



The Tongaat-Hulett Group Limited

(Incorporated in the Republic of South Africa)
(Registration number 1892/000610/06)
JSE share code: TNT ISIN: ZAE000007449
("THG" or "the company")

A circular to shareholders relating to:

- **the listing and immediately after the listing, the unbundling of Hulamin Limited ("Hulamin");**
- **a name change to Tongaat Hulett Limited ("TH" or "Tongaat Hulett");**
- **a *pro rata* repurchase of ordinary shares, by way of a scheme of arrangement in terms of section 311 of the Companies Act, 61 of 1973, as amended ("the Companies Act"), proposed by THG between THG and its shareholders for the acquisition of 4.5% of the ordinary shares in issue in THG;**
- **a 25% Black Economic Empowerment transaction in TH;**
- **a 15% Black Economic Empowerment transaction in Hulamin; and**
- **an amendment to the articles of association of TH;**

and including:

- **an explanatory statement in terms of section 312(1)(a)(i) of the Companies Act which explains the provisions and effect of the scheme;**
- **a scheme of arrangement in terms of section 311 of the Companies Act (*blue*);**
- **a valuation statement in terms of section 312(1)(a)(ii) of the Companies Act which explains the financial effects of the scheme;**
- **a statement of directors' interests in terms of section 312(1)(a)(iii) of the Companies Act;**
- **Order of Court convening the scheme meeting;**
- **a notice of scheme meeting;**
- **a form of proxy for the scheme meeting (*white*) (for certificated shareholders or shareholders with "own name" registration only);**
- **a form of surrender (*pink*) (for certificated shareholders only);**
- **a notice of general meeting; and**
- **a form of proxy for the general meeting (*green*) (for certificated shareholders or shareholders with "own name" registration only).**

18 May 2007

Merchant bank and transaction sponsor to THG



Legal advisors to THG



Independent advisor to THG



Reporting accountants to THG



Sponsor to THG



Tax advisors to THG



Legal advisors to THG transaction funders



Sponsor to Hulamin



Reporting accountants to Hulamin



Legal advisors to Hulamin funders



Financial advisor to Makana



Financial advisor to Ayavuna



Legal advisors to Ayavuna



This set of documents includes:

- The Tongaat-Hulett Group Limited circular to shareholders; and
- The Hulamin Limited pre-listing statement.

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ACTION REQUIRED BY SHAREHOLDERS

The definitions and interpretations set out on pages 18 to 26 of this circular apply to this section on action required by shareholders.

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

If you are in any doubt as to what action to take, consult your CSDP, broker, attorney, banker or other professional advisor immediately.

1. ACTION REQUIRED BY SHAREHOLDERS REGARDING THE GENERAL MEETING

A general meeting of shareholders will be held at 10:00 on Monday, 11 June 2007, at the registered office to consider and, if deemed fit, pass, *inter alia*, the ordinary and special resolutions required to implement the transactions. A notice convening the general meeting is attached to and forms part of this circular.

Please take careful note of the following provisions relating to the actions required by shareholders regarding the general meeting:

1.1 If you have dematerialised your shares other than with “own name” registration:

1.1.1 Voting at the general meeting

1.1.1.1 Your CSDP or broker should contact you to ascertain how you wish to cast your vote at the general meeting and thereafter to cast your vote in accordance with your instructions.

1.1.1.2 If you have not been contacted by your CSDP or broker, it would be advisable for you to contact your CSDP or broker and furnish it with your voting instructions.

1.1.1.3 If your CSDP or broker does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your CSDP or broker.

1.1.1.4 You must **not** complete the attached form of proxy (*green*).

1.1.2 Attendance and representation at the general meeting

In accordance with the mandate between you and your CSDP or broker, you must advise your CSDP or broker if you wish to attend the general meeting and your CSDP or broker will issue the necessary letter of representation to you to attend the general meeting.

1.2 If you have not dematerialised your shares:

Voting and attendance at the general meeting

1.2.1 You may attend the general meeting in person and may vote at the general meeting.

1.2.2 Alternatively, you may appoint a proxy to represent you at the general meeting by completing the attached form of proxy (*green*) in accordance with the instructions it contains and return it to the transfer secretaries to be received by no later than 10:00 on Thursday, 7 June 2007.

1.3 If you have dematerialised your shares with “own name” registration:

Only paragraph 1.2 above is applicable to you.

2. ACTION REQUIRED BY SCHEME MEMBERS REGARDING THE SCHEME MEETING

A meeting of scheme members will be held at 10:30 (or ten minutes after the conclusion or adjournment of the general meeting whichever is the later) on Monday, 11 June 2007 at the registered office to consider and, if deemed fit, to agree to the scheme. A notice convening the scheme meeting is attached to and forms part of this circular.

2.1 If you have dematerialised your shares, other than with “own name” registration:

2.1.1 Voting at the scheme meeting

2.1.1.1 Your CSDP or broker should contact you to ascertain how you wish to cast your vote at the scheme meeting and thereafter to cast your vote in accordance with your instructions.

2.1.1.2 If you have not been contacted by your CSDP or broker, it would be advisable for you to contact your CSDP or broker and furnish it with your voting instructions.

2.1.1.3 If your CSDP or broker does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your CSDP or broker.

2.1.1.4 You must **not** complete the attached form of proxy (*white*).

2.1.2 Attendance and representation at the scheme meeting and at the Court hearing to sanction the scheme

In accordance with the mandate between you and your CSDP or broker, you must advise your CSDP or broker if you wish to attend the scheme meeting and/or to appear or to be represented by Counsel at the Court hearing to sanction the scheme or send a proxy to represent you at the scheme meeting and your CSDP or broker will issue the necessary letter of representation to you to attend the scheme meeting and/or to appear or to be represented by Counsel at the Court hearing.

2.1.3 Surrender of documents of title

You must **not** complete the attached form of surrender (*pink*).

2.1.4 Scheme consideration

Scheme participants will have their accounts held at their CSDP or broker credited with the scheme consideration on the operative date.

2.2 If you have not dematerialised your shares:

2.2.1 Voting and attendance at the scheme meeting

2.2.1.1 You may attend the scheme meeting in person and may vote at the scheme meeting.

2.2.1.2 Alternatively, you may appoint a proxy to represent you at the scheme meeting by completing the attached form of proxy (*white*) in accordance with the instructions it contains and return it to the transfer secretaries to be received by no later than 10:30 on Thursday, 7 June 2007. Forms of proxy may also be handed to the chairman of the scheme meeting no later than 10 minutes before the scheme meeting is due to commence.

2.2.2 Attendance at Court hearing to sanction the scheme

You are entitled to appear or be represented by Counsel at the Court hearing for the sanctioning of the scheme. The Court hearing is expected to take place at 09.30, or as soon thereafter as Counsel may be heard, on Tuesday, 19 June 2007, or such other date as the TH board may determine, provided that at least one week's notice of such date has been given, which date will be released on SENS and published in the press. The proceedings will be held in the High Court of South Africa (Natal Provincial Division), which is located at 301 Church Street, Pietermaritzburg.

2.2.3 Surrender of documents of title for the scheme

You are required to surrender your documents of title in respect of all your scheme shares in order to receive the scheme consideration by completing the attached form of surrender (*pink*), and returning it, together with the relevant documents of title, to the transfer secretaries.

2.2.4 Scheme consideration

If the scheme becomes operative and you have surrendered your documents of title together with a duly completed form of surrender (*pink*) on or before the operative date, the scheme consideration will be paid and the new share certificates will be posted to you on or about the operative date.

2.3 If you have dematerialised your shares with “own name” registration:

Only paragraphs 2.1.3, 2.1.4, 2.2.1 and 2.2.2 above are applicable to you.

If you wish to dematerialise your shares, please contact your CSDP or broker.

Shareholders are advised to consult their professional advisors about their personal tax positions regarding the receipt of the scheme consideration.

If you have disposed of all of your shares, this circular should be handed to the purchaser of such shares or the CSDP or broker, banker or other agent who disposed of your shares for you.

Additional copies of this circular, printed in English, and the Hulamin pre-listing statement, printed in English, will be made available at the company’s registered office.

IMPORTANT DATES AND TIMES

The definitions and interpretations set out on pages 18 to 26 of this circular apply to this section on important dates and times.

2007

Post circular on	Friday, 18 May
Last day for receipt of proxies for the general meeting by 10:00 on	Thursday, 7 June
Last day for receipt of proxies for the scheme meeting by 10:30 on	Thursday, 7 June
Record date to vote at the scheme meeting at 17:00 on	Friday, 8 June
General meeting to be held at 10:00 on	Monday, 11 June
Scheme meeting to be held at 10:30 (or 10 minutes after the conclusion or adjournment of the general meeting, whichever is the later) on	Monday, 11 June
Results of the scheme and general meetings released on SENS on or about	Monday, 11 June
Results of the scheme and general meetings published in the press on or about	Tuesday, 12 June
Registration of special resolutions by the Registrar on	Friday, 15 June
Court hearing to sanction the scheme on	Tuesday, 19 June
Results of the Court hearing released on SENS on	Tuesday, 19 June
Results of the Court hearing published in the press on	Wednesday, 20 June
Registration of Court Order by the Registrar on	Friday, 22 June
Last day to trade in ordinary shares on the JSE under the ISIN: ZAE0000007449 to participate in the Hulamin unbundling on	Friday, 22 June
Last day for ordinary shares to trade in the name of The Tongaat-Hulett Group Limited	Friday, 22 June
Ordinary shares commence trading on the JSE in the name of Tongaat Hulett Limited from the commencement of business on	Monday, 25 June
Ordinary shares trade ex the entitlement to the unbundled Hulamin shares in the name of Tongaat Hulett Limited under the JSE code TON and new ISIN: ZAE000096533 on	Monday, 25 June
Listing of Hulamin ordinary shares under the JSE code HLM, ISIN: ZAE000096210 from the commencement of business on	Monday, 25 June
Announcement of the specified ratio in respect of the apportionment of the cost/base cost of Hulamin for taxation/CGT purposes on	Wednesday, 27 June
Record date to participate in the Hulamin unbundling on	Friday, 29 June
Last day to trade for shareholders to be eligible to receive the scheme consideration on	Friday, 29 June
Dematerialised ordinary shareholders will have their accounts with their CSDP or broker updated on	Monday, 2 July

(Note: Share certificates in the name of Tongaat Hulett, "ex" the Hulamin unbundling, will be posted to certificated shareholders from Monday, 9 July 2007).

Hulamin share certificates will be posted, by registered post, at the risk of the certificated shareholders concerned, to certificated shareholders and dematerialised shareholders will have their accounts held at their CSDP or broker updated on Monday, 2 July

If the scheme is sanctioned:

Ordinary shares trade "ex" the scheme under new ISIN: ZAE000096541 on Monday, 2 July

Record date on which shareholders must be recorded in the register of members of Tongaat Hulett in order to receive the scheme consideration by 17:00 on Friday, 6 July

Operative date of the scheme at the commencement of trading on Monday, 9 July

Scheme consideration and share certificates in the name of Tongaat Hulett Limited posted to certificated scheme participants and ordinary shareholders, as the case may be (if documents of title are received on or prior to the consideration record date), on or about Monday, 9 July

or, failing receipt of documents of title on or before the consideration record date, within five business days of receipt thereof by the transfer secretaries.

Dematerialised scheme participants and ordinary shareholders, as the case may be, have their accounts held at their CSDP or broker credited with the scheme consideration and updated on Monday, 9 July

Notes:

1. These dates and times are subject to change. Any such change will be released on SENS and published in the press. Any reference to time is a reference to South African time.
2. If a form of proxy for the scheme meeting is not received by the time and date shown above, it may be handed to the chairperson of the scheme meeting no later than 10 minutes before the commencement of the scheme meeting.
3. Shareholders should note that as THG is settling on STRATE, settlement for trade takes place five business days after such trade. Therefore shareholders who acquire shares after Friday, 1 June 2007 will not be eligible to vote at the scheme meeting.
4. No dematerialisation or rematerialisation of THG share certificates may take place after Friday, 29 June 2007.
5. Share certificates in the name of The Tongaat-Hulett Group Limited may not be dematerialised or rematerialised after Friday, 22 June 2007.
6. Application to Court to sanction the scheme will only be made after all conditions precedent detailed in paragraph 4 of the explanatory statement commencing on page 81 of this circular (other than the conditions precedent detailed in paragraph 4.1.2, 4.1.4 and 4.1.5), have been fulfilled.

TRANSACTION SUMMARY

The definitions and interpretations set out on pages 18 to 26 of this circular apply to this transaction summary.

1. OVERVIEW AND RATIONALE

Shareholders were advised in a SENS release on 20 February 2006 of the intention to list Hulamin on the JSE and to unbundle THG's 50% interest in Hulamin to shareholders. Shareholders were further advised that THG intended to implement a broad-based BEE transaction in both TH and Hulamin following the Hulamin unbundling.

On 14 December 2006 and 3 May 2007 THG released on SENS and published in the press further details of the Hulamin unbundling; the TH BEE transaction, the Hulamin BEE transaction and the TH share repurchase which, if implemented, will result in:

- (i) the listing of Hulamin on the JSE, followed by the unbundling by THG of its 50% interest in Hulamin to all shareholders whereby shareholders will receive one Hulamin ordinary share for every ordinary share held prior to the Hulamin unbundling;
- (ii) immediately after the Hulamin unbundling, THG will change its name to and be known as Tongaat Hulett Limited and will remain listed on the JSE and the LSE;
- (iii) the creation of two separately listed entities:
 - (a) Tongaat Hulett, which will be an agri-processing business which includes integrated components of land management, property development and agriculture; and
 - (b) Hulamin, which will be an independent producer of rolled, extruded and other semi-fabricated and finished aluminium products;
- (iv) the introduction of sustainable BEE equity participation, as follows:
 - (a) an effective 25%¹ of TH by the TH BEE partners; and
 - (b) an effective 15% of Hulamin by the Hulamin BEE partners;
- (v) a *pro rata* repurchase of 4.5 ordinary shares for every 100 ordinary shares held by shareholders at a price of R92.80 per ordinary share (being the derived TH share price of the ordinary shares traded on the JSE after the Hulamin unbundling) and an aggregate consideration of R500.2 million (inclusive of the STC to be incurred by TH) by way of the scheme which will optimise the capital structure of TH.

The THG board believes that the listing of Hulamin on the JSE and the Hulamin unbundling will unlock value for shareholders and provide investors with a unique investment opportunity in a focused aluminium semi-fabricator company and enhance TH's value proposition as an agri-processing business with significant integrated land management, agriculture and property development activities.

The listing of Hulamin on the JSE and the Hulamin unbundling present an ideal opportunity for the introduction of value add BEE equity partners into both TH and Hulamin. This will not only build on the existing empowerment initiatives within these businesses, but also ensure that TH and Hulamin achieve substantial transformation and are optimally positioned to compete in their respective industries.

The *pro rata* share repurchase will optimise the TH capital structure, retaining the balance sheet capacity to take advantage of growth opportunities.

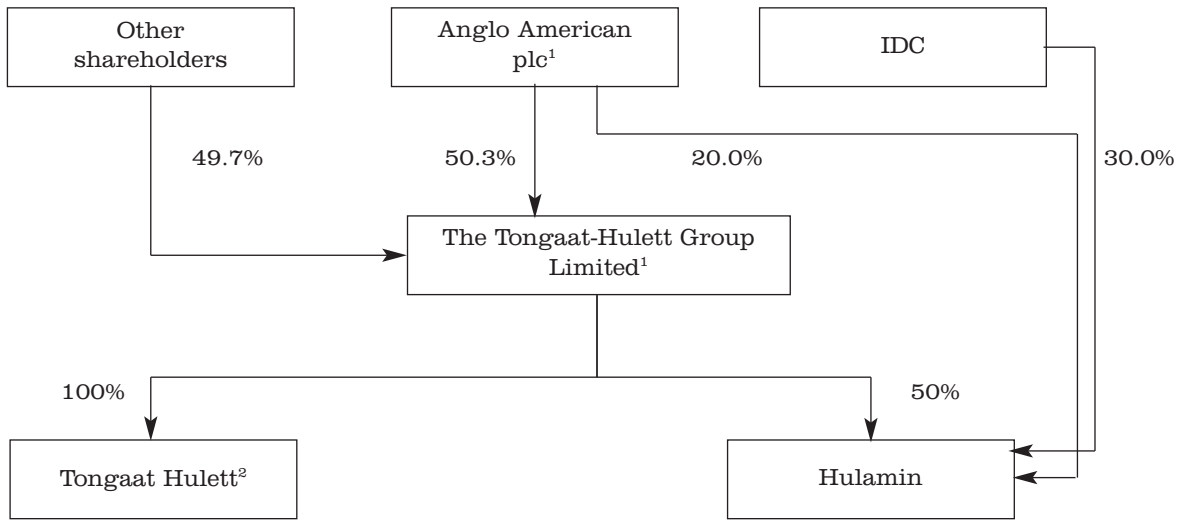
After the implementation of the transactions, each ordinary shareholder will:

- own one Hulamin ordinary share for every ordinary share owned on the unbundling record date;
- sell 4.5 out of every 100 ordinary shares owned, subject to the rounding principle, for an amount of R92.80 per share;
- own, subject to the rounding principle applied to the *pro rata* share repurchase, 95.5 ordinary shares for every 100 ordinary shares held prior to the implementation of all the transactions.

¹ Based on the number of ordinary shares in issue on the last practicable date, the TH BEE partners will own an effective 25.5% of TH. Over time, as share options are exercised in TH under the existing THG share incentive schemes, this percentage will be diluted to 25%.

2. GROUP STRUCTURE

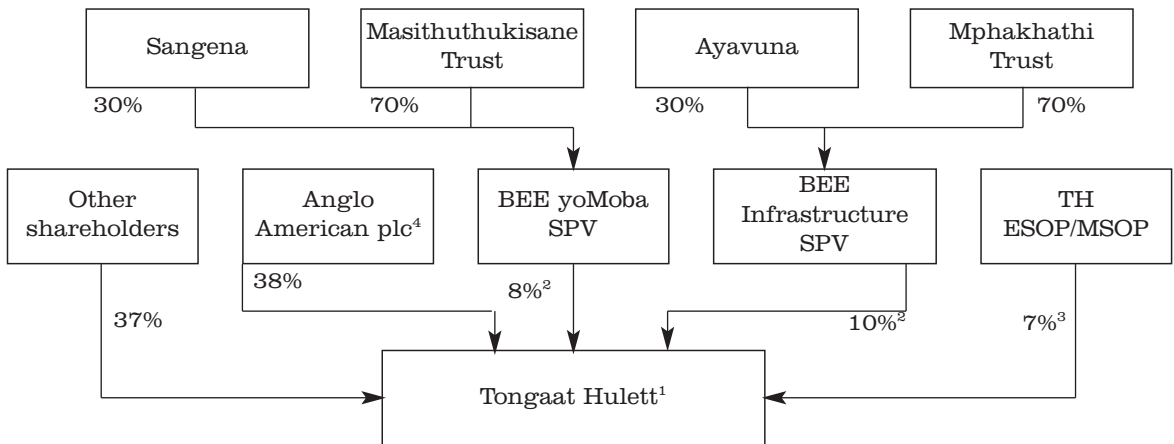
2.1 Current group structure



- 1. Listed on the JSE and the LSE.
- 2. This represents the TH operations currently housed within THG.

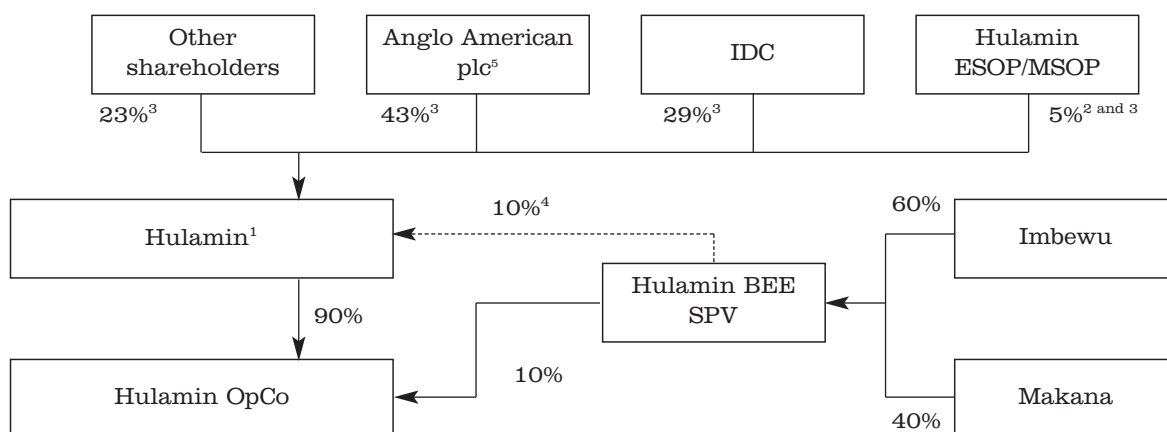
2.2 The group structure of Tongaat Hulett and Hulamin, after implementing the transactions

2.2.1 Tongaat Hulett structure



- 1. THG after the Hulamin unbundling which will be known as Tongaat Hulett and which will remain listed on the JSE and the LSE.
- 2. Held through TH “A” preferred ordinary shares, calculated on a fully diluted basis.
- 3. Held through TH “B” ordinary shares, calculated on a fully diluted basis.
- 4. Listed on the JSE and the LSE.

2.2.2 Hulamin structure



1. Listed on the JSE.
2. Held through Hulamin “B” ordinary shares.
3. Economic interest in Hulamin. The effective interest in the Hulamin OpCo will be diluted by 10%.
4. Hulamin “A” ordinary shares (voting only).
5. Listed on the JSE and LSE.

3. SALIENT FEATURES OF THE TRANSACTIONS

The transactions will be implemented in the following order:

Step 1: Listing and unbundling of Hulamin

Hulamin will be listed on the JSE, after which THG will unbundle its 50% interest in Hulamin to all shareholders recorded in the register on Friday, 29 June 2007. Shareholders will receive one Hulamin ordinary share for every ordinary share held prior to the Hulamin unbundling. THG will change its name to and be known as Tongaat Hulett Limited after the Hulamin unbundling.

Commencing on page 27 is further information regarding the Hulamin unbundling and on page 33 the action required by shareholders.

For additional information on the listing of Hulamin, shareholders are referred to the Hulamin pre-listing statement accompanying this circular.

Step 2: Pro rata repurchase of shares by way of the scheme

TH will acquire 4.5 ordinary shares for every 100 ordinary shares held by shareholders for R92.80 per ordinary share (being the derived TH share price of the ordinary shares traded on the JSE after the Hulamin unbundling) which will equate to a total consideration of R500.2 million (inclusive of any STC to be incurred by TH). The TH share repurchase will be implemented by way of the scheme.

For further information on the TH share repurchase, shareholders are referred to page 34 and 35 and to the scheme (*blue*) on pages 86 to 93 of this circular.

Step 3: Subscription for shares by BEE yoMoba SPV and BEE Infrastructure SPV

The TH BEE anchor partners, together with the Masithuthukisane Trust which represents the small scale cane grower communities surrounding the South African TH mills and the Mphakathi Trust, which represents the communities surrounding the TH property developments, will form the following investment vehicles for the purpose of entering into the TH BEE transaction:

- (i) Sangena will combine with the Masithuthukisane Trust to form BEE yoMoba SPV which will subscribe for 11 157 767 TH “A” preferred ordinary shares for an aggregate subscription price of R372.9 million which will represent an 8% interest in TH; and
- (ii) Ayavuna SPV will combine with the Mphakathi Trust to form BEE Infrastructure SPV to subscribe for 13 947 209 TH “A” preferred ordinary shares for an aggregate subscription price of R466.1 million which will represent a 10% interest in TH.

Each of BEE yoMoba SPV and BEE Infrastructure SPV will implement (i) and (ii) above by subscribing for TH “A” preferred ordinary shares which will represent a combined stake of 18% in TH subsequent to the implementation of all the steps of the TH BEE transaction.²

Commencing on page 36 is further information regarding the TH BEE transaction and on page 50 the action required by shareholders.

Step 4: Subscription for shares by TH MSOP Share Trust and TH ESOP Share Trust

The TH ESOP Share Trust and TH MSOP Share Trust will subscribe for TH “B” ordinary shares which will represent a collective interest of 7% in TH after the conclusion of the transactions for a projected aggregate subscription consideration of R212 million.³

Note that these TH “B” ordinary shares carry certain rights in favour of TH to repurchase a determinable number of these shares for a value of R0.01 per share at a future date as more fully detailed in paragraph 4.7.2.3 commencing on page 44.

Commencing on page 43 is further information regarding the TH MSOP and TH ESOP which form part of the TH BEE transaction and the action required by shareholders.

Step 5: Subscription for shares in Hulamin by Hulamin BEE SPV

The Hulamin BEE anchor partners, through Hulamin BEE SPV, will subscribe for a 10% economic interest in a wholly-owned subsidiary of Hulamin, Hulamin OpCo.

In addition, the Hulamin anchor BEE partners will subscribe for 25 million Hulamin “A” ordinary shares at their par value of R0.10 per share entitling Hulamin BEE SPV to approximately 10% of the voting rights of Hulamin⁴.

Commencing on page 51 is further information regarding the Hulamin BEE transaction and on page 63 the action required by shareholders.

Step 6: Subscription for shares by Hulamin ESOP Share Trust and Hulamin MSOP Share Trust

The Hulamin ESOP Share Trust and Hulamin MSOP Share Trust will subscribe for Hulamin “B” ordinary shares which will represent a collective interest of 5% in Hulamin for a projected aggregate consideration of R112.8 million.

Note that these Hulamin “B” ordinary shares carry certain rights in favour of Hulamin to repurchase a determinable number of these shares for a value of R0.01 per share at a future date as more fully detailed in paragraph 3.7 on page 54.

Commencing on page 57 is further information regarding the Hulamin MSOP and Hulamin ESOP which form part of the Hulamin BEE transaction and the action required by shareholders.

4. ECONOMIC COST OF THE BEE EQUITY TRANSACTIONS

The total estimated economic cost of the TH BEE transaction is expected to be approximately 3.5% of the derived TH market capitalisation and the estimated economic cost of the Hulamin BEE transaction is expected to be approximately 3.0% of the derived Hulamin market capitalisation. These costs, which will in terms of IFRS, be recognised mostly on a once-off basis and as illustrated in paragraph 5 below in the financial results of the respective companies, are considered to be within market norms for such BEE transactions.

5. PRO FORMA FINANCIAL EFFECTS OF THE TRANSACTIONS

The table below sets out the unaudited *pro forma* financial effects of the Hulamin unbundling, the TH share repurchase and the TH BEE transaction on THG’s audited EPS, HEPS, diluted EPS, NAV per share and NTAV per share, based on the audited results of THG for the financial year ended 31 December 2006. The unaudited *pro forma* financial effects are the responsibility of the THG directors and have been prepared for illustrative purposes only to provide information about how the Hulamin unbundling, the TH share repurchase and the TH BEE transaction may have affected the financial position of shareholders on the relevant reporting date. Due to their nature, the unaudited *pro forma* financial effects may not be a fair reflection of THG’s financial position, after implementation of the Hulamin unbundling, the TH share repurchase and the TH BEE transaction.

² The 18% stake held through TH “A” preferred ordinary shares is calculated on a fully diluted basis and represents an 18.4% undiluted interest in TH.

³ The 7% stake held through TH “B” ordinary shares is calculated on a fully diluted basis and represents a 7.1% undiluted basis.

⁴ The exact percentage of voting rights will depend on the number of ordinary shares in issue immediately before the unbundling record date which will, in turn, determine the number of shares in issue in Hulamin.

Note reference	Consolidated THG		Hulamin revaluation upon unbandling		Hulamin unbandling		Accelerated vesting		TH share repurchase		TH BEE transaction SPV ESOP/MSOP		Transaction costs		TH After trans-actions		Change (%)
	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)		
EPS	685	3 174	(62)	(11)	97	(333)	(19)	(22)	3 509	412							
HEPS	666	-	(62)	(11)	(55)	(333)	(19)	(22)	164	(75)							
Fully diluted EPS	668	3 093	(60)	(11)	90	(324)	(96)	(21)	3 339	400							
Fully diluted HEPS	649	-	(60)	(11)	(54)	(324)	(23)	(21)	156	(76)							
NAV per share	4 650	3 141	(4 702)	5	(346)	(5)	(2)	(43)	2 698	(42)							
NTAV per share	4 637	3 141	(4 691)	5	(346)	(5)	(2)	(43)	2 696	(42)							

Notes:

- The full details for the above table are contained in Annexure 2 which shows the Rand values and shares in issue for the *pro forma* financial information.
- Audited consolidated financial results of THG as reported for the year ended 31 December 2006. The financial impact on the earnings of THG are illustrated as if the transactions had been implemented at the beginning of the year which ended on 31 December 2006, while the impact on the net assets of THG are shown as if the transaction had been implemented on 31 December 2006. The Hulamin unbandling will take the form of a payment *in specie* by THG to its shareholders. This payment is reflected at market value in terms of the adopted practice as permitted by IFRS and thus a revaluation is required to bring the investment of 50% in Hulamin to the derived market value of R3 842 million. The revaluation required is R3 348 million. This has been calculated assuming the following:
 - a THG share price of R127.88, being the 30-day VWAP on the last practicable date for the circular;
 - an enterprise value split, TH : Hulamin of 71.5% : 28.5%; and
 - an adjustment to enterprise value for net debt.
- Note that the earnings impact of the revaluation upon unbandling is only reflected in EPS and not in HEPS. Based on audited financial results of Hulamin for the year ended 31 December 2006 together with the effects of the revaluation upon unbandling per note 3 above. The income statement effect represents the reversal of THG's attributable portion of Hulamin's earnings for the year ended 31 December 2006, including the high net finance costs in that year. The balance sheet effect represents the elimination of the attributable book value of Hulamin's net assets on the consolidated THG balance sheet at 31 December 2006 and the revaluation of the Hulamin investment as per note 3 above. Proposed changes to the taxation legislation may result in distributions to certain shareholders, who themselves do not pay tax, no longer qualifying for the STC and CGT relief provisions afforded in terms of section 46 of the Income Tax Act. This matter is under review and should it prove to be applicable then it is estimated that there may be an increase in the aggregate STC and CGT charge of approximately R40 million. This charge would have an incremental EPS effect of -38 cents per share.
- TH's attributable portion of the accelerated IFRS 2 cost amortisation, arising from the partial early vesting of some elements of the existing THG share incentive schemes pursuant to the Hulamin unbandling. This is a once-off cost.
- The impact of the specific, *pro rata* repurchase of ordinary shares from shareholders for an amount of R500.2 million (inclusive of STC to be incurred by TH) and the consequent cancellation of the ordinary shares repurchased and a reduction in the issued share capital by 4.5 ordinary shares for every 100 ordinary shares currently in issue by way of the scheme. The income statement effect includes an incremental R28 million after-tax net finance costs, which is based on a pre-tax interest rate of 7.7% on the cash disbursed.
- The income statement cost of R335 million arising from the introduction of BEE, yoMoba SPV and BEE Infrastructure SPV equity participation includes the following:
 - a once-off IFRS 2 cost of R282 million derived using option pricing methodology, based on the derived subscription price. The eventual IFRS 2 cost will also include an amount (positive or negative) that is dependent upon the difference between the derived subscription price, based on the 30-day VWAP at the last practicable date and the derived share price on the date of the general meeting. This latter amount can therefore not be definitively calculated at the last practicable date and is not included in the R282 million IFRS 2 cost disclosed above. Based on a VWAP and spot price on the last practicable date of R127.88 and R137.00 this adjustment would result in an additional cost of approximately R58 million. This charge would have an incremental EPS effect of -57 cents per share;
 - assumed once-off start-up and annual administration costs of R7 million and R2 million, respectively,*
 - a charge of approximately R0.3 million in the first year relating to the earn-in (refer sub-section 4.3 of Part III: The TH BEE Transaction of section A: The Transactions), which cost will be annually revalued based on the result of the earn-in initiatives;
 - after-tax interest of R45 million earned at a pre-tax rate of 7.7% on the cash proceeds of the share subscriptions;

- funding costs at a rate of 9.2% and for an amount of R78 million on preference share finance raised by BEE yoMoba SPV and BEE Infrastructure SPV for subscriptions for shares in TH*; and
- STC of R12 million on the dividends paid on the preferred ordinary shares issued to BEE yoMoba SPV and BEE Infrastructure SPV.

The balance sheet impact includes:

- the cash inflow arising from the BEE yoMoba SPV and BEE Infrastructure SPV subscribing for equity in TH; and
- the consolidation of the BEE yoMoba SPV and BEE Infrastructure SPVs' debt, disclosed as non-recourse, equity settled, interest bearing debt in TH*.

* *The BEE yoMoba SPV and BEE Infrastructure SPV are required to be consolidated into TH's financial results.*

8. The financial impact of the TH ESOP/TH MSOP comprises**:

- the IFRS 2 cost of the TH ESOP and TH MSOP which will be amortised over the five-year vesting period of the TH ESOP and the TH MSOP. An after-tax cost of R16 million is projected in the first year of the TH ESOP and TH MSOP, representing one fifth of the IFRS 2 cost of the TH ESOP and TH MSOP shares allocated to individuals at the outset of the TH BEE transaction. A portion of the shares are not allocated to individuals at the outset of the TH BEE transaction. Assuming all the shares had been allocated at the outset the total annual charge would have been R30 million after tax, implying a total 'full allocated' pre-tax cost of R212 million over the five-year vesting period;
- the tax relief on the abovementioned costs is partially offset by the STC charge on the net dividends paid to TH ESOP and TH MSOP participants;
- the anticipated dilutionary effect on the number of shares in issue, taking into account the difference between the derived share price at grant date and the subscription price for the shares; and
- assumed once-off start-up costs of R2 million.

** *The TH ESOP and TH MSOP subscription prices will only be determined post the Hulamin unbundling and the financial effects calculations are based on projections of these costs based on prevailing market conditions at the last practicable date.*

9. The costs associated with the transaction have been charged to the income statement or share premium account, as appropriate. A full analysis of the transaction costs is presented in sub-section 15 of Section B: General Information.
10. The NAV calculation is based on the net equity value as reflected on the balance sheet, excluding minority interests. The value calculated therefore represents the NAV attributable to ordinary shareholders.

Impact of the Hulamin BEE transaction on the Hulamin income statement and balance sheet

The table below sets out the unaudited *pro forma* financial effects of the Hulamin BEE transaction on Hulamin's audited basic EPS, diluted basic EPS, headline EPS, diluted headline EPS, NAV per share and NTAV per share, based on the audited results of Hulamin for the financial year ended 31 December 2006. The unaudited *pro forma* financial effects are the responsibility of the Hulamin directors and have been prepared for illustrative purposes only to provide information about how the Hulamin BEE transaction may have affected the financial position of the Hulamin shareholders on the relevant reporting date. Due to their nature, the unaudited *pro forma* financial effects may not be a fair reflection of Hulamin's financial position after implementation of the listed Hulamin BEE transaction.

Note reference	Before Hulamin BEE transaction (1) (cents)	Hulamin BEE transaction (2) (cents)	After Hulamin BEE transaction (cents)	Change (%)
EPS	117	(79)	38	(68)
HEPS	117	(79)	38	(68)
Fully diluted EPS	116	(79)	37	(68)
Fully diluted HEPS	116	(79)	37	(68)
NAV per share	1 552	18	1 570	1
NTAV per share	1 541	18	1 559	1

Notes:

1. Audited Hulamin financial statements for the year ended 31 December 2006, incorporating the following transactions*:
- Collapsing of the joint venture structure (see paragraph 2.2.1 of the Hulamin pre-listing statement for details of the previous structure):
 - The business of Hulamin was conducted through a company and joint venture partnership structure. On collapse of this structure certain adjustments were required to the capital structure of Hulamin. In addition, any tax liability or charge arising from the profits generated by The Hulamin Joint Venture was previously passed to the Joint Venture partners, as they were liable for the taxation. This adjustment of R73 million further reflects the continuing tax charge that would have been incurred had Hulamin been liable for the tax due.
 - Hulamin restructured its debt in anticipation of its listing on the JSE. On 29 December 2006, the convertible loan was settled and the financial institution subscribed for shares in Hulamin, which were subsequently allocated to the shareholders in terms of the original loan agreement. Total interest costs recorded in 2006 in respect of the convertible loan amounted to R155 million, consisting of interest for the period 1 January 2006 to 31 December 2006 of R73 million and a final settlement payment of R82 million. This interest is directly related to the restructuring of the debt and consequently has been adjusted with a continuing effect. The result of these transactions is to decrease the interest charge and hence increase Hulamin's net profit by R110 million after tax.
 - Current share incentive schemes:
 - An accelerated charge will be incurred on the current THG employee share scheme due to partial early vesting pursuant to the unbundling and the proportion of this charge which relates to Hulamin employees has been included here. This is a once-off charge. (See annexure 9 to the pre-listing statement for more details.)

- A capitalisation award. (See paragraph 5.3 of the Hulamin pre-listing statement for details.)

The financial impact on the earnings of Hulamin are illustrated as if the Hulamin BEE transaction had been implemented at the beginning of the year which ended on 31 December 2006, while the impact on the net assets of Hulamin are shown as if the Hulamin BEE transaction had been implemented on 31 December 2006.

2. The Hulamin BEE transaction comprises the following two components:

- Introduction of a broad-based BEE initiative which results in a once-off cost of R152 million derived using option pricing methodology, based on the derived subscription price. The eventual IFRS 2 cost will also include an amount (positive or negative) that is dependent upon the difference between the derived subscription price, based on the 30-day VWAP at the last practicable date and the derived share price on the date of the general meeting. This latter amount can therefore not be definitively calculated at the last practicable date and is not included in the R152 million IFRS 2 cost disclosed above. Based on a VWAP and spot price on the last practicable date of R127.88 and R137.00 this incremental amount would be R14 million. This charge would have an incremental EPS effect of -7 cents per share. (See paragraph 2.4 of the pre-listing statement for further details on the broad-based BEE initiative); and
- The Hulamin ESOP and the Hulamin MSOP. The IFRS 2 cost of the Hulamin ESOP and Hulamin MSOP will be amortised over the five-year vesting period of the Hulamin ESOP and the Hulamin MSOP. An after-tax cost of R9 million is projected in the first year of the Hulamin MSOP and Hulamin ESOP representing one-fifth of the IFRS 2 cost of the Hulamin ESOP and Hulamin MSOP shares allocated to individuals at the outset of the Hulamin BEE transaction. A portion of the shares are not allocated to individuals at the outset of the Hulamin BEE transaction. Assuming all the shares had been allocated at the outset the total annual charge would have been R16 million after tax, implying a total 'full allocated' pre-tax cost of R112.8 million over the five-year vesting period. (See Annexure 9 to the Hulamin pre-listing statement for further details.)

* The detailed information relating to these Hulamin transactions is disclosed in the Hulamin pre-listing statement.

6. CONDITIONS PRECEDENT

The following conditions precedent are applicable to the various transaction steps outlined above:

6.1 Conditions precedent applying to the transactions

The transactions are subject to the following conditions precedent which shall be fulfilled, or, where relevant, waived, on or before Monday, 25 June 2007:

- 6.1.1 all resolutions set out in the notice of general meeting forming part of and attached to this circular are approved by shareholders;
- 6.1.2 all requisite regulatory approvals are obtained in order to implement the transactions;
- 6.1.3 the unconditional written approval of HM Treasury in the United Kingdom, under the provisions of section 765 of the United Kingdom and Corporation Taxes Act 1988, to the transactions (if so required);
- 6.1.4 the scheme is agreed to by a majority representing not less than three-fourths of the votes exercisable by the scheme members present and voting, either in person or by proxy, at the scheme meeting; and
- 6.1.5 the scheme is sanctioned by the Court.

6.2 Additional conditions precedent applying to the Hulamin unbundling

The Hulamin unbundling is subject to the additional condition precedent that Hulamin is listed on the JSE on or before Monday, 25 June 2007.

6.3 Additional conditions precedent applying to the TH BEE transaction

The TH BEE transaction is subject to the following conditions precedent which shall be fulfilled, or, where relevant, waived, on or before Tuesday, 31 July 2007:

- 6.3.1 the listing and unbundling of Hulamin becoming unconditional in accordance with the terms as set out in Section I on pages 27 to 33 of this circular;
- 6.3.2 the TH share repurchase becoming unconditional in accordance with its terms as set out in Section II on pages 34 and 35 of this circular;
- 6.3.3 THG, in its sole and absolute discretion, being satisfied on the outcome of its due diligence investigations on the TH BEE anchor partners, their BEE status and their shareholding structures;
- 6.3.4 Hulamin, in its sole and absolute discretion, being satisfied on the outcome of its due diligence investigation on the Hulamin BEE anchor partners, their BEE status and their shareholding structures;
- 6.3.5 the unconditional written approval of HM Treasury in the United Kingdom, under the provisions of section 765 of the United Kingdom and Corporation Taxes Act 1988, to the transactions (if so required);

- 6.3.6 THG confirming in writing (after having consulted with each of BEE Infrastructure SPV and BEE yoMoba SPV) that it is satisfied that, through the implementation of the TH BEE transaction, TH will achieve the TH Minimum Rating as set out in paragraph 4.5 on page 42;
- 6.3.7 the memorandum and articles of association of each of the TH BEE partners being amended to take into account the relevant provisions of the TH BEE transaction agreements (in so far as it is applicable to it) and the funding agreements in a form and substance acceptable to Hulamin and/or Tongaat (as the case may be);
- 6.3.8 the Completion Agreement becoming unconditional and taking effect in accordance with its terms and conditions; and
- 6.3.9 there being no breach of certain representations, warranties and undertakings contained in the TH BEE transaction agreements.

6.4 Additional conditions precedent applying to the Hulamin BEE transaction

The Hulamin BEE transaction is subject to the following conditions precedent which shall be fulfilled, or, where relevant, waived, on or before Tuesday, 31 July 2007:

- 6.4.1 the listing of Hulamin and the Hulamin unbundling becoming unconditional in accordance with the terms as set out in this circular;
- 6.4.2 Hulamin confirming in writing (after having consulted with Hulamin BEE SPV) that it is satisfied that, through the implementation of the Hulamin BEE transaction, Hulamin will achieve the Hulamin Minimum Rating set out in paragraph 3.7 on page 51;
- 6.4.3 there being no breach of certain representations, warranties and undertakings contained in the Hulamin BEE transaction agreements; and
- 6.4.4 the Completion Agreement becoming unconditional and taking effect in accordance with its terms and conditions.

7. PURPOSE OF THIS CIRCULAR

In order to implement the transactions, THG must:

- (i) convene a general meeting to obtain the necessary authority from shareholders to implement the transactions;
- (ii) convene a scheme meeting to obtain the approval of scheme members for the scheme.

This circular has been prepared to provide shareholders with information regarding the transactions and contains, *inter alia*, the following:

- (i) information required by the JSE in order to implement the transactions which is set out on pages 27 to 80 and in the annexures which form part of this circular;
- (ii) an explanatory statement outlining the effect of the scheme and other required disclosures in terms of section 312 of the Companies Act as set out on pages 81 to 85;
- (iii) the scheme (*blue*) as required by the Companies Act as set out on pages 86 to 93, the Order of Court and notice of scheme meeting on pages 103 and 104;
- (iv) a notice of scheme meeting;
- (v) a form of proxy (*white*) for the scheme meeting for certificated shareholders or shareholders with "own name" registration only;
- (vi) the notice of general meeting containing all the ordinary and special resolutions required to implement the transactions and the scheme;
- (vii) a form of proxy (*green*) for the general meeting for certificated shareholders or shareholders with "own name" registration only; and
- (viii) a form of surrender (*pink*) for certificated shareholders only.

DEFINITIONS AND INTERPRETATIONS

Unless the context indicates otherwise:

- reference to the singular shall include the plural and *vice versa*;
- words and expressions denoting one gender include the others;
- words and expressions denoting natural persons include legal persons and associations of persons; and
- the words and expressions in the first column have the meanings stated opposite them in the second column.

“A” and “B” preference share funders”	collectively, FirstRand Bank Limited and Depfin Investments (Proprietary) Limited;
“A” and “B” preference shares”	4 122 000 “A” preference shares and 4 122 000 “B” preference shares issued by BEE Infrastructure SPV and BEE yoMoba SPV to the “A” and “B” preference share funders;
“Anglo American plc”	Anglo American plc (Registration number 3564138), a public company incorporated in accordance with the laws of England and Wales, the ordinary shares of which are listed on the LSE (primary listing), the JSE, the SWX Swiss Exchange, the Botswana Stock Exchange and the Namibian Stock Exchange;
“Ayavuna”	Ayavuna Investments and Ayavuna SPV;
“Ayavuna Investments”	Ayavuna Women’s Investment (Proprietary) Limited (Registration number 2006/019047/07), a private company incorporated in South Africa, whose shares are, directly or indirectly, owned by, <i>inter alia</i> , Hixonia Nyasulu and various other beneficiaries as set out on page 46 of this circular and which owns all the shares in issue in Ayavuna SPV;
“Ayavuna SPV”	Blue Lounge Trading 55 (Proprietary) Limited (Registration number 2007/007485/07), a special purpose vehicle created for the purpose of the TH BEE transaction as one of the TH BEE anchor partners which will be a 30% shareholder in BEE Infrastructure SPV and whose sole shareholder is Ayavuna Investments;
“BEE”	Black Economic Empowerment;
“BEE Infrastructure SPV”	Cast Arena Trade and Invest 67 (Proprietary) Limited (Registration number 2006/038322/07), a special purpose vehicle created for the purposes of the TH BEE transaction whose shareholders comprise Ayavuna SPV (30%) and the Mphakathi Trust (70%);
“BEE SPV Relationship Agreements”	the agreements entered into between THG and BEE yoMoba SPV and BEE Infrastructure SPV which regulate the agreement between the company and each of BEE yoMoba SPV and BEE Infrastructure SPV;
“BEE yoMoba SPV”	Marble Gold 424 (Proprietary) Limited (Registration number 2006/037863/07), a special purpose vehicle created for the purposes of the TH BEE transaction whose shareholders comprise Sangena (30%) and the Masithuthukisane Trust (70%);
“bps”	basis points;
“broker”	any person registered as a “broking member (equities)” in terms of the Rules of the JSE made in accordance with the Stock Exchanges Control Act, 1 of 1985;
“business day”	any day other than a Saturday, Sunday or public holiday in South Africa;
“certificated scheme members”	scheme members who hold certificated shares;

“certificated scheme participants”	scheme participants who hold certificated shares;
“certificated shares”	shares which have not been dematerialised, title to which are represented by documents of title;
“CGT”	Capital Gains Tax levied in terms of the Eighth Schedule to the Income Tax Act;
“CIPRO”	Companies and Intellectual Property Registrations Office, a member of the DTI;
“this circular”	this bound circular, dated 18 May 2007, incorporating the information required by the JSE and the Companies Act in respect of the transactions, the explanatory statement, the scheme, the valuation statement, the statement of directors’ interests and the annexures and forms attached hereto;
“common monetary area”	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“Companies Act”	the Companies Act, 61 of 1973, as amended;
“Completion Agreement”	the agreement, dated 3 May 2007, entered into between, <i>inter alia</i> , THG, Hulamin, Hulamin OpCo, the TH BEE anchor partners and their affiliates, the Hulamin anchor BEE partners and their affiliates, BEE Infrastructure SPV, BEE yoMoba SPV, Hulamin BEE SPV, the TH MSOP Share Trust, the TH ESOP Share Trust, the Hulamin MSOP Share Trust and the Hulamin ESOP Share Trust to, <i>inter alia</i> , give effect to the transactions;
“consideration record date”	the time and date for shareholders to be recorded in the register in order to receive the scheme consideration, which is expected to be 17:00 on Friday, 6 July 2007;
“conversion date”	the date on which the TH “A” preferred ordinary shares will be converted into ordinary shares, the latest date being the seventh anniversary of the effective date or earlier in the event that a redemption event occurs in relation to the “A” and “B” preference shares;
“Court”	the High Court of South Africa (Natal Provincial Division), which is located at 301 Church Street, Pietermaritzburg;
“CSDP”	Central Securities Depository Participant appointed by a shareholder for purposes of, and in regard to, dematerialisation in terms of the Securities Services Act;
“dematerialisation”	the process by which certificated shares are converted to or held in an electronic form as uncertificated securities and recorded in the sub-register of security holders maintained by a CSDP or broker;
“dematerialised scheme members”	scheme members who hold dematerialised shares;
“dematerialised scheme participants”	scheme participants who hold dematerialised shares;
“dematerialised shares”	shares which have been dematerialised;
“documents of title”	share certificates, certified transfer deeds, balance receipts or any other documents of title to certificated shares acceptable to THG;
“DTI”	Department of Trade and Industry;
“EEA State”	a member State of the European Union or any other state which is a party to the European Economic Area Agreement;
“effective date”	two business days following the date of fulfilment or waiver of all the conditions precedent to the transactions;

“EPS”	earnings per share;
“Exchange Control Regulations”	the Exchange Control Regulations, 1961, as amended, enforced in terms of section 9 of the Currency and Exchanges Act, 9 of 1933, as amended;
“existing THG share incentive schemes”	collectively, The Tongaat-Hulett Group Limited Employee Share Incentive Scheme (1989), the 2001 Share Option Scheme, The Tongaat-Hulett Group Limited Deferred Bonus Plan 2005, The Tongaat-Hulett Group Limited Long-Term Incentive Plan 2005 and The Tongaat-Hulett Group Limited Share Appreciation Rights Scheme 2005;
“GAAP”	the South African Statements of Generally Accepted Accounting Practice;
“general meeting”	the general meeting of shareholders to be held at 10:00 on Monday, 11 June 2007 at the registered office for the purpose of considering, and, if deemed fit, passing the resolutions contained in the notice of general meeting attached to this circular;
“HEPS”	headline earnings per share;
“Hulamin”	Hulamin Limited (Registration number 1940/013924/06) (formerly Hulett Aluminum (Proprietary) Limited), a private company incorporated in South Africa), a public company which will be listed on the JSE and is the subject of the Hulamin unbundling;
“Hulamin “A” ordinary shares”	34 000 000 unlisted Hulamin “A” ordinary shares of ten cents each in the issued share capital of Hulamin to be issued to Hulamin BEE SPV for cash at their par value and which entitle Hulamin BEE SPV to 10% of the voting rights in Hulamin, but no economic benefit. Such rights are not transferable except with the consent of Hulamin;
“Hulamin BEE anchor partners”	collectively, Imbewu and Makana;
“Hulamin “B” ordinary shares”	collectively, the Hulamin B1, B2 and B3 ordinary shares;
“Hulamin B1 ordinary shares”	8 000 000 unlisted Hulamin B1 ordinary shares of ten cents each which rank <i>pari passu</i> with the ordinary shares in all respects, except for the rights granted to Hulamin in respect of the Hulamin specific share repurchases. A number of these shares, to be determined on their grant date, are to be issued to the Hulamin ESOP Share Trust for a consideration to be determined 22 trading days after the listing of Hulamin;
“Hulamin B2 ordinary shares”	10 000 000 unlisted Hulamin B2 ordinary shares of ten cents each which rank <i>pari passu</i> with the ordinary shares in all respects, except for the rights granted to Hulamin in respect of the Hulamin specific share repurchases. A number of these shares, to be determined on their grant date, are to be issued to the Hulamin MSOP Share Trust for a consideration to be determined 22 trading days after the listing of Hulamin;
“Hulamin B3 ordinary shares”	3 000 000 unlisted Hulamin B3 ordinary shares of ten cents each which rank <i>pari passu</i> with the ordinary shares in all respects, except for the rights granted to Hulamin in respect of the Hulamin specific share repurchases. A number of these shares, to be determined on their grant date, are to be issued to the Hulamin MSOP Share Trust for a consideration to be determined 22 trading days after the listing of Hulamin;
“Hulamin BEE partners”	collectively, the Hulamin anchor BEE partners and the Hulamin ESOP Share Trust and the Hulamin MSOP Share Trust;
“Hulamin BEE SPV”	Cheldean Trading 67 (Proprietary) Limited (Registration number 2006/037367/07), a special purpose vehicle created for the purposes of the Hulamin BEE transaction whose shareholders are Imbewu (60%) and Makana (40%);

“Hulamin BEE transaction”	the subscription for an effective 10% economic interest in Hulamin OpCo and the subscription for 25 000 000 Hulamin “A” ordinary shares (which entitle the holder to exercise approximately 10% of the voting rights in Hulamin) through Hulamin BEE SPV by the Hulamin anchor BEE partners and the subscription for a further 5% of Hulamin by the Hulamin ESOP Share Trust and the Hulamin MSOP Share Trust;
“Hulamin BEE transaction agreements”	the agreements entered into in order to implement the Hulamin BEE transaction;
“Hulamin board”	the board of directors of Hulamin, whose names are set out on page 32;
“Hulamin ESOP”	the Hulamin employee share ownership plan whereby all permanent Hulamin employees up to middle management based in South Africa will participate in the Hulamin BEE transaction;
“Hulamin ESOP Trust”	The Hulamin Employee Share Ownership Trust (Master’s reference number IT 645/2007/PMB), a share trust established for the purposes of the Hulamin ESOP;
“Hulamin Group”	Hulamin and its subsidiaries;
“Hulamin MSOP”	the Hulamin management share ownership plan, whereby permanent South African black Hulamin senior and selected middle management will participate in the Hulamin BEE transaction;
“Hulamin MSOP Trust”	The Hulamin Management Share Ownership Trust (Master’s reference number IT 644/2007/PMB), a share trust established for the purposes of the Hulamin MSOP;
“Hulamin ordinary shares” or “Hulamin shares”	240 000 000 ordinary shares of ten cents each in the authorised share capital of Hulamin;
“Hulamin OpCo”	Hulamin Operations (Proprietary) Limited (Registration number 1999/020410/07), a private company incorporated in South Africa and which is a subsidiary of Hulamin;
“Hulamin OpCo preference shares”	50 000 000 cumulative redeemable preference shares of R1.00 each in the issued share capital of Hulamin OpCo held by Hulamin;
“Hulamin OpCo shareholders agreement”	the shareholders agreement dated 2 May 2007, entered into between Hulamin, Hulamin OpCo and Hulamin BEE SPV, regulating their relationship;
“Hulamin pre-listing statement”	the pre-listing statement published in compliance with the JSE Listings Requirements which was posted to shareholders on Friday, 18 May 2007 in anticipation of the listing of Hulamin on the JSE on Monday, 25 June 2007 and enclosed with this circular;
“Hulamin relationship agreement”	the relationship agreement, dated 2 May 2007, entered into between Hulamin, Hulamin OpCo, Hulamin BEE SPV, the Hulamin BEE anchor partners and the indirect shareholders in Hulamin BEE SPV, regulating their relationship;
“Hulamin specific share repurchases”	the specific repurchase of the Hulamin “B” ordinary shares;
“Hulamin unbundling”	the unbundling by THG of 50% of Hulamin by way of a distribution <i>in specie</i> in terms of section 90 of the Companies Act and section 46 of the Income Tax Act whereby shareholders recorded in the register on Friday, 29 June 2007 will receive one Hulamin share for every ordinary share held;
“Hulamin unbundling agreement”	the unbundling agreement entered into between THG and Hulamin, dated 2 May 2007, which sets out the terms and conditions of the Hulamin unbundling;

