THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

The definitions and interpretations commencing on page 6 of this Circular apply *mutatis mutandis* to this cover.

ACTION REQUIRED BY HULISANI SHAREHOLDERS

- This entire Circular is important and should be read with particular attention to the section titled "Action required by Hulisani Shareholders" on page 4. If you are in any doubt as to what action you should take, you should consult your CSDP, Broker, banker, legal adviser, accountant or other professional adviser 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, Broker or other agent through whom, the disposal was effected.
- Hulisani does not accept 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 transactions and actions set out in this Circular.

HULISANI LIMITED

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

CIRCULAR TO HULISANI SHAREHOLDERS

Relating to:

- **the subscription by the Company of the Kouga See-through Shares, which subscription constitutes the acquisition of a Viable Asset in terms of the JSE Listing Requirements;**
- **the use and retention of the Residual Capital;**
- **the General Issue;**
- **the General Repurchase;**
- **the approval of the Investment Policy,**

and incorporating:

- **Revised Listing Particulars in respect of the Company;**
- **a Notice of General Meeting of Hulisani Shareholders; and**
- **a form of proxy (yellow), only for use by Certificated Shareholders and Dematerialised Shareholders with "own-name" regstration.**

Transaction Advisor and Sponsor

PSG CAPITAL

Independent Reporting Accountant and Auditor to Hulisani

KPMG
cutting through complexity

Independent Reporting Accountant to Eurocape

pwc

Independent Reporting Accountant to Red Cap

MOORE STEPHENS

Date of issue: Thursday, 16 February 2017

Copies of this Circular incorporating the Revised Listing Particulars are available in English only and may, from Thusday, 16 February 2017 until Monday, 20 March 2017 (both days inclusive), be obtained from the registered office of Hulisani, the Transaction Advisor and Sponsor, at the addresses set out in the "Corporate Information" section of this Circular. A copy of this Circular will also be available on Hulisani's website (www.hulisani.co.za).

CORPORATE INFORMATION

The definitions and interpretations commencing on page 6 of this Circular apply *mutatis mutandis* to this Corporate Information section.

Directors of Hulisani

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

Registered office of Hulisani

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

Date of incorporation as a public company
13 October 2015

Place of incorporation
South Africa

Transaction Advisor and Sponsor

PSG Capital Proprietary Limited
(Registration Number 2006/015817/07)
1st Floor, Ou Kollege
35 Kerk Street
Stellenbosch, 7599
(PO Box 7403, Stellenbosch, 7600)

and at

1st Floor, Building 8
Inanda Greens Business Park
54 Wierda Road West
Wierda Valley
Sandton, 2196
(P O Box 987, Parklands, 2121)

Company secretary of Hulisani

ER Goodman Secretarial Services CC
(Registration number 1996/043126/23)
Houghton Estate Office Park
2nd Floor, Palm Grove
2 Osborn Road
Houghton, 2198
(PO Box 890825, Lynhurst,2106)

Independent Reporting Accountant and Auditor

KPMG Inc.
(Registration number 1999/021543/21)
KPMG Crescent
85 Empire Road
Parktown, 2193
(Private Bag 9, Parktown, 2122)

Legal Advisors to the Company

Allen & Overy (South Africa) LLP
2nd Floor, Graysand Office
2 Sandton Drive, 2196
(PO Box 785553, Sandton, 2146)

Transfer Secretaries

Computershare Investor Services
Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers,
15 Biermann Avenue,
Rosebank
2196
(PO Box 61051, Marshalltown, 2107)

TABLE OF CONTENTS

The definitions and interpretations commencing on page 6 of this Circular apply *mutatis mutandis* to this table of contents.

FORWARD LOOKING-STATEMENT DISCLAIMER

The definitions and interpretations set out on page 6 of this Circular apply to this forward-looking statement disclaimer.

This Circular contains statements about Hulisani and/or the Hulisani Group that are or may be forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “estimated”, “potential” or similar words and phrases.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Hulisani cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industry in which Hulisani operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this Circular.

All these forward-looking statements are based on estimates and assumptions made by Hulisani, as communicated in publicly available documents by Hulisani, all of which estimates and assumptions, although Hulisani believes them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those statements or assumptions include other matters not yet known to Hulisani or not currently considered material by Hulisani.

Shareholders should keep in mind that any forward-looking statement made in this Circular or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of Hulisani not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement are not known. Hulisani has no duty to, and does not intend to, update or revise the forward-looking statements contained in this Circular after the date of this Circular, except as may be required by law.

CONFLICT OF INTERESTS

As indicated in this Circular, PSG Capital fulfils the functions of Transaction Advisor and Sponsor to Hulisani.

It is PSG Capital’s opinion, that the performance of these functions do not represent a conflict of interests for PSG Capital, impair PSG Capital’s independence from Hulisani or impair PSG Capital’s objectivity in its professional dealings with Hulisani or in relation to the Acquisition.

ACTION REQUIRED BY HULISANI SHAREHOLDERS

The definitions and interpretations commencing on page 6 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.

1. If you are in any doubt as to what action to take, please consult your CDSP, broker, banker, attorney, accountant or other professional adviser immediately.
2. If you have disposed of all your Hulisani Shares, please forward this Circular to the purchaser of such Hulisani Shares or to the CSDP, broker, banker or other agent through whom the disposal was effected.
3. The General Meeting, convened in terms of the notice incorporated in this Circular, will be held at 4th Floor, North Tower, 90 Rivonia Road, Sandton, 2196, South Africa, on Monday, 20 March 2017, commencing at 10:00.

4. **GENERAL MEETING**

4.1 **If you hold Dematerialised Shares:**

4.1.1 ***Own-name registration***

You are entitled to attend, or be represented by proxy, and may vote at the General Meeting of Hulisani. 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, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107) by no later than 10:00 on Thursday, 16 March 2017.

4.1.2 ***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.

4.2 **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, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107) by no later than 10:00 on Thursday, 16 March 2017.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 6 of this Circular apply, *mutatis mutandis,* to this salient dates and times section.

	2017
Record date to determine which Shareholders are eligible to receive the Circular	Friday, 10 February
Circular containing Revised Listing Particulars, notice of General Meeting and form of proxy (*yellow*) posted to Shareholders and announced on SENS on	Thursday, 16 February
Last day to trade in order to be eligible to vote at the General Meeting	Tuesday, 7 March
Record date to be eligible to vote at the General Meeting	Friday, 10 March
Last day to lodge forms of proxies in respect of the General Meeting by 10:00 on	Thursday, 16 March
General meeting of Hulisani Shareholders to be held at 10:00 on	Monday, 20 March
Results of the General Meeting released on SENS on	Monday, 20 March

Notes:

1. All of the above dates and times are subject to change. Any changes made will be notified to Shareholders by release on SENS.
2. Shareholders should note that, as transactions in shares are settled in the electronic settlement system used by Strate, settlement of trades takes place 3 (three) Business Days after such trade. Therefore, persons who acquire Shares after the last day to trade as detailed in the table above, will not be able to vote thereat.
3. A Shareholder may submit the form of proxy (*yellow*) at any time before the commencement of the General Meeting (or any adjournment of the General Meeting) or hand it to the chairperson of the General Meeting before the appointed proxy exercises any of the relevant Shareholders' rights at the General Meeting (or any adjournment of the General Meeting), provided that, should a Shareholder lodge the form of proxy (*yellow*) with the Transfer Secretaries less than 48 (forty eight) hours before the General Meeting, a Shareholder will also be required to furnish a copy of such form of proxy (*yellow*) to the chairperson of the General Meeting before the appointed proxy exercises any of such Shareholder's rights at the General Meeting (or any adjournment of the General Meeting).
4. If the General Meeting is adjourned or postponed, forms of proxy (*yellow*) submitted for the initial General Meeting will remain valid in respect of any such adjournment or postponement. All times given in this Circular are local times in South Africa.

DEFINITIONS AND INTERPRETATIONS

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.

"Acquisition"	the Kouga Subscription;
"Act" or "Companies Act"	the Companies Act, 2008 (Act 71 of 2008), as amended;
"Auditor" or "KPMG"	KPMG Inc., a personal liability company incorporated in accordance with the laws of South Africa;
"Board" or "Directors"	the board of directors of the Company as at the Last Practicable Date, whose names appear on page 11 of this Circular;
"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;
"CIPC"	the Companies and Intellectual Property Commission established in terms of the Companies Act;
"Circular"	this document distributed to Shareholders and dated 16 February 2017, containing the circular to Hulisani Shareholders, annexures, the notice of General Meeting, a form of proxy (*yellow*) and Revised Listing Particulars;
"Closing Date"	5 (five) Business Days after the Effective Date;
"Companies Act"	the Companies Act, No. 71 of 2008, as amended;
"the Company" or "Hulisani" or "Hulisani Group"	Hulisani Holdings Limited, registration number 2014/195093/06, a public company incorporated and registered in accordance with the laws of South Africa and its subsidiaries;
"Computershare" or "the Transfer Secretaries"	Computershare Investor Services Proprietary Limited, registration number 2004/003647/07, a private company incorporated and registered in accordance with the laws of South Africa;
"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;
"Dematerialised Shares"	Hulisani Shares which have been incorporated into the Strate system and which are no longer evidenced by certificates or other physical documents of title;
"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;
"Directors" or "Board"	the directors of Hulisani, details of whom are set out in paragraph 8.1 of the Circular;

"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 of Hulisani;
"DOE"	Department of Energy of South Africa;
"Escrow Agreement"	the escrow agreement referred to in paragraph 7.2 of the Pre-Listing Statement, dated 8 March 2016;
"Eurocape"	Eurocape Renewables Proprietary Limited, registration number 2008/025303/07, a private company incorporated and registered in accordance with the laws of South Africa, the holder of 1.21% of the issued shares in Kouga, the shareholders being the Kasouga Trust, the Gerard Latouf Family Trust and Leadwood Capital Proprietary Limited (the shareholders being Mr J Eedes (50%) and Ms J Eedes (50%);
"Financial Markets Act"	the Financial Markets Act, Act 19 of 2012;
"General Issue"	the general authority sought by Hulisani to authorise it to issue Shares for cash in terms of the JSE Listings Requirements, as detailed in the Notice of General Meeting;
"General Meeting"	the General Meeting of Hulisani Shareholders to be held at 10:00 on Monday, 20 March 2017 at 4th Floor, North Tower, 90 Rivonia Road, Sandton, convened in terms of the Notice of General Meeting enclosed and forming part of this Circular;
"General Repurchase"	the general authority sought by Hulisani to authorise it or its subsidiaries to repurchase Shares in terms of the JSE Listings Requirements, as detailed in the Notice of General Meeting;
"Hulisani Shares" or "Shares"	ordinary shares in the share capital of Hulisani;
"Hulisani Shareholders" or "Shareholders"	holders of Hulisani Shares, which includes Certificated Shareholders, Dematerialised Shareholders and Dematerialised own-name Shareholders;
"IFRS"	International Financial Reporting Standards;
"Income Tax Act"	Income Tax Act, 1962 (Act 58 of 1962), as amended;
"Independent Reporting Accountant"	KPMG Inc., Chartered Accountants (SA), registration number 1999/021543/21, a company duly incorporated in accordance with the laws of South Africa, appointed as auditors and independent reporting accountants of Hulisani;
"Initial Period"	a period of 24 (twenty four) months from the Listing Date or such longer period as the JSE may permit;
"IPP"	independent power producer;
"JSE"	the exchange operated by the JSE Limited, registration number 2005/022939/06, a public company incorporated and registered in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act;
"JSE Listings Requirements"	the Listings Requirements of the JSE;
"King Code"	the King Report on Corporate Governance Principles for South Africa (2009);
"KWh"	kilowatt hour
"Kouga"	Kouga Wind Farm (RF) Proprietary Limited, registration number 2010/017030/07, a private company incorporated and registered in accordance with the laws of South Africa;

"Kouga Subscription"	the proposed subscription by Hulisani of the Kouga See-through Shares, which will be implemented in the manner set out in paragraph 2.1.3 of this Circular;
"Kouga Agreement"	the share subscription and repurchase agreement entered into on 26 September 2016, between Hulisani, Red Cap and Eurocape, in terms of which Hulisani will acquire the Kouga See-through Shares from Red Cap and Eurocape in exchange for the Kouga Subscription Consideration, the salient terms of which are set out in paragraph 2.1.3 this Circular;
"Kouga See-through Shares"	100% (one hundred percent) of the issued share capital of Red Cap and 100% (one hundred percent) of the issued share capital of Eurocape, who collectively directly hold 6.67% (six point sixty seven percent) of the issued share capital of Kouga;
"Kouga Shareholders	Stanlib Infrastructure Private Equity Fund 1 (35.0%), Inspired Evolution Investment Management (26.7%), The Kouga Wind Farm Community Development Trust (26.0%), Red Cap Investments (5.5%), Afri-Coast Engineers SA (5.5%) and Eurocape Renewables (1.2%)
"Kouga Subscription Price Adjustments"	any adjustments to the Kouga Subscription Consideration, as set out in clause 7 of the Kouga Agreement;
"Kouga Subscription Consideration"	an initial amount of R145 262 001 (one hundred and forty five million two hundred and sixty-two thousand and one Rand) which, following the Kouga Subscription Price Adjustments as set out in paragraph 2.1.4 of this Circular, resulted in a final amount of R128 600 000 (one hundred and twenty eight million six hundred thousand Rand);
"Kouga Wind Farm"	the wind farm located at Oyster Bay in the Eastern Cape, the underlying asset of Kouga;
"Last Practicable Date"	the last practicable date before finalisation of this Circular, which date was Monday, 6 February 2017;
"List"	the list maintained by the JSE of securities admitted to listing;
"Listing"	the listing of Hulisani on the JSE as a SPAC and the concurrent private placement of 50 000 000 (fifty million) Shares, whereby it raised R500 000 000 (five hundred million Rand) on 7 April 2016;
"Listing Date"	the date of the Listing, which was 7 April 2016;
"Longstop Date"	90 (ninety) Business Days after the signature date of the Kouga Agreement;
"Main Board"	the Main Board of the List;
"MOI" or "Memorandum of Incorporation"	the Hulisani or Kouga memorandum of incorporation, as the case may be;
"MW"	Megawatts;
"Nibira"	Nibira Proprietary Limited, registration number 2015/258211/07, a private company incorporated and registered in accordance with the laws of South Africa, the major shareholders being, M Raphulu (67%), MH Zilimbola (14%) and AV Notshe (8%);
"Notice of General Meeting"	the notice of the General Meeting attached to and forming part of this Circular;
"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;

"Permissible Operating Expenses"	fees and expenses incurred by the Company which may be paid by the Company;
"Pre-Listing Statement"	the pre-listing statement dated 31 March 2016, including all annexures thereto;
"Prime Rate"	means the publicly quoted rate (per cent, per annum) from time to time charged by ABSA Bank for similar amounts on unsecured overdraft to its prime customers in good standing in the private sector, as certified by any manager of that bank whose appointment it will not be necessary to prove, calculated as an effective daily rate;
"PSG Capital" or "Sponsor" or "Transaction Advisor"	PSG Capital Proprietary Limited, registration number 2006/015817/07, a private company incorporated and registered in accordance with the laws of South Africa;
"Rand" or "R"	South African Rand;
"Red Cap"	Red Cap Investments Proprietary Limited, registration number 2008/026283/07, a private company incorporated and registered in accordance with the laws of South Africa, the holder of 5.46% of the issued shares in Kouga, the shareholders being Tzing Investments Proprietary Limited, Kerligyn Proprietary Limited and Lance Blaine;
"REIPPPP"	the Renewable Energy Independent Power Producers Procurement Programme currently managed by the DOE;
"Register"	the register of certificated Shareholders maintained by the Transfer Secretaries and the sub-register of dematerialised Shareholders maintained by the relevant CSDP's;
"Repurchase"	the repurchase of the entire issued share capital of Red Cap and Eurocape by Red Cap and Eurocape respectively, from its existing shareholders;
"Residual Capital"	the residual amount of R362 450 000 of the capital raised on Listing that will not be utilised for the Acquisition;
"Revised Listing Particulars"	the revised listing particulars of Hulisani, as required by the JSE Listings Requirements and as set out in **Annexure 18**, which will only be effective if the Acquisition is approved by Hulisani Shareholders;
"SARB"	the South African Reserve Bank;
"Sellers"	the existing shareholders of Red Cap and Eurocape respectively;
"SENS"	the Stock Exchange News Service of the JSE;
"Share Certificates"	Share Certificates evidencing the Shares held by Certificated Shareholders or any other Document of Title acceptable to the Board in its sole discretion;
"Shareholders"	the holders of Shares in the issued ordinary share capital of the Company;
"Shares" or "Ordinary Shares"	ordinary shares of no par value in the authorised and issued ordinary share capital of the Company;
"South Africa"	the Republic of South Africa;
"SPAC"	Special Purpose Acquisition Company as defined in the JSE Listings Requirements;
"Sponsor Participation Agreement"	the agreement setting out the terms of the Sponsor Participation as set out in paragraph 9.2 of this circular;

"Strate"	Strate Proprietary Limited, registration number 1998/022242/07, a private company incorporated in accordance with 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;
"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; and
"Viable Asset"	an asset that will, on its own, enable Hulisani as a special purpose vehicle, to qualify for a main board listing pursuant to the JSE listing criteria of the main board.

HULISANI LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2015/363903/06)
JSE 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 Shareholders are referred to the announcement released on SENS on 27 September 2016 detailing the proposed subscription by Hulisani of the Kouga See-through Shares for the Kouga Subscription Consideration.

1.2 Hulisani listed as a SPAC and is therefore, in terms of the JSE Listings Requirements, required to complete the acquisition of a Viable Asset within 24 (twenty-four) months of the Listing Date. The Acquisition, if implemented, will constitute the acquisition of a Viable Asset and will result in Hulisani being classified, in terms of the JSE Listings Requirements, as an investment entity and no longer as a SPAC, provided that the Investment Policy is approved by Shareholders as set out in the Notice of General Meeting. Given that Hulisani listed as a SPAC, and not as an investment entity, the JSE require Shareholders to approve the Investment Policy before it can be classified as an investment entity. Should the Investment Policy be approved, the Company will still be required to comply with the JSE Listings Requirements as they relate to acquisitions and disposals.

1.3 In terms of the JSE Listings Requirements, the use and retention of the Residual Capital requires the approval of Hulisani Shareholders by way of an ordinary resolution. Should Shareholders not approve the resolution dealing with the further use and retention of the Residual Capital after the Acquisition has been approved, then such Residual Capital will be returned to Shareholders within 60 (sixty) calendar days after the date of the General Meeting.

1.4 Subject to the Acquisition being implemented and the approval by shareholders of the Investment Policy, Hulisani will no longer be a SPAC. Accordingly, Hulisani wishes to obtain the authority of Shareholders to:

1.4.1 undertake the General Issue;

1.4.2 undertake the General Repurchase.

1.5 The purpose of this Circular is to:

1.5.1 provide Shareholders with the requisite information regarding the Acquisition, the use of the Residual Capital, the General Issue, the General Repurchase and the Investment Policy to enable them to make an informed decision in respect of the resolutions set out in the Notice of the General Meeting;

1.5.2 convene the General Meeting in order to consider and, if deemed fit, approve the resolutions set out in the Notice of the General Meeting; and

1.5.3 issue Revised Listing Particulars pursuant to and conditional upon the successful implementation of the Acquisition in terms of the JSE Listings Requirements.

2. DETAILS OF THE ACQUISITION

2.1 Summary of the Acquisition

2.1.1 *Business of Kouga*

2.1.1.1 Commercial operations of the R2 billion Kouga Wind Farm, located at Oyster Bay in the Eastern Cape, officially commenced on 17 March 2015.

2.1.1.2 The Kouga Wind Farm is a round 1 REIPPP project comprising of an 80 (eighty) MW plant consisting of 32 (thirty two) x 2.5 (two point five) MW wind turbines which means that the Kouga Wind Farm will add approximately 300 million KWh of clean electricity annually to the grid, which will be enough to supply approximately 50 000 (fifty thousand) average South African households with electricity annually.

2.1.1.3 The construction phase of the wind farm commenced in March 2013.

2.1.1.4 The turbines have an 80m high tower and the blades are 90m in diameter. The tower is made up of four sections and there are three blades. The turbines require concrete foundations about 20m in diameter and each foundation is designed based on the ground conditions where it is situated. Next to the turbine foundation is a flat-levelled gravel "hard stand" with the purpose of ensuring that large cranes used to erect the turbines have a suitably solid and stable area on which to work.

2.1.1.5 The Kouga Wind Farm has a 20 (twenty) year agreement to supply electricity to Eskom.

2.1.2 *Rationale of the Kouga Subscription*

Hulisani was established to pursue the acquisition of, and investment in, companies focused on, and operating in, the energy sector and which evidence good potential for growth.

Red Cap and Eurocape were formed to develop renewable energy projects and assets in all forms in South Africa and neighbouring countries.

By entering into the Acquisition, Hulisani will be taking its first step in fulfilling this vision.

2.1.3 *Terms of the Kouga Subscription*

2.1.3.1 Red Cap and Eurocape collectively directly own 6.67% (six point sixty seven percent) of the issued share capital of Kouga.

2.1.3.2 Hulisani shall subscribe for the Kouga See-through Shares on the terms and subject to the conditions of the Kouga Agreement.

2.1.3.3 Red Cap and Eurocape have agreed to repurchase the entire share capital held by the Sellers ("**Sale Shares**") and the Sellers have agreed to sell.

2.1.3.4 Pursuant to the subscription by Hulisani of the Kouga See-through Shares and the Repurchase of the Sale Shares by Red Cap and Eurocape from the Sellers, Hulisani will be the indirect holder of 6.67% (six point sixty seven percent) of the issued share capital of Kouga and the direct holder of 100% (one hundred percent) of the issued share capital of Red Cap and Eurocape.

2.1.4 ***Kouga Subscription Consideration***

2.1.4.1 The aggregate Kouga Subscription Consideration is the amount of R128 600 000 (one hundred and twenty eight million six hundred thousand Rand) payable by Hulisani, subject to any Kouga Subscription Consideration Adjustments, currently being:

2.1.4.1.1 R103 227 073 (one hundred and three million two hundred and twenty seven thousand and seventy three Rand) in respect of the 100% (one hundred percent) of the issued share capital of Red Cap;

2.1.4.1.2 R25 372 927 (twenty-five million three hundred and seventy two thousand nine hundred and twenty seven Rand) respect of the 100% (one hundred percent) of the issued share capital of Eurocape; and

2.1.4.1.3 as at the Last Practicable Date, the Kouga Subscription Consideration had been reduced from R145 262 001 to R128 600 000 due to the Kouga Subscription Price Adjustments, being a dividend payment to the existing shareholders of Red Cap and Eurocape. A dividend payment amounting to R16 661 013 was declared on 2 August 2016 and paid on 8 August 2016. Subsequently, the parties agreed to round the Kouga Subscription Consideration down by R998 to arrive at a clean value of R128 600 000.

2.1.5 ***The Effective Date of the Kouga Subscription***

The subscription by Hulisani for the Kouga See-through Shares will be implemented on the date of the fulfilment or waiver, as the case may be, of the last condition precedent.

2.1.6 ***The conditions precedent***

The Kouga Agreement is subject to the following outstanding conditions precedent to be fulfilled or waived, as the case may be, by no later than the Longstop Date, namely:

2.1.6.1 delivery by Hulisani to Red Cap and Eurocape of and irrevocable undertaking from Hulisani's majority shareholders that they will vote in favour of the Acquisition within 14 (fourteen) days of the signature date of the Kouga Agreement and confirming in writing from Hulisani that its Shareholders approved the Acquisition contemplated at a general meeting and the Kouga Agreement in accordance with the JSE Listings Requirements (which are set out in paragraph 5); and

2.1.6.2 delivery by Hulisani to Red Cap and to Eurocape of written resolutions of its board of directors approving the Kouga Agreement, authorising the authority of the person who signed the Kouga Agreement and confirming and accepting that Hulisani is bound by the Kouga Agreement.

If any of the condition precedents above are not fulfilled or waived by the Longstop Date (or such other date as may be agreed by the parties), the rights and obligations in terms of the Kouga Agreement shall not come into force and effect.

2.1.7 ***Other significant terms of the Kouga Agreement***

The Kouga Agreement contains the following significant terms:

2.1.7.1 At the Closing Date, the Kouga Subscription Consideration shall be adjusted upwards or downwards by an amount determined by applying to the Kouga Subscription Consideration, the percentage obtained by multiplying the Prime Rate and expressed as an effective daily rate, by the number of days elapsed between the Effective Date and 31 July 2016 or such other date as agreed by all parties to the Kouga Agreement.

2.1.7.1.1 The adjustment referred to above has been included to ensure timely payment by Hulisani once all conditions have been met.

2.1.7.2 If a cash distribution is made by either Red Cap or Eurocape to its shareholders other than as contemplated in the Kouga Agreement prior to the Closing Date, then the Kouga Subscription Consideration shall be reduced by the same amount as is distributed by either of Red Cap or Eurocape.

2.1.7.3 The Kouga Agreement contains representations and warranties that are customary for an agreement of this nature save for the warrantee that Red Cap and Eurocape shall have no liabilities or assets other than the shares held by each in Kouga as at the Closing Date.

3. **RESIDUAL CAPITAL**

3.1 The total amount raised during the Listing was R500 million, net of the cost of Listing was R497.7 million.

3.2 The Kouga Subscription Consideration amounts to R128 600 000 (one hundred and twenty-eight million six hundred thousand Rand). Hulisani will therefore retain a residual amount of approximately R362 450 000 of the capital raised on Listing after total expenses of R6 650 000, determined as of 1 January 2017.

3.3 Hulisani intends to use the Residual Capital to source new investments and to fund operating expenses.

3.4 The use and retention of the Residual Capital requires the approval of Hulisani Shareholders by way of an ordinary resolution. Should Hulisani Shareholders not approve the retention of the Residual Capital, the distribution to Shareholders will be made after a sufficient amount is retained for working capital in order to meet solvency and liquidity requirements of the Companies Act.

4. **ADDITIONAL RESOLUTIONS**

4.1 If the Acquisition is implemented and the Investment Policy approved, Hulisani will no longer be a SPAC and will be classified in the "Investment Companies" subsector of the FTSE Global Classification System. Accordingly, Hulisani wishes to obtain the authority of Shareholders to:

4.1.1 undertake the General Issue;

4.1.2 undertake the General Repurchase; and

4.1.3 approve the Investment Policy.

4.2 Additional information, including the requisite voting thresholds, in relation to the above resolutions is contained in the Notice of General Meeting.

5. **IRREVOCABLE UNDERTAKINGS**

As at the Last Practicable Date, Hulisani Shareholders who collectively hold 66.93% of the issued share capital of Hulisani have provided irrevocable undertakings to vote in favour of the Acquisition and the retention of the Residual Capital, being:

Hulisani shareholder	**Number of Hulisani Shares held**	**Hulisani Shares as a % of the aggregate issued Hulisani Shares**
Public Investment Corporation	22 268 528	44.54
Eskom Pension and Provident Fund	7 452 248	14.90
Unemployment Insurance Fund	2 380 970	4.76
Chemical Industries National Provident Fund	1 365 411	2.73
Total	**33 467 157**	**66.93**

6. FINANCIAL INFORMATION

6.1 Historical financial information of Red Cap

6.1.1 The audited historical financial information of Red Cap for the last 3 (three) financial years ended 28 February 2014, 28 February 2015, 29 February 2016 and the six-month period ended 31 August 2016 are annexed at **Annexure 7** and **Annexure 9** respectively. Copies will be available for inspection in terms of paragraph 17 below.

6.1.2 The Independent Reporting Accountant's report on the historical financial information of Red Cap for the last 3 (three) financial years ended 28 February 2014, 28 February 2015, 29 February 2016 and the six-month period ended 31 August 2016 appears in **Annexure 4** and **Annexure 10** respectively.

6.1.3 The aforementioned historical financial information of Red Cap is the responsibility of the Directors of Red Cap. The responsibility for the disclosure of the aforementioned historical financial information of Red Cap is the responsibility of the directors of Hulisani.

6.2 Historical financial information of Eurocape

6.2.1 The audited historical financial information of Eurocape for the last 3 (three) financial years ended 28 February 2014, 28 February 2015 and 29 February 2016 and the six-month period ended 31 August 2016 are annexed at **Annexure 11** and **Annexure 13** respectively. Copies will be available for inspection in terms of paragraph 17 below.

6.2.2 The Independent Reporting Accountants' report on the historical financial information of Eurocape for the last 3 (three) financial years ended 28 February 2014, 28 February 2015, 29 February 2016 and the six-month period ended 31 August 2016 appears in **Annexure 12** and **Annexure 14** respectively.

6.2.3 The aforementioned historical financial information of Eurocape is the responsibility of the Directors of Eurocape. The responsibility for the disclosure of the aforementioned historical financial information of Eurocape is the responsibility of the directors of Hulisani.

6.2.4 The Directors of Eurocape acknowledge the Adverse Opinion made by the company's auditors, PWC, in respect of the financial statements. As explained in note 1.5 of **Annexure 11**, the company has not presented group financial statements in which it consolidates its investment in Business Venture No 1421 Proprietary Limited, its subsidiary company, as required by International Financial Reporting Standards IFRS 10 Consolidated financial statements. This investment is accounted for on a cost basis. Under International Financial Reporting Standards, the subsidiary should have been consolidated because it is controlled by Eurocape Renewables Proprietary Limited. After the reporting date, Eurocape Renewables Proprietary Limited sold their shares and claims in Business Venture Investments No 1421 for R90 (R1/share). The company sold the shares and claims "as is" and provided no representations and warranties in respect of the sale. The effective date of the sale was 29 July 2016. The directors are satisfied that not consolidating Business Venture No 1421 Proprietary Limited has had no material impact on the consolidated financial statements of the company.

6.3 *Pro forma* financial effects on Hulisani

6.3.1 The *pro forma* financial effects of the Acquisition, as set out below, is the responsibility of the directors of Hulisani. The *pro forma* financial effects are presented in a manner consistent with the basis on which the historical financial information of Hulisani has been prepared and in terms of Hulisani's accounting policies. The *pro forma* financial effects have been presented for illustrative purposes only and, because of their nature, may not give a fair reflection of Hulisani's financial position, changes in equity and results of operations post the implementation of the Acquisition.

6.3.2 These *pro forma* financial effects as set out below should be read in conjunction with the *pro forma* financial information as set out in **Annexure 1**, together with the assumptions upon which the financial effects are based, as indicated in the notes thereto in **Annexure 1.**

6.3.3 The Independent Reporting Accountants' report on the *pro forma* financial information appears in **Annexure 2** to this Circular.

6.3.4 The table below sets out the *pro forma* financial effects of the Acquisition on Hulisani, based on the interim results for the six-month period ended 31 August 2016.

	Results for the interim period ended 31 August 2016	***Pro forma* results after Acquisition**	**Change (%)**
Net asset value per Share (cents)	1 002.19	988.89	(1.34)
Net tangible asset value per Share (cents)	1 002.19	988.89	(1.34)
Earnings per Share (cents)	2.39	(12.12)	(608.10)
Headline earnings per Share (cents)	2.39	(12.12)	(608.10)
Number of Shares in issue net of treasury shares ('000)	50 000 020	50 000 020	
Weighted number of Shares in issue ('000)	45 833 353	45 833 353	

Notes and assumptions: Detailed notes on the *pro forma* financial information are set out in **Annexure 1.**

6.4 Purchase price reconciliation

6.4.1 The Kouga Subscription amount of R128 600 000, of which R103 227 073 is in respect of 100% of the issued share capital of Red Cap and R25 372 927 is in respect of 100% of the issued share capital of Eurocape.

6.4.2 At 31 August 2016 Eurocape had a net asset value of R12 392 208, the difference being R12 980 719.

6.4.3 At 31 August 2016 Red Cap had a net asset value of R75 467 581, the difference being R27 759 492.

7. GENERAL MEETING

7.1 A General Meeting of the Hulisani Shareholders has been convened and will be held at 10:00 on Monday, 20 March 2017 at 4th Floor, North Tower, 90 Rivonia Road, Sandton, Gauteng, South Africa, for the purpose of considering, and if deemed fit, passing, with or without modification, the requisite resolutions set out in the Notice of General Meeting.

7.2 The Notice of General Meeting is attached hereto and forms part of this Circular and contains the resolutions to be considered at the General Meeting. Full details of the action required by Shareholders are set out in the "*Action required by Shareholders*" section of this Circular.

8. DIRECTORS

8.1 Details of Directors

The full names, age, capacity and business address of the Directors of Hulisani are outlined below:

Full name	**Age**	**Designation**
Malungelo Headman Zilimbola	46	Chief Executive Officer
Marubini Eugene Raphulu	42	Chief Investment Officer
Mark Adrian Booysen	55	Chief Financial Officer
Patilizwe Caswell Mdoda	61	Independent Non-executive Chairperson
Harald Heinz Schaaf	65	Independent Non-executive Director
Minute Fhedzisani Modau	40	Independent Non-executive Director
Asanda Vuyolwethu Notshe	35	Non-executive Director
Dudu Rosemary Hlatshwayo	54	Independent Non-executive Director
Noluthando Primrose Gosa	53	Independent Non-executive Director

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

8.2 **Directors' service contracts**

8.2.1 As at the date of this Circular, Hulisani had not yet concluded service contracts with its executive Directors. These contracts are in progress and the final contracts require the Remuneration and Nomination Committee to sign off on all aspects relevant to the executives' remuneration and incentives. The contracts will only be finalised once a viable asset acquisition has been concluded.

8.2.2 There are no service contracts between Hulisani and any of its non-executive Directors.

8.3 **Directors' interests**

8.3.1 The direct and indirect interests of the Directors and their associates (including a director who has resigned during the last 18 (eighteen) months) in the Share capital of Hulisani as at the Last Practicable Date, are set out below:

Director	**Direct beneficial**	**Indirect beneficial**	**Total number of Shares**	**Total %**
ME Raphulu	1 340 000	10	1 340 010	2.68
PC Mdoda	500 000	–	500 000	1.00
MH Zilimbola	660 000	10	660 010	1.32
AV Notshe	–	56 820	56 820	–
Total	**2 500 000**	**56 840**	**2 556 840**	**5.00**

8.3.2 Save as set out below, there has been no change in the Shareholding of the Directors between the end of the interim period ended 31 August 2016 and the Last Practicable Date.

8.3.3 Save for being a Shareholder of Hulisani, no Director of Hulisani and no director of any of its subsidiaries (including a director who has resigned during the last 18 (eighteen) months), has or had any material beneficial interest, directly or indirectly, in any transactions that were effected by Hulisani:

8.3.3.1 during the current or immediately preceding financial year; or

8.3.3.2 in any previous financial year which remains in any respect outstanding or unperformed.

8.4 **Directors' emoluments and incentives**

8.4.1 For the year ended 29 February 2016, Hulisani Group has not paid or accrued as payable, any remuneration or benefits to Directors as the Listing was effected on 7 April 2016.

8.4.2 For the year ended 29 February 2016, no Director has received management, consulting or technical fees from the Hulisani Group nor any part of any other fees for such services rendered, directly or indirectly, including payments to management companies.

8.4.3 For the year ended 29 February 2016, no Director has received any commission, gain or entered into any profit-sharing arrangement with the Hulisani Group.

8.4.4 The remuneration of the Directors will not be varied as a result of the Acquisition.

8.4.5 The fees that have been approved for the non-executive Directors (retainer and meeting fees) of Hulisani for the year ended 29 February 2016, is set out in the Revised Listing Particulars in **Annexure 18** to this Circular.

9. **INFORMATION RELATING TO HULISANI**

9.1 **Major Shareholders and interests**

9.1.1 The table below reflects the Hulisani Shareholders who, as at the Last Practicable Date, beneficially held, directly or indirectly, an interest of 5% (five percent) or more of the Hulisani Shares currently in issue:

Shareholders	Number of Hulisani Shares held directly ('000)	Percentage holding of Hulisani Shares
Public Investment Corporation	22 268 528	44.54
Eskom Pension and Provident Fund	7 452 248	14.90
Total	**29 720 776**	**59.44**

9.1.2 There has been no change in the controlling shareholder nor trading objects of Hulisani from the Listing to the Last Practicable Date, and there will be no change in the shareholding in Hulisani as a result of the Acquisition.

9.2 **Sponsor Participation Agreement**

9.2.1 On 29 November 2016, Hulisani entered into the Sponsor Participation Agreement with Nibira. Nibira worked on securing a pipeline of an initial basket of potential acquisitions in the alternative energy sector. This initial basket of transactions were introduced to Hulisani post the listing of Hulisani on the JSE. All negotiations on the pipeline of potential acquisitions were funded by Nibira. The basket of transactions have been offered to Hulisani by Nibira on the basis that Nibira should be rewarded for the work that it has done to date, of which the Acquisition forms part thereof.

9.2.2 In terms of the Sponsor Participation Agreement Nibira will be entitled to benefit by 50bps in the discount rate for all projects that were introduced to Hulisani by Nibira. Irrespective of the fact that the Sponsor Participation Agreement was signed after the Kouga Agreement, Nibira is entitled to a fee of R4 879 000 for introducing the Acquisition to Hulisani, as the Acquisition was always introduced in good faith on the understanding that the Sponsor Participation Agreement would be signed.

