ANNUAL INTEGRATED REPORT

29 FEBRUARY 2020

Hulisani

Contents

STRATEGIC OVERVIEW

WHO WE ARE

Hulisani Limited is an investment company listed on the Main Board of the JSE Limited, trading under the symbol HUL with the ISIN of ZAE000212072. We invest in various forms of energy, predominantly in renewable energy generation. We are a proudly black-managed company committed to significant socio-economic development. True to the meaning of our name, we nurture investments and manage social returns for all our stakeholders and, through our business activities, contribute to creating an environment that is conducive to job creation with tangible socio-economic benefits.

Sustainability, consistency, and growth are at the core of our business. We carefully select our investments and project pipeline to ensure that we deliver consistent, predictable, and reliable inflation-linked returns over the long term, whilst contributing to the upliftment of the communities where our investments are situated. We invest where we believe we can add value to enhance returns, create potential upside, and increase predictability of cash flows for our investors through better management and diversification.

Our experienced executive team and board add value by offering strategic insight, solid investment execution, management experience, and nurturing of investments, which aligns with sustainably managing the investment portfolio.

WHAT WE AIM FOR IN OUR INVESTMENTS

We aim to invest in opportunities that deliver consistent, predictable, and reliable returns that are both inflation-linked and long-term in nature.

One of the key areas in which we invest is Independent Power Producers (IPPs), where we consider both primary and secondary opportunities. Secondary opportunities are investments in established operating assets, which already have a Power Purchase Agreement (PPA). These investments provide stable, consistent, predictable, and reliable, inflation-linked cash flows from de-risked projects. These already have an operational performance history plus, either a dividend-paying history, or less than an 18-month time frame to the first dividend in relation to assets secured that have not yet reached commercial operation.

Primary investment opportunities are those where a commitment is made at bidding stage, when we submit the tender or request for proposal. These opportunities are secured in collaboration with developers and other sponsors through partnerships, and this ensures that all aspects of the bid are well managed. This entails bid preparation and management, getting the project to financial close, and managing the construction risk from financial close to commercial operation date. The construction phase is typically managed through a turnkey construction contract, which ensures the delivery of the project at the agreed time and at the agreed cost. Some of the benefits of participating in primary opportunities are securing a pipeline in a competitive market and realising a higher yield before premiums are added to projects in the secondary market.

Investing in both primary and secondary projects is complementary; a combination of the two create balance in a portfolio, ensuring a sufficiently diversified basket of assets with an attractive yield and a growing pipeline.

We focus on returns from a PPA that are typically linked to the Consumer Price Index (CPI), meaning that these are automatically adjusted by the prevailing CPI on an annual basis. This ensures that real returns are realised throughout the term of the PPA, thereby making the investment a good shield against inflation.

The assets held by Hulisani provide investors with exposure to a diversified asset portfolio and the opportunity to invest in an asset class that offers distinct benefits not typically available in the market: returns that are sustainable, long-term, predictable, and linked to inflation.

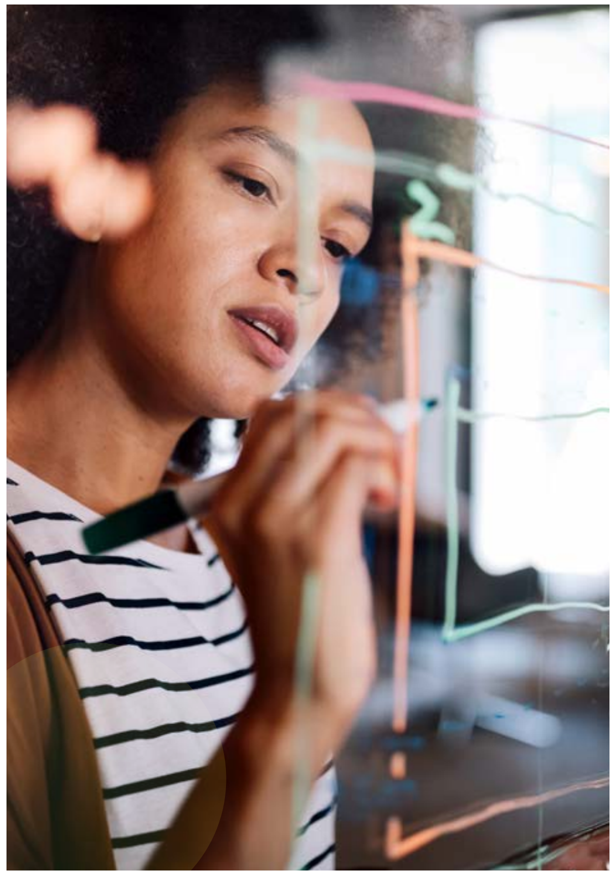
We structure our investments either as equity investments, or we utilise instruments like preference shares that offer a similar return profile to equity with some upside sharing. This strategy has proved prudent as it positions Hulisani to be flexible in how to structure opportunities as and when they arise.

LONG-TERM SUSTAINABILITY MATTERS TO US

Investments are required to meet Hulisani's due diligence requirements or illustrate the potential and ability to do so in the near future. Our investment philosophy includes the need for a positive socio-economic impact in the communities where our assets operate. This impact typically extends well beyond compliance requirements, as evidenced by the decision to adopt environmental, social responsibility, governance (ESG), and reporting policies, which will be implemented during the new financial year.

The impact of our investments is monitored in pursuit of long-term sustainability. Hulisani is continually strengthening corporate governance mechanisms and reporting on the impact in the communities where we invest.

We are further incorporating the Global Reporting Initiative standards in all reporting structures and intend to have made significant progress in formalising this reporting standard by the end of the next financial year.



INVESTMENT POLICY

Hulisani's targeted return is CPI plus 6% to 8% in the long term, after costs. We look for solid operational performance in the assets when we consider secondary opportunities, or the track record of the developer when we consider primary opportunities. We use this measure as we pursue sustainable investments.

We are actively involved in the management of our portfolio to ensure that, where possible, we can add value to improve the returns, create potential upside, and improve predictability of cash flows.

To illustrate this, on a monthly basis, we evaluate and monitor:

- contractual frameworks
- operational performance vs budget
- counterparty risks
- yield from the asset and return on investment
- sustainability, and
- ESG.

HULISANI AND ENERGY: A COMPELLING INVESTMENT

Stable cash flows and economic resilience – due to the contractual nature of the cash flows, we can predict with certainty, the cash-yielding ability of the asset in the long term.

Inflation protection - contractual cash flows in the PPAs have a sovereign guarantee with the ability to increase rates linked to inflation over time.

Attractive long-term returns - the services provided by energy and infrastructure assets are essential for the functioning and growth of society

Predictable usage profile - as a result of low-usage volatility, it is easier to predict the use of the asset over its lifespan.

The assets are insensitive to the economic climate as the contracts contain an inflation-protection mechanism. This leads to a low-risk correlation to other major asset classes, resulting in **compelling defensive and diversification benefits.**

LOCATION AND DIVERSITY OF INVESTMENTS

Our current focus is on the South African energy market. Following the finalisation of the Integrated Resource Plan (IRP 2019), there is greater policy certainty, thereby expanding the appetite and market for primary and secondary opportunities.

The following developments in the energy market are noteworthy:

- A Section 34 Ministerial Determination has been issued to give effect to the IRP 2019, enabling the development of additional grid capacity from renewable energy, natural gas, hydro power, battery storage, and coal.
- The National Energy Regulator (NERSA) has asked for public comment on the Section 34 Ministerial Determination, thereby seeking to give concurrence to the aforementioned and pave the way for procurement of power in terms of the IRP 2019.
- Agreement has been received from NERSA for 2000MW in emergency procurement, with a request for proposal expected by the third quarter of 2020. We expect consensus on the general IRP 2019 procurement before the end of the second quarter of 2020, and procurement immediately thereafter.
- The cap on installed capacity has been removed, meaning that there is now no limit to installed capacity above 1MW. We have seen substantial requests for proposals from large power producers looking to procure power from IPPs, thereby creating an alternative market to sell power directly to consumers.
- Municipalities in good financial standing, are now able to procure their own power from IPPs, subject to regulations yet to be published. This creates yet another alternative market to sell power directly to municipalities, who are closer to consumers.

These factors point to a continued and monumental shift in energy policy, with visible implementation of the policy.

Hulisani pursues various acquisitions and investments in energy assets. These assets include energy generation, distribution, and transmission infrastructure and general assets in the energy value chain. The focus is on energy generation IPPs which currently make up more than 80% of the company's investments. The balance is invested in other complementary businesses to the energy generation projects, to enhance the upside and to ensure effective management of the projects.

BANKABILITY OF IPP PROGRAMMES AND GUARANTEES

We invest in projects that have underlying guarantee mechanisms provided by the off-takers of the power, to further guarantee the sustainability of the projects.

In the case of the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP), and other South African IPP programmes, there is ultimately a sovereign guarantee in place that ensures payment.

For private PPAs, we look at securing a corporate guarantee which, depending on the rating, may be equal to, or better than, the sovereign guarantee.

STAKEHOLDER RELATIONSHIPS

We are committed to creating and maintaining inclusive, honest, and mutually beneficial relationships, partnerships, and engagements with all our stakeholders. As we undertake operations, we do so in a manner that aligns with our ethos as a socially responsible investor.

Our stakeholders include the government, our investors, management and shareholders of our assets, and providers of different types of capital. All these stakeholders are fundamental to our business, and constant engagement to align expectations and deliverables, is crucial to our success.

FINANCIAL AUDIENCES

Specifically, Hulisani is committed to providing to the investing public, timely and transparent information on corporate strategies and financial data. In addition, we consider the demand for transparency and accountability on our non-financial (or sustainability) performance. In line with King IV, we recognise that this performance is based on the Company/Group’s risk profile and strategy, which includes non-financial risks and opportunities.

The Company manages communications with its key financial audiences, including institutional shareholders and financial (debt and equity) analysts, through its executive management team and an investor relations unit. A broad range of public communication channels (including stock exchange news services, corporate website, press agencies, news wires, and news distribution service providers) are used to disseminate news releases.

These channels are supplemented by direct communication via email, conference calls, group presentations, and one-on-one meetings. Hulisani also complies with legislation and stock exchange rules on forward-looking statements.

MAJOR SHAREHOLDERS

As at 29 February 2020, the following shareholders held more than 5% of the issued share capital of Hulisani:

	Shareholder	% shareholding
1	Government Employees Pension Fund	34%
2	Eskom Pension and Provident Fund	11%
3	Alexander Forbes Investment Ltd	5%

OUR INVESTMENTS

OUR INVESTMENTS

RUSTMo1 SOLAR FARM

The plant conducted its Grid Code compliance testing which is conducted every six years by the operations and management contractor.

The year under review was one during which RustMo1 placed emphasis on the ongoing assessment of the plant and actively sought opportunities for improvement. The plant's technical software was enhanced to ensure grid compliance, and supervisors were upskilled through management courses, which also benefits the plant by ensuring succession planning.

A new Operations Manager was appointed in April 2019 and a streamlining exercise was undertaken for greater efficiency at operational level and within teams. As part of a drive to improve employment equity, more opportunities are being sought for female employees.

Production levels remained constant this year, while revenue and operational expenditure were within acceptable limits of variance from budget.

Asset management software is being piloted at RustMo1 with a view to rolling out this software as a management tool at all Hulisani assets. The software will provide real-time reporting on our assets, including actual generation, revenue, and maintenance vs budget.

There was a marginal revenue increase, while year-on-year profits remained relatively flat. No impairments were recognised during the year under review.

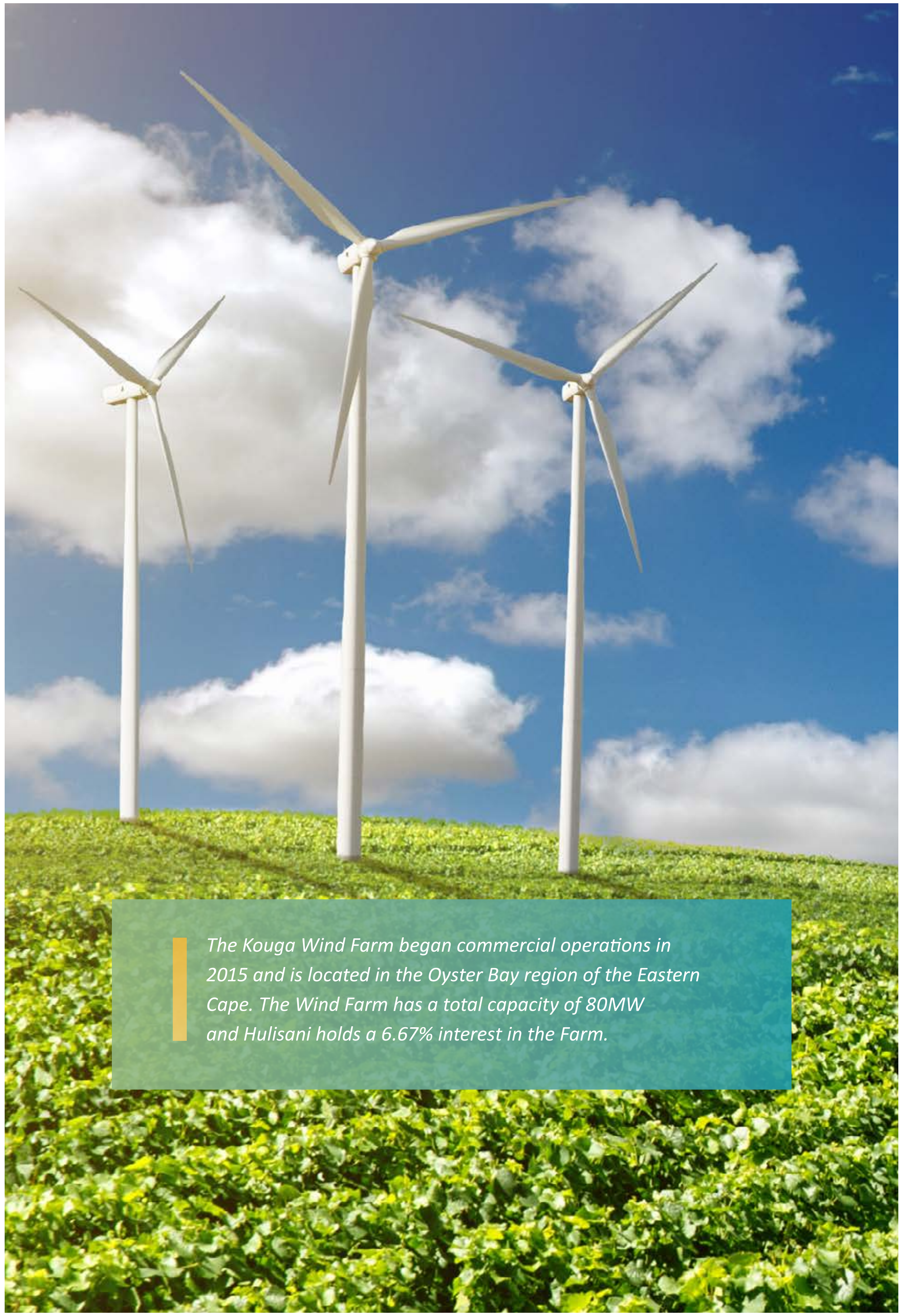
Impacts

In collaboration with Breadline and the Momentous Foundation Community Trust, a significant investment of over R1 million was made in the community where the plant operates. This enabled the establishment of an early child development centre, creating three new jobs in the area and contributing to positive community engagement. The centre and benefits to the community, are aligned with Hulisani's guiding principle that assets should not only deliver profits, but tangible benefits for all stakeholders. As such, similar initiatives are anticipated in the immediate future.

Future growth and replication opportunities

Ultimately, the emphasis on improvement has resulted in greater efficiency and performance at RustMo1, positioning the asset well for further growth. The success of RustMo1 provides Hulisani with the expertise and experience required to manage and operate smaller plants. As opportunities for distributed power generation grow for mines and municipalities outside of traditional solar photovoltaic areas, Hulisani's ability to quickly deploy this expertise in formerly depressed mining areas, thus creating economic activity, is attractive.

Located in Marikana in the North West province, RustMo1, the 7MW plant, has a 20-Year PPA, that commenced in 2013, to supply electricity to Eskom. Hulisani has a 66% shareholding in RustMo1.



The Kouga Wind Farm began commercial operations in 2015 and is located in the Oyster Bay region of the Eastern Cape. The Wind Farm has a total capacity of 80MW and Hulisani holds a 6.67% interest in the Farm.

KOUGA WIND FARM

Now in its fifth year of operation, the Kouga Wind Farm reached record production outputs, with 6% more GWh reported for the year under review.

Focused attention was given to resolving the remaining defects stemming from the original Engineer, Procure, and Construct (EPC) Contract, and operational performance was improved.

The plant is now operating optimally, positioning it well to withstand the anticipated additional competition in the area.

Risk mitigation and governance

The team identified a risk of reduced wind capacity in the area and mitigated this risk by concluding wake-loss agreements with new farms being constructed in the vicinity of Kouga Wind Farm. Such agreements address situations where wind capacity is reduced due to other wind farms utilising the available wind resource. When production is reduced in this way, the agreements outline possible compensation, which enhances the sustainable performance potential of the asset.

Corporate governance was bolstered by the establishment of an audit and risk committee which exercises financial oversight over the businesses, and proactively manages key risks to which Kouga Wind Farm may be exposed. Hulisani's appointed board representative chairs the Audit and Risk Committee.

In addition, a social and ethics committee was appointed to actively oversee the implementation of the company's socio-economic development commitments within local communities. The school bursary scheme, implemented by Kouga Wind Farm, yielded an 89% pass rate and 20 distinctions among the learners. Facilitated by the Kouga Wind Farm Community Development Trust, Hulisani sponsored an outdoor gym for the Thandabantu Crèche located in Jeffrey's Bay, subsequent to the financial year end. Hulisani's second appointed board member also serves as a trustee of the KWF Community Development Trust.

Performance

Alongside its significant output spike, Kouga Wind Farm achieved a 7.5% increase in revenue this year. In addition, a growth in its investment value was reported as no impairments were recognised for the year under review. With plant issues settled, possible concerns by lenders and subsequent possible early exits from the investment, have been eliminated.

For Hulisani, the Kouga Wind Farm investment is now showing its merit as a long-term, predictable, and reliable asset. The improved performance has resulted in Hulisani's share of profits increasing by 43% this year.

Into the future

With most of the legacy REIPPP Round 1 teething problems having been resolved, ongoing enhancements should translate into an increasing yield from this asset.

GRI WIND TOWERS

Amid increased calls for local jobs and skills to be created and for the enforcement of local content rules, GRI adds value to Hulisani with vertical integration into the wind farm supply chain and access to global demand for components for the wind generating industry. In addition, GRI is ideally placed to provide steel wind towers to the African continent through the Africa Continental Free Trade Area (AfCFTA), which will be the world's largest free trade area by number of countries once it is fully up and running.

A highlight of the year has been the delivery of wind towers for the majority of the completed wind projects awarded in round 4 of REIPPP, totalling over 1100MW. The opportunity to manufacture other components for the wind industry, remains an attractive option to boost local procurement and exports.

Hulisani is actively involved with GRI through an appointed board member. Ongoing engagements with partners and the Government have enabled Hulisani to contribute to ensuring the confirmation of orders and operational stability.

Trade has increased exponentially over the past year. The plant is currently operating at full capacity to deliver the towers ordered and this is anticipated to continue into 2021.

The asset is performing well and demonstrates excellence in manufacturing. GRI supports the local industry while exporting in-demand world class products and skills.

Factors fuelling further growth

The pace of manufacturing is expected to continue to complete Round 4 REIPPP wind projects. The IRP2019 requires the country to build 25,000 to 30,000MW of power by 2030, of which wind is set to contribute 18%.

With local production seen as crucial to reviving the economy given South Africa's high unemployment rate, GRI showcases what can be achieved with a local content policy.

The creation of manufacturing capability has had a positive impact on skills development and is expected to reduce costs in the long term. These skills will be critical in ramping up production, not only for the anticipated demand from 2022 to 2030 in terms of the government's blueprint for energy supply, but also for the potential demand from wind projects on the distributed generation side.

The authority for mining and industrial customers to build their own plants with no capacity limitations, could lead to higher demand for steel towers. Spurred by the benefits of the AfCFTA, demand could also increase on account of wind farms being built elsewhere on the continent. Many developers of wind plants in South Africa are also developing similar plants across Africa, which will potentially require products manufactured on the continent.

An additional prospect is South Africa's ideal position for steel manufacturing given its established steel industry. The sector stands to benefit from higher local steel consumption when AfCFTA is fully implemented, by expanding opportunities for export.

The outlook for further growth is encouraging as demand for renewable energy continues to grow, both locally and in global markets. With greater policy certainty, an anticipated REIPPP procurement process in the near future, and distributed generation projects in the pipeline, we anticipate that the GRI asset will become an even greater contributor to local procurement and value creation for Hulisani.

AVON AND DEDISA PEAKING POWER PLANTS

The plants performed well during the year under review, reporting higher utilisation than budgeted and providing a double-digit increase in dividends. A fair value increase was reported for the period.

The performance of these assets is indicative of the importance of flexible large-scale gas plants as complementary to renewable energy plants. The Avon and Dedisa Peaking Power Plants provide essential power when demand peaks and as such, they can manage variable loads and help to reduce economically damaging load shedding.

Increased plant utilisation and efficiencies were achieved as confidence increased on the back of policy certainty. Along with increased utilisation, the asset achieved efficiency gains, which led to higher investment returns.

The design of the plants includes the ability to switch to natural gas when it is available – a considerable environmental benefit. This capability moves the country and region towards a natural gas economy and cements the role of the plants as low carbon energy production assets.

There is an opportunity to increase participation in the investment, which would enhance investment diversity for Hulisani within the parameters of our preferred investments.

Prospects

Additional plant builds require 36 to 48-month build time frames. With procurement of new plants unlikely to be finalised before 2021, it is doubtful that these will come on stream before 2024.

The Avon and Dedisa plants are operational. The flexible generation model could lead to greater utilisation. They are producing higher generation that anticipated, and there are opportunities to achieve further efficiencies.

Once natural gas becomes available, this asset presents an opportunity to anchor the introduction of South Africa's gas economy.

The Avon and Dedisa Peaking Power Plants are open-cycle gas turbine plants located in KwaZulu Natal and the Eastern Cape respectively. The plants provide contracted peak power to Eskom, supplying additional electricity into the grid when there is higher demand than anticipated. The plants have 15-year PPAs with the option to renew for another 15 years. Hulisani's interest in the plants is held indirectly through a convertible loan into Legend Power Solutions.

UMHLABA

uMhlaba's unique and innovative concept is showing merit. The proposition is to procure long-term cash flows underlying a portfolio of land leases arising from operational renewable energy projects.

Discussions with a major South African funder have progressed significantly, taking the business closer to reaching financial close on its first batch of projects.

The strategic value of uMhlaba to Hulisani is the provision of income diversification, cash flow stability, and a longer-term position in the renewables sector. Importantly, in the uncertainty of the COVID-19 pandemic, it is generally resistant to economic pressures.

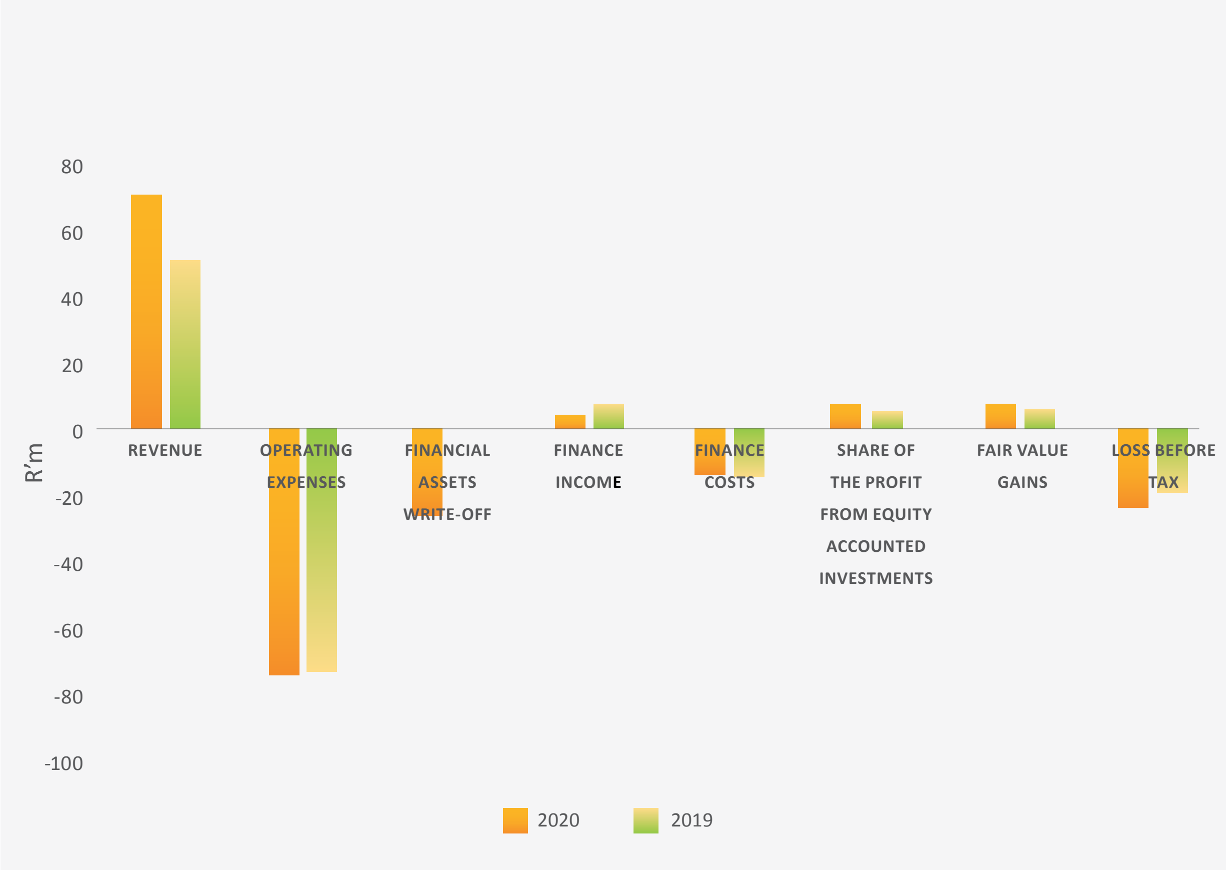
UMHLABA PROVIDES INCOME DIVERSIFICATION, CASH FLOW STABILITY AND ECONOMIC RESILIENCE.

uMhlaba focuses on identifying, valuing, and purchasing the cash flows from the long-term leases underlying the renewable energy projects banked by the REIPPP in South Africa.

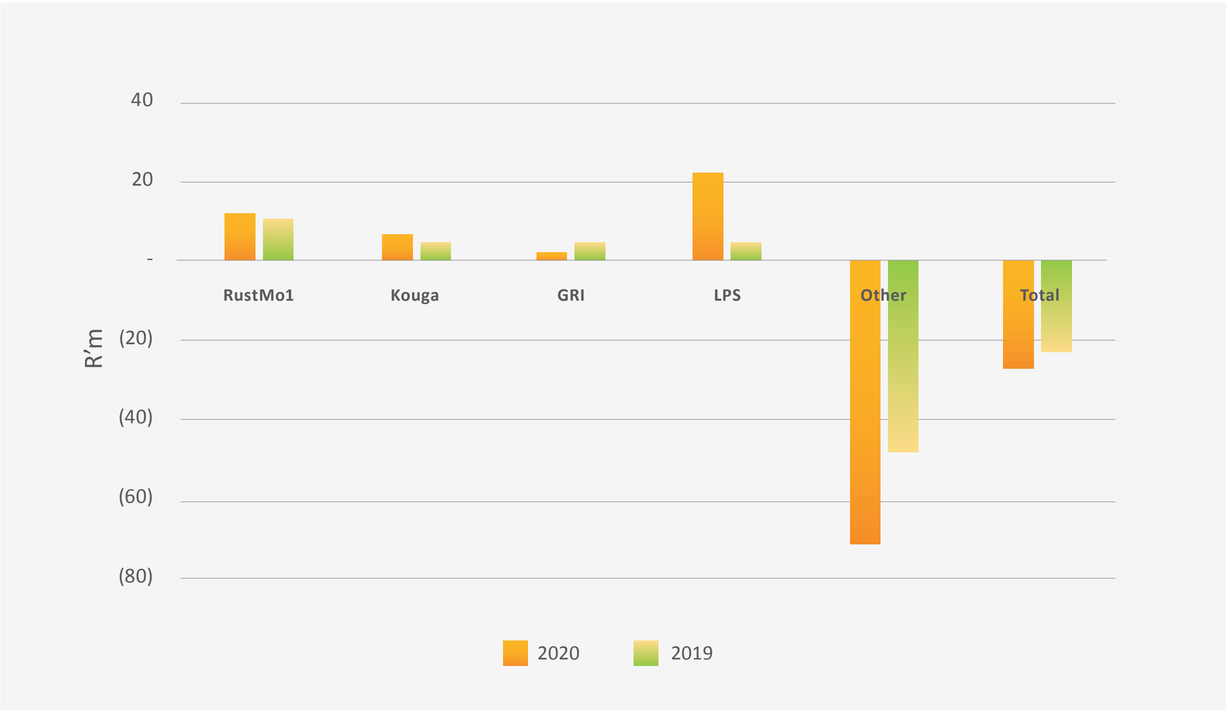
PERFORMANCE REVIEW

KEY HIGHLIGHTS

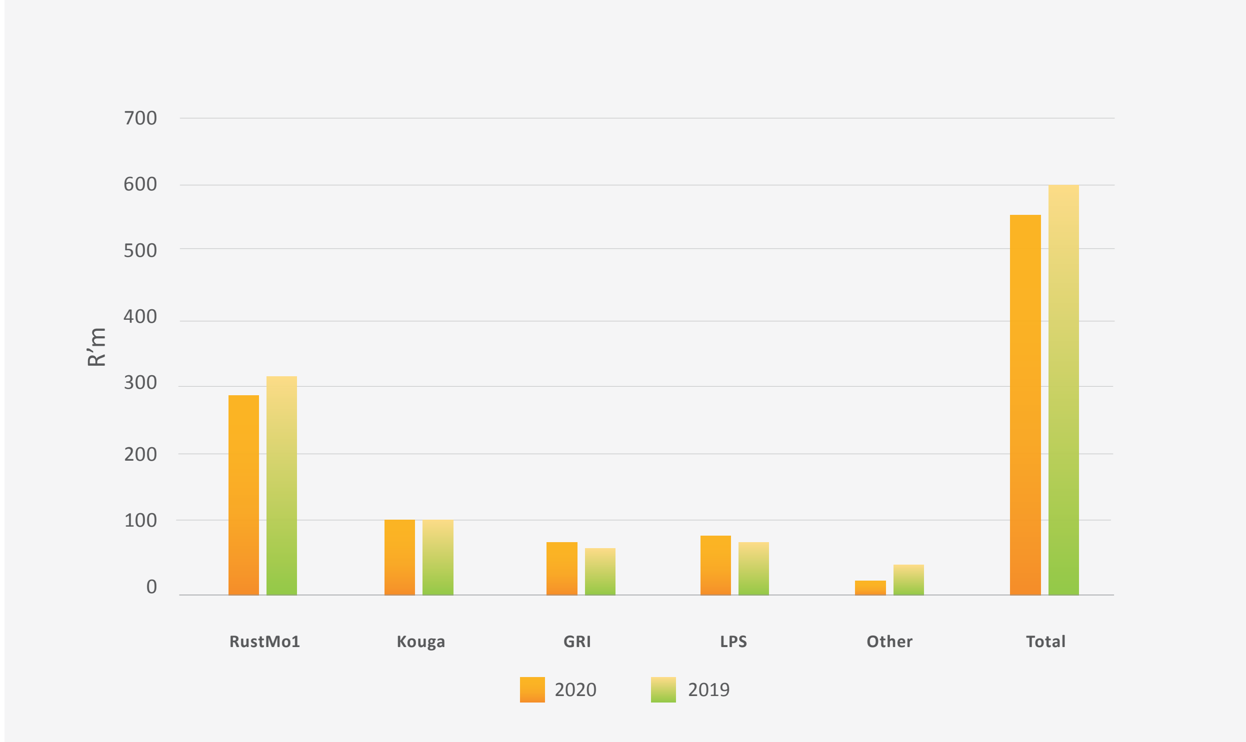
1. GROUP PERFORMANCE SUMMARY



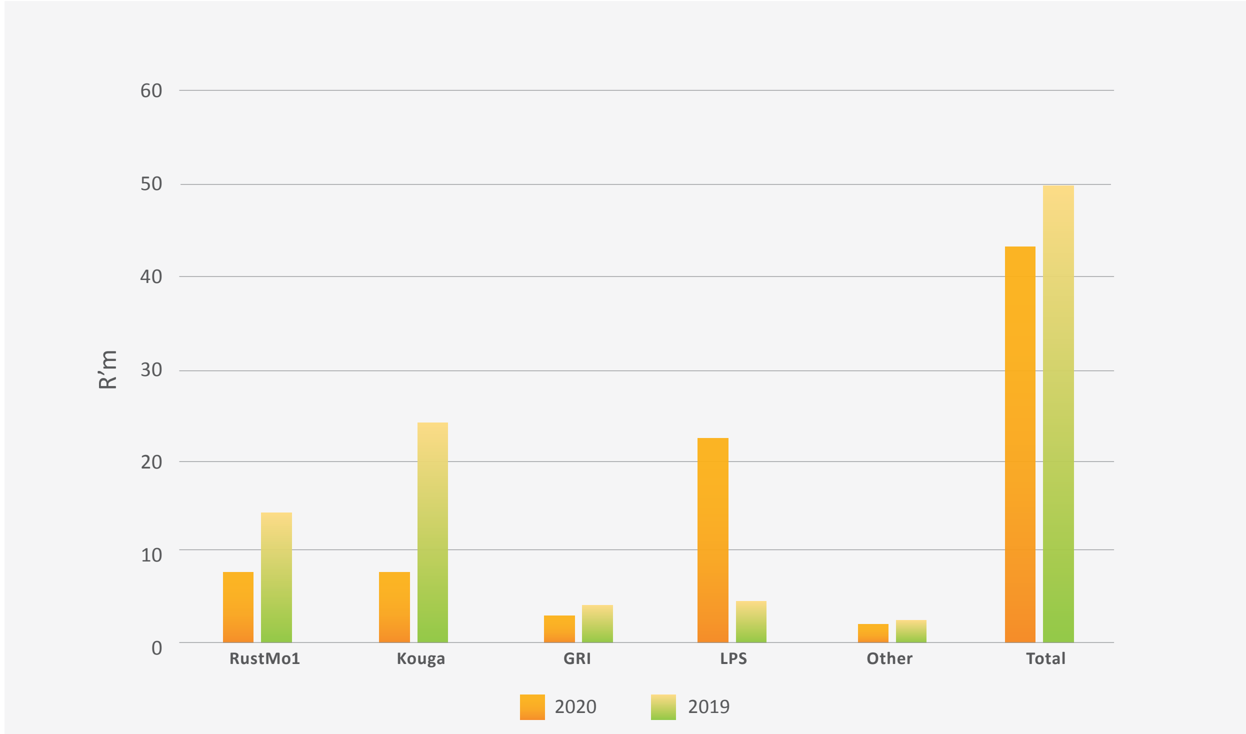
2. NET PROFIT/ (LOSS)



TOTAL ASSETS



INCOME FROM INVESTMENTS



Income derived from investments consist of dividends received, fair value gains and interest income

CHAIRPERSON'S STATEMENT

The period under review was a momentous year in many respects, both for South Africa, and for its energy landscape. President Ramaphosa's administration delivered policy certainty and took decisive actions which have been pivotal to improving prospects for the energy sector in South Africa.