“IDC”	Industrial Development Corporation of South Africa Limited (Registration number 1940/014201/06), a body corporate created under section 2 of the Industrial Development Act, No. 22 of 1940;
“Imbewu”	Imbewu Consortium SPV 1 (Proprietary) Limited (Registration number 2006/032092/07), a private company incorporated in South Africa, one of the Hulamini BEE anchor partners, which comprises, <i>inter alia</i> , Imbewu Capital Partners, J B Magwaza, Siphso Madonsela and various broad-based groupings and is a 60% shareholder in Hulamini BEE SPV;
“Imbewu Capital Partners”	Imbewu Capital Partners (Proprietary) Limited (Registration number 2005/008562/07), which comprises, <i>inter alia</i> , Gcina Zondi and The Standard Bank of South Africa Limited;
“IFRS”	International Financial Reporting Standards;
“IFRS 2”	International Financial Reporting Standards 2 – Share-based Payments;
“Income Tax Act”	the Income Tax Act, 58 of 1962, as amended;
“JSE”	the JSE Limited (Registration number 2005/022939/06), a company duly registered with limited liability under the laws of South Africa and licensed as an exchange under the Securities Services Act;
“King Code 2002”	the Code of Corporate Practices and Conduct contained in the King Report 2002;
“King Report 2002”	the King Report on Corporate Governance for South Africa 2002;
“last practicable date”	Thursday, 19 April 2007, being the last practicable date prior to the finalisation of this circular;
“listing date”	Monday, 25 June 2007, being the date upon which the Hulamini shares are listed on the JSE;
“LSE”	London Stock Exchange plc;
“Makana”	the Makana Investment Consortium KZN SPV (Proprietary) Limited (Registration number 2006/035032/07) which comprises, <i>inter alia</i> , Makana Investment Corporation and Makana Investment KZN and which is one of the Hulamini BEE anchor partners and is a 40% shareholder in Hulamini BEE SPV;
“Makana Investment Corporation”	Makana Investment Corporation (Proprietary) Limited (Registration number 1997/011411/07), comprising, <i>inter alia</i> , African Sky Consortium (Proprietary) Limited, Autshumata Investments (Proprietary) Limited, Wild Orchard Investments (Proprietary) Limited and the Makana Trust;
“Makana Investment KZN”	Makana Investment Consortium KZN SPV (Proprietary) Limited (Registration number 2003/017417/07), a private company incorporated in South Africa and which forms part of Makana;
“Masithuthukisane Trust”	the Masithuthukisane Trust (Master’s reference number IT 472/2007/PMB), which benefits the local small scale cane grower communities and is a 70% shareholder in BEE yoMoba SPV;
“Moreland”	Moreland Developments (Proprietary) Limited (Registration number 1981/012378/07), a private company incorporated in South Africa and a wholly-owned subsidiary of THG;
“Mphakathi Trust”	the Mphakathi Trust (Master’s reference number IT473/2007/PMB), which benefits the local communities surrounding THG’s property development projects and is a 70% shareholder in BEE Infrastructure SPV;
“name change”	immediately after the Hulamini unbundling and subject to shareholder approval, THG will change its name to and be known as Tongaat Hulett Limited;

“NAV”	net asset value;
“NTAV”	net tangible asset value;
“operative date”	the first business day immediately following the consideration record date, being the date on which the scheme becomes operative, which is expected to be on or about Monday, 9 July 2007;
“Rand” or “R”	South African Rand, the official currency of South Africa;
“redeemable preference shares”	10 redeemable preference shares of R1.00 each in the authorised share capital of THG, the terms of which are set out in detail in Article 155.10.10 in Annexure 9 to this circular;
“redemption event”	any event pursuant to which the preference shares issued by BEE yoMoba SPV and BEE Infrastructure SPV become redeemable as set out in the respective Class A Preference Share Terms and the Class B Preference Share Terms which are attached to and form part of the Class A Preference Share Subscription Agreement and the Class B Preference Share Subscription Agreement;
“registered office”	the registered office of THG, which is Amanzimnyama Hill Road, Tongaat, KwaZulu-Natal, 4400;
“RMB”	FirstRand Bank Limited (Registration number 1929/001225/06), acting through Rand Merchant Bank Corporate Finance, in its capacity as merchant bank and transaction sponsor to THG;
“rounding principle”	the rounding up or down to the nearest whole number of ordinary shares to be acquired by TH in terms of the scheme, on the basis that such fractions will be: <ul style="list-style-type: none"> (i) rounded up to the nearest whole number if the fraction is equal to or greater than 0,5 of an ordinary share; or (ii) rounded down to the nearest whole number if the fraction is less than 0,5 of an ordinary share;
“SAICA”	The South African Institute of Chartered Accountants;
“Sangena”	Misty Mountain Trading 98 (Proprietary) Limited (Registration number 2007/008825/07), a private company incorporated in South Africa, one of the TH BEE anchor partners which will be a 30% shareholder in BEE yoMoba SPV and whose sole shareholder is Sangena Holdings;
“Sangena Holdings”	Roundtop Trading 16 (Proprietary) Limited (Registration number 2007/008909/07), a private company incorporated in South Africa;
“scheme”	the scheme of arrangement in terms of section 311 of the Companies Act proposed by THG between THG and its shareholders on the terms and conditions set out in the scheme (<i>blue</i>), subject to any modification or amendment agreed to by THG and which is approved, if necessary by the Court, which, if it becomes operative, will result in THG, in terms of section 85 of the Companies Act, acquiring from each shareholder the scheme shares;
“scheme consideration”	the cash to be paid to each scheme participant, being R92.80 per scheme share, which represents a total scheme consideration of R500.2 million (inclusive of STC to be incurred by TH);

“scheme meeting”	the meeting of scheme members convened in terms of section 311 of the Companies Act to be held at the registered office at 10:30 on Monday, 11 June 2007, or 10 minutes after the conclusion or adjournment of the general meeting, whichever is the later, or any adjournment thereof (the time and date of which will be released on SENS and published in the press) at which meeting the scheme members will consider and vote on the scheme;
“scheme members”	shareholders recorded in the register on the voting record date, who are entitled to attend and vote at the scheme meeting;
“scheme participants”	shareholders recorded in the register on the consideration record date, who are entitled to receive the scheme consideration;
“scheme shares”	ordinary shares to be acquired by TH in terms of the scheme, being 4.5 ordinary shares for every 100 ordinary shares held by each scheme participant on the consideration record date, adjusted by the application of the rounding principle;
“Securities Services Act”	the Securities Services Act, 36 of 2004, as amended;
“SENS”	the Securities Exchange News Service of the JSE;
“shareholders”	holders of shares;
“shares” or “ordinary shares”	ordinary shares of R1.00 each in the issued share capital of THG (TH after the Hulamin unbundling), all of which are listed on the JSE and the LSE;
“South Africa”	the Republic of South Africa;
“specific repurchase of Hulamin “B” ordinary shares”	the repurchase by Hulamin in terms of section 85 of the Companies Act, of up to a maximum of all the Hulamin “B” ordinary shares in issue, which number will depend on the final number of Hulamin “B” ordinary shares issued as more clearly set out in paragraph 3.9.2.3 on page 56 at one cent in terms of the Hulamin BEE transaction;
“specific repurchase of TH “A” preferred ordinary shares”	the possible repurchase by TH or its nominee in terms of section 85 of the Companies Act of up to a maximum of 25 104 976 TH “A” preferred ordinary shares (subsequent to their conversion into ordinary shares) at one cent each in terms of the TH BEE transaction;
“specific repurchase of TH “B” ordinary shares”	the repurchase by TH or its nominee in terms of section 85 of the Companies Act, of up to a maximum of all the TH “B” ordinary shares in issue, which number will depend on the final number of TH “B” ordinary shares issued as more clearly set out in paragraph 4.7.2.3 on page 44 at one cent each in terms of the TH BEE transaction;
“STC”	Secondary Tax on Companies;
“STRATE”	STRATE Limited (Registration number 1998/022242/06), a company duly registered and incorporated with limited liability under the laws of South Africa and registered as a central securities depository in terms of the Securities Services Act responsible for the electronic custody and settlement system;
“subsidiary”	a subsidiary company as defined in section 1(3) of the Companies Act;
“TH” or “Tongaat Hulett” or “Tongaat Hulett Limited”	THG, after implementing the Hulamin unbundling;
“TH “A” preferred ordinary shares”	30 000 000 unlisted TH “A” preferred ordinary shares of R1.00 each which rank <i>pari passu</i> with the ordinary shares in all respects, except that they entitle holders to a fixed annual dividend in preference to the holders of the ordinary shares until the TH “A” preferred ordinary shares are converted into ordinary shares;
“TH “B” ordinary shares”	collectively, the TH B1, B2 and B3 ordinary shares;

“TH B1 ordinary shares”	6 000 000 unlisted B1 ordinary shares of R1.00 each which rank <i>pari passu</i> with the ordinary shares in all respects, except for the rights granted to TH in respect of the TH specific share repurchases. A number of these shares, to be determined on their grant date, are to be issued to the TH ESOP Share Trust for a consideration to be determined 22 trading days after the listing of Hulamin;
“TH B2 ordinary shares”	10 500 000 unlisted B2 ordinary shares of R1.00 each which rank <i>pari passu</i> with the ordinary shares in all respects, except for the rights granted to TH in respect of the TH specific share repurchases. A number of these shares, to be determined on their grant date, are to be issued to the TH MSOP Share Trust for a consideration to be determined 22 trading days after the listing of Hulamin;
“TH B3 ordinary shares”	3 200 000 unlisted B3 ordinary shares of R1.00 each which rank <i>pari passu</i> with the ordinary shares in all respects, except for the rights granted to TH in respect of the TH specific share repurchases. A number of these shares, to be determined on their grant date, are to be issued to the TH MSOP Share Trust for a consideration to be determined 22 trading days after the listing of Hulamin;
“TH BEE anchor partners”	collectively, Ayavuna and Sangena;
“TH BEE partners”	collectively, the TH BEE anchor partners, the Masithuthukisane Trust, the Mphakathi Trust, TH ESOP Share Trust and the TH MSOP Share Trust;
“TH BEE transaction”	the acquisition of an effective 25% interest in the share capital of TH by the TH BEE partners;
“TH BEE transaction agreements”	the agreements entered into in order to implement the TH BEE transaction;
“TH board”	the board of directors of TH commences on page 31 of this circular;
“TH ESOP”	the TH employee share ownership plan whereby all permanent TH employees up to middle management based in South Africa will participate in the TH BEE transaction;
“TH ESOP Share Trust”	The Tongaat-Hulett Employee Share Ownership Trust (Master’s reference number IT 634/2007/PMB), a share trust established for the purposes of the TH ESOP;
“TH Group”	TH and its subsidiaries, after the Hulamin unbundling;
“TH MSOP”	the TH management share ownership plan, whereby permanent South African black senior and selected middle management will participate in the TH BEE transaction;
“TH MSOP Share Trust”	The Tongaat-Hulett Management Share Ownership Trust (Master’s reference number IT 635/2007/PMB), a share trust established for the purposes of the TH MSOP;
“TH preference share agreements”	the subscription agreements entered into between BEE yoMoba SPV and BEE Infrastructure SPV and third party funders in terms of which third party funders will subscribe for “A” and “B” preference shares;
“TH share repurchase”	the repurchase of 4.5 ordinary shares for every 100 ordinary shares held for a total consideration of R500.2 million (inclusive of STC to be incurred by TH) by way of the scheme;
“TH specific share repurchases”	collectively, the specific repurchase of TH “A” preferred ordinary shares and the specific repurchase of TH “B” ordinary shares;

“THG” or “the company”	The Tongaat-Hulett Group Limited (Registration number 1892/000610/06), a public company incorporated in South Africa which will change its name to Tongaat Hulett Limited after the Hulamun unbundling, the shares of which are listed on the JSE and which have a secondary listing on the LSE;
“THG board”	the board of directors of THG as set out page 27 which represents the board of directors prior to effecting the name change;
“THG Group”	THG and its subsidiaries;
“transactions”	the listing of Hulamun on the JSE, the Hulamun unbundling, the name change, the TH share repurchase, the TH BEE transaction and the Hulamun BEE transaction;
“transfer secretaries”	Computershare Investor Services 2004 (Proprietary) Limited (Registration number 2004/003647/07), a private company incorporated in South Africa whose address is Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) or alternatively, in the United Kingdom, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU (Proxy Processing Centre, Telford Road, Bicester OX26 4LD);
“unbundled Hulamun shares”	that number of Hulamun ordinary shares which will be distributed to shareholders in terms of the Hulamun unbundling which will be determined on the date immediately preceding the Hulamun unbundling with reference to the Hulamun shares held by THG on that date, such that shareholders will receive one Hulamun ordinary share for every Hulamun ordinary share THG owned on that date;
“unbundling record date”	the latest date and time to be recorded in the register of THG to participate in the Hulamun unbundling, which is expected to be 17:00 on Friday, 29 June 2007;
“US”	United States of America;
“voting record date”	the latest time and date for shareholders to be recorded in the register in order to vote at the scheme meeting, being at 17:00 on Friday, 8 June 2007; and
“VWAP”	volume weighted average price determined with reference to the traded price of an ordinary share or a Hulamun ordinary share on the JSE, as the case may be.



The Tongaat-Hulett Group Limited

(Incorporated in the Republic of South Africa)
(Registration number 1892/000610/06)
JSE share code: TNT ISIN: ZAE000007449

SECTION A: THE TRANSACTIONS

Directors of THG

Non-executive

C M L Savage (*Chairman*)**

D D Barber

P M Baum

I Botha

E le R Bradley**

B E Davison

J B Magwaza**

M Mia**

T H Nyasulu**

R H J Stevens**

A M Thompson

** Independent non-executive

Executive

P H Staude (*Chief Executive Officer*)

B G Dunlop

A Fourie

G R Hibbert

G P N Kruger

M H Munro

S J Saunders

M Serfontein

Note that the definitions and interpretations set out on pages 18 to 26 of this circular apply to this section of additional information required by the JSE.

I. THE LISTING OF HULAMIN, THE HULAMIN UNBUNDLING AND THE NAME CHANGE

1. INTRODUCTION

THG undertook a strategic review to establish how best to further enhance shareholder value and build on the substantial achievements of the past three years. Pursuant to this review and as part of the ongoing activities to increase earnings and grow the business, the THG board concluded that it was opportune to list Hulamin on the JSE and unbundle its 50% interest in Hulamin to its shareholders.

Subject to shareholder approval, the Hulamin ordinary shares will be listed in the Aluminium sub-sector of the "Industrial Metals" sector of the JSE with effect from the commencement of business on Monday, 25 June 2007 under the abbreviated name "Hulamin". The Hulamin ordinary shares will be traded on the JSE under the Share code of HLM and ISIN: ZAE000096210. Immediately after the listing, the Hulamin unbundling will be effected.

2. RATIONALE

THG has developed the Hulamin business over the past 30 years, transforming it into a successful independent niche producer of aluminium semi-fabricated products. Given the stage of its growth cycle, the business now has the requisite critical mass and growth prospects to prosper as a separately listed entity.

The THG board believes that the listing and unbundling of Hulamin on the JSE will unlock value for shareholders and provide investors with a unique investment opportunity in a focused aluminium semi-fabricator company.

The unbundling will enhance TH's value proposition as an agri-processing business with significant integrated land management, agriculture and property development activities. It will create opportunities to further enhance operating performance, improve delivery on growth projects and take advantage of the changing global sugar dynamics.

3. MECHANISM

The Hulamin unbundling will take the form of a distribution *in specie* by THG to its shareholders of the unbundled Hulamin shares. This unbundling will be effected in terms of section 90 of the Companies Act and section 46 of the Income Tax Act.

If the requisite ordinary resolutions are passed at the general meeting, shareholders will receive one Hulamin share for every ordinary share held on the unbundling record date.

4. FINANCIAL INFORMATION RELATING TO THE HULAMIN UNBUNDLING

4.1 Pro forma financial effects of the Hulamin unbundling

The table below sets out the unaudited *pro forma* financial effects of the Hulamin unbundling, on THG's audited basic EPS, diluted basic EPS, HEPS, diluted HEPS, NAV per share and NTAV per share, based on the audited results of THG for the financial year ended 31 December 2006. The unaudited *pro forma* financial effects are the responsibility of the THG directors and have been prepared for illustrative purposes only to provide information about how the Hulamin unbundling may have affected the financial position of the THG shareholders on the relevant reporting date. Due to their nature, the unaudited *pro forma* financial effects may not be a fair reflection of THG's financial position, after implementation of the Hulamin unbundling.

Note reference	Consolidated THG	Hulamin revaluation upon unbundling	Hulamin unbundling	Accelerated vesting	TH After Hulamin unbundling	Change (%)
	Before (2) (cents)	(3) (cents)	(4) (cents)	(5) (cents)	(cents)	
EPS	685	3 174	(62)	(11)	3 786	452
HEPS	666	-	(62)	(11)	593	(11)
Fully diluted EPS	668	3 093	(60)	(11)	3 690	452
Fully diluted HEPS	649	-	(60)	(11)	578	(11)
NAV per share	4 650	3 141	(4 702)	5	3 094	(33)
NTAV per share	4 637	3 141	(4 691)	5	3 092	(33)

Notes:

- The full details for the above table are contained in Annexure 2 which shows the Rand values and shares in issue for the *pro forma* financial information.
- Audited consolidated financial results of THG as reported for the year ended 31 December 2006. The financial impact on the earnings of THG are illustrated as if the Hulamin unbundling had been implemented at the beginning of the year which ended on 31 December 2006, while the impact on the net assets of THG are shown as if the Hulamin unbundling had been implemented on 31 December 2006.
- The Hulamin unbundling will take the form of a payment *in specie* by THG to its shareholders. This payment is reflected at market value in terms of the adopted practice as permitted by IFRS and thus a revaluation is required to bring the investment of 50% in Hulamin to the derived market value of R3 842 million. The revaluation required is R3 348 million. This has been calculated assuming the following:
 - a THG share price of R127.88, being the 30-day VWAP price on the last practicable date;
 - enterprise value split, TH : Hulamin of 71.5% : 28.5%; and
 - an adjustment to enterprise value for net debt.

Note that the earnings impact of the revaluation upon unbundling is only reflected in EPS and not in HEPS.

- Based on audited financial results of Hulamin for the year ended 31 December 2006 together with the effects of the revaluation upon unbundling per note 3 above. The income statement effect represents the reversal of THG's attributable portion of Hulamin's earnings for the year ended 31 December 2006, including the high net finance costs in that year. The balance sheet effect represents the elimination of the attributable book value of Hulamin's net assets on the consolidated THG balance sheet at 31 December 2006 and the revaluation of the Hulamin investment as per note 3 above. Proposed changes to the taxation legislation may result in distributions to certain shareholders, who themselves do not pay tax, no longer qualifying for the STC and CGT relief provisions afforded in terms of section 46 of the Income Tax Act. This matter is under review and should it prove to be applicable then it is estimated that there may be an increase in the aggregate STC and CGT charge of approximately R40 million. This charge would have an incremental EPS effect of -38 cents per share.
- TH's attributable portion of the accelerated IFRS 2 cost amortisation as a consequence of the partial early vesting of some elements of the existing THG share incentive schemes pursuant to the Hulamin unbundling. This is a once-off cost.
- The NAV calculation is based on the net equity value as reflected on the balance sheet, before minority interests. The value calculated therefore represents the NAV attributable to ordinary shareholders.

4.2 Pro forma balance sheet and income statement

The *pro forma* financial information is set out in Annexure 2 to this circular.

4.3 Reporting accountants' report on pro forma financial effects of the Hulamin unbundling

The reporting accountants' report on the *pro forma* financial information is set out in Annexure 3 to this circular.

4.4 Impact on share capital of THG

The impact of the Hulamin unbundling on THG's authorised and issued share capital is indicated in paragraph 5.4 commencing on page 74.

5. CONDITIONS PRECEDENT

The listing of Hulamin, the Hulamin unbundling and the name change are subject to the following conditions precedent which shall be fulfilled, or, where relevant, waived, on or before Monday, 25 June 2007:

- 5.1** all resolutions set out in the notice of general meeting forming part of and attached to this circular are approved by shareholders;
- 5.2** all requisite regulatory approvals are obtained in order to implement the transactions; and
- 5.3** in the case of the Hulamin unbundling, Hulamin is listed on the JSE on or before Monday, 25 June 2007.

6. FOREIGN SHAREHOLDERS

6.1 Jurisdictions outside South Africa

The distribution of unbundled Hulamin shares to persons resident in, or who are nationals or citizens of countries other than South Africa, may be affected by the laws of the relevant jurisdiction. Those persons should consult their professional advisors as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their rights.

This paragraph 6 sets out the restrictions applicable to shareholders who have registered addresses outside South Africa, who are nationals, citizens or residents of countries other than South Africa, or who are persons (including, without limitation, custodians, nominees and trustees) who have a contractual or legal obligation to forward this circular to a jurisdiction outside South Africa or who hold ordinary shares for the account or benefit of any such person.

It is the responsibility of any person outside South Africa (including, without limitation, nominees, agents and trustees for such persons) receiving this circular and wishing to take up their unbundled Hulamin shares to satisfy themselves as to full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. Shareholders are obliged to observe the applicable legal requirements of their relevant jurisdictions. Shareholders that are prohibited from receiving the unbundled Hulamin shares are hereinafter referred to as "excluded foreign shareholders".

Receipt of this circular and any accompanying document will not constitute an offer of unbundled Hulamin shares ("offer") in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this circular and any accompanying document if sent, will be sent for information only and should not be copied or redistributed. No person receiving a copy of this circular in any territory, other than South Africa, may treat the same as constituting an offer to such person unless, in the relevant territory, such an offer could lawfully be made to him without contravention of any registration or other legal requirements.

Accordingly, persons (including, without limitation, nominees, agents and trustees) receiving a copy of this circular should not, in connection with the unbundling, distribute or send the same to any person in, or citizen or resident of, or otherwise into any jurisdiction where to do so would or might contravene local securities laws or regulations. Any person who does forward this circular into any such territory (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this paragraph 6.

THG reserves the right, but shall not be obliged, to treat as invalid any distribution of unbundled Hulamin shares which appears to THG or its agents to have been executed, effected or dispatched in a manner which may involve a breach of the securities laws or regulations of any jurisdiction or if THG believes or its agents believe that the same may violate applicable legal or regulatory requirements.

The unbundled Hulamin shares to which such excluded foreign shareholders would be entitled will be aggregated and disposed of on the JSE by the transfer secretaries on behalf of and for the benefit of such foreign excluded shareholders as soon as is reasonably practicable after the effective date for the Hulamin unbundling at the best price that can reasonably be obtained at the time of sale. CSDPs will be responsible for informing the transfer secretaries of all dematerialised shares held by them on behalf of such foreign excluded shareholders. The transfer secretaries will determine which certificated shareholders are such foreign excluded shareholders.

Such foreign excluded shareholders will, in respect of their entitlement to the unbundled Hulamin shares, receive the average consideration per unbundled Hulamin share (net of transaction and currency conversion costs). The average consideration per unbundled Hulamin share due to each foreign excluded shareholder will only be paid once all such unbundled Hulamin shares have been disposed of.

No action has been taken in any EEA state by THG or Hulamin which would permit an offer to the public in any EEA state of unbundled Hulamin shares and any such shares should only be offered or sold in circumstances under which no obligation arises for THG or Hulamin to produce a prospectus for such offer or sale. Neither THG nor Hulamin has authorised, nor do they authorise, the making of any offer of Hulamin shares, except as contemplated in this circular.

6.2 Exchange Control

Shareholders whose registered address is outside the common monetary area will need to comply with the Exchange Control Regulations contained in Annexure 13 to this circular.

If shareholders are in any doubt as to what action to take they should consult their professional advisors.

7. TAXATION CONSIDERATIONS

The summary below is a general guide and is not intended to constitute a complete analysis of the taxation consequences of the unbundling provisions in terms of South African taxation law. It is not intended to be, nor should be considered as legal or taxation advice. THG and its advisors cannot be held responsible for the taxation consequences of the Hulamin unbundling and, therefore, shareholders are advised to consult their own taxation advisors in this regard.

7.1 South African income tax, STC and CGT considerations

The unbundling will be deemed to be a disposal by THG of the Hulamin ordinary shares to the shareholders. The deemed disposal will be effected utilising the tax concessions provided for in section 46 of the Income Tax Act. The concessions provided for in such section 46 are outlined below:

7.1.1 Disposal of Hulamin shares by THG

The distribution of Hulamin shares by THG will be disregarded by THG in determining its taxable income or assessed loss in the tax year that the Hulamin unbundling takes place.

7.1.2 Secondary Tax on Companies

The distribution of the Hulamin shares to shareholders will not be treated as a dividend declared by THG or a dividend received by a shareholder who is a company in determining their respective STC liabilities.

7.1.3 Ordinary shares held as trading stock

Any shareholder holding ordinary shares as trading stock will be deemed to acquire the unbundled Hulamin shares as trading stock. The cost to be allocated to the unbundled Hulamin shares will be determined by applying a specified ratio to the cost of the ordinary shares. This specified ratio will be determined with reference to the Hulamin share price traded on the JSE. THG will advise shareholders of the specified ratio by way of an announcement to be released on SENS on Wednesday, 27 June 2007.

The cost so allocated to the unbundled Hulamin shares will reduce the cost of the ordinary shares held, thus allocating the cost between the ordinary shares and the Hulamin shares.

7.1.4 Ordinary shares held as capital assets

Any shareholder holding ordinary shares as capital assets will be deemed to acquire the unbundled Hulamin shares as capital assets. The base cost to be allocated to the unbundled Hulamin shares will be determined by applying a specified ratio to the base cost of the ordinary shares. The specified ratio will be determined with reference to the Hulamin share price traded on the JSE. TH will advise shareholders of the specified ratio by way of an announcement to be released on SENS on Wednesday, 27 June 2007.

The base cost so allocated to the unbundled Hulamin shares will reduce the base cost of the ordinary shares held, thus allocating the base cost between the ordinary shares and the Hulamin shares.

Shareholders will be deemed to have acquired the unbundled Hulamin shares on the date on which the ordinary shares were originally acquired.

7.1.5 Stamp duties and uncertificated securities tax

The registration of the Hulamin shares in the names of the shareholders will be exempt from the payment of any stamp duties or uncertificated securities tax.

7.1.6 Non-resident shareholders

Shareholders who are non-resident for tax purposes in South Africa are advised to consult their own professional tax advisors regarding the tax treatment of the Hulamin unbundling in their respective jurisdictions, having regard to the tax laws in their jurisdiction and any applicable tax treaties between South Africa and their country of residence.

8. NAME CHANGE

THG will change its name to Tongaat Hulett Limited upon the passing and registration of the special resolution for the change of the name included in the notice of general meeting attached to this circular. CIPRO has provided THG with confirmation that the name has been reserved.

In view of this name change, THG will hereinafter be referred to as Tongaat Hulett or TH where applicable and will be traded on the JSE under the abbreviated name "Tongaat", Share code TON and ISIN: ZAE000096533.

In compliance with the JSE Listings Requirements, THG will insert the words "(formerly The Tongaat-Hulett Group Limited)" directly under the new name, Tongaat Hulett Limited on the documents of title for at least one year from the date upon which the name change becomes effective.

9. CHANGES TO THE THG BOARD

Pursuant to the Hulamin unbundling TH will reconstitute the THG board to form the TH board, as follows:

Executive	Non-executive
P H Staude (<i>Chief Executive Officer</i>)	C M L Savage (<i>Chairman</i>)**
M H Munro (<i>Chief Financial Officer</i>)	P M Baum
B G Dunlop	I Botha
	E le R Bradley**
	J John**#
	J B Magwaza**
	M Mia**
	T H Nyasulu
	C B Sibisi#
	R H J Stevens**

Notes:

New appointees.

** Independent non-executive directors.

The non-executive director nominated by each of Sangena and Ayavuna, respectively, will be appointed to the TH board as outlined in paragraph 7 on page 49.

A brief CV of the new TH directors is set out in Annexure 5 to this circular.

In line with the trend to have smaller boards and as a consequence of the Hulamin unbundling, the following THG board members will resign immediately after the Hulamin unbundling, which will take place after the listing of Hulamin on the JSE:

Executive	Non-executive
A Fourie	D D Barber
G R Hibbert	B E Davison
G P N Kruger	A M Thompson
S J Saunders	
M Serfontein	

Executives who will be members of a newly constituted Executive Management Committee are:

P H Staude (<i>Chief Executive Officer</i>)	M Jean-Louis
T C Chetty	G P N Kruger
S J M Cleasby	C V Macu
R Cumbi	M N Mohale
N P Dingaan	M M L Mokoka
B G Dunlop	M H Munro
B R Gumede	S J Saunders
G R Hibbert	M Serfontein

In view of the reconstituted TH board, the existing sub-committees of the THG board as outlined in paragraph 4.2.3 commencing on page 68 to will also be reviewed in terms of composition and structure to represent the new TH board.

10. THE HULAMIN BOARD

Pursuant to the Hulamin unbundling the Hulamin board will be as follows:

Executive	Non-executive
A Fourie (<i>Chief Executive Officer</i>)	M Mkwanaazi (<i>Chairman</i>)*##
C D Hughes (<i>Chief Financial Officer</i>)	P M Baum
M Z Mkhize	I Botha
	L Cele**#
	V N Khumalo
	T P Leeuw**#
	J B Magwaza# (Alternate: S-P Ngwenya#)
	P H Staude**

Notes:

New appointees.

** Independent non-executive directors.

A brief CV of the Hulamin directors is set out in Annexure 8 to the Hulamin pre-listing statement.

In line with the trend to have smaller boards and as a consequence of the Hulamin unbundling, the following Hulamin board members will resign immediately after the Hulamin unbundling, which will take place after the listing of Hulamin on the JSE:

Executive	Non-executive
F B Bradford+	L W J Matlhape
R G Jacob+	M H Munro
C J Little+	S J Saunders+
T K Mshengu+	C M L Savage
D F Timmerman+	M P Zambane

+ Alternate director

Executives that will be members of a newly constituted Executive Management Committee are:

A Fourie (<i>Chief Executive Officer</i>)	C J Little
F B Bradford	M Z Mkhize
C D Hughes	T K Mshengu
R G Jacob	D F Timmerman

11. IMPACT ON THE EXISTING THG SHARE INCENTIVE SCHEMES AS A RESULT OF THE HULAMIN UNBUNDLING

The Hulamin unbundling will have an impact on the benefits accruing under the existing THG share incentive schemes. Shareholders are referred to Annexure 11 which sets out the measures that will be taken with regard to the existing THG share incentive schemes in order to ensure the equitable and fair treatment of THG employees who were participants under the existing THG share incentive schemes and who remain in the employment of TH following the Hulamin unbundling.

The salient terms of the existing THG share incentive scheme as they affect Hulamin after the Hulamin unbundling as well as the adoption by Hulamin of the provisions contained in the Hulamin share incentive schemes are contained in the Hulamin pre-listing statement.

12. DIRECTORS' OPINIONS

12.1 The THG board has considered the terms of the Hulamin unbundling and recommends that shareholders vote in favour of the ordinary resolutions required to implement the Hulamin unbundling.

12.2 The members of the THG board have undertaken to vote in favour of the ordinary resolutions required to implement the Hulamin unbundling in respect of the ordinary shares held by them.

13. WORKING CAPITAL STATEMENT

The THG board, after considering the effect of the Hulamin unbundling, is of the opinion that:

13.1 TH and the TH Group will be able in the ordinary course of business to pay their debts for a period of 12 months after the date of the notice of general meeting;

13.2 the assets of TH and the TH Group will be in excess of the liabilities of TH and the TH Group for a period of 12 months after the date of the notice of general meeting. For this purpose the assets and liabilities will be recognised and measured in accordance with the accounting policies used by TH in preparing THG's audited financial results for the 12 months ended 31 December 2006;

13.3 the share capital of TH and the TH Group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of general meeting;

13.4 the working capital of TH and the TH Group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of general meeting.

14. ACTION REQUIRED BY SHAREHOLDERS

At the general meeting, shareholders will be required to vote on the following ordinary and special resolutions as set out in the notice of general meeting which is attached to and forms part of this circular:

Resolution	Purpose
Ordinary resolution number 2	<i>To approve the implementation of the Hulamin unbundling as a distribution in specie in terms of section 90 of the Companies Act</i>
Special resolution number 1	<i>To approve the name change from The Tongaat-Hulett Group Limited to Tongaat Hulett Limited</i>
Special resolution number 3	<i>To amend the articles of the company</i>
Special resolution number 4	<i>To replace the memorandum of association as a consequence of, inter alia, the name change</i>

Full details of the action required to be taken by shareholders is set out on pages 5 to 7 in the action required by shareholders section of this circular.

II. THE TH SHARE REPURCHASE

1. INTRODUCTION

In announcements dated 14 December 2006 and 3 May 2007, released on SENS and published in the press, shareholders were advised that TH intends to return approximately R500.2 million (inclusive of STC to be incurred by TH) to TH shareholders by way of a *pro rata* share repurchase in terms of section 85 of the Companies Act by way of the scheme.

Prior to the implementation of the TH BEE transaction, TH will undertake a *pro rata* repurchase of 4.5% of its issued share capital whereby it will repurchase 4.5 ordinary shares for every 100 ordinary shares held, subject to the rounding principle, for R92.80 per ordinary share which amounts to an aggregate consideration of R500.2 million (inclusive of STC to be incurred by TH) by way of the scheme.

The JSE Listings Requirements and the Companies Act require that the repurchase of shares be approved by a special resolution passed in general meeting. A notice of general meeting containing the special resolution is attached to and forms part of this circular.

2. RATIONALE

Pursuant to the strategic review undertaken to further enhance shareholder value and build on the substantial achievements of the past three years and as part of the ongoing actions to increase earnings and grow the business, the THG board has undertaken to return excess capital to shareholders. In so doing, THG is able to optimise the capital structure of TH while leaving it with the balance sheet capacity to undertake meaningful growth projects in the medium to long term.

3. MECHANISM

The *pro rata* share repurchase will be effected by way of the scheme, which is set out on pages 85 to 92.

In terms of the scheme, TH will repurchase 4.5 ordinary shares for every 100 ordinary shares held by scheme participants, subject to the rounding principle, on the consideration record date, at a price of R92.80 per ordinary share, subject to the ordinary shareholders approving and passing the special resolutions necessary to implement the scheme.

The ordinary shares will be repurchased utilising available cash resources. The ordinary shares repurchased will be cancelled and the listing of these shares on the JSE will be terminated and hence the TH share repurchase will not adversely affect the shareholder spread requirements as set out in paragraphs 3.37 to 3.41 of the JSE Listings Requirements.

4. FINANCIAL INFORMATION RELATING TO THE TH SHARE REPURCHASE

4.1 *Pro forma* financial effects of the TH share repurchase

The *pro forma* financial effects of the TH share repurchase are set out in the valuation statement as part of explanatory statement in the scheme on pages 81 to 85.

4.2 *Pro forma* balance sheet and income statement

The *pro forma* financial information is set out in Annexure 2 to this circular.

4.3 Reporting accountants' report on *pro forma* financial effects of the transactions

The reporting accountants' report on the *pro forma* financial information is set out in Annexure 3 to this circular.

4.4 Impact on share capital of THG

The impact of the TH share repurchase on the share capital of TH is set out in the valuation statement which forms part of explanatory statement to the scheme on pages 94 and 95.

5. DIRECTORS' OPINIONS

- 5.1** The THG board has considered the terms of the TH share repurchase and recommends that shareholders vote in favour of the special resolution required to implement the TH share repurchase.
- 5.2** The members of the THG board have undertaken to vote in favour of the special resolution required to implement the TH share repurchase in respect of the ordinary shares held by them.

6. WORKING CAPITAL STATEMENT

The THG board, after considering the effect of the share repurchases, is of the opinion that:

- 6.1** TH and the TH Group will be able in the ordinary course of business to pay their debts for a period of 12 months after the date of the notice of general meeting;
- 6.2** the assets of TH and the TH Group will be in excess of the liabilities of TH and the TH Group for a period of 12 months after the date of the notice of general meeting. For this purpose the assets and liabilities will be recognised and measured in accordance with the accounting policies used by THG in preparing THG's audited financial results for the 12 months ended 31 December 2006;
- 6.3** the share capital of TH and the TH Group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of general meeting;
- 6.4** the working capital of TH and the TH Group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of general meeting.

7. ACTION REQUIRED BY SHAREHOLDERS

7.1 General meeting

At the general meeting, shareholders will be required to vote on the following special resolution as set out in the notice of general meeting commencing on page 203 which forms part of this circular:

Resolution	Purpose
Special resolution number 5	<i>To approve the pro rata repurchase of 4.5% of the issued share capital of TH in terms of the JSE Listings Requirements, section 85(2) of the Companies Act and Article 129 of the company's articles</i>

7.2 Scheme meeting

At the scheme meeting, shareholders will be required to consider and, if deemed fit, approve with or without modification, the scheme as set out in the notice of scheme meeting commencing on page 103 which forms part of this circular.

Full details of the action required to be taken by shareholders is set out on pages 5 to 7 in the action required by shareholders section of this circular.

III. THE TH BEE TRANSACTION

1. INTRODUCTION

The THG board regards transformation as fundamental to the long-term development and stability of the South African economy and the TH business. To date, THG has successfully undertaken numerous meaningful and sustainable BEE initiatives in all aspects of its business, particularly in the areas of employment equity, preferential procurement, skills development, enterprise development and community involvement.

Furthering the commitment to meaningful and sustainable transformation, TH has concluded agreements which will facilitate the acquisition of an effective 25% interest in TH by the TH BEE partners.

The TH BEE transaction comprises two components, namely:

- (i) the subscription for an effective 18% interest in TH by broad-based BEE groups⁵; and
- (ii) the subscription for an effective 7% interest in TH by eligible TH employees through the TH ESOP and the TH MSOP⁶.

The broad-based BEE groups who have accepted TH's invitation to participate in the TH BEE transaction are:

- (i) Ayavuna as one of the anchor partners;
- (ii) the Mphakathi Trust, the beneficiaries of which are previously disadvantaged communities who live in and around a number of the near to medium-term land development projects of TH;
- (iii) Sangena as the second TH BEE anchor partner;
- (iv) the Masithuthukisane Trust, the beneficiaries of which are previously disadvantaged small scale cane grower communities which supply TH's four South African sugar mills.

The Ayavuna and Sangena shareholders understand the industries in which TH operates and will play a leading role in assisting in the growth of TH's businesses and developing value adding initiatives together with the respective communities. The community groups have a vested interest in the long-term sustainability of the TH business.

For further information on the TH BEE partners, shareholders are referred to paragraph 5 below.

2. RATIONALE

In seeking to achieve the broad-based sustainable empowerment outlined above, TH identified the need to facilitate meaningful and sustainable BEE where BEE participants can not only contribute specific knowledge, but can also benefit directly from their contribution to and interest, in the TH business.

Following the Hulamin unbundling, the opportunity exists for TH to attract such value add BEE partners into what will be an agri-processing business which includes integrated components of land management, property development and agriculture.

The TH BEE partners have been carefully selected to ensure that the long-term objectives of sustainable and meaningful transformation are achieved.

The TH BEE transaction complements existing transformation initiatives in the areas of employment equity, preferential procurement and enterprise development, all of which will result in meaningful recognition in terms of the balanced scorecard as set out in the DTI Codes on Broad-Based Black Economic Empowerment. This recognition will attractively position TH to continue to add value through its core competencies around the agri-processing and land management value chain.

3. VALUATION

For the purposes of the TH BEE transaction and Hulamin BEE transaction, it was necessary to determine the fundamental underlying value of each of TH and 50% of Hulamin within THG. The ratio of the TH enterprise value to the Hulamin enterprise value was then determined. This was applied to the THG market value (based on a 30-day VWAP up to and including the last practicable date), adjusted for net debt at that date and other pre-agreed adjustments.

⁵ Based on the number of ordinary shares in issue on the last practicable date BEE yoMoba SPV and BEE infrastructure SPV will, collectively, own an effective 18.4% of TH. Over time, as share options are exercised, this interest will be diluted to 18%.

⁶ Based on the number of ordinary shares in issue on the last practicable date the TH MSOP and the TH ESOP will, collectively, own an effective 7.1% of TH. Over time, as share options are exercised, this interest will be diluted to 7%.

Based on the detailed assessment of the values of both TH and Hulamin, the enterprise value ratio between TH and 50% of Hulamin within THG is 71.5% : 28.5%.

The 30-day VWAP at the last practicable date was R127.88. Based on the agreed split of the enterprise value and certain pre-agreed adjustments, the split of the 30-day VWAP at the last practicable date between TH and 50% of Hulamin is as follows:

	Rand
TH attributable portion of VWAP	92.80
Hulamin attributable portion of VWAP	35.08
30-day VWAP at last practicable date	127.88

These derived values represent an equity value of R9.9bn for TH (prior to the TH share repurchase) and R7.5bn for 100% of Hulamin.

4. STRUCTURE AND FUNDING OF THE TH BEE TRANSACTION

The TH BEE anchor partners, the Masithuthukisane Trust and the Mphakathi Trust will form BEE Infrastructure SPV and BEE yoMoba SPV for the purposes of entering into the TH BEE transaction as follows:

- (i) Sangena and the Masithuthukisane Trust will subscribe for shares representing 30% and 70%, respectively, of BEE yoMoba SPV, which will acquire an effective 8% interest in TH; and
- (ii) Ayavuna SPV and the Mphakathi Trust will subscribe for shares representing 30% and 70%, respectively, of BEE Infrastructure SPV, which will acquire an effective 10% of TH.

Simultaneously, the TH ESOP Share Trust and the TH MSOP Share Trust will, collectively, subscribe for shares representing an effective 7% interest in TH.

The TH BEE transaction will be funded with a combination of equity contributions by the TH BEE anchor partners, third party funding and “notional vendor finance”, as follows:

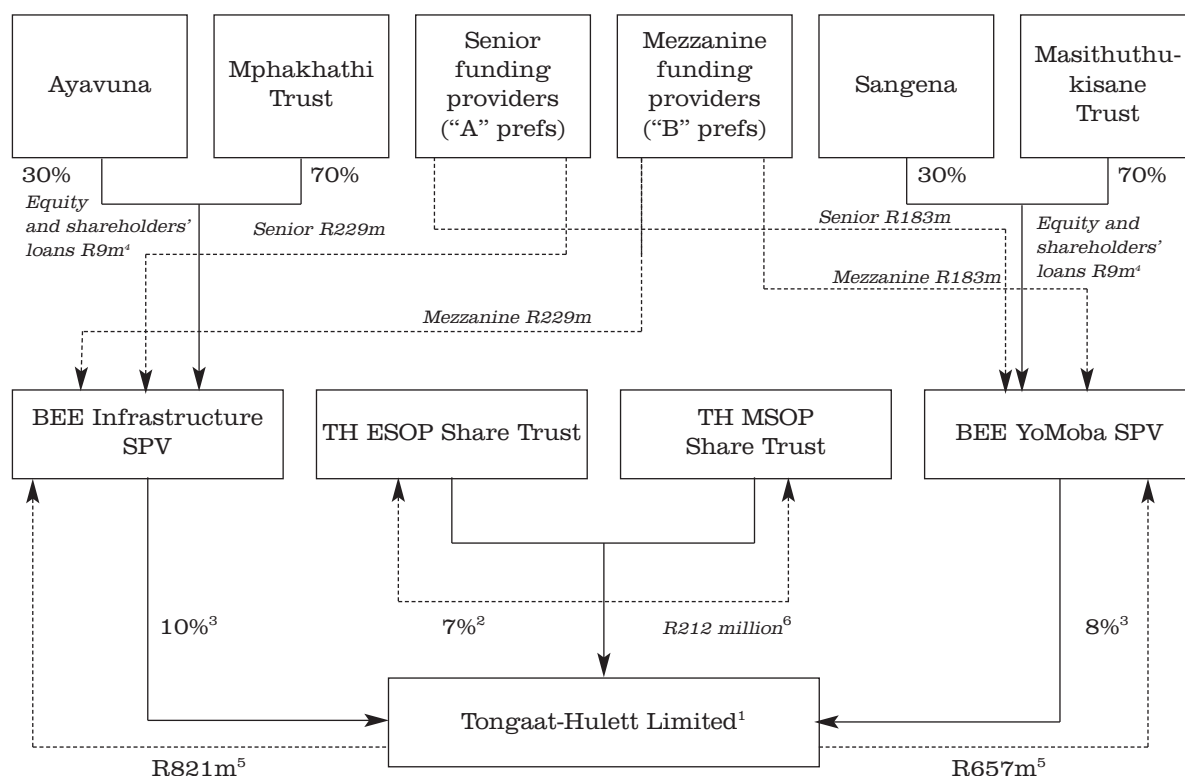
- (i) equity contributions by the TH BEE anchor partners of R9 million into BEE yoMoba SPV and BEE Infrastructure SPV;
- (ii) interest free shareholder loans of R9 million from the TH BEE anchor partners into BEE yoMoba SPV and BEE Infrastructure SPV;
- (iii) External institutional funding in the form of preference share capital in BEE yoMoba SPV and BEE Infrastructure SPV, as follows:
 - (a) The issue of 4 122 000 “A” preference shares to financial institutions for a total consideration of R412.7 million, 2 290 000 of which shall be issued by BEE Infrastructure SPV and 1 832 000 of which shall be issued by BEE yoMoba SPV. The “A” preference shares will attract a dividend at a rate equal to 64% of prime (nacm) converted to a fixed rate. The “A” preference shares will rank ahead of all other classes of shares in BEE Infrastructure SPV and BEE yoMoba SPV. Approximately 80% of the fixed annual dividend referred to in paragraph 4.1.1 will be applied to service this “A” preference share funding.
 - (b) The issue of 4 122 000 “B” preference shares to financial institutions for a total consideration of R412.7 million, 2 290 000 of which shall be issued by BEE Infrastructure SPV and 1 832 000 of which shall be issued by BEE yoMoba SPV. The “B” preference shares will attract a dividend at a rate equal to 82% of prime converted to a fixed rate (nacm). The “B” preference shares will rank behind the “A” preference shares but ahead of all other classes of shares in BEE Infrastructure SPV and BEE yoMoba SPV. Approximately 20% of the fixed annual dividend referred to in paragraph 4.1.1 below will be applied to service this “B” preference share funding.
- (iv) R1 477 million provided by TH in the form of “notional vendor financing” in terms of which BEE Infrastructure SPV and BEE yoMoba SPV will, collectively, subscribe for 16 186 955 TH “A” preferred ordinary shares, as follows:
 - BEE Infrastructure SPV to subscribe for 8 992 753 TH “A” preferred ordinary shares for an aggregate subscription value of R9 million; and
 - BEE yoMoba SPV to subscribe for 7 194 202 TH “A” preferred ordinary shares for an aggregate subscription value of R7.2 million.

In terms of this “notional vendor financing” arrangement, TH will have the right to repurchase that number of the TH “A” preferred ordinary shares calculated in accordance with an agreed formula (immediately after the conversion into ordinary shares). Shareholders are referred to paragraphs 4.1.3 and 4.2 below, which outlines the allotment and specific issue of TH “A” preferred ordinary shares for cash and the specific repurchase of TH “A” preferred ordinary shares by TH at par in relation to this “notional vendor financing” arrangement.

- (v) The TH ESOP Share Trust and TH MSOP Share Trust will, collectively, subscribe for TH B1, B2 and B3 ordinary shares for an estimated aggregate subscription consideration of R212 million. The aggregate subscription consideration will be paid by the TH operating companies to the TH ESOP Share Trust and the TH MSOP Share Trust, respectively, and the trusts will, in turn, use this funding to subscribe for the respective classes of shares as set out in paragraph 4.7 below.

The TH “B” ordinary shares carry certain rights in favour of TH to repurchase a determinable number of these shares for a value of R0.01 per share at a future date as more fully detailed in paragraph 4.7 below.

An overview of the TH BEE transaction and the related funding arrangements is set out in the diagram below:



1. Listed on the JSE and the LSE.
2. TH “B” ordinary shares.
3. TH “A” preferred ordinary shares.
4. Contributed in the proportion of 50% equity and 50% shareholder loans for a total contribution of R9 million equity and R9 million shareholder loans between Sangena and Ayavuna.
5. Notional vendor funding.
6. Contribution by TH.

Dotted lines denote funding. Solid lines denote shareholdings.

TH BEE transaction and related funding arrangements will be implemented by way of a series of transactions as outlined in paragraphs 4.1 to 4.7 below.

4.1 Specific issue of “A” preferred ordinary shares

4.1.1 Creation of new class of shares

TH will propose a special resolution to increase its authorised share capital by creating 30 000 000 TH “A” preferred ordinary shares. The TH “A” preferred ordinary shares will not be listed on the JSE or any other exchange.

TH has been granted dispensation from the JSE to allow holders of the TH “A” preferred ordinary shares to vote at general meetings, despite the fact that these shares are not listed on the JSE. In terms of this dispensation, the votes attaching to each class of shares in issue in TH will be afforded equal rank and all votes are to be counted collectively. Holders of TH “A” preferred ordinary shares shall not be entitled to any additional votes or veto rights.

The TH “A” preferred ordinary shares will rank *pari passu* with the ordinary shares in all respects, with the following exceptions:

- (i) the TH “A” preferred ordinary shares shall be entitled to a fixed annual dividend in preference to ordinary shareholders of R99.7 million per annum in aggregate for all preferred ordinary shares until the conversion date;
- (ii) on the conversion date, each TH “A” preferred ordinary share will automatically convert into an ordinary share, which will be listed on the JSE. BEE yoMoba SPV and BEE Infrastructure SPV as holders of the TH “A” preferred ordinary shares and as holders after conversion of ordinary shares, have agreed to a 10-year lock-in of such shares⁷; and
- (iii) the TH “A” preferred ordinary shares will not be included in determining the categorisation of transactions in terms of the JSE Listings Requirements.

Annexure 9 to this circular sets out the detailed terms of the TH “A” preferred ordinary shares.

The creation of the TH “A” preferred ordinary shares requires the approval of 75% of the votes exercised by shareholders in general meeting. Shareholders are referred to paragraph 10 below which outlines the action required by shareholders in this regard.

4.1.2 Specific allotment and issue of TH “A” preferred ordinary shares at market value, being the 30-day VWAP at the last practicable date

On implementation of the transactions, each of BEE Infrastructure SPV and BEE yoMoba SPV will subscribe for that number of TH “A” preferred ordinary shares at the derived market value determined in accordance with paragraph 3 above (being the 30-day VWAP determined on the last practicable date) as will represent a 3.6% and a 2.8% interest in TH, respectively, as set out below:

- (i) BEE yoMoba SPV will subscribe for 3 963 565 TH “A” preferred ordinary shares at par plus a premium of R91.26 per share for a total cash consideration of R365.8 million; and
- (ii) BEE Infrastructure SPV will subscribe for 4 954 456 TH “A” preferred ordinary shares at par plus a premium of R91.26 per share for a total cash consideration of R457.1 million.

BEE Infrastructure SPV is a non-public shareholder as defined in paragraph 4.25 of the JSE Listings Requirements as Hixonia Nyasulu, a director of THG and the single largest shareholder in Ayavuna through the Nyasulu Family Trust, is a related party as defined in the JSE Listings Requirements. A fair and reasonable opinion from an independent professional expert acceptable to the JSE required in terms of paragraphs 5.51(f) and 10.4(f) of the JSE Listings Requirements is set out in Annexure 4 to this circular.

The issue price is at market value with reference to the 30-day VWAP of the ordinary shares traded on the JSE immediately prior to the last practicable date and, accordingly, no discount is applicable.

The financial effects of the TH BEE transaction which incorporates the specific issue of TH “A” preferred ordinary shares at market value are set out in paragraph 6 below.

This specific issue of TH “A” preferred ordinary shares requires the approval of 75% of the votes exercised by shareholders in general meeting. Paragraph 10 below sets out the action required by shareholders in relation to this specific issue of TH “A” preferred ordinary shares.

4.1.3 Further allotment and specific issue of TH “A” preferred ordinary shares at par value

On implementation of the TH BEE transaction, each of BEE Infrastructure SPV and BEE yoMoba SPV will subscribe for that number of TH “A” preferred ordinary shares at par value as will represent a 6.4% and a 5.2% interest in TH, respectively, as set out below:

- (i) BEE yoMoba SPV will subscribe for 7 194 202 TH “A” preferred ordinary shares at par plus a premium of R1.00 per share for a total cash consideration of R7.2 million; and
- (ii) BEE Infrastructure SPV will subscribe for 8 992 753 TH “A” preferred ordinary shares at par value of R1.00 per share for a total cash consideration of R9.0 million.

