

Qei Holdings Ltd
(Registration Number 2015/076627/06)
Private Placement Memorandum

In partnership with,

CABAN INVESTMENTS LIMITED & COGILL PHILANTHROPY MANAGEMENT (PTY) LTD



This is not an invitation for the general public to invest in this company. This information is for the addressee only. The shares have been offered to clients of Caban Investments Ltd.'s list of Angel Investors and the Atlantis Impact Economic Investment Development Forum. This document has not been registered as it is not a public offer.

DATE: APRIL 2015

Introduction

Caban Investments Ltd in partnership with the AIEIDF (Atlantis Impact Economic Investment Development Forum, a registered NPO) founded Qei Holdings Ltd, a community based LED (local economic development) initiative. Qei Holdings Limited was recently registered as a public company and is based in Cape Town, South Africa. The meaning of Qei is inspired by new beginnings and it is with purpose and with intent that the community moves forward.

Qei Holdings Ltd is the result of a community seeking real sustainable solutions for its people. The company was jointly founded by professional business partners and a 10,000 strong community forum, the AIEIDF. The majority interest of the people is well represented in the shareholding split. The AIEIDF owns 74% of Qei Holdings Ltd and it is this direct managed involvement of the people during the entire process that makes this a strong LED venture. Business partners Caban Investments Limited holds 20% and Cogill Philanthropy Management (Pty) Ltd owns 6 % of shares currently registered. This is therefore a truly equitable business venture for all as the key stakeholders are represented in the framework of the company. The AIEIDF also has representation and support from 4 of the 5 Khoisan Royal houses and community member numbers are growing.

Mentorship Programme

Mentorship is a big part of our model as a business and a key feature of our mentorship programme is that, on a bi monthly basis, Caban's Group CEO, Dave Romero, will have public discussions on entrepreneurship & enterprise development. He will also be engaging each of the entrepreneurs on a personal level to help them work through challenges in their small business and already plays a key role as mentor to forum members. The programme will expand once capital has been raised, so that more entrepreneurs can have access to this level of knowledge transfer. In addition, the platform will be used to help entrepreneur's access finance and business services. What differentiates our mentorship programme from others is that it will also be used to drive CSR (Corporate Social Responsibility) amongst start-ups and SMME's. The role of giving back belongs to all of us and at all stages of our businesses, this ethos is in line with the community's desire for its entire people to truly grow and prosper.

Caban Support

The Caban Group will provide complete support for Qei Holdings Limited and its enterprises. They are funding the start up and initial capital requirements of Qei Holdings Limited. As a collective, the Caban Group bring over 25 years of proven entrepreneurial experience to the fore. They are experts in start-up businesses and capital ventures. The team is being led by business veteran Dave Romero. The Caban Group are involved in the Atlantis LED venture because as active investors in a changing market, they see the growth potential of the people of Atlantis and they respect the eagerness of entrepreneurs in the area to become financially empowered. They are passionate about South Africa and the potential of her people.

Through a managed programme, the QEP (Qei Entrepreneurship Programme) Caban Investments Limited will offer a broad range of critical business services and support.

These include:

- Management of investment funding
- Monthly management accounts
- Quarterly detailed reports as to utilisation of funds
- Quarterly performance reports
- Management of financial year end
- Compliance regulation and monitoring
- Administration (e.g. registrations, share certificates)

Partner Support

Cogill Philanthropy Management (Pty) Ltd, is a specialist philanthropy and project management partner. They provide Social Impact advisory to the AIEIDF and Qei Holdings Limited. They also bring project management and SROI (social return on investment) reporting to the investment opportunity. Impact measurement post investment is an important part of showing investors what their contributions are doing in addition to the traditional return on investment numbers. The involvement of Cogill Philanthropy in the Atlantis LED is driven by their desire to build more success stories in our country; they drive social and environmental impact entrepreneurship and will be assisting with securing Corporate Social Investment funding. The company is managed by Samantha Davids and is based in Cape Town. Samantha has over 15 years of experience in philanthropy management and she has expertise in operations, business writing, business development and impact strategy which brings the right kind of focus and balance to the venture.

Investment Opportunity

Funds to be Raised

A total of R 1,000,000 will initially be raised through the first round of this Private Placement Memorandum. The capital will be used to develop a total of 5 businesses under the Qei Holdings fold.