However, the South African economy faced numerous headwinds during the year, including rising unemployment levels, depressed business and consumer confidence, and technical recession. Real GDP grew at an estimated 0.7% in 2019, down from 0.8% in 2018. An already daunting macro-economic situation was dealt a severe blow by the COVID-19 global pandemic.

The scale of COVID-19's economic impact, while still unquantified, is immense. Local stimulus will not be sufficient for South Africa to meet its economic growth targets. While it is patently clear that the world will be different after the immediate crisis of the pandemic has passed, global co-operation is imperative. In this spirit, larger economies will need to work with those that are emerging.

Exacerbating the situation, international rating agencies have downgraded South Africa to junk status, and the cost of borrowing will be higher. With many competing priorities, government funding will be constrained at best, elevating the importance and role of private-sector funding. In my view, the future of public-private partnerships in the infrastructure and energy landscape is beyond doubt.

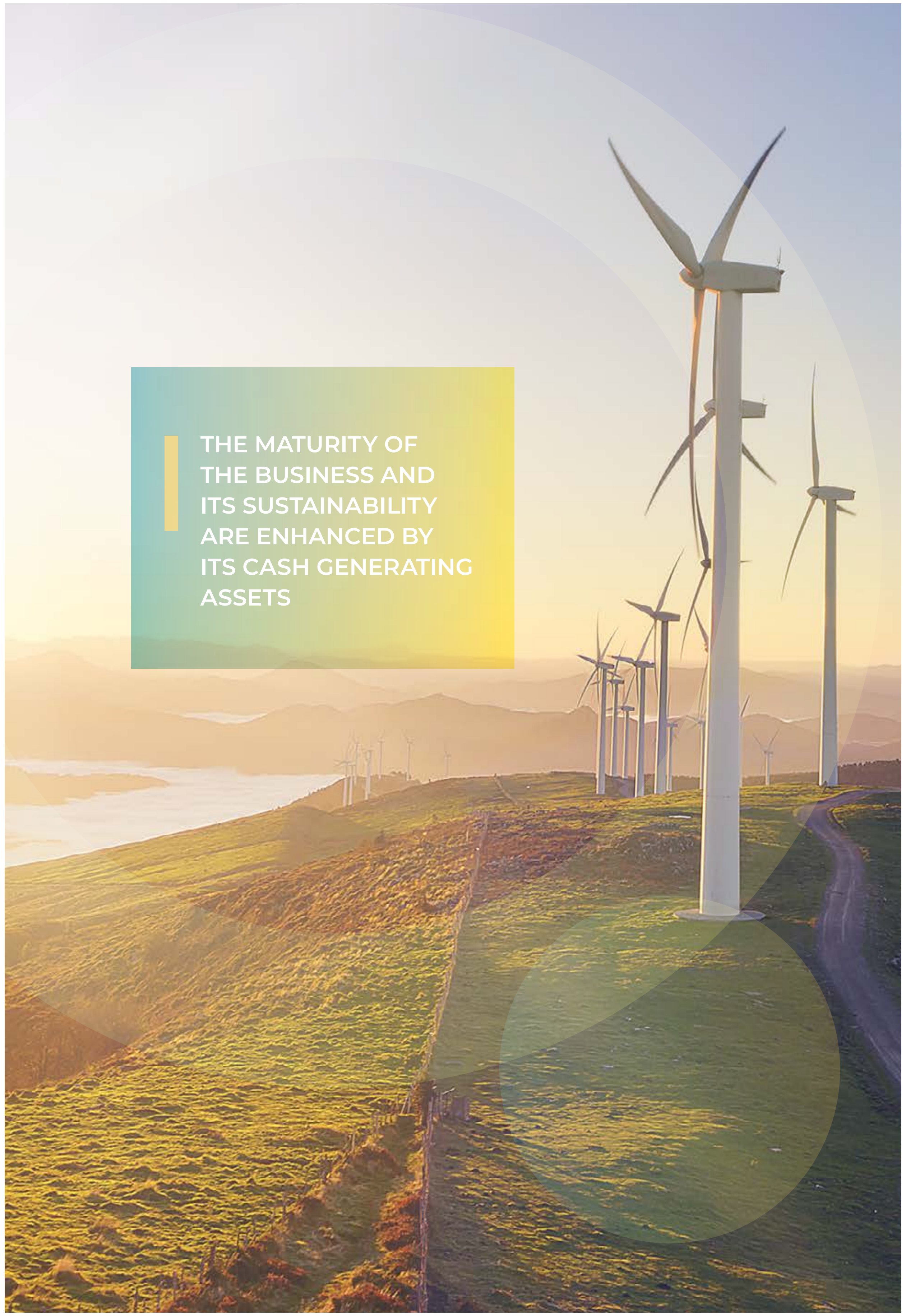
Times of crisis present opportunities to effect change. With foresight and resilience, the current crisis could serve as a catalyst for making structural economic reforms and arresting the deep fault lines that have been exposed in South Africa. It is no secret that our country has an extremely high level of inequality and perhaps these gaps can begin to be closed as we rebuild the economy. We subscribe to the view that we can impact the lives of our stakeholders by focusing on inclusive prosperity and we see that many in the private sector share this view.

Sustainable energy supply is imperative if we are to achieve economic growth while stemming and reversing inequality. Procurement for REIPPP rounds 5 and 6 are opportunities to progress the energy policy advances made during the year.

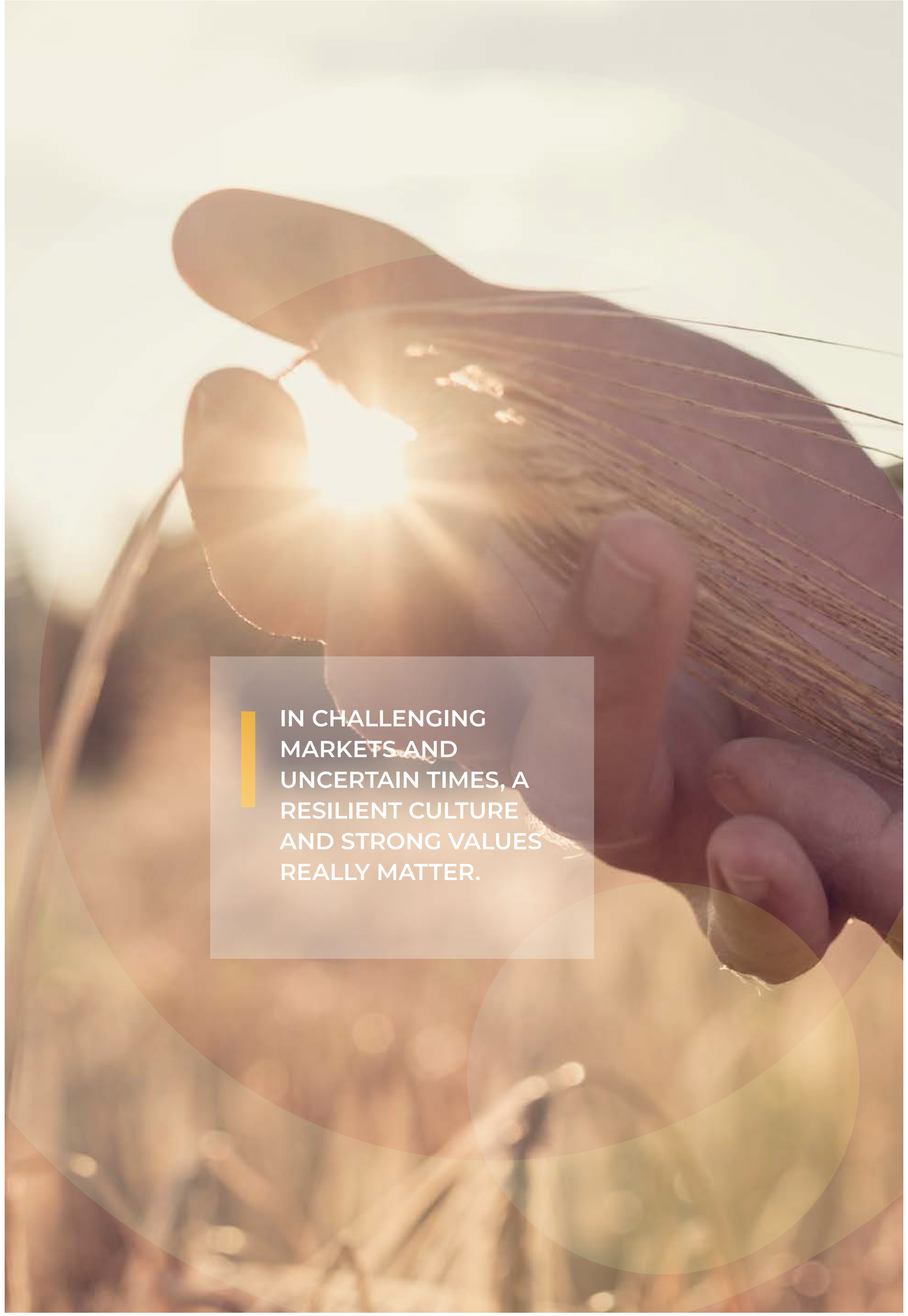
Hulisani's resilience has been shaped by consistent delivery on strategic imperatives, adherence to investment policies, and the pursuit of sound fundamentals. The maturity of the business and its sustainability are enhanced by its cash-generating assets. We are keenly aware of the opportunities in this sector at the right scale, and are pursuing these in the knowledge that the resilience of the business will be further bolstered by the ongoing stability of its operations in the future.

In addition, Hulisani is taking steps to incorporate GRI standards, in line with our continuous drive towards best-practice corporate governance.

As at the date of this report Malungelo Zilimbola and Prof. Ben Marx resigned as non-executive directors of Hulisani, on 01 March 2020 and 01 June 2020 respectively. Malungelo Zilimbola is also one of the founding directors of the Company. I would like to thank them for their immense contribution to Hulisani. We welcome the appointment of two new board members, Karabo Kekana and Thandiwe Godongwana, as independent non-executive directors.



THE MATURITY OF THE BUSINESS AND ITS SUSTAINABILITY ARE ENHANCED BY ITS CASH GENERATING ASSETS



In challenging markets and uncertain times, a resilient culture and strong values really matter.

I applaud Hulisani's executive team and employees who work with integrity and purpose to achieve excellence in all areas of the business.

I welcome the new Board members, who provide a greater balance of experience and fresh perspectives to Hulisani. I would like to thank my fellow Board members for the wisdom, clarity, direction, and collaborative spirit, all of which play an important role in the company's success.

Pat Mdoda
Chairperson

CEO'S REVIEW

The financial year under review was characterised by a focus on simplifying the business, steadily building up scale, and working towards long-term growth for Hulisani, while containing costs and increasing value for our stakeholders.

After an extended period of uncertainty in the energy sector,

the year under review was a seminal point in time in terms of yielding clear policy and the way forward for South Africa's energy sector.

The IRP was released in 2019 and requires the country to build 25,000 to 30,000MW of power by 2030. The restructuring of Eskom was confirmed and significant moves have been made to bring about structural change. The current administration has taken decisive steps towards implementing a new independent energy procurement round, which was bolstered by the Section 34 Ministerial Determination and the subsequent public comment process by NERSA. This was activated in concurrence with the Ministerial Determination consideration for energy generation under licence. The lack of a limit imposed on the amount of energy that may be generated indicates further liberalisation of the energy space.

It is my view that enhanced clarity in our energy landscape showcases both the quality of our investments and that our predictions are coming to fruition. Of significance is that private PPAs can now be concluded. We have seen minimal impact due to COVID-19 in our business, signifying robustness.

TRANSACTIONS

Hulisani considered several baskets of large transactions during the year under review and was operating under cautionary at financial year-end. The private power producer space was a challenging environment from a deal-making perspective. However, with further clarity, there has been a noticeable pickup in market sentiment, and we assume this will translate into greater volumes of deal-flow and prospects.

It is worth noting that the investigation of potential transactions typically takes 12 to 18 months and is a complex exercise requiring bespoke considerations as well as an understanding of context and industry norms. Against this backdrop, there are advanced negotiations underway which, if successfully concluded, will provide significantly greater scale in line with our long-term growth strategy. Scale is critical to our business as our cost structure is largely fixed.

INVESTMENTS

Hulisani has adopted a hands-on approach to assets in which we invest. With a focus on energy assets, our investments are diverse and include wind farms, wind tower production, solar, peaking plants, and property lease cash flow management.

RustMo1, our solar photovoltaic asset, has met revenue and cash flow projections for the year under review. Our keen focus on asset management, as evidenced by the automated asset management system being piloted at Rustmo1, coupled with the social impact in the region, leads us to believe there is potential to replicate this project in the area with relative ease, for clients seeking efficiency gains.

Due to the impact of COVID-19 and subsequent uncertainty, a decision was taken not to continue with the **Ignite** development. The **Kouga Wind Farm** continues to perform as expected, although lower wind resources in the region during the year have resulted in slightly lower margins than expected. Despite this, the business fundamentals continue to impress.

The **Avon and Dedisa Peaking Power Plants** have delivered budget-beating performances. For Hulisani, they provide flexibility, as power can be generated and dispatched as and when required. This is extremely beneficial at a time when South Africa has relatively low energy supply reliability.

GRI, South Africa's only operational producer of steel wind towers, functioned at full production for the year (150 wind towers per annum) and

is currently contracted to build the majority of REIPPP round 4 awarded wind farms. Wind power is anticipated to play a pivotal role in powering the African continent. As such, we view the adoption of the African Continental Free Trade Agreement (AfCFTA) by over 29 countries, as positive. Access to new markets, improved trade links, and increased integration, are just some of the benefits of the continent-wide free trade agreement. GRI is well positioned to take advantage of South Africa's steel availability and expertise as a potential manufacturing hub for the continent, more so in view of supply chain interruptions caused by the global COVID-19 outbreak which took hold after the financial year end.

This year, we made significant progress in advancing our innovative asset, **uMhlaba**, which holds a portfolio project pipeline of land leases for IPPs. The asset is in receipt of a funding term-sheet and is therefore beginning to demonstrate its potential value to Hulisani in terms of diversified income, stable cash flows, and resistance to economic pressures. One of the most valuable attributes of uMhlaba is its potential to create quantifiable stimulus for local economic development.

DELIVERY ON STRATEGY, MANDATE, AND INVESTMENT CASE

Our purpose is clear: we invest in quality energy assets that provide de-risked and predictable long-term returns.

In addition to the yield from the asset, the investment decisions we take, and the companies we choose to partner with, have the potential to create meaningful economic and social development.

The portfolio we have built, showcases Hulisani's role as a yield and value player. While our assets need to yield certain returns, our yield period at 20 years is double the typical timeframes of property transactions (usually 10 years with the associated risk of vacancies). There is also the additional benefit of CPI-linked returns which ensures that a real return is achieved at all times, making the investment sufficiently de-risked from the performance of the economy with a sovereign guarantee underpin to guarantee payment.

The long-term nature of our investments is critical to understanding Hulisani's value. A look at Hulisani in the short term does not present a full picture of the business - the early yields are typically lower but improve as the project goes through its life cycle, in part due to the paying down of the senior debt, leading to higher yields from the projects. The business has continued to mature with a strong core team. We have successfully contained our fixed costs while ensuring that we benefit from some of the best talent in the industry. The variable costs relate to transaction activity and we are actively looking at ways to manage these more efficiently.

The upside of our long-term strategy will be realised when we achieve scale.

Any delays in reaching desired scale, attributable to the hiatus in policy certainty, can be quickly regained. Hulisani can be scaled at rapid speed, which will result in exponential growth. It is at this point that Hulisani's relatively fixed costs will yield the envisaged benefits.

To achieve this critical scale, we are considering consolidation opportunities and the acquisition of a large basket of projects. We continue to pursue a pipeline of quality deals albeit at a time that is not conducive to such activity, now intensified by the economic fallout of COVID-19. We believe that the effort put into our work to date will yield the required results.

FINANCIAL PERFORMANCE

The Hulisani's Group cash position is strong at R22.6 million. Our assets continue to generate profits and are cash generative. In difficult trading circumstances, we are pleased to continue to report positive cashflow in line with our business strategy.

The underlying fundamentals of our assets are solid and there is little risk that this will not continue to be the case. The importance of the business principle that 'cash is king' has been highlighted, as we consider the impact of COVID-19 on our business. While the situation is still fluid at the time of writing, we are comfortable that our investment strategy is sound and that our business model is unlikely to be materially affected by COVID-19.

We are considering how to reconfigure the organisational structure to align with actual performance. We are also cognisant of the need to improve liquidity.

KEY RISKS

The risk of policy certainty is significantly lower this year.

The COVID-19 pandemic has brought several uncertainties and has new risk factors in terms of commerce interruption that most businesses had not considered. It has also significantly slowed transaction activity.

Our business model has been tested by COVID-19 and we are confident that Hulisani is resilient enough to survive and thrive in a post-pandemic world.

Our view is decidedly long-term and therefore we can look beyond this extremely difficult time given our 20-year investment views.

We have no doubt that the underlying sovereign contracts in our investments will be honoured.

After the reporting period, Eskom announced its intention to convert old coal mines and plants into gas, solar, and wind power generators. It is our view that South Africa's energy needs will continue to grow and must be met with the private sector playing a more substantial role. Global imperatives for more sustainable and renewable energy sources are unlikely to abate, and therefore independent power producers in South Africa will experience higher demand. Inclusive growth and access to

energy will probably take on a new importance as the pandemic has exposed fundamental service issues in our society that need to be addressed. This means that the country's impact and ESG investing agenda will be as urgent as it is now. Any economic recovery will require stable, affordable, and renewable energy supply and we anticipate that more energy plants will need to be procured.

OUTLOOK

In concert with policy certainty in the energy sector, processes and timeframes have also been clarified, such as a turnaround time of 120 days for the granting of qualifying energy generation licences. It remains to be seen if these will be realised.

The Carbon Tax Act was signed into law during the year under review, which is likely to prompt large power users to pursue the procurement of renewable energy to offset their carbon emissions.

Anticipated NERSA announcements and possible requests for proposals (RFPs) on Eskom's utility scale project, are additional factors in our positive outlook. We are also seeing RFPs in the private sector that are dramatically larger than previous RFPs - whereas earlier RFPs were for 2 to 4 MW generation, current generation requests are for hundreds of MW. We expect this to continue as renewable energy tariffs are blended with Eskom tariffs, with a view to reducing the cost of doing business while achieving price certainty and scalability, as the country eases its dependence on one central energy supplier.

The global economic fallout of COVID-19 exposes the need for South Africa to diversify its supply chain by procuring a greater percentage of inputs locally. Local wind farms should not be importing components and wind towers from other countries, as GRI produces them locally. It is our view

that local content requirements should be increased and must be consistently applied in the rush to add energy to the grid.

Industry is ready to partner with government to accelerate things and ramp up local production.

With frameworks and implementation mechanisms firmly in place, we are confident about the outlook for South Africa's energy sector and Hulisani's ability to play a leading role in this space.

Marubini Raphulu
CEO

CFO'S REVIEW

I am pleased to report a satisfactory financial performance and position of the Company and the Group for the year ended 29 February 2020. Our assets have continued to demonstrate strong performance and are cash generative. In difficult trading circumstances, we are pleased to continue to report positive cash flow from our investments in line with our business strategy.

Hulisani Limited ("Hulisani" or the "Company") is listed on the Main Board of the JSE and was incorporated on 13 October 2015 as an investment holding company, focused on power generation projects ranging from gas and diesel to solar PV, concentrated solar, wind and hydro, in South Africa and in Sub-Saharan Africa, and is the ultimate holding Company of the Group. The current investments made by the Group, which are operational, are highlighted below:

RustMo1 Solar Farm (Pty) Ltd ("RustMo1") is a material subsidiary.

Hulisani has a 66% shareholding in RustMo1.

Kouga Wind Farm (Pty) Ltd ("Kouga") is an investment over which Hulisani has significant influence. Hulisani has a 6,67% interest in Kouga

GRI manufactures wind turbine towers used in energy production. The investment is accounted for by the group as a derivative (call option).

Legend Power Solutions (Pty) Ltd ("LPS") has a 27% equity stake in **Avon and Dedisa** Open Cycle Gas Turbine (OCGT) peaking power plants and Hulisani participates in 9% of the distributable profits of LPS.

Other investments include financial instruments held in the group.

1. OVERVIEW OF THE GROUP FINANCIAL RESULTS

	Group	Group		
		Restated		
	2020	2019	Variance	Variance
	R'000	R'000	R'000	(%)
Revenue	69,438	50,371	19,067	38
Operating expenses	(73,609)	(73,303)	(307)	(0)
Financial assets write-off	(25,737)	-	(25,737)	(>100)
Finance income	3,807	7,485	(3,678)	(49)
Finance costs	(13,760)	(14,863)	1,103	7
Share of the profit from equity accounted investments	7,608	5,318	2,290	43
Fair value gains	7,843	5,997	1,846	31
Loss before tax	(23,410)	(18,978)	(4,433)	(23)

- Revenue grew by 38% in the current period driven by the reclassification of the income from LPS to revenue from finance income, to better reflect the nature of the income. Income from LPS grew significantly in the current period driven mainly by increased utilisation of the power plant in response to higher demand for electricity during the period.
- Operating expenses for the period under review amounted to R73.6 million (2019: R73.3 million). The costs for the current period were largely in line with the prior corresponding year. Major contributors to the expenses in the current year are a once-off settlement costs of R8.5 million in a litigation matter in respect of Momentous Technologies (Proprietary) Limited, and R5.2 million in settlement of fees due to Nibira (Proprietary) Limited, following arbitration proceedings. There were, however, offsetting gains, including the reversal of the expected credit losses following the full settlement of the Pele SPV13 (Proprietary) Limited ("Pele") loan.
- Loss per share increased by 18% to 59 cents per share, from 50 cents per share in the prior corresponding period. This was largely due to the write-off of our investment in Ignite (Proprietary) Limited ("Ignite") amounting to R25.7 million.
- Net cash from investing activities for the Group amounted to R32.8 million for the current period compared to R8.4 million in the prior period, while net cash movement for the period amounted to a cash outflow of R4 million, compared to a cash outflow of R8.4 million in the prior period.
- Net cash from investing activities for the Company amounted to R44.9 million for the current period compared to R14.4 million in the prior period, while net cash movement for the period amounted to a cash inflow of R1.8 million, compared to a cash outflow of R14.4 million in the prior period.

A key driver of the loss for the period was the write-off of the preference shares in Ignite. The write-off followed a comprehensive assessment and evaluation of the current status of the Company and its prospects. The credit risk of the preference share increased significantly after a default on a payment that was due during the year. In the absence of clear prospects for the business, management resolved to write off the preference share investment.

In line with IFRS requirements, there was a restatement of prior year results and a significant increase in net asset value, which is explained in greater detail in our detailed financial statements.

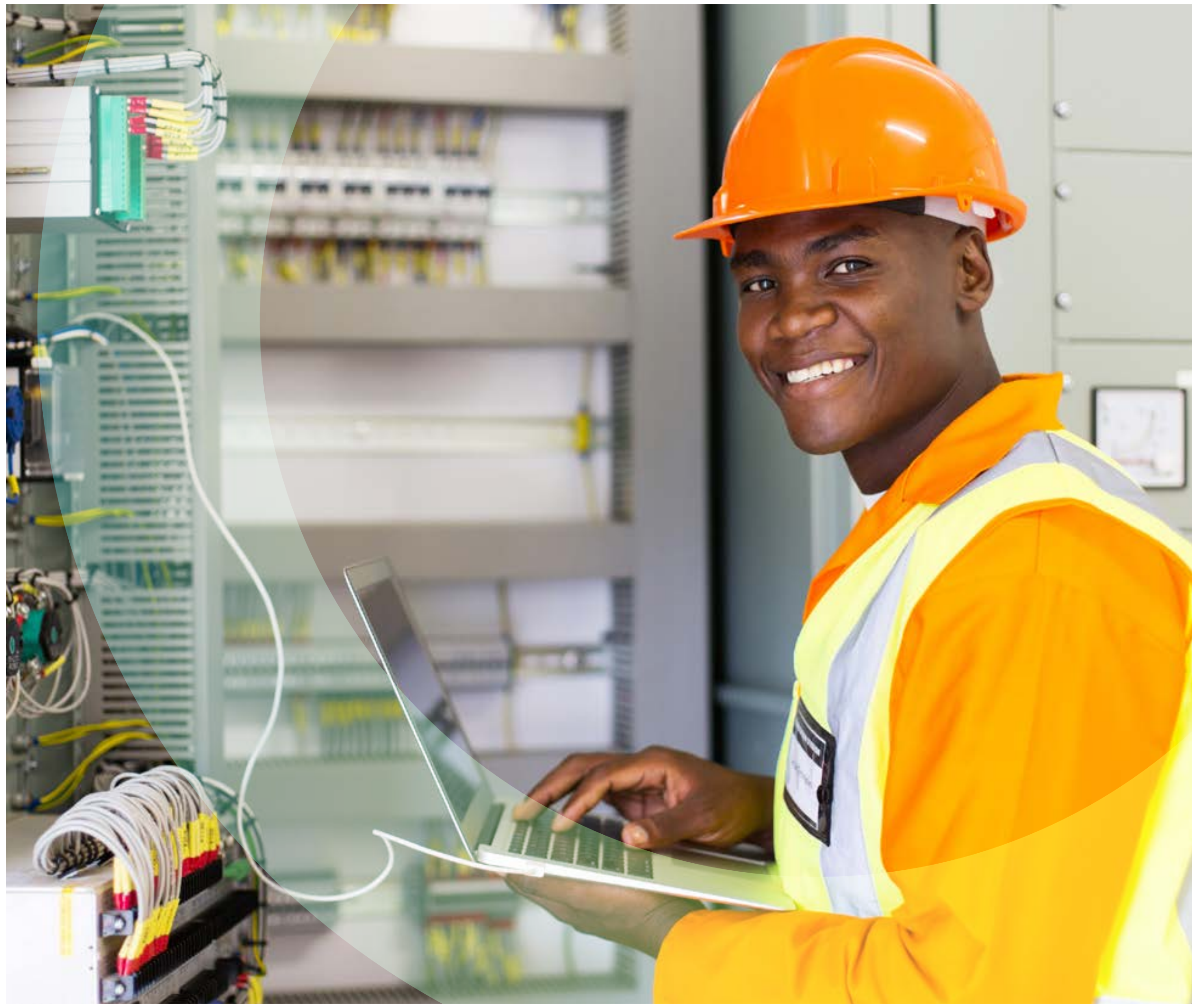
The increase in net asset value arose from the valuation of a put option in our investment in GRI that resulted in a fair value gain as a result of the downside protection that is afforded by the put option.

Other than the non-cash write-off of the preference share investment and which is a significant contributor to the loss for the period, the Group has delivered a satisfactory set of results.