⁷ In addition, each of the TH BEE partners is locked in to the structure for a minimum of five years. Any sales for the subsequent five years are subject to, *inter alia*:

- (i) pre-emption rights in favour of TH at certain material levels;
- (ii) TH consenting to any third party purchasers; and
- (iii) TH retaining the TH Minimum Rating.

BEE yoMoba SPV and BEE Infrastructure SPV are non-public shareholders as defined in paragraph 4.25 of the JSE Listings Requirements as Hixonia Nyasulu, a director of THG and the single largest shareholder in Ayavuna through the Nyasulu Family Trust, is a related party as defined in the JSE Listings Requirements. A fair and reasonable opinion from an independent professional expert acceptable to the JSE required in terms of paragraphs 5.51(f) and 10.4(f) of the JSE Listings Requirements is set out in Annexure 4 to this circular.

TH (or any subsidiary nominated by TH) will have a right to repurchase a certain number of the TH “A” preferred ordinary shares at par value as set out in paragraph 4.2 below.

The issue price of these TH “A” preferred ordinary shares, being par value, represents a discount of substantially the full market value of the ordinary shares as derived on the last practicable date. However, the discount to market value will largely be recovered when the TH “A” preferred ordinary shares are repurchased by TH at par value in accordance with the formula set out in paragraph 4.4 below.

The financial effects of the TH BEE transaction which incorporate the specific issue of TH “A” preferred ordinary shares at par value are set out in paragraph 6 below.

This specific issue of TH “A” preferred ordinary shares requires the approval of 75% of the votes exercised by shareholders in general meeting. Paragraph 10 below sets out the action required by shareholders in relation to this specific issue of TH “A” preferred ordinary shares.

4.2 Specific repurchase of TH “A” preferred ordinary shares

TH will issue 16 186 955 TH “A” preferred ordinary shares to BEE yoMoba SPV and BEE Infrastructure SPV at par as set out in paragraph 4.1.3 above.

Subject to the prior rights of the “A” and “B” preference share funders referred to in paragraph 4 (iii) above, TH (or any subsidiary nominated by TH) will have the right to repurchase, on the conversion date or in the event that either BEE yoMoba SPV or BEE Infrastructure SPV breaches any of the restrictions contained in their respective BEE SPV relationship agreements (refer paragraph 4.5 below), such number of shares as determined in accordance with the repurchase formula outlined in paragraph 4.4 below.

The consideration payable by TH will be one cent per TH “A” preferred ordinary share multiplied by the number of TH “A” preferred ordinary shares to be repurchased (“RS” in the formula in paragraph 4.4 below). The consideration will be paid from available cash resources, subject to the requirements of the Companies Act and the JSE.

Prior to implementing the share repurchase TH’s appointed sponsor will provide the JSE with a working capital confirmation as required in terms of the JSE Listings Requirements and the TH board will publish an announcement in compliance with the JSE Listings Requirements by a release on SENS and publication in the press containing, *inter alia*, details of the repurchase and a working capital statement as prescribed in Section 11.27 of the JSE Listings Requirements.

TH’s claim under this repurchase right shall:

- (i) be subordinated to the claims of the “A” and “B” preference share funders referred to above in respect of dividends payable on the “A” and “B” preference shares and the redemption of these preference shares;
- (ii) save if pursuant to certain breaches by the TH BEE partners be subordinated to claims of Sangena and Ayavuna relating to the interest free shareholder loans extended by them to BEE yoMoba SPV and BEE Infrastructure SPV, respectively; and
- (iii) in the event of the liquidation or winding up of BEE yoMoba SPV and/or BEE Infrastructure SPV, be subordinated to the claims of the “A” and “B” preference share funders in terms of the TH preference share agreements.

The financial effects of the TH BEE transaction are set out in paragraph 6 below.

The specific repurchase of TH “A” preferred ordinary shares requires the approval of 75% of the votes exercised by shareholders (present in person or by proxy) in general meeting. Paragraph 10 below sets out the action required by shareholders in relation to this specific repurchase of TH “A” preferred ordinary shares.

4.3 Earn-in provisions

In order to further compensate the TH BEE partners for their value add contribution, each of BEE yoMoba SPV and BEE Infrastructure SPV will have the ability to enhance their returns by delivering on certain pre-agreed value-add criteria, as follows:

- (i) BEE yoMoba SPVs contribution towards enhanced capacity utilisation in the South African sugar milling operations by securing increased cane supply to the TH sugar mills through the promotion of small scale cane growing initiatives in the relevant communities surrounding the TH sugar mills; and
- (ii) BEE Infrastructure SPVs ability to secure increased external funding for the provision of bulk and link infrastructure required to enable the achievement of the planned TH property development initiatives in the short and medium term.

The amount of the earn-in will be formulaically determined every year and is based on the principle that TH will share a proportion of the incremental profits that are realised through these value add initiatives, with the relevant broad-based communities and BEE anchor partners that have assisted in facilitating this value creation. If the proposed earn-in mechanisms achieve their objectives of unlocking value through enhanced sugar cane milling capacity utilisation at the TH mills and by attracting significant incremental funding for infrastructure developments, it is anticipated that the annual benefit to the BEE parties could reach R10 million for each of the initiatives.

The proportion of the TH BEE anchor partners earn-in is determined according to their respective shareholdings in BEE yoMoba SPV and BEE Infrastructure SPV. The earn-in will take the form of a cash distribution in respect of the Masithuthukisane Trust and the Mphakathi Trust. Ayavuna and Sangena will not receive a cash distribution, they will benefit through a reduction in the number of ordinary shares that can be repurchased from BEE Infrastructure SPV and BEE yoMoba SPV, respectively, which will improve their vesting profile.

To the extent that the earn-in amount in any year attributable to the Masithuthukisane Trust falls below R3 million, the amount paid in excess of the entitlement will increase the number of shares that will be repurchased at R0.01 from the Masithuthukisane Trust.

4.4 Repurchase formula

The number of ordinary shares to be repurchased from BEE yoMoba SPV and BEE Infrastructure SPV, respectively, will be a function of the value of the TH "A" preferred ordinary shares subscribed for at par by the respective SPVs, the notional return required by TH as well as the ultimate success of the earn-in initiatives. The number of shares to be repurchased will be determined in accordance with the following formulae:

$$RS = \frac{656\,559\,440 \times (1+r)^N - \sum_{t=1-N} (EI_t \times (1+r)^{N-t})}{MV}$$

RS = number of shares to be repurchased from BEE yoMoba SPV

N = years between the effective date and the repurchase date

r = notional compound rate

EI = earn-in amount in any year not settled in cash

MV = 30-day VWAP price per ordinary share at the repurchase date

and;

$$RS = \frac{820\,669\,300 \times (1+r)^N - \sum_{t=1-N} (EI_t \times (1+r)^{N-t})}{MV}$$

RS = number of shares to be repurchased from BEE Infrastructure SPV

N = years between the effective date and the repurchase date

r = notional compound rate

EI = earn-in amount in any year not settled in cash

MV = 30-day VWAP price per ordinary share at the repurchase date

4.5 Material provisions of the TH BEE transaction agreements

TH intends to achieve a BEE rating (the “TH Minimum Rating”) which is in line with the guidelines issued by the DTI in the BEE Codes as a result of the TH BEE transaction and the TH BEE partners give various undertakings in the TH BEE transaction agreements that they will not do anything to jeopardise the TH Minimum Rating. The exact rating will be determined through further consultation with advisers and rating agencies, but once determined, will form the benchmark rating for the purposes of measuring compliance by the TH BEE partners. In addition TH has the right to restructure the transaction if it ceases to achieve the TH Minimum Rating. This right to restructure includes instances where the TH Minimum Rating is not achieved by reason of breach on the part of the TH BEE partners or as a result of factors outside of the TH BEE partners’ control (for instance a change in law).

The TH BEE transaction agreements include various undertakings given by, and restrictions imposed on, the TH BEE partners to minimise the risk of any change to the composition of the BEE structure. In addition the TH BEE transaction agreements include mechanisms both to minimise the risk of insolvency of the principal TH BEE partners and to ensure that any change to the TH BEE partners is undertaken in a controlled manner and that any new BEE party is acceptable to TH.

The agreements also include provisions designed to prevent the TH BEE partners using any TH confidential information to compete with TH.

4.6 Conditions precedent applicable to TH BEE transaction

The TH BEE transaction is subject to the following conditions precedent which are required to be fulfilled, or, where relevant, waived, on or before 31 July 2007:

- 4.6.1 the approval by shareholders in general meeting of all the resolutions required to implement the transactions;
- 4.6.2 the listing and unbundling of Hulamin becoming unconditional in accordance with the terms as set out in Section I on pages 27 to 33 of this circular;
- 4.6.3 the TH share repurchase becoming unconditional in accordance with its terms as set out in Section II on pages 34 and 35;
- 4.6.4 THG, in its sole and absolute discretion, being satisfied on the outcome of its due diligence investigations on the TH BEE anchor partners, their BEE status and their shareholding structures;
- 4.6.5 Hulamin, in its sole and absolute discretion, being satisfied on the outcome of its due diligence investigation on the Hulamin BEE anchor partners, their BEE status and their shareholding structures;
- 4.6.6 the unconditional written approval of HM Treasury in the United Kingdom, under the provisions of section 765 of the United Kingdom and Corporation Taxes Act 1988, to the transactions (if so required);
- 4.6.7 THG confirming in writing (after having consulted with each of BEE Infrastructure SPV and BEE yoMoba SPV) that it is satisfied that, through the implementation of the TH BEE Transaction, TH will achieve the TH Minimum Rating as set out in paragraph 4.5 above;
- 4.6.8 Hulamin confirming in writing (after having consulted with Hulamin BEE SPV) that it is satisfied that, through the implementation of the Hulamin BEE transaction, Hulamin will achieve the Hulamin Minimum Rating as set out in paragraph 3.7 on page 54;
- 4.6.9 the memorandum and articles of association of each of the TH BEE partners being amended to take into account the relevant provisions of the TH BEE transaction agreements (in so far as it is applicable to it) and the funding agreements in a form and substance acceptable to Hulamin and/or Tongaat (as the case may be); and
- 4.6.10 there being no breach of certain representations, warranties and undertakings contained in the TH BEE transaction agreements.

4.7 Employee share ownership

4.7.1 Introduction and rationale

TH values its employees as key contributors to both the historic and ongoing performance and success of the TH business. Accordingly, TH will invite all permanent South African-based employees up to middle management of whom approximately 87% are black, to participate in the TH BEE transaction through the TH ESOP and all permanent South African black TH senior and selected middle management to participate in the TH MSOP.

The employee participation was developed with the following overall objectives in mind:

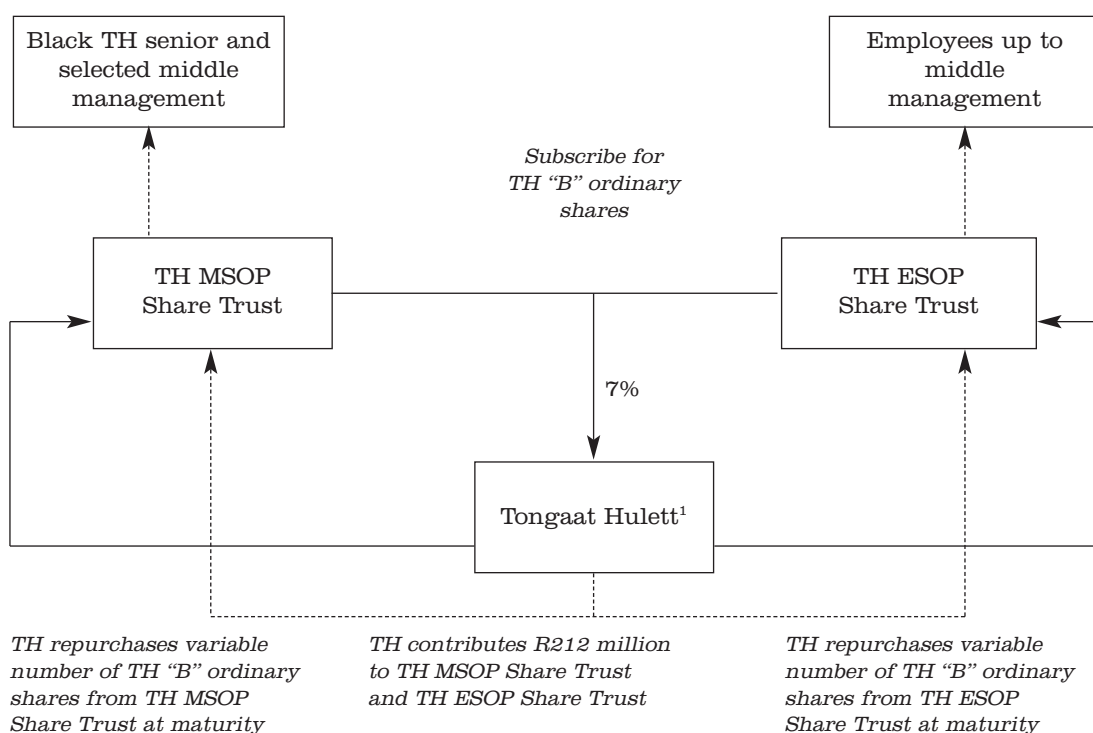
- (i) to enhance the profitability of TH and its operating subsidiaries;
- (ii) to retain and attract high calibre black employees at every level of the TH business;
- (iii) to create a sense of ownership amongst the employees and engender an ownership culture within the greater TH workforce; and
- (iv) to distribute a significant proportion of the TH BEE transaction benefits amongst the widest possible group of beneficiaries who are critical to the sustained success of the TH business.

4.7.2 Structure and funding

TH will establish the TH ESOP Share Trust and TH MSOP Share Trust for the benefit of TH employees. TH and its subsidiaries will contribute a projected amount of R212 million to the TH ESOP Share Trust and the TH MSOP Share Trust. The exact amount will be determined based on the 22-day VWAP price for 22 trading days after the date on which Hulamin is listed on the JSE, which is expected to be on Monday, 25 June 2007.

On receipt of this amount, the TH ESOP Share Trust will subscribe for TH B1 ordinary shares and the TH MSOP Share Trust will subscribe TH B2 ordinary shares and TH B3 ordinary shares. The total cash consideration for the issue of the TH “B” ordinary shares is projected to be R212 million, which will represent an effective 7% interest in TH. The number of each class of TH “B” ordinary share that will be subscribed for can only be determined once the subscription price for each class of TH “B” ordinary shares is determinable, which can only be done 22 trading days after the listing of Hulamin.

The structure of the TH ESOP and TH MSOP transaction is set out below:



The above TH ESOP and TH MSOP structure will be implemented by way of a series of transactions as outlined below:

4.7.2.1 **Creation of TH “B” ordinary shares**

TH will increase its authorised ordinary share capital by creating three classes of TH “B” ordinary shares, as follows:

- (i) 6 000 000 TH B1 ordinary shares;
- (ii) 10 500 000 TH B2 ordinary shares; and
- (iii) 3 200 000 TH B3 ordinary shares.

Each of these classes of shares have different repurchase rights attached to them as more fully detailed in Annexure 9 to this circular.

The TH “B” ordinary shares will not be listed on the JSE.

TH has been granted dispensation from the JSE in order to allow holders of such TH “B” ordinary shares to vote at general meetings. In terms of this dispensation, the votes attaching to each class of shares in issue in TH will be afforded equal rank and all votes are to be counted collectively. Holders of TH “B” ordinary shares shall not be entitled to any additional votes or veto rights.

The TH “B” ordinary shares will rank *pari passu* with the ordinary shares in all respects, with the following exceptions:

- (i) TH retains the right to repurchase a number of each class of the TH “B” ordinary shares in terms of pre-determined formulae immediately prior to the conversion of these shares into ordinary shares (see (ii) below);
- (ii) on the fifth anniversary of the effective date, the TH “B” ordinary shares will be converted into an equal number of ordinary shares, listed on the JSE and ranking *pari passu* in all respects with the existing issued ordinary shares; and
- (iii) the TH “B” ordinary shares will not be taken into account for categorisation of transactions in terms of the JSE Listings Requirements.

The detailed terms of the TH “B” ordinary shares are set out in Annexure 9.

Shareholders are referred to paragraph 10 below which sets out the action required by shareholders in this regard.

4.7.2.2 **Specific allotment and issue of TH “B” ordinary shares for cash to the TH ESOP Share Trust and the TH MSOP Share Trust**

Utilising the R212 million contributed by TH, the TH MSOP Share Trust and the TH ESOP Share Trust will subscribe for a projected number of each class of the TH “B” ordinary shares for cash. Both the eventual subscription price and the allotment of shares between the TH ESOP Share Trust and TH MSOP Share Trust is dependent upon the eventual subscription price for the TH “B” ordinary shares, which will be based on the 22-day VWAP after the listing of Hulamin.

Based on the total subscription value of R212 million, the discount to the derived market value per ordinary share is currently calculated at 77% which will be partly recovered through the repurchase of shares as set out in paragraph 4.7.2.3 below.

The financial effects of the TH BEE transaction which incorporates the TH ESOP and TH MSOP are set out in paragraph 6 below.

The specific issue of TH “B” ordinary shares requires the approval of 75% of the votes exercised by shareholders (present in person or by proxy) in general meeting. Paragraph 10 below sets out the action required by shareholders in relation to this specific issue of TH “B” ordinary shares.

4.7.2.3 **Specific repurchase of TH “B” ordinary shares for cash from the TH ESOP Trust and the TH MSOP Trust**

To facilitate the employee participation, TH will contribute an estimated amount of R212 million to the TH MSOP Share Trust and the TH ESOP Share Trust as set out in paragraph 4.7.2 above, which amount will be used for the subscription of the TH “B” ordinary shares.

In terms of this facilitation:

- (i) TH will be the nominated income beneficiary of both the TH ESOP Share Trust and the TH MSOP Share Trust and accordingly for a period of five years from the effective date.

- (a) the TH MSOP Share Trust beneficiaries will be attributed a notional funding amount equal to the ordinary dividend declared in every year. This notional funding charge will be discharged through the payment of all dividends for a five-year period to the company in its capacity as a vested income beneficiary of the TH MSOP Share Trust. The dividends not distributed to the TH MSOP Share Trust beneficiaries will thus reduce the number of TH “B” ordinary shares that TH will be entitled to repurchase at maturity. In accordance with the terms of the TH B2 ordinary shares and TH B3 ordinary shares, the TH MSOP Share Trust beneficiaries will receive some shares for no consideration after five years (the TH B3 ordinary shares), while other shares will be acquired at a 20% discount to the market value on the date of allocation (the TH B2 ordinary shares); and
- (b) the TH ESOP Share Trust beneficiaries will similarly be charged a notional funding amount equal to the ordinary dividend declared in every year. This notional funding amount will be partly settled through 50% of the dividends being paid to the company as a vested income beneficiary of the TH ESOP Share Trust, declared on the TH B1 ordinary shares with the remaining 50% of the dividends being paid to the scheme beneficiaries. The dividends not distributed to the TH ESOP Share Trust beneficiaries will reduce the number of TH B1 ordinary shares that TH will be entitled to repurchase at maturity. In accordance with the terms of the TH B1 ordinary shares, the TH ESOP Share Trust beneficiaries will have paid the 22-day VWAP price at the allocation date of the shares, adjusted for the cash dividends paid to the beneficiaries over vesting period of the TH “B” ordinary shares.
- (ii) TH (or any subsidiary nominated by TH) will have the right to repurchase a variable number (as determined in accordance with the repurchase formulae set out in Annexure 9) of TH “B” ordinary shares on the fifth anniversary of the effective date at R0.01, after which any remaining shares in the TH ESOP Share Trust and the TH MSOP Trust will be converted into ordinary shares ranking *pari passu* with the existing issued ordinary shares with unrestricted rights.

The consideration payable by TH will be R0.01 per TH “B” ordinary share multiplied by the number of TH “B” ordinary shares to be repurchased. The consideration will be paid from available cash resources, subject to the requirements of the Companies Act and the JSE.

Prior to implementing the share repurchase, TH’s sponsor will provide the JSE with a working capital confirmation as required in terms of the JSE Listings Requirements and the TH board will release an announcement in compliance with the JSE Listings Requirements on SENS and publication in the press containing, *inter alia*, details of the repurchase and a working capital statement as prescribed in Section 11.27 of the JSE Listings Requirements.

The financial effects of the TH BEE transaction which includes the TH ESOP and TH MSOP are set out in paragraph 6 below.

The specific repurchase of TH “B” ordinary shares at R0.01 requires the approval of 75% of the votes exercised by shareholders (present in person or by proxy) in general meeting. Paragraph 10 below sets out the action required by shareholders in relation to this specific repurchase of TH “B” ordinary shares at R0.01.

4.7.3 Salient terms of the TH ESOP and TH MSOP

4.7.3.1 Appointment of trustees

Each of the TH ESOP Share Trust and the TH MSOP Share Trust will have five trustees, as follows:

- (i) TH will have the right to appoint two trustees and to remove and replace such trustees at any time; and
- (ii) three trustees will be elected by the beneficiaries of each of the TH ESOP Share Trust and the TH MSOP Share Trust from amongst themselves in accordance with the provisions of the applicable trust deed.

4.7.3.2 Entitlement to rights to ordinary shares (“the rights”)

The TH board will advise the trustees of the TH ESOP Share Trust and TH MSOP Share Trust of the identity of the beneficiaries, the number of ordinary shares in relation to the rights to be allocated to each beneficiary and the allocation date of such allocation for each beneficiary.

The allocation of the rights will entitle a beneficiary to, *inter alia*, the following rights relating to the ordinary shares held by the TH ESOP Share Trust and the TH MSOP Share Trust:

- (i) the right to 50% of the dividends in respect of the rights allocated to the beneficiaries of the TH ESOP Share Trust;
- (ii) the right to vote for the appointment of trustees of the TH ESOP Share Trust and the TH MSOP Share Trust, as the case may be, and to certain voting arrangements as set out in paragraph 4.7.3.3 below; and
- (iii) the right to receive the ordinary shares when distributed in accordance with the relevant trust deed.

A portion of the TH MSOP and TH ESOP TH “B” ordinary shares will not be allocated at the initial allocation and will be used for future allocations. The unallocated shares will be applied to continue to attract and retain black talent to TH and will be allocated over the life of the scheme pursuant to this objective. The actual number of unallocated shares will be finalised once the 22-day VWAP of ordinary shares traded on the JSE immediately following the listing of Hulamin has been determined. Based on current assumptions and pricing parameters at the last practicable date, the aggregate unallocated proportion of TH “B” ordinary shares will be approximately 50%, which is subject to change pending final pricing.

The TH MSOP and TH ESOP beneficiaries will receive their entitlement to TH ordinary shares at maturity if still employed by TH. This entitlement will be a contractual right and will be governed by the provisions of the TH ESOP Share Trust and TH MSOP Share Trust deeds, respectively.

4.7.3.3 *Voting rights*

- (i) The TH board shall make available all the information required by the beneficiaries in order to exercise their vote in respect of their rights to ordinary shares at any general meeting of TH.
- (ii) Each beneficiary shall communicate to the relevant TH MSOP or TH ESOP trustees their voting instructions prior to the general meeting of TH.
- (iii) The TH ESOP and TH MSOP trustees, as applicable, shall be obliged to vote (or abstain from voting) the applicable shares that are registered in the name of the TH ESOP Share Trust and the TH MSOP Share Trust in accordance with the directions received from each beneficiary.
- (iv) If a beneficiary fails to give directions to the relevant trustees then the trustees shall not be entitled to vote that beneficiary’s shares.
- (v) The TH MSOP trustees will vote all unallocated shares and shares received by the TH MSOP Trust as a result of a transfer and cession of shares pursuant to terminations, in the same proportions as they are directed by the beneficiaries to vote the shares held on behalf of the beneficiaries.

5. TH BEE PARTNERS

5.1 Ayavuna Investments

Ayavuna Investments is a black controlled women’s group with the majority of its members based in KwaZulu-Natal and headed up by Hixonia Nyasulu.

Hixonia Nyasulu is the founder and executive chairperson of Ayavuna Investments and through the Nyasulu Family Trust has the largest individual shareholding. Hixonia currently serves on the THG board in addition to other board directorships. Hixonia has a long association with THG having been appointed to the THG board in 2000. Hixonia will bring relevant expertise and leadership to BEE Infrastructure SPV. A brief CV is set out in Annexure 5 to this circular.

Ayavuna Investments will own 30% of BEE Infrastructure SPV.

The major shareholders in Ayavuna Investments are as follows:

Shareholder	Percentage interest in Ayavuna	Percentage indirect interest in TH
Mawavune	35	1.05
Ayavuna Community Trust	10	0.30
Nyasulu Family Trust	25	0.75
Ayavuna Employees Share Incentive Trust	10	0.30
Standard Bank	20	0.60
	100	3.00

Ayavuna brings a wealth of experience and expertise through its individual members in Mawavune, an investment vehicle owned and managed by 10 professional black women. Thandeka Mgoduso is the Chairperson of Mawavune, an executive director of Ayavuna, a director of the South African Reserve Bank, chairperson of the National Nuclear Regulator and was previously the CEO of Freightdynamics, the road and transport subsidiary of Transnet.

5.2 Mphakathi Trust

The Mphakathi Trust benefits previously disadvantaged communities surrounding a number of land development projects which will be undertaken by TH in the near to medium term. The Mphakathi Trust, will be managed by a board of trustees comprising a representative of Ayavuna, a representative of TH and an independent trustee. These trustees will identify upliftment projects for the benefit of these previously disadvantaged communities and will manage all disbursements.

The identified land development projects all fall within the eThekweni municipality, the Ilembe regional and KwaDukuza local authorities and are predominantly urban and peri-urban developments surrounded by historically disadvantaged African and Indian communities.

The Mphakathi Trust will own 70% of BEE Infrastructure SPV.

5.3 Sangena

Sangena is 100% owned by Sangena Holdings which is, in turn, 100% black owned and managed. The shareholders of Sangena Holdings comprise five prominent black business professionals who each own between 13.5% and 36.0% of Sangena Holdings. Bahle Sibisi, the Chief Executive of Sangena Holdings has the single largest shareholding with 36%. Bahle has held the position of Deputy Director General of the Enterprise and Development division of the DTI where, amongst other things, Bahle played a key role in the development of the strategy for broad-based BEE and led negotiations on the Trade, Development and Co-operation Agreement with the European Union.

In respect of TH, Bahle brings a wealth of experience, particularly in understanding the dynamics of the sugar industry which will be key to Sangena's leadership role in BEE yoMoba SPV.

Other major shareholders in Sangena Holdings include Vuyokazi Mahlati and Claudia Manning who, collectively, own 34.5% of Sangena Holdings. Vuyokazi is currently a consultant to the National Programme for the Creation of Small Enterprise and Jobs in the Second Economy and Claudia is a non-executive director of the Development Bank of Southern Africa, Scott Stewart International and Mondi South Africa.

The remaining 29.5% shareholders of Sangena Holdings are Sagay Moodilar and Nathi Concho, who are executive and non-executive directors of Sangena, respectively.

Sangena will own 30% of BEE yoMoba SPV.

5.4 The Masithuthukisane Trust

The Masithuthukisane Trust, which will own 70% of BEE yoMoba SPV, benefits the small scale cane grower communities surrounding TH's four South African sugar mills. These communities have played and will continue to play an important role in the success of TH.

The Masithuthukisane Trust will be managed by a board of trustees comprising a representative from Sangena and TH and an independent trustee and they will identify and manage the disbursements for upliftment projects in the communities.

5.5 TH employees

Eligible TH employees will be given an opportunity to participate through the TH ESOP and the TH MSOP as set out in detail in paragraph 4.7 above.

6. FINANCIAL INFORMATION RELATING TO TH BEE TRANSACTION

6.1 Pro forma financial effects of the TH BEE transaction

The table below sets out the unaudited *pro forma* financial effects of the TH BEE transaction, on THG's audited basic EPS, diluted basic EPS, HEPS, diluted HEPS, NAV per share and NTAV per share, based on the audited results of THG for the financial year ended 31 December 2006. The unaudited *pro forma* financial effects are the responsibility of the THG directors and have been prepared for illustrative purposes only to provide information about how the TH BEE transaction may have affected the financial position of the THG shareholders on the relevant reporting date. Due to their nature, the unaudited *pro forma* financial effects may not be a fair reflection of THG's financial position after implementation of the TH BEE transaction.

Note reference	Before	TH BEE transaction		After	Change
	TH BEE transaction	TH BEE transaction SPV	ESOP/MSOP	TH BEE transaction	
	(2)	(3)	(4)		(%)
	(cents)	(cents)	(cents)	(cents)	
EPS	3 883	(333)	(19)	3 531	(9)
HEPS	538	(333)	(19)	186	(65)
Fully diluted EPS	3 780	(324)	(96)	3 360	(11)
Fully diluted HEPS	524	(324)	(23)	177	(66)
NAV per share	2 748	(5)	(2)	2 741	-
NTAV per share	2 746	(5)	(2)	2 739	-

Notes:

- The full details for the above table are contained in Annexure 2 which shows the Rand values and shares in issue for the *pro forma* financial information.
- Includes the impact of the Hulamin unbundling and the TH share repurchase but not the TH BEE transaction. The financial impact on the earnings of THG are illustrated as if the TH BEE transaction had been implemented at the beginning of the year which ended on 31 December 2006, while the impact on the net assets of THG are shown as if the TH BEE transaction had been implemented on 31 December 2006.
- The income statement cost of R335 million arising from the introduction of the BEE yoMoba SPV and BEE Infrastructure SPV equity participation includes the following:
 - a once-off IFRS 2 cost of R282 million derived using option pricing methodology, based on the derived subscription price. The eventual IFRS 2 cost will also include an amount (positive or negative) that is dependent upon the difference between the derived subscription price, based on the 30-day VWAP at the last practicable date and the derived share price on the date of the general meeting. This latter amount can therefore not be definitively calculated at the last practicable date and is not included in the R282 million IFRS 2 cost disclosed above. Based on a VWAP and spot price on the last practicable date of R127.88 and R137.00 this adjustment would result in an additional cost of approximately R58 million. This charge would have an incremental EPS effect of -57 cents per share;
 - assumed once-off start-up and annual administration costs of R7 million and R2 million, respectively*;
 - a charge of approximately R0.3 million in the first year relating to the earn-in (refer sub-section 4.3 of Part III: The TH BEE Transaction of Section A: The Transactions), which cost will be annually revalued based on the result of the earn-in initiatives;
 - after-tax interest of R45 million earned at a pre-tax rate of 7.7% on the cash proceeds of the share subscriptions;
 - funding costs at a rate of 9.2% and for an amount of R78 million on preference share finance raised by BEE yoMoba SPV and BEE Infrastructure SPV for subscriptions for shares in TH*; and
 - STC of R12 million on the dividends paid on the preferred ordinary shares issued to BEE yoMoba SPV and BEE Infrastructure SPV.

The balance sheet impact includes:

- the cash inflow arising from BEE yoMoba SPV and BEE Infrastructure SPV subscribing for equity in TH; and
- the consolidation of the BEE yoMoba SPV and BEE Infrastructure SPV's debt, disclosed as non-recourse, equity settled, interest bearing debt in TH*.

* The BEE yoMoba SPV and BEE Infrastructure SPV are required to be consolidated into TH's financial results.

- The financial impact of the TH MSOP/TH ESOP comprises**:
 - the IFRS 2 cost of the TH MSOP and TH ESOP will be amortised over the five-year vesting period of the TH MSOP and the TH ESOP. An after-tax cost of R16 million is projected in the first year of the TH MSOP and the TH ESOP, representing one-fifth of the IFRS2 cost of the TH MSOP and TH ESOP shares allocated to individuals at the outset of the transaction. A portion of the shares are not actually allocated to individuals at the outset of the TH BEE transaction. Assuming all the shares had been allocated at the outset the total annual charge would have been R30 million after tax, implying a total 'full allocated' pre-tax cost of R212 million over the five-year vesting period;
 - the tax relief on the abovementioned costs is offset by the STC charge on the net dividends paid to TH MSOP and the TH ESOP participants;
 - the anticipated dilutionary effect on the number of shares in issue, taking into account the difference between the derived share price at grant date and the subscription price for the shares; and
 - assumed once-off start-up costs of R2 million.

** The TH MSOP and TH ESOP subscription prices will only be determined post the Hulamin unbundling and the financial effects calculations are based on projections of these costs based on prevailing market conditions at the last practicable date.

- The NAV calculation is based on the net equity value as reflected on the balance sheet, excluding minority interests. The value calculated therefore represents the NAV attributable to ordinary shareholders.

6.2 Pro forma balance sheet and income statement

The *pro forma* financial information is set out in Annexure 2 to this circular.

6.3 Reporting accountants' report on pro forma financial effects of the TH BEE transaction

The reporting accountants' report on the *pro forma* financial information set out in Annexure 3 to this circular.

6.4 Independent professional expert's statement

6.4.1 Confirmation from an independent professional expert acceptable to the JSE is required in terms of paragraphs 5.51(f) and 10.4(f) of the JSE Listings Requirements to indicate whether or not the TH BEE transaction is fair and reasonable to TH shareholders as:

- Ms Hixonia Nyasulu, who is the executive chairperson of and through the Nyasulu Family Trust, is the largest individual shareholder in Ayavuna, currently serves on the THG Board and is therefore regarded as a related party to TH;
- the TH BEE transaction involves the issue of unlisted voting securities, the TH "A" preferred ordinary shares and the TH "B" ordinary shares, in terms of a special dispensation granted by the JSE to waive the restrictions outlined in paragraph 4.24 of the JSE Listings Requirements, which dispensation is conditional upon THG obtaining the appropriate fair and reasonable opinion.

6.4.2 As the expert's statement explains, fairness is a quantitative measure and reasonableness a qualitative issue.

6.4.3 Ernst & Young Advisory Services Limited has been appointed as independent professional expert and has concluded that the terms and conditions of the TH BEE transaction are fair and reasonable to all disinterested shareholders.

This opinion is set out in Annexure 4 to this circular.

6.5 Impact on share capital of TH

The impact of the TH BEE transaction on TH's authorised and issued share capital is indicated in paragraph 5.4 commencing on page 74.

6.6 Estimated economic cost of the TH BEE transaction

The total estimated economic cost of the TH BEE transaction in respect of the 25% equity interest in TH is expected to be approximately 3.5% of the derived TH market capitalisation following the Hulamin unbundling, which is considered to be within market norms for such a transaction.

7. PROPOSED CHANGES TO THE TH BOARD

Upon implementation of the TH BEE transaction, a non-executive director, nominated by each of Sangena and Ayavuna will be appointed to the TH board, as follows:

- (i) Clement Bahle Sibisi; and
- (ii) Thembalihle Hixonia Nyasulu (an existing THG board member).

As non-executive directors, they will be entitled to earn directors' fees on the same terms and conditions as other non-executive directors.

A brief CV of each of these directors is set out in Annexure 5 to this circular.

8. DIRECTORS' OPINIONS

8.1 The THG board has considered the terms of the TH BEE transaction including, *inter alia*, the fair and reasonable opinion, the text of which is set out in Annexure 4 to this circular and recommends that shareholders vote in favour of the ordinary resolutions required to implement the TH BEE transaction.

8.2 The members of the THG board have undertaken to vote in favour of the ordinary resolutions required to implement the TH BEE transaction in respect of the ordinary shares held by such members.

9. WORKING CAPITAL STATEMENT

Prior to implementing the TH specific share repurchases referred to in paragraphs 4.2 and 4.7.2.3 above, TH's sponsor will provide the JSE with a working capital confirmation as required in the JSE Listings Requirements and the TH board will release an announcement on SENS containing, *inter alia*, details of the repurchases and a working capital statement as prescribed in Section 11.27 of the JSE Listings Requirements.

However, in the event that the TH specific share repurchases were to take place within 12 months of the effective date, the THG board, after considering the effect of the TH specific share repurchases, is of the opinion that:

- 9.1** TH and the TH Group will be able in the ordinary course of business to pay their debts for a period of 12 months after the date of the notice of general meeting;
- 9.2** the assets of TH and the TH Group will be in excess of the liabilities of TH and the TH Group for a period of 12 months after the date of the notice of general meeting. For this purpose the assets and liabilities will be recognised and measured in accordance with the accounting policies used by THG in preparing THG’s audited financial results for the 12 months ended 31 December 2006;
- 9.3** the share capital of TH and the TH Group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of general meeting;
- 9.4** the working capital of TH and the TH Group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of general meeting.

10. ACTION REQUIRED BY SHAREHOLDERS

At the general meeting, shareholders will be required to vote on the following special and ordinary resolutions as set out in the notice of general meeting which is attached to and forms part of this circular:

Resolution	Purpose
Special resolution number 2	<i>To increase the share capital of the company to create the TH “A” preferred ordinary shares, the TH “B” ordinary shares and the redeemable preference shares referred to in Article 155.10.10 in Annexure 9 to this circular</i>
Special resolution number 3	<i>To amend the articles of association of TH to incorporate the terms attaching to the new classes of shares created in terms of special resolution number 2</i>
Special resolution number 4	<i>To replace the memorandum of association of the company to reflect, inter alia, the change in the authorised share capital</i>
Ordinary resolution number 3	<i>To approve the specific allotment and issue of the TH “A” preferred ordinary shares, the TH “B” ordinary shares and the redeemable preference shares</i>
Special resolution number 6	<i>To approve the specific repurchase of the TH “B” ordinary shares in certain circumstances</i>
Special resolution number 7	<i>To approve the specific repurchase of the TH “A” preferred ordinary shares in certain circumstances</i>
Ordinary resolution number 6	<i>To adopt the TH ESOP</i>
Ordinary resolution number 7	<i>To adopt the TH MSOP</i>

Full details of the action required to be taken by shareholders is set out on pages 5 to 7 in the action required by shareholders section of this circular.

IV. THE HULAMIN BEE TRANSACTION

1. INTRODUCTION

The Hulamin board recognises that BEE is a social and commercial imperative to the long-term development and sustainability of the South African economy and the Hulamin business. To date, Hulamin has focused its efforts on human resource capability which is evident in Hulamin's employment equity profile which currently reflects a black management complement of 52%. The average period of service of these black managers is 15 years which is a reflection of the sustained commitment that the business has made towards achieving this employment equity profile.

Hulamin, like THG, has successfully undertaken numerous other meaningful and sustainable BEE initiatives, including, *inter alia*, preferential procurement, skills development, enterprise development and community involvement.

The Hulamin unbundling has created an opportunity to attract BEE equity partners into Hulamin and to enable all Hulamin employees to participate in share ownership structures. Hulamin has concluded agreements which will facilitate the acquisition of an effective 15% interest in Hulamin by the Hulamin BEE partners, immediately after the listing of Hulamin on the JSE and prior to the Hulamin unbundling from THG, as follows:

- (i) Hulamin BEE SPV will subscribe for a 10% interest in a wholly-owned subsidiary of Hulamin, Hulamin OpCo and 25 million Hulamin "A" ordinary shares which will entitle Hulamin BEE SPV to 10% of the voting rights in Hulamin; and
- (ii) Hulamin will implement the Hulamin MSOP and the Hulamin ESOP in respect of 5% of the issued capital of Hulamin.

The broad-based BEE groups who have accepted Hulamin's invitation to participate in the Hulamin BEE transaction are:

- (i) Imbewu as one of the Hulamin BEE anchor partners and also representing broad-based beneficiaries;
- (ii) Makana as one of the Hulamin BEE anchor partners;
- (iii) various broad-based groupings involved in education, healthcare and social upliftment.

The Hulamin BEE partners were carefully selected based on a number of criteria including but not limited to, demographic and geographic profile and are expected to play a leading role in building the Hulamin business to drive shareholder value. For further information on the Hulamin BEE partners, shareholders are referred to paragraph 4 below.

2. RATIONALE

In seeking to achieve the broad-based sustainable empowerment outlined above, THG, Anglo American and the IDC identified the need to facilitate meaningful and sustainable BEE within its businesses and to enable the BEE participants to not only contribute industry specific expertise but also benefit directly from their contribution to and interest in the business.

The proposed Hulamin unbundling presented an opportunity to attract value add BEE partners into what will be an independent producer of rolled, extruded and other semi-fabricated and aluminium finished products.

The Hulamin BEE partners have been carefully selected to ensure that the long-term objectives of sustainable and meaningful transformation are achieved and will play a leading role on driving shareholder value and realising the growth ambitions of Hulamin.

Hulamin management is confident that the implementation of the Hulamin BEE transaction will further strengthen the distinctly South African culture of the business, which will enable the company to fully exploit the significant opportunities that lie ahead.

3. STRUCTURE AND FUNDING OF THE HULAMIN BEE TRANSACTION

3.1 Hulamin OpCo

In anticipation of the listing of Hulamin on the JSE and the Hulamin unbundling and in order to facilitate the participation of BEE partners at an operational level, Hulamin will dispose of all of its operations, including its 70% interest in Hulett Hydro Extrusions, to a wholly-owned subsidiary, Hulamin OpCo for R8 211 million, as a going concern, in terms of section 228 of the Companies Act. Hulamin will apply the disposal proceeds to:

- (i) subscribe for 241 Hulamin OpCo ordinary shares for a total consideration of R337.5 million and 50 000 000 Hulamin OpCo preference shares for a total consideration of R6 520 million;
- (ii) loan R1 354 million to Hulamin OpCo for the balance of the disposal proceeds of which approximately R754 million will be repaid at inception with money raised by Hulamin BEE SPV (R566 million) and external bank funding for the balance of R188 million (refer paragraph 3.2(iii) below).

3.2 Hulamin BEE SPV

Immediately after the listing of Hulamin and prior to the Hulamin unbundling, the following steps will be undertaken:

- (i) Imbewu and Makana will subscribe for shares in Hulamin BEE SPV, as follows:
 - (a) Imbewu will subscribe for 60% of Hulamin BEE SPV; and
 - (b) Makana will subscribe for 40% of Hulamin BEE SPV;
- (ii) Hulamin BEE SPV will subscribe for 38 Hulamin OpCo shares for a total cash consideration of R37.5 million which will represent an effective 10% interest in Hulamin OpCo; and
- (iii) the Hulamin BEE transaction will be funded as follows:
 - (a) total equity contributions by Imbewu and Makana of R40 million into Hulamin BEE SPV of which R37.5 million will be used to subscribe for the Hulamin OpCo shares referred to in (ii) above and the remaining R2.5 million will be used to subscribe for Hulamin "A" ordinary shares as set out on pages 53 and 54; and
 - (b) a partially amortising term bank loan facility of R566 million to Hulamin BEE SPV which will, in turn, be advanced by Hulamin BEE SPV to Hulamin OpCo as a shareholders' loan. The salient terms of this bank loan facility to Hulamin BEE SPV are as follows:
 - no capital repayments for the first two and a half years;
 - thereafter 10 equal six-monthly capital repayments of R11.6 million and a final payment of R450 million;
 - interest rate of the 3-month JIBAR + 110 bps capitalised quarterly in arrears and payable semi-annually in arrears;
 - effective guarantees by Hulamin OpCo and Hulamin; and
 - full asset security by Hulamin OpCo.

3.3 Subscription for shares in Hulamin OpCo

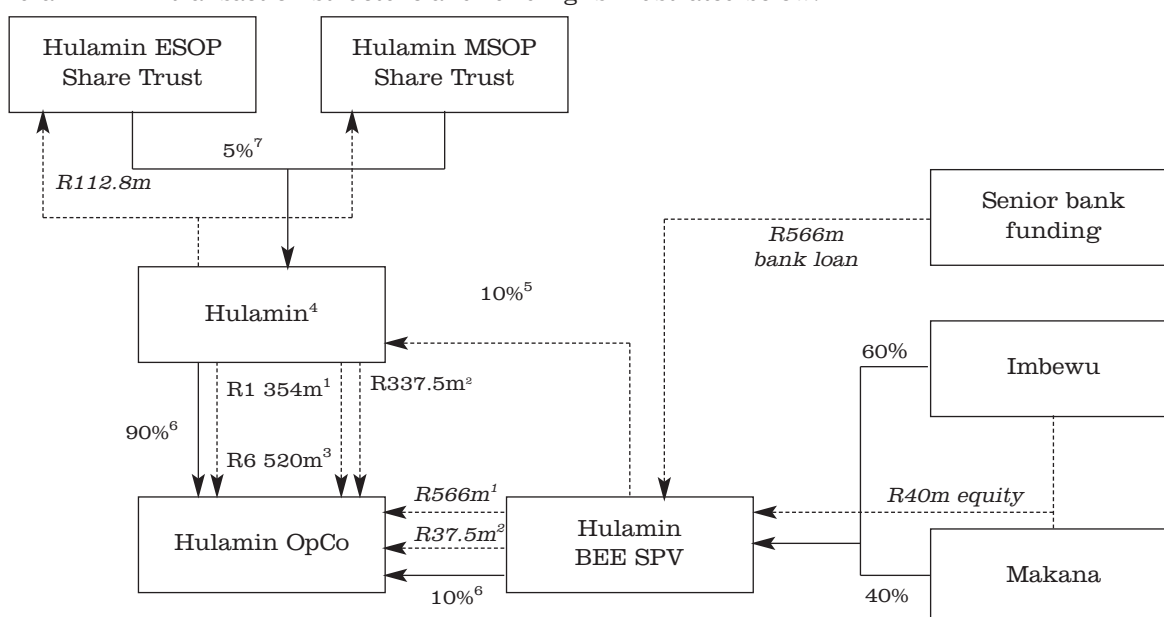
- (i) Hulamin BEE SPV will subscribe for 38 Hulamin OpCo shares which will constitute a 10% interest in Hulamin OpCo for a total consideration of R37.5 million. In addition Hulamin BEE SPV will advance R566 million to Hulamin OpCo in shareholder loans on terms matching the bank loan facility referred to in paragraph 3.2(iii)(b) above. The subscription consideration is based on the enterprise value less net debt and certain pre-agreed adjustments as set out in paragraph 3 commencing on page 36;
- (ii) the Hulamin BEE SPV loan will first be applied to repay a portion of the loans made by Hulamin to Hulamin OpCo of approximately R1 354 million arising from the sale of business referred to in paragraph 3.1(ii) above;
- (iii) on the seventh anniversary of the effective date, unless the event envisaged in sub-paragraph (iv) below takes place or unless otherwise agreed by Hulamin and Hulamin BEE SPV, the Hulamin OpCo shares may be exchanged, on an equivalent value basis, for listed ordinary shares in Hulamin, up to a maximum of 11.1% of the issued share capital of Hulamin. The Hulamin BEE anchor partners and Hulamin BEE SPV will be subject to lock-in provisions for a further period of three years after which they will have the option to put their Hulamin ordinary shares to Hulamin;
- (iv) if, prior to the seventh anniversary of the effective date, a third party or shareholder offer is made to acquire all of the shares in Hulamin as a result of which such third party or shareholder acquires beneficial ownership, of all or a majority of the issued ordinary shares in Hulamin and Hulamin is delisted from the JSE, then Hulamin shall have a call option to acquire Hulamin BEE SPV's Hulamin OpCo shares and shareholder loans within 180 days after the change of control and delisting takes place. If Hulamin does not exercise this call option within 180 days then Hulamin BEE SPV will remain a shareholder of Hulamin OpCo and the exchange referred to in sub-paragraph (iii) will not take place on the seventh anniversary of the effective date. Hulamin may, however, elect to implement the exchange at any time after the seventh anniversary of the effective date. If the exchange envisaged in sub-paragraph (iii) has not taken place by the tenth year after the effective date, Hulamin BEE SPV may put its Hulamin OpCo shares and shareholder loans (if any) to Hulamin;

- (v) Hulamin BEE SPV has agreed to a lock-in for a period of 10 years in relation to the Hulamin OpCo shares and/or the Hulamin ordinary shares following an exchange of shares as recorded in sub paragraph (iii), as the case may be; and

3.4 Subscription for shares in Hulamin

The Hulamin ESOP Share Trust and Hulamin MSOP Share Trust will each subscribe for Hulamin “B” ordinary shares representing a collective interest of 5% in Hulamin. The Hulamin “B” ordinary shares will not be listed on the JSE but will rank *pari passu* with the Hulamin ordinary shares, other than for certain rights and obligations attaching to these shares, set out in paragraph 3.7 below.

The Hulamin BEE transaction structure and funding is illustrated below:



1. Shareholder loans.
2. Equity contributions.
3. Hulamin OpCo preference shares.
4. Listed on the JSE.
5. Subscription for 25 million Hulamin “A” ordinary shares (voting only) for R2.5 million.
6. Hulamin OpCo ordinary shares.
7. Hulamin “B” ordinary shares.

3.5 Creation of the Hulamin “A” ordinary shares

Hulamin has increased its authorised ordinary share capital by creating 34 000 000 Hulamin “A” ordinary shares. The Hulamin “A” ordinary shares will not be transferable, except with Hulamin’s prior written consent and will not be listed on the JSE.

Hulamin has been granted dispensation from the JSE in order to allow the holder of the Hulamin “A” ordinary shares to vote. In terms of this dispensation, the votes attaching to each class of shares in issue in Hulamin will be afforded equal rank and all votes are to be counted collectively. The holder of the Hulamin “A” ordinary shares shall not be entitled to any additional votes or veto rights.

The Hulamin “A” ordinary shares do not carry any dividend or other economic rights, but will entitle the holder, Hulamin BEE SPV, to exercise 10% of the voting rights attaching to the Hulamin shares in issue at a Hulamin general meeting until Hulamin BEE SPV ceases to hold shares in Hulamin OpCo at which time the Hulamin “A” ordinary shares will be repurchased by Hulamin at par their value of R0.10 per share.

Annexure 10 sets out the detailed terms of the Hulamin “A” ordinary shares.

3.6 Specific issue of Hulamin “A” ordinary shares

Hulamin BEE SPV will subscribe for 25 000 000 Hulamin “A” ordinary shares at their par value of R2.5 million, which will entitle Hulamin BEE SPV to 10% of the voting rights attaching to the Hulamin ordinary shares in issue.

The Hulamin “A” ordinary shares have no economic value or rights, other than voting rights, and hence the subscription value is considered to be representative of the value attaching to such voting rights.

Hulamin BEE SPV is a non-public shareholder as defined in paragraph 4.25 of the JSE Listings Requirements as J B Magwaza, currently a director of THG and a shareholder of Imbewu, is a related party as defined in the JSE Listings Requirements. A fair and reasonable opinion from an independent professional expert acceptable to the JSE required in terms of paragraphs 5.51(f) and 10.4(f) of the JSE Listings Requirements is set out in Annexure 4 to this circular.

The financial effects of the Hulamin BEE transaction which incorporates the specific issue of the Hulamin “A” ordinary shares are set out in paragraph 5 below.

The specific issue of the Hulamin “A” ordinary shares requires the approval of 75% of the votes exercised by shareholders (present in person or by proxy) in general meeting. Paragraph 9 below sets out the action required by shareholders in relation to this specific issue of the Hulamin “A” ordinary shares.

3.7 Material provisions of the Hulamin BEE transaction agreements

Hulamin intends to achieve a BEE rating (the “Hulamin Minimum Rating”) which is in line with the guidelines issued by the DTI in the BEE Codes as a result of the Hulamin BEE transaction and the Hulamin BEE partners give various undertakings in the Hulamin BEE transaction agreements that they will not do anything to jeopardise the Hulamin Minimum Rating. The exact rating will be determined through further consultation with advisers and rating agencies, but once determined, will form the benchmark rating for the purposes of measuring compliance by the Hulamin BEE partners. In addition Hulamin has the right to restructure the transaction if it ceases to achieve the Hulamin Minimum Rating. This right to restructure includes instances where the Hulamin Minimum Rating is not achieved by reason of breach on the part of the Hulamin BEE partners or as a result of factors outside of the Hulamin BEE partners’ control (for instance a change in law).

The Hulamin BEE transaction agreements include various undertakings given by, and restrictions imposed on, the Hulamin BEE partners to minimise the risk of any change to the composition of the BEE structure. In addition the Hulamin BEE transaction agreements include mechanisms both to minimise the risk of insolvency of the principal Hulamin BEE partners and to ensure that any change to the Hulamin BEE partners is undertaken in a controlled manner and that any new BEE party is acceptable to Hulamin.

The agreements also include provisions designed to prevent the Hulamin BEE partners using any Hulamin confidential information to compete with Hulamin.

3.8 Conditions precedent applicable to Hulamin BEE transaction

The Hulamin BEE transaction is subject to the following conditions precedent which shall be fulfilled, or, where relevant, waived, on or before 31 July 2007:

- 3.8.1** the approval by shareholders in general meeting of all the resolutions required to implement the transactions;
- 3.8.2** the listing and unbundling of Hulamin becoming unconditional in accordance with the terms as set out in Section I on pages 27 to 33 of this circular;
- 3.8.3** Hulamin confirming in writing (after having consulted with Hulamin BEE SPV) that it is satisfied that, through the implementation of the Hulamin BEE transaction, Hulamin will achieve the Hulamin Minimum Rating as set out in paragraph 3.6 above;
- 3.8.4** there being no breach of certain representations, warranties and undertakings contained in the Hulamin BEE transaction agreements; and
- 3.8.5** the Completion Agreement becoming unconditional and taking effect in accordance with its terms and conditions.

3.9 Employee share ownership plan

3.9.1 Introduction and rationale

Hulamin values its employees as key contributors to both the historic and ongoing performance and success of the Hulamin business. Accordingly, Hulamin will invite all permanent South African-based employees up to middle management of whom

approximately 90% are black to participate in the Hulamini BEE transaction through the Hulamini ESOP and all permanent South African black Hulamini senior and selected middle management to participate in the Hulamini BEE transaction through the Hulamini MSOP.

