

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

The definitions commencing on page 4 of this Circular apply, *mutatis mutandis*, to this cover.

ACTION REQUIRED BY HULISANI SHAREHOLDERS

- If you are in any doubt as to what action you should take, you should consult your CSDP, Broker, banker, legal advisor, accountant or other professional advisor immediately.
- If you have disposed of all of your Shares, please forward this Circular together with the attached form of proxy (*yellow*), to the purchaser to whom, or the CSDP or Broker or agent through whom the disposal was effected.
- Shareholders who hold Dematerialised Shares through a CSDP or Broker who wish to attend the General Meeting must request their CSDP or Broker to provide them with a letter of representation to attend the General Meeting or must instruct their CSDP or Broker to vote on their behalf in terms of their respective agreements with their CSDP or Broker.
- Shareholders of Hulisani are referred to page 2 of this Circular, which sets out the action required by them in respect of the Specific Issue set out in this Circular.
- The Company does not accept any responsibility and will not be held liable for any failure on the part of the CSDP or Broker of any holder of Dematerialised Shares to notify such Shareholder of the action required of them in respect of the Specific Issue set out in this Circular.



Hulisani Limited

(Incorporated in the Republic of South Africa)

(Registration number 2015/363903/06)

Share code: HUL ISIN: ZAE000212072

("Hulisani" or "the Company")

CIRCULAR TO HULISANI SHAREHOLDERS

Regarding:

- the specific issue of shares for cash to facilitate a capital raise;
- the granting of authority to issue shares in terms of section 41(3) of the Companies Act;
- increase the permissible operating expenses;

and incorporating:

- the notice of General Meeting; and
 - a form of proxy (*yellow*), only for use by Certificated Shareholders and Dematerialised Shareholders with "Own-name Registration".
-

Corporate Advisor and Sponsor



PSG CAPITAL

Independent Expert



CORPORATE FINANCE (PTY) LTD

Date of issue: 23 September 2016

This Circular is available in English only. Copies of this Circular may be obtained during normal business hours from the registered office of Hulisani, the offices of PSG Capital and the Transfer Secretaries at their respective addresses set out in the "Corporate Information and Advisors" section of this Circular from 23 September 2016 until 24 October 2016 (*both days inclusive*). This Circular will also be available on the Company's website at www.hulisani.co.za from 23 September 2016.

CORPORATE INFORMATION AND ADVISORS

The definitions commencing on page 4 of this Circular apply, *mutatis mutandis*, to this corporate information and advisors section.

Registered Office

11th Floor, Sandton Eye
126 West Street
Corner Rivonia
Sandton, 2196
(PO Box 784583, Sandton, 2146)

Corporate Advisor and Sponsor

PSG Capital Proprietary Limited
(Registration number 2006/015817/07)
1st Floor, Building 8
Inanda Greens Business Park
54 Wierda Road West
Wierda Valley
Sandton, 2196
(PO Box 650957, Benmore, 2010)

and at

1st Floor
Ou Kollege Building
35 Kerk Street
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)

Independent Expert

Mazars Corporate Finance Proprietary Limited
54 Glenhove Road
Melrose Arch Estate
2076
(PO Box 6697, Johannesburg, 2000)

Company Secretary

ER Goodman Secretarial Services CC
Houghton Estate Office Park
2nd Floor, Palm Grove
2 Osborn Road
Houghton, 2198

Date and place of incorporation

13 October 2015, South Africa

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

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ACTION REQUIRED BY SHAREHOLDERS

The definitions commencing on page 4 of this Circular apply, *mutatis mutandis*, to the following action required by Hulisani Shareholders.

Please take careful note of the following provisions regarding the action required by Hulisani Shareholders.

THE GENERAL MEETING

The implementation of the Specific Issue is subject to, *inter alia*, Hulisani Shareholders passing the requisite resolutions at a general meeting of Hulisani Shareholders to be held at 10:00 on Monday, 24 October 2016 at 11th Floor, Sandton Eye, 126 West Street, Corner Rivonia Road, Sandton, 2196.

A notice convening the General Meeting is attached hereto and forms part of this Circular.

1. IF YOU HOLD DEMATERIALISED SHARES:

1.1 *Own-name Registration*

You are entitled to attend, or be represented by proxy, and may vote at the General Meeting. If you are unable to attend the General Meeting, but wish to be represented thereat, you must complete and return the attached form of proxy (*yellow*), in accordance with the instructions contained therein, to be received by the Transfer Secretaries, Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001, (PO Box 61051, Marshalltown, 2107) by no later than 10:00 on Thursday, 20 October 2016.

1.2 *Other than Own-name Registration*

If your CSDP or Broker does not contact you, you are advised to contact your CSDP or Broker and provide them with your voting instructions. If your CSDP or Broker does not obtain instructions from you, they will be obliged to vote in accordance with the instructions contained in the Custody Agreement concluded between you and your CSDP or Broker. You must **not** complete the attached form of proxy (*yellow*). In accordance with the Custody Agreement between you and your CSDP or Broker you must advise your CSDP or Broker timeously if you wish to attend, or be represented at the General Meeting. Your CSDP or Broker will be required to issue the necessary letter of representation to you to enable you to attend, or to be represented at the General Meeting.

2. IF YOU HOLD CERTIFICATED SHARES

You are entitled to attend, or be represented by proxy, and may vote at the General Meeting. If you are unable to attend the General Meeting, but wish to be represented thereat, you must complete and return the attached form of proxy (*yellow*), in accordance with the instructions contained therein, to be received by the Transfer Secretaries, Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Johannesburg, 2107), by no later than 10:00 on Thursday, 20 October 2016.

Hulisani does not accept responsibility and will not be held liable for any failure on the part of the CSDP or Broker of a Dematerialised Shareholder to notify such Shareholder of the General Meeting or any business to be conducted thereat.

SALIENT DATES AND TIMES

The definitions commencing on page 4 of this Circular apply, *mutatis mutandis*, to this salient dates and times section.