9.2.3 For the avoidance of doubt, and by way of example, if Nibira introduced Hulisani to a transaction at a 14% IRR discount rate, Hulisani shall acquire such project at 13.5% and the benefit of the 0.5% will be awarded to Nibira in cash.

9.2.4 For clarity purposes the following issues need to be noted:

9.2.4.1 This reward is limited to the initial basket of transactions;

9.2.4.2 Hulisani's minimum hurdle rate for investment returns will not be compromised by the margin to be earned by Nibira; and

9.2.4.3 Should the negotiated investment rate be higher that the hurdle rate, Nibira's margin will remain at 50 basis points (bps), with any additional margin accruing to Hulisani.

9.2.5 In being consistent with the Board's commitment to comply with the King Code and to the extent that there exist conflicts of interest at a Board level or any of the sub-committees of the Board, the non-conflicted Directors were unanimous in approving the Sponsor Participation Agreement. When assessing future potential acquisitions when a fee is payable to Nibira, a majority of non-conflicted Directors must vote in favour of the proposed acquisition.

9.3 **Material changes**

9.3.1 There have been no material changes in the financial or trading position of the Hulisani Group since 31 August 2016, being the most recent interim period of Hulisani, until the Last Practicable Date.

9.3.2 There have been no material changes in the financial or trading position of either Red Cap or Eurocape since their results for the interim period ended 31 August 2016.

9.4 **Prospects**

9.4.1 The acquisition of the investment in Kouga Wind Farm, through the acquisition of Red Cap and Eurocape, allows Hulisani to begin its journey to achieving its stated intention of being a holding company of energy assets. This will allow the investing institutions and public to have exposure to a portfolio of long term, cash flow generating assets.

9.4.2 Hulisani has a potential investment pipeline. With the good prospects of raising the full R4 billion in equity as approved by shareholders on 24 October 2016, Hulisani will be able to quickly build a portfolio of high quality assets. The directors believe that Hulisani is well placed to reach its originally intended potential which includes, *inter alia,* the conclusion of at least the majority of the potential acquisitions introduced by Nibira.

9.5 **Material borrowings**

As at the Last Practical Date, no material borrowings have been made to Hulisani, Eurocape, Red Cap or any of their subsidiaries.

9.6 **Material contracts**

9.6.1 Save for the Agreement and the Sponsor Participation Agreement, 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 an obligation or settlement that is material to Hulisani as at the date of this Circular. No conversion rights or redemption rights have been granted by Hulisani to any party.

9.6.2 No material contracts or restrictive funding arrangements have been entered into by Red Cap or Eurocape, 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 an obligation or settlement that is material to Hulisani, Red Cap or Eurocape at the date of the Circular. No conversion rights or redemption rights have been granted by Red Cap or Eurocape to any party.

9.6.3 Hulisani is not subject to any royalty agreements.

9.7 **Secretarial and technical fees**

9.7.1 During the financial year ended 29 February 2016, Hulisani did not pay any fees in respect of secretarial fees or consulting fees.

9.7.2 During the financial year ended 29 February 2016 Red Cap did not pay any fees to third parties in respect of secretarial fees. Over the same period, R556 792 was paid in respect of consulting fees. Consulting fees relate to fees charged in respect of financial and other services performed on behalf of Red Cap.

9.7.3 During the financial year ended 29 February 2016 Eurocape did not pay any fees to third parties in respect of secretarial fees. Over the same period, R91 200 was paid in respect of consulting fees. Consulting fees relate to fees charged in respect of financial and other services performed on behalf of Eurocape.

9.8 **Acquisition of material assets**

Save for the Acquisition, no material assets have been acquired by the Hulisani Group from Listing to the Last Practicable Date.

10. **WORKING CAPITAL STATEMENT**

The Directors are of the opinion that the working capital available to the Hulisani Group, including Red Cap and Eurocape is sufficient for the Hulisani Group's present working capital requirements and will, post-implementation of the Acquisition, be adequate for at least 12 (twelve) months from the date of issue of this Circular.

Hulisani Shareholders are advised that irrespective of whether Shareholders vote for or against the retention of the Residual Capital, sufficient working capital will be required to run the Company and as a result, the Residual Capital to be returned to shareholders will be reduced by the amount of capital required for working capital in order to meet the solvency and liquidity requirements of the Act. Therefore, the Directors are of the opinion that the working capital available to the Hulisani Group, including Red Cap and Eurocape is sufficient for the Hulisani Group's present working capital requirements irrespective of whether shareholders vote for or against the retention of the Residual Capital.

The Directors are of the opinion that the working capital available to the Hulisani Group is sufficient for the Hulisani Group's present working capital requirements and will, should the Acquisition not be approved by Shareholders, be adequate for at least 12 (twelve) months from the date of issue of this Circular and as a result, the Residual Capital to be returned to shareholders will be reduced by the amount of capital required for working capital in order to meet the solvency and liquidity requirements of the Act.

11. LITIGATION STATEMENT

There are no legal or arbitration proceedings (including any such proceedings that are pending or threatened) of which Hulisani is aware, which may have or have, over the previous 12 (twelve) months, had a material effect on the financial position of the Hulisani Group, Red Cap or of Eurocape.

12. EXPENSES

The estimated costs of preparing and distributing this Circular and all its annexures, holding the General Meeting and implementing the Acquisition, including the fees payable to professional advisors, are approximately R6 650 000, including value added tax, and include the following:

Expenses	**R**
Transaction Advisor and Sponsor – PSG Capital	950 000
Deal originator fee – Nibira	4 879 000
Independent Reporting Accountants – KPMG	85 000
Technical advisors – ESP	75 000
Legal advisors – Allen & Overy	468 560
JSE documentation fees	86 000
Printing, publications and announcements – Ince	60 000
Contingency	46 440
Estimated total	**6 650 000**

Note: Other than as set out above, Hulisani has incurred no preliminary expenses in relation to the Acquisition during the 3 (three) years preceding this Circular.

13. DIRECTORS' RECOMMENDATION

13.1 The Directors have considered the terms and conditions of the Acquisition and are of the opinion that the Acquisition is in the interests of Hulisani Shareholders and fits the Company's investment policy and is demonstrates another step in the Company fulfilling its objectives.

13.2 The Directors recommend that Shareholders vote in favour of the resolutions to be proposed at the General Meeting, as detailed in the Notice of General Meeting.

13.3 The Directors, in their personal capacities, intend to vote the Shares held by them in favour of the resolutions to be proposed at the General Meeting.

13.4 The Independent Board has considered the terms and conditions of the Acquisition and has approved the Acquisition. The Independent Board has considered the terms and conditions of the Sponsor Participation Agreement and are of the opinion that the fee therein is market-related. The Independent Board has resolved that Messrs Zilimbola, Raphulu and Notshe and their associates not vote their shares for the approval of the Acquisition at the General Meeting.

14. **GENERAL MEETING AND VOTING**

14.1 The General Meeting will be held at 10:00 on Monday, 20 March 2017 at 4th Floor, North Tower, 90 Rivonia Road, Sandton at which General Meeting Hulisani Shareholders will be requested to consider and, if deemed fit, to pass, with or without modification, the requisite resolutions set out in the Notice of General Meeting.

14.2 The Notice of General Meeting is attached hereto and forms part of this Circular and contains the resolutions to be considered at the General Meeting. Full details of the action required by Shareholders are set out in the "*Action required by Shareholders*" section of this Circular.

15. **ADVISORS' CONSENTS**

The parties referred to in the *Corporate Information* section of this Circular have consented in writing to act in the capacities stated and to their names being stated in the Circular and, in the case of the Independent Expert and the Independent Reporting Accountant, have consented to the inclusion of their reports, and to the references to their reports, in the form and context in which they appear, and have not withdrawn their consents prior to the publication of the Circular.

16. **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors, whose names are given in the *Corporate Information* section of this Circular, collectively and individually accept full responsibility for the accuracy of the information furnished relating to the Hulisani Group and certify that, to the best of their knowledge and belief, there are no facts that 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.

17. **DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents, or copies thereof, will be available for inspection by Hulisani Shareholders during normal business hours at the registered office of Hulisani and at the office of the Sponsor, the details of which are provided in the *Corporate Information* section of this Circular, from Thursday, 16 February 2017 until Monday, 20 March 2017 (both days inclusive):

17.1 the Memoranda of Incorporation of Hulisani, Red Cap and Eurocape;

17.2 the Kouga Agreement;

17.3 the Independent Reporting Accountants' report on the *pro forma* financial information of Hulisani, as set out at **Annexure 2** of this Circular;

17.4 the consolidated annual financial statements of Red Cap and Eurocape for the financial years ended 28 February 2014, 28 February 2015 and 29 February 2016, and the six-month period ended 31 August 2016, as set out in **Annexures 3, 5, 7 and 9**;

17.5 the Independent Reporting Accountants' report on the historical financial information of Red Cap and Eurocape, as set out at **Annexures 4, 6, 8 and 10** of this Circular;

17.6 Sponsor Participation Agreement;

17.7 the audited financial statements of Hulisani for the year ended 29 February 2016 and for the six-month period ended 31 August 2016; and

17.8 a copy of this Circular, including the Revised Listing Particulars and all applicable annexures.

SIGNED AT SANDTON ON THURSDAY, 16 FEBRUARY 2017 BY ME RAPHULU ON BEHALF OF ALL THE DIRECTORS OF HULISANI HOLDINGS LIMITED IN TERMS OF POWERS OF ATTORNEYS SIGNED BY SUCH DIRECTORS.

ME Raphulu
Chief Investment Officer

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

PRO FORMA FINANCIAL INFORMATION ON HULISANI

The definitions and interpretations commencing on page 6 of the Circular have been used throughout this **Annexure 1**.

The *pro form*a financial information of Hulisani ("*Pro forma* Financial Information") has been prepared for illustrative purposes only and because of its nature may not fairly present Hulisani's financial position, changes in equity and results of operations or cash flows. The *Pro forma* Financial Information is based on the unreviewed interim financial information of Hulisani as at, and for the period ended 31 August 2016, as presented in the Interim Financial Statements of Hulisani.

The *Pro forma* Financial Information has been prepared to illustrate the impact of the Acquisition on the Historical Financial Information of Hulisani on the assumption that the Acquisition occurred on 1 March 2016 for statement of comprehensive income purposes and on 31 August 2016 for statement of financial position purposes.

The *Pro forma* Financial Information has been prepared using the accounting policies of Hulisani which comply with IFRS and are consistent with those applied in the Historical Financial Information. The *Pro forma* Financial Information is the responsibility of the directors.

In order to illustrate the substance of the acquisition, the *Pro Forma* Financial Information of Red Cape and Eurocape are included in **Annexures 3** and **5**.

KPMG's independent reporting accountants' report on the *Pro forma* Financial Information is set out in **Annexure 2** to this Circular.

Statement of comprehensive income

	Before(1)	**Viable asset Acquisition**(2)	**After the Listing and Viable Asset Acquisition**
Revenue	11 487 137		11 487 137
Expenses			
Operating expenses	9 968 294	(6 650 000)(3)	16 618 294
Net income before tax	1 518 843	(6 650 000)	(5 131 157)
Tax	(425 276)		(425 276)
Net income after tax	1 093 567	(6 650 000)	(5 556 433)
Profit/(loss) attributed to Shareholders	1 093 567	(6 650 000)	(5 556 433)
EPS (cents)	2.39		(12.12)
HEPS (cents)	2.39		(12.12)
Weighted average number of shares in issue	45 833 353		45 833 353

Statement of comprehensive income

Notes and assumptions:

1. The Before column presents the historical statement of comprehensive income of Hulisani, which has been extracted, without adjustment, from the unreviewed interim statement of comprehensive income of Hulisani for the six months ended 31 August 2016.
2. No interest benefit on the Listing has been assumed as it is the intention of the Company to utilise the proceeds raised for future acquisitions.
3. Operating expenses have been further adjusted for transaction costs directly attributable to the Acquisition (Investment in Red Cap and Eurocape) as stipulated in the Kouga Subscription Agreement. Transaction costs are based on amounts agreed to by service providers. The amount includes the sponsors' participation amount of R4.879 million.
4. All adjustments with the exception of transaction costs are expected to have a continuing impact.

Statement of financial position

	Before [1]	Viable asset acquisition [2,3,4]	After the listing and viable asset acquisition
ASSETS			
Non-current assets	**463 010**	128 600 000	**129 063 010**
Equipment	463 010		463 010
Investments	–	128 600 000	128 600 000
Current assets	**501 409 857**	**135 250 000)**	**366 159 857**
Accounts receivable	1 249 420		1 249 420
Cash and cash equivalents	**500 160 437**	(135 250 000)	364 910 437
Total assets	**501 872 867**	**(6 650 000)**	**495 222 867**
EQUITY AND LIABILITIES			
Equity			
Share capital	500 000 200		500 000 200
Retained income	1 093 567	(6 650 000)	(5 556 433)
	501 093 767	**(6 650 000)**	**494 443 767**
LIABILITIES			
Current liabilities	**779 100**		**779 100**
Trade and other payables	353 824		353 824
Tax payable	425 276		425 276
Total liabilities	**779 100**		**779 100**
Total equity and liabilities	**501 872 867**	**(6 650 000)**	**495 222 867**
Net asset value per share (cents)	**1 093.30**		**988.89**
Net tangible asset value per share (cents)	**1 093.30**		**988.89**
Number of shares in issue	**50 000 020**		**50 000 020**

Statement of financial position

Notes and assumptions:

1. The before column presents the historical statement of financial position of Hulisani, which has been extracted, without adjustment, from the unreviewed statement of financial position, at 31 August 2016.
2. Cash and cash equivalents and, retained income have been adjusted for transaction costs directly attributable to the Acquisition. Sponsors' participation fees of R4 879 000 as well as other acquisitions expenses are settled in cash.
3. Investments and cash and cash equivalents have been adjusted for the investment in the Kouga Wind Farm held in Red Cap and Eurocape. Refer to **Annexures 3** and **5** for the Red Cap and Eurocape *pro forma* financial statements. The Kouga Wind Farm investment in the respective entities is as follows:

	% Acquired	Value in Company	Fair value/ Purchase price
Red Cap	5.46	R75 467 581[1]	R103 227 073
Eurocape	1.21	R12 392 208[2]	R25 372 927
	6.71	**R87 859 789**	**R128 600 000**

1. Representative of the Financial Asset as at 31 August 2016.
2. Representative of the Net Asset Value as at 31 August 2016.

These investments have been accounted for at fair value based on the requirements of IFRS 10:31, as Hulisani is an investment entity and qualifies for the investment entity exemption, whereby all investments are accounted for at fair value through profit and/or loss. The treatment of these investments is in accordance with Hulisani's accounting policy. This accounting policy is included as **Annexure 17** to this Circular. Post-acquisition, both Red Cap as well as Eurocape will be investment holding companies and will not supply services to Hulisani. Therefore, the requirements of IFRS 10.32 will not apply to Red Cap or Eurocape. The fair value of these investments has been performed by an external entity, Fieldstone Africa, and has been based on discounting the expected future cash flows that these investments will pay over the life of the investment.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION OF HULISANI

The Directors
Hulisani
11th Floor, Sandton Eye
126 West Street
Corner Rivonia and West Street
Sandton
2196

7 February 2017

Reporting Accountants' Report on the Compilation of the *Pro Forma* Financial Information of Hulisani

The definitions and interpretations commencing on page 6 of the Circular to which this letter is attached apply, *mutatis mutandis,* to this report.

We have completed our assurance engagement to report on the compilation of the *pro forma* earnings and headline earnings, net asset value and net tangible asset value per share of Hulisani, *pro forma* statement of financial position of Hulisani, the *pro forma* statement of comprehensive income of Hulisani and the related notes, including a reconciliation showing all of the *pro forma* adjustments to the share capital, reserves and other equity items relating to Hulisani (collectively "*Pro forma* Financial Information of Hulisani"). The *Pro forma* Financial Information of Hulisani is set out in the Salient Features, paragraph 6.3.4 and **Annexure 1** of the Circular.

The *Pro forma* Financial Information of Hulisani has been compiled by the Directors to illustrate the impact of the Acquisitions ("Transactions") on Hulisani's financial position and changes in equity as at 1 March 2016 and Hulisani's financial performance for the six-month period ended 31 August 2016.

As part of this process, Hulisani's earnings and headline earnings, net asset value, net tangible asset value per share, statement of comprehensive income and statement of financial position for the six-month period ended 31 August 2016 have been extracted by the Directors from the interim financial results.

Directors' responsibility for the *Pro forma* Financial Information of Hulisani

The Directors are responsible for compiling the *Pro forma* Financial Information of Hulisani on the basis of the applicable criteria as detailed in paragraphs 8.15 to 8.33 of the Listings Requirements and the SAICA Guide on *Pro forma* Financial Information, revised and issued in September 2014 ("Applicable Criteria").

Reporting accountants' independence and quality control

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Part A and B).

The firm applies International Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibility

Our responsibility is to express an opinion about whether the *Pro forma* Financial Information of Hulisani has been compiled, in all material respects, by the Directors on the basis of the Applicable Criteria, based on our procedures performed.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the *Pro forma* Financial Information of Hulisani on the basis of the Applicable Criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on the Audited Financial Information used in compiling the *Pro forma* Financial Information of Hulisani, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *Pro forma* Financial Information of Hulisani.

The purpose of the *Pro forma* Financial Information of Hulisani included in the Circular is solely to illustrate the impact of the Transactions on the unadjusted Audited Financial Information as if the Transactions had been undertaken on 1 March 2016 for purposes of the *pro forma* earnings, diluted earnings and the *pro forma* statement of comprehensive income and on 31 August 2016 for purposes of the *pro forma* net asset value and net tangible asset value per share and *pro forma* statement of financial position. Accordingly, we do not provide any assurance that the actual outcome of the Transactions, subsequent to its implementation, will be as presented in the *Pro forma* Financial Information of Hulisani.

A reasonable assurance engagement to report on whether the *Pro forma* Financial Information of Hulisani has been properly compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Directors in the compilation of the *Pro forma* Financial Information of Hulisani provide a reasonable basis for presenting the significant effects directly attributable to the Transactions and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to the Applicable Criteria; and
- The *Pro forma* Financial Information of Hulisani reflects the proper application of those *pro forma* adjustments to the unadjusted Audited Financial Information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of Hulisani's Transactions in respect of which the *Pro forma* Financial Information of Hulisani has been compiled and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the *Pro forma* Financial Information of Hulisani.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *Pro forma* Financial Information of Hulisani as set out in paragraph 6.3.4 and **Annexure 1** of the Circular has been compiled, in all material respects, on the basis of the Applicable Criteria.

Yours faithfully

Per **Safeera Loonat**
Chartered Accountant (SA)
Registered Auditor

PRO FORMA FINANCIAL INFORMATION OF RED CAP

The definitions and interpretations commencing on page 6 of the Circular have been used throughout this **Annexure 3.**

The *Pro forma* financial information of Red Cap ("*Pro forma* Financial Information") has been prepared for illustrative purposes only and because of its nature may not fairly present Red Cap's financial position, changes in equity and results of operations or cash flows. The *Pro forma* Financial Information is based on the reviewed interim results of Red Cap as at 31 August 2016 as presented below ("Interim results").

Statement of Financial Position

	Notes	**Reviewed interim results as at 31 August 2016[1]**	**Adjustments[2]**	**What Hulisani is acquiring**
ASSETS				
Non-current assets				
Property, plant and equipment	3	282 521	(282 521)	–
Goodwill	3	437 084	(437 084)	–
Loans to shareholders	4	165 881	(165 881)	–
Other financial assets	5	75 467 581	–	75 467 581
		76 353 067		**75 467 581**
Current assets				
Trade and other receivables	6	5 174 866	(5 174 866)	–
Cash and cash equivalents	7	10 755 443	(10 755 443)	–
		15 930 309		–
Total assets		**92 283 376**		**75 467 581**
EQUITY AND LIABILITIES				
Equity				
Share capital		129 296		129 296
Reserves		58 562 464		58 562 464
Retained income	8	9 379 648	(9 508 456)	(128 808)
Non-controlling interest	9	3 010 352	(3 010 352)	–
		71 081 760		**58 562 952**
Liabilities				
Non-current liabilities				
Loans from shareholders		217 605	(217 605)	–
Deferred tax	10	16 705 201	199 428	16 904 629
		16 922 806		**16 904 629**
Current liabilities				
Trade and other payables	11	591 083	(591 083)	–
Provisions	12	12 500	(12 500)	–
Current tax payable	13	3 675 227	(3 675 227)	–
		4 278 810		–
Total liabilities		**21 201 616**		**16 904 629**
Total equity and liabilities		**92 283 376**		**75 467 581**

Notes:

1. These amounts have been extracted without adjustment from the reviewed interim results of Red Cap. These results have been included as **Annexure 9** to this Circular.
2. These adjustments are the responsibility of the Red Cap directors and are made to comply with the Kouga agreement. All assets and liabilities not relevant to the Kouga see-through shares will be stripped out and be under the management of the sellers in another entity, leaving Red Cap with the investment in Kouga. In order to achieve this, the directors undertake the following adjustments:
3. Property, plant and equipment written off as well as goodwill derecognised due to the deregistration of the subsidiaries.
4. Settlement of shareholder loans.
5. Trade receivables are received.
6. Adjustments to cash and cash equivalents are as follows:

Dividends paid (note 14)	(R11 599 775)
Settlement of current tax payable	(R3 675 227)
Receipt of trade receivables	R5 174 866
Settlement of trade payables	(R591 083)
Provisions paid (accounting and audit fees)	(R12 500)
Settlement of shareholder loans	(R 51 724)
Total adjustment	**(R10 755 443)**

7. Adjustments to retained income as follows:

Dividends paid (note 14)	(R11 599 775)
Derecognition of controlling interest due to deregistration of subsidiaries	R 3 010 352
Impairment of goodwill	(R437 084)
Settlement of trade payables	(R199 428)
Property, plant and equipment sold for zero value	(R282 521)
Total adjustment	**(R9 508 456)**

8. Derecognition of non-controlling interest due to deregistration of the subsidiaries. For detail on the controlling interest refer to note 2 of the condensed consolidated 31 August 2016 interim financial statements of Red Cap Investments Proprietary Limited.
9. The deferred tax liability arose out of the revaluation of the investment in the Kouga Wind Farm. The potential sale of this investment results in tax being payable on the gain. The adjustment includes the tax that was calculated on the leave provision which has been reversed.
10. Trade payables settled.
11. Provisions for accounting and audit fees.
12. Settlement of current tax payable. Included in the accounts payable balance is an amount that relates to provision for leave pay. We have assumed that this balance will be settled with the respective employees. As a result, the deferred tax balance relating to the accrued leave pay needs to be reversed.
13. Dividend paid comprise of:

Kerligyn	47.50%	5 509 893
Tzing	47.50%	5 509 893
Lance	5.00%	579 989
		11 599 775

Dividends paid to Kerligyn and Tzing are exempt from dividend withholding tax. Dividend withholding tax of R86 998 and paid to SARS in relation to the dividend to Lance.

14. All adjustments are expected to have a continuing impact.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION OF RED CAP

The Directors
Red Cap
24 Kestrel Way
Kenrock Estate
Hout Bay
7806

7 February 2017

Reporting Accountants' Report on the Compilation of the *Pro Forma* Financial Information of Red Cap

We have completed our assurance engagement to report on the compilation of the *pro forma* financial information by the Directors of Red Cap. The *pro forma* financial information consists of the *pro forma* statement of financial position as at 31 August 2016 and the related notes, including a reconciliation showing all of the *pro forma* adjustments to the share capital, reserves and other equity items relating to Red Cap as set out in **Annexure 3** of the Circular.

The *Pro forma* Financial Information of Red Cap has been compiled by the Directors to illustrate the opening balances prior to the Hulisani Limited transaction on Red Cap's statement of financial position as at 31 August 2016.

Directors' responsibility for the *Pro forma* Financial Information of Red Cap

The Directors are responsible for compiling the *Pro forma* Financial Information of Red Cap on the basis of the applicable criteria as detailed in paragraphs 8.15 to 8.34 of the Listings Requirements and the SAICA Guide on *Pro forma* Financial Information, revised and issued in September 2014 ("Applicable Criteria").

Reporting accountants' independence and quality control

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Part A and B).

The firm applies International Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibility

Our responsibility is to express an opinion about whether the *Pro forma* Financial Information of Red Cap has been compiled, in all material respects, by the Directors on the basis of the Applicable Criteria, based on our procedures performed.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the *Pro forma* Financial Information of Red Cap on the basis of the Applicable Criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on the Audited Financial Information used in compiling the *Pro forma* Financial Information of Red Cap, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *Pro forma* Financial Information of Red Cap.

The purpose of the *Pro forma* Financial Information of Red Cap included in the Circular is solely to illustrate the impact on the opening balances prior to the transaction on 31 August 2016. Accordingly, we do not provide any assurance that the actual outcome of the Transaction, subsequent to its implementation, will be as presented in the *Pro forma* Financial Information of Red Cap.

A reasonable assurance engagement to report on whether the *Pro forma* Financial Information of Red Cap has been properly compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Directors in the compilation of the *Pro forma* Financial Information of Red Cap provide a reasonable basis for presenting the significant effects prior to the Transactions and to obtain sufficient appropriate evidence about whether:

- the related *pro forma* adjustments give appropriate effect to the Applicable Criteria; and
- the *Pro forma* Financial Information of Red Cap reflects the proper application of those *pro forma* adjustments.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of Red Cap's Transactions in respect of which the *Pro forma* Financial Information of Red Cap has been compiled and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the *Pro forma* Financial Information of Red Cap.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *Pro forma* Financial Information of Red Cap as contained in **Annexure 3**, has been compiled, in all material respects, on the basis of the Applicable Criteria.

Yours faithfully

Adele Smit
Director

Moore Stephens Cape Town Inc.
Chartered Accountants (SA)
Registered Auditor and Reporting Accountant Specialist

The Gateway, 3rd and 4th Floor
Century Way, Century City

PRO FORMA FINANCIAL INFORMATION OF EUROCAPE

The definitions and interpretations commencing on page 6 of the Circular have been used throughout this **Annexure 5**.

Prior to Hulisani acquiring the shares in Eurocape, Eurocape will settle all outstanding liabilities ("Settlement of Liabilities") such that Eurocape will only consist of the assets and liabilities related to the investment held in Kouga Wind Farm.

The *pro forma* financial information of Eurocape ("*Pro forma* Financial Information") set out below has been prepared for illustrative purposes only to show the effect of the Settlement of Liabilities and because of its nature may not fairly present Eurocape's financial position.

The *Pro forma* Financial Information is based on the reviewed interim financial information of Eurocape as at 31 August 2016 as presented in **Annexure 13** of this Circular.

The *Pro forma* Financial Information has been prepared in terms of IFRS, The Guide on *Pro forma* Financial Information issued by SAICA and the accounting policies of Eurocape.

The Independent Reporting Accountants' assurance report on the compilation of the *pro forma* statement of financial position of Eurocape is set out in **Annexure 6**.

Statement of Financial Position

	Reviewed interim results as at 31 August 2016[1]	**Adjustments**[2]	***Pro forma* after settlement of liabilities**
ASSETS			
Non-current assets			
Investments	17 546 415		17 546 415
Total assets	**17 546 415**		**17 546 415**
Equity and liabilities			
Equity			
Share capital	100		100
Reserves	13 615 910		13 615 910
Retained income	(1 223 802)	1 223 810	8
	12 392 208		**13 616 018**
LIABILITIES			
Non-current liabilities			
Loans from shareholders	1 223 810	(1 223 810)	–
Deferred tax	3 930 397		3 930 397
	5 154 207		3 930 397
Total liabilities	**5 154 207**		**3 930 397**
Total equity and liabilities	**17 546 415**		**17 546 415**

Notes:

1. These amounts have been extracted without adjustment from the reviewed Statement of Financial Position of Eurocape as at 31 August 2016, included as **Annexure 13** to this Circular.
2. Subsequent to 31 August 2016, Eurocape received a dividend of R1 420 944 from Kouga Wind Farm. Cash proceeds from the dividend were utilised to settle outstanding shareholder loans of R1 223 810 as well as to settle transaction expenses of R197 134.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION OF EUROCAPE

The Board of Directors
Hulisani Limited
11th Floor, Sandton Eye
126 West Street
Corner Rivonia and West Streets
Sandton, 2196

Dear Sirs

Independent Reporting Accountants' Audit report on the Compilation of the *Pro forma* Financial Information of Eurocape

INTRODUCTION

Hulisani Limited ("Client") is issuing a circular to its shareholders ("the Circular") regarding the proposed acquisition of Eurocape Renewables Proprietary Limited ("Eurocape" or "the Company") ("the Proposed Transaction"). Prior to the Proposed Transaction, Eurocape will settle all outstanding liabilities ("Settlement of Liabilities") such that Eurocape will only consist of the assets and liabilities related to the investment held in Kouga Wind Farm (RF) Proprietary Limited.

At your request and for the purposes of the Circular to be dated on or about Thursday, 16 February 2017, we present our assurance report on the compilation of the *pro forma* financial information of Eurocape by the directors. The *pro forma* financial information, presented in **Annexure 5** to the Circular, consists of the *pro forma* statement of financial position of Eurocape as at 31 August 2016 ("the *Pro Forma* Financial Information"). The *Pro Forma* Financial Information has been compiled on the basis of the applicable criteria specified in the JSE Limited (JSE) Listings Requirements.

The *Pro Forma* Financial Information has been compiled by the directors to illustrate the impact of the Settlement of Liabilities on Eurocape's reported financial position as at 31 August 2016, as if the Settlement of Liabilities had taken place at 31 August 2016. As part of this process, information about the Company's financial position has been extracted by the directors from the Company's reviewed interim financial results for the period ended 31 August 2016.

DIRECTORS' RESPONSIBILITY

The directors of Hulisani Limited are responsible for the compilation, contents and presentation of the *Pro Forma* Financial Information on the basis of the applicable criteria specified in the JSE Listings Requirements and as described in **Annexure 5** of the Circular. The directors of Eurocape are responsible for the financial information from which it has been prepared.

OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Part A and B).

The firm applies International Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

REPORTING ACCOUNTANTS' RESPONSIBILITY

Our responsibility is to express an opinion about whether the *Pro Forma* Financial Information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of *Pro Forma* Financial Information Included in a Prospectus. This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *Pro Forma* Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *Pro Forma* Financial Information.

As the purpose of *Pro Forma* Financial Information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *Pro Forma* Financial Information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- the related *pro forma* adjustments give appropriate effect to those criteria; and
- the *Pro Forma* Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the Company, the corporate action or event in respect of which the *Pro Forma* Financial Information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *Pro Forma* Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion, the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in **Annexure 5** of the Circular.

PricewaterhouseCoopers Inc.
Director: **RD Klute**
Registered Auditor

Pietermaritzburg
7 February 2017

HISTORICAL FINANCIAL INFORMATION OF RED CAP

Red Cap is a South African registered, privately-held company that develops renewable energy projects and provides related consultancy services. In the three-year period ending 29 February 2016 and the six-month interim period ending 31 August 2016, the company's main activities have included (i) owning at 5.46% share interest in Kouga, which is the owner and operator of the 80MW Kouga Wind Farm project and (ii) owning a 17.1% share interest in the Gibson Bay Wind Farm Proprietary Limited.

Renewable energy project development activities include but are not limited to identification and contracting access to land; regulatory permitting and consents; project design; procurement; financing; construction; and operation. These may be performed entirely or in part by Red Cap.

Red Cap was the lead developer of the consortium that developed the Kouga Wind Farm project as well as the Gibson Bay Wind Farm.

On 16 August 2013, Red Cap disposed its shareholding in the Gibson Bay Wind Farm Proprietary Limited.

During the review period, Red Cap received income from success fees, return of shareholder loan and capital; proceeds from asset sales and dividends. Positive cash flows were utilised for project development activities. Cash on the balance sheet at 31 August 2016 (the six-month interim balance sheet date) is fully provisioned for transaction costs.

During the review period, there was no change in the share capital of Red Cap.

The directors of Hulisani take responsibility for the presentation of the Red Cap financial information.

Directors' report

Set out below are the consolidated audited financial statements of Red Cap Investments Proprietary Limited for the year ended 29 February 2016, with comparative figures for 28 February 2015 and 2014 financial year-ends. The consolidated audited financial statements are the responsibility of the directors. The financial statements of the period mentioned above were prepared in accordance with the Companies Act and International Financial Reporting Standards and Interpretations adopted by the International Accounting Standards Board and which were audited by Moore Stephens, who issued an unqualified audit opinion thereon. The separate consolidated audited financial statements for the abovementioned periods are available for inspection at the company's registered offices. The reporting accountants' report on the historical financial information is presented on **Annexure 8**.

1. **NATURE OF BUSINESS**

   Red Cap Investments Proprietary Limited is engaged in the holding of investments in its broadest sense and operates in South Africa.

   There have been no material changes to the nature of the company's business from the prior year.

2. **REVIEW OF FINANCIAL RESULTS AND ACTIVITIES**

   The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

   Full details of the financial position, results of operations and cash flows of the group are set out in these consolidated annual financial statements.

3. **SHARE CAPITAL**

   There have been no changes to the authorised or issued share capital during the year under review.

4. **DIRECTORATE**

The directors in office at the date of this report are as follows:

DAK Nicol
MS Tanton

There have been no changes to the directorate for the year under review.

5. **NON-CURRENT ASSETS**

There was no change in the nature of the non-current assets of the group or in the policy regarding their use.

6. **EVENTS AFTER THE REPORTING PERIOD**

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

7. **GOING CONCERN**

The directors believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group.

8. **AUDITORS**

Moore Stephens Cape Town Inc. continued in office as auditors for the group for 2016.

9. **SECRETARY**

The company had no secretary during the year.

