of the Inquiry**

1.3.1. In carrying out this inquiry, the Committee adopted a multi-faceted investigative approach aimed at establishing a comprehensive understanding of the transaction and the surrounding governance processes.

1.3.2. Firstly, the Committee reviewed documentary evidence submitted to it by various stakeholders, and these submissions included supporting documents such as correspondence, board resolutions, meeting records, legal opinions, and reports prepared by professional advisors engaged in the transaction, including formal submissions by the Malawi Law Society outlining concerns and allegations relating to the proposed acquisition.

- 1.3.3. Secondly, the Committee examined valuation reports, financial analyses, and business viability assessments prepared by professional service providers engaged by the Fund in connection with the proposed acquisition. Particular attention was given to the methodologies used in determining the value of the asset and the assumptions underlying the financial projections presented to the Fund.
- 1.3.4. Thirdly, the Committee conducted oral hearings during which key stakeholders were invited to appear before the Committee to provide evidence and clarification on various aspects of the transaction. These included the following:
- (1) **FDH Bank Plc** - on the initial 2023 valuation and financial position of the hotel;
  - (2) **Continental Asset Management (CAM)** - on the 2024 independent analysis of the proposed investment;
  - (3) **EMJ Advisory Public Accountants** - on the valuation that informed the final transaction;
  - (4) **Malawi Law Society (MLS)** - on governance concerns, whistleblower allegations, and procedural irregularities;
  - (5) **NICO Asset Managers (NAM)** - on their withdrawal from the transaction and professional reservations;
  - (6) **Anti-Corruption Bureau (ACB)** - on the initial investigation and subsequent commitments to re-open the inquiry;
  - (7) **Former Board of Trustees (2nd Cohort)** - on their role in the Amaryllis investment;
  - (8) **PSPTF Secretariat** - on internal technical, legal, and procedural role regarding the transaction;
  - (9) **New Board of Trustees (3rd Cohort)** - on their role in the Amaryllis investment;
  - (10) **Acting Principal Officer, Mr. Boyd Hamela** - on the implementation and execution of the transaction;
  - (11) **Registrar of Financial Institutions (Reserve Bank of Malawi)** - on regulatory interventions, including the stop order;
  - (12) **Financial Intelligence Authority (FIA)** - on identification of potential financial crime indicators;
  - (13) **Mr. Prince Kapondamgaga, former Chief of Staff** - on his attendance at the 6 March 2024 meeting and the role of external institutional actors;
  - (14) **Mr. George Jim, the suspended Principal Officer** - on his role particularly issuance of commitment letters; and
  - (15) **Counsel Frank Mbeta, the Honourable Attorney General** - on his role particularly due diligence of the investigations he conducted to clear the transaction.

- 1.3.5. Fourthly, the Committee examined relevant legal and regulatory frameworks governing the operations of pension funds in Malawi, including the Pension Act, the Trust Deed establishing the PSPTF, and regulatory directives issued by the Registrar of Financial Institutions.
- 1.3.6. Finally, the Committee undertook a comparative analysis of the information obtained from various sources in order to identify inconsistencies, gaps in governance processes, and any areas requiring further scrutiny.
- 1.3.7. Through this methodology, the Committee sought to ensure that its findings would be grounded in verifiable evidence and informed by a balanced consideration of the perspectives presented by all relevant stakeholders.

## **2.0. THE LAW OF PUBLIC PENSION FUND AND THE ECONOMIC ASSESSMENT OF THE TRANSACTION**

### **2.1. Legal Framework Governing the Public Service Pension Trust Fund**

#### **2.1.1. The Legal Status of the Fund**

- a. The Public Service Pension Trust Fund is established as a trust under the Trust Deed, 2023, read together with the Pension Act and other applicable financial services laws. The Fund operates as a body corporate with separate legal personality, capable of owning assets, entering into contracts, and suing or being sued in its own name.
- b. Its assets are held exclusively for the benefit of its members and beneficiaries, and its liabilities are limited to its own assets, thereby ensuring that obligations incurred in the administration of the Fund do not extend beyond the Fund itself.

#### **2.1.2. Governance and Fiduciary Responsibility of Trustees**

- a. The management and control of the Fund are vested in a Board of Trustees, which serves as the principal decision-making authority. Trustees are appointed through a structured process involving representation from both the Employer and Members, and are subject to vetting by the Registrar of Financial Institutions to ensure they meet fit and proper requirements.
- b. Upon appointment, Trustees assume fiduciary obligations to act solely in the interests of the Fund and its members. They are required to exercise prudence, independence, and accountability in all decisions, safeguard Fund assets, and ensure compliance with the Trust Deed, the Pension Act, and other applicable laws.

#### **2.1.3. Appointment and Tenure of Trustees**

- a. The Trust Deed provides for a defined composition of the Board, with equal representation from the Employer and Members of the Fund. Trustees hold office for a term of three years, renewable once, with provisions to ensure continuity through partial retention of experienced members.
- b. The framework also provides clear grounds upon which a Trustee may vacate office, including resignation, removal, disqualification under the law, or incapacity. These provisions are intended to maintain a properly constituted and functional Board at all times.

#### **2.1.4. Administration and Operational Structure of the Fund**

- a. The Board of Trustees is responsible for the overall administration of the Fund, including investment of assets, compliance with legal and regulatory requirements, and ensuring that benefits are paid in accordance with the Fund Rules. To support its functions, the Board is empowered to appoint key professional service providers such as investment managers, auditors, custodians, and actuaries.
- b. The day-to-day operations of the Fund are managed by the Principal Officer, who implements the decisions of the Board. The Principal Officer also oversees the Secretariat and ensures the efficient execution of the Fund's activities in line with established policies and procedures.

### **2.1.5. Regulatory Oversight and Legal Compliance**

- a. The operations of the Fund are subject to oversight by the Registrar of Financial Institutions and must comply with the Pension Act and other financial services laws. The Board is required to operate within this regulatory framework and adhere to directives issued by the Registrar, thereby ensuring that the management of pension assets is conducted in a prudent, transparent, and accountable manner.
- b. The legal framework governing the Fund is anchored on three core principles: fiduciary responsibility, professional management, and regulatory oversight. These principles collectively ensure that pension assets are managed solely in the interests of members, with due regard to prudence, transparency, and accountability.

## **2.2. The Economic Assessment of the Transaction**

The economic assessment of the transaction is anchored on four key investment principles that guide pension fund management: asset valuation, expected returns, portfolio diversification, and governance prudence.

### **2.2.1. The Asset Valuation Test**

A fundamental principle of investment decision-making is that assets should be acquired at prices that reflect their underlying economic value. Independent valuation therefore plays a critical role in ensuring that institutional investors do not overpay for assets. If an asset is purchased significantly above its market valuation, the investment may destroy value rather than generate returns. For pension funds, which rely on long-term compounding of returns to meet future obligations, paying a price above market value reduces the expected rate of return and increases the risk of future asset impairment. In this context, an important question is whether the acquisition price of the Amaryllis Hotel was consistent with independent valuations and whether the pricing of the asset reflected its underlying economic fundamentals.

### **2.2.2. The Investment Return Test**

Pension funds must invest in assets capable of generating sufficient long-term returns to meet future pension liabilities. Investment decisions are, therefore, typically guided by expected rates of return relative to the cost of the investment. For real estate-based investments such as hotels, expected returns are generally derived from projected income streams, occupancy rates, operating costs, and long-term property appreciation. Therefore, an economically sound investment would require that the expected return on the asset justifies the capital invested.

### **2.2.3. The Portfolio Diversification Test**

Pension funds typically adopt diversified investment strategies in order to reduce risk and stabilize returns. Diversification allows pension funds to spread investments across different asset classes such as government securities,

equities, infrastructure, and real estate. While real estate investments can form a legitimate component of a pension portfolio, large and concentrated investments in a single asset may increase exposure to sector-specific risks. Notably, under the Fund's Investment Policy, exposure to the property portfolio is subject to an upper limit of 20 percent of the total portfolio.

#### **2.2.4. The Governance and Prudence Test**

Finally, economically sound investment decisions depend on strong governance processes. Large investments involving public savings typically require multiple safeguards including independent valuation, due diligence, investment committee review, and regulatory oversight. These governance mechanisms help ensure that investment decisions are informed by sound economic analysis and are consistent with the fiduciary duty owed to pension contributors.

### **3.0. CHRONOLOGICAL RECONSTRUCTION OF THE AMARYLLIS TRANSACTION**

This Chapter reconstructs the background to the transaction from its origin in 2023 through the early stages of the investment evaluation process. It draws primarily on documentary evidence submitted to the Committee, including correspondence between the parties involved in the transaction, valuation reports prepared by professional advisors, and investment analyses commissioned by the Fund.

#### **3.1. Origin of the Transaction**

- 3.1.1.** The genesis of the investment can be traced to **2 May 2023**, when Cedar Capital Limited, acting as financial arranger for Yusuf Investments Limited (YIL), issued a formal offer inviting selected investors to participate in the acquisition of equity in Amaryllis Hotel in Blantyre.
- 3.1.2.** In its correspondence addressed to NICO Asset Managers Limited (NAM), Cedar Capital indicated that the shareholders of Yusuf Investments Limited were seeking to introduce new equity partners into the Amaryllis Hotel business. The offer further indicated that existing project finance facilities relating to the construction of the hotel would be settled by the seller upon completion of the transaction. The indicative valuation presented in the offer suggested that the equity value of Amaryllis Hotel ranged between **approximately K47 billion and K48.7 billion**, based on construction cost estimates and discounted cash flow projections.
- 3.1.3.** This communication marked the beginning of the transaction process and established the first documented valuation range associated with the hotel.

#### **3.2. Introduction of the Opportunity to the Pension Fund**

- 3.2.1.** Following receipt of the offer, the opportunity was formally presented to the Public Service Pension Trust Fund by its investment manager, NAM.
- 3.2.2.** On **29 May 2023**, NAM wrote to the Fund referencing discussions held during a special meeting of the Investment Committee at which several potential investment opportunities had been considered. Among these opportunities was the proposed acquisition of equity in Amaryllis Hotel, which was presented as a potential investment with an indicative valuation of approximately **K47 billion**.
- 3.2.3.** In its communication to the Fund, NAM indicated that the transaction was still at an early stage and that further technical evaluations would be required before any investment decision could be taken. The firm, therefore, requested the Fund to provide an initial indication of its appetite for the opportunity so that further steps could be undertaken to interrogate the technical aspects of the transaction.

#### **3.3. Initiation of Due Diligence and Procurement of Independent Valuers**

- 3.3.1.** Following the expression of interest by the Investment Committee of the Fund, steps were taken to initiate a formal due diligence process aimed at obtaining independent assessments of the value and viability of the proposed investment.

- 3.3.2.** On **9 June 2023**, the Principal Officer of the Fund, Mr. George Jim, wrote to NAM requesting that the firm solicit quotations for independent valuation services in respect of the proposed acquisition. In response to this instruction, NAM indicated that two separate valuation exercises would be undertaken: one relating to the market value of the hotel property itself, and another focusing on the valuation of the hotel business enterprise.
- 3.3.3.** In order to obtain an independent market valuation of the hotel property, NAM initiated a procurement process involving several professional property valuation firms operating within Malawi, and NAM recommended that two firms—Garden City Properties and Knight Frank Malawi—be engaged to conduct independent property valuations. The valuation conducted by Garden City Properties estimated the total market value of the property at approximately **K48 billion**, while the valuation conducted by Knight Frank estimated the market value at approximately **K50 billion**, thus the average market value was estimated to be approximately **K49 billion**.
- 3.3.4.** In addition to the property valuation exercise, a separate valuation of the hotel business itself was commissioned. NAM invited FDH Bank Plc to undertake a comprehensive valuation of the Amaryllis Hotel business enterprise. The analysis concluded that the fair value of the hotel business enterprise ranged between approximately **K26 billion** and **K35 billion**, with a midpoint estimate of approximately **K30 billion**.
- 3.3.5.** This step represented an important component of the Fund’s due diligence process, as it allowed the Fund to distinguish between the value of the physical property and the financial viability of the hotel business.

#### **3.4. Acceptance of the Offer and Negotiations with the Seller (September 2023)**

- 3.4.1.** Following the valuation exercises and internal deliberations, NAM communicated its acceptance of the proposed transaction to Cedar Capital. On **19 September 2023**, NAM formally confirmed acceptance of the transaction at a capped price of **K47 billion**, while simultaneously requesting a discount of between **10 and 12 percent** from the seller.
- 3.4.2.** In response, Cedar Capital wrote on **27 September 2023**, confirming its acceptance of the K47 billion price but rejecting the request for a discount. The seller indicated its expectation that a formal Sale and Purchase Agreement would be executed to finalize the transaction.

#### **3.5. Attempted Revision of the Transaction Price (November 2023)**

- 3.5.1.** On **10 November 2023**, Yusuf Investments Limited, through Cedar Capital, wrote NAM indicating that they were revising the transaction price upward by approximately **30 percent**, from K47bn to K61.1bn, citing the 9 November 2023 devaluation of the Kwacha as the justification for the requested adjustment.

**3.5.2.** NICO Asset Managers Limited rejected this request in a letter dated **20 November 2023** and the Fund, through a letter dated **5 December 2023**, concurred with the rejection for an upward revision of the purchase price, maintaining its position that the previously negotiated price be unchanged.

**3.5.3.** This development introduced the first major disagreement between the parties regarding the valuation of the hotel.

### **3.6. Withdrawal of the Fund's Investment Manager (December 2023 - January 2024)**

**3.6.1.** In **December 2023**, NAM informed the Fund of its decision to withdraw from the transaction. Following discussions with the Fund's Trustees on **17 January 2024**, the investment manager provided formal written reasons for its withdrawal on **23 January 2024**.

**3.6.2.** NICO Asset Managers explained that an internal governance review had concluded that the investment proposal had not undergone sufficient technical scrutiny for a transaction of such magnitude. The firm indicated that, given the specialized nature of hotel operations, proper due diligence would have required the involvement of hospitality industry experts as well as the identification of a strategic hotel operator.

**3.6.3.** According to NAM, the absence of such specialist input exposed the Fund to significant operational and financial risks. The firm, therefore, concluded that proceeding with the transaction would not be in the best interests of the Fund.

**3.6.4.** The investment manager subsequently reimbursed the Fund for the expenses incurred in relation to the valuation and due diligence exercises.

### **3.7. Decision of the Fund's Board Not to Proceed (January 2024)**

**3.7.1.** At a meeting held on **17 January 2024**, the Board of the Public Service Pension Trust Fund formally resolved not to proceed with the Amaryllis acquisition.

**3.7.2.** This decision was based on the advice provided by NAM that the investment posed significant risks and had not undergone sufficient technical scrutiny. The Board's decision effectively brought the transaction to a halt at that time.

**3.7.3.** On **12 February 2024**, the then Principal Officer, Mr. George Jim, wrote NICO Asset Managers Limited communicating the resolution of the Board that, based on the professional advice from NICO, the Fund would not proceed with the acquisition of Amaryllis Hotel.

### **3.8. Attempts to Revive the Transaction (February - October 2024)**

**3.8.1.** Despite the decision of the Board not to proceed with the acquisition, efforts were subsequently made to revive the transaction. On **12 February 2024**, Cedar Capital wrote to Continental Asset Managers (CAM), another investment manager for the Fund, requesting that the firm assume the role of transaction lead following the withdrawal of NICO Asset Managers. CAM subsequently made presentations to the Fund recommending the purchase of Amaryllis Hotel. The Fund instructed the firm to conduct its own independent analysis of the proposal.

- 3.8.2. On **6 March 2024**, a meeting was held involving the then Secretary to the President and Cabinet (SPC), Ms. Coleen Zamba, the Chief of Staff of State Residences, Mr. Prince Kapondamgaga, Director of Legal Services at OPC, Counsel Chizaso Nyirongo, Chair of the Investment Committee of the Fund, Mr. Boyd Hamela, and Mr. George Jim, the Principal Officer of the PSPTF, during which concerns were raised regarding potential legal exposure if the transaction was abandoned. The SPC advised that the OPC must be represented in the Board. The SPC further advised that the Fund should expedite the transaction and provide regular progress updates through Counsel Nyirongo.
- 3.8.3. A day later, on **7 March 2024**, the then Principal Officer, Mr. George Jim, issued the first letter of commitment to Yusuf Investments Limited by indicating continued interest in completing the transaction.
- 3.8.4. Between **13 and 15 March 2024**, the Board met and the Principal Officer briefed the Board about the 6 March 2024 Mzuzu meeting and the purported pressure that the deal should proceed. The Board reiterated its position that they would not proceed with the Amaryllis transaction. However, with interest shown from Continental Asset Managers, the Board allowed CAM to conduct its own assessment on the viability of the investment.
- 3.8.5. The above notwithstanding, on **18 March 2024**, the then Principal Officer, Mr. George Jim, wrote a second letter of commitment to Yusuf Investments Limited assuring them of continued interest in completing the transaction.
- 3.8.6. On **10 October 2024**, after considering revelations that CAM also represented CDH Bank, the lenders of YIL, thus posing a conflict of interest, and also after considering the proposal from CAM that they conduct further analysis on the viability of the investment, concurrently demanding 1% of the purchase price as service fee, the Fund decided not to further proceed with CAM engagements on the transaction.
- 3.8.7. On **23 October 2024**, the then Principal Officer, Mr. George Jim, communicated to Continental Asset Managers that the Fund would not engage CAM as Lead Advisors for the Amaryllis Hotel, citing concerns over conflict of interest as well as fee's structure and procurement regulations requirements.

### **3.9. Renewed Pressure to Conclude the Transaction**

- 3.9.1. On **19 November 2024**, Yusuf Investments Limited formally demanded that the Fund finalize the transaction by **15 December 2024**.
- 3.9.2. On **19 May 2025**, the Fund wrote to Yusuf Investment Limited (YIL) in response to its letter dated **19 November 2024** (which the Secretariat claimed to have received in May 2025 through OPC's Counsel Chizaso Nyirongo), stating that it did not have a constituted Board of Trustees in place to provide a formal response to the transaction issues.
- 3.9.3. On **26 May 2025**, the Fund again wrote to YIL, requesting a meeting to better explain the status of the purported transaction. At that meeting, YIL demanded timelines for the Fund to proceed with the investment. The Secretariat indicated that any further decisions on the investment were contingent on the appointment of an investment manager to review, advise, and make recommendations on the

proposed investment, as well as the constitution of a Board of Trustees – neither of which the Fund had in place at that time.

- 3.9.4.** On **25 September 2025**, the Fund received a letter from YIL requesting an urgent update on the Amaryllis Equity Transaction. In that correspondence, YIL made reference to two commitment letters dated **7 March 2024** and **18 March 2024**. The communication from YIL threatened legal action should the transaction fail to proceed.
- 3.9.5.** On **29 September 2025**, the Fund responded to YIL advising that a Board had since been constituted, though it was yet to convene its inaugural meeting.

### **3.10. Transition from the Second to the Third Cohort Board of Trustees (December 2024 - September 2025)**

- 3.10.1.** The tenure of the Second Cohort of the Board of the Fund was due to expire in **September 2024**. In anticipation of this transition, the recruitment process for the third cohort Board of Trustees commenced in **June 2024**, ensuring continuity in the governance and oversight of the Fund.
- 3.10.2.** On **4 November 2024**, the OPC, through their Legal Counsel, Mr. Chizaso Nyirongo, submitted a letter nominating new Trustees namely: Mrs. Ireen Chikapa, Mr. Idrissa Mwale, Mr. Robert Mwanamanga, Dr. Maxwell Tsitsi, Ms. Kelness Kamowa and Mr. Godfrey Zulu. In the same communication, Counsel Chizaso Nyirongo re-appointed Ms. Chikondi Phiri and Mr. Levi Chirwa into their second tenure.
- 3.10.3.** On **19 December 2024**, following the successful conclusion of the recruitment exercise, the nominated individuals were duly licensed in accordance with the applicable regulatory requirements. Subsequent to their licensing, orientation programmes for the incoming Board of Trustees were initiated, equipping them with the necessary knowledge and understanding of the Fund's operations, governance framework, and their respective roles and responsibilities. The newly constituted Board was accordingly oriented in South Africa.
- 3.10.4.** On **12 March 2025**, the then Secretary to the President and Cabinet, Ms. Collen Zamba, wrote the then Principal Officer, Mr. George Jim, expressing concern regarding the process used to constitute the **Third Cohort of the Board of Trustees** of the Fund, particularly noting that the licensing process had proceeded before the proposed Trustees had been formally appointed by the Government as the employer representative. The letter further observed that the Secretary to the Treasury, who represents the Government in the appointment process, had not been formally informed of the outcome of the vetting process conducted by the Reserve Bank of Malawi prior to the licensing of the Trustees. The letter did not fault the actual nominations themselves but rather pointed out that after the vetting process, the RBM was supposed to inform the ST before licensing the Trustees. Accordingly, Ms. Zamba instructed the Fund to refrain from conducting further transactions involving the newly licensed Trustees until the governance issues surrounding the constitution of the Board had been clarified.

- 3.10.5.** On **14 March 2025**, the then Principal Officer, Mr. George Jim, wrote the Registrar of Financial Institutions seeking guidance following the letter from the SPC on the irregularities when constituting the Third Cohort of the Board.
- 3.10.6.** On **28 March 2025**, the Registrar of Financial Institutions responded to the **14 March 2024** letter from the Principal Officer, Mr. George Jim, guiding that if the employer did not acknowledge the appointed Trustees, then a New Board had to be constituted.
- 3.10.7.** On **12 May 2025**, the OPC, through Mr. Chizaso Nyirongo, submitted yet another letter nominating Dr. Maxwell Tsitsi, Mrs. Ireen Chikapa, and Mrs. Chikondi Phiri to the Board. Compared to the **4 November 2024** nominations, the OPC had removed Mr. Levi Chirwa and Mr. Robert Mwanamanga in this second submission.
- 3.10.8.** On **2 June, 2025**, the OPC, through their newly nominated Trustee, Dr. Maxwell Tsitsi, the OPC PS of Administration, submitted yet another letter nominating their own Director of Legal Affairs, Counsel Chizaso Nyirongo, as one of the Trustees.
- 3.10.9.** These new nominees were licensed on **15 July 2025**. Orientation was carried out from **4 to 5 September 2025**. Therefore, a new Board of Trustees for the Fund was constituted in **September 2025** and Counsel Chizaso Nyirongo ended up being the Chairperson of this new Board.

## **2.1. Legal Opinions on the Purported Legal Action Threats from YIL (October 2025)**

- 2.1.1.** On **2 and 3 October 2025**, the 28th Investment Committee meeting was held during which the Secretariat provided a detailed account of the Amaryllis transaction from its inception to that point and reiterated the previous Board's decision not to invest in the transaction. The Committee resolved to reaffirm the previous decision not to invest, noting that there was no new assessment, recommendation, or professional advice that would support proceeding with the investment. The question of possible litigation by YIL was also discussed, with the Committee concluding that the matter should be referred to the Governance and Legal Committee.
- 2.1.2.** On **6 October 2025**, YIL sent yet another letter regarding the transaction, alluding to the exercise of their legal rights and remedies should the matter remain unresolved. The matter was subsequently raised at meetings of the Fund's Investment Committee and Governance and Legal Committee in October 2025, where the potential legal implications of abandoning the transaction were discussed.
- 2.1.3.** On **8 October 2025**, in fulfilling the request of the Investment Committee, the Legal Service Division prepared a legal opinion on the implications of a withdrawal from the purported transaction between the Fund and YIL. The conclusion of the legal opinion was that there was no binding agreement in existence between the Fund and YIL, thereby providing a basis for the Fund to consider its position with respect to the transaction.

- 2.1.4.** In addition to the internal legal opinion, the Legal Services Manager advised that external counsel be engaged to prepare an independent second opinion on the matter. The Governance and Legal Committee concurred with the suggestion, thus directing that a second legal opinion be sourced.
- 2.1.5.** On **20 October 2025**, the second opinion was subsequently prepared by Likongwe and Company. Likongwe and Company's recommendation was that the letters sent by the Fund to YIL did not constitute a commitment and that the Fund can safely exit the sale. Likongwe and Company assessed the Fund's prospects of success at an 80:20 ratio in its favour. Both the internal and external legal opinions were thereafter shared with the Board for its appraisal of the legal implications.

## **2.2. Developments Leading to the Renewed Decision to Proceed (October 2025)**

- 2.2.1.** On **24 and 25 October 2025**, the newly constituted Board of Trustees held a meeting during which they deliberated on issues surrounding the transaction and made several consequential decisions, including the suspension of the Fund's Principal Officer, Mr. George Jim, and the appointment of an Acting Principal Officer, Mr. Boyd Hamela. **The Board also resolved to proceed with the Amaryllis transaction.**
- 2.2.2.** On **27 October 2025**, the Chairperson of the Investment Committee, Mr. Idrissa Mwale, convened the 10<sup>th</sup> Extraordinary Investment Committee meeting during which he presented the Resolution of the Board to the Investment Committee and directed it to finalise the investment. The Secretariat informed the Investment Committee that for the Fund to proceed with the investment, it would need to be anchored by an investment manager whose mandate would be to provide professional investment advice and make recommendations, as prescribed in the Investment Policy Statement (IPS), specifically Section 3.37, Sub-Section vii.
- 2.2.3.** On **30 October 2025**, the Acting Principal Officer, Mr. Boyd Hamela, directed the Planning and Investments Manager (PIM) to draft a request for an independent qualified investment analyst to advise the Fund. The PIM was subsequently informed that the Terms of Reference (ToRs) for the consultant had already been developed by the Trustees.

## **2.3. Engagement of EMJ and the Signing of the Sale Agreement (November 2025)**

- 2.3.1.** On **14 November 2025**, on the basis of Request For Quotations (RFQ) method of procurement, the Trust's Procurement Manager called EMJ informing them that they were awarded the contract as investment managers to provide professional investment advice and make recommendations on the Amaryllis deal.
- 2.3.2.** On the same day, **14 November 2025**, an already completed investment report submitted by EMJ Advisory was shared by the Acting Principal Officer, Mr. Boyd Hamela, via the Investment Committee WhatsApp group. The Planning and Investments Division reviewed the submission and raised queries, particularly on operational and market risks; wrong cost and inflation assumptions; financial modelling weaknesses; and data integrity and inconsistencies. Furthermore, the Legal Services Division, through Emails to the Acting Principal Officer, wondered as to how EMJ Advisory had already submitted their report yet the contract was awarded the same day.

- 2.3.3. On the same day, **14 November 2025**, upon receiving several allegations on the Amaryllis deal from a whistleblower, the Registrar of Financial Institutions wrote the PSPTF Board directing them to halt all transactions related to the acquisition of Amaryllis Hotel until the direction was either varied or removed. In the same letter, the Registrar of Financial Institutions requested for a meeting with trustees on 18 November 2025.
- 2.3.4. On **17 November 2025**, the 11<sup>th</sup> Extraordinary Investment Committee meeting was held virtually via Microsoft Teams. During the same meeting, the Investment Committee was joined by Counsels from GD Liwimbi and Partners, who indicated that they had been engaged as consultants to review the sale agreement.
- 2.3.5. On the same day **17 November 2025**, shortly after the 11<sup>th</sup> Extraordinary Investment Committee meeting which was joined by Counsels from GD Liwimbi and Partners, **the Board met and the sale agreement was signed.**
- 2.3.6. On **18 November 2025**, the Legal Service Division responded to the request from the Procurement and Disposal Unit, who had wanted the Legal Services Division to review a consultancy service contract for reviewing the sale agreement. The Legal Service Division observed that the consultants had already carried out the work prior to the conclusion of the vetting process, and accordingly raised its reservations in providing any review exercise on a contract that had already been effected. In response to the Legal Service Division, the Acting Principal Officer acknowledged, through an Email, the reservations and indicated that he would provide guidance on the issues raised. From the documents reviewed by the Committee, no such guidance was provided.
- 2.3.7. On **19 November 2025**, the Malawi Law Society issued a public statement raising concerns about the Amaryllis transaction and calling for further scrutiny of the circumstances surrounding the proposed acquisition, noting that the purchase price of the hotel had escalated significantly.
- 2.3.8. On the same day **19 November 2025**, the Malawi Law Society wrote a letter to the Attorney General requesting for his urgent intervention on the concerns about the Amaryllis transaction as above.
- 2.3.9. On the same day **19 November 2025**, the Malawi Law Society wrote yet another letter to the Registrar of Financial Institutions requesting for his urgent intervention on the concerns about the Amaryllis transaction as above.
- 2.3.10. On the same day, **19 November 2025**, a meeting was held between the Registrar of Financial Institutions and the PSPTF Board, where the Board communicated that they had already signed a sale agreement with the seller on **17 November 2025**. The Registrar heard from the Board Chair that some of the Trustees were not yet knowledgeable of the signing of the sale agreement. The Registrar requested the Board to submit documentation relating to the decision-making process and the transaction.
- 2.3.11. On **24 November 2025**, the PSPTF Board submitted to the Registrar the decision-making process, indicating that they based their decision on EMJ Advisory assessment and that it was the Board that approved the sale.

#### **2.4. Investigations by the ACB and the Attorney General (November - December 2025)**

- 2.4.1.** On **19 November 2025**, the Acting Director of the ACB served the Fund with a “Restriction Notice” on the Amaryllis transaction until he finished his investigations into the matter.
- 2.4.2.** On **11 December 2025**, the Malawi Law Society wrote a letter to the ACB in which they expressed reservations to meet the Acting Director of the ACB on the Amaryllis transaction investigations citing that MLS had received information that the Acting Director had previously represented one of the parties in the transaction.
- 2.4.3.** On the same day **11 December 2025**, the Attorney General invited the Registrar of Financial Institutions to a meeting during which the Registrar updated the AG on the Registrar’s reservations on the transaction. The AG requested the Registrar to share a copy of the analysis report, which was subsequently shared.
- 2.4.4.** On **18 December 2025**, the Acting Director of the ACB wrote the Attorney General informing him that the ACB had finalised its investigations in the Amaryllis transaction and *it did not find sufficient evidence to sustain charges of corrupt practices or abuse of office by the public officers involved in the transaction*. The Acting Director concluded by referring concerns on operational risk, lack of involvement of Fund Managers and the increased purchase price to the Attorney General to investigate further.
- 2.4.5.** On **23 December 2025**, the Registrar once again wrote the PSPTF Board, directing the Board to submit a comprehensive justification of the investment proposal, including viability and how member funds would be safeguarded should the Board want to proceed with the transaction. The direction of 14 November 2025 was neither varied nor removed.
- 2.4.6.** On **28 December 2025**, the Attorney General responded to a letter from the MLS in which he indicated that he had conducted the investigations on the transaction and that he found out the following:
- (1) That there was no evidence that the Board passed a resolution on 17th January, 2024 not to proceed with the purchase of the Hotel;
  - (2) That there was independent due diligence by experts namely FDH Bank Plc, Continental Asset Management Limited and EMJ Advisory Public Accountants;
  - (3) That the business analysis and recommendations of Continental Asset Management Limited, a sister company to CDH Bank Limited, which has an interest as a lending institution to the Hotel, did not in any way pose any risk of conflict of interest;
  - (4) That there was no evidence that the new Board was unduly or otherwise pressured to approve the transaction that a previous Board had rejected (he reiterated that there was also no evidence that any previous Board had rejected the transaction);

- (5) That there was no evidence supporting any allegations of suspicious timing of the key personnel changes in relation to the Board resolution above, emphasizing that Mr. George Jim was suspended after the resolution authorizing the acquisition of the Hotel was already made;
- (6) That regarding the allegation of inflated price, the Honourable the Attorney General found that the price derived from expert analysis of attendant market variables, which was followed by negotiations on the price between the contracting parties and therefore, the transaction could not be faulted based on the risks involved; and
- (7) Lastly, that there was no sufficient evidence to suggest corrupt practices or abuse of office by the public officers involved in the transaction.

Basically, the Honourable the Attorney General **cleared all the concerns raised by the MLS**. The Attorney General concluded his letter by indicating that: *out of abundance of caution, and, in order to ensure that members' savings are protected within the prudent investment principles and regulatory requirements, the Board is advised to once again review the attendant risks and satisfy itself of the available mechanisms for the management/mitigation thereof. Once that is done, the Board is advised to proceed with and conclude the transaction in the best interests of the Fund and its members.*

## **2.5. Lifting of the Restriction Order and Subsequent Payments to the Seller**

- 2.5.1.** On **18 December 2025**, the Anti-Corruption Bureau, having concluded their investigations and finding nothing wrong with the transaction, lifted its Restriction Order.
- 2.5.2.** Between **12 and 17 January 2026**, a total of K90 billion was transferred from the Trust's account to the Account of the seller on approval by the Acting Principal Officer, Mr. Boyd Hamela.
- 2.5.3.** On **2 February 2026**, the Chairperson of the Board wrote a letter to the Registrar of Financial Institutions in which he insisted on the viability of the acquisition based on advice from EMJ Advisory.

The chronology presented above demonstrates that the acquisition of Amaryllis Hotel evolved through multiple phases, including the initial proposal, professional valuation and due diligence exercises, the withdrawal of the Fund's investment manager, the formal decision by the Board not to proceed with the transaction, and subsequent attempts to revive the proposal through alternative channels. These developments form the factual background against which the Committee now proceeds to examine the evidence presented by various witnesses and stakeholders regarding the circumstances surrounding the transaction.

### 3.0. SUMMARY OF DOCUMENTARY EVIDENCE AND ORAL TESTIMONIES FROM WITNESSES

This Chapter presents the evidence gathered by the Committee in the course of its inquiry. The Committee conducted a series of hearings over several sittings, receiving both oral and documentary evidence from almost all key stakeholders directly or indirectly involved in the transaction. Witnesses made formal presentations, and were subjected to detailed questioning aimed at establishing the facts, and identifying inconsistencies in the transaction process.

#### 3.1. Appearance of Officials from Malawi Law Society (MLS)

- 3.1.1. The Committee received a submission from the Malawi Law Society (MLS), which presented whistleblower allegations that formed a foundational basis for the inquiry. The submission raised critical concerns regarding the irregular reversal of the Board's decision not to proceed with the transaction, and the absence of independent due diligence. It further highlighted allegations of external pressure on a newly constituted Board, the suspicious timing of key personnel changes, and a serious conflict of interest involving the Acting Director General of the Anti-Corruption Bureau (ACB).
- 3.1.2. In its deliberations, the Committee found that the MLS submission pointed to a pattern of conduct that extended beyond isolated procedural lapses. The allegations suggested the existence of coordinated actions that collectively undermined the integrity of the transaction process. The Committee also noted that the issues raised by MLS concerning conflicts of interest – particularly those involving institutions responsible for oversight – gave rise to concerns regarding possible institutional compromise.
- 3.1.3. The Committee further observed that the MLS submission identified inconsistencies between the documentary evidence in its possession and the findings of investigations conducted through the Attorney General and the ACB.
- 3.1.4. Overall, the Committee found that the MLS evidence raised fundamental questions regarding the propriety, integrity, and transparency of the entire transaction, and provided a critical framework against which the evidence of other stakeholders was assessed.

#### 3.2. Appearance of Officials from NICO Asset Managers (NAM)

- 3.2.1. The Committee was informed that NICO Asset Managers (NAM), as the Fund's appointed investment manager, initially recommended the acquisition of Amaryllis Hotel in **May 2023**. However, following an internal governance review, NAM withdrew its recommendation in **January 2024**, citing critical due diligence deficiencies, including the absence of a hotel operator and the lack of specialised sector expertise required to manage such an investment.
- 3.2.2. To fully disengage from the transaction, NAM reimbursed the Fund approximately **K85.3 million**, representing costs incurred during the initial stages of the process. The Committee found this step to be highly unusual and indicative of the seriousness with which NAM viewed the risks associated with

the transaction. NAM further confirmed that it declined a subsequent request in 2025 to be reappointed as investment manager, thereby maintaining a consistent position against the transaction over an extended period. The Committee examined the implications of NAM's withdrawal and its decision to forfeit significant financial resources in order to exit the deal. The Committee found that this action was not routine, but reflective of material concerns and identified red flags relating to the viability and structure of the investment.

- 3.2.3. The Committee, therefore, found NAM's evidence to be particularly significant. It established that the Fund's own investment manager had deemed the transaction unsound on professional grounds. The fact that the transaction was later revived and approved without addressing these fundamental deficiencies – and in the absence of an investment manager – pointed to a deliberate disregard for established professional and investment standards.

### 3.3. Appearance of Officials from FDH Bank Plc

- 3.3.1. The Committee was informed that FDH Bank Plc was engaged by NICO Asset Managers in May 2023 to conduct a business valuation of Amaryllis Hotel. Using Discounted Cash Flow and market multiple methodologies, the Bank arrived at a valuation range of **K25 billion to K50 billion**, with a central estimate of approximately **K30 billion**. The Bank further indicated that, at the time of the valuation, the business was **not profitable**. It emphasised that its role was strictly advisory, limited to providing a point-in-time assessment, and that its engagement concluded upon submission of the report.
- 3.3.2. During deliberations, the Committee interrogated the significant disparity between FDH Bank's valuation and the eventual transaction price of **K128.7 billion**. The Bank stated that it could not comment on the reasonableness of the final price without undertaking a current valuation and made it clear that it would not recommend the acquisition of the asset at that price based on outdated information.
- 3.3.3. The Committee also sought clarification on the widely referenced figure of **K47 billion**. FDH Bank confirmed that this figure did not originate from its valuation and was likely a conflation with property valuations conducted by other firms. The Committee further established that FDH Bank was engaged through NICO Asset Managers and that a pre-existing custodial relationship existed between the Bank and the Fund.
- 3.3.4. Overall, the Committee found that FDH Bank's evidence demonstrated that the foundational professional advice obtained in 2023 – indicating a significantly lower valuation and lack of profitability – was not only disregarded, but was also subsequently mischaracterised in later stages of the transaction.

### 3.4. Appearance of Officials from Continental Asset Management (CAM)

- 3.4.1. The Committee was informed that Continental Asset Management (CAM) was engaged in 2024 to conduct an independent analysis of the proposed investment, based on a purchase price of **K48 billion**. Their assessment yielded an average intrinsic value of approximately **K36.77 billion** and indicated a **36-year payback period**, which they considered commercially unsustainable.

- 3.4.2. CAM further indicated that their engagement was terminated in October 2024 due to a declared conflict of interest, arising from the fact that a related entity, CDH Bank, had a lending relationship with the seller (YIL). They maintained that the conflict had been disclosed and that it did not affect their integrity.
- 3.4.3. During its deliberations, the Committee focused on the disparity between CAM's analysis and the eventual outcome of the transaction. CAM confirmed that even at the then-proposed price of K48 billion, the investment was already of questionable viability, given the extended payback period and weak financial fundamentals.
- 3.4.4. The Committee also examined the nature of CAM's professional input and noted a discrepancy between their oral testimony and the documentary evidence. While CAM described their role as limited to providing a valuation, the documentation suggested that their work extended to definitive professional advice on the viability of the investment. This raised concerns regarding the completeness and consistency of their testimony.
- 3.4.5. Overall, the Committee found that CAM's evidence, when read alongside that of FDH Bank, demonstrated that the transaction had been assessed by independent professional advisors and found to be commercially unsound even at significantly lower price levels, well before the engagement of EMJ Advisory.

### 3.5. Appearance of Officials from EMJ Advisory Public Accountants

- 3.5.1. The Committee was informed that EMJ Advisory Public Accountants was engaged in **November 2025** under a 10-day Terms of Reference to conduct a viability assessment of the Amaryllis Hotel transaction. EMJ produced a valuation of approximately **K107 billion** and recommended a purchase range of **K115 billion to K145 billion**, supported by financial projections indicating strong returns, including an Internal Rate of Return (IRR) of 18 percent, with recovery at 18 years.
- 3.5.2. However, the Committee's deliberations revealed serious irregularities relating to the competence, credibility, and integrity of the valuation process. Firstly, EMJ admitted that they were **not registered professional business valuers**. The Committee found this to be a fundamental breach of professional standards. The reliance on an unregistered professional business valuer firm to undertake a valuation raised serious concerns regarding the legality, validity, and professional standing of the exercise.
- 3.5.3. Secondly, the timeline within which EMJ conducted its work was compressed. Evidence before the Committee indicated that the core analysis was undertaken within approximately **24 hours**, with the full report produced within the 10-day period. The Committee found that a valuation of this scale—requiring detailed financial modelling, market benchmarking, and independent verification—could not reasonably have been conducted within such a timeframe, thus severely undermining the credibility and reliability of the output.
- 3.5.4. Thirdly, the Committee observed that EMJ relied heavily on financial models provided by the seller, rather than independently developed assumptions. The Committee found that this approach introduced a clear conflict of interest, as it effectively allowed the vendor to influence the valuation outcome.

- 3.5.5. The Committee further noted that EMJ did not adequately reconcile or justify the significant deviation of its valuation from earlier independent assessments conducted by FDH Bank Plc and Continental Asset Management, both of which had placed the value of the asset substantially lower and had raised concerns regarding its viability. The absence of a credible explanation for this variance raised further questions regarding the objectivity of EMJ's conclusions.
- 3.5.6. In addition, the Committee found that the procurement and engagement process of EMJ was irregular and lacked transparency. Evidence suggested that work may have commenced prior to the formalisation of contractual arrangements, pointing to a process that did not adhere to established procurement procedures.
- 3.5.7. The Committee found that the engagement of EMJ Advisory Public Accountants represented a critical breakdown in professional standards. The reliance on an unregistered business valuer, operating under a compressed timeline, using vendor-influenced model and data, and engaged through an irregular process, pointed to a valuation exercise that lacked independence, credibility, and integrity.

### **3.6. Appearance of the Acting Director General of the Anti-Corruption Bureau (ACB)**

- 3.6.1. The Committee was informed that the ACB had conducted an initial investigation into the Amaryllis transaction and found no evidence meeting the threshold for corruption. The Bureau concluded that due diligence had been undertaken and that no undue pressure or procedural irregularities had been established. However, the ACB acknowledged significant limitations in its investigation, including incomplete access to information and a lack of technical capacity to assess investment decisions.
- 3.6.2. During deliberations, the Acting Director General denied any personal involvement with the seller, stating that he had never acted as legal counsel for Amaryllis Hotel or YIL. The Committee subjected the Bureau's findings to detailed scrutiny and found that the conclusions reached were based on incomplete and, in certain respects, flawed information, particularly regarding the qualifications and role of EMJ Advisory. The Committee further observed that critical red flags had not been adequately interrogated, including the significant escalation in price, the compressed timeline of the transaction, and the withdrawal of NAM.
- 3.6.3. As a result of the Committee's engagement and the emergence of new evidence, the ACB reassessed its earlier position. The Bureau indicated its intention to re-open investigations, including taking steps to freeze accounts, investigate key actors, and trace and recover funds associated with the transaction. The Committee found that the ACB's revised position underscored the need for a more comprehensive and technically grounded investigation into the transaction.
- 3.6.4. The Committee found that the ACB's evidence reflected an investigation that had initially reached conclusions in the absence of critical information, but which was subsequently reconsidered in light of new material presented during the Inquiry. In particular, issues relating to EMJ's lack of certification and the speed at which the valuation was conducted were identified as requiring further investigation.

### **3.7. Appearance of the Former Board of Trustees (2nd Cohort)**

- 3.7.1.** The Committee was informed by the Former Board of Trustees (2nd Cohort) that they formally resolved not to proceed with the acquisition of Amaryllis Hotel on **17 January 2024**, based on professional advice from NICO Asset Managers (NAM).
- 3.7.2.** During deliberations, the Committee focused on establishing the validity and status of the **17 January 2024 resolution**, which stood in direct contradiction to the narrative relied upon by subsequent decision-makers to revive the transaction. The former Chairperson confirmed that the resolution existed and explained that the delay in signing the minutes was due to an administrative oversight, which was later rectified. The Committee found that this clarification addressed concerns regarding the authenticity of the resolution, while at the same time exposing weaknesses in record management processes.
- 3.7.3.** The Committee identified several critical issues arising from this evidence:
- a. The existence of a formal resolution not to proceed contradicted later assertions that no such decision had been made, raising concerns of misrepresentation or disregard of Board decisions;
  - b. The issuance of commitment letters by the Principal Officer, without Board authority and subsequent to the resolution, constituted a serious breach of governance; and
  - c. Administrative lapses, particularly the delayed signing of minutes, were relied upon to undermine the validity of a substantive Board decision.
- 3.7.4.** The Committee found the evidence of the Former Board to be clear, consistent, and credible. It established that a valid and deliberate decision had been taken on **17 January 2024** not to proceed with the transaction, based on professional advice.
- 3.7.5.** The Board further demonstrated independence by maintaining this position despite external pressure. The Committee also noted that the Board was not aware of the commitment letters issued by the Principal Officer in March 2024, as these actions occurred after the decision to withdraw had already been made.
- 3.7.6.** The Committee found that the evidence of the Former Board directly contradicted the basis upon which the transaction was later revived and provided a critical reference point for assessing the integrity of subsequent governance actions.

### **3.8. Appearance of Officials from PSPTF Secretariat**

- 3.8.1.** The Committee was informed by officials from the PSPTF Secretariat that the former Board had resolved not to proceed with the Amaryllis transaction on **17 January 2024**, based on professional advice. The Secretariat further confirmed that both internal and external legal opinions had established that no binding contractual obligation existed between the Fund and the seller.

- 3.8.2. In addition, the Secretariat indicated that internal technical assessments, particularly from the Planning and Investments Division, had raised concerns regarding the viability of the investment, including exposure risks and deficiencies in due diligence.
- 3.8.3. During deliberations, the Committee examined the role of the Secretariat in the later stages of the transaction and found that its professional input had been systematically disregarded. The Committee identified several critical failures as follows:
- a. Procurement irregularities, including failure to adhere to minimum competitive bidding requirements in the engagement of EMJ Advisory;
  - b. Marginalisation of internal professional staff, including legal counsel and technical officers, who were excluded from key stages of the decision-making process;
  - c. The use of “urgency” as a justification to bypass established governance and procurement safeguards; and
  - d. A lack of clarity and accountability regarding the authorisation of the K90 billion payment, raising serious concerns about financial controls.
- 3.8.4. The Secretariat further described the procurement of EMJ Advisory as having been conducted at an unusually accelerated pace, characterised as “supersonic”, and undertaken in circumstances where standard procedures were not followed.
- 3.8.5. The Committee found that the evidence from the PSPTF Secretariat pointed to a systematic breakdown of internal controls and governance processes. Despite clear and consistent warnings from both the Planning and Investments Division and legal advisors, the transaction was advanced without addressing fundamental concerns relating to risk, legality, and procedural compliance.
- 3.8.6. The Committee found that the Secretariat’s evidence demonstrated that the decision to proceed with the transaction was taken in disregard of internal professional advice, and that key safeguards designed to ensure prudent management of pension assets were effectively bypassed.

### 3.9. Appearance of the New Board of Trustees (3rd Cohort)

- 3.9.1. The Committee was informed by the New Board of Trustees (3rd Cohort) that the Board approved the acquisition of Amaryllis Hotel on **25 October 2025**, which led to the signing of the sale agreement on **17 November 2025** and the subsequent **payment of K90 billion** towards the transaction.
- 3.9.2. During deliberations, the Committee identified critical governance failures surrounding both the approval and execution of the transaction. Most notably, the Committee established that **7 out of 10 Trustees had not seen the final sale agreement**, yet the transaction proceeded. This raised serious concerns regarding the extent to which the decision was taken on the basis of informed and collective Board consideration.

- 3.9.3. The Committee further found that decision-making authority was effectively concentrated in a few individuals, undermining the principle of collective responsibility. The sale agreement was executed by only two individuals—the Board Chairperson, Mr. Chizaso Nyirongo, and the Chairperson of the Investment Committee, Mr. Idrissa Mwale—on **17 November 2025**, three days after a stop-order had been issued by the Registrar of Financial Institutions.
- 3.9.4. The Committee also noted that some Trustees had raised reservations regarding the transaction, but their concerns were either not acted upon or they were excluded from key decision-making processes.
- 3.9.5. Overall, the Committee found that the evidence of the New Board of Trustees revealed a fundamental breakdown in corporate governance and fiduciary responsibility. A transaction of such magnitude was approved and executed in circumstances where the majority of Trustees lacked visibility of the governing contractual document, and where regulatory directives were disregarded.
- 3.9.6. Accordingly, the Committee found that these actions gave rise to serious concerns, including gross negligence, breach of fiduciary duty, and potential liability arising from the authorisation of a major financial transaction without full Board knowledge or consent.

### **3.10. Appearance of the Acting Principal Officer for PSPTF, Mr. Boyd Hamela**

- 3.10.1. Mr. Boyd Hamela appeared before the Committee in his dual capacity as **Acting Principal Officer** and **former Chairperson of the Investment Committee**, outlining the progression of the Amaryllis transaction from its early stages in 2023 to its execution in November 2025. He confirmed that he was appointed Acting Principal Officer on **27 October 2025**, shortly before the finalisation of the transaction, and testified that he acted under the direction of the Board Chairperson to conclude the deal. He further indicated that he initiated the procurement of EMJ Advisory and maintained that the speed of the transaction reflected efficiency rather than a lack of due diligence.
- 3.10.2. The Committee, during deliberations, identified serious governance, legal, and potentially criminal concerns arising from his evidence. The Committee found that the transaction was executed at what was described as “supersonic speed,” with valuation, legal review, and execution of the sale agreement occurring within an extremely compressed timeframe on **17 November 2025**. The Committee considered it improbable that a transaction of such magnitude could have been subjected to adequate professional scrutiny within such a limited period.
- 3.10.3. The Committee further found that Mr. Hamela’s role in initiating the procurement of EMJ Advisory, an unregistered business valuer, and subsequently relying on its valuation to support the transaction, raised serious concerns regarding compliance with professional standards and regulatory requirements. This sequence of actions pointed to a deliberate circumvention of established procedures and heightened the risk of procedural impropriety.