2016

Record date to determine which Shareholders are eligible to receive the Circular	Friday, 16 September
Circular containing notice of General Meeting and form of proxy (<i>yellow</i>) posted to Shareholders and announced on SENS on	Friday, 23 September
Last day to trade in order to be eligible to vote at the General Meeting	Tuesday, 11 October
Record date to be eligible to vote at the General Meeting	Friday, 14 October
Last day to lodge forms of proxies in respect of the General Meeting by 10:00 on	Thursday, 20 October
General Meeting of Hulisani Shareholders to be held at 10:00 on	Monday, 24 October
Results of the General Meeting released on SENS on	Monday, 24 October

Notes:

1. The above dates and times are subject to change. Any such change will be released on SENS. All times are South African standard times.
2. Hulisani Shareholders are referred to page 2 of this Circular for information on the action required to be taken by them.
3. If the General Meeting is adjourned or postponed, forms of proxy (*yellow*) submitted in respect of the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting.

DEFINITIONS

In this Circular, unless the context indicates otherwise, reference to the singular shall include the plural and *vice versa*, words denoting one gender include the others, words and expressions denoting natural persons include juristic persons and associations of persons and the words and expressions in the first column have the meanings stated opposite them in the second column.

“Board” or “Directors”	the board of directors of Hulisani set out on page 7 of this Circular;
“Broker”	any person registered as a “broking member (equities)” in terms of the Rules of the JSE and in accordance with the provisions of the Financial Markets Act;
“Business Day”	any day, other than a Saturday, Sunday or official public holiday in South Africa;
“cents”	South African cents;
“Certificated Shareholders”	Hulisani Shareholders who hold Certificated Shares;
“Certificated Shares”	Hulisani Shares which have not been Dematerialised, title to which is represented by a share certificate or other Document of Title;
“Circular”	this circular dated 23 September 2016, incorporating, annexures, the notice of General Meeting and a form of proxy (<i>yellow</i>) and distributed to Hulisani Shareholders;
“CIPC”	the Companies and Intellectual Property Commission established pursuant to section 185 of the Companies Act;
“Company” or “Hulisani”	Hulisani Limited, registration number 2015/363903/06, a public company with limited liability duly incorporated under the laws of South Africa, the Shares of which are listed on the main board of the JSE;
“Companies Act”	the Companies Act, 2008, No. 71 of 2008, as amended and including the Companies Regulations, 2011;
“CSDP”	a central securities depository participant registered in terms of the Financial Markets Act, with whom a beneficial holder of Hulisani Shares holds a dematerialised share account;
“Custody Agreement”	the agreement which regulates the relationship between the CSDP or Broker and each beneficial holder of Dematerialised Shares;
“Dematerialise”	the process whereby share certificates or other physical Documents of Title are replaced with electronic records evidencing ownership of shares for the purposes of Strate;
“Dematerialised Shares”	Hulisani Shares which have been Dematerialised and incorporated into the Strate system;
“Dematerialised Shareholders”	Hulisani Shareholders who hold Dematerialised Shares;
“Dematerialised own-name Shareholders”	Hulisani Shareholders who hold Dematerialised Shares and who have instructed their CSDP to hold their Hulisani Shares in their own name on the sub-register;
“Documents of Title”	share certificates, certified transfer deeds, balance receipts or any other physical documents of title pertaining to the Hulisani Shares in question acceptable to the Board;
“Escrow Account”	the Hulisani escrow account managed by the Escrow Agent;

“Escrow Agent”	Norton Rose Fulbright South Africa Incorporated (registration number 1984/003385/21), a personal liability company duly incorporated in South Africa;
“Fairness Opinion”	the opinion of the Independent Expert prepared in terms of section 10.4 of the JSE Listings Requirements, a copy of which is set out Annexure 1 ;
“Financial Markets Act”	the Financial Markets Act, No. 19 of 2012;
“General Meeting”	the general meeting of Hulisani Shareholders to be held at 11th Floor, Sandton Eye, 126 West Street, Corner Rivonia Road, Sandton, 2196 on Monday, 24 October 2016 at 10:00, convened in terms of the notice of general meeting attached to, and forming part of, this Circular;
“Independent Expert”	Mazars Corporate Finance Proprietary Limited, registration number 2003/029561/07, a private company with limited liability duly incorporated under the laws of South Africa;
“JSE”	the exchange operated by the JSE Limited, registration number 2005/022939/06, a public company with limited liability incorporated under the laws of South Africa and licensed as an exchange under the Financial Markets Act;
“JSE Listings Requirements”	the Listings Requirements of the JSE;
“Last Practicable Date”	the last practicable date before finalisation of this Circular, which date was 15 September 2016;
“MOI”	the memorandum of incorporation of the Company;
“Hulisani Shares” or “Shares”	ordinary shares of no par value in the issued share capital of the Company;
“Hulisani Shareholders” or “Shareholders”	holders of Hulisani Shares, which includes Certificated Shareholders, Dematerialised Shareholders and Dematerialised own-name Shareholders;
“Own-name Registration”	the registration of Hulisani Shareholders who hold Hulisani Shares that have been Dematerialised and are recorded by the CSDP on the sub-register kept by that CSDP in the name of such Hulisani Shareholder;
“PSG Capital”	PSG Capital Proprietary Limited, registration number 2006/015817/07, a private company with limited liability duly incorporated under the laws of South Africa, being the corporate and designated advisor to Hulisani;
“Rand” or “R”	South African Rand;
“Register”	the register of Certificated Shareholders maintained by the Transfer Secretaries and the sub-register of Dematerialised Shareholders maintained by the relevant CSDPs;
“SENS”	the Stock Exchange News Service of the JSE;
“South Africa”	the Republic of South Africa;
“SPAC”	a special purpose acquisition company, being a special purpose vehicle established for the purpose of facilitating the primary capital raising process to enable the acquisition of Viable Assets in pursuit of a listing on the Main Board, as envisaged in terms of the Listings Requirements;
“Strate”	Strate Proprietary Limited, registration number 1998/022242/06, a private company with limited liability duly incorporated under the laws of South Africa and which is a registered central securities depository responsible for the electronic custody and settlement system used by the JSE;