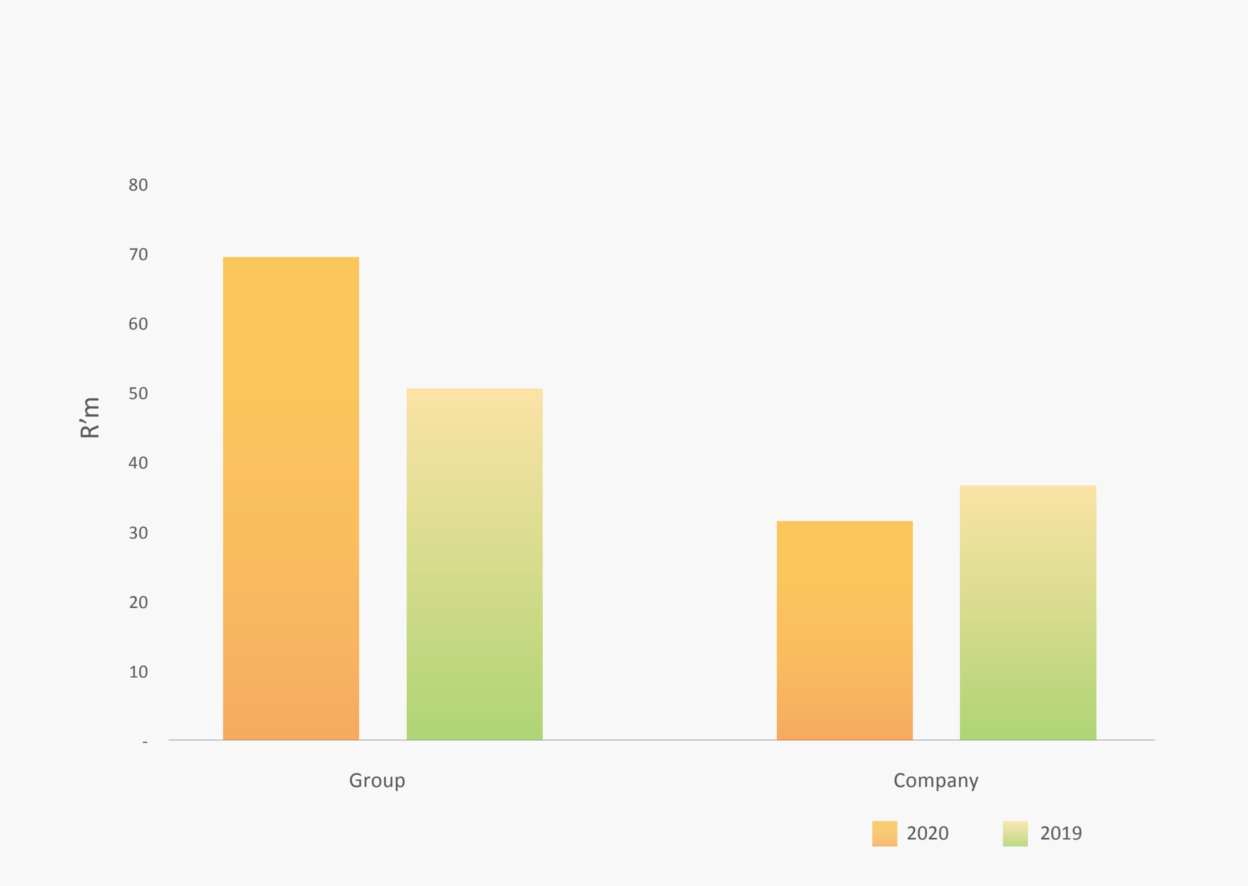
2. FINANCIAL PERFORMANCE OF THE GROUP

Key items that have driven performance for the February 2020 financial period include the following:

- Revenue
- Operating costs
- Material profit or loss items
- Investment valuations
- Share of profits or losses from associates



REVENUE



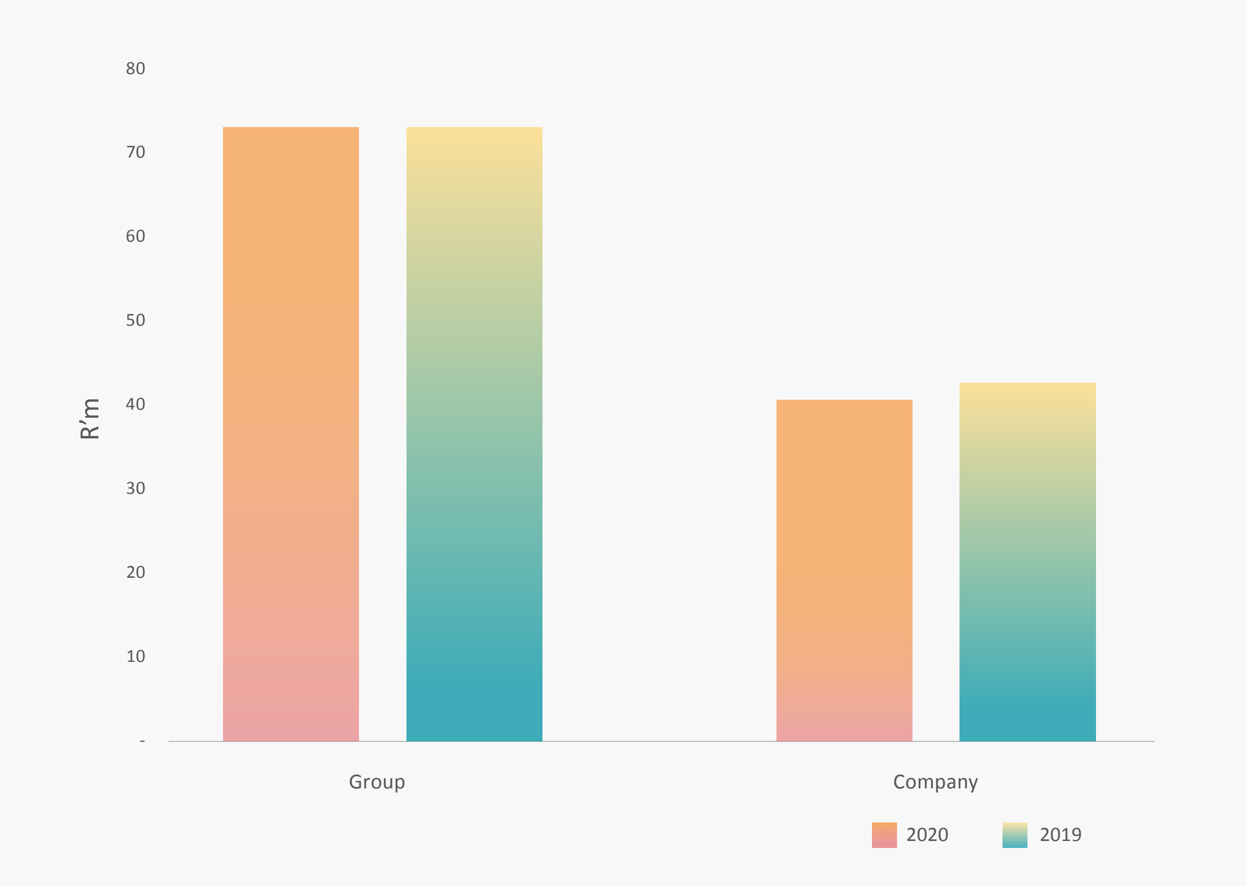
Group

Revenue for the Group is R69.4 million (2019: R50.3 million), an increase of 38% from the comparative prior period. Revenue at Group level consists of sales of electricity at RustMo1 Solar Farm (Pty) Ltd, the subsidiary, and the interest earned from the convertible loan from LPS. The increase in the Group revenue is mainly attributable to the reclassification of interest earned from LPS, from investment income to revenue. Notwithstanding the reclassification of the income, LPS is significantly higher than the prior period as a result of higher operating activity of the Avon and Dedisa Peaking Power Plants. The reclassification of the interest is to better align the disclosure of the investment with the strategy of the business as an investment holding company.

Company

Revenue at company level is reported at R31.6 million (2019: R36.9 million), a decrease of 14% from the prior year. The decrease relates to lower dividends received from the Kouga investment in comparison to the prior year and as a result of the dividends being declared after the year-end. The impact of the decrease is also offset by the reclassification of the interest from the LPS investment as highlighted above.

OPERATING EXPENSES



Group

Operating expenses for the period amount to R73.6 million (2019: R73.3 million), largely in line with the comparative year. Contributing to the expenses in the current year are once off settlements of R8.5 million in a litigation matter and R5.2 million in sponsorship fees. There has also been an offsetting impact from an Expected Credit Loss (ECL) reversal, following the full settlement of the Pele loan.

The February 2020 Group operating expenses include non-cash items of depreciation and amortisation of R17.4 million (2019: R16 million).

Company

Hulisani operating expenses are R42 million (2019: R43.8 million), a year-on-year decrease of 4%. The decrease in costs is driven by some savings achieved during the period, mainly relating to legal costs.

MATERIAL PROFIT OR LOSS ITEMS

FINANCIAL ASSETS WRITE-OFF

	Group		Company	
	2020	2019	2020	2019
	R '000	R '000	R '000	R '000
Financial assets write-off				
Ignite loans	5,000	-	5,000	-
Ignite preference shares	24,889		24,889	-
	29,889		**29,889**	
Less: ECL reversal	(4,152)		(4,152)	
	25,737	**-**	**25,737**	**-**

During the year under review, the Group wrote off the investments in Ignite Energy Projects (Pty) Ltd as a result of a significant increase in the credit risk, following a default expected on a payment due in the current period. Management performed a detailed assessment of the financial status of Ignite, considering the current economic conditions and prospects, and determined that it was prudent to fully write off the assets.

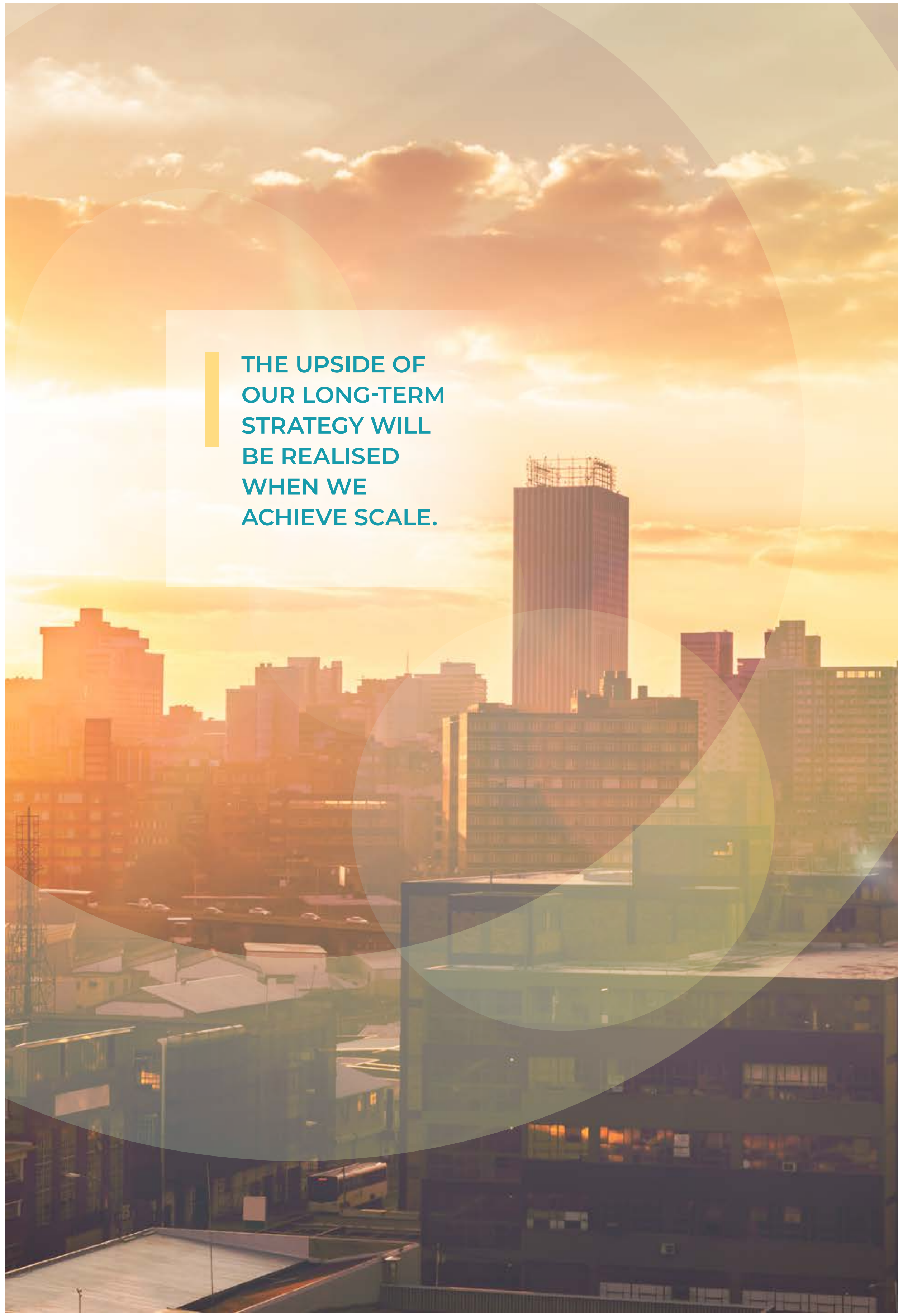
INVESTMENT VALUATIONS

The valuations process involves an element of judgement and involves estimates. Inputs which are factored into the process, include discount rates and projected cashflows from the underlying investments. The discount rates applied are reflective of prevailing market conditions.

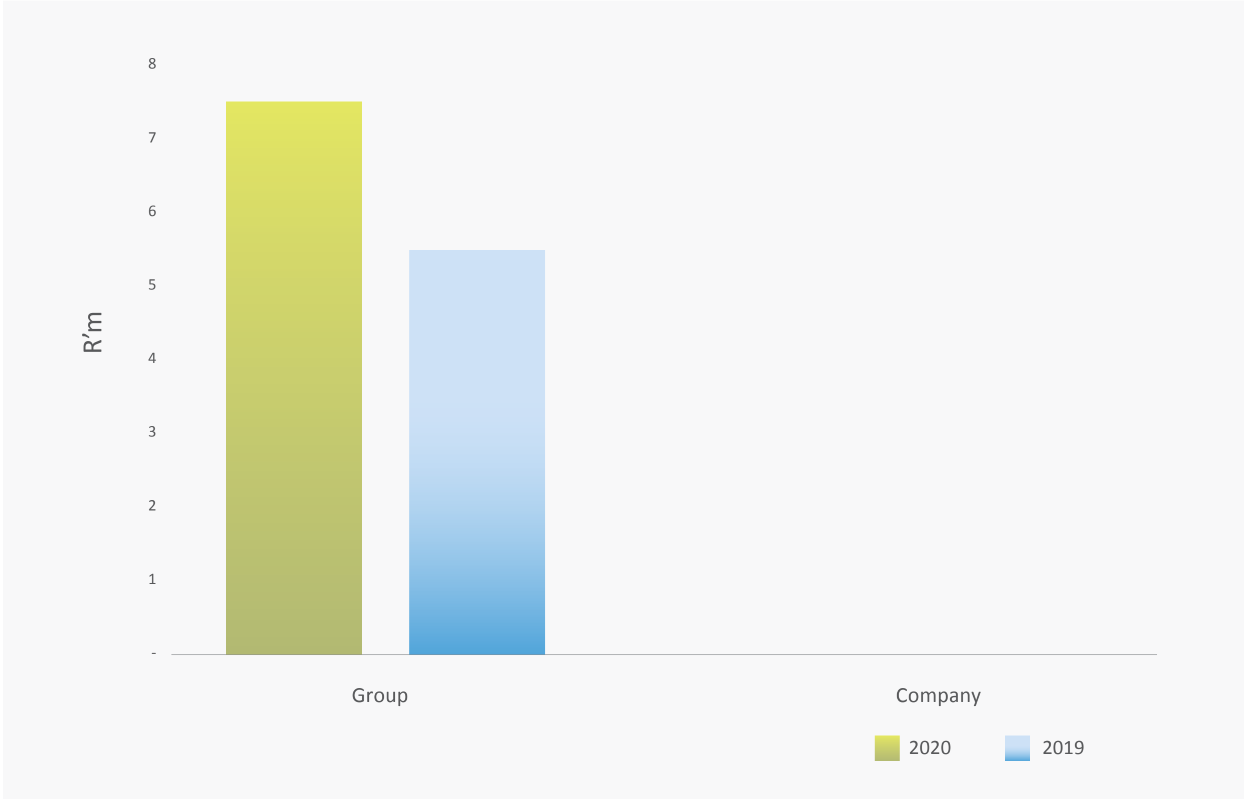
FAIR VALUE GAINS FOR THE PERIOD

	Group		Company	
	2020	2019	2020	2019
		Restated		Restated
	R'000	R'000	R'000	R'000
Fair value gain/(loss) on financial instruments at fair value through profit and loss	7,843	5,997	4,987	3,032
	7,843	5,997	4,987	3,032

Gains relate to fair value gains from Avon and Dedisa plants (R4.8 million), as well as the investment in derivatives (R3 million).



SHARE OF THE PROFIT FROM EQUITY ACCOUNTED INVESTMENTS



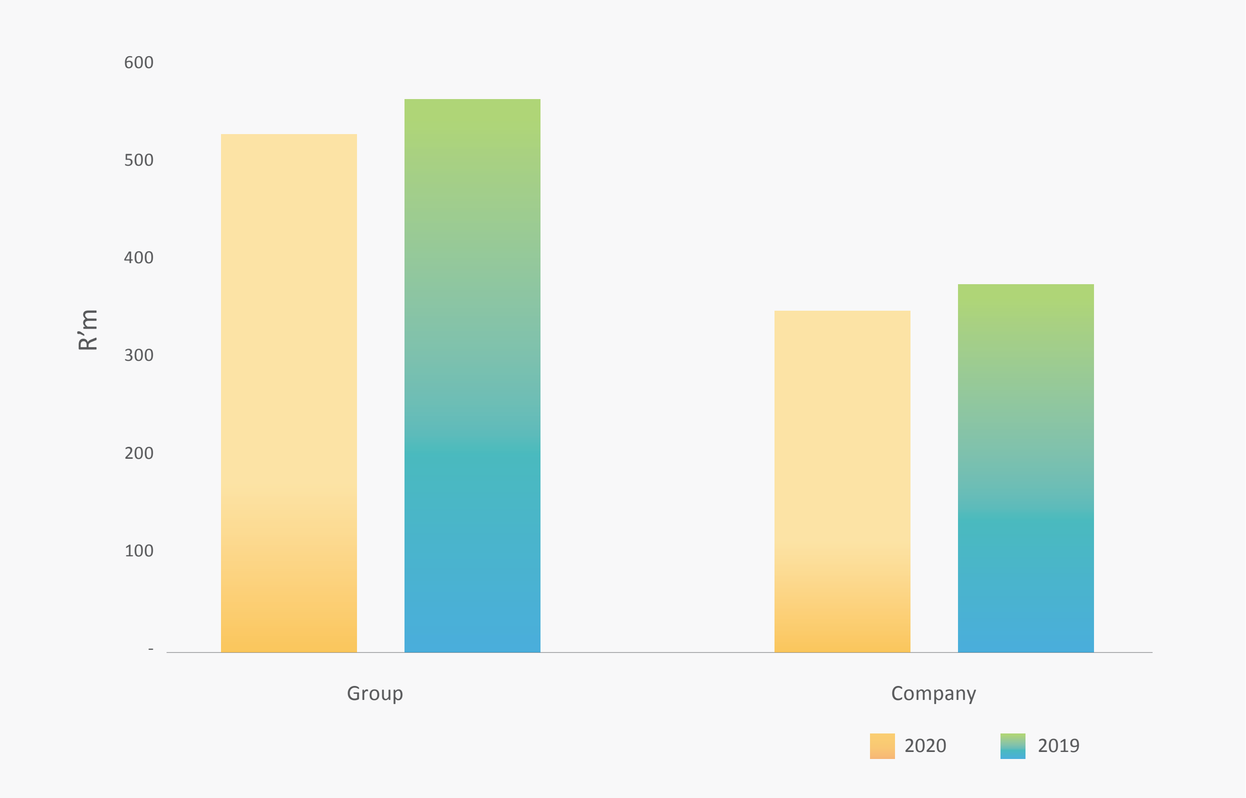
SHARE OF PROFITS OR LOSSES FROM ASSOCIATES

The Group derives its share of profits or losses from its associate, Kouga, at 6,67%. There was an increase in share of profits from Kouga from R5.3 million in the prior year to R7.6 million in the current period.

3. FINANCIAL POSITION OF THE GROUP

Key items on the statement of financial position include the following:

NON-CURRENT ASSETS



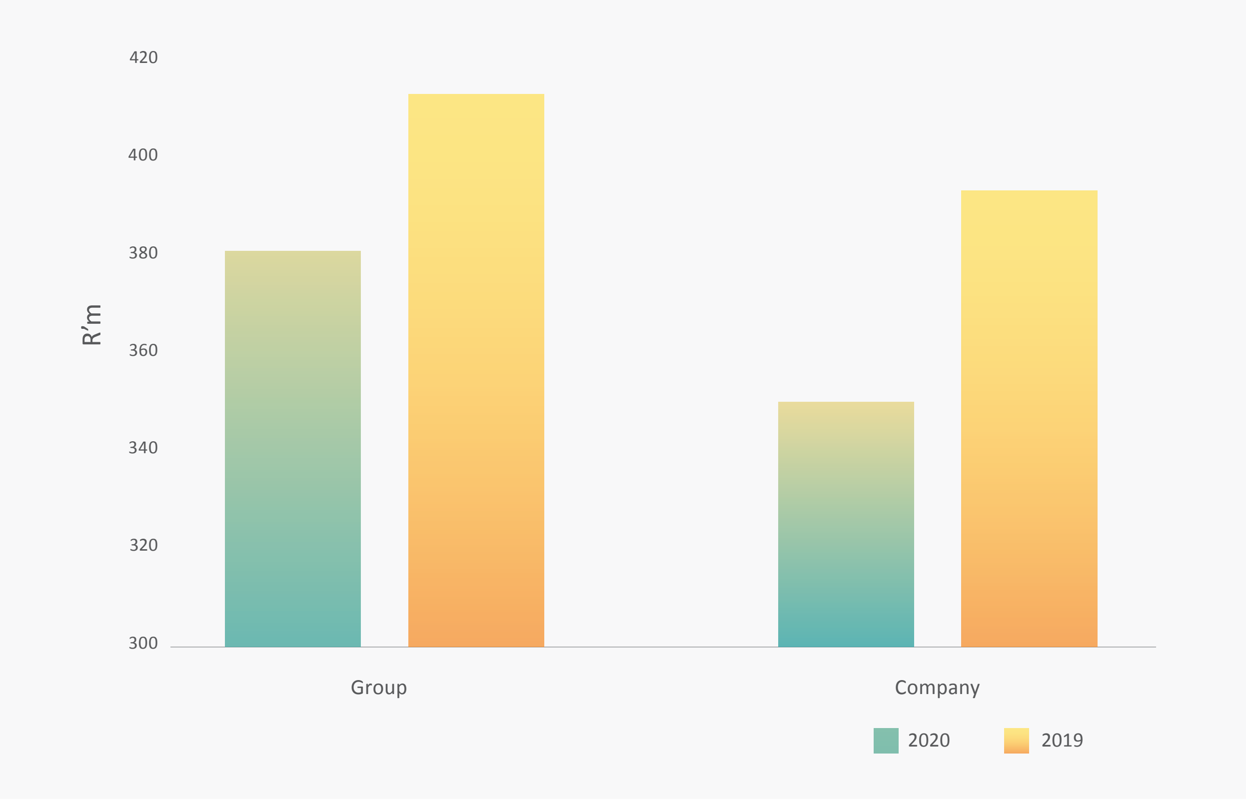
Group

Non-Current Assets for the Group amount to R523 million, down from R549 million in the prior period. The decrease is driven mainly by depreciation and amortisation of assets as well as the write-off of the Investment in Ignite.

Company

Non-current assets for the Company amount to R353 million, down from R383 million in the prior period. The decrease is driven mainly by the impairment of the investment in the subsidiary at the company level as well as the write-off of the Ignite investment, which affects both Company and Group results.

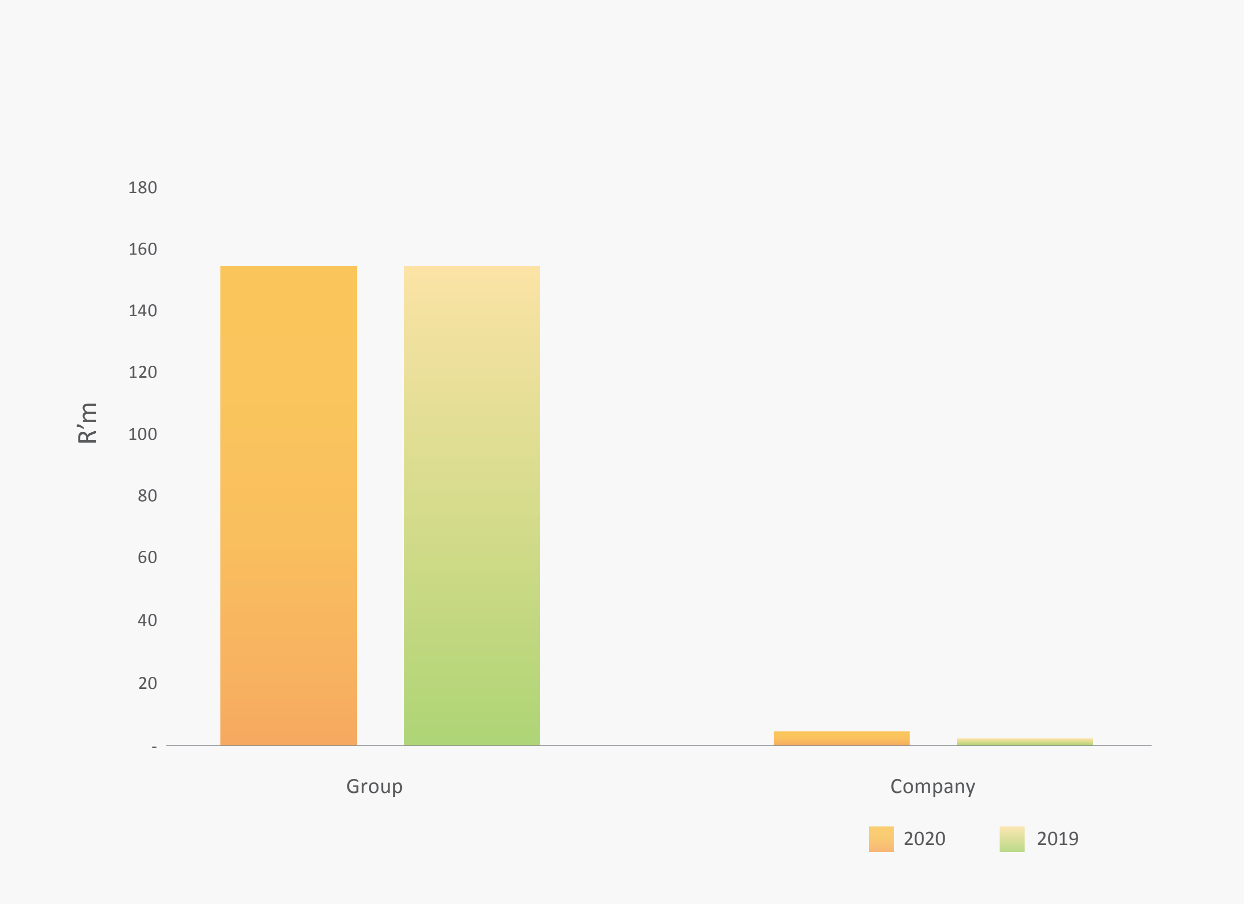
NET ASSET VALUE



Group and Company

The net asset value for both Group and Company has reduced as a result of losses for the period. The net asset value of the Group amounts to R380 million, down from R413 million in the prior period, while the net asset value for the Company amounts to R347 million, down from R389 million in the prior period.

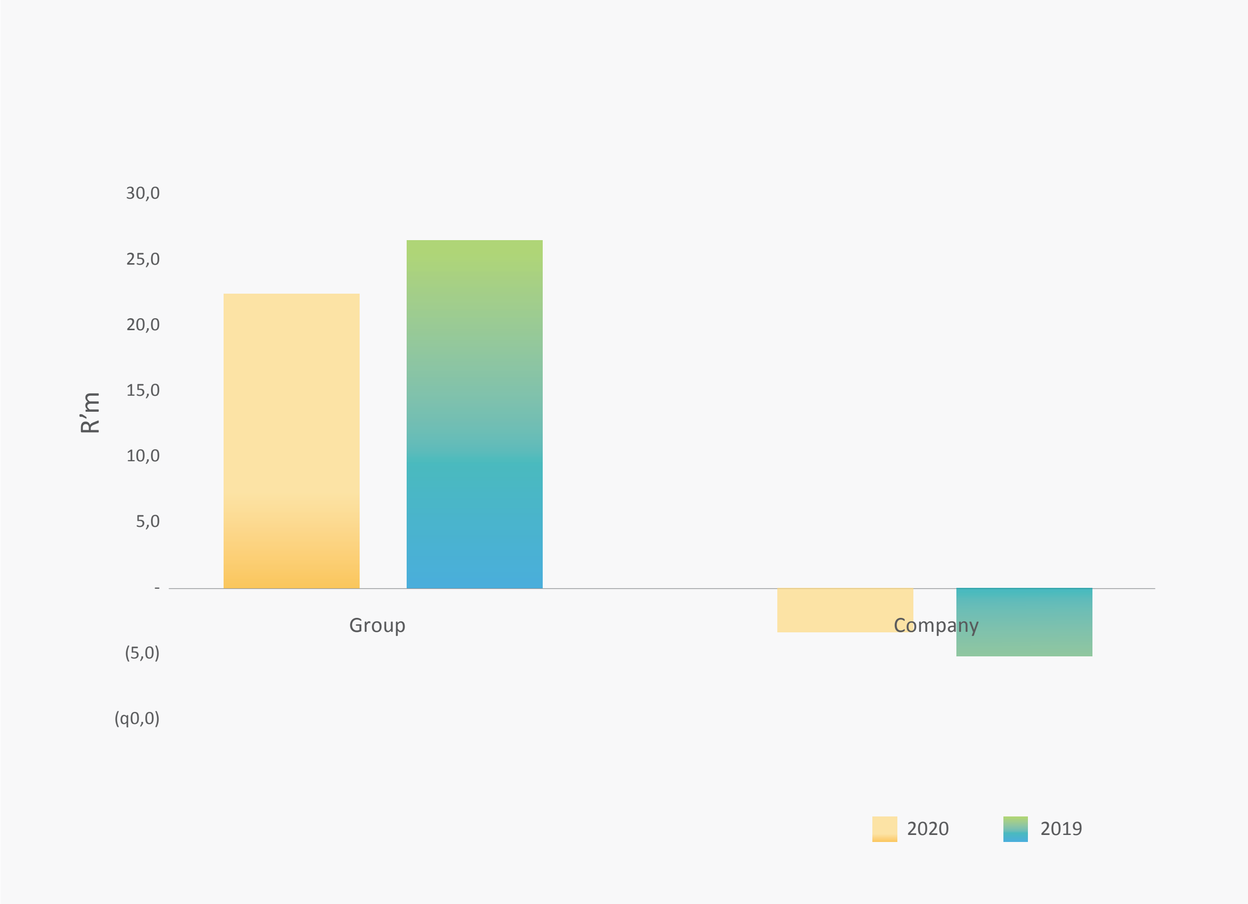
NON-CURRENT LIABILITIES



Group and Company

The non-current liabilities for both Group and Company have increased slightly over the period mainly as a result of lease liabilities raised, following the adoption of the new statement on leases, the IFRS 16. Non-current liabilities for the Group amount to R154.99 million, up from R154.3 million, while non-current liabilities for the Company amount to R4.4 million, up from R3.1 million in the prior period.

CASH BALANCES



Group

The cash balance for the Group stands at R22.6 million, down from R26.6 million in the prior year. It is driven mainly by net outflows from operating activities

Company

The cash balance for the Company stands at (R2.9 m), up from (R4.6 m) in the prior year, and is driven mainly by net inflows from investing activities. The negative cash balance arose due to the utilisation of the bank overdraft as a result of delay in dividends, which were declared and paid in the subsequent period.

OUR VIEW IS DECIDEDLY LONG-TERM AND THEREFORE WE CAN LOOK BEYOND THIS EXTREMELY DIFFICULT TIME GIVEN OUR 20-YEAR INVESTMENT VIEWS

Masibulele Dem
CFO

Performance Review

GOVERNANCE REVIEW

BOARD OF DIRECTORS AT DATE OF REPORT

PATILIZWE CASWELL MDODA (64)

INDEPENDENT NON-EXECUTIVE CHAIRPERSON

Appointed
11 February 2016

Pat is a seasoned executive who served as an executive at various blue-chip companies, some of those being South African Breweries - Beer Division, Edgars Consolidated Group (Edcon), and Kumba Resources Limited. He served as a non-executive director as well as a member of the South African Petroleum Industry Association (SAPIA) Board of Governors. Pat established Royale Energy and saw it grow to become one of the leading independent Non-Refining Wholesalers. He participated as the Executive Chairperson of the Board and later Non-executive Chairperson of the Group.

He participated in the deal-structuring and fundraising that turned Royale into a multi-billion rand fuel distribution company. Pat exited and sold his equity held through PYUTAZ Family Trust as part of the sale of the Company to the Police and Prisons Civil Rights Union (Popcru). He has a strong understanding of empowerment, having been part of the committee which selected the participants in the Kumba Resources transaction, which resulted in the development of Exxaro Resources Limited. He has extensive networks and interfaces at senior level with both government and captains of industry.

Pat holds a BCom (Unitra), MBA (Natal) and a Certificate in International Relations (Delhi, India).

MARUBINI EUGENE RAPHULU (45)

CHIEF EXECUTIVE OFFICER

Appointed
13 October 2015

Marubini is an admitted attorney with extensive deal- making and investment experience in Africa's energy sector. He is focused on driving Hulisani's investment strategy, drawing on 15 years of corporate commercial experience.