**3.10.4.** The Committee, therefore, found that the evidence presented by the Acting Principal Officer underscored the extent to which critical safeguards were bypassed during the final stages of the transaction, and raised serious questions regarding the legality, integrity, and accountability of the process leading to its execution.

### **3.11. Appearance of Officials from the Office of the Registrar of Financial Institutions**

**3.11.1.** The Committee was informed by officials from the Office of the Registrar of Financial Institutions (RFI), Reserve Bank of Malawi, that a formal **stop-order** was issued on **14 November 2025**, directing the Fund to halt further progression of the Amaryllis transaction pending regulatory review. Notwithstanding this directive, the Board proceeded to sign the sale agreement on **17 November 2025**.

**3.11.2.** The RFI further indicated that, as part of its enforcement action, it imposed administrative fines of **K40 million** on each Trustee and, in collaboration with the Financial Intelligence Authority (FIA), successfully facilitated the freezing of **K72.2 billion** out of the **K90 billion** that had been paid under the transaction. The RFI also highlighted that the transaction would have resulted in approximately 21% of the Fund's assets being concentrated in a single unlisted asset, thereby exposing the Fund to an unacceptable level of concentration risk.

**3.11.3.** During deliberations, the Committee found that the execution of the transaction three days after the issuance of the stop-order was not accidental. Rather, it pointed to a deliberate disregard of regulatory authority and suggested a conscious decision to proceed in defiance of oversight. The Committee also examined the timing of the delivery of the stop-order and noted that the delay created a window that was ultimately exploited to complete the transaction.

**3.11.4.** The Committee further questioned the adequacy of the sanctions imposed, noting that the fines of K40 million per Trustee appeared disproportionately low when weighed against the scale of the transaction and the level of financial risk posed to pension beneficiaries.

**3.11.5.** In this regard, the Committee found that the RFI's evidence was critical in establishing that the transaction was executed in defiance of explicit regulatory directives, and that the subsequent freezing of funds provided a necessary basis for potential recovery and remedial action.

### **3.12. Appearance of the Former Chief of Staff of State Residences, Mr. Prince Kapondamgaga**

**3.12.1.** Mr. Prince Kapondamgaga, former Chief of Staff at State Residences, appeared before the Committee to clarify his attendance at a high-level meeting held in Mzuzu on **6 March 2024** concerning the Amaryllis Hotel transaction. He testified that he attended the meeting at the invitation of the then Secretary to the President and Cabinet (SPC), Ms. Colleen Zamba, and described his role as that of an observer, intended to assist the Office of the President and Cabinet (OPC) in understanding the Fund's investment portfolio.

- 3.12.2.** During deliberations, the Committee found that the presence of a senior official from State Residences at a meeting concerning a specific commercial transaction involving a public pension fund was, in itself, significant. Regardless of the stated intent, such attendance carried the weight of executive authority and inevitably created a perception of institutional pressure on the Fund’s decision-making processes.
- 3.12.3.** The Committee further noted that the Fund’s governing framework does not assign a management or oversight role to the OPC in investment decisions, which fall within the mandate of the Board and are subject to policy oversight by the Ministry of Finance. In this context, the Committee found that Mr. Kapondamgaga’s attendance represented an irregular incursion into the operational independence of the Fund.
- 3.12.4.** The Committee also observed inconsistencies in his testimony. His reliance on unsigned minutes, which he used to qualify his responses, contrasted with evidence from other participants at the same meeting—namely the Board Chairperson, Mr. Chizaso Nyirongo, and the Acting Principal Officer, Mr. Boyd Hamela—who had both confirmed the substance of those proceedings. The Committee found his responses to be selective and, in certain respects, evasive.
- 3.12.5.** In light of the foregoing, the Committee resolved not to pursue further inquiry with the witness. However, it found that his presence at the 6 March 2024 meeting constituted a material factor in the broader context of external institutional influence, and contributed to conditions that undermined the independence and integrity of the Fund’s governance processes.

### **3.13. Appearance of Officials from the Financial Intelligence Authority (FIA)**

- 3.13.1.** The Committee was informed by officials from the Financial Intelligence Authority (FIA) that funds relating to the Amaryllis transaction were transferred from PSPTF accounts to Amaryllis-linked accounts between **12 and 17 January 2026**.
- 3.13.2.** The FIA reported that, through coordinated action with the Reserve Bank of Malawi, a total of **K72.2 billion** had been successfully frozen. However, approximately **K18 billion** had already been withdrawn, including over **K5.8 billion in cash** by eight identified individuals. The Authority further indicated that portions of the funds had been traced to payments made to suppliers associated with Yusuf Investments Limited.
- 3.13.3.** During deliberations, the Committee examined the implications of these findings and identified several indicators consistent with possible financial crime. The Committee found that the rapid movement and layering of funds, coupled with large-scale cash withdrawals, were characteristic of money laundering patterns. The Committee further observed that the withdrawal of significant sums in physical cash by identifiable individuals raised concerns regarding potential fraud, illicit enrichment, or diversion of public funds.

**3.13.4.** The tracing of funds to third-party payments was found to suggest possible dissipation of assets and efforts to obscure beneficial ownership. In this regard, the Committee emphasised the importance of identifying all recipients and ultimate beneficiaries of the funds as a necessary step towards establishing criminal liability and facilitating recovery of public resources. Overall, the Committee found that the evidence presented by the FIA introduced a critical financial dimension to the inquiry, pointing to potential irregularities in the movement and utilisation of funds following the execution of the transaction.

### **3.14. Appearance of the Suspended Principal Officer, Mr. George Jim**

**3.14.1.** Mr. George Jim, the suspended Principal Officer of the Fund, informed the Committee that the trajectory of the Amaryllis transaction fundamentally changed following a high-level meeting convened by the OPC on **6 March 2024** in Mzuzu. He testified that at this meeting, Ms. Colleen Zamba, raised concerns regarding potential litigation risk and directed the Fund to expedite the transaction, issue comfort letters to the seller, and provide regular updates to Mr. Chizaso Nyirongo.

**3.14.2.** Mr. Jim confirmed that these developments occurred notwithstanding the fact that the Board had already resolved not to proceed with the transaction based on professional advice from NICO Asset Managers, a position that was subsequently reaffirmed at Board meetings held on **13 and 15 March 2024**. Despite these resolutions, he proceeded to issue comfort letters to the seller on **7 and 18 March 2024**, actions which he later acknowledged were procedurally improper. He attributed these actions to pressure from what he described as an **“invisible hand”** at the OPC.

**3.14.3.** The Committee noted that Mr. Jim confirmed that the OPC had no formal role under the Fund’s Trust Deed, yet its directives effectively overrode duly constituted Board decisions. He further testified that pressure to conclude the transaction persisted beyond the Mzuzu meeting, including during periods when the Fund operated without a fully constituted Board. During this time, correspondences relating to the transaction were, in some instances, channelled through the OPC, and the seller continued to issue threats of litigation.

**3.14.4.** Mr. Jim also confirmed that attempts to revive the transaction through Continental Asset Management were rejected by the Fund in October 2024 due to conflict-of-interest concerns, high advisory costs, and an unfavourable investment outlook, while NICO Asset Managers declined to be re-engaged.

**3.14.5.** During deliberations, the Committee interrogated Mr. Jim on the propriety of issuing commitment letters in direct contradiction of Board resolutions. While he acknowledged that the letters should not have been issued, he maintained that they were written under duress arising from directives from OPC. When pressed on his decision to issue a further letter on **18 March 2024**, after the Board had reaffirmed its position not to proceed, he reiterated that the actions were influenced by continued pressure from OPC.

- 3.14.6.** The Committee further noted Mr. Jim’s confirmation that governance gaps—particularly delays in the reconstitution of the Board—created a vacuum during which individuals at OPC level engaged both the Fund and the seller. This raised serious concerns regarding the circumvention of formal governance structures.
- 3.14.7.** The Committee, therefore, found that Mr. Jim’s evidence established the **6 March 2024 Mzuzu meeting as the critical turning point** at which external influence began to override the Fund’s independent governance processes. His testimony demonstrated that, despite clear and repeated Board resolutions not to proceed, actions were taken that advanced the transaction, including the issuance of comfort letters which later formed the basis of a perceived obligation.
- 3.14.8.** The Committee further found that Mr. Jim’s reliance on directives from the OPC, notwithstanding his knowledge of the Board’s position, represented a departure from established governance principles. His evidence revealed a situation in which the Principal Officer operated between formal Board authority and external pressure, ultimately contributing to the progression of a transaction.

### **3.15. Appearance of the Honourable the Attorney General, Frank Farouk Mbete**

- 3.15.1.** The Honourable the Attorney General of Malawi informed the Committee that his office’s involvement in the Amaryllis transaction was reactive, having been triggered by a formal complaint from the Malawi Law Society dated **19 November 2025**. As an initial precaution, he directed the ACB to issue a Restriction Notice to preserve the status quo while allegations of corruption were investigated.
- 3.15.2.** He reported that the ACB’s investigation had found no sufficient evidence of corrupt practices. In that regard, he indicated that the Bureau did not find minutes of a Board meeting of **17 January 2024**, and therefore did not confirm the existence of a prior decision rejecting the transaction. He further stated that assessments by FDH Bank, CAM, and EMJ Advisory pointed to the viability of the investment.
- 3.15.3.** The Attorney General explained that his advice to the Fund was **conditional**, requiring the Board to review attendant risks and ensure compliance with prudential investment principles before proceeding. He emphasised that his office does not authorise commercial transactions, but only provides legal guidance, leaving the ultimate investment decision to the Trustees.
- 3.15.4.** During deliberations, the Committee sought to reconcile this advice with the irregularities that had emerged. The Committee questioned the formulation of the advice, particularly the use of directive language suggesting that the Board “should proceed” once conditions were satisfied. In response, the Attorney General indicated that this was not intended to compel action, but to avoid appearing to restrict the Board’s mandate.
- 3.15.5.** The Committee further examined the basis of his advice and noted that it relied significantly on findings provided by the ACB. The Attorney General acknowledged that he was not aware, at the time of issuing his advice, of critical factors that later emerged, including the lack of registration of EMJ Advisory, the **6 March 2024 meeting** in Mzuzu, and the presence of the Acting Director General of the ACB in proceedings relating to the transaction.

**3.15.6.** On the issue of pricing, the Attorney General conceded that the escalation from approximately **K30 billion to K128.7 billion** was concerning, but maintained that valuation was a technical matter for experts and that the ultimate responsibility rested with the Trustees. He also confirmed that the Trust Deed did not assign any role to the Office of the President and Cabinet in the management of the Fund.

**3.15.7.** Overall, the Committee found that while the Attorney General's advice was presented as conditional and limited to legal matters, it was based on incomplete information and was relied upon in circumstances where critical governance, procedural, and investment concerns had not been fully interrogated.

### **3.16. Failure to Appear Before the Committee: Ms. Colleen Zamba**

**3.16.1.** The Committee scheduled an appearance for Ms. Colleen Zamba following the issuance of a summons requiring her to appear before it and provide oral evidence. However, Ms. Zamba did not appear before the Committee. The Committee received a formal communication from her in response to the summons, which indicated that she was outside the country attending to medical treatment and would engage the Committee upon her return to arrange a date for her appearance. While the Committee acknowledges this circumstance, it observes with concern that no documentary evidence was submitted on her behalf to assist the Committee in clarifying matters in which she was centrally implicated.

**3.16.2.** The Committee noted, however, that the evidence before it, including documentary records and witness testimony, consistently placed Ms. Zamba at the centre of key developments that led to the revival and progression of the Amaryllis transaction.

**3.16.3.** In this regard, the Committee expresses serious concern that Ms. Zamba did not avail herself of the opportunity to provide clarification or documentary support, thereby limiting the Committee's ability to fully interrogate her role. The Committee further notes that this was not an isolated occurrence, but reflects a pattern of limited engagement with Committee processes, including during her tenure as Secretary to the President and Cabinet.

## **4.0. COMMITTEE'S OBSERVATIONS AND ANALYSIS FROM THE CHRONOLOGY OF EVENTS AND FROM THE TESTIMONIES**

### **4.1. Assessment of the Transaction Against Key Economic Investment Tests**

#### **4.1.1. A Valuation That Defies the Market**

- a. When assessed against the asset valuation test, the transaction exhibits a clear misalignment between the acquisition price and the underlying economic value of the asset. Property valuations conducted by Garden City and Knight Frank placed the market value of the Amaryllis Hotel between approximately K48 billion and K50 billion, while a business valuation by FDH Bank estimated the enterprise value at between K26 billion and K35 billion, with a net asset value of about K50 billion. These valuations, therefore established an indicative benchmark for assessing the economic value of the asset.
- b. However, the eventual valuation used to justify the acquisition escalated dramatically to K128 billion, following the engagement of EMJ Advisory under irregular circumstances and within an implausibly short timeframe. This represents more than a twofold to threefold increase from earlier professional assessments, without credible technical justification. Such a divergence strongly suggests that the asset may have been acquired at a price substantially above its fair market value, thereby undermining the fundamental investment principle that pension funds should not overpay for assets at the expense of contributors' long-term returns.

#### **4.1.2. An Investment Without a Convincing Payoff**

- a. In relation to the expected returns test, the transaction similarly fails to demonstrate economic viability. The scale of the investment (potentially exceeding K120 billion) required robust and independently validated financial projections to justify expected returns.
- b. However, the Committee found no evidence of a credible financial model capable of demonstrating that the hotel could generate sufficient income to support such an investment. The Amaryllis investment had a projected payback period of approximately 36 years, substantially longer than the 10 to 15 years typically targeted in the hospitality sector. This extended payback horizon raises concerns regarding the commercial viability of the investment, particularly in light of the Fund's liability structure, where a portion of pension obligations will fall due within the next two decades.
- c. In addition, the Committee found weaknesses in the financial projections supporting the investment, including the absence of a detailed discounted cash flow analysis, missing sensitivity tests, and unrealistic assumptions regarding revenue growth relative to operating costs. These deficiencies undermine confidence in the reliability of the projected returns from the investment.

### **4.1.3. Putting Too Many Eggs in One Basket**

- a. The transaction also raised significant concerns under the portfolio diversification test. The Fund's Investment Policy Statement places an upper limit of 20 percent exposure to property investments, reflecting the need to manage concentration risk. The Committee noted that the Fund already had K72.897 billion invested in the hospitality sector (Sigelege Hotel at K20.897 billion; Ex Royal Palm construction cost at K47 billion and Oasis Hotel at K5 billion) representing about 17 percent of its total portfolio. The addition of the Amaryllis Hotel Investment would have increased the Fund's hospitality exposure to approximately 29.7 percent.
- b. Rather than contributing to diversification, the acquisition appears to have disproportionately increased the Fund's exposure to the hospitality and real estate sector, thereby heightening vulnerability to sector-specific risks such as occupancy fluctuations, operational inefficiencies, and macroeconomic shocks. In effect, the scale and structure of the investment are inconsistent with prudent portfolio management principles and undermine the objective of risk spreading that is central to pension fund investment strategy.
- c. This concern is further compounded by the existence of another hospitality investment project in close proximity to the hotel, raising the possibility that the Fund could be exposed to correlated risks within the same sector and geographic market. Such concentration may heighten vulnerability to downturns in the hospitality industry and undermine the objective of spreading investment risk across different sectors of the economy.

In view of the foregoing, the findings under the asset valuation, expected returns, and portfolio diversification tests demonstrate that the transaction did not meet the minimum standards of prudent pension fund investment. The evidence points to an asset acquired at a price significantly above its economic value, without credible justification of commensurate returns, and in a manner that exposes the Fund to undue concentration risk. In effect, the transaction represents a clear departure from sound investment principles and fiduciary discipline.

## **4.2. Governance Failures, Disruptions, and Breakdown of Fiduciary Discipline**

### **4.2.1. Misplaced Reliance on Legal Risk**

- a. The Committee carefully examined the role that concerns of legal exposure played in the progression of the Amaryllis transaction and found that such concerns featured prominently in shaping the decision to revive and ultimately proceed with the acquisition. From the evidence on record, particularly the proceedings of the 6 March 2024 meeting and subsequent correspondence, the transaction was increasingly framed not as a matter of investment merit, but as one of legal necessity – premised on the risk that the Fund could face litigation if it failed to proceed.

- b. However, the Committee found that this framing was fundamentally inconsistent with the professional legal advice available to the Fund at the material time. The internal Legal Service Division of the Fund provided clear and unequivocal guidance that no binding contractual obligation had arisen between the Fund and the seller. The Committee observed that the communications exchanged with the seller, including expressions of intent and engagement in negotiations, did not meet the legal threshold required to constitute an enforceable agreement.
- c. This position was independently reinforced by external legal counsel, **Likongwe & Company**, who were engaged to provide an objective assessment of the Fund's legal exposure. Their opinion corroborated the internal legal position and went further to indicate that, even in the event that the seller instituted legal proceedings, the Fund stood a strong prospect of successfully defending such a claim. The Committee found that this advice was not qualified, speculative, or conditional; it was definitive in its conclusion that the Fund was not legally bound to proceed with the acquisition. Surprisingly, Counsel Chizaso Nyirongo, a renowned lawyer himself, chose to look the other way when his colleagues in the profession gave a definitive opinion that the Fund would not be sued, and that if sued, the chances to win were as high as 80 percent.
- d. The Committee further found that the persistence of this narrative of legal exposure, despite clear advice to the contrary, had the effect of displacing proper investment considerations and introducing a sense of inevitability into the decision-making process. The transaction came to be treated as an obligation to be fulfilled, rather than an investment to be evaluated.
- e. Therefore, the Committee concluded that the invocation of legal risk in this matter did not arise from the legal merits of the case, but from a mischaracterisation—whether deliberate or otherwise—of the Fund's legal position. This mischaracterisation materially influenced the trajectory of the transaction and contributed to the decision to proceed in circumstances that were neither legally compelled nor professionally justified.

#### **4.2.2. Issuance of Commitment Letters: The Role Mr. George Jim**

- a. The Committee observed that Mr. George Jim, in his capacity as Principal Officer of the Public Service Pension Trust Fund, issued commitment letters to the seller shortly after the 6 March 2024 meeting, at a time when the transaction had not been approved by the Board and remained subject to unresolved professional and governance concerns.
- b. The Committee found this action to be irregular. The issuance of such commitment letters ought to have been anchored in a clear and formal mandate of the Board, supported by completed due diligence and aligned with the Fund's investment governance framework. In this case, however, the letters were issued in the absence of these critical preconditions. The Committee concluded that Mr. Jim acted outside the proper bounds of his authority, thereby creating an impression of commitment that was not supported by a valid decision of the Board.

- c. The Committee observed that the commitment letters became a central reference point in subsequent engagements, particularly during and after the 6 March 2024 meeting. The risk of litigation was repeatedly linked to these communications, thereby elevating their significance beyond their actual legal effect. The Committee found that the existence of these letters was used to justify urgency and to reframe the transaction as one that the Fund was obliged to complete. This framing directly contributed to the revival of the transaction, despite the absence of new professional advice supporting its viability.

#### **4.2.3. Persistent Disregard of Professional Advice**

- a. The Committee found that the transaction was subjected to repeated technical scrutiny at multiple stages. The Fund's appointed investment manager withdrew its recommendation on the basis of fundamental deficiencies in due diligence, and this position was subsequently affirmed by the Board's decision not to proceed with the acquisition in January 2024.
- b. The Committee further found that subsequent attempts to revive the transaction did not produce any materially new or superior professional assessment capable of addressing the concerns previously raised. On the contrary, internal professional structures of the Fund, including the Planning and Investments Division and the Legal Service Division, consistently expressed reservations regarding the financial viability and governance integrity of the transaction.
- c. In light of this pattern, the Committee concluded that the eventual decision to proceed with the acquisition was not supported by any evolution in professional advice. Rather, the transaction was approved in direct contradiction to sustained expert opposition, raising serious concerns regarding the weight accorded to professional judgment in the decision-making process.

#### **4.2.4. Breakdown of Established Investment Governance Framework**

- a. The Committee noted that the governance framework of the Fund required that major investment decisions be anchored in structured professional processes, including the involvement of a duly appointed investment manager and the application of due diligence procedures.
- b. However, the Committee found that at the point at which the decision to proceed with the transaction was taken, the Fund did not have an active investment manager in place. Despite this, the transaction was advanced through the engagement of advisory services, development of terms of reference, and execution of key decisions outside the established professional framework.
- c. The Committee, therefore, concluded that the transaction was progressed and approved in clear departure from the Fund's prescribed governance framework, thereby undermining the safeguards designed to ensure prudent and accountable management of pension assets.

#### **4.2.5. Governance Disruptions and Reconstitution of the Board**

- a. The Committee further examined the governance developments that followed and found that these developments reinforced and facilitated the progression of the transaction. The documentary record indicates that the transaction initially stalled following the withdrawal of the Fund's investment manager and the Board's decision not to proceed with the acquisition. However, this position did not hold. The matter resurfaced over time through continued correspondence with the seller, the involvement of additional advisors, and significant changes within the governance structures of the Fund.
- b. The Committee observed that a Board of Trustees was constituted in September 2024. However, this Board did not remain in place. Through the influence of the SPC, this Board was subsequently dissolved on the basis of alleged irregularities in its constitution, thereby creating a further disruption in the governance of the Fund.
- c. The Committee found that this dissolution was not without consequence. It created a governance vacuum and triggered the process for the appointment of a new Board. It is within this reconstitution process that Counsel Chizaso Nyirongo—who had previously been involved in discussions concerning the continuation of the transaction at OPC level—was appointed as a member of the new Board and subsequently assumed the position of Chairperson.
- d. The Committee found that this sequence of events was of critical significance. The dissolution of the earlier Board and the constitution of a new one did not merely represent administrative change; it resulted in a reconfiguration of the decision-making structure in a manner that introduced individuals associated with the prior advancement of the transaction into positions of authority over its final determination.
- e. The Committee therefore found that the governance disruptions experienced during this period were not neutral in effect. They created the conditions under which the safeguards that had previously halted the transaction were no longer effective, and enabled the progression of the transaction under a reconstituted leadership that was aligned with its advancement.

#### **4.2.6. Distortion of the Decision-Making Process**

- a. The Committee found that the perceived obligation created by the commitment letters, when combined with the reconstituted governance framework, fundamentally distorted the decision-making process within the Fund. Rather than evaluating the transaction on its merits as an investment, subsequent deliberations were influenced by the need to manage perceived legal exposure arising from the commitment letters. This shift—from investment analysis to obligation management—undermined objectivity and introduced a sense of inevitability into the process.

- b. The Committee further found that the acceleration of decision-making following the reconstitution of the Board was not coincidental. It occurred in circumstances where prior reservations had not been resolved, professional advice had not materially changed, and critical governance processes remained incomplete. Yet, notwithstanding these factors, the transaction progressed with urgency and culminated in its approval. The Committee found that an externally introduced concern regarding legal exposure was translated into an internal administrative act, which then evolved into a perceived obligation that shaped subsequent decision-making.

### **4.3. Influence of External Institutional Engagements**

#### **4.3.1. The 6 March 2024 Meeting as the Genesis of the Transaction’s Revival**

- a. The Committee carefully examined the sequence of events and found that the meeting held on **6 March 2024** marked the genesis of the revival of the Amaryllis transaction. At the time of this meeting, the transaction had effectively collapsed following the withdrawal of the Fund’s investment manager and the Board’s earlier decision not to proceed.
- b. However, the evidence before the Committee, particularly the Report of the 6 March 2024, established that this meeting fundamentally altered the trajectory of the matter. The discussions were not anchored on renewed investment analysis or improved technical justification. Rather, they were framed around concerns of legal exposure and the consequences of failing to proceed with the transaction. The Committee found that this marked a decisive shift—from a question of whether the investment was sound, to a question of whether the Fund could afford not to proceed. It is this shift that reintroduced momentum into a transaction that had already been professionally rejected.

#### **4.3.2. The Central Role of Ms. Colleen Zamba**

- a. The Committee found that Ms. Colleen Zamba, in her capacity as Secretary to the President and Cabinet, played a central and catalytic role in the revival and eventual progression of the Amaryllis transaction.
- b. It was under her authority that the 6 March 2024 meeting was convened, and it was through that platform that the issue of the transaction was elevated from an internal investment matter to one of institutional concern at the highest level of Government. The Committee found that the framing of the transaction during this meeting—particularly the emphasis on legal and reputational implications—set the tone for all subsequent developments.
- c. The Committee further observed that Ms. Zamba’s involvement did not end at the convening of the meeting. On 12 March 2025, she wrote a letter to the then Principal Officer, Mr. George Jim, in which she played a decisive role in the dissolution of the Board constituted in December 2024, citing concerns regarding its legality, and was instrumental in the processes that led to the constitution of a new Board.

- d. Of particular significance is the fact that the newly constituted Board included Counsel Chizaso Nyirongo, who had participated in the 6 March 2024 meeting advocating for the continuation of the transaction, and who subsequently assumed the position of Chairperson of the Board.
- e. The Committee found that this sequence of events created a direct institutional pathway from the position advanced at the 6 March 2024 meeting to the eventual decision-making structure that approved the transaction. In effect, the same line of thinking that had been introduced at OPC level was later embedded within the governance structure of the Fund itself.
- f. In this regard, the Committee found that Ms. Zamba's actions went beyond administrative coordination. They had the effect of shaping both the direction of the transaction and the composition of the decision-making body that ultimately approved it.
- g. The Committee wondered as to while the law provided for the Secretary to the Treasury to take center stage, it was the OPC that somehow assumed the role of the employer. Ms. Colleen Zamba, as SPC, assumed the role above the ST in as far as the Employer was concerned. This was very irregular.

#### **4.3.3. The Silent Influence of Mr. Prince Kapondamgaga**

- a. The Committee also examined the presence of Mr. Prince Kapondamgaga, the then Chief of Staff, at the 6 March 2024 meeting and found his attendance to be irregular in the context of what was, at that stage, an investment matter concerning a statutory pension fund.
- b. When he appeared before the Committee, Mr. Kapondamgaga maintained that he was merely an observer in the said meeting and did not say anything on what was being discussed. Much as he acknowledged that there was some talk about possible legal action against Government from the sellers, he refused to take any other questions on what was actually discussed during that meeting.
- c. The Committee found that the presence of the Chief of Staff in that meeting introduced a level of institutional weight that fundamentally altered the tone and perceived significance of the meeting. His attendance signaled, whether explicitly or implicitly, that the matter had attracted attention at the highest levels of Government.
- d. The Committee considered that this presence could not have been without consequence. It conveyed an expectation that the matter was of importance beyond the Fund itself and that the outcome of the deliberations carried institutional interest at the level of the Presidency.
- e. The Committee therefore found that the participation of Mr. Kapondamgaga reinforced the pressure created by the framing of the meeting and contributed to an environment in which the Fund's officials may have felt compelled to reconsider a transaction that had already been rejected on professional grounds.

#### **4.3.4. From External Influence to Internal Control**

- a. The progression from the 6 March 2024 meeting, to the dissolution of the Board, to the constitution of a new Board that included and was later chaired by Counsel Chizaso Nyirongo, demonstrates a clear and continuous chain of influence. What began as external institutional concern was translated into internal control over the Fund's decision-making processes.
- b. The Committee concluded that the involvement of Ms. Colleen Zamba and Mr. Prince Kapondamgaga was not peripheral to the transaction, but central to its revival and eventual progression.
- c. The Committee found that the 6 March 2024 meeting initiated a shift in the basis upon which the transaction was considered, moving it away from objective investment analysis towards perceived legal obligation. This shift, reinforced by the authority and presence of senior officials, created the conditions under which the transaction was revived.
- d. The Committee further found that subsequent governance developments ensured that individuals aligned with this position assumed control of the Fund's decision-making structures, thereby completing a continuum from external influence to internal execution. These developments established a clear and continuous narrative in which the Amaryllis transaction was not revived through improved investment merit, but through institutional influence that ultimately shaped both the process and the outcome of the decision.

#### **4.4. Conflict Between Prior Institutional Involvement and Subsequent Board Decision: Counsel Chizaso Nyirongo and Mr. Boyd Hamela**

##### **4.4.1. Counsel Chizaso Nyirongo: Legal Advisor cum Board Chair**

- a. The Committee carefully examined the sequence of events and found that the role played by Counsel Chizaso Nyirongo represented a profound and irreconcilable conflict between prior institutional involvement and subsequent fiduciary responsibility.
- b. The evidence established that Counsel Nyirongo, in his capacity as Director of Legal Affairs at OPC, attended the meeting of 6 March 2024, convened by the then SPC, Ms. Colleen Zamba. At that meeting, the Principal Officer, Mr. George Jim, together with the Chairperson of the Investment Committee, Mr. Boyd Hamela, were urged to proceed with the Amaryllis transaction, primarily on the basis of perceived legal exposure.
- c. The Committee found that Counsel Nyirongo was not a passive attendee at that meeting; rather, he formed part of the institutional process that actively advanced the continuation of a transaction which had already stalled following the withdrawal of the Fund's investment manager and the Board's earlier decision not to proceed. Ironically, Counsel Chizaso Nyirongo was appointed to the Board by Dr. Maxwell Tsitsi who himself was also appointed to the Board by Counsel Chizaso Nyirongo.

- d. The Committee found this sequence of events to be highly irregular and fundamentally incompatible with the principles of independent governance. An individual who had participated in advancing a transaction in a governmental advisory role later assumed the position of Chairperson of the Board of Trustees and presided over the approval of that same transaction.
- e. Once in office, Counsel Nyirongo exercised authority in a manner that decisively shaped both the process and outcome of the transaction. He presided over a Board that moved with unusual and unjustified speed to conclude the acquisition. This included the suspension of the Principal Officer, Mr. George Jim, and the installation of an Acting Principal Officer, Mr. Boyd Hamela, at a critical stage of the process, as resolved at the Board meeting of 25 October 2025. **Mr. Boyd Hamela also attended the 6 March 2024 meeting with Ms. Colleen Zamba.**
- f. The Committee further found that Counsel Nyirongo directly influenced the investment process by submitting Terms of Reference, allegedly prepared by the Trustees, for the engagement of a new valuer, who ended up being EMJ. The outcome of this engagement was a dramatic and unexplained escalation in the valuation of the hotel from approximately K48 billion to K128 billion.
- g. The Committee also noted that Counsel Nyirongo proceeded with the transaction on the basis of clearance obtained from the ACB and the Attorney General, while at the same time dismissing the authority of the RFI by treating the Registrar's directive as merely advisory. In dismissing the authority of the Registrar and proceeding on the basis of clearances obtained from other institutions, Counsel Nyirongo effectively subordinated regulatory oversight to his own interpretation of authority. The Committee found this conduct to be not merely irregular, but indicative of a pattern of institutional defiance. The Committee found that this selective reliance on institutional authority had the effect of circumventing regulatory oversight while preserving a façade of procedural legitimacy.
- h. Particularly striking was the evidence relating to the Board's own awareness of the transaction. When the Committee engaged the Board of Trustees regarding the purported resolution of 17 November 2025, seven out of ten Trustees, including the Vice-Chairperson, indicated that they were not aware of the existence of the sale agreement. Only Counsel Nyirongo and two others confirmed such knowledge. The Committee found that this reflected a concentration of knowledge and control in the hands of a few individuals, led by the Chairperson.
- i. The Committee concluded that Counsel Nyirongo did not merely preside over a flawed process; he directed and controlled a sequence of actions that systematically bypassed professional advice, weakened institutional safeguards, and concentrated decision-making authority in a manner inconsistent with fiduciary governance. The Committee, therefore, found that his conduct was not the result of error, misjudgment, or procedural oversight. Rather, it reflected a deliberate and sustained course of action that materially influenced the approval and execution of the Amaryllis transaction in circumstances that fell short of the standards required in the management of public pension assets.

#### **4.4.2. Mr. Boyd Hamela: Investment Committee Chair cum Acting Principal Officer**

- a. The Committee equally examined the conduct of Mr. Boyd Hamela and found that his actions, both prior to and during his tenure as Acting Principal Officer, were instrumental in advancing the transaction in a manner inconsistent with sound governance practice.
- b. Mr. Hamela attended the above-mentioned 6 March 2024 meeting organised by Ms. Colleen Zamba, in his capacity as Chairperson of the Investment Committee under the previous Board, thereby participating in the same institutional discussions that advocated for the continuation of the transaction. He was subsequently appointed Acting Principal Officer under the leadership of Counsel Nyirongo. In his admission, he was just handpicked. The Committee found that the circumstances surrounding his appointment, including his prior involvement in the matter, raised legitimate concerns regarding independence and objectivity.
- c. In his conduct as Acting Principal Officer, Mr. Hamela demonstrated a consistent pattern of disregarding professional advice from the Secretariat. When the Secretariat advised that the investment needed to be anchored by a duly appointed investment manager in accordance with the Investment Policy Statement, he proceeded regardless and facilitated the engagement of EMJ Advisory, a firm that lacked the requisite credentials and professionalism.
- d. The Committee also gave particular attention to the issue of signature discrepancies relating to the Minutes and resolutions of the Board meeting held on 17 January 2024, and found this matter to be deeply concerning. Mr. Boyd Hamela acknowledged before the Committee that he had changed his signature over time, distinguishing between the signature he used in his capacity as Chairperson of the Investment Committee and that which he later used as Acting Principal Officer. While such a change, in isolation, may not necessarily be irregular, the Committee found that the manner in which this change was invoked in relation to the 17 January 2024 Minutes raised serious questions.
- e. The Committee observed that Mr. Hamela did not dispute the authenticity of the proceedings of the 17 January 2024 meeting. On the contrary, he confirmed that the Minutes were a true reflection of what transpired, including the Board's resolution not to proceed with the Amaryllis transaction. However, he chose to focus his attention on the absence and variation of signatures, thereby shifting emphasis from the substance of the decision to a procedural technicality.
- f. Worryingly, the Committee noted that when engaging with oversight institutions, including the ACB, Mr. Hamela highlighted the lack of signed Minutes while omitting the material fact that he had participated in the meeting and that the recorded resolution was accurate. This selective presentation of information had the effect of casting doubt on the validity of the Board's decision.
- g. The Committee, therefore, concluded that the issue of changing signatures was not merely a procedural anomaly, but was used in a manner that undermined the integrity of governance records and obscured the existence of a valid prior decision of the Board.

- h. Further, the Committee noted that Mr. Hamela failed to provide critical documentation when requested, including contracts relating to advisory engagements of GD Liwimbi and Partners who were hired to review the sale agreement. He was unable to account for how such engagements were initiated, the terms under which they were executed, or the financial implications thereof. The presence of Counsel Gabriel Chembezi and Counsel George Liwimbi at an Investment Committee meeting of 17 November 2025 was covered in mystery and not supported by any justifiable reasons.
- i. The Committee also observes that Mr. Hamela adopted a selective approach to governance, choosing to act decisively where it advanced the transaction, while disregarding professional, procedural, and legal safeguards where they posed obstacles. This included the suspension of the Legal Services Manager on grounds of alleged forgery, notwithstanding evidence that the relevant Minutes had been retrospectively signed and acknowledged as accurate by the then Board Chair. His explanation that EMJ completed a valuation of such magnitude within a short period of time on account of “efficiency” was found by the Committee to be a mere excuse of convenience.
- j. Therefore, the Committee concluded that Mr. Hamela did not merely fail to uphold the standards expected of his office, but actively facilitated a process that bypassed established governance structures and professional safeguards. His conduct reflected a pattern of selective compliance, lack of transparency, and disregard for institutional integrity.

## **4.5. The Speed of Convenient Operations**

### **4.5.1. Sequence and Speed of Critical Decisions**

The Committee carefully examined the sequence and timing of events leading up to the execution of the Amaryllis transaction and found that the final stages of the process were characterised by an unusually compressed and accelerated series of decisions, inconsistent with the level of scrutiny required for an investment of such magnitude. The Committee found that key governance, legal, and investment processes, which would ordinarily unfold over an extended period and through independent stages, were instead collapsed into a matter of days.

### **4.5.2. 25 October 2025 - Approval in Principle**

The Committee observed that on 25 October 2025, the Board of Trustees resolved to task the Investment Committee to look into the transaction, but before the Investment committee reported back to the Board for a final decision, the Chairperson of the same Board allegedly proceeded to finalise the deal and got it signed, and the rest of the Trustees were then informed on the 19 November 2025 meeting that the sale agreement had been signed. This decision was taken notwithstanding the absence of an investment manager, unresolved concerns from the Secretariat, and the lack of updated and credible professional advice supporting the acquisition.

#### **4.5.3. 14 November 2025 – Identification and Instant Validation of the Valuer**

- a. The Committee found the events of 14 November 2025 to be particularly troubling and indicative of a breakdown in procedural integrity. On this date, EMJ Advisory was identified and engaged to undertake a valuation of the Amaryllis Hotel. However, on the same day, EMJ Advisory produced and submitted its valuation report.
- b. The Committee found this sequence to be highly irregular. A valuation of an asset of this magnitude—requiring site verification, financial modelling, market comparison, and sensitivity analysis—could not reasonably have been conducted within such an extremely limited timeframe.
- c. The Committee therefore concluded that the simultaneous identification of the valuer and submission of the valuation report on the same day raised serious questions regarding the credibility, independence, and integrity of the valuation process. It created the clear impression that the valuation exercise was not conducted as a genuine professional undertaking, but rather as a procedural formality designed to legitimise a predetermined outcome.

#### **4.5.4. 17 November 2025 – Convergence of Critical Decisions**

- a. The Committee found that the events of 17 November 2025 represented the culmination of the accelerated process and were marked by a convergence of critical decisions that should, under normal governance standards, have been undertaken separately and with adequate intervals for scrutiny.
- b. On this single day:
  - (1) the Investment Committee convened to consider the transaction;
  - (2) external legal counsels from GD Liwimbi and Partners, who were not part of the established governance framework, participated in the proceedings;
  - (3) the sale agreement was reviewed; and
  - (4) the Board of Trustees met and passed a resolution to proceed with the purchase of the hotel.
- c. The Committee found that the occurrence of all these events within a single day effectively eliminated any opportunity for independent analysis, challenge, or reflection. The process was reduced to a continuous chain of actions, with each step immediately reinforcing the next.
- d. The Committee further observed that this took place in circumstances where several Trustees were not aware of the existence or contents of the sale agreement, raising serious concerns regarding the validity of the collective decision-making process.

#### 4.5.5. Regulatory Context and Disregard of Oversight

- a. The Committee also noted that these events unfolded in close proximity to interventions by the Registrar of Financial Institutions, who had raised concerns and issued directives aimed at halting further progression of the transaction pending clarification of key governance issues.
- b. The Committee found that, notwithstanding these interventions, the transaction proceeded with urgency and without due regard to the regulatory concerns raised. This further reinforced the conclusion that the process was driven by momentum rather than by compliance.
- c. Consequently, the Committee concluded that the sequence and speed of events between 25 October and 17 November 2025 were not consistent with a legitimate, structured investment process.
- d. The Committee therefore concluded that the progression of the transaction during this period was not merely procedurally flawed, but indicative of a process that had been deliberately accelerated to achieve a fixed outcome, at the expense of proper oversight and fiduciary responsibility.

#### 4.6. Narrow Interpretation of Corruption and Failure to Interrogate Critical Red Flags: The Role of the Anti-Corruption Bureau in Investigating the Transaction

The Committee carefully examined the role played by the Anti-Corruption Bureau (ACB) in the investigation of the Amaryllis transaction, particularly in light of its initial findings and subsequent position following engagement with the Committee.

##### 4.6.1. Failure to Interrogate Critical Red Flags and Premature Conclusion

- a. The Committee found that the ACB initially concluded that there was *no evidence meeting the threshold for corruption*, and that due diligence had been conducted without undue pressure or procedural irregularity.
- b. However, the Committee established that this conclusion was reached in the absence of critical information that later emerged during the Inquiry. The Committee found that the ACB failed to adequately interrogate several red flags that were central to determining the integrity of the transaction. These included:
  - (1) the lack of registration and professional standing of EMJ Advisory. The Committee wondered as to why the ACB did not adequately question the **valuer who was responsible for the significant escalation in the purchase price**, from earlier valuations of approximately K30–48 bn to K128.7 bn;
  - (2) the **speed and sequencing of events**, including valuation, legal review, and execution of the agreement within an implausibly short timeframe; and
  - (3) the **withdrawal of NICO Asset Managers**, which had raised fundamental concerns regarding due diligence and investment viability.

- c. The Committee found that these factors were not peripheral, but went to the heart of whether the transaction had been conducted in a manner consistent with lawful and prudent management of public resources. Therefore, the Committee concluded that the failure to interrogate these issues represented a significant investigative omission. The Committee, therefore, found that the ACB's conclusion was premature, having been reached on a materially incomplete evidentiary foundation.
- d. It was, therefore, not a surprise to the Committee that, upon being presented with new evidence during the inquiry—particularly concerning the lack of certification of EMJ Advisory and the nature of the valuation process—the ACB undertook to re-open its investigations. The Bureau further indicated its intention to issue a fresh restriction notice, freeze accounts, trace funds, and investigate key actors involved in the transaction. The Committee found this shift in position to be significant, as it demonstrated that the initial conclusion reached by the ACB was not sustainable in light of the fuller evidentiary picture that emerged during the Committee's proceedings.

#### **4.6.2. Overreliance on Formal Compliance and Narrow Interpretation of Corruption**

The Committee observed that the ACB's investigation appeared to focus on whether there was direct evidence of corrupt practices in a narrow sense, rather than examining whether the totality of circumstances pointed to improper conduct. In doing so, the ACB placed reliance on the existence of valuations and formal processes without sufficiently interrogating their credibility, independence, or procedural integrity. The Committee found that this approach resulted in an overly formalistic assessment, which failed to account for the broader pattern of governance failures, conflicts of interest, and procedural irregularities that characterised the transaction. Accordingly, the Committee concluded that the ACB's investigative approach was **unduly narrow** and did not adequately reflect the complexity of the issues under consideration.

#### **4.6.3. Conflict of Interest Concerns: Dual Roles of Counsel Gabriel Chembezi**

- a. The Committee examined the events of **17 November 2025** and found that Counsels Gabriel Chembezi (who had already been appointed Acting Director of ACB on 31 October 2025) and George Liwimbi attended the Investment Committee meeting despite not being formally invited as part of the established governance or advisory framework of the Fund. Their presence was explained on the basis that they had been engaged as consultants to review the sale agreement relating to the Amaryllis transaction.
- b. The Committee found that Counsel Chembezi's presence at the Investment Committee, in the capacity of a consultant reviewing the sale agreement, placed him in direct proximity to the transaction at a stage when key decisions were being taken. Subsequently, in his capacity as Acting Director of the ACB, Counsel Chembezi oversaw investigations into the same transaction and ultimately concluded that there was no corruption, thereby clearing the sale.

- c. The Committee found that this sequence of events created a clear overlap between prior involvement in the transaction process and subsequent investigative authority over the same matter. In the considered view of the Committee, the purported handovers that Counsel Chembezi was doing at the said 17 November 2025 meeting should have been done at their offices at GD Liwimbi and Partners. He should not have personally attended the said meeting having already been appointed Acting Director of the ACB.
- d. However, the above notwithstanding, having attended the said meeting, it should have occurred to him that he could not impartially investigate the very same transaction which he had participated in having reviewed the sale agreement. This was a clear case of Conflict of Interest and Counsel Gabriel Chembezi did not declare it.

#### **4.6.4. Impact on the Integrity of the Investigative Process**

- a. The Committee considered that the integrity of any investigative process rests on the independence and impartiality of those conducting it. Where an individual has had prior involvement—whether direct or indirect—in the subject matter of an investigation, questions inevitably arise regarding the objectivity of the conclusions reached.
- b. In this case, the Committee found that Counsel Chembezi’s participation in the Investment Committee proceedings during which it was revealed that he was part of the team that reviewed the sale agreement, followed by his role at ACB in investigating and clearing the very same transaction whose sale agreement he reviewed, created circumstances that were incompatible with the principles of institutional independence.
- c. The Committee further observed that this overlap was not merely procedural, but substantive. His earlier presence at a critical decision-making forum placed him within the chain of events that later became the subject of the very investigation he oversaw and subsequently cleared.
- d. The Committee, therefore, concluded that the dual role played by Counsel Gabriel Chembezi gave rise to a conflict of interest that undermined the perceived and actual independence of the investigative process undertaken by the ACB. The Committee found that the overlap between advisory involvement in the transaction and subsequent investigative authority over the same matter compromised the credibility of the conclusion that there was no corruption.
- e. Accordingly, the Committee determined that this conflict of interest formed part of the broader pattern of governance weaknesses that characterised the Amaryllis transaction and contributed to the erosion of public confidence in the processes surrounding its approval.

#### **4.7. Shallow Investigations Overlooking the Real Issues: Role of the Honourable the Attorney General in the Progression of the Transaction**

The Committee carefully examined the role played by the Honourable the Attorney General in the progression of the Amaryllis transaction, particularly in light of his correspondence to the Malawi Law Society and his subsequent testimony before the Committee.

#### **4.7.1. Clearance of Concerns Raised by the Malawi Law Society**

- a. The Committee found that the involvement of the Attorney General was triggered by the Malawi Law Society's letter dated **19 November 2025**, which raised serious concerns relating to governance failures, conflict of interest, procedural irregularities, and the propriety of the transaction.
- b. Upon reviewing the Attorney General's response, the Committee found that his advice went beyond acknowledging or investigating these concerns. Instead, it substantively addressed and dismissed them, thereby clearing the transaction of the very issues that had triggered the complaint.
- c. The Committee observed that the concerns raised by the Malawi Law Society were neither trivial nor speculative; they went to the core of the transaction's legality, governance integrity, and fiduciary propriety. However, the Attorney General's response did not sufficiently interrogate these concerns in light of the broader context that had already begun to emerge.
- d. Accordingly, the Committee found that the Attorney General's position had the practical effect of neutralising the concerns raised by the Malawi Law Society, and in doing so, removed a critical layer of scrutiny that might otherwise have halted or re-evaluated the transaction.

#### **4.7.2. Conditional Advice and Its Practical Effect**

- a. The Committee noted that the Attorney General framed his advice as conditional, indicating that the Board could proceed only after satisfying itself that the attendant risks had been addressed and that prudential investment principles had been complied with.
- b. However, the Committee found that, in practical terms, this advice was interpreted and relied upon as clearance to proceed. The use of directive language—suggesting that the Board “should proceed” upon satisfying the stated conditions—created an impression that the legal barriers to the transaction had been resolved.
- c. The Committee therefore found that the distinction between conditional advice and effective authorisation was blurred. In the prevailing context—where governance safeguards had already been weakened and competing professional advice had been disregarded—the Attorney General's position operated not as a cautionary guide, but as a facilitating endorsement of the transaction.

#### **4.7.3. Reliance on Incomplete and Deficient Information**

- a. The Committee further found that the Attorney General's advice was premised on incomplete and, in certain respects, inaccurate information.
- b. In particular, the Attorney General relied heavily on the findings of the Anti-Corruption Bureau (ACB), which had concluded that there was no evidence of corruption. However, it later emerged that the ACB's investigation had not interrogated critical issues, including:

1. the lack of registration and professional standing of EMJ Advisory;
  2. the implausibly compressed timeline within which the transaction was executed; and
  3. the withdrawal of the Fund's investment manager on professional grounds.
- c. The Committee also observed that the Attorney General was not aware, at the time of providing his advice, of key developments that were central to the integrity of the transaction. These included the 6 March 2024 meeting, which fundamentally altered the trajectory of the transaction, as well as the presence of the Acting Director General of the ACB in advisory proceedings relating to the transaction. While the Attorney General was prompted to consider risks, the Committee found that his assessment did not extend to a full and independent interrogation of the governance, procedural, and investment risks surrounding the transaction. Instead, the advice relied on incomplete information and failed to address the integrity of the decision-making process itself.
- d. The Committee, therefore, found that the legal advice was rendered on a factually incomplete foundation, thereby limiting its reliability and appropriateness in guiding such a significant decision.

#### **4.7.4. Failure to Interrogate the Integrity of the Decision-Making Process**

- a. The Committee further observed that, while the Attorney General acknowledged concerns regarding the significant escalation in the purchase price, he deferred to the role of valuers and the discretion of the Trustees.
- b. However, the Committee found that this approach did not sufficiently interrogate whether the decision-making process itself had been compromised. The advice focused on the formal legality of the transaction without adequately addressing the underlying governance failures, procedural irregularities, and conflicts of interest that had been raised.
- c. In this regard, the Committee found that the Attorney General's analysis did not extend to examining whether the conditions under which the Board was making its decision met the standards of independence, transparency, and fiduciary responsibility required by law.