“Specific Issue”	the issue of the Specific Issue Shares at an issue price of between R10 (ten rand) and R11 (eleven rand) per Hulisani Share, being no more than a 8.33% discount to the 30-day VWAP of Hulisani Shares on the JSE as at the Last Practicable Date, to raise up to R4 billion;
“Specific Issue Shares”	a maximum of 400 000 000 (four hundred million) ordinary shares in the authorised share capital of the Company to be issued by the Company;
“Transfer Secretaries”	Computershare Investor Services Proprietary Limited, registration number 2004/003647/07, a limited liability private company incorporated in accordance with the laws of South Africa;
“VAT”	Value Added Tax as defined in the Value Added Tax Act, 1991, as amended; and
“VWAP”	the volume weighted average traded price.



Hulisani Limited

(Incorporated in the Republic of South Africa)

(Registration number 2015/363903/06)

Share code: HUL ISIN: ZAE000212072

("Hulisani" or "the Company")

Directors

Executive

MH Zilimbola (*Chief Executive Officer*)

ME Raphulu (*Chief Investment Officer*)

MA Booysen (*Chief Financial Officer*)

Non-executive

PC Mdoda (*Chairman*)*

HH Schaaf*

MF Modau*

AV Notshe#

NP Gosa*

DR Hlatshwayo*

* *Independent*

Non-independent

CIRCULAR TO HULISANI SHAREHOLDERS

1. INTRODUCTION AND PURPOSE OF THE CIRCULAR

- 1.1 Hulisani is proposing to convene a general meeting of its shareholders for the purpose of considering and, if deemed fit, approving the necessary resolutions to issue such number of ordinary shares in order to facilitate a capital raise of up to a maximum of R4 billion.
- 1.2 The purpose of the Circular is to provide Shareholders with information relating to the Specific Issue and to convene the general meeting.

2. RATIONALE FOR THE SPECIFIC ISSUE

- 2.1 Hulisani listed as a SPAC on the main board of the JSE on 7 April 2016 and placed Shares by way of a private placement to the value of R500 million with the intention of pursuing the acquisitions of, and investment in, companies focused on, and operating in, the energy sector and which evidence good potential for growth. Subsequent to the listing of Hulisani, numerous acquisition opportunities have presented themselves to Hulisani, which opportunities will require funding well in excess of Hulisani's existing funds. Given the value of these potential investments, the board of Hulisani has resolved to increase the Company's cash holdings to enable it to execute transactions timeously.
- 2.2 The directors have elected for Hulisani to issue such number of ordinary shares in order to raise up to R4 billion in cash by means of a Specific Issue of shares for cash as set out in the JSE Listings Requirements. Hulisani will be unable to determine who the participants in the private placement will be until such time as the private placement and book building exercise are completed. Hulisani has therefore opted for a Specific Issue for cash to allow non-public shareholders and related parties to participate in the private placement.

- 2.3 The specific issue of shares to related parties is subject to a fairness opinion issued by an independent expert, acceptable to the JSE. Mazars Corporate Finance Limited has been appointed as the independent expert to issue the fairness opinion. Accordingly, the directors wish to obtain shareholders' approval, to issue and allot such number of ordinary shares (subject to a maximum of 400 million ordinary shares) as may be required in order to raise up to R4 billion in cash.
- 2.4 In conducting any private placement and book building exercise with a view to such listing, and subject to any fluctuations in Hulisani's share price, it is anticipated that Hulisani will be required to issue and allot such number of ordinary shares subject to a maximum of 400 million of its unissued but authorised ordinary shares. The outcome of any book building exercise will determine the issue price of the shares, and the extent of any premium or discount at which such share will be issued, provided that in the event of the shares being issued at a discount, the maximum discount at which the shares will be issued will be 8.33% of the 30-day weighted average trading price of the shares on the JSE as at the Last Practicable Date.
- 2.5 The book will be built on a fixed price in terms of a private placement. The allocation of Shares to successful bidders will be on a *pro rata* basis. Should the book build be oversubscribed, proportional allocations will be made. The Board will have overriding discretion on all allocations.
- 2.6 The Specific Issue will not be underwritten.
- 2.7 The proceeds of the Specific Issue will be placed in Hulisani's existing Escrow Account in terms of the SPAC requirements of the JSE Listings Requirements.

3. AUTHORITY TO ISSUE SHARES

- 3.1 It is anticipated that the voting power of the shares to be issued pursuant to the Specific Issue will be in excess of 30% (thirty percent) of the voting power of all the issued Hulisani Shares held by Hulisani Shareholders prior to the Specific Issue.
- 3.2 Accordingly, it is necessary to obtain the authority of Hulisani Shareholders by way of a special resolution, as required in terms of section 41(3) of the Companies Act, in order to proceed with the Specific Issue.
- 3.3 In terms of the Companies Act, at least 75% (seventy five percent) of all votes of all Hulisani Shareholders present or represented by proxy at the General Meeting must be exercised in favour of the special resolution, in terms of section 41(3) of the Companies Act, to authorise the Specific Issue.
- 3.4 The Specific Issue will be in terms of the provisions of specific issues of shares for cash in terms of the JSE Listings Requirements.

4. SHARE CAPITAL

- 4.1 The authorised and issued share capital of the Company prior to the Specific Issue is as follows:

	R'000
Authorised share capital	
1 000 000 000 ordinary shares of no par value	–
Issued share capital	
50 000 020 ordinary shares of no par value	500 000
Stated capital	500 000

- 4.2 The authorised and maximum issued share capital of the Company subsequent to the Specific Issue will be as follows:

	R'000
Authorised share capital	
1 000 000 000 ordinary shares of no par value	–
Issued share capital	
450 000 020 ordinary shares of no par value	4 500 000
Stated capital	4 500 000

- 4.3 The shares to be issued in terms of the Specific Issue will be of a class already in issue.