Marubini practiced law for many years and joined Nedbank as Senior Principal in the Investment Banking Division, to pursue his keen interest in the development of industries involved in the energy sector.

He left this role in 2011. He started Medupi Capital, focusing on Principal Investments and Advisory in the Energy Sector, which then partnered with Mazi Capital to establish Hulisani in 2015.

MASIBULELE DEM (41)

CHIEF FINANCIAL OFFICER

Appointed
1 August 2017

Masibulele is a Chartered Accountant with extensive financial services experience. For over 15 years he worked with leading financial services organisations including KPMG, Barclays, Standard Bank, Mazwe Financial Services, and Africa Rising Capital. Previously, Masibulele was the chief financial officer at Mazwe Financial Services.

His expertise includes financial management and investment banking, all skills that provide him with the experience necessary to be the CFO of Hulisani.

He is passionate about finance and investments and has a particular interest in the energy sector of Sub-Saharan Africa.

Masibulele holds a BCom from UCT and a BCom (Honours) from the University of Natal.

DUDU ROSEMARY HLATSHWAYO (56)

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed
11 February 2016

Dudu has over twenty years' solid business management experience across a broad range of areas including corporate finance, business process re-engineering, organisational design, corporate strategy development, business planning, change management, and programme and project management.

She was previously a Partner at Ernst & Young, Director in the Corporate Finance Division of Andisa Capital, Product Manager at ABSA Bank, Group Executive at Transnet and Product Manager at Telkom. Dudu also founded management consulting business, Change EQ, in 2006.

Dudu has an MBA from the University of South Africa.

HARALD SCHAAF (70)

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed
14 April 2016

Harald has over 30 years' experience in the development and implementation of power generation projects. He gained this experience leading a diverse range of projects across various continents, while employed by Lahmeyer International and UCI Utility Consultants International for 26 years.

Since 2007, Harald continued his career with EON Technologies and Uniper SE. He is currently the CEO of Uniper Energy Southern Africa (Pty) Ltd, a 100% subsidiary of Uniper SE. His experience includes EPC and contract management, improvement of operation and maintenance, and performance improvement on large coal- fired steam and gas turbine power stations.Harald studied instrumentation & control and mechanical engineering and holds a Master of Science from the Fachhochschule, Osnabrück. He completed the Programme for Executive Development at the IMD Lausanne.

PROFESSOR BEN MARX (55)

INDEPENDENT NON-EXECUTIVE DIRECTOR

AUDIT AND RISK COMMITTEE CHAIRPERSON

Appointed 1 July 2017
Resigned 1 June 2020

Professor Marx is the Head of Department at the Department of Accountancy, University of Johannesburg. His extensive experience includes board governance in general and has served on many committees such as accounting and auditing, corporate governance and sustainability, and social and ethics. He is a member of many boards, institutions, and associations and has 15 years extensive practical and commercial experience.

He qualified as a Chartered Accountant in 1989, obtaining an overall 3rd place in that year. He completed his articles at Deloitte in 1992 and went on to become Senior Lecturer followed by Associate Professor at the University of the Free State, culminating in his current Professorial position at the University of Johannesburg. Professor Marx also holds a Chartered Director (SA) status.

During his career he has received numerous accolades including: The Southern African Accounting Association Accounting Research Award (2011) and The University of Johannesburg Vice Chancellor's Distinguished Educator Award (2011). He was also awarded an honorary membership as Fellow of the Institute of Chartered Secretaries in South Africa in recognition for his contribution to field of governance. Since 2013 he has been a panelist of the CFO of the Year awards in South Africa.

Professor Marx's qualifications include a DCom in Auditing (2009) and an MCompt in Auditing (1993). His Doctoral thesis on Audit and Risk Committees was published internationally in 2010.

KARABO NGWANAMELA KEKANA (31)

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed 09 March 2020

Karabo's qualifications include an MCom in International Accounting (CW) and a B.Com Accounting Honours degree from the University of Johannesburg. Karabo is also a qualified Chartered Accountant (SA). She has several years of accounting experience and currently serves as a senior lecturer in accounting studies at the University of Johannesburg. Karabo also serves as a member of the South African Institute of Chartered Accountants Accreditation team and as a senior reviewer of the JSE Limited Pro-active Monitoring team.

ASANDA VUYOLWETHU NOTSHE (39)

NON-EXECUTIVE DIRECTOR

Appointed 13 October 2015

A portfolio manager at Mazi Asset Management, Asanda has 15 years' financial services experience in pensions, banking, and investment management.

He was formerly an Actuarial Analyst at Alexander Forbes, Business Analyst at RMB Private Bank, and Head of Product Development at Stanlib.

Asanda holds a Bachelor of Business Science in Actuarial Science and is a Fellow of the Institute of Actuaries and The Actuarial Society of South Africa.

THANDIWE GODONGWANA (50)

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed 09 March 2020

Thandiwe's qualifications include a Bachelor Degree in Science as well as a Post Graduate Diploma with Honours in Education, and a Diploma in Business Management.

She has over 26 years of experience in the human resources and management sectors, including serving as an executive director of both the Benefit Recovery Services (Pty) Ltd and Ilitha Consulting. Thandiwe currently serves on the boards of several prominent organisations including, inter alia, the Premier Hotel (OR Tambo International), the South African National Biodiversity Institute, and the Tourism B-BBEE Council.

THE BOARD IS COMMITTED TO MEETING HIGH STANDARDS OF CORPORATE GOVERNANCE AND BUILDING STRONG RELATIONSHIPS WITH STAKEHOLDERS

CORPORATE GOVERNANCE

The Board appreciates that its role is to adhere to the highest standards of corporate governance, ethical leadership, and sound judgment, which is fundamental to the sustainability of our business. Our business practices are directed to ensure the best interests of stakeholders in accordance with the principles of good corporate governance.

The Board's role is to exercise ethical, effective, and reasonable leadership in determining strategy and monitoring business performance.

The Board is constituted in terms of theCompany's Memorandum of Incorporation ("MoI") and in line with King IV Report on Corporate Governance™ for South Africa, 2016 ("King IV™"). The Board maintains effective control of the business through a governance structure and has established committees to assist it, in accordance with the provisions of our Board Charter and its alignment with King IV™. The Board recognises that delegating authority does not reduce the responsibility of Directors to discharge their statutory and common-law fiduciary duties in terms of the Companies Act, JSE Listings Requirements, and King IV™.

The Board is pleased to report that there have been no material instances of non-compliance or material fines imposed during the year under review. While the Board is satisfied with the Company's level of compliance in accordance with applicable governance and regulatory requirements, it recognises that the Group's practices can always be improved upon, and accordingly, the Board has reviewed, and will continue to review, the Group's governance framework against best practices.

THE FOLLOWING DIRECTORS SERVED AT THE DATE OF THE REPORT:

Director	Nationality	Appointment Date	Capacity
Asanda Notshe	South African	Appointed 13 October 2015	Non-executive
Ben Marx	South African	(Appointed 01 July 2017) (Resigned on 01 June 2020)	Independent Non-executive
Marubini Raphulu	South African	Appointed 13 October 2015	Executive
Malungelo Zilimbola	South African	(Appointed as an alternate director to Mr Asanda Notshe on 22 February 2019) (Resigned on 01 March 2020)	Non-executive
Patilizwe Mdoda	South African	Appointed on 11 February 2016	Independent Non-executive
Dudu Hlatshwayo	South African	Appointed 11 February 2016	Independent Non-executive
Masibulele Dem	South African	Appointed 01 August 2017	Executive
Harald Schaaf	German	Appointed 04 April 2016	Independent Non-executive
Thandiwe Godongwana	South African	Appointed 09 March 2020	Independent Non-executive
Karabo Kekana	South African	Appointed 09 March 2020	Independent Non-executive

THE BOARD

As at 29 February 2020, the Board comprised 7 (seven) Directors and is satisfied that there is an appropriate balance of both Executive and Non-executive Directors, with the majority of Non-executive Directors being independent.

There is a clear distinction between the roles of the CEO and the Board Chairperson and these positions are occupied by separate individuals.

The Board is satisfied that the Directors have the relevant knowledge, skills, and expertise required for governing the Company efficiently. The Board Charter also provides a clear division of responsibilities to ensure a balance of power and authority so that no one Director has unfettered powers of decision-making. The Board Chairperson is responsible for leading the Board, ensuring its effectiveness, and setting its agenda. The CEO leads the executive team in the operation of the Company. The Board meets at least 6 (six) times a year to consider the business and strategy of the Company. The Board Charter is reviewed annually, to ensure its relevance. Agendas for Board meetings are prepared by the Company Secretary in consultation with the Chairperson, CEO, CFO, and the Head of Legal, Risk and Compliance. Information provided to the Board is compiled from external sources, such as independent third-party reports, and internally from minutes and plans as well as reports. There are no restrictions placed on a Director's access to Company information, records, documents, and property. Non-executive Directors have access to management and regular interaction is encouraged.

Subsequent to the reporting period, the Board appointed Thandiwe Godongwana and Karabo Kekana as Independent Non-executive Directors of the Company on 09 March 2020. Ms Kekana serves as a member of both the Audit and Risk Committee and the Investment Committee, and was appointed as Chairperson of the Audit and Risk Committee on

01 June 2020, following the resignation of Professor Benjamin. Ms Godongwana serves as a member of both the Remuneration and Human Resources Committee and the Social and Ethics Committee.

Malungelo Headman Zilimbola resigned as an alternate Non-executive Director effective 01 March 2020. Mr Zilimbola was an alternate Non-executive Director to Mr Asanda Notshe.

Professor Benjamin Marx resigned as Independent Non-executive director of the Company and Chairperson of the Audit and Risk Committee effective 01 June 2020.

THE ROLE AND RESPONSIBILITIES OF THE BOARD INCLUDE:

- setting the strategic direction and policy regarding the business and affairs of the Company and its controlled entities for the benefit of the shareholders and other stakeholders of the Company;
- being accountable to shareholders for the performance of the Company;
- the appointment, the terms of the appointment, delegation of authority to, review of performance of, and removal of, the CEO, CFO, any other Executive Director, and the Company Secretary;
- succession planning for the CEO, CFO, and any other applicable Executive Director and his or her direct reportees;
- annual evaluation of the Board, Board Committees, Chairperson, individual Directors, and the Company Secretary;
- business strategy which includes, inter alia, approving and monitoring the strategy, goals, business plans, and annual budgets of the Company;
- approval of the capital and operating expenditure budget and any alterations to it;
- approval of the annual and interim financial statements, Directors' reports, accounting policies, internal and external audit plans, major borrowing or giving of security over assets, and the granting of financial assistance to any related or inter-related parties;
- considering, and if appropriate, declaring or recommending the payment of dividends and any other distributions to shareholders, as deemed necessary and appropriate; and
- acceptance of audit reports, including management letters.

BOARD COMMITTEES

The Board has established the Committees set out in the following diagram, to assist with the balance of power and effectively fulfilling its responsibilities.

Their Charters set out the Committees' roles and responsibilities, functions, scope of authority, and composition. Committees report to the Board at each Board meeting and make recommendations in accordance with their Charters.

The focus of the report that follows is to detail the Board's position on matters ranging from governance to administration, and is provided to stakeholders with a view to highlighting the Board's position and mandate in terms of its overall responsibilities. Details of the matters canvassed by the various Committees, can be found in their individual reports.

BOARD OF DIRECTORS

COMPANY SECRETARY

BOARD COMMITTEES

INVESTMENT	AUDIT AND RISK	REMUNERATION AND HUMAN RESOURCES	SOCIAL AND ETHICS	NOMINATIONS AND GOVERNANCE
The Committee provides oversight of investment related matters including opportunities, acquisitions, and mergers, that are aligned with the Company's strategy.	The Committee provides oversight of the integrated and financial reporting, internal controls, expense and budget variances, regulatory compliance, risk management, the maintenance and safeguarding of assets as well as the financial sustainability of the Company.	The Committee provides oversight of all remuneration matters and reviews key human resource practices, policies and strategies, and monitors talent management.	The Committee monitors the social, economic, and environmental activities, and reports to the Board and stakeholders on developments and progress.	The Committee ensures that the Board is appropriately structured to enable it to execute its functions effectively, including succession planning.
Chairperson: Harald Schaaf	*Chairperson: Ben Marx*	*Chairperson: Dudu Hlatshwayo*	*Chairperson: Asanda Notshe*	*Chairperson: Patilizwe Mdoda*

SUMMARY OF ATTENDANCE AT MEETINGS AS AT 29 FEBRUARY 2020

CAPACITY	NAME OF MEMBER	BOARD	A&RC	SEC	REMCO	INVESTCO	NOMCO
Chairperson	Patilizwe Mdoda	6/6		3/3	4/4		1/1
Independent, Non-executive Chairperson: Investment Committee	Harald Schaaf	6/6	8/8			5/5	1/1
Independent, Non-executive Chairperson: Audit and Risk Committee	Ben Marx	6/6	8/8			5/5	1/1
Independent, Non-executive Chairperson: Remuneration and Human Resources Committee	Dudu Hlatshwayo	5/6	7/8		4/4	5/5	1/1
Non-independent Non-executive Chairperson: Social and Ethics Committee	Asanda Notshe	4/6		2/3	4/4	4/5	1/1
Executive- Chief Executive Officer	Marubini Raphulu	6/6				4/5	
Executive- Chief Financial Officer	Masibulele Dem	6/6		3/3		5/5	

BOARD DIVERSITY

Gender and race diversity at Board level have been identified as a priority for the Company. In November 2016, a policy for the promotion of race diversity was adopted and a broad diversity policy was adopted during June 2020. The Nominations and Governance Committee focuses on the promotion of diversity, as it informs the future appointment of directors in accordance with the JSE Listings Requirements on the promotion of diversity.

The Company's Board Charter requires diversity at Board level. The Company's compliance with this principle is evidenced in the composition of its Board of which 7 (seven) of the 8 (eight) Directors are black people. The Board appointed Ms Godongwana and Ms Kekana as Independent Non-executive Directors of the Company on 09 March 2020. For more information, refer to Ms Godongwana's and Ms Kekana's curricula vitae on pages 60 and 61.

Following these appointments, the Company's level of compliance against its targets is as set out in the table below -

Board profile	Actual	Target
Gender diversity Female representation	37.5%	**30%**
Racial diversity Black representation	87.5%	**51%**

The Board Diversity Policy is reviewed annually by the Social and Ethics Committee and the Remuneration and Human Resources Committee.

BOARD CHAIRPERSON

The Board is chaired by Mr Patilizwe Mdoda, an Independent Non-executive Director, who was appointed to the Board on 11 February 2016. Mr Mdoda brings valuable expertise to the Board and continues to exercise independent judgement in relation to Board matters. The Chairperson of the Board is responsible for, inter alia, ensuring the integrity and effectiveness of the Board's governance processes.

CHIEF EXECUTIVE AND DELEGATION OF AUTHORITY

Mr Marubini Raphulu was appointed as CEO on 01 July 2017. The Board's governance and management functions are linked through the CEO, who is tasked with running the business and implementing the policies and strategies adopted by the Board. The role and function of the CEO is formalised, and the Board, through the Remuneration and Human Resources Committee, annually evaluates the performance of the CEO against specified criteria. The CEO delegates the appropriate authority to his management team in terms of defined levels of authority and retains accountability to the Board

COMPANY SECRETARIAL DUTIES

On 01 October 2019, the Board appointed Resolve Secretarial Services as the Company Secretary following the resignation of The PaperClip Advisory on 30 September 2019. All Directors have access to the services and advice of the Company Secretary, as a support to the Board as a whole, and Directors individually, by providing guidance as to how to fulfil their responsibilities as Directors in the best interests of the Company. To achieve these objectives, independent advisory services are retained by the Company Secretary at the request of the Board or its Committees. The Board remains satisfied with the competency, qualifications, and experience of the Company Secretary and that an arm's-length relationship is maintained between the Board and the Company Secretary.

KING IV™

The Company and the Board support and adhere to the governance outcomes, principles, and practices in King IV™. The Company is committed to effective corporate governance and to conducting the business of the Company in a manner which upholds the principles of King IV™. Regular monitoring and reporting on governance structures are presented to ensure corporate governance practices are entrenched and continuously improved. The Company currently complies with the principles of the King IV™ Report and this detail on how the Company has applied the principles of King IV™, is available on our website at www.hulisani.co.za

COMPLIANCE WITH LAWS AND REGULATIONS

The directors have confirmed that, to the best of their knowledge, Hulisani:
i) complied with the provisions of the Companies Act of South Africa; and
ii) operated in accordance with its memorandum of incorporation, during the year under review.

MATERIAL RISKS

A description of all immediately identifiable material risks which are specific to Hulisani, its industry and/or its issued ordinary shares, are available at https://hulisani.co.za/investment-opportunities-hulisani.

RESPONSIBILITY FOR SUSTAINABLE DEVELOPMENT

As an investment holding company, a huge part of our contribution to society comes from our investments in energy and the impact they have on industry and society. We are actively advancing these principles through our shareholding and voting powers on our entity's respective Boards, whereby we make a significant and positive contribution to the communities where we invest. Beyond our direct activities, we create and sustain jobs, support education, and help improve welfare for local communities.

The Board accepts overall responsibility for the advancement of sustainable development with the assistance of the Board Sub-Committees. The day-to-day responsibility is delegated to executive management.

We acknowledge that it is important to manage effectively, our economic, social, and environmental relationships, as this ensures that we continue to create sustainable value by delivering economic value for shareholders, and social benefit.

ASSURANCE

Management is committed to ensuring that the non-financial information provided in this integrated annual report, is accurate and correct. It is believed that the expectations reflected in this statement are fair and reasonable, but they may be affected by a wide range of variables that could cause actual results to differ materially from those currently anticipated.

REMUNERATION AND HUMAN RESOURCES COMMITTEE

COMPOSITION AS AT 29 FEBRUARY 2020

Ms Dudu Hlatshwayo	Mr Pat Mdoda	Mr Asanda Nothse
Page 59	Page 58	Page 61
Independent Non-executive Director	Independent Non-executive Director	Non-executive Director
Meeting attendance 4/4	Meeting attendance: 4/4	Meeting attendance: 4/4

DEAR STAKEHOLDERS,

I am pleased to present, on behalf of the Remuneration and Human Resources Committee (the "Committee") and the Board, our 2019/20 Remuneration Report, which is structured in line with the Companies Act and King IV™.

The Committee has considered the impact of King IV™ on the Remuneration Policy as well as the JSE Listings Requirements, and present this report in 3 (three) parts, namely :

One: a background statement setting the context for remuneration consideration and decisions as well as the material issues considered during the year.

Two: an overview of the Remuneration Policy as it relates to our employees, Executive Committee members, Executive Directors, and Non-executive Directors.

Three: an Implementation Report for Executive Directors, Executive Committee members, and Non-executive Directors.

The Committee provides an oversight role over remuneration and general human resource matters of the Company. The role of the Committee, having regard to the applicable legislation and sound corporate governance, is to provide guidance and support to the Board in fulfilling its responsibilities to stakeholders by ensuring that the Company remunerates fairly, responsibly, and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.

This report further sets out the Company's remuneration philosophy, policy, and implementation with remuneration disclosures for Non-executive Directors and Executive Directors.

PART ONE

The Board carries ultimate responsibility for the Remuneration Policy. The Committee adopted a formal Charter, approved by the Board, and is reviewed and amended as and when necessary. The Committee provides an oversight role over remuneration and general human resource matters of the Company.

The role of the Committee, having regard to the applicable legislation and sound corporate governance, is to provide guidance and support to the Board in fulfilling its responsibilities to stakeholders by ensuring that the Company remunerates fairly, responsibly, and transparently, in order to promote the achievement of strategic objectives and positive outcomes in the short, medium and Long term.

The year under review was characterised by working towards long-term for the Company, while containing costs and increasing value for our stakeholders. In difficult trading circumstances, we are pleased to continue to report improved performance from our investments, in line with our business strategy. In light of the impact of COVID-19, we understand the challenges to mitigating the risk on our employees and operations, but continue to try and prioritise the health of our employees.

Composition of the Committee

The Committee comprises 4 (four) members, with the majority of members being independent, as highlighted above. On 09 March 2020, Ms Thandiwe Godongwana was appointed as a member of the Remuneration and Human Resources Committee. The Chief Executive Officer, Chief Financial Officer, and the Head of Legal, Risk and Compliance, are standing invitees at Committee meetings.

The Committee met 4 (four) times during the year under review. The attendance for these meetings is contained on page 68.

Review of remuneration activities and decisions taken by the Committee

The Committee has, during the year under review, complied with its obligations in line with its Charter. Key issues considered by the Committee during the period included –

- a detailed work plan to guide matters of discussion and approval during the Company's reporting period, had been approved and would be considered at each meeting to ensure that it was always relevant. Workshops were convened during 2019, with independent remuneration advisors, to recommend changes to the design of the STI and LTI schemes, the proposed reward structures for 2020/21, to facilitate a review of the Company's Remuneration Policy, and consider topical issues and trends applicable to executive remuneration;

- the Company balanced scorecard was reviewed and updated to better reflect market realities and foster the enhanced accountability by executive management;
- consideration of employment contracts and performance management agreements against the scorecards, was approved, which would allow for a tiered remuneration and reward structure. This would ensure that the remuneration of executive management was fair and responsible;
- the performance appraisal of the Chief Executive Officer and Chief Financial Officer;
- the proposed reward structure for 2020/21, which considered the Remuneration Policy of the Company as well as market practices and benchmarks;
- a comprehensive review of the delegation of authority framework as well as a review of all human resources related policies;
- review of the Company's organisational alignment which entailed a review of the work concluded on a day to day basis against the business strategy, and how this could be optimally achieved;
- determination of the basis for allocation of share incentives and to grant share incentives to executives;
- review and approval of the disclosures in the Integrated Report on Remuneration Policy or Directors' remuneration;
- review of human resources strategy to ensure that the supply and retention of sufficient skilled resources to achieve the Company's objectives; and
- the proposal to Shareholders regarding fees payable to Non-executive Directors, was approved.

Shareholder voting and engagement

At the 2019 Annual General Meeting (AGM), 89.14% of shareholders voted in favour of, and endorsed, both the Remuneration Policy and Implementation Report. As both votes were passed by the requisite majorities, no further engagement with the shareholders was required in this regard. In compliance with King IV™ and the JSE Listings Requirements, both the Remuneration Policy and the Implementation Report will again be tabled at the forthcoming AGM, scheduled for 28 August 2020, for separate non-binding advisory votes. In the event that the Remuneration Policy and/or the Implementation Report are voted against by 25% or more of the voting rights exercised, the Company will undertake to engage with its shareholders in order to determine how to address their legitimate and reasonable concerns, pertaining to our remuneration practices, procedures, and governance, and provide detailed feedback on the nature and outcome of the engagements in the following year's remuneration report.

The Company will engage with shareholders through dialogue requesting written submissions or otherwise, in order to address their concerns, always with due regard to meeting the Company's stated objectives, while being fair and responsible towards both the employees and shareholders.

We have monitored the implementation of the Remuneration Policy and framework and are of the view that there were no deviations from the policy in the year under review, and are satisfied with the Company's application of the requirements of King IV™ and the JSE Listings Requirements.

Since the last presentation to shareholders, the Remuneration Policy has remained largely unchanged.

Going forward, the Committee will focus its efforts on improving employee benefits within the Company and also executive succession planning to ensure continued adequacy.

This report has been approved by the Board on the recommendation of the Committee. Stakeholders are invited to submit comments on the Remuneration Policy by emailing comments to

Info@hulisani.co.za

Dudu Hlatshwayo

Remuneration and Human Resources Committee Chairperson

PART TWO
REMUNERATION POLICY SUMMARY

The Company is guided by the following key remuneration principles in aligning employee behaviour with its strategic objectives. Our remuneration philosophy, policy, and framework for the current year is set with the intention of ensuring the achievement of the Company's objectives, the sustainable long-term performance of the Company, the reward of directors and senior management, and aligning with shareholder's interests.

The Company is on the Total Guaranteed Package ("TGP") method of payment for executive management. This is referred to as guaranteed pay. A competitive salary is provided to all employees to ensure that their experience, contribution, and appropriate market comparisons are fairly reflected and applied.

- Base salary is defined as 85% of the Total Guaranteed Package.
- The TGP of employees is increased in March of each year in accordance with country CPI and individual performance.

The Short-term Incentive ("STI") is performance-based and measured against pre-determined objectives which, depending on the level and focus of the role, are derived from company metrics plus individual performance metrics, which are set annually.

- The Chief Executive and Executive Directors' bonuses will be determined based on 80% on Company performance metrics and 20% on the Committee's approved individual key performance indices.
- Senior Managers' bonuses will be determined based on 70% on Company performance metrics and 30% on CEO approved individual key performance indices.
- Participation in the STIP is at the Committee's discretion for Executive and Senior Management, and participation in any other bonus scheme for other employees is at the Company's discretion.

Long-term Incentives ("LTI") are granted annually to employees in executive and senior management roles only.

The Long-term Intensive Scheme ("LTI") is based on a conditional share appreciation rights scheme ("SARs"), in terms of which annual awards of SARs are made to eligible participants. The LTI provides that executive management and other senior management whose retention is important for the sustained long-term strategic performance of the Company, are eligible to participate in the LTI.

The SARs are typically allocated on an annual basis as follows:

Chief Executive Officer: 40 to 80% of annual base salary.

Chief Financial Officer: 35 to 70% of annual base salary.

Chief Investment Officer: 35 to 70% of annual base salary.

Executive Committee members: 30 to 60% of annual base salary.

Senior management: 20 to 40% of annual base salary.

The SARs shall only vest on the attainment of the prescribed performance measures and targets and subject to the participant being in the employ of the Company on the vesting date.

The Company uses pay ranges which cover each level in the location in which jobs are situated. Each level is divided into an upper, middle, and lower section and a pay range is constructed for each.

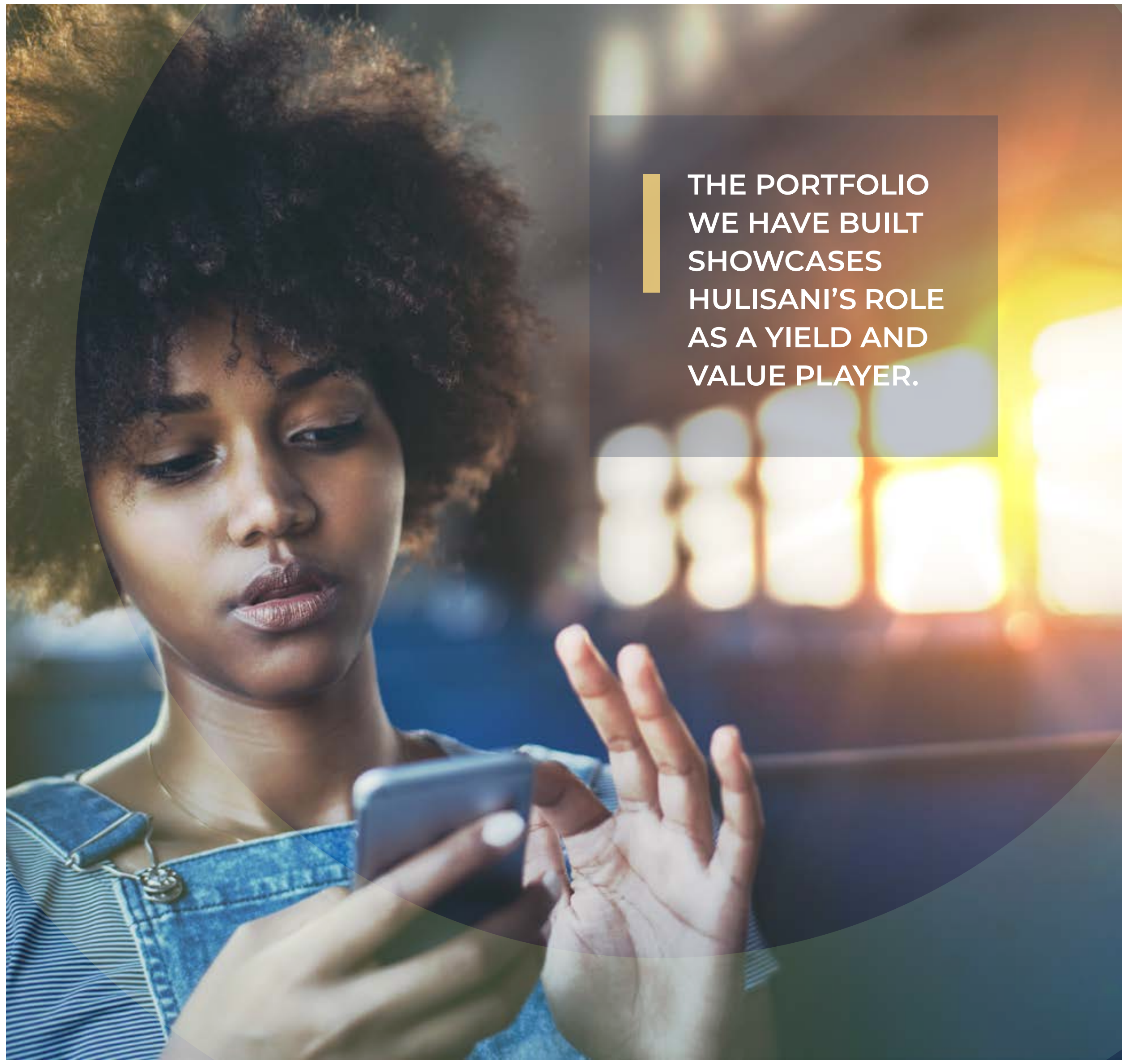
Pay ranges represent the level of compensation paid to similar positions in the market. The median (50th percentile) of market comparators becomes the midpoint of the Company pay range, and the minimum and maximum of the range is informed by the lower and upper market quartile.

An individual promoted to a particular position entering the appropriate range for that position, typically receives a salary toward the minimum of the range. Over time, as they approach full competency, they move toward the midpoint through annual salary awards (typically three to four years).

To ensure that executive and shareholder objectives are aligned, a minimum shareholder requirement (MSR) applies to all Executive Committee members on the following basis.

Within 4 (four) years of appointment (or the introduction of the rule for existing executives), executive directors are required to accumulate the Company shares to the value of 50% of net annual base salary.

Within 7 (seven) years of appointment (or the introduction of the rule for existing executives), executive directors are required to accumulate the Company shares to the value of 100% of net annual base salary.



REMUNERATION STRUCTURE

These remuneration principles are attained through the appropriate mix of guaranteed fixed remuneration and variable performance related remuneration, which is further divided at a management level, into short-term incentives (with a one year performance period) and long-term incentives (with a minimum three year performance period).

SUMMARY OF EXECUTIVE REMUNERATION STRUCTURE

Component	Type	Objective
Guaranteed Package Base pay	Fixed and paid monthly	To recruit and retain high calibre management.Reflects scope and nature of the role, expertise required, and market value.
Short-term Incentive	Variable and paid annually	Linked to attainment of both financial and non-financial targets against strategic priorities. Motivates and rewards accomplishment of annual performance objectives that align the interests of the Company and personal performance.
Long-term Incentive	Variable and awarded annually	Stimulates achievement of long-term business targets to align with shareholder interests. Ensure management have a vested interest in the long-term business performance and leads to the retention of executive talent.

REMUNERATION STRUCTURE (CONTINUED)

Remuneration Structure	Purpose and link to Strategy	Operation
Total Guaranteed Package (TGP)	To attract and retain the best talent	Remuneration is contractually guaranteed to the employee and is paid on a monthly basis. TGP does not include retirement and medical benefits. TGP salary levels are positioned between the median and upper 75% percentile of benchmarking surveys. Reflects individuals' competence and skills, and the scope and nature of the role. Annual Increases take place in March each year.
Variable Pay	To drive a high-performance culture	Variable pay is that remuneration which is not guaranteed to eligible employees and which payment is dependent on the achievement of specific criteria at an individual employee and business level. Variable pay takes the form of a Short-term Incentive (STI).
Short-term Incentive (STI)	To support and reinforce desired behaviour and delivery at all levels. Motivates and rewards achievement of business and individual performance. Keeps employees focused on the defined business imperatives.	The short-term incentive is performance-based and measured against pre-determined objectives which, depending on the level and focus of the role, are directly linked to the business, strategic, and individual performance. Reviewed annually, to ensure measures and weighting drive the right behaviours and support the business strategy. Short-term bonus incentives payable to eligible employees, range between 10% and 45% of the total annual TGP. Bonuses payable are purely discretionary and are determined annually after reviewing the performance of the Company.