One of the businesses we aim to establish is in the mining sector. Capital will also be used for the cost of acquiring mining rights. The social return impact measurements will reveal final numbers, but the job creation impact over the next 3 years is conservatively projected to be around 150.

Utilisation of Funds

R 800,000 will be used to fund Qei Enterprises, a mixed manufacturing incubator based in Atlantis. Qei Enterprises will be responsible for the incubator programme which includes managing and disbursing loans to the SMME's in the incubator. R 200,000 will be used to fund the travel and operational costs to acquire the mining rights for Qei Mining.

Investment particulars

The investment is being offered to selected individuals that fit the risk profile. Although due precaution has been taken to reduce the risks inherent in this form of investment, it must be understood that the risks are high.

- This is a private share placement offer. You will receive ordinary shares in exchange for your investment.
- The minimum investment is R 5,000.00 per investor. Based on this, each investor will receive 10,000 shares at a value of 50 cents per share, for the first round of investment.
- Shares made available for the second round of investment will sell at 75 cents per share.
- Capital appreciation on shares is estimated at 30% per year.
- Caban Investments are backing the security of the investment.
- No dividends will be paid for 5 years.
- In each transaction, Qei Holdings Ltd will invest through Qei Enterprises and will subsequently own 20% shares in the businesses based in the manufacturing incubator.
- The exit strategy for this investment involves listing the company on the JSE, anyone wishing to exit prior to the end of the 5 year investment term, will have to follow the Rights of Shares listed herein.

Investor Security

All private equity investments carry their own risk, this is no different. However we have taken a strategic approach toward our key partnerships. We are able to utilise the talents of seasoned investment and business professionals and we are able to position the people of Atlantis at the heart of the venture. We have the leverage, capacity and capability needed to deliver the framework for a successful local economic development model. (LED)

Shares in issue

The company has issued a total of 50 million shares to the AIEDIF, Caban Investments and Cogill Philanthropy Management. Through the first round of this Private Placement offer, a total of 2 million shares will be issued at 50 cents per share.

For the second round, a further total of 2 million shares will be made available at 75 cents per share.

Rights of shares

The shares in issue are ordinary shares and they are all ranked equally amongst private placement shareholders. One share is equal to one vote. Should you wish to dispose of your shares upon or after listing, you may do so by offering the shares to existing shareholders and then to the public.

Prospectus

This is not a public offering, a prospectus is not required.

Returns

It's through this initiative that Caban Investments Limited hopes to attract other investment companies to invest in local economic development (LED) and entrepreneurship in SA. We are focused on providing investors with both a ROI and a SROI (Social Return on Investment). We aim to achieve a 30% return on investment. The Caban management team have previously far exceeded these targets within the Caban Group.

We anticipate at least a 15% SROI and Cogill Philanthropy Management will be reporting on the SROI components of the LED model.

Management Team

The strong executive management team of Qei Holdings Ltd bring vast entrepreneurial experience and professional rigor to the business. The AIEIDF will be represented by Victor Snyders and Conraad Maans. Caban Investments Limited will be represented by Dave Romero and Dylan James. Cogill Philanthropy Management (Pty) Ltd is represented by Samantha Davids who will hold a non-executive directorship in the business.

Dividend Distribution

100% of contributions are to be retained for 5 years. No dividends will be paid out prior to the 5 year term. Any decision to distribute dividends prior to the 5 year term will be taken up by the executive board.

Investors Relations (Post Investment)

Caban will supply Investors with the following monthly reports:

- Verified Turnover of all companies.
- Management Accounts of Qei Holdings Limited.
- Distribution of Funds Analysis.
- Going Concern Report.
- Business Risk Report.
- Project Progress Report.

Exit Strategy

This investment is to be considered a long term high impact investment. Qei Holdings Limited will be listing on the JSE at the end of 5 years, therefore the expected listing date is 2020. Although it is not encouraged, shareholders wishing to sell after two years must follow the procedure below:

- A written application wishing to sell must be sent to Caban Investments Limited.
- Caban Investments Limited will offer the shares to existing shareholders.
- If none of the existing shareholders want to purchase the shares, they will be offered to third parties.

Annexure A

The Qei Holdings Limited Business Overview,