5. BUSINESS AND PROSPECTS OF HULISANI

5.1 Business of Hulisani

- 5.1.1 The Company wishes to take advantage of investor demand for energy assets specifically in South Africa, and generally in greater Sub-Saharan Africa. As at the Last Practicable Date the Company had not entered any agreements to acquire assets.

5.2 Prospects of Hulisani

- 5.2.1 Given the nature of the Company, there are no business activities about which the Board can comment. The Board, however, believes that the prospects of the Company in identifying a suitable target and completing an acquisition of Viable Assets within the period stipulated in the Listings Requirements.
- 5.2.2 The Specific Issue will result in the issued shares capital of the Company increasing by a maximum of 400 million shares which will result in the share capital of the Company increasing by a maximum of R4 billion.
- 5.2.3 The expenses associated with the Specific Issue as set out in paragraph 10 below will be expensed to the statement of comprehensive income

6. PERMISSIBLE OPERATING EXPENSES

- 6.1 Hulisani estimated, in its Pre-Listing Statement dated 31 March 2016, that the following operating expenses would be incurred by the Company for the periods ending 28 February 2017 and 28 February 2018:

Nature of the cost	2017 R'000	2018 R'000
Listing costs	3 000	–
Annual listing fees	200	200
Legal fees	1 500	1 500
PSG (ongoing Sponsor fees)	150	160
Company secretary	100	100
Auditors	300	300
Rental	1 400	1 600
Travel	500	500
Salaries	4 000	4 400
Costs associated with acquisitions	2 000	4 000
Directors fees	600	800
Other running costs	1 000	1 000
Total	14 750	14 560

- 6.2 Given the costs associated with the Specific Issue and the number of opportunities currently being investigated by the Company, the revised operating expenditure for the periods ending 28 February 2017 and 28 February 2018 are proposed:

Nature of the cost	2017 R'000	2018 R'000
Listing costs	3 000	–
Annual listing fees	200	200
Legal fees	3 000	3 000
PSG (ongoing Sponsor fees)	150	160
Company secretary	100	100
Auditors	300	300
Rental	1 400	1 600
Travel	500	500
Salaries	4 000	4 400
Costs associated with acquisitions	8 000	9 000
Directors' fees	600	800
Other running costs	3 000	3 000
Total	24 250	23 060

- 6.3 In terms of the JSE Listings Requirements, at least 75% (seventy five percent) of all votes of all Hulisani Shareholders present or represented by proxy at the General Meeting must be exercised in favour of the special resolution to increase the permissible operating expenses of the Company.

7. GENERAL MEETING

- 7.1 A general meeting of the Hulisani Shareholders will be held at 10:00 on Monday, 24 October 2016 at 11th Floor, Sandton Eye, 126 West Street, Corner Rivonia Road, Sandton, 2196 for the purpose of considering, and if deemed fit, passing, with or without modification, the resolutions necessary to give effect to the Specific Issue and the matters incidental thereto. The resolutions to be put to Hulisani Shareholders for their approval are set out in the notice of General Meeting of Hulisani Shareholders attached to, and forming part of, this Circular.
- 7.2 Details of the action required to be taken by Hulisani Shareholders in respect of the General Meeting are set out on page 2 of this Circular.

8. DIRECTORS

- 8.1 The full names, ages, business addresses and capacities of the Directors of Hulisani are set out below:

Name	Age	Designation	Business address
Malungelo Headman Zilimbola	46	Chief Executive Officer	4th Floor, North Tower 90 Rivonia Road Sandton
Marubini Eugene Raphulu	41	Chief Investment Officer	11th Floor, Sandton Eye 126 West Street, Corner Rivonia Sandton 2196
Mark Adrian Booyesen	55	Chief Financial Officer	11th Floor, Sandton Eye 126 West Street, Corner Rivonia Sandton 2196
Patilizwe Caswell Mdoda	61	Independent Non- executive Chairperson	29 Arlington Road Bryanston 2021

Name	Age	Designation	Business address
Harald Schaaf	65	Independent Non-executive Director	9th Floor, Convention Tower Heerengracht, Foreshore Cape Town 8001
Minute Fhedzisani Modau	40	Independent Non-executive Director	137 Bellairs Drive Northriding Randburg 2169
Asanda Vuyolwethu Notshe	35	Non-executive Director	4th Floor, North Tower 90 Rivonia Road Sandton
Dudu Rosemary Hlatshwayo	52	Independent Non-executive Director	127 Kyalami Estate Kyalami 1684
Noluthando Primrose Gosa	53	Independent Non-executive Director	8 Piazza Toscana 17 East Road Morningside 2197

8.2 With the exception of Harald Schaaf, who is German, all Directors are South African citizens.

8.3 As at the Last Practicable Date, Hulisani does not have any subsidiaries.

8.4 The remuneration of the Directors will not be varied as a consequence of the Specific Issue.

8.5 Directors' and associates' interest in Hulisani are set out below:

Director	Direct beneficial	Indirect beneficial	Total number of Shares	Total %
ME Raphulu	1 340 000	10 ³	1 340 010	2.68
MA Booysen	–	–	–	–
PC Mdoda	500 000	–	500 000	1
H Schaaf	–	–	–	–
MF Modau	–	–	–	–
AV Notshe ²	–	56 820	56 820	–
MH Zilimbola	660 000	10 ¹	660 010	1.32
NP Gosa	–	–	–	–
DR Hlatshwayo	–	–	–	–
Total	2 500 000	56 840	2 500 020	5

Notes:

1. Held through Zelmaro Proprietary Limited.
2. Held through Human Interest Proprietary Limited.
3. Held through Pentomore Proprietary Limited.

8.6 Directors' interests will not change as a result of the Specific Issue.

8.7 No director of Hulisani or any director who has resigned in the last 18 months, has or had any material beneficial interest, directly or indirectly, in any transaction which is, or was, material to the business of Hulisani and which was effected by Hulisani during the current financial year, or in any previous financial year, which remains in any respect outstanding or unperformed.