REMUNERATION STRUCTURE (CONTINUED)

Remuneration Structure	Purpose and link to Strategy	Operation
Long-term Incentive (LTI)	Drives sustainable longer-term performance. Retention of key skills by linking performance to long-term value creation.	The Company's long-term incentive is the Conditional Share Appreciation Rights Scheme (SARS). The objectives of the SARS are to, inter alia, drive the longer-term strategic and sustainable performance of the Company, and to motivate participants to achieve the strategic objectives, thereby aligning shareholder and management interests to create a partnership culture. The total allocations under the long-term incentive plan (LTIP) scheme over the life of scheme, will be limited to a cap of 5% of issued share capital. Awards are subject to malus of unvested shares and clawback of vested shares in the case of a material misstatement of results or any wrong-doing discovered after the fact by the executive or senior manager concerned. Participation in the LTIP is at REMCO and Company discretion.

PART THREE:
IMPLEMENTATION REPORT:

DISCLOSURES OF NON- EXECUTIVE DIRECTOR'S FEES

The disclosures conclude the remuneration paid to the Non-executive Directors in the year under review.

FEES PAID TO NON-EXECUTIVE DIRECTORS BY THE COMPANY AND ITS SUBSIDIARIES – DURING 2020				
	Subsidiaries and Trust fees	Director's Fees	Committee Fees	Total 2020
Non-executive Directors	R'000	R'000	R'000	R'000
Fees	-	1,034	1,801	2,835

The disclosures conclude the remuneration paid to the non-executive directors in the year under review. Fees were only paid to independent non- executive directors. The fees are inclusive of Value Added Tax (VAT).

IMPLEMENTATION REPORT (CONTINUED)

NON-EXECUTIVE DIRECTORS' FEES FOR 2020/2021				
		2019/2020		2020/2021
Rands	Base Fee	Attendance Fee per meeting	Base Fee	Attendance Fee per meeting
Board				
– Chairperson	116 409	43 238	120 934	44 919
– Members	74 802	27 783	77 710	28 863
Audit and Risk Committee fees				
– Chairperson	73 213	22 662	76 059	23 543
– members	64 061	19 828	66 551	20 599
Remuneration and HR Committee				
– Chairperson	36 607	22 662	38 030	23 543
– members	27 455	16 996	28 522	17 657
Investment Committee				
– Chairperson	73 213	22 662	76 059	23 543
– members	64 061	19 828	66 551	20 599
Social and Ethics Committee				
– Chairperson	18 135	16 840	18 840	17 495
– members	17 764	16 495	18 455	17 136
Nominations Committee				
– Chairperson	36 607	22 662	38 030	23 543
– members	27 455	16 996	28 522	17 657
*** Ad hoc / Special Committee fee per meeting**		16 495		17 136

** Remuneration payable to Non-executive Directors and members for participating in special/unscheduled Board or Committee meetings and ad hoc strategic planning sessions, will be remunerated in accordance with the ad hoc fee.*

Attendance fees for the Directors of the Company for the ad hoc meetings, called in addition to the scheduled meetings, were based on the ad hoc fee as approved by shareholders at the 2019 Annual General Meeting. In line with best governance practices, the Non-executive Directors do not participate in any of the Group's short or long-term incentive fees nor do they earn any consultancy fees.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The disclosures conclude the remuneration paid to the independent non-executive directors in the year under review. Fees were only paid to independent non- executive directors.

	Board (Number of meetings held: 6)			Audit and Risk Committee (Number of meetings held: 9)			Remuneration and Human Resources Committee (Number of meetings held: 4)			Investment Committee (Number of meetings held: 5)			Social and Ethic Committee (Number of meetings held: 3)			Nominations and Governance Committee (Number of meetings held: 1)			
	Base Fees	Atten-dance Fees	Total	Base Fees	Atten-dance Fees	Total	Base Fees	Atten-dance Fees	Total	Base Fees	Atten-dance Fees	Total	Base Fees	Atten-dance Fees	Total	Base Fees	Atten-dance Fees	Total	Total Director's Fees
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Patilizwe Mdoda	95	211	306	-	-	-	27	66	93	-	-	-	17	49	66	18	37	55	520
Harald Schaaf	73	133	206	63	155	218	-	-	-	72	111	183	-	-	-	14	27	41	648
*Ben Marx	84	179	263	83	204	287	-	-	-	72	112	184	-	-	-	16	31	47	781
Asanda Nothse	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
*Dudu Hlatshwayo	84	175	259	72	181	253	41	102	143	72	112	184	-	-	-	16	31	47	886
Total	**336**	**698**	**1,034**	**218**	**540**	**758**	**68**	**168**	**236**	**216**	**335**	**551**	**17**	**49**	**66**	**64**	**126**	**190**	**2,835**

*Includes VAT

EXECUTIVE DIRECTORS

The disclosures conclude the remuneration paid to the executive directors in the year under review.

	Salaries	STI	Total
	R'000	R'000	R'000
CEO	3,127	-	3,127
CFO	2,295	137	2,432
Total	**5,422**	**137**	**5,559**

LONG-TERM INCENTIVES

In the subsequent period the Committee decided to reward the Company's management for their contribution to the performance of the Group by granting them share appreciation rights ("SARs"). The rights entitle the employees to an equity payment after 2 (two) years of service, as well as meeting certain performance conditions.

The amount payable will be determined based on the increase in the Company's share price between the grant date (17 March 2020) and the vesting date. The rights must be exercised on vesting date and will expire if not exercised on that date.

REPORT OF THE SOCIAL AND ETHICS COMMITTEE

COMPOSITION AS AT 29 FEBRUARY 2020

Mr Asanda Notshe	Mr Pat Mdoda	Mr Masibulele Dem
Page 61	Page 58	Page 59
Non-independent Chairperson	Independent Non-executive Director	Executive Director
Meeting attendance 2/3	Meeting attendance: 3/3	Meeting attendance: 3/3

DEAR STAKEHOLDERS,

In my capacity as Committee Chairperson, I am pleased to present the report of the Social and Ethics Committee (the "Committee") of Hulisani Limited (the "Company") to the shareholders for the 2019 financial period, in accordance with the requirements of the Companies Act, 71 of 2008 (the "Companies Act"), and the recommendations of the King IV Report on Corporate Governance™ for South Africa, 2016 (King IV™).

COMMITTEE CHARTER

The Committee has adopted a formal Charter, which has been approved by the Board of Directors of the Company (the "Board"), and details its duties in terms of the Companies Act, the JSE Listings Requirements, and King IV™, as well as responsibilities allocated to it by the Board. The Charter is reviewed and amended as and when necessary. The Committee has conducted its affairs in compliance with the Charter and has discharged its responsibilities as contained therein.

The mandate of the Committee is to assist the Board in ensuring that the Company is, and remains, a responsible corporate citizen. Its role is to assist the Board with the oversight of social and ethical matters relating to the Hulisani group. The functions of the Committee are three-fold, namely:

- to monitor the Company's activities by having regard to the Company's compliance with applicable legislation, codes of best practice, and any legal requirements as specified;
- to report to the Board on matters within its mandate; and
- to report to the Company shareholders on matters within its mandate, at the Annual General Meeting.

The specific activities that the Committee monitored, focusing on those duties stated in regulation 43(5) of the Companies Regulations, included:

- social and economic development, including the Company's standing in relation to the United Nations Global Compact Principles, the Organisation for Economic Co-operation and Development's (OECD) recommendations regarding the combating of corruption, South Africa's Employment Equity Act, and Broad-Based Black Economic Empowerment Act;
- good corporate citizenship by ensuring that the Company promotes equality, prevents unfair discrimination, combats corruption, partakes in community development in which it operates, and keeps records of the Company's sponsorships, donations, and charitable giving;
- the environment, health, and public safety, focusing on the impact of the Company's activities and products, on the environment and society;
- consumer relationships, including the Company's advertising, public relations, and compliance with consumer protection laws; and
- labour and employment, including the Company's standing in relation to the International Labour Organisation's Protocol on decent work and working conditions, and the Company's employment relationships and contribution to the educational development of its employees.

COMMITTEE MEMBERSHIP

In compliance with the recommended practices as highlighted in King IV™, the majority of members, for the year under review, were non-executive members of the Board to ensure that independent judgement was brought to bear.

In addition to the members of the Committee reflected above, on 09 March 2020, Ms Thandiwe Godongwana was appointed as a member of the Social and Ethics Committee. Executive management was standing invitees to the Committee, represented by the CEO and the Head of Legal, Risk and Compliance.

MONITORING

The Committee received and reviewed reports on the performance of the Company against the 5 (five) core focus areas, namely, social and economic development; good corporate citizenship; environment, health and safety; consumer relations; and labour and employment. This included the Company's progress in addressing the requirements of the UN Global Compact Principles and the OECD Guidelines, in line with best practice, as well as the Company's performance and strategy in terms of sustainable development. Although not an exhaustive list of duties, the key activities considered by the Committee during the year under review included:

- a review of policies that apply to the organisation, including the Business Conduct Policy; the Corporate Social Investment Policy (including a provision on donations); Employment Equity Policy; Environmental Policy; and the Social Media Policy;
- improving the Company's controls in an effort to mitigate the risks associated with bribery and corruption. The Committee approved a policy for dealing with Board nominees or members who are, and doing business with, politically exposed persons. Through the Company's Procurement Policy, the Company's suppliers are required to sign an anti-bribery and anti-corruption declaration;
- the establishment of the Employment Equity Committee during January 2020, in compliance with the Employment Equity Act. Training on the Employment Equity Act was provided to all employees during 2019;
- the monitoring of the Company's contribution to the development of the communities in which it operates, from a good corporate citizenship perspective. The Committee also monitored the sponsorships and donations of the Company to various communities. In line with the Company's socio-economic development obligations under the B-BBEE Codes and REIPPP, the following activities were undertaken by the Company:
  - the support of the early childhood development centre in collaboration with Kouga Wind Farm;
  - undertaking an initiative with disabled learners from the Hope School in Johannesburg; and
  - the contribution of R1m to the construction of an early childhood development centre in collaboration with RustMo1. The centre was unveiled during March 2019;
- monitoring the extent of procurement of goods and services from suppliers with at least a Level 2 BEE Status Level;
- monitoring corporate spend in respect of the various initiatives supported by the Company;
- ensuring that the B-BBEE score has been published on the Company's website as per the JSE Requirements;
- assessing, at least quarterly, its investee companies' compliance with the Occupational Health and Safety Act, in line with its Business Conduct Policy, as it is obliged to meet its environmental health and safety regulations and standards; and
- promoting employee wellness, where the Committee approved, in principle, the introduction of new employee benefits.

MATTERS BROUGHT TO THE ATTENTION OF THE BOARD

During the year under review, the Committee brought the following key issues to the Board's attention through the Committee Chairperson's reports at Board meetings.

- The Committee emphasised the need to maintain a compliant B-BBEE score. Management continued in its efforts to improve the Company's level of compliance with the B-BBEE Codes.
- The Committee will continue to focus on the Group's relationships with its stakeholders, the public perception of the Company, as well as increase the level of ethics awareness and training within the organisation.
- The Committee continued its oversight and monitoring to cover the scheduled activities, in line with its mandate as required by legislation, King IV™ and the Committee's Charter.

FOCUS AREAS FOR 2020

During the 2020/21 financial year, the Environmental, Social, and Governance Policy will be presented to the Committee for adoption and implementation by the Company. The Committee will concentrate its monitoring activities on progress with the Company's environmental, social, and governance performance in relation to the Group, as well as on increased participation in social and community initiatives and workplace diversity.

CONCLUSION

The effectiveness of the Committee is assessed as part of the annual Board and committee self-evaluation process.

Overall, the Committee is satisfied that there were no significant areas of risk with regard to the matters to be addressed by the Committee in terms of statute and the provisions of its terms of reference, other than set out in this report.

Furthermore, the Company is pleased to report that there have been no material instances of non-compliance or material fines imposed during the year under review. Accordingly, the Committee is comfortable that the Company operated in the year under review, as a socially responsible corporate citizen demonstrating an ongoing commitment to sustainable development.

Responsible corporate citizenship will be required to be inherent in our business practices and in management's enduring commitment to create value for all its stakeholders. This will remain a principle that will be built on in the year ahead.

Asanda Notshe
Chairperson: Social and Ethics Committee

REPORT OF THE INVESTMENT COMMITTEE

COMPOSITION AS AT 29 FEBRUARY 2020

Mr Harald Schaaf	Ms Dudu Hlatshwayo	Prof Ben Marx	Mr Asanda Notshe	Mr Marubini Raphulu	Masibulele Dem
Page 59	Page 59	Page 60	Page 61	Page 58	Page 59
Chairperson	Independent Non-executive Director	Independent Non-executive Director	Non-executive Director	Chief Executive Officer	Chief Financial Officer
Meeting attendance: 5/5	Meeting attendance: 5/5	Meeting attendance: 5/5	Meeting attendance: 4/5	Meeting attendance: 4/5	Meeting attendance: 5/5

DEAR SHAREHOLDERS,

I am pleased to present the report of the Investment Committee (the "Committee") of Hulisani Limited (the "Company"), in my capacity as Committee Chairperson, to the shareholders for the year ended 29 February 2020. The Committee was established on 18 May 2018 in response to the Company's burgeoning project pipeline and the concomitant investment activity.

Its mandate is to robustly consider and interrogate the suitability, viability, and feasibility of investment proposals in accordance with the Company's shareholder-approved Investment Policy. The Investment Policy sets the investment parameters within which the deliberations of the Committee should be undertaken, which include the following:

- Energy Assets – the Company may invest in any form of energy generation asset such as solar, wind, gas, geothermal, hydrogen, hydroelectric, and biomass energy as well as gas to power and clean coal energy. The Company may also invest in energy distribution and transmission infrastructure and energy value-chain assets. Additionally, except during the portfolio building process, no one asset will constitute more than 15% of the portfolio.
- Stage of Investments – the Company may invest in both operational and advanced developmental stage projects (i.e. bid ready projects). The minimum requirement for advanced developmental stage and operational projects, amongst others, is a signed definitive Power Purchase Agreement by either Eskom Holdings SOC Limited or another Investment Grade buyer.
- Key Characteristics – the energy assets into which Hulisani invests, should meet the following minimum criteria: (i) predictable cash flows; (ii) inflation-linked cash flows; (iii) strong management team.

- Geographic Scope – in the short term, Hulisani shall target energy assets located in South Africa and greater Sub-Saharan Africa but will look to other emerging markets in the medium to long term.

- Investment Horizon – the Company targets long-term investment (i.e. more than 10 years or such other time horizon that would bear reference to the remaining underlying Power Purchase Agreement of the project).

- Ownership – although there are no specific ownership targets, the Company may not invest without a Board seat in the underlying investee company.

The Committee's investment process demands that all proposed projects submitted to it for consideration, are first evaluated by management and then subjected to an external due diligence investigation. Under the guidance of the Company's Delegation of Authority Policy, the Committee is empowered to either reject or approve investment proposals, or recommend the same to the Board for its final approval.

ROLE AND KEY FUNCTIONS

The Committee is a formal committee of the Board that makes recommendations on the strategic direction of the Company. It assists the Board in its independent oversight of the investment and divestment policies of the Company, the development of appropriate operating procedures for the investment, management and divestment of the assets of the Company, and the development of investment objectives of the Company.

COMPOSITION

Committee members are appointed by the Board on recommendation by the Nominations and Governance Committee. For the period under review, the Committee, at all times comprised 6 (six) members with the majority being Independent Non-executive Directors as highlighted above. On 09 March 2020, Ms Karabo Kekana was appointed as a member of the Investment Committee.

THE YEAR UNDER REVIEW

Having regard to the above, the Committee has effectively discharged its duties in terms of its mandate and responsibilities and has had the requisite oversight over management's proposals which are considered in context of the Company's strategy, Delegation of Authority Policy, and Investment Policy.

The Committee was pleased to note the positive developments in the regulatory framework for the energy sector in general, with the promulgation of the Integrated Resource Plan 2019 ("IRP") following an extended period of uncertainty that rendered investment decision-making challenging. This allowed the business to, more aggressively, pursue new investment opportunities into early 2020 with the potential for significant impact on the portfolio and capital structure of Hulisani. Potential investment and project development opportunities presented to the Investment Committee were reviewed, and areas for further clarification during a due diligence process were identified. No final investment decision was made during the period.

The Committee continues to monitor the Company's portfolio at each meeting to assess performance against the investment objectives in each case. During the year under review the overall performance of the portfolio was pleasing, led by significant out performance by the Peakers against budget, due to the higher than planned need for emergency power to support the grid. Kouga Wind Farm reflected a 43% increase in share of profits while RustMo1 is performing at expected levels with room for operational improvement. With the on-going Round 4 of REIPPP construction under way and the prospect of a 2000MW emergency round, along with greater clarity on Round 5 of REIPPP, we are excited by the future of GRI Wind Towers that is now functioning at full capacity after a long hiatus since investment. The portfolio has shifted towards a lower risk profile with movement away from development investment such as into Ignite Energy.

The Committee looks forward to the fruition of the company's efforts to increase the balance sheet size, capacity, and assets under management.

For the year under review, the Committee is satisfied that is has fulfilled all its statutory duties assigned by the Board. The Chairperson of the Committee reports to the Board on the activities of the committee at Board meetings.

Harald Schaaf
Chairperson: Investment Committee

REPORT OF THE AUDIT AND RISK COMMITTEE

COMPOSITION AS AT 29 FEBRUARY 2020

Prof Benjamin Marx
Page 60

Chairperson

Meeting attendance
8/8

Ms Dudu Hltashwayo

Page 59

Independent Non-executive Director

Meeting attendance:
7/8

Mr Harald Schaaf
Page 59

Independent Non-executive Director

Meeting attendance:
8/8

DEAR SHAREHOLDERS

The Audit and Risk Committee (the "Committee") has pleasure in submitting its report for the year ended 29 February 2020, to shareholders as required by section 94(7)(f) of the Companies Act, 71 of 2008, as amended (the "Companies Act"), the JSE Listings Requirements, and as recommended by the King Report on Corporate Governance™ for South Africa, 2016 ("King IV™").

MEMBERSHIP OF THE COMMITTEE AND ATTENDANCE AT COMMITTEE MEETINGS

In compliance with the Companies Act, the Committee members were elected by shareholders at the Annual General Meeting of the Company ("AGM") held during 2019, to serve until the next AGM on Friday, 28 August 2020.

The Committee comprises only independent non-executive directors who are all financially literate and have the adequate relevant skills and experience to execute their duties and responsibilities effectively. On 09 March 2020, Ms Karabo Kekana was appointed as a member of the Audit and Risk Committee. Professor Marx resigned as Chairperson and member of the Committee on 01 June 2020. Ms Kekana was subsequently appointed as Chairperson of the Committee on 01 June 2020. The Committee met eight times in the past year.

The internal and external Auditors also attended all the Committee meetings during the year and reported their activities and findings at these meetings. The Chief Executive Officer (" CEO"), Chief Financial Officer ("CFO"), Head of Legal, Risk and Compliance, and the Finance Manager, attended the Committee meetings by invitation.

Committee meetings included "In-committee meetings" between the Committee members, Non-executive Directors, and the internal and external Auditors, as well as confidential meetings held with the CEO and CFO. Executive Directors and the Finance Manager joined the formal meetings once the confidential meetings had been concluded.

ROLES AND FUNCTIONS OF THE COMMITTE

The roles and responsibilities of the Committee are governed by a formal Charter as the Committee's mandate, which is annually reviewed and approved by the Board. A formal evaluation of the Committee is also carried out annually and the Board is satisfied that the Committee has fulfilled all its statutory duties, including those duties assigned to the Committee by the Board during the year under review. The Committee reports that it has regulated its affairs in compliance with this mandate, and has discharged all the responsibilities set out in the Charter, which include:

- to review and approve for recommendation to, and approval by, the Board, interim reports, the integrated report, the annual financial statements, accounting policies for the Company, and any other announcement regarding the Group's results or other financial information to be made public;
- to ensure that the interim financial statements, the consolidated annual financial statements, and the annual integrated report, comply with all statutory and regulatory requirements;
- to ensure that all financial information contained in any consolidated submissions to the Board, is suitable for inclusion in the consolidated financial statements in respect of any reporting period;
- the reports of the internal audit function on the state of internal control;
- the effectiveness of the internal audit function;
- the assessment annually, of the appointment of the external auditor and confirm its independence, recommend its appointment to the AGM, and approve its fees;
- the external auditor's findings and recommendations;
- the review the work of the Group's external and internal Auditors to ensure the adequacy and effectiveness of the Group's financial, operating compliance, and risk management controls;
- reports on the risk management process and the assessment of the Company's exposure to the top strategic risks;
- monitoring compliance effectiveness within the Company;
- performing duties that are attributed to it by its mandate from the Board, the Companies Act, the JSE Listings Requirements, King IV™, and regulatory requirements; and
- to review processes and procedures to ensure the effectiveness of internal systems of control, including information and technology.

REPORTING

During the financial year under review, the Committee executed the following matters:

- Considered and concurred with the adoption of the going-concern premise in the preparation of the financial statements.
- Reviewed the appropriateness of the financial statements, other reports to shareholders, and other financial announcements made public.
- Considered whether the annual financial statements fairly present the financial position of the Company and of the Group as at 29 February 2020, and the results of operations and cash flows for the financial year then ended.
- Considered the solvency and liquidity of the Company.
- Considered accounting treatments, the appropriateness of accounting policies adopted, and the effectiveness of the Group's disclosure controls and procedures.
- Considered whether any concerns were identified regarding significant legal, tax, and other matters that could have a material impact on the financial statements.
- Reviewed the external Auditor's Audit Report.
- Considered and noted the key audit matters as determined by the external Auditor.
- Reviewed the representation letter, signed by management.
- Confirmed that it has considered the findings contained in the 2020 proactive monitoring report, when the annual financial statements for 29 February 2020 were drafted.
- Reviewed the quality and integrity of the Integrated Report, and the sustainability information, before publication.

EXTERNAL AUDITOR

Subsequent to the publication of the audited financial statements and results announcement for the financial year ended 29 February 2020, the Committee conducted an engagement process with other external audit firms, following a mutual understanding between the Company and PwC to explore other external audit firms. As part of the process, the Committee requested the information detailed in paragraph 22.15(h) of the JSE Listings Requirements, as it is required to do so for every appointment. The process culminated in the Committee's recommendation to nominate, for approval by shareholders at the forthcoming AGM, BDO South Africa ("BDO"), an eligible registered auditor, as the external auditor for the 2021 financial year, with Ms Vianca Pretorius, a registered auditor and member of BDO, as the individual who will undertake the audit.

COMMENTS ON KEY AUDIT MATTERS ADDRESSED BY PwC IN ITS EXTERNAL AUDITOR'S REPORT

PwC reported on the three key audit matters in respect of its 2020 audit, being the valuation of loan to Legend Power Solution Proprietary Limited, impairment assessment of investment in associates, investment in subsidiaries and goodwill as well as the valuation of GRI Wind Steel South Africa Proprietary Limited Option. These key audit matters related to the consolidated financial statements and separate financial statements. The Committee assessed the methodology, assumptions and judgements applied by management in dealing with each key audit matter. Additionally, the Committee discussed the key audit matters with PwC in order to understand its related audit procedures and views. Following our assessment, the Committee was comfortable with the conclusions reached by management and PwC.

INTERNAL AUDIT

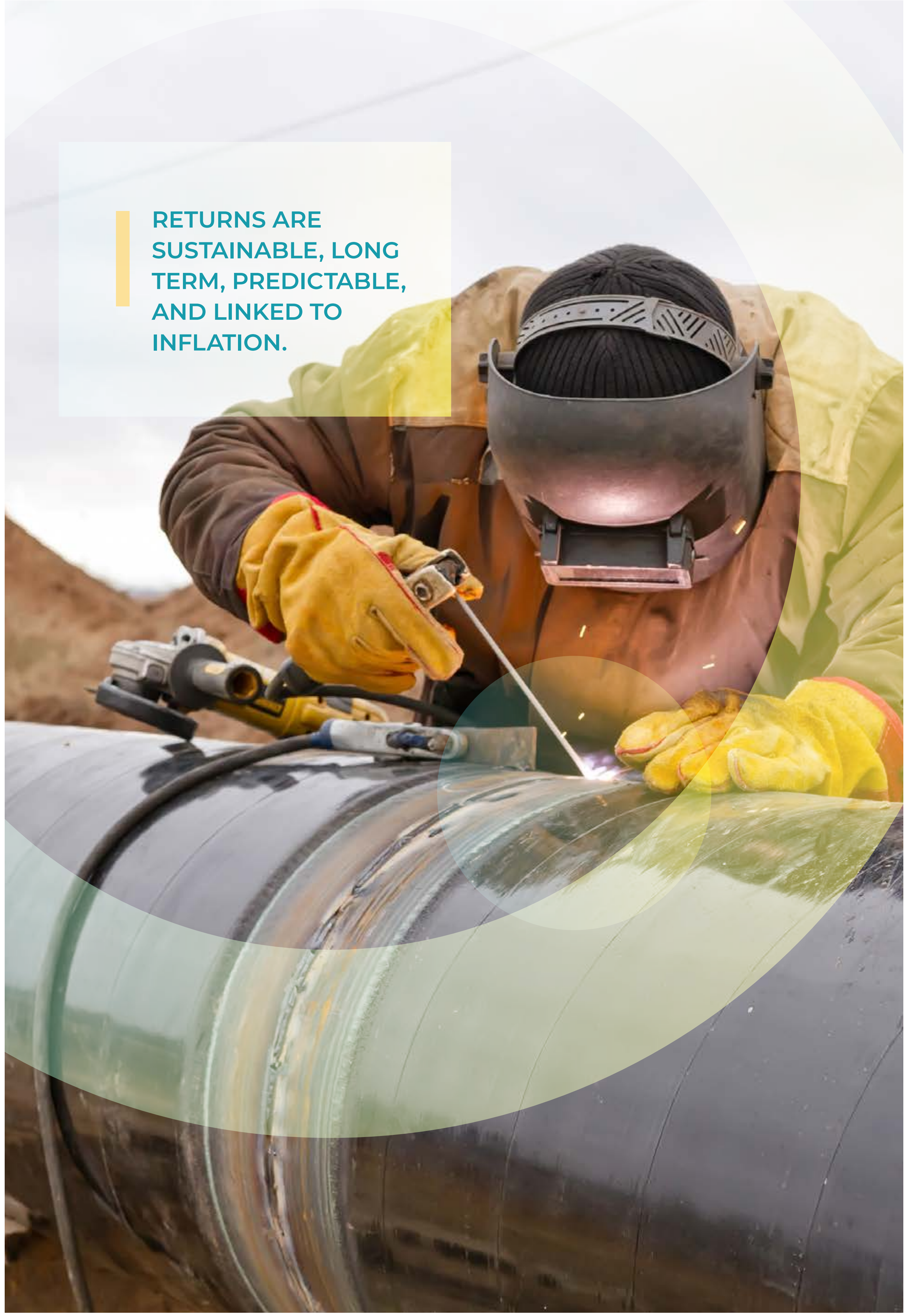
The Committee reviewed and approved the Internal Audit Charter and the annual internal audit plan, including compliance therewith, and concluded that the planning, processes and application of internal audit, including the quality of their reporting on internal audit outcomes and related matters was inclusive and comprehensive. Having regard to the reports and assessments presented by Internal Audit, the Committee is satisfied that the internal financial controls are effective and that there were no material breakdowns in the Group's systems and internal controls. The Committee is also satisfied that the internal audit firm is effective and adequately resourced with technically competent personnel.

INTERNAL FINANCIAL AND ACCOUNTING CONTROLS

The Committee is responsible for reporting on the Group's systems of internal, financial and accounting controls. The Committee has accordingly considered the reports from both internal and external audit on such matters and is satisfied that both reports confirm the adequacy and effectiveness of the Group's systems of internal control and that there were no material breakdowns in the internal control during the financial year.

EXPERTISE AND EXPERIENCE OF THE CHIEF FINANCIAL OFFICER

As required by paragraph 3.84(g) of the JSE Limited Listings Requirement, as well as the recommended practices as per King IV, the Committee has assessed the competence and performance of the CFO, Masibulele Dem, and believes that he possesses the appropriate expertise and experience to meet his responsibilities in that position. The Committee is satisfied with the expertise and adequacy of resources within the finance function and the experience of financial staff in this function.



COMPLIANCE

The Committee is obliged to report any material breach of a relevant legal and/or regulatory requirement in the conduct of Hulisani. No evidence or indication of any such breach or material non-compliance has been brought to the attention of the Committee by either the internal or external auditors or any other party.

LOOKING FORWARD

President Cyril Ramaphosa announced a countrywide lockdown following the declaration of COVID-19 by the World Health Organisation as a pandemic and in response to the threat posed by the virus. The lockdown, which was initially scheduled to run from 26 March 2020 until 16 April 2020 was subsequently extended to the end of April 2020. The pandemic is a worldwide humanitarian challenge that is affecting global markets and nearly all aspects of human activity. The impact of the lockdown is expected to have a significant adverse impact on the global economy, with some predictions that the South African economy may contract in 2020 and unemployment may rise.

While the COVID-19 pandemic and the subsequent 5-week lockdown has severely impacted economic projections, Hulisani's investments have outlined their business continuity plans to ensure that operations are not interrupted during the lockdown as the provision of power has been declared an essential service in South Africa. As an investor in assets in the Renewable Energy sector Hulisani's investments provide energy to the national utility ESKOM on the back of long term, government backed power purchase agreements, and which also cater for conditions of low electricity demand.

Notwithstanding the designation of Hulisani's investments as essential services, one of the investments, Kouga Wind Farm, received correspondence from the national utility of their intention to declare the lockdown a force majeure,which would absolve ESKOM from its obligation to procure power from the power plant during the lockdown period. Kouga has sought legal advice and indications are that the lockdown does not constitute a force majeure as defined in the Power Purchase Agreement with ESKOM and that any curtailments that ESKOM may institute would be part of curtailments that are provided for in the agreement and which would need to be compensated for. To date and since the commencement of lock down the plant has been curtailed for 2 hours and 3 hours over two days respectively and is accordingly in the process of seeking compensation as provided for in the agreement for the curtailments. The matter is however ongoing and the probability of resolution in ESKOM's view is viewed as low at this stage. Based on the above, the lockdown is not expected to have a material adverse impact on the operations of Hulisani nor on the going concern assumption and primarily due the designation of the investments as essential services and also the nature of the long term power purchase agreements with ESKOM and which are government guaranteed.

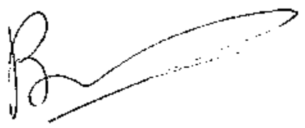
The group's financial controls, risk management and governance processes ensure a strong control environment for the group in which to operate. Management will continue to assess the impact of COVID-19 on the business and the various options available to mitigate the risk.

CONCLUSION

The Committee is satisfied that it has complied with all its legal, regulatory and other responsibilities for the year under review.

Following its review of the annual financial statements for the year ended 29 February 2020, the Committee is of the opinion that, in all material respects, they comply with the relevant provisions of the Companies Act and International Financial Reporting Standards, and present fairly the results of operations, cash flows and the financial position of the Group and the Company. The Committee therefore recommended the consolidated and separate annual financial statements of Hulisani Limited for approval to the Board of Directors. At the forthcoming Annual General Meeting, the annual financial statements will be presented to shareholders.

On behalf of the Audit and Risk Committee



Prof.B Marx

Chairperson Audit & Risk Committee

Governance Review

COMPANY SECRETARY'S CERTIFICATION

In terms of section 88(2)(e) of the Companies Act, 71 of 2008, as amended, we certify that, to the best of our knowledge and belief, the Company has, in respect of the financial year reported upon, lodged with the Companies Intellectual Property Commission all returns as required of a public company and that all such returns are true, correct and up to date.