The employee participation was developed with the following overall objectives in mind:

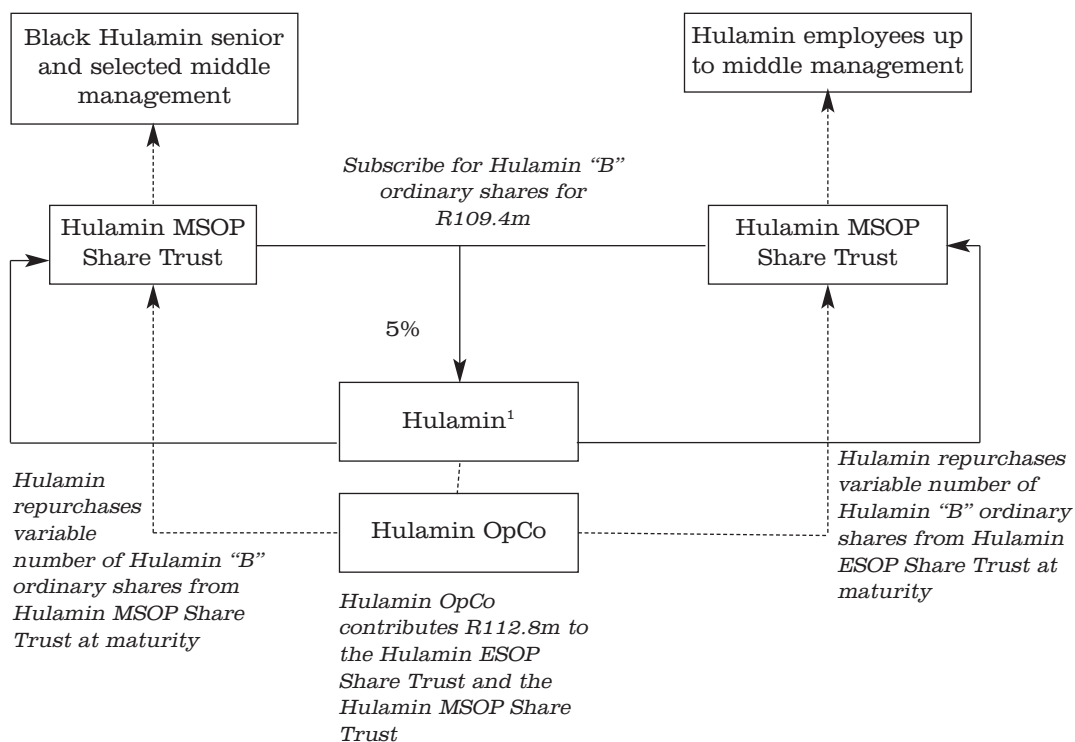
- (i) to enhance the profitability of Hulamini and its operating subsidiaries;
- (ii) to retain and attract high calibre black employees at every level of the Hulamini business;
- (iii) to create a sense of ownership amongst the employees and engender an ownership culture within the greater Hulamini workforce; and
- (iv) to distribute a significant proportion of the Hulamini BEE transaction benefits amongst the widest possible group of beneficiaries who are critical to the sustained success of the Hulamini business.

3.9.2 Structure and funding

Hulamini will establish the Hulamini ESOP Share Trust and Hulamini MSOP Share Trust for the benefit of Hulamini employees. Hulamini OpCo will contribute a projected amount of R112.8 million to the Hulamini MSOP Share Trust and the Hulamini ESOP Share Trust. The exact amount will be determined based on the 22-day VWAP for 22 trading days after the date on which Hulamini is listed on the JSE, which is expected to be on Monday, 25 June 2007.

On receipt of this contribution, the Hulamini ESOP Share Trust will subscribe for Hulamini B1 ordinary shares and the Hulamini MSOP Share Trust will subscribe for a Hulamini B2 ordinary shares and Hulamini B3 ordinary shares. The total cash consideration for the Hulamini "B" ordinary shares is projected to be an amount of R112.8 million and the number of shares subscribed for will represent an effective 5% interest in Hulamini.

The structure of the Hulamini ESOP and Hulamini MSOP transaction is set out below:



1. Listed on the JSE.

The above Hulamini ESOP and Hulamini MSOP structure will be implemented by way of a series of transactions as outlined below.

3.9.2.1 Creation of Hulamini "B" ordinary shares

Hulamini has increased its authorised ordinary share capital by creating three classes of Hulamini "B" ordinary shares, as follows:

- (i) 8 000 000 Hulamini B1 ordinary shares;
- (ii) 10 000 000 Hulamini B2 ordinary shares; and
- (iii) 3 000 000 Hulamini B3 ordinary shares.

Each of these classes of shares have different repurchase rights attached to them as more fully detail in Annexure 10.

The Hulamin “B” ordinary shares will not be listed on the JSE.

Hulamin has applied for and has been granted dispensation from the JSE to allow holders of such Hulamin “B” ordinary shares to vote. In terms of this dispensation, the votes attaching to each class of share in issue in Hulamin will be afforded equal rank and all votes are to be counted collectively. Holders of Hulamin “B” ordinary shares shall not entitled to any additional votes or veto rights.

The Hulamin “B” ordinary shares will rank *pari passu* with the ordinary shares in all respects, with the following exceptions:

- (i) Hulamin retains the right to repurchase a number of each class of the Hulamin “B” ordinary shares in terms of pre-determined formulae immediately prior to the conversion of these shares into Hulamin ordinary shares (see (ii) below);
- (ii) on the 5th anniversary of the effective date, the Hulamin “B” ordinary shares will be converted into an equal number of ordinary shares, listed on the JSE and ranking *pari passu* in all respects with the existing issued Hulamin ordinary shares; and
- (iii) the Hulamin “B” ordinary shares will not be taken into account for categorisation of transactions in terms of the JSE Listings Requirements.

The detailed terms of the Hulamin “B” ordinary shares are set out in Annexure 10.

3.9.2.2 ***Specific allotment and issue of Hulamin “B” ordinary shares for cash to the Hulamin ESOP Share Trust and the Hulamin MSOP Share Trust***

Utilising the R112.8 million contributed by Hulamin OpCo, the Hulamin MSOP Share Trust and the Hulamin ESOP Share Trust will subscribe for a projected number of each class of Hulamin “B” ordinary shares for cash. Both the eventual subscription price and the allotment of shares between the Hulamin ESOP Share Trust and Hulamin MSOP Share Trust, are dependent upon the eventual subscription price for the Hulamin “B” ordinary shares, which will be based on the 22-day VWAP after the listing of Hulamin on the JSE.

Based on the total subscription value of R112.8 million, the discount to the derived market value of the Hulamin ordinary shares on the last practicable date is currently calculated as 72% which will be partly recovered through the repurchase of shares as set out in paragraph 3.9.2.3 below.

Application has been made to the JSE to list the ordinary shares which will arise on conversion of the Hulamin “B” ordinary shares to ordinary shares as outlined in paragraph 3.9.2.1 above.

The financial effects of the Hulamin BEE transaction which incorporates the Hulamin ESOP and Hulamin MSOP are set out in paragraph 5 below.

The specific issue of Hulamin “B” ordinary shares requires the approval of 75% of votes exercised by shareholders (present in person or by proxy) in general meeting. Paragraph 9 below sets out the action required by shareholders in relation to this specific issue of Hulamin “B” ordinary shares.

3.9.2.3 ***Specific repurchase of Hulamin “B” ordinary shares for cash from the Hulamin ESOP Share Trust and the Hulamin MSOP Share Trust***

To facilitate the employee participation, Hulamin OpCo will contribute a projected amount of R112.8 million to the Hulamin MSOP Share Trust and the Hulamin ESOP Share Trust as set out in paragraph 3.9.2 above which amount will be used for the subscription of Hulamin “B” ordinary shares.

In terms of this facilitation

- (i) Hulamin will be the nominated income beneficiary of both the Hulamin ESOP Share Trust and the Hulamin MSOP Share Trust and, accordingly, for a period of five years from the effective date
 - (a) the Hulamin MSOP Share Trust beneficiaries will be attributed a notional funding amount equal to the ordinary dividend declared in every year. This notional funding charge will be discharged through the payment of all dividends for a five-year period to Hulamin in its capacity as a vested income

beneficiary of the Hulamin MSOP Share Trust. The dividends not distributed to the Hulamin MSOP Share Trust beneficiaries will thus reduce the number of Hulamin “B” ordinary shares that Hulamin will be entitled to repurchase at maturity. In accordance with the terms of the Hulamin B2 ordinary shares and the Hulamin B3 ordinary shares, the Hulamin MSOP beneficiaries will receive some shares for no consideration after five years (the Hulamin B3 ordinary shares), while other shares will be acquired at a 20% discount to the market value on the date of allocation (the Hulamin B2 ordinary shares);

- (b) the Hulamin ESOP Share Trust beneficiaries similarly will be charged a notional funding amount equal to the ordinary dividend declared in every year. This notional funding amount will be partly settled through 50% of the dividends declared on the Hulamin B1 ordinary shares being paid to Hulamin as a vested income beneficiary of the Hulamin ESOP Share Trust with the remaining 50% of the dividends being paid to the Hulamin ESOP Share Trust beneficiaries. The dividends not distributed to the Hulamin ESOP Share Trust beneficiaries will thus reduce the number of Hulamin B1 ordinary shares that Hulamin will be entitled to repurchase at maturity. In accordance with the terms of the Hulamin B1 ordinary shares the Hulamin ESOP beneficiaries have paid the 22-day VWAP price at the allocation date of the shares, adjusted for the cash dividends paid to the beneficiaries over vesting period of the shares; and
- (ii) Hulamin will have the right to repurchase a variable number of Hulamin “B” ordinary shares as determined in accordance with the repurchase formulae set out in Annexure 10 on the fifth anniversary of the effective date at R0.01, after which any remaining shares in the Hulamin ESOP Share Trust and the Hulamin MSOP Share Trust will be converted into Hulamin ordinary shares ranking *pari passu* with the existing issued Hulamin ordinary shares with unrestricted rights.

Prior to implementing the share repurchase Hulamin’s sponsor will provide the JSE with a working capital confirmation as required in the JSE Listings Requirements and the Hulamin board will release an announcement in compliance with the JSE Listings Requirements on SENS and publication in the press containing, *inter alia*, details of the repurchase and a working capital statement as prescribed in Section 11.27 of the JSE Listings Requirements.

The financial effects of the Hulamin BEE transaction which includes the Hulamin ESOP and Hulamin MSOP are set out in paragraph 5 below.

The specific repurchase of “B” ordinary shares at par value requires the approval of 75% of the votes exercised by shareholders (present in person or by proxy) in general meeting. Paragraph 9 below sets out the action required by shareholders in relation to this specific repurchase of Hulamin “B” ordinary shares at R0.01.

3.9.3 Salient terms of the Hulamin ESOP and Hulamin MSOP

3.9.3.1 *Appointment of trustees*

Each of the Hulamin ESOP Share Trust and the Hulamin MSOP Share Trust will have five trustees, as follows:

- (i) Hulamin will have the right to appoint two trustees and to remove and replace such trustees at any time; and
- (ii) three trustees will be elected by the beneficiaries of each of the Hulamin ESOP Share Trust and the Hulamin MSOP Share Trust from amongst themselves in accordance with the provisions of the applicable Trust Deed.

3.9.3.2 *Entitlement to rights to Hulamin ordinary shares (“the rights”)*

The Hulamin board shall advise the trustees of the Hulamin ESOP Share Trust and Hulamin MSOP Share Trust of the identity of the beneficiaries, the number of ordinary shares in relation to the rights to Hulamin ordinary shares to be allocated to each beneficiary and the allocation date of such allocation for each beneficiary.

The allocation of the rights to Hulamin ordinary shares shall entitle a beneficiary to, *inter alia*, the following rights relating to the Hulamin ordinary shares held by the Hulamin ESOP Share Trust and the Hulamin MSOP Share Trust:

- (i) the right to 50% of the dividends in respect of the rights allocated to the beneficiaries of the Hulamin ESOP Share Trust;
- (ii) the right to vote for the appointment of trustees of the Hulamin ESOP Share Trust and the Hulamin MSOP Share Trusts as the case may be and to certain voting arrangements as set out in paragraph 3.9.3.3 below; and
- (iii) the right to receive the Hulamin shares when distributed in accordance with the relevant trust deed.

A portion of the Hulamin MSOP and Hulamin ESOP Hulamin “B” ordinary shares will not be allocated at the initial allocation but will be used for future allocations. The unallocated shares will be applied to continue to attract and retain black talent to Hulamin and will be allocated over the life of the scheme pursuant to this objective. The actual number of unallocated Hulamin “B” ordinary shares will be finalised once the 22-day VWAP of the Hulamin ordinary shares traded on the JSE immediately following the listing of Hulamin has been determined. Based on current assumptions and pricing parameters at the last practicable date, the aggregate unallocated proportion of Hulamin “B” ordinary shares will be approximately 50%, which is subject to change pending final pricing.

The Hulamin MSOP and Hulamin ESOP beneficiaries will receive their entitlement to Hulamin ordinary shares at maturity if still employed by Hulamin. This entitlement will be a contractual right and will be governed by the provisions of the Hulamin ESOP and Hulamin MSOP Trust Deeds, respectively.

3.9.3.3 *Voting rights*

- (i) The Hulamin board shall make available all the information required by the beneficiaries in order to exercise their vote in respect of their rights to Hulamin shares at any general meeting of Hulamin.
- (ii) Each beneficiary shall communicate to the relevant Hulamin MSOP or Hulamin ESOP trustees their voting instructions prior to the general meeting of Hulamin.
- (iii) The Hulamin ESOP and Hulamin MSOP trustees, as applicable, shall be obliged to vote (or abstain from voting) the applicable shares that are registered in the name of the Hulamin ESOP Trust and the Hulamin MSOP Trust in accordance with the directions received from each beneficiary.
- (iv) If a beneficiary fails to give directions to the relevant trustees then the trustees shall not be entitled to vote that beneficiary’s shares.
- (v) The Hulamin MSOP trustees will vote all unallocated shares and shares received by the Hulamin MSOP Trust as a result of a transfer and cession of shares pursuant to terminations, in the same proportions as they are directed by the beneficiaries to vote the shares held on behalf of the beneficiaries.

4. INFORMATION ON THE HULAMIN BEE PARTNERS

4.1 Imbewu

Imbewu is a black controlled consortium which will own an effective 6% of Hulamin OpCo through Hulamin BEE SPV. The shareholders of Imbewu are:

Shareholder	Percentage interest in Imbewu	Percentage indirect interest in Hulamin OpCo
J B Magwaza	16.3	0.98
Imbewu Capital Partners	29.2	1.75
Sipho Madonsela	4.2	0.25
Strategic Partners and broad-based groupings	50.3	3.02

J B Magwaza is the Chairman of the Imbewu Consortium and is also currently a director of THG. He has a 16.3% stake in Imbewu. A brief CV is set out in Annexure 5.

Imbewu Capital Partners is a black controlled private equity and investment holding company. Geina Zondi is a founder and the Chief Executive and owns 40% of Imbewu Capital Partners. Imbewu Capital Partners has a 29.2% stake in Imbewu.

Sipho Madonsela is a Pietermaritzburg-based businessman who founded and is currently the Chief Executive of Emzansi Consulting Engineers, a firm of 55 professional engineers specialising in civil, mechanical and electrical engineering. He is currently the President of the Engineering Council of South Africa.

The broad-based groupings associated with Imbewu include the following:

- (i) the Mehlesizwe Trust which has numerous beneficiaries including rural women's groups, youth and disabled groupings and other developmental trusts in KwaZulu-Natal;
- (ii) an Engineers' Trust representing the interests of 87 engineers who are members of the National Society of Black Engineers; and
- (iii) the SMME Trust representing the interests of 56 small, medium and mid-size entities associated with the Business Support Centre ("BSC") in Pietermaritzburg. BSC is an organisation focused on the development of black micro-enterprises in and around the Pietermaritzburg area. BSC's objective is to source and establish business opportunities for small and medium-sized enterprises and support their development. BSC has been operating since 1996 and Hulamin has been a supportive partner since its inception.

4.2 Makana

Makana, which is controlled by Makana Investment Corporation, will own an effective 4% of Hulamin OpCo through Hulamin BEE SPV. The shareholders of the Makana Consortium are:

Shareholder	Percentage interest in Makana	Percentage indirect interest in Hulamin OpCo
Makana Investment Corporation	60.0	2.40
Makana Trust	51.0	1.22
African Sky	22.5	0.54
Autshumatu Investments	16.5	0.40
Wild Orchard	10.0	0.24
Makana Investment KZN	40.0	1.60
Makana Investment Corporation	40.0	0.64
KZN EPPC Committee (Section 21 company)	40.0	0.64
EPPC KZN management	20.0	0.32

Makana Investment Corporation was formed as a commercial entity to enable former political prisoners to participate in the South African economy. Makana Investment Corporation has broad-based representation and is the majority shareholder in Makana with a 60% direct stake.

The majority shareholder of Makana Investment Corporation is Makana Trust (51%). Makana Trust was established in 1996 to address the needs of ex-political prisoners and has an estimated 6 450 beneficiaries. The current trustees include Peter-Paul Ngwenya, Soto Ndukwana, Margaret Ndlovu, Nolitha Yvonee Vukuza-Linda and Tokyo Sexwale.

Peter-Paul Ngwenya is a founder member and executive chairman of Makana Investment Corporation. Peter-Paul is a 22.5% shareholder in the Makana Investment Corporation through African Sky.

Autshumatu Investments is 100% black owned and has eight shareholders including Sfiso Buthelezi, the former economic advisor to the MEC of the province of KwaZulu-Natal, who is a 22.5% shareholder in Autshumatu Investments.

Wild Orchard is an investment company that is 83% black owned and controlled.

Makana Investment KZN is a 40% shareholder in the Makana Consortium. The company was formed to take advantage of local SME business opportunities in KwaZulu-Natal and enable KwaZulu-Natal-based ex-political prisoners to benefit from growth opportunities in the province. Its shareholders include Makana Investment Corporation (40%) and the KZN EPPC Committee which is a Section 21 company owning 40%. The EPPC management in KwaZulu-Natal has a 20% stake in Makana Investment KZN.

4.3 Other beneficiaries

Hulamin and the Hulamin BEE anchor partners have identified a number of broad-based groupings involved in education, healthcare and social upliftment to participate in the Hulamin BEE transaction. This participation will form part of the broad-based groupings within the Imbewu Consortium.

5. FINANCIAL INFORMATION RELATING TO THE HULAMIN BEE TRANSACTION

5.1 Pro forma financial effects of the Hulamin BEE transaction

The table below sets out the unaudited *pro forma* financial effects of the Hulamin BEE transaction on Hulamin's audited basic EPS, diluted basic EPS, headline EPS, diluted headline EPS, NAV per share and NTAV per share, based on the audited results of Hulamin for the financial year ended 31 December 2006. The unaudited *pro forma* financial effects are the responsibility of the Hulamin directors and have been prepared for illustrative purposes only to provide information about how the Hulamin BEE transaction may have affected the financial position of the Hulamin shareholders on the relevant reporting date. Due to their nature, the unaudited *pro forma* financial effects may not be a fair reflection of Hulamin's financial position after implementation of the Hulamin BEE transaction.

Note reference	Before Hulamin BEE transaction (1) (cents)	Hulamin BEE transaction (2) (cents)	After Hulamin BEE transaction (cents)	Change (%)
EPS	117	(79)	38	(68)
HEPS	117	(79)	38	(68)
Fully diluted EPS	116	(79)	37	(68)
Fully diluted HEPS	116	(79)	37	(68)
NAV per share	1 552	18	1 570	1
NTAV per share	1 541	18	1 559	1

Notes:

- Audited Hulamin financial statements for the year ended 31 December 2006, incorporating the following transactions*:
 - Collapsing of the joint venture structure (see paragraph 2.2.1 of the Hulamin pre-listing statement for details of the previous structure):
 - The business of Hulamin was conducted through a company and joint venture partnership structure. On collapse of this structure certain adjustments were required to the capital structure of Hulamin. In addition, any tax liability or charge arising from the profits generated by The Hulamin Joint Venture was previously passed to the Joint Venture partners, as they were liable for the taxation. This adjustment of R73 million further reflects the continuing tax charge that would have been incurred had Hulamin been liable for the tax due.
 - Hulamin restructured its debt in anticipation of its listing on the JSE. On 29 December 2006, the convertible loan was settled and the financial institution subscribed for shares in Hulamin, which were subsequently allocated to the shareholders in terms of the original loan agreement. Total interest costs recorded in 2006 in respect of the convertible loan amounted to R155 million, consisting of interest for the period 1 January 2006 to 31 December 2006 of R73 million and a final settlement payment of R82 million. This interest is directly related to the restructuring of the debt and consequently has been adjusted with a continuing effect. The result of these transactions is to decrease the interest charge and hence increase Hulamin's net profit by R110 million after tax.
 - Current share incentive schemes:
 - An accelerated charge will be incurred on the current THG employee share scheme due to partial early vesting pursuant to the unbundling and the proportion of this charge which relates to Hulamin employees has been included here. This is a once-off charge (see Annexure 9 to the pre-listing statement for more details).
 - A capitalisation award (see paragraph 5.3 of the Hulamin pre-listing statement for details).
The financial impact on the earnings of Hulamin are illustrated as if the transactions had been implemented at the beginning of the year which ended on 31 December 2006, while the impact on the net assets of Hulamin are shown as if the transactions had been implemented on 31 December 2006.
- The Hulamin BEE transaction which comprises the following two components:
 - introduction of a broad-based initiative which results in a once off cost of R152 million derived using option pricing methodology, based on the derived subscription price. The eventual IFRS 2 cost will also include an amount (positive or negative) that is dependent upon the difference between the derived subscription price, based on the 30-day VWAP at the last practicable date and the derived share price on the date of the general meeting. This latter amount can therefore not be definitively calculated at the last practicable date and is not included in the R152 million IFRS 2 cost disclosed above. Based on a VWAP and spot price on the last practicable date of R127.88 and R137.00 this incremental amount would be R14 million. This charge would have an incremental EPS effect of -7 cents per share (see paragraph 2.4 of the pre-listing statement for further details on the broad-based BEE initiative); and
 - the Hulamin ESOP and the Hulamin MSOP. The IFRS2 cost of the Hulamin ESOP and Hulamin MSOP will be amortised over the five-year vesting period of the schemes. An after-tax cost of R9 million is projected in the first year of the Hulamin ESOP and the Hulamin MSOP, representing one-fifth of the IFRS 2 cost of the Hulamin ESOP and Hulamin MSOP shares allocated to individuals at the outset of the Hulamin BEE transaction. A portion of the shares are not actually allocated to individuals at the outset of the Hulamin BEE transaction. Assuming all the shares had been allocated at the outset, the total annual charge would have been R16 million after tax, implying a total 'full allocated' pre-tax cost of R112.8 million over the five-year vesting period (see Annexure 9 to the Hulamin pre-listing statement for further details).

* The detailed information relating to these Hulamin transactions is disclosed in the Hulamin pre-listing statement.

5.2 Pro forma balance sheet and income statement

The *pro forma* financial information is set out in Annexure 2 to this circular.

5.3 Reporting accountants' report on *pro forma* financial effects of the Hulamin BEE transaction

The reporting accountants' report on the *pro forma* financial information is set out in Annexure 4 to the Hulamin pre-listing statement.

5.4 Independent professional expert's statement

5.4.1 Confirmation from an independent professional expert acceptable to the JSE is required in terms of paragraphs 5.51(f) and 10.4(f) of the JSE Listings Requirements to indicate whether or not the Hulamin BEE transaction is fair and reasonable to THG and Hulamin shareholders:

- as Mr J B Magwaza, who is chairman of and a shareholder in Imbewu is currently a director on the THG Board and is therefore regarded as a related party to Hulamin; and
- as the Hulamin BEE transaction involves the issue of unlisted voting securities, the Hulamin "A" ordinary shares and the Hulamin "B" ordinary shares, in terms of a special dispensation granted by the JSE to waive the restrictions outlined in paragraph 4.24 of the JSE Listings Requirements, which dispensation is conditional upon THG obtaining the appropriate fair and reasonable opinion in respect of the Hulamin BEE transaction.

5.4.2 As the expert's statement explains, fairness is a quantitative measure and reasonableness a qualitative issue.

5.4.3 Ernst & Young Advisory Services Limited has been appointed as the independent professional expert and has concluded that the terms and conditions of the Hulamin BEE transaction are fair and reasonable to all disinterested shareholders.

This opinion is set out in Annexure 4 to this circular.

5.5 Impact on share capital of Hulamin

The impact of the Hulamin BEE transaction on Hulamin's authorised and issued share capital is set out below:

Before the Hulamin BEE transaction	R'million
Authorised	
240 000 000 Hulamin ordinary shares of 10 cents each	24.0
34 000 000 Hulamin A ordinary shares of 10 cents each	3.4
8 000 000 Hulamin B1 ordinary shares of 10 cents each	0.8
10 000 000 Hulamin B2 ordinary shares of 10 cents each	1.0
3 000 000 Hulamin B3 ordinary shares of 10 cents each	0.3
Issued	
Approximately ¹ 213 000 000 Hulamin ordinary shares of 10 cents each	21.3
After the Hulamin BEE transaction	
Authorised	
240 000 000 Hulamin ordinary shares of 10 cents each	24.0
34 000 000 Hulamin A ordinary shares of 10 cents each	3.4
8 000 000 Hulamin B1 ordinary shares of 10 cents each	0.8
10 000 000 Hulamin B2 ordinary shares of 10 cents each	1.0
3 000 000 Hulamin B3 ordinary shares of 10 cents each	0.3
Issued	
Approximately 213 000 000 Hulamin ordinary shares of 10 cents each	21.3
Approximately 25 000 000 Hulamin A ordinary shares of 10 cents each	2.5
Up to a maximum ² of 8 000 000 Hulamin B1 ordinary shares of 10 cents each	0.8
Up to a maximum ² of 10 000 000 Hulamin B1 ordinary shares of 10 cents each	1.0
Up to a maximum ² of 3 000 000 Hulamin B1 ordinary shares of 10 cents each	0.3
	25.9

Notes:

1. At the date of listing, the authorised share capital of Hulamin will comprise 240 000 000 Hulamin ordinary shares with a par value of 10 cents each. The exact number of Hulamin ordinary shares to be listed will be determined immediately prior to the listing and is dependant on the number of THG share options that will be exercised between the last practicable date and the date of the listing and will be twice the number of THG shares then in issue. Up to approximately 3.3 million ordinary shares can still be issued under the THG existing share incentive schemes.
2. Note that the number of Hulamin "B" ordinary shares issued will be dependent upon the eventual subscription price for the Hulamin "B" ordinary shares, which will be determined 22 trading days after the listing of Hulamin.

5.6 Estimated economic cost of the Hulamín BEE transaction

The total estimated economic cost of the Hulamín BEE transaction is expected to be approximately 3% of the derived Hulamín market capitalisation, which is considered to be within market norms for such a transaction.

6. PROPOSED CHANGES TO THE HULAMÍN BOARD

Upon implementation of the Hulamín BEE transaction, a non-executive director and an alternate director nominated by Makana and Imbewu will be appointed to the Hulamín board, as follows:

6.1 Johannes Bhekumuzi Magwaza; and

6.2 as an alternate director, S-P Ngwenya.

As a non-executive director, he will be entitled to earn directors fees on the same terms and conditions as the other non-executive directors and will be entitled to appoint an alternate to act on his behalf.

A brief CV for each of these directors is set out in Annexure 8 to the Hulamín pre-listing statement.

7. DIRECTORS' OPINIONS

7.1 The THG board and the Hulamín board have considered the terms of the Hulamín BEE transaction including, *inter alia*, the fair and reasonable opinion the text of which is set out in Annexure 4 to this circular and recommend that shareholders vote in favour of the ordinary resolutions required to implement the Hulamín BEE transaction.

7.2 The members of the THG board and the Hulamín board have undertaken to vote in favour of the ordinary resolutions required to implement the Hulamín BEE transaction in respect of the ordinary shares held by them.

8. WORKING CAPITAL STATEMENT

Prior to implementing the Hulamín specific share repurchases referred to in paragraph 3.9.2.3 above, Hulamín's sponsor will provide the JSE with a working capital confirmation as required in the JSE Listings Requirements and the Hulamín board will release an announcement in compliance with the JSE Listings Requirements on SENS and publish in the press containing, *inter alia*, details of the repurchases and a working capital statement as prescribed in Section 11.27 of the JSE Listings Requirements.

However, in the event that the Hulamín specific share repurchases were to take place within 12 months of the effective date, the THG board and the Hulamín board, after considering the effect of the Hulamín specific share repurchases are of the opinion that:

8.1 Hulamín and the Hulamín Group will be able in the ordinary course of business to pay their debts for a period of 12 months after the date of the notice of general meeting;

8.2 the assets of Hulamín and the Hulamín Group will be in excess of the liabilities of Hulamín and the Group for a period of 12 months after the date of the notice of general meeting. For this purpose the assets and liabilities will be recognised and measured in accordance with the accounting policies used by Hulamín in preparing Hulamín's audited financial results for the 12 months ended 31 December 2006;

8.3 the share capital of Hulamín and the Hulamín Group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of general meeting;

8.4 the working capitals of Hulamín and the Hulamín Group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of general meeting.

9. ACTION REQUIRED BY SHAREHOLDERS

At the general meeting, shareholders will be required to vote on the following ordinary resolutions as set out in the notice of general meeting which is attached to and forms part of this circular:

Resolution	Purpose
Ordinary resolution number 4	<i>To approve the specific allotment and issue of the Hulamín “A” ordinary shares and the Hulamín “B” ordinary shares and the issue of Hulamín shares on conversion of Hulamín OpCo shares into Hulamín ordinary shares</i>
Ordinary resolution number 5	<i>To approve the specific repurchase of the Hulamín “A” ordinary shares and the Hulamín “B” ordinary shares in certain circumstances</i>
Ordinary resolution number 8	<i>To adopt the Hulamín ESOP</i>
Ordinary resolution number 9	<i>To adopt the Hulamín MSOP</i>

Full details of the action required to be taken by shareholders is set out on pages 5 to 7 in the action required by shareholders section of this circular.

SECTION B: GENERAL INFORMATION

1. HISTORY OF THG

THG was formed in 1982 when the Tongaat Group Limited merged with Hulett's Corporation Limited.

The Tongaat Group Limited evolved from a partnership between Edward Saunders and W J Mirrlees, which dates back to 1875. On 7 September 1892 the partnership was incorporated into the Tongaat Sugar Company Limited in Pretoria, South Africa. In the years 1969 to 1970, the company, which had diversified into other businesses, was renamed the Tongaat Group Limited.

The Hulett's Corporation Limited has its beginnings in the 1850s, with the original incorporation in 1892 as Sir J L Hulett and Sons, which changed its name to Hulett's Sugar Corporation Limited and then to Hulett's Corporation Limited.

In 1962, Anglo American plc bought its first shares in the Tongaat Group Limited. Anglo American plc has retained its investment in THG and has held an interest of more than 50% in THG since 1998.

THG has a primary listing on the JSE, which dates back to 1952, and a secondary listing on the LSE, which dates back to 1939.

The Group, like many South African entities, was a diversified industrial business with interests in aluminium, building materials, consumer foods, cotton, edible oils, industrial and commercial catering, mushrooms, sugar and agricultural land development, starch and glucose, textiles and transport. Since the early 1990s the Group has systematically divested from a number of these businesses and refocused its operations, leveraging the synergies that exist between its agri-processing operations and prime agricultural land holdings.

Capitalising on the investments in its operations and a solid platform of earnings growth, a strategic review of the THG Group's operations culminated in the announcement in 2006 of the proposed listing of Hulamin on the JSE and the Hulamin unbundling to create two separately listed, focused companies in 2007, namely:

- TH, an agri-processing business which includes integrated components of land management, property development and agriculture; and
- Hulamin, an independent niche producer of aluminium rolled, extruded and other semi-fabricated and finished products.

This will be achieved by the listing of Hulamin on the JSE, followed immediately by the unbundling of the 50% shareholding in Hulamin by THG to its shareholders. It will be accompanied by the simultaneous introduction of broad-based BEE equity participation in both TH and Hulamin. The capital structure of TH will be optimised whilst retaining the balance sheet capacity to take advantage of growth opportunities.

On the implementation of the above transactions, THG will change its name to, and be known as, Tongaat Hulett Limited.

2. DESCRIPTION OF BUSINESS

2.1 Overview

TH produces a range of refined carbohydrate products from sugar cane and maize. Through its sugar and starch and glucose operations, TH produces almost half of the refined carbohydrates manufactured in South Africa. Further TH's considerable knowledge and expertise in downstream agricultural products significantly enhances TH's value proposition.

The integration between agriculture and land is increasing rapidly. TH has successfully balanced the operational requirement for cane supplies to its sugar operations with the transition to property development as urban and tourism demand increase. Moreland's established position as a leading land developer has been a critical success factor in this regard.

TH has developed the flexibility through each of its operations to manage the changing industry dynamics and global industry challenges and is well-positioned to capitalise on opportunities in order to extract maximum shareholder value.

2.2 Sugar

Tongaat-Hulett Sugar is a world leader in sugar milling technology and continues to focus on cane growing, sugar milling and refining at its operations throughout Southern Africa. It has four mills in South Africa, two mills in Mozambique, two in Zimbabwe and extensive cane operations in each of these countries as well as Swaziland. In addition to its raw sugar capability, Tongaat-Hulett Sugar has a central refinery in South Africa with an annual refining capacity of some 600 000 tons. This refinery is complemented by additional refining capacity in Triangle Sugar and the capacity of the recently commissioned White Sugar Mill plant at Felixton.

In 2006, the Huletts® brand was again voted by an independent survey as the second most admired food brand in South Africa, measured in terms of awareness as well as trust and confidence. The brand remains a cornerstone of Tongaat-Hulett Sugar's success and offers a total sweetener solution including a range of high intensity sweeteners.

Voermol Feeds, the molasses and bagasse-based animal feeds operation, continues to be a leader with its range of energy and supplementary feeds, amongst others, as the cornerstone of its offerings to the livestock farming community.

2.3 Starch and glucose

The starch and glucose wet-milling operation, African Products, is the major producer of starch and glucose on the African continent. It was established in 1919 and has grown to be an important supplier to a wide range of South African and African industries. Operating five wet-milling plants, THG converts some 600 000 tons of maize per annum into starch and starch-based products. TH manufactures a wide range of products, from unmodified corn starch to highly refined glucose products, which are key ingredients for local food manufacturers, beverages and a variety of industrial products. The strong growth of the South African economy is positive for good volume growth of these products.

2.4 Land management and property development

Over the last 15 years, THG's property development arm, Moreland, together with its partners, has planned and developed approximately 1 500 hectares of land in the KwaZulu-Natal coastal corridor north of Durban at a cost of approximately R1.5 billion. This development has facilitated the construction of more than 100 office and factory buildings, 5 000 residential units, the Umhlanga Gateway and Crescent shopping centres, the Sibaya Casino and Entertainment World, four hotels, Umhlanga Hospital, Crawford and Umhlanga Colleges and places of worship serving a wide range of religions. This has seen the creation of more than 50 000 new jobs in both the construction and end-use industries and a boost to economic activity in the Greater Durban and KwaZulu-Natal North Coast Corridor.

3. PROSPECTS

THG has demonstrated its ability to deliver attractive earnings growth and positive returns for shareholders. The THG board is of the opinion that the ongoing investment in operations coupled with a positive global environment, will ensure that TH is well-placed to capitalise on opportunities within the agri-processing, agriculture and integrated land management and property development industries as highlighted in the prospects outlined below:

Low cost sugar producers to benefit from agricultural market reforms

Ongoing market reforms, the increasing use of sugar cane for ethanol production and a world sugar consumption growth rate of 2% per annum will contribute to a positive earnings outlook with planned expansion of sugar production in low cost regions with superior market realisations.

The recent World Trade Organisation rulings on European Union sugar exports will result in a reduction in annual sugar exports from between 5 million tons and 7 million tons to no more than 1.4 million tons from 2007. The Everything-but-Arms initiative that provides for duty and quota free access to European Union markets for Least Developed Countries from 2009, combined with the announced European Union sugar market reforms that provide for a price of €335.20 per ton for sugar sold in the European Union until 2015, were the catalysts for the recently announced R1.3 billion expansion of TH's Mozambique sugar operations, which includes an increased shareholding in the Xinavane milling operations from 49% to 88%.

The recent acquisition of a 50.35% interest in Hippo Valley Estates will almost double TH's production in Zimbabwe and will lift its regional sugar capacity by a further 285 000 tons per annum. The lowveld in Zimbabwe, with excellent topography, climate and established water storage and conveyance infrastructures for irrigation, is recognised as the lowest cost producer in the region, if not the world.

The close proximity of this large, world-class sugar estate to Triangle Sugar increases the ability to capitalise on the synergies between the two operations, with scope for further investment when the socio-economic environment improves.

The investments in Hippo Valley Estates and Mozambique strengthen TH's position as a leading sugar producer in the low cost SADC region with total sugar production capacity expected to increase from 1.5 million tons to 1.9 million tons by 2009.

Flexibility in renewable energy

Increasing world focus on establishing sources of renewable energy and a drive to reduce the dependence on fossil fuels continue to have a fundamental effect on world agricultural commodity markets. TH is well-positioned to capitalise on opportunities in environmentally sustainable energy generation from sugar cane and maize as it moves away from the narrow sugar and starch definitions to a much broader sweetener, ingredients and bio-fuels approach.

Extending the value chain

TH has identified significant long-term growth opportunities in the various downstream products which are a natural extension of both starch and sugar production. Investment in research and development has identified new opportunities to broaden and extend TH's downstream product offerings.

Value creation out of agricultural land

In line with a global escalation in coastal land values and the continued growth of the economy in the Durban to Richards Bay development corridor, there is ongoing demand and development pressure on land owned by TH in the coastal belt north of Durban. The prime quality, location and value of the land combined with Moreland's widely acknowledged property development capabilities, will enable Moreland to unlock significant value for TH at an escalating pace.

Of the South African landholdings, 12 937 hectares are well-located to benefit from urban or tourism development demand. TH has the ability and the platform to unlock substantial value as it converts agricultural land into property development. Annual conversion by TH is estimated to be between 100 hectares and 400 hectares of land.

Transformation

These prospects are underpinned by the implementation of a sustainable and meaningful BEE transaction where TH BEE partners will enhance the long-term development and sustainability of the business.

The TH BEE transaction complements existing transformation initiatives in the areas of employment equity, preferential procurement and enterprise development, all of which will result in meaningful recognition in terms of the balanced scorecard as set out in the DTI Codes on Broad-Based Black Economic Empowerment. This recognition will attractively position TH to continue to add value through its core competencies around the agri-processing and land management value chain.

4. DIRECTORS AND CORPORATE GOVERNANCE

4.1 Directors

The composition of the TH board pursuant to the Hulamin unbundling and TH BEE transaction is set out in paragraph 4.7 commencing on page 74.

The THG board at the issue date of this circular is set out below:

Non-executive directors⁵

Cedric Michael Langton Savage (*Chairman*)**

David Duncan Barber

Philip Michael Baum

Ian Botha

Elisabeth le Roux Bradley**

Barry Erskine Davison

Johannes Bhekumuzi Magwaza**

Mahmood Mia**

Thembalihle Hixonia Nyasulu**

Russell Howard John Stevens**

Andrew Murray Thompson

** Independent non-executive

⁵ Note that Messrs M W King and L Boyd retired as non-executive directors of the THG board with effect from 25 April 2007 and are not signatories at the issue date of this circular.

Executive directors

Peter Heinz Staude (*Chief Executive Officer*)
Bruce Graham Dunlop
Alan Fourie
Gordon Robert Hibbert
Gert Petrus Nicolaas Kruger
Murray Hector Munro
Steven James Saunders
Menanteau Serfontein

There are no alternate directors.

The details of the existing THG directors and their CVs are included in Annexure 5 to this circular. The details of the new appointees to the TH board outlined on page 49 are also included in Annexure 5.

4.2 Corporate Governance

4.2.1 Introduction

Over the years, THG has been committed to upholding the principles of the Code of Corporate Practices embodied in the King Report 2002 and has always viewed the implementation of good corporate governance practices as integral to its business. THG has recognised the need to conduct business with openness, integrity and accountability, and to provide timeous, relevant and meaningful reporting to all stakeholders. The THG board believes that it does comply, in all material respects, with the provisions of the King Report 2002.

The terms of reference of the THG board and THG board committees, roles and responsibilities of the directors, as well as the THG Group's code of ethics for directors and employees, are detailed in a Corporate Governance Manual. This, together with established policies on matters such as safety, health and environment, social investment, black economic empowerment and employment equity, have provided a sound framework for good corporate governance within THG.

Going forward, TH will continue to uphold the principles of the Code of Corporate Practices embodied in the King Report 2002 in the spirit outlined in this paragraph 4.2. In view of the reconstituted TH board outlined in paragraph 4.7 on page 74, the existing sub-committees of the THG board outlined in paragraph 4.2.3 below will be reviewed in terms of composition and structure to represent the new TH board.

4.2.2 Chairman and the THG board

The THG Board Charter, which forms part of the Corporate Governance Manual, records the THG board's continued objective to provide responsible business leadership with due regard to the interest of shareholders and other stakeholders, including present and future customers, suppliers, employees, as well as the community and the environment within which the THG Group operates. The THG Board Charter also sets out its mission, and the fiduciary duties and responsibilities of individual directors toward the company.

The THG Board Charter further addresses the approval of strategy and policies, as well as the selection and orientation of directors. In assisting the THG board to discharge its duties, THG board committees have been established which provide, through transparency, disclosure and review, the assurance that operational performance and risk management are monitored. In this regard there is also a record of matters specifically reserved for the THG board's decision.

Thirteen non-executive and eight executive directors, drawn from both genders and a broad spectrum of the business community, make up the unitary THG board representing a wide range of skills, knowledge and experience, and bringing independent judgment to the THG board deliberations and decisions. A formal self-evaluation of the THG board, committees, and the Chairman, aimed at improving the THG board's effectiveness, is carried out annually and the findings are addressed.

The roles of Mr C M L Savage as an independent non-executive Chairman and Mr P H Staude as the Chief Executive Officer are separate with a clear division of responsibilities. In accordance with the company's articles of association, directors are subject to retirement by rotation at intervals of three years. Retiring directors may be re-elected at the annual general meeting at which they retire. New directors may only hold office until the next annual general meeting, at which they will be required to retire and offer themselves for re-election. There are no term contracts of service between any of the directors and the company or any of its subsidiaries.

The THG board is responsible to shareholders for the performance and the affairs of the company, retaining effective control over the company and giving strategic direction to management. The levels of authority delegated to management are approved by the THG board and are recorded in the Authorities Framework contained in the Corporate Governance Manual, which is utilised by all companies within THG.

The THG board normally meets at least six times a year, with special/additional meetings convened as circumstances dictate. Comprehensive THG board documentation is prepared and distributed in advance of each meeting. All directors have access to appropriate information and to the advice and services of the THG Group Secretary. Independent professional advice is available to directors in appropriate circumstances at the company's expense.

Attendance of current directors at THG board and committee meetings during the year ended 31 December 2006:

Director	THG board		Audit and Compliance Committee		Remuneration Committee	
	A	B	A	B	A	B
D D Barber	7	3				
P M Baum	7	6			3	3
I Botha	7	4	3	2		
L Boyd**	7	6			3	3
E le R Bradley	7	6	3	3	3	3
B E Davison	7	5				
B G Dunlop	7	7				
A Fourie	7	7				
G R Hibbert	7	6				
M W King**	7	6	3	3		
G P N Kruger	7	7				
J B Magwaza	7	6				
M Mia	7	6	3	3		
M H Munro	7	7				
T H Nyasulu	7	7				
S J Saunders	7	7				
C M L Savage	7	7			3	3
M Serfontein	7	7				
P H Staude	7	7				
R H J Stevens	7	5				
A M Thompson	7	6				

** Retired with effect from 25 April 2007.

A: Indicates the number of meetings held during the year the director was a member of the THG board and/or committee.

B: Indicates the number of meetings attended during the year the director was a member of the THG board and/or committee.

4.2.3 THG board committees

In accordance with its Charter, the THG board has approved and delegated authority for specific matters to various committees, all of which have formal terms of reference. Through regular reporting by the committees, the THG board is able to monitor, *inter alia*, key risk areas and non-financial aspects relevant to the company's various businesses. The formal terms of reference and the delegated authority regarding each committee are set out in the Corporate Governance Manual.

In view of the reconstituted TH board outlined in paragraph 8 on page 31, the board sub-committees, as they were during 2006 (outlined below), will be reviewed in terms of composition and structure to represent the new TH board going forward.

4.2.3.1 Executive Committee (Chairman: P H Staude)

The executive committee consists of all the executive directors and any other member appointed by the THG board. The members are P H Staude (Chairman), P M Baum, B G Dunlop, A Fourie, G R Hibbert, G P N Kruger, M H Munro, S J Saunders and M Serfontein, with the THG Group Secretary, M M L Mokoka, in attendance.

The overall objective of the committee is to assist the THG board in discharging its responsibilities, while acting within the parameters of the agreed authority limits. Matters outside the agreed authority limits are referred to the THG board and in circumstances where time is of essence, by way of round robin.

4.2.3.2 **Audit and Compliance Committee (Chairman: E le R Bradley)**

The Audit and Compliance Committee comprises non-executive directors, the majority of whom are independent. The members possess the necessary expertise to direct the committee constructively in the execution of its responsibilities. The members are E le R Bradley (Chairman), I Botha, M W King and M Mia. The Chief Executive Officer, P H Staude; the THG Group Financial Director, M H Munro; the Internal Audit manager, M M Jean-Louis and representatives of the internal and external auditors attend by invitation. The THG Group Secretary, M M L Mokoka, is the secretary for this committee. The committee normally meets three times a year.

The Audit and Compliance Committee's terms of reference, which have been approved by the THG board, include financial reporting and operational matters such as the monitoring of controls, loss prevention, litigation, reputational issues, and JSE, statutory and regulatory compliance matters. In addition, the committee is responsible for ensuring that there is an effective risk management process and receives regular confirmation of the various ongoing risk management activities. Each operating company has its own audit committee, which subscribes to the same THG Group audit philosophies and reports to the THG Group Audit and Compliance Committee.

The committee provides a forum through which the external and internal auditors report to the THG board. It is responsible for the consideration, appointment and review of external and internal auditors, the maintenance of a professional relationship with them, reviewing accounting principles, policies and practices adopted in the preparation of public financial information and examining documentation relating to the interim and annual financial statements. In addition, it reviews procedures and policies of internal control, including internal financial control and internal audit reports. The adequacy and capability of THG's internal and external audit functions are also subject to continuous review.

The external and internal auditors have unrestricted access to members of the Audit and Compliance Committee and its chairman at all times, ensuring that their independence is in no way impaired. Both the internal and external auditors have the opportunity, at each of the meetings, of addressing the committee and its chairman without management being present.

The Audit and Compliance Committee determines the purpose, authority and responsibility of the internal audit function in an Internal Audit Charter, which has been approved by the committee and the THG board. The charter sets out the terms of reference of THG's internal audit function, its reporting line to the chairman of the committee and the fact that the internal auditors have unrestricted THG Group wide access to all functions, records, property and personnel. While the internal audit function has been outsourced to professional firms of public accountants and auditors, co-ordinated by the THG Group's internal audit manager, the company's independent external auditors do not assist in the performance of any internal audit assignments.

Details of all non-audit services provided by the independent external auditors, are monitored by the committee, to ensure compliance with the THG Group's policy.

4.2.3.3 **Risk Committee (Chairman: M H Munro)**

The THG board is ultimately accountable for risk management and there is a clear responsibility for risk management by operational managers. Management focuses attention on the identification of major risks, risk reduction actions and the review and auditing of risk control processes. Risk management is a key performance area for line management throughout the THG Group. Risk Committees have been operational at each of the operating companies and during 2006 18 meetings were held at this level. Operating company risk committees report to the THG Group Risk Committee, which normally meets four times a year. The members of the THG Group Risk Committee are M H Munro (Chairman), P M Baum, B G Dunlop, A Fourie, G R Hibbert, M M Jean-Louis, G P N Kruger, S J Saunders, M Serfontein and P H Staude, with the THG Group Secretary, M M L Mokoka, in attendance.

The THG Group Risk Committee terms of reference encompass strategic and business risk management processes, including reputational, compliance, financial and operational risks, which could undermine the achievement of the THG Group's business objectives.

The risk management system has been designed to ensure that it is flexible enough to be adapted to the specific requirements of the operations. Managers are supported in giving effect to their risk responsibilities through sound policies and guidelines on risk and control management. Operating company management provides ongoing monitoring of company specific risks as well as risks that are considered to have a THG Group-wide impact. Details of the results of such reviews are provided to the operating company risk committee, operating company THG board, as well as the THG Group Risk Committee.

Plans have been formulated and the necessary resources have been identified to ensure the implementation of recovery procedures for all instances where potential risks have been identified as constituting a disaster.

A THG Group-wide system of internal control exists in all key operations to manage significant risks. This system supports the THG board in discharging its responsibility of ensuring that the risks associated with the operations are effectively managed. Regular management reporting, which provides a balanced assessment of key risks and controls, is an important component of THG board assurance. Regular reports are presented to the THG board.

The THG Group's internal audit function provides independent assurance to the Risk Committee and the THG board on the effectiveness of the appropriate internal control processes throughout the THG Group. The THG board also receives assurance from the Audit and Compliance Committee that derives its information in part from regular internal and external audit reports throughout the THG Group on risk and internal control.

4.2.3.4 ***Safety, Health and Environment Committee (Chairman: P H Staude)***

The THG Group Safety, Health and Environment (“SHE”) Committee normally meets three times a year. Its members are P H Staude (Chairman), T Chetty, S J M Cleasby, J M Clelland, B G Dunlop, A Fourie, B A Henderson, G R Hibbert, G P N Kruger, M N Mohale, D S Mudly, J Sanetra, M Serfontein, W G Streek, D F Timmerman and R Wilkinson.

The THG Group SHE Committee reviews the major SHE risks identified by the SHE committees at each of the THG Group's operating companies and the progress against SHE targets, thus providing a facility for the development of an overall perspective on SHE matters and for the sharing of information and experiences across the THG Group. It is also a forum for considering, and where appropriate, responding to material national and international regulatory and technical developments in the fields of SHE management.

4.2.3.5 ***Employment Equity Committee (Chairman: P H Staude)***

The Employment Equity Committee normally meets three times a year. Its members are P H Staude (Chairman), J Bhana, S Bhyat, N P Dingaana, B G Dunlop, A Fourie, B R Gumede, G R Hibbert, M M Jean-Louis, G P N Kruger, M Mia, M N Mohale, M M L Mokoka, T K Mshengu, N R Nyandeni, S J Saunders and M Serfontein.

The broad composition of this committee ensures that it benefits from THG Group wide experience and expertise in achieving its objectives. Its main objective is to set targets and review progress on all employment equity-related matters and, where necessary, to make recommendations to the THG board on the implementation of employment equity policies. These policies are based on equal opportunity for all within a diverse workforce with a substantial number of members of designated groups at all levels. The implementation of these policies is facilitated by appropriate performance and talent management processes, recruitment targets, development and training programmes, coaching and mentoring and innovative management development practices.

These programmes, targets and practices enjoy priority as a key business objective and constitute an integral part of management's performance assessment.

4.2.3.6 ***Remuneration Committee (chairman: L Boyd)***

The Remuneration Committee which normally meets three times a year, is chaired by an independent non-executive director and comprises only non-executive directors. The members are L Boyd (Chairman), E le R Bradley, P M Baum and C M L Savage. P H Staude attends by invitation and M Serfontein is the secretary.

The reward philosophy, which has been approved by the THG board, is formulated to attract, motivate and retain directors, executives and employees needed to run the THG Group successfully. The Remuneration Committee is responsible for considering and making recommendations to the THG board on the policy and on the quantum, structure and composition of remuneration packages of executive directors and senior executives. In addition, it reviews general salary increases for management and the operation of the company's incentive schemes. Independent external studies and comparisons are used to ensure that compensation is market related and linked to both individual performance and the performance of THG.

4.2.3.7 *Nomination Committee (Chairman: L Boyd)*

The Nomination Committee, which comprises only non-executive directors, meets as required. Its members are L Boyd (Chairman), E le R Bradley, P M Baum and C M L Savage. P H Staude attends by invitation and M Serfontein is the secretary.

This committee's terms of reference ensure that, for THG board appointments, a rigorous, fair and open nomination and appointment process is established which will provide a balance of appropriate skills, knowledge and experience in the boardroom and support strong corporate performance. The committee makes recommendations to the THG board, ensuring that there is a diversity of experience and backgrounds to create a cohesive and effective THG board.

4.2.3.8 *Steering Committee (Chairman: C M L Savage)*

In February 2006, the THG board communicated the decision to embark on the unbundling of the THG Group's 50% interest in Hulamin to shareholders, the listing of Hulamin and the introduction of BEE equity participation in both Tongaat Hulett and Hulamin.

The THG board appointed a Steering Committee, with a mandate to responsibly and timeously oversee the implementation of the transactions so as to optimise the unlocking of shareholder value and to ensure that all relevant matters are reported to the THG board for final decision-making. The members are C M L Savage (Chairman), L Boyd, E le R Bradley, M W King, P M Baum, I Botha, A M Thompson, P H Staude, M H Munro and A Fourie, with the THG Group Secretary, M M L Mokoka, in attendance.

The committee met nine times during the year under review. Advisors attend the meeting by invitation and provide relevant input to the deliberations and key issues relating to the transactions. The Steering Committee also engages with the other Hulamin shareholders – the IDC and Anglo American.

4.2.4 Dealing in securities

No director, officer or employee may either deal, directly or indirectly, in the company's shares on the basis of unpublished price-sensitive information regarding the business or its affairs. In addition, no director may trade in the company's shares during closed periods as defined in the JSE Listings Requirements. Trading by directors in the company's ordinary shares outside of a closed period is not permitted without the prior written consent of the Chairperson of the THG board.