## **5.0. RECOMMENDATIONS**

### **5.1. Enforcement of Existing Legal and Governance Frameworks**

The Committee was at pains to recommend something that is already in the existing legal framework. BUT since despite the existence of the law, the Amaryllis transaction happened, the Committee recommends that Government, through the Secretary to the Treasury, should ensure strict enforcement of the existing legal, regulatory, and governance framework governing public pension funds, with particular emphasis on the following:

- (1) Adherence to Fiduciary Duties by ensuring that Trustees and Principal Officers act strictly within their fiduciary mandate, and that any breach of duty attracts immediate administrative and legal consequences;
- (2) Compliance with Established Governance Procedures by enforcing full compliance with Board approval processes, professional advisory structures, and internal controls, and prohibit any actions taken outside duly constituted governance frameworks; and
- (3) Strict Observance of Professional and Technical Advice by ensuring that all investment decisions are grounded in documented professional advice, and that any departure from such advice is formally justified and recorded;
- (4) Enforcement of Regulatory Directives by ensuring that directives issued by the Registrar of Financial Institutions are complied with fully and timeously, and that any non-compliance attracts appropriate sanctions;
- (5) Compliance with Procurement and Professional Standards by ensuring that all engagements of advisors and service providers comply with applicable procurement laws and professional accreditation requirements;
- (6) Prevention of Undue External Influence by enforcing clear institutional boundaries and ensure that entities not recognised under the governing legal framework do not interfere in the operations or decision-making processes of pension funds; and
- (7) Strengthening Accountability for Non-Compliance by ensuring that all instances of non-compliance with established legal and governance requirements are promptly investigated and sanctioned in accordance with the law.

### **5.2. Strengthening the Role of the Secretariat and Procurement Accountability**

**5.2.1.** The Committee finds that the marginalisation of the Fund Secretariat, particularly its technical and professional functions, contributed significantly to the breakdown of governance and the progression of the transaction. The Committee further notes that the procurement processes relating to the engagement of EMJ and GD Liwimbi were characterised by serious irregularities, raising concerns regarding compliance with procurement laws and internal controls. Accordingly, the Committee recommends that the role of the Fund Secretariat be strengthened to ensure that:

- (1) all investment decisions are supported by formal technical input from relevant departments, including Legal, Planning, and Investments;
- (2) the Secretariat is fully involved in procurement, due diligence, and advisory processes and thus no major transaction proceeds without documented input from the Secretariat's professional structures; and
- (3) the conduct of the Procurement Manager, Mr Mtambo, be formally investigated to determine whether there was non-compliance with procurement laws and his participation in or facilitation of irregular procurement processes.

### **5.3. Reform of Investigative and Oversight Institutions**

The Committee recommends that investigative bodies, including the Anti-Corruption Bureau, strengthen their technical capacity to assess complex financial and investment transactions. In particular, investigations must extend beyond procedural compliance to interrogate the economic substance and governance integrity of transactions, and should incorporate multidisciplinary expertise, including financial analysts, valuers, and legal experts. In this regard, the Committee recommends that:

- (1) clear protocols be established to manage and prevent conflicts of interest within investigative institutions, and that any investigation tainted by such conflict be subjected to independent review;
- (2) the role and conduct of the lead investigator, Mr. Isaac Nkhoma, whose conclusions were very questionable, be investigated further.

### **5.4. Clarification of the Role of the Attorney General**

The Committee recommends that the role of the Attorney General in commercial and investment-related matters be clarified to ensure that legal advice does not extend into implicit endorsement of commercial decisions. Accordingly, all advice should be strictly confined to legal interpretation and must be based on complete, accurate, and verified information. Any advice issued on the basis of incomplete or inaccurate information should be promptly revisited and corrected.

The Committee further observes that, in the course of the inquiry, concerns arose regarding the extent to which certain individuals involved in the investigative and advisory processes were scrutinised. In this regard, the Committee notes with concern the apparent lack of clarity surrounding the role of Counsel Frank Mbeta in the investigative process. Accordingly, the Committee recommends that:

- (1) the role played by Counsel Frank Farouk Mbeta, in relation to the investigation and advisory processes, be clearly established and subjected to appropriate extensive investigation; and
- (2) where any gaps in accountability or oversight are identified, appropriate measures be taken to ensure that all individuals involved are subjected to equal and transparent scrutiny.

## **5.5. Specific Remedial and Accountability Measures for Key Actors**

The Committee, having carefully considered the conduct of individuals who played central roles in the progression of the Amaryllis transaction, recommends the following specific remedial and accountability measures:

### **5.5.1. Ms. Colleen Zamba (Former Secretary to the President and Cabinet)**

- (1) The Committee recommends that Ms. Colleen Zamba be subjected to an independent and comprehensive investigation to determine whether her actions amounted to abuse of public office; constituted unlawful or improper interference in the affairs of the Fund; and contributed to the sequence of events that led to the approval of the transaction.
- (2) Such investigation should specifically examine her role in convening and directing the 6 March 2024 meeting; her communications with the Principal Officer and other actors; her involvement in governance changes affecting the Board of Trustees; and the extent to which her actions influenced decisions taken contrary to Board resolutions and professional advice.
- (3) Where evidence of wrongdoing is established, appropriate administrative, civil, and criminal proceedings be instituted in accordance with the law.

### **5.5.2. Mr. Prince Kapondamgaga (the Former Chief of Staff, State Residences)**

The Committee finds that the presence of Mr. Prince Kapondamgaga, in his capacity as Chief of Staff at State Residences, at the meeting of 6 March 2024 concerning the Amaryllis transaction was irregular and inconsistent with the governance framework of the Public Service Pension Trust Fund. The Committee notes that the Trust Deed does not assign any role to the Office of the President and Cabinet, or State Residences, in the management or oversight of the Fund's investment decisions. His attendance at a meeting deliberating on a specific commercial transaction involving the Fund therefore constituted an unauthorised invasion into the operational independence of the Fund.

The Committee further finds that, notwithstanding his assertion that he attended as an observer, his presence, given his senior position within the Executive, created a clear perception of executive influence, which had the effect of undermining the independence of the Fund's decision-making processes. Accordingly, the Committee recommends that:

- (1) The conduct of Mr. Prince Kapondamgaga in relation to his involvement in the 6 March 2024 meeting be formally reviewed and investigated to determine whether it amounted to improper interference in the affairs of the Fund; and
- (2) Clear administrative measures be instituted to ensure that public officers do not participate in, or influence, the operations of statutory bodies outside their legal mandate;

**5.5.3. Counsel Chizaso Nyirongo (Former Director of Legal Affairs, OPC; Chairperson of the Board of Trustees)**

- (1) The Committee recommends that Counsel Chizaso Nyirongo be subjected to a comprehensive investigation to determine whether his conduct, both at the Office of the President and Cabinet and subsequently as Chairperson of the Board of Trustees, constituted abuse of office; conflict of interest; or breach of fiduciary duty.
- (2) The Committee further recommends that current OPC should examine his role in advancing the transaction at OPC level and later presiding over its approval; his influence in the appointment of key officers and engagement of advisors; and his decision to proceed with the transaction notwithstanding regulatory directives.
- (3) The Committee recommends that pending the outcome of such investigations, appropriate administrative and legal action be taken, including possible disqualification from holding positions of fiduciary responsibility in public institutions.

**5.5.4. Counsel Gabriel Chembezi (Acting Director General, ACB)**

- (1) The Committee recommends that Counsel Gabriel Chembezi be temporarily suspended as Acting Director of ACB and that an independent inquiry be instituted into his conduct, particularly regarding his presence at a meeting in which the sale agreement was discussed in a consultative capacity, and his subsequent role in overseeing or influencing investigations into the same transaction.
- (2) The Committee recommends that this particular inquiry into the role of Counsel Gabriel Chembezi should determine whether this dual involvement constituted conflict of interest and whether it compromised investigative integrity.
- (3) Where appropriate, the Committee recommends that disciplinary or legal action be taken, and safeguards strengthened to prevent similar occurrences.

**5.5.5. Mr. Boyd Hamela (Acting Principal Officer)**

The Committee recommends that Mr. Boyd Hamela be subjected to disciplinary and legal review for his role in advancing the transaction in defiance of professional advice, for facilitating the engagement of an unregistered valuer, and for authorising or participating in decisions taken without proper governance procedures. Where evidence supports, appropriate sanctions and recovery measures be pursued.

#### **5.5.6. Mr. George Jim (Suspended Principal Officer)**

The Committee recommends that Mr. George Jim be subjected to administrative and legal proceedings for issuing commitment letters without Board authority. Investigations should determine whether his actions constituted misconduct or abuse of office and the extent to which his actions contributed to the creation of a perceived obligation that influenced the transaction. While acknowledging his claim of acting under duress (the Committee reviewed the WhatsApp messages sent to him from OPC), the Committee recommends that this be carefully evaluated, without absolving responsibility for actions taken in contravention of formal governance structures.

#### **5.5.7. Mr. Idrissa Mwale (Chairperson of the Investment Committee)**

The Committee finds that Mr. Idrissa Mwale, in his capacity as the Chairperson of the Investment Committee of the Board, played a role in the governance and decision-making processes that led to the approval and execution of the Amaryllis transaction. The Committee notes with particular concern that Mr. Idrissa Mwale was one of the signatories to the sale agreement executed on 17 November 2025, in circumstances where it has been established that the majority of Trustees had not sighted the agreement. The Committee finds that such action raises serious questions regarding adherence to fiduciary duty, collective decision-making, and the requirement for full Board awareness in transactions of such magnitude.

The Committee, therefore, recommends that Mr. Idrissa Mwale be investigated on his role in signing a sale agreement which seven out of ten, including the Vice-chairperson, had indicated that they never knew of its existence. The investigation should extend to whether his role in the execution of the sale agreement, constituted breach of fiduciary duty; failure to uphold collective Board responsibility; or participation in decisions taken without full compliance with governance procedures.

#### **5.5.8. Dr. Maxwell Tsitsi (PS Administration at OPC)**

The Committee noted that Dr. Maxwell Tsitsi was one of the Trustees appointed by Counsel Chizaso Nyirongo. Ironically, it was Dr. Tsitsi, probably in fulfilling the collusion or in returning the favour, that he appointed Counsel Chizaso Nyirongo as one of the Trustees. This was in total contrast of the Trust Deed that placed the authority of appointing representatives of the employer on the Ministry of Finance and not the OPC.

Therefore, the Committee recommends that the conduct of Dr. Maxwell Tsitsi be subjected to extensive investigation to assess his role in the Board's decision-making process, including whether his irregular appointment of Counsel Chizaso Nyirongo represented collusion since it was Counsel Nyirongo who had also appointed him as a Trustee. Where any breach of duty or misconduct is established, appropriate administrative, civil, or legal action be taken in accordance with the law.

### **5.5.9. Collective Responsibility of the Board of Trustees (3rd Cohort)**

- (1) The Committee recommends that all Trustees who participated in the approval of the transaction be subjected to individual accountability assessments, particularly those who approved or failed to question the transaction without full knowledge of the sale agreement and those who participated in decisions taken in defiance of regulatory directives.
- (2) The Committee recommends that special consideration be given to civil liability for breach of fiduciary duty and recovery of losses where negligence or misconduct is established.

### **5.6. Dissolution and Reconstitution of the Board of Trustees**

The Committee, having established that the approval of the Amaryllis transaction was undertaken under a reconstituted Board in circumstances characterised by governance disruptions, compromised independence, and procedural irregularities, recommends as follows:

- (1) That the current Board of Trustees of the Fund (Chaired by Counsel Chizaso Nyirongo) be dissolved, subject to applicable legal procedures, on account of its role in approving and executing a transaction that has been found to be fundamentally flawed and inconsistent with the principles of fiduciary duty, prudence, and transparency.
- (2) That, in order to restore institutional integrity and continuity, consideration be given to the reinstatement of the previously constituted Board of December 2024 (Chaired by Mr. Levi Chirwa) that was dissolved by Ms. Colleen Zamba, provided that such reinstatement is consistent with the provisions of the Trust Deed and applicable laws; and the members of that Board remain eligible and meet the prescribed fit and proper requirements.
- (3) Where reinstatement in its original form is not feasible, that a new Board be constituted through a transparent and lawful process, ensuring that individuals previously associated with the advancement or approval of the transaction are excluded; appointments are based strictly on merit, independence, and professional competence; and the process is subject to regulatory vetting and oversight.

### **5.7. Parliamentary Oversight and Follow-Up**

The Committee observed, with serious concern, that recommendations of Parliamentary Committees have, over time, not been acted upon with the level of urgency, seriousness, and accountability required, thereby undermining the effectiveness of Parliament's oversight mandate. The Committee therefore recommends that:

- (1) the legal and institutional framework governing the work of Parliamentary Committees be reviewed and strengthened to ensure that Committee findings and recommendations are accorded binding force in practice, and that clear consequences exist for non-compliance;

- (2) In particular, the Committee recommends that consideration be given to reforms that enhance the enforceability of Committee recommendations, including mechanisms for mandatory compliance or structured justification for non-implementation;
- (3) Establishing clear sanctions or corrective measures for failure by public officers and institutions to act on Committee findings;
- (4) Strengthening Parliament's ability to compel accountability, including timely responses, production of information, and implementation of directives; and
- (5) Providing for a more robust and structured follow-up and tracking mechanism to ensure that Committee recommendations translate into concrete action.

The Committee further recommends that, in order to strengthen oversight of public pension funds and inform necessary legal and policy reforms, targeted study tours be undertaken to jurisdictions with well-established pension fund management systems, with a view to:

- (1) understanding how pension funds are governed, regulated, and insulated from undue influence;
- (2) examining best practices in fiduciary responsibility, investment decision-making, and risk management; and
- (3) drawing practical lessons to guide the strengthening of Malawi's pension fund governance framework.

The Committee emphasises that such engagements should be purpose-driven and reform-oriented, and should directly inform improvements in both the management of pension funds and the effectiveness of Parliamentary oversight over such institutions.

The Committee recommends that the Secretary to the Treasury should report back to the Committee progress on these recommendations within 21 days upon adoption of this Report by the House.

## 6.0. CONCLUSION

- a. The inquiry into the proposed acquisition of the Amaryllis Hotel by the Public Service Pension Trust Fund has revealed a transaction that departed, in both process and substance, from the fundamental principles that govern the management of public pension assets.
- b. At its core, the transaction was not undone by a single irregularity, but by a convergence of systemic failures that progressively eroded the integrity of the decision-making process. The Committee finds that a valid and professionally grounded decision taken by the Board on 17 January 2024 not to proceed with the investment was subsequently undermined through a sequence of events that included external influence, governance disruptions, and the introduction of administrative actions that had no legal or procedural foundation.
- c. Central to this distortion was the transformation of a non-binding transaction into a perceived obligation. The Committee has established that concerns regarding legal exposure – introduced and amplified following the meeting of 6 March 2024 – were not supported by the legal advice available to the Fund. Both internal and external legal opinions were unequivocal in confirming that no binding agreement existed and that the Fund retained the right to withdraw. Notwithstanding this, the narrative of legal risk was sustained and operationalised through the issuance of commitment letters, thereby fundamentally altering the basis upon which subsequent decisions were made.
- d. The Committee further finds that the governance framework of the Fund was significantly compromised. The dissolution and reconstitution of the Board, the marginalisation of internal professional advisory structures, and the absence of an investment manager at critical stages created an environment in which established safeguards were rendered ineffective. In this context, decision-making authority became concentrated, and key processes – including valuation, legal review, and approval – were undertaken in a manner that lacked transparency, deliberation, and procedural integrity.
- e. Of particular concern is the manner in which the final stages of the transaction were executed. The Committee finds that the engagement of an unregistered firm to undertake a valuation, the reliance on vendor-influenced data, and the completion of critical processes within an implausibly compressed timeframe point to a process that was not only irregular, but fundamentally unreliable. The signing of the sale agreement on 17 November 2025, in defiance of a regulatory directive issued by the Registrar of Financial Institutions, represents a clear disregard for lawful oversight and raises serious questions regarding the intention and conduct of those involved.
- f. The Committee also finds that the role of oversight institutions, which ought to have served as safeguards, fell short of the standard required. The initial investigations conducted by the Anti-Corruption Bureau were constrained by incomplete information and failed to interrogate critical red flags, while the advice of the Honourable Attorney General effectively cleared all concerns raised by the Malawi Law Society, notwithstanding significant evidentiary gaps. These shortcomings contributed to the progression of the transaction at a time when greater scrutiny was required.

- g. The evidence establishes that the Amaryllis transaction was not the product of a properly constituted investment process. Rather, it was the culmination of a chain of actions in which professional advice was disregarded, governance structures were weakened, legal positions were mischaracterised, and external influence permeated institutional decision-making.
- h. The Committee therefore concludes that the approval and execution of the transaction represented a serious breach of fiduciary duty and a failure to uphold the principles of prudence, independence, and accountability that are essential in the management of public pension funds.
- i. This Report is not merely an account of a flawed transaction. It is a reaffirmation of the principle that public resources—particularly those held in trust for the future security of citizens—must be managed with the highest standards of integrity. Where those standards are compromised, accountability must follow, not as a matter of discretion, but as a matter of obligation.
- j. The recommendations that follow are therefore not only intended to address the specific failures identified in this inquiry, but to restore confidence in the governance of public pension assets and to ensure that such a sequence of events does not recur.

Appendix 1A

Terms of Reference



**PARLIAMENT OF MALAWI**

*Public Accounts Committee*

**Terms of Reference**

**A Special Public Inquiry into**

***The Purchase of Amaryllis Hotel by the Public Service Pension Trust Fund***

*Public Accounts Committee*

*Parliament Building*

*Private Bag B362*

**LILONGWE 3**

*February, 2026*

# **PURCHASE OF AMARYLLIS HOTEL BY THE PUBLIC SERVICE PENSION TRUST FUND: WAS THE TRANSACTION PRUDENT, LAWFUL, AND IN THE BEST INTEREST OF CONTRIBUTORS?**

The public domain has recently been characterised by serious allegations, media reports, and formal petitions regarding the proposed acquisition of Amaryllis Hotel by the Public Service Pension Trust Fund at a consideration reportedly far exceeding earlier valuation benchmarks.

## **1. Purpose of the Inquiry**

The Public Accounts Committee shall conduct a Special Public Inquiry to determine:

1. Whether the acquisition of Amaryllis Hotel by the Public Service Pension Trust Fund (“PSPTF”) was undertaken in a manner that was:
  - Prudent,
  - Lawful,
  - Compliant with applicable regulatory directives,
  - Consistent with fiduciary obligations owed to pension contributors.
2. Whether the escalation in transaction value from earlier valuation benchmarks (approximately MK47 billion) to the final consideration of MK128.75 billion was:
  - Justified by objective financial and market evidence,
  - Supported by independent valuation,
  - Or indicative of misrepresentation, inflation, or possible financial irregularity.
3. Whether any regulatory directives issued by the Registrar of Financial Institutions were complied with prior to conclusion of the transaction.
4. Whether the conduct of oversight institutions in the investigation and review of this matter met standards of independence, impartiality, and integrity.

## **2. Legal Basis for the Inquiry**

The Committee’s authority to conduct this inquiry is grounded in:

- **Sections 66(1f) and 66(1g) of the Constitution of the Republic of Malawi**, which mandates Parliament to exercise oversight over the Executive and public institutions to ensure accountability in the use of public resources;
- **Standing Order 161 of the National Assembly Standing Orders**, which mandates the Public Accounts Committee to examine the accounts and financial management of Government Ministries, Departments, Statutory Corporations, and other public bodies, and to consider matters arising therefrom;
- **Section 9 of the National Assembly Powers and Privileges Act (Cap. 2:04)**, which empowers the Committee to call for persons, papers, and records necessary for the discharge of its functions.

Although the Public Service Pension Trust Fund operates as a pension fund, it manages retirement savings of public servants and constitutes a body entrusted with substantial public interest funds. The Committee therefore considers it necessary and appropriate to examine the transaction in order to safeguard public confidence and financial accountability.

The Committee shall exercise its oversight mandate not only over the transaction itself but also over the conduct of public authorities and office holders whose statutory duties relate to financial regulation, legal advice, investigation, and public accountability.

### **3. Scope of Inquiry**

The Inquiry shall cover the following areas:

#### **A. Valuation, Pricing Escalation and Financial Integrity**

The Committee shall establish:

1. What objective valuation benchmarks existed at each stage of the transaction.
2. The methodologies used in arriving at:
  - Initial valuation estimates (circa MK47 billion);
  - Subsequent valuations;
  - The final agreed purchase price of MK128.75 billion.
3. The material factors that explain the significant escalation in price.
4. Whether:
  - New capital investment,
  - Market revaluation,
  - Revenue growth,
  - Structural reorganisation,justify the magnitude of price increase.
5. Whether any assumptions used in financial modelling were unrealistic, overstated, or insufficiently stress-tested.
6. Whether the escalation in price may reasonably indicate:
  - Financial misrepresentation,
  - Inflated valuation,
  - Or potential fraud indicators.

#### **B. Prudence, Investment Justification and Risk Exposure**

The Committee shall determine:

1. Whether the transaction aligns with the Fund's approved investment policy and asset allocation strategy.
2. Whether the transaction exposed the Fund to:
  - Concentration risk,
  - Liquidity mismatch,
  - Long payback period inconsistent with pension obligations.
3. Whether a 36-year payback period constitutes prudent pension fund practice.
4. Whether alternative investment options were comparatively assessed.
5. Whether full independent due diligence was conducted immediately prior to final approval.

### **C. Governance, Fiduciary Duty and Decision-Making Integrity**

The Committee shall examine:

1. The decision-making process of the Board of Trustees at each material stage.
2. Whether all governance procedures were complied with, including:
  - Proper notice,
  - Quorum,
  - Recorded resolutions,
  - Disclosure of interests.
3. Whether trustees discharged their fiduciary duties with:
  - Care,
  - Skill,
  - Diligence,
  - Loyalty to beneficiaries.
4. Whether any trustee, officer, or adviser:
  - Declared conflicts of interest;
  - Failed to declare conflicts;
  - Participated in deliberations while conflicted.
5. Whether there was any undue influence, pressure, or inducement affecting the independence of the Board.

### **D. Regulatory Compliance and Supervisory Oversight**

The Committee shall determine:

1. Whether any directive was issued by the Registrar of Financial Institutions suspending or conditioning the transaction.
2. Whether such directive was legally binding.
3. Whether the Board complied with that directive before concluding the transaction.
4. Whether the transaction breached:
  - Investment concentration limits;
  - Prudential standards under applicable Financial Services Directives.
5. Whether supervisory concerns were fully resolved before completion.

### **E. Investigation Integrity and Conflict of Interest Concerns**

The Committee shall examine:

1. Whether the investigation conducted by the Anti-Corruption Bureau:
  - Was sufficiently broad in scope;
  - Examined potential fraud and misrepresentation, not merely corruption.
2. Whether any prior professional relationship existed between the Acting Director of the ACB and any party to the transaction.
3. Whether such relationship was declared.
4. Whether recusal or independent oversight was considered.
5. Whether the speed and scope of investigation were commensurate with the magnitude of the transaction.
6. Whether the integrity and independence of the investigation can reasonably be sustained.

## **F. Legal Advice and Institutional Accountability**

The Committee shall determine:

1. The nature and scope of legal advice rendered by the Attorney General or other legal advisers.
2. Whether the advice:
  - Considered regulatory directives;
  - Considered fiduciary exposure;
  - Considered potential judicial review.
3. Whether trustees were advised of potential personal liability.
4. Whether legal advice was confined to absence of corruption, or extended to prudence and regulatory compliance.

## **G. Public Interest and Protection of Contributors**

The Committee shall assess:

1. Whether the transaction demonstrably advances the long-term interests of pension contributors.
2. Whether contributors were adequately informed.
3. Whether systemic governance weaknesses were exposed.
4. What reforms are necessary to strengthen pension governance.

## **5. Expected Outcomes**

At the conclusion of this Inquiry, the Committee intends to:

1. Establish a clear factual record of the transaction.
2. Determine whether regulatory breach occurred.
3. Determine whether fiduciary duties were discharged.
4. Determine whether the escalation in price was justified or indicative of financial irregularity.
5. Determine whether oversight institutions acted with independence and integrity.
6. Recommend:
  - Corrective measures,
  - Legislative reform,
  - Regulatory enforcement,
  - Referral for further investigation where necessary.

The Committee further believes that this inquiry will contribute to improved governance standards within public pension funds and reinforce Parliament's constitutional oversight role under Sections 66(1f) and 66 (1g) of the Constitution.

## Appendix 1B

### List of Witnesses (Stakeholders) Before Public Accounts Committee (PAC)

**LIST OF WITNESSES THAT APPEARED BEFORE PUBLIC ACCOUNTS  
COMMITTEE**

| <b>NO.</b> | <b>Name</b>   | <b>Date</b>                 |
|------------|---|-----------------------------|
| <b>1.</b>  | <b>FDH BANK (PLC)</b><br>i. Noel Loudon Mkulichi<br>ii. Juliano Kanyongolo<br>iii. Esnart Sulemani<br>iv. George Chitera  | 9 <sup>th</sup> March 2026  |
| <b>2.</b>  | <b>Continental Asset Management (CAM):</b><br>i. Gillian Kachikondo<br>ii. Kingsley Zulu<br>iii. James Mbingwa<br>iv. Reuben Kumwenda<br>v. Lovemore Kambani  | 10 <sup>th</sup> March 2026 |
| <b>3.</b>  | <b>Malawi Law Society (MLS)</b><br>i. Mac-harven Ngwata<br>ii. William Mtcheyabuka Chibwe<br>iii. Barney Semphani<br>iv. Francis M'mame<br>v. Chrispin Ngunde<br>vi. Felisters Francisco<br>vii. Kizito Kumwenda    | 11 <sup>th</sup> March 2026 |
| <b>4.</b>  | <b>NICO Assert Managers (NAM)</b><br>i. Daniel Dunga<br>ii. Memory Chipembere<br>iii. Paul John Mojo<br>iv. Chikondi Gomani   | 12 <sup>th</sup> March 2026 |
| <b>5.</b>  | <b>Anti-Corruption Bureau (ACB)</b><br>i. Gabriel Chembezi<br>ii. Chrispin Khunga<br>iii. Fidelis Chisakaso<br>iv. Vilera Liwonde<br>v. Isaac PJ Nkhoma   | 12 <sup>th</sup> March 2026 |
| <b>6.</b>  | <b>Public Service Pension Fund (Old)</b><br>i. James Daire Kumwenda<br>ii. Venancio Mzonda<br>iii. Edwin Tony Wochi<br>iv. Levison Chirwa<br>v. Lovemore Theu<br>vi. Arthur Manyunya<br>vii. Issac Adams Kwisongole | 13 <sup>th</sup> March 2026 |

|     |  |                             |
|-----|--|-----------------------------|
|     | viii. Bernad Nyondo  |                             |
| 7.  | <b>Public Service Fund-Secretariate</b><br>i. Charity Mphatso Gambatula Phiri<br>ii. Mayraine Lupaso<br>iii. Natasha Nkhoma<br>iv. Taniel Mtambo   | 13 <sup>th</sup> March 2026 |
| 8.  | <b>Public Service Pension Fund (Current)</b><br>i. Chizaso Nyirongo<br>ii. Ireen M. Chikapa<br>iii. Precious Chimbamba<br>iv. Blazio Mphepo<br>v. Richard Zimba<br>vi. Yona Phiri<br>vii. Maxwell Tsitsi<br>viii. Idrissa Mwale<br>ix. Bernad Nyondo | 13 <sup>th</sup> March 2026 |
| 9.  | <b>Reserve Bank of Malawi (RBM)</b><br>i. George Partridge<br>ii. Sopani Gondwe<br>iii. Kaluso Chihana<br>iv. George Chioza<br>v. Agness Sentala<br>vi. Nayeja Ngosi<br>vii. Grace Msosa<br>viii. Lawrence Sherif<br>ix. Boston Banda                | 18 <sup>th</sup> March 2026 |
| 10. | <b>Boyd Hamella</b> (Incumbent Principal Officer PSPF)   | 18 <sup>th</sup> March 2026 |
| 11. | <b>Prince Kapondangaga</b> (State House)   | 19 <sup>th</sup> March 2026 |
| 12. | <b>Financial Intelligence Authority (FIA)</b><br>i. Jean Priminta<br>ii. Masautso Ebere<br>iii. John Minofu<br>iv. Anita Mankhambo<br>v. Collen Chitsime<br>vi. Chikondi Lipato-Sikwese  | 19 <sup>th</sup> March 2026 |
| 13. | <b>George Jim</b> (Suspended Principal Officer PSPF)   | 24 <sup>th</sup> March 2026 |
| 14. | <b>Attorney General</b> (Frank Farrok Mbeta)   | 25 <sup>th</sup> March 2026 |

# Appendix 1

## Letter from Cedar Capital



**STRICTLY CONFIDENTIAL**

2 May 2023

D Dunga Esq.  
Chief Investment Officer  
NICO Asset Managers Ltd  
Chibisa House, 19 Glyn Jones Road  
PO Box 3173  
Blantyre, Malawi

**Re: Offer Letter – Amaryllis Hotel Equity Transaction**

Dear Mr Dunga

On behalf of Yusuf Investments Limited (“**YIL**” and the “**Seller**”), Cedar Capital (the “**Arranger**”) would like to thank you for your interest in the potential acquisition of up to a 100% equity stake in Amaryllis Hotel in Blantyre (“**Amaryllis**”) (the “**Transaction**”).

**YIL** is a private company which was incorporated on 12 April 1994 under the Companies Act 1984, owns properties which are let out and operates the **Amaryllis** which is the only 5-star rated hotel in Malawi by the Hotel and Tourism Board. **Amaryllis** commenced operations on 1 October 2019 and comprises an international 91-bedroom hotel together with a multiple configuration conference centre that accommodates up to 800 delegates a rooftop outdoor swimming pool and restaurant, a fine dining restaurant, gym and spa, business centre, a 2,852m<sup>2</sup> shopping mall and car parking for 280 vehicles.

Inherent in the shopping mall, **YIL** operates the Food Lover’s Supermarket, Pharmatique Pharmacy and the rest of the shopping mall comprises 17 retail outlets of various sizes which have all been let-out and include the Colony Club Casino and the Stake Out hotel bar.

The shareholders of **YIL** are Shiraz Yusuf (50%), Shamil Yusuf (20%), Fayyaz Yusuf (20%) and Mustaq Yusuf (10.0%) and **YIL** has during Covid era as a greenfield development and whilst operating as a dry hotel grown **Amaryllis** into a K3.8bn annual turnover business from zero as at completion by gaining significant market share.

**Amaryllis** revenues can immediately grow exponentially by operating **Amaryllis** as a wet hotel with an internationally branded hotel management company and the land adjoining **Amaryllis** which has presently been developed to provide additional car parking can easily be further developed at minimal cost into a multi-storey car park for an additional 50 cars that blends into the existing shopping mall to provide an additional 2,000m<sup>2</sup> of retail space which in turn also naturally blends into the existing conference centre on the first floor to create an outdoor 2,000m<sup>2</sup> banqueting venue with a new swimming pool. This new development will allow the swimming pool at the Splash Rooftop Restaurant to be converted into a floating restaurant.

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CEDAR CAPITAL LIMITED (Incorporated in Malawi Reg. No. 8700)  
Directors: CS Chilingulo, AN Kamphoni, JR Waters\* SW Msefula  
[\* foreign]

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Fourth Floor, Livingstone Towers Building, Glyn Jones Road, Blantyre, Malawi PO Box 3340, Blantyre  
Telephone (+265) 1831995 Facsimile (+265) 831859

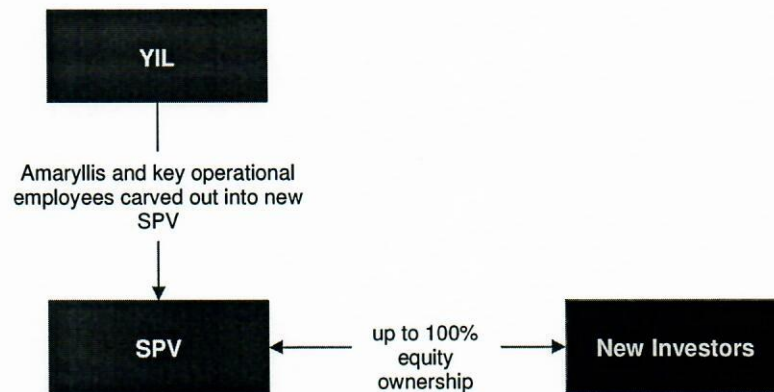
It is against this background that the existing shareholders **YIL** want to use this opportunity to bring in new equity partners for the next journey of **Amaryllis**.

The purpose of this letter is to invite selected recipients (each a "**Bidder**") to submit a **Bid** in relation to the **Transaction**.

The Confidential Information Memorandum ("**CIM**") in support of the **Transaction** has been enclosed herewith and any communication or inquiry relating to the **Transaction** should be directed to Mr Armstrong Kamphoni, the Chief Executive Officer of Cedar Capital.

### 1. **Transaction Structure:**

**Amaryllis** will be carved out from **YIL** into a new special vehicle ("**SPV**") and **Bidders** are invited to subscribe for up to 100% equity in the **SPV**:



Malawi Revenue Approval has been granted to transfer **Amaryllis** from **YIL** into the **SPV** under a Qualified Reorganisation in compliance with Section 70(F) of the Malawi Taxation Act for the purpose of the **Transaction**.

All project finance facilities relating to the construction of **Amaryllis** will be settled by **YIL** upon **Transaction** completion.

### 2. **Indicative Valuation of Amaryllis:**

**Indicative valuation of Amaryllis based on current construction cost to operational level** - Amaryllis is an iconic, 12 storeys majestic 24,000m<sup>2</sup> 5-star international hotel and shopping mall in the heart of Blantyre CBD. Indicative current construction costs for a 5-star hotel of this magnitude are K1.45mn per m<sup>2</sup>. Indicative costs for the apparatus required for a 5-star hotel of this magnitude are 35% of construction costs and as such the current construction cost of Amaryllis to operational level would be in the region K47bn.

**Indicative valuation of Amaryllis based on discounted cash flows** - The discounted cash flow (“**DCF**”) valuation methodology involves discounting the free cash flows to shareholders at the equity required rate of return (“**Ke**”). The **Ke** has been estimated at 20% to give an indicative valuation of K48.7bn under the **DCF** valuation methodology for 100% equity in **Amaryllis**.

We consider a value between K47bn (low) to 48.7bn (high) to be reasonable for 100% of Amaryllis’s equity as at 31 March 2023.

### **3. Submission of Bids:**

All **Bidders** are required to submit their Bids in relation to the **Transaction** by 31 May 2023 and include the following information:

- (a) **Purchaser** - The identity of the purchaser and any other participants that would be involved in a **Transaction**. Your **Bid** should include a brief overview of the purchasing entity as well as the financial condition and financial capacity of your organization.
- (b) **Purchase Price** - the total cash consideration in Malawi Kwacha that you are prepared to pay for your desired equity stake in **Amaryllis**.
- (c) **Timing and Contingencies** - Your proposed timetable for consummating a **Transaction** and any material considerations affecting your timing, including a description of approvals or consents necessary to complete the **Transaction**.

### **4. Confidentiality and others**

The **Seller** expressly reserves the right, in their sole discretion, to evaluate the terms and conditions of any **Bid**, to accept or reject any such **Bid** for further consideration without notice to you and without specifying reasons therefor, and to alter or terminate this process at any time. The existence and content of this letter should be kept strictly confidential. In no event should you directly contact the **Seller**, its shareholders, management, employees, advisors (other than **Arranger**) or business relationships, and all such contact must be arranged through Arranger. You will be responsible for all of your own expenses incurred during the investigation of the **Transaction**, including those of your advisors and agents.

We look forward to receiving your **Bid** and in the meantime please let us know if we can be of further assistance in this regard.

Yours sincerely,



Armstrong Kamphoni  
For: Cedar Capital Limited

Appendix 2  
Letter to PSPTF from NAM on  
Investment Opportunity



## NICO Asset Managers Limited

Investment Management | Corporate Finance | Investor Services | Infrastructure Development  
Chibisa House, 19 Glyn Jones Road. P.O. Box 3173, Blantyre, Malawi  
Tel: (+265) (0) 1 832 085/086 Fax No: (+265) (0) 1 821 617  
E-mail: invest@nicoassetmanagers.com  
Website: www.nicoassetmanagers.com  
Registered with the Registrar of Financial Institutions (Reserve Bank of Malawi) as  
Portfolio/Investment Manager, Investment Advisor and Transfer Secretary

---

NAML/DD/29/05/23

29<sup>th</sup> May 2023

The Acting Principal Officer  
Public Service Pension Trust Fund  
P.O. Box 30146  
Capital City  
Lilongwe

*Attention: George Jim*

Dear Sir,

### INVESTMENT OPPORTUNITIES

We refer to the special meeting of the Investment Committee on 18<sup>th</sup> May 2023 where several investment opportunities were considered. As a follow up, we request the Fund to give a preliminary indication whether the Fund has appetite on the opportunities discussed. Below are the referenced opportunities:

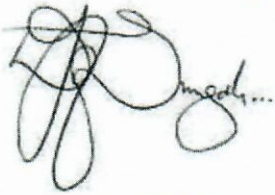
1. Amaryllis Hotel Limited – up to 100% equity with an indicative valuation of K47bn
2. Select Financial Services Limited – up to 49% equity with an indicative valuation of K11bn
3. Select Financial Services Limited – Corporate Bond of up to K2bn

We have hereby enclosed the detailed information Memoranda for the three transactions above for your reference.

Please note that for the Equity stake opportunities, this is a very early preliminary stage of the transactions. After your indication, we will take the next steps to interrogate the technical valuations and transaction structuring. As for the Corporate Bond, the due diligence was completed, and the opportunity is investment ready.

Please contact the undersigned for any further enquiries you may have.

Yours sincerely,  
**For and on behalf of**  
**NICO Asset Managers Limited**

A handwritten signature in black ink, appearing to read 'Daniel Dunga', with a large, stylized initial 'D'.

**DANIEL DUNGA**  
**CHIEF INVESTMENT OFFICER**

## Appendix 3

Letter from PSPTF to NAM on Interest  
into the Investment



Public Service  
Pension Trust Fund

The Principal Officer  
P.O. Box 30146,  
Capital city,  
Lilongwe.

**REF/PSPTF/09/23**

**9th June, 2023**

The Chief Investment Officer,  
NICO Asset Managers Limited,  
Chibisa House,  
19 Glyn Jones Road,  
P.O. Box 3173.  
Blantyre.

Dear Sir

**RE: INVESTMENT PROPOSAL - AMARYLLIS HOTEL LIMITED**

Reference is made to the above captioned matter.

The Public Service Pension Trust Fund (PSPTF) through its investment committee has expressed interest in acquiring an equity stake in the Amaryllis Hotel based on the offering that has been presented.

You are, therefore advised to solicit quotations for an independent valuation of the property. The valuation report should indicate the replacement cost of the property and the business cost considering that the hotel came into operation in 2019 during the covid-19 pandemic. This will help the Fund to have a clear picture of the investment opportunity that has been presented

Your prompt action on this matter will be greatly appreciated.

Yours faithfully

George M. Jim

**Acting Principal Officer**

## Appendix 4

# Letter from NAM to PSPTF on Quotations for Valuation



## NICO Asset Managers Limited

Investment Management | Corporate Finance | Investor Services | Infrastructure Development  
Chibisa House, 19 Glyn Jones Road. P.O. Box 3173, Blantyre, Malawi  
Tel: (+265) (0) 1 832 085/086 Fax No: (+265) (0) 1 821 617  
E-mail: invest@nicoassetmanagers.com  
Website: www.nicoassetmanagers.com  
Registered with the Registrar of Financial Institutions (Reserve Bank of Malawi) as  
Portfolio/Investment Manager, Investment Advisor and Transfer Secretary

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NAML/DD/12/06

12<sup>th</sup> June 2023

The Acting Principal Officer  
Public Service Pension Trust Fund  
P.O. Box 30146  
Capital City  
Lilongwe

Attention: George Jim

Dear Sir,

**RE: INVESTMENT PROPOSAL – AMARYLLIS HOTEL LIMITED**

We refer to the subject matter above and your letter dated 9<sup>th</sup> June 2023.

We have taken note of the interest by the Investment Committee in acquiring the stake in Amaryllis Hotel and for the requirement to solicit quotations for valuations.

We will proceed to seek quotations for the valuation of the property and valuation of the hotel business. We propose that the two valuations be done separately. We will submit a recommendation to your office for approval.

Yours sincerely,

**For and on behalf of  
NICO Asset Managers Limited**

**DANIEL DUNGA**  
**CHIEF INVESTMENT OFFICER**

## Appendix 5

### Engagement of Valuers (FDH, Knight Frank, & Garden City)



# NICO Asset Managers Limited

Investment Management | Investor Services

Chibisa House, 19 Glyn Jones Road. P.O. Box 3173, Blantyre, Malawi

Tel: (+265) (0) 1 832 085/086 Fax No: (+265) (0) 1 821 617

E-mail: invest@nicoassetmanagers.com

Website: www.nicoassetmanagers.com

Registered with the Registrar of Financial Institutions (Reserve Bank of Malawi) as Portfolio/Investment Manager, Investment Advisor and Transfer Secretary

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21<sup>st</sup> June 2023

Head of Treasury and Investment Banking  
FDH Bank  
P.O. Box 512  
Blantyre

Dear Madam,

## **REQUEST FOR EXPRESSION OF INTEREST - VALUATION OF HOTEL BUSINESS**

We are reaching out on behalf of our esteemed pension fund client, Public Service Pension Trust Fund, to invite your organization to express interest in providing professional valuation services for a hotel business. We believe your firm has the necessary experience and capabilities to undertake this assignment.

### **Project Background:**

Our pension fund client is considering an investment opportunity in the hospitality sector, specifically in a hotel business. To facilitate their decision-making process, they require a thorough valuation report that provides a comprehensive assessment of the hotel's financial performance, market positioning, potential risks, and growth prospects. The objective of this valuation is to obtain an independent assessment of the hotel's value to guide our client's investment decision.

### **Scope of Work:**

The scope of work for the valuation engagement should include, but is not limited to, the following:

#### **1. Financial Analysis:**

- a. Review of historical financial statements, including income statements, balance sheets, and cash flow statements.
- b. Analysis of revenue streams, cost structures, and profitability metrics.
- c. Assessment of capital expenditure requirements and depreciation schedules.
- d. Cash flow projections and sensitivity analysis.

#### **2. Market Analysis:**

- a. Evaluation of the local and regional hotel market dynamics.
- b. Competitive analysis, including benchmarking against comparable hotels.
- c. Analysis of market demand drivers, occupancy rates, and pricing strategies.
- d. Identification of potential risks and opportunities.

#### **3. Regulatory and Legal Considerations:**

- a. Examination of any relevant permits, licenses, or legal issues.
- b. Analysis of regulatory compliance, including zoning and environmental regulations.
- c. Assessment of any contractual obligations or liabilities.

**Deliverables:**

The final deliverable should include a comprehensive valuation report that presents the findings and conclusions of the engagement. The report should provide a clear assessment of the hotel's value and the key factors influencing its valuation. It should also highlight potential risks and opportunities, along with any recommendations for our client's consideration.

**Submission of Expression of Interest:**

If your organization is interested in undertaking this valuation engagement, we kindly request you to submit an Expression of Interest (EOI) by 28<sup>th</sup> June 2023. The EOI should include the following information:

**Background of the Firm:**

- a. Overview of your organization's expertise in valuations.
- b. Description of relevant experience, highlighting past valuation projects.
- c. Details of key personnel who would be assigned to the engagement.

**Approach and Methodology:**

- a. Description of your proposed approach to conducting the valuation.
- b. Methodology and tools employed for financial analysis and any other assessments.
- c. Explanation of how potential risks and opportunities will be identified and evaluated.

**Project Timeline:**

- a. Estimated timeline for completing the valuation engagement.
- b. Key milestones and deliverable dates.

**Pricing:**

Please provide a breakdown of the estimated fees and expenses associated with the valuation engagement.

Please submit the Expression of Interest electronically to [cgomani@nicoassetmanagers.com](mailto:cgomani@nicoassetmanagers.com) and [daniel.dunga@nicoassetmanagers.com](mailto:daniel.dunga@nicoassetmanagers.com) no later than 28<sup>th</sup> June 2023.

We look forward to hearing from you.

Yours faithfully,

**For and on behalf of  
NICO Asset Managers Limited**

  
**DANIEL DUNGA**  
**CHIEF INVESTMENT OFFICER**

**PUBLIC SERVICE PENSION TRUST FUND**

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**PROPERTY VALUATION SERVICES**

**EVALUATION REPORT FOR HIRING OF VALUER**

**DATE: 28 JUNE 2023**

**Submitted by: NICO Asset Managers Limited**

## 1. BRIEF BACKGROUND ON THE ASSIGNMENT

NICO Asset Managers Limited is facilitating the process for procuring a Valuer to assess the open market value of a proposed investment property - Amaryllis Hotel in Blantyre on behalf of Public Service Pension Trust Fund.

Requests for quotations were invited from five shortlisted duly registered property valuation firms.

## 2. AIM OF REPORT

The aim of this report is to provide an evaluation of the quotations which were sourced from the shortlisted firms and provide a recommendation.

## 3. SHORTLISTING

Technical proposals were requested from selected qualified and duly registered property valuation firms. Shortlisting was aimed at minimising loss of time. Terms of Reference were drafted in line with the requirements of an assignment of this nature.

The following are the shortlisted bidders:

- a) Garden City Properties
- b) Knight Frank Malawi
- c) Maple Leaf Realty
- d) MPICO Plc
- e) TG Msonda & Associates

The firms above were shortlisted due to their track record in the industry. Only 3 submissions were received.

## 4. SUMMARY OF QUOTES RECEIVED

The firms were evaluated on the competitiveness of their submissions which are summarised below:

| FIRM                   | FEE           | DISBURSEMENTS | VAT          | TOTAL          |
|------------------------|---------------|---------------|--------------|----------------|
| Garden City Properties | 6,000,000.00  | 165,000.00    | 990,000.00   | 7,155,000.00   |
| Knight Frank           | 4,032,000.00  | 150,000.00    | 665,280.00   | 4,847,280.00   |
| Maple Leaf Realty      | N/A           | N/A           | N/A          | Did not submit |
| MPICO                  | 12,000,000.00 | 1,600,000.00  | 1,980,000.00 | 15,580,000.00  |
| Landed Property        | N/A           | N/A           | N/A          | Did not submit |

## 5. EXPERIENCE ON SIMILAR ASSIGNMENTS

| FIRM                   | ASSIGNMENT  | YEAR |
|------------------------|---|------|
| Garden City Properties | Valuation of Serendib Suites (Blantyre) and Kara O'Mula (Mulanje) | 2023 |
| Knight Frank           | Valuation of Protea Hotels Ryalls (Blantyre)                      | 2022 |
| Maple Leaf Realty      | N/A   | N/A  |
| MPICO                  | Valuation of Subnird Portfolio                                    | 2015 |
| Landed Property        | N/A   | N/A  |

## 6. RECOMMENDATION

Based on the submissions received, we recommend that Knight Frank Malawi and Garden City Properties should be engaged to provide Property Valuation Services for the subject property as they have the requisite experience on similar assignments and submitted the most competitive quotation. Having two independent valuations will help the Fund have a fair basis for making the investment decision.



Public Service  
Pension Trust Fund

The Principal Officer  
Public Service Pension Trust Fund  
P.O. Box 30146  
Lilongwe

**Ref. No. PSPTF/INV/01/28/07**

**03<sup>rd</sup> July, 2023**

The Chief Investment Officer,  
NICO Asset Managers Limited,  
Chibisa House, 19 Glyn Jones Road,  
P.O. Box 3173.

**BLANTYRE.**

Dear Sir,

**APPROVAL TO ENGAGE FDH BANK TO PROVIDE BUSINESS VALUATION SERVICES**

Reference is made to your submission on 29<sup>th</sup> June, 2023, for the Fund to consider engaging FDH Bank to provide business valuation services for a proposed hotel business investment-Amaryllis Hotel in Blantyre. After reviewing the submission and the quotations, the Fund would like to approve the request.

As such, you can proceed to award the contract to FDH Bank, to proceed with the business valuation.

Yours faithfully,

PP 

George M. Jim

**ACTING PRINCIPAL OFFICER**



REF.NO.PSPTF/INV/10

The Principal Officer

P.O. Box 30146,

Lilongwe.

10<sup>th</sup> July, 2023

The Chief Investment Officer,  
NICO Asset Managers Limited,  
Chibisa House,  
19 Glyn Jones Road,  
P.O. Box 3173.  
Blantyre.

Dear Sir,


**APPROVAL FOR OPEN MARKET VALUATION FOR AMARYLLIS HOTEL**

I write to inform you that an approval has been granted for you to proceed and engage the 2 firms for the valuation exercise of the Amaryllis Hotel in Blantyre.

According to the correspondence dated 28<sup>th</sup> June 2023 and the valuation report for hiring of the valuer, there is a recommendation to engage Garden City properties at the cost of MK 7,155,000.00 and Knight Frank at the cost of MK 4,847,280.00.

The 2 firms can be engaged for comparison's sake as highlighted in the report.