Resolve Secretarial Services (Pty) Ltd
Per Melissa Voller
Company Secretary

SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Group		
		2020	2019 Restated*	01 March 2018 Restated*
	Note(s)	R '000	R '000	R '000
Assets				
Non-Current Assets				
Property, plant and equipment	8	121,462	125,771	133,914
Intangible assets	9	139,099	145,965	152,830
Investment in associate	4	103,337	103,560	122,312
Investment at amortised cost	7	-	19,276	-
Financial asset at fair value through other comprehensive income		-	-	8,961
Loans receivable	6	7,522	10,127	-
Investments at fair value through profit or loss	5	81,609	76,786	75,143
Derivatives	5	70,347	67,327	62,923
		523,376	**548,812**	**556,083**
Current Assets				
Trade and other receivables		12,232	22,475	29,140
Cash and cash equivalents		26,923	31,697	35,517
		39,155	**54,172**	**64,657**
Total Assets		**562,531**	**602,984**	**620,740**

SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Group		
		2020	2019 Restated*	01 March 2018 Restated*
	Note(s)	R '000	R '000	R '000
Equity				
Share capital		500,000	500,000	500,000
Reserves		6,562	6,562	7,335
Retained income	16	(151,519)	(122,105)	(95,519)
Equity attributable to equity holders of parent		355,043	384,457	411,816
Non-controlling interest		25,103	29,078	33,333
		380,146	**413,535**	**445,149**
Liabilities				
Non-Current Liabilities				
Borrowings	10	108,862	114,695	125,492
Lease liabilities	11	2,947	-	-
Deferred tax		43,139	39,616	35,814
		154,948	**154,311**	**161,306**
Current Liabilities				
Trade and other payables		9,853	15,382	3,722
Borrowings	10	11,743	11,470	10,563
Lease liabilities	11	1,533	-	-
Dividend payable		-	3,247	-
Bank overdraft		4,308	5,039	-
		27,437	**35,138**	**14,285**
Total Liabilities		**182,385**	**189,449**	**175,591**
Total Equity and Liabilities		**562,531**	**602,984**	**620,740**

*Refer to note 16 for details on restatements.

SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

SUMMARISED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Group	
		2020	2019
			Restated
	Note(s)	R '000	R '000
Revenue		69,438	50,371
Other operating income		1,000	17
Other operating gains		7,843	5,997
Other operating expenses		(73,609)	(73,303)
Financial assets write-off	7	(25,737)	-
Operating loss		**(21,065)**	**(16,918)**
Investment income		3,807	7,485
Finance costs		(13,760)	(14,863)
Share of the profit from equity accounted investments	4	**7,608**	5,318
Loss before taxation		**(23,410)**	**(18,978)**
Taxation		(3,523)	(3,797)
Loss for the year		**(26,933)**	**(22,775)**
Other comprehensive income		**-**	**-**
Total comprehensive loss for the year		**(26,933)**	**(22,775)**
(Loss)/profit attributable to:			
Owners of the parent		(29,414)	(24,842)
Non-controlling interest		2,481	2,067
		(26,933)	**(22,775)**
Total comprehensive loss/(profit) attributable to:			
Owners of the parent		(29,414)	(24,842)
Non-controlling interest		2,481	2,067
		(26,933)	**(22,775)**
Basic and diluted loss per share (c)	14	**(59)**	**(50)**

SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

SUMMARISED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Non-distributable reserves	Accumulated losses	Attributable to equity holders of the parent	Non-controlling interest	Total equity
Group	**R '000**	**R '000**	**R '000**	**R '000**	**R '000**	**R '000**
Opening balance as previously reported	500,000	-	(124,618)	375,382	34,625	410,007
Correction of prior period error (note 16)	-	6,562	27,355	33,917	(1,292)	32,625
Balance at March 1, 2018 as restated	**500,000**	**6,562**	**(97,263)**	**409,299**	**33,333**	**442,632**
(Loss)/profit for the year	-	-	(24,842)	(24,842)	2,067	(22,775)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive (Loss)/profit for the year (restated)	**-**	**-**	**(24,842)**	**(24,842)**	**2,067**	**(22,775)**
Disposal of a subsidiary	-	-	-	-	272	272
Dividends	-	-	-	-	(6,594)	(6,594)
Balance at February 28, 2019 restated	**500,000**	**6,562**	**(122,105)**	**384,457**	**29,078**	**413,535**
(Loss)/profit for the year	-	-	(29,414)	(29,414)	2,481	(26,933)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive (Loss)/profit for the year	**-**	**-**	**(29,414)**	**(29,414)**	**2,481**	**(26,933)**
Dividends	-	-	-	-	(6,456)	(6,456)
Balance at February 29, 2020	**500,000**	**6,562**	**(151,519)**	**355,043**	**25,103**	**380,146**
Note(s)		**16**	**16**			

SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

SUMMARISED CONSOLIDATED STATEMENTS OF CASH FLOWS

		Group	
		2020	2019
	Note(s)	R '000	R '000
Cash flows from operating activities			
Cash generated (used in)/from operations		(5,737)	11,044
Net cash from operating activities		**(5,737)**	**11,044**
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(1,032)	(1,148)
Sale of property, plant and equipment	8	-	109
Interest received		19,160	4,866
Dividends received		14,746	17,156
Subscription of debt investments at amortised cost		-	(12,500)
Net cash from investing activities		**32,874**	**8,483**
Cash flows from financing activities			
Proceeds from borrowings		-	622
Repayment of borrowings	10	(5,560)	(10,512)
Payment on lease liabilities	11	(1,120)	-
Dividends paid		(9,703)	(3,347)
Interest paid		(14,797)	(15,149)
Net cash from financing activities		**(31,180)**	**(28,386)**
Total cash movement for the year		**(4,043)**	**(8,859)**
Cash at the beginning of the year		26,658	35,517
Total cash at end of the year		**22,615**	**26,658**

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

1. BASIS FOR PRESENTATION

The summarised consolidated financial statements for the year ended 29 February 2020 have been prepared in accordance with the JSE Limited Listings Requirements ("Listings Requirements") for preliminary reports, and the requirements of the Companies Act, Act 71 of 2008. The Listings Requirements require financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and contain the information required by IAS 34 Interim Financial Reporting. The summarised consolidated financial information should be read in conjunction with the consolidated financial statements for the year ended 29 February 2020, which have been prepared in accordance with IFRS.

The summarised consolidated financial statements were prepared under the supervision of the Chief Financial Officer, MP Dem, CA (SA).

Audit opinion

This summarised report is extracted from audited information but is not itself audited. The annual financial statements were audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The audited annual financial statements and the auditor's report thereon are available for inspection at the Company's registered office and on the Company's website www.hulisani.co.za. The directors take full responsibility for the preparation of the summarised consolidated financial statements and that the financial information has been correctly extracted from the underlying annual financial statements.

Accounting policies

The accounting policies applied in preparing the summarised consolidated financial statements are in terms of IFRS and consistent with those applied in the previous annual financial statements, except for the adoption of new accounting policies as set out below:

- IFRS 16 Leases (IFRS 16). The new standard provides a comprehensive model to identify lease arrangements, and the treatment thereof, in the financial statements of both lessees and lessors. The impact is detailed in note 3.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving significant estimates or judgements are:

(i) Investment in an associate decision.

Hulisani holds 100% of issued shares in Red Cap Investments (Pty) ("Red Cap") Ltd and Eurocape Renewables (Pty) Ltd ("Eurocape"). Red Cap and Eurocape hold 5.46% and 1.21% interest in Kouga Wind Farm (RF) (Pty) Ltd respectively, combined to 6.67%.

Hulisani management made a judgement regarding the classification of this acquisition to an investment in associates as Hulisani has a directorship representation in the board of the investee. The board representation indicates a level of significant influence by Hulisani.

(i) Estimated fair value of financial assets at fair value through profit or loss.

Hulisani holds a convertible loan to Legend Power Solutions (Pty) "(LPS"). The Group carries the financial asset as the investment at fair value through profit or loss. The fair value is determined by discounting dividend income using the dividend discount method. The expected cash flows are discounted using an appropriate discount rate. In determining the recoverable amount, the Group made key assumptions on base revenue from underlying plant operations, discount rate, and period of operation. The loan participates in 9% of distributable profits available to LPS' shareholders. On maturity, the loan will convert to 9% of equity in LPS.

(ii) Impairment of investments in subsidiaries.

Management identified impairment indicators relating to the investments in Momentous Technologies (Pty) Ltd ("Momentous"), Red Cap Investments (Pty) Ltd ("Red Cap"), and Eurocape Renewables (Pty) Ltd ("Eurocape"). The nature of some of the investments acquired by Hulisani is that they are expected to wind down in line with the passage of time in accordance with the Power Purchase Agreements with Eskom. This is mainly driven by the fact that these investments pay dividends which are in excess of the total comprehensive income, in turn, returning a portion of capital back to investors. The expected cash flows are discounted using an appropriate discount rate. In determining the expected cash flows, the Group made key assumptions on forecasted revenue and the discount rate.

(iii) Goodwill impairment.

The carrying value of goodwill in the Group is R45m and arose on acquisition of a majority stake in RustMo1 Solar Farm (Pty) Ltd ("RustMo1"). RustMo1 is considered to be a separately identifiable cash-generating unit and goodwill has been allocated to this cash-generating unit. The recoverable amount of goodwill was based on a value in use, using the dividend discount method. In determining the

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

recoverable amount, the Group made key assumptions on forecasted revenue and the discount rate.

(iv) IFRS 9 Expected Credit Losses

Hulisani management made a judgement regarding the assessment of receivables for impairments using reasonable and supportable information that was available without undue cost or effort in accordance with the requirements of IFRS 9, to determine the credit loss allowance of the respective items at the date they were initially recognised, and at statement of financial position date.

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's history, existing market conditions, as well as forward-looking estimates at the end of each reporting period.

(v) Estimated fair value of option

Hulisani holds 100% of issued shares in Pele SPV13 (Pty) ("Pele SPV13") Ltd. Pele SPV13 holds a 25% interest in GRI Wind Steel South Africa (Pty) Ltd ("GRI)"). The investment has previously been classified as an investment in associate. In the current reporting it was identified that an existing written Put Option in the Share Purchase Agreement for the investment in GRI was not considered in accounting for the investment and the Put Option obliges GRI Spain, a co-shareholder in the investment, to acquire all (and not a portion) of Pele SPV13's shares in GRI for an amount equal to the initial purchase price of the investment less any dividends paid to Pele SPV13 (the "Put Option").

Management has reassessed the accounting treatment of the Put Option and concluded that in substance, Pele SPV13 effectively prepaid the strike price for a call option to acquire an equity stake in GRI. The option is accounted for as a derivative financial asset with gains and losses recognised through profit or loss. Refer to note 16 for details.

(vi) Adoption of IFRS 16

Management has had to make a judgement when determining the lease term, by considering all facts and circumstance that create an economic value on the decision on whether the Group will exercise an option to extend the leases. It was decided that extension option should not be included in the lease liability, because the Group could replace the assets without significant cost or business disruption.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(vii) The impact of COVID-19

Management assessed the impact of COVID-19 to be a post balance sheet event which does not necessitate material adjustments in the financial period on which the Group is reporting. This is on the basis that the first case in South Africa was reported in March 2020, followed by the announcement of the lockdown by

President Cyril Ramaphosa. Management does not expect the lockdown to have a material adverse impact on the operations of Hulisani nor on the going concern assumption. Management believes that the Group has enough liquidity to withstand the impact of COVID-19 and will remain a going concern for the foreseeable future. Refer to note 17 for further details on the impact of COVID-19.

(viii) Deferred tax assets

Deferred tax assets are raised to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Assessment of future taxable profit is performed at every reporting date.

3. CHANGE IN ACCOUNTING POLICIES

This section explains the impact of the adoption of the new accounting standard (IFRS 16 Leases) on Hulisani and the Group's financial statements, as issued by IASB, which was effective for the Group from 01 March 2019:

IMPLEMENTATION OF IFRS 16 LEASES

In the current year, the Group has adopted IFRS 16 Leases (as issued by the IASB in January 2016) with the date of initial application being March 1, 2019. IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases - Incentives and SIC 27 - Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at the lease commencement, for all leases, except for short-term leases, and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described in the accounting policy for leases. The impact of the adoption of IFRS 16 on the Group's financial statements is described below.

The Group has applied the practical expedient available in IFRS 16 which provides that, for contracts

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

3. CHANGE IN ACCOUNTING POLICIES (CONTINUED)

which exist at the initial application date, an entity is not required to reassess whether they contain a lease. This means that the practical expedient allows an entity to apply IFRS 16 to contracts identified by IAS 17 and IFRIC 4 as containing leases, and to not apply IFRS 16 to contracts that were not previously identified by IAS 17 and IFRIC 4 as containing leases.

IFRS 16 has been adopted by applying the modified retrospective approach, whereby the comparative figures are not restated. Instead, cumulative adjustments to retained earnings have been recognised in retained earnings as at March 1, 2019.

LEASES WHERE GROUP IS LESSEE

LEASES PREVIOUSLY CLASSIFIED AS OPERATING LEASES

The Group undertook the following at the date of initial application for leases which were previously recognised as operating leases:

- Recognised a lease liability, measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate at the date of initial application.
- Recognised right-of-use assets measured on a lease by lease basis, at an amount equal to the lease liability adjusted for the rental smoothing liability previously recognised under IAS17.

The Group relied on previous assessments on whether leases are onerous as an alternative to applying IAS 36 to consider if these right-of-use assets are impaired as at the date of initial application.

The Group applied the following practical expedients when applying IFRS 16 to leases previously classified as operating leases in terms of IAS 17. Where necessary, they have been applied on a lease by lease basis:

- Leases which were expiring within 12 months of March 1, 2019 were treated as short term leases, with remaining lease payments recognised as an expense on a straight-line basis.
- Initial direct costs were excluded from the measurement of right-of-use assets at the date of initial application.

LEASE LIABILITY

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the fixed lease payments, including in-substance fixed payments.

The lease liability is presented as a separate line item on the statement of financial position.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

3. CHANGE IN ACCOUNTING POLICIES (CONTINUED)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method), and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs.

RIGHT-OF-USE ASSETS

Right-of-use assets are presented as part of property, plant and equipment in the statement of financial position. The details are included in note 8.

Lease payments included in the measurement of the right-of-use asset comprise the following:

- The initial amount of the corresponding lease liability
- Any lease payments made at or before the commencement date
- Any initial direct costs incurred
- Any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the Group incurs an obligation to do so, unless these costs are incurred to produce inventories
- Less any lease incentives received

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

The residual value, lease term, 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.

The depreciation charge for each year is recognised in profit or loss.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

3. CHANGE IN ACCOUNTING POLICIES (CONTINUED)

IMPACT ON FINANCIAL STATEMENTS

On transition to IFRS 16, the Group recognised an additional R3.4m of right-of-use of property and R3.8m of lease liabilities.

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at March 1, 2019. The rate applied is 13%.

		Group 2020
Reconciliation of previous operating lease commitments to lease liabilities under IFRS 16		**R'000**
Operating lease commitments disclosed as at 28 February 2019	5,293	
Within one year	1,630	
Later than one year but not later than 5 years	3,663	
Present value of operating leases at 28 February 2019	3,810	
Less: Short-term leases		-
Lease liability recognised as at 1 March 2019 (previous operating lease)		**3,810**
Of which are:		
Current lease liabilities		1,418
Non-current lease liabilities		2,392
Total lease liabilities		**3,810**
Represented by		
Right-of-use assets – Property, plant and equipment		3,447
Total right-of-use assets		**3,447**

GROUP

	28 February 2019	IFRS 16	01 March 2019 Restated
Balance sheet (Extract)	**R'000**	**R'000**	**R'000**
Property, plant and equipment	-	3,447	3,447[1]
Total assets	**-**	**3,447**	**3,447**
Trade and other payables	363	(363)	-
Current lease liability	-	1,418	1,418
Non-current lease liabilities	-	2,392	2,392
Total liabilities	**363**	**3,447**	**3,810**

1 The right-of-use asset has been adjusted for R363k straight lining lease liability raised in the previous year.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

4. INVESTMENT IN ASSOCIATES

KOUGA WIND FARM (PTY) LTD

Hulisani holds 100% of issued shares in Red Cap Investments (Pty) ("Red Cap") Ltd and Eurocape Renewables (Pty) Ltd ("Eurocape"). Red Cap and Eurocape hold 5.46% and 1.21% interest in Kouga Wind Farm (RF) (Pty) Ltd respectively, combined to 6.67%. Red Cap and Eurocape are investment holding companies.

	Group	
	2020	2019 Restated
	R'000	R'000
Balance at the beginning of the period	103,560	122,312
Profit attributable to Hulisani Limited	7,608	5,318
Dividends received	(7,831)	(24,070)
Balance at the end of the period	**103,337**	**103,560**

(i) Identifiable assets

The Group conducted a fair value assessment on acquisition of the associate and recognised customer contracts of R88m (included within the carrying value of the investment). The contract is a 20-year Power Purchase Agreement ("PPA") between Kouga and Eskom, which is the agreement regulating the supply of electricity by Kouga to Eskom. The customer contract is subsequently amortised on a straight-line basis over the remaining term of the PPA to match the cash flows of the contract.

(ii) Impairment

Management identified impairment indicators in Kouga due to the production being less than originally budgeted. An impairment assessment was performed, and it was determined that no impairment loss adjustment was required.

A recoverable amount of the investment was determined through the dividend discount valuation model, by reference to the operations' value in use. The valuation process determined the recoverable amount of R110m to be higher than the carrying value of the investments, and there was no requirement to impair the assets.

The key inputs to the discounted cash flow model are as follows:

- Discount rate – 13.5%.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

4. INVESTMENT IN ASSOCIATES (CONTINUED)

- Base revenue - Base revenue (year 1 revenue cash flow forecast in the model) is determined using current year energy rate inflated at CPI in line with the terms of the Power Purchase Agreement. The base revenue in the cash flow projections is R517 million.

The model is most sensitive to changes in base revenue and discount rate.

- If all assumptions remained unchanged, a 5% decrease in base revenue and subsequent revenue projections results in a decrease in the recoverable amount, and impairment of R9m.
- If all assumptions remained unchanged, a 1% increase in discount rate results in a decrease in the recoverable amount, and impairment of R7m.

As explained in more detail in note 17, the provision of power has been designated as an essential service and as result, the impact of COVID-19 on cash flow projection utilised in the valuation of Hulisani's investment, is limited. The sensitivities above illustrate the impact of changes in discount rate which are likely to be impacted by changes in macroeconomic indicators and the macro economy in general.

5. FINANCIAL ASSETS AND AT FAIR VALUE THROUGH PROFIT AND LOSS

	Group	
	2020	2019 Restated
	R '000	R '000
Financial assets at fair value through profit and loss:		
Convertible loan	81,609	76,786
Derivative assets – GRI Option	70,347	67,327
	151,956	**144,113**

(i) Convertible loan to Legend Power Solution (Pty) Ltd

Hulisani Limited holds a convertible loan to Legend Power Solution (Pty) Ltd ("LPS"), a company with an underlying investment in Avon and Dedisa Peaking Power. The loan participates in 9% of distributable profits available to LPS shareholders and will convert to a 9% equity stake in LPS. The loan will

convert when senior funding in LPS has been fully repaid to the lender. The investment is carried as a financial asset at fair value through profit or loss.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

5. FINANCIAL ASSETS AND AT FAIR VALUE THROUGH PROFIT AND LOSS (CONTINUED)

(ii) GRI Option

On 27 July 2017 the Company acquired 50% of the share capital in Pele SPV13 (Pty) Ltd ("Pele SPV13") for a cash consideration of R41.25m and subscribed for preference shares of R41.25m to Pele SPV198 (Pty) Ltd ("Pele SPV198"). Pele SPV13 (Pty) Ltd ("Pele SPV13") entered into an agreement (the "Share Purchase Agreement") to acquire 25% shareholding in GRI Wind Steel South Africa (Pty) Ltd ("GRI") from GRI Renewables Industries, SL for an amount of R82,5 million (the "Purchase Price"). In legal form, Pele SPV13 is owned in equal proportions by Hulisani and Pele198 (RF) (Pty) Ltd ("Pele SPV198") and in substance, is owned 100% by Hulisani.

In terms of the Share Purchase Agreement, on the fifth anniversary of the acquisition of the investment, Pele SPV13 (by extension Hulisani) has an option in terms of which it may oblige GRI Renewable Industry, S.L., the co-shareholder and majority shareholder in GRI, to acquire all (and not a portion) of Hulisani's shares in GRI for an amount equal to the purchase price of R82,5m less any dividends paid to Pele SPV13 (the "Put Option"). The option provides downside protection of value of the investment as Hulisani is able to receive the invested amount in full at the end of the agreed period. Dividends received from GRI are applied against the purchase price if the put option is exercised, meaning that Hulisani will not benefit from returns on the investment, and as a result, Hulisani does not have upside potential in the value of the investment if the put option is exercised.

Based on the above the conclusion is that the risks and rewards associated with the current ownership interest in GRI have not transferred to Hulisani. The substance of the transaction is that Hulisani has prepaid its strike price for an option to acquire 25% ownership interest in GRI in the future for a fixed price. This instrument therefore meets the definition of a derivative within the scope of IFRS 9.

Refer to Note 13 for further information on valuation inputs.

6. LOAN RECEIVABLES

(i) Loan to Pele Green Energy (Pty) Ltd

The loan to Pele Green Energy (Pty) Ltd ("Pele Green") is issued for a period of 5 years, repayable annually on the anniversary of the issue date. The interest rate is set at prime rate plus 2%.

(ii) Loan to Ignite Energy Projects (Pty) Ltd

In the prior period Hulisani had a receivable to the value of R5m from Ignite Energy Projects (Pty) Ltd ("Ignite"), the loan did not earn interest and has no repayment terms. In the year under review the loan has been written off due a significant deterioration in the credit risk of Ignite. Hulisani assessed the financial

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

6. LOAN RECEIVABLES (CONTINUED)

standing of Ignite in the context of current economic climate,and concluded that it is prudent to write-off the loan as there are no prospects of recoverability.

Loans receivable are presented at amortised cost, which is net of loss allowance, as follows:

	Group	
	2020	2019
	R '000	R '000
Pele Green Energy (Pty) Ltd	7,522	5,877
Ignite Energy Projects (Pty) Ltd	-	4,250
	7,522	**10,127**

Credit loss allowances

The following tables set out the carrying amount, loss allowance, and measurement basis of expected credit losses for loans receivable as at the end of the financial period

2020

Instrument	Basis of loss allowance	Gross Carrying amount	Loss allowance	Amortised cost
		R'000	R'000	R'000
Pele Green Energy (Pty) Ltd	12m ECL	7,522	-	7,522[1]
		7,522	**-**	**7,522**

2019

Instrument	Basis of loss allowance	Gross Carrying amount	Loss allowance	Amortised cost
		R'000	R'000	R'000
Pele Green Energy (Pty) Ltd	12m ECL	6,679	(802)	5,877
Ignite Energy Projects (Pty) Ltd	12m ECL	5,000	(750)	4,250
		11,679	**(1,552)**	**10,127**

1 The loan to Pele Green (Pty) Ltd has since been repaid in full as at 31 March 2020.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

7. INVESTMENT AT AMORTISED COST

Preference shares to Ignite Energy Projects (Pty) Ltd.

Hulisani Limited invested in preference share issued by Ignite Energy Projects (Pty) Ltd ("Ignite") with a subscription value of R21.7m. The preference shares are redeemable in 5 years, and the interest rate is set at prime plus 2.35%.

The preference shares have been written off due a significant deterioration in the credit risk of Ignite. Hulisani assessed the financial standing of Ignite in the context of current economic climate and concluded that it is prudent to write-off the investment as there are no prospects of recoverability.

The investment is presented at amortised cost, which is net of loss allowance, as follows:

	Group	
	2020	2019
	R '000	R '000
Ignite Energy Projects (Pty) Ltd	-	19,276
	-	**19,276**

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

8. PROPERTY, PLANT AND EQUIPMENT

	2020			2019		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Group	R'000	R'000	R'000	R'000	R'000	R'000
Land	1,226	-	1,226	1,226	-	1,226
Building	986	(310)	676	986	(261)	725
Plant and machinery	136,271	(23,075)	113,196	135,496	(14,570)	120,926
Furniture and fixtures	3,028	(1,281)	1,747	2,810	(854)	1,956
Right-of-use assets: Building	5,237	(1,328)	3,909	-	-	-
Motor vehicles	595	(159)	436	595	(40)	555
Office equipment	385	(188)	197	375	(123)	252
IT equipment and software	359	(284)	75	330	(199)	131
Total	**148,087**	**(26,625)**	**121,462**	**141,818**	**(16,047)**	**125,771**

Reconciliation of Property, plant and equipment - Group - 2020

	Opening balance	Additions	Depreciation	Total
	R'000	R'000	R'000	R'000
Land	1,226	-	-	1,226
Building	725	-	(49)	676
Plant and machinery	120,926	775	(8,505)	113,196
Furniture and fixtures	1,956	218	(427)	1,747
Right-of-use assets: Building	-	5,237[1]	(1,328)	3,909
Motor vehicles	555	-	(119)	436
Office equipment	252	10	(65)	197
IT equipment	131	29	(85)	75
	125,771	**6,269**	**(10,578)**	**121,462**

[1] The right of use assets consists of R3.4m which arose due to the first-time adoption of IFRS16, and R1.8m in new leases entered into during the financial period.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of Property, plant and equipment - Group - 2019

	Opening balance	Additions	Disposals	Depreciation	Total
	R'000	R'000	R'000	R'000	R'000
Land	1,226	-	-	-	1,226
Building	774			(49)	725
Plant and machinery	128,881	471	-	(8,426)	120,926
Furniture and fixtures	2,349	27	-	(420)	1,956
Motor vehicles	192	595	(139)	(93)	555
Office equipment	312	3	-	(63)	252
IT equipment	180	52	-	(101)	131
	133,914	**1,148**	**(139)**	**(9,152)**	**125,771**

Property, plant and equipment encumbered as security

The following assets have been encumbered as security for the secured long-term borrowings (refer to note10):

	Group	
	2020	2019
	R'000	R'000
Property, plant and equipment:		
- Land	1,226	1,226
- Building	676	725
- Plant and machinery	113,195	120,925
- Other assets	2,126	620
Total non-current assets pledged as security	**117,223**	**123,496**
Total assets pledged as security	**117,223**	**123,496**

A register containing the information required by regulation 25(3) of the Companies Regulations is available for inspection at the registered office of the company.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

9. INTANGIBLE ASSETS

	2020			2019		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Group	R'000	R'000	R'000	R'000	R'000	R'000
Goodwill	44,761	-	44,761	44,761	-	44,761
Customer contract	113,218	(18,880)	94,338	113,218	(12,014)	101,204[1]
Total	**157,979**	**(18,880)**	**139,099**	**157,979**	**(12,014)**	**145,965**

Reconciliation of intangible assets - Group – 2020

	Opening balance	Amortisation	Total
	R'000	R'000	R'000
Goodwill	44,761	-	44,761
Customer contract	101,204	(6,866)	94,338[1]
	145,965	**(6,866)**	**139,099**

Reconciliation of intangible assets - Group - 2019

	Opening balance	Amortisation	Total
	R'000	R'000	R'000
Goodwill	44,761	-	44,761
Customer contract	108,069	(6,865)	101,204
	152,830	**(6,865)**	**145,965**

[1] Development costs have been combined with customer contracts due to the interrelated nature of these intangibles. The purchase price allocation was performed on acquisition of RustMo1. The customer contract that has been recognised, relates to the Power Purchase Agreement with Eskom. This is amortised over the remaining period of the agreement and the remaining useful lives of intangible assets at 29 February 2020 is 16.5 years

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

9. INTANGIBLE ASSETS (CONTINUED)

IMPAIRMENT OF GOODWILL

The goodwill relates to the acquisition of the RustMo1 Solar Farm (Pty) Ltd ("RustMo1") and is mainly attributable to the deferred tax liability recognised on the fair value of intangible assets.

In accordance with the requirements of IAS 36 'Impairment of Assets', goodwill is tested annually for impairment for each Cash Generating Unit (CGU), by comparing the carrying amount of each CGU to its recoverable amount, being the higher of that CGU's value in use or fair value less costs to sell. The appropriateness of the CGUs is evaluated on an annual basis. For impairment testing goodwill acquired through business combinations is allocated to the RustMo1 CGU, which is also an operating and a reportable segment.

The carrying amount of the goodwill allocated to the CGU:

	RustMo1	Total
	R'000	R'000
Goodwill	44,761	44,761
	44,761	**44,761**

In the performance of goodwill impairment testing, the Group used the value in use calculation to determine the recoverable amount, by using dividend discount model, which incorporated dividend projections from financial model approved by senior management covering the remaining period of the Power Purchase Agreement ("PPA"), and a risk-adjusted discounted rate reflecting cost of equity.

The key inputs to the discounted cash flow model are as follows:

- Discount rate – 13.1%
- Base revenue - Base revenue (year 1 revenue cash flow forecast in the model) is determined using current year energy rate inflated at CPI in line with the terms of the Power Purchase Agreement. The base revenue in the cash flow projections is R54 million.

The model is most sensitive to changes in base revenue and discount rate.

- If all assumptions remained unchanged, a 5% decrease in base revenue and subsequent revenue projections results in a decrease in the recoverable amount, and further impairment of R7m.
- If all assumptions remained unchanged, a 1% increase in discount rate results in a decrease in the recoverable amount, and further impairment of R6m.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

10. BORROWINGS

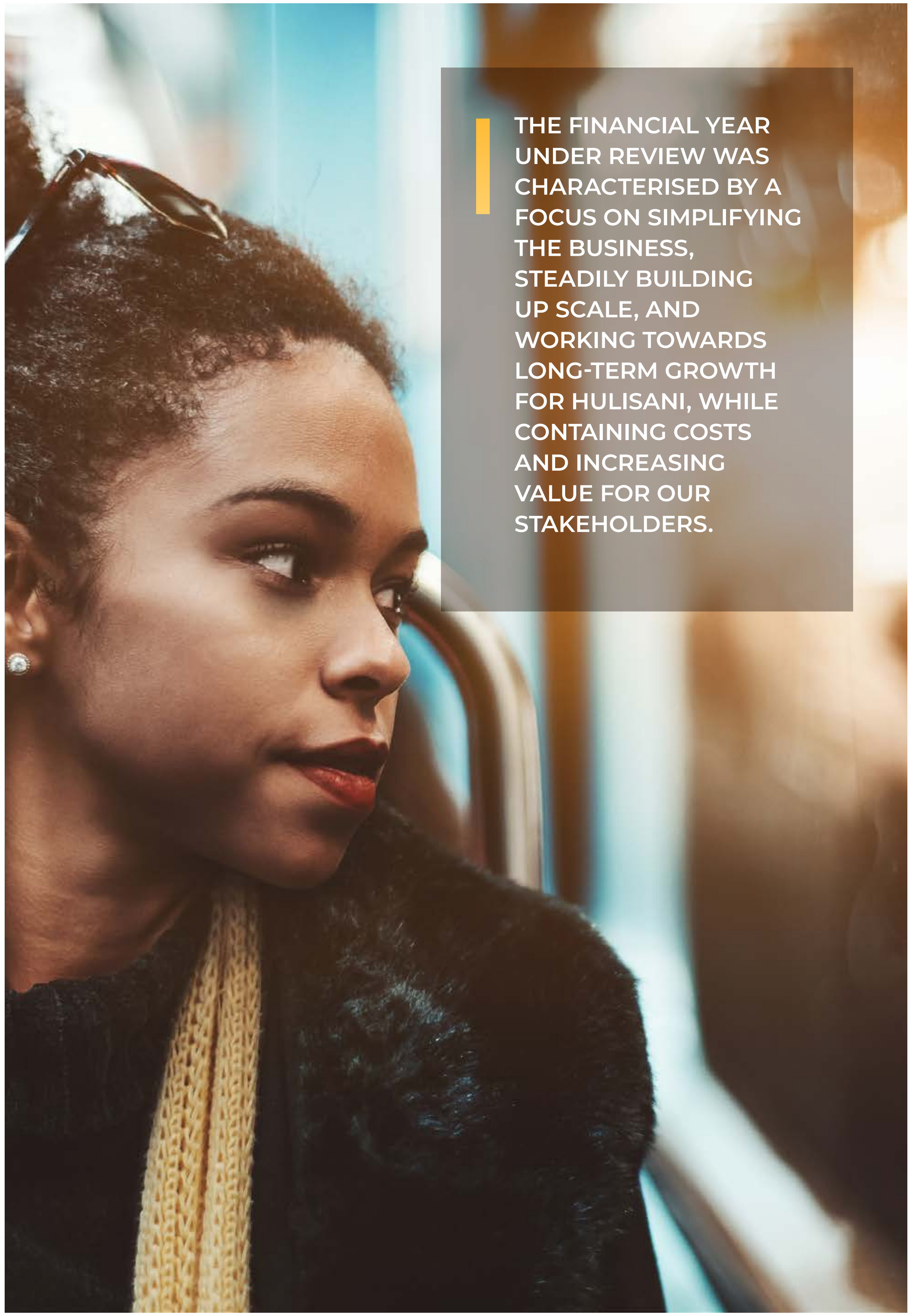
	Group	
	2020	2019 Restated
	R '000	R '000
Held at amortised cost	60,152	62,635
Secured		
Nedbank loan		
IDC loan	60,453	62,908
Unsecured		
	-	622
Lead Africa Capital loan		
	120,605	**126,165**
Split between non-current and current portions	108,862	114,695
Non-current liabilities		
Current liabilities	11,743	11,470
	120,605	**126,165**

	Group	
	2020	2019 Restated
	R'000	R'000
Balance at the beginning of the period	126,165	136,055
Advancements	-	622
Repayments	(5,560)	(10,512)
	120,605	**126,165**

IDC loan
The IDC loan is secured, bears interest at 11.60%, and is repayable in semi-annual instalments over a term of 14 years.