9. SHARES ISSUED OTHERWISE THAN FOR CASH

The Company has not issued any shares other than for cash in the 3 (three) years preceding the date of this Circular.

10. EXPENSES RELATING TO THE SPECIFIC ISSUE

10.1 The estimated costs of preparing and distributing this Circular, convening the General Meeting and implementing the Specific Issue, including the fees payable to professional advisors, are approximately R883 721, excluding VAT, and include the following:

Description	Recipient	Amount (Rand)
Corporate advisory fees	PSG Capital	250 000
Independent Expert	Mazars	50 000
Listing fees	JSE	534 300
Documentation fee	JSE	18 421
Printing costs, publication, distribution and advertising	Ince	25 000
Transfer secretarial fees	Computershare Investor Services	6 000
Total		883 721

10.2 Other than as set out above, Hulisani has not incurred any preliminary expenses in relation to a transaction during the 3 (three) years preceding the date of this Circular other than those for the listing of the Company on the JSE.

11. DIRECTORS' RECOMMENDATION

11.1 The Board is of the opinion that the Specific Issue is beneficial to the Company and recommends that Hulisani Shareholders vote in favour of the resolutions to be proposed at the General Meeting. This opinion is based on the Fairness Opinion provided to the Board by the Independent Expert.

11.2 The Directors, the Hulisani Shares held by them in favour of the resolutions to be proposed at the General Meeting. To the extent that Directors are in possession of inside information as defined in the Financial Markets Act, 2012 as amended, or the Company is in a prohibited period as set out in the JSE Listings Requirements, they will not be eligible to vote their shares at the General Meeting.

12. LITIGATION STATEMENT

There are no legal or arbitration proceedings which may have, or have during the 12 (twelve) months preceding the date of this Circular, had a material effect on the financial position of Hulisani. Hulisani is not aware of any proceedings that would have a material effect on the financial position of Hulisani or which are pending or threatened against Hulisani.

13. MATERIAL CONTRACTS

No material contracts or restrictive funding arrangements have been entered into by Hulisani, being a contract entered into otherwise than in the ordinary course of business, within the two years preceding the date of this Circular or entered into at any time and containing any obligation or settlement that is material to the Company at the date of this Circular.

14. ADVISORS' CONSENTS

The parties referred to in the "Corporate Information and Advisors" section of this Circular, have consented in writing to act in the capacities stated and to the inclusion of their names and, where applicable, reports, in this Circular in the form and context in which they appear and have not withdrawn their consent prior to the publication of this Circular.

15. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names appear on page 7 this Circular collectively and individually accept full responsibility for the accuracy of the information furnished relating to Hulisani and certify that to the best of their knowledge and belief, that there are no facts which have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made, and that this Circular contains all information required by law and the JSE Listings Requirements.

16. **DOCUMENTS AVAILABLE FOR INSPECTION**

- 16.1 The audited financial statements of Hulisani for the year ended 29 February 2016.
- 16.2 Fairness Opinion of the Independent Expert.
- 16.3 A signed copy of this Circular.

Signed at Sandton by M Raphulu on behalf of all the Directors of Hulisani Limited in terms of powers of attorneys signed by such Directors.

M Raphulu

Executive Director

23 September 2016

FAIRNESS OPINION OF THE INDEPENDENT EXPERT

The Directors
Hulisani Limited
11th Floor
2 Arnold Road
Rosebank
2196

15 September 2016

Dear Sirs,

INDEPENDENT FAIRNESS OPINION IN RESPECT OF THE SPECIFIC ISSUE OF SHARES BY HULISANI LIMITED (“HULISANI”) TO RELATED PARTIES FOR CASH

INTRODUCTION

We have been appointed by the Board of Directors to advise the shareholders of Hulisani whether, in our opinion the specific issue of shares is fair to the shareholders of Hulisani (the “Transaction”).

The Transaction may result in shares being issued for cash to related parties at a discount to the 30 days VWAP of Hulisani and therefore, in terms of section 5.51(f) of the Listings Requirements requires an opinion from an independent expert as to the fairness thereof to Hulisani shareholders.

EXPLANATION OF THE TERM ‘FAIR’

Fairness

The term ‘fairness’ is defined in Schedule 5 of the Johannesburg Stock Exchange (“JSE”) Listings Requirements as being based on quantitative issues. Therefore, the transaction would be considered fair to the Hulisani shareholders if the total consideration payable is equal to or more than the value derived for the company determined in accordance with an accepted valuation approach, or unfair if the opposite would hold true.

ASSUMPTIONS

We arrived at our opinion based on the following assumptions:

- Current economic, regulatory and market conditions will not change materially. This included an analysis of publically available information relating to the forecast market outlook;
- That reliance can be placed on the audited annual financial statements of Hulisani for the year ended 29 February 2016 during the course of this assignment;
- That reliance can be place on the management accounts of Hulisani for the 6 months ended 31 August 2016; and
- Where relevant, representations made by management and/or directors were corroborated to source documents prepared by third parties, independent analytical procedures performed by us and by examining and analysing external factors that influence the business.

SOURCES OF INFORMATION

In the course of our analysis, we relied upon financial and other information, including financial information obtained from management together with industry related and other information available in the public domain. Our conclusion is dependent on such information being accurate in all material respects.

The principle sources of information used in formulating our opinion regarding the Transaction include:

- Audited annual financial statements of Hulisani for the year ended 29 February 2016;
- Management accounts of Hulisani for the six months ended 31 August 2016;

- The draft circular;
- Information and assumptions made available by and from discussions held with executive directors and/or advisors of Hulisani in terms of the rationale for the transaction; and
- Publicly available information relating to Hulisani and other competitors in the sector that we deemed to be relevant, including company announcements.

We obtained the information through:

- Conducting interviews with management, directors and senior staff members;
- Obtaining corroborating evidence from third parties; and
- Extracting information from the internet and the press.