4.2.5 Corporate social investment

THG is committed to contributing 1% of headline earnings to corporate social investment on an annual basis. The purpose of THG's corporate social investment policy is to ensure that a constructive contribution is made towards building and enhancing the quality of life of disadvantaged communities within Southern Africa. THG's corporate social investment spending is primarily directed as education, health, community skills upliftment, charitable organisations, environmental needs and crime prevention.

4.3 Directors' interests in transactions of THG

No director has any interest in any transactions effected by THG during the current or immediately preceding financial year or during an earlier financial year which remains in any respect outstanding or unperformed.

4.4 Directors' remuneration and shareholdings

4.4.1 The remuneration paid to the executive and non-executive directors for the financial year ended 31 December 2006 is set out below:

Director	Cash package R'000	Bonus# R'000	Retirement and medical contributions R'000	Share option gains R'000	Total R'000
Executive:					
Dunlop B G	2 168	1 010	256	7 506	10 940
Fourie A	2 043	882	234	2 408	5 567
Hibbert G R	1 752	824	203	2 957	5 736
Kruger G P N	2 009	629	252	4 380	7 270
Munro M H	1 810	869	216	820	3 715
Saunders S J	2 010	907	235	–	3 152
Serfontein M	1 618	746	190	2 486	5 040
Staude P H	3 718	1 785	397	6 257	12 157
	17 128	7 652	1 983	26 814	53 577

Bonuses are reported to match the amount payable to the applicable financial year.

Director	Fees R'000	Other R'000	Total R'000
Non-executive:			
Barber D D	135	–	135
Baum P M	135	125	260
Botha I	135	142	277
Boyd L**	135	178	313
Bradley E le R	135	233	368
Davison B E	135	–	135
King M W**	135	142	277
Magwaza J B	135	140	275
Mia M	135	123	258
Nyasulu T H	135	32	167
Savage C M L	500	267	767
Stevens R H J	135	110	245
Thompson A M	135	72	207
	2 120	1 564	3 684

** Retired with effect from 25 April 2007.

- 4.4.2 The interests of the executive and non-executive directors in THG shares at the last practicable date are summarised below. Holdings are beneficial except where indicated otherwise:

Director	Direct shares	Indirect shares	Percentage shareholding
Executive:			
Dunlop B G	7 394	–	–
Fourie A	11 007	–	–
Hibbert G R	7 356	–	–
Kruger G P N	6 589	–	–
Munro M H	6 263	–	–
Saunders S J	12 849	761 632	0.7
Saunders S J (non-beneficial)	–	487 376	0.4
Serfontein M	8 498	8 000	–
Staude P H	40 085	–	–
	100 041	1 257 008	1.2
Non-executive:			
Boyd L**	500	–	–
Bradley E le R	–	99 316	–
Bradley E le R (non-beneficial)	–	25 809	–
Magwaza J B	5 760	–	–
Savage C M L	24 003	73 225	–
Stevens R H J	618	–	–
	30 881	198 350	0.2

** Retired with effect from 25 April 2007.

None of the executive directors has any other indirect beneficial or indirect non-beneficial or direct non-beneficial interest in THG. The abovementioned interests have not changed from 31 December 2006 to the last practicable date.

- 4.4.3 The cash package payable to the directors and key executives of THG will not be varied as a consequence of the transactions. In June 2006, the THG board introduced an incentive plan whereby the executive directors and the chief executive officer could earn a maximum potential payment ranging from 30% to 55% of cash package for the successful implementation of the Hulamun unbundling and the introduction of BEE equity participation in both Hulamun and TH.

4.5 Service contracts with directors

There are no service contracts with directors.

4.6 Appointment, qualifications, remuneration and voting powers of directors

The provisions of the articles of association of THG relating to the appointment, qualification, voting powers and remuneration of the directors are set out in Annexure 8.

4.7 Changes to the THG board

Pursuant to the Hulamin unbundling and the TH BEE transaction, TH will reconstitute the THG board to form the TH board, as follows:

Executive	Non-executive
P H Staude (<i>Chief Executive Officer</i>)	C M L Savage (<i>Chairman</i>) **
M H Munro (<i>Chief Financial Officer</i>)	P M Baum
B G Dunlop	I Botha
	E le R Bradley**
	J John** #
	J B Magwaza**
	M Mia**
	T H Nyasulu
	C B Sibisi #
	R H J Stevens**

New appointees.

** Independent non-executive directors.

In line with the trend to have smaller boards and as a consequence of the Hulamin unbundling, the following THG board members will resign immediately after the Hulamin unbundling, which will take place after the listing of Hulamin on the JSE:

Executive	Non-executive
Alan Fourie	D D Barber
G R Hibbert	B E Davison
G P N Kruger	A M Thompson
S J Saunders	
M Serfontein	

Details of the above changes have been set out in paragraph 9 on page 31 and paragraph 7 on page 49.

A brief CV of each of the directors is set out in Annexure 5 to this circular.

5. FINANCIAL INFORMATION

5.1 Historical financial information

The audited historical consolidated financial information of THG for the three financial years ended 31 December 2006, and the notes thereto, are set out in Annexure 1 to this circular.

5.2 Pro forma financial information

The *pro forma* financial information incorporating the financial effects of the transactions is set out in Annexure 2 to this circular.

5.3 Independent reporting accountants' report

The independent reporting accountants' report on the *pro forma* financial information is set out in Annexure 3 to this circular.

5.4 Share capital

5.4.1 History of share capital and any issues or offers of securities

There have been no changes to the authorised share capital during the five years immediately preceding the last practicable date.

Share issues during the last five years relate primarily to the share incentive schemes, details of which are set out in detail in the notes to the historical financial information set out in Annexure 1 to this circular.

5.4.2 Details of share capital

Details of THG's authorised and issued share capital at the last practicable date are as follows:

	R'000
Authorised	
150 000 000 ordinary shares of R1.00 each	150 000
Issued	
106 616 352 ordinary shares of R1.00 each	106 616
After implementation of the Hulamin unbundling	
	R'000
Authorised	
150 000 000 ordinary shares of R1.00 each	150 000
Issued	
106 616 352 ordinary shares of R1.00 each	106 616
After implementation of the scheme	
	R'000
Authorised	
150 000 000 ordinary shares of R1.00 each	150 000
Issued	
101 818 616 ordinary shares of R1.00 each	101 819
After implementation of the TH BEE transaction	
	R'000
Authorised	
150 000 000 ordinary shares of R1.00 each	150 000
30 000 000 TH "A" preferred ordinary shares of R1.00 each	30 000
6 000 000 TH "B1" ordinary shares of R1.00 each	6 000
10 500 000 TH "B2" ordinary shares of R1.00 each	10 500
3 200 000 TH "B3" ordinary shares of R1.00 each	3 200
10 redeemable preference shares of R1.00 each	–
Issued	
101 818 616 ordinary shares of R1.00 each	101 819
25 104 976 TH "A" preferred ordinary shares of R1.00 each	25 105
Up to a maximum of 6 000 000 TH "B1" ordinary shares of R1.00 each ¹	6 000
Up to a maximum of 10 500 000 TH "B2" ordinary shares of R1.00 each ¹	10 500
Up to a maximum of 3 200 000 TH "B3" ordinary shares of R1.00 each ¹	3 200

Note:

1. Note that the number of TH "B" ordinary shares issued will be dependent upon the eventual subscription price for the TH "B" ordinary shares, which will be determined 22 trading days after the listing of Hulamin on the JSE.

5.4.3 Rights attaching to shares

- 5.4.3.1 Each ordinary share entitles the shareholder to identical rights in respect of voting, dividends, profits and a return of capital.
- 5.4.3.2 The variation of rights attaching to the ordinary shares requires the prior consent of at least three-fourths of the issued ordinary shares or the sanction of a special resolution passed at a general meeting of the holders of the ordinary shares.

5.4.3.3 If special resolutions numbers 2, 3 and 4 relating to the creation and issue of the TH “A” preferred ordinary shares and the TH “B” ordinary shares are approved by shareholders in general meeting, then the TH “A” preferred ordinary shares and the TH “B” ordinary shares will carry different rights to the ordinary shares. These rights are set out in Annexure 9 to this circular.

5.4.3.4 The issue of ordinary shares is subject to shareholder approval.

5.5 Borrowing powers of directors

5.5.1 Details of the borrowing powers of directors are set out in Annexure 8 to this circular.

5.5.2 The borrowing powers of the directors of THG and its subsidiaries have not been exceeded in the past three years.

5.6 Debenture capital

THG has no debenture capital.

5.7 Share price history

The share price history of THG is set out in Annexure 7 to this circular. THG’s share price on the last practicable date was R137.00.

5.8 Options or preferential rights in respect of securities

Other than as disclosed in this circular, there are no other options or preferential rights attaching to the ordinary shares in issue.

5.9 Bonus scheme

The executive and management bonus schemes are based on a combination of the achievement of targets, which are set each year on an individual basis for each qualifying bonus scheme participant and a general assessment of the individual’s overall performance. These targets include measures of corporate (and where applicable, operational) performance as well as the achievement of individual targets. Overall safety performance is an important factor in bonus determination.

5.10 Loans by and to THG

THG has no material long-term borrowings. THG utilises short-term, unsecured short-term borrowings to fund the day-to-day operations, details of which are disclosed in Note 12 to the historical financial information included in Annexure 1.

THG has not extended any loans to any third parties.

As disclosed in the annual financial statements included as Annexure 1, THG has a long-term receivable of R203 million relating to an export partnership. The treatment of the related tax allowances and the timing of the reversal of these deductions are currently being addressed with the South African Revenue Service.

5.11 Material commitments, lease payments and contingencies

There are no material commitments and contingencies which require disclosure.

5.12 Details on off-balance sheet financing

There is no off-balance sheet financing.

5.13 Inter-company finance

The only material inter-company balance at 31 December 2006 was a loan to Hulamin. This loan will be settled simultaneously with the Hulamin unbundling.

A summary of all inter-company loan balances is set out in Note 23 to the historical information included in Annexure 1.

5.14 Royalty and similar payments

African Products (Proprietary) Limited, a subsidiary of THG, pays a royalty to Corn Products International Inc. and Penford Australia Limited in respect of a technical licensing fee which covers, *inter alia*, process knowledge, certain new product developments and recipes. The amount paid for the year ended 31 December 2006 was R12 million (2005: R9 million).

Other than disclosed above, there are no other royalty or similar payments payable by THG or any of its subsidiaries.

5.15 Share issue and preliminary expenses

THG has not incurred any share issue or preliminary expenses during the three years immediately preceding the last practicable date.

5.16 Material changes

There has been no material change in the financial or trading position of THG or any of its subsidiaries between 31 December 2006 and the last practicable date.

5.17 Dividend policy

There is no formal or fixed dividend policy. THG has historically paid and will continue to pay dividends based on an assessment of the performance of the THG Group, the financial position of the company and prospects going forward.

6. LITIGATION

Details of pending or threatened litigation in relation to THG and its subsidiaries, which is not likely to have a material impact of the financial position of THG, are set out below:

- 6.1** There are two property development-related claims against Moreland. Both are considered as being without substance and are being strongly defended by Moreland. One relates to commissions on property sales at Zimbali. The other relates to a sale agreement that lapsed due to non-fulfilment of suspensive conditions, despite Moreland's best endeavours to make the transaction unconditional.
- 6.2** The tax treatment of THG's participation in an export partnership has been queried by the South African Revenue Service, details of which are set out in paragraph 5.10 above.
- 6.3** There are currently two Hulamín matters outstanding, both of which are detailed in paragraph 3.6.2.3 of the Hulamín pre-listing statement. The first relates to a R4.18 million dispute with the DTI relating to General Export Incentive Scheme claims. The other relates to a R17.8 million loss of profits claim by a contractor which is considered to be without substance.

Save as set out in this paragraph, THG is not aware of any material legal or arbitration proceedings (pending or threatened) which may have or have had a material impact on the financial position of THG or its subsidiaries.

7. MATERIAL CONTRACTS

Other than as disclosed in this circular, THG and its subsidiaries have not entered into any material contracts, other than in the ordinary course of business, during the two years preceding the date of issue of this circular or at any time before which contain an outstanding material obligation or settlement.

8. SHARE INCENTIVE SCHEME

Details of the share incentive schemes are set out in the notes to the historical financial information contained in Annexure 1 to this circular.

Details of the existing THG share incentive schemes and the impact of the Hulamín unbundling on TH going forward are set out in Annexure 11 to this circular.

The provisions of the Hulamín share incentive scheme is contained in the Hulamín pre-listing statement.

9. MATERIAL ACQUISITIONS AND DISPOSALS

On 6 December 2006, THG acquired a 50.35% interest in Hippo Valley Estates in Zimbabwe for a consideration of R254 million from Anglo American Corporation Zimbabwe Limited and Amvest (Private) Limited situated at 28 Broadlands Road, Emerald Hill, Harare, Zimbabwe. The purchase consideration was financed out of existing cash resources. The vendor did not guarantee the book debts of the company. The agreement of sale did not provide for any warranties and there were no restraints of trade and/or restrictions placed on the vendor.

Hippo Valley Estates is not consolidated in the accounts of THG and therefore no goodwill has been recognised on this acquisition in accordance with the accounting policies adopted by TH in respect of the foreign subsidiaries and associates where the assessment of effective operational and financial control does not meet the criteria for consolidation in terms of IAS 27: Consolidated and Separate Financial Statements.

The interest in such foreign subsidiaries is included at cost less provisions and amounts written off or at fair value and results are accounted for in operating profit only to the extent that dividends, net of any withholding taxes, are received.

Other than disclosed in this circular, there have been no other material acquisitions or disposals within the last three years.

10. PRINCIPAL IMMOVABLE PROPERTY

Details of the principal immovable property owned and/or leased by THG and/or its subsidiaries is set out in Annexure 12.

For details on principal immovable properties owned and leased by Hulamin, please refer to Annexure 5 to the Hulamin pre-listing statement.

11. EXCHANGE CONTROL

The applicable Exchange Control Regulations relating to this circular are set out in Annexure 13.

12. IDENTITY OF MAJOR BENEFICIAL SHAREHOLDERS

12.1 At the last practicable date, the following shareholders beneficially held more than 5% of THG's issued share capital:

Name of shareholder	Number of THG shares held	Percentage of share capital at last practicable date
Anglo South Africa Capital (Proprietary) Limited	53 657 600	50.34
Public Investment Corporation	7 187 304	6.74
Liberty Group	7 480 414	7.02

12.2 Anglo South Africa Capital (Proprietary) Limited is the controlling shareholder. The TH BEE transaction contemplated in this circular will reduce this shareholding from over 50% to approximately 38%. Anglo South Africa Capital (Proprietary) Limited remains the single largest shareholder in THG.

13. WORKING CAPITAL STATEMENT

The THG directors have considered the effects of the transactions individually and, collectively, and are of the opinion that:

13.1 TH and the TH Group will be able in the ordinary course of business to pay their debts for a period of 12 months after the date of the notice of general meeting;

13.2 the assets of TH and the TH Group will be in excess of the liabilities of TH and the TH Group for a period of 12 months after the date of the notice of general meeting. For this purpose the assets and liabilities will be recognised and measured in accordance with the accounting policies used by THG in preparing THG's audited financial results for the 12 months ended 31 December 2006;

13.3 the share capital of TH and the TH Group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of general meeting;

13.4 the working capital of TH and the TH Group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of general meeting.

14. DIRECTORS' OPINIONS

14.1 The THG board has considered the terms of the transactions and the opinions of the independent professional advisor set out in Annexure 4 and recommends that shareholders vote in favour of the special and ordinary resolutions required to implement the transactions.

14.2 The members of the THG board who own shares in THG, have undertaken to vote in favour of the special and ordinary resolutions required to implement the transactions.

15. ESTIMATED COST OF THE TRANSACTIONS

Expense	Amount R'000
Merchant Bank and transaction sponsor (Rand Merchant Bank, a division of FirstRand Bank Limited)	9 750
Attorneys	6 000
Taxation and other legal advisors	6 000
Reporting accountants and auditors	1 500
Independent professional expert	800
Printing, publication and press announcements	1 500
Documentation inspection fee payable to JSE	50
Other sundry costs	4 000
	29 550

The above costs relate to transaction costs to be incurred by TH in relation to the transactions. The costs incurred by Hulamin are set out in the Hulamin pre-listing statement.

16. EXPERTS' AND ADVISORS' CONSENTS

The reporting accountants and auditors have given and have not withdrawn their written consent to the issue of this circular, with their expert report in the form and context in which it is included.

The independent professional expert has given and has not withdrawn its written consent to the issue of this circular with its fair and reasonable reports in the form and context in which they are included.

All the advisors have consented to the inclusion of their names in the form and context in which they appear in this circular.

17. DIRECTORS' RESPONSIBILITY STATEMENT

The THG directors, whose names are set out on page 27 of this circular, with the exception of Messrs King and Boyd who retired prior to the issue date of this circular, as well as Ms Nyasulu and Mr Magwaza who are related parties in respect of the TH BEE transaction and the Hulamin BEE transaction, as far as the information relates to THG:

- have considered all the statements of fact and opinion in this circular;
- accept, individually and collectively, full responsibility for such statements;
- certify that, to the best of their knowledge and belief there are no omissions of material facts or considerations which would make any statements of fact or opinion contained in this circular false or misleading and have made all reasonable enquiries in this regard and that this circular contains all the information required by law and the JSE Listings Requirements.

18. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at THG's registered office and at Bowman Gilfillan Inc. 165 West Street, Sandton, Johannesburg, at any time during office hours from Friday, 11 May 2007 to Monday, 11 June 2007, inclusive:

- the Hulamin unbundling agreement, the TH BEE transaction agreements and the Hulamin BEE transaction agreements;
- the memoranda and articles of association of THG and its subsidiaries;
- the trust deeds of the existing THG share schemes;
- the trust deeds in respect of the TH MSOP Share Trust and TH ESOP Share Trust;
- the trust deeds in respect of the Hulamin MSOP Share Trust and Hulamin ESOP Share Trust;

- the acquisition agreement in relation to the transaction contemplated in paragraph 9 commencing on page 77 of this circular;
- the written consents of the reporting accountants and auditors, attorneys, financial advisors, sponsor and independent professional expert to act in those capacities;
- the signed report by the reporting accountants and auditors, dated 3 May 2007, the text of which are included as Annexure 3;
- the fair and reasonable opinions of the independent professional expert, the text of which is included as Annexure 4;
- historical audited annual financial statements of THG for the three financial years ended 31 December 2006;
- the Hulamin pre-listing statement; and
- a signed copy of this circular.

Signed at Durban on 18 May 2007 by P H Staude and M H Munro on behalf of the directors of Tongaat-Hulett Group Limited, with the exception of Messrs King and Boyd who retired prior to the issue date of this circular as well as Ms Nyasulu and Mr Magwaza who are related parties in respect of the TH BEE transaction and the Hulamin BEE transaction, in terms of a board resolution.

P H Staude
Chief Executive Officer

M H Munro
Financial Director

SECTION C: THE SCHEME



The Tongaat-Hulett Group Limited

(Incorporated in the Republic of South Africa)
(Registration number 1892/000610/06)
JSE share code: TNT ISIN: ZAE000007449

EXPLANATORY STATEMENT

APPLICABLE TO THE SCHEME OF ARRANGEMENT IN TERMS OF SECTION 312(1)(a)(i) OF THE COMPANIES ACT

Directors of THG

Non-executive

C M L Savage (*Chairman*)**

D D Barber

PM Baum

I Botha

E le R Bradley**

B E Davison

J B Magwaza**

M Mia**

T H Nyasulu**

R H J Stevens**

A M Thompson

** Independent non-executive

Executive

P H Staude (*Chief Executive Officer*)

B G Dunlop

A Fourie

G R Hibbert

G P N Kruger

M H Munro

S J Saunders

M Serfontein

Note:

This explanatory statement sets out the reasons for, and the effects and procedures of, the scheme and does not constitute the scheme itself. The attention of shareholders is drawn to the fact that the scheme (*blue*) commences on page 86 of this circular.

The definitions and interpretations applicable to this explanatory statement can be found on pages 18 to 26 of this circular.

THE SCHEME

1. INTRODUCTION

In announcements dated 20 February 2006 and 14 December 2006, released on SENS and published in the press, shareholders were advised that THG intends to acquire, in terms of section 85 of the Companies Act, a *pro rata* portion of the company's ordinary shares in issue by way of a scheme of arrangement in terms of section 311 of the Companies Act.

Immediately following the Hulamin unbundling and subject to shareholder approval, THG will change its name to and be known as Tongaat Hulett Limited.

Subsequent to the Hulamin unbundling and prior to the implementation of the TH BEE transaction, THG will acquire 4.5% of the ordinary shares in issue from shareholders. Accordingly, THG is proposing a scheme of arrangement between THG and its shareholders. If the scheme is implemented, THG will acquire 4.5 ordinary shares for every 100 ordinary shares held by each shareholder (adjusted by the rounding principle) on the consideration record date for a total consideration of R500.2 million (inclusive of the STC to be incurred by THG) or R92.80 per share.

The JSE Listings Requirements and the Companies Act require that the acquisition of shares be approved by a special resolution passed at a general meeting. A notice of general meeting containing the special resolution is attached to and forms part of this circular.

The scheme is set out in full in the blue section of the circular immediately following this explanatory statement. For a full understanding of the detailed legal terms and conditions, the scheme should be read in its entirety.

2. RATIONALE FOR THE SCHEME

Pursuant to the strategic review undertaken to further enhance shareholder value and build on the substantial achievements of the past three years and as part of the ongoing actions to increase earnings and grow the business, the THG board has undertaken to return excess capital to shareholders. In so doing, the capital structure of THG will be optimised while leaving THG with the balance sheet capacity to undertake meaningful growth projects in the medium to long term.

The scheme is being proposed to implement the return of capital to shareholders in an equitable manner by acquiring an equal percentage of shares from all shareholders.

The full text of the scheme is set out in the blue section on pages 86 to 93.

3. PROCEDURE

3.1 The scheme meeting

- 3.1.1 The scheme will be put to a vote at the scheme meeting, in terms of the Order of Court (a copy of which is included in this circular) to be held at 10:30 (or ten minutes after the conclusion or adjournment of the general meeting, whichever is the later) on Monday, 11 June 2007 at the registered office. The notice convening the scheme meeting is attached to, and forms part of this circular.
- 3.1.2 Section 311(2)(b) of the Companies Act requires that the scheme be agreed to by a majority representing not less than three-fourths (75%) of the votes exercisable by scheme members who are present and voting, either in person or by proxy, at the scheme meeting.
- 3.1.3 Each certificated scheme member and dematerialised scheme member with "own name" registration can attend and vote at the scheme meeting or give a proxy to someone else (including the chairman of the scheme meeting) to represent him at the scheme meeting.
- 3.1.4 Forms of proxy (*white*) must be received by the transfer secretaries by no later than 10:30 on Thursday, 7 June 2007. Forms of proxy may also be handed to the chairman of the scheme meeting by no later than 10 (ten) minutes before the scheme meeting is due to

commence.

- 3.1.5 A dematerialised scheme member who does not have “own name registration” must arrange with his CSDP or broker to give the dematerialised scheme member authority to attend and vote at the scheme meeting.
- 3.1.6 Scheme members who do not want to support the scheme will be given an opportunity to state their views at the scheme meeting.

3.2 Court hearing

- 3.2.1 If the scheme is agreed to by the requisite majority at the scheme meeting and the conditions precedent referred to in paragraph 4 below (other than the conditions precedent detailed in paragraphs 4.1.2, 4.1.4 and 4.1.5 below), are fulfilled, TH will make application to the Court to sanction the scheme at 09:30, or so soon thereafter as Counsel may be heard, on Tuesday, 19 June 2007. Shareholders holding certificated shares or dematerialised shares with “own-name” registration are entitled to attend Court in person, or to be represented by Counsel and to be heard concerning any objections they may have to the scheme. The Court is located at 301 Church Street, Pietermaritzburg. Shareholders holding dematerialised ordinary shares without “own-name” registration, must advise their CSDP or broker in accordance with their mandate with their CSDP or broker if they wish to appear or to be represented by Counsel at the Court hearing to sanction the scheme and the CSDP or broker will issue the necessary letter of representation to them to appear or to be represented by Counsel at the Court hearing.
- 3.2.2 If the scheme is sanctioned by the Court, then the Order of Court sanctioning the scheme will be lodged with the Registrar for registration. When the Order of Court sanctioning the scheme is registered, which is expected to happen on Wednesday, 20 June 2007, the scheme will, subject to the fulfilment or waiver of the conditions precedent detailed in paragraph 4 below, become binding on all scheme participants, even those who voted against the scheme.

3.3 Settlement of the scheme consideration

- 3.3.1 If the scheme becomes operative, scheme participants will be entitled to the scheme consideration.
- 3.3.2 Dematerialised scheme participants will have their accounts with their CSDP or broker updated and credited with the scheme consideration due to them and updated with their new share balances on the operative date, in accordance with the custody agreements that they have signed with their CSDP or broker.
- 3.3.3 Subject to the Exchange Control Regulations referred to in paragraph 9 below and, provided certificated scheme participants have furnished a duly signed form of surrender (*pink*) in accordance with the instructions contained therein and surrendered their documents of title on or before the consideration record date, the scheme consideration and the new share certificates will be posted to certificated scheme participants within five business days of the operative date.
- 3.3.4 The scheme consideration will be paid to certificated scheme participants by cheque. Alternatively, it is possible for those certificated scheme participants who wish to do so, and who surrender their documents of title on or prior to the consideration record date, to submit their bank account details to facilitate the electronic transfer of the scheme consideration into such bank accounts. The attached form of surrender (*pink*) provides a space for the insertion of such bank account details.
- 3.3.5 If certificated scheme participants do not surrender their documents of title together with the completed attached form of surrender (*pink*) on or before the consideration record date, cheques and new share certificates will be posted to such certificated scheme participants within five business days of receipt of the documents of title, together with the completed attached form of surrender (*pink*). The facility of having the scheme consideration paid into certificated scheme participants' bank accounts will not be available to those certificated scheme participants who surrender their documents of title together with the completed attached form of surrender (*pink*) after the consideration record date.
- 3.3.6 The cheques and new share certificates will be posted, by registered post, to the addresses of certificated scheme participants recorded in the register of members of THG, at the risk of such certificated scheme participants.

- 3.3.7** If the scheme consideration is not sent to the certificated scheme participants entitled thereto because the relevant documents of title together with the completed attached form of surrender (*pink*) have not been surrendered, or, if having been sent, is returned, such scheme consideration will be held by THG until claimed. No interest will accrue or be paid on any scheme consideration so held.
- 3.3.8** The rights of the scheme participants to receive the scheme consideration in respect of their scheme shares will be a right enforceable by scheme participants against THG only.

3.4 Surrender of documents of title

This paragraph 3.4 (other than paragraph 3.4.9) only applies to certificated scheme participants and does not apply to dematerialised scheme participants.

- 3.4.1** Certificated scheme participants must surrender their documents of title together with the completed attached form of surrender (*pink*) in order to receive the scheme consideration.
- 3.4.2** Certificated scheme participants must use the attached form of surrender (*pink*) to surrender their documents of title and return the attached form of surrender (*pink*) as soon as possible to the transfer secretaries together with their documents of title. This can be done before the scheme meeting, in which case paragraph 3.4.4 below will apply.
- 3.4.3** No receipts will be issued for documents of title surrendered unless specifically requested.
- 3.4.4** Documents of title surrendered by holders of certificated shares in anticipation of the scheme becoming operative will be held in trust by the transfer secretaries pending the scheme becoming operative. Should the scheme not become operative for any reason whatsoever, then the transfer secretaries will, within five business days of the date upon which it becomes known that the scheme will not become operative, return the documents of title to the holders of the certificated securities concerned, by registered post, at the risk of such shareholders.
- 3.4.5** Once the scheme becomes operative, a further form of surrender will be sent to all certificated scheme participants for use by those certificated scheme participants who may not yet have surrendered their documents of title.
- 3.4.6** The attention of shareholders is drawn to the fact that if the documents of title in respect of certificated shares are surrendered in advance, it will not be possible to dematerialise or trade those shares between the date of surrender and the operative date. In addition, no dematerialisation or rematerialisation of share certificates will take place after Friday, 29 June 2007, the last day to trade for shareholders to be eligible to receive the scheme consideration.
- 3.4.7** If the documents of title have been lost or destroyed and the holder produces evidence to this effect to THG's satisfaction, THG may dispense with the surrender of documents of title requirement against provision of an acceptable indemnity by the relevant certificated scheme participant, the cost of which indemnity will be borne by the certificated scheme participant concerned.
- 3.4.8** The ordinary shares may only be traded on the JSE in dematerialised form. Scheme participants who, at the time of dematerialisation, elected to retain their physical share certificates should note that they do not need to submit their share certificates for dematerialisation in order to receive the scheme consideration.
- 3.4.9** Dematerialised scheme participants do **not** have to surrender any documents of title.

4. SCHEME CONDITIONS PRECEDENT

- 4.1** The scheme is subject to the fulfilment of the following conditions precedent:
- 4.1.1** all ordinary and special resolutions set out in the notice of general meeting attached to this circular are passed and, if applicable, registered by the Registrar;
- 4.1.2** a special resolution approving the acquisition by THG of the scheme shares, in terms of section 85 of the Companies Act, from scheme participants pursuant to the scheme, is duly passed at the general meeting and is registered by the Registrar;

- 4.1.3 the scheme is agreed to by a majority representing not less than three-fourths of the votes exercisable by the scheme members present and voting, either in person or by proxy, at the scheme meeting;
 - 4.1.4 the scheme is sanctioned by the Court; and
 - 4.1.5 the Registrar registers a certified copy of the Order of Court sanctioning the scheme.
- 4.2 Should the conditions precedent not be fulfilled or waived by Monday, 25 June 2007, the scheme shall lapse and be of no further force and effect.

5. EFFECTS OF THE SCHEME

If the scheme is implemented, each scheme participant (whether he voted in favour of the scheme or not), will be deemed to have disposed of his scheme shares to THG.

6. NO SET-OFF OF CONSIDERATION

Settlement of the scheme consideration will be discharged, in full, in accordance with the terms of the scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which THG may otherwise be, or claim to be entitled against any scheme participant.

7. LISTINGS ON THE JSE AND THE LSE

The scheme shares will be cancelled and application will be made for the termination of the listings of the scheme shares on the JSE and the LSE.

8. SPECIAL ARRANGEMENTS

- 8.1 No arrangements, undertakings or agreements have been made by THG, or persons acting in concert with THG, in relation to the scheme shares.
- 8.2 No arrangements or undertakings (including any compensation arrangements), which have any connection with or dependence on the scheme, exist between THG (or any person acting in concert with THG) and any director of THG or any person who was a director of THG within the period commencing 12 months prior to the operative date, or any person who is or was a holder of shares within the period commencing 12 months prior to the operative date.
- 8.3 Other than contemplated in this circular, no arrangements have been made between THG and its directors in connection with the TH BEE transaction.

9. EXCHANGE CONTROL REGULATIONS

Annexure 13 contains a summary of the South African Exchange Control Regulations as they apply to scheme participants. A scheme participant who is not resident in, or who has a registered address outside South Africa, must satisfy himself as to the full observance of the laws of any relevant territory concerning the receipt of the scheme consideration, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any taxes due in such territory.

10. AUTHOR

The author of this explanatory statement is the board of directors of THG, with the exception of Messrs M W King and L Boyd, who retired prior to the issue date of this circular as well as Ms H Nyasulu and Mr J B Magwaza.

For and on behalf of

THE TONGAAT-HULETT GROUP LIMITED

P H Staude
Chief Executive Officer

M H Munro
Financial Director

Durban
18 May 2007



The Tongaat-Hulett Group Limited

(Incorporated in the Republic of South Africa)
(Registration number 1892/000610/06)
JSE share code: TNT ISIN: ZAE000007449

SCHEME OF ARRANGEMENT

IN TERMS OF SECTION 311 OF THE COMPANIES ACT, PROPOSED BY THG BETWEEN THG AND ITS SHAREHOLDERS

1. DEFINITIONS AND INTERPRETATIONS

In this scheme, unless otherwise stated or the context indicates a contrary intention:

- reference to the singular includes the plural and *vice versa*;
- words and expressions denoting one gender include the others;
- words and expressions denoting natural persons include legal persons and associations of persons; and
- the words and expressions in the first column have the meanings stated opposite them in the second column.

“broker”	any person registered as a “broking member (equities)” in terms of the Rules of the JSE made in accordance with the Stock Exchange Control Act, 1 of 1985, as amended;
“business day”	any day other than a Saturday, Sunday or public holiday in South Africa;
“certificated shares”	shares which have not been dematerialised, title to which is represented by a document of title;
“certificated scheme members”	scheme members who hold certificated shares;
“certificated scheme participants”	scheme participants who hold certificated shares;
“common monetary area”	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“Companies Act”	the Companies Act, 61 of 1973, as amended;
“conditions precedent”	the conditions precedent to which the scheme is subject, as set out in paragraph 8 of the scheme;
“consideration record date”	the latest time and date for shareholders to be recorded in the register in order to receive the scheme consideration, which is expected to be 17:00 on Friday, 6 July 2007;
“Court”	the High Court of South Africa (Natal Provincial Division) which is located at 301 Church Street, Pietermaritzburg;
“CSDP”	Central Securities Depository Participant appointed by a shareholder for purposes of, and in regard to, dematerialisation in terms of the Securities Services Act;
“dematerialisation”	the process by which certificated shares are converted to or held in an electronic form as uncertificated securities and recorded in the sub-register of security holders maintained by a CSDP or broker;
“dematerialised shares”	shares which have been dematerialised;
“dematerialised scheme members”	scheme members who hold dematerialised shares;
“dematerialised scheme participants”	scheme participants who hold dematerialised shares;

“documents of title”	share certificates, certified transfer deeds, balance receipts or any other documents of title to certificated shares acceptable to THG;
“Exchange Control Regulations”	the Exchange Control Regulations 1961, as amended, promulgated in terms of section 9 of the Currency and Exchanges Act, 9 of 1933, as amended;
“general meeting”	the general meeting of shareholders to be held at 10:00 on Monday, 11 June 2007 at the registered office for the purpose of considering, and, if deemed fit, passing the resolutions contained in the notice of general meeting attached to the document in which the scheme is included;
“JSE”	the JSE Limited (Registration number 2005/022939/06), a company duly registered and incorporated with limited liability under the laws of South Africa licensed as an exchange under the Securities Services Act;
“last practicable date”	Thursday, 19 April 2007, being the last practicable date prior to the finalisation of this circular;
“operative date”	the first business day immediately following the consideration record date, being the date on which the scheme becomes operative, which is expected to be on or about Monday, 9 July 2007;
“Rand” or “R”	South African Rand, the official currency of South Africa;
“registered office”	the registered office of THG which is Amanzimnyama Hill Road, Tongaat, KwaZulu-Natal, 4400;
“Registrar”	the Registrar of Companies in South Africa;
“rounding principle”	the rounding up or down to the nearest whole number of ordinary shares to be acquired by THG in terms of the scheme, on the basis that such fractions will be: <ul style="list-style-type: none"> (a) rounded up to the nearest whole number if the fraction is equal to or greater than 0.5 of an ordinary share; or (b) rounded down to the nearest whole number if the fraction is less than 0.5 of an ordinary share;
“scheme”	the scheme of arrangement in terms of section 311 of the Companies Act proposed by THG between THG and its shareholders on the terms and conditions set out in this scheme document, subject to any modification or amendment agreed by THG and which is approved, if necessary by the Court, which, if it becomes operative, will result in THG, in terms of section 85 of the Companies Act, acquiring from each shareholder the scheme shares;
“scheme consideration”	the cash to be paid to each scheme participant, being R92.80 per scheme share, which represents a total scheme consideration of R500.2 million inclusive of STC to be incurred by THG;
“scheme meeting”	the meeting of scheme members convened in terms of section 311 of the Companies Act to be held at the registered office at 10:30 on Monday, 11 June 2007, or 10 minutes after the conclusion or adjournment of the general meeting, whichever is the later, or any adjournment thereof (the time and date of which will be published in the press) at which scheme members will consider and vote on the scheme;
“scheme members”	shareholders recorded in the register on the voting record date, who are entitled to attend and vote at the scheme meeting;
“scheme participants”	shareholders recorded in the register at 17:00 on the consideration record date, who are entitled to receive the scheme consideration;

“scheme shares”	ordinary shares to be acquired by THG in terms of the scheme, being 4.5 ordinary shares for every 100 ordinary shares held by each scheme participant on the consideration record date adjusted by the application of the rounding principle;
“Security Services Act”	the Securities Services Act, 36 of 2004, as amended;
“SENS”	the Securities Exchange News Service of the JSE;
“shareholders”	holders of shares;
“shares” or “ordinary shares”	ordinary par value shares of R1.00 each in the issued share capital of THG all of which are listed on the JSE;
“South Africa”	the Republic of South Africa;
“STRATE”	STRATE Limited (Registration number 1998/022242/06), a company duly registered and incorporated with limited liability under the laws of South Africa registered as a central securities depository responsible for the electronic custody and settlement system used by the JSE;
“THG” or “the company”	The Tongaat-Hulett Group Limited (Registration number 1892/000610/06), a public company incorporated in South Africa, the shares of which are listed on the JSE, which name will be changed to Tongaat Hulett Limited;
“transactions”	collectively, the listing of Hulamin on the JSE, the Hulamin unbundling, the name change, the TH BEE transaction and the Hulamin BEE transaction which are set out in the circular in which this scheme document is included;
“transfer secretaries”	Computershare Investor Services 2004 (Proprietary) Limited (Registration number 2004/003647/07), a private company incorporated in South Africa whose address is Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107); and
“voting record date”	the latest time and date for shareholders to be recorded in the register as shareholders in order to vote at the scheme meeting, being at 17:00 on Friday, 8 June 2007.

2. SHARE CAPITAL OF THG

2.1 The authorised and issued share capital of THG on the last practicable date is set out below:

	R'000
Authorised	
150 000 000 ordinary shares of R1.00 each	150 000
Issued	
106 616 352 ordinary shares of R1.00 each	106 616

2.2 All the shares are of one class and rank *pari passu* in all respects,

2.3 All of the issued ordinary shares are listed in the “Goods, Foods & Beverages” sub-sector of the “Food Producers” sector of the JSE lists and in are listed as a secondary listing on the LSE.

3. THE OBJECT OF THE SCHEME

The object of the scheme is to procure that the scheme shares are acquired by THG in terms of section 85 of the Companies Act from the scheme participants in return for the scheme consideration. The scheme shares acquired by THG will be cancelled in terms of section 85(8) of the Companies Act.

4. THE SCHEME

- 4.1** The scheme will be put to the vote at the scheme meeting to be held at the registered office at 10:30, (or 10 (ten) minutes after the conclusion or adjournment of the general meeting, whichever is the later) on Monday, 11 June 2007.
- 4.2** Subject to the scheme becoming operative, with effect from the operative date:
- 4.2.1** scheme participants shall dispose of the scheme shares to THG, which shall acquire the scheme shares in terms of section 85 of the Companies Act free from any encumbrances;
- 4.2.2** the scheme shares acquired by THG shall be cancelled as issued shares and restored to the status of authorised shares in terms of section 85(8) of the Companies Act;
- 4.2.3** the disposal and transfer by each scheme participant of the scheme shares held by the scheme participant to THG, and the acquisition of those shares by THG, pursuant to the provisions of paragraph 4.2.1 above, shall be effected on the operative date in accordance with the following provisions:
- 4.2.3.1** in the case of certificated shares, each certificated scheme participant shall be deemed, on the operative date, to have ceded and transferred all of the scheme shares held by such scheme participant to THG, without any further act or action being required; and
- 4.2.3.2** in the case of dematerialised shares, the transfer of ownership from each dematerialised scheme participant of his scheme shares to THG shall be effected on the operative date in accordance with the requirements of section 91A(4) of the Companies Act and the rules of STRATE, by the debiting of the account of the scheme participant or its nominee in THG's sub-register maintained by the scheme participant's CSDP and the cancellation of the shares in terms of section 85(8) of the Companies Act;
- 4.2.4** each scheme participant shall become entitled to receive the scheme consideration from THG only, in terms of paragraphs 5, 6 and 7 below.
- 4.3** Each certificated scheme participant irrevocably and *in rem suam* authorises THG, with power of substitution, to receive the certificated scheme participants' surrender, or procure that the transfer secretaries as agent for and on behalf of THG receive the certificated scheme participants' surrender, of the documents of title relating to all of the certificated scheme participants' certificated shares.
- 4.4** Each dematerialised scheme participant irrevocably and *in rem suam* authorises THG, with the power of substitution, to instruct his CSDP or broker to cause the scheme shares disposed of by the scheme participant to THG in terms of the scheme to be transferred in terms of section 91A(4) of the Companies Act to THG in accordance with the requirements of the scheme and do all such things and take all such steps as THG in its discretion considers necessary in order to effect the transfer.
- 4.5** Delivery by THG, as principal, or its agent, of the scheme consideration shall be the sole and exclusive manner of discharge by THG of its obligations in respect of the scheme.
- 4.6** The rights of the scheme participants to receive the scheme consideration will be rights enforceable by scheme participants against THG only.
- 4.7** If the scheme is agreed to in terms of the Companies Act at the scheme meeting and the conditions precedent set out in paragraph 8 below (other than the conditions precedent set out in paragraphs 8.1.2, 8.1.4 and 8.1.5 below) are fulfilled or waived, then THG will apply to the Court for an Order sanctioning the scheme.
- 4.8** If all the conditions precedent are fulfilled or waived, then the scheme will be implemented on the operative date. Any change in the expected dates will be released on SENS and published in the press.

5. THE SCHEME CONSIDERATION

- 5.1** In the event of the scheme becoming operative, scheme participants will receive the scheme consideration, which is R92.80 in cash for every scheme share held on the consideration record date.
- 5.2** In the event that THG becomes entitled to acquire a fraction of an ordinary share from a scheme participant, then the rounding principle will apply.
- 5.3** A table of entitlements is contained in Annexure 6 which forms part of this circular.

6. SETTLEMENT OF THE SCHEME CONSIDERATION

- 6.1** Dematerialised scheme participants will have the scheme consideration deposited into the account of the relevant CSDP or broker and their accounts held at their CSDP or broker will be updated and credited with the scheme consideration on the operative date in accordance with the custody agreement between dematerialised scheme participants and their CSDP or broker.
- 6.2** The following provisions apply to certificated scheme participants:
- 6.2.1** subject to Exchange Control Regulations as set out in paragraph 9 below, the scheme consideration and new share certificates will be posted to the registered addresses of certificated scheme participants recorded in the register of members of THG, at the risk of the scheme participants concerned within five business days of the operative date, where the documents of title together with the completed attached form of surrender (*pink*) have been surrendered and delivered on or prior to the consideration record date and within five business days of receipt of the documents of title together with the completed attached form of surrender (*pink*) where such documents and such form are surrendered and delivered after the consideration record date, unless written instructions to the contrary are furnished in the attached form of surrender (*pink*). The scheme consideration will be electronically transferred directly into the scheme participants' bank accounts where scheme participants have given instructions to this effect in the attached form of surrender (*pink*) on or prior to the consideration record date. Such transfer will be effected within five business days of the operative date, provided such certificated scheme participant has surrendered his documents of title and delivered the completed attached form of surrender (*pink*) in respect of all his certificated shares on or prior to the consideration record date; and
- 6.2.2** where, on or subsequent to the operative date, a person who was not a registered holder of scheme shares on the consideration record date tenders to the transfer secretaries documents of title together with a duly stamped form of transfer purporting to have been executed on or before the consideration record date by or on behalf of the registered holder of such scheme shares and, provided that the scheme consideration shall not already have been posted to or deposited directly into the bank account of the registered holder, then such transfer shall be accepted by THG as if it were a valid transfer to such person of the scheme shares concerned. The scheme consideration and the new share certificate will be posted to such person in accordance with the provisions of paragraphs 7 and 8 below within five business days of receipt of such tender, subject to proof satisfactory to THG as to the payment of any stamp duty payable and provided that THG is, if so required, given an indemnity on terms acceptable to it in respect of such scheme consideration.
- 6.3** If:
- 6.3.1** the scheme consideration is not sent to the certificated scheme participants entitled thereto, because the relevant documents of title have not been surrendered; or
- 6.3.2** the scheme consideration is returned unclaimed to the transfer secretaries,
- then such scheme consideration will be held in trust by THG until claimed. No interest will accrue or be paid on any amount payable to the scheme participant arising from the scheme consideration so held in trust.
- 6.4** The scheme consideration will be discharged in full in accordance with the terms of the scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which THG may be or claim to be entitled against any scheme participant.

7. SURRENDER OF DOCUMENTS OF TITLE

- 7.1** Certificated scheme participants must surrender their documents of title in order to receive the scheme consideration. **The surrender of documents of title only applies to certificated shareholders.**

- 7.2** Certificated scheme participants who wish to surrender their documents of title in anticipation of the scheme becoming operative should complete the attached form of surrender (*pink*) and return same as soon as possible to the transfer secretaries, Computershare Investor Services 2004 (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61763, Marshalltown, 2107) together with their documents of title so as to be received by them by no later than 17:00 on the consideration record date.
- 7.3** Alternatively, certificated scheme participants can wait until the operative date, which is expected to be on Monday, 9 July 2007, and surrender their documents of title under cover of the completed attached form of surrender (*pink*) at that time or notify their broker accordingly.
- 7.4** No receipts will be issued for documents of title surrendered unless specifically requested. In order to comply with the requirements of the JSE, lodging agents are requested to prepare special transaction receipts if required.
- 7.5** Documents of title surrendered by certificated shareholders on or prior to the operative date in anticipation of the scheme becoming operative will be held in trust by the transfer secretaries pending the scheme becoming operative. Should the scheme not become operative for any reason whatsoever, then the transfer secretaries will, within five business days of the date upon which it becomes known that the scheme will not become operative, return the documents of title to the certificated shareholders concerned, by registered post, at the risk of such certificated shareholders.
- 7.6** The attention of certificated shareholders is drawn to the fact that if the documents of title in respect of certificated shares are surrendered in advance, it will not be possible to dematerialise or trade those share certificates between the date of surrender and the operative date. In addition, no dematerialisation or rematerialisation of share certificates will take place after the last day to trade, being Friday, 29 June 2007.
- 7.7** If documents of title have been lost or destroyed and the holder produces evidence to this effect to THG's satisfaction, THG may dispense with the requirement to surrender documents of title against provision of an acceptable indemnity by the relevant certificated scheme participant, the costs of which indemnity will be borne by the certificated scheme participant concerned.
- 7.8** Shares may only be traded in dematerialised form. Scheme participants who, at the time of dematerialisation, elected to retain their physical share certificates should note that they need not submit their share certificates for dematerialisation in order to participate in the scheme.
- 7.9** Once the scheme becomes operative a further circular containing a form of surrender will be sent to all certificated scheme participants.

8. CONDITIONS PRECEDENT

- 8.1** The scheme is subject to the fulfilment of the following conditions precedent:
- 8.1.1** all ordinary and special resolutions set out in the notice of general meeting attached to this circular are passed and, if applicable, registered by the Registrar;
- 8.1.2** a special resolution approving the acquisition by THG, in terms of section 85 of the Companies Act, of the scheme shares from scheme participants pursuant to the scheme, is duly passed at the general meeting and registered by the Registrar;
- 8.1.3** the scheme is agreed to by a majority representing not less than three-fourths of the votes exercisable by the scheme members present and voting, either in person or by proxy, at the scheme meeting;
- 8.1.4** the scheme is sanctioned by the Court; and
- 8.1.5** the Registrar registers a certified copy of the Order of Court sanctioning the scheme.
- 8.2** Should the conditions precedent not be fulfilled or waived by Monday, 25 June 2007, the scheme shall lapse and be of no further force and effect.

9. EXCHANGE CONTROL REGULATIONS

The following is a summary of the Exchange Control Regulations which apply to scheme participants. If in doubt, scheme participants should consult their professional advisors without delay.

9.1 Emigrants from the common monetary area

The scheme consideration accruing to the scheme participants who are emigrants from the common monetary area will:

- 9.1.1** in the case of certificated scheme participants, whose documents of title are restrictively endorsed in terms of the Exchange Control Regulations, be forwarded to the authorised dealers in foreign exchange in South Africa controlling such scheme participants blocked assets in terms of the Exchange Control Regulations. The attached form of surrender (*pink*) makes provision for the details of the authorised dealer concerned to be given; or
- 9.1.2** in the case of dematerialised scheme participants, be paid to their CSDP or broker, who shall arrange for the scheme consideration to be credited directly to the scheme participants' blocked Rand bank accounts held with the authorised dealers in foreign exchange in South Africa who control such scheme participants' blocked Rand bank accounts.

The new share certificates due to certificated scheme participants who are emigrants and whose documents of title have been restrictively endorsed in terms of Exchange Control Regulations will, on the surrender of the appropriate documents of title, be similarly endorsed and sent to the authorised dealer controlling the blocked assets of the emigrant scheme participant concerned.

9.2 All other non-residents of the common monetary area

The scheme consideration accruing to scheme participants whose registered addresses are outside the common monetary area and who are not emigrants from the common monetary area will:

- 9.2.1** in the case of certificated scheme participants, whose documents of title have been restrictively endorsed in terms of Exchange Control Regulations, be forwarded to the registered addresses of the non-residents concerned unless written instructions to the contrary are received and an address is provided or an instruction for the electronic transfer of the scheme consideration is received. The attached form of surrender (*pink*) makes provision for the nominations required; or
- 9.2.2** in the case of dematerialised scheme participants, be paid to their duly appointed CSDP or broker and credited directly to the bank accounts nominated by the scheme participants in terms of the provisions of the custody agreement with their CSDP or broker.

The new share certificates due to certificated scheme participants who are non-residents and who have never resided in South Africa, whose registered addresses are outside the common monetary area and whose documents of title have been restrictively endorsed in terms of the Exchange Control Regulations, on the surrender of the appropriate documents of title, will be similarly endorsed and sent to the registered addresses of the certificated scheme participants concerned unless written instructions to the contrary are received and addresses provided.

9.3 Information not provided

If the information regarding authorised dealers is not given or the instructions are not given as required in terms of paragraphs 9.1 and 9.2 above, the scheme consideration and new share certificates will be held by THG or the transfer secretaries on behalf of THG for the scheme participants concerned, pending receipt of the necessary information or instructions. No interest will be paid on the scheme consideration held.

All CSDPs and brokers with whom shares have been dematerialised should note that they are required to comply with the South African Exchange Control Regulations set out above.

10. LISTINGS ON THE JSE AND THE LSE

The scheme shares will be cancelled and application for the termination of the listing of the scheme shares on the JSE and the LSE will be made.

11. UNDERTAKINGS BY THG

THG agrees that, upon the scheme becoming operative, it will give effect to the terms and conditions of the scheme and will sign and procure the signing of all documents and carry out and procure the carrying out of all acts which are necessary to give effect to the scheme.

12. INSTRUCTIONS AND AUTHORITIES

- 12.1** THG shall be entitled to accept and act on all documents relating to the status and capacity of any scheme participant and shall be empowered to act on behalf of any scheme participant as if such documents had been registered with THG.
- 12.2** Each mandate and instruction in regard to the scheme shares recorded with THG at the consideration record date will be deemed, unless and until revoked, to be a mandate and instruction to THG in respect of any rights accruing in respect of the scheme consideration.

13. GENERAL

13.1 THG may consent:

13.1.1 before or at the scheme meeting, to any amendment, variation or modification of the scheme; or

13.1.2 after the scheme meeting, to any amendment, variation or modification of the scheme which the Court may think fit to approve or impose,

provided that no amendment, variation or modification made after the scheme meeting shall have the effect of diminishing the rights which will accrue to a scheme participant in terms of the scheme.

13.2 A certificate signed by a director of THG stating that all the conditions precedent have been fulfilled and/or waived and that the scheme has become operative shall be binding on THG and the scheme participants.

13.3 When the Order of Court sanctioning the scheme is registered, the scheme will be binding on all scheme participants, even those who voted against it.

13.4 THG will be entitled, and will have the authority, on behalf of itself and each scheme participant, to authorise any person nominated by THG to sign all documents required to carry the scheme into effect.

13.5 All times and dates referred to in the scheme are subject to change by THG. Any such change will be released on SENS and published in the press.

13.6 All THG's, legal and professional advisors' fees, duties and printing and publishing costs of the scheme will be borne by THG.

For and on behalf of

THE TONGAAT-HULETT GROUP LIMITED

P H Staude
Chief Executive Officer

M H Munro
Financial Director

Durban
18 May 2007



The Tongaat-Hulett Group Limited

(Incorporated in the Republic of South Africa)
(Registration number 1892/000610/06)
JSE share code: TNT ISIN: ZAE000007449

VALUATION STATEMENT

APPLICABLE TO THE SCHEME OF ARRANGEMENT
IN TERMS OF SECTION 312(1)(a)(ii) OF THE COMPANIES ACT

Directors of THG

Non-executive

C M L Savage (*Chairman*)**
D D Barber
P M Baum
I Botha
E le R Bradley**
B E Davison
J B Magwaza**
M Mia**
T H Nyasulu**
R H J Stevens**
A M Thompson

** Independent non-executive

Executive

P H Staude (*Chief Executive Officer*)
B G Dunlop
A Fourie
G R Hibbert
G P N Kruger
M H Munro
S J Saunders
M Serfontein

1. DEFINITIONS AND INTERPRETATIONS

The definitions and interpretations set out on pages 18 to 26 of this circular apply to this valuation statement.

2. PRO FORMA FINANCIAL EFFECTS OF THE SCHEME

The financial effects of the scheme are presented in this valuation statement.

The table below sets out the unaudited *pro forma* financial effects of the scheme, on THG's audited basic EPS, diluted basic EPS, HEPS, diluted HEPS, NAV per share and NTAV per share, based on the audited results of THG for the financial year ended 31 December 2006. The unaudited *pro forma* financial effects are the responsibility of the THG directors and have been prepared for illustrative purposes only to provide information about how the scheme may have affected the financial position of the THG shareholders on the relevant reporting date. Due to their nature, the unaudited *pro forma* financial effects may not be a fair reflection of THG's financial position after implementation of the scheme.