Nedbank loan
The Nedbank loan is secured, bears interest at 11.65%, and is repayable in semi-annual instalments over a term of 14 years.

(i) Assets pledged as security
See note 8 for all assets pledged as security



NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

11. LEASE LIABILITIES

	Group
	2020
	R'000
Minimum lease payment due	
- Within one year	1,960
Later than one year but no later than 5 years	3,050
Later than 5 years	247
	5,257
Less: Future finance charges	(777)
Present value of minimum lease payments	**4,480**
Present value of minimum lease payments due:	
- Within one year	1,533
Later than one year but no later than 5 years	2,705
Later than 5 years	242
	4,480
Non-current liabilities	2,947
Current liabilities	1,533
	4,480

	Group
	2020
	R'000
Balance at the beginning of the period	-
Recognised on first time adoption of IFR16	3,810
Addition	1,790
Interest	507
Repayments	(1,627)
- Capital	(1,120)
- Interest	(507)
	4,480

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

11. LEASE LIABILITIES (CONTINUED)

The Group entered into leases for office space for the holding company and subsidiaries. Rental contracts are made for fixed periods, with remaining lease term of between 2 - 4.5 years. Contracts may contain both lease and non-lease components, however the Group has elected not to separate lease and non-lease components and instead accounts for these as a single lease component. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions, and current lease agreements do not impose any covenants.

The effective borrowing rates are 10% and 13%, respectively. To determine the borrowing rate,

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

11. LEASE LIABILITIES (CONTINUED)

the Group uses recent third-party financing received by the individual lessee. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period and capitalised on the remaining balance of the liability for each period.

Payments associated with short-term leases and all leases of low-value assets, are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment.

Extension options in offices leases have not been included in the lease liability, because the Group could replace the assets without significant cost or business disruption.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

12. SEGMENTAL INFORMATION

2020

	Revenue	Separately disclosable items					
	Revenue	Net profit	Non-cash items in comprehensive income	Depreciation and amortisation	Interest income	Finance cost	Dividends received
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
RustMo1	52,032	11,916	-	(15,742)	1,437	(13,327)	6,351
Kouga	-	7,608	-	-	-	-	7,831
GRI	-	3,020	3,020	-	-	-	
LPS	17,406	22,229	4,823	-	-	-	
Other/ Eliminations	-	(71,706)	(23,941)	(1,701)	2,370	(433)	
	69,438	**(26,933)**	**(16,098)**	(17,443)	3,087	(13,760)	14,182

2019 – Restated

	Revenue	Separately disclosable items					
	Revenue	Net profit	Non-cash items in comprehensive income	Depreciation and amortisation	Interest income	Finance cost	Dividends received
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
RustMo1	50,371	11,119	(19)	(15,448)	1,497	(14,759)	12,800
Kouga	-	5,318	-	-	-	-	24,070
GRI	-	4,404	4,404	-	-	-	-
LPS	-	4,730	1,643	-	3,087	-	-
Other/ Eliminations	-	(48,346)	(31)	(569)	2,901	(105)	-
	50,371	**(22,775)**	**5,997**	**(16,017)**	**7,485**	**(14,864)**	**36,870**

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

12. SEGMENTAL INFORMATION (CONTINUED)

SEGMENT ASSETS AND LIABILITIES

	Equity accounted investments	Property, and equipment	Financial assets at fair value	Financial assets at amortised cost	Intangible assets	Current assets	Total liabilities
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
RustMo1	-	117,223	-	-	139,099	32,242	167,277
Kouga	103,337	-	-	-	-	-	-
GRI	-	-	70,347	-	-	-	-
LPS	-	-	81,609	-	-	-	-
Other/ Eliminations	-	4,239	-	7,522	-	6,913	15,107
Total	**103,337**	**121,462**	**151,956**	**7,522**	**139,099**	**39,155**	**182,384**

2019 - Restated

	Equity accounted investments	Property, plant and equipment	Financial assets at fair value	Financial assets at amortised cost	Intangible assets	Current assets	Total liabilities
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
RustMo1	-	123,496	-	-	145,965	41,805	179,079
Kouga	103,560	-	-	-	-	-	-
GRI	-	-	67,326	-	-	-	-
LPS	-	-	76,786	-	-	-	-
Other/ Eliminations	-	2,275	-	29,403	-	12,367	10,390
Total	**103,560**	**125,771**	**144,112**	**29,403**	**145,965**	**54,172**	**189,449**

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

13. FAIR VALUE INFORMATION

Fair value hierarchy

The table below analyses assets carried at fair value. The different levels are

Level 1: Quoted unadjusted prices in active markets for identical assets that the Group can access at measurement date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset either directly or indirectly. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: Unobservable inputs for the asset. This is the case for unlisted equity securities.

Levels of fair value measurements

The following presents the Group's financial instruments measured and recognised at fair value at 29 February 2020. The Group has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 3

	Group	
	2020	2019 Restated
	R '000	R '000
Recurring fair value measurements		
Assets		
Financial assets at fair value through profit (loss)		
Convertible loan	81,609	76,786
Derivative – GRI option	70,347	67,327
Total	**151,956**	**114,113**

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

13. FAIR VALUE INFORMATION (CONTINUED)

Transfers of assets within levels of the fair value hierarchy

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year.

Reconciliation of assets measured at level 3

	Notes	Opening balance R'000	Fair value adjustment in profit/(loss) R'000	Closing balance R'000
Group – 2020				
Assets				
Financial assets at fair value through profit (loss)				
Convertible loan	5	76,786	4,823	81,609
Derivative – GRI option	5	67,327	3,020	70,347
Total		**144,113**	**7,843**	**151,956**

	Notes	Opening balance R'000	Fair value adjustment in profit/(loss) R'000	Closing balance R'000
Group – 2019 restated				
Assets				
Financial assets at fair value through profit (loss)				
Convertible loan	5	75,143	1,643	76,786
Derivative – GRI option	5	62,923	4,404	67,327
Total		**138,066**	**6,047**	**144,113**

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

13. FAIR VALUE INFORMATION (CONTINUED)

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

The key unobservable inputs, together with the weighted average range of probabilities, are as follows:

Description	Fair value at 29 February 2020	Fair value at 28 February 2019	Unobservable inputs	Actual inputs	Relationship of unobservable inputs to fair value
	R'000	R'000			
Convertible loan	81,609	76,786	Discount rate	13.9%	An increase in discount rates results in a reduction in fair value.
			Base revenue from plant operation	R3 billion	A decrease in base revenue results in a reduction in fair value.
			Remaining period of operation	25 years	A reduction in the period of operation results in a reduction in fair value.
			Average plant utilisation rate	2.4%	A decrease in utilisation rate results in a reduction in fair value
Derivative – GRI option	70,347	67,326	Spot price	Rnil	An increase in the spot price will result in a reduction in fair value of the put option.
			Interest rate	6.6%	An increase in interest rate will result in a reduction in fair value of the put option.
			Time to maturity	2 years	Shorter time to maturity increases the value of the put option.
			Volatility	38.06%	High volatility increases the value of the put option

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

13. FAIR VALUE INFORMATION (CONTINUED)

(a) Convertible loan

The fair value is determined by discounting dividend income using the dividend discount method. LPS has underlying investments in the Avon and Dedisa Open Cycle Gas/diesel Turbine (OCGT) plants. The dividend income is based on the operational results of the Avon and Dedisa power plants.

The key inputs to the discounted cash flow model of the underlying operational plants are as follows:

1. Discount rate – 13.9%

2. Base revenue from plant operation – Base revenue (year 1 revenue cash flow forecast in the model) is determined using the Power Purchase Agreement capacity rate for Dedisa and for Avon. The base revenue in the cash flow projections of Dedisa and Avon is R3 billion.

3. Remaining period of operation - 25 years

4. Average plant utilisation rate – 2.4%

The model is most sensitive to changes in base revenue from operations, discount rate, and period of operation.

- If all assumptions remained unchanged, a 5% decrease in base revenue and subsequent revenue projections results in a reduction in fair value of R18m.
- If all assumptions remained unchanged, a 1% increase in discount rate results in a reduction in fair value of R7m.
- If all assumptions remained unchanged, a 5-year reduction in the period of operation results in a reduction in fair value of R6m.
- If all assumptions remained unchanged, a 1% reduction in the average utilisation rate results in a reduction in fair value of R3m.

(b) Derivative – GRI option

The valuation technique used to value the option is the Binomial option pricing model.

The key inputs are as follows:

1. Spot price - Rnil
2. Interest rate – 6.6%
3. Time to maturity – 2 years
4. Volatility – 38.06%

The model is most sensitive to changes in interest rate.

- If all assumptions remained unchanged, a 1% increase in interest rates results in a reduction in fair value of R1.8m.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

13. FAIR VALUE INFORMATION (CONTINUED)

Valuation processes applied by the Group

The Group finance department obtains input from independent valuation experts in performing valuations of financial assets required for financial reporting purposes, including level 3 fair values. The valuations expert communicates directly with the Chief Financial Officer (CFO).

Specific valuation techniques used to value financial instruments include:

- The convertible loan is valued by using the Dividend Discount Model. The discount rates used for the valuations are the prevailing market rates at the time of the valuations.
- The options use the Binomial option pricing models.

The Group conducts valuations twice a year, at the interim financial reporting period and at the year-end reporting period.

14. EARNINGS PER SHARE

Reconciliation between earnings and headline earnings is as follows:

	Group	
	2020	2019
		Restated
	R '000	R '000
Basic and diluted loss per share (cents)	(59)	(50)
Basic and diluted headline loss per share (cents)	(59)	(50)

The calculation of earnings per share for the year ended 29 February 2020 was based on the loss attributable to ordinary shareholders of Hulisani Limited, and a weighted average number of ordinary shares.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

14. EARNINGS PER SHARE (CONTINUED)

	Group	
	2020	2019
		Restated
	R '000	R '000
Reconciliation of profit or loss for the year to headline earnings		
Profit or loss for the year attributable to equity holders of the parent	(29,414)	(24,842)
Adjustments:		
Effects of remeasurements for subsidiaries, net of NCI and tax:	-	14
Impairment loss	-	-
Loss on sale of property, plant and equipment	-	20
Tax effect	-	(6)
Headline earnings	**(29,414)**	**(24,828)**
Weighted average number of ordinary shares ('000)		**50,000**

15. RELATED PARTIES

Entity	Relationships
GraysMaker Advisory (Pty) Ltd	GraysMaker Advisory (Pty) Ltd a shareholder of Umhlaba Lease Co. (Pty) Ltd, a subsidiary of Hulisani. Also, the managing director of Umhlaba is the sole shareholder of GraysMaker Advisory (Pty) Ltd.
Pele Green Energy (Pty) Ltd and Pele Green SPV 198 (Pty) Ltd	Joint investment in GRI Towers
Momentous Operation Services (Pty) Ltd Momentous Solar Farm (RF) (Pty) Ltd Placeweath (Pty) Ltd	Shareholders of these entities are directors of RustMo1 Solar Farm (RF) (Pty) Ltd
AV Notshe DP Hlatshwayo PC Mdoda HH Schaaf B Marx ME Raphulu MP Dem	Members of key management
Nibira (Pty) Ltd	The founding members, who are also the directors of Hulisani, are the directors of Nibira (Pty) Ltd
Kouga Wind Farm (Pty) Ltd (refer to note 4)	Associate

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

15. RELATED PARTIES (CONTINUED)

Related party balances

	Group	
	2020	2019
	R '000	R '000
Trade receivables (a)	650	650
Loans receivable (a)	7,522	6,679
Other receivables (b)	-	5,201
Lease liability (c)	1,665	-

a) A subsidiary of Pele Green (Pty) Ltd, Pele SPV198 (Pty) Ltd entered into an agreement with Hulisani Limited to jointly subscribe for ordinary shares in Pele SPV13 (Pty) Ltd. Hulisani Limited subscribed for cumulative preference shares in Pele SPV198 (Pty) Ltd for the entity's funding of the ordinary shares subscription in Pele SPV13 (Pty) Ltd. Trade receivables and loans receivables are due from Pele Green Energy (Pty) Ltd, a parent company to Pele SPV198 (Pty) Ltd.

b) Sponsor fees refundable to Hulisani by Nibira (Pty) Ltd. A settlement was reached between Hulisani and Nibira and the amount is no longer due and refundable to Hulisani

c) RustMo1 currently leases office space from Placeweath (Pty) Ltd, a company owned by RustMo1's CEO.

Related party transactions

	Group	
	2020	2019
	R '000	R '000
Consulting fees (a)	1,550	2,467
Dividends (b)	-	3,297
Management fees (c)	-	2,458
Dividends received (d)	7,831	24,070
Sponsor fees (e)	5,201	-

a) Umhlaba Land Lease Co. (Pty) Ltd used the consulting services of GraysMaker Advisory (Pty).

b) Dividends were paid to Momentous Solar Farm (Pty) Ltd by RustMo1.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

15. RELATED PARTIES (CONTINUED)

c) Management fees were paid to Momentous Operations Services (Pty) Ltd by RustMo1.

d) Dividends received from Kouga, the associate.

e) Sponsor fees were paid by Hulisani to Nibira (Pty) Ltd, after a settlement was reached.

Compensation to executive directors and key management

	Group	
	2020	2019
	R '000	R '000
Short-term employee benefits	5,559	7,737
	5,559	**7,737**

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

16. CORRECTION OF ERROR

(i) GRI Wind Steel South Africa (Pty) Ltd

GRI option

On 27 July 2017 the Company acquired 50% of the share capital in Pele SPV13 (Pty) Ltd ("Pele SPV13") for a cash consideration of R41.25m and subscribed for preference shares of R41.25m to Pele SPV198 (Pty) Ltd ("Pele SPV198"). The transaction resulted in an acquisition of a 25% stake in GRI Wind Steel South Africa (Pty) Ltd ("GRI") by Pele SPV13.

In the current period it was identified that an existing written Put Option in the Share Purchase Agreement for the investment in GRI was not considered in the accounting for the investment. The Put Option on the GRI transaction provides downside protection on the investment.

The accounting treatment of the investment in GRI was accordingly reassessed and the initial accounting treatment of GRI as 'an equity investment in associate' required correction. Management has concluded that the substance of the transaction is that Hulisani, through Pele SPV13, has prepaid a strike price of R82,5m, for an option to acquire a 25% ownership interest in GRI for a fixed price. The equity investment in GRI has therefore been derecognised and a derivate financial asset ("GRI Option") has been recognised. The derivative financial asset is held at fair value with gains and losses relating to the fair value measurement recognised through profit or loss.

Pele SPV198 option

As highlighted above, Hulisani subscribed for preference shares of R41.25m Pele SPV198 and the preference share subscription agreement includes a requirement that Pele SPV198 pledges its shares held in Pele SPV13 to Hulisani until the preference share funding is repaid. Therefore, until such time the preference shares have been repaid, risks and rewards associated with Pele SPV198 investment in Pele SPV13 have transferred to Hulisani, and Pele SPV198 effectively, has an option to acquire the 50% interest in Pele SPV13 once the preference share funding has been repaid. In the prior reporting periods, the Call Option had been determined to have an immaterial value. The restatement of the investment in GRI however necessitated the valuation of the existing call option with Pele SPV198 to be revisited and adjusted accordingly.

The option is equity-settled at Group level.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

16. CORRECTION OF ERROR (CONTINUED)

(ii) Borrowings

In a previous period, the Group incorrectly not accrued for finance cost to the value of R3.8m, and as a result, the finance costs were under accrued for. The correction has been made to opening retained earnings at 01 March 2018.

	28 February 2018	Increase/ (Decrease)	01 March Restated 2018	28 February 2019	Increase/ (Decrease)	28 February Restated 2019
Statement of Financial Position (extract)	R'000	R'000	R'000	R'000	R'000	R'000
Derivatives – GRI option (i)	-	62,923	62,923	-	67,327	67,327
Investments in associates (i)	148,810	(26,498)	122,312	118,829	(15,269)	103,560
Total assets	**584,315**	**36,425**	**620,740**	**550,926**	**52,058**	**602,984**
Accumulated loss	122,874	(27,355)	95,519	165,093	(42,988)	122,105
Non-controlling interest (ii)	(34,625)	1,292	(33,333)	(30,370)	1,292	(29,078)
Non-distributable reserve (i)	(773)	(6,562)	(7,335)	-	(6,562)	(6,562)
Borrowings – non-current (ii)	(121,692)	(3,800)	(125,492)	(110,895)	(3,800)	(114,695)
Total liabilities and equity	**(584,315)**	**(36,425)**	**(620,740)**	**(550,926)**	**(52,057)**	**(602,984)**

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

16. CORRECTION OF ERROR (CONTINUED)

	Group		
	28 February 2019	Increase/ (Decrease)	28 February Restated 2019
Statement of profit or loss and comprehensive income(extract)	**R'000**	**R'000**	**R'000**
Operating gains /(losses)	1,593	4,404	5,997
Impairment loss	-	-	-
Operating profit	**(21,322)**	**4,404**	**(16,918)**
Share of the loss from equity accounted investments	(5,911)	11,229	5,318
Loss before tax	**(34,611)**	**15,633**	**(18,978)**
Taxation	**(3,797)**	**-**	**(3,797)**
Loss for the year	**(38,408)**	**15,633**	**(22,775)**
Loss for the year attributable to:			
Owners of the parent	(40,475)	15,633	(24,842)
Non-controlling interest	2,067	-	2,067
	(38,408)	**15,633**	**(22,775)**
Total comprehensive loss for the year attributable to:			
Owners of the parent	(40,475)	15,633	(24,842)
Non-controlling interest	2,067	-	2,067
	(38,408)	**15,633**	**(22,775)**

Basic and diluted loss per share and headline loss per share for the prior periods have also been restated.

The amount of the correction for both basic loss per share and headline loss per share, was adjusted for the Group as follows:

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

16. CORRECTION OF ERROR (CONTINUED)

01 March 2018		Basic and diluted headline loss per share
Group	**Cents**	**Cents**
GRI option	73	(19)
Pele SPV198 option	(13)	(13)
Borrowings	(5)	(5)
Total decrease/(increase) in loss	**55**	**(37)**

28 February 2019	Basic and diluted loss per share	Basic and diluted headline loss per share
Group	**Cents**	**Cents**
GRI option	31	31
Pele SPV198 option	-	-
Total decrease/(increase) in loss	**31**	**31**

17. EVENTS AFTER THE REPORTING PERIOD

(i) The impact of COVID-19

President Cyril Ramaphosa announced a countrywide lockdown following the declaration of COVID-19 as a pandemic by the World Health Organisation, and in response to the threat posed by the virus. The pandemic continues to impact all aspects of global society with serious ramifications for the global economy. Hulisani's investments have outlined their business continuity plans to ensure that operations are not interrupted during the lockdown, as the provision of power has been declared an essential service in South Africa. As an investor in assets in the Renewable Energy sector, Hulisani's investments provide energy to the national utility ESKOM on the back of long-term, government-backed power purchase agreements, and which also cater for conditions of low electricity demand. Management assessed the impact of COVID-19 to be a post balance sheet event which does not necessitate adjustments in the financial period on which the Group is reporting.

Notwithstanding the designation of Hulisani's investments as essential services, one of the investments, Kouga Wind Farm, received correspondence from the national utility of their

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

17. EVENTS AFTER THE REPORTING PERIOD (CONTINUED)

intention to declare the lockdown a force majeure, which would absolve ESKOM from its obligation to procure power from the power plant during the lockdown period. Kouga has sought legal advice and indications are that the lockdown does not constitute a force majeure as defined in the Power Purchase Agreement with ESKOM and that any curtailments that ESKOM may institute would be part of curtailments that are provided for in the agreement and which would need to be compensated for. To date, and since the commencement of lock down, the plant has been curtailed for 2 hours and 3 hours over two days respectively and is accordingly in the process of seeking compensation as provided for in the agreement for the curtailments. The matter is however ongoing and the probability of resolution in ESKOM's view is viewed as low at this stage. Furthermore, management continues to assess the impact on the business and the various options available to mitigate the risk.

Based on the above, the lockdown is not expected to have a material adverse impact on the operations of Hulisani nor on the going concern assumption, primarily due the designation of the investments as essential services and also the nature of the long-term power purchase agreements with ESKOM, which are government guaranteed. As a result, management believes that the Group has enough liquidity to withstand the impact of COVID-19 and will remain a going concern for the foreseeable future.

(ii) Share-based payments

The remuneration committee decided to reward Hulisani management for their contribution to the performance of the Group by granting them share appreciation rights ("SARs"). The rights entitle the employees to an equity payment after 2 years of service, as well as meeting certain performance conditions.

The amount payable will be determined based on the increase of Hulisani share price between the grant date (17 March 2020) and the vesting date. The rights must be exercised on vesting date and will expire if not exercised on that date.

18. DIVIDENDS

There are no dividends declared for the period.

19. GOING CONCERN

The summarised consolidated results for the year ended 29 February 2020, which are a summarised set of the audited financial statements, have been prepared on a going concern basis. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations, and commitments will occur in the ordinary course of business

SHAREHOLDER ANALYSIS

At the reporting date, the shareholders holding more than 5% were:

Government Employment Pension Fund	34%
Eskom Pension and Provident Fund	11%
Alexander Forbes Investment Ltd	5%

Shareholder spread	Number of shareholders	Percentage of shareholders	Numbers of shares	Percentage of issued capital
2020		%	'000	%
Public	283	93	47,851	96
Non-public	21	7	2,149	4
	304	100	50,000	100

Directors' shareholding	Direct beneficial	Indirect beneficial	Total number of shares	Total
2020	'000	'000	'000	%
ME Raphulu (i)		0	0	0
PC Mdoda	500	-	500	1
MH Zilimbola[1] (ii)	-	1,500	1,500	3
AV Notshe (iii)	-	557	557	1
	500	2,057	2,557	5

1 Shareholders are advised that MH Zilimbola resigned as an alternate director on 01 March 2020. There was no change in directors' shareholding between the year end and the approval date of the annual financial statements.

Directors' shareholding	Direct beneficial	Indirect beneficial	Total number of shares	Total
2019	'000	'000	'000	%
ME Raphulu (i)		0	0	0
PC Mdoda	500	-	500	1
MH Zilimbola (ii)	-	1,500	1,500	3
AV Notshe (iii)	-	557	557	1
	500	2,057	2,557	5

(i) Held through Pentomore.
(ii) Held through Zelmaro, Sdindi Kapital and Mazi Capital
(iii) Held through Human Interest.

SHAREHOLDER INFORMATION

SHAREHOLDER INFORMATION

HULISANI LIMITED
INCORPORATED IN THE REPUBLIC OF SOUTH AFRICA
(REGISTRATION NUMBER: 2015/363903/06)
SHARE CODE: HUL
ISIN: ZAE000212072
("HULISANI" OR THE "COMPANY")

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 5th annual general meeting of shareholders of Hulisani Limited will be held, subject to any cancellation, postponement or adjournment, entirely via a remote interactive electronic platform on Friday, 28 August 2020, commencing at 12:00 ("AGM").

PURPOSE

The purpose of the AGM is to transact the business set out in the agenda below

IMPACT OF COVID-19 OUTBREAK ON THE AGM

As a result of the COVID-19 outbreak, it is required to participate in the AGM via electronic means, rather than physically. Shareholders' attention is also drawn to the guidance from authorities regarding the need for social distancing, and therefore we urge shareholders to submit their votes via proxy.

Shareholders or their duly appointed proxies who wish to participate in the AGM are required to complete the Electronic Participation Application Form available immediately after the proxy form on page 176 and email same to the Company's Transfer Secretaries at "mailto:proxy@computershare.co.za" proxy@computershare.co.za and to Hulisani's company secretary at "mailto:mvoller@resolvesecretarial.co.za" mvoller@resolvesecretarial.co.za as soon as possible, but in any event by no later than 17:00 on Thursday, 27 August 2020.

Shareholders or their duly appointed proxies are required to provide satisfactory identification before being entitled to participate in the AGM.

Upon receiving a completed Electronic Participation Application Form, the Company's Transfer Secretaries will follow a verification process to verify each applicant's entitlement to participate in and/or vote at the AGM. The Company's Transfer Secretaries will provide the Company with the nominated email address of each verified shareholder or their duly appointed proxy to enable the Company to forward them a Microsoft Teams meeting invitation required to access the AGM.

Fully verified shareholders or their duly appointed proxies who have applied to participate electronically in the AGM are requested by no later than 11:55 on Friday, 28 August 2020 to join the lobby of the meeting by clicking on the "Join Microsoft Teams Meeting" link to be provided by Hulisani's company secretary or by the secretarial office, whose admission to the AGM will be controlled by the company secretary/secretarial office.

Participants will be liable for their own network charges in relation to electronic participation in and/or voting at the AGM. Any such charges will not be for the account of the Company's Transfer Secretaries or Hulisani who will also not be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any such shareholder or their proxy from participating in and /or voting at the AGM.

AGENDA

- Presentation of the Audited Annual Financial Statements of the Company, including the reports of the Directors and the Audit and Risk Committee of the Company for the year ended 29 February 2020. The Integrated Annual Report, of which this notice forms part, contains the summarised consolidated Company Financial Statements and the aforementioned reports. The Audited Annual Financial Statements, including the unmodified audit opinion, are available on the Company's website at www.hulisani.co.za, or may be requested and obtained in person, at no charge, at the registered office of the Company during office hours, or from the company secretary at mvoller@resolvesecretarial.co.za.

TO CONSIDER AND, IF DEEMED FIT, APPROVE, WITH OR WITHOUT MODIFICATION, THE FOLLOWING ORDINARY RESOLUTIONS:

1. RETIREMENT, RE-ELECTION AND CONFIRMATION OF APPOINTMENT OF DIRECTORS

1.1 ORDINARY RESOLUTION NUMBER 1

"Resolved that Ms Dudu Hlatshwayo, who retires by rotation in terms of the memorandum of incorporation of the Company and, being eligible, offers herself for re-election, be and is hereby re-elected as Director".

Refer to the curriculum vitae of Ms Dudu Hlatshwayo on page 59 of the Integrated Annual Report to which this notice of AGM is annexed.

1.2 ORDINARY RESOLUTION NUMBER 2

"Resolved that Mr Pat Mdoda, who retires by rotation in terms of the memorandum of incorporation of the Company and, being eligible, offers himself for re-election, be and is hereby re-elected as Director".

Refer to the curriculum vitae of Mr Pat Mdoda on page 58 of the Integrated Annual Report to which this notice of AGM is annexed.

1.3 ORDINARY RESOLUTION NUMBER 3

"Resolved that Ms Thandiwe Godongwana's appointment as Director in terms of the memorandum of incorporation of the Company, be and is hereby confirmed."

Refer to the curriculum vitae of Ms Thandiwe Godongwana on page 58 of the Integrated Annual Report to which this notice of AGM is annexed.

1.4 ORDINARY RESOLUTION NUMBER 4

"Resolved that Ms Karabo Kekana's appointment as Director in terms of the memorandum of incorporation of the Company, be and is hereby confirmed."

Refer to the curriculum vitae of Ms Karabo Kekana on page 60 of the Integrated Annual Report to which this notice of AGM is annexed.

The reason for ordinary resolutions number 1 and 2 (both inclusive) is that the memorandum of incorporation of the Company, the Listings Requirements of the JSE Limited (JSE), and to the extent applicable, the Companies Act, require that a component of the Non-executive Directors rotate at every Annual General Meeting of the company, and being eligible, may offer themselves for re-election as Directors.

The reason for ordinary resolutions number 3 and 4 is that the memorandum of incorporation of the company and the Listings Requirements of the JSE Limited (JSE Listings Requirements), require that any Director appointed by the Board of the Company be confirmed by the shareholders at the next Annual General Meeting of the Company.

2. RE-APPOINTMENT OF THE MEMBERS OF THE AUDIT AND RISK COMMITTEE OF THE COMPANY

NOTE:

For avoidance of doubt, all references to the Audit and Risk Committee of the Company is a reference to the Audit Committee as contemplated in the Companies Act.

2.1 ORDINARY RESOLUTION NUMBER 5

"Resolved that Mr Harald Schaaf, being eligible, be and is hereby re-appointed as a member of the Audit and Risk Committee of the Company, as recommended by the Board of Directors of the Company, until the next AGM of the Company."

Refer to the curriculum vitae of Mr Harald Schaaf on page 59 of the Integrated Annual Report to which this notice of AGM is annexed.

2.2 ORDINARY RESOLUTION NUMBER 6

"Resolved that, Ms Dudu Hlatshwayo, subject to the approval of ordinary resolution number 1, being eligible, be and is hereby re-appointed as a member of the Audit and Risk Committee of the Company, as recommended by the Board of Directors of the Company, until the next AGM of the Company."

Refer to the curriculum vitae of Ms Dudu Hlatshwayo on page 59 of the Integrated Annual Report to which this notice of AGM is annexed.

The reason for ordinary resolutions number 5 and 6 (inclusive) is that the Company, being a public listed company, must appoint an audit committee and the Companies Act requires that the members of such audit committee be appointed, or re-appointed, as the case may be, at each annual general meeting of a company.

2.3 ORDINARY RESOLUTION NUMBER 7

"Resolved that, Ms Karabo Kekana, subject to the approval of ordinary resolution number 4, being eligible, be and is hereby appointed as a member of the Audit and Risk Committee of the Company, as recommended by the Board of Directors of the Company, until the next AGM of the company."

Refer to the curriculum vitae of Ms Karabo Kekana on page 60 of the Integrated Annual Report to which this notice of AGM is annexed.

3. APPOINTMENT OF AUDITOR

3.1 ORDINARY RESOLUTION NUMBER 8

"Resolved that BDO South Africa be, and is hereby appointed as auditor of the Company for the ensuing financial year or until the next annual general meeting, whichever is later, with the designated auditor being Vianca Pretorius, a registered auditor and partner in the firm, on the recommendation of the audit and risk committee of the Company."

The reason for ordinary resolution number 8 is that the Company, being a public listed company, must have its financial results audited and such auditor must be appointed or re-appointed each year at the annual general meeting of the Company as required by the Companies Act and the JSE Listings Requirements.