Statement of Financial Position as at 29 February 2016

Figures in Rand	Note(s)	2016	2015	2014
ASSETS				
Non-current assets				
Property, plant and equipment	3	327 767	163 313	239 536
Goodwill	4	437 084	437 084	437 084
Loans to shareholders	6	136 268	78 704	193 028
Other financial assets	7	61 275 446	26 988 101	26 988 101
		62 176 565	**27 667 202**	**27 857 749**
Current assets				
Trade and other receivables	8	2 066 113	8 288 247	2 178 016
Current tax receivable		206 109	206 109	206 109
Cash and cash equivalents	9	4 532 187	3 600 821	4 842 817
		6 804 409	**12 095 177**	**7 226 942**
Total Assets		**68 980 974**	**39 762 379**	**35 084 691**
EQUITY AND LIABILITIES				
Equity				
Equity attributable to equity holders of parent				
Share capital	10	129 296	129 296	50 194
Reserves		47 549 367	21 954 963	21 954 963
Retained income		6 651 871	8 515 979	5 811 221
		54 330 534	30 600 238	27 816 378
Non-controlling interest		428 105	385 551	402 072
		54 758 639	**30 985 789**	**28 218 450**
LIABILITIES				
Non-current liabilities				
Loans from shareholders	6	230 331	243 348	199 765
Deferred tax	11	13 526 162	5 014 452	4 991 717
Other financial liabilities	12	–	170 562	170 562
		13 756 493	**5 428 362**	**5 362 044**
Current liabilities				
Provisions	13	12 500	12 500	61 750
Trade and other payables	14	45 922	2 226 120	1 069 181
Current tax payable		407 419	1 109 605	373 270
		465 841	**3 348 225**	**1 504 201**
Total liabilities		**14 222 334**	**8 776 587**	**6 866 245**
Total equity and liabilities		**68 980 973**	**39 762 376**	**35 084 695**

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Note(s)	2016	2015	2014
Revenue	15	6 036 761	12 717 581	14 578 428
Other income	16	189 999	11 760 771	2 796 862
Operating expenses		(7 034 913)	(9 743 656)	(11 593 114)
Operating (loss)/profit	17	**(808 153)**	**14 734 696**	**5 782 176**
Investment revenue	18	305 367	121 780	1 915 206
Fair value adjustments		–	–	(1 551 507)
Income from equity accounted investments		–	–	3 230 543
Finance costs	19	–	(93 849)	(26 721)
(Loss)/profit before taxation		**(502 786)**	**14 762 627**	**9 349 697**
Taxation	20	181 232	(3 074 390)	(1 834 332)
(Loss)/profit for the year		**(321 554)**	**11 688 237**	**7 515 365**
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Fair value gain on financial assets		34 287 344	–	–
Deferred tax movement		(8 692 940)	–	–
Total items that will not be reclassified to profit or loss		**25 594 404**	**–**	**–**
Other comprehensive income for the year net of taxation		**25 594 404**	**–**	**–**
Total comprehensive income for the year		**25 272 850**	**11 688 237**	**7 515 365**
(Loss/profit attributable to:				
Owners of the parent		(364 108)	11 704 758	7 871 366
Non-controlling interest		42 554	(16 521)	(356 001)
		(321 554)	**11 688 237**	**7 515 365**
Total comprehensive income attributable to:				
Owners of the parent		25 230 296	11 704 758	7 871 366
Non-controlling interest		42 554	(16 521)	(356 001)
		25 272 850	**11 688 237**	**7 515 365**

Statement of Changes in Equity

Figures in Rand	Share capital	Share premium	Total share capital	Revaluation reserve	Retained income	Total attributable to equity holders of the group/ company	Non-controlling interest	Total equity
Balance at 1 March 2014	**200**	**49 994**	**50 194**	**21 954 963**	**5 811 221**	**27 816 378**	**402 072**	**28 218 450**
Profit for the year	–	–	–	–	11 704 758	11 704 758	(16 521)	11 688 237
Other comprehensive income	–	–	–	–	–	–	–	–
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**11 704 758**	**11 704 758**	**(16 521)**	**11 688 237**
Issue of shares	–	79 302	79 302	–	–	79 302	–	79 302
Conversion to stated capital	(200)	–	(200)	–	–	(200)	–	(200)
Dividends	–	–	–	–	(9 000 000)	(9 000 000)	–	(9 000 000)
Total contributions by and distributions to owners of company recognised directly in equity	**(200)**	**79 302**	**79 102**	**–**	**(9 000 000)**	**(8 920 898)**	**–**	**(8 920 898)**
Balance at 1 March 2015	**–**	**129 296**	**129 296**	**21 954 963**	**8 515 979**	**30 600 238**	**385 551**	**30 985 789**
Loss for the year	–	–	–	–	(364 108)	(364 108)	42 554	(321 554)
Other comprehensive income	–	–	–	25 594 404	–	25 594 404	–	25 594 404
Total comprehensive loss for the year	**–**	**–**	**–**	**25 594 404**	**(364 108)**	**25 230 296**	**42 554**	**25 272 850**
Dividends	–	–	–	–	(1 500 000)	(1 500 000)	–	(1 500 000)
Total contributions by and distributions to owners of company recognised directly in equity	**–**	**–**	**–**	**–**	**(1 500 000)**	**(1 500 000)**	**–**	**(1 500 000)**
Balance at 29 February 2016	**–**	**129 296**	**129 296**	**47 549 367**	**6 651 871**	**54 330 534**	**428 105**	**54 758 639**
Note(s)	10	10	10					

Statement of Cash Flows

Figures in Rand	Note(s)	2016	2015	2014
Cash flows from operating activities				
Cash generated from operations	21	3 318 427	(1 942 458)	6 666 406
Interest income		305 367	121 780	115 206
Dividends received		–	–	1 800 000
Finance costs		–	(93 849)	(26 721)
Tax paid	22	(702 186)	(2 314 536)	(1 947 752)
Net cash from operating activities		**2 921 608**	**(4 229 063)**	**6 607 139**
Cash flows from investing activities				
Purchase of property, plant and equipment	3	(249 100)	(9 250)	(750 503)
Sale of property, plant and equipment	3	–	1 000	–
Sale of financial assets		–	11 752 318	2 381 726
Acquisition of business		–	–	(756 268)
Net cash from investing activities		**(249 100)**	**11 744 068**	**874 955**
Cash flows from financing activities				
Proceeds on share issue	10	–	79 102	–
Repayment of other financial liabilities		(170 562)	–	(1 474 457)
Movement in loans to group companies		–	5 990	404 843
Repayment of shareholders' loan		(70 581)	157 907	2 983
Dividends paid	23	(1 500 000)	(9 000 000)	(5 648 328)
Net cash from financing activities		**(1 741 143)**	**(8 757 001)**	**(6 714 959)**
Total cash movement for the year		**931 365**	**(1 241 996)**	**767 135**
Cash at the beginning of the year		3 600 822	4 842 818	4 075 683
Total cash at end of the year	9	**4 532 187**	**3 600 822**	**4 842 818**

1. PRESENTATION OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act, 71 of South Africa. The consolidated annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rand.

These accounting policies are consistent with the previous period.

1.1 Consolidation

Basis of consolidation

The consolidated annual financial statements incorporate the consolidated annual financial statements of the company and all investees which are controlled by the group.

The group has control of an investee when it has power over the investee; it is exposed to or has rights to variable returns from involvement with the investee; and it has the ability to use its power over the investee to affect the amount of the investor's returns.

The results of subsidiaries are included in the consolidated annual financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the consolidated annual financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the company's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions which result in changes in ownership levels, where the group has control of the subsidiary both before and after the transaction are regarded as equity transaction and are recognised directly in the statement of changes in equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the parent.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the consolidated annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the consolidated annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the consolidated annual financial statements. Significant judgements include:

Trade receivables, held to maturity investments and loans and receivables

The group assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

At each reporting date, the group evaluates whether there is any objective evidence that a financial asset is impaired. If there is objective evidence that investments or receivables are impaired, the amount of the loss is determined without reference to future irrecoverable debts that have not been incurred.

Fair value estimation

The company's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.

Refer to note 28 for assets and liabilities measured at fair value

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets.

Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

1.3 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	6 years
Office equipment	Straight line	6 years
IT equipment	Straight line	3 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

1.4 **Intangible assets**

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

Item	**Useful life**
Goodwill	indefinite

1.5 **Interests in subsidiaries**

Investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

1.6 **Financial instruments**

Classification

The group classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Available-for-sale financial assets

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

Financial instruments are recognised initially when the group becomes a party to the contractual provisions of the instruments.

The group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Available-for-sale financial assets are subsequently measured at fair value. This excludes equity investments for which a fair value is not determinable, which are measured at cost less accumulated impairment losses.

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in equity until the asset is disposed of or determined to be impaired. Interest on available-for-sale financial assets calculated using the effective interest method is recognised in profit or loss as part of other income. Dividends received on available-for-sale equity instruments are recognised in profit or loss as part of other income when the company's right to receive payment is established.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Fair value determination

Refer to note 28 for the determination of the fair value for financial instruments.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

1.7 **Tax**

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction which:
  - is not a business combination; and
  - at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures, except to the extent that both of the following conditions are satisfied:

- the parent, investor or venturer is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences arising from investments in subsidiaries, branches and associates, and interests in joint ventures, to the extent that it is probable that:

- the temporary difference will reverse in the foreseeable future; and
- taxable profit will be available against which the temporary difference can be utilised.

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.8 Impairment of assets

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

1.9 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.10 Provisions and contingencies

Provisions are recognised when:

- the group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

1.11 Revenue

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the group;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Contract revenue comprises:

- the initial amount of revenue agreed in the contract; and
- variations in contract work, claims and incentive payments:
  - to the extent that it is probable that they will result in revenue; and
  - they are capable of being reliably measured.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

Dividends are recognised, in profit or loss, when the group's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.12 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 1 March 2016 or later periods:

IFRS 9 Financial Instruments

A finalised version of IFRS 9 has been issued which replaces IAS 39 Financial Instruments: Recognition and Measurement.

The completed standard comprises guidance on Classification and Measurement, Impairment Hedge Accounting and Derecognition:

- IFRS 9 introduces a new approach to the classification of financial assets, which is driven by the business model in which the asset is held and their cash flow characteristics. A new business model was introduced which does allow certain financial assets to be categorised as "fair value through other comprehensive income" in certain circumstances. The requirements for financial liabilities are mostly carried forward unchanged from IAS 39. However, some changes were made to the fair value option for financial liabilities to address the issue of own credit risk.
- The new model introduces a single impairment model being applied to all financial instruments, as well as an "expected credit loss" model for the measurement of financial assets.
- IFRS 9 contains a new model for hedge accounting that aligns the accounting treatment with the risk management activities of an entity, in addition enhanced disclosures will provide better information about risk management and the effect of hedge accounting on the financial statements.
- IFRS 9 carries forward the derecognition requirements of financial assets and liabilities from IAS 39.

The effective date of the standard is for years beginning on or after 1 January 2018.

The group expects to adopt the standard for the first time in the 2019 consolidated annual financial statements. The impact of this standard is currently being assessed.

IFRS 15 Revenue from Contracts with Customers

New standard that requires entities to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

This core principle is achieved through a five step methodology that is required to be applied to all contracts with customers.

The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple-element arrangements.

The new standard supersedes:

(d) IFRIC 15 Agreements for the Construction of Real Estate;

(e) IFRIC 18 Transfers of Assets from Customers; and

(f) SIC-31 Revenue – Barter Transactions Involving Advertising Services.

- IAS 11 Construction Contracts;
- IAS 18 Revenue;
- IFRIC 13 Customer Loyalty Programmes;
- IFRIC 15 Agreements for the Construction of Real Estate;
- IFRIC 18 Transfers of Assets from Customers; and
- SIC-31 Revenue – Barter Transactions Involving Advertising Services.

The effective date of the standard is for years beginning on or after 1 January 2017.

The group expects to adopt the standard for the first time in the 2018 consolidated annual financial statements.

It is unlikely that the standard will have a material impact on the group's consolidated annual financial statements.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to IAS 16 and IAS 38 to clarify the basis for the calculation of depreciation and amortisation, as being the expected pattern of consumption of the future economic benefits of an asset.

Amendment to both IAS 16 and IAS 38 establishing the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. Clarifying that revenue is generally presumed to be an inappropriate basis for measuring the consumption of economic benefits in such assets.

The effective date of the amendment is for years beginning on or after 1 January 2016.

The group company expects to adopt the amendment for the first time in the 2017 consolidated annual financial statements.

It is unlikely that the amendment will have a material impact on the company's consolidated annual financial statements.

Amendment to IAS 27: Equity Method in Separate Financial Statements

Amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

The effective date of the amendment is for years beginning on or after 1 January 2016.

The company expects to adopt the amendment for the first time in the 2017 consolidated annual financial statements.

It is unlikely that the amendment will have a material impact on the company's consolidated annual financial statements.

3. PROPERTY, PLANT AND EQUIPMENT

	2016			2015		
	Cost or revaluation	**Accumulated depreciation**	**Carrying value**	**Cost or revaluation**	**Accumulated depreciation**	**Carrying value**
Furniture and fixtures	72 959	(31 343)	41 616	72 959	(19 183)	53 776
Office equipment	74 799	(45 520)	29 279	74 799	(32 500)	42 299
IT equipment	339 385	(82 513)	256 872	199 324	(132 086)	67 238
Total	**487 143**	**(159 376)**	**327 767**	**347 082**	**(183 769)**	**163 313**

	2014		
	Cost or revaluation	**Accumulated depreciation**	**Carrying value**
Furniture and fixtures	63 709	(7 247)	56 462
Office equipment	74 799	(19 479)	55 320
IT equipment	220 927	(93 173)	127 754
Total	**359 435**	**(119 899)**	**239 536**

Reconciliation of property, plant and equipment – 2016

	Opening balance	**Additions**	**Depreciation**	**Total**
Furniture and fixtures	53 776	–	(12 160)	41 616
Office equipment	42 299	–	(13 020)	29 279
IT equipment	67 238	249 100	(59 466)	256 872
	163 313	**249 100**	**(84 646)**	**327 767**

Reconciliation of property, plant and equipment – 2015

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	56 462	9 249	(11 935)	53 776
Office equipment	55 320	–	(13 021)	42 299
IT equipment	127 754	–	(60 516)	67 238
	239 536	**9 249**	**(85 472)**	**163 313**

Reconciliation of property, plant and equipment – 2014

	Opening balance	Additions	Disposals	Depreciation	Total
Plant and machinery	–	574 457	(558 496)	(15 961)	–
Furniture and fixtures	–	63 709	–	(7 247)	56 462
Office equipment	45 668	22 051	–	(12 399)	55 320
IT equipment	101 906	90 286	–	(64 438)	127 754
	147 574	**750 503**	**(558 496)**	**(100 045)**	**239 536**

4. GOODWILL

	2016			2015		
	Cost	**Accumulated impairment**	**Carrying value**	**Cost**	**Accumulated impairment**	**Carrying value**
Goodwill	437 084	–	437 084	437 084	–	437 084

	2014		
	Cost	**Accumulated impairment**	**Carrying value**
Goodwill	437 084	–	437 084

Reconciliation of goodwill – 2016

	Opening balance	Total
Goodwill	437 084	437 084

Reconciliation of goodwill – 2015

	Opening balance	Total
Goodwill	437 084	437 084

Reconciliation of goodwill – 2014

	Opening balance	Additions through business combinations	Total
Goodwill	–	437 084	437 084

5. INTERESTS IN SUBSIDIARIES

The following table lists the entities which are controlled directly by the group, either directly or indirectly through subsidiaries.

Name of company	Held by	% voting power 2016	% voting power 2015	% voting power 2014	Carrying amount 2016	Carrying amount 2015
Africap Wind Development Proprietary Limited	Red Cap Investments	67.00	67.00	67.00	–	–
Red Cap Eastern Cape Proprietary Limited	Red Cap Investments	100.00	100.00	100.00	–	–
Red Cap Namaqua Proprietary Limited	Red Cap Investments	100.00	100.00	100.00	–	–
Kouga Wind Farm (RF) Proprietary Limited	Africap Wind Development	46.90	46.90	46.90	–	–

6. LOANS TO/(FROM) SHAREHOLDERS

Figures in Rand	2016	2015	2014
Tzing Investments Proprietary Limited	(30 566)	(43 583)	29 020
Kerligyn Proprietary Limited	135 124	77 146	162 729
Lance Blaine	1 144	1 558	1 279
Africoast SA Engineers	(199 765)	(199 765)	(199 765)
	(94 063)	**(164 644)**	**(6 737)**

The above loans are unsecured, bear no interest and will not be called up within the next 12 months.

Non-current assets	136 268	78 704	193 028
Non-current liabilities	(230 331)	(243 348)	(199 765)
	(94 063)	**(164 644)**	**(6 737)**

7. OTHER FINANCIAL ASSETS

At fair value through other comprehensive income

Kouga Wind Farm (RF) Proprietary Limited Terms and conditions	61 275 446	26 988 101	26 988 101
Non-current assets			
Designated as at fair value through other comprehensive income	61 275 446	26 988 101	26 988 101

8. TRADE AND OTHER RECEIVABLES

Trade receivables	1 416 398	7 983 680	2 096 479
Deposits	250 013	42 400	36 400
Other receivable	399 702	257 977	44 435
	2 066 113	**8 284 057**	**2 177 314**

Trade and other receivables past due but not impaired

Trade and other receivables which are less than three months past due are not considered to be impaired. At 29 February 2016, R364 586 (2015: R243 003; 2014: R1 546 243) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

Figures in Rand	**2016**	**2015**	**2014**
One month past due	364 586	234 003	550 643
Two months past due	–	–	497 800
Three months past due	–	–	497 800

9. **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of:			
Cash on hand	–	–	425
Bank balances	4 532 187	3 600 822	4 842 393
	4 532 187	**3 600 822**	**4 842 818**

10. **SHARE CAPITAL**

Authorised			
1 000 ordinary shares	1 000	1 000	1 000
Issued			
200 ordinary shares	–	–	200
Share premium	–	–	49 994
Stated capital	129 296	129 296	–
	129 296	**129 296**	**50 194**
Number of shares in issue	**400**	**400**	**200**

11. **DEFERRED TAX**

Deferred tax liability			
Fair value adjustment	(13 725 590)	(5 032 650)	(5 032 650)
Deferred tax asset			
Prepaid expenses	3 500	7 326	–
Provision for leave pay	30 888	10 872	5 040
Assessed loss	165 040	–	35 893
Total deferred tax asset	**199 428**	**18 198**	**40 933**
Deferred tax liability	(13 725 590)	(5 032 650)	(5 032 650)
Deferred tax asset	199 428	18 198	40 933
Total net deferred tax liability	**(13 526 162)**	**(5 014 452)**	**(4 991 717)**
Reconciliation of deferred tax asset/(liability)			
At beginning of year	(5 014 452)	(4 991 717)	(5 010 701)
Movement in temporary difference on provision for leave pay	9 652	(18 637)	8 131
Unutilised assessed loss	165 040	–	–
Movement in temporary difference on financial assets	(8 686 402)	–	–
Movement in temporary difference on provision for audit fees	–	(4 098)	8 204
Reversing temporary difference on prepaid expenses	–	–	2 649
	(13 526 162)	**(5 014 452)**	**(4 991 717)**

12. OTHER FINANCIAL LIABILITIES

Figures in Rand	2016	2015	2014
Held at amortised cost			
Eurocape	–	93 988	93 988
The above loan is unsecured, bears no interest and will not be called in the 12 months.			
Standard Bank South Africa	–	76 574	76 574
The above loan is unsecured, bears no interest and will not be called in the 12 months.			
	–	**170 562**	**170 562**
Non-current liabilities			
At amortised cost	**–**	**170 562**	**170 562**

13. PROVISIONS

Reconciliation of provisions – 2016

	Opening balance	Total
Provision for expenses	12 500	12 500

Reconciliation of provisions – 2015

	Opening balance	Additions	Utilised during the year	Reversed during the year	Total
Provision for audit fees	52 950	–	(34 950)	(18 000)	–
Provision for expenses	8 800	3 700	–	–	12 500
	61 750	**3 700**	**(34 950)**	**(18 000)**	**12 500**

Reconciliation of provisions – 2014

	Opening balance	Additions	Utilised during the year	Total
Provision for audit fees	29 500	34 950	(11 500)	52 950
Provision for expenses	65 250	8 000	(64 450)	8 800
	94 750	**42 950**	**(75 950)**	**61 750**

14. TRADE AND OTHER PAYABLES

Trade payables	20 922	1 280 294	519 354
VAT and dividend withholding tax	(39 300)	915 998	97 083
Accrued leave pay	64 300	29 828	87 944
Other payables	–	–	364 800
	45 922	**2 226 120**	**1 069 181**

15. REVENUE

Rendering of services	6 036 761	6 417 581	9 708 723
Success fees	–	6 300 000	4 869 705
	6 036 761	**12 717 581**	**14 578 428**

16. OTHER INCOME

Figures in Rand	2016	2015	2014
Profit and loss on sale of assets and liabilities	–	11 753 318	2 381 726
Other income	189 999	–	–
Insurance proceeds	–	7 453	8 220
Gain on bargain purchase	–	–	406 916
	189 999	**11 760 771**	**2 796 862**

17. OPERATING (LOSS)/PROFIT

Operating (loss) profit for the year is stated after accounting for the following:

Operating lease charges			
Premises			
Contractual amounts	305 444	273 690	180 000
Property, plant and equipment	–	1 000	(558 497)
Profit on sale of other financial assets	–	11 752 318	2 381 726
Depreciation on property, plant and equipment	84 646	85 472	100 045
Employee costs	5 081 999	6 116 870	4 804 020

18. INVESTMENT REVENUE

Dividend revenue			
Unlisted financial assets – Local	–	–	1 800 000
Interest revenue			
Bank	305 367	121 780	115 206
	305 367	**121 780**	**1 915 206**

19. FINANCE COSTS

Bank	–	–	6
Late payment of tax	–	93 849	26 715
	–	**93 849**	**26 721**

20. TAXATION

Major components of the tax expense

Figures in Rand	2016	2015	2014
Current			
Local income tax – current period	–	3 050 871	1 843 802
Local income tax – recognised in current tax for prior periods	–	–	30 470
	–	**3 050 871**	**1 874 272**
Deferred			
Originating and reversing temporary differences	(174 692)	27 345	(11 481)
Deferred tax movement through other comprehensive income	8 692 940	–	–
Assessed loss	(6 539)	(3 826)	(28 459)
	8 511 709	**23 519**	**(39 940)**
	8 511 709	**3 074 390**	**1 834 332**

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

	2016	2015	2014
Accounting profit/(loss)	(502 786)	14 762 627	9 349 697
Tax at the applicable tax rate of 28% (2015: 28%)	(140 780)	4 133 536	2 617 915
Tax effect of adjustments on taxable income			
Non-deductible expenditure	11 765	29 759	516 136
Portion of fair value gain on other comprehensive income not taxable	(1 920 091)	(1 096 960)	(191 019)
Profit/(loss) from associate	–	–	(310 196)
Correction of prior period deferred tax	–	(785)	–
Capital gains tax rate change	1 012 575	–	–
Assessed loss previously not recognised utilised	(35 733)	8 840	–
Exempt income	(16 483)	–	(798 504)
Deferred tax movement through other comprehensive income	9 600 456	–	–
	8 511 709	**3 074 390**	**1 834 332**

21. CASH GENERATED FROM OPERATIONS

	2016	2015	2014
Profit/(loss) before taxation	(502 786)	14 762 627	9 349 697
Adjustments for:			
Depreciation and amortisation	84 646	85 472	100 045
Net (loss)/profit on disposal of property, plant and equipment	–	(11 753 318)	558 497
Income from equity accounted investments	–	–	(3 230 543)
Dividends received	–	–	(1 800 000)
Interest received – investment	(305 367)	(121 780)	(115 206)
Finance costs	–	93 849	26 721
Fair value adjustments	–	–	1 551 507
Prior period error	–	–	320 000
Movements in provisions	–	(49 250)	32 250
Correction of prior year deferred tax	–	(783)	–
Acquisition of sub	–	–	478 597
Changes in working capital:			
Trade and other receivables	6 182 833	(6 116 119)	(1 084 642)
Trade and other payables	(2 140 899)	1 156 844	479 483
	3 318 427	**(1 942 458)**	**6 666 406**

22. TAX PAID

Figures in Rand	2016	2015	2014
Balance at beginning of the year	(903 496)	(167 161)	(240 641)
Current tax for the year recognised in profit or loss	–	(3 050 871)	(1 874 272)
Balance at end of the year	201 310	903 496	167 161
	(702 186)	**(2 314 536)**	**(1 947 752)**

23. DIVIDENDS PAID

Dividends	(1 500 000)	(9 000 000)	(5 648 328)

24. RELATED PARTIES

Relationships

Subsidiaries	Refer to note 5
Shareholder with significant influence	Kerligyn Proprietary Limited L Blaine Tzing Investments Proprietary Limited
Members of key management	DAK Nicol MS Tanton L Blaine

Related party balances

Figures in Rand	2016	2015	2014
Loan accounts – Owing (to)/by related parties			
L Blaine	1 144	1 558	1 279
Tzing Investments Proprietary Limited	(30 566)	(43 583)	29 107
Kerligyn Proprietary Limited	135 124	77 146	162 642
Amounts included in Trade receivable (Trade Payable) regarding related parties			
Kouga Wind Farm (RF) Proprietary Limited	69 375	45 580	–

25. DIRECTORS' EMOLUMENTS

Executive

2016

Kouga Wind Farm (RF) Proprietary Limited

	Emoluments	Total
DAK Nicol	1 051 180	1 051 180
MS Tanton	1 233 637	1 233 637
	2 284 817	**2 284 817**

2015

	Emoluments	Total
DAK Nicol	1 361 710	1 361 710
MS Tanton	1 530 791	1 530 791
	2 892 501	**2 892 501**

2014

	Emoluments	Total
DAK Nicol	762 067	762 067
MS Tanton	889 473	889 473
	1 651 540	**1 651 540**

26. CATEGORIES OF FINANCIAL INSTRUMENTS

	Note(s)	Financial assets at fair value through other comprehensive income	Debt instruments at amortised cost	Financial liabilities at amortised cost	Equity and non-financial assets and liabilities	Total
Categories of financial instruments – 2016						
ASSETS						
Non-current assets						
Property, plant and equipment	3	–	–	–	327 767	327 767
Goodwill	4	–	–	–	437 084	437 084
Loans to shareholders	6	–	136 268	–	–	136 268
Other financial assets	7	61 275 446	–	–	–	61 275 446
		61 275 446	**136 268**	**–**	**764 851**	**62 176 565**
Current assets						
Current tax receivable		–	–	–	206 109	206 109
Trade and other receivables	8	–	2 066 113	–	–	2 066 113
Cash and cash equivalents	9	–	4 532 187	–	–	4 532 187
		–	**6 598 300**	**–**	**206 109**	**6 804 409**
Total assets		**61 275 446**	**6 734 568**	**–**	**970 960**	**68 980 974**
EQUITY AND LIABILITIES						
Equity						
Equity attributable to equity holders of parent:						
Share capital	10	–	–	–	129 296	129 296
Reserves	10	–	–	–	47 549 367	47 549 367
Retained income	10	–	–	–	6 651 871	6 651 871
		–	**–**	**–**	**54 330 534**	**54 330 534**
Non-controlling interest		–	–	–	428 105	428 105
Total equity		**–**	**–**	**–**	**54 758 639**	**54 758 639**
Liabilities						
Non-current liabilities						
Loans from shareholders	6	–	–	230 331	–	230 331
Deferred tax	11	–	–	–	13 526 162	13 526 162
		–	**–**	**230 331**	**13 526 162**	**13 756 493**

	Note(s)	Financial assets at fair value through other comprehensive income	Debt instruments at amortised cost	Financial liabilities at amortised cost	Equity and non-financial assets and liabilities	Total
Current liabilities						
Current tax payable		–	–	–	407 419	407 419
Trade and other payables	14	–	–	45 922	–	45 922
Provisions	13	–	–	–	12 500	12 500
		–	**–**	**45 922**	**419 919**	**465 841**
Total liabilities		**–**	**–**	**276 253**	**13 946 081**	**14 222 334**
Total equity and liabilities		**–**	**–**	**276 253**	**68 704 720**	**68 980 973**
Categories of financial instruments – 2015						
ASSETS						
Non-Current Assets						
Property, plant and equipment	3	–	–	–	163 313	163 313
Goodwill	4	–	–	–	437 084	437 084
Loans to shareholders	6	–	78 704	–	–	78 704
Other financial assets	7	26 988 101	–	–	–	26 988 101
		26 988 101	**78 704**	**–**	**600 397**	**27 667 202**
Current assets						
Current tax receivable		–	–	–	206 109	206 109
Trade and other receivables	8	–	8 284 057	–	–	8 284 057
Cash and cash equivalents	9	–	3 600 822	–	–	3 600 822
		–	**11 884 879**	**–**	**206 109**	**12 090 988**
Total assets		**26 988 101**	**11 963 583**	**–**	**806 506**	**39 758 190**
EQUITY AND LIABILITIES						
Equity						
Equity attributable to Equity holders of Parent:						
Share capital	10	–	–	–	129 296	129 296
Reserves	10	–	–	–	21 954 963	21 954 963
Retained income	10	–	–	–	8 515 979	8 515 979
		–	**–**	**–**	**30 600 238**	**30 600 238**
Non-controlling interest		–	–	–	385 551	385 551
Total equity		**–**	**–**	**–**	**30 985 789**	**30 985 789**

	Note(s)	Financial assets at fair value through other comprehensive income	Debt instruments at amortised cost	Financial liabilities at amortised cost	Equity and non-financial assets and liabilities	Total
LIABILITIES						
Non-current liabilities						
Loans from shareholders	6	–	–	243 348	–	243 348
Other financial liabilities	12	–	–	170 562	–	170 562
Deferred tax	11	–	–	–	5 014 452	5 014 452
		–	**–**	**413 910**	**5 014 452**	**5 428 362**
Current liabilities						
Current tax payable		–	–	–	1 109 605	1 109 605
Trade and other payables	14	–	–	2 221 932	–	2 221 932
Provisions	13	–	–	–	12 500	12 500
		–	**–**	**2 221 932**	**1 122 105**	**3 344 037**
Total liabilities		**–**	**–**	**2 635 842**	**6 136 557**	**8 772 399**
Total equity and liabilities		**–**	**–**	**2 635 842**	**37 122 346**	**39 758 188**
Categories of financial instruments – 2014						
ASSETS						
Non-current assets						
Property, plant and equipment	3	–	–	–	239 536	239 536
Goodwill	4	–	–	–	437 084	437 084
Loans to shareholders	6	–	193 028	–	–	193 028
Other financial assets	7	26 988 101	–	–	–	26 988 101
		26 988 101	**193 028**	**–**	**676 620**	**27 857 749**
Current assets						
Current tax receivable		–	–	–	206 109	206 109
Trade and other receivables	8	–	2 178 016	–	–	2 178 016
Cash and cash equivalents	9	–	4 842 817	–	–	4 842 817
		–	**7 020 833**	**–**	**206 109**	**7 226 942**
Total assets		**26 988 101**	**7 213 861**	**–**	**882 729**	**35 084 691**

	Note(s)	Financial assets at fair value through other comprehensive income	Debt instruments at amortised cost	Financial liabilities at amortised cost	Equity and non-financial assets and liabilities	Total
EQUITY AND LIABILITIES						
Equity						
Equity attributable to equity holders of Parent:						
Share capital	10	–	–	–	50 194	50 194
Reserves	10	–	–	–	21 954 963	21 954 963
Retained income	10	–	–	–	5 811 221	5 811 221
		–	**–**	**–**	**27 816 378**	**27 816 378**
Non-controlling interest		–	–	–	402 072	402 072
Total equity		**–**	**–**	**–**	**28 218 450**	**28 218 450**
LIABILITIES						
Non-current liabilities						
Loans from shareholders	6	–	–	199 765	–	199 765
Other financial liabilities	12	–	–	170 562	–	170 562
Deferred tax	11	–	–	–	4 991 713	4 991 713
		–	**–**	**370 327**	**4 991 713**	**5 362 040**
Current liabilities						
Current tax payable		–	–	–	373 270	373 270
Trade and other payables	14	–	–	1 069 181	–	1 069 181
Provisions	13	–	–	–	61 750	61 750
		–	**–**	**1 069 181**	**435 020**	**1 504 201**
Total liabilities		**–**	**–**	**1 439 508**	**5 426 733**	**6 866 241**
Total equity and liabilities		**–**	**–**	**1 439 508**	**33 645 183**	**35 084 691**

27. RISK MANAGEMENT

Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the group consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 6 and 12 cash and cash equivalents disclosed in note 9, and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares or sell assets to reduce debt.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Liquidity risk

The group's risk to liquidity is a result of the funds available to cover future commitments. The group manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

Financial assets exposed to credit risk at year-end were as follows:

Financial instrument	2016	2015	2014
Trade and other receivables	2 105 412	8 287 407	2 171 186
Cash and cash equivalents	4 532 187	3 600 821	4 842 817

28. FAIR VALUE INFORMATION

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the company can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Unless otherwise indicated, the above financial assets in note 7 are categorised as level 3 per fair value hierarchy.

The carrying amount of cash and bank balances and bank overdrafts approximates fair value because of the short maturity of these instruments.

Trade and other receivables, loans and trade and other payables reflected on the statement of financial position approximate the fair values thereof.

Levels of fair value measurements

Level 3

Recurring fair value measurements

	Note(s)	2016	2015	2014
Assets				
Financial assets designated at fair value through profit or loss	7			
Kouga Wind Farm (RF) Proprietary Limited		61 275 446	26 988 101	26 988 101
Total		**61 275 446**	**26 988 101**	**26 988 101**

The key input to the valuation is the discount rate of 19% as well as the P-factor.

Information about valuation techniques and inputs used to derive level 3 fair values

Financial asset

Investment in Kouga Wind Farm (RF) Proprietary Limited – the fair value was determined by discounting future cash flows predicted by the financial model based on reasonable assumptions with a reasonably determined discount rate. Management decided on a discount rate of 19% which was assessed as appropriate.

If we were to adjust the discount rate to 17% or 21%, our sensitivity analysis produces the following results:

Range of possibilities

	17%	21%
Discount rate	68 888 422	55 050 546

Valuation processes applied by management

The fair value of financial assets is determined by management, having appropriate qualifications and experience in the development of renewable energy projects. The valuation is based on the financial model that was developed by an experienced independent third party during the bidding process for the rights to the wind project. The developer of the financial model has appropriate experience in building financial models for renewable energy projects. The model has also been subject to review and audit by various third parties. Key assumptions are inputted into the financial model which then automatically calculates the cash flows expected to flow to wind farm over the course of its life. Management, using their discretion, then decide on an appropriate discount rate for the project and discount future cash flows to arrive at a fair value of the wind farm.

29. RATIOS

Shares in issue for the year ended 29 February 2016: 400
Ratios presented in cents:

• **Loss per share**	(91 027)
• **Headline loss per share**	(91 027)
• **Dividend per share**	3 750
• **Net asset value per share**	13 582 633
• **Net tangible asset value per share**	13 473 362

INDEPENDENT REPORTING ACCOUNTANTS' REPORTS ON THE HISTORICAL FINANCIAL INFORMATION OF RED CAP

The Directors
Hulisani Limited
11th Floor Sandton Eye
126 West Street
Sandton
Johannesburg
246

23 November 2016

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF RED CAP INVESTMENTS PROPRIETARY LIMITED

This Reporting Accountant's Report on the Historical Financial Information of Red Cap Investments Proprietary Limited is prepared for the purposes of complying with the Listings Requirements of the JSE Limited and for inclusion in the pre-listing statement to be issued to shareholders of Hulisani Limited on Thursday, 16 February 2017.

We have audited the Historical Financial Information of Red Cap Investments Proprietary Limited, which comprise the consolidated statement of financial position at 29 February 2016, 28 February 2015 and 28 February 2014, the consolidated statements of comprehensive income, changes in equity and cash flows for the period then ended, and the notes thereto, which include a summary of significant accounting policies and other explanatory notes, as set out in **Annexure 7**.

Directors' responsibility for the Historical Financial Information

The company's directors are responsible for the preparation and fair presentation of the Historical Financial Information in accordance with JSE Listings Requirements and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Historical Financial Information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Part A and B).

The firm applies International Standard on Quality Control and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Opinion

In our opinion, the Historical Financial Information, presents fairly, in all material respects, the financial position of Red Cap Investments Proprietary Limited and its subsidiaries at 29 February 2016, 28 February 2015 and 28 February 2014 and its financial performance and cash flows for the period then ended in accordance with the JSE Listings Requirements and IFRS.

Consent

We consent to the inclusion of this report, which will form part of the circular, in the form and context in which it appears.

Moore Stephens Cape Town Inc.
Chartered Accountants (SA)
Registered Auditor and Reporting Accountant Specialist

Per: **Adele Smit**
Director

2nd Floor, Block 2, Northgate Park
Corner Section Street and Koeberg Road
Paarden Eiland
7405

INTERIM FINANCIAL RESULTS OF RED CAP

Condensed Consolidated Statement of Financial Position as at 31 August 2016

Figures in Rand	Notes	Group 31 August 2016	Company 31 August 2016
ASSETS			
Non-current assets			
Property, plant and equipment		282 521	282 521
Goodwill		437 084	–
Investments in subsidiaries	2	–	839
Loans to group companies		–	454 703
Loans to shareholders		165 881	165 881
Other financial assets	3	75 467 581	75 467 581
		76 353 067	**76 371 525**
Current assets			
Trade and other receivables		5 174 866	1 281 338
Cash and cash equivalents		10 755 443	9 087 922
		15 930 309	**10 369 260**
Total assets		**92 283 376**	**86 740 785**
EQUITY AND LIABILITIES			
Equity			
Equity attributable to equity holders of parent			
Share capital		129 296	129 296
Reserves		58 562 464	58 562 464
Retained income		9 379 648	10 768 253
		68 071 408	**69 460 013**
Non-controlling interest		3 010 352	–
		71 081 760	**69 460 013**
LIABILITIES			
Non-current liabilities			
Loans from shareholders		217 605	17 840
Deferred tax	4	16 705 201	16 724 105
		16 922 806	**16 741 945**
Current liabilities			
Trade and other payables		591 083	131 408
Current tax payable		3 675 227	407 419
Provisions		12 500	–
		4 278 810	**538 827**
Total liabilities		**21 201 616**	**17 280 772**
Total equity and liabilities		**92 283 376**	**86 740 785**

Condensed Consolidated Statement of Comprehensive Income

Figures in Rand	Notes	Group Six months ended 31 August 2016	Company Six months ended 31 August 2016
Revenue		2 558 418	2 558 418
Other income	5	8 000 002	–
Operating expenses		(4 234 787)	(4 200 107)
Operating profit/(loss)		**6 323 633**	**(1 641 689)**
Investment revenue		6 923 891	6 484 829
Finance costs		(14)	–
Profit/(loss) before taxation		**13 247 510**	**4 843 140**
Taxation		(3 914 654)	–
Profit/(loss) for the year		**9 332 856**	**4 843 140**
Other comprehensive income			
Fair value gain on financial assets		14 192 136	14 192 136
Deferred tax movement		(3 179 038)	(3 179 038)
Total items that will not be reclassified to profit or loss		**11 013 098**	**11 013 098**
Other comprehensive income for the period net of taxation		**11 013 098**	**11 013 098**
Total comprehensive income/(loss) for the period		**20 345 954**	**15 856 238**
Total comprehensive income/(loss) attributable to:			
Owners of the parent		14 951 916	15 856 238
Non-controlling interest		5 394 038	–
		20 345 954	**15 856 238**
Profit/(loss) attributable to:			
Owners of the parent		3 938 818	4 843 140
Non-controlling interest		5 394 038	–
		9 332 856	**4 843 140**

Statement of Changes in Equity

Figures in Rand	Share premium	Revaluation reserve	Retained income	Total attributable to equity holders of the group/ company	Non-controlling interest	Total equity
Group						
Balance at 1 March 2016	**129 296**	**47 549 367**	**6 640 830**	**54 319 493**	**428 105**	**54 747 598**
Profit for the year	–	–	3 938 818	3 938 818	5 394 038	9 332 856
Other comprehensive income	–	11 013 097	–	11 013 097	–	11 013 097
Total comprehensive income for the year	**–**	**11 013 097**	**3 938 818**	**14 951 915**	**5 394 038**	**20 345 953**
Dividends	–	–	(1 200 000)	(1 200 000)	(2 811 791)	(4 011 791)
Total contributions by and distributions to owners of company recognised directly in equity	**–**	**–**	**(1 200 000)**	**(1 200 000)**	**(2 811 791)**	**(4 011 791)**
Balance at 31 August 2016	**129 296**	**58 562 464**	**9 379 648**	**68 071 408**	**3 010 352**	**71 081 760**
Company						
Balance at 1 March 2016	**129 296**	**47 549 367**	**7 125 113**	**54 803 776**	**–**	**54 803 776**
Profit for the year	–	–	4 843 140	4 843 140	–	4 843 140
Other comprehensive income	–	11 013 097	–	11 013 097	–	11 013 097
Total comprehensive income for the year	**–**	**11 013 097**	**4 843 140**	**15 856 237**	**–**	**15 856 237**
Dividends	–	–	(1 200 000)	(1 200 000)	–	(1 200 000)
Total contributions by and distributions to owners of company recognised directly in equity	**–**	**–**	**(1 200 000)**	**(1 200 000)**	**–**	**(1 200 000)**
Balance at 31 August 2016	**129 296**	**58 562 464**	**10 768 253**	**69 460 013**	**–**	**69 460 013**

Statement of Cash Flows

Figures in Rand	Group six months ended 31 August 2016	Company six months ended 31 August 2016
Cash flows from operating activities		
Cash used in operations	3 816 391	(708 045)
Interest income	3 044 140	121 595
Dividends received	3 879 751	6 363 234
Finance costs	(14)	–
Tax paid	(440 737)	–
Net cash from operating activities	**10 299 531**	**5 776 784**
Cash flows from investing activities		
Purchase of property, plant and equipment	(22 145)	(22 147)
Sale of financial assets	–	69 378
Net cash from investing activities	**(22 145)**	**47 231**
Cash flows from financing activities		
Repayment of shareholders' loan	(42 339)	(42 339)
Dividends paid	(4 011 791)	(1 200 000)
Net cash from financing activities	**(4 054 130)**	**(1 242 339)**
Total cash movement for the year	**6 223 256**	**4 581 676**
Cash at the beginning of the year	4 532 187	4 506 246
Total cash at end of the year	**10 755 443**	**9 087 922**

Accounting policies

1. **REPORTING ENTITY**

Red Cap Investments Proprietary Limited is a company domiciled in South Africa. These condensed consolidated interim financial statements ("interim financial statements") as at and for the six months ended 31 August 2016 comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is primarily involved in investment holding and deriving investment revenue.