Yours Faithfully

  
George M. Jim

**ACTING PRINCIPAL OFFICER**



## NICO Asset Managers Limited

Investment Management | Corporate Finance | Investor Services | Infrastructure Development

Chibisa House, 19 Glyn Jones Road. P.O. Box 3173, Blantyre, Malawi

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Website: [www.nicoassetmanagers.com](http://www.nicoassetmanagers.com)

Registered with the Registrar of Financial Institutions (Reserve Bank of Malawi) as  
Portfolio/Investment Manager, Investment Advisor and Transfer Secretary

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10<sup>th</sup> July 2023

Head of Treasury and Investment Banking  
FDH Bank  
P.O. Box 512  
Blantyre

Attention: Esnat Suleman

Dear Madam,

**RE: REQUEST FOR EXPRESSION OF INTEREST - VALUATION OF HOTEL  
BUSINESS**

We refer to the subject matter above.

We are writing to inform you that your bid for the valuation of a hotel business on behalf of our pension fund client, Public Service Pension Trust Fund, has been successful. As the next step, we kindly request you to send us the engagement letter for the valuation project.

We look forward to hearing from you soon.

Yours sincerely,

**For and on behalf of  
NICO Asset Managers Limited**

**CHIKONDI GOMANI  
INVESTMENT MANAGER**



# FDH Bank PLC

*Registered under the Banking Act 2010*

1<sup>st</sup> Floor, Umoyo House  
No. 8 Victoria Avenue North  
P.O. Box 512  
Blantyre, Malawi

Tel: +265 (0) 1 820 219  
Fax: +265 (0) 1 823 044  
Email: [fdh@fdh.co.mw](mailto:fdh@fdh.co.mw)  
Website: <http://www.fdh.co.mw>  
12<sup>th</sup> July 2023

The Acting Principal Officer  
Public Service Pension Trust Fund  
P.O. Box 30049  
**LILONGWE**

**Attn.: Mr. George Jim**

Dear Sir,

## **ENGAGEMENT LETTER FOR THE VALUATION OF HOTEL BUSINESS**

We refer to a letter dated 10<sup>th</sup> July 2023, from your Fund Managers, NICO Asset Managers, communicating that our bid for the valuation of a hotel business was successful.

We are pleased that Public Service Pension Trust Fund (the "Fund") has chosen to engage FDH Bank Plc ("FDH") as its financial adviser in connection with certain valuation services, as more fully described below, in respect of the Fund. We look forward to working with the Fund on this engagement, and have set forth below the agreed upon terms of FDH's engagement:

### 1. Definitions

- a. For the purposes of this engagement, "FDH" means FDH Bank Plc, a company with its registered office at No. 8 Victoria Avenue, Umoyo House, P.O. Box 512, Blantyre, in the Republic of Malawi, which shall include any of its successors and assigns and related companies, in each case, as may be appropriate to consummate the transactions contemplated hereby.
- b. The Fund and FDH are referred hereto, individually as "Party" and together as "Parties".

### 2. Scope of Engagement.

- a. FDH will, in accordance with customary practices and pursuant to the provisions set forth in Part VII of the Companies Act, prepare a thorough valuation report that provides a comprehensive assessment of the target company's financial performance, market positioning, potential risks, and growth prospects, for purposes of obtaining an independent assessment of the target company's value to guide the Public Service Pension Trust Fund's investment decision.

- b. Pursuant to this engagement and in line with the Request for Expression of Interest from the Fund dated 21<sup>st</sup> June 2023, FDH shall perform diverse valuation works including the following:
- (a) **Financial Analysis:**
    1. Review of historical financial statements, including income statements, balance sheets, and cash flow statements.
    2. Analysis of revenue streams, cost structures, and profitability metrics.
    3. Assessment of capital expenditure requirements and depreciation schedules.
    4. Cash flow projections and sensitivity analysis.
  - (b) **Market Analysis:**
    1. Evaluation of the local and regional hotel market dynamics.
    2. Competitive analysis, including benchmarking against comparable hotels.
    3. Analysis of market demand drivers, occupancy rates, and pricing strategies.
    4. Identification of potential risks and opportunities.
  - (c) **Regulatory and Legal Considerations:**
    1. Examination of any relevant permits, licenses, or legal issues.
    2. Analysis of regulatory compliance, including zoning and environmental regulations.
    3. Assessment of any contractual obligations or liabilities.
  - (d) **Perform a business valuation:**
    1. Review the appropriateness of the valuation methodologies against the information available on the target company and select the appropriate methodology to be used.
    2. Develop valuation models and determine the appropriate value of the target company.
    3. Prepare a valuation report on the target company.
- c. FDH will perform the valuation exercise as FDH deems appropriate with respect to the target Company (the "Valuation"), it being understood that the form and substance of such Valuation will be in FDH's sole judgment, and that FDH may qualify the Valuation in any manner that it believes appropriate and that the Valuation is not intended to be and is not to be construed as a guarantee of the value of the Company or an opinion as to the fairness, from a financial point of view of any transaction. Nevertheless, FDH is responsible for any claims, damages, losses or liabilities that the Fund, its Members or a third-party may incur by or assert or be awarded against the Valuation from FDH's gross negligence or wilful misconduct.

Ch

- d. The Fund acknowledges that it is not relying on the advice of FDH for tax, legal or accounting matters and will rely on the advice of its own professionals and advisors for such matters during which it will make an independent analysis and decision regarding any actions the Fund may take based upon such advice.

3. Delivery and Timing

- a. FDH shall within three weeks from the date of receipt of all requested information on the target Company, furnish to the Fund in the English language a Valuation Report that provides a clear assessment of the target company's value and the key factors influencing its valuation.
- b. The parties agree that FDH's ability to deliver a report is dependent upon FDH's timely receipt of any information requested for purposes of the assignment.

4. Fee and Payment

- a. In consideration of the services to be provided by FDH, the Fund will pay to FDH a fee of K8,155,000.00 (eight million, one hundred and fifty-five thousand Kwacha), inclusive of tax, and payable upon delivery by FDH of the Valuation Report.

5. Use of Information

- a. The Fund recognizes and confirms that FDH in acting pursuant to this engagement will be using publicly available information and information in reports and other materials provided by others, including, without limitation, information provided by or on behalf of the Fund, and that FDH does not assume responsibility for and may rely, without independent verification, on the accuracy and completeness of any such information.
- b. The Fund agrees to furnish or cause to be furnished to FDH all necessary or appropriate information for use in its engagement and hereby warrants that any information relating to the target Company or its affiliates that is furnished to FDH by or on behalf of the Fund will be true and correct in all material respects and not misleading by omission or otherwise and that every statement of opinion, intention or expectation therein by the Fund will be honestly held.
- c. The Fund agrees that any information or advice (including the Valuation Report) rendered by FDH or any of its representatives in connection with this engagement is for the confidential use of the Fund only in its evaluation of the Fund and the Fund will not permit any third party to use it for any other purpose or disclose or otherwise refer to such Valuation Report, advice or information, or to FDH, in any manner without FDH's prior written consent except that, in the case of the Valuation Report, the Fund may reproduce or disclose the Valuation in full or in part, and may also include references to the Valuation Report and to FDH and its relationship with the Fund and to the extent required by law, any specific requirements imposed by a court of competent jurisdiction, or by government agencies lawfully executing their mandates.

6. Certain Acknowledgments

- a. The Fund acknowledges that FDH has been retained hereunder solely as a Business Valuer to the Fund, and not as an adviser to or agent of any other party, and that the Fund's engagement of FDH is as an independent contractor and not in any other capacity including as a fiduciary. Neither this agreement nor FDH's performance hereunder nor any previous or existing relationship between the Fund and FDH will be deemed to create any fiduciary relationship. FDH may, to the extent it deems appropriate, render the services hereunder through one or more of its affiliates. Any duties that arise out of this agreement or FDH's engagement will be owed to the Parties, other than in the terms set out below under the 'Indemnity' section and neither this engagement, nor the delivery of the Valuation Report or any advice in connection with this engagement, is intended to confer rights upon any other parties (including security holders, or employees of the Fund), except in the event of FDH's liability as against FDH or its affiliates or their respective directors, officers, agents and employees.
- b. The Fund understands that FDH and its affiliates (together, the "Group") are engaged in a wide range of financial services and businesses (including investment management, financing, securities trading, corporate and investment banking and research). Members of the Group and businesses within the Group generally act independently of each other, both for their own account and for the account of clients. Accordingly, there may be situations where parts of the Group and/or their clients either now have or may in the future have interests, or take actions, that may conflict with the Fund's interests. For example, the Group may, in the ordinary course of business, engage in trading in financial products or undertake other investments for their own account or on behalf of other clients, including, but not limited to, trading in securities, loans or other financial products of the Fund. Notwithstanding the foregoing, FDH will ensure that none of its individual officers assigned the task of carrying out the assignment has any material interest in the target Company.
- c. In recognition of the foregoing, the Fund agrees that the Group is not required to restrict its activities as a result of this engagement, and that the Group may undertake any business activity without further consultation with or notification to the Fund. Neither this agreement nor the receipt by FDH of confidential information nor any other matter shall give rise to any fiduciary, equitable or contractual duties, except as established herein (including without limitation any duty of trust or confidence) that would prevent or restrict the Group from acting on behalf of other customers or for its own account. Furthermore, the Fund agrees that neither the Group nor any member or business of the Group is under a duty to disclose to the Fund or use on behalf of the Fund any information whatsoever about or derived from those activities or to account for any revenue or profits obtained in connection with such activities. However, consistent with the Group's long-standing policy to hold in confidence the affairs of its customers, the Group will not use confidential information obtained from the Fund except in connection with its services to, and its relationship with, the Fund.

## 7. Indemnity

- a. The Fund agrees to indemnify and hold harmless FDH, and each of its affiliates, officers, directors, employees, agents, advisors and representatives (each, an "Indemnified Party") from and against any and all claims, damages, losses, liabilities and duly documented expenses (including fees and disbursements of counsel) that may be incurred by or asserted or awarded against any Indemnified Party (including in connection with any investigation, litigation or proceeding or the preparation of a defense in connection therewith), in each case, arising out of or in connection with or by reason of this engagement letter or the transactions contemplated hereby except to the extent such claim, damage, loss, liability or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted primarily from such Indemnified Party's gross negligence or willful misconduct.
- b. No Indemnified Party will have any liability to the Fund or any of its affiliates or any of their respective security holders or creditors for or in connection with the transactions contemplated hereby, except to the extent such liability is determined in a final non-appealable judgment by a court of competent jurisdiction to have resulted primarily from such Indemnified Party's gross negligence or willful misconduct. In no event, however, will any Indemnified Party be liable for any special, indirect, consequential or punitive damages (including without limitation, any loss of profits, business or anticipated savings).
- c. Any amount paid by the Fund to other advisors, companies, institutions or persons shall not reduce, or in any way affect, the fees which shall be paid to FDH under this Proposal.
- d. This obligation to indemnify shall remain in full effect even after termination of this engagement.

## 8. Confidentiality

- a. The parties undertake to keep confidential all exclusive information, confidential and privileged, which are not public domain, as defined below, related to its business and, specifically, the Valuation and to their relationships with clients, which have been disclosed verbally, in writing, or other tangible form (including on magnetic media) or by other means, identified or not as confidential and privileged.
- b. "Confidential Information" means information that relates to the purpose stated under the caption "Scope of Engagement" or that, although not related to such purpose, is, nevertheless, disclosed as a result of the Parties' discussions in that regard. FDH shall consider to be proprietary and confidential to the Fund, an Affiliate of the Fund or to a third party, all the information/documents received from the Fund, regardless of the existence of legends or other markings, the circumstances of disclosure or the nature of the information itself. Such information may include, among others, financial statements, budgets, projections, strategies, product specifications, methods, research, design, as well as accounting, legal and other technical and commercial. All such information is

hereinafter called, collectively, "Confidential Information". The term "Affiliate" means any person or entity directly or indirectly controlling, controlled by, or under common control with a Party.

- c. FDH shall protect such Confidential Information from disclosure to others, using the same degree of care used to protect its own confidential or proprietary information of like importance, but in any case using no less than a reasonable degree of care. FDH may disclose Confidential Information received hereunder to (i) its Affiliates who agree, in advance, to be bound by this Agreement, and (ii) to its employees and its Affiliate's employees who have a need to know, for the purpose of this Agreement, and who are bound to protect the received Confidential Information from unauthorized use and disclosure under the terms of this agreement. FDH shall be responsible for all the acts of all the Parties described in this section when in connection to the compliance to the terms defined in this Agreement. Confidential Information shall not otherwise be disclosed to any third party without the prior written consent of the Fund.
- d. Aiming to maintain secrecy regarding the Confidential Information, the Parties and each Representative (as defined below) agree:
  - (a) Not disclose, or permit the disclosure of Confidential Information to third parties, except to its Representatives, in each case to the extent necessary to allow the Representatives to assist the parties concerned in the development of the Valuation Report.
  - (b) Not to disclose or allow disclosure to third parties that the Parties or their Representatives reviewed the Confidential Information;
  - (c) Not to use the Confidential Information for its own benefit or for the benefit of third persons or entities, except for benefit deriving from the accomplishment of the Valuation by the Fund; and
  - (d) To take reasonable precautions to protect the integrity and confidentiality of the Confidential Information in possession of the Parties or their Representatives.
- e. In this Engagement, the term "Representatives" means officers, the Fund, financial advisers, legal and accounting, auditors, employees, officers, directors, managers, attorneys, companies belonging to the same economic-financial conglomerate and any other representative of the parties involved in the development of the Valuation.
- f. The obligation of confidentiality herein will not apply to information that:(i) was publicly known at the time of the Fund's communication thereof to FDH; (ii) becomes publicly known through no fault of FDH subsequent to the time of the Fund's communication thereof to the FDH; (iii) was in FDH's possession free of any obligation of confidence at the time of the Fund's communication thereof to FDH; provided, however, that FDH

immediately informs the Fund in writing to establish FDH's prior possession; (iv) Is identified expressly in writing by the Fund as no longer proprietary or confidential, and (v) whose disclosure is required by government authorities, administrative act or by order of a competent court of jurisdiction, provided that such disclosure is subject to judicial protection, administrative, governmental or similar materials to apply and that the Parties whose information will be disclosed are reported with reasonable notice of it, except as established herein, under the caption "Use of Information". FDH shall bear the burden of showing, in writing within fifteen (15) days from the Fund's written request that any of the foregoing exclusions applies to any information or materials.

- g. In the event FDH is required by law, regulation or court order to disclose any of the Fund's Confidential Information, FDH will promptly notify the Fund in writing prior to making any such disclosure in order to facilitate the Fund seeking a protective order or other appropriate remedy from the proper authority. FDH agrees to cooperate with the Fund in seeking such order or other remedy. FDH further agrees that if the Fund is not successful in precluding the requesting legal body from requiring the disclosure of the Confidential Information, it will furnish only that portion of the Confidential Information which is legally required and will exercise all reasonable efforts to obtain reliable assurances that confidential treatment will be accorded the Confidential Information.
- h. All Confidential Information disclosed under this Agreement (including information in computer software or held in electronic storage media) shall be and remain the property of the Fund. All such information in tangible form shall be destroyed or returned to the Fund promptly upon written request on the termination or expiration of this Agreement, and shall not, thereafter, be retained in any form by FDH, its Affiliates, or any of its employees or Affiliates, unless otherwise required by law.

#### 9. Miscellaneous

- a. This Engagement Letter contains the entire understanding between FDH and the Fund as to the subject matter hereof and supersedes any and all previous agreements, understandings and arrangements with respect to the subject matter hereof.
- b. This Engagement Letter may not be amended or in any manner modified except by a written instrument signed by authorized representatives of both Parties.
- c. No failure or delay on the part of FDH in exercising any power or right under this Engagement Letter shall operate as a waiver thereof nor shall any single or partial exercise of such right or power preclude any other or further exercise of any of FDH's power or right under this Engagement Letter.
- d. If any term or provision (or part thereof) of this Letter of Appointment is to any extent declared by any judicial or other competent authority to be in any way unenforceable for any reasons whatsoever, that term or provision or part shall to that extent be deemed not to form part of this Letter of Appointment and shall be severable from this

Engagement Letter without impairing or affecting the legality, validity or enforceability of any of the remaining terms or provisions of this Engagement Letter provided that if such severance shall affect the commercial basis of this Engagement Letter the Parties shall negotiate in good faith to modify or terminate the Engagement Letter as may be necessary or desirable in the circumstances.

- e. FDH shall not assign any of its rights or obligations hereunder, without the prior, written consent of the Fund.

10. Governing Law and Jurisdiction

- a. This Letter of Appointment shall be governed by and construed in accordance with the laws of Malawi and the parties submit to the non-exclusive jurisdiction of the courts of Malawi.

FDH is delighted to accept this engagement and looks forward to working with the Fund on this matter. Please confirm that the foregoing is in accordance with the Fund's and FDH's understanding by signing and returning a copy of this agreement.

Yours faithfully



**Noel Mkulichi**  
**MANAGING DIRECTOR**

We, **PUBLIC SERVICE PENSION TRUST FUND**, the undersigned, accept the terms of this Engagement Letter as indicated above.

Name: *Chikandi Gomanji*  
Signed for and on behalf of  
**PUBLIC SERVICE PENSION TRUST FUND**  
Date: *14/07/2023*

## Appendix 6

### Offer Letter from NAM to Cedar Capital



# NICO Asset Managers Limited

Investment Management | Investor Services

Chibisa House, 19 Glyn Jones Road. P.O. Box 3173, Blantyre, Malawi

Tel: (+265) (0) 1 832 085/086 Fax No: (+265) (0) 1 821 617

E-mail: [invest@nicoassetmanagers.com](mailto:invest@nicoassetmanagers.com)

Website: [www.nicoassetmanagers.com](http://www.nicoassetmanagers.com)

Registered with the Registrar of Financial Institutions (Reserve Bank of Malawi) as Portfolio/Investment Manager, Investment Advisor and Transfer Secretary

---

19<sup>th</sup> September 2023

Cedar Capital Limited  
P.O. Box 3340  
**BLANTYRE**

Attention: Mr. Armstrong Kamphoni

Dear Sir,

**RE: OFFER LETTER - AMARYLLIS HOTEL EQUITY TRANSACTION**

We refer to the above subject matter and your letter dated 2<sup>nd</sup> May 2023.

We are writing on behalf of our client, the Public Service Pension Trust Fund (“PSPTF”) *to accept your offer* to acquire a 100% stake in Amaryllis Hotel Limited as follows:

1. **Purchaser** – The Public Service Pension Trust Fund (“PSPTF”).
2. **Price** – Our client accepts your indicative price of K47bn as a price cap. However our client requests you to consider applying a discount of between 10% to 12% to the price because as you have suggested in your offer letter, the benefits of a wet hotel will only be realized after the transaction, as a result of the post transaction effort which our client will have to make. Please note that this is not a counteroffer, but rather a proposal to enter into structured negotiations with yourselves. We are open to your suggestions on the negotiation process and welcome your input on how we can proceed efficiently.
3. **Timing and contingencies** – we have already obtained our clients interim approval to proceed with the transaction. We understand that the financial structure of the deal is a critical component. Our client will contract the services on any relevant service providers e.g. lawyers and corporate finance advisors to execute the transaction.
4. **Structural integrity report** – As part of our client’s due diligence processes, they will require a Structural Integrity Report for the property from a Structural Engineer prior to concluding the transaction. We request that this matter be included in the Sale Agreement.
5. **Policy limitations** – Please note that final closure of the transaction is subject to various investment policies, regulations, and agreements applicable to our client. These will have to be cleared before executing the final Sale Agreement.

We understand the complexity of this transaction and are fully committed to working collaboratively with you to ensure its successful completion. We propose that we schedule a meeting to outline a clear roadmap for the transaction.

We look forward to hearing from you on the way forward.

Yours faithfully,

**For and on behalf of  
NICO Asset Managers Limited**



A handwritten signature in black ink, appearing to read 'D. Dunga', is written over the printed name. The signature is stylized and somewhat illegible.

**DANIEL DUNGA  
CHIEF EXECUTIVE OFFICER**

## Appendix 7

Correspondences on the Offer Letter  
from NAM - Proposed discount



**STRICTLY CONFIDENTIAL**

20 September 2023

D Dunga Esq.  
Chief Investment Officer  
NICO Asset Managers Ltd  
Chibisa House  
19 Glyn Jones Road  
PO Box 3173  
Blantyre  
Malawi

**Re: Offer Letter – Amaryllis Hotel Equity Transaction**

Dear Mr Dunga

On behalf of our client Yusuf Investments Limited (“YIL”), we are pleased to advise you that we have received your offer letter which you sent to us on 19 September 2023 on behalf of your client the Public Service Pension Trust Fund (“PSPTF”) in relation to the Amaryllis Hotel equity transaction (“Offer Letter”).

We are also pleased to advise you that the **Offer Letter** has been received with **warmth** and all the matters you refer to in your **Offer Letter** are best discussed and resolved by virtue of a face-to-face meeting.

As such, kindly advise us on when we can meet you in this regard to finalise the transaction contemplated in the **Offer Letter** for the mutual benefit of our respective clients.

Please let me know if we can be of further assistance in this regard.

Yours sincerely

Armstrong Kamphoni  
**For: Cedar Capital**

---

CEDAR CAPITAL LIMITED (Incorporated in Malawi Reg. No. 8700)  
Directors: CS Chilingulo, AN Kamphoni, JR Waters\* SW Msefula  
[\* foreign]

---

Fourth Floor, Livingstone Towers Building, Glyn Jones Road, Blantyre, Malawi PO Box 3340, Blantyre  
Telephone (+265) 1831995 Facsimile (+265) 831859



# NICO Asset Managers Limited

Investment Management | Investor Services

Chibisa House, 19 Glyn Jones Road. P.O. Box 3173, Blantyre, Malawi

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Website: [www.nicoassetmanagers.com](http://www.nicoassetmanagers.com)

Registered with the Registrar of Financial Institutions (Reserve Bank of Malawi) as  
Portfolio/Investment Manager, Investment Advisor and Transfer Secretary

---

*STRICTLY PRIVATE AND CONFIDENTIAL*

27<sup>th</sup> September 2023

Cedar Capital Limited  
P.O. Box 3340  
**BLANTYRE**

Attention: Mr. Armstrong Kamphoni

Dear Sir,

**RE: OFFER LETTER - AMARYLLIS HOTEL EQUITY TRANSACTION**

We refer to the above subject matter contained in your letter dated 2<sup>nd</sup> May 2023. We further refer to our letter of 19<sup>th</sup> September 2023, and to the meeting we had with you today.

As agreed, we look forward to receiving your written response to our letter mentioned above so that we can take further steps to consummate the transaction contemplated herein.

We look forward to hearing from you.

Yours faithfully,

**For and on behalf of  
NICO Asset Managers Limited**



**DANIEL DUNGA**  
**CHIEF EXECUTIVE OFFICER**



**STRICTLY CONFIDENTIAL**

27 September 2023

D Dunga Esq.  
Chief Executive Officer  
NICO Asset Managers Ltd  
Chibisa House  
19 Glyn Jones Road  
PO Box 3173  
Blantyre  
Malawi

**Re: Offer Letter – Amaryllis Hotel Equity Transaction**

Dear Mr Dunga

On behalf of our client Yusuf Investments Limited (“YIL”), we thank you for meeting us today to negotiate the terms and conditions inherent in your offer letter which you sent to us on 19 September 2023 on behalf of your client, the Public Service Pension Trust Fund (“PSPTF”), in relation to the Amaryllis Hotel (“Amaryllis”) equity transaction (“Offer Letter”) and collectively the “Transaction”.

We are also pleased to confirm the outcome of our negotiations today as follows:

**Pricing:**

- ▶ YIL by virtue of its desire to complete the **Transaction** expeditiously and seamlessly, accepts your offer to acquire a 100% equity stake in **Amaryllis** for K47bn (“**Transaction Price**”).

**Request for discount of between 10% to 12%:**

- ▶ YIL kindly requests you to reconsider your request for a 10% to 12% discount on the **Transaction Price** based on the following pertinent facts:
  - ▶ the replacement cost valuation carried out by the 2 independent valuers have valued the replacement cost of **Amaryllis** at between K78bn and K87bn;
  - ▶ the Malawi Kwacha has devalued by 11% from the date of our offer letter being 2 May 2023 wherein our indicative replacement cost of **Amaryllis** was estimated at K47bn and the date of your **Offer Letter** being 19 September 2023.
  - ▶ the facilities required to operate **Amaryllis** as a wet hotel are already in place at **Amaryllis** and as such very minimum capital expenditure is required to operate as a wet hotel. The Coffee Cup outlet adjoining the Zaffron Restaurant is fully equipped to cater for alcoholic drinks as is the bar at Splash Restaurant. All that is required is to stock up the bars with alcoholic beverages for resale;

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CEDAR CAPITAL LIMITED (Incorporated in Malawi Reg. No. 8700)  
Directors: CS Chilingulo, AN Kamphoni, JR Waters\* SW Msefula  
[\* foreign]

---

Fourth Floor, Livingstone Towers Building, Glyn Jones Road, Blantyre, Malawi PO Box 3340, Blantyre  
Telephone (+265) 1831995 Facsimile (+265) 831859

- ▶ **Amaryllis** already has a large cliental seeking alcoholic drinks and this cliental will grow without any effort once **Amaryllis** is marketed as a wet hotel and by word of mouth. Kindly note that marketing **Amaryllis** as a wet hotel will not be a challenge as **Amaryllis** already has 50,000 followers on Facebook; and
- ▶ As such there is no significant post transaction effort required to operate the **Amaryllis** as a wet hotel.

**Timing and contingencies**

- ▶ In order to facilitate the completion of the Transaction expeditiously and seamlessly, can we kindly request you to consider the following such that **YIL** is not subject to any further devaluation beyond 31 October 2023:
  - ▶ all formalities that you need to adhere to for the completion of the **Transaction** are accomplished in good time such that the **Transaction** is completed on or before 31 October 2023; and
  - ▶ to execute the sale and purchase agreement in relation to the **Transaction** prior to 4 October 2023 to allow **YIL** to commence the formalities of carving out **Amaryllis** into a newly incorporated company under a Qualified Reorganisation in time for the **Transaction** to be completed on or before 31 October 2023.

**Structural integrity report:**

- ▶ Can you kindly consider engaging the structural engineer at the same time as engaging the lawyer who will draft the sale and purchase agreement such that the timing of completing the **Transaction** on or before 31 October 2023 is acheived.

We trust that the above is a true reflection of the outcome of our negotiations today in relation to the **Transaction** and we look forward to completing the **Transaction** with you expeditiously.

Please let me know if we can be of further assistance in this regard.

Yours sincerely



Armstrong Kamphoni  
For: Cedar Capital

## Appendix 8

Letter from Cedar Capital on revised price from K47bn to K61.1bn



**STRICTLY CONFIDENTIAL**

10 November 2023

D Dunga Esq.  
Chief Executive Officer  
NICO Asset Managers Ltd  
Chibisa House  
19 Glyn Jones Road  
PO Box 3173  
Blantyre  
Malawi

**Re: Amaryllis Hotel Equity Transaction**

Dear Mr Dunga

On behalf of our client Yusuf Investments Limited (“YIL”), we refer to our meeting on 27 September 2023 in relation to the Amaryllis Hotel (“Amaryllis”) equity transaction with of your client, the Public Service Pension Trust Fund (“Transaction”).

It was recognised during the said meeting that consideration would need to be given to adjusting the **Transaction** price for any devaluation of the Malawi Kwacha after 31 October 2023 in relation to any instalments of the **Transaction** price that remained outstanding as at 31 October 2023.

The Malawi Kwacha devalued significantly against the United States Dollar (“Devaluation”) by c.44% on 9 November 2023 and this in turn has already resulted in substantial upward price adjustments (which are virtually equivalent to the magnitude of the **Devaluation**) for basic commodities such as fuel and electricity.

We therefore kindly request for the **Transaction** price to be adjust upwards by 30% from K47bn to K61.1bn as a result of the **Devaluation**.

Please note that we have not requested for an adjustment to the **Transaction** price which is equivalent to magnitude of the **Devaluation** of 44% as it is in the interest of all the parties to conclude the **Transaction** which was approved on 15 September 2023 without any further delays.

We trust you will consider our request favourably and please let us know if we can be of further assistance in this regard.

Yours sincerely

Armstrong Kamphoni  
**For: Cedar Capital**

---

CEDAR CAPITAL LIMITED (Incorporated in Malawi Reg. No. 8700)  
Directors: CS Chilingulo, AN Kamphoni, JR Waters\* SW Msefula  
[\* foreign]

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Fourth Floor, Livingstone Towers Building, Glyn Jones Road, Blantyre, Malawi PO Box 3340, Blantyre  
Telephone (+265) 1831995 Facsimile (+265) 831859

## Appendix 9

Letter from NAM & PSPTF rejecting the adjusted price of K61.1bn



## NICO Asset Managers Limited

Investment Management | Corporate Finance | Investor Services  
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Portfolio/Investment Manager, Investment Advisor and Transfer Secretary

NAML/DD/30/10/23

20<sup>th</sup> November 2023

The Principal Officer  
Public Service Pension Trust Fund  
Ministry of Finance  
P.O. Box 30049  
Lilongwe

*Attention: Mr. George Jim*

Dear Sir,

### **RE: REQUEST TO ADJUST TRANSACTION PRICE- AMARYLLIS HOTEL**

We refer to the letter dated 13<sup>th</sup> November 2023 in which we sought your mandate on how to proceed with response to Cedar Capital Limited who wrote on behalf of their client, Yusuf Investments asking for a revision of transaction price upwards by 30 percent. We hereby provide our position that the price should not change from the previous indicative price of MK47.0 billion for the Amaryllis Hotel.

#### **1. The cost of foreign currency risk in a Malawi Kwacha transaction.**

When introducing the transaction, the seller clearly stated that the asset would be transferred without any obligations. This was always a pure Malawi Kwacha transaction as the responsibility for managing the foreign exchange risk, whether related to the liabilities connected to the asset or the transaction itself, rested with the seller. Consequently, paying an additional amount due to devaluation would mean shouldering a risk that should have been hedged by the seller.

#### **2. Valuation will be made redundant:**

To achieve a robust investment decision, we insisted on conducting valuations for the investment; both on the property and business. The exercise begun with the seller providing financial information necessary for the valuations. This included the hotel's revenue, expenses, and other relevant financial metrics on which all the investment decisions were based. By merely reviewing the transaction price without considering the other variables could put the Fund at a disadvantage as there is no review on the other variables that are key to the transaction. We cannot take it at face value that all the other variables will automatically change to support the new price. Therefore, a revision of the pricing will necessitate the revision of the entire valuation process.

#### **3. Impact on Investment Returns**

Purchasing the asset at a 30% premium erodes the anticipated returns we had projected for this investment. This diminished returns not only impacts Amaryllis but also siphons away potential gains from other alternative investments. The necessity to liquidate these alternatives investments prematurely to finance the heightened cost of Amaryllis intensifies the adverse effect on overall returns. In essence, this decision not only hampers the

performance of Amaryllis but also compromises the broader portfolio by sacrificing potential returns from other investments.

#### **4. Single Asset concentration**

Acquiring the hotel at a 30% premium further compounds the challenge of a single asset concentration, which was already noteworthy but controllable at the current price of MK47 Billion. To accommodate the 30% increase in the price, the fund would need to reallocate more from its other existing investments, resulting in Amaryllis occupying an even more substantial share of the fund. Consequently, this increase in size will place the fund at a disadvantage.

#### **5. Cashflow Pressure**

Acquiring the asset at a higher price would require a more substantial initial capital outlay. This increased upfront cost could strain the fund's available cash, putting pressure on its immediate liquidity. This reduction in available funds could limit the fund's ability to pursue other investment opportunities or respond to unforeseen financial needs. The higher acquisition cost will also extend the timeline for realizing returns on the investment. This delay in generating income from the asset could contribute to cashflow pressure.

**Our view is that the price should not change.** K47bn remains a large amount and good value for an asset that has very few potential buyers and could potential qualify for a forced sell.

We appreciate your consideration of these factors in the decision-making process on this investment and look forward to hearing from you.

Yours truly,

**For and on behalf of  
NICO Asset Managers Limited**

  
**DANIEL DUNGA**  
**CHIEF EXECUTIVE OFFICER**



Public Service  
Pension Trust Fund

The Principal Officer  
P.O. Box 30049,  
Capital city,  
Llongwe.

**REF.NO.PSPTF/05/12/23**

**5<sup>th</sup> December, 2023**

The Chief Executive Officer,  
NICO Asset Managers Limited,  
Chibisa House,  
19 Glyn Jones Road,  
P.O. Box 3173.  
**Blantyre.**

Dear Sir,

**RE: REQUEST TO ADJUST TRANSACTION PRICE-AMARYLLIS HOTEL**

Reference is made to your letter dated 13<sup>th</sup> November,2023 Ref: **NAML/DD/30/10/23** on the matter above

I would like to inform you that this matter has been deliberated on by the Fund and it is the considered view of the Fund that the adjustment would not be feasible.

Please highlight to the seller the main reasons for the Fund's position which includes the impact of the investment returns; single asset concentration and cash-flow pressure. The Fund would like to venture into a meaningful investment such that we find the 47 Billion to be the best the Fund can afford on such an investment.

You are therefore, advised to communicate to the seller on the Fund's position on the price adjustment.

Yours Faithfully

A handwritten signature in black ink, appearing to be 'G. M. Jim', written in a cursive style.

George M. Jim

**PRINCIPAL OFFICER**

## Appendix 10

Letters from NAM on its withdraw



## NICO Asset Managers Limited

Investment Management | Corporate Finance | Investor Services | Infrastructure Development

Chibisa House, 19 Glyn Jones Road. P.O. Box 3173, Blantyre, Malawi

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Registered with the Registrar of Financial Institutions (Reserve Bank of Malawi) as  
Portfolio/Investment Manager, Investment Advisor and Transfer Secretary

---

**NAML/DD/19/12/23**

19<sup>th</sup> December 2023

The Principal Officer  
Public Service Pension Trust Fund  
Ministry of Finance  
P.O. Box 30049  
Lilongwe

*Attention: Mr. George Jim*

Dear Sir,

### **PURCHASE OF AMARYLLIS HOTEL LIMITED – WAY FORWARD**

We refer to the above investment opportunity (“the transaction”) in which the Public Service Pension Trust Fund (“the Fund”) intends to acquire 100% of Amaryllis Hotel Limited (“Amaryllis”).

You will recall that during the last Investment Committee meeting, we advised that our internal governance structures were reviewing the above transaction. We write to inform you that the process has been concluded and we have resolved that in trying to protect the best interest of the Fund, NICO Asset Managers Limited (“NAML”) should withdraw its recommendation and involvement in the transaction.

We would appreciate an opportunity to meet with you to clarify our position.

We thank you for your understanding.

Yours truly,

**For and on behalf of  
NICO Asset Managers Limited**

**DANIEL DUNGA**  
**CHIEF EXECUTIVE OFFICER**



# NICO Asset Managers Limited

Investment Management | Corporate Finance | Investor Services | Infrastructure Development  
Chibisa House, 19 Glyn Jones Road. P.O. Box 3173, Blantyre, Malawi  
Tel: (+265) (0) 1 832 085/086 Fax No: (+265) (0) 1 821 617  
E-mail: invest@nicoassetmanagers.com  
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Registered with the Registrar of Financial Institutions (Reserve Bank of Malawi) as  
Portfolio/Investment Manager, Investment Advisor and Transfer Secretary

---

NAML/DD/21/03/24

23<sup>rd</sup> January 2024

The Principal Officer  
Public Service Pension Trust Fund  
Ministry of Finance  
P.O. Box 30049  
Lilongwe

Attention: Mr. George Jim

Dear Sir,

## **PURCHASE OF AMARYLLIS HOTEL LIMITED**

I refer to the meeting we had with your Trustees on 16<sup>th</sup> January 2024. In the meeting, we agreed that we will write to you on the two points below:

### **1. Reasons for NICO's withdrawal**

It was noted from a review by our internal governance structures that the proposal, generally, did not receive adequate technical review for such a significant investment to provide required assurance that it is in the best interest of the Fund. It was with this realization and with a view to safeguard the best interests of the Fund that this decision to withdraw the recommendation has been made.

Among other reasons, NICO Asset Managers ("NAM") believes that the investment in a hotel being a specialized operation should have included due diligence by a hotel expert and a strategic partner including the identification of a prospective operator.

The absence of an expert due diligence and identification of a strategic partner as outlined above exposes the investment to significant operational and financial risks i.e. how the hotel will be operated post the transaction. In view of the above, NAM believes that proceeding with the recommendation to invest is not in the best interest of the Fund.


### **2. Treatment of incurred expenses**

Should the Fund require reimbursement of incurred expenses, NAM will be open to discuss the same.

We trust the above is clear of that you will be advised accordingly.

Yours truly,

**For and on behalf of  
NICO Asset Managers Limited**



**DANIEL DUNGA**  
**CHIEF EXECUTIVE OFFICER**

## Appendix 11

Communication to NAM - 17th January  
Resolution and 12th February 2024



Public Service  
Pension Trust Fund

**THE 5<sup>th</sup> EXTRAORDINARY BOARD OF TRUSTEES MEETING OF THE  
PUBLIC SERVICE PENSION TRUST FUND HELD ON 17<sup>TH</sup> JANUARY 2024**

**RESOLUTION TO WITHDRAW FROM THE AMARYLLIS HOTEL PURCHASE  
TRANSACTION**

**RESOLUTION TO WITHDRAW FROM THE AMARYLLIS HOTEL PURCHASE  
TRANSACTION**

At the 5<sup>th</sup> Extraordinary Board meeting of the Board of Trustees of the Public Service Pension Trust Fund held on 17<sup>th</sup> January 2024, following the professional advice from the Investment Manager, NICO Asset Managers Limited not to proceed with the purchase of Amaryllis Hotel situated in Blantyre, Malawi, stating that the investment was not viable, the Board resolved not to proceed with the purchase transaction of Amaryllis Hotel with immediate effect.



Mr. James Daire Kumwenda

**Chairperson**



Mr. Boyd Hamella

**Chairperson of the Investment Committee**



Public Service  
Pension Trust Fund

The Principal Officer  
Public Service Pension Trust  
Fund  
P.O. Box 30146  
Lilongwe

**Ref. No. PSPTF/INV/01/28/11**

**12<sup>th</sup> February, 2024**

The Chief Executive Officer,  
NICO Asset Managers Limited,  
Chibisa House, 19 Glyn Jones Road,  
P.O. Box 3173.

**BLANTYRE.**

Dear Sir,

**WAY FORWARD ON AMARYLLIS HOTEL LIMITED**

Reference is made to the above subject matter and the meeting between yourselves and the PSPTF Sub-Committees' Chairpersons, which was held on 17<sup>th</sup> January 2024 at the PSPTF conference room in Lilongwe.

The Board, during its 5<sup>th</sup> Extraordinary Board Meeting, held on 17<sup>th</sup> January, resolved not to proceed with the investment in Amaryllis Hotel Limited, following the professional advice you provided to the Fund through the letters with reference number **NAML/DD/19/12/23** dated 19<sup>th</sup> December, 2023 and **NAML/DD/21/03/24** dated 23<sup>rd</sup> January, 2024 which followed after the meeting we held with you on 17<sup>th</sup> January 2024.

Considering that at the time NAM was withdrawing the recommendation to invest in Amaryllis, the Fund through you had already incurred some significant cost (amounting to MK20,157,280) based on the earlier recommendation that the Fund invest in the business, the Board has resolved that this sunk cost should be borne by NAM. As was discussed and agreed during the meeting of 17<sup>th</sup> February 2023, this cost would not have been incurred had you given the right professional advice from the onset. It is therefore the Board's considered opinion that all costs associated with this investment will be borne by NAM and not the Fund.

Additionally, the Fund instructs the Manager to obtain consent/waiver from the rest of the parties to the Oasis Shareholders Agreement stipulated in clause 9 of the Agreement which provides for a non-compete between the parties to the Agreement. Should such consent/waiver not be granted by the other parties, the Fund directs that with immediate effect NAM should put on offer and sale its entire shareholding.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'G. M. Jim', written in a cursive style.

George M. Jim

**PRINCIPAL OFFICER**

## Appendix 12

Letter from Cedar Capital to CAM requesting them to take over after withdraw of NAM



12 February 2024

Mrs Gillian Kachikondo  
Continental Asset Managers Limited  
1st Floor, Ulimi House  
Glyn Jones Road  
PO Box 1444  
Blantyre

Dear Gillian

**Request to Continental Asset Management Limited ("CAM") to take over and complete the transaction of acquiring 100% equity in Amaryllis Hotel by the Public Service Pension Trust Fund**

You will recall that on 2 May 2023, we invited you to consider participating in an Offer to acquire Equity in Amaryllis Hotel in our capacity as Transaction Advisors to Yusuf Investments Limited ("YIL") who are the current owners of Amaryllis Hotel. We shared the opportunity with other fund managers including NICO Asset Managers Limited ("NAM") who at that point in time approached your mutual client, the Public Service Pension Trust Fund ("Fund") with the said opportunity. The Fund expressed their interest in acquiring equity in Amaryllis Hotel and authorised NAM to take the necessary steps to ensure that the transaction is completed.

Significant milestones have been achieved with NAM in relation to completing the transaction including three independent valuation reports, an independent structural integrity report of the Amaryllis Hotel building and the drafting of a Sale and Share Subscription Agreement by a legal counsel duly appointed by the Fund, among others. This culminated in the Fund making an offer to acquire a 100% equity stake in Amaryllis Hotel and YIL accepting the offer on 27 September 2023 ("Transaction") which in turn brought into being a binding contract between the Fund and YIL ("Contract").

NAM have however, suddenly on 1 February 2024 advised us that they will no longer be involved in the Transaction on behalf of the Fund resulting in the stalling of the Transaction.

As the Fund undertook to complete the Transaction by virtue of the Contract, we kindly request you, as one of the alternative managers of the Fund to consider taking over the Transaction from where NAM left-off and to bring the Transaction seamlessly to completion. In this regard, we suggest that you reach out to the Fund on the basis of this request to formalise your appointment.

We trust you find this acceptable and we look forward to working with you to complete the Transaction. Should you need any clarification, please do contact us to ensure you are well informed to proceed as proposed.

Yours Sincerely

Armstrong Kamphoni  
For: Cedar Capital Limited

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CEDAR CAPITAL LIMITED (Incorporated in Malawi Reg. No. 8700)  
Directors: CS Chilingulo, AN Kamphoni, JR Waters\* SW Msefula  
[\* foreign]

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Fourth Floor, Livingstone Towers Building, Glyn Jones Road, Blantyre, Malawi PO Box 3340, Blantyre  
Telephone (+265) 1831995 Facsimile (+265) 831859

## Appendix 13

A WhatsApp Meeting Invitation from SPC to George Jim and the Report of the 6 March, 2024 Meeting and

Only people in this chat can read, list to, or share them. Learn more.

C.Z SPC is a contact

Good evening. This is SPC, I would like to speak to you.

21:25

Good evening 21:29 ✓✓

This is well noted Madam SPC, So should I come over to your office right?

21:32 ✓✓

Where are you ? Lilongwe or Blantyre

21:36

Lilongwe 21:36 ✓✓

I can come over to your office. You can advise on the time.

21:48 ✓✓

Sorry I am in Mzuzu. Would you please come to Mzuzu. We are with HE working in Lilongwe quick but we need to discuss some issues of your office.

Blissed night

## **REPORT ON THE MEETING BETWEEN THE PSPTF AND THE OFFICE OF THE PRESIDENT AND CABINET HELD ON 6<sup>th</sup> MARCH, 2024**

### **0. In attendance**

| <b>Name</b>             | <b>Position</b>                        |
|-------------------------|--|
| Ms. Colleen Zamba       | Secretary to the President and Cabinet |
| Mr. Prince Kapondamgaga | Chief of Staff at State Residences     |
| Mr. Chizaso Nyirongo    | Director for Legal Affairs - OPC       |
| Mr. Boyd Hamella        | Chairperson Investment PSPT            |
| Mr. George M. Jim       | Principal Officer PSPTF                |

### **1. Introduction**

The Office of the President and Cabinet (OPC) called for a meeting with the Public Service Pension Fund (PSPTF). The Fund was supposed to be represented by the Chairperson and the PO. In the absence of the Chairperson, specification was made that the Investment Chairperson and Mr Levie Chirwa attend the meeting. It happened that Trustee Chirwa was not around as he was attending another function in Blantyre, so from the Fund Trustee. Boyd Hamella and PO, George Jim attended the meeting.

### **2. Meeting Proceedings**

The meeting was held at Mzuzu Sunbird Hotel on 6<sup>th</sup> March, 2024. The SPC welcomed the members present and highlighted that the main agenda of the meeting was to get an understanding of the operations of the Fund and she requested a team from the Fund to make a presentation based on the three main issues as highlighted below:

1. Presentation of the Overview of the Fund;
2. Governance of the Fund (appointment of Trustees and rules governing the same);  
and
3. Investments and status of different investment the Fund is making.

### **3. Presentation of the Overview of the Fund**

The PO took the meeting through the overview of the Fund and it was on instruction from the Chairperson, the SPC that it was not supposed to be a question and answer session rather a discussion or more of a plenary that the fund should not feel summoned. The meeting understood how the fund was established, the service providers available, the growth of the Fund and routine supervision by the Registrar of financial Institutions.

**Action:** 1. The Fund was notified that soon it will be invited for the PSs meeting to present the Overview so the Fund must be ready.

*Action: 2. The Fund was advised to reach out to the SPC on the challenges the fund indicated which included the delayed remittances, data disparities, the issue of past service liabilities, and non- submission of beneficiary nomination forms.*

#### **4. Governance of the Fund**

The meeting inquired on how the Trustees are nominated. The Fund explained the existence of the two streams of Trustees- from the Employer, nominated by the Government OPC & Treasury and by Law are supposed to be nominated by the Ministry of Finance. The other stream representing the employees that is nominated by representation from the trade unions. The OPC suggested that efforts should be made to have the nominations made by the OPC as that's the central government and that Ministry of Finance is like any other Ministry that may have representation in the governance of the Fund but not the nomination authority. Inquiry was made on the seniority that can be in this board and from the employer side there is no limit, that a PS can be a Trustee representing the Employer, while from the employee side the Trustees must be contributing members. This is above the fit and proper tests, the police clearance and the credit reference clearance.

Under the governance issue; the management or secretariat of the fund was explained and the presence and role of the service providers was elaborated in managing the stewardship and custody of the Funds assets.

*Action: 1. OPC suggested that a person from the OPC should be a Trustee for easy flow of information of the funds developments to the SPC. It was mentioned that DHRMD, which is a department under OPC, is represented.*

*Action: 2. OPC advised that the replacement of Trustee Kahaki Jere who was from the Ministry of Justice should be through the OPC so they can play a role in scouting the replacement.*

#### **5. Status of Investments of the Fund**

The OPC inquired on the status of different investments the fund is making. The Fund made a comprehensive list of the investments the Fund is making, that include the existing investments with the fund, the pipeline projects and the other projects that have not started but are within the plans of the fund. All other investments in agriculture, infrastructure, energy and technology including the fund's presence at the stock exchange market were presented.

The fund presented the vision to have foot print in the hospitality industry and mentions the hotels that the Fund plans to acquire, has acquired and others being constructed. The OPC was not amused to note that we have not made significant progress on the acquisition of Amaryllis hotel. OPC explained that on the investment the interest was on amaryllis as the office has received looming legal suits. Which the Director of legal services indicated

that with where the Amaryllis Transaction reached, impliedly or constructed, the fund has a contract to buy amaryllis and if Amaryllis owner sues the fund the fund is bound to lose the case.

The OPC categorically stated that the highest office received tips that the fund might be sued for breaching the acquisition contracted of amaryllis. The threats are coming from the fact that all process including negotiations and drafting a sell agreement were concluded. The fund explained that the investment manager that was handling the investment withdrew from the transaction without proper reasons and that is why the Fund has had tough time to proceed with the transaction. The OPC advised that embroiling the government in avoidable cases might save the government with the embarrassment that comes with these cases. The government in this case was concerned that the issues has reached state house in which case if the case is pursued by the seller and is lost by the fund the members might lose trust in the fund and the safety of their money.

OPC was also concerned with the decision making of the board in speeding up Mercantile which is little known and very new to the tune of K17.3 billion and dragging the amaryllis which in everyone's view is the only 5 star hotel in the country. The OPC queried what was the logic in rushing a transaction that came later than the amaryllis to get concluded when the amaryllis was big and better.

*Action:1. The OPC instructed the Fund to move with speed in concluding the amaryllis transaction before the end of March 2024.*

*Action: 2. The threats for law suits are coming in because of the pressure the seller is getting from the lenders, to quell the pressure, the fund was advised to write and give the seller the comfort letter by Thursday 7<sup>th</sup> March 2024.*

*Action: 3. The fund to submit a workable action plan by Friday 8<sup>th</sup> March 2024 to the OPC for their ease of follow up*

*Action: 4. Being it that the issues has reached the highest office the fund was advised to report on weekly basis the progress made in this transaction. Make communication to the Director of legal Services Mr. Chizaso Nyirongo.*

*Action 5. The fund to engage the next Investment Manager on the Amaryllis completion by 8<sup>th</sup> March 2024.*

## **6. Conclusion and Way Forward**

The OPC advised the fund to tread carefully with the money of the members, as the case is that the Trustees are just entrusted the custody and stewardship of the Fund. All decision made in the course should be in the best interest of the fund. The OPC advised that the issues discussed at the meeting should be treated with utmost confidentiality.