Note reference	Before the scheme (2) (cents)	The scheme (3) (cents)	After the scheme (cents)	Change (%)
EPS	3 786	97	3 883	3
HEPS	593	(55)	538	(9)
Fully diluted EPS	3 690	90	3 780	2
Fully diluted HEPS	578	(54)	524	(9)
NAV per share	3 094	(346)	2 748	(11)
NTAV per share	3 092	(346)	2 746	(11)

Notes:

1. The full details for the above table are contained in Annexure 2 which shows the Rand values and shares in issue for the *pro forma* financial information.
2. Includes the impact of the Hulamin unbundling but not the scheme.
3. The impact of the specific, *pro rata* repurchase of ordinary shares from shareholders, by way of the scheme, for an amount of R500.2 million (inclusive of STC to be incurred by THG) and the consequent cancellation of the shares repurchased and the reduction in the issued share capital by 4.5 ordinary shares for every 100 ordinary shares currently in issue by way of the scheme. The income statement effect includes an incremental R28 million after tax net finance costs, which is based on a pre-tax interest rate of 7.7% on the cash disbursed.
4. The NAV calculation is based on the net equity value as reflected on the balance sheet, excluding minority interests. The value calculated therefore represents the NAV attributable to ordinary shareholders.

3. SHARE CAPITAL OF THG

Details of THG's authorised and issued share capital is as follows:

At the last practicable date	R'000
Authorised	
150 000 000 ordinary shares of R1.00 each	150 000
Issued	
106 616 352 ordinary shares of R1.00 each	106 616
After implementation of the scheme	R'000
Authorised	
150 000 000 ordinary shares of R1.00 each	150 000
Issued	
101 818 616 ordinary shares of R1.00 each	101 819

For and on behalf of

THE TONGAAT-HULETT GROUP LIMITED

P H Staude
Chief Executive Officer

M H Munro
Financial Director

Durban
18 May 2007



The Tongaat-Hulett Group Limited

(Incorporated in the Republic of South Africa)
(Registration number 1892/000610/06)
JSE share code: TNT ISIN: ZAE000007449

STATEMENT OF DIRECTORS' INTERESTS APPLICABLE TO THE SCHEME OF ARRANGEMENT IN TERMS OF SECTION 312(1)(a)(iii) OF THE COMPANIES ACT

Directors of THG

Non-executive

C M L Savage (*Chairman*)**

D D Barber

P M Baum

I Botha

E le R Bradley**

B E Davison

J B Magwaza**

M Mia**

T H Nyasulu**

R H J Stevens**

A M Thompson

** Independent non-executive

Executive

P H Staude (*Chief Executive Officer*)

B G Dunlop

A Fourie

G R Hibbert

G P N Kruger

M H Munro

S J Saunders

M Serfontein

1. DEFINITIONS AND INTERPRETATIONS

The definitions and interpretations set out on pages 18 to 26 of this circular apply to this statement of directors' interests.

2. INTERESTS OF THE DIRECTORS

The interests of the executive and non-executive directors in THG shares at the last practicable date are summarised below. Holdings are beneficial except where indicated otherwise.

Directors	Direct shares	Indirect shares	Percentage shareholding
Executive:			
Dunlop B G	7 394	–	–
Fourie A	11 007	–	–
Hibbert G R	7 356	–	–
Kruger G P N	6 589	–	–
Munro M H	6 263	–	–
Saunders S J	12 849	761 632	0.7
Saunders S J (non-beneficial)	–	487 376	0.4
Serfontein M	8 498	8 000	–
Staude P H	40 085	–	–
	100 041	1 257 008	1.2

Director	Direct shares	Indirect shares	Percentage shareholding
Non-executive:			
Boyd L**	500	–	–
Bradley E le R	–	99 316	–
Bradley E le R (non-beneficial)	–	25 809	–
Magwaza J B	5 760	–	–
Savage C M L	24 003	73 225	–
Stevens R H J	618	–	–
	30 881	198 350	0.2

** Retired with effect from 25 April 2007.

At the last practicable date, none of the executive directors had any other indirect beneficial or indirect non-beneficial or direct non-beneficial interests in THG. The abovementioned interests have not changed from 31 December 2006 to the last practicable date.

The effect of the scheme on the ordinary shares held by the directors of THG is no different to the financial effects of the scheme as set out in the explanatory statement set out on pages 81 to 85.

3. DIRECTORS' REMUNERATION

The remuneration paid to the executive and non-executive THG directors for the financial year ended 31 December 2006 are set out below:

Director	Cash package R'000	Bonus# R'000	Retirement and medical contributions R'000	Share option gains R'000	Total R'000
Executive:					
Dunlop B G	2 168	1 010	256	7 506	10 940
Fourie A	2 043	882	234	2 408	5 567
Hibbert G R	1 752	824	203	2 957	5 736
Kruger G P N	2 009	629	252	4 380	7 270
Munro M H	1 810	869	216	820	3 715
Saunders S J	2 010	907	235		3 152
Serfontein M	1 618	746	190	2 486	5 040
Staude P H	3 718	1 785	397	6 257	12 157
	17 128	7 652	1 983	26 814	53 577

Bonuses are reported to match the amount payable to the applicable financial year.

Director	Fees R'000	Other R'000	Total R'000
Non-executive:			
Barber D D	135	–	135
Baum P M	135	125	260
Botha I	135	142	277
Boyd L**	135	178	313
Bradley E le R	135	233	368
Davison B E	135	–	135
King M W**	135	142	277
Magwaza J B	135	140	275
Mia M	135	123	258
Nyasulu T H	135	32	167
Savage C M L	500	267	767
Stevens R H J	135	110	245
Thompson A M	135	72	207
	2 120	1 564	3 684

** Retired with effect from 25 April 2007.

4. INTEREST OF DIRECTORS OF THE COMPANY IN SHARE-BASED INSTRUMENTS

The interest of the directors in share options of the company are shown in the table below:

The Original Share Option Scheme

Director	Option price (Rand)	Expiring ten years from	Number of options at 31 December 2005	Options exercised in 2006	Number of options at 31 December 2006	Options time constrained
Executive:						
B G Dunlop	33.25	4 November 1998	8 000	8 000	–	–
	32.90	5 March 1999	39 000	39 000	–	–
	40.10	7 May 1999	14 000	14 000	–	–
	30.00	19 May 2000	7 000	7 000	–	–
	39.85	12 January 2001	9 000	9 000	–	–
	40.00	16 May 2001	30 000	30 000	–	–
	49.60	13 May 2002	25 000	18 000	7 000	–
	31.90	14 April 2003	24 400	15 000	9 400	7 320
	47.00	21 April 2004	3 600	–	3 600	2 160
			160 000	140 000	20 000	9 480
A Fourie	33.25	4 November 1998	4 000	4 000	–	–
	32.90	5 March 1999	18 000	18 000	–	–
	40.10	7 May 1999	5 200	5 200	–	–
	30.00	19 May 2000	4 000	4 000	–	–
	39.85	12 January 2001	2 400	2 400	–	–
	40.00	16 May 2001	10 000	–	10 000	–
	49.60	13 May 2002	35 000	–	35 000	–
	31.90	14 April 2003	40 000	7 400	32 600	12 000
	47.00	21 April 2004	30 000	–	30 000	18 000
			148 600	41 000	107 600	30 000
G R Hibbert	33.25	4 November 1998	8 000	8 000	–	–
	32.90	5 March 1999	40 000	40 000	–	–
	40.10	7 May 1999	9 000	–	9 000	–
	30.00	19 May 2000	4 000	–	4 000	–
	39.85	12 January 2001	5 000	–	5 000	–
	40.00	16 May 2001	15 000	–	15 000	–
	49.60	13 May 2002	15 000	–	15 000	–
	31.90	14 April 2003	15 000	–	15 000	4 500
	47.00	21 April 2004	25 000	–	25 000	15 000
			136 000	48 000	88 000	19 500
G P N Kruger	33.25	4 November 1998	8 000	8 000	–	–
	32.90	5 March 1999	43 000	43 000	–	–
	40.10	7 May 1999	14 000	–	14 000	–
	30.00	19 May 2000	4 000	4 000	–	–
	39.85	12 January 2001	5 000	5 000	–	–
	40.00	16 May 2001	20 000	–	20 000	–
	49.60	13 May 2002	25 000	–	25 000	–
	31.90	14 April 2003	20 000	14 000	6 000	6 000
	47.00	21 April 2004	10 000	–	10 000	6 000
			149 000	74 000	75 000	12 000
M H Munro	33.25	4 November 1998	4 000	–	4 000	–
	32.90	5 March 1999	14 000	14 000	–	–
	40.10	7 May 1999	5 800	–	5 800	–
	30.00	19 May 2000	3 800	–	3 800	–
	39.85	12 January 2001	2 400	–	2 400	–
	40.00	16 May 2001	9 000	–	9 000	–
	49.60	13 May 2002	11 500	–	11 500	–
	31.90	14 April 2003	12 400	–	12 400	3 720
	34.50	1 October 2003	30 000	–	30 000	9 000
47.00	21 April 2004	32 000	–	32 000	19 200	
			124 900	14 000	110 900	31 920

Director	Option price (Rand)	Expiring ten years from	Number of options at 31 December 2005	Options exercised in 2006	Number of options at 31 December 2006	Options time constrained
Executive:						
S J Saunders	33.25	4 November 1998	8 000	-	8 000	-
	32.90	5 March 1999	30 000	-	30 000	-
	40.10	7 May 1999	14 000	-	14 000	-
	30.00	19 May 2000	5 000	-	5 000	-
	39.85	12 January 2001	5 000	-	5 000	-
	40.00	16 May 2001	18 000	-	18 000	-
	49.60	13 May 2002	18 000	-	18 000	-
	31.90	14 April 2003	18 000	-	18 000	5 400
47.00	21 April 2004	18 000	-	18 000	10 800	
			134 000	-	134 000	16 200
M Serfontein	32.90	5 March 1999	19 000	19 000	-	-
	40.10	7 May 1999	10 000	10 000	-	-
	30.00	19 May 2000	5 000	5 000	-	-
	39.85	12 January 2001	5 000	5 000	-	-
	40.00	16 May 2001	15 000	5 000	10 000	-
	49.60	13 May 2002	15 000	-	15 000	-
	31.90	14 April 2003	20 000	-	20 000	6 000
	47.00	21 April 2004	14 000	-	14 000	8 400
		103 000	44 000	59 000	14 400	
P H Staude	33.25	4 November 1998	10 000	10 000	-	-
	32.90	5 March 1999	49 000	49 000	-	-
	40.10	7 May 1999	14 000	14 000	-	-
	30.00	19 May 2000	7 000	7 000	-	-
	39.85	12 January 2001	9 000	9 000	-	-
	40.00	16 May 2001	30 000	20 000	10 000	-
	49.60	13 May 2002	65 000	-	65 000	-
	31.90	14 April 2003	30 000	-	30 000	9 000
47.00	21 April 2004	28 000	-	28 000	16 800	
		242 000	109 000	133 000	25 800	
Non-executive:*						
J B Magwaza	30.00	19 May 2000	2 000	-	2 000	-
	39.85	12 January 2001	1 600	-	1 600	-
	40.00	16 May 2001	6 000	-	6 000	-
	49.60	13 May 2002	6 000	-	6 000	-
		15 600	-	15 600	-	
C M L Savage	32.90	5 March 1999	60 000	-	60 000	-
	40.10	7 May 1999	50 000	-	50 000	-
	39.85	12 January 2001	8 000	-	8 000	-
	40.00	16 May 2001	22 000	-	22 000	-
		140 000	-	140 000	-	
		1 353 100	470 000	883 100	159 300	

* The non-executive directors' share options were awarded when they were executive directors.

Share Appreciation Rights Scheme 2005

Name of executive director	Number of rights at 31 December 2005	Rights granted in 2006	Number of rights at 31 December 2006	Rights time constrained
Grant price (Rand)	57.58	96.09		
Expiring seven years from	10 May 2005	25 April 2006		
B G Dunlop	40 597	23 737	64 334	64 334
A Fourie	37 381	23 249	60 630	60 630
G R Hibbert	30 776	19 590	50 366	50 366
G P N Kruger	32 610	22 345	54 955	54 955
M H Munro	32 185	20 472	52 657	52 657
S J Saunders	31 003	21 680	52 683	52 683
M Serfontein	24 942	17 355	42 297	42 297
P H Staude	92 810	62 082	154 892	154 892
	322 304	210 510	532 814	532 814

Long-term Incentive Plan 2005

Name of executive director	Number of conditional awards at 31 December 2005	Conditional awards granted in 2006	Number of conditional awards at 31 December 2006	Conditional awards time constrained
Issue price (Rand)	57.58	96.09		
Expiring three years from	10 May 2005	25 April 2006		
B G Dunlop	20 126	10 117	30 243	30 243
A Fourie	18 528	9 909	28 437	28 437
G R Hibbert	15 730	8 349	24 079	24 079
G P N Kruger	17 825	9 523	27 348	27 348
M H Munro	15 955	8 725	24 680	24 680
S J Saunders	17 308	9 240	26 548	26 548
M Serfontein	13 925	7 396	21 321	21 321
P H Staude	50 720	26 459	77 179	77 179
	170 117	89 718	259 835	259 835

Deferred Bonus Plan 2005

Name of executive director	Number of conditional awards at 31 December 2005	Conditional awards granted in 2006	Number of conditional awards at 31 December 2006	Conditional awards time constrained
Issue price (Rand)	57.76	91.86		
Expiring three years from	4 May 2005	3 March 2006		
B G Dunlop	4 210	3 184	7 394	7 394
A Fourie	3 314	2 693	6 007	6 007
G R Hibbert	3 310	2 484	5 794	5 794
G P N Kruger	3 852	2 532	6 384	6 384
M H Munro	3 204	2 559	5 763	5 763
S J Saunders	3 982	2 867	6 849	6 849
M Serfontein	3 141	2 357	5 498	5 498
P H Staude	10 081	7 155	17 236	17 236
	35 094	25 831	60 925	60 925

The deferred bonus shares were purchased by the participating employees on 2 March 2006 in respect of the 2006 awards (2005: awards were purchased over the period from 4 May 2005 to 10 May 2005).

For and on behalf of

THE TONGAAT-HULETT GROUP LIMITED

P H Staude
Chief Executive Officer

M H Munro
Financial Director

Durban
18 May 2007

ORDER OF COURT

IN THE HIGH COURT OF SOUTH AFRICA
(NATAL PROVINCIAL DIVISION)
BEFORE THE HONOURABLE MR JUSTICE SWAIN
ON THE 9TH MAY 2007
EX PARTE:

Case number: 3917/07

THE TONGAAT-HULETT GROUP LIMITED

Applicant

In the matter of an application with regard to a proposed scheme of arrangement between the Applicant and its members.

Having considered the documents filed of record and having heard counsel:

IT IS ORDERED:

1. a meeting (“the scheme meeting”) in terms of section 311(1) of the Companies Act, 1973, as amended (“the Companies Act”), of the ordinary shareholders of the Applicant, registered as such at the close of business on the day (excluding Saturdays, Sundays and public holidays) immediately preceding the date of the scheme meeting (“the scheme members”) be held at a time and place fixed by the chairman referred to in paragraph 2, for the purpose of considering and, if deemed fit, agreeing to, with or without modification, the scheme of arrangement (“the scheme”) proposed by the Applicant between the Applicant and the ordinary shareholders of the Applicant;
2. David Lionel Levin or, failing him, an independent person nominated for that purpose by Bowman Gilfillan Inc, be and is hereby appointed as chairman of the scheme meeting (“the chairman”);
3. the chairman is authorised to:
 - 3.1 convene the scheme meeting;
 - 3.2 appoint scrutineers for the purpose of the scheme meeting;
 - 3.3 determine the validity and acceptability of any form of proxy submitted for use at the scheme meeting;
 - 3.4 adjourn the scheme meeting from time to time if the chairman considers it appropriate to do so;
 - 3.5 determine the procedure to be followed at the scheme meeting and any adjournment of the scheme meeting;
 - 3.6 accept forms of proxy handed to the chairman by no later than ten minutes before the scheme meeting is due to commence;
4. the Applicant shall cause a notice convening the scheme meeting, substantially in the form of the draft notice attached to the papers before the Court, to be published once in each of the newspapers Business Day, Die Beeld and The Mercury, at least fourteen calendar days before the date of the scheme meeting. The notice shall state:
 - 4.1 the time, date and venue of the scheme meeting;
 - 4.2 that the scheme meeting has been convened in terms of this Order to consider and, if deemed fit, agree to, with or without modification, the scheme;
 - 4.3 that a copy of this Order, the scheme and the explanatory statement in terms of section 312(1) of the Companies Act may be inspected and copies obtained free of charge during normal business hours at any time prior to the scheme meeting at the registered office of the Applicant, Amanzimnyama Hill Road, Tongaat, KwaZulu-Natal, 4400;
 - 4.4 the basic characteristics of the scheme;
5. copies of:
 - 5.1 the scheme and the explanatory statement in terms of section 312(1) of the Companies Act substantially in the form of the scheme and explanatory statement attached to the papers before the Court;
 - 5.2 the notice convening the scheme meeting substantially in the form of the notice attached to the papers before the Court;

- 5.3 the form of proxy to be used at the scheme meeting substantially in the form of the form of proxy attached to the papers before the Court; and
- 5.4 this Order,

shall be sent by the Applicant by pre-paid post at least fourteen calendar days before the date of the scheme meeting to:

- (a) each of the members of the Applicant at their respective addresses as reflected in the Applicant's register of members;
- (b) those persons named by the Central Securities Depository Participants ("CSDPs") administering sub-registers of the Applicant as being ordinary shareholders of the Applicant and/or beneficial holders of shares in the Applicant as reflected in the records of the CSDPs,

at the close of business on a date not more than four calendar days before the date of such posting;

6. a copy of the documents referred to in paragraph 5 above shall lie for inspection at, and copies of these documents may be obtained free of charge from, the registered office of the Applicant during normal business hours at the places mentioned in paragraph 4.3 for at least fourteen calendar days prior to the date of the scheme meeting;
7. the date of posting of the documents referred to in paragraph 5 above shall be proved by an affidavit deposed to by a representative of the Applicant;
8. the chairman shall report the results of the scheme meeting by way of affidavit to this Honourable Court on Tuesday, 19 June 2007 at 09:30 or so soon thereafter as Counsel may be heard, which shall give details of:
- 8.1 the number of scheme members present in person or represented at the scheme meeting;
 - 8.2 the number of scheme members represented by proxy at the scheme meeting stating separately the number of shares represented by the chairman in terms of proxies;
 - 8.3 the number of shares held by all scheme members;
 - 8.4 any proxies which have been disallowed;
 - 8.5 all resolutions passed at the scheme meeting, with particulars of the number of votes cast in favour of and against each such resolution and of any abstentions, indicating how many votes were cast by the chairman in terms of proxies;
 - 8.6 all rulings made and directions given by the chairman at the scheme meeting;
 - 8.7 the relevant portions of documents and reports other than the circular annexed to the founding affidavit submitted or tabled at the scheme meeting which bear on the merits or demerits of the scheme, including copies of such portions of documents or reports; and
 - 8.8 the main points of any other proposals which were submitted to the scheme meeting;
9. the Applicant shall make available (and the notice of the scheme meeting which is published and sent to shareholders of the Applicant shall include a statement that it will be so available) a copy of the chairman's report to this Honourable Court free of charge at the Applicant's registered office to any scheme member on request during normal business hours at least seven calendar days prior to the date fixed by this Honourable Court for the chairman to report back to it;
10. registered shareholders who hold certificated ordinary shares in the Applicant and shareholders who hold dematerialised ordinary shares in the Applicant through a CSDP or broker in "own name" registration form who wish to vote by proxy, should tender as their proxy the form of proxy referred to in paragraph 5.3 of this Order. Forms of proxy may be handed to the chairman up to ten minutes before the scheme meeting is due to commence;
11. shareholders who hold certificated ordinary shares in the Applicant through a nominee and shareholders who hold dematerialised ordinary shares in the Applicant through a CSDP or broker not in "own name" registration form should timeously inform their nominees, CSDPs or brokers, as the case may be, to issue them with the necessary authorisations to attend the scheme meeting or should they not wish to attend the scheme meeting in person, to timeously provide their nominees, CSDPs or brokers, as the case may be, with their voting instructions in order for their votes to be represented at the scheme meeting; and
12. the method of calculating any periods specified in this Order shall be as specified in section 4 of the Interpretation Act, 1957, and not in accordance with the method set out in the Rules of Court.

By Order of the Court

Registrar

NOTICE OF SCHEME MEETING

IN THE HIGH COURT OF SOUTH AFRICA
(NATAL PROVINCIAL DIVISION)

Case number: 3917/07

EX PARTE:

THE TONGAAT-HULETT GROUP LIMITED

Applicant

In the matter of an application with regard to a proposed scheme of arrangement between the Applicant and its members.

Notice is hereby given in terms of an Order of Court, dated Wednesday, 9 May 2007 in the above matter that the High Court of South Africa (Natal Provincial Division) has ordered, in accordance with section 311 of the Companies Act, 1973 (Act 61 of 1973), as amended (“the Companies Act”), that a meeting (“the scheme meeting”) of the ordinary shareholders of the Applicant, registered as such at the close of business on Friday, 8 June 2007 (“the scheme members”), be held on Monday, 11 June 2007 at 10:30 (or 10 (ten) minutes after the conclusion or adjournment of the general meeting of the Applicant convened at 10:00 on the same day and at the same venue, whichever is the later) at the registered office of the Applicant, Amanzimnyama Hill Road, Tongaat, KwaZulu-Natal, 4400, under the chairmanship of David Lionel Levin or failing him an independent person nominated for that purpose by Bowman Gilfillan Inc. for the purpose of considering and, if deemed fit, of approving, with or without modification, the scheme of arrangement (“the scheme”) proposed by the Applicant between the Applicant and its ordinary shareholders, provided that the scheme meeting will not be entitled to agree any modification to the scheme that diminishes the rights that are to accrue in terms of the scheme.

The basic characteristic of the scheme is that, upon implementation, 4.5% of The Tongaat-Hulett Group Limited (“THG”) ordinary shares (“the scheme shares”) held by THG ordinary shareholders, will be acquired by THG in terms of section 85 of the Companies Act and the THG ordinary shareholders will receive the scheme consideration of R92.80 for each scheme share held on the record date of the scheme, which is expected to be Friday, 6 July 2007.

Copies of the scheme, the explanatory statement in terms of section 312(1) of the Companies Act explaining the scheme, this notice, the form of proxy to be used at the scheme meeting and the Order of Court authorising the convening of the scheme meeting are included in the document to which this notice is attached which has been sent to shareholders of the Applicant and copies may be obtained on request from the Applicant at its registered office, Amanzimnyama Hill Road, Tongaat, KwaZulu-Natal, 4400, or the office of the transfer secretaries, Computershare Investor Services 2004 (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) during normal business hours from Friday, 18 May 2007.

Each scheme member who holds certificated ordinary shares or who holds dematerialised ordinary shares through a Central Securities Depository Participant (“CSDP”) and has “own name” registration may attend, speak and vote in person at the scheme meeting or may appoint any other person or persons (who need not be a member of the Applicant) as a proxy or proxies to attend, speak and vote in such scheme member’s place at the scheme meeting. The necessary form of proxy (*white*) is included in the document to which this notice is attached. Additional forms of proxy may be obtained on request from the registered office of the Applicant as set out above.

Each scheme member who holds dematerialised ordinary shares and does not have “own name” registration should timeously inform his CSDP or broker should he wish to attend, speak and vote at the scheme meeting or timeously provide his CSDP or broker with his voting instruction in order for the CSDP or broker to vote on his behalf at the scheme meeting.

Each form of proxy should be completed and signed in accordance with the instructions printed thereon and should be lodged with or posted to the abovementioned transfer secretaries to be received no later than 10:30 on Thursday, 7 June 2007, or handed to the chairman of the scheme meeting no later than 10 (ten) minutes before the scheme meeting is due to commence. Where there are joint holders of the Applicant’s ordinary shares, any one of such persons may vote at the scheme meeting in respect of such shares as if he were solely entitled thereto, but if more than one of such joint holders be present or represented at the scheme meeting, then one of the said persons whose name stands first in the Applicant’s share register or his proxy, as the case may be, shall alone be entitled to vote in respect thereof, as if he were the sole holder of such shares.

In terms of the abovementioned Order of Court, the chairman of the scheme meeting will report the results of such meeting to the above Honourable Court at 09:30 or so soon thereafter as Counsel may be heard on Tuesday, 19 June 2007. A copy of the chairman's report to the Court will be available on request free of charge to any shareholder of the Applicant at the registered office referred to above, during normal business hours for at least 7 (seven) calendar days before the date fixed by the Court for the chairman to report back to it.

The scheme is subject to the fulfilment of certain conditions precedent stated in the scheme, including the sanctioning of the scheme by the above Honourable Court.

David Lionel Levin

Chairman of the scheme meeting

Bowman Gilfillan Inc

Applicant's Attorneys

c/o Cox Yeats

c/o Stowell & Co

295 Pietermaritz Street

Pietermaritzburg

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(PO Box 785812, Sandton, 2146)

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Ref: B R du Plessis

HISTORICAL FINANCIAL INFORMATION ON THG

The historical financial information included in this annexure reflects the financial performance of THG for the years ended 31 December 2004, 31 December 2005 and 31 December 2006.

This information has been extracted from the published audited annual financial statements for the years ended 31 December 2005 and 31 December 2006.

This financial information has been prepared in terms of International Financial Reporting Standards and is the responsibility of the directors.

The Tongaat-Hulett Group Limited consolidated balance sheets

R'million	Notes	2006	2005	2004
ASSETS				
Non-current assets				
Property, plant and equipment	1	4 270	4 093	4 106
Growing crops	2	212	182	185
Long-term receivable	3	203	203	210
Goodwill	4	21	21	23
Intangible assets	5	14	12	9
Investments	6	320	57	23
		5 040	4 568	4 556
Current assets				
		4 016	3 360	3 596
Inventories	7	1 595	1 456	1 649
Trade and other receivables		1 879	1 337	1 108
Derivative instruments	8	33	41	36
Cash and cash equivalents	9	509	526	803
TOTAL ASSETS		9 056	7 928	8 152
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	10	107	104	102
Share premium		932	821	759
Retained income		3 868	3 651	3 426
Other reserves		50	37	60
Shareholders' interest		4 957	4 613	4 347
Minority interests in subsidiaries		76	75	71
Equity		5 033	4 688	4 418
Non-current liabilities				
		1 401	1 357	1 380
Deferred tax	11	1 055	936	854
Long-term borrowings	12	49	138	255
Provisions	13	297	283	271
Current liabilities		2 622	1 883	2 354
Trade and other payables	14	1 388	1 119	1 171
Short-term borrowings	12	1 174	702	1 125
Derivative instruments	8	16	18	52
Tax		44	44	6
TOTAL EQUITY AND LIABILITIES		9 056	7 928	8 152

The Tongaat-Hulett Group Limited consolidated income statements

R'million	Notes	2006	2005	2004
REVENUE		7 848	6 926	6 298
Operating profit	15	1 020	730	358
Share of associate company's (loss)/profit	6	(4)	(25)	6
Finance income	17	22	38	70
Financing costs	17	(45)	(98)	(163)
PROFIT BEFORE TAXATION		993	645	271
Taxation	18	(269)	(162)	(41)
NET PROFIT		724	483	230
Attributable to:				
Shareholders		723	472	220
Minority interest		1	11	10
		724	483	230
EARNINGS PER SHARE (cents)	20			
Basic		685.3	458.2	216.3
Diluted		667.8	447.2	214.0

The Tongaat-Hulett Group Limited consolidated cash flow statements

R'million	2006	2005	2004
Cash generated from operations			
Operating profit before dividends	959	711	307
Dividends received	61	19	51
Operating profit	1 020	730	358
Net financing costs	(23)	(60)	(93)
Profit on disposal of property, plant and equipment	(45)	(19)	(23)
Non-cash items:			
Depreciation	272	265	230
Adjustment for exchange rate translation (gain)/loss	(57)	(14)	47
Provisions	14	12	11
Other	(16)	21	(17)
Tax payments	(152)	(38)	(71)
Cash generated from operations	1 013	897	442
Cash required by operations			
Inventories	(115)	169	123
Trade and other receivables	(558)	(231)	63
Trade and other payables	266	(47)	(389)
Increase in working capital	(407)	(109)	(203)
Cash flow from operating activities	606	788	239
Cash flows from investing activities			
Expenditure on property, plant and equipment			
– New	(281)	(169)	(78)
– Replacement	(163)	(101)	(78)
– Major plant overhaul costs capitalised	(38)	(35)	(32)
Expenditure on intangible assets	(3)	(4)	(3)
Growing crops	7	5	20
Proceeds on disposal of property, plant and equipment	78	42	44
Investments – shares in Hippo Valley Estates	(254)	–	–
Investments – unlisted	(3)	(72)	(19)
Net cash used in investing activities	(657)	(334)	(146)
Net cash flow before dividends and financing activities	(51)	454	93
Dividends paid			
Previous year final	(294)	(123)	(81)
Current year interim	(212)	(124)	(51)
Dividends paid	(506)	(247)	(132)
Net cash flow before financing activities	(557)	207	(39)
Cash flows from financing activities			
Borrowings raised/(repaid)	358	(558)	32
Shares of a subsidiary issued to the minority	–	–	54
Hedges of foreign loans	19	(2)	(35)
Shares issued	106	62	30
Inter-group loans			
Net cash from/(utilised in) financing activities	483	(498)	81
Net (decrease)/increase in cash and cash equivalents	(74)	(291)	42
Balance at beginning of year	526	803	808
Exchange rate translation gain/(loss)	57	14	(47)
Cash and cash equivalents at end of year	509	526	803

The Tongaat-Hulett Group Limited consolidated statements of changes in equity

R'million	Share capital	Share premium	Capital redemption reserve funds	Share-based payment reserve	Hedging and translation reserves	Retained Shareholders' income	Minority interest	Total
Balance at 1 January 2004	101	730	33	3	(4)	4 193	6	4 199
Effect of transition to IFRS					(23)	(15)		(15)
Restated balance at 1 January 2004	101	730	33	3	(27)	4 178	6	4 184
Share capital issued	1	29				30		30
Currency exchange rate changes					9	9	1	10
Hedge reserve released to income statement					27	27		27
Gain from cash flow hedges					9	9		9
Share of associate's movement in currency translation reserve					(4)	(4)		(4)
Shares of a subsidiary issued to the minority						10	54	54
Recognition of share-based payment				10		220	10	230
Net profit						(132)		(132)
Dividends paid								
Balance at 31 December 2004	102	759	33	13	14	4 347	71	4 418
Accounting for fair value hedges as required by IAS 39 (Revised)					(5)	(5)		(5)
Restated balance at 1 January 2005	102	759	33	13	9	4 342	71	4 413
Share capital issued	2	60					62	62
Transfer on exercise of options		2		(2)				
Currency exchange rate changes					(31)	(31)	(7)	(38)
Hedge reserve released to income statement					(4)	(4)		(4)
Gain from cash flow hedges					9	9		9
Share of associate's movement in currency translation reserve					(7)	(7)		(7)
Recognition of share-based payment				17		17		17
Net profit						472	11	483
Dividends paid						(247)		(247)
Balance at 31 December 2005	104	821	33	28	(24)	4 613	75	4 688
Share capital issued	3	103				106		106
Transfer on exercise of options		8		(8)				
Hedge reserve released to income statement					(9)	(9)	(9)	(9)
Gain from cash flow hedges					8	8		8
Recognition of share-based payment				22		22		22
Net profit						723	1	724
Dividends paid						(506)		(506)
Balance at 31 December 2006	107	932	33	42	(25)	4 957	76	5 033

ACCOUNTING POLICIES

The annual financial statements are prepared in accordance with the Group's accounting policies which fully comply with International Financial Reporting Standards and are consistent with those applied in the previous year.

BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the company and of its subsidiaries, except those foreign subsidiaries and associates where the assessment of effective operational and financial control does not meet the criteria for consolidation in terms of IAS 27: Consolidated and Separate Financial Statements, principally as it relates to Triangle Sugar Limited in Zimbabwe. The interest in such foreign subsidiaries is included at cost less provisions and amounts written off or at fair value, and results are accounted for in operating profit only to the extent that dividends, net of any withholding taxes, are received. The results of all other subsidiaries are included from the date effective control was acquired and up to the date effective control ceased. Investments in joint ventures are accounted for on the proportionate consolidation method from the effective date of acquisition and up to the effective date of disposal. All material intra-Group balances and transactions are eliminated.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. The interests of minority shareholders is initially measured at the date of acquisition at the minority's proportion of the net fair value of the assets and liabilities acquired and thereafter, the minority's share of changes in equity since the date of acquisition. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group, except to the extent that the minority has a binding obligation and the financial ability to cover losses.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost, including refurbishment, less accumulated depreciation and impairment. Cost includes the estimated cost of dismantling and removing the assets. Interest and other costs incurred on major capital projects are capitalised until all the activities necessary to prepare assets for their intended use are substantially complete.

Assets held under finance lease agreements are capitalised at fair value and the corresponding liabilities to the lessor are raised. Lease finance charges are charged to earnings over the term of the relevant lease using the effective interest rate method. Land and capital work in progress are not depreciated. All other fixed assets, including major factory overhaul costs, are depreciated and charged to profit or loss over their expected useful lives to estimated residual values at rates appropriate to their use. Where significant parts of an item have different useful lives to the item itself, these parts are depreciated over their estimated useful lives. The methods of depreciation, useful lives and residual values are reviewed annually.

During the year under review, property, plant and equipment were depreciated on the straight-line basis using the rates set out below:

Buildings	30 to 50 years
Plant and equipment	4 to 40 years
Vehicles	4 to 12 years
Furniture and equipment	3 to 10 years

On the disposal or scrapping of property, plant and equipment, the gain or loss arising thereon is recognised in profit or loss.

INTANGIBLE ASSETS

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured initially at cost. After initial recognition, an intangible asset is measured at cost less accumulated amortisation. An intangible asset with a finite useful life is amortised. An intangible asset with an indefinite useful life is not amortised, but is tested annually for impairment. When an intangible asset is disposed of, the gain or loss on disposal is recognised in profit or loss.

GROWING CROPS

Growing crops comprise roots and standing cane. The carrying value is determined as follows:

- Roots at current replacement cost of planting and establishment and subsequently reduced in value over the period of its productive life; and
- Standing cane at the estimated sucrose content less harvesting, transport and over the weighbridge costs.

GOODWILL

Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost. It is subsequently measured at cost less any accumulated impairment losses and is not amortised.

ASSOCIATE COMPANIES

Associates are those companies, which are not subsidiaries or joint ventures, over which the Group exercises significant influence. Results of associates are equity accounted. Any losses of associates are brought to account until the investment in, and loans to, such associates are written down to a nominal amount. Thereafter losses are accounted for only insofar as the Group is committed to providing financial support to such associates.

The carrying value of investments in associates represents the cost of each investment including goodwill, the share of post acquisition retained income or losses and other movements in reserves.

INVENTORIES

Inventories are valued at the lower of cost and net realisable value determined in general on the first-in, first-out and average methods. The cost of finished goods and work in progress comprises direct materials, labour and appropriate overhead costs. Progress payments are deducted from work in progress where applicable. Development properties comprise land valued at cost and development expenditure attributable to unsold properties. Obsolete and slow-moving inventories are identified and suitable reductions in value are made where necessary.

MAIZE PURCHASE CONSTRUCTIVE OBLIGATIONS

Certain maize purchase commitments are recognised as constructive obligations. Maize that relates to such a constructive obligation is recognised as inventory, the related liability is recognised as a current liability and to the extent that the final purchase price includes a financing element, this is recognised as interest over the period of the obligation.

DEFERRED TAX

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than a business combination) of other assets and liabilities in a transaction, which does not affect either taxable profit or accounting profit.

IMPAIRMENT

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists the recoverable amount of the asset, being the higher of its net selling price and its value in use, is assessed in order to determine the extent of the impairment loss, if any.

If the recoverable amount of an asset is estimated to be less than its carrying amount, its carrying amount is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately and are treated as exceptional items.

RESEARCH AND DEVELOPMENT

Expenditure on research is charged to profit or loss in the year in which it is incurred. Development costs are reviewed annually and are expensed if they do not qualify for capitalisation. The amount of development cost recognised as an asset is amortised over the estimated useful life of the related development but not exceeding five years.

REVENUE

Revenue comprises sales arising from normal trading activities excluding intra-Group transactions and is recognised when the significant risks and rewards of the goods are transferred to the buyer. In respect of the sale of township properties, sales are recognised when the relevant agreements are unconditional and binding on the purchaser, the purchaser has paid a meaningful deposit or has made arrangements to secure payment of the purchase price, zoning and final conditions of establishment have been obtained and servicing arrangements and costs are substantially finalised. In the determination of revenue, cash and settlement discounts, rebates and VAT are excluded.

FOREIGN CURRENCIES

The functional currency of each entity within the Group is determined based on the currency of the primary economic environment in which that entity operates. Transactions in currencies, other than the entity's functional currency, are recognised at the rates of exchange ruling on the date of the transaction. Monetary assets and liabilities denominated in such currencies are translated at the rates ruling at the balance sheet date.

Gains and losses arising on exchange differences are recognised in profit or loss.

The financial statements of entities within the Group whose functional currencies are different to the Group's presentation currency which, because of its primary operating activities, is South African Rand, are translated as follows:

- Assets, including goodwill, and liabilities at exchange rates ruling on the balance sheet date;
- Income and expense items at the average exchange rates for the period; and
- Equity items at the exchange rate ruling when they arose.

Resulting exchange differences are classified as a foreign currency translation reserve and recognised directly in equity. On disposal of such an entity, this reserve is recognised in profit or loss.

FINANCIAL INSTRUMENTS

Recognition

A financial asset or financial liability is recognised on the balance sheet for as long as the Group is a party to the contractual provisions of the instrument. Purchases of derivatives are recognised on trade date and sales are recognised on settlement date. Gains or losses on derecognition of financial assets or liabilities are recognised in profit or loss.

Measurement

Financial instruments are initially measured at cost, including directly attributable transaction costs. Subsequent to initial recognition these instruments are measured as follows:

- Trade and other receivables originated by the Group are held at amortised cost, using the effective interest rate method, after deducting accumulated impairment losses. Receivables with no fixed maturity are held at cost;
- Held-to-maturity investments are held at amortised cost using the effective interest rate method after deducting accumulated impairment losses;
- Held-for-trading, available for sale and cash equivalent investments are held at fair value; and
- Financial liabilities are measured at amortised cost, except for held-for-trading financial liabilities and derivatives, which are held at fair value.

Gains or losses on subsequent measurement

Gains or losses on subsequent measurement of financial instruments that are carried at fair value, and are not part of a hedging relationship, are accounted for as follows:

- Held-for-trading financial assets are recognised in profit or loss for the year; and
- Available for sale and cash equivalent investments are taken to equity until the financial asset is disposed of, or determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in profit or loss for the year.

For the purposes of hedge accounting, hedges are classified into two categories:

- Fair value hedges, which hedge the exposure to changes in the fair value of a recognised asset, liability or firm commitment; and
- Cash flow hedges, which hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a forecasted transaction.

In relation to fair value hedges, which meet the conditions for hedge accounting, any gain or loss from remeasuring the hedging instrument to fair value is recognised in profit or loss for the period. Any gain or loss on the hedged item attributable to the hedged risk is adjusted against the carrying amount of the hedged item and recognised in profit or loss for the period.

In relation to cash flow hedges, which meet the conditions for hedge accounting, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in shareholders' equity and the ineffective portion is recognised in profit or loss for the period. For cash flow hedges affecting future transactions, the gains or losses, which are recognised in shareholders' equity, are transferred to profit or loss in the same period in which the hedged transaction affects profit or loss. Where the hedged transaction results in the recognition of an asset or a liability, then at the time the asset or liability is recognised, the associated gain or loss that had previously been recognised in shareholders' equity is included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability.

Set-off

Where the redemption of debt, raised for major capital projects, is provided for by sinking funds or financial instruments which allow for the legal right of set-off against the debt on the repayment date, and it is expected that the debt will be settled in this way, the related income statement, cash flow statement and balance sheet items are set-off.

Financial guarantee contracts

Where financial guarantee contracts are entered into, these are regarded as insurance contracts and accounted for as insurance arrangements.

GOVERNMENT GRANTS

Government grants are assistance by Government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. When the conditions attaching to Government grants have been complied with they are recognised in profit or loss. When they are for expenses or losses already incurred, they are recognised immediately in profit or loss.

EMPLOYEE BENEFITS

Retirement funds

The assets of the Group's defined benefit scheme and defined contribution schemes are held separately from those of the Group and are administered and controlled by trustees.

Whilst the valuation of the Pension Fund and the Surplus Apportionment Plan have been completed and submitted to the Financial Services Board, they have not yet been approved. Accordingly, due to the uncertainty regarding apportionment, no surplus has been recognised on the Group's balance sheet.

Contributions to defined contribution schemes are charged to profit or loss when incurred.

Post-retirement medical aid benefits and retirement gratuities

Provision is made for post-retirement medical aid benefits and gratuities payable on retirement and is based on the present value of those liabilities for services rendered to date as determined by independent actuaries. Actuarial gains and losses are amortised over the expected average remaining lives of participants beginning in the year that the actuarial gain or loss arises.

SHARE-BASED PAYMENTS

The company enters into share-based payment transactions in terms of the employee share incentive schemes. The charge to profit or loss required by IFRS 2: Share-based Payment, is accounted for on the basis that the instruments are equity-settled. The total amount to be expensed on a straight-line basis over the vesting period is determined by reference to the fair value of the awards determined at the grant date. Non-market vesting conditions are included in assumptions about the number of awards that are expected to become due, including taking into account the forfeiture of instruments due to resignation and these assumptions are reviewed on an annual basis. The fair value of the share-based payment is measured using a binomial tree model and/or a Monte Carlo Simulation model, as is appropriate for the various schemes.

JUDGEMENTS MADE BY MANAGEMENT

Preparing financial statements in accordance with IFRS requires estimates and assumptions that affect reported amounts and related disclosures. Certain accounting policies have been identified as involving complex or subjective judgments or assessments.

The items for consideration have been identified as follows:

– Non-consolidation of Zimbabwean subsidiaries:

The appropriate accounting treatment of the Zimbabwean subsidiaries, in terms of IAS 27: Consolidated and Separate Financial Statements, is reviewed on an ongoing basis in the light of the prevailing situation in Zimbabwe.

– Growing crop valuation:

Growing crops are required to be measured at fair value less harvesting, transport and over the weighbridge costs. In determining fair value an estimate is made of the yield of the standing cane. This estimate can vary from the actual yield when the cane is harvested.

- Future development expenditure provision/accrual at Moreland:
Judgement is applied in determining total project costs, which are supported by estimates from professional consultants and consulting engineers for services infrastructure. These costs are reviewed by management three to four times a year during the forecasting process and if necessary estimates are revised accordingly.
- Asset lives and residual lives:
Property, plant and equipment are depreciated over their useful lives taking into account residual values. The actual lives of the assets and residual values are assessed annually and are influenced by factors such as technological innovation, product life cycles and maintenance programmes. Residual value assessments consider issues such as market conditions, the remaining life of the asset and projected disposal values.
- Impairment of assets:
Ongoing assessments are made regarding any potential impairment of assets across the Group, using valuation models prescribed under IFRS.
- Decommissioning and rehabilitation obligations in respect of the environment:
The Group monitors and assesses its obligations arising from decommissioning of plant and rehabilitation of the environment on an ongoing basis.
- Post-retirement benefit obligations:
Post-retirement benefit obligations are provided for certain existing and former employees. Actuarial valuations are based on assumptions which include employee turnover, mortality rates, the discount rate, the expected long-term rate of return of retirement plan assets, healthcare costs, inflation rates and salary increments.
- Valuation of financial instruments:
The value of the derivative instruments fluctuates on a daily basis and the actual amounts realised may differ materially from their value at the balance sheet date.

KEY SOURCES OF ESTIMATION UNCERTAINTY

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that management have assessed as having a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year.

NEW OR REVISED IFRS STANDARDS APPLICABLE TO FUTURE PERIODS

IAS 19: Employee Benefits, which was amended in 2004, is applicable in 2006 and requires additional disclosure with which Tongaat-Hulett has complied. In addition it provides an option, which entities may elect to adopt either in 2006 or at a later date, that allows for the accounting of actuarial gains/losses, either by recognising them through the income statement over the expected remaining lives of participants, or outside the income statement in a statement titled "Statement of Recognised Income and Expense". The statement covers pension fund accounting and the provisions for post-retirement medical costs and retirement gratuities. This alternate accounting treatment of actuarial gains/losses will be assessed once the Pension Fund surplus apportionment has been finalised. The impact of the adoption of the amendments to IAS 19 as it relates to the provisions for post-retirement medical costs and retirement gratuities is relatively immaterial.

The following new standards and interpretations were also in issue but not effective for 2006. The Group is in the process of evaluating the effects of these new standards and interpretations but they are not expected to have a significant impact on the Group's results and disclosures other than in respect of AC 503 which relates to the proposed broad based Black Economic Empowerment transaction, the impact of which can only be determined once the agreement with the stakeholders has been finalised.

AC 503 Accounting for Black Economic Empowerment Transactions

IFRS 7 Financial Instruments: Disclosures

IFRS 8 Operating Segments

IFRIC Interpretation 7	Applying the Restatement; Approach under IAS 29; Financial Reporting in Hyperinflationary Economies
IFRIC Interpretation 8	Scope of IFRS 2
IFRIC Interpretation 9	Re-assessment of Embedded Derivatives
IFRIC Interpretation 10	Interim Financial Reporting and Impairment
IFRIC Interpretation 11	IFRS 2 – Group and Treasury Share Transactions
IFRIC Interpretation 12	Service Concession Arrangements

Tongaat-Hulett Group notes to the annual financial statements

R'million	Total	Land and buildings	Plant and equipment	Vehicles and other	Capitalised leased plant and vehicles	Capital work in progress
1. PROPERTY, PLANT AND EQUIPMENT						
Carrying value at beginning of year	4 093	607	3 017	163	70	236
Additions	482	55	196	31	1	199
Disposals	(33)	(26)	(3)	(4)	–	–
Depreciation	(272)	(12)	(235)	(23)	(2)	–
Transfers	–	8	83	15	–	(106)
Carrying value at end of year	4 270	632	3 058	182	69	329
<i>Comprising:</i>						
2006						
At cost	6 134	773	4 494	426	112	329
Accumulated depreciation	1 864	141	1 436	244	43	–
Carrying value at end of year	4 270	632	3 058	182	69	329
2005						
At cost	5 781	736	4 288	410	111	236
Accumulated depreciation	1 688	129	1 271	247	41	–
Carrying value at end of year	4 093	607	3 017	163	70	236
2004						
At cost	5 580	749	4 025	415	121	270
Accumulated depreciation	1 474	127	1 070	239	38	–
Carrying value at end of year	4 106	622	2 955	176	83	270
R'million				2006	2005	2004
2. GROWING CROPS						
Carrying value at beginning of year				182	185	179
Gain arising from physical growth and price changes				29	10	23
Increase due to increased area under cane				4	–	–
Decrease due to reduced area under cane				(3)	(5)	(20)
Currency alignment				–	(8)	3
Carrying value at end of year				212	182	185
<i>The carrying value comprises:</i>						
Roots				116	100	104
Standing cane				96	82	81
				212	182	185
<i>Area under cane (hectares):</i>						
South Africa				9 639	10 162	10 869
Mozambique				7 444	7 200	7 200
Swaziland				3 744	3 726	3 811
				20 827	21 088	21 880

R'million	2006	2005	2004
3. LONG-TERM RECEIVABLE			
Advances to an export partnership:			
Fair value at beginning of year	203	210	210
Fair value adjustment due to reduction in tax rate	–	(7)	–
Fair value at end of year	203	203	210

The company participates in an export partnership engaged in the construction of luxury vessels in order to foster the use of aluminum plate in marine applications.

4. GOODWILL

Carrying value at beginning of year	21	49	49
<i>Less: Accumulated amortisation to 31 December 2003</i>	–	(14)	(14)
Carrying value at beginning of year	21	35	35
<i>Effect of transition to IFRS:</i>			
Goodwill now recorded in Metical and translated at the closing exchange rate	–	(14)	(15)
Goodwill no longer amortised	–	2	2
Carrying value at beginning of year restated	21	23	22
Currency exchange rate changes	–	(2)	1
Carrying value at end of year	21	21	23

Goodwill is attributable to the Mozambique sugar operations. The Group tests goodwill annually for impairment. The recoverable amount of goodwill was determined from the “value in use” discounted cash flow model. The value in use cash flow projections, which cover a period of 20 years, are based on the most recent budgets and forecasts approved by management and the extrapolation of cash flows which incorporate growth rates consistent with the average long-term growth trends of the market. At 31 December 2006, the carrying value of goodwill was considered not to require impairment.

5. INTANGIBLE ASSETS

Software at cost:			
At beginning of year	23	19	16
Additions	3	4	3
At end of year	26	23	19
Accumulated amortisation:			
At beginning of year	11	10	9
Charge for year	1	1	1
At end of year	12	11	10
Carrying value at end of year	14	12	9

R'million	2006	2005	2004
6. INVESTMENTS			
The carrying value of the Group's 49% interest in Acucareira de Xinavane, SARL (Mozambique) comprises:			
Unlisted shares	128	128	20
Loan	54	30	80
Cumulative share of post-acquisition deficits	(121)	(117)	(95)
Balance at beginning of year	(117)	(95)	(94)
Movement in currency translation reserve	–	3	(7)
(Loss)/Profit for year	(4)	(25)	6
Book value	61	41	5
Directors' valuation	61	41	5
<i>Summarised balance sheet:</i>			
Property, plant and equipment	306	309	359
Growing crops	70	53	59
Current assets	117	105	49
Current liabilities	(68)	(74)	(82)
Borrowings:			
– External	(280)	(276)	(354)
– Shareholders	(192)	(158)	(198)
Net deficit	(47)	(41)	(167)
Other shareholders' share of deficit	24	21	85
Group share of deficits – pre- and post-acquisition	(23)	(20)	(82)
<i>Summarised income statement:</i>			
Revenue	223	167	125
Profit before depreciation	42	11	5
Depreciation	(16)	(16)	(24)
Foreign exchange (loss)/gain	(5)	(19)	58
Profit/(Loss) profit before financing costs	21	(24)	39
Financing costs	(29)	(28)	(27)
(Loss)/Profit after financing costs	(8)	(52)	12
Other shareholders' interest	4	27	(6)
Group share of loss	(4)	(25)	6
Unlisted shares at fair value	256	13	15
Loans	3	3	3
Book value	259	16	18
Carrying value of investments	320	57	23

A schedule of unlisted investments is available for inspection at the company's registered office.

7. INVENTORIES

Raw materials	323	294	404
Work in progress	180	107	82
Finished goods	785	736	819
Consumable stores	146	117	122
Development properties	161	202	222
	1 595	1 456	1 649

Included in raw materials is an amount of R127 million (2005: R106 million) that relates to the constructive obligation that has been recognised on maize procurement contracts.

R'million	2006	2005	2004
8. DERIVATIVE INSTRUMENTS			
Fair value of derivative instruments at year-end:			
Forward exchange contracts – hedged accounted	9	(1)	(8)
Forward exchange contracts – not hedged accounted	7	–	4
Futures contracts – hedge accounted	10	25	(7)
Futures contracts – not hedge accounted	(9)		
Other embedded derivatives	–	(1)	(5)
	17	23	(16)
<i>Summarised as:</i>			
Derivative assets	33	41	36
Derivative liabilities	(16)	(18)	(52)
	17	23	(16)

Further details on derivative instruments are set out in Note 22.

9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, cash on deposit and cash advanced, repayable on demand and excludes bank overdrafts.

10. SHARE CAPITAL

Authorised

150 000 000 ordinary shares of R1.00 each	150	150	150
-------------------------------------------	-----	-----	-----

Issued and fully paid

106 591 252 (2005 – 103 895 629)	107	104	102
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Unissued

- Under option to employees, in terms of the original employee share option scheme, for a period of ten years from date granted to subscribe for 2 941 810 shares at an average price of R41.23 per share (2005: 5 699 233 shares at R40.40 per share). The abovementioned scheme was replaced in 2005 with a new share incentive scheme comprising the Share Appreciation Right Scheme 2005 (“SARS”), the Long-Term Incentive Plan 2005 (“LTIP”) and the Deferred Bonus Plan 2005 (“DBP”). Under the SARS, LTIP and DBP, the primary intent is to settle awards through acquiring shares in the market and delivering them to the employee and consequently no dilution of equity is expected.
- Under control of the directors:
 - for the purposes of the employee share option schemes 7 717 315 shares (2005: 4 690 330 shares);
 - in terms of a shareholders’ resolution, 5 254 684 shares (2005: 10 288 054 shares).

Details of employee share incentive schemes are set out in Note 29.

R'million	2006	2005	2004
11. DEFERRED TAX			
Balance at beginning of year	936	854	866
Accounted for in equity	2	(2)	9
Currency alignment	–	(1)	1
Income statement:			
Current year charge/(relief) on:			
Earnings before exceptional items	124	122	(24)
Rate change adjustment	–	(28)	–
Exceptional items	6	1	(3)
Prior years' charge	(13)	(10)	5
Balance at end of year	1 055	936	854
<i>Comprising temporary differences relative to:</i>			
Property, plant and equipment	855	854	886
Growing crops	40	36	36
Export partnership	203	203	210
Current assets	36	54	58
Current liabilities	(115)	(114)	(108)
Tax losses	(16)	(135)	(223)
Other	52	38	(5)
	1 055	936	854

12. BORROWINGS

Short term	1 112	668	1 096
Bank overdraft	62	34	29
	1 174	702	1 125
Long term	49	138	255
	1 223	840	1 380

<i>Long-term borrowings comprise:</i>	<i>Effective interest rate (%)</i>			
<i>Secured:</i>				
SA Rand				
Finance leases (refer to note 25)	11.3	3	3	4
<i>Unsecured:</i>				
Foreign				
Repayable 2007/2009	Libor + 0.4	81	103	176
SA Rand				
Repaid in 2006/2005		–	104	138
		81	207	314
Long-term borrowings		84	210	318
<i>Less: Current portion included in short-term borrowings</i>		35	72	63
		49	138	255

Plant and machinery with a book value of R88 million (2005: R89 million) are encumbered as security for the secured finance lease obligations and as security for certain short-term borrowings of R50 million (2005: R2 million).