1.1 Basis of accounting

These interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 29 February 2016.

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements.

These interim financial statements were authorised for issue by the Company's Board of Directors on 2 December 2016.

1.2 Consolidation

Basis of consolidation

The interim financial statements incorporate the interim financial statements of the group and all investees which are controlled by the group.

The group has control of an investee when it has power over the investee; it is exposed to or has rights to variable returns from involvement with the investee; and it has the ability to use its power over the investee to affect the amount of the investor's returns.

The results of subsidiaries are included in the interim financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the interim financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the parent.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the condensed consolidated interim financial statements, management is required to make estimates and assumptions that affect the amounts represented in the condensed consolidated interim financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the condensed consolidated interim financial statements. Significant judgements include:

Fair value estimation

The company's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.

Refer to note 5 for assets and liabilities measured at fair value.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets.

Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time.

1.4 Financial instruments

Classification

The group classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Available-for-sale financial assets

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

Financial instruments are recognised initially when the group becomes a party to the contractual provisions of the instruments.

The group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Available-for-sale financial assets are subsequently measured at fair value. This excludes equity investments for which a fair value is not determinable, which are measured at cost less accumulated impairment losses.

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in equity until the asset is disposed of or determined to be impaired. Interest on available-for-sale financial assets calculated using the effective interest method is recognised in profit or loss as part of other income. Dividends received on available-for-sale equity instruments are recognised in profit or loss as part of other income when the group's right to receive payment is established.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

Fair value determination

Refer to note 6 for the determination of the fair value for financial instruments.

2. **INTERESTS IN SUBSIDIARIES INCLUDING CONSOLIDATED STRUCTURED ENTITIES**

The following table lists the entities which are controlled by the group, either directly or indirectly through subsidiaries.

Company

Subsidiaries of Red Cap Investment Proprietary Limited

	31 August 2016	**Carrying amount 31 August 2016**
Africap Wind Development Proprietary Limited**	67.00%	599
Red Cap Eastern Cape Proprietary Limited*	100.00%	120
Red Cap Namaqua Proprietary Limited*	100.00%	120
		839

**These entities are currently dormant.*

***Red Cap Investments Proprietary Limited indirectly controls Red Cap Kouga Development through Africap Wind Development's 70% shareholding in Red Cap Kouga Wind Development.*

Figures in Rand	**Group 31 August 2016**	**Company 31 August 2016**
3. **OTHER FINANCIAL ASSETS**		
Available-for-sale		
Kouga Wind Farm Proprietary Limited	75 467 581	75 467 581
Non-current assets		
Available-for-sale	75 467 581	75 467 581
4. **DEFERRED TAX**		
Deferred tax liability		
Fair value adjustment	(16 904 629)	(16 904 629)
Deferred tax asset		
Prepaid expenses	3 500	–
Provision for leave pay	30 888	15 484
Assessed loss	165 040	165 040
Total deferred tax asset	**199 428**	**180 524**
Deferred tax liability	(16 904 629)	(16 904 629)
Deferred tax asset	199 428	180 524
Total net deferred tax liability	**(16 705 201)**	**(16 724 105)**
Reconciliation of deferred tax asset/(liability)		
At beginning of year	(13 526 162)	(13 545 066)
Movement in temporary difference on other financial assets	(3 179 039)	(3 179 039)
	(16 705 201)	**(16 724 105)**

Figures in Rand		Group 2016	Company 2016
5. OTHER INCOME			
Development fees		8 000 002	–

Development fees received on the fulfilment of the suspensive conditions relating to the development of the windfarm by Kouga Wind Farm Proprietary Limited.

6. **FAIR VALUE INFORMATION**

Fair value hierarchy

Fair values are categorised into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Measurements are done with reference to inputs other than quoted prices that are included in level 1. These inputs are observable for the financial instrument, either directly or indirectly.

Level 3: Measurements are done with reference to inputs that are not based on observable market data.

Unless otherwise indicated, the above financial assets in note 3 are categorised as level 3 per the fair value hierarchy.

The carrying amount of cash and bank balances and bank overdrafts approximates fair value because of the short maturity of these instruments.

Trade and other receivables, loans and trade and other payables reflected on the statement of financial position approximate the fair values thereof.

Levels of fair value measurements

Level 3

Recurring fair value measurements

Assets

Available for sale financial assets	Note(s)		
Kouga Wind Farm Proprietary Limited	3	75 467 581	75 467 581
Total		**75 467 581**	**75 467 581**

The key input to the valuation is the discount rate of 16% (19% – Feb 2016) as well as the P-factor.

Decrease in discount rate due to project risks decreasing in the six-month period.

Information about valuation techniques and inputs used to derive level 3 fair values financial asset

Investment in Kouga Wind Farm Proprietary Limited – the fair value was determined by discounting future cash flows predicted by the financial model based on reasonable assumptions with a reasonably determined discount rate. Management decided on a discount rate of 16% which was assessed as appropriate.

If we were to adjust the discount rate to 14% or 18%, our sensitivity analysis produces the following results:

	Weighted average range of probabilities	
	14%	18%
Discount rate	86 015 889	66 936 057

Valuation processes applied by the Group

The fair value of financial assets is determined by management, having appropriate qualifications and experience in the development of renewable energy projects. The valuation is based on the financial model that was developed by an experienced independent third party during the bidding process for the rights to the wind project. The developer of the financial model has appropriate experience in building financial models for renewable energy projects. The model has also been subject to review and audit by various third parties. Key assumptions are inputted into the financial model which then automatically calculates the cash flows expected to flow to wind farm over the course of its life. Management, using their discretion, then decide on an appropriate discount rate for the project and discount future cash flows to arrive at a fair value of their investment.

7. EVENTS AFTER THE REPORTING PERIOD

Red Cap Kouga Wind Development Proprietary Limited and Africap Wind Development Proprietary Limited (refer to note 2) have commenced the process of deregistration in the 2017 financial year.

8. SEASONAL ACTIVITIES

Due to the nature of the entity, there were no seasonal activities that took place during the six-month period that affect the group and its operations.

9. DIVIDENDS PAID

Dividends declared and paid during the year:

Red Cap Investments Proprietary Limited	1 200 000
Red Cap Kouga Wind Development Proprietary Limited	5 295 272
Africap Wind Development Proprietary Limited	3 706 691
	10 201 963

10. RATIOS

Ratios presented in cents:

– Profit/(loss) per share	984 704
– Headline profit/(loss) per share	984 704
– Dividend per share	300 000
– Net asset value per share	17 017 852
– Net tangible asset value per share	16 908 581

Shares in issue for the period ending 31 August 2016: 400. The above ratios are based on the group figures.

REPORTING ACCOUNTANTS' REPORT ON THE INTERIM FINANCIAL RESULTS OF RED CAP INVESTMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2016

The Directors

7 February 2017

Dear Sirs

REPORT OF THE INDEPENDENT AUDITORS ON THE REVIEW OF FINANCIAL INFORMATION OF RED CAP INVESTMENTS GROUP PROPRIETARY LIMITED

We have reviewed the financial information of Red Cap Investments Group Proprietary Limited and its subsidiaries, as set out in **Annexure 9** of the Circular, which comprise the statement of financial position as at 31 August 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period ended 31 August 2016, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the annual financial statements

The company's directors are responsible for the preparation and fair presentation of this financial information in accordance with International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, and the requirements of the Companies Act, 71 of 2008, and for such internal control as the directors determine is necessary to enable financial information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express a conclusion on the financial information based on our review.

Scope of review

We conducted our review in accordance with International Standards on Review Engagements ISRE 2400, "Review of Financial Statements". This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial information is free of material misstatement. A review of financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial information is not fairly presented in all material respects in accordance with International Financial Reporting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, the requirements of the Companies Act, 71 of 2008 and the JSE Listings Requirements.

Moore Stephens Cape Town Inc.
Chartered Accountants (SA)
Registered Auditor and Reporting Accountant Specialist

Per: **Adele Smit**
Director

2nd Floor, Block 2, Northgate Park
Corner Section Street and Koeberg Road
Paarden Eiland, 7405

HISTORICAL FINANCIAL INFORMATION OF EUROCAPE

Eurocape is a South African registered, privately-held company that develops renewable energy projects and provides related consultancy services. In the three-year period ending 29 February 2016 and the six-month interim period ending 31 August 2016, the company's main activities have included (i) owning at 1.21% share interest in Kouga, which is the owner and operator of the 80MW Kouga Wind Farm project and (ii) owning a 90.0% share interest Business Venture Investments No. 1421 Proprietary Limited, which is the owner and developer of the 50MW De Aar Solar One solar photovoltaic project.

Renewable energy project development activities include but are not limited to identification and contracting access to land; regulatory permitting and consents; project design; procurement; financing; construction; and operation. These may be performed entirely or in part by Eurocape.

Eurocape was part of the original developer consortium that developed the Kouga Wind Farm project.

Eurocape was the lead consortium member developing the De Aar Solar One project. On 27 July 2016, Eurocape disposed its shareholding in Business Venture Investments No. 1421 Proprietary Limited to the shareholders of Eurocape in order to complete the restructuring of Eurocape to the end that the only asset held by Eurocape was the shareholding in Kouga. This was a condition of the transaction entered into between Eurocape and Hulisani, which is the subject of this Circular.

During the review period, Eurocape received income from success fees, return of shareholder loan and capital; proceeds from asset sales and dividends. Positive cash flows were utilised for project development activities. The only material event for noting was the disposal of Business Venture Investments No. 1421 Proprietary Limited. Cash on the balance sheet at 31 August 2016 (the six-month interim balance sheet date) is fully provisioned for transaction costs.

During the review period, there was no change in the share capital of Eurocape.

The directors of Hulisani take responsibility for the presentation of the Eurocape financial information.

Group Statement of Financial Position at 29 February 2016

	Notes	2016 R	2015 R	2014 R
ASSETS				
Non-current assets		**17 153 967**	**15 361 662**	**13 501 965**
Investments	2	17 153 967	15 361 662	13 501 965
Equity and Liabilities		17 153 967	15 361 662	13 501 965
CAPITAL AND RESERVES		**11 410 271**	**10 463 919**	**9 363 597**
Share capital	3	100	100	100
Other reserves		13 311 301	11 920 472	10 477 347
Retained loss		(1 901 130)	(1 456 653)	(1 113 850)
Non-current liabilities		**3 842 468**	**3 440 992**	**3 024 420**
Deferred taxation	9	3 842 468	3 440 992	3 024 420
Current liabilities		**1 901 228**	**1 456 751**	**1 113 948**
Non-interest-bearing borrowings	4	1 901 228	1 245 853	812 324
South African Revenue Service	8	–	210 898	301 624
		17 153 967	**15 361 662**	**13 501 965**

Group Statement of Comprehensive Income for the three years ended 29 February 2016

	Notes	2016 R	2015 R	2014 R
Other income	5	–	12 000	1 647 983
Other operating expenses		(444 477)	(354 803)	(2 806 901)
Loss from operations	6	(444 477)	(342 803)	(1 158 918)
Finance costs		–	–	–
Loss before taxation		(444 477)	(342 803)	(1 158 918)
Income tax expense	7	–	–	(201 615)
Net loss for the year		(444 477)	(342 803)	(1 360 533)
Other comprehensive income		1 390 829	1 443 125	1 366 624
– Fair value adjustment on available for sale financial asset		1 792 305	1 859 697	1 761 114
– Deferred tax on fair value adjustment		(401 476)	(416 572)	(394 490)
Total comprehensive loss for the year		**946 352**	**1 100 322**	**6 091**

Group statement of changes in equity for the three years ended 29 February 2016

	Share capital R	Retained loss R	Other reserves R	Total R
Balance at 1 March 2013	100	246 683	9 110 723	9 357 506
Net loss for the year	–	(1 360 533)	–	(1 360 533)
Other comprehensive income	–	–	1 366 624	1 366 624
Balance at 28 February 2014	100	(1 113 850)	10 477 347	9 363 597
Net loss for the year	–	(342 803)	–	(342 803)
Other comprehensive income	–	–	1 443 125	1 443 125
Balance at 28 February 2015	100	(1 456 653)	11 920 472	10 463 919
Net loss for the year	–	(444 477)	–	(444 477)
Other comprehensive income	–	–	1 390 829	1 390 829
Balance at 29 February 2016	**100**	**(1 901 130)**	**13 311 301**	**11 410 271**
Note		3		

Notes to the group annual financial statements for the three years ended 29 February 2016

1. **ACCOUNTING POLICIES**

The annual financial statements have been prepared on the historical cost basis, unless otherwise stated, and incorporate the following principal accounting policies, which are consistent with those applied in previous years.

The financial statements were approved by the directors on 12 December 2016.

1.1 **Basis of preparation**

The annual financial statements of Eurocape Renewables Proprietary Limited have been prepared in accordance with the International Financial Reporting Standards and its interpretations adopted by the International Accounting Standards Board and the Companies Act, 71 of 2008.

The preparation of annual financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the annual financial statements, are disclosed in the notes to the annual financial statements.

1.2 **Financial instruments**

Financial instruments recognised on the statement of financial position include investments, borrowings and trade and other payables. Financial instruments are initially measured at cost and any subsequent measurement adjustments are made in accordance with their specific instrument related provision of accounting statement IAS 39. Investments are held at fair value.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated in this category. They are included in non-current assets unless management intends to dispose of it within 12 months of the end of the reporting period.

Regular purchase and sales of financial assets are recognised on trade date – the date on which the company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition. Investments are derecognised when the rights to receive cash flows from the investments have expired or whether they have been transferred and the company has also transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value are recognised in equity. When securities are sold or impaired, the accumulated fair value adjustments, recognised in equity, are included in the statement of comprehensive income as net realised gains/losses on financial assets.

Dividends are recognised in the statement of comprehensive income as part of other income when the company's right to receive payment is established.

Borrowings

Borrowings are classified as other financial liabilities. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds, net of transaction costs, and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

1.3 **Current and deferred income tax**

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences).

Deferred tax liabilities are recognised for all temporary differences that are expected to increase taxable income in the future

Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable income in the future, and any unused tax losses or unused tax credits. Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable income are more likely than not to be recovered.

The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable income. Any adjustments are recognised in profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable income (tax loss) of the periods in which it expects the deferred tax asset to be realised or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

1.4 **Revenue**

Revenue arises from the following transactions and events, but excludes non-operating income and value:

(a) The rendering of services

Revenue is recognised when the following criteria are satisfied:

(a) It is probable that the economic benefits associated with the transaction will flow to the enterprise, and

(b) The amount of the revenue can be measured reliably.

Specific criteria relating to each category of revenue is as follows:

Sale of services are recognised in the accounting period in which the services are rendered.

1.5 **Critical estimates/judgements**

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical estimates and judgements were used in determining the following:

- fair value of the available for sale financial assets;
- impairment of loans receivable; and
- IFRS 10 requires consolidated financial statements to be prepared by the company unless the results are ultimately consolidated in terms of IFRS higher up in the company structure. The company has decided not to consolidate its investment in Business Venture Investments No. 1421 Proprietary Limited because audited information is not available for this investment and this investment was sold subsequent to year-end (refer to note 14).

The nature of estimation, sensitivity to assumptions, changes made to past assumptions have been included in note 11.

1.6 **Standards and Interpretations not yet effective**

Standards	Details of amendments	Annual periods beginning on or after
IFRS 9 – Financial Instruments	– A finalised version of IFRS 9 has been issued which replaces IAS 39 Financial Instruments: Recognition and Measurement. The completed standard comprises guidance on Classification and Measurement, Impairment Hedge Accounting and Derecognition: – IFRS 9 introduces a new approach to the classification of financial assets, which is driven by the business model in which the asset is held and their cash flow characteristics. A new business model was introduced which does allow certain financial assets to be categorised as "fair value through other comprehensive income" in certain circumstances. The requirements for financial liabilities are mostly carried forward unchanged from IAS 39. However, some changes were made to the fair value option for financial liabilities to address the issue of own credit risk. – The new model introduces a single impairment model being applied to all financial instruments, as well as an "expected credit loss" model for the measurement of financial assets. – IFRS 9 contains a new model for hedge accounting that aligns the accounting treatment with the risk management activities of an entity, in addition enhanced disclosures will provide better information about risk management and the effect of hedge accounting on the financial statements. – IFRS 9 carries forward the derecognition requirements of financial assets and liabilities from IAS 39.	1 January 2018 *IFRS 9 (2014) supersedes any previous versions of IFRS 9, but earlier versions of IFRS 9 remain available for application if the relevant date of application is before 1 February 2015.

Standards	Details of amendments	Annual periods beginning on or after
IFRS 15 – Revenue from Contracts from Customers	– New standard that requires entities to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is achieved through a five-step methodology that is required to be applied to all contracts with customers. – The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple-element arrangements. The new standard supersedes: (a) IAS 11 Construction Contracts; (b) IAS 18 Revenue; (c) IFRIC 13 Customer Loyalty Programmes; (d) IFRIC 15 Agreements for the IFRIC 18 Transfers of Assets from SIC-31 Revenue – Barter Transactions.	1 January 2018
IFRS 16 – Leases	– New standard that introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying IAS 7 Statement of Cash Flows.	1 January 2019

Standards	Details of amendments	Annual periods beginning on or after
IFRS 16 – Leases (continued)	– IFRS 16 contains expanded disclosure requirements for lessees. Lessees will need to apply judgement in deciding upon the information to disclose to meet the objective of providing a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the lessee. – IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. – IFRS 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk. IFRS 16 supersedes the following: – IAS 17 Leases; – IFRIC 4 Determining whether an Arrangement contains a Lease; – SIC-15 Operating Leases – Incentives; – SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.	1 January 2019
IAS 7 – Statement of Cash flows	– Disclosure Initiative: Amendments requiring entities to disclose information about changes in their financing liabilities. The additional disclosures will help investors to evaluate changes in liabilities arising from financing activities, including changes from cash flows and non-cash.	1 January 2017
IAS 12 – Income Taxes	– Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12): Narrow – scope amendment to clarify the requirements on recognition of deferred tax assets for unrealised losses on debt instruments measured at fair value.	1 January 2017

None of the standards that have been published but not yet effective are expected to have significant impact on the amounts recorded in the annual financial statements.

		2016 R	2015 R	2014 R
2.	**INVESTMENTS**			
	Investment in Kouga Wind Farm (RF) Proprietary Limited			
	Opening balance made up as follows:	15 361 572	13 501 875	11 740 761
	– cost	108	108	108
	– Fair value adjustment	15 361 464	13 501 767	11 740 653
	Current year fair value adjustment	1 792 305	1 859 697	1 761 114
	Closing balance is made up as follows:	17 153 877	15 361 572	13 501 875
	– cost	108	108	108
	– Fair value adjustment	17 153 769	15 361 464	13 501 767
	The investment in Kouga Wind Farm (RF) Proprietary Limited is a minority holding (1.2088%). It is an unlisted company that is involved in alternative energy supply.			
	Investment in Business Venture Investments No 1421 Proprietary Limited			
	– Shares at Cost	90	90	90
	The investment in Business Venture Investments No 1421 Proprietary Limited is a 90% holding. It is an unlisted investment company.			
		17 153 967	15 361 662	13 501 965
3.	**SHARE CAPITAL**			
	Authorised			
	1 000 ordinary shares with no par value	1 000	1 000	1 000
	Issued			
	100 ordinary shares with no par value	100	100	100
4.	**NON INTEREST-BEARING BORROWINGS**			
	Shareholders loan: Gerard Latouf Family Trust	1 435 330	779 956	409 886
	Shareholders loan: Kasouga Trust	465 898	465 897	402 438
		1 901 228	1 245 853	812 324

The above loans are unsecured, interest free and have no set terms for repayment.

The above loans with the Gerard Latouf Family Trust and the Kasouga Trust to the value of R1 901 130 have been subordinated in favour of the company, until such time that the assets of the company fairly valued, exceed its liabilities.

		2016 R	2015 R	2014 R
5.	**OTHER INCOME**			
	Dividends received	–	–	744,453
	Management fees	–	12,000	–
	Success fee	–	–	903,530
		–	12,000	1,647,983

Once-off success fee received by Eurocape as part of developer consortium in relation to Kouga Wind Farm reaching financial close and commencing construction in prior years.

	2016 R	2015 R	2014 R
6. LOSS FROM OPERATIONS			
Loss from operations is stated after the following disclosable items:			
Expenditure			
Management fees	–	7,000	144,000
Consulting fee	91,200	–	–
Impairment of loan	284,260	328,260	2,619,398

These impairments relate to expenses of Business Venture Investments no 1421 Proprietary Limited paid by the shareholders of thereby giving rise to a loan due to Eurocape Renewables Proprietary Limited each year. However these were subsequently not deemed recoverable and therefore written off.

	2016 R	2015 R	2014 R
7. INCOME TAX EXPENSE			
South African normal taxation			
Current taxation	–	–	201,615
Deferred taxation-current year	–	–	–
	–	–	201,615
The standard tax rate is reconciled to the effective tax rate as follows:			
Standard rate	28%	28%	28%
Loss before tax multiplied by the standard tax rate	(124,454)	(95,985)	(324,497)
Expenses disallowed	11	2,602	1,128
Exempt local dividend	–	–	(208,447)
Assessed loss	44,850	1,470	–
Impairment of loan	79,593	91,913	733,431
	–	–	201,615
Effective tax rate	0.00%	0.00%	–17.40%
8. SOUTH AFRICAN REVENUE SERVICE			
Opening balance	210,898	301,624	95,932
Current year taxation	–	–	201,615
Interest and penalties	–	9,274	4,077
Payments during the year	(210,898)	(100,000)	–
Closing balance	–	210,898	301,624
9. DEFERRED TAXATION			
Investments	3,842,468	3,440,992	3,024,420
Reconciliation between opening and closing balance			
Deferred tax liability at the beginning of the year	3,440,992	3,024,420	2,629,930
Investments	401,476	416,572	394,490
Deferred tax liability	3,842,468	3,440,992	3,024,420

The company has an estimated loss for taxation purposes of R165 428 (2015: R5 251) (2014:Nil) to be carried forward to future accounting periods.

	2016 R	2015 R	2014 R

10. **RELATED PARTIES**

Parties are considered to be related if one party has the ability to control the other party in making financial and operating decisions.

The following have been identified as related parties:

- Kasouga Trust, G Yeats is a Shareholder
- Leadwood Capital (Pty) is a Shareholder
- The Gerard Latouf Family Trust, GL Latouf is a Shareholder
- Business Venture Investments No 1421 Proprietary Limited, Subsidiary company
- Kouga Wind Farm (RF) Proprietary Limited– minority shareholding held by company

The following outstanding amounts with related parties are included in the statement of financial position:

	2016 R	2015 R	2014 R
Investments	17 153 967	198	198
Non interest-bearing borrowings	1 901 228	1 245 853	812 324

The following transactions included in the statement of comprehensive income have taken place with related parties.

Related Party	Transaction	2016 R	2015 R	2014 R
Business Venture Investments No 1421 Proprietary Limited	Management fee expense	–	(7,000)	(144,000)
Leadwood Capital Proprietary Limited	Consulting fee expense	(91,200)	–	–
The Gerard Latouf Family Trust	Management fee income	–	12,000	–

11. **FINANCIAL INSTRUMENTS**

The company's liquidity, credit, currency and interest rate risks are monitored continually.

Financial instruments as shown in the statement of financial position include investments, and non-interest-bearing borrowings. The estimated fair value of these instruments approximate their carrying amounts.

Financial position – categories of financial instruments

The following tables reconcile the statement of financial position to the categories of financial instruments:

	Financial assets/ liabilities at cost R	Financial assets/ liabilities at Fair value R	Non-financial assets and liabilities R	Total R
At 29 February 2016				
Assets				
Investment	90	17 153 877	–	17 153 967
Total assets	90	17 153 877	–	17 153 967
Liabilities				
Non-interest-bearing borrowings	–	–	–	–
Total Liabilities	–	–	–	–
At 28 February 2015				
Assets				
Investments	90	15 361 572	–	15 361 662
Total assets	90	15 361 572	–	15 361 662
Liabilities				
Non-interest-bearing borrowings	–	–	–	–
Total Liabilities	–	–	–	–
At 28 February 2014				
Assets				
Investments	90	13 501 875	–	13 501 965
Total assets	90	13 501 875	–	13 501 965
Liabilities				
Non-interest-bearing borrowings	–	–	–	–
Total Liabilities	–	–	–	–

Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in raising funds to meet its commitments. The company manages liquidity risk by proper management of working capital and cash flows.

	Less than 3 months R	Between 3 months and 1 year R	Greater than 1 year R	Total R
At 29 February 2016				
Financial liabilities				
Non-interest-bearing borrowings	1 901 228	–	–	1 901 228
Current tax liabilities	–	–	–	–
	1 901 228	–	–	1 901 228
At 28 February 2015				
Financial liabilities				
Non-interest-bearing borrowings	1 245 853	–	–	1 245 853
Current tax liabilities	210 898	–	–	210 898
	1 456 751	–	–	1 456 751
At 28 February 2014				
Financial liabilities				
Non-interest-bearing borrowings	812 324	–	–	812 324
Current tax liabilities	301 624	–	–	301 624
	1 113 948	–	–	1 113 948

The table above adequately analyses assets and liabilities into current and non current categories based on the remaining period at reporting date to settlement date.

Fair value estimation of financial instruments

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market (for example, derivatives such as interest rate swaps, foreign exchange contracts and certain options) is determined through valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Assets	Level 1	Level 2	Level 3	Total
At 29 February 2016				
Investments	–	–	17 153 877	17 153 877
At 28 February 2015				
Investments	–	–	15 361 572	15 361 572
At 28 February 2014				
Investments	–	–	13 501 875	13 501 875

The company's available for sale financial assets were valued at year-end using the internally generated discounted cash flow valuation technique. This model incorporates estimates defined as unobservable inputs (level 3 inputs) as per the fair value hierarchy defined in IFRS 13.

Valuation techniques and key inputs used to measure significant level 3 fair values include:

In measuring the fair value of investments the entity made use of inputs that were not based on observable market data. The fair value was determined taking the following factors into account:

1. This is the set to the Sponsor P75 case (P75 means at 75% chance of the wind performance)
2. The valuation methodology is to discount dividends receivable by Eurocape by 15.0%. The directors believe this is an appropriate discount factor for the nature of the asset.
3. The valuation is adjusted to the date closest to the financial year
4. **Dividend distribution dates in the model are linked to the debt instalment periods.**

Valuation technique	**Unobservable inputs**	**Range of unobservable inputs**	**Relationship of unobservable inputs**
Discounted cash flow	Wind farm array efficiency	Between 94.8% and 95.5%	The higher the rate the higher the fair value.
	Availability	Between 94.8% and 96.1%	The higher the rate the higher the fair value.
	High wind	Between 99.8% and 99.9%	The higher the rate the higher the fair value.
	Blade degradation	Between 99.2% and 99.5%	The higher the rate the higher the fair value.
	Net energy yield	Between P50 and P90	The higher the rate the higher the fair value.
	Net capacity factor	Between P50 and P90	The higher the rate the higher the fair value.

12. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

The company has applied IFRS 1, First-time adoption of International Financial Reporting Standards, to provide a starting point for the reporting under International Reporting and Accounting Standards. On principle these Standards have been applied retrospectively and the 2013 would differ from those published in the annual financial statements published for the year ended 28 February 2013.

The date of transition was 1 March 2013 and the effect of the transition was as follows:–

Company

Reconciliation of equity at 1 March 2013 (Date of transition to the new standards)

	As reported under previous GAAP	Effect of transition to IFRS	IFRS
ASSETS			
NON-CURRENT ASSETS			
Investments	198	11 740 653	11 740 851
CURRENT ASSET			
Loan receivable	367 098	–	367 098
Total assets	367 296	11 740 653	12 107 949
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES	246 783	–	246 783
Share capital	100	–	100
Other reserves		9 110 723	9 110 723
Retained Income	246 683	–	246 683
NON-CURRENT LIABILITIES			
Deferred taxation	–	2 629 930	2 629 930
CURRENT LIABILITIES	120 513	–	120 513
Non-interest-bearing borrowings	24 581	–	24 581
South African Revenue Service	95 932	–	95 932
Total equity and liabilities	367 296	2 629 930	2 997 226
Reconciliation of profit and loss for February 2014			
Other income	1 647 983	–	1 647 983
Other operating expenses	(2 806 901)	–	(2 806 901)
Loss from operations	(1 158 918)	–	(1 158 918)
Finance costs	–	–	–
Loss before taxation	(1 158 918)	–	(1 158 918)
Income tax expense	(201 615)	–	(201 615)
Net loss for the year	(1 360 533)	–	(1 360 533)
Other comprehensive income	–	1 366 624	1 366 624
– Fair value adjustment on available for sale financial asset	–	1 761 114	1 761 114
– Deferred tax on fair value adjustment	–	(394 490)	(394 490)
Total comprehensive loss for the year	(1 360 533)	1 366 624	6 091

13. **GOING CONCERN**

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on the going concern basis. The shareholders have subordinated their loans as detailed in note 4 and provided letters of support to ensure that the company can continue for the forseeable future. The directors have satisfied themselves that the company is in a sound financial position. The directors are not aware of any new material changes that may adversely impact on the company.

14. **EVENTS AFTER THE REPORTING PERIOD**

The shares of Eurocape Renewables Proprietary Limited are in the process of being sold as at report signing date. However, at report signing date there were still outstanding conditions precedent.

Eurocape Renewables Proprietary Limited sold their shares and claims in Business Venture Investments No 1421 for R90 (R1/share). The company sold the shares and claims "as is" and provided no representations and warranties in respect of the sale. The effective date of the sale was 29 July 2016.

The shareholder loans were settled on 1 October 2016.

No other material events or circumstances were noted.

15. **CASH FLOW STATEMENT**

A cash flow statement has not been prepared as there is no bank account.

INDEPENDENT REPORTING ACCOUNTANTS' REPORTS ON THE HISTORICAL FINANCIAL INFORMATION OF EUROCAPE

The Board of Directors
Hulisani Limited
11th Floor, Sandton Eye
126 West Street
Corner Rivonia and West Street
Sandton, 2196

Dear Sirs

Independent reporting accountants' audit report on the Historical Financial Information of Eurocape Renewables Proprietary Limited

Introduction

Hulisani Limited ("Hulisani" or "the Company"") is issuing a circular to its shareholders to be dated on or about 16 February 2017 ("the Circular") regarding the subscription by the Company of the Kouga See-through Shares through the acquisition of 100% of the shares in Red Cap Investments Proprietary Limited ("Red Cap') and Eurocape Renewables Proprietary Limited ("Eurocape" or "the Target") respectively.

At your request and solely for the purpose of the Circular to be dated on or about 16 February 2017, we have audited the historical financial information of the Target, which comprises the statement of financial position as at 29 February 2016, 28 February 2015, 28 February 2014, and the statements of comprehensive income, changes in equity for the years then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information ("the Historical Financial Information"), as presented in **Annexure 11** to the Circular, in compliance with the JSE Limited ("JSE") Listings Requirements.

Responsibility

Directors' responsibility

The directors of Hulisani are responsible for the preparation, contents and presentation of the Circular and are responsible for ensuring that the Company complies with the JSE Listings Requirements. The directors of Eurocape are responsible for the preparation and fair presentation of the Historical Financial Information in accordance with International Financial Reporting Standards, and for such internal controls as the directors of the Target determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance whether the Historical Financial Information of the Target is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Historical Financial Information of the Target. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Historical Financial Information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used, and the reasonableness of accounting estimates made by management of the Target, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for adverse opinion

As explained in note 1.5 of **Annexure 11** of the Circular, the company has not presented group financial statements in which it consolidates its investment in Business Venture No 1421 Proprietary Limited, its subsidiary company, as required by International Financial Reporting Standards IFRS 10 Consolidated Financial Statements. This investment is therefore accounted for on a cost basis. Under International Financial Reporting Standards, the subsidiary should have been consolidated because it is controlled by Eurocape Renewables Proprietary Limited. Had Business Venture No 1421 Proprietary Limited been consolidated elements in the Historical Financial Information as presented in **Annexure 11** of this Circular would have been materially affected. The effects on the Historical Financial Information of the failure to consolidate have not been determined.

Adverse opinion

In our opinion, because of the significance of the matter discussed in the basis for adverse opinion paragraph, the Historical Financial Information set out in **Annexure 11** of this Circular do not present fairly, the financial position of Eurocape Renewables Proprietary Limited and its subsidiaries as at 29 February 2016, 28 February 2015 and 28 February 2014 its financial performance for the years then ended in accordance with International Financial Reporting Standards.

Purpose of report

This report has been prepared for the purpose of this Circular and for no other purpose.

PricewaterhouseCoopers Inc.
Director: **RK Klute**
Registered Auditor

Pietermaritzburg
7 February 2017

INTERIM FINANCIAL RESULTS OF EUROCAPE

The directors of Hulisani take responsibility for the presentation of the Eurocape financial information.

Statement of Financial Position as at 31 August

	Notes	31 August 2016 R	28 February 2015 R
ASSETS			
Non-current assets		**17 546 414**	17 153 967
Investments	2	**17 546 414**	17 153 967
		17 546 414	17 153 967
EQUITY AND LIABILITIES			
Capital and reserves		**12 392 208**	11 410 271
Share capital	3	**100**	100
Other reserves		**13 615 910**	13 311 301
Retained loss		**(1 223 802)**	(1 901 130)
Non-current liabilities		**3 930 397**	3 842 468
Deferred taxation	9	**3 930 397**	3 842 468
Current liabilities		**1 223 810**	1 901 228
Non-interest-bearing borrowings	4	**1 223 810**	1 901 228
South African Revenue Service	8	**–**	–
		17 546 414	17 153 967

Statement of Comprehensive Income for the six months ended 31 August

	31 August 2016 R	28 February 2015 R
Other income	**858 248**	–
Other operating expenses	**(180 920)**	(45 600)
Profit from operations	**677 328**	(45 600)
Finance costs	**–**	–
Profit before taxation	**677 328**	(45 600)
Income tax expense	**–**	–
Net profit for the year	**677 328**	(45 600)
Other comprehensive income	**304 609**	695 415
– Fair value adjustment on available for sale financial asset	**392 537**	896 153
– Deferred tax on fair value adjustment	**(87 928)**	(200 738)
Total comprehensive profit for the year	**981 937**	649 815

Statement of Changes in equity for the six months ended 31 August 2016

	Share capital R	Share premium R	Retained earnings R	Total R
Balance at 28 February 2015	**100**	**(1 456 653)**	**11 920 472**	**10 463 919**
Net loss for the year	–	(444 477)	–	(444 477)
Other comprehensive income	–	–	1 390 829	1 390 829
Balance at 29 February 2016	**100**	**(1 901 130)**	**13 311 301**	**11 410 271**
Net profit for the year	–	677 328	–	677 328
Other comprehensive income	–	–	304 609	304 609
Balance at 31 August 2016	**100**	**(1 223 802)**	**13 615 910**	**12 392 208**
Note	3			

1. **ACCOUNTING POLICIES**

The six-month interim financial statements have been prepared on the historical cost basis, unless otherwise stated, and incorporate the following principal accounting policies, which are consistent with those applied in previous years.