### ACTION PLAN FOR THE CRITICAL ISSUES 6<sup>TH</sup> MARCH 2024

| No | Action  | Timelines      | Status   |
|----|---|----------------|--|
| 1  | Communication on the replacement of the Trustee that left to replace with OPC nominee | 1              | Communication that was sent to be addressed to the OPC |
| 2  | Conclusion of amaryllis Transaction with March  | 1 Month        | The issue requires Board decision                      |
| 3  | Submission of comfort letter to the seller  | 3 days         |  |
| 4  | Fund to submit the action plan to OPC on 8 <sup>th</sup> March 2024                   | 5 days         |  |
| 5  | Resuscitating the engagement with the next Investment manager on Amaryllis            | Within a month |  |

## Appendix 14

Commitment Letter - Whatsapp  
Correspondence btwn Chizaso Nyirongo  
and George Jim & 7th March

6 March 2024

🔒 Messages and calls are end-to-end encrypted.  
Only people in this chat can read, listen to, or share them. Learn more.

7 March 2024

Hoping you travelled well and arrived safely. 09:07

Send to [chizaso.nyirongo@oppc.gov.mw](mailto:chizaso.nyirongo@oppc.gov.mw) 10:14

The network is rather bad. If you can, share the draft via WhatsApp right here. 10:44

Morning 11:56 ✓

Will do shortly 11:56 ✓

Any luck? 15:26

Yes, uploading here but network is also a challenge iam Currently travelling 15:30 ✓

OK. 15:35

Ameryllis commitment

📧 Message

📎 Attachments



Chizaso Nyirongo...  
last seen today at 16:33

Evening Counsel 21:48 ✓

Any feedback? 21:49 ✓

Good evening. There is only a minor edit, otherwise the letter is fine. I tried to share the letter with you earlier and failed. Will try again, shortly. 21:50

Are you back in Lilongwe? 21:51

Yes iam in Lilongwe now 21:56 ✓

One moment, then. 21:57

7324 Final Amaryllis  
Commitment.docx  
1 page • 65 kB • DOCX

22:17

Herewith my revised version. I think it can be dispatched with speed tomorrow. Kindly advise when you do. 22:17

Is this the revised version? 22:30 ✓

Yes, Sir. 22:31

The changes are minor. 22:31

To be signed by the Trustee? 22:31

Message





P.O. BOX 30146  
CAPITAL CITY  
LILONGWE 3  
MALAWI

7th March, 2024

Ref. No. PSPTF/07/03/24

Amaryllis Hotel  
2 Laws Roads  
P.O. Box 279  
**BLANTYRE**

Dear Sir,

**COMMITMENT TO THE AMARYLLIS TRANSACTION PROCESS**

Reference is made to the above captioned matter.

I am writing to advise that the Public Service Pension Trust Fund is still interested in completing the transaction towards the purchase of Amaryllis Hotel. You may have noted that the transaction stalled but I am writing to offer the assurance that notwithstanding the delays, the Fund is clearing a few operational issues that stalled the transaction and once these are cleared, the Fund is going to share with you, for your reaction, a proposed road map for the completion of the transaction.

In light of the steps already taken in this transaction, the Fund is looking forward to finalizing this transaction in the shortest possible time.

Yours faithfully,

George M. Jim  
**PRINCIPAL OFFICER**

## Appendix 15

Commitment Letter - 18th March



P.O. BOX 30146  
CAPITAL CITY  
LILONGWE 3  
MALAWI

**Ref. No. PSPTF/18/03/24**

**18<sup>th</sup> March, 2024**

Amaryllis Hotel  
2 Laws Roads  
P.O. Box 279

**BLANTYRE**

Dear Sir,

**COMMITMENT TO THE AMARYLLIS TRANSACTION PROCESS**

We refer to our commitment letter dated 7th March 2024 wherein we advised you that the Fund is committed to finalizing the Amaryllis Hotel equity transaction in the shortest possible time.

We are pleased to advise you that a new Fund Manager is willing to review and complete the transaction. In light of this the Fund Manager is envisaging to review and close this within a month at the least.

Yours faithfully,

A handwritten signature in black ink, appearing to be "G. M. Jim", written in a cursive style.

George M. Jim  
**PRINCIPAL OFFICER**

## Appendix 16

Letter to NAM from PSPTF not proceed as  
lead advisors 23rd October 2024



Public Service  
Pension Trust Fund

The Principal Officer  
Public Service Pension Trust  
Fund

P.O. Box 30146

Lilongwe

Ref. No. PSPTF/INV/02/23/10/01

23<sup>rd</sup> October 2024

The Chief Executive Officer  
Continental Asset Managers  
P.O. Box 1444

**BLANTYRE**

Dear Madam,

**RESPONSE ON THE LEAD ADVISOR MANDATE AGREEMENT**

Reference is made to the above subject and the Lead Advisor Mandate Agreement submitted to the Fund.

The Fund carefully considered the proposed Lead Advisor Mandate Agreement concerning transaction advisory services on the proposed acquisition of the Amaryllis Hotel. The Fund resolved not to sign the mandate, based on the following:

1. The Fund is concerned about a potential conflict of interest arising from CAM acting as a lead advisor and an investment manager of the Fund. Engaging CAM as a lead advisor may limit the independence and impartiality of the advice provided to the Fund as an Investment Manager.
2. The fee structure indicated in the mandate is considered excessive. As stewards of member funds, the Fund has a duty to ensure prudent financial management. Paying a lead advisor 1% of the asset value even when the fund might not invest in the hotel is not a good financial decision since this money is not recoverable.

3. As a public entity, the Fund is required to adhere to procurement procedures established by the Public Procurement Authority. In this instance, if a lead advisor is required for the acquisition of Amaryllyis, the Fund must solicit at least three quotations to ensure competitive pricing and the best value for its members.

Yours faithfully,



George M. Jim

**PRINCIPAL OFFICER**

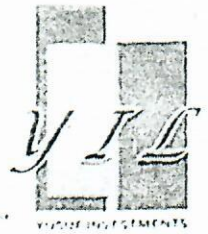
## Appendix 17

Letter from Yusuf Investments Ltd to PSPTF  
demanding finalisation of Transaction - 9th  
November, 2024

The Trustees  
Public Service Pension Trust Fund  
P.o. Box 30146  
Capital City  
Lilongwe 3  
Malawi

t'vtTtO

Agency Manager  
Public Service Pension Trust Fund  
P.O. Box 30146



gt"tyre

Dear Trustees

ph •265 670—050

## AMARYLLIS HOTEL ("AMARYLLIS") EQUITY TRANSACTION BETWEEN THE PUBLIC SERVICE PENSION TRUST FUND ("PSPTF") AND YUSUF INVESTMENTS LIMITED ("YIL")

### 1. As you are aware:

- 1.1 YIL is the owner of Amaryllis Hotel ("Amaryllis").
- 1.2 YIL through Cedar Capital Limited ("Cedar") sent an invitation to bid to Old Mutual Limited, Continental Asset Managers Limited ("CAM") and NICO Asset Managers Limited ("NICO") on 20 May 2023 to invest in up to 100% equity in Amaryllis ("Transaction").
  - 1.3 NICO presented the details of the Transaction to the Public Services Pension Trust Fund ("PSPTF") in May 2023.
- 1.4 PSPTF expressed its interest in the Transaction and authorised NICO to complete the Transaction on its behalf.
- 1.5 In July 2023, two independent valuers commissioned by NICO (Knight Frank and Garden City Valuers) valued the replacement cost of Amaryllis between K78 billion and K87 billion and the business itself at K48 billion.
- 1.6 Over and above these valuations, an enterprise analysis in relation to the Transaction was completed by FDH Bank Plc at the time.
- 1.7 In addition, a structural integrity report on Amaryllis was prepared by Wilson Chinva structural engineer, during November 2023.
- 1.8 The Board of PSPTF on 15 September 2023 approved the acquisition of 100% equity in Amaryllis.

O) 1.9 NICO on behalf of the PSPTF on 19 September 2023 offered to acquire 100% equity in the Amaryllis for K47 billion ("the Offer").

- 1.10 YIL on 27 September 2023 accepted The Offer, whereupon a binding contract between YIL and PSPTF came into being ("the Contract").
- 1.11 The parties agreed that the Transaction should be completed by 31 October 2023.
- 1.12 The Sale and Share Subscription Agreement ("SSA") in relation to the Transaction was drafted on behalf of PSPTF by Knight and Knight legal practitioners and at that time the Transaction was expected to be completed by 12 December 2023, which did not transpire.
- 1.13 NICO on 19 December 2023 advised PSPTF for no apparent justifiable reason, that it would no longer be involved in the Transaction,

1.14 YIL was only notified of this change of intention on the part of NICO on 1 February 2024. In that notification NICO also advised YIL that it has withdrawn its recommendation to PSPTF to invest in

# Amaryllis

Hotel Bantyre

Amaryllis, and that NICO would no longer be involved in the Transaction, without stipulating any reason for such withdrawal.

1.15 Codar on 12 February 2024 requested CAM in its capacity as PSPTF's fund manager, to complete the Transaction on behalf of PSPTF.

1.16 PSPTF advised Amaryllis on 7 March 2024 that it was still interested in completing the Transaction in a commitment letter and that it was going to share with Amaryllis a proposed road map for the completion of the Transaction,

1.17 PSPTF on 18 March 2024 advised Amaryllis that following the issuance of its commitment letter dated 7 March 2024, that it had appointed a new fund manager (CAM) without identifying it by its name, envisaging that CAM would review and complete the Transaction within the month at the latest,

1.18 Having not received any further feedback from PSPTF, YIL on 20 May 2024 requested an update from PSPTF on the timing for completion of the Transaction. Such request was also motivated by the fact that YIL received a request from the Amaryllis lenders (National Bank of Malawi Plc, CDH Investment Bank Limited and Norgad Finance Limited) for a meeting between the lenders and PSPTF, CAM and YIL during which an update would be provided to the lenders on the Transaction. YIL to date has received no response from the PSPTF to this request.

1.19 Codar was copied on a communication from CAM to PSPTF on 27 May 2024, wherein CAM advised PSPTF that it submitted an analysis of the opportunity and a recommendation on the way forward to PSPTF, CAM also anticipated to complete the Transaction not later than 30 days from the date it received final approval from PSPTF. Codar has to date not been copied on any reply from PSPTF to CAM.

1.20 YIL on 2 July 2024 sent an email to PSPTF requesting a response to its letter dated 20 May 2024 but YIL has to date not received a reply from PSPTF,

1.21 On 10 July 2024 CAM advised YIL by email that PSPTF had requested CAM carry out further work on the Transaction before a final decision was to be made, notwithstanding the fact that the Contract remained in force (sic). In this regard, CAM advised YIL that it would be in contact with YIL regarding the following, once CAM had identified the various outputs to carry out the work:

- (a) A fresh valuation report
- (b) A structural integrity report
- (c) An ownership analysis

1,22 Subsequent to 19 July 2024, there has been a litany of emails and other communications between YIL, PSPTF, CAM and Cedar or between some of them, the gist of which can be summarised as follows:

(a) Notwithstanding the advice by PSPTF to YIL in March 2024 to the effect that it appointed a new fund manager in place of NICO, it now appears that CAM and PSPTF are still negotiating the terms of CAM's engagement by PSPTF and until that process has been completed, CAM has no authority to represent PSPTF in relation to the Transaction and that YIL or Cedar should contact PSPTF directly in this regard.

(b) Notwithstanding PSPTF's 2 commitment letters addressed to YIL during March 2024 that PSPTF was still interested in completing the Transaction and that it was going to share with Amaryllis a proposed road map for the completion of the Transaction envisaging that CAM would review and complete the Transaction within the month at the least, neither PSPTF nor CAM (its newly appointed fund manager for completing the Transaction) has taken any action

fitip nor communicated with YIL during the subsequent 8 months in any manner whatsoever as to how and by when the Transaction will be completed.

(c) PSPTF appears to be delaying the completion of the Transaction and through its ongoing conduct effectively, in law, repudiating the Contract.

(d) Whilst YIL has no option but to reserve all its rights in relation to PSPTF's repudiation of the Contract, YIL in good faith, kindly request PSPTF to implement the Transaction with the utmost urgency to mitigate the risk associated with any initiation of civil proceedings against PSPTF for all the direct and indirect damages suffered by YIL as a result of PSPTF's repudiation.

2. Accordingly, as a matter of extreme urgency, we hereby request you in good faith to urgently set up a joint meeting between the Fund, Amaryllis, the lenders and all relevant advisors at a mutually agreed venue and time within the next 7 business days with a view to:

2.1 discussing the way forward in relation to the urgent finalisation of the Transaction; and

2.2 agreeing upon all specific actions to be taken by all parties attending the meeting in terms of a specific detailed timetable to finalise the Transaction as our joint urgent priority by no later than 15 December 2024. We look forward to your urgent response.

Yours truly



SMF Yusuf  
CHAIRMAN



## Appendix 18

Letter to Yusuf Investments Ltd from PSPTF  
- 29th September, 2025




Public Service  
Pension Trust Fund

The Principal Officer,  
P.O. Box 30146,  
Capital City,  
Lilongwe 3.

Ref. No. PSPTF/07/05/25

Yusuf Investments Limited  
Post Office Box 786  
Blantyre

19<sup>th</sup> May 2025

 Head of  
Sales & Marketing

Leketeni Nomanda  
"WITHOUT PREJUDICE"

Dear Sir,

**RE: AMARYLLIS HOTEL ("AMARYLLIS") EQUITY TRANSACTION**

Reference is made to the above captioned matter.

Thank you for your letter addressed to the Trustees of the Public Service Pension Trust Fund (the "Fund"), dated 9th November, 2024 regarding the Amaryllis Hotel equity transaction.

PSPTF is writing to inform you that the Public Service Pension Trust Fund is currently operating without a formally constituted Board of Trustees. This temporary administrative situation prevents us from providing you with an official response to the matters raised in your letter at this time.

Please be assured that your correspondence has been properly documented and will be presented to the Board of Trustees as a priority item once it has been duly appointed and convened. Upon reconstitution of the new Board of Trustees, a process which is near conclusion, the Board will conduct a comprehensive review of the transaction documentation and status. Following this review, the Board will make an independent determination regarding next

steps, if any, based on the Fund's interests and obligations. No commitment regarding the outcome of this review can be made at this time

The Fund recognises the importance of maintaining clear communication with all stakeholders.

We appreciate your understanding and patience in this matter.

Yours faithfully,



George Jim

**PRINCIPAL OFFICER**

Public Service  
Pension Trust Fund

The Principal Officer,  
P.O. Box 30146,  
Capital City,  
Lilongwe 3.

**Ref. No. PSPTF/29/09/25**

**29<sup>th</sup> September 2025**

Yusuf Investments Limited

P.O. Box 786

**Blantyre**

**"WITHOUT PREJUDICE"**

Dear Sir,

**RE: STATUS UPDATE ON THE AMARYLLIS HOTEL EQUITY TRANSACTION**

We acknowledge receipt of your letter dated 25 September 2025 requesting an urgent status update on the proposed Amaryllis Hotel equity transaction.

We write to inform you of the following developments:

**Board Reconstitution**

The reconstitution of PSPTF's Board of Trustees has been successfully completed. The new Board members have been duly appointed in accordance with the applicable governance requirements governing the Fund.

**Current Status**

However, we must advise that the newly constituted Board has not yet convened its inaugural meeting. As you will appreciate, the Board's first meeting requires proper coordination, agenda preparation, and compliance with notice

requirements to ensure all members can participate effectively in their fiduciary capacity.

The Board Secretariat is currently in the process of scheduling the first Board meeting, at which time various matters, will be formally tabled for the Board's consideration and direction. We anticipate that this meeting will be convened within the coming weeks, subject to the availability of all Board members.

We trust you will understand that proper governance procedures must be observed in managing the Fund.

Yours faithfully,



George Jim

**PRINCIPAL OFFICER**

Appendix 19

Letter from Ms. Zamba to PSPTF rejecting  
the Constitution of the New Board - 12th  
March,  
2025

Telephone: (265) 01 789 411  
Fax : 01 788 456  
Communication should be addressed to:  
The Secretary to the President and Cabinet



In reply please quote No.....

OFFICE OF THE PRESIDENT AND  
CABINET  
PRIVATE BAG 301  
LILONGWE

Ref. No: SPC/S/001

Date: 12 March, 2025

The Principal Officer  
Public Service Pension Fund Trust,  
Post Office Box 30146,  
Lilongwe 3.

Dear Sir,

**NOTIFICATION OF LICENSED TRUSTEES – THIRD COHORT  
OF PUBLIC SERVICE PENSION TRUST FUND BOARD OF TRUSTEES**

I refer to your letter of 30<sup>th</sup> January, 2025 bearing Ref. No. PSPTF/01/30/01/25 where you were notifying this office of the Licensed Trustees forming the third cohort of the Board of Trustees of the Fund.

I have taken this notification with serious reservations and concerns, considering that I have keenly followed the nomination process of the proposed Trustees. Firstly, I am concerned that the licensing process of the purported third cohort of the Board of Trustees proceeded before the proposed Trustees had been formally appointed in accordance with the Trust Deed of the Fund. Further, the appointing authority representing Government, the Secretary to the Treasury, was not formally informed of the outcome of the vetting process that the Reserve Bank of Malawi undertook prior to the licensing the purported Trustees. This is misaligned with the provision of the Trust Deed of the Fund which provides for the appointment process of the Trustees.

I have received information that my Legal Counsel did contact your office to express the concerns that I had which you ignored and proceeded to take the purported Board for induction in South Africa in February, 2025. Some of the members of the purported Board are senior Government officers whose travel my office was required to approve but no communication was received from your office requesting such approval for the officers to participate in an activity that you had organized.

I am reliably informed that some of the persons nominated on behalf of the Employer did not make it into the Board for a number of reasons. I am at pains to consider why such a development was not formally communicated to the Employer or at least the nominating institutions, especially the reasons for the failure of the fit and proper test by the Reserve Bank.

A handwritten signature in black ink, appearing to be a stylized 'P' or similar character.

I inquired from the Secretary to the Treasury, to whom this letter is copied, whether the formal appointments had been done for all the listed purported Trustees and his response was in the negative. For the foregoing reasons, I am unable to recognize the purported Board of Trustees until such time that you can provide the necessary documentation that shows that the constitution of this Board was duly completed by the necessary steps that the Trust Deed provides for.

In my capacity as Head of the Public Service, I am instructing you that before any further steps are taken with the purported Board of Trustees, formally submit a report regarding the constitution process of this cohort and desist from any further transactions with the persons you have listed in your letter until this matter is resolved.

Yours faithfully,



Colleen Zamba

**SECRETARY TO THE PRESIDENT AND CABINET**

CC : Secretary to the Treasury, Ministry of Finance and Economic Affairs,  
Post Office Box 30049, Lilongwe 3.

## Appendix 20

Letter of 14th March 2025 from PSPTF to the Registrar seeking guidance on Constitution of Board



Public Service  
Pension Trust Fund

The Principal Officer,  
P.O. Box 30146,  
Capital City,  
Lilongwe 3.

**Ref. No. PSPTF/14/03/2025**

**14<sup>th</sup> March 2025**

Executive Director, Regulation  
P.O Box 565  
Blantyre  
Malawi

Dear Sir,

**RE: REQUEST FOR REGULATORY GUIDANCE REGARDING BOARD OF TRUSTEES  
CONSTITUTION PROCESS**

The Public Service Pension Trust Fund is writing to seek your urgent guidance concerning a letter received from the Office of the President and Cabinet (OPC) dated 12 March 2025, with reference number SPC/S/001, regarding the licensing of the third cohort of the Public Service Pension Fund Trust Board of Trustees.

In the letter, the Secretary to the President and Cabinet, has raised several concerns about the constitution process of the new Board of Trustees, specifically:

1. That the licensing process for the third cohort proceeded before the proposed Trustees had been formally appointed by the employer representative;
2. That the Secretary to the Treasury, representing Government as the appointing authority, was not formally informed of the outcome of the vetting process conducted by the Reserve Bank of Malawi prior to licensing;

The Secretary to the President and Cabinet has instructed the Fund to: desist from any further transactions with the licenced trustees until the matter is resolved.

In compliance with this, all Board business, which was planned to clear the PSPTF issues that have piled since September 2024 when the previous Board tenure expired, has been suspended forthwith as quorum cannot be constituted with Trustees representing the employees only. In this regard I wish to communicate that there will be no PSPTF Board business until the matter is resolved.

You may wish to note that we followed a similar process which was used in constituting the second (previous) cohort of Board of Trustees, which is in line with the Trust Deed and there were no issues as the one at hand. To speed up the process of resolving this matter with the Office of President and Cabinet, we wish to seek your urgent guidance on the following:

1. The correct interpretation of the Trust Deed provisions regarding the appointment process versus the licensing process, and which should precede the other;
2. The proper protocol for communication between the Fund, the Reserve Bank, and the appointing authorities during the Trustee vetting and licensing process;
3. The legal status of the currently licensed Board of Trustees given the objections raised by the OPC;
4. The appropriate steps to resolve this impasse while ensuring compliance with both the Trust Deed and relevant pension regulations.

For your reference, attached to this letter is a copy of the letter from the Secretary to the President and Cabinet.

We would appreciate your urgent attention to this matter to ensure the Fund's governance remains compliant with regulatory requirements while addressing the concerns raised by the employer representative, the OPC.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'G. M. Jim', written in a cursive style.

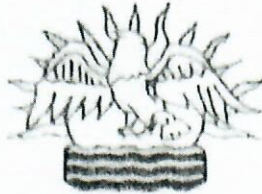
George M. Jim

**Principal Officer**

Enclosure: Letter from the Secretary to the President and Cabinet dated 12  
March 2025, Ref. No: SPC/S/001

## Appendix 21

Letter from Registrar to PSPTF on  
Guidance - 28th March 2025



**REGISTRAR OF FINANCIAL INSTITUTIONS**

TEL: (265) 111 770 600/ 771 600  
FAX: (265) 111 773 142  
WEBSITE: <https://www.rbm.mw>  
EMAIL: [reserve-bank@rbm.mw](mailto:reserve-bank@rbm.mw)

HEAD OFFICE  
CONVENTION DRIVE  
P O BOX 30063  
CAPITAL CITY  
LILONGWE 3  
MALAWI

28<sup>th</sup> March 2025

The Principal Officer  
Public Service Pension Trust Fund  
PO Box 30146  
Capital City  
**LILONGWE 3**

Dear Sir

**RE: REQUEST FOR REGULATORY GUIDANCE REGARDING BOARD  
OF TRUSTEES CONSTITUTION PROCESS**

Reference is made to your letter dated 14<sup>th</sup> March, 2025 on the above subject matter.

We write to advise that on the basis that the employer does not recognise the previously licensed Trustees, their positions as Trustees of the Public Service Pension Trust Fund has become unattainable.

In this regard, you are therefore directed to ensure that new Trustees representing the employer are identified and their names should be submitted to my Office for vetting and licensing by 30 June 2025.

Yours faithfully

Dr Macdonald Mwale  
**REGISTRAR OF FINANCIAL INSTITUTIONS**

## Appendix 22

Letter from OPC on nomination of Maxwell Tsitsi & Chizaso Nyirongo to the Board (12th May 2025 & 2 Jun 2025)

Telephone: +265 (0) 111 789 311

Communication should be addressed to:  
Secretary to the President and Cabinet



In reply, please quote No. ....

OFFICE OF THE PRESIDENT AND CABINET  
PRIVATE BAG 301  
LILONGWE 3

**Ref. No. 3/01/6**

4<sup>th</sup> November, 2024

The Principal Officer,  
Public Service Pension Trust Fund,  
Post Office Box 30146,  
Lilongwe 3.

cc: Secretary to the Treasury,  
Ministry of Finance and Economic Affairs,  
Post Office Box 30049,  
Lilongwe 3.

Dear Sir,

**NOMINATION OF PROPOSED TRUSTEES FOR THE PUBLIC SERVICE  
PENSION TRUST FUND**

Reference is made to your letter of divers dates in June, 2024 seeking nominations for the replacement of two-thirds of the cohort whose tenure expired end of September, 2024. The Office of the President has made the following nominations to take up the vacancies in the Board of Trustees accordingly:

- (a) Mrs. Ireen Chikapa – Principal Secretary at the Civil Service Commission;
- (b) Mr. Idrissa Mwale – Director at the Department of Statutory Corporations;
- (c) Mr. Robert Mwanamanga – Director at the Ministry of Finance and Economic Affairs;
- (d) Dr. Maxwell Tsitsi – Director at the Office of the President and Cabinet;
- (e) Ms. Kelness Kawowa – Director at the Ministry of Education; and
- (f) Mr. Godfrey Zulu – Deputy Director at the National Registration Bureau.

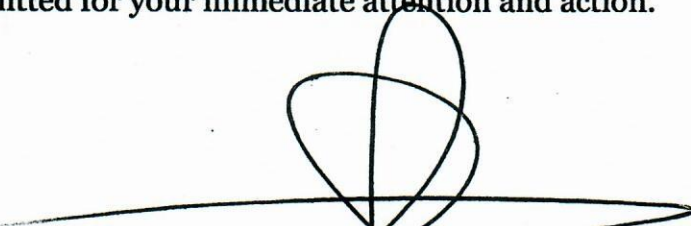
In the same vein, from the list of Trustees eligible for re-appointment into their second term, the Office of the President would like to nominate the following Trustees to continue to serve the Fund:

- (a) Ms. Chikondi Phiri –nominated by the Ministry of Finance and Economic Affairs;  
and
- (b) Mr. Levi Chirwa – nominated by the Ministry of Finance and Economic Affairs.

After the necessary vetting procedures in accordance with the Fund Rules and necessary regulatory instruments, in accordance with the provisions of clause 10.3, kindly submit the full list of the vetted nominees to the Secretary to the Treasury for formal appointment from the pool of eligible individuals. The Secretary to the Treasury is

required to formally appoint all Trustees (including the ones nominated by the Members) in accordance with clause 10.3 of the Trust Deed.

Submitted for your immediate attention and action.

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Chizaso Eric Nyirongo  
Director of Legal Services

For: **SECRETARY TO THE PRESIDENT AND CABINET**

Telephone: +265 (0) 111 789 311

Communication should be addressed to:  
Secretary to the President and Cabinet



In reply, please quote No. ....

OFFICE OF THE PRESIDENT AND CABINET  
PRIVATE BAG 301  
LILONGWE 3

Ref. No. 15/08/16

12<sup>th</sup> May, 2025

The Principal Officer,  
Public Service Pension Fund Trust,  
Post Office Box 30146,  
Lilongwe 3.

cc: Secretary to the Treasury,  
Ministry of Finance and Economic Affairs,  
Post Office Box 30049,  
Lilongwe 3.

Dear Sir,

**SUBMISSION OF NAMES OF PROPOSED TRUSTEES FOR THE THIRD COHORT  
OF PUBLIC SERVICE PENSION TRUST FUND BOARD OF TRUSTEES**

I write to submit the names of proposed trustees of the Public Service Pension Trust Fund for your onward transmission to the Registrar of Financial Institutions in line with the Trust Deed of the Fund:

The proposed names of the Trustees are as follows:

- (a) Dr. Maxwell Spencer Tsitsi, Principal Secretary (Administration) at the Office of the President and Cabinet;
- (b) Mrs. Ireen Chikapa, Principal Secretary (Civil Service Commission) under the Office of the President and Cabinet; and
- (c) Mrs. Chikondi Phiri, Principal Economist at the Ministry of Finance and Economic Affairs.

Kindly submit the names, including the attached documentation to the Registrar of Financial Institutions, for purposes of licensing the same. Kindly note that time is of the essence in this matter as the Fund has remained without a properly constituted Board since last year.

  
Chizaso Eric Nyirongo  
Legal Counsel

For: SECRETARY TO THE PRESIDENT AND CABINET

Telephone: +265 (0) 111 789 311

Communication should be addressed to:  
Secretary to the President and Cabinet



In reply, please quote No. ....

OFFICE OF THE PRESIDENT AND CABINET  
PRIVATE BAG 301  
LILONGWE 3

Ref. No.: 15/08/16

Date: 2<sup>nd</sup> June, 2025

The Principal Officer,  
Public Service Pension Fund Trust,  
Post Office Box 30146,  
Lilongwe 3.

Dear Sir,

**NOMINATION OF Mr. CHIZASO NYIRONGO TO SERVE AS A TRUSTEE**

I write to formally advise that the Office of the President and Cabinet has nominated Mr. Chizaso Eric Nyirongo, Legal Counsel in the Office of the President and Cabinet, for appointment as a Trustee for the Public Service Pension Fund Trust.

As the Board has not been fully constituted for nearly a year, I trust that you shall assist in expediting his licensing process with the Registrar of Financial Institutions in order to enable the formal appointment of the Trustees.

Yours sincerely,

Dr. Maxwell Tsitsi

For: SECRETARY TO THE PRESIDENT AND CABINET

cc: Mr. Chizaso Nyirongo, Office of the President and Cabinet, Private Bag 301,  
Lilongwe 3

## Appendix 23

### External Legal Opinion on binding Contract

CONFIDENTIAL

20<sup>th</sup> October 2025

The Legal Services Manager and Fund Secretary  
Public Service Pension Trust Fund  
P O Box 30146  
LILONGWE 3

Dear Madam

RE: LEGAL OPINION ON CLAIM BY YUSUF INVESTMENTS LTD (AMARYLIS HOTEL)

We write to provide a legal opinion on the claim by Yusuf Investments Limited (YIL) whereby YIL has threatened to commence court proceedings against the Public Service Pension Trust Fund (PSPTF) for alleged breach of contract on the proposed sale of Amarylis Hotel. PSPTF requires a legal opinion as to whether it may lawfully withdraw from the proposed acquisition of 100 percent equity in Amarylis Hotel. PSPTF also wants advice on PSPTF's potential liability arising from such withdrawal.

1. BACKGROUND

PSPTF holds pension funds in trust for public service employees. PSPTF invests such pension funds in various investments.

NICO Asset Managers Limited (NAM) are Fund Managers for PSPTF. NAM's role includes identifying and assessing investment opportunities for PSPTF and recommending such investment opportunities to the Trustees of PSPTF.

On 2<sup>nd</sup> May 2023, Cedar Capital, financial advisors of YIL, wrote to NAM offering the sale of 100 percent equity in Amarylis Hotel to PSPTF.

On 18<sup>th</sup> May 2023, NAM presented to PSPTF the investment opportunity for PSPTF to invest in the acquisition of 100 percent equity in Amarylis Hotel at the indicative price of MK47 billion. The Board of PSPTF approved the proposal.

On 19<sup>th</sup> September 2023 NAM wrote a letter to Cedar Capital accepting the offer to acquire a 100 percent stake in Amarylis Hotel. The price was K47 billion as a cap and NAM requested for a 10 to 12 percent discount. The letter referred to a Sale Agreement to be signed between YIL and PSPTF.

Cedar Capital responded on 27<sup>th</sup> September 2023 referring to a negotiations meeting that had taken place between Cedar and NAM, and accepting the Transaction price of K47 billion and rejecting the request for a discount. Cedar referred to the execution of a Sale and Purchase Agreement, and looked forward to the completion of the transaction.

PSPTF engaged property valuers to value Amarylis Hotel and another valuer to conduct a business evaluation of Amarylis Hotel. PSPTF also hired a structural engineer to assess the structural integrity of Amarylis Hotel.

In November 2023, YIL sought a revision of the transaction price by 30 percent citing a devaluation of the Malawi Kwacha. PSPTF rejected the request to increase the transaction price.

In December 2023, NAM wrote to PSPTF withdrawing NAM's support for the transaction because NAM did not do an adequate technical review of the proposed investment to provide PSPTF with the required assurance that the investment would be in the best interests of PSPTF.

The PSPTF Board met on 17<sup>th</sup> January 2024 and passed a resolution resolving not to proceed with the purchase transaction of Amarylis Hotel based on NAM's advice that the transaction was not viable.

NAM paid back to PSPTF the money that PSPTF had spent on valuation and other expenses towards the proposed purchase. Around 1<sup>st</sup> February 2024, NAM informed YIL that it had withdrawn its recommendation to PSPTF to invest in Amarylis Hotel.

On 12<sup>th</sup> February 2024, YIL's finance advisor, Cedar Capital, wrote a letter to Continental Asset Managers (CAM) which is another investment manager for PSPTF, requesting CAM to take over the role of NAM and complete the transaction. CAM made presentations to PSPTF recommending that PSPTF should purchase Amarylis Hotel. PSPTF told CAM to do its own analysis and not rely on NAM's analysis. Various meetings were held between PSPTF and CAM. At a meeting held on 10<sup>th</sup> October 2024, PSPTF decided not to proceed with the proposal from CAM.

In between times, on 7<sup>th</sup> March 2024 and on 18<sup>th</sup> March 2024, the Principal Officer of PSPTF wrote commitment letters to Amarylis Hotel stating that PSPTF was still interested in completing the transaction towards the purchase of Amarylis Hotel.

On 9<sup>th</sup> November 2024, YIL wrote a letter to PSPTF demanding finalization of the transaction by 15<sup>th</sup> December 2024. On 29<sup>th</sup> May 2025 the Principal Officer for PSPTF wrote a without prejudice letter to YIL requesting for a meeting between PSPTF Management, YIL, PSPTF's Fund Manager and lenders to Amarylis Hotel to review the current transaction status, align expectations and outstanding deliverables and develop a comprehensive action plan. The meeting took place on 5<sup>th</sup> June 2025. The meeting agreed on the need for formal confirmation of a fund manager and that a roadmap to completion should be designed.

On 25<sup>th</sup> September 2025, YIL wrote a letter to PSPTF requesting for a formal update on the current status of the transaction and the Board's approvals relating to the timetable for completing the transaction.

On 29<sup>th</sup> September 2025, the Principal Officer of PSPTF wrote a without prejudice letter to YIL stating that a Board for PSPTF had been reconstituted and that the Board would meet to consider various matters.

On 6<sup>th</sup> October 2025 YIL wrote another letter to PSPTF requesting finalization and threatening legal action.

Other background information is that Amarylis Hotel is heavily indebted to National Bank of Malawi (NBM) and NBM is squeezing YIL to pay back the loans. YIL is therefore under pressure to sell Amarylis Hotel in order to repay its loans to NBM.

## 2. ISSUES FOR DETERMINATION

In its letters dated 9<sup>th</sup> November 2024, 25<sup>th</sup> September 2025 and 6<sup>th</sup> October 2025, YIL is claiming that a contract was concluded through :

- a. PSPTF's Board approval dated 15<sup>th</sup> September 2023;
- b. PSPTF's offer made through a letter from NAM to YIL dated 19<sup>th</sup> September 2023;
- c. YIL's acceptance letter dated 27<sup>th</sup> September 2023.

YIL also refers to commitment letters written by the Principal Officer of PSPTF dated 7<sup>th</sup> March 2024, 18<sup>th</sup> March 2024 and 29<sup>th</sup> May 2025 as confirming PSPTF's commitment to finalise the transaction.

PSPTF requires a legal opinion as to whether it may lawfully withdraw from the proposed acquisition of 100 percent equity in Amarylis Hotel. PSPTF also wants advice on PSPTF's potential liability arising from such withdrawal.

This requires a legal analysis as to whether there is a binding and enforceable contract between YIL and PSPTF for the sale and purchase of Amarylis Hotel. We will also advise on PSPTF's chances of winning the case in the event that YIL commences court proceedings against PSPTF to enforce the alleged contract.

3. WHETHER PSPTF CAN WITHDRAW FROM THE TRANSACTION

One of the questions we have to answer is whether PSPTF can withdraw from the transaction.

On the facts, it appears that PSPTF already withdrew from the transaction. The PSPTF Board met on 17<sup>th</sup> January 2024 and passed a resolution resolving not to proceed with the purchase transaction of Amarylis Hotel based on NAM's advice that the transaction was not viable. Around 1<sup>st</sup> February 2024, NAM informed YIL that it had withdrawn its recommendation to PSPTF to invest in Amarylis Hotel<sup>1</sup>. NAM's letter of withdrawal prompted YIL to instruct its financial advisors, Cedar Capital, to contact PSPTF's other fund manager, CAM, to take over the transaction. CAM pushed for the transaction with PSPTF, but PSPTF still declined to proceed with the transaction.

In our view, PSPTF already withdrew from the transaction. However, the question still remains whether PSPTF was legally entitled to withdraw from the transaction. If there was a binding and enforceable contract, then PSPTF is not legally entitled to withdraw, but if there is no legally binding contract, then PSPTF is perfectly entitled to withdraw from the transaction.

4. IS THERE A LEGALLY BINDING CONTRACT FOR THE PURCHASE OF AMARYLIS HOTEL?

Ultimately, to answer the question whether there is a legally binding contract between YIL and PSPTF for the sale and purchase of Amarylis Hotel, we have to analyse all the facts and the conduct of the parties, including the following documents :

- a. PSPTF's Board approval dated 15<sup>th</sup> September 2023;
- b. PSPTF's offer made through a letter from NAM to YIL dated 19<sup>th</sup> September 2023;
- c. YIL's acceptance letter dated 27<sup>th</sup> September 2023.
- d. PSPTF's Principal Officer's letter dated 7<sup>th</sup> March 2024;
- e. PSPTF's Principal Officer's letter dated 18<sup>th</sup> March 2024;
- f. PSPTF's Principal Officer's letter dated 29<sup>th</sup> May 2025;
- g. The draft Minutes of the meeting dated 5<sup>th</sup> June 2025;
- h. YIL's letter dated 9<sup>th</sup> November 2024;

---

<sup>1</sup> We do not have a copy of NAM's letter dated 1<sup>st</sup> February 2024 but it has been referred to in YIL's letter dated 9<sup>th</sup> November 2024.

- i. YIL's letter dated 25<sup>th</sup> September 2025;
- j. YIL's letter dated 6<sup>th</sup> October 2025.

Before we delve into the documents, we need to discuss the legal principles that courts use in order to determine whether or not there is a contract.

#### 4.1 The Basics of Contract Formation

G H Treitel in The Law of Contract (30<sup>th</sup> edition 2011) defines a contract in paragraph 1-001 as follows :

*"A contract is an agreement giving rise to obligations which are enforced or recognized by law. The factor which distinguishes contractual from other legal obligations is that they are based on the agreement of the contracting parties."*

Under the English common law which we follow in Malawi, a contract is formed when the following ingredients are present :

- a. Offer;
- b. Acceptance;
- c. Consideration;
- d. Intention to Create Legal Relations.

#### 4.2 Definition of Offer

Paragraph 2-002 of The Law of Contract by G H Treitel defines the Offer as :

*"An offer is an expression of willingness to contract on **the specified terms**, made with the intention that it is to become binding as soon as it is accepted by the person to whom it is addressed."* (emphasis added)

Chitty on Contracts (30<sup>th</sup> edition 2008) defines Offer as follows :

*"An offer is an expression of willingness to contract on **specified terms** made with the intention (actual or apparent) that it is to become binding as soon as it is accepted by the person to whom it is addressed."* (emphasis added)

In the English case of *May & Butcher v R* [1934] 2 KB 17 an agreement for the sale of land provided that the price, dates of payment and manner of delivery should be agreed from time to time. The House of Lords (highest court in England) held that the agreement was incomplete as it left vital matters to be settled.

### 4.3 Acceptance

In the Malawian case of *Abeles v Viola* [1992] 15 MLR 1 Banda CJ had to decide whether there was a contract from letters exchanged between the parties. Banda CJ said at page 4 :

*“ ... the crucial point to determine, in my judgment, is whether or not there was an offer made by one party and accepted by the other. In order to decide whether parties have reached an agreement, it is usual to enquire whether there has been a definite offer by one party and a definite acceptance of that offer by the other party.”*

In another Malawian case of *Chidanti-Malunga v Fintec Consultants (A Firm)* [2008] MLR (Com) 243, the defendant included the claimant as an engineer in a project proposal. The proposal was successful. By the time the defendant received confirmation that its proposal was successful, the claimant had embarked on further studies in the United Kingdom. The claimant and the defendant exchanged emails in one of which the claimant sought clarification on the time-frame involved for the entire assignment and the breakdown of the remuneration involved. The defendant did not respond to that email, but proceeded to remove the claimant from the project. The claimant claimed that there was a contract between the claimant and the defendants. Mtambo J said at page 249 :

*“For there to be a valid contract, one of the essentials is that there must be an agreement. The agreement is made up of offer and acceptance. An offer is an expression of willingness by one person, the offeror to enter into a relationship with another person, the offeree with an intention that the relationship shall be binding on the offeror as soon as the offer is accepted by the offeree. An acceptance is a final and unqualified assent to all the terms of an offer. It must not treat the negotiations as still underway otherwise it fails as a valid acceptance.*

According to *Cheshire's Contract Law (12ed)* 37 :

*‘Whatever the difficulties and however, elastic their rules, the judges must, either upon oral evidence or by the construction of documents, find some act from which they can infer the offeree's intention to accept, or they must refuse to admit the existence of an agreement. The intention, moreover, must be conclusive. It must not treat the negotiations between the parties as still open to the process of bargaining. The offeree must unreservedly assent to the exact terms proposed by the offeror. If, while purporting to accept the offer as a whole, he introduces a new term which the offeror has not had the chance of examining, he is in fact making a counter-offer. The effect of this in the eye of the law is to destroy the original offer.’ (emphasis mine)*

In the other Malawian case of *Barrow Investments Ltd v MPICO Malls Ltd* Commercial Case Number 06 of 2013, the plaintiff sued the defendant for a refund of the sum of K500 million lent to the defendant in contemplation of converting the loan into equity. A shareholders' agreement was prepared but the claimant refused to sign. The High Court held that :

- “1. The courts are not there to make contracts for parties but to interpret their agreement if any;
2. An agreement is one of the essentials for making a contract. There must be an offer and acceptance on definite terms. See *Chidanti-Malunga v Fintecs* [2008] MLR (Com) 246. The parties must have gone beyond mere negotiations or exploration.
3. An agreement subject to contract may be intended by the parties to amount to a binding contract or not. In the former case, the parties will have concluded the agreement and what remains is merely formalizing it by a written signed contract. In the latter case, the parties will not have concluded the contract until the signing of a formal contract. See *James v Thomas H Kent & Co Ltd* [1950] 2 All ER 1099 for the latter proposition.”

The Court also found that

- “1. The shareholders' agreement was not signed by the Plaintiff. It was the parties' expressed intention that to be bound, the board of each party had to approve the shareholders' agreement.
2. There was no agreement on definite terms between the Plaintiff and the Defendant as the parties were still in the exploratory stages as to what would be the best investment the payment of K500 million notwithstanding.
3. There is no legal basis for the court to fashion out a reasonable agreement for the parties if they have not reached any agreement.”

#### **4.4 Agreement on Specific Terms**

Hence, if there are terms to be agreed, there is no contract. In *Simiyoni v Kanyatula* [1999] MLR 382, the respondent had a truck which had an outstanding loan of K226,961,43 with Stansfield Motors. The appellant claimed that the respondent had agreed to sell the truck to the appellant if the appellant paid K226,961.43 to Stansfield Motors and K140,000 to the respondent. The respondent denied the existence of the contract. The court found from the evidence that the parties agreed that the claimant should pay K226,961.43 to Stansfield Motors, and thereafter, the parties should negotiate the sale of the truck. The High Court held that the parties had “agreed to agree”, and an agreement to agree is not a contract

in law. Both the High Court and the Malawi Supreme Court of Appeal cited with approval the dictum of Templeman LJ in the English case of *Sudbrook Trading Estate Ltd v Eggleton and Others* [1983] AC 444 at 459 :

*“The principles which emerge from the authorities may be summarised thus: first, in ascertaining the essential terms of a contract, the court will not substitute machinery of its own for machinery provided by the parties, however defective that machinery may prove to be. Secondly, where machinery is agreed for the ascertainment of an essential term, then until the agreed machinery has operated successfully, the court will not decree specific performance, since there is not yet any contract to perform. Thirdly, where the operation of the machinery is stultified by the refusal of one of the parties to appoint a valuer or an arbitrator, the court will not, by way of partial specific performance, compel him to make an appointment.*

*All three of these principles stem from one central proposition, that where the agreement on the fact of it is incomplete until something else has been done, whether by further agreement between the parties or by the decision of an arbitrator or valuer, the court is powerless, because there is no complete agreement to enforce it: see Kay, J in Hart v. Hart (1881) 18 Ch. D. 670, at 689.”* (emphasis added)

#### 4.5 Agreement Subject to Contract

In more complicated and high value contracts, there may be various stages that the parties go through before signing the final contract. It is common to have any agreements made prior to the final signing “subject to contract”. G H Treitel in The Law of Contract (30<sup>th</sup> edition 2011) at paragraph 4-006 states

*“An agreement may be ‘subject to contract’, either expressly or by implication. Such an agreement is incomplete until the details of a formal contract have been settled and approved by the parties. But even when the terms of the formal contract have been agreed, there is no binding contract until the parties have gone through the procedure necessary to indicate that the agreement is no longer ‘subject to contract’, eg in contracts for the sale of land by private treaty, when there has been an ‘exchange of contracts’. Before the ‘exchange’, there is no uncertainty as to the terms of the agreement, but there is no contract because neither party intends to be legally bound until the ‘exchange of contracts’ takes place.”* (emphasis added)

The words “by implication” mean that even if the documents exchanged do not have the words “subject to contract”, the nature of some transactions are such that subject to contract is implied.

In *Moria v Bednash* [2011] EWHC 839 Arnold J said :

*“Lord Clarke went on at [49] to cite with approval the well-known summary given by Lloyd LJ (as he then was) in Pagnan SpA v Feed Products Ltd [1987] 2 Lloyd’s Rep. 60 at 619:*

*“(1) In order to determine whether a contract has been concluded in the course of correspondence, one must first look to the correspondence as a whole ... (2) Even if the parties have reached agreement on all the terms of the proposed contract, nevertheless they may intend that the contract shall not become binding until some further condition has been fulfilled. That is the ordinary ‘subject to contract’ case.*

*As the statements of principle of both Lloyd LJ and Lord Clarke recognise, there is no need for communications to be expressed to be “subject to contract” or “subject to signed agreement” if the content of the communications demonstrates that they were written or spoken on that basis. As Beatson J said in Benourad v Compass Group plc [2010] EWHC 1882 (QB) at [106(a)]:*

*“[T]he more complicated the subject matter the more likely the parties are to want to enshrine their contract in some written document to be prepared by their solicitors. This enables them to review all the terms before being committed to any of them. The commonest way of achieving this ability is to stipulate that the negotiations are ‘subject to contract’. In such a case there is no binding contract until the formal written agreement has been duly executed .... But it is not necessary that there should have been an express stipulation that the negotiations are to be ‘subject to contract’. ...”: *Cheverney Consulting Ltd v Whitehead Mann Ltd* [2006] EWCA Civ 1303 at [42], per Sir Andrew Morritt C; *Investec Bank (UK) Ltd v Zulman* [2010] EWCA Civ. 536 at [17]. Where there is no such stipulation, this (see e.g. *Winn v Bull* (1877–78) LR 7 Ch 29, 32, per Jessel MR) is a question of construction. The fact that a draft contractual document or a covering letter to it invites a party to initial or sign a copy and return it to the other party, or contemplates that a party would obtain legal advice before signing are telling indications that the parties do not intend to be bound until the document is signed: *Investec Bank (UK) Ltd v Zulman* [2010] EWCA Civ. 536 at [19–20].” (emphasis added)*

The leading case on “subject to contract” is the English case of *Walford v Miles* [1992] 1 All ER 453. The defendants had agreed, subject to contract, to sell a property to purchasers from £2 million and had (in breach of an ineffective lock out agreement) sold the property to a third party for the same price. The purchasers claimed damages of £1 million on the basis that the property was (by

reason of facts known to the purchasers but not the seller) worth £3 million. The purchasers argued that there should be implied in the lock out agreement an agreement to negotiate in good faith. Lord Ackner said at page 460 :

*"The reason why an agreement to negotiate, like an agreement to agree, is unenforceable is simply because it lacks the necessary certainty."*

In the case of *Walford v Miles* there was a "lock-out agreement". This is a common agreement in high value or complicated sales like sales of equity in a company. The negotiations may take some time. The seller and the buyer agree on a lock-out period during which the seller negotiates with only the buyer and no one else. Only after the agreed lock-out period has expired can the seller start negotiations with other parties. The present case is one such case where the parties should have signed a lock-out agreement, but they did not. Even if there was a lock-out agreement, PSPTF would not be bound until the final agreement was reached.

#### 4.6 Subject to Contract and Incomplete Agreements

In *Yeoman Row Management v Cobbe* [2008] 4 All ER 713, the claimant entered into an oral agreement with the defendant whereby the claimant would demolish a block of flats owned by the defendant and apply for planning permission to build (and build) six terrace houses. The oral agreement did not cover everything that would have been included and the parties anticipated the signing of a formal written contract. The claimant went ahead to apply for planning permission and spent substantial amounts of money. When the formal contract was drawn up, the defendant did not agree with some terms and withdrew from the agreement. The House of Lords held that there was no binding contract.