We satisfied ourselves as to the appropriateness and reasonableness of the information with reference to:

- Audited annual financial statements of Hulisani for the year ended 29 February 2016;
- Management accounts of Hulisani for the six months ended 31 August 2016;
- Understanding the industry in which Hulisani operates; and
- Assessing whether replies from management and/or advisors on certain issues were corroborated by third parties and documentary evidence.

LIMITING CONDITIONS AND RELATED PARTY RELATIONSHIPS

We have relied upon the accuracy of information provided to us or otherwise reviewed by us, for the purposes of this opinion, whether in writing or obtained through discussion with the management of Hulisani. We express no opinion on this information.

There were no limiting conditions, or any restrictions of scope imposed by the client whilst this opinion was being prepared.

Our opinion is based on current economic, regulatory, market as well as other conditions. Subsequent developments may affect this opinion, which we are under no obligation to update, review or re-affirm.

This letter and opinion is provided solely for the benefit of the shareholders of Hulisani in connection with and for the purposes of their consideration of the Transaction.

There is no relationship between Mazars Corporate Finance Proprietary Limited ("MCF") and any other parties involved in this transaction. MCF has no shares in Hulisani or any other party involved in the transaction. MCF's fees are not payable in shares.

Each shareholder's individual decision may be influenced by such shareholder's particular circumstances and accordingly each shareholder should consult an independent advisor if in any doubt as to the merits or otherwise of the transaction.

PROCEDURES

In order to assess the fairness of the terms and conditions relating to the transaction, we have performed, amongst others, the following procedures:

- Reviewed the audited annual financial statements of Hulisani for the year ended 29 February 2016;
- Reviewed the draft circular;
- Reviewed the Transaction, its terms and conditions;
- Considered information made available by and from discussions held with the directors and/or advisors of Hulisani;
- Reviewed general economic, market and related conditions in which Hulisani operate;
- Considered the rationale for the transaction;
- Reviewed the methodologies available for performing valuations of businesses operating in this industry;
- Performed an indicative valuation of Hulisani using the Net Asset Valuation ("NAV") approach;
- Compared the value derived for Hulisani from the NAV approach to the purchase consideration; and
- Conducted appropriate sensitivity analyses given a reasonable range of key assumptions on the valuation above.

We believe the above procedures commercially justify the conclusion outlined below.

CONFIRMATION OF PERFORMANCE OF VALUATION AND VALUATION METHODOLOGY

We confirm that we have performed a valuation of Hulisani utilising the NAV methodology as the primary basis.

The valuations were performed taking cognisance of Hulisani's current and planned operations as well as other market factors affecting these operations. Using the value derived from the above valuation, a comparison was made to the consideration paid.

Key value drivers to the NAV valuation method are as follows:

Internal

Fair value of all assets and liabilities as of date of valuation.

External

Stability of the economy and other macroeconomic factors. This included an analysis of publically available information in respect of macroeconomic outlook.

Our procedures and enquiries did not constitute an audit in terms of International Standards on Auditing. Accordingly, we cannot express any opinion on the financial data or other information used in arriving at our opinion.

OPINION

Our opinion is based upon the market, regulatory and trading conditions as they currently exist and can only be evaluated at the date of this letter. It should be understood that subsequent developments may affect our opinion, which we are under no obligation to update, revise or re-affirm.

We have considered the terms and conditions of the Transaction, and based upon, and subject to the foregoing, we are of the opinion that the specific issue of shares in Hulisani would be considered fair to the shareholders of Hulisani if the shares are issued at a value equal to or exceeding R10.02.

CONSENT

We hereby consent to the inclusion of this letter and references thereto, in the form and context in which they appear in any required regulatory announcement or document.

Yours faithfully

Anoop Ninan

Director

Mazars Corporate Finance Proprietary Limited

Mazars House

54 Glenhove Road

Melrose Estate

2196

15 September 2016

SHARE TRADING HISTORY OF HULISANI

Set out in the table below are the aggregate volumes and values and the highest and lowest prices traded in Hulisani Shares in respect of:

- each month over the 12 months prior to the Last Practicable Date; and
- each day over the 30 days preceding the Last Practicable Date.

	High (cents)	Low (cents)	Volume	Value (cents)
Monthly				
2016/08/31	1 200	0	305	3 660
2016/08/31	1 200	0	61	732
2016/07/31	1 395	0	438 865	5 774 493
2016/06/30	1 550	0	8 718	131 905
2016/05/31	1 500	0	68 497	1 010 738
2016/04/30	1 799	0	17 575 043	176 111 630
Daily				
2016/09/15	–	–	–	–
2016/09/14	–	–	–	–
2016/09/13	–	–	–	–
2016/09/12	–	–	–	–
2016/09/09	–	–	–	–
2016/09/08	–	–	–	–
2016/09/07	–	–	–	–
2016/09/06	–	–	–	–
2016/09/05	1 200	1 200	305	3 660
2016/09/02	–	–	–	–
2016/09/01	–	–	–	–
2016/08/31	–	–	–	–
2016/08/30	–	–	–	–
2016/08/29	–	–	–	–
2016/08/26	–	–	–	–
2016/08/25	–	–	–	–
2016/08/24	–	–	–	–
2016/08/23	–	–	–	–
2016/08/22	1 200	1 200	61	732
2016/08/19	–	–	–	–
2016/08/18	–	–	–	–
2016/08/17	–	–	–	–
2016/08/16	–	–	–	–
2016/08/15	–	–	–	–
2016/08/12	–	–	–	–
2016/08/11	–	–	–	–
2016/08/10	–	–	–	–
2016/08/08	–	–	–	–
2016/08/05	–	–	–	–
2016/08/04	–	–	–	–



Hulisani Limited

(Incorporated in the Republic of South Africa)

(Registration number 2015/363903/06)

Share code: HUL ISIN: ZAE000212072

("Hulisani" or "the Company")

NOTICE OF GENERAL MEETING OF HULISANI SHAREHOLDERS

Notice is hereby given that a general meeting of Shareholders of Hulisani ("**the General Meeting**") will be held at 10:00 on Monday, 24 October 2016 at 11th Floor, Sandton Eye, 126 West Street, Corner Rivonia Road, Sandton, 2196 for the purpose of considering, and if deemed fit, passing, with or without modification, the following resolutions set out in this notice of General Meeting.