The financial statements were approved by the directors on 12 December 2016.

1.1 **Basis of preparation**

The six-month interim financial statements of Eurocape Renewables Proprietary Limited have been prepared in accordance with the International Financial Reporting Standards and its interpretations adopted by the International Accounting Standards Board and the Companies Act, 71 of 2008.

The preparation of the financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the interim financial statements, are disclosed in the notes to the interim financial statements.

1.2 **Financial instruments**

Financial instruments recognised on the statement of financial position include investments, borrowings and trade and other payables. Financial instruments are initially measured at cost and any subsequent measurement adjustments are made in accordance with their specific instrument related provision of accounting statement IAS 39. Investments are held at fair value.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated in this category. They are included in non-current assets unless management intends to dispose of it within 12 months of the end of the reporting period.

Regular purchase and sales of financial assets are recognised on trade date – the date on which the company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition. Investments are de-recognised when the rights to receive cash flows from the investments have expired or whether they have been transferred and the company has also transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value are recognised in equity. When securities are sold or impaired, the accumulated fair value adjustments, recognised in equity, are included in the statement of comprehensive income as net realised gains/losses on financial assets.

Dividends are recognised in the statement of comprehensive income as part of other income when the company's right to receive payment is established.

Borrowings

Borrowings are classified as other financial liabilities. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds, net of transaction costs, and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

1.3 **Current and deferred tax**

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are recognised for all temporary differences that are expected to increase taxable income in the future. Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable income in the future, and any unused tax losses or unused tax credits. Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable income are more likely than not to be recovered.

The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable income. Any adjustments are recognised in profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable income (tax loss) of the periods in which it expects the deferred tax asset to be realised or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

1.4 **Revenue**

Revenue arises from the following transactions and events, but excludes non-operating income and value:

(a) The rendering of services

Revenue is recognised when the following criteria are satisfied:

(a) It is probable that the economic benefits associated with the transaction will flow to the enterprise; and

(b) The amount of the revenue can be measured reliably. Specific criteria relating to each category of revenue is as follows:

Sale of services are recognised in the accounting period in which the services are rendered.

1.5 **Critical estimates/judgements**

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical estimates and judgements were used in determining the following:

- fair value of the available for sale financial assets.
- impairment of loans receivable.

Critical estimates and judgements were used in determining the following:

- fair value of the available for sale financial assets.
- impairment of loans receivable.
- IFRS 10 requires consolidated financial statements to be prepared by the company unless the results are ultimately consolidated in terms of IFRS higher up in the company structure. The company has decided not to consolidate its investment in Business Venture Investments No 1421 Proprietary Limited because audited information is not available for this investment and this investment was sold during the six-month period (refer note 15).

1.6 **Standards and interpretation not yet effective:**

Standards	Details of amendments	Annual periods beginning on or after
IFRS 9, Financial Instruments	– A finalised version of IFRS 9 has been issued which replaces IAS 39 Financial Instruments: Recognition and Measurement. The completed standard comprises guidance on Classification and Measurement, Impairment Hedge Accounting and Derecognition:	1 January 2018 *IFRS 9 (2014) Supersedes any previous versions of IFRS 9, but earlier versions of IFRS 9 remain available for application if the relevant date of application is before 1 February 2015
	– IFRS 9 introduces a new approach to the classification of financial assets, which is driven by the business model in which the asset is held and their cash flow characteristics. A new business model was introduced which does allow certain financial assets to be categorised as "fair value through other comprehensive income" in certain circumstances. The requirements for financial liabilities are mostly carried forward unchanged from IAS 39. However, some changes were made to the fair value option for financial liabilities to address the issue of own credit risk.	
	– The new model introduces a single impairment model being applied to all financial instruments, as well as an "expected credit loss" model for the measurement of financial assets.	
	– IFRS 9 contains a new model for hedge accounting that aligns the accounting treatment with the risk management activities of an entity, in addition enhanced disclosures will provide better information about risk management and the effect of hedge accounting on the financial statements.	
	– IFRS 9 carries forward the derecognition requirements of financial assets and liabilities from IAS 39.	
IFRS 15, Revenue from Contracts from Customers	– New standard that requires entities to 1 January 2018 recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is achieved through a five-step methodology that is required to be applied to all contracts with customers.	1 January 2018

Standards	Details of amendments	Annual periods beginning on or after
	– The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple-element arrangements. The new standard supersedes: (a) IAS 11 Construction Contracts; (b) IAS 18 Revenue; (c) IFRIC 13 Customer Loyalty Programmes; (d) IFRIC 15 Agreements for the (e) IFRIC 18 Transfers of Assets from (f) SIC-31 Revenue – Barter Transactions	
IFRS 16 Leases	– New standard that introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures right-of use assets similarly to other non-financial assets (such as property, plant and equipment) **and** lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of **the** lease liability into a principal portion and an interest portion and presents them in **the** statement of cash flows applying IAS 7 Statement of Cash Flows. – IFRS 16 contains expanded disclosure requirements for lessees. Lessees will need to apply judgement in deciding upon the information to disclose to meet the objective of providing a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the lessee.	1 January 2019

Standards	Details of amendments	Annual periods beginning on or after
	– FRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. – 1FRS 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk. – IFRS 16 supersedes the following: – IAS 17 Leases – IFRIC 4 determining whether an Arrangement contains a Lease; – SIC-15 Operating leases – incentives; – SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.	
IAS 7 Statement of Cash Flows	– Disclosure Initiative: Amendments requiring entitles to disclose information about changes to their financing liabilities. The additional disclosures will help investors to evaluate changes in liabilities arising from financing activities, including changes from cash flows and non-cash.	1 January 2017
IAS 12 Income Taxes	Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12): Narrow – scope amendment to clarify the requirements on recognition of deferred tax assets for unrealised losses on debt instruments measured at fair value.	1 January 2017

None of the standards that have been published but not yet effective are expected to have significant impact on the amounts recorded in the interim financial statements.

		31 August 2016 R	28 February 2015 R
2.	**INVESTMENTS**		
	Investment in Kouga Wind Farm (RF) Proprietary Limited		
	Opening balance made up as follows:	**17 153 877**	15 361 572
	– cost	**108**	108
	– fair value adjustment	**17 153 769**	15 361 464
	Current year fair value adjustment	**392 537**	1 792 305
	Closing balance is made up as follows:	**17 546 414**	17 153 877
	– cost	**108**	108
	– fair value adjustment	**17 546 306**	17 153 769
	The investment in Kouga Wind Farm (RF) Proprietary Limited is a minority holding (1.2088%). It is an unlisted company that is involved in alternative energy supply.		
	Investment in Business Venture Investments No 1421 Proprietary Limited		
	– shares at cost	**–**	90
	The investment in Business Venture Investments No 1421 Proprietary Limited is a 90% holding. It is an unlisted investment company.		
		17 546 414	17 153 967
3.	**SHARE CAPITAL**		
	Authorised		
	1 000 ordinary shares with no par value	**1 000**	1 000
	Issued		
	100 ordinary shares with no par value	**100**	100
4.	**NON-INTEREST-BEARING BORROWINGS**		
	Shareholders' loan: Gerard Latouf Family Trust	**1 187 081**	1 435 330
	Shareholders' loan: Kasouga Trust	**36 729**	465 898
		1 223 810	1 901 228
	The above loans are unsecured, interest-free and have no set terms for repayment.		
5.	**OTHER INCOME**		
	Dividends received	**858 248**	–
6.	**PROFIT FROM OPERATIONS**		
	Profit from operations is stated after the following disclosable items:		
	Expenditure		
	Management fees	**–**	–
	Consulting fee	**2 519**	45 600
	Impairment of loan	**178 400**	

These impairments relate to expenses of Business Venture Investments No 1421 Proprietary Limited paid by the shareholders of thereby giving rise to a loan due to Eurocape Renewables Proprietary Limited each year. However, these were subsequently not deemed recoverable and therefore written off.

		31 August 2016 R	28 February 2015 R
7.	**INCOME TAX EXPENSE**		
	South African normal taxation		
	Current taxation	**–**	–
	Deferred taxation – current year	**–**	–
		–	–
	The standard rate is reconciled to the effective tax rate as follows:		
	Standard rate	**28%**	28%
	Profit before tax multiplied by the standard tax rate	**189 652**	(12 755)
	Expense disallowed	**706**	12 768
	Exempt local dividend	**(240 309)**	–
	Assessed loss	**–**	–
	Impairment of loan	**49 952**	–
		–	–
	Effective tax rate	**–**	–
8.	**SOUTH AFRICAN REVENUE SERVICES**		
	Opening balance	**–**	–
	Current year taxation	**–**	–
	Interest and penalties	**–**	–
	Payments during the year	**–**	–
	Closing balance	**–**	–
		–	–
9.	**DEFERRED TAXATION**		
	Investments	**3 930 397**	3 842 468
	Reconciliation between opening and closing balance		
	Deferred tax liability at the beginning of the year	**3 842 469**	3 440 992
	Investments	**87 928**	401 476
	Deferred tax liability	**3 930 397**	3 842 466

The company has an estimated loss for taxation purposes of R165 428 to be carried forward to the future accounting periods.

10. **RELATED PARTIES**

Parties are considered to be related if one party has the ability to control the other part in making financial and operating decisions.

The following have been identified as related parties:

- Kasouga Trust, G Yeats is a shareholder.
- Leadwood Capital Proprietary Limited is a shareholder.
- The Gerard Latouf Family Trust, GL Latouf is a shareholder.
- Business Venture Investments No 1421 Proprietary Limited, Subsidiary company.
- Kouga Wind Farm (RF) Proprietary Limited – minority shareholding held by company.

The following outstanding amounts with related parties are included in the Statement of Financial Position.

	31 August 2016 R	28 February 2015 R
Investments	**17 546 414**	17 153 967
Non-interest-bearing borrowings	**1 223 810**	1 901 228

The following transactions included in the Statement of Comprehensive Income have taken place with related parties.

Related Party	Transaction		
Business Venture Investments No 1421 Proprietary Limited	Management fee expense	**–**	–
Leadwood Capital Proprietary Limited	Consulting fee expense	**(2 519)**	(45 600)
The Gerard Latouf Family Trust	Management fee income	**–**	–

11. FINANCIAL INVESTMENTS

The company's liquidity, credit, currency and interest rate risks are monitored continually.

Financial instruments as shown in the statement of financial position include investments, and non-interest-bearing borrowings. The estimated fair value of these instruments approximate their carrying amounts.

Financial position – categories of financial instruments

The following tables reconcile the statement of financial position to the categories of financial instruments:

	Financial assets/ liabilities at cost R	Financial assets/ liabilities at fair value R	Non-financial assets and liabilities R	Total R
At 31 August 2016				
Assets				
Investment	–	17 546 414	–	17 546 414
Total assets	**–**	**17 546 414**	**–**	**17 546 414**
Liabilities				
Non-interest-bearing borrowings	–	–	–	–
Total liabilities	**–**	**–**	**–**	**–**
At 29 February 2016				
Assets				
Investment	90	17 153 877	–	17 153 967
Total assets	**90**	**17 153 877**	**–**	**17 153 967**
Liabilities				
Non-interest-bearing borrowings	–	–	–	–
Total liabilities	**–**	**–**	**–**	**–**

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in raising funds to meet its commitments. The company manages liquidity risk by proper management of working capital and cash flows.

	Less than 3 months R	Between 3 months and 1 year R	Greater than 1 year R	Total R
At 31 August 2016				
Financial liabilities				
Non-interest-bearing borrowings	1 223 810	–	–	1 223 810
Current tax liability	**–**	**–**	**–**	**–**
	1 223 810	**–**	**–**	**1 223 810**
At 29 February 2016				
Financial liabilities				
Non-interest-bearing borrowings	1 901 228	–	–	1 901 228
Current tax liability	–	–	–	–
	1 901 228	**–**	**–**	**1 901 228**

Fair value estimation of financial instruments

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e as prices) or indirectly (i) a derived from prices) The fair value of financial instruments that are not traded in art active market (for example, derivatives such as interest rate swaps. foreign exchange contracts and certain options) is determined through valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable. The instrument is included in level 2.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Assets	Level 1	Level 2	Level 3	Total
At 31 August 2016				
Investments	–	–	17 546 414	17 546 414
At 29 February 2016				
Investments	–	–	17 153 877	17 153 877

The company's available for sale financial assets were valued at year-end using the internally generated discounted cash flow valuation technique. This model incorporates estimates defined as unobservable inputs (level 3 inputs) as per the fair value hierarchy defined in IFRS 13.

Valuation techniques and key inputs used to measure significant level 3 fair values include.

In measuring the fair value of investments Inc entity made use of inputs that were not based on observable market data. The fair value was determined taking the following factors into account:

1. This is the set to the Sponsor P75 case (P75 means at 75% chance of the wind performance).
2. The valuation methodology is to discount dividends receivable by Eurocape by 15.0%. The directors believe this is an appropriate discount factor for the nature of the asset.
3. The valuation is adjusted to the date closest to the financial year.
4. Dividend distribution dates in the model are linked to the debt instalment periods.

Valuation technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs
Discounted cash flow	Wind farm array efficiency	Between 94.8% and 95.5%	The higher the rate the higher the fair
	Availability	Between 94.4% and 96.1%	The higher the rate the higher the fair
	High wind	Between 99.8% and 99.9%	The higher the rate the higher the fair
	Blade degradation	Between 99.2% and 99.5%	The higher the rate the higher the fair
	Net energy yield	Between P50 and P90	The higher the rate the higher the fair
	Net capacity factor	Between P50 and P90	The higher the rate the higher the fair

12. **GOING CONCERN**

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the interim financial statements have been prepared on the going concern basis.

13. **EVENTS AFTER THE REPORTING PERIOD**

The shares of Eurocape Renewables Proprietary Limited are in the process of being sold as at report signing date. However, at report signing dale there were still outstanding conditions precedent.

The shareholder loans were settled on 1 October 2016. No other material events or circumstances were noted.

14. **CASH FLOW STATEMENT**

A cash flow statement has not been prepared as there is no bank account.

15. **NATURE OF FINANCIAL STATEMENTS**

The group sold its investment in its subsidiary, Business Venture Investments No 1421 Proprietary Limited on 29 July 2016. As a result of the sale of the subsidiary, the financial statements presented at 31 August 2016 represent company financial statements.

For the year ended 29 February 2016 and for the six months ended 31 August 2015, group financial statements were required by IFRS 10 as none of the exemptions provided by IFRS 10 were available to the company. However, the company did not consolidate its investment in Business Venture Investments No 1421 Proprietary Limited because audited information was not available for this investment and because the subsidiary was sold.

REPORTING ACCOUNTANTS' REPORT ON THE INTERIM FINANCIAL RESULTS OF EUROCAPE FOR THE SIX MONTHS ENDED 31 AUGUST 2016

The Board of Directors
Hulisani Limited
11th Floor, Sandton Eye
126 West Street
Corner Rivonia and West Street
Sandton, 2196

Dear Sirs

Independent reporting accountants' report on the review of the Interim Historical Financial Information of Eurocape Renewables Proprietary Limited

Introduction

Hulisani Limited ("Hulisani" or "the Company") is issuing a circular to its shareholders to be dated on or about 16 February 2017 ("the Circular") regarding the subscription by the Company of the Kouga See-Through Shares through the acquisition of 100% of the shares in Red Cap Investments Proprietary Limited ("Red Cap") and Eurocape Renewables Proprietary Limited ("Eurocape"), respectively.

At your request and solely for the purpose of the Circular, we have reviewed the accompanying interim statement of financial position of Eurocape as at 31 August 2016 and the related statements of comprehensive income and changes in equity for the six-month period then ended ("the Interim Historical Financial Information"), as presented in **Annexure 13** to the Circular, in compliance with the JSE Limited ("JSE") Listings Requirements.

Directors' responsibility

The directors of Hulisani are responsible for the preparation, contents and presentation of the Circular and are responsible for ensuring that the Company complies with the JSE Listings Requirements. The directors of Eurocape are responsible for the preparation and presentation of the Interim Historical Financial Information in accordance with International Financial Reporting Standard (IAS) 34 *Interim Financial Reporting*, and for such internal control as the directors determine is necessary to enable the preparation of Interim Historical Financial Information that are free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express a conclusion on the Interim Historical Financial Information based on our review.

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the Interim Historical Financial Information are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with international standards on auditing. Accordingly, we do not express an audit opinion on these interim historical financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Interim Historical Financial Information of Eurocape for the six months ended 31 August 2016 as set out in **Annexure 13** to the Circular, is not prepared, in all material respects, in accordance with International Financial Reporting Standard, (IAS) 34 *Interim Financial Reporting* and JSE Listings Requirements.

Purpose of the report

This report has been prepared for the purpose of this Circular and for no other purpose.

PricewaterhouseCoopers Inc.
Director: **RK Klute**
Registered Auditor

Pietermaritzburg
7 February 2017

VENDORS

Details of Red Cap Investments Proprietary Limited and Eurocape Renewables Proprietary Limited, the vendors in respect of the Acquisition are set out below:

Name of vendors	Red Cap Investments Proprietary Limited	Eurocape Renewables Proprietary Limited
Transfer Office	Unit B2, Mainstream Centre, Main Road, Hout Bay, 7806	32 Grosvenor Crescent, Durban North, 4051
Registered office	Unit B2, Mainstream Centre, Main Road, Hout Bay, 7806	Block A Hilltops Office Park, 73 Villiers Drive, Clarendon, Pietermaritzburg, 3201
Place of incorporation	Cape Town	South Africa
Date of incorporation	7 November 2008	27 October 2008
Authorised share capital	1 000 ordinary shares	1 000 ordinary shares
Issued share capital	200 ordinary shares of no par value amounting to R129 296 in issued stated capital.	100 ordinary shares with a par value of R1 amounting to R100 in issued share capital.
Changes to capital over the past three years	During the financial year ended 28 February 2015, the 200 issued ordinary shares with a par value of R1 each were converted to no par value shares. Upon the conversion to no par value shares, the share premium on the par value shares was reclassified to stated capital. An additional issue of 200 no par value shares took place and proceeds from the issue was attributed to stated capital. There were no other alterations to the share capital of Red Cap in the last three years.	There have been no alterations to Eurocape's share capital in the last three years.

Name of vendors	Red Cap Investments Proprietary Limited	Eurocape Renewables Proprietary Limited
Nature of business	Red Cap is a South African registered, privately-held company that develops renewable energy projects and provides related consultancy services. In the three-year period ending 29 February 2016 and the six-month interim period ending 31 August 2016, the company's main activities have included i) owning a 5.46% share interest in Kouga, which is the owner and operator of the 80MW Kouga Wind Farm project and ii) owning a 17.1% share interest in the Gibson Bay Wind Farm Proprietary Limited. Renewable energy project development activities include but are not limited to identification and contracting access to land; regulatory permitting and consents; project design; procurement; financing; construction; and operation. These may be performed entirely or in part by Red Cap. Red Cap was the lead developer of the consortium that developed the Kouga Wind Farm project as well as the Gibson Bay Wind Farm. On 16 August 2013, Red Cap disposed its shareholding in the Gibson Bay Wind Farm Proprietary Limited.	Eurocape is a South African registered, privately-held company that develops renewable energy projects and provides related consultancy services. In the three-year period ending 29 February 2016 and the six-month interim period ending 31 August 2016, the company's main activities have included i) owning a 1.21% share interest in Kouga, which is the owner and operator of the 80MW Kouga Wind Farm project and ii) owning a 90.0% share interest Business Venture Investments No. 1421 Proprietary Limited, which is the owner and developer of the 50MW De Aar Solar One solar photovoltaic project. Renewable energy project development activities include but are not limited to identification and contracting access to land; regulatory permitting and consents; project design; procurement; financing; construction; and operation. These may be performed entirely or in part by Eurocape. Eurocape was part of the original developer consortium that developed the Kouga Wind Farm project and the De Aar Solar One project. On 27 July 2016, Eurocape disposed its shareholding in Business Venture Investments No. 1421 Proprietary Limited.
Operating period	seven years	six years
Asset acquired from vendor	100% (one hundred percent) of the issued share capital of Red Cap which directly holds 5.46% (five point forty six) of the issued share capital of Kouga	100% (one hundred percent) of the issued share capital of Eurocape, which directly holds 1.21% (one point twenty one) of the issued share capital of Kouga
Date asset originally acquired by the vendors	19 November 2012	19 November 2012
Price paid to the vendor including transaction costs plus deferred and contingent considerations	R103 227 073 (one hundred and three million two hundred and twenty seven thousand and seventy three Rand)	R25 372 927 (twenty five million three hundred and seventy two thousand nine hundred and twenty seven Rand)
Effective date of acquisition of the asset	Date of fulfilment of all conditions precedent	Date of fulfilment of all conditions precedent

Name of vendors	Red Cap Investments Proprietary Limited	Eurocape Renewables Proprietary Limited
Book debts guaranteed by the vendor	No	No
Normal warranties provided by the vendor	Yes, save for the warrantee that Red Cap shall have no liabilities or assets other than the shares held by each in Kouga as at the Closing Date.	Yes, save for the warrantee that Eurocape shall have no liabilities or assets other than the shares held by each in Kouga as at the Closing Date.
Restraints imposed on the vendor under the acquisition	No	No
Acquisition involve any liability for accrued taxation	No	No
Asset to be acquired have been transferred into the name of Hulisani or one of its subsidiaries	No, will be transferred on the Closing Date	No, will be transferred on the Closing Date
Asset to be acquired been ceded or pledged	Yes	Yes
Details of how the value of the securities was determined	Valuation undertaken by directors	Valuation undertaken by directors
The beneficial interest, direct or indirect, of any promoter or director in any transaction	None	None
The amount of any cash or securities paid or benefit given or proposed to be paid or given, to any promoter, not being a director	Not applicable	Not applicable

INVESTMENT POLICY

1. Hulisani's investment strategy is to pursue the acquisition of, or investments in, direct or indirect minority stakes in companies operating in the energy sector.
2. Hulisani's investment policy and guidelines will be managed, and the investment strategy implemented, by the Board as a whole.
3. The investment criteria which will be used by the Board to assess investment opportunities or potential acquisitions of assets will include, amongst other criteria, the following:
   3.1 expected return;
   3.2 counterparty risks;
   3.3 inflation-beating ability of cash flows;
   3.4 quality and experience of management;
   3.5 environmental considerations; and
   3.6 geographical location primarily in sub-Saharan Africa.
4. Hulisani aims to be a strategic investment vehicle for retirement funds that are seeking assets with appropriate cash flow profiles in order to match long-term liabilities faced by their members.
5. Investment opportunities and/or the acquisition of assets will be assessed by the Board, as a whole, or where deemed appropriate, by an *ad hoc* Investment Committee (acting as a sub-committee of the Board) and presented to the Board for consideration and approval, which will comprise of disinterested, independent directors and the chief investment officer.
6. The Board does not intend to declare dividends prior to the completion of an acquisition of Viable Assets. Hulisani may thereafter, subject to the requirements of sections 4 and 46 of the Companies Act, declare and pay dividends to Shareholders should the Board consider it appropriate in the circumstances.

ACCOUNTING POLICY

Consolidation and treatment of investments

An investment entity which acquires an interest in a subsidiary, joint venture or associate shall be exempt from consolidation or equity accounting in terms of amendments to IFRS 10:31, IFRS 12:6 and shall measure an investment in a subsidiary, joint venture or associate at fair value through profit or loss. Should an investment in a subsidiary comply with the provisions of IFRS 10.32; these subsidiaries will be consolidated.

An investment entity is defined as an entity that:

1. obtains funds from one or more investors for the purpose of providing those investors with investment management services;
2. commits to its investors that its business purpose is to invest partners solely for returns from capital appreciation, investment income, or both; and
3. measures and evaluates the performance of substantially all of its investments on a fair value basis.

Hulisani meets the definition of an investment entity and therefore does not consolidate its investment in subsidiary or associates. Hulisani does account for these investments by applying IFRS 9 (paragraph 4.1.1) principles.

Financial Instruments policy

Hulisani Limited classifies financial assets and financial liabilities into the following categories:

1. Amortised cost;
2. Fair value through other comprehensive income; and
3. Fair value through profit and loss.

Certain financial assets are designated as at fair value through profit or loss when the assets are managed, evaluated and reported internally on a fair value basis. A non-derivative financial asset with fixed or determinable payments may be classified as a loan and receivable unless it is quoted in an active market, or it is an asset for which the holder may not recover substantially all of its investment, other than because of credit deterioration. The classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Financial assets classified as at fair value through profit or loss which are no longer held for the purposes of selling or repurchasing in the near term may be reclassified out of that category:

- in rare circumstances; and
- if the asset meets the definition of loans and receivables and the entity has the intention and ability to hold the asset for the foreseeable future or until maturity.

Initial recognition and measurement

Financial instruments are recognised initially when Hulisani Limited becomes a party to the contractual provisions of the instruments. Hulisani Limited classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are measured initially at fair value. For financial instruments, which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument. Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss. Regular way purchases of financial assets are accounted for at trade date. Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments at fair value through profit or loss exclude dividends and interest. Net realised gains from financial instruments at fair value through profit or loss are calculated using the cost at transaction date.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method. The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

Fair value determination "Fair value" is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market available at that time. The fair value of a liability reflects its non-performance risk. When available, the fair value of an instrument is measured using quoted prices in an active market for that instrument.

A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Instruments are quoted in an active market at closing price, because this price provides a reasonable approximation of the exit price.

If there is no quoted price in an active market, then valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs are used. The chosen valuation technique incorporates all factors that market participants would take into account in pricing a transaction. The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e. the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets. When a transaction price provides the best evidence of fair value at initial recognition, the financial instrument will be initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model will subsequently be recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is supported wholly by observable market data or the transaction is closed out. All changes in fair value, other than interest and dividend income and expense and net foreign exchange gains or losses, are recognised in profit or loss as part of net gain/loss from financial instruments at fair value through profit or loss.

Hulisani Limited recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred. Impairment of financial assets A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired.

A financial asset or a group of financial assets is considered to be impaired if objective evidence indicates that one or more loss events have occurred and have had a negative effect on the estimated future cash flows of that asset that can be measured reliably. Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to Hulisani Limited in terms that would not be considered otherwise, indications that a debtor or issuer will enter bankruptcy or the disappearance of an active market for a security. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses will be recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised.

When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss. Any interest in such transferred financial assets that are created or retained by Hulisani Limited is recognised as a separate asset or liability.

Derecognition

The derecognition of a financial asset occurs when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset. Any interest in such transferred financial assets that is created or retained by Hulisani Limited is recognised as a separate asset or liability. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised), and consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Hulisani Limited will derecognise a financial liability when its contractual obligations are discharged, cancelled or expire.

Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, there is a legal right to offset amounts and either parties intend to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under IFRS, i.e. gains and losses arising from a group of similar transactions, such as gains and losses from financial instruments at fair value through profit or loss.

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

REVISED LISTING PARTICULARS

The definitions and interpretations commencing on page 6 of these Revised Listing Particulars apply, *mutatis mutandis,* to this cover.

These Revised Listing Particulars should be read together with the Circular.

These Revised Listing Particulars are not an invitation to the public to subscribe for securities, but are issued in compliance with the JSE Listings Requirements, for the purpose of providing information to the public and Shareholders with regard to Hulisani following the implementation of the Acquisition. These Revised Listing Particulars have been prepared on the assumption that the ordinary resolutions and the special resolution proposed in the Notice of General Meeting forming part of the circular to which these Revised Listing Particulars are attached will be passed at the General Meeting of shareholders to be held on Monday, 20 March 2017.

As at the date of these Revised Listing Particulars, the authorised share capital of Hulisani consists of 1 000 000 000 (one billion) Shares and the issued share capital of Hulisani consists of 50 000 020 (fifty million and twenty) Shares. The total value of Hulisani's issued share capital is R500 000 200. All Shares rank *pari passu* in respect of all rights. As at the date of these Revised Listing Particulars, Hulisani has no treasury Shares in issue.

Following the implementation of the Acquisition, the authorised and issued share capital of Hulisani will remain unchanged.

Shareholders are advised that their Shares will only be traded on the JSE in dematerialised form and accordingly, if any Shareholders hold their Shares in certificated form, they will have to dematerialise their share certificates in order to trade their Shares on the JSE. Such Shareholders must make necessary arrangements with their CDSP or Broker, in terms of the Custody Agreement with their CSDP or Broker.

The directors, whose names are given in paragraph 5.1 of these Revised Listing Particulars, collectively and individually accept full responsibility for the accuracy of the information furnished relating to the Hulisani Group and certify that, to the best of their knowledge and belief, 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 these Revised Listing Particulars contain all information required by law and the JSE Listings Requirements.

The Auditor and Independent Reporting Accountant and each of the experts, whose names appear in the "*Corporate Information*" section of these Revised Listing Particulars, have given and have not, prior to the formal approval of these Revised Listing Particulars by the JSE, withdrawn their written consents to the inclusion of their names, and acting in the capacities stated and, where applicable, to their reports, being included in these Revised Listing Particulars.

Transaction Advisor and Sponsor	**Independent Reporting Accountant and Auditor**
PSG CAPITAL	KPMG cutting through complexity

Date of issue Thursday, 16 February 2017

Copies of these Revised Listing Particulars are available in English only and may, from Thursday, 16 February 2017 until Monday, 20 March 2017 (both days inclusive) be obtained from the registered office of Hulisani and from the Transaction Advisor and Sponsor and the Transfer Secretaries, during normal business hours at the addresses set out in the "Corporate Information" section of these Revised Listing Particulars. A copy of these Revised Listing Particulars will also be available on Hulisani's website (www.hulisani.co.za).

CORPORATE INFORMATION

The definitions and interpretations commencing on page 6 of these Revised Listing Particulars apply, *mutatis mutandis,* to this Corporate Information section.

Directors of Hulisani

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

Registered office of Hulisani

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

Date of incorporation as a public company
13 October 2015

Place of incorporation
South Africa

Transaction Advisor and Sponsor

PSG Capital Proprietary Limited
(Registration number 2006/015817/07)
1st Floor, Ou Kollege
35 Kerk Street
Stellenbosch, 7599
(PO Box 7403, Stellenbosch, 7600)

and at

1st Floor, Building 8
Inanda Greens Business Park
54 Wierda Road West
Wierda Valley
Sandton, 2196
(PO Box 987, Parklands, 2121)

Company Secretary of Hulisani

ER Goodman Secretarial Services CC
(Registration number 1996/043126/23)
Houghton Estate Office Park
2nd Floor, Palm Grove
2 Osborn Road
Houghton, 2198
(PO Box 890825, Lynhurst,2106)

Independent Reporting Accountant and Auditor

KPMG Inc.
(Registration number 1999/021543/21)
KPMG Crescent
85 Empire Road
Parktown, 2193
(Private Bag 9, Parktown, 2122)

Legal Advisors to the Company

Allen & Overy (South Africa) LLP
2nd Floor, Graysand Office
2 Sandton Drive, 2196
(PO Box 785553, Sandton, 2146)

Transfer Secretaries

Computershare Investor Services
Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers
15 Biermann Avenue
Rosebank
2196
(PO Box 61051, Marshalltown, 2107)

CONTENTS

The definitions and interpretations commencing on page 6 of this Circular apply, *mutatis mutandis,* to this table of contents.

HULISANI LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2015/363903/06)
JSE 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

REVISED LISTING PARTICULARS

SECTION ONE – INFORMATION ON HULISANI

1. **INTRODUCTION**

1.1 Hulisani listed as a SPAC on the JSE. Following the conclusion of Hulisani's acquisition of a Viable Asset, being the Acquisition, Hulisani is no longer classified as a SPAC as it qualifies as an investment entity, in terms of the JSE Listings Requirements. Hulisani is therefore on track to fulfil its investment objective of investing in energy assets located in sub-Saharan Africa.

1.2 Hulisani intends for its income to be derived mainly from shares or other securities and neither the Company or any of its subsidiaries will conduct any trading activity that is material to the group as a whole.

1.3 Should Hulisani invest in other companies, which in turn invest in a portfolio of assets, it will ensure that the policies and objectives of the investee conform to the principal objectives of Hulisani.

1.4 Hulisani's proposed investment portfolio will consist of unlisted investments in the energy sector. These will comprise of wind, hydro, solar and clean coal projects.

1.5 Details of Eurocape and Red Cap are set out in **Annexure 15** of the Circular.

2. **THE COMPANY**

2.1 Hulisani was incorporated as a public company on 13 October 2015. The intended purpose of the Company is to pursue the acquisitions of, and investments in, companies focused on, and operating in, the energy sector and which evidence good potential for growth. Both Red Cap and Eurocape will be holding companies of their respective shares in Kouga.

2.2 The Acquisition is the first asset in Hulisani's portfolio, which demonstrates the ability of the Company to acquire good, cash generative assets.

2.3 Until such time as at least 50% of the Hulisani portfolio has been established in investments other than cash or short dated securities, it is required to disclose its portfolio to shareholders on a quarterly basis.

2.4 The details of Red Cap and Eurocape, the vendors of the Acquisition are set out in **Annexure 7** of the Circular.

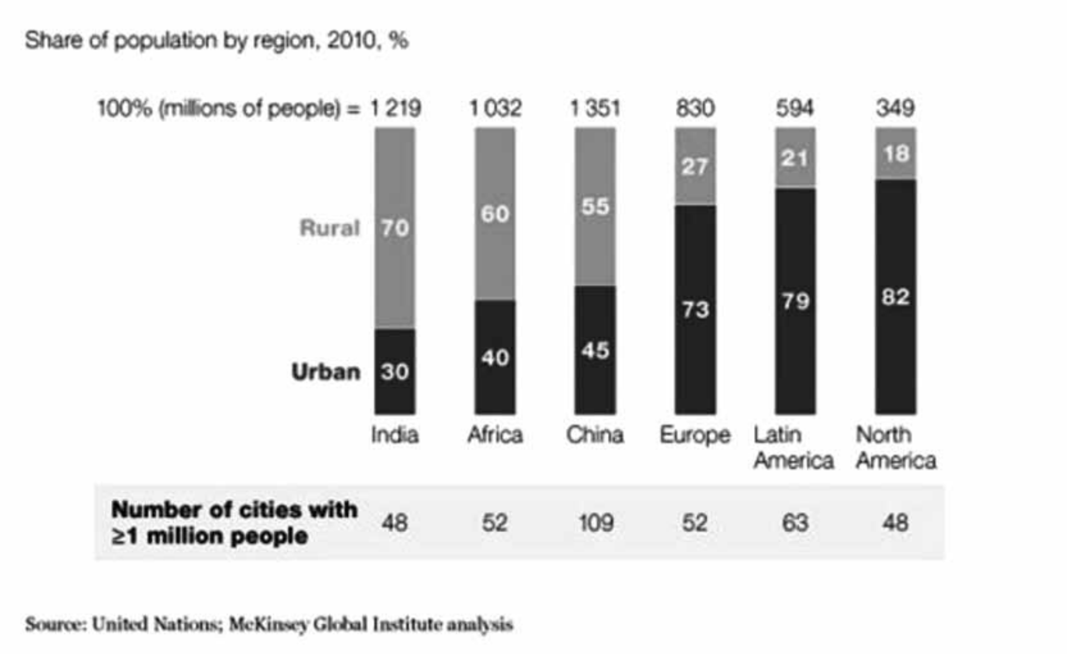
2.5 Details of the financial information relating to the Acquisition is set out in paragraph 6 of the Circular.

3. SECTOR BACKGROUND

3.1 Background

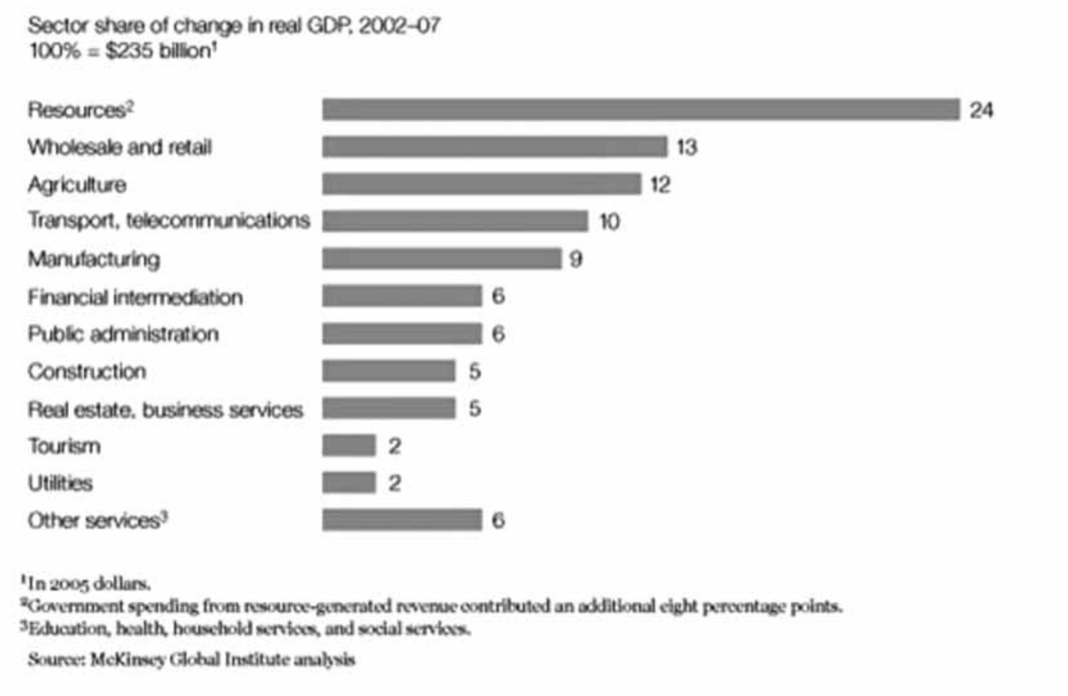
3.1.1 Worldwide, the energy mix that countries employ is become more and more critical given a number of key considerations. Developing nations are contending with rapidly urbanising populations that result in increasing energy demands, whilst developed countries are grappling with pressure from citizens to shift away from technologies that are perceived to be harmful to the environment such as coal. All of this is taking place against the backdrop of the climate change tug-of-war between the developing and developed nations with regards to concessions that need to be made in order to limit and arrest the pace of global warming.