Short-term borrowings comprise call loans and bank overdrafts with various South African financial institutions at interest rates linked to the prime overdraft rate as well as a Mozambique bank overdraft equivalent to R50 million (2005: R2 million).

The foreign Libor linked unsecured loans are repayable in US dollars and amount to US\$12 million (2005: US\$16 million). These loans are recorded at the ruling price at year-end and the foreign currency risk is covered by forward exchange contracts.

R'million	2008	2009	2010
Summary of future loan repayments by financial year	34	14	1

In terms of the company's articles of association, the borrowing powers of the Group are limited to R7 550 million.

R'million	2006	2005	2004
13. PROVISIONS			
Post-retirement medical aid obligations (Note 27)	241	230	221
Retirement gratuity obligations (Note 27)	55	52	49
Other	1	1	1
	297	283	271

14. TRADE AND OTHER PAYABLES

Accounts payable	1 258	1 009	953
Maize obligation – interest bearing	130	110	218
	1 388	1 119	1 171

The directors consider that the carrying amount of trade and other payables approximates their fair value.

15. OPERATING PROFIT/LOSS

Revenue	7 848	6 926	6 298
Cost of sales	(6 168)	(5 218)	(4 972)
Administration expenses	(646)	(737)	(772)
Marketing and selling expenses	(239)	(421)	(391)
Other income	199	174	187
Exceptional items (refer to Note 16)	26	6	8
Operating profit	1 020	730	358
Disclosable items included in operating profit:			
Valuation adjustments on financial instruments and other items			
– Maize procurement contracts	–	–	18
Translation of foreign currency			
– foreign cash holdings	57	14	(47)
– other	(3)	7	(22)
Export receivables	(1)	10	3
Other financial instruments	1	(6)	(3)
	54	25	(51)
Dividends received from subsidiaries			
– Triangle Sugar	61	19	51
Income from unlisted investments	3	–	6
Surplus on disposal of plant and equipment	1	1	4
Amortisation of intangible assets	1	1	1
Depreciation charged			
– buildings	12	11	11
– plant and equipment	235	225	190
– vehicles and other	25	29	29
Management fees paid to third parties	5	4	4
Technical fees paid	12	9	11
Operating lease charges – property, plant and vehicles	13	16	14
Share-based payments	22	15	8
Auditors' remuneration			
– fees	5	6	5
– other services	1	1	1

R'million	2006	2005	2004
16. EXCEPTIONAL ITEMS			
Included in operating profit:			
Surplus on sale of property	27	11	18
Estate closure costs	(1)	(5)	(10)
Exceptional items before tax	26	6	8
Tax (refer Note 18)	(6)	(1)	3
Exceptional items after tax	20	5	11
17. NET FINANCING COSTS			
<i>Net financing costs comprise:</i>			
Interest paid – external	(149)	(131)	(275)
Set-off of related financial instrument income	104	33	112
Financing costs	(45)	(98)	(163)
Financial instrument income:			
Interest received – external	22	38	70
Finance income	22	38	70
Net financing costs	(23)	(60)	(93)
18. TAXATION			
Earnings/(Loss) before exceptional items:			
Current	91	51	51
Deferred	124	122	(24)
Rate change adjustment deferred	–	(28)	–
Secondary Tax on Companies	63	26	12
Prior years	(15)	(10)	5
	263	161	44
Exceptional items:			
Deferred	6	1	(3)
Tax for year	269	162	41
Foreign tax included above	9	7	4
Tax charge at normal rate of South African tax	288	187	81
<i>Adjusted for:</i>			
Non-taxable income	(89)	(28)	(61)
Assessed losses of foreign subsidiaries	4	(5)	(9)
Share of associate company's loss/(profit)	1	7	(2)
Non-allowable expenditure	7	7	2
Rate change adjustment deferred	–	(28)	–
Secondary Tax on Companies	63	26	12
Capital gains	10	6	13
Prior years	(15)	(10)	5
Tax charge as reported	269	162	41
Normal rate of South African tax	29.0%	29.0%	30%
<i>Adjusted for:</i>			
Non-taxable income	(9.0)	(4.3)	(22.5)
Assessed losses of foreign subsidiaries	0.4	(0.8)	(3.3)
Share of associate company's loss/(profit)	0.1	1.1	(0.7)
Non-allowable expenditure	0.7	1.1	0.7
Rate change adjustment deferred	–	(4.3)	–
Secondary Tax on Companies	6.3	4.0	4.4
Capital gains	1.0	0.9	4.7
Prior years	(1.5)	(1.6)	1.8
Effective rate of tax	27.0%	25.1%	15.1%

Normal tax losses of R54 million (2005: R472 million) have been utilised to reduce deferred tax. No deferred tax asset has been raised in respect of the tax losses of foreign subsidiaries that may not be utilised in the short term or may expire in terms of applicable tax legislation.

R'million	2006	2005	2004
19. HEADLINE EARNINGS (Note 20)			
Profit attributable to shareholders	723	472	220
Less: After-tax effect of:			
Exceptional capital items (Note 16)	(20)	(5)	(11)
Surplus on disposal of plant and equipment	–	(1)	(3)
Headline earnings	703	466	206
Headline earnings per share (cents):			
Basic	666.4	452.4	202.5
Diluted	649.4	441.5	200.4

20. EARNINGS PER SHARE

Earnings per share are calculated using the weighted average number of ordinary shares in issue during the year. In the case of basic earnings per share the weighted average number of shares in issue during the year is 105 496 879 (2005: 103 017 561). In respect of diluted earnings per share the weighted average number of shares is 108 260 821 (2005: 105 552 404).

21. DIVIDENDS

Paid:

Final for previous year, paid 23 March 2006 – 280 cents (2005: 120 cents)	294	123	81
Interim for current year, paid 31 August 2006 – 200 cents (2005: 120 cents)	212	124	51
Total	506	247	132

The final dividend for the year ended 31 December 2006 of 350 cents per share declared on 16 February 2007 and payable on 22 March 2007 has not been accrued.

22. FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist primarily of cash deposits with banks, unlisted investments, derivatives, accounts receivable and payable and loans to and from associates and others. Financial instruments are carried at fair value or amounts that approximate fair value.

In the normal course of its operations, the Group is, *inter alia*, exposed to credit, foreign currency, interest, liquidity and commodity price risk. In order to manage these risks, the Group may enter into transactions, which make use of derivatives. They include forward exchange contracts ("FEC's") and options, interest rate swaps and commodity futures and options. Separate committees are used to manage the risks and the hedging activities of the Group. The Group does not speculate in or engage in the trading of derivative instruments. Since the Group utilises derivative instruments for risk management, market risk relating to derivative instruments will be offset by changes in the valuation of the underlying assets, liabilities or transactions being hedged.

CREDIT RISK

The Group's financial instruments do not represent a concentration of credit risk because the Group deals with a variety of major banks, and its accounts receivable and loans are spread among a number of major industries, customers and geographic areas. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. In addition, appropriate credit committees review significant credit transactions before consummation. Where considered appropriate, use is made of credit guarantee insurance. A suitable provision is made for doubtful debts. Financial guarantee contracts are accounted for as insurance arrangements.

FOREIGN CURRENCY RISK

In the normal course of business, the Group enters into transactions denominated in foreign currencies. As a result, the Group is subject to transaction and translation exposure from fluctuations in foreign currency exchange rates. The Group uses a variety of instruments to minimise foreign currency exchange rate risk in terms of its risk management policy. In principle it is the Group's policy to cover its foreign currency exposure in respect of liabilities and purchase commitments and an appropriate portion of its foreign currency exposure on receivables. There were no speculative positions in foreign currencies at year-end. All foreign exchange contracts are supported by underlying transactions. The Group is not reliant on imported raw materials to any significant extent.

The Group's forward exchange contracts that constitute designated hedges of currency risk at year-end are summarised as follows:

R'million	Average contract rate	Commitment	2006 Fair value of FEC	2005 Fair value of FEC	2004 Fair value of FEC
<i>Imports</i>					
US dollars	7.03	37	(2)	(1)	–
Euro	9.22	18	–	–	–
Australian dollars	5.75	5	–	–	–
UK pounds	13.70	2	–	–	–
		62	(2)	(1)	–
<i>Exports</i>					
US dollars	7.10	378	10	7	28
Euro	9.22	43	1		
UK pounds	13.73	6			–
Australian dollars	5.61	5			–
		432	11	7	28
<i>Loan capital payments and interest</i>					
US dollars				(7)	(36)
Net total		494	9	(1)	(8)

The hedges in respect of imports and exports are expected to mature within approximately one year.

The fair value is the estimated amount that the Group would pay or receive to terminate the forward exchange contracts in arm's length transactions at the balance sheet date.

The Group's forward exchange contracts that do not constitute designated hedges of currency risk at year end are summarised as follows:

R'million	Average contract rate	Commitment	2006 Fair value of FEC	2005 Fair value of FEC	2004 Fair value of FEC
<i>Imports</i>					
US dollars	7.12	3			(1)
Euro	9.30	5			
		8	–	–	(1)
<i>Exports</i>					
US dollars	7.00	312	6	–	5
<i>Loan capital payments and interest</i>					
US dollars	7.00	85	1		–
Net total		405	7	–	4

Although not designated as a hedge for accounting purposes, the forward exchange contracts represent cover of existing foreign currency exposure. The forward exchange contracts in respect of the capital payments and interest on the loan will mature during 2007 and 2008.

The Group has the following uncovered foreign receivables:

R'million	Foreign amount (million)	2006	2005	2004
US dollars	6	45	8	90
UK pounds		6	4	7
Euro	1	5	–	8
Mozambique metical	–	–	–	17
Australian dollars	–	–	–	5
		56	12	127

Commodity price risk

Commodity price risk arises from the risk of an adverse effect on current or future earnings resulting from fluctuations in the prices of commodities. To hedge prices for the Group's substantial commodity requirements, commodity futures and options are used, including fixed and spot-defined forward sales contracts and call and put options.

Tongaat-Hulett Sugar secures the premium on refined sugar exports from fluctuating international prices by using commodity futures.

African Products has secured its maize requirements for the current maize season to 31 May 2007 and a significant portion of its requirements for the year ending 31 May 2008 by means of unpriced procurement contracts and futures.

Hulett Aluminium purchases its aluminium raw material at prices that fluctuate with movements in the London Metal Exchange price for aluminium and the Rand/US Dollar exchange rate. The exposure to movements in the price of aluminium arising from the timing of sales and purchases contracts is hedged by entering into futures contracts.

At the year-end the commodity futures contracts were:

R'million	Tons	Contract	2006 Fair value	2005 Fair value	2004 Fair value
Futures – hedge accounted:					
Raw sugar futures purchased	64 950	121	1	8	3
Raw sugar futures sold	58 222	148	1	(9)	(9)
Maize futures purchased	19 500	29	(4)	1	(1)
Maize futures sold	40 300	53	(1)	18	
Aluminium futures purchased	10 838	200	13	7	
			10	25	(7)
Futures – not hedge accounted:					
Aluminium futures sold	9 000	169	(9)		
Embedded derivatives:					
Sales orders not yet fulfilled				(1)	(5)

Interest rate risk

The Group is exposed to interest rate risk on its fixed rate loan liabilities and accounts receivable and payable, which can impact on the fair value of these instruments. The Group is exposed to interest rate cash flow risk in respect of its variable rate loans and short-term cash investments, which can impact on the cash flows of these instruments. The exposure to interest rate risk is managed using derivatives, where it is considered appropriate, and through the Group cash management system, which enables the Group to maximise returns while minimising risks.

Liquidity risk

The Group manages its liquidity risk by monitoring forecast cash flows on a weekly basis. The Group has unutilised committed banking facilities of R1.0 billion (2005: R1.3 billion).

23. PRINCIPAL SUBSIDIARY COMPANIES AND JOINT VENTURES

R'million	Interest of holding company					
		Shares		Indebtedness		
	2006	2005	2004	2006	2005	2004
African Products (Proprietary) Limited	15	15	15	(15)	(15)	(15)
Hulett Aluminium (Proprietary) Limited (50%)*	297	7	7	840	646	582
Hulett Hydro Extrusions (Proprietary) Limited (35%)	-	-	-	-	-	-
Moreland Estates (Proprietary) Limited	-	-	-	(16)	(223)	(113)
Tongaat-Hulett Sugar Limited	487	487	451	215	164	94
Tambankulu Estates Limited (Swaziland)	-	-	-	-	-	-
Acucareira de Mocambique, SARL (Mozambique) (75%)	-	-	-	-	-	-
Triangle Sugar Corporation Limited (Zimbabwe) †	-	-	-	-	-	-
Hippo Valley Estates Limited (Zimbabwe) (50.35%) †	-	-	-	-	-	-
The Tongaat Group Limited	54	54	54	(43)	(47)	(24)
	853	563	527	981	525	524

* Joint venture.

† Not consolidated, accounted for as an investment.

Except where otherwise indicated, effective participation is 100%.

A full list of all subsidiaries and joint ventures is available from the group secretary on request.

R'million	2006	2005	2004
Guarantees in respect of obligations of the Group and third parties	57	30	21
Contingent liabilities	22	14	13
	79	44	34

24. GUARANTEES AND CONTINGENT LIABILITIES

R'million	2006	2005	2004
25. LEASES			
Amounts payable under finance leases			
Minimum lease payments due:			
Not later than one year	1	1	2
Later than one year and not later than five years	2	2	2
Later than five years	1	1	1
	4	4	5
<i>Less:</i> Future finance charges	(1)	(1)	(1)
Present value of lease obligations	3	3	4
Payable:			
Not later than one year	1	1	1
Later than one year and not later than five years	2	2	2
Later than five years	–	–	1
	3	3	4
Operating lease commitments, amounts due:			
Not later than one year	13	12	12
Later than one year and not later than five years	29	27	45
Later than five years	3	–	–
	45	39	57
<i>In respect of:</i>			
Property	28	25	42
Plant and machinery	11	9	6
Other	6	5	9
	45	39	57

26. CAPITAL EXPENDITURE COMMITMENTS

Contracted	169	112	52
Approved but not contracted	640	187	86
	809	299	138

On 1 December 2006, the Board approved a R1.3 billion expansion of the sugar milling and cane growing activities at the Xinavane and Mafambisse sugar mills in Mozambique. The Xinavane project is subject to a favourable outcome to the Environmental Impact Assessment process currently underway.

Funds to meet this future capital expenditure will be provided from retained net cash flows and financing activities.

27. RETIREMENT BENEFITS

Pension and Provident Fund Schemes

The Group contributes towards retirement benefits for substantially all permanent employees who, depending on preference or local legislation, are required to be a member of either a Group-implemented scheme or of various designated industry or state schemes. The Group schemes are governed by the relevant retirement fund legislation. Their assets consist primarily of listed shares, fixed income securities, property investments and money market instruments and are held separately from those of the Group. The scheme assets are administered by boards of trustees, each of which includes elected employee representatives.

Defined Contribution Pension and Provident Schemes

There are three Group defined contribution schemes, one of which is located in Swaziland. The latest audited financial statements of these schemes all reflect a satisfactory state of affairs. Contributions of R16 million were expensed during the year (2005: R16 million).

Defined Benefit Pension Scheme

There is one defined benefit scheme (The Tongaat-Hulett Pension Fund) for employees including those of the Hulett Aluminium Joint Venture. The Fund is actuarially valued at intervals of not more than three years using the projected unit credit method. In the statutory actuarial valuation of the scheme at 31 December 2001 the Fund was certified by the reporting actuary to be in a sound financial position. With effect from 7 December 2001 the Pension Funds Second Amendment Act was promulgated. This Act requires the Fund to submit a plan for the apportionment on a fair basis to the employer and past and current members of the Fund of the actuarial surplus at 31 December 2001. The apportionment plan must be approved by the Financial Services Board ("FSB"). Whilst the valuation of the Fund at 31 December 2001 and the apportionment plan have been completed and submitted to the FSB, they have not yet been approved. Accordingly, due to the uncertainty regarding apportionment, no surplus has been recognised on the Group's balance sheet. An actuarial valuation of liabilities, based on the existing benefits carried out at 31 December 2006 in accordance with IAS 19 showed the present value of obligations to be adequately covered by the fair value of the scheme assets.

R'million	2006	2005	2004
Details of the valuation of the Fund (100%) are as follows:			
Fair value of plan assets			
Balance at beginning of year	4 554	3 602	3 061
Expected return on scheme assets	348	283	300
Employer contributions	39	37	40
Members contributions	31	30	27
Benefits paid	(181)	(179)	(182)
Net member transfers	(9)	(13)	(3)
Actuarial gain	1 163	794	359
Balance at end of year	5 945	4 554	3 602
Present value of defined benefit obligation			
Balance at beginning of year	3 465	3 109	2 786
Current service cost	81	72	64
Interest cost	265	245	274
Members' contributions	31	30	27
Benefits paid	(181)	(179)	(182)
Net member transfers	(9)	(13)	(3)
Actuarial loss	550	201	143
Balance at end of year	4 202	3 465	3 109
Fair value of scheme assets	5 945	4 554	3 602
Present value of obligation	(4 202)	(3 465)	(3 109)
Fund assets <i>less</i> member liabilities, before reserves	1 743	1 089	493
Asset information			
Equities	4 624	3 512	2 703
Fixed interest bonds	804	684	580
Property	8	8	8
Cash	509	350	311
	5 945	4 554	3 602
Included in the assets of the scheme are ordinary shares held in The Tongaat-Hulett Group Limited, stated at fair value	212	125	85
Actual return on scheme assets	1 511	1 077	367
The principal actuarial assumptions are:			
Discount rate	8.00%	7.75%	8.00%
Salary increase	5.25%	4.75%	5.00%
Pension increase	4.25%	3.75%	4.00%
Expected rate of return on assets	8.00%	7.75%	8.00%
Experience gains/(losses) on:			
Plan liabilities	(429)	(198)	50
Percentage of the present value of the plan liabilities	10.2%	5.7%	(1.6%)
Plan assets	1 163	794	359
Percentage of plan assets	19.6%	17.4%	10.0%
Estimated contributions payable in the next financial year	43	39	37

Basis used to determine the rate of return on assets

The rate of return on assets is based on the annualised yield on the R186 Government bond together with an allowance for the risk premium that one could reasonably expect on investing in a corporate bond compared to a Government bond.

Post-Retirement Medical Aid Benefits

The obligation of the Group to pay medical aid contributions after retirement is no longer part of the conditions of employment for employees engaged after 30 June 1996. A number of pensioners and current employees, however, remain entitled to this benefit. The entitlement to this benefit for current employees is dependent upon the employee remaining in service until retirement and completing a minimum service period of ten years. The unfunded liability for post-retirement medical aid benefits is determined actuarially each year and comprises:

R'million	2006	2005	2004
Amounts recognised in the balance sheet:			
Present value of unfunded obligations	277	249	239
Unrecognised actuarial losses	(36)	(19)	(18)
Net liability in balance sheet	241	230	221
The liability is reconciled as follows:			
Net liability at beginning of year	230	221	211
Net expense recognised in income statement	27	25	26
Contributions	(16)	(16)	(16)
Net liability at end of year	241	230	221
Amounts recognised in the income statement:			
Service costs	3	4	3
Interest costs	19	19	21
Net actuarial losses recognised	5	2	2
	27	25	26
The principal actuarial assumptions applied are:			
Discount rate	8.00%	7.75%	8.0%
Healthcare cost inflation rate	5.25%	4.75%	5.0%
Sensitivity of healthcare cost trend rates			
1% increase in trend rate – effect on the aggregate of the service and interest costs	4	3	n/a
1% increase in trend rate – effect on the obligation	34	31	n/a
1% decrease in trend rate – effect on the aggregate of the service and interest costs	4	3	n/a
1% decrease in trend rate – effect on the obligation	29	26	n/a
Estimated contributions payable in the next financial year	17	16	n/a
Experience losses on plan liabilities	22	4	n/a
Percentage of the present value of the plan liabilities	7.94%	1.61%	n/a

Retirement Gratuities

The Group has in the past made payments, on retirement, to eligible employees who have remained in service until retirement and have completed a minimum service period of ten years. The unfunded liability for retirement gratuities which is determined actuarially each year comprises:

R'million	2006	2005	2004
Amounts recognised in the balance sheet:			
Present value of unfunded obligations	59	50	45
Unrecognised actuarial (losses)/gains	(4)	2	4
Net liability in balance sheet	55	52	49
The liability is reconciled as follows:			
Net liability at beginning of year	52	49	46
Net expense recognised in income statement	7	6	7
Payments made	(4)	(3)	(4)
Net liability at end of year	55	52	49
Amounts recognised in the income statement:			
Service costs	3	2	3
Interest costs	4	4	5
Net actuarial gains recognised	–	–	(1)
	7	6	7
The principal actuarial assumptions applied are:			
Discount rate	8.00%	7.75%	8.0%
Salary inflation rate	5.25%	4.75%	5.0%
Estimated contributions payable in the next financial year	5	5	n/a
Experience losses on plan liabilities	7	2	n/a
Percentage of the present value of the plan liabilities	11.86%	4.00%	n/a

28. DIRECTORS REMUNERATION AND INTERESTS

Directors' remuneration

The directors' remuneration for the year ended 31 December 2006 was as follows:

R'000					
Director	Cash package	Bonus#	Retirement and medical contributions	Share option gains	Total
Executive					
Dunlop B G	2 168	1 010	256	7 506	10 940
Fourie A	2 043	882	234	2 408	5 567
Hibbert G R	1 752	824	203	2 957	5 736
Kruger G P N	2 009	629	252	4 380	7 270
Munro M H	1 810	869	216	820	3 715
Saunders S J	2 010	907	235		3 152
Serfontein M	1 618	746	190	2 486	5 040
Staupe P H	3 718	1 785	397	6 257	12 157
	17 128	7 652	1 983	26 814	53 577

Bonuses are reported to match the amount payable to the applicable financial year.

The directors' remuneration for the year ended 31 December 2005 was as follows:

R'000					
Director	Cash package	Bonus#	Retirement and medical contributions	Share option gains	Total
Executive					
Dunlop B G	2 036	975	229	144	3 384
Fourie A	1 883	825	222	–	2 930
Hibbert G R	1 615	761	194	96	2 666
Kruger G P N	1 886	775	229	86	2 976
Munro M H	1 616	784	195	–	2 595
Saunders S J	1 888	878	221	126	3 113
Serfontein M	1 520	722	175	478	2 895
Staude P H	3 475	1 685	372	96	5 628
	15 919	7 405	1 837	1 026	26 187

Bonuses are reported to match the amount payable to the applicable financial year.

R'000	2006			2005		
Director	Fees	Other	Total	Fees	Other	Total
Non-executive						
Barber D D	135	–	135	115	–	115
Baum P M	135	125	260	115	69	184
Botha I	135	142	277	115	84	199
Boyd L	135	178	313	115	138	253
Bradley E le R	135	233	368	115	165	280
Davison B E	135	–	135	115	–	115
King M W	135	142	277	115	108	223
Magwaza J B	135	140	275	115	1 936*	2 051
Mia M	135	123	258	115	105	220
Nyasulu T H	135	32	167	115	96	211
Savage C M L	500	267	767	230	628	858
Stevens R H J	135	110	245	115	100	215
Thompson A M	135	72	207	115	–	115
	2 120	1 564	3 684	1 610	3 429	5 039

* Includes share option gain on the exercise of options awarded when he was an executive director.

Declaration of full disclosure

Other than that disclosed above, no consideration was paid to, or by any third party, or by the company itself, in respect of services of the company's directors, as directors of the company, during the year ended 31 December 2006.

Interest of directors of the company in share capital

The aggregate holdings at 31 December 2006 of those directors of the company holding issued ordinary shares of the company are detailed below. Holdings are beneficial except where indicated otherwise.

R'000	2006		2005	
	Direct shares	Indirect shares	Direct shares	Indirect shares
Director				
Executive				
Dunlop B G	7 394	–	4 210	–
Fourie A	11 007	–	8 314	–
Hibbert G R	7 356	–	24 872	–
Kruger G P N	6 589	–	4 057	–
Munro M H	6 263	–	3 704	–
Saunders S J	12 849	761 632	9 982	761 632
Saunders S J (non-beneficial)	–	487 376	–	487 376
Serfontein M	8 498	8 000	6 141	8 000
Staude P H	40 085	–	32 930	–
	100 041	1 257 008	94 210	1 257 008
Non-executive				
Boyd L	500	–	500	–
Bradley E le R +	–	99 316	–	99 316
Bradley E le R (non-beneficial) +	–	25 809	–	25 809
Magwaza J B	5 760	–	5 760	–
Savage C M L	24 003	73 225	24 003	73 225
Stevens R H J	618	–	618	–
	30 881	198 350	30 881	198 350

+ Reclassified.

29. EMPLOYEE SHARE INCENTIVE SCHEME

The adoption of IFRS 2: Share-based Payment, in 2005 required that all awards made after 7 November 2002 be accounted for in the financial statements of the company and the Group. IFRS 2 has therefore been applied to The Tongaat-Hulett Group Limited 2001 Share Option Scheme in respect of the awards made on 14 April 2003, 1 October 2003 and 21 April 2004 and to the share incentive scheme comprising the Share Appreciation Right Scheme 2005 (“SARS”), the Long-Term Incentive Plan 2005 (“LTIP”) and the Deferred Bonus Plan 2005 (“DBP”).

Details of awards in terms of the company’s share incentive schemes are as follows:

The Tongaat-Hulett Employees Share Incentive Scheme and the Tongaat-Hulett Group Limited 2001 Share Option Scheme (the Original Share Option Schemes)

Under the original share option schemes, participating employees were awarded share options in the company. On vesting, the employee is entitled to purchase shares in the company and immediately sell the shares at the market price, thereby benefiting from the appreciation in the share price.

Option price (Rand)	Expiring ten years from	Number of options at 31 December 2005	Options exercised in 2006	Options forfeited in 2006	Number of options at 31 December 2006	Options time constrained
33.25	4 November 1998	105 000	83 000	–	22 000	–
32.90	5 March 1999	733 200	489 200	–	244 000	–
40.10	7 May 1999	361 800	192 940	–	168 860	–
30.00	19 May 2000	122 000	88 200	–	33 800	–
29.40	26 July 2000	11 800	10 300	–	1 500	–
39.85	12 January 2001	108 500	71 800	–	36 700	–
40.00	16 May 2001	785 283	470 383	7 000	307 900	–
42.00	15 August 2001	55 000	51 500	–	3 500	–
49.60	13 May 2002	1 071 350	571 300	8 700	491 350	–
31.90	14 April 2003	1 107 500	432 500	20 500	654 500	353 310
34.50	1 October 2003	45 000	10 500	–	34 500	13 500
47.00	21 April 2004	1 192 800	224 000	25 600	943 200	692 760
		5 699 233	2 695 623	61 800	2 941 810	1 059 570

The weighted average fair value costing of share options granted in 2003 and 2004, determined using the binomial tree valuation model, was R11.12 per share and R15.28 per share, respectively.

No awards were made in 2006 (2005: nil) under the original share option schemes.

The significant inputs into the model for the 2003/4 awards of the original share option schemes were:

Share price at grant date	The share price at grant date is the share price at the date on which the share option is issued, as noted above.
Exercise price	The exercise price is the share price at grant date, as noted above.
Expected option life	114 months (assume contractual plus a leaving percentage of 5%).
Risk free interest rate	9.02%.
Expected volatility	Expected volatility of 35% is based on historical volatility determined by the statistical analysis of daily share price movements over the past three years.
Expected dividends	The measurement of the fair value of the share option did not take into account dividends, as no dividend payment was expected. A continuous dividend yield of 3.9% was used.
Weighted average share price	R40.40.
Expected early exercise	Early exercise is taken into account on an expectation basis.
Performance (vesting) conditions	There are no performance (vesting) conditions, other than the passage of time.
Non-market performance conditions	No non-market conditions.
Market performance conditions	No market conditions.
Weighted average remaining life:	
– Expected	67 months or five years (2005 – 73 months or six years).
– Contractual	120 months or 10 years.

Share Appreciation Rights Scheme 2005

Under the share appreciation right scheme, participating employees are awarded the right to receive shares equal to the difference between the exercise price and the grant price, less income tax payable on such difference. The employee therefore participates in the after-tax share price appreciation in the company. The vesting of the right is conditional on the achievement of Group performance levels over a performance period.

Grant price (Rand)	Expiring seven years from	Number of rights at 31 December 2005	Rights granted in 2006	Rights forfeited in 2006	Number of rights at 31 December 2006
57.58	10 May 2005	1 372 162	–	29 294	1 342 868
96.09	25 April 2006	–	1 341 102	29 376	1 311 726
		1 372 162	1 341 102	58 670	2 654 594

The estimated fair value costing of these share appreciation rights was determined using the binomial tree valuation model and non-market performance conditions, based on the following significant inputs:

Share price at grant date	The price at which the share appreciation right is issued, as noted above.
Exercise price	The share price at grant date, as noted above.
Expected option life	80 months (assume contractual plus a leaving percentage of 5%).
Risk free interest rate	2006 award: 7.22% (2005 award: 8.09%).
Expected volatility	Expected volatility of 35% is based on historical volatility determined by the statistical analysis of daily share price movements over the past three years.
Expected dividends	The measurement of the fair value of the share appreciation rights did not take into account dividends, as no dividend payment was expected. A continuous dividend yield of 4.0% was used for the 2006 award (2005 award: 3.9%).
Weighted average share price	2006 award: R96.09 (2005 award: R57.58).

Expected early exercise	Early exercise is taken into account on an expectation basis.
Time constraints	Three years from grant date.
Performance (vesting) conditions	An increase in headline earnings per ordinary share as determined by the Remuneration Committee. Re-testing of the performance condition is allowed.
Non-market performance conditions	Growth in headline earnings per share.
Market performance conditions	No market conditions.
Estimated fair value per right	2006 award: R18.11 (2005 award: R13.88).
Weighted average remaining life:	
– Expected	2006 award: 76 months or six years (2005 award: 64 months or five years).
– Contractual	84 months or seven years.

Long-Term Incentive Plan 2005

Under the long-term incentive plan, participating employees are granted conditional awards. These awards are converted into shares on the achievement of performance conditions over a performance period.

Issue price (Rand)	Expiring three years from	Number of conditional awards at 31 December 2005	Conditional awards granted in 2006	Conditional awards forfeited in 2006	Number of conditional awards at 31 December 2006
57.58	10 May 2005	343 122	–	6 397	336 725
96.09	25 April 2006	–	183 218	918	182 300
		343 122	183 218	7 315	519 025

The estimated fair value costing of these conditional share awards was determined using the Monte Carlo Simulation model and non-market performance conditions, based on the following significant inputs:

Share price at grant date	The price at which the conditional share award is issued, as noted above.
Exercise price	The share price at grant date, as noted above.
Expected option life	34 months (assume contractual plus a leaving percentage of 5%).
Risk free interest rate	2006 award: 7.01% (2005 award: 7.44%).
Expected volatility	Expected volatility of 25.60% for the 2006 award (2005 award: 27.02%) is based on historical volatility determined by the statistical analysis of daily share price movements over the past three years.
Expected dividends	The measurement of the fair value of the conditional share awards did not take into account dividends, as no dividend payment was expected. A continuous dividend yield of 3.8% was used for the 2006 award (2005 award: 3.9%).
Weighted average share price	2006 award: R96.09 (2005 award: R57.58).
Expected early exercise	Early exercise is taken into account on an expectation basis.
Time constraints	Two years from issue date.
Performance (vesting) conditions	50% of the LTIP award will be subject to the TSR condition and 50% will be subject to the ROCE condition. No retesting of the performance condition is allowed.
Non-market performance conditions	Return on capital employed (ROCE).
Market performance conditions	Total shareholder return (TSR).
Estimated fair value per conditional award	2006 award: R39.78 (2005 award: R24.96).
Weighted average remaining life:	
– Expected	2006 award: 28 months or two years (2005 award: 16 months or one year).
– Contractual	36 months or three years.

Deferred Bonus Plan 2005

Under the deferred bonus plan, participating employees purchase shares in the company with a portion of their after tax bonus. These pledged shares are held in trust by a third party administrator for a qualifying period, after which the company awards the employee a number of shares in the company which matches those pledged shares released from the trust.

Issue price (Rand)	Expiring three years from	Number of conditional awards at 31 December 2005	Conditional awards granted in 2006	Conditional awards forfeited in 2006	Number of conditional awards at 31 December 2006
57.76	4 May 2005	35 094	–	–	35 094
91.86	3 March 2006	–	25 831	–	25 831
		35 094	25 831	–	60 925

The estimated fair value costing of these deferred bonus share awards was based on the following significant inputs:

Share price at grant date	The price at which the deferred bonus share is issued, as noted above.
Exercise price	The share price at grant date, as noted above.
Expected option life	34 months (assume contractual plus a leaving percentage of 5%).
Risk-free interest rate	Not applicable.
Expected volatility	Not applicable.
Expected dividends	The measurement of the fair value of the deferred bonus shares did not take into account dividends, as no dividend payment was expected.
Weighted average share price	2006 award: R91.86 (2005 award: R57.76).
Expected early exercise	Early exercise is taken into account on an expectation basis.
Time constraints	Two years from issue date.
Performance (vesting) conditions	There are no performance (vesting) conditions other than the passage of time.
Non-market performance conditions	No non-market conditions.
Market performance conditions	No market conditions.
Estimated fair value per deferred bonus share	2006 award: R72.47 (2005 award: R50.00).
Weighted average remaining life:	
– Expected	2006 award: 26 months or two years (2005 award: 16 months or one year).
– Contractual	36 months or three years.

The deferred bonus shares were purchased by the participating employees on 2 March 2006 in respect of the 2006 award (2005 award: purchased over the period from 4 May 2005 to 10 May 2005).

Interest of directors of the company in share-based instruments

The interest of the directors in share options of the company is shown in the table below:

The Original Share Option Scheme

Director	Option price (Rand)	Expiring ten years from	Number of options at 31 December 2005	Options exercised in 2006	Number of options at 31 December 2006	Options time constrained
Executive						
B G Dunlop	33.25	4 November 1998	8 000	8 000	–	–
	32.90	5 March 1999	39 000	39 000	–	–
	40.10	7 May 1999	14 000	14 000	–	–
	30.00	19 May 2000	7 000	7 000	–	–
	39.85	12 January 2001	9 000	9 000	–	–
	40.00	16 May 2001	30 000	30 000	–	–
	49.60	13 May 2002	25 000	18 000	7 000	–
	31.90	14 April 2003	24 400	15 000	9 400	7 320
	47.00	21 April 2004	3 600	–	3 600	2 160
			160 000	140 000	20 000	9 480
A Fourie	33.25	4 November 1998	4 000	4 000	–	–
	32.90	5 March 1999	18 000	18 000	–	–
	40.10	7 May 1999	5 200	5 200	–	–
	30.00	19 May 2000	4 000	4 000	–	–
	39.85	12 January 2001	2 400	2 400	–	–
	40.00	16 May 2001	10 000	–	10 000	–
	49.60	13 May 2002	35 000	–	35 000	–
	31.90	14 April 2003	40 000	7 400	32 600	12 000
47.00	21 April 2004	30 000	–	30 000	18 000	
			148 600	41 000	107 600	30 000
G R Hibbert	33.25	4 November 1998	8 000	8 000	–	–
	32.90	5 March 1999	40 000	40 000	–	–
	40.10	7 May 1999	9 000	–	9 000	–
	30.00	19 May 2000	4 000	–	4 000	–
	39.85	12 January 2001	5 000	–	5 000	–
	40.00	16 May 2001	15 000	–	15 000	–
	49.60	13 May 2002	15 000	–	15 000	–
	31.90	14 April 2003	15 000	–	15 000	4 500
	47.00	21 April 2004	25 000	–	25 000	15 000
			136 000	48 000	88 000	19 500
G P N Kruger	33.25	4 November 1998	8 000	8 000	–	–
	32.90	5 March 1999	43 000	43 000	–	–
	40.10	7 May 1999	14 000	–	14 000	–
	30.00	19 May 2000	4 000	4 000	–	–
	39.85	12 January 2001	5 000	5 000	–	–
	40.00	16 May 2001	20 000	–	20 000	–
	49.60	13 May 2002	25 000	–	25 000	–
	31.90	14 April 2003	20 000	14 000	6 000	6 000
	47.00	21 April 2004	10 000	–	10 000	6 000
			149 000	74 000	75 000	12 000

Director	Option price (Rand)	Expiring ten years from	Number of options at 31 December 2005	Options exercised in 2006	Number of options at 31 December 2006	Options time constrained
Executive						
M H Munro	33.25	4 November 1998	4 000	–	4 000	–
	32.90	5 March 1999	14 000	14 000	–	–
	40.10	7 May 1999	5 800	–	5 800	–
	30.00	19 May 2000	3 800	–	3 800	–
	39.85	12 January 2001	2 400	–	2 400	–
	40.00	16 May 2001	9 000	–	9 000	–
	49.60	13 May 2002	11 500	–	11 500	–
	31.90	14 April 2003	12 400	–	12 400	3 720
	34.50	1 October 2003	30 000	–	30 000	9 000
47.00	21 April 2004	32 000	–	32 000	19 200	
			124 900	14 000	110 900	31 920
S J Saunders	33.25	4 November 1998	8 000	–	8 000	–
	32.90	5 March 1999	30 000	–	30 000	–
	40.10	7 May 1999	14 000	–	14 000	–
	30.00	19 May 2000	5 000	–	5 000	–
	39.85	12 January 2001	5 000	–	5 000	–
	40.00	16 May 2001	18 000	–	18 000	–
	49.60	13 May 2002	18 000	–	18 000	–
	31.90	14 April 2003	18 000	–	18 000	5 400
	47.00	21 April 2004	18 000	–	18 000	10 800
			134 000	–	134 000	16 200
M Serfontein	32.90	5 March 1999	19 000	19 000	–	–
	40.10	7 May 1999	10 000	10 000	–	–
	30.00	19 May 2000	5 000	5 000	–	–
	39.85	12 January 2001	5 000	5 000	–	–
	40.00	16 May 2001	15 000	5 000	10 000	–
	49.60	13 May 2002	15 000	–	15 000	–
	31.90	14 April 2003	20 000	–	20 000	6 000
	47.00	21 April 2004	14 000	–	14 000	8 400
			103 000	44 000	59 000	14 400
P H Staude	33.25	4 November 1998	10 000	10 000	–	–
	32.90	5 March 1999	49 000	49 000	–	–
	40.10	7 May 1999	14 000	14 000	–	–
	30.00	19 May 2000	7 000	7 000	–	–
	39.85	12 January 2001	9 000	9 000	–	–
	40.00	16 May 2001	30 000	20 000	10 000	–
	49.60	13 May 2002	65 000	–	65 000	–
	31.90	14 April 2003	30 000	–	30 000	9 000
	47.00	21 April 2004	28 000	–	28 000	16 800
			242 000	109 000	133 000	25 800
Non-executive *						
J B Magwaza	30.00	19 May 2000	2 000	–	2 000	–
	39.85	12 January 2001	1 600	–	1 600	–
	40.00	16 May 2001	6 000	–	6 000	–
	49.60	13 May 2002	6 000	–	6 000	–
			15 600	–	15 600	–
C M L Savage	32.90	5 March 1999	60 000	–	60 000	–
	40.10	7 May 1999	50 000	–	50 000	–
	39.85	12 January 2001	8 000	–	8 000	–
	40.00	16 May 2001	22 000	–	22 000	–
			140 000	–	140 000	–
Total			1 353 100	470 000	883 100	159 300

* The non-executive directors' share options were awarded when they were executive directors.

Share Appreciation Rights Scheme 2005

Name of executive director	Number of rights at 31 December 2005	Rights granted in 2006	Number of rights at 31 December 2006	Rights time constrained
Grant price (Rand)	57.58	96.09		
Expiring seven years from	10 May 2005	25 April 2006		
B G Dunlop	40 597	23 737	64 334	64 334
A Fourie	37 381	23 249	60 630	60 630
G R Hibbert	30 776	19 590	50 366	50 366
G P N Kruger	32 610	22 345	54 955	54 955
M H Munro	32 185	20 472	52 657	52 657
S J Saunders	31 003	21 680	52 683	52 683
M Serfontein	24 942	17 355	42 297	42 297
P H Staude	92 810	62 082	154 892	154 892
	322 304	210 510	532 814	532 814

Long-Term Incentive Plan 2005

Name of executive director	Number of conditional awards at 31 December 2005	Conditional awards granted in 2006	Number of conditional awards at 31 December 2006	Conditional awards time constrained
Issue price (Rand)	57.58	96.09		
Expiring three years from	10 May 2005	25 April 2006		
B G Dunlop	20 126	10 117	30 243	30 243
A Fourie	18 528	9 909	28 437	28 437
G R Hibbert	15 730	8 349	24 079	24 079
G P N Kruger	17 825	9 523	27 348	27 348
M H Munro	15 955	8 725	24 680	24 680
S J Saunders	17 308	9 240	26 548	26 548
M Serfontein	13 925	7 396	21 321	21 321
P H Staude	50 720	26 459	77 179	77 179
	170 117	89 718	259 835	259 835

Deferred Bonus Plan 2005

Name of executive director	Number of conditional awards at 31 December 2005	Conditional awards granted in 2006	Number of conditional awards at 31 December 2006	Conditional awards time constrained
Issue price (Rand)	57.76	91.86		
Expiring three years from	4 May 2005	3 March 2006		
B G Dunlop	4 210	3 184	7 394	7 394
A Fourie	3 314	2 693	6 007	6 007
G R Hibbert	3 310	2 484	5 794	5 794
G P N Kruger	3 852	2 532	6 384	6 384
M H Munro	3 204	2 559	5 763	5 763
S J Saunders	3 982	2 867	6 849	6 849
M Serfontein	3 141	2 357	5 498	5 498
P H Staude	10 081	7 155	17 236	17 236
	35 094	25 831	60 925	60 925

The deferred bonus shares were purchased by the participating employees on 2 March 2006 in respect of the 2006 awards (2005: awards were purchased over the period from 4 May 2005 to 10 May 2005).

PRO FORMA FINANCIAL EFFECTS OF THE TRANSACTIONS

TH pro forma financial information

The tables below sets out the unaudited *pro forma* financial effects of the Hulamin unbundling, the TH share repurchase and the TH BEE transaction on THG's audited basic EPS, diluted basic EPS, headline EPS, diluted headline EPS, NAV per share and NTAV per share, based on the audited results of THG for the financial year ended 31 December 2006. The unaudited *pro forma* financial effects are the responsibility of the THG directors and have been prepared for illustrative purposes only to provide information about how the transactions may have affected the financial position of the THG shareholders on the relevant reporting date. Due to their nature, the unaudited *pro forma* financial effects may not be a fair reflection of THG's financial position after implementation of the transactions.

TH pro forma income statement

R'million	Hulamin revalua- tion				TH	TH BEE			TH after
Note reference	Consoli- dated THG Before (1)	upon unbund- ling (2)	Hulamin unbund- ling (3)	Acceler- ated vesting (4)	share repur- chase (5)	SPV (6)	ESOP/ MSOP (7)	Trans- action costs (8)	trans- actions
Revenue	7 848		(2 738)						5 110
OPERATING PROFIT	1 020	3 348	(211)	(17)		(290)	(25)	(22)	3 803
Share of associate company's loss	(4)								(4)
Net financing costs	(23)		111		(39)	(14)			35
PROFIT BEFORE TAX	993	3 348	(100)	(17)	(39)	(304)	(25)	(22)	3 834
Tax	(269)		31	5	(45)	(31)	5		(304)
PROFIT AFTER TAX	724	3 348	(69)	(12)	(84)	(335)	(20)	(22)	3 530
Minority interest	(1)		4						3
ATTRIBUTABLE INCOME	723	3 348	(65)	(12)	(84)	(335)	(20)	(22)	3 533
HEADLINE EARNINGS ADJUSTMENT									
Fair value adjustment of Hulamin		(3 348)							(3 348)
Exceptional capital items	(20)								(20)
HEADLINE EARNINGS	703	-	(65)	(12)	(84)	(335)	(20)	(22)	165
ORDINARY SHARES									
In issue	107				(5)				102
Weighted average	105				(5)				100
Diluted	108				(5)		2		105
ATTRIBUTABLE EARNINGS PER SHARE (cents)									
Basic	685	3 174	(62)	(11)	97	(333)	(19)	(22)	3 509
Diluted	668	3 093	(60)	(11)	90	(324)	(96)	(21)	3 339
HEADLINE EARNINGS PER SHARE (cents)									
Basic	666		(62)	(11)	(55)	(333)	(19)	(22)	164
Diluted	649		(60)	(11)	(54)	(324)	(23)	(21)	156

TH pro forma balance sheet

R'million	Hulamin revalua- tion								
	Consoli- dated THG Before	upon unbund- ling	Hulamin unbund- ling	Acceler- ated vesting	TH share repur- chase	TH BEE transaction ESOP/ MSOP		Trans- action costs	TH after trans- actions
Note reference	(1)	(2)	(3)	(4)	(5)	SPV (6)	MSOP (7)	(8)	
ASSETS									
Non-current assets									
Property, plant and equipment	4 270		(1 970)						2 300
Growing crops	212								212
Long-term receivable	203								203
Goodwill	21								21
Intangible assets	14		(12)						2
Investments	320		(1)						319
Hulamin revaluation		3 348	(3 348)						
	5 040	3 348	(5 331)						3 057
Current assets									
Inventories	1 595		(494)						1 101
Trade and other receivables	1 879		(529)						1 350
Derivative instruments	33		(27)						6
Cash and cash equivalents	509		(347)		(445)	445			162
	4 016		(1 397)		(445)	445			2 619
Total assets	9 056	3 348	(6 728)	-	(445)	445	-	-	5 676
EQUITY AND LIABILITIES									
Capital and reserves									
Share capital									
– ordinary shares	107				(5)				102
Share capital									
– B ordinary shares							10		10
Share capital									
– A preferred ordinary shares						25			25
Share premium	932		(494)			814	202	(22)	1 432
Consolidated shares						(837)	(212)		(1 049)
Retained income	3 868	3 348	(4 504)	(12)	(495)	(289)	(2)	(22)	1 892
Other reserves	50		(14)	17		282			335
Shareholders' interest	4 957	3 348	(5 012)	5	(500)	(5)	(2)	(44)	2 747
Minority interests in subsidiaries	76	-	(19)	-		18		-	75
Equity	5 033	3 348	(5 031)	5	(500)	13	(2)	(44)	2 822
Non-current liabilities									
Deferred tax	1 055		(450)	(5)			61		661
Borrowings	1 223		(724)			(394)	2	44	151
Equity-settled interest bearing borrowings	-	-				826			826
Provisions	297		(49)						248
	2 575	-	(1 223)	(5)	-	432	63	44	1 886
Current liabilities									
Trade and other payables	1 388		(461)						927
Derivative instruments	16		(10)						6
Tax	44		(3)		55		(61)		35
	1 448		(474)	-	55	-	(61)		968
Total equity and liabilities	9 056	3 348	(6 728)	-	(445)	445	-	-	5 676
Net asset value per share (cents)	4 650	3 141	(4 702)	5	(346)	(5)	(2)	(43)	2 698
Net tangible asset value per share (cents)	4 637	3 141	(4 691)	5	(346)	(5)	(2)	(43)	2 696

Notes:

1. Audited consolidated financial results of THG as reported for the year ended 31 December 2006. The financial impact on the earnings of THG are illustrated as if the transactions had been implemented at the beginning of the year which ended on 31 December 2006, while the impact on the net assets of THG are shown as if the transactions had been implemented on 31 December 2006.

2. The Hulamin unbundling will take the form of a payment *in specie* by THG to its shareholders. This payment is reflected at market value in terms of the adopted practice as permitted by IFRS, and thus a revaluation is required to bring the investment of 50% in Hulamin to the derived market value of R3 842 million. The revaluation required is R3 348 million. This has been calculated assuming the following:

- a THG share price of R127.88, being the 30-day VWAP on the last practicable date for the circular;
- enterprise value split TH: Hulamin of 71.5%: 28.5%; and
- an adjustment to enterprise value for net debt.

Note that the earnings impact of the revaluation upon unbundling is only reflected in earnings per share and not in headline earnings per share.

3. Based on audited financial results of Hulamin for the year ended 31 December 2006 together with the effects of the revaluation upon unbundling per the note 2 above. The income statement effect represents the reversal of THG's attributable portion of Hulamin's earnings for the year ended 31 December 2006, including the high net finance costs in that year. The balance sheet effect represents the elimination of the attributable book value of Hulamin's net assets on the consolidated THG balance sheet at 31 December 2006 and the revaluation of the Hulamin investment as per note 2 above. Proposed changes to the taxation legislation may result in distributions to certain shareholders, who themselves do not pay tax, no longer qualifying for the STC and CGT relief provisions afforded in terms of section 46 of the Income Tax Act. This matter is under review and should it prove to be applicable then it is estimated that there may be an increase in the aggregate STC and CGT charge of approximately R40 million. This charge would have an incremental EPS effect of -38 cents per share.

4. TH's attributable portion of the accelerated IFRS 2 cost amortisation arising from the partial early vesting of some elements of the existing THG share schemes pursuant to the Hulamin unbundling. This is a once-off expense.

5. The impact of the specific *pro rata* repurchase of ordinary shares from shareholders for an amount of R500.2 million (inclusive of STC to be incurred by THG) and the consequent cancellation of the ordinary shares repurchased and a reduction in the issued share capital by 4.5 shares for every 100 shares currently in issue by way of the scheme. The income statement effect includes an incremental R28 million after-tax net finance costs which is based on a pre-tax interest rate of 7.7% on the cash disbursed.

6. The income statement cost of R335 million arising from the introduction of BEE yoMoba SPV and BEE Infrastructure SPV equity participation includes the following:

- a once-off IFRS 2 cost of R282 million derived using option pricing methodology, based on the derived subscription price. The eventual IFRS 2 cost will also include an amount (positive or negative) that is dependent upon the difference between the derived subscription price, based on the 30-day VWAP at the last practicable date and the derived share price on the date of the general meeting. This latter amount can therefore not be definitively calculated at the last practicable date and is not included in the R282 million IFRS 2 cost disclosed above. Based on a VWAP and spot price on the last practicable date of R127.88 and R137.00 this adjustment would result in an additional costs of approximately R58 million. This charge would have resulted in an incremental EPS effect of -57 cents per share;
- assumed once-off start-up and annual administration costs of R7 million and R2 million, respectively*;
- a charge of approximately R0.3 million in first year relating to the earn-in (refer sub-section 4.3 of Part III: The TH BEE transaction of Section A: The Transactions) which cost will be annually revalued based on the result of the earn-in initiatives;
- after-tax interest of R45 million earned at a pre-tax rate of 7.7% on the cash proceeds of the share subscriptions;
- funding costs at a rate of 9.2% and for an amount of R78 million on preference share finance raised by BEE yoMoba SPV and BEE Infrastructure SPV for subscriptions for shares in TH*; and
- STC of R12 million on the dividends paid on the preferred ordinary shares issued to BEE yoMoba SPV and BEE Infrastructure SPV.

The balance sheet impact includes:

- the cash inflow arising from the BEE yoMoba SPV and BEE Infrastructure SPV subscribing for equity in TH; and
- the consolidation of the BEE yoMoba SPV and BEE Infrastructure SPV debt disclosed as non-recourse equity settled interest bearing debt in TH*.

* The BEE yoMoba SPV and BEE Infrastructure SPV are required to be consolidated into TH's financial results.

7. The financial impact of the TH ESOP/TH MSOP comprises**:

- the IFRS 2 cost of the TH ESOP and TH MSOP which will be amortised over the five-year vesting period of the TH ESOP and the TH MSOP. An after-tax cost of R16 million is projected in the first year of the TH ESOP and the TH MSOP, representing one-fifth of the IFRS 2 cost of the TH ESOP and TH MSOP shares allocated to individuals at the outset of the transaction. A portion of the shares are not allocated to individuals at the outset of the TH BEE transaction. Assuming all the shares had been allocated at the outset the total annual charge would have been R30 million after tax, implying a total 'full allocated' pre-tax cost of R212 million over the five-year vesting period;
- the tax relief on the abovementioned costs is partially offset by the STC charge on the net dividends paid to the TH ESOP and the TH MSOP participants;
- the anticipated dilutionary effect on the number of shares in issue, taking into account the difference between the derived share price at grant date and the subscription price for the shares; and
- assumed once-off start-up costs of R2 million.

** The TH ESOP and TH MSOP subscription prices will only be determined post the Hulamin unbundling and the financial effects calculations are based on projections of these costs based on prevailing market conditions at the last practicable date.

8. The costs associated with the transactions have been charged to the income statement or share premium account as appropriate. A full analysis of the transaction costs is presented in Section B: General Information.

9. The NAV calculation is based on the net equity value as reflected on the balance sheet excluding minority interests. The value calculated therefore represents the NAV attributable to ordinary shareholders.

HULAMIN *PRO FORMA* FINANCIAL INFORMATION

The table below sets out the unaudited *pro forma* financial effects of the introduction of the Hulam BEE transaction on Hulam's audited basic EPS, diluted basic EPS, headline EPS, diluted headline EPS, NAV per share and NTAV per share, based on the audited results of Hulam for the financial year ended 31 December 2006. The unaudited *pro forma* financial effects are the responsibility of the Hulam directors and have been prepared for illustrative purposes only to provide information about how the transactions may have affected the financial position of the Hulam shareholders on the relevant reporting date. Due to their nature, the unaudited *pro forma* financial effects may not be a fair reflection of Hulam's financial position after implementation of the transactions.