In *Generator Developments Ltd v Lidl UK GmbH* [2018] EWCA Civ 396 [2018] 2 P & CR 7, after considering a number of authorities, Lewison LJ put it this way at 79:

*"The meaning of that phrase is well-known. What it means is that (a) neither party intends to be bound either in law or in equity unless and until a formal contract is made; and (b) that each party reserves the right to withdraw until such time as a binding contract is made."*

In the case of *Joanne Properties Ltd v Moneything Capital Ltd* [2020] EWCA Civ 1541 the parties signed an agreement "subject to contract". The English Court of Appeal held that there was no contract. After analyzing various case law, the Court of Appeal concluded as follows :

*"As the cases show, where negotiations are carried out "subject to contract", the mere fact that the parties are of one mind is not enough. There must be a formal contract, or a clear factual basis for inferring that the parties must have intended to expunge the qualification. In this case there was neither."*

The Court of Appeal cited with approval the dictum of Templeman LJ in *Tevanan v Norman Brett (Builders) Ltd* (1972) 223 EG 1945 ;

*“Accordingly, in my judgment, the judge, with great respect, fell into the error which was adumbrated by Brightman J, namely of thinking that because parties got near a contract or conveyance, because parties assumed that they would go happily on until matters had become binding, therefore the “subject to contract” qualification either ceased to have effect or was replaced by a new contract. That, in my judgment, is not the position. It is always the case that in “subject to contract” negotiations one side or both from time to time speak as though there was a contract or would be a contract, and that is because everybody looks on the bright side and thinks a sale is going to take place. The fact of the matter is that for very good reasons the “subject to contract” formula enables one to see at once whether there is or is not a contract – either a contract exchanged or conveyance executed and delivered – or whether parties are in the negotiation stage. Once one gets away from principle, then all is difficulty, and reliance on odd conversations and letters produces uncertainty in law.”* (emphasis added)

In paragraphs 25 and 26 of *Joanne Properties Ltd v Moneything Capital Ltd* Lewison LJ said :

25. *If parties do intend to enter into a legally binding agreement, there is a different question that sometimes arises: namely whether the agreement they have reached is an incomplete agreement. Typically, this question arises where the parties have agreed some of the terms (or the main terms) of a contract, but have left other terms to be agreed later.*

26. *This, however, is a different principle from the effect of negotiations “subject to contract”.*

#### 4.7 Exceptions : Complete Contracts

On the other hand, there are some cases like *Petromec v Petroleo Brasileiro SA Petrobas* [2005] EWCA Civ 891 where the courts distinguished *Walford v Miles* and found that there was still an agreement even though the final contract was not signed. Whilst upholding the binding authority in *Walford v Miles*, the English Court of Appeal distinguished it on the facts of the *Petromec* case. The Court of Appeal found that there was a binding agreement because the parties intended to be bound.

In the Malawian case of *Kamwaza and Another v Ecobank* [2016] MLR 128 the respondent engaged the appellant, an architect for the design and tender of a building refurbishment project. The appellant worked on the project and obtained tenders from building contractors. The respondent considered the tenders and found that even the lowest tender was above the respondent’s budget, and the

respondent informed the appellant of the stoppage of the project. The appellant sent an invoice for the work done. The respondent refused to pay because there was no signed contract. The High Court dismissed the appellant's claim because there was no signed contract. On appeal, the Malawi Supreme Court of Appeal allowed the appeal. On the facts, the Malawi Supreme Court of Appeal held that

*"while there was no signature, the respondent, by conduct accepted both the standard form agreement and its terms. The respondent could not rely on his inaction to jeopardise the appellant's accrued rights."*

The reason for this finding is on page 154 :

*"The parties having themselves concluded that there was a contract, it sounds unusual, without more, to find that there was no contract between the client and the architects. Consequently, even if there was no agreement flowing from mediation, the parties, from the correspondence and conduct, demonstrate that they proceeded on performance of the contract based on agreement between them."*

The Malawi Supreme Court of Appeal cited with approval the dictum of Lord Justice Clarke in the English case of *RTS Flexible Systems v Molkerei Alois Muller* [2010] 1 WLR 753 :

*"Whether there is a binding contract between the parties and, if so, upon what terms depends upon what they have agreed. It depends not upon their subjective state of mind, but upon a consideration of what was communicated between them by words or conduct, and whether that leads objectively to a conclusion that they intended to create legal relations and had agreed upon all the terms which they regarded or the law requires as essential for the formation of legally binding relations. Even if certain terms of economic or other significance to the parties have not been finalised, an objective appraisal of their words and conduct may lead to the conclusion that they did not intend agreement of such terms to be a pre-condition to a concluded and legally binding agreement."*

Agreeing with this proposition, the Malawi Supreme Court of Appeal states at page 150 :

*"Where parties agree their arrangements are effective only on a subsequent contract, courts give effect to such stipulation as what parties intended. Otherwise, courts would create contracts parties never intended. The parties' intention must derive from the contract and the parties' conduct. Consequently, even if parties expressly intended their relationship to be legally binding after a subsequent agreement, conduct or intimation during and after agreement may assuage. All depends on the facts"*

#### 4.8 Analysis of the Case Law

*Chitty on Contracts* has analysed the cases. In paragraph 2-114 *Chitty* states that even an agreement for sale of land dealing with the barest essentials may be regarded as complete if that was the clear intention of the parties. In the case of *Perry v Suffields Ltd* [1916] 2 CH 187 it was held that there was a binding contract even though many important points, eg the date of completion and the question of paying a deposit were left open. After analyzing the cases, *Chitty* concludes that in the cases where the courts held that there was a contract, the courts took the view that the parties intended to be bound at once in spite of the fact that further significant terms were to be agreed later that even their failure to reach such agreement would not invalidate the contract unless without such agreement it was unworkable or too uncertain to be enforced.

One of the factors that point to parties having concluded the contract is when the parties start performing the contract even though the contract is not signed. The *Kamwaza* case is on this point. These are exceptions to the general rule.

#### 5. PROMISSORY ESTOPPEL

There are letters that the Principal Officer of PSPTF wrote assuring YIL that the transaction would be completed.

##### 5.1 Principles of Promissory Estoppel

Promissory estoppel is an equitable doctrine which prevents a party to a contract from acting in a certain way because they promised not to act in that way, and the other party to the contract relied on that promise and acted upon it. See *Combe v Combe* [1951] 2 KB 215.

In the case of *Hughes v Metropolitan Railways Co.* (1877) 2 App. Cas. 439 HL, Lord Cairns stated the following on the doctrine of promissory estoppel:

*"It is the first principle upon which all courts of equity proceed, that if parties who have entered into definite and distinct terms involving certain legal results-certain penalties or legal forfeiture-afterwards by their own act or with their own consent enter upon a course of negotiation which has the effect of leading one of the parties to suppose that the strict rights arising under the contract will not be enforced, or will be kept in suspense, or held in abeyance, the person who otherwise might have enforced those rights will not be allowed to enforce them where it would be inequitable having regard to the dealings which have thus taken place between the parties."*

The principles of promissory estoppel above were applied in the case of *London Property Trust v High Trees House Ltd* [1947] 1 KB 130 by Denning J. to found the modern doctrine of promissory estoppel.

In Malawi, the doctrine of equitable estoppel was recently applied in the case of *Steve Banda and 181 Others v Makiyi, Kanyenda and Associates* Civil Cause Number 112 of 2018 (unreported). In that case, the claimants were prevented by the doctrine of promissory estoppel from claiming money from their previous lawyers after they had undertaken not to claim.

In equitable estoppel, the promise must be clear and unequivocal. See *Woodhouse AC Israel Cocoa Ltd SA v Nigerian Produce Marketing Co Ltd* [1972] AC 741.

In *Adam v Stanbic Bank Ltd* [2008] MLR (Com) 222 at page 227 Mtambo J said :

*“Where a person by his conduct leads another to believe that he will not insist on his strict legal rights intending that other to act on the premise and that other so acts, then the courts will not allow that person to renege on that position where that would be unfair. The principle was stated by Lord Denning in *Plasticmada Societa Per Azioni v Davidson Manchester Limited* (1952) Lloyds Report 527. The equitable underpinning of this rule is discernible from the words of Tambala J.A. in *Leasing and Finance Company of Malawi Limited v Katundu Haulage Limited* MSCA Civil Appeal Number 200 of 2000 where the learned judge remarked:*

*‘If a man has so conducted himself that it would be unfair or unjust to allow him to depart from a particular state of affairs which matter has been taken to be settled or correct the courts will interfere and stop that man from going back to the original agreement’.*

## 5.2 Promissory Estoppel is a Shield, Not a Weapon

In *Speedys Limited v Liquidator of Finance Bank Malawi Limited* [2001-2007] MLR (Com) 343 the claimant brought an action against the defendant claiming that the claimant had repaid its loan to the defendant but the defendant was refusing to discharge the charge. The claimant claimed that the defendant was estopped from denying the fact that the claimant had discharged its indebtedness to the defendant. The High Court dismissed the claimant’s claim on the ground that estoppel should be used as a shield and not as a weapon. Kapanda J said at page 351 :

*“According to my understanding of the law, the doctrine of promissory estoppel or forbearance in equity comes into play when a party to a contract makes a*

representation. For this equitable doctrine to be operative against a representor there must be :

- (i) Legal relationship between the parties
- (ii) A promise or representation
- (iii) Reliance on the representation and
- (iv) Detriment to the representee."

At page 353 Kapanda J said :

*"In order to give rise to an estoppel, the representation must be clear and unequivocal so that if the representation is not made in such form as to comply with this requirement it matters not that the representee should have misconstrued it."*

In any case, equitable estoppel is a shield not a sword. Equitable estoppel does not create new causes of action where none existed. A promise is not binding as a contract unless it is supported by consideration or made under deed. See *Combe v Combe* [1951] 2 KB 215.

### 5.3 Promissory Estoppel Creates No New Rights

G H Treitel in *The Law of Contract* (30<sup>th</sup> edition 2011) at paragraph 3-088 states

*"The equitable doctrine prevents the enforcement of existing rights, but it does not create entirely new rights or extend the scope of existing ones."*

## 6. APPLYING THE LAW TO THE FACTS

The key letters are

- a. PSPTF's offer made through a letter from NAM to YIL dated 19<sup>th</sup> September 2023;
- b. YIL's acceptance letter dated 27<sup>th</sup> September 2023.

## 7. CONTENT OF THE MAIN LETTERS

The above two letters are what YIL claims to contain the offer and acceptance. The other letters are supplementary. All the correspondence must be considered as a whole - *Moria v Bednash*. We will have to reproduce the two letters in extenso.

### 7.1 Letter From NAM to Cedar Capital

The letter dated 19<sup>th</sup> September 2023 states :

*"We are writing on behalf of our client, the Public Service Pension Trust Funds ("PSPTF") to accept your offer to acquire a 100% stake in Amarylis Hotel Limited as follows :*

1. *Purchaser – The Public Service Pension Trust Fund ("PSPTF").*
2. *Price – Our client accepts your indicative price of K47bn as a price cap. However our client requests you to consider applying a discount of between 10% to 12% to the price because as you have suggested in your offer letter, the benefits of a wet hotel will only be realized after the transaction, as a result of the post transaction effort which our client will have to make. Please note that this is not a counteroffer, but rather a proposal to enter into structured negotiations with yourselves. We are open to your suggestions on the negotiation process and welcome your input on how we can proceed efficiently.*
3. *Timing and contingencies – we have already obtained our clients interim approval to proceed with the transaction. We understand that the financial structure of the deal is a critical component. Our client will contract the services on any relevant service providers eg lawyers and corporate finance advisors to execute the transaction.*
4. *Structural integrity report – As part of our client's due diligence processes, they will require a Structural Integrity Report for the property from a Structural Engineer prior to concluding the transaction. We request that this matter be included in the Sale Agreement.*
5. *Policy limitations – Please note that final closure of the transaction is subject to various investment policies, regulations, and agreements applicable to our client. These will have to be cleared before executing the final Sale Agreement.*

*We understand the complexity of this transaction and are fully committed to working collaboratively with you to ensure its successful completion. We propose that we schedule a meeting to outline a clear roadmap for the transaction"*

We have highlighted some pertinent parts of the letter.

## 7.2 Letter From Cedar Capital to NAM

Cedar Capital's response was as follows :

*"On behalf of Yusuf Investments Limited ("YIL"), we thank you for meeting us today to negotiate the terms and conditions inherent in your offer letter which you sent to us on 19<sup>th</sup> September 2023 on behalf of your client, the Public*

*Service Pension Trust Fund ("PSPTF") in relation to the Amarylis Hotel ("Amarylis") equity transaction ("Offer letter") and collectively the "Transaction".*

*We are also pleased to confirm the outcome of our negotiations today as follows :*

*Pricing*

- *By virtue of its desire to complete the Transaction expeditiously and seamlessly, accepts your offer to acquire a 100% equity stake in Amarylis Hotel for K47bn ("Transaction Price")*

*Request for a discount between 10% and 12% :*

- *YIL kindly requests you to reconsider your request for a 10% to 12% discounts on the Transaction Price based on the following pertinent facts*

*....*

*Timing and contingencies*

- *In order to facilitate the completion of the Transaction expeditiously and seamlessly, can we kindly request you to consider the following such that YIL is not subject to any further devaluation beyond 31 October 2023:*
- *All formalities that you need to adhere to for the completion of the Transaction are accomplished in good time such that the Transaction is completed on or before 31 October 2023; and*
- *To execute a sale and purchase agreement in relation to the Transaction prior to 4 October 2023 to allow YIL to commence the formalities of carving out Amarylis into a newly incorporated company under a Qualified Reorganisation in time for the Transaction to be completed on or before 31 October 2023.*

*Structural integrity report:*

- *Can you kindly consider engaging the structural engineer at the same time as engaging the lawyer who will draft the sale and purchase agreement such that the timing of completing the Transaction on or before 31 October 2023 is achieved.*

*We trust that the above is a true reflection of the outcome of our negotiations today in relation to the Transaction and we look forward to completing the Transaction with you expeditiously."*

We have highlighted pertinent parts of both letters to help us analyse the intention of the parties and decide whether a contract was concluded through these two letters.

## 8. ANALYSIS OF THE TWO MAIN LETTERS

We analyse the content of the two main letters.

### 8.1 Specific Terms

The first required specific term is on the price. In its letter NAM is accepting "*your indicative price of K47bn as a price cap.*" First the price is "indicative". We understand price cap to mean the maximum price. The actual price could be lower than K47bn. Indeed, in addition, NAM is requesting for a discount of between 10% and 12 %. In response, Cedar Capital wrote that YIL "*accepts your offer to acquire a 100% equity stake in Amarylis Hotel for K47bn ("Transaction Price")*" and continues to state "*YIL kindly requests you to reconsider your request for a 10% to 12% discounts on the Transaction Price based on the following pertinent facts...*"

The above exchange shows that even the price was not specifically agreed. NAM put the K47 bn as a price cap and sought a discount. Cedar goes on to write justifications as to why the discount should not be given. This suggests that negotiations are still ongoing. A contract is not concluded if negotiations are still ongoing.

In fact, the letter from NAM mentions the negotiation process under the heading Price.

### 8.2 Interim Approval

In paragraph 3 of its letter NAM says it has obtained **interim approval** from PSPTF. This means that there was going to be a final approval. In response, Cedar Capital requested that all formalities that NAM needs to adhere to for completion of the Transaction should be accomplished in good time. This is an acknowledgement by Cedar that there were more formalities (approvals) that needed to be done or obtained before the transaction could be completed.

In addition, paragraph 3 of NAM's letter mentions hiring of lawyers and corporate financial advisors to execute the transaction.

Without such further formalities and approvals, there cannot be a conclude contract.

### 8.3 Structural Integrity Report and Due Diligence

Paragraph 4 of NAM's letter mentions the structural integrity report from a structural engineer which would form part of the due diligence. This means that as at the date of NAM's letter, due diligence had not been completed. It is common in such high value transactions, especially on sale of companies that the purchaser conducts a due diligence exercise which may include financial due diligence and legal due diligence.

The letter says that the structural integrity report was required prior to concluding the transaction. This means that if there is no satisfactory structural integrity report, the transaction could not be concluded. Indeed, imagine : what if the structural integrity report stated that the structure is not stable? Clearly, PSPTF would not purchase it. This means that at 19<sup>th</sup> September 2023 when NAM was writing the letter, there were more things to be done before the contract could come into force. This shows that "acceptance" of the "offer" in that letter would not lead to a binding contract as more needed to be done.

Cedar Capital's letter accepted the need for a structural integrity report and only requested that it should be done expeditiously.

### 8.4 Sale Agreement

Paragraph 4 of NAM's letter refers to a Sale Agreement which would be drafted. Cedar Capital acknowledged the need to hire a lawyer who would draft the sale and purchase agreement. This implies that the negotiations were subject to contract. By the date of Cedar Capital's letter, the sale and purchase had not been drawn up, and both parties had not formulated, let alone agreed to the specific terms. An offer must contain specific terms in order for it to be accepted and form a binding contract. We also refer to the discussions above on subject to contract.

As at the exchange of the letters of 19<sup>th</sup> September 2023 and 27<sup>th</sup> September 2023, the terms of the contract of uncertain as they had not been agreed upon. There can be no binding and enforceable contract if the terms are uncertain.

### 8.5 Policy Limitations

Paragraph 5 of NAM's letter states *"Please note that final closure of the transaction is subject to various investment policies, regulations, and agreements applicable to our client. These will have to be cleared before executing the final Sale Agreement."*

YIL through its agent was put on notice that the sale agreement could not be executed unless and until PSPTF had obtained the necessary approvals. Cedar Capital acknowledged this and requested that all the processes be completed before 31<sup>st</sup> October 2023.

There could be no contract without those policies and regulations being adhered to.

## 8.6 Reorganisation of Amarylis Hotel

In its letter dated 27<sup>th</sup> September 2023, YIL wrote on the timing : *To execute a sale and purchase agreement in relation to the Transaction prior to 4 October 2023 to allow YIL to commence the formalities of carving out Amarylis into a newly incorporated company under a Qualified Reorganisation in time for the Transaction to be completed on or before 31 October 2023.*

Our understanding is that Amarylis Hotel is heavily indebted to National Bank. PSPTF was not going to inherit those debts, but would acquire Amarylis Hotel clean of any debts. To achieve that, YIL would incorporate a new company that it would transfer to PSPTF. As per the quote from Templeman LJ in *Sudbrook Trading Estate Ltd v Eggleton and Others* [1983] AC 444 which was cited with approval in the Malawian case of *Simiyoni v Kanyatula* [1999] MLR 382, an agreement is incomplete if something further has to be done.

## 9. LETTERS OF COMMITMENT

YIL is also relying on letters written by the Principal Officer dated 7<sup>th</sup> March 2024, 18<sup>th</sup> March 2024 and 29<sup>th</sup> May 2025 where the Principal Officer on behalf of PSPTF assured YIL that the transaction would be concluded. Those letters can be classified as “letters of intent” or “letters of comfort”.

### 9.1 Effect of Letters of Intent / Letters of Comfort

*Chitty on Contracts* (32<sup>nd</sup> edition) states in paragraph 2-132 on letters of comfort and letters of intent :

*“One possibility is that such letters may, by their express terms or on their true construction, negative contractual intention. There is, similarly, judicial support for the view that “a letter of comfort, properly so called,” is “one that does not give rise to contractual liability”.*

....

*Hence where the language of such a document, or of a letter of intent, does not negative contractual intention, it is open to the courts to hold the parties bound by the document. They will, in particular, be inclined to do so where the parties have acted on the document for a long period of time or have expended considerable sums of money in reliance on it.”*

Thus, letters of intent can create binding contracts or they may not create binding contracts. It all depends on the facts. If the letter just explains the entity's policy or intent, it is not a binding contract. If it shows the intent of the writer to be bound, then it is binding.

## 9.2 Letter Dated 7<sup>th</sup> March 2024

The heading of the letter is "COMMITMENT TO THE AMARYLIS TRANSACTION PROCESS". From the heading, the commitment is to the transaction process.

The letter states :

*"I am writing to advise that the Public Service Pension Trust Fund is still interested in completing the transaction towards the purchase of Amarylis Hotel. You may have noted that the transaction stalled but I am writing to offer the assurance that notwithstanding the delays, the Fund is clearing a few operational issues that stalled the transaction and once these are cleared, the Fund is going to share with you, for your reaction, a proposed road map for the completion of the transaction."*

The Principal Officer wrote in his capacity as Principal Officer of PSPTF. His letter therefore binds PSPTF.

The letter is giving assurances that PSPTF has the intention to complete the transactions towards the purchase of Amarylis Hotel. PSPTF undertook that after clearing a few operational issues that stalled the transaction, PSPTF would engage YIL on the proposed road map.

In our considered opinion, whilst the letter is making promises, the promises are for the completion of the transaction. Taking the analysis on formation of contract above, the letter does not contain enough details to form a contract. It is showing work in progress. It is clear that completion has not been reached.

## 9.3 Letter Dated 18<sup>th</sup> March 2024

The first paragraph makes reference to the letter of 7<sup>th</sup> March 2024. The second paragraph states :

*"We are pleased to advise you that a new Fund Manager is willing to review and complete the transaction. In light of this the Fund Manager is envisaging to review and close within a month at the least."*

This letter is showing intention. It does not meet the requirements of forming a contract.

#### 9.4 Letter of 29<sup>th</sup> May 2025

The letter of 29<sup>th</sup> May 2025 is headed "WITHOUT PREJUDICE". Letters are marked without prejudice when parties are in negotiations and the party writing the letter does not want that letter to be produced in court if the parties fail to agree. Hence, YIL would ordinarily not be allowed to use the letter dated 29<sup>th</sup> May 2025 in court proceedings.

YIL is using only the last part of the letter which states : *"We intend to move forward together with the urgency and precision this matter rightly demands,"* However, the letter should be read as a whole. The letter also states :

*"This meeting will serve to:*

- (a) Review the current transaction status and documentation; and*
- (b) Align expectations and outstanding deliverables*
- (c) Develop a comprehensive action plan and timeline to be presented to the newly constituted Board."* (emphasis added)

The highlighted words show that there were still outstanding deliverables. They also show that a plan had to be submitted to the newly-constituted Board.

This letter does not create a contract.

#### 9.5 Can the Letters Make PSPTF Liable to YIL?

The letters are unfortunate because they are contrary to what the Board resolved. Yet, coming from the Principal Officer, they bind PSPTF.

However, the letters do not create a contract between PSPTF and YIL. There are no specific contract terms in those letters.

Further, YIL cannot use promissory estoppel against PSPTF because :

- a. Promissory estoppel applies when there is an existing contract. In the present case there was no contract;
- b. Promissory estoppel is a shield, not a weapon. It can be used as a defence and not the basis of a cause of action.

#### 10. SUBSEQUENT ACTIONS AND NEGOTIATIONS

After the exchange of the letters of 19<sup>th</sup> September 2023 and 27<sup>th</sup> September 2023, there were also other actions and discussions which point to continued negotiations and non-existence of a binding contract.

### 10.1 Requests for Price Increases

In November 2023, YIL sought a revision of the transaction price by 30 percent citing a devaluation of the Malawi Kwacha. NAM wrote to PSPTF on 20<sup>th</sup> November 2023 conveying the request to PSPTF. PSPTF rejected the request to increase the transaction price.

In its letter dated 6 October 2025 YIL stated that *“the sole outstanding item is negotiation of the final price and execution of the SPA.”* This implies that according to YIL the final price had not yet been agreed as at 6<sup>th</sup> October 2025.

### 10.2 Hiring of New Fund Managers

On 12<sup>th</sup> February 2024, YIL’s finance advisor, Cedar Capital, wrote a letter to Continental Asset Managers (CAM) which is another investment manager for PSPTF, requesting CAM to take over the role of NAM and complete the transaction. CAM made presentations to PSPTF recommending that PSPTF should purchase Amarylis Hotel. PSPTF told CAM to do its own analysis and not rely on NAM’s analysis. Various meetings were held between PSPTF and CAM. At a meeting held on 10<sup>th</sup> October 2024, PSPTF decided not to proceed with the proposal from CAM.

The fact that YIL’s finance advisor approached CAM shows that the contract was not concluded. If the contract had been concluded, YIL would just have been pushing for the signing of the contract and its implementation.

### 10.3 Requests for Negotiations

In its letter dated 9 November 2024 YIL stated in the last paragraph on page 3 :

*“2. Accordingly, as a matter of extreme urgency, we hereby request you in good faith to urgently set up a joint meeting between the Fund, Amarylis, the lenders and all relevant advisors at a mutually agreed venue and time within the next 7 business days with a view to :*

*2.1 discussing the way forward in relation to the urgent finalization of the Transaction; and*

*2.2 agreeing upon all specific actions to be taken by all parties attending the meeting in terms of a specific detailed timetable to finalise the Transaction as our joint urgent priority by no later than 15 December 2024.”*

The Principal Officer of PSPTF also called for a meeting through his letter dated 26<sup>th</sup> May 2025. He wrote :

*"The purpose of this meeting is to discuss the status of Amarylis Hotel Equity transaction. We believe that bringing together all relevant parties will facilitate a productive discussion regarding the status of the transaction."*

The Principal Officer wrote another letter dated 29<sup>th</sup> May 2025 where he again called for a meeting :

*"This meeting will serve to:*

*(d) Review the current transaction status and documentation; and*

*(e) Align expectations and outstanding deliverables*

*(f) Develop a comprehensive action plan and timeline to be presented to the newly constituted Board."*

The meeting indeed took place on 5<sup>th</sup> June 2025. The draft minutes of that meeting show that the PSPTF Principal Officer attempted to cancel the meeting at the beginning, but Mr Yusuf of YIL insisted that the meeting should proceed.

The continued meetings show that the contract was not concluded. Negotiations were still ongoing.

## 11. ASSESSMENT OF PSPTF'S CHANCES

With the analysis above, we are of the considered opinion that PSPTF has good chances of defending the case if YIL decides to go to Court.

### 11.1 Strong Points for PSPTF

The strong points for PSPTF are that :

- a. There is no complete agreement. The specific terms of the agreement were not agreed upon.
- b. The agreement was subject to contract;
- c. There were other activities that had to be done before the sale and purchase agreement could be signed. These included :
  - (i) Structural integrity report;
  - (ii) Final board approval from PS{TF};
  - (iii) Drafting and signing of the sale and purchase agreement;
  - (iv) Agreeing on the specific terms of the sale and purchase agreement;
  - (v) YIL to carve out Amarylis Hotel into a newly incorporated company.
- d. The Letters of Commitment do not create a contract;

- e. YIL cannot use the letters of commitment as a weapon to be used as a cause of action.

#### **11.2 Weak Points for PSPTF**

The weak points for PSPTF are the commitment letters written by the Principal Officer. YIL can use those letters to claim that YIL relied on those letters to its detriment and did not look for other purchasers.

#### **11.3 Overall Assessment**

After assessing the strong points and the weak points we are of the opinion that PSPTF has 80 percent chances of winning the case and 20 percent chances of losing the case. The 20 percent chance of loss is coming from the commitment letters written by the Principal Officer.

#### **12. POTENTIAL LIABILITY**

We are of the considered opinion that PSPTF would win the case if YIL sued PSPTF. In the unlikely event that PSPTF loses the case, the potential liability would be the difference between K47 billion and the price that YIL would sell Amarylis Hotel to a third party (assuming YIL sells the hotel at a cheaper price). If YIL is able to sell the hotel at a higher price, the damages would be nominal.

It is very likely that YIL will try to claim the interest it is paying to National Bank. We are of the opinion that such interest would not be payable because YIL got the loan before discussions between YIL and PSPTF commenced. YIL did not get the loan on any reliance of a promise by PSPTF.

Of course in the unlikely event that PSPTF loses the case, it would have to pay legal costs to YIL's lawyers.

We thank you for your instructions. Should you require any clarification, please do not hesitate to contact us.

Yours faithfully  
For LIKONGWE AND COMPANY

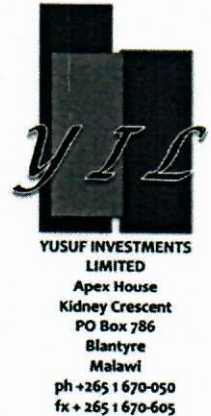
**Pempho LIKONGWE, SC**  
**MANAGING PARTNER**

## Appendix 24

Letter from Yusuf to Fund - 6th October,  
2025

6 October 2025

Mr. George M. Jim  
**The Principal Officer**  
Public Service Pension Trust Fund ("PSPTF")  
P.O. Box 30146  
Capital City, Lilongwe 3  
Malawi



**Attention:** Chair of the Investment Committee of the Board of PSPTF

Dear Mr. Jim,

**Urgent Request to Complete the Amaryllis Hotel Equity Transaction**

We acknowledge receipt of your letter dated **29 September 2025** responding to ours of **25 September 2025**. Your reply is **materially inadequate**, as it fails to provide the timetable, deliverables, or accountability previously agreed at the **5 June 2025** meeting and reiterated in your own correspondence.

A **binding contract** between PSPTF and Yusuf Investments Limited ("YIL") was concluded following PSPTF Board approval on **15 September 2023**, PSPTF's offer of **19 September 2023**, and YIL's acceptance of **27 September 2023**. Nearly **two years later**, PSPTF has yet to fulfil its contractual obligations, despite multiple written undertakings from your office.

For ease of reference, we attach your three **commitment letters** from you:

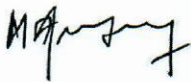
1. **7 March 2024** – Commitment to finalise the transaction "**in the shortest possible time.**"
2. **18 March 2024** – Confirmation that the new fund manager would "**review and close this within a month.**"
3. **29 May 2025** – Request for a coordination meeting to move forward "**with urgency and precision.**"

These repeated assurances remain unimplemented. The **valuations, structural report and draft Share Purchase Agreement ("SPA")** are complete; the **sole outstanding item** is negotiation of the final price and execution of the SPA.

Accordingly, YIL requests that PSPTF **convene a conclusive negotiation and signing meeting no later than Wednesday, 8 October 2025**, to finalise pricing and execute the SPA. Our team will attend fully prepared to conclude all formalities.

This meeting offers PSPTF the opportunity to **rectify prolonged non-performance**, restore confidence in the PSPTF's governance and mitigate its escalating exposure. For the record, YIL **reserves all contractual and legal rights and remedies** under the agreement of 27 September 2023 and Malawian law, including relief for breach, repudiation, or specific performance.

Yours truly



SMF Yusuf  
**CHAIRMAN**

Attachments:

1. PSPTF Commitment Letter to YIL dated 7 March 2024
2. PSPTF Commitment Letter to YIL dated 18 March 2024
3. PSPTF Letter to YIL dated 29 May 2025



# Appendix 25

Board Resolution and Minutes - 25th  
October, 2025



## Public Service Pension Trust Fund

### RESOLUTION OF THE BOARD OF TRUSTEES

I, the undersigned, in my capacity as Chairman of the Board of Trustees of the Public Service Pension Trust Fund, consent and agree that the following resolution was made on 25<sup>th</sup> day of October, 2025 at 16:00 hours or thereabouts at the Lifestyle Boutique Hotel in Lilongwe.

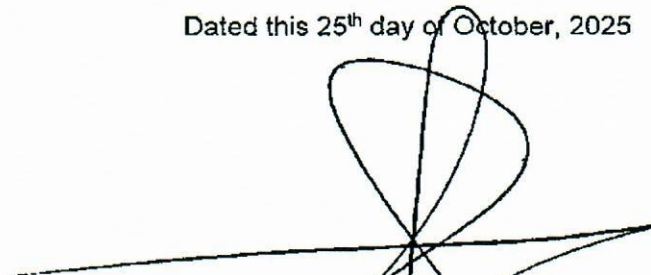
The following resolution was adopted at a scheduled 26<sup>th</sup> Ordinary Meeting of the Board in accordance with the instruments governing the Board of Trustees, by unanimous consent, and the Board of Trustees resolved that:

**The Investment Committee of the Fund be empowered to negotiate and conclude the Subscription and Asset Sale Agreement with Yusuf Investments Limited in the best interests of the Fund.**

The Investment Committee and officers at the Secretariat of the Fund are therefore authorized to perform the acts necessary for the realization of this resolution.

**By Order of the Board.**

Dated this 25<sup>th</sup> day of October, 2025



Chizaso Eric Nyirongo  
CHAIRMAN

**PUBLIC SERVICE PENSIOS TRUST FUND**  
**BOARD OF TRUSTEES IN CAMERA HYBRID MEETING**  
**LIFESTYLE BOUTIQUE HOTEL, LILONGWE**  
**25 October 2025**

## **MINUTES**

### **1. Members Present**

| <b>No.</b> | <b>Name</b>        | <b>Position</b> | <b>Contact Numbers</b> |
|------------|--------------------|-----------------|------------------------|
| 1          | Chizaso Nyirongo   | Chairman        | 0995553554             |
| 2          | Precious Chimbamba | Vice Chairma    | 0885000313             |
| 3          | Yona Phiri         | Trustee         | 0999217170             |
| 4          | Benard Nyondo      | Trustee         | 0884653828             |
| 5          | Blazio Mphepo      | Trustee         | 0994468345             |
| 6          | Idrissa Mwale      | Trustee         | 0999955500             |
| 7          | Mwayi Meki         | Trustee         | 0999286793             |
| 8          | Maxwell Tsitsi     | Trustee         | 0999914947             |
| 9          | Ireen Chikapa      | Trustee         | 0993518806             |
| 10         | Arthur Manyunya    | Trustee         | 0882400666             |

### **2. Introduction**

The meeting was an extension of the 26<sup>th</sup> Public Service Pensions Trust Fund (PSPTF) Board Meeting which was held from the 24 October 2025 to 25 October 2025 at the Lifestyle Boutique Hotel in Lilongwe. The Board Meeting did not exhaust the meeting agenda as there was a communication earlier on from the Secretary to the Treasury on the dissolution of the Board. Later on, the former communication was irrevocably withdrawn by the Secretary to Treasury as he was misled during the initial communication (Appendix 1). The two communications delayed the start of the Board meeting on the 24 October 2025.

On the 25 October 2025, the Agenda was amended to include the discussion on the Status of the Fund. Under this head, the trustees discussed the irregularities in the communications on the dissolution of the Board, and the Amaryllis Transaction. When this agenda item was exhausted, the meeting was adjourned. This led to an extension In-Camera Meeting which was only attended by the Board Trustees (without Secretariat). One of the Trustees was designated to take minutes of the proceedings.

### 3. In-Camera Meeting Deliberations

#### 3.1 Objectives of the Meeting

A special in-camera session of the Board of Trustees was convened at the request of the Chairperson of the Investment Committee (IC) to discuss three key matters:

- (a) the authenticity and disowning of commitment letters related to an investment transaction, and
- (b) concerns regarding the conduct of the Principal Officer (PO); and
- (c) governance lapses during the period when the Fund had no reappointed trustees.

#### (a) Disowning of Commitment Letters

The PO initially denied authoring two commitment letters dated 7 and 18 March, which were later confirmed as authentic. *Trustees viewed this as dishonesty and a breach of fiduciary duty, potentially exposing the Fund to litigation risks.*

#### (b) Embarrassment to the Investment Committee

Members of the Investment Committee expressed embarrassment after learning that letters disowned during their meeting were indeed genuine. *The Committee deferred the issue to Legal Services for advice.*

#### (c) Governance and Authority Concerns

The Board Chair highlighted instances where the PO acted independently, ignored directives, and communicated with stakeholders without authorization, raising questions about delegated authority and reserved matters.

#### (d) Audit Trail and Historical Transactions

Trustees proposed a forensic audit for the 13-month period when the Fund operated without a Board, focusing on validating payments and commitments made during that time.

#### 3.2 Deliberations on Disciplinary Action

Trustees unanimously agreed that the PO's actions amounted to gross misconduct, dishonesty, and insubordination. *It was resolved that the PO be suspended with full pay pending investigation, and that a formal disciplinary process be instituted.*

### 3.3 Administrative Measures

To ensure continuity of Board business, trustees mandated the Board Chair to present two options to the Employer, namely: nominate an interim caretaker within PSPTF, and source an external interim caretaker. The options to be presented with pros and cons to the Employer and subsequently be validated by the Registrar. The most notable challenge of having an insider as interim caretaker was foreseen as the expected sour relations between the PO and the Acting PO in the event that the PO resumes his duties.

### 4. Future Actions and Next Steps

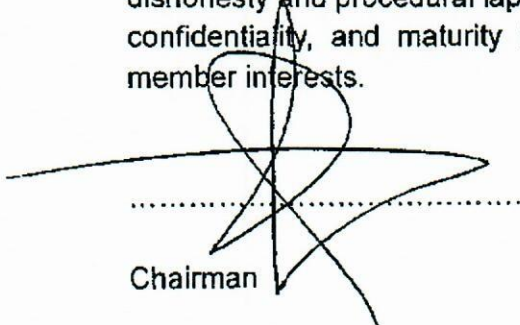
The Board agreed to convene a joint committee meeting (FAR and Investment Committees) to finalize pending matters, including the budget and reports from the previous meeting. Trustees were urged to handle all communications with confidentiality and discretion.

### 5. Key Resolutions

- 5.1 Suspension of the Principal Officer pending investigation.
- 5.2 Commissioning of a forensic audit for the period without a Board.
- 5.3 Chair to proceed with formal appointment of Acting PO after consulting with the Employer.
- 5.4 Chair to notify the Employer and Regulator of the Board's resolutions.
- 5.5 Reinforcement of fiduciary oversight and internal control mechanisms.

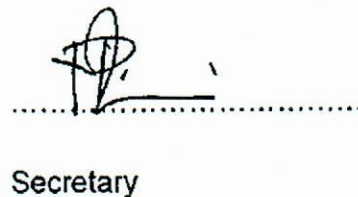
### 6. Tone and Observations

The proceedings revealed trustees' deep frustration over recurring acts of dishonesty and procedural lapses. The Chair emphasized the importance of unity, confidentiality, and maturity in restoring the Fund's credibility and protecting member interests.



.....

Chairman



.....

Secretary

## Appendix 26

Letter from Registrar to Board halting the transaction



**REGISTRAR OF FINANCIAL INSTITUTIONS**

TEL: (265) 111 770 600/771 600  
FAX: (265) 111 772 752/774 289  
WEBSITE: <https://www.rbm.mw>  
EMAIL: [reserve-bank@rbm.mw](mailto:reserve-bank@rbm.mw)

**HEAD OFFICE  
CONVENTION DRIVE  
P O BOX 30063  
CAPITAL CITY  
LILONGWE 3  
MALAWI**

14 November 2025

The Chairman  
Public Service Pension Trust Fund  
P.O. Box 30146  
**LILONGWE 3**

Dear Sir,

**URGENT MEETING WITH BOARD OF TRUSTEES**

I write to advise that my Office would like to meet you and all Board of Trustees of the Public Service Pension Fund Trust (Fund) on 18 November, 2025 at the Fund's Head Office at 10 AM. The purpose of the meeting is to appreciate latest developments at the Fund including the suspension of the Principal Officer and the investment in Amaryllis Hotel. My Office will be represented by Dr Sopani Gondwe, Director, Financial Sector Regulation and Mr Kaluso Chihana, Director, Pensions and Insurance Supervision.

Meanwhile, pursuant to section 7 (2) (k) of the Pension Act, 2023, you are hereby directed to pend all transactions relating to the acquisition of Amaryllis Hotel until the meeting between my Office and the Board of PSPTF has been concluded, and until such a time that this direction is varied or removed.

I look forward to your cooperation on this matter.



Yours faithfully,

A handwritten signature in black ink, appearing to read "Dr. MacDonald Mwale".

Dr. MacDonald Mwale  
**REGISTRAR OF FINANCIAL INSTITUTIONS**

## Appendix 27

### Signed Sale Agreement

# **SUBSCRIPTION AND ASSET SALE AGREEMENT**

Amongst

**Yusuf Investments Limited**

**Amaryllis Limited**

And

**The Trustees for the time being of the Public Service Pension Trust Fund**

## AGREEMENT

DATED 17 November 2025

### 1. PARTIES

1.1 The Parties to this Subscription and Asset Sale Agreement are:

- (a) Yusuf Investments Limited;
- (b) Amaryllis Limited; and
- (c) The Trustees for the time being of the Public Service Pension Trust Fund.

1.2 The Parties agree as set out below.

### 2. INTERPRETATION

2.1 In this Agreement, unless the context indicates a contrary intention, the following words and expressions bear the meanings assigned to them and cognate expressions bear corresponding meanings:

- (a) "Agreement" means the Subscription and Asset Sale Agreement contained in this document, including all annexures hereto;
- (b) "Business" means the business of operating a 5-star hotel at the Premises under the style of Amaryllis Hotel as a going concern with all its assets listed in Annexures C to J, inclusive;
- (c) "Business Consideration" means the aggregate sum of K128,750,000,000 payable by the Purchaser to the Seller as consideration for the acquisition of the Business as a going concern;
- (d) "Business Day" means any day other than a Saturday, Sunday or public holiday in Malawi;
- (e) "Closing" means closing as contemplated in clause 8;
- (f) "Closing Date" means the third Business Day after the date on which the last of the Conditions Precedent has been fulfilled or waived;

Confidential – Subscription & Asset Sale Agreement



Handwritten signature and initials, possibly 'M E', with a small '1' above the signature.

- (s) "Material Adverse Effect" means net asset value of the Business on the Business Day immediately preceding Closing that is no more than 20% lower than net asset value of the Business on the Effective Date;
- (t) "Net Asset Value" means the value of assets of the Business at a given date less the liabilities of the Business as at that same given date;
- (u) "Parties" means the Seller, the Purchaser and the Subscriber collectively and each shall individually be referred to as a "Party" to this Agreement;
- (v) "Premises" means the freehold land and buildings situated on Plot Numbers Blantyre West 126 and Blantyre West 128 together with all improvements thereon and known as the Amaryllis Hotel;
- (w) "Purchaser" means Amaryllis Limited, a limited liability private company duly incorporated in the Republic of Malawi as Company Number TMBRS1011492, with its registered office at Apex House, Kidney Crescent, Blantyre, in the Republic of Malawi;
- (x) "Purchaser's Designated Account" means a Malawi bank account of the Purchaser, the details of which are set out below, or such other Malawi bank account as the Purchaser may designate in writing on notice of 5 Business Days' to the Subscriber:

Bank : National Bank of Malawi Plc  
 Name of Account : Amaryllis Limited  
 Branch : Henderson Street  
 Account Number : 1010354548

- (y) "Sale" means the sale of the Business by the Seller to the Purchaser as a going concern in terms of the Agreement;
- (z) "Seller" means Yusuf Investments Limited, a limited liability private company duly incorporated in the Republic of Malawi as Company Number 10702, with its registered office at Apex House, Kidney Crescent, Blantyre, in the Republic of Malawi;
- (aa) "Seller's Designated Account" means a Malawi bank account of the Seller, the details of which are set out below, or such other Malawi bank account as the Seller may designate in writing on notice of 5 Business Days' to the Purchaser;

Bank : National Bank of Malawi Plc  
 Name of Account : Yusuf Investments Limited  
 Branch Code : Henderson Street

Handwritten signatures and initials, including a large stylized signature and several smaller initials.

- (i) "business hours" shall be construed as being the hours between 08h30 and 17h00 on any **Business Day**. Any reference to time shall be based upon Central Africa Time;
- (ii) "days" shall be construed as calendar days unless qualified by the word "business", in which instance a "business day" will be any day other than a Saturday, Sunday or public holiday as gazetted by **GoM** from time to time;
- (iii) "laws" means all constitutions; statutes; regulations; by-laws; codes; ordinances; decrees; rules; judicial, arbitral, administrative, ministerial, departmental or regulatory judgements, orders, decisions, rulings, or awards; policies; voluntary restraints; guidelines; directives; compliance notices; abatement notices; agreements with, requirements of, or instructions by any governmental body; and the common law, and "law" shall have a similar meaning;
- (iv) "person" means any person, company, trust, partnership or other entity whether or not having separate legal personality; and
- (v) "tax" means all income tax, capital gains tax, dividend tax, value-added tax, stamp duty, PAYE, levies, assessments, imposts, deductions, charges and withholdings whatsoever in terms of any tax legislation and includes all penalties and interest payable as a consequence of any failure or delay in paying any taxes.
- (d) the words "include" and "including" mean "include without limitation" and "including without limitation". The use of the words "include" and "including" followed by a specific example or examples shall not be construed as limiting the meaning of the general wording preceding it;
- (e) any substantive provision, conferring rights or imposing obligations on a Party and appearing in any of the definitions in this clause 2 or elsewhere in this Agreement, shall be given effect to as if it were a substantive provision in the body of the Agreement;
- (f) words and expressions defined in any clause of or annexure to this Agreement shall, unless the application of any such word or expression is specifically limited to that clause, bear the meaning assigned to such word or expression throughout this Agreement;
- (g) unless otherwise provided, defined terms appearing in this Agreement in title case shall be given their meaning as defined, while the same terms appearing in lower case shall be interpreted in accordance with their plain English meaning;
- (h) a reference to any statutory enactment shall be construed as a reference to that enactment as at the **Signature Date** and as amended or substituted from time to time;
- (i) unless specifically otherwise provided, any number of days prescribed shall be determined by excluding the first and including the last day or, where the last day falls on a day that is not a business day, the next succeeding business day;

4. CONDITIONS PRECEDENT

4.1 Save for clauses 1 to 4, 9, 11 and 15 to 23 all of which will become effective immediately, this Agreement is subject to the fulfilment of the Conditions Precedent that by no later than:

- (a) the fourth Business Day after the Signature Date, the Purchaser and Seller have passed all such resolutions as may be required to approve and implement this Agreement, including where applicable such special resolutions as may be required in terms of the Companies Act, it being noted that the Subscriber passed this resolution at its board meeting held on 25 October 2025;
- (b) the seventh Business Day after the Signature Date, the Purchaser has created 128,750,000,000 Subscription Shares;
- (c) the seventh Business Day after the Signature Date, the Existing Purchaser Shareholders have, in form and substance acceptable to the Subscriber, surrendered all their Existing Purchaser Shares to the Purchaser;
- (e) close of business at least two Business Days preceding Closing, the Seller submits written confirmation to the Purchaser and the Subscriber that there has been no Material Adverse Effect affecting the Business which occurred between the Effective Date and close of business on the Business Day immediately preceding Closing.

4.2 The Parties shall use their respective reasonable endeavours and will co-operate in good faith to procure the fulfilment of the Conditions Precedent contained in clause 4.1. as soon as reasonably possible after the Signature Date.

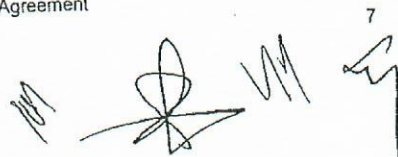
4.3 Unless all the Conditions Precedent have been fulfilled (or such later date or dates as may be agreed in writing between the Parties before the date so stipulated) the provisions of this Agreement, save for clauses 1 to 4, 9, 11 and 15 to 23, which will remain of full force and effect, will never become of any force or effect and the status quo ante will be restored as near as may be and neither of the Parties will have any claim against the other in terms hereof or arising from the failure of the Conditions Precedent.

5. SALE

5.1 The Seller hereby sells to the Purchaser, who hereby purchases the Business from the Seller with effect from the Effective Date.

5.2 Notwithstanding the Signature Date and the Closing Date, all risk in and all benefit attaching to the Business will, against payment of the full Business Consideration to the Seller, pass to the Purchaser on the Closing Date.

5.3 Possession and effective control of the Business will be given by the Seller to the

 7

7.2 On receipt by the Purchaser of the Subscription Price, the Purchaser shall utilise the Subscription Price in payment to the Seller of the Business Consideration in the following instalments:

- (a) no later than the fourteenth Business Day after the Signature Date, 40% of the Business Consideration;
- (b) on receipt by the Seller of the prescribed Tax Clearance Certificates from the Malawi Revenue Authority for the transfer of the Premises from the Seller to the Purchaser under a qualified reorganisation in respect of the Seller, 30% of the Business Consideration;
- (c) on receipt by the Purchaser of written confirmation from the Seller to the effect that GoM has consented to the transfer of the freehold building situated on the Premises from the Seller to the Purchaser, 20% of the Business Consideration; and
- (d) on receipt by the Purchaser from the Seller of the land certificates evidencing transfer of the Premises in the name of the Purchaser, 10% of the Business Consideration.

## 8. CLOSING

8.1 On the Closing Date, representatives of the Parties shall meet at 10h00 at the offices of the Seller, or at such other place as the Parties may agree, at which meeting the Seller will, against confirmation by its bankers that all four instalments of the Business Consideration have been transferred to the Seller for full value, symbolically (except in those instances where physical delivery is possible) deliver to the Purchaser, with a copy being made available to the Subscriber:

- (a) the land certificates relating to the Premises;
- (b) free and unencumbered title to and undisturbed possession of all the assets of Business, and in particular:
  - (i) the freehold building;
  - (ii) the computers particularised in Annexure D;
  - (iii) fixtures and fittings particularised in Annexure E;
  - (iv) motor vehicles particularised in Annexure F;
  - (v) plant particularised in Annexure G;



8.3 Immediately after the closing meeting, the board of directors of the Purchaser shall hold a meeting at which there shall be transacted such business and only such business as the Subscriber may require including the appointment of such directors as the Subscriber may nominate and the alteration of all authorities in respect of the bank accounts of the Subscriber.

8.4 The Parties may, by agreement in writing, dispense with a meeting on the Closing Date and may instead ensure delivery of the documents referred to in clause 8.1 in such other manner as they agree to be convenient.