Note:

- *The definitions commencing on page 4 of the Circular to which this notice of General Meeting is attached, apply, mutatis mutandis, to this notice of General Meeting and to the resolutions set out below.*
- *For a special resolution to be approved by Shareholders, it must be supported by at least 75% of the voting rights exercised on the resolution. For an ordinary resolution to be approved by Shareholders, it must be supported by more than 50% of the voting rights exercised on the resolution save for Ordinary Resolution Number 1, such ordinary resolution must, in terms of the JSE Listings Requirements, be supported by at least 75% of the voting rights exercised on such resolution.*

1. **SPECIAL RESOLUTION NUMBER 1 – AUTHORITY TO ISSUE THE SPECIFIC ISSUE SHARES**

"**RESOLVED** that, in terms of section 41(3) of the Companies Act, the Directors be and are hereby authorised to issue the Specific Issue Shares, being a maximum of 400 million ordinary shares of no par value in the authorised share capital of the Company, which will post the issuance thereof constitute more than 30% of the of the voting rights of the current total issued share capital of the Company."

Reason and effect

The reason for, and effect of, Special Resolution Number 1 is to authorise the Directors to issue the Specific Issue Shares, as required in terms of section 41(3) of the Companies Act, pursuant to the Specific Issue.

Note: *To the extent that Directors are in possession of inside information as defined in the Financial Markets Act, 2012 as amended, or the Company is in a prohibited period as set out in the JSE Listings Requirements, they will not be eligible to vote their shares at the General Meeting.*

2. **ORDINARY RESOLUTION NUMBER 1 – APPROVAL OF THE SPECIFIC ISSUE**

"**RESOLVED** that, subject to the approval of Special Resolution Number 1, the issuing of the Specific Issue Shares by the Company in terms of the Specific Issue, be and is hereby approved in terms of paragraph 5.51(g) of the JSE Listings Requirements and the Company's MOI."

Reason and effect

The reason for Ordinary Resolution Number 1 is that the issuing of the Specific Issue Shares in terms of the Specific Issue requires the approval of Hulisani Shareholders in terms of paragraph 5.51(g) of the JSE Listings Requirements and the Company's MOI. The effect of Ordinary Resolution Number 1 is that the requisite approval, in terms of paragraph 5.51(g) of the JSE Listings Requirements and the Company's MOI, will be granted by Shareholders in order for the Specific Issue to be implemented.

Note: *In terms of paragraph 5.51(g) of the JSE Listings Requirements, Ordinary Resolution Number 1 requires the approval of at least 75% of the votes cast in favour thereof by all Shareholders present or represented by proxy at the General Meeting.*

3. **ORDINARY RESOLUTION NUMBER 2 – APPROVAL OF REVISED PERMISSIBLE OPERATING EXPENSES**

“**RESOLVED** that, the revised permissible operating expenses of the company for the periods ending 28 February 2017 and 28 February 2018, be and is hereby approved in terms of paragraph 4.34(c) of the JSE Listings Requirements.”

Reason and effect

The reason for Ordinary Resolution Number 2 is that the amendment to the permissible operating expenses of a SPAC requires the approval of Hulisani Shareholders in terms of paragraph 4.34(c) of the JSE Listings Requirements. The effect of Ordinary Resolution Number 2 is that the requisite approval, in terms of paragraph 4.34(c) of the JSE Listings Requirements, will be granted by Shareholders for the increase in the permissible operating expenses.

Note: *In terms of paragraph 4.34(c) of the JSE Listings Requirements, Ordinary Resolution Number 2 requires the approval of at least 75% of the votes cast in favour thereof by all Shareholders present or represented by proxy at the General Meeting.*

4. **ORDINARY RESOLUTION NUMBER 3 – AUTHORITY OF DIRECTORS**

“**RESOLVED** that any Director or the company secretary be and is hereby authorised to do all such things and sign all such documentation as are necessary to give effect to the ordinary and special resolutions set out in this notice, hereby ratifying and confirming all such things already done and documentation already signed.”

ELECTRONIC PARTICIPATION

Should any Shareholder wish to participate in the General Meeting by way of electronic participation, such Shareholder should make application to so participate, in writing (including details as to how the Shareholder or its representative can be contacted), to the Transfer Secretaries at the stated address below, to be received by the Transfer Secretaries at least 10 (ten) Business Days prior to the General Meeting in order for the Transfer Secretaries to arrange for the Shareholder (or its representative) to provide reasonably satisfactory identification to the Transfer Secretaries for purposes of section 63(1) of the Companies Act and for the Transfer Secretaries to provide the Shareholder (or its representative) with the details as to how to access any electronic participation to be provided.

The Company reserves the right to elect not to provide for electronic participation at the General Meeting in the event that it is not practical to do so. The costs of accessing any means of electronic participation provided by the Company will be borne by the Shareholder so accessing the electronic participation. Hulisani Shareholders are advised that participation in the General Meeting by way of electronic participation will not entitle a Shareholder to vote through an electronic medium. Should a Shareholder wish to vote at the General Meeting, such Shareholder may do so by attending and voting at the General Meeting either in person or by proxy.

VOTING AND PROXIES

The date on which Shareholders must be recorded, as such in the Register for purposes of being entitled to receive this notice is Friday, 16 September 2016.

The date on which Shareholders must be recorded in the Register for purposes of being entitled to attend and vote at the General Meeting is Friday, 14 October 2016. Accordingly, the last day to trade to be entitled to attend and vote at the General Meeting is Tuesday, 11 October 2016.