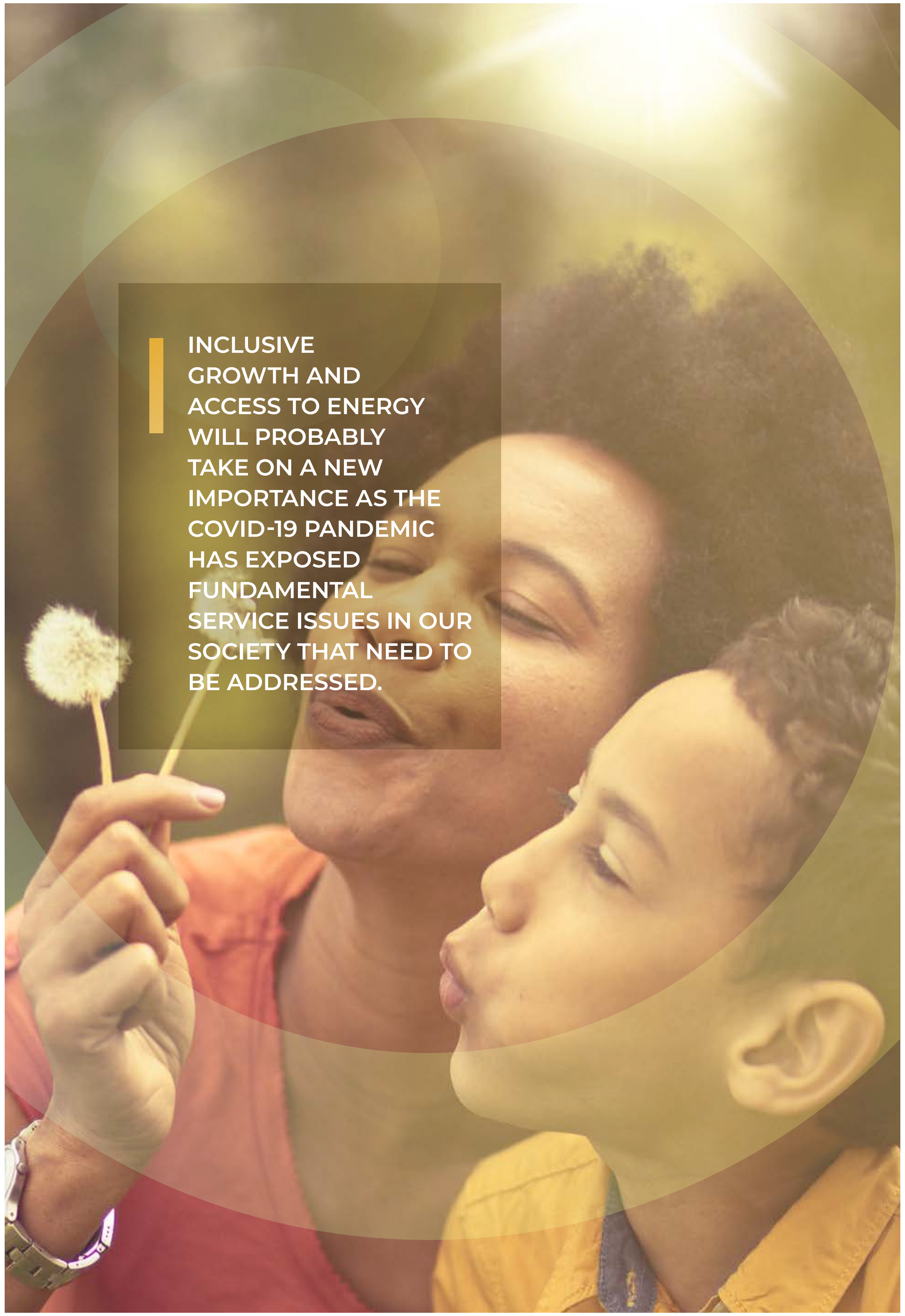
4. NON-BINDING ADVISORY VOTE ON THE COMPANY'S REMUNERATION POLICY

4.1 ORDINARY RESOLUTION NUMBER 9

"Resolved that the Company's remuneration policy, as set out on pages 77 to 81 of the Integrated Annual Report to which this notice of AGM is annexed, be and is hereby endorsed by way of a non-binding advisory vote."

The reason for ordinary resolution number 9 is that the King IV Report on Corporate Governance™ for South Africa, 2016 (King IV™) recommends, and the JSE Listings Requirements requires, that the remuneration policy of a company be tabled for a non-binding advisory vote by shareholders at each annual general meeting of the company. This enables shareholders to express their views on the remuneration policy adopted. The effect of ordinary resolution number 9, if passed, will be to endorse the Company's remuneration policy. Ordinary resolution number 9 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing remuneration agreements. However, the Board will take the outcome of the vote into consideration when considering amendments to the Company's Remuneration Policy.

As this is non-binding and of an advisory nature only, failure to pass this resolution will therefore not have any legal consequences relating to existing arrangements. However, the Company undertakes to engage with its shareholders should 25% or more of the voting shares vote against this resolution as required in terms of King IV™ and the JSE Listings Requirements.



5. NON-BINDING ADVISORY VOTE ON THE COMPANY'S IMPLEMENTATION REPORT ON THE REMUNERATION POLICY

5.1 ORDINARY RESOLUTION NUMBER 10

"Resolved that the Company's Implementation Report in respect of its Remuneration Policy, as set out on pages 82 to 87 of the Integrated Annual Report, to which this notice of AGM is annexed, be and is hereby endorsed by way of a non-binding vote."

The reason for ordinary resolution number 10 is that King IV™ recommends, and the JSE Listings Requirements requires, that the implementation report on a company's remuneration policy be tabled for a non-binding advisory vote by shareholders at each annual general meeting of the company. This enables shareholders to express their views on the implementation of the company's remuneration policy.

The effect of ordinary resolution number 10, if passed, will be to endorse the Company's Implementation Report in relation to its Remuneration Policy. Ordinary resolution number 10 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing remuneration agreements. However, the Board will take the outcome of the vote into consideration when considering amendments to the Company's Remuneration Policy and its implementation.

As this is non-binding and of an advisory nature only, failure to pass this resolution will therefore not have any legal consequences relating to existing arrangements. However, the Company undertakes to engage with its shareholders should 25% or more of the voting shares vote against this resolution as required in terms of King IV™ and the JSE Listings Requirements.

Should 25% or more of the votes exercised in respect of ordinary resolution number 9 or ordinary resolution number 10 be against either resolution, the Company will issue an invitation to those shareholders who voted against the applicable resolution to engage with the Company.

6. GENERAL AUTHORITY TO ISSUE ORDINARY SHARES FOR CASH

6.1 ORDINARY RESOLUTION NUMBER 11

"Resolved that the Directors of the Company be, and are hereby authorised, by way of a general authority, to allot and issue any of the Company's unissued shares for cash as they, in their discretion, may deem fit, without restriction, subject to the provisions of the Company's memorandum of incorporation, 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 further that it shall not extend beyond 15 months from the date of this resolution;
- the general issues of shares for cash under this authority may not exceed, in aggregate, 15% of the Company's issued share capital (number of securities) of that class as at the date of this notice of AGM, it being recorded that ordinary shares issued pursuant to a rights offer to shareholders, shall not diminish the number of ordinary shares that comprise the 15% of the ordinary shares that can be issued in terms of this ordinary resolution. As at the date of this notice of AGM, 15% of the Company's issued ordinary share capital (net of treasury shares) amounts to 7,500,003 ordinary 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% of the weighted average traded price of such shares, as determined over the 30 business days prior to the date that the price of the issue is agreed between the Company and the party subscribing for the securities. The JSE will be consulted for a ruling if the securities have not traded in such 30-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 comprise securities 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 securities issued represent, on a cumulative basis, 5% or more of the number of securities in issue prior to that issue, an announcement containing the full details of such issue shall be published on SENS.

For listed entities wishing to issue shares for cash (other than issues by way of rights offers, and/or in connection with duly approved share incentive schemes), it is necessary for the board of a company to obtain the prior authority of the shareholders in accordance with the JSE Listings Requirements and the memorandum of incorporation of the company. Accordingly, the reason for ordinary resolution number 11 is to obtain a general authority from shareholders to issue shares for cash in compliance with the JSE Listings Requirements and the memorandum of incorporation of the Company. For this resolution to be adopted, at least 75% of the voting rights exercised, whether in person or by proxy and entitled to vote on this resolution at the AGM, must be cast in favour of this resolution.

To consider and, if deemed fit, pass, with or without modification, the following special resolutions:

NOTE:

For special resolutions numbers 1 to 4 (inclusive) to be adopted, at least 75% of the voting rights exercised on the applicable special resolution, must be exercised in favour thereof.

7. REMUNERATION OF NON-EXECUTIVE DIRECTORS

7.1 SPECIAL RESOLUTION NUMBER 1: APPROVAL OF NON-EXECUTIVE DIRECTORS FEES

"Resolved, in terms of section 66(9) of the Companies Act, that the Company be, and is hereby authorised to remunerate its Non-executive Directors for their services as Directors, which includes serving on various sub-committees and to make payment of the amounts set out below (plus any value-added tax, to the extent applicable), provided that this authority will be valid until the next AGM of the Company."

The effect of special resolution number 1, if passed, is that the Company will be able to pay its Non-executive Directors for the services they render to the Company as Directors, without requiring further shareholder approval until the next Annual General Meeting of the Company. Non-executive directors and Committee members who participate in special and/or unscheduled Board or Committee meetings or ad hoc strategic planning sessions will be remunerated in accordance with the attendance fee per meeting as set out below.

^NON-EXECUTIVE DIRECTORS' FEES FOR 2020/2021

NON-EXECUTIVE DIRECTORS' FEES FOR 2020/2021				
		2019/2020		2020/2021
Rands	Base Fee	Attendance Fee per meeting	Base Fee	Attendance Fee per meeting
Board				
– Chairperson	116 409	43 238	120 934	44 919
– Members	74 802	27 783	77 710	28 863
Audit and Risk Committee fees				
– Chairperson	73 213	22 662	76 059	23 543
– members	64 061	19 828	66 551	20 599
Remuneration and HR Committee				
– Chairperson	36 607	22 662	38 030	23 543
– members	27 455	16 996	28 522	17 657
Investment Committee				
– Chairperson	73 213	22 662	76 059	23 543
– members	64 061	19 828	66 551	20 599
Social and Ethics Committee				
– Chairperson	18 135	16 840	18 840	17 495
– members	17 764	16 495	18 455	17 136
Nominations Committee				
– Chairperson	36 607	22 662	38 030	23 543
– members	27 455	16 996	28 522	17 657
*** Ad hoc / Special Committee fee per meeting**		16 495		17 136

** Remuneration payable to Non-executive Directors and members for participating in special/unscheduled Board or Committee meetings and ad hoc strategic planning sessions, will be remunerated in accordance with the ad hoc fee.*

^These fees are exclusive of Value Added Tax (VAT).

The reason for special resolution number 1 is for the Company to obtain the approval of shareholders by way of a special resolution for the payment of remuneration to its non-executive directors, in accordance with the requirements of the Companies Act.

8. INTER-COMPANY FINANCIAL ASSISTANCE

8.1 SPECIAL RESOLUTION NUMBER 2: INTER-COMPANY FINANCIAL ASSISTANCE

"Resolved, in terms of section 45(3)(a)(ii) of the Companies Act, as a general approval, that the Board of the Company be, and is hereby authorised to approve that the Company provides any direct or indirect financial assistance (financial assistance will herein have the meaning attributed to it in section 45(1) of the Companies Act) that the board of the Company may deem fit, to any company or corporation that is related or inter-related (related and inter-related will herein have the meanings attributed thereto in section 2 of the Companies Act) to the Company, on the terms and conditions, and for amounts that the Board of the Company may determine, provided that the aforementioned approval shall be valid until the date of the next Annual General Meeting of the Company."

The reason for, and effect of, if passed, special resolution number 2, is to grant the directors of the Company the authority, until the next annual general meeting of the Company, to provide direct or indirect financial assistance to any company or corporation which is related or inter-related to the Company. This means that the Company is, inter alia, authorised to grant loans to its subsidiaries and to guarantee the debt of its subsidiaries.

8.2 SPECIAL RESOLUTION NUMBER 3: FINANCIAL ASSISTANCE FOR THE SUBSCRIPTION AND/OR PURCHASE OF SHARES IN THE COMPANY OR A RELATED OR INTER-RELATED COMPANY

"Resolved, in terms of section 44(3)(a)(ii) of the Companies Act, as a general approval, that the Board of the Company be, and is hereby authorised to approve that the Company provides any direct or indirect financial assistance (financial assistance will herein have the meaning attributed to it in sections 44(1) and 44(2) of the Companies Act) that the Board of the Company may deem fit, to any person, company or corporation that is related or inter-related to the Company (related and inter-related will herein have the meanings attributed thereto in section 2 of the Companies Act), and/or to any financier who provides funding by subscribing for preference shares or other securities in the Company or in any company or corporation that is related or inter-related to the Company, on the terms and conditions, and for amounts that the Board of the Company may determine for the purpose of, or in connection with, the subscription for any option, or any shares or other securities, issued or to be issued by the Company, or by a related or inter-related company or corporation, or for the purchase of any shares or securities of the Company or a related or inter-related company or corporation, provided that the aforementioned approval shall be valid until the date of the next AGM of the Company."

The reason for, and effect of, if passed, special resolution number 3, is to grant the Directors the authority, until the next Annual General Meeting of the Company, to provide financial assistance to any person, company or corporation which is related or inter-related to the Company and/or to any financier, for the purpose of, or in connection with, the subscription or purchase of options, shares or other securities in the Company, or in any related or inter-related company or corporation.

This means that the Company is authorised, inter alia, to grant loans to its subsidiaries and to guarantee and furnish security for the debt of its subsidiaries where any such financial assistance is directly or indirectly related to a party subscribing for options, shares or securities in the Company or its subsidiaries.

A typical example of where the Company may rely on this authority is where a wholly-owned subsidiary raised funds by way of issuing preference shares and the third-party funder requires the Company to furnish security, by way of a guarantee or otherwise, for the obligations of its wholly-owned subsidiary to the third-party funder arising from the issue of the preference shares. The Company has no immediate plans to use this authority and is simply obtaining same in the interests of prudence and good corporate governance, should the unforeseen need arise to use the authority.

In terms of, and pursuant to, the provisions of sections 44 and 45 of the Companies Act, the Directors of the Company confirm that the Board will satisfy itself, after considering all reasonably foreseeable financial circumstances of the Company, that immediately after providing any financial assistance as contemplated in special resolutions numbers 2 and 3 above:

- the assets of the Company (fairly valued) will equal or exceed the liabilities of the Company (fairly valued) (taking into consideration the reasonably foreseeable contingent assets and liabilities of the Company); and
- the Company will be able to pay its debts, as they become due in the ordinary course of business, for a period of 12 months.

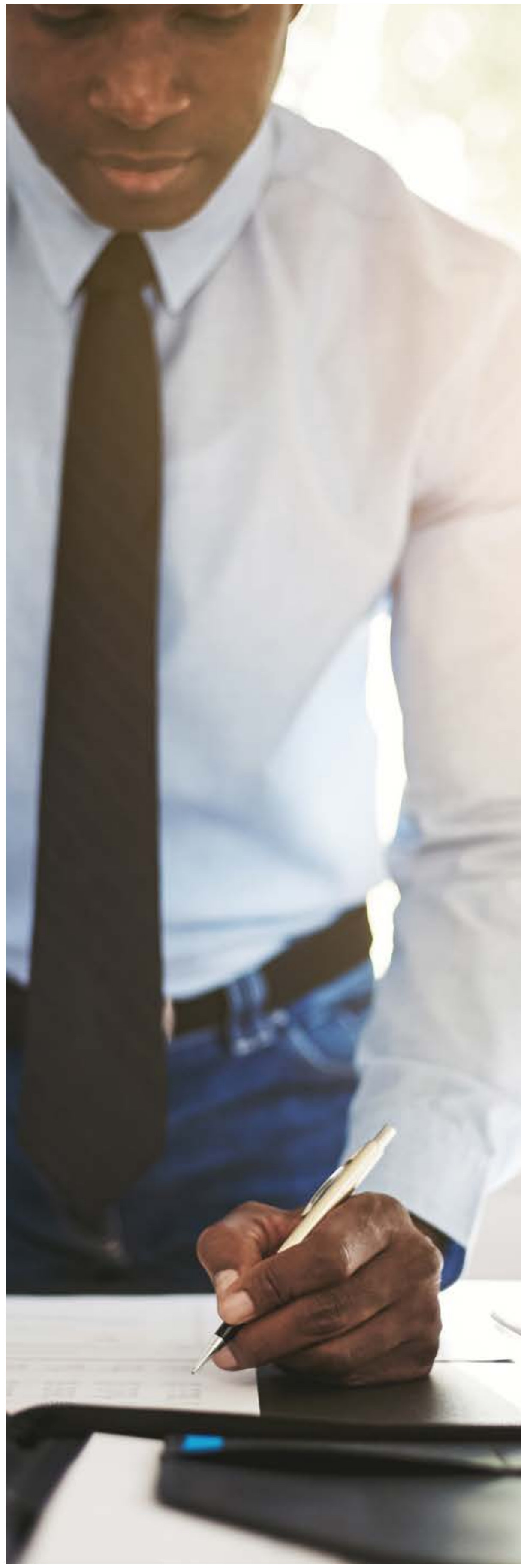
In addition, the Board will only approve the provision of any financial assistance contemplated in special resolutions numbers 2 and 3 above, where:

- the Board is satisfied that the terms under which any financial assistance is proposed to be provided, will be fair and reasonable to the Company; and
- all relevant conditions and restrictions (if any), relating to the granting of financial assistance by the Company as contained in the Company's memorandum of incorporation, have been met.

9. SPECIAL RESOLUTION NUMBER 4: SHARE REPURCHASES BY THE COMPANY AND ITS SUBSIDARIES

"Resolved, as a special resolution, that 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 memorandum of incorporation of the Company 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 done 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 it shall not extend beyond 15 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% of the number of shares in issue on the date that this authority is granted, containing full details thereof, as well as for each 3% in aggregate of the initial number of shares acquired thereafter;
- the general authority to repurchase is limited to a maximum of 20% in 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 board of directors of the Company approving the repurchase, that the Company and its



subsidiaries (Group) 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 group;

- the general repurchase is authorised by the Company's memorandum of incorporation;
- repurchases must not be made at a price more than 10% 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 five-business-day period;
- the Company may at any point in time only appoint 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."

The reason for and effect, if passed, of special resolution number 4, is to grant the Directors a general authority in terms of the Company's memorandum of incorporation and the JSE Listings Requirements for the acquisition by the Company or by a subsidiary of the Company of shares issued by the Company on the basis reflected in special resolution number 4. The Company has no immediate plans to use this authority and is simply obtaining same in the interests of prudence and good corporate governance should the unforeseen need arise to use the authority.

In terms of section 48(2)(b)(i) of the Companies Act, subsidiaries may not hold more than 10%, in aggregate, of the number of the issued shares of any class of a company. For the avoidance of doubt, a pro rata repurchase by the Company from all its shareholders will not require shareholder approval, save to the extent as may be required by the Companies Act.

10. OTHER BUSINESS

To transact such other business as may be transacted at an annual general meeting or raised by shareholders with or without advance notice to the Company.

INFORMATION RELATING TO THE SPECIAL RESOLUTIONS

1. The directors of the Company or its subsidiaries will only utilise the general authority to repurchase shares of the Company as set out in special resolution number 4 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 Group would not be compromised as to the following -

- the Group's ability, in the ordinary course of business, to pay its debts for a period of 12 months after the date of this AGM and for a period of 12 months after the repurchase;
- the consolidated assets of the Group will, at the time of the AGM and at the time of making such determination and for a period of 12 months thereafter, 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 Group for a period of 12 months after the AGM and after the date of the share repurchase; and
- the working capital available to the Group after the repurchase, will be sufficient for the Group's requirements for a period of 12 months after the date of the notice of the AGM and for a period of 12 months after the date of the share repurchase.

General information in respect of major shareholders, material changes, and the share capital of the Company is contained in the Integrated Annual Report of which this notice forms part, as well as the full set of Audited Annual Financial Statements, being available on the Company's website at www.hulisani.co.za or which may be requested and obtained in person, at no charge, at the registered office of the Company during office hours, or from the company secretary at mvoller@resolvesecretarial.co.za.

2. The Directors, whose names appear on page 58 to 61 of the Integrated Annual Report of which this notice of AGM 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 AGM contains all information required by law and the JSE Listings Requirements.

3. Special resolutions numbers 2, 3 and 4 are renewals of resolutions taken at the previous Annual General Meeting held on 30 August 2019.

VOTING

1. The date on which shareholders must be recorded as such in the share register maintained by the Transfer Secretary of the Company (Share Register) for purposes of being entitled to receive this notice is Friday, 19 June 2020.

2. The date on which shareholders must be recorded in the Share Register for purposes of being entitled to attend and vote at the AGM is Friday, 21 August 2020, with the last day to trade being Tuesday, 18 August 2020.

3. Shareholders or their duly appointed proxies are required to provide satisfactory identification before being entitled to participate in the AGM. The Electronic Participation Application Form must therefore be accompanied by a copy of an identity document, passport or driver's licence. 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.

4. Certificated shareholders and own-name dematerialised shareholders, entitled to attend and vote at the AGM, may appoint one or more proxies to attend, participate in, and vote thereat in their stead. A proxy need not be a shareholder of the Company. A form of proxy, which sets out the relevant instructions for its completion, is enclosed for use by such shareholders who wish to be represented at the AGM. Completion of a form of proxy will not preclude such shareholder from participating in and voting (in preference to that shareholder's proxy) at the AGM. Forms of proxy must be completed and lodged at or posted to the Transfer Secretaries, Computershare Investor Services (Pty) Ltd (Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or Private Bag X9000, Saxonwold, 2132, South Africa), or emailed to proxy@computershare.co.za so as to be received by the transfer secretaries by not later than 12:00 on Wednesday, 26 August 2020, provided that any form of proxy not delivered to the transfer secretaries by this time may be submitted to the Transfer Secretaries via email at proxy@computershare.co.za at any time before the appointed proxy exercises any shareholder rights at the AGM.

5. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who wish to attend the AGM, will need to request their Central Securities Depository Participant (CSDP) or broker, to provide them with the necessary authority in terms of the custody agreement entered into between such shareholders and the CSDP or broker.

6. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who are unable to attend the AGM and who wish to be represented thereat, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between themselves and the CSDP or broker in the manner and time stipulated therein. Such shareholders should contact their CSDP or broker with regard to the cut-off time for their voting instructions.

7. Voting will take place by way of a poll and accordingly each shareholder 8.Shareholders or their proxies may participate in the AGM by way of electronic participation.

ELECTRONIC PARTICIPATION

Shareholders or their duly appointed proxies may participate in the AGM by way of a remote interactive electronic platform (Microsoft Teams).

Please note that the remote interactive electronic platform will allow shareholders to listen in and raise questions during the allocated time. Shareholders will not be able to vote using the electronic platform. Should such shareholders wish to vote, they must either:

- complete the proxy form and return it to the transfer secretary in accordance with paragraph 4 above; or
- contact their CSDP or broker in accordance with paragraphs 5 and 6 above.

Shareholders, or their duly appointed proxies, may indicate in the Electronic Participation Application Form that they wish to vote during the electronic meeting, upon which they will be contacted by the Company's Transfer Secretaries to make the necessary arrangements.

Shareholders or their duly appointed proxies who wish to participate in the AGM are required to complete the Electronic Participation Application Form available immediately after the proxy form on page 176 and email same to the Company's Transfer Secretaries at "mailto:proxy@computershare.co.za" proxy@computershare.co.za and to Hulisani's company secretary at "mailto:mvoller@resolvesecretarial.co.za" mvoller@resolvesecretarial.co.za as soon as possible, but in any event by no later than 17:00 on Thursday, 27 August 2020.

Shareholders or their duly appointed proxies are required to provide satisfactory identification before being entitled to participate in the AGM.

Upon receiving a completed Electronic Participation Application Form, the Company's Transfer Secretaries will follow a verification process to verify each applicant's entitlement to participate in and/or vote at the AGM. The Company's Transfer Secretaries will provide the Company with the nominated email address of each verified shareholder or their duly appointed proxy to enable the Company to forward them a Microsoft Teams meeting invitation required to access the AGM.

Fully verified shareholders or their duly appointed proxies who have applied to participate electronically in the AGM are requested by no later than 11:55 on Friday, 28 August 2020 to join the lobby of the meeting by clicking on the "Join Microsoft Teams Meeting" link to be provided by Hulisani's company secretary or by the secretarial office, whose admission to the meeting will be controlled by the company secretary/secretarial office.

Participants will be liable for their own network charges in relation to electronic participation in and/or voting at the AGM. Any such charges will not be for the account of the Company's Transfer Secretaries or Hulisani who will also not be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any such shareholder or their proxy from participating in and /or voting at the AGM

By order of the Board
Resolve Secretarial Services (Pty) Ltd
Per Melissa Voller
Company Secretary
26 June 2020

FORM OF PROXY

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

Form of proxy – for use by certificated and own-name dematerialised shareholders only. This form is available on our website at www.hulisani.co.za.

For use at the 5th annual general meeting of shareholders of Hulisani which will be held, subject to any cancellation, postponement or adjournment, entirely via a remote interactive electronic platform on Friday, 28 August 2020, commencing at 12:00 ("AGM").

I/We		(Full name in print)
of		(address)
Telephone: (Work)	Telephone: (Home)	Cell phone:
being the registered holder of		shares in the Company, hereby appoint:
1. or failing him/her		
2. or failing him/her		
the chairperson of the AGM,		

as my/our proxy to attend, speak and vote for me/us at the AGM for purposes of considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions to be proposed thereat and at any adjournment thereof, and to vote for and/or against the resolutions, and/or abstain from voting in respect of the ordinary shares registered in my/our name(s), in accordance with the following instruction (see notes).

	NUMBER OF SHARES		
	IN FAVOUR	AGAINST	ABSTAIN
Ordinary resolution number 1: To re-elect Ms Dudu Hlatshwayo as Director			
Ordinary resolution number 2: To re-elect Mr Pat Mdoda as Director			
Ordinary resolution number 3: To confirm the appointment of Ms Thandiwe Godongwana as Director			
Ordinary resolution number 4: To confirm the appointment of Ms Karabo Kekana as Director			
Ordinary resolution number 5: To re-appoint Mr Harald Schaaf as a member of the Audit and Risk Committee			
Ordinary resolution number 6: To re-appoint Ms Dudu Hlatshwayo as a member of the Audit and Risk Committee			
Ordinary resolution number 7: To appoint Ms Karabo Kekana as a member of the Audit and Risk Committee			
Ordinary resolution number 8: To appoint BDO South Africa as the Auditor			
Ordinary resolution number 9: Non-binding endorsement of the Company's Remuneration Policy			
Ordinary resolution number 10: Non-binding endorsement of the Company's Implementation Report on the Remuneration Policy			
Ordinary resolution number 11: General authority to issue ordinary shares for cash			
Special resolution number 1: Remuneration of Non-executive Directors			
Special resolution number 2: Inter-company financial assistance			
Special resolution number 3: Financial assistance for the subscription and/or purchase of shares in the Company or a related or inter-related company			
Special resolution number 4: Share repurchases by the Company			

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

Signed at ____________________ on this ________ day of ________________ 2020.

Signature(s) ________________________________

Assisted by (where applicable) _________(state capacity and full name) ______________________________

Each Hulisani shareholder is entitled to appoint one or more proxy(ies) (who need not be shareholder(s) of the company to attend, speak and vote in his/her stead at the AGM.

Please read the notes overleaf:

NOTES

1. A Hulisani shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space(s) provided, with or without deleting "the Chairperson of the AGM". The person whose name appears first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.

2. A Hulisani shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of shares to be voted on behalf of that shareholder in the appropriate box provided or by the insertion of a cross if all shares to be voted on behalf of that shareholder. Failure to comply with the above will be deemed to authorise the Chairperson of the AGM, if he/she is the authorised proxy, to vote in favour of the resolutions at the AGM, or any other proxy to vote or to abstain from voting at the AGM as he/she deems fit, in respect of all the shares concerned. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or his/her proxy, but the total of the votes cast and in respect whereof abstentions are recorded, may not exceed the total of the votes exercisable by the shareholder or his/her proxy.

3. When there are joint registered holders of any shares, any one of such persons may vote at the AGM in respect of such shares as if he/she was solely entitled thereto, but, if more than one of such joint holders are present or represented at any AGM, that one of the said persons whose name stands first in the register in respect of such shares or his/ her proxy, as the case may be, shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member, in whose name any shares stand, shall be deemed joint holders thereof.

4. Forms of proxy must be completed and lodged at or posted to the transfer secretary, Computershare Investor Services (Pty) Ltd (Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or Private Bag X9000, Saxonwold, 2132), or emailed to proxy@computershare.co.za so as to be received by the Transfer Secretaries by not later than 12:00 on Wednesday, 26 August 2020, provided that any form of proxy not delivered to the transfer secretary by this time may be submitted to the Transfer Secretaries via email at proxy@computershare.co.za at any time before the appointed proxy exercises any shareholder rights at the AGM.

5. Any alteration or correction made to this form of proxy must be initialled by the signatory(ies).

6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company's Transfer Secretaries or waived by the Chairperson of the AGM.

7. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the AGM and participating in and voting thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.

PARTICIPATION IN THE AGM VIA ELECTRONIC COMMUNICATION

CAPITALISED TERMS USED IN THIS ANNEXURE SHALL BEAR THE MEANINGS ASCRIBED THERETO IN THE NOTICE TO WHICH THIS ANNEXURE IS ATTACHED

1. Shareholders or their duly appointed proxy(ies) that wish to participate in the AGM via electronic communication ("Participants"), must apply to Computershare, by delivering this duly completed application form along with proof of identification to:

Rosebank Towers, First Floor, 15 Biermann Avenue, Rosebank 2196, or posting it to Private Bag x9000, Saxonwold, 2132 (at the risk of the Participant), or by email to proxy@computershare.co.za, so as to be received by Computershare by no later than 17:00 on Thursday, 27 August 2020. Computershare will first validate such requests and confirm the identity of the shareholder in terms of Section 63(1) of the Companies Act, and, if the request is validated, further details on using the electronic communication facility will be provided.

This form is available on our website at www.hulisani.co.za.

Application form

Full name of Participant: ____________________

ID number: ____________________

Email address: ____________________

Cell number: ____________________

Telephone number: (code): ________ (number): ____________________

Name of CSDP or broker (if shares are held in dematerialised format): ____________________

Contact number of CSDP or broker: ____________________

Contact person of CSDP or broker: ____________________

Number of share certificate (if applicable): ____________________

I wish to electronically participate ○

I wish to electronically participate and vote ○

Signature: ____________________

Date: ____________________

Terms and conditions for participation in the AGM via electronic communication

1. The cost of electronic participation in the AGM is for the expense of the Participant and will be billed separately by the Participant's own service provider.

2. The Participant acknowledges that the electronic communication services are provided by a third parties and indemnifies Hulisani Limited against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the electronic services, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against the Company, whether for consequential damages or otherwise, arising from the use of the electronic services or any defect in it or from total or partial failure of the electronic services and connections linking the Participant via the electronic services to the AGM.

3. The application to participate in the AGM electronically will only be deemed successful if this application form has been completed fully and signed by the Participant to the satisfaction of Hulisani Limited.

4. Certificated and dematerialised shareholders with "own name" registration must submit proof of identification with this application form.

5. Dematerialised shareholders without "own name" registration must submit proof of identification together with a copy of the letter of representation issued by their broker/ custodian with this application form.

6. Hulisani Limited cannot guarantee there will not be a break in electronic communication that is beyond the control of Hulisani Limited.

Participant's name ____________________

Date: ____________________ Signature: ____________________

ADMINISTRATION AND CORPORATE INFORMATION

CORPORATE INFORMATION

Details of Hulisani Limited

Registration number: 2015/363903/06

Share code: HU

ISIN: ZAE000212072

REGISTERED OFFICE

4th Floor

North Tower

90 Rivonia Road

Sandton, 2196

WEBSITE ADDRESS

www.hulisani.co.za

DIRECTORS

PC Mdoda

ME Raphulu

MP Dem

DR Hlatshwayo

HH Schaaf

AC Notshe

KN Kekana

T Godongwana

CORPORATE ADVISOR AND SPONSOR

PSG Capital

1st Floor, Ou Kollege Building

35 Kerk Street

Stellenbosch, 7600

PO Box 7403

Stellenbosch 7599

and

2nd Floor, Building 3

11 Alice Lane

Sandton, 1296

PO Box 650957,

Benmore 2010

AUDITORS

BDO South Africa

Wanderers Office Park

52 Corlett Drive

Illovo, 2196

Private Bag X60500

Houghton, 2041

COMPANY SECRETARY

Resolve Secretarial Services (Pty) Ltd

77 Vasco Boulevard Road

Goodwood, 7460

TRANSFER SECRETARIES

Computershare Investor Services (Pty) Ltd

Rosebank Towers

15 Biermann Avenue

Rosebank, 2196

Private Bag X9000,

Saxonwold, 2132

Registered Office: 4th Floor, North Wing, 90 Rivonia Road, Sandton, 2196
Postal Address: PO Box 784583, Sandton, 2146
Telephone: 087 806 2425

www.hulisani.co.za