3.1.2 Energy is of immense significance and importance to the development of the African continent. From infrastructure to urbanisation, energy is central to propelling economic development on the continent. It is estimated by PWC that infrastructure spending globally will reach USD$9 trillion annually by 2025. According to the World Bank, even with the recent weakness in the oil price, more than 50% of the fastest growing countries in the world are African. According to McKinsey Global Institute analysis, in terms of urbanisation, Africa has as many cities with more than one million people as Europe does. The graph below illustrates the distribution of urban and rural populations in different parts of the world:



3.1.3 This illustrates the rising need for investment into energy infrastructure as the levels of urbanisation continue to increase, driving demand across the entire economic value chain in order to support the explosion in consumer demand for goods and services. In 2000, roughly 59 million households on the continent had USD$5 000 or more in income – above which they start spending approximately half of it on non-food items. By 2018, the number of such households could reach 128 million. In terms of energy demand, one example that follows from this would be the electrification of new households as incomes rise. In addition, an increase in the levels of activity in the manufacturing and services sectors will continue to drive demand for reliable energy sources.

3.1.4 A key aspect of Africa's slow growth in the past has been due to the low levels of participation of the energy sector in the continent. Much of the investment has been into sectors such as resources, as the graph below illustrates (in USD$):



3.1.5 Recently, there has been an increasing trend of heightened increased focus on the energy sector. Of note has been the successful renewable energy programme that has been rolled out by the Department of Energy in South Africa. This programme has attracted numerous global participants and has been hailed as one of the best run programmes globally to date. Over R150 billion has been invested thus far in the four rounds of projects that have been awarded licences thus far. Nigeria has also privatised their energy industry through the creation of 11 privately owned generation companies that bought power generation assets from the government. In addition, electricity distribution assets were also privatised as part of this process in Nigeria.

3.1.6 In addition to the economic benefits derived from the availability of energy, the African Development Bank also highlighted the following social facts related to energy:

3.1.6.1 Currently, more than 600 million sub-Saharan Africans live without access to electricity;

3.1.6.2 600 000 people in Africa die annually as a result of secondary effects of smoke from cooking fires; and

3.1.6.3 According to Akinwumi Adesina (President of the African Development Bank), Africa must power itself from an economic, health perspective, jobs and life perspective.

3.1.7 Investment in energy comes through a few key channels:

3.1.7.1 Generation: These are activities concerned with the primary generation of energy and the development of generation capacity. This includes the full array of different energy generation methods and technologies.

3.1.7.2 Transmission: This is the bulk movement of energy from the generation source to distribution hubs.

3.1.7.3 Distribution: This involves the distribution of energy, once it has been transmitted from the generation source, to the end users.

3.1.8 Given the growing levels of demand for energy, it is therefore envisioned that there will be significant continued investment into the sector. Energy infrastructure is also crucial to the development of other industries such as infrastructure and manufacturing. This provides tangible, long-term investment opportunities for investors that have a long-term horizon with respect to their outlook.

4. **PROSPECTS**

4.1.1 The acquisition of the investment in Kouga Wind Farm, through the acquisition of Red Cap and Eurocape, allows Hulisani to begin its journey to achieving its stated intention of being a holding company of energy assets. This will allow the investing institutions and public, to have exposure to a portfolio of long term, cash flow generating energy assets. Both Red Cap and Eurocape will continue to hold their respective shares in Kouga.

4.1.2 Hulisani has an active potential investment pipeline. With the good prospects of raising the full R4 billion in equity, Hulisani will be able to quickly build a portfolio of high quality assets. The directors believe that Hulisani is well placed to reach its originally intended potential.

5. **DIRECTORS**

5.1 **Composition of the Board**

5.2 **The compositon of the board is set out in paragraph 8.1 of the Circular. Additional information**

5.2.1 Reference to the "directors" in this paragraph shall be deemed refer to the directors in their capacities as directors of Hulisani.

5.2.2 A list of other directorships held by the directors is set out in **Annexure RLP3** to these Revised Listing Particulars.

5.2.3 No director is a partner with unlimited liability.

5.2.4 None of the directors:

5.2.4.1 have been declared bankrupt, insolvent or have entered into any individual voluntary compromise arrangements;

5.2.4.2 have been directors with an executive function of any company put under, or proposed to be put under, any business rescue plans, or that is or was the subject of an application for business rescue, any notices in terms of section 129(7) of the Companies Act, receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company voluntary arrangements or any compromise or arrangements with creditors generally or any class of creditors, at the time of such event or within the 12 (twelve) months preceding any such event;

5.2.4.3 have been partners in a partnership that was the subject of any compulsory liquidation, administration or partnership voluntary arrangement, at the time of such event or within the 12 (twelve) months preceding any such event;

5.2.4.4 have entered into any receiverships of any asset(s) or of a partnership where such directors are or were partners during the preceding 12 (twelve) months;

5.2.4.5 have been publicly criticised by a statutory or regulatory authority, including recognised professional bodies, or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;

5.2.4.6 have been involved in any offence of dishonesty;

5.2.4.7 have been removed from an office of trust, on the grounds of misconduct, involving dishonesty; or

5.2.4.8 have been the subject of any court order declaring him delinquent or placing him under probation in terms of section 162 of the Companies Act and/or section 47 of the Close Corporations Act, No. 69 of 1984 or been disqualified by a court to act as a director in terms of section 219 of the Companies Act, No. 61 of 1973.

5.3 **Borrowing powers**

5.3.1 The Company's borrowing powers exercisable by the directors are unlimited.

5.3.2 As at the Last Practicable Date, the borrowing powers of the directors have not been exceeded since the date of incorporation of the Company.

5.4 **Appointment and qualification of Directors**

5.4.1 The relevant provisions of the MOI regarding the term of office of Directors, the manner of their appointment and rotation and their retirement are set out in **Annexure RLP1** to these Revised Listing Particulars. No person has the right in terms of any agreement in respect of the appointment of any director or any number of directors.

5.4.2 The relevant provisions of the MOI relating to the qualification of Directors appear in **Annexure RLP1** to these Revised Listing Particulars. Apart from satisfying the qualification and eligibility requirements set out in section 69 of the Companies Act and the applicable provisions set out in paragraph 28 of the MOI (an extract of which appears in **Annexure RLP1** to these Revised Listing Particulars), a person need not satisfy any eligibility requirements or qualifications to become or remain a Director of Hulisani.

5.4.3 Profiles of the Directors, detailing their experience, appear in **Annexure RLP2** to these Revised Listing Particulars.

5.5 **Remuneration of Directors**

5.5.1 The relevant provisions of the MOI, which provide for the remuneration of Hulisani's Directors, are set out in **Annexure RLP1** to these Revised Listing Particulars.

5.5.2 Hulisani may pay remuneration to non-executive Directors for their services as directors in accordance with a special resolution approved by Shareholders within the previous 2 (two) years, as set out in section 66(8) and (9) of the Companies Act, and the power of Hulisani in this regard is not limited or restricted by the MOI.

5.5.3 Any Director who (i) serves on any executive or other committee of Hulisani; (ii) devotes special attention to the business of Hulisani; (iii) travels or resides outside South Africa for the purpose of Hulisani; or (iv) otherwise performs or binds himself to perform services which, in the opinion of the Board, are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration or allowances in addition to or in substitution of the remuneration to which he may be entitled as a Director, as a disinterested quorum of the Board may from time to time determine.

5.5.4 Directors may also be paid all their travelling and other expenses necessarily incurred by them in connection with the business of Hulisani and attending meetings of the Directors or of committees of the Directors.

5.5.5 The remuneration receivable by the Directors will not be varied following the implementation of the Acquisition.

5.5.6 No remuneration or benefits were paid to Directors in the previous financial year ended 29 February 2016.

5.5.7 No fees were paid to non-executive Directors in the previous financial year ended 29 February 2016.

5.5.8 The Directors are not entitled to any commission and are not party to any gain or profit-sharing arrangements with Hulisani. No other material benefits were received by the Directors.

5.5.9 No fees have been paid to any third party *in lieu* of directors' fees.

5.5.10 Hulisani has not, in the 3 (three) years preceding the date of these Revised Listing Particulars, paid (or agreed to pay) any amounts (whether in cash or in securities or otherwise) or given any benefits to any Director or to any company in which he is beneficially interested, directly or indirectly, or of which he is a director ("the associate company") or to any partnership, syndicate or other association of which he is a member ("the associate entity"), to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the associate company or the associate entity in connection with the promotion or formation of Hulisani.

5.6 **Directors' service contracts**

5.6.1 Information on directors' service contracts is set out in paragraph 8.2 of the circular.

5.7 **Directors' interests**

Details of directors interests are set out in paragraph 8.3 of the Circular. Management

5.7.1 Neither Hulisani or any of its subsidiaries is managed or is proposed to be managed by a third party, save for any investment in an energy provider. In the case of the Acquisition, Kouga has its own management team.

5.7.2 Neither Hulisani or any of its subsidiaries are managed by third parties. Kouga, however, is a separate company with its own management team.

6. SHARE CAPITAL

6.1 The authorised and issued share capital of Hulisani as at the Last Practicable Date are as follows:

	R
Stated capital	
Authorised	
1 000 000 000 Shares of no par value	–
Issued	
50 000 020 Shares of no par value	500 000 200
Total	500 000 200

Note:

1. As at the Last Practicable Date, no Shares were held in treasury.

6.2 Following the implementation of the Acquisition, the authorised and issued share capital of Hulisani will remain unchanged.

6.2.1 As at the Last Practicable Date:

6.2.1.1 no debentures have been created or issued by Hulisani; and

6.2.1.2 all Shares in issue are fully paid up and freely transferable.

6.2.2 All Shares in issue rank *pari passu* with each other in all respects, including in respect of voting rights and dividends.

6.2.3 There are no preferential conversion and/or exchange rights in respect of any Shares.

6.2.4 There have been no alterations to Hulisani's share capital in the last three years, save for the creation thereof upon registration.

6.3 **Major and controlling Shareholders**

6.3.1 The table in paragraph 9.1.1 of the Circular reflects the Hulisani Shareholders who, as at the Last Practicable Date, beneficially held, directly or indirectly, an interest of 5% (five percent) or more of the Hulisani Shares currently in issue. There has been no change in the controlling Shareholder nor trading objects of Hulisani from the Listing to the Last Practicable Date, and there will be no change in the shareholding in Hulisani as a result of the Acquisition.

6.4 **Rights attaching to Shares**

The salient provisions of the MOI regarding the rights attaching to Shares are detailed in **Annexure RLP1** to these Revised Listing Particulars.

6.5 **Changes to share capital**

There have been no changes to Hulisani's authorised share capital (including no share consolidations or subdivisions) during the previous 3 (three) years, save as set out below:

6.5.1 Hulisani was incorporated with an authorised share capital of 1 000 000 000 Shares on 13 October 2015.

6.6 **Options and preferential rights in respect of Shares**

There is no contract or arrangement, either actual or proposed, whereby any option or preferential right of any kind has been or will be given to any person to subscribe for any Shares in Hulisani.

6.7 **Dividends**

6.7.1 The Company is in its growth phase. Subject to section 46 of the Companies Act, Hulisani's targeted annualised dividend distribution rate shall be determined by the board at the appropriate time.

6.7.2 In terms of the MOI, all unclaimed monies that are due to any Shareholder pursuant to the declaration of a dividend shall be held by Hulisani in trust until lawfully claimed by such Shareholder, or until the Shareholder's claim to such money has prescribed in terms of the applicable laws of prescription.

6.7.3 No arrangements exist under which future dividends are waived or are agreed to be waived.

6.8 **Other listings**

The Shares of Hulisani are not listed on any stock exchange other than the JSE.

6.9 **Rights offer**

Since Hulisani's incorporation, Hulisani has not undertaken any rights offers.

6.10 **Shares issued**

Other than the issue of Shares pursuant to the Listing, Hulisani has not issued any shares since its incorporation.

7. **EXPENSES**

7.1 The estimated costs of preparing and distributing the circular, including these Revised Listing Particulars and all other annexures, holding the general meeting and implementing the acquisition, including the fees payable to professional advisors, are approximately R6.65 million, excluding VAT. The full particulars are presented in paragraph 12 of the circular.

8. **BORROWINGS AND LOANS RECEIVABLE**

8.1 **Loans to Directors**

As at the Last Practicable Date, no loans have been made or security furnished by Hulisani to or for the benefit of any Director, manager or any associate of a Director or manager of Hulisani.

8.2 **Material loans**

As at the Last Practicable Date, no material loans have been made to Hulisani and no loan capital is currently outstanding.

8.3 **Material commitments, lease payments and contingent liabilities**

As at the Last Practicable Date, Hulisani has no material capital commitments or contingent liabilities. Hulisani is currently negotiating the terms of a lease, which will be at market related rates for office rental in the Sandton area.

8.4 **Gearing**

In addition to the use of its own resources, Hulisani will employ external financing as a source of capital. Hulisani will use borrowings to advance tail-end cash flows in order to increase overall returns. The Board will adopt policies from time to time to set limits on the extent of Hulisani's borrowings. Interest rate movement risk will be mitigated by using inflation-linked loans or other hedging instruments. The implementation of such policies and the use of such instruments largely serves to make interest on borrowings a known and controlled expense. Other than in exceptional circumstances, Hulisani will use borrowings to fund acquisitions on a case by case basis and only where it is satisfied that the overall yield from a particular prospective acquisition is, or will be, greater than the cost of the borrowing required for that particular acquisition, or when the leveraging produces enhanced returns.

8.5 **Loans receivable**

As at the Last Practicable Date, Hulisani has no material loans receivable.

8.6 **Loans to Directors or managers**

The Hulisani Group has not made any loans to, or furnished any security for the benefit of, any Director or manager of Hulisani (or of any associate of any such Director or manager).

9. **WORKING CAPITAL**

The Directors are of the opinion that, following the implementation of the Acquisition and provided Ordinary Resolution Number 2 detailed in the Notice of General Meeting is passed:

9.1 the Hulisani Group will be able, in the ordinary course of business, to pay its debts for a period of 12 (twelve) months after the date of these Revised Listing Particulars;

9.2 the assets of the Hulisani Group will be in excess of the liabilities of the Hulisani Group for a period of 12 (twelve) months after the date of these Revised Listing Particulars;

9.3 the share capital and reserves of the Hulisani Group will be adequate for ordinary business purposes for a period of 12 (twelve) months after the date of these Revised Listing Particulars; and

9.4 the working capital of the Hulisani Group will be adequate for ordinary business purposes for a period of 12 (twelve)months after the date of these Revised Listing Particulars.

10. **HISTORICAL FINANCIAL INFORMATION**

10.1 The historical financial information of Hulisani showing the audited financial results of Hulisani for the financial year ended 29 February 2016 and for the interim period ended 31 August 2016 are available on Hulisani's website at www.hulisani.co.za, and is the responsibility of the Directors and is hereby incorporated by reference.

10.2 The historical financial information of Red Cap and the related Independent Reporting Accountant's report appear respectively in **Annexure 3** and **Annexure 4** to the Circular.

10.3 The historical financial information of Eurocape and the related Independent Reporting Accountant's report appear respectively in **Annexure 5** and **Annexure 6** to the Circular.

11. ***PRO FORMA* FINANCIAL INFORMATION OF HULISANI**

A *pro forma* statement of the financial position of Hulisani, showing the *pro forma* financial position of Hulisani, is presented in **Annexure 1** to the Circular and is the responsibility of the Directors, while the Independent Reporting Accountant's report thereon is included as **Annexure 2** to the Circular.

12. **MATERIAL CHANGES**

12.1 Save for the Acquisition, there have been no material changes in the financial or trading position of the Hulisani Group since the end of its last financial year ended 29 February 2016.

12.2 Save for the Acquisition, there have been no material changes in the business or trading objects of the Hulisani Group within the past 5 (five) years preceding these Revised Listing Particulars.

13. **PRINCIPAL IMMOVABLE PROPERTY OWNED AND LEASED**

As at the Last Practicable Date, Hulisani does not own or lease any immovable property.

14. **INTERCOMPANY FINANCIAL AND OTHER TRANSACTIONS**

As at the Last Practicable Date, there are no material inter-company financial and other transactions.

15. **MATERIAL ACQUISITIONS**

Hulisani has not undertaken any material acquisitions since its incorporation and, save in respect of the Acquisition as set out in the Circular, is not currently contemplating any potential material acquisitions as set out in para 9.8 of the Circular.

16. **PROPERTY DISPOSED OF OR TO BE DISPOSED OF**

Hulisani has not disposed of any material property since its incorporation and is not currently contemplating any material disposals.

SECTION THREE – ADDITIONAL MATERIAL INFORMATION

17. **PROMOTERS' AND OTHER INTERESTS**

17.1 Save for the fee payable to Nibira, no amounts have been paid or accrued and no benefit was given or proposed to be given within the last 3 (three) years to any promoter or to any partnership, syndicate or other association of which any promoter is or was a member.

17.2 No Director or promoter has any material beneficial interest, direct or indirect, in the promotion of Hulisani, save for being a Shareholder and a shareholder in Nibira.

17.3 No commissions were paid, or have accrued, by Hulisani within the 3 (three) years preceding the date of these Revised Listing Particulars in respect of any underwriting.

17.4 No commissions, discounts, brokerages or other special terms have been granted by Hulisani within the 3 (three) years preceding the date of these Revised Listing Particulars in connection with the issue or sale of any securities, stock or debentures in the capital of Hulisani.

18. **GOVERNMENT PROTECTION AND INVESTMENT ENCOURAGEMENT LAW**

There is no government protection or investment encouragement law affecting the Hulisani Group.

19. **LITIGATION**

There are no legal or arbitration proceedings (including any such proceedings that are pending or threatened) of which Hulisani is aware, which may have, or have during the 12 (twelve) months preceding the Last Practicable Date had, a material effect on the financial position of the Hulisani Group.

20. **MATERIAL CONTRACTS**

Save for the Kouga Agreement and the Sponsor Participation Agreement the details of which are set out in paragraphs 2 and 9.2 respectively of the Circular, no material contracts have been entered into by Hulisani, being restrictive funding arrangement and/or contracts entered into other than in the ordinary course of business and (i) within the 2 (two) years prior to the date of these Revised Listing Particulars or, (ii) at any other time where such agreement contains an obligation or settlement that is material to Hulisani as at the date of these Revised Listing Particulars.

Hulisani is not subject to any royalty agreements.

21. **EXPERTS' CONSENTS**

The Auditor and Independent Reporting Accountant, whose names appear in the "*Corporate Information*" section of these Revised Listing Particulars, have given and have not, prior to the formal approval of these Revised Listing Particulars by the JSE, withdrawn their written consents to the inclusion of their names, and acting in the capacities stated and, where applicable, to their reports, being included in these Revised Listing Particulars.

22. **RESPONSIBILITY STATEMENT**

The Directors, whose names are set out in paragraph 5.1 of these Revised Listing Particulars, collectively and individually accept full responsibility for the accuracy of the information contained in these Revised Listing Particulars which relates to Hulisani and, in this regard, certify that, to the best of their knowledge and belief, there are no facts that 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 these Revised Listing Particulars contains all information required by the JSE Listings Requirements.

23. **KING CODE AND CORPORATE GOVERNANCE**

Shareholders are referred to **Annexure RLP4** to these Revised Listing Particulars, which concerns the application of the King Code and other corporate governance principles to Hulisani.

24. **DOCUMENTS AVAILABLE FOR INSPECTION**

The documents listed in paragraph 17 of the Circular, or copies thereof, will be available for inspection by Shareholders during normal business hours at Hulisani's registered office and at the offices of the Sponsor, the details of which are provided in the "*Corporate Information*" section of the Circular, from Thursday, 16 February 2017 until Monday, 20 March 2017 (both days inclusive).

SIGNED AT SANDTON ON 16 FEBRUARY 2016 BY MR ME RAPHULA ON BEHALF OF ALL THE DIRECTORS OF HULISANI, AS LISTED BELOW, IN TERMS OF POWERS OF ATTORNEY SIGNED BY SUCH DIRECTORS

ME RAPHULA
Chief Investment Officer

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 Hlatshwayoå*

** Independent*
 # Non-independent

RELEVANT PROVISIONS FROM THE MOI OF HULISANI

This **Annexure RLP** contains extracts of various provisions from the MOI of Hulisani, as required under the JSE Listings Requirements. In each case, the numbering and wording below matches that of the MOI of Hulisani. A copy of the complete MOI is available for inspection at the Company's registered office.

For the purpose of this Annexure, "Act" refers to the Companies Act, No. 71 of 2008, as amended, consolidated or re-enacted from time to time and includes all schedules to such Act and the Companies Regulations, 2011. A reference to a section by number refers to the corresponding section of the Act, notwithstanding the renumbering of such section after the date on which the Company is incorporated. A reference to a clause by number refers to a corresponding provision of the MOI. The numbers in the furthest left hand column of the below table refer to the corresponding clause of the MOI.

1. POWERS OF THE COMPANY

Save for those restrictions, limitations and/or qualifications contemplated in the Listings Requirements and this MOI, the Company has all the legal powers and capacity contemplated in the Act, and no provision contained in this MOI should be interpreted or construed as negating, limiting, or restricting those powers in any way whatsoever.

2. AMENDMENT OF THE MOI AND RULES OF THE COMPANY

2.1 This MOI only may be altered or amended:

(a) in compliance with a court order, in which case the amendment shall be effected by Ordinary Resolution of the Board and it shall not require a Special Resolution as contemplated in section 16(1)(a) and 16(4);

(b) at any other time by means of a Special Resolution as contemplated in section 16(1)(c) and this MOI; and

(c) by the Board (or an individual authorised by the Board) in any manner necessary to correct a patent error in spelling, punctuation, reference, grammar or similar defect on the face of the document by publishing and filing a notice of alteration as contemplated in section 17(1).

2.2 Any change to the name of the Company and any variation to the share capital of the Company in the manner contemplated in article 4.5 shall be effected by way of a Special Resolution.

2.3 The Board's authority to make Rules is hereby excluded.

3. COMPANY'S SUBSIDIARIES

Should the Company at any time hold shares in a subsidiary company, the Company undertakes that:

3.1 it will ensure that the provisions of the subsidiary company's memorandum of incorporation does not frustrate the Company in any way from compliance with its obligations in terms of the Listings Requirements; and

3.2 nothing contained in the subsidiary company's memorandum of incorporation shall relieve the Company from compliance with the Listings Requirements.

4. SHARES

4.1 The Company is authorised to issue up to 1 000 000 000 Shares.

4.2 No Shares may be authorised in respect of which the preferences, rights, limitations and other terms of any class of shares may be varied in response to any objectively ascertainable external facts as provided for in section 37(6) and (7) of the Act.

4.3 Alterations of share capital, authorised shares and rights attaching to a class/es of Shares; all issues of Shares for cash and all issues of options and convertible Securities granted or issued for cash must be in accordance with the Listings Requirements.

4.4 The ordinary Shares shall rank *pari passu* in all respects.

4.5 If any amendment of the MOI relates to the variation of any preferences, rights, limitations and other terms attaching to any other class of Shares already in issue, that amendment must not be implemented without a Special Resolution, taken by the holders of Shares in that class at a separate meeting. In such instances, the holders of such Shares may be allowed to vote at the meeting of Shareholders subject to article 7.3. No resolution of Shareholders of the Company shall be proposed or passed, unless a Special Resolution of the holders of the Shares in that class approve the amendment.

5. **ISSUE OF UNISSUED SHARES**

5.1 The Company may only issue Shares which are fully paid up and freely transferable and only within the classes and to the extent that those Shares have been authorised by or in terms of this MOI.

5.2 The issue of any authorised but unissued shares in the Company must be offered to existing Shareholders *pro rata* to their shareholdings, unless such Securities are to be issued for an acquisition of assets.

5.3 Notwithstanding 5.2 above, the Shareholders in a general meeting may authorise the directors to issue unissued Securities and/or grant options to subscribe for unissued Securities for cash as the directors in their discretion think fit, provided that such corporate action/s has/have been approved by the JSE and are subject to the Listings Requirements.

6. **RIGHTS ATTACHING TO SECURITIES**

6.1 Each Share issued by the Company has associated with it an irrevocable right of the Shareholder to vote on any proposal to amend the preferences, rights, limitations and other terms associated with that Share.

6.2 Subject to any restriction as to voting to which any Shareholder or Security may be subject, a Shareholder who is present in person or by proxy shall have one vote on a show of hands and on a poll have one vote for each Share held.

6.3 The holders of Securities other than the Shares and any special Shares created for the purposes of BEE in terms of the BEE Act and the BEE Codes, shall not be entitled to vote on any Resolution taken by the Company, save for as permitted by article 6.4. In instances that such Shareholders are permitted to vote at general meeting, their total voting rights may not exceed 24.99% of the total voting rights of all Shareholders at such meeting.

6.4 If the Company at any time creates any listed cumulative and/or listed non-cumulative preference shares in the capital of the Company, such shares shall be subject to the restriction that no further securities ranking in priority to, or *pari passu* with, existing preference shares, of any class, shall be created without special resolution passed at a general meeting of such preference shareholders.

6.5 Subject to the provisions of this sub-article, in terms of Listings Requirement 11.5(c), this MOI provides that holders of preference Shares shall have the right to vote at any general meeting of this Company:

(a) during any special period, as provided for in sub-article (b) below, during which any dividend, any part of any dividend on such preference shares or any redemption payment thereon remains in arrears and unpaid; and/or

(b) in regard to any Resolution proposed for the winding up of this Company or the reduction of its capital;

(c) the period referred to in sub-article (a) above shall be the period commencing on a date specified by the Board, in their discretion, not being more than six months after the due date of the dividend or redemption payment in question, or where no due date is specified, after the end of the financial year of this Company in respect of which such dividend accrued or such redemption payment became due.

7. **VOTES OF SHAREHOLDERS**

7.1 Every Shareholder shall be entitled to vote at every general meeting or annual general meeting in person or by proxy.

7.2 Subject to any special rights or restrictions as to voting attached to any Shares by or in accordance with this MOI, at a meeting of the Company:

(a) every person present and entitled to exercise voting rights shall be entitled to one vote on a show of hands, irrespective of the number of voting rights that person would otherwise be entitled to exercise; and

(b) on a poll, any person who is present at the meeting, whether as a Shareholder or as proxy for a Shareholder, has the number of votes determined in accordance with the voting rights associated with the Securities held by that Shareholder.

7.3 If any resolution is proposed as contemplated in article 4.5 relating to the variation of any preferences, rights, limitation and other Share terms attaching to any other class of Shares already in issue (**Affected Shares**), the holders of such other class of Shares (**Affected Shareholders**) may be entitled to vote at the meeting of Shareholders as contemplated in article 7.1, provided that:

(a) such Affected Shares shall not carry any special rights or privileges and the Affected Shareholder shall be entitled to one vote for every Affected Share held in the event of a polled vote, and in the event that voting takes place by a show of hands, the provisions of article 7.2(a) shall apply to votes cast by Affected Shareholders; and

(b) the total voting rights of the Affected Shareholders in respect of the Affected Shares shall not be more than 24.99% of the total votes (including the votes of the remaining Shareholders) exercisable at that meeting (with any cumulative fraction of a vote in respect of any Affected Shares held by an Affected Shareholder rounded down to the nearest whole number).

7.4 Voting shall be conducted by means of a polled vote in respect of any matter to be voted on at a meeting of Shareholders if a demand is made for such a vote by:

(a) at least five persons having the right to vote on that matter, either as Shareholders or as proxies representing Shareholders, as set out in section 63(7)(a) of the Act; or

(b) a Shareholder who is, or Shareholders who together are, entitled, as Shareholders or proxies representing Shareholders, to exercise at least 10% of the voting rights entitled to be voted on that matter, as set out in section 63(7)(b) of the Act; or

(c) the chairperson of the meeting.

7.5 The demand for a poll may be withdrawn. If a poll is duly demanded, it shall be taken in such manner as the chairperson directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. In computing the majority on the poll, regard shall be had to the number of votes to which each Shareholder is entitled.

7.6 In the case of an equality of votes, whether on a poll or on a show of hands, the chairperson of the meeting at which the poll or show of hands takes place, shall not be entitled to a second or casting vote.

7.7 A poll demanded on the election of a chairperson (as contemplated in article 7.4) or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairperson of the meeting directs. The demand for a poll shall not prevent the continuation of a meeting for the transaction of any business other than the question upon which the poll has been demanded.

7.8 Where there are joint registered holders of any Security, any one of such persons may exercise all of the voting rights attached to that Security at any meeting, either personally or by proxy, as if he or she were solely entitled thereto. If more than one of such joint holders is present at any meeting, personally or by proxy, the person so present whose name stands first in the securities register in respect of such Security shall alone be entitled to vote in respect thereof.

7.9 The board of any company or the controlling body of any other entity or person that holds any Securities of the Company may authorise any person to act as its representative at any meeting of Shareholders of the Company, in which event the following provisions will apply:

(a) the person so authorised may exercise the same powers of the authorising company, entity or person as it could have exercised if it were an individual holder of Securities; and

(b) the authorising company, entity or person shall lodge a resolution of the directors of such company or controlling body of such other entity or person confirming the granting of such authority, and certified under the hand of the chairperson or secretary thereof, with the Company before the commencement of any Shareholders' meeting at which such person intends to exercise any rights of such Shareholder, unless excused from doing so by the chairperson of such meeting.

8. **SHAREHOLDERS' RESOLUTIONS**

8.1 For an Ordinary Resolution of the Shareholders to be approved it must be supported by more than 50% of the voting rights of Shareholders exercised on the resolution, as provided in section 65(7) of the Act. Notwithstanding the aforegoing, to the extent that the Listings Requirements requires the support of a higher percentage of voting rights to be exercised in respect of any Ordinary Resolution, the Company shall not implement such Ordinary Resolution unless such Ordinary Resolution is supported by the higher percentage of voting rights of Shareholders required to be exercised on that resolution in terms of the Listings Requirements.

8.2 For a Special Resolution to be approved it must be supported by the holders of at least 75% of the voting rights of Shareholders exercised on the resolution, as provided in section 65(9) of the Act.

8.3 No matters, except:

(a) those matters set out in section 65(11) of the Act; or

(b) any other matter required by the Act or this MOI to be resolved by means of a Special Resolution; or

(c) for so long as the Company's Securities are listed on the JSE, any other matter required by the Listings Requirements to be resolved by means of a Special Resolution in terms of the Listings Requirements,

require a Special Resolution adopted at a Shareholders' meeting of the Company.

8.4 In the event that any Shareholder abstains from voting in respect of any resolution, such Shareholder will, for the purposes of determining the number of votes exercised in respect of that resolution, be deemed not to have exercised a vote in respect thereof (i.e. that Shareholder's votes will neither be included in the aggregate number of votes cast nor in the total number of votes exercised in favour of or against that resolution).

9. **ACQUISITION OF VIABLE ASSETS**

9.1 Any proposed acquisition of Viable Assets must be approved by Ordinary Resolution at a general meeting convened for this purpose.

9.2 The notice of general referred to in article 9.1 above, will include an Ordinary Resolution on the proposed use of the residual capital not allocated for the proposed acquisition of Viable Assets for which the approval is being sought. Should Shareholders not approve a proposed Ordinary Resolution dealing with the further use and retention of the residual capital after the acquisition has been approved, then such residual capital must be returned to Shareholders in accordance with the relevant provisions of article 15.

10. **COMPOSITION OF THE BOARD**

10.1 The Board must comprise at least four directors (which shall include the minimum number of directors that the Company must have to satisfy any requirement in terms of the Act, to appoint an Audit Committee and a social and Ethics Committee), to be elected by the Shareholders as contemplated in section 68 of the Act. The Shareholders shall be entitled, by Ordinary Resolution of the Board, to determine such maximum number of directors as they from time to time shall consider appropriate.

10.2 The directors shall be entitled to elect a chairperson, deputy chairperson and/or any vice-chairperson and to determine the period for which they, respectively, shall hold office.

10.3 This MOI does not provide for any Shareholder appointed or *ex officio* directors of the Company, as contemplated in section 66(4) of the Act.

11. **ELECTION OF DIRECTORS**

11.1 Subject to articles 11.2 and 11.4, all directors shall be elected by an Ordinary Resolution of the Shareholders at a general or annual general meeting of the Company and no appointment of a director in accordance with a resolution passed in terms of section 60 of the Act shall be competent.

11.2 Subject to the requirements of the Act, the chairman of the Board or the chief executive officer shall be entitled, subject to the written approval of the majority of the directors, to appoint any person as a director in terms of section 66(4)(a)(i) of the Act, provided that such appointment must be approved by the Shareholders at the next Shareholders' meeting or annual general meeting.

11.3 This MOI does not stipulate any additional qualifications or eligibility requirements other than those set out in section 69 of the Act for a person to become or remain a director or a prescribed officer of the Company.

11.4 The Board may appoint any person who satisfies the requirements for election as a director to fill any vacancy and serve as a director on a temporary basis until the vacancy is filled by election in accordance with section 68(2) of the Act, and during that period any person so appointed has all of the powers, functions and duties, and is subject to all of the liabilities, of any other director of the Company.

12. **DIRECTORS' REMOVAL AND RETIREMENT**

12.1 Without derogating from the Act, a director shall cease to hold office as such if:

(a) he becomes insolvent, or assigns his estate for the benefit of his creditors, or suspends payment or files a petition for the liquidation of his affairs, or compounds generally with his creditors;

(b) he becomes of unsound mind;

(c) he is prohibited from being, is removed as or is disqualified from acting as a director of a company in terms of the Act;

(d) he is required to do so in terms of the Listings Requirements;

(e) he absents himself from meetings of the Board for six consecutive months without the leave of the other directors and is not represented at such meetings during such six months by an alternate director, and the directors resolve that his office shall be vacated, provided that the directors shall have the power to grant any director leave of absence for an indefinite period;

(f) he has given one month's (or with the permission of the directors, a lesser period) notice in writing of his intention to resign,

(g) he is removed under article 37.3;

(h) he has been given notice, signed by Shareholders holding in aggregate more than 50% of the total voting rights of all Shareholders entitled to vote at a general meeting, of the termination of his appointment; or

(i) the Board resolved to remove him in accordance with section 71(3) of the Act.

12.2 The Company may by Ordinary Resolution of the Shareholders in accordance with sub-article 12.1(g) remove any director before the expiration of his period of office and by an Ordinary Resolution of the Shareholders elect another person in his stead. The person so elected shall hold office until the next annual general meeting of the Company and shall then retire and be eligible for re-election.

12.3 No director shall be appointed for life or for an indefinite period and the directors shall rotate in accordance with the following provisions:

(a) the first directors of the Company shall retire at the first annual general meeting of the Company;

(b) at each annual general meeting referred to above, one third of the directors for the time being, or if their number is not three or a multiple of three, the number nearest to one third, but not less than one third, shall retire from office;

(c) the directors to retire in terms of article (b) shall be those who have been longest in office since their last election provided that:

(i) if more than one of them were elected as directors on the same day, those to retire shall be determined by lot unless those directors agree otherwise between themselves;

(ii) if at any annual general meeting any director will have held office for three years since his or her election, he or she shall also retire at such annual general meeting;

(iii) the length of time a director has been in office shall, subject to the provisions of article (ii) be reckoned from the date of his or her last appointment as a director;

(iv) if a director is required to retire at any general meeting, then he or she shall continue to be a director until the election of directors at that meeting is concluded;

(v) a retiring director may be re-elected, provided he is eligible for election. If elected or re-elected he shall be deemed not to have vacated his office;

(d) a retiring director shall act as a director throughout the annual general meeting at which he retires;

(e) the Company, at the annual general meeting at which a director retires in the above manner, or at any other general meeting, may fill the vacancy by electing a person thereto, provided that the Company shall not be entitled to fill the vacancy by means of a resolution passed in accordance with the provisions of section 60 of the Act as set out in article 32;

(f) if at any meeting at which an election of directors ought to take place the offices of the retiring directors are not filled, unless it is expressly resolved not to fill such vacancies, the meeting shall stand adjourned and the further provisions of this MOI, including articles 27.2 to 27.5 (inclusive) will apply, *mutatis mutandis,* to such adjournment, and if at such adjourned meeting the vacancies are not filled, the retiring directors, or such of them as have not had their offices filled, shall be deemed to have been re-elected at such adjourned meeting.