Section 63(1) of the Companies Act requires that meeting participants provide satisfactory identification. Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the Chairman of the General Meeting and must accordingly bring a copy of their identity document, passport or driver's license to the General Meeting. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the Transfer Secretaries for guidance.

Shareholders entitled to attend and vote at the General Meeting, may appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a shareholder of the Company. A form of proxy (*yellow*), in which the relevant instructions for its completion are set out, is enclosed for use by a Certificated Shareholder or Dematerialised Shareholder with “Own-name” Registration who wishes to be represented at the General Meeting. Completion of a form of proxy (*yellow*) will not preclude such Shareholder from attending and voting (in preference to that Shareholder's proxy) at the General Meeting).

By order of the Board

M Raphulu

Executive director

23 September 2016

Registered office

11th Floor, Sandton Eye

126 West Street

Corner Rivonia

Sandton, 2196

(PO Box 784583, Sandton, 2146)

Transfer secretaries

Computershare Investor Services Proprietary Limited

(Registration number 2004/003647/07)

70 Marshall Street

Johannesburg, 2001

(PO Box 61051, Marshalltown, 2107)



Hulisani Limited

(Incorporated in the Republic of South Africa)
(Registration number 2015/363903/06)
Share code: HUL ISIN: ZAE000212072
("Hulisani" or "the Company")

FORM OF PROXY – FOR USE BY CERTIFICATED AND DEMATERIALISED OWN-NAME SHAREHOLDERS ONLY

The definitions commencing on page 4 of the circular to which this form of proxy is attached, apply, mutatis mutandis, to this form of proxy.

For use at the General Meeting of Shareholders of the Company, to be held at 10:00 on Monday, 24 October 2016 at 11th Floor, Sandton Eye, 126 West Street, Corner Rivonia Road, Sandton.

I/We (Full names in BLOCK LETTERS please)

of (address)

Telephone number ()

Cellphone number

Email address

being the registered holder(s) of:

Shares hereby appoint:

1. or failing him/her

2. or failing him/her

3. the Chairman of the General Meeting

as my/our proxy to vote for me/us on my/our behalf at the General Meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment thereof and to vote for and/or against the said resolutions and/or to abstain from voting in respect of the Shares of the Company registered in my/our name(s), in accordance with the following instructions (see notes):

	Number of Shares		
	For	Against	Abstain
Special Resolution Number 1			
Authority to issue the Specific Issue Shares			
Ordinary Resolution Number 1			
Approval of the Specific Issue			
Ordinary Resolution Number 2			
Approval of the revised permissible operating expenses			
Ordinary Resolution Number 3			
Authority of Directors			

Please indicate your voting instruction by way of inserting the number of Shares or by a cross in the space provided should you wish to vote all of your Shares.

Signed at _____ on _____ 2016

Signature _____

Assisted by me (where applicable) (State capacity and full name) _____

Each Shareholder is entitled to appoint one or more proxy(ies) (who need not be a Shareholder(s) of the Company) to attend, speak and, vote in his stead at the General Meeting.

Notes:

1. A Hulisani Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space(s) provided, with or without deleting "the Chairman of the General Meeting", but any such deletion must be initialled by the Shareholder. The person whose name stands first on the form of proxy (*yellow*) and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A Shareholder is entitled to one vote on a show of hands and on a poll one vote in respect of each Share held. A resolution put to the vote shall be decided by a show of hands unless before, or on the declaration of the results of the show of hands, a poll shall be demanded by the chairman of the General Meeting or any person entitled to vote at the General Meeting.
3. A Shareholder's instructions to the proxy(ies) must be indicated by the insertion of the relevant number of Shares to be voted on behalf of that Shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the chairman of the General Meeting, if he/she is the authorised proxy, to vote in favour of the resolutions at the General Meeting, or any other proxy to vote or to abstain from voting at the General Meeting, as he/she deems fit, in respect of all the Shares concerned. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by the Shareholder or his/her proxy, but the total of the votes cast and in respect whereof abstentions are recorded may not exceed the total of the votes exercisable by the Shareholder or his/her proxy.
4. When there are joint registered holders of any Shares, any one of such persons may vote at the General Meeting in respect of such Shares as if he/she was solely entitled thereto, but, if more than one of such joint holders be present or represented at any meeting, that one of the said persons whose name stands first in the register in respect of such Shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased shareholder, in whose name any Shares stand, shall be deemed joint holders thereof.
5. Forms of proxy (*yellow*) must be completed and returned to be received by the Transfer Secretaries, Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), so as to be received by not later than 10:00 on Thursday, 20 October 2016 alternatively, such form of proxy (*yellow*) may be handed to the Chairman of the General Meeting prior to the exercise of the voting rights in terms thereof in respect of the resolution in question.
6. Any alteration or correction made to this form of proxy (*yellow*) must be initialled by the signatory(ies).
7. Documentary evidence establishing the authority of a person signing this form of proxy (*yellow*) in a representative capacity must be attached to this form of proxy (*yellow*) unless previously recorded by the Transfer Secretaries or waived by the Chairman of the General Meeting.
8. The completion and lodging of this form of proxy (*yellow*) will not preclude the relevant Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Shareholder wish to.
9. **Summary of rights contained in section 58 of the Companies Act**

In terms of section 58 of the Companies Act:

- a Shareholder may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a Shareholder) as a proxy to participate in, and speak and vote at, a shareholders meeting on behalf of such Shareholder;
- a proxy may delegate her or his authority to act on behalf of a Shareholder to another person, subject to any restriction set out in the instrument appointing such proxy;
- irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant Shareholder chooses to act directly and in person in the exercise of any of such Shareholder's rights as a Shareholder;
- any appointment by a Shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise;
- if an appointment of a proxy is revocable, a Shareholder may revoke the proxy appointment by: (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the company; and
- a proxy appointed by a Shareholder is entitled to exercise, or abstain from exercising, any voting right of such Shareholder without direction, except to the extent that the relevant company's memorandum of incorporation, or the instrument appointing the proxy, provides otherwise.