## 9. INTERIM PERIOD AND LIAISON ON CONDUCT OF BUSINESS

9.1 The Seller shall procure that during the Interim Period, the Business will be carried on in substantially the normal and ordinary course, and the Business shall not enter into any contract or commitment or do anything which, in any such case, is out of the normal and ordinary course of the Business. In particular, but without limitation to the generality of the foregoing, the Seller undertakes that during the Interim Period the Seller will not, without giving the Purchaser or the Subscriber prior written notification of its intention to do so:

- (a) alter the existing nature or scope of the Business;
- (b) manage the Business otherwise than in accordance with its business and trading policies and practices up to the Signature Date, except as may be necessary to comply with any statutory changes;
- (c) enter into any transaction other than on arms' length terms and for full and proper consideration;
- (d) acquire or enter into any agreement to acquire (whether by one transaction or a series of transactions) the whole or a substantial or material part of the business, undertaking or assets of any other persons;
- (e) dispose of or enter into any agreement to dispose of (whether by one transaction or by a series of transactions) the whole or any substantial or material part of the Business;
- (f) incur or agree to incur any capital expenditure other than in the normal and ordinary course of business;
- (g) terminate the employment or office of any of its senior employees or materially alter the terms of employment or engagement of any of its senior employees except in the normal and ordinary course of business and consistent with past practices and the Seller's existing conditions of service.

9.2 The Seller and the Business shall, during the Interim Period:



- (a) is a separate and several Warranty and will in no way be limited or restricted by reference to or inference from the terms of any other Warranty or by any other words in this Agreement;
- (b) is, insofar as it is promissory or relates to a future event, be deemed to have been given as at the date of fulfilment of the promise or future happening of the event, as the case may be;
- (c) save where any Warranty is expressly limited to a particular date, is given as at the Signature Date, the Effective Date and the Closing Date and all periods between those dates;
- (d) shall continue and remain in force notwithstanding the completion of the Sale for a period of one calendar year calculated from the Signature Date; and
- (e) be deemed to be material and to be a material representation inducing the Purchaser and the Subscriber to enter into this Agreement.

10.4 The Seller acknowledges that the Purchaser and the Subscriber have entered into this Agreement on the strength of the Warranties, both as regards their content and the date or dates to which they apply.

10.5 Where any Warranty is qualified by the expression "the Seller is not aware", "to the best of the Seller's knowledge and belief" or any similar expression:

- (a) the Seller is deemed to have knowledge of any facts, circumstances, opinions or beliefs of which any director of the Seller has knowledge; and
- (b) that expression will be deemed to include an additional statement that it has been made after careful consideration and due enquiry.

10.6 Save for those Warranties and representations expressly given or made in this Agreement, no warranties or representations are given or made, in respect of the Business, or the Purchaser and any other matter whatsoever, whether express, tacit or implied, and the Business is being sold on "as is" basis.

## 11. LIMITATION OF LIABILITY AND NO DUPLICATION OF RECOVERY

11.1 Notwithstanding the Warranties, representations and undertakings given by the Seller, no liability shall attach to the Seller in relation to any claims, losses or liabilities which are less than K250 million on an individual basis and K2.5 billion in aggregate, provided that when such aggregate or individual claims or loss exceed the said amount, the Sellers shall,



- (iii) conflict with or constitute a breach of any of the provisions of any other agreement, obligation, restriction or undertaking which is binding on it;
- (d) to the best of its knowledge and belief, it is not aware of the existence of any fact or circumstance that may impair its ability to comply with all of its obligations in terms of this Agreement;
- (e) it is entering into this Agreement as principal (and not as agent or in any other capacity);
- (f) the natural person who signs and executes this Agreement on its behalf is validly and duly authorised to do so;
- (g) no other party is acting as a fiduciary for it; and
- (h) it is not relying upon any statement or representation by or on behalf of any other Party, except those expressly set forth in this Agreement.

12.2 Each of the representations and warranties given by the Parties in terms of clause 12.1 shall:

- (a) be a separate and several warranty and will in no way be limited or restricted by inference from the terms of any other warranty or by any other words in this Agreement;
- (b) continue and remain in force notwithstanding the completion of any or all the transactions contemplated in this Agreement; and
- (c) prima facie be deemed to be material and to be a material representation inducing the other Parties to enter into this Agreement.

### 13. PUBLICITY

13.1 Subject to clause 13.3, each Party undertakes to keep confidential and not to disclose to any third party, save as may be required in law (including by the rules of any recognised securities exchange, where applicable) or permitted in terms of this Agreement, the nature, content or existence of this Agreement and any and all information given by a Party to the other Parties (or any of them) pursuant to this Agreement.

13.2 No announcements of any nature whatsoever will be made by or on behalf of a Party relating to this Agreement without the prior written consent of the other Parties, save for any announcement or other statement required to be made in terms of the provisions of any law or by the rules of any recognised securities exchange, in which event the Party obliged to make such statement will first consult with the other Parties in order to enable the Parties in good faith to attempt to agree the content of such announcement, which



for a breach of any of the Warranties referred to in clause 5 of Annexure A, and the Parties' only remedies thereafter will be to claim specific performance of all the Defaulting Party's obligations, together with damages, if any.

15.3 The Parties agree that any costs awarded will be recoverable on an attorney-and-own-client scale unless the Court specifically determines that such scale shall not apply, in which event the costs will be recoverable in accordance with the High Court tariff, determined on an attorney-and-client scale.

15.4 The Aggrieved Party's remedies in terms of this clause 15 are without prejudice to any other remedies to which the Aggrieved Party may be entitled in law.

## 16. DISPUTE RESOLUTION

16.1 In the event of there being any dispute or difference between all or some of the Parties arising out of this Agreement (including but not limited to any dispute or difference as to the validity or otherwise of this Agreement, or as to the enforceability of this Agreement) in respect of which no alternative dispute resolution mechanism has been prescribed,

(a) the Parties shall first seek settlement of that dispute by mediation by a mediator agreed upon by the Parties, provided that where the Parties are unable to agree on a mediator within ten Business Days, any Party may request the Malawi Confederation of Chambers of Commerce to make such an appointment;

(b) such mediation shall be held in Malawi at a place to be agreed by the Parties; and

(c) the Parties agree to be bound by any settlement agreement reached.

16.2 If the dispute is not settled by mediation within the period as the Parties shall agree in writing, the dispute shall be referred to and finally resolved by arbitration in Malawi in accordance with the Arbitration Act before an arbitrator appointed by agreement of the Parties to the dispute. Failing agreement within ten Business Days of a demand for arbitration, any Party to the dispute shall be entitled to forthwith call upon the chairperson of the Malawi Law Society to nominate an arbitrator, provided that the person so nominated shall be a legal practitioner of not less than 5 years' standing as such. The person so nominated shall be the duly appointed arbitrator in respect of the dispute. In the event of the attorneys of the parties to the dispute failing to agree on any matter relating to the administration of the arbitration, such matter shall be referred to and decided by the arbitrator whose decision shall be final and binding on the parties to the dispute.

16.3 Nothing herein contained shall be deemed to prevent or prohibit a party to the arbitration from applying to the appropriate court for urgent relief or for judgment in relation to a liquidated claim.

The expiration or termination of this Agreement shall not affect such of the provisions of this Agreement as expressly provided that they will operate after any such expiration or termination or which of necessity must continue to have effect after such expiration or termination, notwithstanding that the clauses themselves do not expressly provide for this.

21.7 Continuing Effectiveness of Certain Provisions:

The expiration or termination of this Agreement shall not affect such of the provisions of this Agreement as expressly provided that they will operate after any such expiration or termination or which of necessity must continue to have effect after such expiration or termination, notwithstanding that the clauses themselves do not expressly provide for this.

21. NO ASSIGNMENT

Neither this Agreement nor any rights or obligations hereunder may be ceded, delegated or assigned by any Party without the prior signed written consent of the other Parties, save as otherwise provided herein.

22. COSTS

Except as otherwise specifically provided herein, each Party will bear and pay its own legal costs and expenses of and incidental to the negotiation, drafting, preparation and implementation of this Agreement.

23. SIGNATURE

23.1 This Agreement is signed by the Parties on the dates and at the places indicated below.

23.2 This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same Agreement as at the date of signature of the Party last signing one of the counterparts.

23.3 The persons signing this Agreement in a representative capacity warrant their authority to do so.

23.4 The Parties record that it is not required for this Agreement to be valid and enforceable that a Party shall initial the pages of this Agreement and/or have its signature of this Agreement verified by a witness.

AS WITNESS the hands of the duly authorised representatives of the Parties the day and year first above written.

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## ANNEXURE A - WARRANTIES

The Warranties contained in this Annexure A are given by the Seller to the Purchaser on the basis set out in clause 10 of the Agreement to which this Annexure A is attached.

To the extent that the Agreement may have been signed on a date which results in the use of any tense being inappropriate, the Warranties shall be read in the appropriate tense.

### 1. WARRANTIES RELATING TO THE BUSINESS

No person is entitled (otherwise than as a shareholder) to participate or share in, nor to a commission on (save salesmen in the employ of the Business) the income or the profits or distributions of the Business or to any payment of any kind calculated with reference to the profits or income of the Business.

### 2. WARRANTIES RELATING TO THE ASSETS OF THE BUSINESS

- 2.1 The Business is the sole beneficial owner of all assets of whatsoever nature used by it or has the right to use such assets, other than the specific excluded assets listed in the rider to clause 8.1 of the Agreement. None of the assets of the Business other than the aforementioned excluded assets are subject to any reservation of ownership, lease, lien, hypothec, mortgage, notarial bond, pledge, fixed or floating charge or other encumbrance whatsoever save for existing mortgage bond obligations which have been fully disclosed to the Purchaser and will be duly discharged on Closing.
- 2.2 No person has any right (whether pursuant to any option, right of first refusal or otherwise) to purchase or acquire (whether as security or otherwise) any of the assets of the Business other than the right to purchase trading stock in the normal and ordinary course of business for value.
- 2.3 All the assets of the Business are insured for a period terminating not earlier than 90 days after the Closing Date, all premiums due in respect of such insurance have been paid and the Business has complied with all of the conditions to which the liability of the insurer under the policies of insurance will be subject. The Seller is not aware of any facts, matters or circumstances which may give rise to the cancellation of any of the said policies of insurance, or the repudiation of any claims thereunder, or to such policies not being renewed in the future, or only being renewed subject to the imposition of more onerous terms. The Business does not self-insure any of its assets beyond the excesses provided for in its insurance policies.
- 2.4 The entering into of this Agreement and/or its implementation does not constitute a breach of any of the Business's contractual obligations nor, to the best of the Seller's knowledge and belief will the entering into or implementation of this Agreement entitle any person to terminate or vary any contract to which the Business is a party or impose more onerous obligations on the Business or accelerate the time for performance by the Business of any of its obligations under any such contract.

5. **WARRANTIES RELATING TO THE INTERIM PERIOD**

5.1 During the Interim Period there will be no material adverse change in the Business's financial position as a result of any act or omission of the Seller contemplated in clause 5.2 of this Annexure and the Seller will not have breached any of the provisions of clause 9 of the Agreement.

5.2 The Business will not do anything or omit to do anything which is likely to:

- (a) materially prejudice the goodwill of the Business; and
- (b) result in any third party materially varying the terms on which it transacts business with the Business.

6. **WARRANTIES RELATING TO DISCLOSURES MADE TO THE PURCHASER**

6.1 The Seller has not withheld any information in its possession regarding any actual, pending or threatened legal proceedings affecting the Business which would have been material in the decision of the Purchaser to enter into this Agreement, either at all or on the terms and conditions set out herein.

Handwritten signatures and initials at the bottom right of the page, including a large signature and a smaller one to its right.

| NO. | REPRESENTATION/WARRANTY   | CLAUSE NO. | RESPONSIBLE PERSON TO SIGN-OFF | DISCLOSURE TO BE MADE IF REPRESENTATION OR WARRANTY IS NOT TRUE  |
|-----|---|------------|--------------------------------|--|
|     | matters or circumstances which may give rise to the cancellation of any of the said policies of insurance, or the repudiation of any claims thereunder, or to such policies not being renewed in the future, or only being renewed subject to the imposition of more onerous terms. The Business does not self-insure any of its assets beyond the excesses provided for in its insurance policies.   |            |                                |  |
| 5   | The entering into of this Agreement and/or its implementation does not constitute a breach of any of the Business's contractual obligations nor, to the best of the Seller's knowledge and belief will the entering into or implementation of this Agreement entitle any person to terminate or vary any contract to which the Business is a party or impose more onerous obligations on the Business or accelerate the time for performance by the Business of any of its obligations under any such contract. | 2.4        | Director                       | True, save as contemplated in the project finance agreements which will be discharged upon completion of the sale of the Business. |
| 6   | A summary of the lease agreements relating to shops let out by the Business in the Business Premises are set out in Annexure C.   | 3.1        | Director                       | See Annexure C.  |
| 7   | All material terms and conditions relating to the said lease agreements have been disclosed to the Purchaser in writing, or the leases thereunder have been made available to the Purchaser.  | 3.2        | Director                       | Copies of all lease agreements will be disclosed to the Purchaser on or before the signature date.                                 |
| 8   | No present or past employee of the Business has any right or claim to any exceptional leave privileges (for example paid study leave, paid gardening leave, paid sabbaticals or the like), or to any accumulated leave, payment in lieu of leave, pension, retirement (including but not limited to post-retirement medical aid funding contributions) death, disability, bonus, profit share, severance pay  | 4.1        | Human Resources Manager        | True, these will be fully discharged by the Seller on or before the Closing.   |

| NO. | REPRESENTATION/WARRANTY   | CLAUSE NO. | RESPONSIBLE PERSON TO SIGN-OFF | DISCLOSURE TO BE MADE IF REPRESENTATION OR WARRANTY IS NOT TRUE |
|-----|---|------------|--------------------------------|---|
|     | facts or circumstances which may lead to such proceedings.  |            |                                |   |
| 15  | During the Interim Period there will be no material adverse change in the Business's financial position as a result of any act or omission of the Seller contemplated in clause Error! Reference source not found. of this Annexure and the Seller will not have breached any of the provisions of clause 9 of the Agreement. | 5.1        | Finance Director               | True  |
| 16  | The Business will not do anything or omit to do anything which is likely to materially prejudice the goodwill of the Business.  | 5.2.(a)    | Director                       | True  |
| 17  | The Business will not do anything or omit to do anything which is likely to result in any third party materially varying the terms on which it transacts business with the Business.  | 5.2.(b)    | Director                       | True  |
| 18  | The Seller has not withheld any information in its possession regarding any actual, pending or threatened legal proceedings affecting the Business which would have been material in the decision of the Purchaser to enter into this Agreement, either at all or on the terms and conditions set out herein.                 | 6          | Director                       | True  |

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ANNEXURE D - COMPUTERS

Handwritten signatures and initials in black ink, including a large stylized signature, a smaller signature, and a set of initials.

ANNEXURE E - FIXTURES, FITTINGS AND EQUIPMENT

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## CONTRACT NEGOTIATIONS AND SALE AGREEMENT SIGNING

THE AMARYLLIS ADMINISTRATION OFFICE, SANA COMPLEX

17 NOVEMBER, 2025

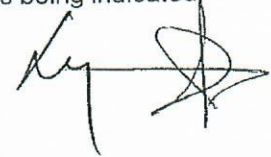
14:00 HOURS

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### In attendance

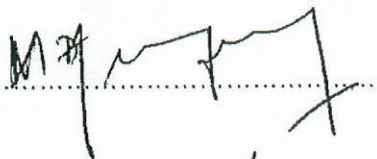
1. Chizaso Eric Nyirongo – Board Chairman for the PSPTF
2. Idrissa Mwale – Chairperson for the Investment Committee of PSPTF
3. Yona Phiri -Chairperson for the (Finance) Audit and Risk Committee
4. Shiraz Yusuf – Chairman of Yusuf Investments Limited and Director of Amaryllis Limited
5. Yusuf Shiraz Yusuf – Director of Yusuf Investment Limited and Chief Executive Officer for Amaryllis Hotel
6. Boyd Hamella - Acting Principal Officer for the PSPTF (Secretary)

- A. The meeting between the Public Service Pension Trust Fund (the "Fund") and the Yusuf Investments Limited and Amaryllis Limited who are the proprietors of Amaryllis Hotel to negotiate and sign the Subscription and Asset Sale Agreement for the purchase of the business of a Five Star Hotel under the style of Amaryllis Hotel as an on-going concern with all its asserts.
- B. The meeting was held on 17 November 2025 at 14:00 hours at the Amaryllis Administration Office in Lilongwe. The Fund Negotiation Team (FNT) was led by the Fund Board Chairman, Mr. Chizaso Nyirongo and the Mr. Shiraz Yusuf led the team of the Seller.
- C. The FNT indicated that the Fund called for the contract negotiations after the Fund Consultants, **EMJ Advisors**, that were hired to do an independent analysis of the acquisition of the "Amaryllis Hotel" submitted their Consultancy Report which analysis indicated that enterprise is a viable business. The seller was then asked for the offer price of the hotel.
- D. The seller offered to sell the hotel at K185 billion. He indicated circumstances surrounding the increase in prices of almost all building materials let alone the increase in price for imported materials. He further indicated that that the hotel is the top hotel in Blantyre and Malawi as it's the only Five Star Hotel owned by a sole proprietor. The seller indicated that since 2022 the Hotel has been operating with positive returns and has a well established customer base. This good will and a diversified customer base values the hotel highly.
- E. The FNT counter-offered a price with K110 billion. He explained that the Hotel business, requires a lot of operational costs and a K185 billion will mean a lot to be injected as capital expenditure as some of the fittings might have started deteriorating since the inception or opening of the Hotel. He also indicated that he is negotiating from an informed point of view that the realistic price of the Hotel cannot go beyond K110 billion. Apart from a well-researched and analysed price, the buyer indicated that the Fund cannot secure the funding for this investment to the amounts being indicated,

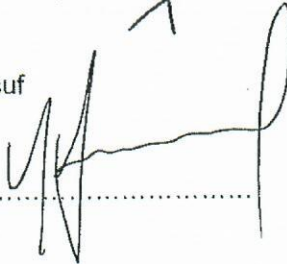


- M. The FNT requested for a private discussion which the seller granted. On return, the FNT indicated that they had spent so much time at this negation discussing and that a K123 billion is the best they can buy this investment. The price cannot go beyond that as there will be capex and other cost associated with acquisition of property of this nature that will be born by the buyer, hence the price should be reasonable to accommodate further costs that might be incurred.
- N. The seller negotiated for a win-win that the buyer goes up a bit and that the seller goes down a bit and meet midway. The seller provided a further discount of K8 billion to make it K132 billion as his last offer price. The seller indicated that in the interest of the transaction he has offered a total discount of K53 billion and that the Buyer should be considerate.
- O. The buyer argued that K132 billion is still out of the price ranges of the buyer can afford. To ease the stand-off, the parties agreed to meet midway, that is to have (K132 -K123) the answer divide by 2 so that either party loses some sort. Finally the parties agreed to the purchase price of K128.75 billion. There was a hand shake to signal agreement between the team leaders.

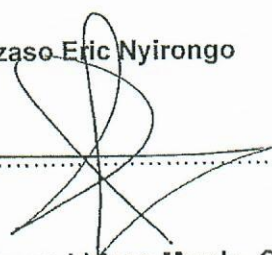
Seller led by Shiraz Yusuf

Signature: ..... 

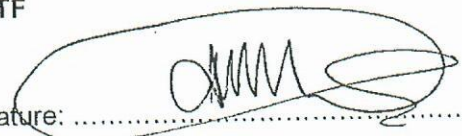
Witness of the Seller: Yusuf Shiraz Yusuf

Signature: ..... 

Buyer led by Chizaso Eric Nyirongo

Signature: ..... 

Witness of the Buyer: Idrissa Mwale, Chairperson of the Investment Committee for the PSPTF

Signature: ..... 

## Appendix 28

18th November 2025 - Correspondences

**Sent:** Tuesday, November 18, 2025 1:46:14 PM

**To:** Boyd Hamella <[boydhamella@psptf.mw](mailto:boydhamella@psptf.mw)>;

Maryanne Mpango

<[mpangomaryanne@psptf.mw](mailto:mpangomaryanne@psptf.mw)>

**Subject:** Re: CONSULTANCY SERVICES CONTRACT  
FOR VETTING

This is noted

---

**From:** Boyd Hamella <[boydhamella@psptf.mw](mailto:boydhamella@psptf.mw)>

**Sent:** 18 November 2025 12:05

**To:** Maryanne Mpango

<[mpangomaryanne@psptf.mw](mailto:mpangomaryanne@psptf.mw)>; Taniel Mtambo

<[tanielmtambo@psptf.mw](mailto:tanielmtambo@psptf.mw)>

**Subject:** Re: CONSULTANCY SERVICES CONTRACT  
FOR VETTING

Dear PDO,

Please incorporate the comments

FOR VETTING

Good Morning Taniel,

I have vetted the contract, however, I understand that the consultant carried out the work before the signing of the contract. Much of what I would have included in the contract is now rendered useless. There needed to be stricter clauses in the contract taking into consideration the nature and price of this investment. The contract needed to also be vetted by the G&L Committee (it was agreed that contracts need to be vetted by the G&L Committee)

Be that as it may, find attached the contract with my comments

## Appendix 29

MLS Letters to AG, RFI (19 Nov 2025)



MALAWI LAW SOCIETY

*Delamere House,  
2<sup>nd</sup> Floor, Right Wing,  
P O Box 1712,  
Blantyre,  
MALAWI.*

*Tel: +265 211 821 043*

*Email: [info@malawilawsociety.net](mailto:info@malawilawsociety.net)*

*[www.malawilawsociety.net](http://www.malawilawsociety.net)*

REF: MLS/P/34/11/2025-2027

19<sup>th</sup> November 2025

The Honourable Attorney General  
Private Bag 333  
Capital City  
LILONGWE 3

Attention: Mr. Frank Mbeta

Dear Honourable Attorney General,

**REQUEST FOR URGENT INTERVENTION: PROPOSED ACQUISITION OF YUSUF INVESTMENTS LIMITED TRADING AS AMARYLLIS HOTEL BY THE PUBLIC SERVICE PENSION TRUST FUND**

We refer to the above matter and to the proposed acquisition of Yusuf Investments Limited trading as Amaryllis Hotel (“Amaryllis Hotel”) in Blantyre by the Public Service Pension Trust Fund (“Fund”).

The Fund was set up by the Malawi Government under the Pensions Act for the benefit of its employees. By a deed dated 13<sup>th</sup> September 2023, the Malawi Government as the employer, set up the Fund to provide retirement and other benefits for its eligible participating employees who are admitted to membership of the Fund in accordance with the Fund Rules set out in the Schedule and for dependants of such members.

The Malawi Law Society has been anonymously informed of a pending transaction for the acquisition of Amaryllis Hotel in Blantyre for the sum between MK115 Billion to MK145 Billion. According to the information that the Society has in its custody, there are significant concerns that the proposal did not receive adequate technical review for such a sizeable investment to provide the required assurance that it is in the best interest of the Fund.

The history of this transaction is particularly troubling. The Fund's Board initially met on 17th January 2024 and passed a resolution resolving not to proceed with the purchase based on the initial Fund Manager's advice that the transaction was not viable. However, on 12th February 2024, the Hotel's own finance advisor wrote to another investment manager for the

Fund requesting them to take over the role of the initial Fund Manager and complete the transaction. This second fund manager subsequently made presentations recommending the purchase, which is surprising given that a decision on the viability of the deal had already been made and the deal was effectively closed. This represents a highly irregular circumstance where the seller appears to be influencing the Fund's internal advisory functions.

Among the critical concerns are the absence of independent due diligence by a hotel expert and the lack of a strategic partner, including the identification of a prospective operator, which exposes the Fund to significant operational and financial risks. Furthermore, the ownership of the organization which conducted a second Viability Business Analysis Report (which gave a nod for the purchase) is linked to the ownership of the hotel, which raises serious questions on the correctness, independence, and objectivity of this report. . There is also a fundamental concern that the cost of the hotel has been significantly inflated and may not reflect its actual value. It is feared that the inflated cost will significantly adversely affect the Fund and the investments of government employees.

The context in which this transaction is now being rushed to conclusion is alarming. A new board for the Pension Fund has just been reconstituted in September 2025 and has not had sufficient time to appreciate the complex and questionable history of this deal. Despite this, the new board is being pushed to finalize it. This is concerning given that the old board, acting on expert advice, had already denied this very deal. Trustees are fiduciaries and must be allowed the time and space to exercise their duty of care.

The recent administrative changes at the Fund raise further red flags. On Monday, 27th October 2025, the Secretariat received a letter from the Board Chairman about the suspension of the Principal Officer, who was sent on leave pending a forensic investigation and disciplinary hearing. The very next day, on Tuesday, 28th October 2025, the Board Chairperson appointed another person as Acting Principal Officer on secondment from the Government. Shortly after this appointment, the Secretariat received a signed copy of a resolution by the Trustees authorizing the acquisition of the Hotel. All in all, our view is that the transaction is suspiciously being concluded under a cloud of urgency and significant governance changes.

The Society has been anonymously informed of the meeting of the Trustees of the Fund that is scheduled to take place today at 9:00am at Livingstonia, Salima. The purpose of the meeting is to approve a recommendation from the Investment Committee of the Fund to proceed with the transaction. In pursuance of its statutory mandate to protect matters of public interest touching, ancillary or incidental to the law, the Society feels obligated to request your urgent intervention in the matter. As a principal advisor to Government, we believe that you have a duty to provide guidance to the Fund on the viability of the transaction and on whether it is in the best interest of the Fund.

We should be grateful for your urgent intervention in the matter and to receive your response to our letter and an update on the steps that your office would have taken to protect the interests of the contributors to the Fund, the government employees.

The Malawi Law Society avails itself this opportunity to convey to you, Honourable Attorney General, the assurances of its highest consideration and kindest regards.

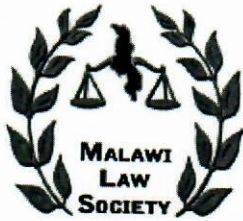
Yours faithfully,



Davis Mthakati Njobvu  
**CHAIRPERSON**

Cc: The Chairman  
Board of Trustees of the Public Service Pension Trust Fund  
P.O. Box 30146  
LILONGWE 3

**Attention: Mr. Chizaso Eric Nvirongo**



MALAWI LAW SOCIETY

*Delamere House,  
2<sup>nd</sup> Floor, Right Wing,  
P O Box 1712,  
Blantyre,  
MALAWI.*

*Tel: +265 211 821 043*

*Email: [info@malawilawsociety.net](mailto:info@malawilawsociety.net)*

*[www.malawilawsociety.net](http://www.malawilawsociety.net)*

REF: MLS/P/35/11/2025-2027

19<sup>th</sup> November 2025

The Registrar of Financial Institutions  
P.O. Box 30063  
Capital City  
LILONGWE 3

Attention: Dr. MacDonald Mafuta Mwale

Dear Sir,

**REQUEST FOR URGENT INTERVENTION: PROPOSED ACQUISITION OF YUSUF INVESTMENTS LIMITED TRADING AS AMARYLLIS HOTEL BY THE PUBLIC SERVICE PENSION TRUST FUND**

We refer to the above matter and to the proposed acquisition of Yusuf Investments Limited trading as Amaryllis Hotel (“Amaryllis Hotel”) in Blantyre by the Public Service Pension Trust Fund (“Fund”).

The Fund was set up by the Malawi Government under the Pensions Act for the benefit of its employees. By a deed dated 13<sup>th</sup> September 2023, the Malawi Government as the employer, set up the Fund to provide retirement and other benefits for its eligible participating employees who are admitted to membership of the Fund in accordance with the Fund Rules set out in the Schedule and for dependants of such members.

The Malawi Law Society has been anonymously informed of a pending transaction for the acquisition of Amaryllis Hotel in Blantyre for the sum between MK115 Billion to MK145 Billion. According to the information that the Society has in its custody, there are significant concerns that the proposal did not receive adequate technical review for such a sizeable investment to provide required assurance that it is in the best interest of the Fund.

Among the critical concerns are the absence of independent due diligence by a hotel expert and the lack of a strategic partner, including the identification of a prospective operator, which exposes the Fund to significant operational and financial risks. Furthermore, the ownership of the organization which conducted a second Viability Business Analysis Report

(which gave a nod for the purchase) is linked to the ownership of the hotel, which raises serious questions on the correctness, independence, and objectivity of this report. There is also a fundamental concern that the cost of the hotel has been significantly inflated and may not reflect its actual value. It is feared that the inflated cost will significantly adversely affect the Fund and the investment of government employees.

The context in which this transaction is now being rushed to conclusion is alarming. A new board for the Pension Fund has just been reconstituted in September 2025 and has not had sufficient time to appreciate the complex and questionable history of this deal. Despite this, the new board is being pushed to finalize it. This is concerning given that the old board, acting on expert advice, had already denied this very deal. Trustees are fiduciaries and must be allowed the time and space to exercise their duty of care.

The recent administrative changes at the Fund raise further red flags. On Monday, 27th October 2025, the Secretariat received a letter from the Board Chairman about the suspension of the Principal Officer, who was sent on leave pending a forensic investigation and disciplinary hearing. The very next day, on Tuesday, 28th October 2025, the Board Chairperson appointed another person as Acting Principal Officer on secondment from the Government. Shortly after this appointment, the Secretariat received a signed copy of a resolution by the Trustees authorizing the acquisition of the Hotel. All in all, our view is that the transaction is suspiciously being concluded under a cloud of urgency and significant governance changes.

The Society has been anonymously informed of the meeting of the Trustees of the Fund that is scheduled to take place today at 9:00am at Livingstonia, Salima. The purpose of the meeting is to approve a recommendation from the Investment Committee of the Fund to proceed with the transaction. In pursuance of its statutory mandate to protect matters of public interest touching, ancillary or incidental to the law, the Society feels obligated to request your urgent intervention in the matter. As the Registrar and pursuant to your functions and powers under section 7 of the Pension Act, 2013, we believe that you have a statutory duty to regulate, supervise and ensure the highest standard of conduct of business of the Fund including provision of guidance to the Fund on the viability of the transaction and on whether it is in the best interest of the Fund.

We should be grateful for your urgent intervention in the matter and to receive your response to our letter and an update on the steps that your office would have taken to protect the interests of the contributors to the Fund, the government employees.

The Malawi Law Society avails itself this opportunity to convey to you, Honourable Registrar, the assurances of its highest consideration and kindest regards.

Yours faithfully,



Davis Mthakati Njobvu

**CHAIRPERSON**

Cc: The Chairman  
Board of Trustees of the Public Service Pension Trust Fund  
P.O. Box 30146  
LILONGWE 3

**Attention: Mr. Chizaso Eric Nyirongo**

## Appendix 30

Board Submission to RFI on Decision -  
making process



Public Service  
Pension Trust Fund

Public Service Pension Trust Fund  
Post Office Box 30146,  
Lilongwe 3,  
Malawi.

PSPTF/20/11/25

21 November, 2025

The Registrar of Financial Institutions  
Reserve Bank of Malawi  
P. O. Box 30063  
Capital City  
Lilongwe 3

DFSR  
Please review and  
advise - urgent  
~~DFSR~~  
24/11/25

Dear Sir,

**SUBMISSION OF DOCUMENTATION AND EXPLANATION AS PER YOUR  
DIRECTIVE DURING THE 19<sup>TH</sup> NOVEMBER 2025 MEETING WITH THE BOARD OF  
TRUSTEES FOR THE PSPTF**

I refer to the meeting we had on 19<sup>th</sup> November 2025 at Sunbird Livingstonia Hotel in Salima. The meeting was as a result of your letter dated 14<sup>th</sup> November 2025 in which you requested a meeting with the Fund and also directed that all processes to do with the Fund's acquisition of Amaryllis should be suspended. During the meeting you inquired about two issues concerning the fund:

1. The suspension of the Principal Officer and
2. The status of Amaryllis Transaction.

**The suspension of the Principal Officer:** The Fund explained the circumstances surrounding the suspension of the Principal Officer, and that the only officer that has been changed is the Principal Officer although several other officers due to serious misconduct could have also been changed or disciplined by now. The Fund is a regulated financial institution and as such, the Regulator would not allow a gap in the leadership and management of the Fund. In fact, the Regulator requires that the Fund should at all times

have a successor in waiting in case of a vacancy in the office of key personnel, especially the Principal Officer. The immediate replacement of an officer at the Fund is informed by this requirement so that there is a seamless transition. When the resolution was passed to suspend the Principal Officer on account of gross misconduct and to pave way for a forensic audit for the period that the Fund operated without a functioning Board, the procedures were followed and the Registrar was notified accordingly.

The former Principal Officer was suspended and is being investigated on the following allegations, among others:

- (a) financial mismanagement that has been subjected to a forensic audit, and the onsite examination report from the registrar buttressed this issue;
- (b) insubordination to the Board and attempts to paralyse and have the Board dissolved (the anonymous reports to both the Registrar and the Malawi Law Society are a continuation of such efforts together with some officers remaining at the secretariat);
- (c) suspected fraud and collusion, noted in the singlehanded misprocurement of an ICT system valued at K163 million that was never used and suspected soliciting kickbacks from the contractors, this included approving payment certificates that had not been recommended by the project consultant Old Mutual and the Fund's Project in Blantyre;
- (d) deceitful conduct that involved misleading the Minister of Finance and the Secretary to the Treasury on governance of the Fund;
- (e) dishonesty in dealing and misleading Board members, including at Board Committee levels where the PO denied authoring the commitment letters to the seller of amaryllis Hotel.

**The Amaryllis Hotel Investment:** It should be noted that the Fund has three investment managers and all three were assigned a Hotel Project in 2023 as this was the investment strategic direction the Fund wanted, i.e. Old Mutual Investment Group was assigned the construction of the new Hotel; Continental Asset Management was assigned the

acquisition of Sigerege Hotel in Lilongwe; and NICO Asset Managers was assigned to acquire the Amaryllis Hotel.

The PSPTF Board in October 2025 was fully aware that there was a near signing for the purchase in 2023 where a price of K47 billion was agreed. The Board was also aware that there were economic factors likely to affect the purchase price in case of the proposed negotiations with the Seller.

The Investment Committee as mandated to conclude the transaction on 25 October 2025 engaged the Seller and requested that the date of the negotiation be changed from 31 October earlier agreed with the Principal Officer to 18 November 2025, in order to allow for a window of two weeks when the Fund could conduct an independent investment analysis.

This exercise including the review of the Subscription and Asset Sale Agreement were done by independent experts and presented to the Investment Committee. The Investment Analysis Report is presented is hereby submitted for reference and reflects the current considerations regarding the price range which informed the price negotiations.

The Investment Analysis that has been used to arrive at a decision to proceed with the investment was done by an independent Business firm. The firm had the requisite expertise necessary to undertake an assignment of this magnitude. The Terms of Reference for the exercise clearly stipulated that the firm was required to analyse the business viability of investing in this Hotel. The contract and profile of the Firm that did the analysis is available for verification.

It was out of free will and an interest in the investment as demonstrated by the engagement of previous Fund Managers who both concluded that the investment was viable that the Fund commissioned a fresh investment analysis that used conventional and preservative tools to ascertain viability. The proposed investment passed and the tests of viability. Again the investment has passed the analyses which were done by the investment managers, previously and the fact that the investment passed the test this time around only buttresses the previous findings.

Additionally, the suspended Principal Officer of the Fund who had personally made commitments to the Seller regarding the transaction, consistently omitted to appraise the Board on this matter. It was only when letters from the Seller emerged that the Board began to realise what the PO had been doing behind the scenes. There were instances when the PO disowned letters of commitment to the Seller.

#### **The Position of the Fund Regarding the Amaryllis Investment**

The allegations can be subjected to further investigations and the Fund has all the documentation pertaining to these matters. Consideration should also be made to the following:

- (a) The investment is in line with the hospitality strategy that the fund had, considering that the pension Fund is young in that the nearest huge withdraws will be in 16 to 18 years, the investment in the hospitality industry was deemed progressive and good safeguard of the members' funds.
- (b) It was in the interest of the Fund to undertake an investment analysis process as part of an independent due diligence process. The recent analysis even gave probable range of the price of the investment.
- (c) It should be known that the Fund has constant flow of income which, if not well managed can create a shares bubble. The Fund sits at K1.1 trillion as at September 2025 and keeps growing exponentially. This income need to be prudently diversified and give proper breather to the share prices as our stock exchange market is small. Already the Registrar has constantly cautioned the Fund due to the concentration of its investment in one asset – equities on the stock exchange market.
- (d) The critical institutions mentioned in the press statement have already started working on investigating the allegations as the Fund already received a restraining order on the transaction from the regulator had a fruitful discussion with the Registrar as a regulator on the matter. The Fund also received a Restriction Notice from the Anti-Corruption Bureau, restraining the Fund from proceeding with the process. The Fund is ready to cooperate with all parties in this matter.

Attached to this submission are the following documents for your ease of reference:

1. The Minutes of the Board that authorized the investment in Amaryllis Hotel and suspension of the Principal Officer
2. Letter with grounds for the suspension of the Principal Officer
3. Terms of reference for the Forensic Audit
4. The Board Resolution on the same
5. The Investment Analysis that was done by the Continental Asset Management
6. The Investment Analysis that was done by FDH under the NICO management
7. The Independent Analysis report that was done by the EMJ Advisor
8. The series of commitment letters dating back March 2024
9. The legal opinion on the status of the transaction
10. The Regulator of Financial Institutions, onsite examination Report
11. The Amaryllis Property Valuation reports by Knight Frank & Garden City properties (2)
12. The signed Asset Sale and Share Acquisition Agreement (sale agreement)



Chizaso Eric Nyirongo  
CHAIRMAN

# Appendix 31

## Restriction Notice from ACB to the Fund

GGC/02



**REPUBLIC OF MALAWI**

**THE ANTI-CORRUPTION BUREAU**

**CASE NUMBER ACB/CR/LL/140/2025**

**RESTRICTION NOTICE**

(Section 23 (1) of the Corrupt Practices Act)

**The Principal Officer  
The Public Service Pension Trust Fund  
Public Service Pension Fund House  
P.O. Box 30146  
Capital City  
LILONGWE-3**

**WHEREAS** you are the Principal Officer of the Public Service Pension Trust Fund in the Republic of Malawi

**AND WHEREAS** the Anti-Corruption Bureau is conducting investigations in respect of an alleged offence under the Corrupt Practices Act:

**THE NOTICE** that you shall not without my written consent or otherwise deal with or attempt to proceed with the acquisition and/or purchase of any hotel using the Public Service Pension Trust funds.

Done by me at LILONGWE this 19th day of November 2025

**GABRIEL G. CHEMBEZI  
ACTING DIRECTOR GENERAL**

**NOTE:** Non-compliance with this Notice will amount to an offence under Section 49A of the

**STATEMENT OF SERVICE**

I hereby certify that at 08:29 hrs on the 24<sup>th</sup> day of NOVEMBER 2025

I delivered the original of the notice on BOYD HAMMILLA

of the Public Service Pension Trust Fund

and fully explained to him / her the contents thereof.

**Officer:**

Signature: [Signature]

Name: ISAAC NIKHOMA

Appointment: PIO

Date: 21/11/2025

Phone number: 0881803196

Email: inkhoma@admmw.org

**Person Served:**

Signature: [Signature]

Name: Boyd Hammilla

Appointment: APG

Time: 08:29 hrs

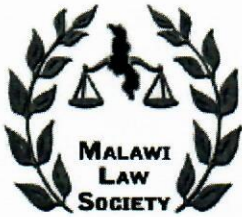
Phone number: 055 5793635

E-mail: boydhammilla@psptf.mw

NOTE: Non-compliance with this Notice will amount to an offence under Section 49A of the Corrupt Practices Act.

Appendix 32

MLS Letter to ACB (11 December, 2023)



MALAWI LAW SOCIETY

*Delamere House,  
2<sup>nd</sup> Floor, Right Wing,  
P O Box 1712,  
Blantyre,  
MALAWI.*

*Tel: +265 211 821 043*

*Email: [info@malawilawsociety.net](mailto:info@malawilawsociety.net)*

*[www.malawilawsociety.net](http://www.malawilawsociety.net)*

REF: MLS/P/36/12/2025-2027

11<sup>th</sup> December 2025

Anti-Corruption Bureau

P.O. Box 2437

LILONGWE

Attention: Mr. Isaac Nkhoma

Dear Sir,

**REQUEST FOR A MEETING BY THE ANTI-CORRUPTION BUREAU IN  
RELATION TO THE PUBLIC STATEMENT ISSUED BY THE MALAWI LAW  
SOCIETY ON 19<sup>TH</sup> NOVEMBER 2025 REGARDING PROPOSED ACQUISITION  
OF A HOTEL BY THE PUBLIC SERVICE PENSION TRUST FUND**

We refer to the above matter and to your request for a meeting with the Malawi Law Society's Chief Executive Officer, Mr. Chrispin Chimwemwe Ngunde. The meeting is scheduled for 9:00 am on 11<sup>th</sup> December 2025.

We understand from Mr. Ngunde that the said meeting is to discuss issues relating to the public statement that was issued by the Malawi Law Society ("Society") on 19<sup>th</sup> November 2025. The statement followed serious concerns regarding the proposed acquisition of a hotel in Blantyre by the Public Service Pension Trust Fund ("Fund"). The Society noted that the Anti-Corruption Bureau ("Bureau") through its Acting Director General, Mr. Gabriel Gift Chembezi, issued a restriction notice directing the Principal Officer of the Fund "not without any written consent or otherwise deal with or allow to proceed with the acquisition and/or purchase of any hotel using the Public Service Pension Trust funds". The Society believes

that the restriction notice related to the same transaction that was the subject of the Society's public statement.

The Society well appreciates the legal mandate of the Bureau including its mandate to investigate allegations of corruption. The Society will always support the Bureau in its efforts to execute its statutory mandate.

However, with regard to the matters in hand, the Society has received information that the Acting Director General of the Bureau was and/or is representing one of the parties in the transaction that was the subject of the public statement, the same transaction that is being investigated by the Bureau. This raises serious issues of conflict of interest. In the circumstances, the Society is reluctant and/or is unable to provide any information to the Bureau.

Alternatively, before the Society can provide information or engage further with the Bureau, we would like to get clarification from the Bureau on the role of the Acting Director General in this investigation and generally in the management of this issue. The Society is concerned that the Acting Director of the Bureau who was a critical player in the transaction and therefore has a direct interest therein, is heading the institution that is purportedly investigating the transaction.

We look forward to hearing from you as soon as possible.

The Malawi Law Society avails itself this opportunity to convey to you the assurances of its highest consideration and kindest regards.

Yours faithfully,



Davis Mthakati Njobvu

**CHAIRPERSON**

## Appendix 33

Letter from ACB to AG on its  
investigations - 18th December 2025



Tel: + 265 (0) 1 770 166 / 130  
+ 265 (0) 888 206 963  
Fax: + 265 (0) 1 770 108  
e-mail: [anti-corruption@acbmw.org](mailto:anti-corruption@acbmw.org)  
Website: [www.acbmw.org](http://www.acbmw.org)  
Twitter: @ACBMalawi  
Toll Free: 113

# ACB Anti-Corruption Bureau, Malawi

P.O. Box 2437  
Lilongwe  
Malawi

## DIRECTOR GENERAL

Ref. No. ACB/DG/8/7

18<sup>th</sup> December, 2025

The Honourable Attorney General  
Ministry of Justice and Constitutional Affairs  
Private Bag 333  
**LILONGWE 3**

### ATTENTION: HONOURABLE FRANK MBETA

Dear Sir,

**RE: ALLEGATIONS OF CORRUPT PRACTICES SURROUNDING THE  
PURCHASE OF AMARYLLIS HOTEL BY THE PUBLIC SERVICE  
PENSION TRUST FUND BOARD**

I refer to the above matter and wish to report to you Sir, as follows:

#### 1.0 INTRODUCTION

- 1.1 On 19<sup>th</sup> November 2025, the Anti-Corruption Bureau ("ACB") initiated investigations into allegations of corrupt practices surrounding the purchase of Amaryllis Hotel by the Public Service Pension Trust Fund Board ("PSPTF"). The investigation was triggered by a press release from the Malawi Law Society ("MLS") alleging that PSPTF had reversed a decision not to purchase the hotel after receiving expert advice that the transaction was not viable. It was further alleged that the purchase price of the hotel had been inflated from MK47 billion to a price ranging from MK115 billion to MK145 billion.
- 1.2 As per its legal mandate, the ACB's investigations focused on whether there were corrupt practices or whether public officers abused their positions for personal gain or advantage or for that of Yusufu Investment Limited ("YIL") (owners of the hotel).
- 1.3 It should also be stated that investigations revealed that YIL and PSPTF signed a contract for the sale of Amaryllis Hotel on 17<sup>th</sup> November, 2025, at a consideration of MK128,750,000,000.00. This was two days before the MLS' press release and commencement of the investigations.

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All correspondences to be addressed to the Director General quoting our reference numbers

## **2.0 FINDINGS AND RECOMMENDATIONS**

- 2.1 The ACB did not find sufficient evidence to sustain charges of corrupt practices or abuse of office by the public officers involved in the transaction.
- 2.2 Notwithstanding the foregoing, the investigations highlight concerns about the purchase of the hotel including operational risk, lack of involvement of Fund Managers and the increased purchase price, among others. The ACB is however constrained from investigating these issues as they fall outside its mandate and competence.
- 2.3 The ACB therefore refers the matter to your office to consider addressing the concerns and also consider the legal and financial implications of proceeding or halting the transaction, in view of the signed Agreement dated 17<sup>th</sup> November 2025.
- 2.4 I however wish to advise that the ACB may revive its investigation into this matter should new evidence emerge that indicates potential criminality.

## **3.0 CONCLUSION**

Kindly find attached the confidential investigation reports for your reference.

Yours faithfully,



**GABRIEL G. CHEMBEZI**  
**ACTING DIRECTOR GENERAL**

Att'd/....

---

All correspondences to be addressed to the Director General quoting our reference numbers

**ANTI-CORRUPTION BUREAU**

**MEMORANDUM**

**TO** : The Acting Director General  
**THROUGH** : The Director of Investigations  
**FROM** : PIO 4  
**DATE** : 16<sup>th</sup> December 2025  
**SUBJECT** : **NOTICE TO ANSWER QUESTIONS**  
**(CR/LL/140/2025)**

Sir,

CR/LL/140/2025 is an allegation of suspected corruption in the manner in which the Board of the Public Service Pension Trust Fund is handling the proposed acquisition of a hotel.

On Monday, 8<sup>th</sup> December 2025, Foxtrot Team travelled to Blantyre to conduct investigations. On Tuesday, 9<sup>th</sup> December 2025, it booked appointments for meetings with the Chief Executive Officers of Cedar Capital Limited (hereinafter "CCL"), NICO Asset Managers Limited (hereinafter "NAM"), Continental Asset Management Limited hereinafter "CAM"), and the Director of Amaryllis Hotel. Between 10<sup>th</sup> December 2025 and 13<sup>th</sup> December 2025, we interviewed the CEOs of CCIL, NAM, CAM, and the Director of Amaryllis Hotel. The CEO of NAM refused to have his statement recorded. We failed to interview the CEO of CAM because she brought a huge volume of documents just before the interview, and we thought of postponing the interview to analyse the documents before interviewing her.

**RESULTS OF INTERVIEWS**

Armstrong Kamphoni, CEO of CCL, confirmed that in 2023, his company was legally appointed by Yusuf Investments Limited (hereinafter, "YIL"), which is the owner of Amaryllis Hotel, to invite bids from individuals or institutions to buy a 100% stake in Amaryllis Hotel. CCL and YIL valued the property at between MK47 billion and MK48 billion.

CCL wrote to Old Mutual Investment Group (hereinafter, "OMIG"), NAM, and CAM, inviting them to submit bids for the purchase of a 100% stake in Amaryllis Hotel. Only NAM, acting on behalf of the Public Service Pension Trust (hereinafter, "PSPTF"), accepted an offer for the acquisition of a 100% stake in Amaryllis Hotel, subject to further negotiations and other formalities. NAM facilitated negotiations between PSPTF and YIL until February 2024, when NAM pulled out of the transaction, citing operational risks.

Soon after the withdrawal of NAM from the transaction, PSPTF informed YIL that it was still interested in the transaction. YIL informed CCL that PSPTF was still interested in the transaction and should contact other Fund Managers of PSPTF to continue from where NAM left off. CCL wrote an email to CAM to request that it continue from where NAM left off. NAM wrote a letter to PSPTF to request that it conduct its own independent analysis of the transaction, other than taking over from where NAM left off. However, PSPTF refused that CAM should do an independent analysis; instead, it gave CAM reports that it obtained from various experts through NAM and advised CAM to come up with a report based on the reports of these experts. CAM analysed the reports and came up with its recommendations that the business was viable, but there were a lot of operational risks that needed to be mitigated before finalising the transaction.

Later, CAM requested PSPTF that CAM should be appointed as a Lead Advisor in this transaction. PSPTF refused this request, citing, among other things, a conflict of interest on the part of CAM as it was also a Fund Manager, and that it was expensive to engage CAM as a Lead Advisor. This made CAM pull out of the transaction.

PSPTF continued negotiations with YIL until 17<sup>th</sup> November 2025, when they held a final negotiation meeting and eventually signed a Subscription and Asset Sale Agreement.

#### **FINDINGS**

1. There is a binding contract between PSPTF and YIL for PSPTF to acquire a 100% stake in Amaryllis Hotel.
2. PSPTF is proceeding to finalise the purchase of the 100% stake in Amaryllis without the involvement of Fund Managers.