12.4 The Board shall, through its Nomination Committee (if so constituted in terms of article 43), provide the Shareholders with a recommendation in the notice of the meeting at which the re-election of a retiring director is proposed, as to which retiring directors are eligible for re-election, taking into account that director's past performance and contribution. Any Shareholder shall have the right to nominate directors.

12.5 The Board may appoint any person who satisfies the requirements for election as a director to fill any vacancy and serve as a director on a temporary basis until the vacancy is filled by election in accordance with section 68(1) of the Act.

12.6 If the number of directors falls below the minimum number fixed in accordance with this MOI, the remaining directors must as soon as possible and in any event not later than three months from the date that the number falls below such minimum, fill the vacancy/ies, provided that such director/s are elected by the Shareholders at the next annual general meeting or call a general meeting for the purpose of filling the vacancy/ies.

12.7 The failure by the Company to have the minimum number of directors during the said three-month period does not limit or negate the authority of the board of directors or invalidate anything done by the board of directors while their number is below the minimum number fixed in accordance with this MOI.

12.8 The directors in office may act notwithstanding any vacancy in their body, but if after the expiry of the three-month period contemplated in article 37.5, their number remains below the minimum number fixed in accordance with this MOI, they may, for as long as their number is reduced below such minimum, act only for the purpose of:

(i) filling vacancies in their body in terms of section 68(3) of the Act; or

(ii) summoning general meetings of the Company for that purpose, provided that if there is no director able or willing to act, then any Shareholder may convene a general meeting for that purpose

but not for any other purpose.

12.9 A director may hold any other office or place of profit under the Company (except that of auditor) or any subsidiary of the Company in conjunction with the office of director, for such period and on such terms as to remuneration (in addition to the remuneration to which he may be entitled as a director) and otherwise as a disinterested quorum of the directors may determine.

13. **AUTHORITY OF THE BOARD**

The business and affairs of the Company must be managed by or under the direction of the Board, which has the authority to exercise all of the powers and perform any of the functions of the Company subject to the limitations, restrictions and qualifications provided for and contemplated this MOI.

14. **DIRECTORS' REMUNERATION AND FINANCIAL ASSISTANCE TO DIRECTORS AND RELATED PERSONS**

14.1 The Company may pay remuneration to the directors for their services as directors in accordance with a Special Resolution approved by the Shareholders within the previous two years, as set out in sections 66(8) and (9) of the Act, and the power of the Company in this regard is not limited or restricted by this MOI.

14.2 Any director who:

(a) serves on any executive or other committee; or

(b) devotes special attention to the business of the Company; or

(c) goes or resides outside South Africa for the purpose of the Company; or

(d) otherwise performs or binds himself to perform services which, in the opinion of the directors, are outside the scope of the ordinary duties of a director,

may be paid such extra remuneration or allowances in addition to or in substitution of the remuneration to which he may be entitled as a director, as a disinterested quorum of the directors may from time to time determine.

14.3 The directors may also be paid all their travelling and other expenses necessarily incurred by them in connection with:

(a) the business of the Company; and

(b) attending meetings of the directors or of committees of the directors of the Company.

(c) the Board may, as contemplated in and subject to the requirements of section 45 of the Act, authorise the Company to provide financial assistance to a director, prescribed officer or other person referred to in section 45(2) of the Act, and the power of the Board in this regard is not limited or restricted by this MOI.

15. **DISTRIBUTIONS**

15.1 Subject to the provisions of the Act and this MOI, the Board may declare any distribution and a Shareholders' meeting may declare any distribution which is authorised by resolution of the Board.

15.2 All distributions shall comply with the provisions of the Act, this MOI and the Listings Requirements.

15.3 No larger distribution shall be declared by a Shareholders' meeting than is recommended by the Board, but the Shareholders' meeting may declare a smaller distribution.

15.4 The Company may transmit any distribution or amount payable in respect of a Share by:

(a) ordinary post to the postal address of the Shareholder thereof (or, where two or more persons are registered as the joint Shareholders of any Share, to the address of the joint holder whose name stands first in the securities register) recorded in the securities register or such other address as the holder thereof may previously have notified to the Company in writing for this purpose; or

(b) electronic bank transfer to such bank account as the holder thereof may have notified to the Company in writing for this purpose, and the Company shall not be responsible for any loss in transmission.

15.5 Any distribution or other money payable to Shareholders:

(a) which is unclaimed, may be retained by the Company and held in trust indefinitely and may while so retained be invested as the Board may deem fit until claimed by the Shareholder concerned or until the Shareholder's claim therefor prescribes in terms of article (b) below;

(b) may only be claimed for a period of three years (or such other period as may be applicable to the Shareholder's claim therefor in terms of the laws of prescription) from the date on which it accrued to Shareholder, after which period the Shareholders' claim therefor shall prescribe and the amount of that distribution shall, unless the Board decides otherwise be forfeited for the benefit of the Company;

(c) shall not bear interest against the Company,

(d) and the Board shall, for the purpose of facilitating the winding-up or deregistration of the Company before the date of any such prescription, be entitled to delegate to any bank, registered as such in accordance with the laws of South Africa, the liability for payment of any such distribution or other money, the claim for which has not been prescribed in terms of the aforegoing.

15.6 Distributions (in the form of a dividend or otherwise) shall be paid to Shareholders registered as at a record date subsequent to the date of declaration or, if applicable, date of confirmation of the distribution, whichever is the later date.

15.7 Subject to the provisions of article 9.1, should shareholders not approve a proposed Ordinary Resolution dealing with the further use and retention of the residual capital after the acquisition of Viable Assets has been approved, then such residual capital will be returned to shareholders *pro rata* to their shareholding within 60 calendar days after the date of the relevant general meeting.

15.8 Where the acquisition of a Viable Asset is not completed within 24 months, each Shareholder shall be entitled to receive an amount equal to the aggregate amount then in escrow (net of any applicable taxes and expenses related to the distribution and voluntary liquidation), plus the interest earned, divided by the aggregate number of Securities.

DIRECTOR PROFILES

Marubini Eugene Raphulu (42)

Qualifications:	BProc and LLB (UKZN); LLM (tax) (University of the Witwatersrand)
Business address:	11th Floor, Sandton Eye, 126 West Street, Corner Rivonia, Sandton, 2196
Function and committees:	Chief Investment Officer

Background:

Marubini is a former Investment Banker specialising in deal origination, mergers and acquisitions, restructuring, private equity, corporatisation, project finance and regulatory compliance. He has over 15 years corporate commercial experience, having been involved in providing advice to a number of public and private companies, parastatals and government departments. Marubini has extensive contacts and deal making experience in the energy sector in South Africa and the rest of Africa. His experience in the energy sector ranges from solar photovoltaic, concentrated solar power, wind, coal and gas. Marubini is involved in various projects each in different stages of development.

Marubini was admitted as an attorney in 2002. He served his articles at Werksmans from 2000 to 2003, gaining experience in insolvency litigation and commercial law, specifically mergers and acquisitions, corporate formations, restructuring and privatisation.

He was an Associate Director at Sonnenberg Hoffmann Galombik from 2003 to 2005. Apart from drafting commercial contracts, he was also involved in advising clients on the structuring of BEE transactions, compliance with BEE charters and scorecard and the sale of telecommunications assets in Sub-Saharan Africa.

He was a Director at AloeCap Corporate Advisors from September 2005 to November 2007 where he acted as an advisor on issues relating to general commercial law, public law and municipal law. Specific advice has included, among others, restructuring of state assets for clients such as Eskom, assisting with the drafting of policy for Eskom as well as advising Airports Company of South Africa Limited on the building of a new airport.

He later joined Webber Wentzel Bowens as a Senior Associate in December 2007 until April 2008 and was involved in Private Equity transactions.

In May 2008, he joined Nedbank Capital and served as a Senior Principal in the Investment Banking Division with special focus on origination and transacting for BEE Capital Partners, a division of Nedbank Capital. His role included deal origination for Nedbank Capital and other areas of the bank, structuring of transactions, equity, debt and mezzanine funding assessment, review and drafting of legal agreements as well as monitoring of investee companies.

Marubini left Nedbank Capital in November 2011 to start Medupi Capital which is a shareholder in various energy companies and through a collaboration model is focused on Principal Investments and Advisory in the Renewable Energy Sector. The focus of Medupi Capital is on development of industries involved in the energy sector, participation in engineering, procurement and construction (EPC) and operations and maintenance (O&M), as well as investment in developing farms.

Mark Adrian Booysen (55)	
Qualifications:	BCom and BAcc (University of the Witwatersrand)
Business address:	Tonquani Estate, Hiskett Road, Magaliessig
Function and committees:	Chief Financial Officer
Background:	Mark is a qualified CA(SA) who completed his articles with Price Waterhouse in 1987. Following completion of his articles, Mark began his career in the banking sector, initially with Allied Bank from 1988 to 1990 as a Senior Manager in Treasury where he was responsible for asset and liability management of the bank and Building Society's balance sheet. He joined Rand Merchant Bank in 1990 until 2000 and served as the Group Financial Accountant, Head of Treasury Operations and Head of Specialised Solutions over the period. He later joined Barclays Bank Plc as the Head of Structured Finance for Africa in 2000 and left in 2004 to start his own corporate finance and consulting company LemaSA Investment Holdings and later established an investment and asset management company Capital Dynamics in 2008. Mark was appointed Head of Corporate Finance at FNB in 2014 and served until he joined Hulisani in 2015. Mark has served on FirstRand's Enterprise Development Investment Committee as member to determine the fund's investment into various enterprise development opportunities as presented by Edge Growth Fund Managers. Mark has an understanding of corporate, investment and private banking products and functions, particularly in the area of specialised structured and corporate finance solutions.
Patilizwe Caswell Mdoda (60)	
Qualifications:	BCom (University of Transkei); MBA (University of Natal); Certificate in International Relations (Indian Foreign Ministry, New Delhi, India)
Business address:	29 Arlington Road, Bryanston, 2021
Function and committees:	Independent Non-executive Chairperson; member of Remuneration Committee, member of Social and Ethics Committee
Background:	Pat is an experienced executive who served at executive level in various blue chip companies. He joined South African Breweries in 1993 as a Public Affairs Manager responsible for Stakeholder Management, Communication and Corporate Social Investment and serving in the Regional Executive Team. He later moved to Corporate Office to take over the National Corporate Social Investment Manager position responsible for the Beer Division's Social Investment Strategy from 1994 to 1997. He later moved to KwaZulu-Natal as a Regional Corporate Affairs Manager responsible for Stakeholder Relations, Corporate Social Investment, Communication and Liquor Licensing Regime in the Province. He served in the Regional Executive Team from 1997 to 2000. He then joined Edgars Consolidated Group (Edcon) in 2000 as a Public Affairs Manager responsible for Government Relations, Corporate Communication, Investor Relations, Corporate Social Investment and Stakeholder Management.

He left Edcon in 2001 and joined Iscor to lay the foundation and later listing of Kumba Resources Limited as General Manager Corporate Affairs responsible for Investor Relations, Corporate Communication, Government Relations, Stakeholder Relations and Corporate Social Investment. He served in the Executive Committee and had a permanent invitation to the Board of Kumba Resources until his resignation in 2004.

He also served as a member of the South African Petroleum Industry Association (SAPIA) Board of Governors from 2013 to 2014. Most importantly, however, has been his contribution in the growth of Royale Energy as a board member and chairman of the Group from 2004 to 2015. He has participated in the deal structuring and fundraising for the transaction that turned Royale into a multi-billion rand revenue company before exiting and selling his PYUTAZ Family Trust equity as part of the sale of the company to Popcru.

Pat has an understanding of the empowerment field having been part of the committee that selected the participants in the Kumba Resources transaction that gave birth to Exxaro Resources Limited. He has extensive networks interfacing at senior level in both government and with captains of industry.

The founder and former chairman of Royale Energy Group, Pat holds a BCom from the University of Transkei, an MBA from University of Natal and a Certificate in International Relations from Indian Foreign Ministry.

Harald Heinz Schaaf (65)

Qualifications:	Master of Science at Fachhochschule Osnabrück (Dipl. Ing. FH – Material Science); Programme for Executive Development (PED) at IMD Lausanne)
Business address:	9th Floor, Convention Tower, Heerengracht, Foreshore, Cape Town, 8001
Function and committees:	Independent Non-executive Director; member of Audit and Risk Committee, member and chairman of Remuneration Committee
Background:	Harald studied Electrical and Mechanical Engineering and Material Science at the Higher Technical College (Fachhochschule) from 1971 to 1974 and thereafter obtained a Master of Science at Fachhochschule Osnabrück (Dipl. Ing. FH – Material Science) in 1974. He went on to complete a Programme for Executive Development (PED) at IMD Lausanne in 1996.

Harald spent over 25 years in the employ of Lahmeyr International GmbH and UCI Utility Consultants International from 1981 to 2007 in project management roles leading a diverse range of energy projects across various continents.

Harald is currently the South African director for E.ON Technologies Gmbh and was appointed director in 2015. His previous roles at the E.ON included Technical Project Manager in the development of 800MW coal-fired power station convoy including Kingsnorth Units 5&6 in Germany and the United Kingdom (UK); Technical Co-ordinator EKW Cost Cutting Convoy 4 x 1100MW in Germany and the Netherlands as well as General Project Manager on two 800MW including CCS in Germany and the UK. He joined E.ON in July 2007.

Minute Fhedzisani Modau (39)

Qualifications:	BSc (Electrical) (University of Natal); MBA (University of Pretoria, Gordon Institute of Business Science)
Business address:	137 Bellairs Drive, Northriding, Randburg, 2169
Function and committees:	Independent Non-executive Director, member and chairman of Audit and Risk Committee
Background:	Fhedzisani completed his Bachelor of Science (BSc) Electrical Engineering degree with the University of Kwa-Zulu Natal from 1995 to 2001 and his Master of Business Administration (MBA) degree with the University of Pretoria (UP) – Gordon Institute of Business Science (GIBS) from 2012 to 2013. He is a registered Professional Engineer (Pr. Eng.) with the Engineering Council of South Africa (ECSA) with more than 14 years of experience in the Engineering Sector particularly, in the oil, gas and power sectors. Fhedzisani worked at Eskom (South African electricity public utility) from January 2002 to December 2009 as an engineer in the following business units: Technology Services International, Systems Operation and Planning and Generation Business Engineering. He then joined PPA Energy (energy and management consulting company based in United Kingdom) in January 2010 as a Senior Consultant where he delivered combined strategic, financial/economic and technical advice to public and private sector clients involved in the development of energy projects. Some of the clients he serviced include, *inter alia*, Botswana Power Cooperation in Botswana, Challenge Energy in Kenya, the Energy Regulatory Authority in Saint Lucia, Nepal Electricity Authority in Nepal, International Monetary Fund and Millennium Challenge Corporation in Malawi, Guyana Power & Light Incorporated in Guyana, Utilities Regulatory Authority in Rwanda, Tanzania Electric Supply Company Limited in Tanzania, The Energy Regulatory Commission and Electricity Generating Authority of Thailand in Thailand, Tullow in Uganda, Power Transmission Limited in United Kingdom (UK), Asian Development Bank in Vietnam and Southern African Power Pool in Zimbabwe. He worked for Sasol Limited (an international integrated energy and chemicals company) as a Technical Manager from February 2012 to September 2015 in the Low Carbon Electricity and Clean Coal business areas. Fhedzisani is currently a consultant at Mothee Consulting in the role of Energy Advisor for the Independent Power Producers Office established by the Department of Energy, National Treasury and the Development Bank of Southern Africa. Fhedzisani has written published work in the Institute of Electrical and Electronics Engineers (IEEE) Transactions of Power Systems and the South African Journal of Human Resource Management and was also a part-time lecturer in 2006 for Bachelor of Technology (BTech.) at University of Johannesburg (UJ).

Asanda Vuyolwethu Notshe (35)

Qualifications:	BBusSci (UCT), FIA, FASSA
Business address:	11th Floor, Sandton Eye, 126 West Street, Corner Rivonia, Sandton, 2196
Function and committees:	Non-executive Director
Background:	Asanda has 11 years of financial services experience having begun his career as an actuarial analyst at Alexander Forbes in January 2004. He worked in the retirement funds division where he was responsible for actuarial valuations and retirement fund consulting. He then moved to RMB Private Bank where he was a business analyst from October 2006 to December 2007. In January 2008 he moved to Stanlib where he was part of the product development team and was later appointed as head of product development. His responsibilities included client liaison for key institutional clients. Asanda joined Mazi Capital Proprietary Limited in January 2010 as a research analyst and portfolio manager. Asanda holds a Bachelor of Business Science in Actuarial Science from the University of Cape Town and is a Fellow of the Institute of Actuaries and The Actuarial Society of South Africa.

Malungelo Headman Zilimbola (46)

Qualifications:	BSc (Hons) Quantity Surveying, BCom (Hons) Finance
Business address:	11th Floor, Sandton Eye, 126 West Street, Corner Rivonia, Sandton, 2196
Function and committees:	Chief Executive Officer
Background:	Malungelo is the founder of Mazi Capital Proprietary Limited. He has 14 years of investment management experience. Malungelo started his career as a quantity surveyor in January 1997 before moving to investment management. He spent three years at Investec Asset Management, beginning in March 2000 as a research analyst where he managed a number of property funds in the order of R3 billion. He later joined RMB Asset Management in June 2003 as an executive director and senior portfolio manager until October 2006, managing specialist equity funds in excess of R60 billion. Malungelo was also involved in the development of a Pan-African business strategy for the company. He left RMB to establish Mazi Capital Proprietary Limited in October 2006. Malungelo completed both his honours degree in Quantity Surveying and Finance, at the University of Cape Town.

Noluthando Primrose Gosa (53)

Qualifications:	BSocSci (Hons), MBA
Business Address:	8 Piazza Toscana, 17 East Rd, Morningside, 2197
Function and committees:	Independent Non-executive Director, member of Audit and Risk Committee; member of the Social and Ethics Committee.
Background:	Noluthando is a former investment banker turned entrepreneur. She has held directorships in various companies such as Investec Asset Management where she has been a non-executive director from May 2005 until present, AON South Africa where she was a non-executive director from September 2009 until February 2012 and Broll Property Group where she was a non-executive director from August 2006 until February 2014, as well as being appointed as a founding Commissioner of the National Planning Commission. She was recently appointed non-executive director of Arcelor Mittal in December 2016.

	She was employed by Telkom from 1994 to 1997 and was later appointed Councillor at SATRA (now ICASA) from 1997 to 2000. She joined Investec Bank in 2000 as an Investment Analyst and left to run Akhona Properties as CEO in 2003. She was appointed Chairman of the Akhona Group in 2014. Noluthando has an MBA for the University of New Brunswick in Canada. She is a member of the Institute of Directors of South Africa and the Business Women's Association.
Dudu Rosemary Hlatshwayo (52)	
Qualifications:	BA (Hons), MBA
Business address:	127 Kyalami Estate, Kyalami, 1684
Function and committees:	Independent Non-executive Director, member and chairwoman of Social and Ethics Committee, member of Remuneration Committee.
Background:	Dudu has a solid business management background that spans over 20 years, having been a partner at Ernst & Young from 2005 to 2006, worked as a Director in the Corporate Finance Division of Andisa Capital from 2004 to 2005, a subsidiary of Standard Bank, worked for Transnet as a Group Executive from 1999 to 2004, driving the restructuring and Mergers and Acquisitions Portfolio of Transnet, worked for Telkom as a Product Manager from 1996 to 1999 and was employed by ABSA Bank as a Product Manager from 1994 to 1996. Dudu started her own management consulting business, Change EQ, in 2006. Dudu has skills in Corporate Finance, Business Process Re-engineering, Organisational Design, Corporate Strategy Development and Business Planning, Change Management and Programme and Project Management.

OTHER DIRECTORSHIPS

The table below sets out the names of the companies and other entities of which Directors are or have been directors, members or partners during the 5 (five) years preceding the Last Practicable Date.

Marubini Eugene Raphulu

Name of Company	Designation	Active/Not active	Nature of company
Medupi Capital Proprietary Limited	Executive Director	Active	Investment Company
Kukhanya Energy Services Proprietary Limited	Non-Executive Director	Active	Rural Electrification Company
Total Mulilo Solar PV Prieska Proprietary Limited	Non-Executive Director	Active	Solar power production – IPP
Mulilo Group Holdings Proprietary Limited	Non-Executive Director	Active	Renewable Energy Developer and IPP
Calulo Renewable Energy Holdings Proprietary Limited	Non-Executive Director	Active	Renewable Energy investor and IPP
Telegystix Proprietary Limited	Non-Executive Director	Active	Renewable Energy investor and IPP
Andisol Proprietary Limited	Non-Executive Director	Active	Renewable Energy investor and IPP

Mark Adrian Booysen

Name of Company	Designation	Active/Not active	Nature of company
LemaSA Investments Proprietary Limited	Executive Director	Active	Corporate Finance Consultancy
TingaWeb Proprietary Limited	Executive Director	Active	High Court appointed Administrator of Sectional Title Body Corporates
RUC Hospitality Company Proprietary Limited	Non-Executive Director	Active	Rosebank Union Church's Coffee shop that operates on the premises of the Church
BR Capital Proprietary Limited	Non-Executive Director	Not active	Company raises capital for entities in Business Rescue – Dormant
Madaluka Proprietary Limited	Non-Executive Director	Not active	Investment Holding Company – Dormant

Patilizwe Caswell Mdoda

Name of Company	Designation	Active/Not active	Nature of company
Royale Energy Proprietary Limited	Non-Executive Director	Active	Oil company trading in petrochemical products
Buchule Technologies Investments Proprietary Limited	Non-Executive Director	Active	Family investment company
Moepi Mining Proprietary Limited	Non-Executive Director	Active	Mining investment company
Moepi Mining SPV Proprietary Limited	Non-Executive Director	Active	Mining investment company
Royale Energy International Proprietary Limited	Non-Executive Director	Not active	Petrochemical company
Royale Energy Africa Proprietary Limited	Non-Executive Director	Not active	Petrochemical company

Umtutu Coal Proprietary Limited (Dormant)	Non-Executive Director	Not active	Mining company (Not operational)
Mantrasco Lephalele Proprietary Limited	Non-Executive Director	Not active	Transport company
Alizay Properties 31 Proprietary Limited (Dormant)	Non-Executive Director	Not active	Property company
8 Mile Investments 562 Proprietary Limited	Non-Executive Director	Not active	Mining company

Herald Heinz Schaaf

Name of Company	**Designation**	**Active/Not active**	**Nature of company**
none			

Minute Fhedzisani Modau

Name of Company	**Designation**	**Active/Not active**	**Nature of company**
Mothee Consulting Proprietary Limited	Director	Active	Engineering, design and manufacturing
Maru Engineering Proprietary Limited	Director	Not active	Engineering, design and manufacturing

Asanda Vuyolwethu Notshe

Name of Company	**Designation**	**Active/Not active**	**Nature of company**
Mazi Holdings Proprietary Limited	Director	Active	Holding company
Mazi Asset Management Proprietary Limited	Director	Active	Fund management
Nguni Asset Management Proprietary Limited	Director	Active	Investment company
Mazi Managing Partner 2 Proprietary Limited	Director	Active	Investment company
Nibira Proprietary Limited	Director	Active	Energy company
Unorox Proprietary Limited	Director	Active	Holding company
Human Interest Proprietary Limited	Director	Active	Investment company
Milani Transport Services CC	Director	Active	Transport company

Malungelo Headman Zilimbola

Name Of Company	**Designation**	**Active/Not active**	**Nature of company**
Mazi Capital Proprietary Limited	Director	Active	Fund Management
Momentum Ability Limited	Director	Active	Investment company
Momentum Structured Insurance Limited	Director	Active	Insurance
Momentum Alternative Insurance Limited	Director	Active	Insurance
Mazi Managing Partner 1 Proprietary Limited	Director	Active	Investment company
Mazi Managing Partner 2 Proprietary Limited	Director	Active	Investment company
Zili Trading Enterprise CC	Director	Active	Investment company
Sdindi Kapital Proprietary Limited	Director	Active	Investment company
Unorox Proprietary Limited	Director	Active	Investment company
Nguni Asset Management Proprietary Limited	Director	Active	Investment company
Alexander Forbes Insurance Limited	Director	Active	Insurance
Guardrisk Life Limited	Director	Active	Insurance

Guardrisk Insurance Company Limited	Director	Active	Insurance
Mazi Visio Manco Proprietary Limited	Director	Active	Investment company
Mazi Asset Management Proprietary Limited	Director	Active	Investment company

Dudu Rosemary Hlatshwayo

Name of Company	**Designation**	**Active/Not active**	**Nature of Company**
Turkey Development Properties Proprietary Limited	Director	Active	Private company
Afmetco Proprietary Limited	Director	Not active	Private company
Change Eq Proprietary Limited	Director	Active	Private company
Ditaola Technologies Proprietary Limited	Director	Active	Private company
Nokubusa Holdings Proprietary Limited	Director	Active	Private company
Siyahamba Engineering Proprietary Limited	Director	Resigned	Engineering company
Jakavula Investments Proprietary Limited	Director	Not active	Investment company
Tns Research Surveys Proprietary Limited	Director	Not active	Market research company
Hr Outsource Streams	Director	Not active	Private company
Kapela Investments Holdings Proprietary Limited	Director	Not active	Investment company
Riverbend Trade And Invest 58 Proprietary Limited	Director	Not active	Private company
Lanseria International Airport Proprietary Limited	Director	Active	Airport
KKR Investments Proprietary Limited	Director	Active	Investment company
Land Bank Insurance Proprietary Limited	Non-executive Director	Active	Insurance company
Land Bank Insurance Services SOC Limited	Non-executive Director	Active	Insurance company
Lank Bank Life Insurance Company Proprietary Limited	Non-executive Director	Active	Insurance company
Public Investment Corporation	Non-executive Director	Active	State-owned investment company
Centre For Public Service Innovation Proprietary Limited	Director	Active	Non-profit company
Accurex Proprietary Limited	Director	Active	Logistics company
K2014256909 (South Africa) Proprietary Limited	Director	Active	Private company
K2014256909 Proprietary Limited	Incorporator	Active	Private company
Lanseria Holdings Proprietary Limited	Director	Active	Holding company
Firm Favourite Investments 5 Proprietary Limited	Director	Active	Investment company

Noluthando Primrose Gosa

Name of Company	Designation	Active/Not active	Nature of Company
Uvano Investments Proprietary Limited	Director	Active	Investment company
Qacia Procurement Services Proprietary Limited	Director	Active	Private company
Broll Retail Proprietary Limited	Director	Resigned	Property company
Clidet No 929 Proprietary Limited	Director	Active	Private company
Aon South Africa Proprietary Limited	Director	Resigned	Insurance company
Joxispex Proprietary Limited	Director	Active	Private company
Katleho Communications Proprietary Limited	Member	Active	Close Corporation
Manaket Investments Proprietary Limited	Director	Active	Investment company
Siyanda Investment Company Proprietary Limited	Director	Active	Resources investment company
Tgisa Proprietary Limited	Director	Resigned	Private company
Phalo Women's Investment Holdings Proprietary Limited	Director	Active	Investment company
African Revival Energy And Resources Proprietary Limited	Director	Resigned	Private company
Akhona Amabamba Women's Investment Holdings Proprietary Limited	Director	Active	Investment company
Akhona Amakhosokazi Holdings Proprietary Limited	Director	Active	Holding company
Akhona Group Consulting Proprietary Limited	Director	Active	Consulting company
Akhona Group Holdings Proprietary Limited	Incorporator/Director	Active	Holding company
Akhona Properties Proprietary Limited	Director	Active	Investment company
Akhona Resources Proprietary Limited	Director	Active	Investment company
Akhona-Broll Properties Proprietary Limited	Director	Active	Investment company
Ashbrook Investments 23 Proprietary Limited	Director	Active	Investment company
Aztolor Proprietary Limited	Director	Active	Private company
Blue Haven Trading Proprietary Limited	Director	Resigned	Private company
Boitlamo Capital Proprietary Limited	Director	Resigned	Investment company
Boitlamo Investments Proprietary Limited	Director	Resigned	Investment company
Bpg Mass Appraisals Proprietary Limited	Director	Resigned	Property services
Broll Cape Proprietary Limited	Director	Resigned	Property services
Broll Eastern Cape Proprietary Limited	Director	Resigned	Property services
Broll Facilities Management Proprietary Limited	Director	Resigned	Property services
Broll Fm Proprietary Limited	Director	Resigned	Property services
Broll Property Management Proprietary Limited	Director	Resigned	Property services

KING CODE AND CORPORATE GOVERNANCE

PART A

Hulisani is committed to the principles of transparency, integrity, fairness and accountability.

The King Code III report recognises that no "*one size fits all*" approach can be adopted in the application of its principles and that it may not be appropriate for entities to adopt all of its principles, in the context of its particular business and/or operational environment.

A full report is attached in Part B hereof which, to the best of the knowledge and belief of the Board, sets out the extent of Hulisani's current application of the principles of the King Code III and explains the non-application of certain of its principles and/or where principles are not fully applied.

The key principles underpinning the corporate governance of Hulisani and systems of control that form an integral part of corporate governance are set out hereunder.

1. THE BOARD

The balance and composition of the Board has been thoroughly considered taking into account the needs of the Company. The Board as a whole believes that the current balance of knowledge, skill and experience meets the requirements to lead the Company effectively.

The Board is committed to ensuring that the Company is governed appropriately. The Board recognises the responsibility of the Company to conduct its affairs with prudence, transparency, accountability in a responsible manner as a good corporate citizen. The Company complies with the provisions of the Companies Act, and the JSE Listings Requirements, and the principles of the Code of Corporate Governance Principles and Practices as recommended in the King Report on Governance for South Africa 2009 ("King Code"). The Company complies with the relevant provisions of the Companies Act, JSE Listings Requirements and King Code insofar as same is applicable.

The Board has 9 (nine) Directors, comprising 6 (six) non-executive Directors and 3 (three) executive Directors. Of the 6 (six) non-executive Directors, 5 (five) are independent. No individual Director has unfettered powers of decision-making.

Any new appointment of a Director will be considered by the Board as a whole. Currently, the appointment of separate Nominations Committee is not warranted. The appointment process will involve considering the existing balance of skills and experience, and a continual process of assessing the needs of the Company

Responsibility for running the Board and executive responsibility for conducting the business of the Company are differentiated. Patilizwe Caswell Mdoda, an independent non-executive Director, is the chairperson of the Board and Malungelo Headman Zilimbola, an executive Director, is the chief executive officer. The roles of the chairman and chief executive officer are thus separate and clearly defined. The chairman is responsible for leading the Board, ensuring its effectiveness and setting its agenda. The chief executive officer leads the executive team in running the business of the Company.

Mark Adrian Booysen is the executive financial Director of the Company. Annually, the Audit and Risk Committee will evaluate the expertise and experience of the executive financial Director. The Audit and Risk Committee has currently satisfied itself of Mr Booysen's expertise and experience as financial director.

2. BOARD COMMITTEES

The Audit and Risk Committee consists of three independent non-executive directors, being MF Modau (chair), NP Gosa and HH Schaaf, and one non-executive director, being A Notshe. This committee will meet at least twice a year and shall be responsible for performing the functions required of it in terms of section 94(7) of the Companies Act and the other functions in terms of its mandate. These functions include: (i) nominating and appointing the Company's auditors and ensuring that such auditors are independent of the Company; (ii) determining the auditors' fees and term of engagement; (iii) ensuring that the appointment of the auditors complies with the provisions of the Companies Act and any other relevant legislation; (iv) determining, from time to time, the nature and extent of non-audit services to be provided by the Company's auditors and to pre-approve any agreement in respect of such services; (v) preparing a report to be included in the annual report of the Company, in compliance with the Companies Act; (vi) dealing with any complaints (whether from within or outside the Company) relating to accounting practices, internal audits of the Company or the content of the Company's financial statements and related matters; (vii) making submissions to the Board on any matter concerning the Company's accounting policies and financial control; (viii) evaluating the expertise and experience of the executive financial Director on an annual basis; and (ix) overseeing the Company's integrated reporting process.

The remuneration committee consists of three non-executive Directors, being HH Schaaf (chair), PC Mdoda and DR Hlatshwayo, all of whom are independent. This committee will meet at least twice a year and shall be responsible for performing the functions required of it in terms of section 94(7) of the Companies Act and the other functions in terms of its mandate. These functions include: (i) determining and agreeing with the Board, the Company's remuneration philosophy and the principles of its remuneration policy, ensuring that these are in line with the business strategy, objectives, values and long-term interests of the Company and comply with all regulatory requirements, (ii) reviewing the Company's remuneration practices in relation to the Board's risk appetite statements ensuring that remuneration does not encourage excessive risk-taking, is determined within the Company's risk management and internal control framework and takes account of the Company's values and the long-term interests of shareholders, fund investors and other stakeholders, (iii) determining the principles for the calculation of and to approve management proposals for the quantum of the variable compensation spend each year to be recommended by the Committee for subsequent approval by the Board (iv) reviewing the performance evaluations of the executive directors and recommend to the Board for approval, within the broad remuneration policy and in consultation with the Chairman and Chief Executive Officer as appropriate, the total annual compensation for individual executive directors (including salary, bonus deferred awards and pension). No director shall be present during or participate in the discussion or approval of his or her own compensation, (v) having oversight of the performance evaluations for and to review and approve, within the broad remuneration policy, the total annual compensation package for Directors (including salary, bonus and deferred awards (vi) reviewing and recommending to the Board for approval the annual objectives for executive directors against which their performance for compensation purposes will be evaluated. No director will participate in the discussion or approval of his or her annual objectives, (vii) approving compensation guarantees above a level delegated to management as agreed by the Committee from time to time, (viii) approving the design of and determine the performance and vesting criteria attaching to share incentive plans to align these with the interests of shareholders prior to recommendation to the Board and submission to shareholders for approval, (ix) reviewing the vesting criteria of share incentive plans against the Company's results each year and determine the extent to which these have been achieved, (x) determine the contractual termination terms for executive directors and approve any severance payments or arrangements, (xi) recommending to the Board for approval the total compensation for the Chairman of the Board. The remuneration of the non-executive directors shall be a matter for the Chairman and the executive directors of the Board. The Chairman, if he is a member of the Committee, shall not be present during or participate in the discussion or approval of his own compensation, (xii) selecting, appointing and setting the terms of reference for any remuneration consultants used by the committee and obtain information on remuneration policy and practice in other comparable companies, (xiii) reviewing, prior to approval by the Board, the Directors' Remuneration Policy and the Directors' Remuneration Report published in the Annual Report each year in line with applicable statutory and regulatory disclosure requirements, (xiv) reviewing or making decisions on any other matters referred to the Committee by the Board; and, (xv) reporting to the Board on the proceedings of the Committee after each meeting and make available to Board members the minutes of Committee meetings where appropriate.

The social committee consists of 3 (three) non-executive Directors, a majority of whom are independent. This committee will meet at least twice a year and shall be responsible for performing the functions required of it in terms of section 72(4) of the Companies Act and the other functions in terms of its mandate. These functions include: (a) monitoring the Company's activities with regard to: (i) social and economic development; (ii) good corporate citizenship, (iii) the environment, health and public safety, (iv) consumer relationships, (v) labour and employment; (b) drawing matters within its mandate to the attention of the Board; and (c) reporting to the shareholders on the matters within its mandate.

The Company intends to adhere to the relevant principles contained in the King Code relating to the abovementioned committees once these committees have been established.

3. **COMPANY SECRETARY**

ER Goodman Secretarial Services CC is the Company secretary, duly appointed by the Board in accordance with the Companies Act. The Board considered and is satisfied that the individuals who performs the Company secretary role, and the members of ER Goodman Secretarial Services CC are properly qualified and experienced to competently carry out the duties and responsibilities of Company secretary and that there is an arm's-length relationship between itself and the Company secretary.

The Company secretary ensures the Board remains cognisant of its duties and that all Directors have full and timely information that may be relevant in the proper discharge of their duties, collectively and individually, with detailed guidance on their duties, responsibilities and powers. It is also a central source of information and advises the Board and the Company on matters of ethics and good corporate governance. The Company secretary ensures that, in accordance with pertinent laws, the proceedings and affairs of the Board and its members, the Company itself and, where appropriate, the owners of securities in the Company are properly administered. It also assists and ensures that the Board, individual Directors and Board committees are evaluated annually. The Company secretary ensures compliance with the JSE Listings Requirements and other statutory requirements applicable to the Company.

The Board will evaluate the Company secretary on an annual basis wherein the Board will satisfy itself as to the competence, qualifications and experience of the Company secretary.

PART B – APPLICATION OF PRINCIPLES IN THE KING CODE

Preamble

Hulisani is committed to the principles of transparency, integrity, fairness and accountability. The full King III application report can be viewed on its website www.hulisani.co.za

The table below, to the best of the knowledge and belief of the Board, sets out the extent of the Company's current application of the principles of the King Code and explains the non-application of certain of its principles where principles are not fully applied.