3. PSPTF is proceeding to finalise the purchase of the 100% stake in Amaryllis without mitigating the operational risks that were cited by NAM and CAM.

### **RECOMMENDATIONS**

1. The ACB should make a Consent to Deal in this transaction, as there is a binding contract between PSPTF and YIL. Further, PSPTF is a willing buyer, whereas YIL is a willing seller. YIL has the right to seek legal remedies should PSPTF decide not to honour this agreement, and this will be costly to the PSPTF.
2. Conduct further investigations at PSPTF, as there are allegations that some officers acted in this transaction without the approval of the Board of Trustees for their own advantage and for the advantage of YIL, thereby abusing their public office.

Submitted for your information and further guidance.



## ANTI-CORRUPTION BUREAU

### INTERIM INVESTIGATIONS REPORT

---

**SUBJECT:** Allegation that Public Service Pension Trust Fund Board reversed a resolution passed on 17<sup>th</sup> January 2024, resolving not to purchase the hotel then at MK47 billion based on expert advice from one of the Fund Managers to the effect that the transaction was not viable. It is now alleged that the decision was overturned after the seller's finance advisor contacted another one of the Fund Managers, who later made presentations recommending the purchase, which is now being pegged at an inflated price ranging from MK115 billion to MK145 billion.

**CLASSIFICATION:** SECRET

**REF NO:** ACB/CR/LL/140/2025

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#### 1.0 INTRODUCTION

- 1.1 On 19<sup>th</sup> November 2025, the Anti-Corruption Bureau (ACB) generated a complaint from the Malawi Law Society's Press Statement of 19<sup>th</sup> November 2025 which alleged that the Public Service Pension Trust Fund Board reversed a resolution passed on 17<sup>th</sup> January 2024 resolving not to purchase the hotel which was pegged at MK47 billion based on expert advice from one of the Fund Managers to the effect that the transaction was not viable. It is now alleged that the decision was overturned after the seller's finance advisor contacted another one of the Fund Managers, who later made presentations recommending the purchase, which is now being pegged at an inflated price ranging from MK115 billion to MK145 billion.
- 1.2 On the same date, 19<sup>th</sup> November 2025, the Acting Director of ACB authorized investigations into the allegations in accordance with Section 11 (1) (a) of the Corrupt Practices Act.

1.3 Investigations commenced on the same date, 19<sup>th</sup> November 2025.

## 2.0 METHODOLOGY

2.1 The following people were interviewed:

- Armstrong Kamphoni - CEO, Cedar Capital Limited.
- Fayyaz Yusuf - Director, Amaryllis Hotel

2.2 The following documents were analyzed:

- Press Statement by the Malawi Law Society dated 19<sup>th</sup> November 2025.
- Business Valuation Report submitted to PSPTF by FDH Bank dated 30<sup>th</sup> June 2023.
- Investment Analysis Report submitted to PSPTF by Continental Asset Management Limited dated May 2024.
- Investment Analysis Report submitted to PSPTF by EMJ Advisory Public Accountants dated November 2025.
- Subscription and asset sale agreement dated 17<sup>th</sup> November 2025.
- Letter from NICO Asset Managers Limited to Cedar Capital Limited dated 19<sup>th</sup> September 2023.
- Letter from Cedar Capital Limited to NICO Asset Managers Limited dated 27<sup>th</sup> September 2023.
- Letter from the Principal Officer to Amaryllis Hotel dated 7<sup>th</sup> March 2024.
- Letter from the Principal Officer to Amaryllis Hotel dated 18<sup>th</sup> March 2024.
- Letter from Continental Asset Management Limited to the Principal Officer dated 18<sup>th</sup> May 2024.
- Letter from Yusuf Investments Limited to the Principal Officer dated 20<sup>th</sup> May 2024.
- Letter from Continental Asset Management Limited to the Principal Officer dated 27<sup>th</sup> May 2024.
- Letter from Continental Asset Management Limited to the Principal Officer dated 22<sup>nd</sup> May 2024.
- Letter from Yusuf Investments Limited to the Principal Officer dated 25<sup>th</sup> September 2025.
- Letter from the Principal Officer to Yusuf Investments Limited dated 29<sup>th</sup> September 2025.
- Resolution of the Board of Trustees dated 25<sup>th</sup> October 2025.

- Letter from the Chairman of the PSPTF to the Principal Officer dated 27<sup>th</sup> October 2025.

### 3.0 RESULTS OF INVESTIGATIONS

#### THE MALAWI LAW SOCIETY'S PRESS STATEMENT OF 19<sup>TH</sup> NOVEMBER 2025.

3.1 The Malawi Law Society's press statement stated that it anonymously received information regarding the proposed hotel acquisition, which contains the following serious allegations that may point towards a departure from the fiduciary duties of the Board of Trustees of the Public Service Pension Trust Fund (hereinafter referred to as "PSPTF"):

- i. **Allegations of Irregular Reversal of Decision:** It is alleged that the PSPTF Board initially demonstrated due diligence by passing a resolution on 17<sup>th</sup> January 2024, resolving not to proceed with the purchase (then at MK47 billion) based on expert advice from one of the Fund Managers to the effect that the transaction was not viable. The allegation is that this decision was then overturned after the seller's finance advisor contacted another of the Fund Managers. This second Fund Manager subsequently made presentations recommending the purchase. It is being alleged that the price involved has now been inflated and ranges from MK115 billion to MK145 billion.
- ii. **Allegation of Lack of Independent Due Diligence and Conflict of Interest:** The information further alleges that critical safeguards were ignored, including an absence of independent due diligence by a hotel expert and no identified strategic partner. Most seriously, it is alleged that the entity which produced a second, favourable "Viability Business Analysis Report" may have ownership links to the hotel itself, indicating a potential conflict of interest.
- iii. **Allegations of Pressuring a Newly Constituted Board:** It is alleged that a new Board of Trustees, reconstituted in September 2025, has not been afforded sufficient time to appraise itself of the deal's contentious history and is being unduly pressured to approve a transaction that a previous Board had rejected.

iv. **Allegations of Suspicious Timing of Key Personnel Changes:** The sequence of recent events has also been called into question. It is alleged that after the Fund's Principal Officer was suspended on 27<sup>th</sup> October 2025 pending an investigation, a new Acting Principal Officer was appointed on 28<sup>th</sup> October 2025, and that a signed resolution authorizing the acquisition was produced shortly after.

3.2 From 19<sup>th</sup> November 2025 to 11<sup>th</sup> December 2025, the ACB had tried to get further information to substantiate the allegations cited above from the Malawi Law Society, but the latter did not do so.

### **CONTRACT**

3.3 A contract is a legally binding agreement between parties to create mutual obligations that businesses and individuals use to protect their interests. Contracts outline the specific terms of engagement for a transaction. They can also dictate legal consequences if a party tries to break the agreement.

3.4 Contracts can be written or verbal. Most businesses prefer written contracts because they are easier to reference later. Written agreements are also less ambiguous and more straightforward to enforce.

### **ELEMENTS OF A CONTRACT**

3.5 For an agreement to be legally valid and enforceable, several elements must be fulfilled. Some of the elements are a valid offer, a valid acceptance, and specific performance of the contract, such as payment of the consideration in a sale and purchase agreement. Other elements include the legality of the subject matter, the intention of the parties, certainty, and the capacity of the parties.

3.6 When all elements are met, simple informal agreements become legally binding contracts.

### **DOCTRINE OF PROMISORY ESTOPPEL**

- 3.7 The doctrine stops either party from changing their position after making a promise to the detriment of the other party. This protects the interests and rights of each party in the agreement.

### **FRUSTRATION OF THE CONTRACT**

- 3.8 A contract can be frustrated when it becomes impossible to perform due to a "supervening event" – the event that is not the fault of any of the parties, and that they could not reasonably have predicted.
- 3.9 If this happens, the contract is declared invalid, and the parties to it no longer must fulfil their contractual obligations. This means that the frustration of the contract causes the contract to end immediately, and all parties are discharged from their future obligations. In other words, they do not have to do what they said they would anymore, and neither can they sue the other for breach of contract.
- 3.10 The concept of frustration exists to make sure that if something happens that no one could have seen coming, both parties can still get a reasonable result.
- 3.11 Frustration occurs whenever the law recognizes that, without default of either party, a contractual obligation has become incapable of being performed because the circumstances in which performance is called would render it a thing radically different from that which was undertaken by the contract.

### **THE PUBLIC SERVICE PENSION TRUST FUND**

- 3.12 The Public Service Pension Trust Fund (PSPTF) is a stand-alone Defined Contributory Pension Fund for all public servants who were born on 1<sup>st</sup> January 1982 and thereafter, and also all those who are joining public service after 1<sup>st</sup> July 2017, regardless of age.
- 3.13 PSPTF was set up in accordance with the Pension Act 2010 (Section 6:02) as amended under the Pension Act 2023 (Section 8:03). It was established to comply with the requirements of the Pensions Act, which mandates employers to have a pension fund for their employees.

- 3.14 PSPTF was established to safeguard the retirement benefits of public service employees. It is, therefore, incumbent upon its trustees and managers to act with the highest degree of prudence, diligence, and fidelity.
- 3.15 PSPTF is managed by an independent Board of Trustees that reports to the Ministry of Finance through the Secretary to the Treasury.
- 3.16 PSPTF is regulated by the Registrar of Financial Institutions (the Reserve Bank of Malawi).
- 3.17 PSPTF started operating on 1<sup>st</sup> July 2017.
- 3.18 An employee contributes 5% of their monthly salary while the employer (Malawi Government) contributes 10%. The employee's contributions and the employer's contributions are credited in the member's individual pension account.
- 3.19 The Malawi Government pays for the administration costs of the fund as well as the Life Assurance Premiums for death cover.
- 3.20 The Fund accumulates interest as PSPTF engages Investment Managers who invest the funds.
- 3.21 The PSPTF outsources services as follows:
- **Pension Administration** – Zamara Pensions Administrators.
  - **Fund Management (Investment)** – Continental Asset Management, NICO Asset Managers, and Old Mutual Investment Group.
  - **Actuarial Services** – Zamara Actuaries.
  - **Custodial Services** – FDH Bank.
  - **External Audit Services** – Grant Thornton.
  - **Group Life Assurance Services** – CIC Insurance.

- Investment.
- Finance, Audit and Risk Management (FAR).

3.28 As of 25<sup>th</sup> October 2025, the following were the Board Trustees:

- 1) Chizaso Nyirongo – Board Chairperson
- 2) Precious Chimbamba – Vice Board Chairperson
- 3) Irene Chikapa – Trustee.
- 4) Chikondi Phiri – Trustee.
- 5) Arthur Manyunya – Trustee.
- 6) Bernard Nyondo – Trustee.
- 7) Mwayi Meki – Trustee.
- 8) Richard Zimba – Trustee.
- 9) Maxwell Tsitsi – Trustee.
- 10) Yona Phiri - Trustee.
- 11) Idrissa Mwale – Trustee.
- 12) Blazio Mphepo – Trustee.

#### **THE SECRETARIAT**

3.29 PSPTF has a Secretariat that is headed by the Principal Officer (hereinafter, "PO") and carries out day-to-day operations and reports to the Board of Trustees quarterly.

#### **AMARYLLIS HOTEL**

3.30 Amaryllis Hotel is in Blantyre's Central Business District on Laws Road, next to Ryalls Hotel and close to the Reserve Bank of Malawi.

3.31 Amaryllis Hotel was established in 2019 and is 100% owned by Yusuf Investments Limited (hereinafter referred to as "YIL"). The shareholders of YIL are:

- 1) Shiraz Yusuf (50%);
- 2) Shamil Yusuf (20%);
- 3) Fayyaz Yusuf (20%);
- 4) Mustaq Yusuf (10%).

## **INVESTMENTS**

3.22 Both employee contributions and employer contributions are invested in the financial market. The net return made from investments is added to a member's individual pension account. Member's credit (contributions plus bonuses) plus employer credit (contributions plus bonuses) equals the Accumulated Credit in a member's individual account.

3.23 PSPTF contracts Fund Managers who act upon instruction from the Board of Trustees to invest on behalf of the Fund in the portfolios below:-

- Government securities.
- Equity
- Private equity
- Corporate Bonds
- Fixed deposits
- Cash
- Property

3.24 To date, PSPFT Fund Managers are:

- 1) Old Mutual Investment Group;
- 2) NICO Asset Managers Limited;
- 3) Continental Asset Management Limited.

3.25 Zamara Actuaries advises the Fund on potential risks and assists the Fund in developing policies that minimize the cost of that risk.

## **BOARD OF TRUSTEES**

3.26 A Board of Trustees manages the Fund. The Board has twelve members with equal representation from the employer (Malawi Government) and employees (actual members of the scheme). Six members represent the employer, and the other six represent employees. It has a tenure of three years.

3.27 The Board elects its chairperson and vice chairperson amongst its members, and the members form various functional subcommittees as follows:

- Benefits, Administration, Human Resources (BAR).
- Governance and Legal (G & L).

## **INTENTION TO ACQUIRE 100% SHAREHOLDING IN AMARYLLIS HOTEL**

- 3.32 In or around early 2023, Yusuf Investments Limited (YIL) decided to sell a 100% stake in Amaryllis Hotel. It appointed Cedar Capital Limited (hereinafter, "CCL") as its financial adviser or transaction arranger<sup>1</sup>.
- 3.33 CCL is registered with the Registrar of Financial Institutions (Reserve Bank of Malawi) and is licensed to operate as a broker-dealer dealer<sup>2</sup>.
- 3.34 CCL worked with YIL informally until June 2023, when an agreement was signed<sup>3</sup>.
- 3.35 The intended sale of the hotel was structured as a private placement as opposed to selling through listing on the Malawi Stock Exchange<sup>4</sup>.
- 3.36 CCL and YIL did a valuation of the Property and came up with an amount between K47 billion and K48.7 billion<sup>5</sup>.
- 3.37 YIL informed CCL that they had obtained loans from National Bank, CDH Investment Bank, and a foreign bank, but were struggling to repay them. They intended to sell the hotel to settle these loans<sup>6</sup>.
- 3.38 On 2<sup>nd</sup> May 2023, YIL advised CCL to send an invitation to bid to Old Mutual Investment Group (hereinafter, "OMIG"), Continental Asset Management Limited (hereinafter, "CAM"), and NICO Asset Managers Limited (hereinafter, "NAM") to invest in up to 100% equity in Amaryllis Hotel<sup>7</sup>.
- 3.39 On the same day, 2<sup>nd</sup> May 2023, CCL wrote an email to the three PSPTF Investment Managers, namely, CAM, NAM, and Old Mutual Investment Group, informing them of the intention to sell the Amaryllis Hotel's entire 100% stake<sup>8</sup>.

<sup>1</sup> Statements of Fayyaz Yusuf and Armstrong Kamphoni.

<sup>2</sup> Statement of Armstrong Kamphoni.

<sup>3</sup> Statements of Fayyaz Yusuf and Armstrong Kamphoni.

<sup>4</sup> Statements of Fayyaz Yusuf and Armstrong Kamphoni.

<sup>5</sup> Statements of Fayyaz Yusuf and Armstrong Kamphoni.

<sup>6</sup> Statement of Armstrong Kamphoni.

<sup>7</sup> Statements of Fayyaz Yusuf and Armstrong Kamphoni.

<sup>8</sup> Statement of Armstrong Kamphoni.

- 3.40 Following CCL's email to the Fund Managers (Investment Managers), only NAM responded, indicating that they had a client who was interested in the acquisition of the hotel<sup>9</sup>.
- 3.41 Later in May 2023, NAM invited CCL to Lilongwe for a meeting with PSPTF. CCL presented the business opportunity to the Fund, and they expressed strong interest in the transaction<sup>10</sup>.
- 3.42 In this transaction, YIL would carve out Amaryllis Hotel into a Special Purpose Vehicle (hereinafter referred to as "SPV") and sell the 100% equity in the SPV. The purpose of creating the SPV was to ensure that Amaryllis Hotel was sold to new investors free of debt, as YIL would settle all project finance facilities<sup>11</sup>.
- 3.43 Later, PSPTF started reviewing this opportunity to invest in Amaryllis Hotel through the acquisition of a 100% shareholding in the hotel<sup>12</sup>.
- 3.44 As part of NAM conducting its own due diligence of the property and business on offer, it appointed independent professionals.
- 3.45 In July 2023, NAM engaged independent property valuers, Knight Frank and Garden City Properties, while FDH conducted a business valuation of the hotel. Knight Frank and Garden City valued the property at MK78 billion and MK83 billion, respectively<sup>13</sup>.
- 3.46 In September 2023, CCL was informed by NAM that the PSPTF's Board had approved the acquisition, subject to agreement on the price<sup>14</sup>.
- 3.47 On 19<sup>th</sup> September 2023, NAM wrote a letter CCL accepting CCL's offer to acquire a 100% stake in Amaryllis Hotel at the indicative price of MK47 billion as a price cap and requesting for a discount of between 10% to 12% to the price and clarified that this request was not a counteroffer, but rather a proposal for

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<sup>9</sup> Statement of Armstrong Kamphoni.

<sup>10</sup> Statement of Armstrong Kamphoni.

<sup>11</sup> Investment Analysis Report by Continental Asset Management.

<sup>12</sup> Investment Analysis Report by Continental Asset Management.

<sup>13</sup> Statement of Armstrong Kamphoni, and Investment Analysis Report by CAM

<sup>14</sup> Statement of Armstrong Kamphoni dated 10<sup>th</sup> December 2025.

- 3.53 Following NAM's withdrawal from the acquisition of Amaryllis Hotel on behalf of PSPTF, YIL advised CCL to request CAM to take over the transaction from where NAM left off and to bring the transaction to completion. YIL informed CCL that they had been advised by the Secretariat that, despite NAM's withdrawal, the PSPTF still had an interest in acquiring the hotel, and CCL could proceed with another Fund Manager<sup>21</sup>.
- 3.54 On 8<sup>th</sup> February 2024, CCL wrote a letter to NAM requesting all the documentation for the transaction, including the independent valuation reports, with a view to passing them on to CAM as Fund Managers to help them take over the transaction<sup>22</sup>.
- 3.55 NAM did not give the requested documents to CCL<sup>23</sup>.
- 3.56 On 12<sup>th</sup> February 2024, CCL contacted CAM requesting that they take over where NAM had left off. CAM responded that they would need to conduct their own due diligence and seek approval from PSPTF before proceeding. After that response and further consultations with CAM, CCL did not receive any further communication from CAM relating to the completion of the transaction<sup>24</sup>.
- 3.57 On 7<sup>th</sup> March 2024, George M. Jim [the Principal Officer (P.O.) of PSPTF] wrote a commitment letter to the Amaryllis Hotel advising that PSPTF was looking forward to finalizing the acquisition of Amaryllis Hotel in the shortest possible time<sup>25</sup>.
- 3.58 On 18<sup>th</sup> March 2024, George M. Jim (the P.O. of PSPTF) wrote a letter to Amaryllis Hotel advising that PSPTF was committed to finalizing the Amaryllis equity transaction, and that a new Fund Manager was willing to review and complete the transaction within the month<sup>26</sup>.
- 3.59 On 20<sup>th</sup> March 2024, George M. Jim (the P.O. of PSPTF) wrote a letter to the CEO of CAM referring to their discussions on the letter that CAM received from CCL

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<sup>21</sup> Statement of Fayyaz Yusuf.

<sup>22</sup> Statement of Armstrong Kamphoni.

<sup>23</sup> Statement of Armstrong Kamphoni.

<sup>24</sup> Statement of Armstrong Kamphoni; email dated 12<sup>th</sup> February 2024.

<sup>25</sup> Letter from the Principal Officer to Amaryllis Hotel dated 7<sup>th</sup> March 2024; and statements of Fayyaz Yusuf, Armstrong Kamphoni.

<sup>26</sup> Letter from the Principal Officer to Amaryllis Hotel dated 18<sup>th</sup> March 2024, and statement of Fayyaz Yusuf.

structured negotiations with YIL. NAM also indicated that the final closure of the transaction was subject to various investment policies, regulations, and agreements applicable to PSPTF. These will have to be cleared before executing the final Sale Agreement<sup>15</sup>.

- 3.48 On 27<sup>th</sup> September 2023, NAM wrote a letter to CCL requesting a written response to NAM's letter of 19<sup>th</sup> September 2023 mentioned in the above paragraph, so that NAM could take further steps to consummate the transaction contemplated herein<sup>16</sup>.
- 3.49 On the same date, 27<sup>th</sup> September 2023, there were negotiations on the terms and conditions of the offer letter mentioned above. After this meeting, CCL wrote a letter to NAM confirming the outcome of the negotiations. The outcomes of the negotiations were that the transaction price was agreed to be MK47 billion and that there would be no discount of between 10% and 12%. NAM, on behalf of PSPTF, accepted this offer. The understanding was that the transaction would be concluded by 31<sup>st</sup> October 2023<sup>17</sup>.
- 3.50 The transaction was delayed beyond the 31<sup>st</sup> October 2023, and CCL understood that a draft Sale and Purchase Agreement (SPA) being written by Knight and Frank would be finalized by 12<sup>th</sup> December 2023. The date of completion was therefore moved to 31<sup>st</sup> December 2023, pending comments on the draft from the buyer<sup>18</sup>.
- 3.51 On 19<sup>th</sup> December 2023, NAM decided to withdraw from the transaction purchase<sup>19</sup>.
- 3.52 On 1<sup>st</sup> February 2024, NAM wrote a letter to CCL advising CCL of their decision to withdraw their recommendation to PSPTF to invest in Amaryllis Hotel and that NAM would no longer be involved in the transaction. Furthermore, NAM advised CCL that they had already communicated this decision to their client, PSPTF<sup>20</sup>.

<sup>15</sup> Letter from NICO Asset Managers Limited to Cedar Capital Limited dated 19<sup>th</sup> September 2023.

<sup>16</sup> Letter from NICO Asset Managers Limited to Cedar Capital Limited dated 27<sup>th</sup> September 2023.

<sup>17</sup> Letter from Cedar Capital Limited to NICO Asset Managers Limited dated 27<sup>th</sup> September 2023, statement of Armstrong Kamphoni.

<sup>18</sup> Statement of Armstrong Kamphoni.

<sup>19</sup> Statement of Armstrong Kamphoni.

<sup>20</sup> Statement of Fayyaz Yusuf.

to PSPTF on the opportunity to acquire Amaryllis Hotel on behalf of PSPTF and a recommendation on the way forward. CAM also reported that they anticipated being able to complete the acquisition of Amaryllis Hotel on behalf of PSPTF not later than 30 days from the date they receive final approval from PSPTF<sup>31</sup>.

- 3.66 On 5<sup>th</sup> June 2025, there was a meeting between the Amaryllis Hotel and the PSPTF where various issues were discussed. CIL was invited by YIL to attend the meeting as its advisor. Mr. George JIM and Ms. Charity Gambatula (PO and Investment Manager of PSPTF) attended the meeting. Mr. Daniel Dunga and Ms. Memory Chipembere (CEO and Legal and Compliance Manager of NAM) also attended the meeting. The meeting was also attended by Mr. Shiraz Yusuf and Yusuf Yusuf (Chairman and CEO of Amaryllis Hotel)<sup>32</sup>.
- 3.67 CCL understood the meeting was called to confirm PSPTF's intention to reappoint NAM to reassess the transaction and advise PSPTF. NAM indicated that they would have to go through their internal governance processes, which might take time, before committing to accepting the appointment. No further updates arose from the meeting<sup>33</sup>.
- 3.68 At one point, YIL informed CCL that they had consulted a legal firm for advice pertaining to the status of the transaction with PSPTF and whether there was a binding contract between the PSPTF and the seller, and that the legal advisor concluded that there was indeed a legally binding contract<sup>34</sup>.
- 3.69 On 5<sup>th</sup> July 2024, PO of PSPTF wrote a letter to the CEO of CAM reporting that, during its 24<sup>th</sup> ordinary meeting, the Board of Trustees of PSPTF reviewed an investment opportunity presented by CAM to invest in Amaryllis Hotel Limited. The Board recommended the need for a more comprehensive analysis of the investment opportunity and that CAM should be reporting to the Investment Committee for further discussion. This new analysis should not rely on information from the previous analysis done by NAM, as directed by the Board during its 23<sup>rd</sup> meeting. This analysis was to include an independent and comprehensive business case or enterprise analysis; current valuation of the

<sup>31</sup> Letter from Continental Asset Management to the Principal Officer dated 27<sup>th</sup> May 2024, statement of Fayyaz

<sup>32</sup> Statement of Armstrong Kamphoni.

<sup>33</sup> Statement of Armstrong Kamphoni.

<sup>34</sup> Statement of Armstrong Kamphoni.

acting on behalf of YIL. The letter indicated that PSPTF would like CAM to do an independent assessment of this investment opportunity based on the following:

- i. The Consultant's reports that were already shared with PSPTF on the investment.
- ii. And/or using your internal due diligence methodologies.

- 3.60 This came after NAM had withdrawn the transaction, citing operational risks.
- 3.61 PSPTF enclosed documentation for this investment and dispatched hard copies at CAM's Lilongwe offices.
- 3.62 On 18<sup>th</sup> May 2024, Gillian Kachikondo (the CEO of CAM) wrote a letter to the Principal Officer of PSPTF, submitting their analysis of the opportunity and a recommendation as regards the offer price of Amaryllis Hotel<sup>27</sup>. The analysis report concluded that the agreed price (MK48.73 billion) in the form of Net Present Value (NPV) indicates that the investment is viable over 40 years, with a payback period of 36.35 years. The report proposed a tradability discount of MK4 billion on the agreed price, which will cater for any additional administrative and capital expenses that may arise during the transaction<sup>28</sup>.
- 3.63 On 20<sup>th</sup> May 2024, Shiraz MF Yusuf (Chairman of YIL) wrote a letter to the P.O. of PSPTF asking the latter to update YIL on the timing for completing the transaction and to convey a request from Amaryllis Hotel's lenders, who are the National Bank of Malawi, CDH Investment Bank, and Norsad Finance Limited, for a meeting scheduled for 24<sup>th</sup> May 2024 between PSPTF, CAM, the lenders, and YIL to receive an update<sup>29</sup>.
- 3.64 YIL did not attend this meeting and was not aware that it proceeded<sup>30</sup>.
- 3.65 On 27<sup>th</sup> May 2024, Gillian Kachikondo (the CEO of NAM) wrote a letter to the PO of PSPTF, which was copied to CCL, reporting that CAM had submitted an analysis

<sup>27</sup> Letter from Continental Asset Management to the Principal Officer dated 18<sup>th</sup> May 2024.

<sup>28</sup> Investment Analysis Report by Continental Asset Management Limited dated May 2024.

<sup>29</sup> Letter from Yusuf Investments Limited to the Principal Officer dated 20<sup>th</sup> May 2024, statement of Fayyaz Yusuf.

<sup>30</sup> Statement of Fayyaz Yusuf.

- 3.76 On 29<sup>th</sup> September 2025, George M. Jim (the PO of PSPTF) wrote a letter to YIL advising that there was a newly constituted Board that had yet to meet and give the status update on the proposed Amaryllis Hotel equity transaction<sup>37</sup>.
- 3.77 On 6<sup>th</sup> October 2025, YIL wrote a letter to the PO of PSPTF requesting the PO convene a conclusive negotiation and signing meeting for the acquisition of Amaryllis Hotel by PSPTF no later than 8<sup>th</sup> October 2025<sup>38</sup>.
- 3.78 On 25<sup>th</sup> October 2025, the Board of Trustees met at Lifestyle Boutique Hotel in Lilongwe. This was the 26<sup>th</sup> Ordinary meeting of the Board. By unanimous consent, the Board of Trustees resolved that:

**The Investment Committee of the Fund be empowered to negotiate and conclude the Subscription and Asset Sale Agreement with Yusuf Investments Limited in the best interests of the Fund.**

- 3.79 On 25<sup>th</sup> October 2025, the Chairman of the Board of Trustees, Chizaso Eric Nyirongo, authorized the Investment Committee and officers at the Secretariat of PSPTF to perform the acts necessary for the resolution cited above<sup>39</sup>.
- 3.80 On 27<sup>th</sup> October 2025, Chizaso Eric Nyirongo (Chairman of the Board of Trustees of the PSPTF) wrote a letter to George M. Jim (the Principal Officer of PSPTF) informing him that the Board of Trustees unanimously resolved to suspend him from exercising his duties as the Principal Officer of the Fund for deceitful conduct and a serious breach of duty in relation to the Amaryllis transaction<sup>40</sup>.
- 3.81 In November 2025, EMJ Advisory Public Accountants submitted their Investment Analysis Report to the Trustees of PSPTF. The analysis report, in general, showed that investment in the Amaryllis hotel was viable<sup>41</sup>.

<sup>37</sup> Letter from the Principal Officer to Yusuf Investments Limited dated 29<sup>th</sup> September 2025.

<sup>38</sup> Letter from Yusuf Investments Limited to the Principal Officer dated 8<sup>th</sup> October 2025.

<sup>39</sup> Resolution of the Board of Trustees dated 25<sup>th</sup> October 2025.

<sup>40</sup> Letter from the Chairman, Board of Trustees to Mr. George M. Jim.

<sup>41</sup> Investment Analysis Report by EMJ Advisory Public Accountants dated November 2025.

investment as per the investment managers' assessment, structural integrity assessment, and the manager's sensitivity analysis. Further, the Board wanted to have an expression of confidence in CAM's ability to handle an investment of this magnitude, considering the portfolio structure.

- 3.70 On 7<sup>th</sup> August 2024, CAM wrote a letter to the PO of PSPTF requesting a meeting with the latter before an appropriate response could be provided for consideration by the Board of Trustees. CAM requested PSPTF to share with CAM the PSPTF's complete industry strategy and assessment to underpin any investment decisions and analysis in the hospitality sector.
- 3.71 On 22<sup>nd</sup> August 2024, Gillian Kachikondo (the CEO of CAM) wrote a letter to the Principal Officer of PSPTF confirming what was agreed in the meeting of 13<sup>th</sup> August 2024 between CAM and PSPTF. The letter enclosed the draft mandate for appointing CAM as Lead Advisor in the transaction<sup>35</sup>.
- 3.72 Later, CAM submitted a Lead Advisor Mandate agreement concerning transaction advisory services on the proposed acquisition of the Amaryllis Hotel.
- 3.73 On 23<sup>rd</sup> October 2024, PO of PSPTF wrote a letter to the CEO of CAM communicating that PSPTF had resolved not to sign the Lead Advisor Mandate.
- 3.74 On 25<sup>th</sup> September 2025, Shiraz M.F. Yusuf (Chairman of YIL) wrote a letter to the PO of PSPTF requesting an urgent status update on the Amaryllis Hotel Equity Transaction. This letter was in reference to the 5<sup>th</sup> of June 2025 meeting at Amaryllis Hotel between PSPTF, Amaryllis, and Advisors. The meeting reaffirmed PSPTF's intention to expedite the transaction.
- 3.75 In the letter mentioned above, YIL indicated that there was a real and growing risk of litigation to protect their position and recover losses should timely completion not be achieved. YIL wanted a written update by the close of business the same day, Thursday, 25<sup>th</sup> September 2025<sup>36</sup>.

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<sup>35</sup> Letter from Continental Asset Management to the Principal Officer dated 27<sup>th</sup> May 2024.

<sup>36</sup> Letter from Yusuf Investments Limited to the Principal Officer dated 25<sup>th</sup> September 2025.

Trustees' meeting dated 17<sup>th</sup> January 2024. He, however, did not confirm or deny that there was a Board of Trustees meeting on 17<sup>th</sup> January 2024<sup>43</sup>.

#### **4.0 FINDINGS**

##### **Allegations of irregular reversal of decision:**

- 4.1 According to the current Acting Principal of PSPTF (Mr. Boyd Hamelle), there are no minutes of the Board of Trustees' meeting of 17<sup>th</sup> January 2024 where a resolution not to buy the hotel was made. However, there is not yet evidence as to whether or not there was a Board of Trustees' meeting on 17<sup>th</sup> January 2024. In the absence of the said minutes, we find that there was no Board resolution that was made on 17<sup>th</sup> January 2024.
- 4.2 Three investment analysis reports were presented to PSPTF as follows:
- i. Business Valuation Report submitted by the FDH Bank dated 30<sup>th</sup> June 2023;
  - ii. Investment Analysis Report submitted by Continental Asset Management Limited, dated May 2024; and
  - iii. Investment Analysis Report submitted by the EMJ Advisory Public Accountants dated November 2025.
- 4.3 All the above reports indicated that the business was viable. Therefore, even if one of them was compromised, the outcome could still be the same.

##### **Allegations of lack of independent Due diligence and conflict of interest:**

- 4.4 Contrary to the allegation, the documents show that there was independent due diligence by experts. Independent due diligence was done by the FDH Bank, CAM, and EMJ Advisory Public Accountants.
- 4.5 CAM is a sister company to CDH Investment Bank, which has an interest (as a lending institution) in the Hotel in question. However, their involvement in this

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<sup>43</sup> Letter from the Acting Principal Officer of PSPTF to the Acting Director of ACB dated 25<sup>th</sup> November 2025.

- 3.82 On 17<sup>th</sup> November 2025, YIL, Amaryllis Limited, and the Trustees for the time being of the PSPTF signed a subscription and asset sale agreement at the consideration of MK128,750,000,000.00.
- 3.83 The business consideration was to be paid as follows:
- 1) No later than the fourteenth Business Day after the Signature Date, 40% of the business consideration;
  - 2) On receipt by the seller of the prescribed tax Clearance Certificates from the Malawi Revenue Authority for the transfer of the premises from the Seller to the Purchaser under a qualified reorganization in respect of the Seller, 30% of the Business Consideration;
  - 3) On receipt by the purchaser of written confirmation from the Seller to the effect that the Government of Malawi (GoM) has consented to the transfer of the freehold building situated on the premises from the Seller to the Purchaser, 20% of the Business Consideration; and
  - 4) On receipt by the Purchaser from the Seller of the land certificates evidencing transfer of the premises in the name of the Purchaser, 10% of the Business Consideration.
- 3.84 Yusuf Shiraz Yusuf signed the subscription and asset sale agreement on behalf of YIL, Shiraz Yusuf signed on behalf of Amaryllis Limited, and Chizaso Eric Nyirenda and Idrissa Mwale signed on behalf of the PSPTF<sup>42</sup>.
- 3.85 On 24<sup>th</sup> November 2025, the ACB served a Notice to Produce or Furnish Documents on Boyd Hamella (Acting Principal Officer of the PSPTF), requiring him to furnish minutes of the Board of Trustees' meeting allegedly held on 17<sup>th</sup> January 2024, which resolved not to purchase the hotel.
- 3.86 In response to the above-mentioned Notice, Boyd Hamella (Acting Principal Officer of the PSPTF) explained that there were no minutes for the Board of

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<sup>42</sup> Subscription and Asset Sale Agreement dated 17<sup>th</sup> November 2025.

transaction was just to analyse reports from independent experts. CAM did not do its own independent analysis of the business viability.

**Allegations of pressuring a newly constituted Board:**

- 4.6 For now, there is no evidence that a new Board of Trustees, reconstituted in September 2025, was afforded sufficient time to appraise itself of the deal's contentious history.
- 4.7 For now, there is no evidence that the newly constituted Board was being unduly pressured to approve a transaction that a previous Board had rejected.

**Allegations of Suspicious Timing of Key Personnel Changes:**

- 4.8 For now, there is no evidence suggesting that the suspension of the Principal Officer on 27<sup>th</sup> October 2025, and the appointment of the new Acting Principal Officer on 28<sup>th</sup> October 2025, had an undesirable influence on the signing of the resolution authorizing the acquisition of the hotel. The Resolution authorizing the acquisition of the hotel was signed on 25<sup>th</sup> October 2025, before the key personnel changes.
- 4.9 Most decisions and correspondence committing PSPTF to the acquisition of Amaryllis Hotel were made by the Principal Officer of the PSPTF, Mr. George Jim, and not the Board of Trustees.

**5.0 RECOMMENDATIONS**

- 5.1 There is a need to issue a Consent to Deal as there is a legally binding contract between PSPTF and YIL.
- 5.2 There is a need to conduct further investigations as there are allegations that some officers of PSPTF were making unauthorized decisions on behalf of the Board of Trustees in this transaction for their own benefit and for the benefit of YIL.

## **RECOMMENDATIONS TO THE MINISTRY OF FINANCE AND ATTORNEY GENERAL OFFICES**

1. There should be rules or laws that hold public officers personally accountable for the decisions they make which may expose the Public Service Pension Trust Fund to financial losses. In the present case, the Principal Officer and other officers in the Investment Section of the PSPTF made legally binding decisions that forced the PSPTF to make an agreement to buy the hotel at a high price just to avoid litigation.
2. To minimize operational risks, PSPTF should be making sure that they identify business partners who are experts in the field before investing in the industry. In this transaction, PSPTF was supposed to partner with local or international partners in the hospitality industry, such as Sunbird, Radisson Blue, Sonesta, Hilton, Hyatt, Sheraton, or Protea, before purchasing the hotel. This is so because the partners have their own specifications that must be met by the hotel before they accept running it. In this transaction, the PSPTF runs a risk of purchasing the hotel and failing to find a partner to run it.
3. There is a need for PSPTF to be assessing the performance of other investments in the industry before investing more in it. In the present case, PSPTF is buying the Amaryllis Hotel before analysing the performance of the Lifestyle Boutique Hotel, which it purchased some years ago. PSPTF is also constructing a hotel at the Golf Club in Lilongwe and a hotel near Clock Tower in Blantyre before analysing other investments in the hospitality industry.
4. Appointing authorities should make sure that once the Board of Trustees is dissolved, the new Board members should be appointed as quickly as practically possible. This will reduce the chances of public officers making decisions they are not supposed to make and avoid exposing the PSPTF to commitments that may lead to the loss of funds by the PSPTF.
5. Despite the PSPTF being committed to the transaction by officers who were not authorised to do so by the Board of Trustees, the PSPTF should be allowed to proceed with the transaction to avoid the costs that come with litigation. The PSPTF has a valid contract with the owners of the Hotel, and breach of this contract can lead to litigation.

**Anti-Corruption Bureau**

**Mulanje Building**

**P.O. Box 2437**

**Lilongwe**

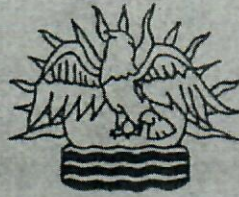
Email: [anti-corruption@acbmw.org](mailto:anti-corruption@acbmw.org)

Date: 16<sup>th</sup> December 2025.

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## Appendix 34

Letter to the Board from RFI - 23  
December 2025



REGISTRAR OF FINANCIAL INSTITUTIONS

TEL: (265) 111 770 600/771 600  
FAX: (265) 111 772 752/774 289  
WEBSITE: <https://www.rbm.mw>  
EMAIL: [reserve-bank@rbm.mw](mailto:reserve-bank@rbm.mw)

HEAD OFFICE  
CONVENTION DRIVE  
P O BOX 30063  
CAPITAL CITY  
LILONGWE 3  
MALAWI

23 December 2025

The Chairman  
Public Service Pension Trust Fund  
P O Box 30146  
LILONGWE

Dear Sir

**RE: SUBMISSION OF DOCUMENTATION AND EXPLANATION AS PER  
YOUR DIRECTIVE DURING THE 19<sup>TH</sup> NOVEMBER 2025 MEETING  
WITH THE BOARD OF TRUSTEES FOR THE PSPTF**

Reference is made to your submission on the above subject matter.

Please be advised that, based on the documentation that you submitted to my Office and other supervisory analysis, my assessment reveals serious prudential, regulatory, and fiduciary concerns regarding the proposed acquisition of Amaryllis Hotel.

In terms of prudential and regulatory concerns, my assessment is that the proposed transaction is likely to breach investment limits under the *Financial Services (Investment Management of Life Insurers and Pension Funds) Directive, 2025* and result in serious liquidity mismatch and heightened concentration risk.

With respect to fiduciary concerns, my Office notes that the Minutes of the Board of June 2024, clearly did not support the view to proceed with the transaction. However, the speed at which the current Board met, engaged EMJ Advisory, reviewed EMJ's proposal, conducted negotiations and signed the sale agreement



raises serious doubt as to whether the Board extensively discussed the matter in exercise of its duty of care. The Board of Trustees are reminded that their fiduciary duty under common law and statutory obligations requires acting in the best interest of members and ensuring compliance with prudential standards.

My assessment is that proceeding with the transaction would be inconsistent with sound pension fund management principles and expose members to undue financial risk. The PSPFT Fund is the third-largest pension fund in Malawi by assets and second-largest by membership size – hence systemically important. Therefore, any imprudent investment decisions by the Board of Trustees could significantly risk members' benefits and the stability of the pension sector – as well as undermine pension members' confidence in the national pension scheme in Malawi. In this regard, the Board is urged to reconsider its decision on this matter. Should the Board opt to proceed with the transaction, I wish to direct that a comprehensive submission be made to my Office providing a clear basis, in terms of viability of the proposed investment and how member funds would be safeguarded.

Please be guided accordingly.

Yours faithfully

A handwritten signature in black ink, appearing to read "MacDonald Mwale".

Dr. MacDonald Mwale

**REGISTRAR OF FINANCIAL INSTITUTIONS**

## Appendix 35

### Attorney General's Response to MLS

Telegrams: Legal, Lilongwe  
Telephone: (+ 265) 01788006  
Facsimile: (+ 265) 01 788419  
Telex:4476



*In reply please quote*  
*No.....*

**All Communications should be  
addressed  
To: Attorney General**

**MINISTRY OF JUSTICE  
PRIVATE BAG 333**

**LILONGWE 3**

**MALAWI**

## **ATTORNEY GENERAL**

**Ref. No. AG/877/12/2025**

**28<sup>th</sup> December, 2025**

The Chairperson  
Malawi Law Society  
2<sup>nd</sup> Floor, Right Wing  
Delamere House  
P.O. Box 1712

**BLANTYRE.**

Dear Sir,

**REQUEST FOR URGENT INTERVENTION: PROPOSED ACQUISITION OF  
YUSUF INVESTMENTS LIMITED TRADING AS AMARYLLIS HOTEL BY THE  
BOARD OF THE PUBLIC SERVICE PENSION TRUST FUND**

I refer to your letter dated 19<sup>th</sup> November, 2025 on the above matter and my email of same date to you in which I undertook to investigate the issues raised in your said letter and advise you on the findings and actions taken accordingly.

I wish to advise you that upon receipt of your letter on 19th November 2025, I instructed the Anti-Corruption Bureau ("ACB") to issue a Restriction Notice against proceeding with the sale until investigations into the allegations raised in your letter were concluded.

Government has investigated all the allegations levelled against the Board of the Public Service Pension Trust Fund ("The Board") and I present herein-below the findings and action(s) taken thereof.

**a. Allegations of irregular reversal of decision**

There was no evidence that the Board passed a resolution on 17<sup>th</sup> January, 2024 not to proceed with the purchase of the Hotel based on a Fund Manager's advice that the transaction was not viable. On the contrary, the business assessments carried out by experts namely FDH Bank Plc, Continental Asset Management Limited and EMJ Advisory Public Accountants dated 30<sup>th</sup> June, 2023, May, 2024 and November, 2025 respectively indicated that the business was viable.

**b. Allegations of lack of independent due diligence and conflict of interest**

Contrary to the allegations, the documents reviewed show that there was independent due diligence by experts namely FDH Bank Plc, Continental Asset Management Limited and EMJ Advisory Public Accountants.

Although Continental Asset Management Limited is a sister company to CDH Bank Limited, which has an interest as a lending institution to the Hotel, the former's involvement in the business analysis and recommendations did not in any way pose any risk of conflict of interest. Furthermore, the proposed sale is principally based on EMJ Investment Analysis Report of November, 2025.

**c. Allegations of pressuring the newly constituted Board**

Although the new Board became operational in September, 2025, there was no evidence that the new Board was unduly or otherwise pressured to approve the transaction that a previous Board had rejected. As already stated above, there was also no evidence that any previous Board had rejected the transaction.

**d. Allegations of suspicious timing of key personnel changes**

It was found that the Principal Officer, Mr Goerge Jim, was suspended on 27<sup>th</sup> October, 2025 for misconduct. On the other hand, the Acting Principal

Officer was appointed on 28<sup>th</sup> October, 2025. It is noteworthy that the resolution authorising the acquisition of the Hotel was made on 25<sup>th</sup> October, 2025, prior to the said suspension and appointment respectively. It was also found that most of the steps and correspondence leading to the Board resolution authorising the acquisition of the Hotel were made by the now suspended Principal Officer. Thus there was no evidence supporting any allegations of suspicious timing of the key personnel changes in relation to the Board resolution above.

**e. On significant operational and financial risks**

Admittedly this is a huge financial transaction that cannot go without significant operational and financial risks. All the three business evaluation reports stated above comprehensively analysed the various risks likely to be involved in this transaction and the management/mitigation thereof.

As regards the allegation of inflated price in particular, it was found that the price derived from expert analysis of attendant market variables. This was followed by negotiations on the price between the contracting parties. In that regard, the transaction cannot be faulted based on the risks involved.

**f. Corruption or abuse of office**

There was no sufficient evidence to suggest corrupt practices or abuse of office by the public officers involved in the transaction. However, should such evidence emerge later on, Government remains committed to prosecuting the persons involved in the courts of law.

**g. Action taken**

In view of the magnitude of the transaction in this matter, and indeed out of abundance of caution, and, in order to ensure that members' savings are protected within the prudent investment principles and regulatory requirements, the Board is advised to once again review the attendant risks and satisfy itself of the available mechanisms for the management/mitigation thereof. Once that is done, the Board is advised to proceed with and conclude the transaction in the best interests of the Fund and its members.

Lastly, I wish to extend to you the Government's appreciation for your initiative in raising the allegations above for my Office to investigate and act accordingly in order to protect the interests of the contributors to the Fund, the public servants. I wish to assure you of Government's commitment to ensure strict adherence to prudent investment principles and regulatory requirements by all players in the financial industry.

Kindly be assured of my highest consideration and kindest regards.

Yours sincerely,



Frank Farouk Mbeta

**ATTORNEY GENERAL**

CC: The Chairman

Board of Trustees of the Public Service Pension Trust Fund

P.O. Box 30146

**LILONGWE 3**

**Attn: Mr Chizaso Eric Nyirongo**

The Acting Director General

Anti-Corruption Bureau

P.O. Box 2437

**LILONGWE**

**Attn: Mr Gabriel G. Chembezi**

## Appendix 36

K90 Billion Transfer between 12th to 17th  
January, 2026



**REGISTRAR OF FINANCIAL INSTITUTIONS**

TEL: (265) 111 770 600/771 600  
FAX: (265) 111 772 752/774 289  
WEBSITE: <https://www.rbm.mw>  
EMAIL: [reserve-bank@rbm.mw](mailto:reserve-bank@rbm.mw)

HEAD OFFICE  
CONVENTION DRIVE  
P O BOX 30063  
CAPITAL CITY  
LILONGWE 3  
MALAWI

17 March, 2026

The Clerk of Parliament  
Parliament of Malawi  
Parliament Building  
Private Bag B362  
**LILONGWE 3**

Dear Madam

**RE: APPEARANCE BEFORE THE PUBLIC ACCOUNTS COMMITTEE**

We acknowledge receipt of your letter dated 17 March 2026 in which you requested the Bank to submit the following additional information:

1. An update on the specific bank accounts through which the Public Service Pension Trust Fund processed the deposit paid to Yusuf Investment Limited for the purchase of Amaryllis Hotel; and
2. An account of the total amount paid to date, as well as clarification on which Fund Manager executed the disinvestment in the transaction.

In this regard, please find attached the requested information for your attention.

Yours faithfully

Dr. George Partridge

**REGISTRAR OF FINANCIAL INSTITUTIONS**

**Payments made on the Amaryllis Hotel Transaction by Public Service Pension Trust Fund (PSPTF)**

The following transfers were made into an account no. 1010354548 held at National Bank of Malawi belonging to Yusuf Investments Ltd. The following are details of the transfers into the account:

| Date of Payment | Amount (K) billion | Payee           | Payee Account number | Bank name               | Investment Manager          |
|-----------------|--------------------|-----------------|----------------------|-------------------------|-----------------------------|
| 12-Jan-26       | 19.00              | Amaryllis Hotel | 1010354548           | National Bank of Malawi | Old Mutual Investment Group |
| 13-Jan-26       | 28.70              | Amaryllis Hotel | 1010354548           | National Bank of Malawi | Continental Asset Manager   |
| 13-Jan-26       | 1.00               | Amaryllis Hotel | 1010354548           | National Bank of Malawi | Old Mutual Investment Group |
| 14-Jan-26       | 13.30              | Amaryllis Hotel | 1010354548           | National Bank of Malawi | Continental Asset Manager   |
| 15-Jan-26       | 3.43               | Amaryllis Hotel | 1010354548           | National Bank of Malawi | Old Mutual Investment Group |
| 19-Jan-26       | 24.70              | Amaryllis Hotel | 1010354548           | National Bank of Malawi | Old Mutual Investment Group |
| <b>Total</b>    | <b>90.13</b>       |                 |                      |                         |                             |

All the amounts were transferred from the custodian bank of PSPTF, FDH Bank, as follows;

**Investment accounts - Custodial Cash Accounts**

Public Service Pension Trust Fund – 1850000881918 - For Old Mutual Investment Group

Public Service Pension - 1850000973685 - For Continental Asset Managers