	Principle	Status	Comments
1.	**ETHICAL LEADERSHIP AND CORPORATE CITIZENSHIP**		
1.1	The Board should provide effective leadership based on an ethical foundation.	Applied	Ethics form an integral part of the values of the Company and the Board. In conducting the affairs of the Company, the Board endorses the principles of fairness, responsibility, transparency and accountability advocated by the King Code. The Board has adopted a Board Charter, which will govern Hulisani's approach to good governance as contained in the King Code.
1.2	The Board should ensure that the Company is, and is seen to be, a responsible corporate citizen.	Applied	The Board is responsible for ensuring that the Company protects, enhances and invests in the well-being of the economy, society and the environment. To this end, the Board has established a Social, Ethics and Transformation Committee with its own charter ensuring good governance in line with the King Code. To the extent that there exist conflicts of interest at a Board level or any of the sub-committees of the Board, the conflicted Directors will be excused for all deliberations on the said matter.
1.3	The Board should ensure that the Company's ethics are managed effectively.	Applied	A Social, Ethics and Transformation Committee has been and established which will be responsible for, *inter alia*, the implementation of a Code of Ethics and will be responsible for communicating and application this code throughout Hulisani.
2.	**BOARD AND DIRECTORS**		
2.1	The Board should act as the focal point for, and custodian of, corporate governance.	Applied	The Directors are aware of their fiduciary duties. The Board considers sound corporate governance practices to be critical and recognises that it is the ultimate custodian of corporate governance. The implementation of good corporate governance principles will be implemented by the executive management and overseen by the Audit and Risk Committee.
2.2	The Board should appreciate that strategy, risk, performance and sustainability are inseparable.	Applied	The Directors of the Company subscribe to the principle that they have accountability to shareholders and an obligation to all stakeholders (including shareholders), to ensure that the Company's resources are utilised to ensure its continuing viability. The Board appreciates that strategy, risk, performance and sustainability and are inseparable.

	Principle	Status	Comments
2.3	The Board should provide effective leadership based on an ethical foundation.	Applied	The Board has adopted a Board Charter, which governs Hulisani's approach to good governance as contained in the King Code.
2.4	The Board should ensure that the Company is and is seen to be a responsible corporate citizen.	Applied	The Board has established a Social, Ethics and Transformation Committee that is governed by a charter in line with the King Code.
2.5	The Board should ensure that the Company's ethics are managed effectively.	Applied	A Social, Ethics and Transformation Committee has been established which is responsible for, *inter alia*, the implementation of a Code of Ethics and is responsible for communicating and application this code throughout Hulisani. Contravention of this code will meet with the consequences as contained in the charter governing the Social, Ethics and Transformation Committee.
2.6	The Board should ensure that the Company has an effective and independent Audit Committee.	Applied	The Audit and Risk Committee has been established in line with the King Code, and consists of three independent non-executive Directors. The members of the Audit and Risk Committee have the necessary experience and skills. Both the internal audit and external auditors will have access to this committee, through nominated representation.
2.7	The Board should be responsible for the governance of risk.	Applied	The Board is responsible for the governance of risk and ensures that the Company has an effective risk management system. The Board has adopted a Board Charter, that will govern Hulisani's approach to risk management, as contained in the King Code.
2.8	The Board should be responsible to information technology (IT) governance.	Applied	The Board bears ultimate responsibility for IT governance. The Board has adopted a Board Charter, that governs Hulisani's approach to IT governance, as contained in the King Code.
2.9	The Board should ensure that the Company complies with applicable laws and considers adherence to non-binding rules, codes and standards.	Applied	The Board is responsible for ensuring that the Company complies with applicable laws and considers adhering to non-binding rules, codes and standards.
2.10	The Board should ensure that there is an effective risk-based internal audit.	Explain	As the Company was recently incorporated as a public Company, it has not yet appointed an internal auditor and the Company has not performed an internal audit. Once an internal auditor has been appointed, the Board will ensure that an effective risk-based internal audit is performed.
2.11	The Board should appreciate that stakeholders' perceptions affect the Company's reputation.	Applied	The Board believes that stakeholders perceptions are of critical importance and to this end the Board will ensure transparent and effective communication with stakeholders and treat shareholders equitably.

	Principle	Status	Comments
2.12	The Board should ensure the integrity of the Company's integrated report.	Explain	As the Company was recently incorporated as a public Company, it has still to issue an integrated report, which will be done for the 2017 financial year-end. The Board will consider and approve the Company's financial report when issued.
2.13	The Board should report on the effectiveness of the Company's system of internal controls.	Explain	Once operations have commenced, the Board will report on the effectiveness of the Company's system of internal control. The Company's Audit and Risk Committee will provide the Board with assurance on the effectiveness of the internal control framework.
2.14	The Board and its Directors should act in the best interests of the Company.	Applied	The Directors are aware of their fiduciary duties. The Board considers sound corporate governance practices to be critical and recognises that it is the ultimate custodian of corporate governance. The implementation of good corporate governance principles will be implemented by the executive management and overseen by the Audit and Risk Committee. The Board of Directors individually and collectively understand their fiduciary responsibility to act in the best interests of the Company and disclosures of interest and Director's dealings are reported on in accordance with a policy adopted by the Board in this regard.
2.15	The Board should consider business rescue proceedings or other turnaround mechanisms as soon as the Company is financially distressed as defined in the Companies Act.	Applied	The Board is aware of the requirements of the Companies Act regarding business rescue.
2.16	The Board should elect a chairman of the Board who is an independent non-executive Director. The CEO of the Company should also not fulfil the role of chairman of the Board.	Applied	The chairman is a non-executive, independent director and the roles of chairman and chief executive are separated.
2.17	The Board should appoint the chief executive officer and establish a framework for the delegation of authority.	Applied	The CEO is appointed by the Board and formal delegation of authority will be established.
2.18	The Board should comprise a balance of power, with a majority of non-executive Directors. The majority of non-executive Directors should be independent.	Applied	The Board consists of nine directors, of whom five are non-executive, independent directors.
2.19	Directors should be appointed through a formal process.	Applied	All directors' appointments will require shareholders' ratification.
2.20	The induction of and ongoing training and development of Directors should be conducted through formal processes.	Applied	Training of Board members is arranged at the Company's expense as and when required.

	Principle	Status	Comments
2.21	The Board should be assisted by a competent, suitably qualified and experienced Company secretary.	Applied	The Board is assisted by a suitably qualified Company secretary, who has adequate experience, who is not a Director of the Company and who has been empowered to fulfil his duties. The Board reviews the Company secretary at least annually and the Board is satisfied that the Company secretary maintains an arm's length relationship with the Board and is sufficiently qualified and experienced to execute the required duties.
2.22	The evaluation of the Board, its committees and the individual Directors should be performed every year.	Explain	As the Company is recently incorporated as a public Company, the evaluation of the Board, its committees and Directors is yet to be performed. The Board will ensure that such evaluations are performed on an annual basis.
2.23	The Board should delegate certain functions to well-structured committees but without abdicating its own responsibilities.	Applied	The Board has delegated certain specific responsibilities to the Audit and Risk Committee, the Social, Ethics and Transformation Committee and Remuneration and Nomination Committee without abdicating its own responsibilities. These committees operate in accordance with written terms of reference as approved by the Board and reviewed annually.
2.24	A governance framework should be agreed between the Group and its subsidiary boards.	Explain	The Company does not currently have any subsidiary companies.
2.25	Companies should remunerate Directors and executives fairly and responsibly.	Applied	The remuneration and nomination committee has been established, and consists of three independent non-executive Directors. The members of this committee have the necessary experience and skills. The Board is currently reviewing the remuneration of Directors and executives based on recommendations made by the Remuneration and Nomination Committee, taking into account market conditions, expert advice from remuneration specialists and in accordance with the remuneration policy as adopted by the Board.
2.26	Companies should disclose the remuneration of each individual Director and certain senior executives.	Explain	The Company will disclose Directors' remuneration in the annual financial statements when these are presented.
2.27	Shareholders should approve the Company's remuneration policy.	Explain	The remuneration policy will be disclosed in the annual report and will be put to shareholders to approve by way of a non-binding advisory vote. The remuneration of directors will remain the responsibility of the Remuneration and Nomination Committee and the Board. The remuneration of Directors will be subject to shareholder's approval by way of special resolution at the Company's annual general meeting.

	Principle	Status	Comments
3.	**AUDIT COMMITTEES**		
3.1	The Board should ensure that the Company has an effective and independent Audit Committee.	Applied	An Audit and Risk Committee has been established in terms of both the Companies Act as well as the King Code. The terms of reference of the Audit and Risk Committee have been approved by the Board.
3.2	Audit Committee members should be suitably skilled and experienced independent non-executive Directors.	Applied	The Audit and Risk Committee comprises three independent non-executive Directors, who are suitably skilled and experienced. The Chairperson of the Board is not a member of the Audit and Risk Committee.
3.3	The Audit Committee should be chaired by an independent non-executive Director.	Applied	The Audit and Risk Committee is chaired by an independent non-executive Director.
3.4	The Audit Committee should oversee integrated reporting.	Applied	In accordance with its terms of reference, the Audit and Risk Committee is responsible for overseeing the Company's integrated reporting process.
3.5	The Audit Committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities.	Applied	Hulisani will apply a combined assurance model to ensure a coordinated approach to assurance activities. The Audit and Risk Management Committee oversees the assurance activities of the group. The committee will also oversee the establishment of effective systems of internal control to provide reasonable assurance that Hulisani's financial and non-financial objectives are achieved.
3.6	The Audit Committee should satisfy itself of the expertise, resources and experience of the Company's finance function.	Applied	The Audit and Risk Committee has satisfied itself of the effectiveness of the Chief Financial Officer and will satisfy itself of the expertise, resource and experience of the Company's finance function once established. At present the full finance function is carried by the chief financial officer. This will be re-evaluated formally on an annual basis.
3.7	The Audit Committee should be responsible for overseeing of internal audit.	Applied	The Audit and Risk Committee formulates and monitors the Company's risk management policies, monitor the Company's governance compliance and overseas the scope and performance of internal audit.
3.8	The Audit Committee should be an integral component of the risk management process.	Explain	The Audit and Risk Committee will form an integral component of the risk management process. The committee's terms of reference set out its responsibilities in terms of risk management.
3.9	The Audit Committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process.	Applied	The Audit and Risk Committee is responsible for overseeing the external audit process, fees and terms of engagement of the external auditors and to recommend the same for approval to the Board. The committee is responsible for determining the nature and extent of non-audit services provided by the auditors to the Company. The appointment of the external auditor is put forward for approval at each annual general meeting.

	Principle	Status	Comments
3.10	The Audit Committee should report to the Board and shareholders on how it has discharged its duties.	Applied	The chairperson of the Audit and Risk Committee will report to the Board after each meeting of the committee. The Audit and Risk Committee compiles a written report on how it has discharged its duties annually. This report will be included in the integrated report of the Company.
4.	**THE GOVERNANCE OF RISK**		
4.1	The Board should be responsible for the governance of risk.	Applied	The Board takes overall responsibility for risk management with a formal process implemented for managing risk while delegating authority to the Audit and Risk Committee. The Board has adopted a Board Charter, that will govern Hulisani's approach to risk management as contained in the King Code.
4.2	The Board should determine the levels of risk tolerance.	Explain	It is intended that specific limits be set annually at the Risk Committee meeting which limits will be approved by the Board. These limits will take account of both external and internal risk factors.
4.3	The Risk Committee or Audit Committee should assist the Board in carrying out its risk responsibilities.	Applied	The Audit and Risk Committee has been established to assist the Board in carrying out its risk responsibilities, oversees internal financial controls, fraud risks as they relate to financial reporting and IT risks as they relate to financial reporting.
4.4	The Board should delegate to management the responsibility to design, implement and monitor the risk management plan.	Applied	Management will be accountable to the Board, through the Audit and Risk Committee, for embedding the risk management process in the business.
4.5	The Board should ensure that risk assessments are performed on a continual basis.	Applied	The risk assessment process identifies risks and opportunities and the process is formalised and regular.
4.6	The Board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks.	Explain	The Audit and Risk Committee is responsible for the implementation of these frameworks and methodologies. A risk matrix is being formulated.
4.7	The Board should ensure that management considers and implements appropriate risk responses.	Applied	The implementation of controls, existing and new, is monitored on an ongoing basis.
4.8	The Board should ensure continual risk monitoring by management.	Applied	There is continual risk monitoring and the process is monitored by management.
4.9	The Board should receive assurance regarding the effectiveness of the risk management process.	Applied	The Board will report on the effectiveness of the risk management process. The Company's Audit and Risk Committee will provide the Board with assurance on the effectiveness of risk management process.
4.10	The Board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders.	Applied	The Board will disclose the top risks facing the Company.

	Principle	Status	Comments
5.	**THE GOVERNANCE OF INFORMATION TECHNOLOGY**		
5.1	The Board should be responsible for IT governance.	Applied	The Board takes overall responsibility for IT governance. The Board has adopted a Board Charter, that will govern Hulisani's approach to IT governance as contained in the King Code.
5.2	IT should be aligned with the performance and sustainability objectives of the Company.	Applied	IT is fully integrated into the strategic planning process ensuring strategic, tactical and operational alignment in the achievement of business objectives.
5.3	The Board should delegate to management the responsibility for the implementation of an IT governance framework.	Explain	As the Company was recently incorporated as a public Company, the IT governance framework has not yet been finalised. Management will be responsible for the implementation of the IT governance framework, once this framework has been finalised by the Board. Once a Viable Asset has been acquired, the appropriate IT governance function will be appointed.
5.4	The Board should monitor and evaluate significant IT investments and expenditure.	Applied	IT investments and expenditure forms part of the normal budgeting process, and therefore has to be approved by the Board.
5.5	IT should form an integral part of the Company's risk management.	Applied	IT is considered an integral part of risk management and will be managed as part of the Audit and Risk Committee's oversight.
5.6	The Board should ensure that information assets are managed effectively.	Applied	The Audit and Risk Committee is responsible for ensuring that systems are in place for the management of information which includes security, information management and privacy.
5.7	A Risk Committee and Audit Committee should assist the Board in carrying out its IT responsibilities.	Explain	The Audit and Risk Committee will review key elements of IT practice including IT internal controls and risk management.
6.	**COMPLIANCE WITH LAWS, CODES, RULES AND STANDARDS**		
6.1	The Board should ensure that the Company complies with applicable laws and considers adherence to non-binding rules, codes and standards.	Applied	The Board is responsible for ensuring that the Company complies with applicable laws and considers adhering to non-binding rules, codes and standards. As the need arises, the board will consider the establishment of a separate legal function that will have oversight of legal governance and compliance.
6.2	The Board and each individual Director should have a working understanding of the effect of the applicable laws, rules, codes and standards on the Company and its business.	Applied	Training will be provided to the Board and each individual Director from time to time as required.
6.3	Compliance risk should form an integral part of the Company's risk management process.	Applied	Compliance is an integral part of the Company's risk management process.

	Principle	Status	Comments
6.4	The Board should delegate to management the implementation of an effective compliance framework and processes.	Explain	As the Company was recently incorporated as a public Company, the compliance framework and processes have not yet been finalised. Management will be responsible for the implementation of the compliance framework and processes, once the framework and processes have been finalised by the Board. As the need arises, the board will consider the establishment of a separate compliance function.
7.	**INTERNAL AUDIT**		
7.1	The Board should ensure that there is an effective risk-based internal audit.	Explain	As the Company was recently incorporated as a public Company, it has not yet appointed an internal auditor and the Company has not performed an internal audit. Once an internal auditor has been appointed, the Board will ensure that an effective risk-based internal audit is performed.
7.2	Internal audit should follow a risk-based approach to its plan.	Explain	Once an internal auditor has been appointed, the Board will ensure that an effective risk-based internal audit is performed.
7.3	Internal audit should provide a written assessment of the effectiveness of the Company's system of internal controls and risk management.	Explain	Once an internal auditor has been appointed, the Board will ensure that an effective risk-based internal audit is performed.
7.4	The Audit Committee should be responsible for overseeing internal audit.	Explain	Once an internal auditor has been appointed, the Board will ensure that an effective risk-based internal audit is performed and this performance will be under the oversight of the Audit and Risk Committee.
7.5	Internal audit should be strategically positioned to achieve its objectives.	Explain	Once an internal auditor has been appointed, the Board will ensure that an effective risk-based internal audit is performed and this performance will be under the oversight of the Audit and Risk Committee.
8.	**GOVERNING STAKEHOLDER RELATIONSHIPS**		
8.1	The Board should appreciate that stakeholders' perceptions affect a Company's reputation.	Applied	The Board believes that stakeholders perceptions are of critical importance and to this end the Board will ensure transparent and effective communication with stakeholders and treat shareholders equitably.
8.2	The Board should delegate to management to proactively deal with stakeholder relationships stakeholders and the outcomes of these dealings.	Applied	Stakeholder relationships are critical for the Company and management is responsible for dealing proactively with stakeholder relationships.

	Principle	Status	Comments
			Financial results, trading updates and announcements will be published in accordance with the JSE Listings Requirements and results announcements, the integrated report will be published on the Company's website.
8.3	The Board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the Company.	Applied	The Board strives to maintain a balance between the various stakeholders while acting in the best interests of the Company.
8.4	Companies should ensure the equitable treatment of shareholders.	Applied	The Company provides timely and equitable disclosure of information to the market and all shareholders are treated equally in this regard. Information is posted on the Company's website as well as in the integrated annual report.
8.5	Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence.	Applied	The Company provides timely and equitable disclosure of information to the market and all shareholders are treated equally in this regard. Information is posted on the Company's website as well as in the integrated annual report.
8.6	The Board should ensure that disputes are resolved as effectively, efficiently and expeditiously as possible.	Applied	Open and transparent dialogue is encouraged and maintained on an ongoing basis in an effort to prevent disputes and if needs be to resolve disputes effectively and efficiently.
9.	**INTEGRATED REPORTING AND DISCLOSURE**		
9.1	The Board should ensure the integrity of the Company's integrated report.	Explain	As the Company was recently incorporated as a public Company, it has still to issue an integrated report, which will be done for the 2017 financial year-end. The Company intends to adhere to the relevant principles contained in the King Code relating to integrated reporting and disclosure.
9.2	Sustainability reporting and disclosure should be integrated with the Company's financial reporting.	Explain	As the Company was recently incorporated as a public Company, it has still to issue an integrated report, which will be done for the 2017 financial year-end. However, the Board will consider and approve the Company's financial report when issued. The Company intends to adhere to the relevant principles contained in the King Code relating to integrated reporting and disclosure.
9.3	Sustainability reporting and disclosure should be independently assured.	Explain	As the Company was recently incorporated as a public Company, it has still to issue an integrated report, which will be done for the 2017 financial year-end. However, the Board will consider and approve the Company's financial report when issued. The Company intends to adhere to the relevant principles contained in the King Code relating to integrated reporting and disclosure.

SHARE TRADING HISTORY OF HULISANI

The high, low and closing prices and the volumes and value at which the Hulisani Shares traded on the JSE monthly from April 2016 to October 2016 and for each trading day from April 2016 to the Last Practicable Date, are provided below:

	High (cents)	Low (cents)	Volume	Traded Value Rand
Monthly				
January 2017	1 300	1 290	362 756	4 715 766
December 2016	1 300	1 300	7 655	99 515
November 2016	1 300	1 250	248 861	3 231 020
October 2016	1 645	1 300	1 044 963	14 668 016
September 2016	1 200	1 200	305	3 660
August 2016	1 200	1 200	61	732
July 2016	1 395	1 300	438 865	5 774 493
June 2016	1 550	1 300	8 718	131 905
May 2016	1 500	1 350	68 497	1 010 738
April 2016	1 799	1 101	17 575 043	176 111 630
Daily				
06 February 2017	1 300	1 300	1 539	20 007
03 February 2017	–	–	–	–
02 February 2017	–	–	–	–
01 February 2017	–	–	–	–
31 January 2017	1 290	1 290	545	7 030
30 January 2017	1 290	1 290	70	903
27 January 2017	–	–	–	–
26 January 2017	–	–	359 436	4 672 668
25 January 2017	–	–	–	–
24 January 2017	–	–	–	–
23 January 2017	–	–	–	–
20 January 2017	1 300	1 300	35	455
19 January 2017	–	–	–	–
18 January 2017	–	–	–	–
17 January 2017	–	–	–	–
16 January 2017	–	–	–	–
13 January 2017	–	–	–	–
12 January 2017	–	–	–	–
11 January 2017	–	–	–	–
10 January 2017	–	–	–	–
09 January 2017	–	–	–	–
06 January 2017	–	–	–	–
05 January 2017	–	–	–	–
04 January 2017	1 300	1 300	2 550	33 150
03 January 2017	1 300	1 300	120	1 560
30 December 2016	1 300	1 300	7 630	99 190
29 December 2016	–	–	–	–
28 December 2016	–	–	–	–
23 December 2016	–	–	–	–
22 December 2016	–	–	–	–

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

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of Hulisani ("**the General Meeting**") will be held at 4th Floor, North Tower, 90 Rivonia Road, Sandton at 10:00 on Monday, 20 March 2017 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 and interpretations commencing on page 6 of the circular to which this Notice of General Meeting is attached ("**Circular**"), 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% (seventy five percent) 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% (fifty percent) of the voting rights exercised on the resolution, save for Ordinary Resolution Number 3 which must be supported by at least 75% (seventy five percent) of the voting rights exercised on the resolution in terms of the JSE Listings Requirements.

The Circular Record Date, being the date on which Shareholders must have been recorded as such in the Register for purposes of being entitled to receive the Circular and this notice, is Friday, 10 February 2017.

The last day to trade in order to be reflected in the Register on the General Meeting Record Date, is, Tuesday, 7 March 2017.

The General Meeting Record Date, being 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, 10 March 2017.

ORDINARY RESOLUTION NUMBER 1 – APPROVAL OF THE ACQUISITION

"RESOLVED AS AN ORDINARY RESOLUTION, subject to the approval of Ordinary Resolution Number 4, that the Acquisition by the Company, of a 100% (one hundred percent) interest in Red Cap and 100% (one hundred percent interest) in Eurocape, who collectively hold an interest of 6.67% (six point sixty seven percent) in Kouga, through the subscription for the Subscription Shares at the Subscription Consideration, be and is hereby approved."

Reason and effect

The reason for Ordinary Resolution Number 1 is that the Acquisition constitutes the acquisition of a Viable Asset, requiring Shareholder approval by way of an ordinary resolution, in terms of the JSE Listings Requirements. The effect of Ordinary Resolution Number 1 is to grant the requisite approval for the Acquisition in terms of the JSE Listings Requirements. To the extent that the Acquisition is successfully implemented, Hulisani will no longer be classified as a SPAC and will be classified as an investment entity.

Note: In terms of paragraph 4.35(b) of the JSE Listings Requirements, Ordinary Resolution Number 1 requires the approval of at least 50% of the votes cast in favour thereof by all Shareholders, present or represented by proxy at the General Meeting. Messers Notshe, Zilimbola and Raphulu and their associates cannot vote on the Acquisition as they have a vested interest by way of their shareholding in Nibira.

ORDINARY RESOLUTION NUMBER 2 – USE AND RETENTION OF RESIDUAL CAPITAL

"**RESOLVED AS AN ORDINARY RESOLUTION** that, subject to the approval of Ordinary Resolution Number 1, the use and retention of the Residual Capital by the Company to source new investments and for working capital purposes, be and is hereby approved."

Reason and effect

The reason for Ordinary Resolution Number 2 is that, in terms of paragraph 4.35(c) of the JSE Listings Requirements, the use and retention of the Residual Capital by Hulisani requires Shareholder approval by way of an ordinary resolution. The effect of Ordinary Resolution Number 2 is to grant Hulisani the requisite approval for the use and retention of the Residual Capital in terms of the JSE Listings Requirements.

In the event that the use and retention of the Residual Capital is not approved, Hulisani will return to Shareholders the Residual Capital after a sufficient amount is retained for working capital, as determined by the Board, in order to meet the solvency and liquidity requirements of the Act. Shareholders are therefore advised that by approving the Acquisition, they are indirectly approving the use and retention of the working capital.

ORDINARY RESOLUTION NUMBER 3 – GENERAL AUTHORITY TO ISSUE SHARES FOR CASH

"RESOLVED AS AN ORDINARY RESOLUTION that, subject to the passing of Ordinary Resolution Number 1 and Ordinary Resolution Number 2, the Company be and is hereby authorised, by way of a general authority, to allot and issue any of the Company's unissued Shares for cash as the directors, in their discretion may deem fit, without restriction, subject to the provisions of the MOI, the Companies Act and the JSE Listings Requirements, provided that:

- the approval shall be valid until the date of the next annual general meeting of the Company, provided it shall not extend beyond 15 (fifteen) months from the date of this resolution;
- the general issues of Shares for cash under this authority may not exceed, in the aggregate, 15% (fifteen percent) of the Company's issued share capital (number of securities) of that class as at the date of this Notice of General Meeting, it being recorded that Shares issued pursuant to a rights offer to Shareholders shall not diminish the number of Shares that comprise the aforementioned 15% (fifteen percent) of the Shares that can be issued in terms of this ordinary resolution. As at the date of this Notice of General Meeting, 15% (fifteen percent) of the Company's issued ordinary share capital (net of treasury shares) amounts to 7 500 000 Shares;
- in determining the price at which an issue of Shares will be made in terms of this authority, the maximum discount permitted will be 10% (ten percent) of the weighted average traded price of such Shares, as determined over the 30 (thirty) Business Days prior to the date that the price of the issue is agreed between Hulisani and the party subscribing for the Shares. The JSE will be consulted for a ruling if the Shares have not traded in such 30 (thirty) Business Day period;
- any such issue will only be made to public Shareholders as defined in paragraphs 4.25 to 4.27 of the JSE Listings Requirements and not to related parties;
- any such issue will only be comprised of Shares of a class already in issue or, if this is not the case, will be limited to such securities or rights that are convertible into a class already in issue; and
- in the event that the Shares issued represent, on a cumulative basis, 5% (five percent) or more of the number of Shares in issue prior to that issue, an announcement containing the full details of such issue shall be published on SENS."

Note: *In terms of the JSE Listings Requirements, a 75% (seventy-five percent) majority of the votes cast by Shareholders present or represented by proxy at the General Meeting, must be cast in favour of Ordinary Resolution Number 3 for it to be approved.*

Reason and effect

For listed entities wishing to issue shares for cash, it is necessary for the Hulisani Board to obtain the prior authority of the Shareholders in accordance with the JSE Listings Requirements. Accordingly, the reason for Ordinary Resolution Number 3 is to obtain a general authority from Shareholders to issue Shares for cash in compliance with the JSE Listings Requirements, the Companies Act and the MOI.

ORDINARY RESOLUTION NUMBER 4 – APPROVAL OF THE INVESTMENT POLICY

"RESOLVED AS AN ORDINARY RESOLUTION that the Investment Policy of the Company as set out in **Annexure 16** of the Circular, be and is hereby approved by Shareholders."

Reason and effect

The reason for Ordinary Resolution Number 4 is that the JSE requires Shareholders to approve the Investment Policy, given that Hulisani initially listed as a SPAC and post the Acquisition, Hulisani will be classified as an investment entity. The effect of Ordinary Resolution Number 4 is that Shareholders will have approved the Investment Policy. To the extent that the Acquisition is subsequently implemented, Hulisani will no longer be classified as a SPAC and will be classified as an investment entity in terms of section 15 of the JSE Listings Requirements.

SPECIAL RESOLUTION NUMBER 1 – GENERAL AUTHORITY TO REPURCHASE SHARES

"**RESOLVED AS A SPECIAL RESOLUTION** that, subject to the passing of Ordinary Resolution Number 1 and Ordinary Resolution Number 2, the Company and the subsidiaries of the Company be and are hereby authorised, as a general approval, to repurchase any of the Shares issued by the Company, upon such terms and conditions and in such amounts as the Directors may from time to time determine, but subject to the provisions of sections 46 and 48 of the Companies Act, the MOI and the JSE Listings Requirements, including, *inter alia*, that:

the general repurchase of the Shares may only be implemented through the order book operated by the JSE trading system and without any prior understanding or arrangement between the Company and the counterparty;

- this general authority shall only be valid until the next annual general meeting of the Company, provided that it shall not extend beyond 15 (fifteen) months from the date of this resolution;
- an announcement must be published as soon as the Company has acquired Shares constituting, on a cumulative basis, 3% (three percent) of the number of Shares in issue prior to the Acquisition, pursuant to which the aforesaid 3% (three percent) threshold is reached, containing full details thereof, as well as for each 3% (three percent) in aggregate of the initial number of Shares acquired thereafter;
- the general authority to repurchase is limited to a maximum of 20% (twenty percent) in the aggregate in any one financial year of the Company's issued share capital at the time the authority is granted;
- a resolution has been passed by the Hulisani Board approving the purchase, that the Company has satisfied the solvency and liquidity test as defined in the Companies Act and that, since the solvency and liquidity test was applied, there have been no material changes to the financial position of the Company and its subsidiaries;
- the general repurchase is authorised by the MOI;
- repurchases must not be made at a price more than 10% (ten percent) above the weighted average of the market value of the Shares for the 5 (five) Business Days immediately preceding the date that the transaction is effected. The JSE will be consulted for a ruling if the Company's securities have not traded in such 5 (five) Business Day period;
- the Company may at any point in time only appoint 1 (one) agent to effect any repurchase(s) on the Company's behalf; and
- the Company may not effect a repurchase during any prohibited period as defined in terms of the JSE Listings Requirements unless there is a repurchase programme in place, which programme has been submitted to the JSE in writing prior to the commencement of the prohibited period and executed by an independent third party, as contemplated in terms of paragraph 5.72(h) of the JSE Listings Requirements."

Reason and effect

The reason for and effect of Special Resolution Number 1 is to grant a general authority to Hulisani or any subsidiary of Hulisani, in terms of the Companies Act, the MOI and the JSE Listings Requirements, for the acquisition by Hulisani or its subsidiaries of Hulisani's Shares which authority shall be used at the Directors' discretion during the course of the period authorised.

Additional information relating to Special Resolution Number 1

1. The directors of Hulisani or its subsidiaries will only utilise the general authority to repurchase shares of Hulisani as set out in Special Resolution Number 1 to the extent that the Directors, after considering the maximum number of Shares to be purchased, are of the opinion that the position of the Hulisani Group would not be compromised as to the following:

- the Hulisani Group's ability in the ordinary course of business to pay its debts for a period of 12 (twelve) months after the date of this General Meeting and for a period of 12 (twelve) months after the repurchase;
- the consolidated assets of the Hulisani Group will at the time of the General Meeting and at the time of making such determination be in excess of the consolidated liabilities of the Group. The assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited annual financial statements of the Group;
- the ordinary capital and reserves of the Group after the repurchase will remain adequate for the purpose of the business of the Hulisani Group for a period of 12 (twelve) months after the General Meeting and after the date of the share repurchase; and
- the working capital available to the Hulisani Group after the repurchase will be sufficient for the Hulisani Group's requirements for a period of 12 (twelve) months after the date of the Notice of the General Meeting.

2. General information in respect of major shareholders, material changes and the share capital of Hulisani is contained in the Circular of which this notice forms part.
3. The Directors, whose names appear on page 11 of the Circular of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no facts that 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 Notice of General Meeting contains all information required by the JSE Listings Requirements.

VOTING AND PROXIES

The date on which Shareholders must be recorded, as such in the share register maintained by the Transfer Secretaries of the Company ("**the Share Register**") for purposes of being entitled to receive this notice is Friday, 7 February 2017.

The date on which Shareholders must be recorded in the Share Register for purposes of being entitled to attend and vote at this meeting is Friday, 10 March 2017. Accordingly, the last day to trade to be entitled to attend and vote at this meeting isTuesday, 7 March 2017.

Section 63(1) of the Companies At, No 71 of 2008, as amended, 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 licence 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 member 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

16 February 2017

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)
Rosebank Towers
15 Biermann Avenue
Rosebank
2196
(PO Box 61051, Marshalltown, 2107)

PRINTED BY INCE (PTY) LTD
JOB012547

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

FORM OF PROXY (*YELLOW*) – ONLY FOR USE BY CERTIFICATED SHAREHOLDERS AND DEMATERIALISED SHAREHOLDERS WITH "OWN-NAME" REGISTRATION

The definitions and interpretations commencing on page 6 *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 4th Floor, North Tower, 90 Rivonia Road, Sandton at 10:00 on Monday, 20 March 2017.

I/We (Full names in BLOCK LETTERS please)

of (address)

Telephone number Cellphone number

E-mail address

being the registered holder(s) of: ordinary Shares in Hulisani Limited 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**
Ordinary resolution number 1 Approval of the Acquisition			
Ordinary resolution number 2 Use and retention of Residual Capital			
Ordinary resolution number 3 General authority to issue shares for cash			
Ordinary resolution number 4 Approval of Investment Policy			
Special resolution number 1 General authority to repurchase shares			

*One vote per Share held by Shareholders. Shareholders must insert the relevant number of votes they wish to vote in the appropriate box provided or "X" should they wish to vote all Shares held by them. If the form of proxy (*yellow*) is returned without an indication as to how the proxy should vote on any particular matter, the proxy will exercise his/her discretion as to whether, and if so, how he/she votes.

Signed at on 2017

Signature

Capacity of signatory (where applicable)

Note: Authority of signatory to be attached – see notes 8 and 9

Telephone number

Cellphone number

Assisted by me (where applicable)

Full name

Capacity

Signature

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 Shareholder may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the Shareholder.*
- *A proxy may delegate 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 relevant company.*
- *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.*
- *If the instrument appointing a proxy or proxies has been delivered by a Shareholder to a company, then, for so long as that appointment remains in effect, any notice that is required in terms of the Companies Act or such company's memorandum of incorporation to be delivered to a Shareholder must be delivered by such company to:*
  - *the relevant Shareholder; or*
  - *the proxy or proxies, if the relevant Shareholder has: (i) directed such company to do so, in writing; and (ii) paid any reasonable fee charged by such company for doing so.*

Notes:

1. Each Shareholder is entitled to appoint 1 (one) or more proxies (none of whom need be a Shareholder of Hulisani) to attend, speak and vote in place of that Shareholder at the General Meeting.
2. A 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 the Shareholder must initial any such deletion. 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.
3. A Shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the Shareholder in the appropriate box provided or an "X" should the Shareholder wish the proxy to exercise all votes. Failure to comply with the above will be deemed to authorise and direct the chairman of the General Meeting, if the chairman is the authorised proxy, to vote or abstain from voting at the General Meeting as the chairman deems fit, or any other proxy to vote or abstain from voting at the General Meeting as he/she deems fit, in respect of all the votes of the Shareholder exercisable at the meeting.
4. Completed forms of proxy (*yellow*) and the authority (if any) under which they are signed must be lodged with or posted to the Transfer Secretaries at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or PO Box 61051, Marshalltown, 2107, to be received by them by no later than 10:00 on Thursday, 16 March 2017 (it being deemed, for purposes hereof, that the General Meeting will commence at 10:00 on Monday, 20 March 2017).
5. 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 do so.
6. The chairman of the General Meeting may accept or reject any form of proxy (*yellow*) not completed and/or received in accordance with these notes or with the MOI of Hulisani.
7. Any alteration or correction made to this form of proxy (*yellow*) must be initialled by the signatory/ies.
8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy (*yellow*), unless previously recorded by Hulisani or the Transfer Secretaries.
9. Where this form of proxy (*yellow*) is signed under power of attorney, such power of attorney must accompany this form of proxy (*yellow*), unless it has been registered by Hulisani or the Transfer Secretaries or waived by the chairman of the General Meeting.
10. Where Shares are held jointly, all joint holders are required to sign this form of proxy (*yellow*).
11. A minor Shareholder must be assisted by his/her parent/guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by Hulisani or the Transfer Secretaries.
12. Dematerialised Shareholders who do not own Shares in "own-name" dematerialised form and who wish to attend the General Meeting, or to vote by way of proxy, must contact their CSDP or Broker who will furnish them with the necessary letter of representation to attend the General Meeting or to be represented thereat by proxy. This must be done in terms of the agreement between the Shareholder and his/her CSDP or Broker.
13. This form of proxy (*yellow*) shall be valid at any resumption of an adjourned meeting to which it relates although this form of proxy (*yellow*) shall not be used at the resumption of an adjourned meeting if it could not have been used at the General Meeting from which it was adjourned for any reason other than it was not lodged timeously for the meeting from which the adjournment took place. This form of proxy (*yellow*) shall, in addition to the authority conferred by the Companies Act except insofar as it provides otherwise, be deemed to confer the power generally to act at the General Meeting in question, subject to any specific direction contained in this form of proxy (*yellow*) as to the manner of voting.
14. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or mental disorder of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Share in respect of which the proxy is given, provided that no notification in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Transfer Secretaries before the commencement of the meeting or adjourned meeting at which the proxy is used.
15. Any proxy appointed pursuant to this form of proxy (*yellow*) may not delegate her or his authority to act on behalf of the relevant Shareholder.
16. In terms of section 58 of the Companies Act, unless revoked, an appointment of a proxy pursuant to this form of proxy (*yellow*) remains valid only until the end of the General Meeting or any adjournment of the General Meeting.
17. The definitions and interpretations commencing on page 6 of this Circular apply, *mutatis mutandis,* to this Form of Proxy**.**