Hulam *pro forma* income statement

R'million	Unadjusted Audited amounts incorporating the collapse of the joint venture (1)	Other transactions (2)	Before Hulam BEE transaction (3)	Hulam BEE transaction (4)	Adjusted <i>Pro Forma</i> Group
Revenue	5 476		5 476		5 476
Operating profit	422	(5)	417	(164)	253
Share of associate company's loss					
Finance costs	(222)	155	(67)		(67)
Profit before income tax	200	150	350	(164)	186
Income tax relief/(paid)	(62)	(43)	(105)	3	(102)
Profit after tax	138	107	245	(161)	84
Minority interest	7		7		7
Attributable income	131	107	238	(161)	77
ORDINARY SHARES					
- Issued	111	102	213		213
- Weighted average number of shares	100	102	202		202
- Diluted average number of shares	100	104	204	3	207
EARNINGS PER SHARE (cents)					
Basic	131	(14)	117	(79)	38
Diluted	131	(15)	116	(79)	37
HEADLINE EARNINGS PER SHARE (cents)					
Basic	131	(14)	117	(79)	38
Diluted	131	(15)	116	(79)	37

Hulamin pro forma balance sheet

R'million	Unadjusted Audited figures incorporating the collapse of the joint venture (1)	Other transactions (2)	Before Hulamin BEE transaction (3)	Hulamin BEE transaction (4)	After Hulamin BEE transaction
ASSETS					
Non-current assets					
Property, plant and equipment	3 939		3 939		3 939
Intangible assets	23		23		23
Investments in associates	2		2		2
Subsidiaries and joint ventures					
	3 964		3 964		3 964
Current assets					
Inventories	989		989		989
Trade and other receivables	1 050		1 050		1 050
Cash and cash equivalents	64		64	40	104
Derivative financial instruments	68		68		68
Income tax pre-paid					
	2 171		2 171	40	2 211
Total assets	6 135		6 135	40	6 175
EQUITY					
Capital and reserves					
Share capital	11	10	21	4	25
Share premium	978	(10)	968	112	1 080
Consolidation shares				(116)	(116)
BEE reserve				152	152
Share-based payment reserve				40	40
Hedging reserve	8		8		8
Distributable reserves	2 312	(4)	2 308	(152)	2 156
Realised capital surpluses					
Retained earnings	2 312	(4)	2 308	(152)	2 156
Shareholders' interest	3 309	(4)	3 305	40	3 345
Minority interests in subsidiaries	38		38		38
Equity	3 347	(4)	3 343	40	3 383
Non-current liabilities					
Long-term borrowings	3	653	656		656
Deferred income tax liabilities	900		900	33	933
Provisions	99		99		99
	1 002	653	1 655	33	1 688
Current liabilities					
Trade and other payables	932	6	938		938
Borrowings	814	(654)	160		160
Hulamin Joint Venture					
Derivative financial liabilities	35		35		35
Income tax liability	5	(1)	4	(33)	(29)
	1 786	(649)	1 137	(33)	1 104
Total equities and liabilities	6 135	-	6 135	40	6 175
NET ASSET VALUE					
PER SHARE (cents)	2 981	(1 429)	1 552	18	1 570
NET TANGIBLE ASSET					
PER SHARE (cents)	2 960	(1 419)	1 541	18	1 559

Notes:

1. Audited Hulamin financial statements for the year ended 31 December 2006 and incorporating the following transactions*:
 - Collapsing of the joint venture structure (see paragraph 2.2.1 of the pre-listing statement for details of the previous structure):
 - The business of Hulamin was conducted through a company and a joint venture partnership structure. On collapse of this structure certain adjustments were required to the capital structure of Hulamin. In addition, any tax liability or charge arising from the profits generated by The Hulamin Joint Venture was previously passed to the Joint Venture partners, as they were liable for the taxation. This adjustment of R73 million further reflects the continuing tax charge that would have been incurred had Hulamin been liable for the tax due.
 - This column represents 100% of the Hulamin amounts while the amounts reflected under column 3 of the TH *pro forma* financial effects table represent 50% of these (being THG's 50% shareholding in Hulamin), except for the following additional adjustments:
 - A consolidation entry to cater for inter-company debt between THG and Hulamin to the amount of R315 million which impacts on the cash and borrowings line of the balance sheet; and
 - The revaluation of Hulamin is not reflected in the Hulamin accounts and consequently the impact on non-current assets and reserves as reflected in column 3 of the TH *pro forma* financial effects table will not be equal to 50% of the corresponding lines in this column of the Hulamin *pro forma* financial effects.
2. The other transactions prior to the Hulamin BEE transaction are as follows*:
 - In order to facilitate the listing of the company, the Group has restructured its debt. On 29 December 2006, the convertible loan was settled and the financial institution subscribed for shares in Hulamin, which were subsequently allocated to the shareholders in terms of the original loan agreement. Total interest costs recorded in 2006 in respect of the convertible loan amounted to R155 million, consisting of interest for the period 1 January 2006 to 31 December 2006 of R73 million and a final settlement payment of R82 million. This interest is directly related to the restructuring of the debt and consequently has been adjusted with a continuing effect. The result of these transactions is to decrease the interest charge and hence increase Hulamin's net profit by an after-tax total of R110 million.
 - An accelerated charge will be incurred on the current THG employee share scheme due to partial early vesting pursuant to the Hulamin unbundling and the proportion of this charge which relates to Hulamin employees has been included here. This is a once-off charge. (See Annexure 9 to pre-listing statement for more details.)
 - A capitalisation award (see paragraph 5.3 of the pre-listing statement for details).

The financial impact on the earnings of Hulamin are illustrated as if the transactions had been implemented at the beginning of the year which ended on 31 December 2006, while the impact on the net assets of Hulamin are shown as if the transactions had been implemented on 31 December 2006.
3. The aggregate of the transactions prior to the introduction of the BEE in Hulamin.
4. The Hulamin BEE transaction which is comprised of the following two components*:
 - Introduction of a broad-based BEE initiative which results in a once-off cost of R152 million derived using option pricing methodology, based on the derived subscription price. The eventual IFRS 2 cost will also include an amount (positive or negative) that is dependent upon the difference between the derived subscription price, based on the 30-day VWAP at the last practicable date and the derived share price on the date of the general meeting. This latter amount can therefore not be definitively calculated at the last practicable date and is not included in the R152 million IFRS 2 cost disclosed above. Based on a VWAP and spot price on the last practicable date of R127.88 and R137.00 this incremental amount would be R14 million. This charge would have an incremental EPS effect of -7 cents per share. (See paragraph 2.4 of the pre-listing statement for further details on the broad-based BEE initiative); and
 - The Hulamin ESOP and the Hulamin MSOP. The IFRS 2 cost of the Hulamin ESOP and Hulamin MSOP will be amortised over the five-year vesting period of the Hulamin ESOP and the Hulamin MSOP. An after-tax cost of R9 million is projected in the first year of the Hulamin ESOP and the Hulamin MSOP, representing one-fifth of the IFRS 2 cost of the Hulamin ESOP and the Hulamin MSOP shares allocated to individuals at the outset of the Hulamin BEE transaction. A portion of the shares are not allocated to individuals at the outset of the Hulamin BEE transaction. Assuming all the shares had been allocated at the outset of the Hulamin BEE transaction, the total annual charge would have been R16 million after tax, implying a total 'full allocated' pre-tax cost of R112.8 million over the five-year vesting period (see Annexure 9 to the Hulamin pre-listing statement for further details).

* Detailed information relating to these Hulamin transactions is disclosed in the Hulamin pre-listing statement.

INDEPENDENT REPORTING ACCOUNTANTS REPORT ON THE *PRO FORMA* FINANCIAL EFFECTS OF THE TRANSACTIONS

“The Directors
The Tongaat-Hulett Group Limited
PO Box 3
Tongaat
4400

INDEPENDENT REPORTING ACCOUNTANTS ASSURANCE REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION OF THE TONGAAT-HULETT GROUP LIMITED

We have performed our limited assurance engagement in respect of the *pro forma* financial information set out in Sections I, II and III and Annexure 2 to the circular dated 18 May 2007 issued in connection with the unbundling of Hulamin Limited (“Hulamin unbundling”), the *pro rata* share repurchase (“TH share repurchase”) and the introduction of Black Economic Empowerment (“BEE”) equity participation, that is the subject of the circular of The Tongaat-Hulett Group Limited (“TH BEE transaction”). The *pro forma* financial information has been prepared in accordance with the JSE Limited (“JSE”) Listings Requirements, for illustrative purposes only, to provide information about how the Hulamin unbundling, the TH share repurchase and the TH BEE transaction might have affected the reported historical financial information presented, had the Hulamin unbundling, the TH share repurchase and the TH BEE transaction been undertaken at the commencement of the period or at the date of the *pro forma* balance sheet being reported on.

Directors’ responsibility

The directors are responsible for the compilation, contents and presentation of the *pro forma* financial information contained in the circular and for the financial information from which it has been prepared. Their responsibility includes determining that: the *pro forma* financial information has been properly compiled on the basis stated; the basis is consistent with the accounting policies of The Tongaat-Hulett Group Limited and the *pro forma* adjustments are appropriate for the purposes of the *pro forma* financial information disclosed in terms of the JSE Listings Requirements.

Reporting accountants responsibility

Our responsibility is to express our limited assurance conclusion on the *pro forma* financial information included in the circular to The Tongaat-Hulett Group Limited’s shareholders. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements applicable to Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Guide on *Pro forma* Financial Information issued by SAICA.

This standard requires us to obtain sufficient appropriate evidence on which to base our conclusion.

We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the *pro forma* financial information, beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Sources of information and work performed

Our procedures consisted primarily of comparing the unadjusted financial information with the source documents, considering the *pro forma* adjustments in light of the accounting policies of The Tongaat-Hulett Group Limited, considering the evidence supporting the *pro forma* adjustments and discussing the adjusted *pro forma* financial information with the directors of the company in respect of the Hulamin unbundling, the TH share repurchase and the TH BEE transaction that are the subject of this circular.

In arriving at our conclusion, we have relied upon financial information prepared by the directors of The Tongaat-Hulett Group Limited and other information from various public, financial and industry sources.

While our work performed has involved an analysis of the historical published audited financial information and other information provided to us, our assurance engagement does not constitute an audit or review of any of the underlying financial information conducted in accordance with International Standards on Auditing or International Standards on Review Engagements and accordingly, we do not express an audit or review opinion.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention, which causes us to believe that, in terms of Sections 8.17 and 8.30 of the JSE Listings Requirements:

- the *pro forma* financial information has not been properly compiled on the basis stated;
- such basis is inconsistent with the accounting policies of the issuer; and
- the adjustments are not appropriate for the purposes of the *pro forma* financial information as disclosed.

Deloitte & Touche

Registered Auditors

Per **James Welch**

Partner

PO Box 243

Durban

4000

3 May 2007

National Executive: GG Gelink Chief Executive AE Swiegers Chief Operating Officer GM Pinnock Audit DL Kennedy Tax L Geeringh Consulting MG Crisp Financial Advisory L Bam Strategy CR Beukman Finance TJ Brown Clients & Markets SJ Sibisi Public Sector and Corporate Social Responsibility NT Mtoba Chairman of the Board J Rhynes Deputy Chairman of the Board. A full list of partners and directors is available on request."

FAIR AND REASONABLE OPINIONS

TH BEE transaction

“The Tongaat-Hulett Group Limited
 Amanzimnyama Hill Road
 Tongaat
 KwaZulu-Natal
 4400

3 May 2007

ATTENTION: THE DIRECTORS AND SHAREHOLDERS

Dear Sirs/Madams

INDEPENDENT PROFESSIONAL EXPERT ADVICE IN RESPECT OF THE TH BEE TRANSACTION

1. INTRODUCTION

The definitions outlined in the “Definitions and interpretations” section (commencing on page 18 of the circular) of which this letter forms a part, have been used throughout this letter.

On 14 December 2006, THG announced details of the Hulamin unbundling, the TH BEE transaction, the Hulamin BEE transaction and the TH share repurchase, which if implemented would result in:

- the listing of Hulamin on the JSE followed immediately by the unbundling by THG of its 50% interest in Hulamin to all shareholders *pro rata* to their then current shareholdings in THG;
- a change of name of the THG listed entity to Tongaat Hulett Limited after the Hulamin unbundling;
- a repurchase of 4.5 ordinary shares for every 100 shares held by THG shareholders for a total consideration of R500.2 million (inclusive of the STC to be incurred by TH) by way of the scheme which will optimise the capital structure; and
- the introduction of BEE equity participation, as follows:
 - the subscription for an effective 25% of TH by way of the TH BEE partners subscribing for TH “A” preferred ordinary shares which will represent a combined interest of 18% in TH and the TH ESOP and TH MSOP trusts subscribing for TH “B” ordinary shares which will represent a combined interest of 7% in TH (collectively, the “TH BEE transaction”); and
 - the subscription for an effective 10% economic interest in Hulamin OpCo and the subscription for 25 000 000 Hulamin “A” ordinary shares through Hulamin BEE SPV by the Hulamin BEE anchor BEE partners and the Hulamin ESOP Share Trust and the Hulamin MSOP Share Trust subscribing for Hulamin “B” ordinary shares which will represent a combined interest of 5% in Hulamin (collectively, the “Hulamin BEE transaction”).

We understand that an independent fair and reasonable opinion is required in terms of Section 10.4(f) of the JSE Listings Requirements with regard to the TH BEE transaction as Ms Hixonia Nyasulu, who is the executive chairperson of and the largest individual shareholder in Ayavuna (one of the TH BEE anchor partners) through the Nyasulu Family Trust, currently serves on the THG Board and is therefore regarded as a related party to TH.

We furthermore understand that an independent fair and reasonable opinion is also required as the TH BEE transaction involves the issue of unlisted voting securities in terms of a special dispensation granted by the JSE to waive the restrictions outlined in paragraph 4.24 of the JSE Listings Requirements, which dispensation is conditional upon THG obtaining the appropriate fair and reasonable opinion.

A separate fair and reasonable opinion on the Hulamin BEE transaction is included elsewhere in the circular.

2. DEFINITION OF FAIR AND REASONABLE

Fairness is primarily based on quantitative factors, whilst reasonableness primarily focuses on the qualitative issues surrounding the TH BEE transaction.

In terms of Schedule 5 of the JSE Listings Requirements, the TH BEE transaction will generally be considered fair if the value and/or benefits received by THG shareholders in terms thereof are considered to be equal to or greater than the value surrendered by such parties.

It is nevertheless conceivable that, under certain circumstances, the TH BEE transaction could be considered reasonable, because of the various qualitative factors surrounding that particular transaction, despite our opinion being that such was not fair.

3. PROCEDURES PERFORMED AND SOURCES OF INFORMATION

We have performed, amongst others, the following procedures:

- reviewed general market data, including economic, governmental and legislative aspects which have an impact on THG and TH;
- obtained an understanding of the underlying investments of THG, their future prospects as well as the industries in which they operate through:
 - discussions with the management of THG;
 - an analysis of historical and forecast financial information in respect of THG as prepared by management of THG;
 - a review of recent reports and/or comments on THG by independent investment analysts and other market commentators; and
 - a review of other publicly available information;
- examined the TH BEE transaction agreements and considered the terms and conditions contained in those documents as well as the commercial issues relating to the TH BEE transaction;
- determined an appropriate spot price for ordinary shares to be used as an input into the option valuation of the TH “A” preferred ordinary shares through:
 - a critical review of the detailed assessment of the value of both TH and Hulamin as prepared by RMB in terms of which we:
 - checked the calculations;
 - analysed the composition of the discount rates used and adjusted those elements where we felt it appropriate to do so;
 - assessed key macro-economic inputs (inflation rates and Rand/US Dollar exchange rates) by comparing such to forecasts prepared by market commentators and adjusted those where we felt it appropriate;
 - reviewed certain other key assumptions (sugar, maize and aluminum prices, production outputs and costs) for reasonability based on historic trends and forecasts by TH management and other industry experts; and
 - calculated implied financial ratios and/or multiples based on the valuation results and compared such to the ratios and multiples of comparable entities;
 - an analysis of the trading prices, volumes and volatility of the ordinary shares on the JSE over the recent past; and
 - an analysis of the views expressed by independent investment analysts;
- performed an independent valuation of the TH “A” preferred ordinary shares using a modified binomial option valuation model, the key assumptions in terms of which are the expected volatility of the ordinary shares and the expected dividends over the life of the TH “A” preferred ordinary shares. In addition we conducted appropriate sensitivity analyses given a reasonable range of key assumptions on each of the results outlined above;
- performed independent valuations with regards to each of the three types of TH “B” ordinary shares using a modified binomial option valuation model, the key assumptions in terms of which are the expected volatility of the ordinary shares and the expected dividends on ordinary shares and on TH “B” ordinary shares over the life of the TH “B” ordinary shares. We also conducted appropriate sensitivity analyses given a reasonable range of key assumptions on each of the results outlined above;

- assessed THG's selection process and related criteria with regards to the TH BEE partners, the rationale for the TH BEE transaction, the ability of the TH BEE partners to add value to TH (including the quantification of such expected benefits as prepared by management) as well as considering management's assessment of the potential negative impact of TH not having entered into the TH BEE transaction; and
- examined the rationale for and extent of the facilitation components negotiated as part of the salient terms of the TH BEE transaction – both in relation to the actual terms and conditions outlined in the relevant agreements as well as comparable transactions within the broader universe of BEE transactions recently concluded in South Africa.

4. OTHER KEY CONSIDERATIONS

A reality of the South African business environment is that concluding a favourable BEE transaction has become an imperative for most companies wishing to continue operating successfully in South Africa.

Of all the potential BEE partners considered by the THG Board during the search for appropriate BEE partners, the Board was of the opinion that the most suitable BEE candidates for TH were the TH BEE partners, primarily based on;

- the experience and expertise of various individuals who are shareholders of the TH BEE anchor partners and the ability of these shareholders to add value to TH given their prior knowledge of TH's business and the industry dynamics in which TH operates;
- the number of broad-based groupings forming part of the TH BEE partners, the positive effect that their inclusion could have on the communities present in the areas in which TH operates and the resultant expected benefits to TH; and
- the inclusion of a wide group of employees which should assist in their retention as well as in the attraction and retention of future employees.

The TH "A" preferred ordinary shares are locked-in for a period of seven years from the effective date and once converted into ordinary shares a further lock-in period of three years will apply, effectively locking in the holders for a period of ten years. Such an extended lock-in period decreases the fair value of the TH "A" preferred ordinary shares when compared to the fair value of an unrestricted ordinary share.

We believe that the above considerations together with the procedures performed commercially justify the conclusion outlined below.

5. LIMITING CONDITIONS

We have relied upon the accuracy of the information used by us in deriving our opinion, albeit that, where practicable, we have corroborated the reasonableness of such information through, amongst other things, reference to independent third party/ies, historic precedent or our own knowledge and understanding. While our work has involved an analysis of the annual financial statements and other information provided to us, our engagement does not constitute, nor does it include, an audit conducted in accordance with generally accepted auditing standards. Accordingly, we assume no responsibility and make no representations with respect to the accuracy of any information provided to us in respect of THG, TH or Hulamin or their respective underlying investments.

The opinion expressed below is necessarily based upon the information available to us, the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us at the date hereof. We have assumed that all conditions precedent in the transaction agreements, including any material regulatory and other approvals required in connection with the proposed TH BEE transaction have been or will be properly fulfilled/obtained. Subsequent developments may affect the opinion expressed below, however, we are under no obligation to update, revise or re-affirm such.

6. OPINION

We have considered the terms and conditions of the TH BEE transaction and, based upon and subject to the conditions set out below, are of the opinion that such are fair and reasonable to THG shareholders.

This opinion does not purport to cater for each shareholder's circumstances but rather those of the general body of THG shareholders taken as a whole. Each shareholder's decision will be influenced by such shareholder's particular circumstances and accordingly a shareholder should consult with an independent advisor if the shareholder is in any doubt as to the merits or otherwise of the TH BEE transaction.

7. USE OF THIS OPINION

This opinion is provided solely for the use of the THG board and the holders of THG shares in connection with and for the purpose of their consideration of the TH BEE transaction. This opinion shall not, in whole or in part, be disclosed, reproduced, disseminated, quoted, summarised or referred to at any time nor shall any public references to Ernst & Young or Ernst & Young Advisory Services Limited be made by THG or any of its affiliates, without our prior written consent.

8. INDEPENDENCE AND CONSENT TO PUBLICATION

We have been retained by THG as an independent professional expert to the THG board and shareholders in connection with the TH BEE transaction and we will receive a fixed fee for the services provided in connection herewith, which fee is payable upon delivery of this opinion. We confirm that, other than the aforementioned, we have no interest, direct or indirect, beneficial or non-beneficial, in THG, TH or in the success or failure of the TH BEE transaction which forms the subject matter hereof.

We hereby consent to the inclusion of this letter, and the references thereto, in the circular to be issued by THG on or about 18 May 2007 in the form and context in which they appear therein. Furthermore, we confirm that we have not withdrawn our aforementioned consent prior to the posting of the said circular to THG shareholders.

Yours faithfully

T J CUSS

Director

Ernst & Young Advisory Services Limited

Ground Floor, Wanderers Office Park

52 Corlett Drive

Illovo

2196

Chief Executive: Philip Hourquebie

A full list of directors is available on the website'

Hulamin BEE transaction

“The Tongaat-Hulett Group Limited
Amanzimnyama Hill Road
Tongaat
KwaZulu-Natal
4400

3 May 2007

ATTENTION: THE DIRECTORS AND SHAREHOLDERS

Dear Sirs/Madams

INDEPENDENT PROFESSIONAL EXPERT ADVICE IN RESPECT OF THE HULAMIN BEE TRANSACTION**1. INTRODUCTION**

The definitions outlined in the “Definitions and interpretations” section (commencing on page 18 of the circular) of which this letter forms a part, have been used throughout this letter.

On 14 December 2006, THG announced details of the Hulamin unbundling, the TH BEE transaction, the Hulamin BEE transaction and the Hulamin share repurchase, which if implemented would result in:

- the listing of Hulamin on the JSE followed immediately by the unbundling by THG of its 50% interest in Hulamin to all shareholders *pro rata* to their current shareholdings in THG;
- a change of name of the THG listed entity to Tongaat Hulett Limited after the unbundling;
- a repurchase of 4.5 ordinary shares for every 100 shares held by THG shareholders for a total consideration of R500.2 million (inclusive of the STC to be incurred by TH) by way of the scheme which will optimise the capital structure; and
- the introduction of BEE equity participation, as follows:
 - the subscription for an effective 25% of TH by way of the TH BEE partners subscribing for TH “A” preferred ordinary shares which will represent a combined interest of 18% in TH and the TH ESOP Share Trust and TH MSOP Share Trust subscribing for TH “B” ordinary shares which will represent a combined interest of 7% in TH (collectively, the “TH BEE transaction”); and
 - the subscription for an effective 10% economic interest in Hulamin OpCo and the subscription for 25 000 000 Hulamin “A” ordinary shares through Hulamin BEE SPV by the Hulamin anchor BEE partners and the Hulamin ESOP Share Trust and the Hulamin MSOP Share Trust subscribing for Hulamin “B” ordinary shares which will represented a combined interest of 5% in Hulamin (collectively, the “Hulamin BEE transaction”).

We understand that an independent fair and reasonable opinion is required in terms of Section 10.4(f) of the JSE Listings Requirements with regard to the Hulamin BEE transaction as Mr J B Magwaza, who is chairman of and a shareholder in Imbewu (one of the Hulamin BEE anchor partners), currently serves on the THG Board and is therefore regarded as a related party to Hulamin.

We furthermore understand that an independent fair and reasonable opinion is also required as the Hulamin BEE transaction involves the issue of unlisted voting securities in terms of a special dispensation granted by the JSE to waive the restrictions outlined in paragraph 4.24 of the JSE Listings Requirements, which dispensation is conditional upon THG obtaining the appropriate fair and reasonable opinion.

A separate fair and reasonable opinion on the TH BEE transaction is included elsewhere in the circular.

2. DEFINITION OF FAIR AND REASONABLE

Fairness is primarily based on quantitative factors, whilst reasonableness primarily focuses upon the qualitative issues surrounding the Hulamin BEE transaction.

In terms of Schedule 5 of the JSE Listings Requirements, the Hulamin BEE transaction will generally be considered fair if the value and/or benefits received by THG shareholders in terms thereof are considered to be equal to or greater than the value surrendered by such parties.

It is nevertheless conceivable that, under certain circumstances, the Hulamin BEE transaction could be considered reasonable, because of the various qualitative factors surrounding that particular transaction, despite our opinion being that such was not fair.

3. PROCEDURES PERFORMED AND SOURCES OF INFORMATION

We have performed, amongst others, the following procedures:

- reviewed general market data, including economic, governmental and legislative aspects which have an impact on THG and Hulamin;
- obtained an understanding of the underlying investments of THG, their future prospects as well as the industries in which they operate through:
 - discussions with the management of THG;
 - an analysis of historical and forecast financial information in respect of THG as prepared by THG management;
 - a review of recent reports and/or comments on THG by independent investment analysts and other market commentators; and
 - a review of other publicly available information;
- examined the Hulamin BEE transaction agreements and considered the terms and conditions contained in those documents as well as the commercial issues relating to the Hulamin BEE transaction;
- determined an appropriate spot price for Hulamin ordinary shares to be used as an input into the option valuation of the Hulamin “A” preferred ordinary shares through:
 - a critical review of the detailed assessment of the value of both TH and Hulamin as prepared by RMB in terms of which we:
 - checked the calculations;
 - analysed the composition of the discount rates used and adjusted those elements where we felt it appropriate to do so;
 - assessed key macro-economic inputs (inflation rates and Rand/US Dollar exchange rates) by comparing such to forecasts prepared by market commentators and adjusted those where we felt it appropriate;
 - reviewed certain other key assumptions (sugar, maize and aluminum prices, production outputs and costs) for reasonability based on historic trends and forecasts by Hulamin management and other industry commentators; and
 - calculated implied financial ratios and multiples using the valuation results and compared such to the ratios and multiples of comparable entities;
 - an analysis of the trading prices, volumes and volatility of THG shares on the JSE over the recent past; and
 - an analysis of the views expressed by independent investment analysts;
- performed an independent valuation of the Hulamin OpCo ordinary shares using the modified binomial option valuation model, the key assumptions in terms of which are the expected volatility of the Hulamin ordinary shares and the expected dividends over the life of the Hulamin OpCo ordinary shares. In addition we conducted appropriate sensitivity analyses given a reasonable range of key assumptions on each of the results outlined above;
- performed an independent valuation with regards to each of three types of Hulamin “B” ordinary using the modified binomial option valuation model, the key assumptions in terms of which are the expected volatility of Hulamin ordinary shares and the expected dividends on the Hulamin ordinary shares and the Hulamin “B” ordinary shares over the life of the Hulamin “B” ordinary shares. We also conducted appropriate sensitivity analyses given a reasonable range of key assumptions on each of the results outlined above;

- assessed THG's selection process and related criteria with regards to the HulamIn BEE partners, the rationale for the HulamIn BEE transaction, the ability of the HulamIn BEE partners to add value to HulamIn (including the quantification of such expected benefits as prepared by management) as well as considering management's assessment of the potential negative impact of HulamIn not having entered into the HulamIn BEE transaction; and
- examined the rationale for and extent of the facilitation components negotiated as part of the salient terms of the HulamIn BEE transaction – both in relation to the actual terms and conditions outlined in the relevant agreements as well as comparable transactions within the broader universe of BEE transactions recently concluded in South Africa.

4. OTHER KEY CONSIDERATIONS

A reality of the South African business environment is that concluding a favourable BEE transaction has become an imperative for most companies wishing to continue operating successfully in South Africa.

Of all the potential BEE partners considered by the THG Board during the search for appropriate BEE partners, the Board was of the opinion that the most suitable BEE candidates for HulamIn were the HulamIn BEE partners, primarily based on:

- the experience and expertise of various individuals who are shareholders of the HulamIn BEE anchor partners and the ability of these shareholders to add value to HulamIn;
- the number of broad-based groupings forming part of the HulamIn BEE partners, the positive effect that their inclusion could have on the communities present in the areas in which HulamIn operates and the resultant expected benefits to HulamIn; and
- the inclusion of a wide group of employees which should assist in their retention as well as in the attraction and retention of future employees.

The HulamIn OpCo ordinary shares are locked-in for a period of seven years from the effective date and once converted into ordinary shares a further lock-in period of three years will apply, effectively locking in the holders for a period of ten years. Such an extended lock-in period decreases the fair value of the HulamIn OpCo ordinary shares when compared to the fair value of an unrestricted HulamIn ordinary share.

We believe that the above considerations together with the procedures performed commercially justify the conclusion outlined below.

5. LIMITING CONDITIONS

We have relied upon the accuracy of the information used by us in deriving our opinion, albeit that, where practicable, we have corroborated the reasonableness of such information through, amongst other things, reference to independent third party/ies, historic precedent or our own knowledge and understanding. While our work has involved an analysis of the annual financial statements and other information provided to us, our engagement does not constitute, nor does it include, an audit conducted in accordance with generally accepted auditing standards. Accordingly, we assume no responsibility and make no representations with respect to the accuracy of any information provided to us in respect of THG, HulamIn or TH or their respective underlying investments.

The opinion expressed below is necessarily based upon the information available to us, the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us at the date hereof. We have assumed that all conditions precedent in the transaction agreements, including any material regulatory and other approvals required in connection with the proposed HulamIn BEE transaction have been or will be properly fulfilled/obtained. Subsequent developments may affect the opinion expressed below, however, we are under no obligation to update, revise or re-affirm such.

6. OPINION

We have considered the terms and conditions of the Hulamin BEE transaction and, based upon and subject to the conditions set out below, are of the opinion that such are fair and reasonable to THG shareholders.

This opinion does not purport to cater for each shareholder's circumstances but rather those of the general body of THG shareholders taken as a whole. Each shareholder's decision will be influenced by such shareholder's particular circumstances and accordingly a shareholder should consult with an independent advisor if the shareholder is in any doubt as to the merits or otherwise of the Hulamin BEE transaction.

7. USE OF THIS OPINION

This opinion is provided solely for the use of the THG board and the holders of THG shares in connection with and for the purpose of their consideration of the Hulamin BEE transaction. This opinion shall not, in whole or in part, be disclosed, reproduced, disseminated, quoted, summarised or referred to at any time nor shall any public references to Ernst & Young or Ernst & Young Advisory Services Limited be made by THG or any of its affiliates, without our prior written consent.

8. INDEPENDENCE AND CONSENT TO PUBLICATION

We have been retained by THG as an independent professional expert to the THG board and shareholders in connection with the Hulamin BEE transaction and we will receive a fixed fee for the services provided in connection herewith, which fee is payable upon delivery of this opinion. We confirm that, other than the aforementioned, we have no interest, direct or indirect, beneficial or non-beneficial, in THG, Hulamin or in the success or failure of the Hulamin BEE transaction which forms the subject matter hereof.

We hereby consent to the inclusion of this letter, and the references thereto, in the circular to be issued by THG on or about 18 May 2007 in the form and context in which they appear therein. Furthermore, we confirm that we have not withdrawn our aforementioned consent prior to the posting of the said circular to THG shareholders.

Yours faithfully

T J CUSS

Director

Ernst & Young Advisory Services Limited

Ground Floor, Wanderers Office Park

52 Corlett Drive

Illovo

2196

Chief Executive: Philip Hourquebie

A full list of directors is available on the website"

DETAILS OF DIRECTORS

Non-executive directors

Cedric Michael Langton Savage	Non-executive Chairman
Age	68
Years as THG Board member	26
Nationality	South African
Business address	The Tongaat-Hulett Group Limited PO Box 3, Tongaat, 4400 Amanzimnyama Hill Road, Tongaat, 4400
Qualifications	BSc (Mech Eng), MBA, ISMP (Harvard)
Experience	Cedric joined THG in 1977 as Managing Director of Tongaat Foods becoming Executive Chairman of Toncoro Limited in 1985. He was appointed to the THG Board in 1981, serving as Chief Executive Officer (“CEO”) from 1991 to 2000. He was appointed Executive Chairman in 2000, combining the roles of CEO and Chairman until his retirement from executive duties in 2002
Current directorships and other positions, other than in THG	<ul style="list-style-type: none"> – Nedbank Group Limited – Harmony Gold Mining Company Limited – Village Main Reef Gold Mining Company (1934) Limited – Datatec Limited – Denel (Proprietary) Limited
Elisabeth le Roux Bradley	Independent non-executive director
Age	69
Years as THG Board member	20
Nationality	South African
Business address	Wesco Investments Limited Wesco House, 10 Anerley Road, Parktown, 2193 PO Box 2077, Saxonwold, 2132
Qualifications	BSc (UOFS), MSc (London)
Experience	Elisabeth has spent her whole working life with the family motor industry companies. She was appointed to the THG Board in 1987
Current directorships and other positions, other than in THG	<ul style="list-style-type: none"> – Wesco Investments (Chairman) – Toyota South Africa (Chairman) – Sasol Limited – Anglogold Ashanti Limited – Standard Bank Limited – Various Wesco group companies – Hilton Hotel (Proprietary) Limited – Conwes Investments (Proprietary) Limited – Contax Hotels (Proprietary) Limited – Rosebank Hotel (Proprietary) Limited – South African Trust & Finance Co Limited – The Winkler Hotel (Proprietary) Limited

Johannes Bhekumuzi Magwaza	Independent non-executive director
Age	64
Years as THG Board member	13
Nationality	South African
Business address	Ziningi Holdings PO Box 297, Hyper-by-the-Sea, 4053
Qualifications	BA (Psychology & Soc Anthropology) MA (Ind Rel), Dip. (IR), Dip. (PM)
Experience	JB joined THG in 1975, becoming Personnel Director for Hulett Refineries in 1988. He was appointed Personnel Director for Hulamin in 1992 and became an Executive Director on the THG Board in 1994. He retired in 2003 but remains on the Board in a non-executive capacity
Current directorships and other positions, other than in THG	<ul style="list-style-type: none"> - Nedbank Limited - Dorbyl Limited - Rainbow Chickens Limited - Ithala Finance Development Corporation - KAP International - Mutual and Federal - Pamodzi Investment Holding - Motseng Investment Holding - Imbewu Capital Partners - Nkunzi Investment Holdings
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Mahmood Mia	Independent non-executive director
Age	59
Years as THG Board member	11
Nationality	South African
Business address	19th Floor Embassy Building Corner Aliwal and Smith Streets Durban, 4001 PO Box 10880, Marine Parade, Durban, 4056
Qualifications	
Experience	Mac is founder member of Fasic Investment Corporation, which has interests in The Lion Match Company. Formerly the Managing Director of New Republic Bank, he currently runs his own financial consultancy business. He is Chairman of Zenith Investments, a BEE private equity fund. He was appointed to the THG Board in 1996
Current directorships and other positions, other than in THG	<ul style="list-style-type: none"> - Fasic Investment Corporation (Deputy Chairman) - Preliminary Investments (Proprietary) Limited - Ithala Development Finance Corporation Limited - Wonder Lad Investments (Proprietary) Limited - Mia Trade Finance (Proprietary) Limited - Ithala Limited - Chamber Services Holdings (Proprietary) Limited - Zenith Investments (Proprietary) Limited - Isundu Leisure (Proprietary) Limited - uShaka Management (Proprietary) Limited - Selbourne Executive Holdings (Proprietary) Limited
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Thembalihle Hixonia Nyasulu	Independent non-executive director
Age	52
Years as THG Board member	7
Nationality	South African
Business address	Ayavuna Women's Investments (Proprietary) Limited 410 Jan Smuts Avenue, Block 15 Burnside Island, Craighall Park, 2193
Qualifications	BA (Psychology) (Hons)
Experience	Hixonia is the founder and Executive Chairman of Ayavuna Women's Investments. Prior to founding Ayavuna in 2004, she owned a Strategy and Marketing consultancy for 20 years, which she started after working for Unilever for six years. She was appointed to the THG Board in 2000
Current directorships and other positions, other than in THG	<ul style="list-style-type: none"> - Ayavuna Women's Investments (Proprietary) Limited (Executive Chairman) - Anglo Platinum Limited - Sasol Limited - Glenrand MIB Limited - Barloworld Limited - Ayavuna Appliance Holdings (Proprietary) Limited - Defy Appliances Limited - JP Morgan SA Advisory Board - Paton Tupper Assoc. (Proprietary) Limited - Tshwarisano LFB Investments (Proprietary) Limited
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Russell Howard John Stevens	Independent non-executive director
Age	66
Years as THG Board member	30
Nationality	South African
Business address	Three Cities group PO Box 5478, Durban, 4000
Qualifications	BA (Marketing and Design Studies)
Experience	Russell is the founder and Chairman of the Three Cities Group, CEO and shareholder of Durban Adventures Limited, Chairman of uShaka Management Company and Director of the Compass Group, thus maintaining his interest in the service-related sector. He is past Chairman of Tongaat Foods, a one time operating company of the Group. He was appointed to the THG Board in 1977
Current directorships and other positions, other than in THG	<ul style="list-style-type: none"> - Three Cities Group Limited (Chairman) - Durban Adventures Limited - uShaka Management Company - Durban Hotels Limited - Howard Stevens Management (Proprietary) Limited - Anthem Property Investments SA (Proprietary) Limited - Compass Group Southern Africa (Proprietary) Limited - The International Hotel School (Proprietary) Limited - Peninsula Management (Proprietary) Limited - Brayfield Trading (Proprietary) Limited - Plettenberg Park (Proprietary) Limited - Fijinbosch Nooithedacht Stud (Proprietary) Limited - Bold Gold Investments (Proprietary) Limited - Tsogo Sun KwaZulu-Natal (Proprietary) Limited - Coral Cove Resorts International Limited - LeFranschhoek Hotel (Proprietary) Limited - Alpine Heath Supervision (Proprietary) Limited - Greenway Woods Management (Proprietary) Limited

David Duncan Barber	Non-executive director
Age	54
Years as THG Board member	5
Nationality	South African
Business address	Anglo American South Africa 44 Main Street, Marshalltown, 2001 PO Box 61587, Marshalltown, 2107
Qualifications	FCA (England and Wales), AMP (Harvard)
Experience	David spent 20 years with the Anglovaal Group and was Executive Director Finance at the time of its unbundling. After a short tenure as Chief Financial Officer at Fedsure Holdings, he joined Anglo American South Africa as Finance Director in 2002. On 1 January 2007 he was appointed as the Chief Financial Officer of Anglo American's Coal division. He was appointed to the THG Board in 2002
Current directorships and other positions, other than in THG	<ul style="list-style-type: none"> - A R H Limited SA (Société Anonyme-Holding) - Anglo American Corporation of South Africa (Proprietary) Limited - Hermitage Limited - Holdac Limited - Lansan Investment Holdings Limited - Mondi South Africa Limited - Anglo Platinum Limited - Highveld Steel and Vanadium Corporation Limited - Epoch Investment Holdings Limited - Tarl Investment Holdings Limited
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Philip Michael Baum	Non-executive director
Age	51
Years as THG Board member	4
Nationality	South African
Business address	Anglo American South Africa 44 Main Street, Marshalltown, 2001 PO Box 61587, Marshalltown, 2107
Qualifications	BCom, LLB, Higher Diploma Tax Law
Experience	Philip is the Chief Executive of Anglo American plc's Ferrous Metals and Industries Division and a member of the Executive Board. He has worked in a wide variety of positions, including head of the Small and Medium Enterprise Initiative, Chief Executive of Anglo American Zimbabwe and Chief Operating Officer of Anglo American South Africa. On 1 May 2006, he was appointed acting Chief Executive Officer of Anglo American South Africa, in addition to his existing responsibilities and to the Board of Anglo Platinum Limited. He was appointed to the THG Board in 2003
Current directorships and other positions, other than in THG	<ul style="list-style-type: none"> - Kumba Resources Limited - Kumba Iron Ore Limited - Samancor Manganese (Proprietary) Limited - Anglo Platinum Limited
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Ian Botha	Non-executive director
Age	36
Years as THG Board member	3
Nationality	South African
Business address	Anglo American South Africa 44 Main Street, Marshalltown, 2001 PO Box 61587, Marshalltown, 2107
Qualifications	BCom, CA(SA)
Experience	Ian joined Anglo American South Africa in 1996 and after a short tenure with Lazard (Australia) he rejoined Anglo American plc in 2001 as Vice President, Corporate Finance and took up his current position in December 2003. He was appointed to the THG Board in February 2004
Current directorships and other positions, other than in THG	<ul style="list-style-type: none"> - Highveld Steel and Vanadium Corporation Limited - Samancor Manganese (Proprietary) Limited - Scaw Metal Group Limited - Anglo Operations (Australia) (Proprietary) Limited
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Barry Erskine Davison	Non-executive director
Age	61
Years as THG Board member	3
Nationality	South African
Business address	Anglo Ferrous Metals & Industries 44 Main Street, Marshalltown, 2107 PO Box 61587, Marshalltown, 2107
Qualifications	BA (Law & Economics), Dip. Advanced Financial Management, A.E.P.
Experience	Barry was employed by Johannesburg Consolidated Investments Company Limited ("JCI") in 1968 as an investment analyst. He worked in various financial and general management positions within the JCI Group before being appointed Managing Director of Anglo American Platinum in May 1995, Executive Chairman in May 2001 and Non-Executive Chairman in July 2004. He was appointed to the THG Board in May 2004
Current directorships and other positions, other than in THG	<ul style="list-style-type: none"> - Anglo Platinum Limited - Rustenburg Platinum Mines Limited - Kumba Resources Limited - Nedbank Limited - Samancor Manganese (Proprietary) Limited
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Andrew Murray Thompson	Non-executive director
Age	50
Years as THG Board member	5
Nationality	South African
Business address	3 Campbell Road, Parktown, 2193
Qualifications	BSc (Civil Eng), MBA
Experience	Andrew spent 18 years in Anglo American's paper and packaging businesses, culminating in his tenure as CEO of Mondi South Africa from 1999 to 2004. He remains a non-executive director of Mondi Packaging South Africa. He was appointed to the THG Board in 2002
Current directorships and other positions, other than in THG	<ul style="list-style-type: none"> - Mondi Packaging South Africa (Proprietary) Limited - Finewrights Holdings Limited (Chairman)
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Jenitha John	Independent non-executive director
Age	34
Years as THG Board member	New appointee
Nationality	South African
Business address	Discovery Holdings 155 West Street Sandton, 2196 PO Box 786722 Sandton 2146
Qualifications	BCom, University of Durban-Westville (1992); BCompt (Hons), University of South Africa (UNISA) (1994); CA(SA), (1998); Senior Executive Program, Wits & Harvard Business Schools (2003); Diploma in Company Direction, IOD & GIMT (2004)
Experience	Jenitha is currently the head of Group Internal Audit at Discovery Holdings. Prior to this she spent two years as an executive in the Audit Services department at Telkom and has had various financial and audit related roles at, <i>inter alia</i> , Eskom, Toyota SA and RMBT Property Services (Marriot Group)
Current directorships and other positions, other than in THG	<ul style="list-style-type: none"> - Non-Executive Director and Chair of Audit Committee, SA Maritime Safety Authority - Non-Executive Director and Chair of Audit Committee, Regional Electricity Distributor 1 (until March 2007) - City of Johannesburg Group Audit Committee - Discovery Holdings Audit Committee - Discovery In-house Medical Schemes Audit Committees
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Clement Bahle Sibisi	Non-executive director
Age	43
Years as THG Board member	New appointee
Nationality	South African
Business address	Sangena Investments 1st Floor, Village Walk Offices Corner Maude Street and Rivonia Road Sandown 2196
Qualifications	MA (Development Economics), Williams College, Massachusetts, USA, B.Soc Sc, University of Natal, Pietermaritzburg
Experience	<p>Currently the Chief Executive of Sangena and formerly Deputy Director-General (DDG), Enterprise and Industry Development Division of the DTI until 2002 when he left to establish Sangena. Bahle has extensive experience in the formulation and development of industrial and sectoral policies, Black Economic Empowerment, small business and international trade policy and export promotion</p> <p>Key accomplishments include, <i>inter alia</i>:</p> <ul style="list-style-type: none"> - Development of the DTI's Strategy for Broad-Based Black Economic Empowerment released in 2002 - Led negotiations on a Trade, Development and Cooperation Agreement with the European Union - Set up the Risk Capital Facility with the EIB and IDC on behalf of the SA Government - Served as a Special Advisor to the Minister of Land and Regional Affairs
Current directorships and other positions, other than in THG	<ul style="list-style-type: none"> - Roadcrete Africa (Chairman) - SABS (Chairman)

Executive directors

Peter Heinz Staude	Chief executive officer
Age	53
Years as THG Board member	10
Nationality	South African
Business address	The Tongaat-Hulett Group Limited PO Box 3, Tongaat, 4400 Amanzimnyama Hill Road, Tongaat
Qualifications	BSc (Ind Eng) (Hons) (<i>Cum Laude</i>), MBA (Pretoria)
Experience	Peter joined THG in 1978. In 1990 he became Managing Director of Hulett Aluminium Rolled Products, a subsidiary of Hulamin, where he was instrumental in leading the transformation of Hulamin to becoming a significant global player. He became Managing Director of Hulamin and Chairman of Hulett-Hydro Extrusions in 1996 and Chairman of African Products in May 2000. He was appointed to the THG Board in 1997 and became Chief Executive Officer in May 2002
Current directorship and other position, other than in THG	Trade and Investment KwaZulu-Natal
Bruce Graham Dunlop	Managing Director, Tongaat-Hulett Sugar Limited
Age	53
Years as THG Board member	10
Nationality	South African
Business address	The Tongaat-Hulett Group Limited PO Box 3, Tongaat, 4400 Amanzimnyama Hill Road, Tongaat, 4400
Qualifications	BCom (Hons), PMD (Harvard)
Experience	Bruce joined THG in 1980, becoming Financial Director of Tongaat Oil Products in 1983 and Managing Director of the Maize, Animal Feeds and Poultry Division of Tongaat Foods in 1988. He was appointed Managing Director of Hulett Refineries in 1993 and Managing Director of Tongaat-Hulett Sugar in 1995. He was appointed to the THG Board in 1997
Current directorships and other positions, other than in THG	– SA Sugar Millers' Association Limited – SA Sugar Association (Councillor)
Alan Fourie	Managing Director, Hulett Aluminium (Proprietary) Limited
Age	57
Years as THG Board member	5
Nationality	South African
Business address	The Tongaat-Hulett Group Limited PO Box 3, Tongaat, 4400 Amanzimnyama Hill Road, Tongaat, 4400
Qualifications	CA(SA), MBA
Experience	Alan joined THG in 1979, becoming Financial Manager for Hulamin in 1983, Financial Director in 1985 and Managing Director of Hulamin in 2002. He was appointed to the Tongaat-Hulett Group Board in 2002
Current directorship and other position, other than in THG	–

Gordon Robert Hibbert	Managing Director, Moreland Estates (Proprietary) Limited
Age	60
Years as THG Board member	9
Nationality	South African
Business address	The Tongaat-Hulett Group Limited PO Box 3, Tongaat, 4400 Amanzimnyama Hill Road, Tongaat, 4400
Qualifications	BCom, CA(SA)
Experience	Gordon joined THG in 1972, becoming Financial Manager of Tongaat Sugar in 1978, General Manager of Tongaat Investments in 1979 and Managing Director of Tongaat-Hulett Properties and Moreland Estates in 1982. He was appointed to the Tongaat-Hulett Group Board in 1998
Current directorship and other position, other than in THG	–
Gert Petrus Nicolaas Kruger	Managing Director, African Products (Proprietary) Limited
Age	49
Years as THG Board member	10
Nationality	South African
Business address	The Tongaat-Hulett Group Limited PO Box 3, Tongaat, 4400 Amanzimnyama Hill Road, Tongaat, 4400
Qualifications	BSc (Chem Eng) (<i>Cum Laude</i>), MSc Microbiology, MBA
Experience	Nico joined THG in 1982. Following a period working in Tongaat-Hulett Sugar, he became Business Development Director for African Products in 1992. He became Managing Director of African Products in 1995. He was appointed to the THG Board in 1997
Current directorships and other positions, other than in THG	– S A Agricultural Processors Association – Food & Industrial Processors (Pvt) Limited
Murray Hector Munro	Group Financial Director
Age	41
Years as THG Board member	4
Nationality	South African
Business address	The Tongaat-Hulett Group Limited PO Box 3, Tongaat, 4400 Amanzimnyama Hill Road, Tongaat, 4400
Qualifications	B.Com, CA(SA)
Experience	Murray joined THG in 1992. He has held a number of senior financial, commercial, market and general management positions in various operations. In the period 1997 to 2003 he was a Market Director and then the Finance and Business Process Development Director at Hulamin. He was appointed to the THG Board in October 2003
Current directorships and other positions, other than in THG	– AHMVest Investments (Proprietary) Limited – AHMFarm (Proprietary) Limited

Steven James Saunders	Chairman, Tongaat-Hulett Sugar Limited and Moreland Estates (Proprietary) Limited
Age	47
Years as THG Board member	16
Nationality	South African
Business address	The Tongaat-Hulett Group Limited PO Box 3, Tongaat, 4400 Amanzimnyama Hill Road, Tongaat, 4400
Qualifications	BA (Economics), MA (Agric Sc), MBA
Experience	Steven joined THG in 1986, working in various Tongaat-Hulett owned companies, which have subsequently been sold. He was appointed Chairman of Tongaat-Hulett Sugar in 1995 and Chairman of Moreland Estates in 2000. He was appointed to the THG Board in 1991
Current directorships and other positions, other than in THG	– Cadiz Holdings Limited – Bevill Investment Holdings (Proprietary) Limited – Clidet No. 488 (Proprietary) Limited
<hr/> Menanteau Serfontein	Group Human Resources Director
Age	54
Years as THG Board member	11
Nationality	South African
Business address	The Tongaat-Hulett Group Limited PO Box 3, Tongaat, 4400 Amanzimnyama Hill Road, Tongaat, 4400
Qualifications	B.Com (Hons)
Experience	Menanteau joined THG in 1983, becoming Personnel Director for Hulamin in 1989. He successfully completed the Certificate Programme in Industrial Relations (Wits) and has attended Executive Programmes at Harvard and Columbia Business Schools and Henley Management College. He was appointed to the THG Board in 1996
Current directorship and other position, other than in THG	–
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TABLE OF ENTITLEMENTS

Number of ordinary shares held	Number of ordinary shares acquired	Number of ordinary shares held	Number of ordinary shares acquired	Number of ordinary shares held	Number of ordinary shares acquired
1	–	36	2	71	3
2	–	37	2	72	3
3	–	38	2	73	3
4	–	39	2	74	3
5	–	40	2	75	3
6	–	41	2	76	3
7	–	42	2	77	3
8	–	43	2	78	4
9	–	44	2	79	4
10	–	45	2	80	4
11	–	46	2	81	4
12	1	47	2	82	4
13	1	48	2	83	4
14	1	49	2	84	4
15	1	50	2	85	4
16	1	51	2	86	4
17	1	52	2	87	4
18	1	53	2	88	4
19	1	54	2	89	4
20	1	55	2	90	4
21	1	56	3	91	4
22	1	57	3	92	4
23	1	58	3	93	4
24	1	59	3	94	4
25	1	60	3	95	4
26	1	61	3	96	4
27	1	62	3	97	4
28	1	63	3	98	4
29	1	64	3	99	4
30	1	65	3	100	5
31	1	66	3	200	9
32	1	67	3	300	14
33	1	68	3	400	18
34	2	69	3	500	23
35	2	70	3	1 000	45

PRICE HISTORY OF THE ORDINARY SHARES ON THE JSE

		High (cents)	Low (cents)	Closing (cents)	Volume
Highest, lowest and closing prices for each quarter and aggregated quarterly volumes					
2004	March	4 755	3 280	4 640	11 482 694
	June	4 850	4 200	4 301	6 526 276
	September	4 700	3 970	4 649	5 306 695
	December	5 500	4 520	5 404	6 703 453
2005	March	6 490	5 300	5 925	7 244 407
	June	6 300	5 010	6 000	8 211 391
	September	7 325	5 845	7 225	7 149 234
	December	8 500	7 095	8 150	6 815 160
2006	March	10 200	8 080	9 915	11 610 446
	June	10 050	7 800	9 410	7 685 726
	September	10 001	8 457	8 900	9 774 418
	December	11 400	8 685	11 200	8 000 431
2007	March	13 048	11 100	12 300	11 657 806
Highest, lowest and closing prices for each month and aggregated monthly volumes					
2006	January	9 750	8 080	9 745	2 973 515
	February	10 200	8 751	9 200	3 646 930
	March	9 949	8 644	9 915	4 990 001
	April	10 050	9 492	9 750	1 786 989
	May	9 750	9 000	9 200	2 918 291
	June	9 470	7 800	9 410	2 980 446
	July	10 000	9 006	9 900	3 054 030
	August	10 001	9 030	9 375	3 562 307
	September	9 539	8 457	8 900	3 158 081
	October	9 800	8 685	9 500	1 965 330
	November	9 805	9 239	9 750	1 926 809
	December	11 400	9 750	11 200	4 108 292
2007	January	12 000	11 100	11 900	3 825 616
	February	13 048	11 500	12 000	5 171 074
	March	12 640	11 401	12 300	2 661 116
Highest, lowest and closing daily price and daily volume					
2007	March				
	1	12 099	11 800	11 850	290 674
	2	11 850	11 700	11 750	67 845
	5	11 600	11 401	11 450	274 016
	6	11 900	11 500	11 740	146 505
	7	12 050	11 800	11 860	71 991
	8	12 195	11 905	11 980	87 587
	9	12 150	11 900	11 960	307 502
	12	12 000	11 655	11 900	199 275
	13	12 000	11 650	11 780	323 200
	14	11 780	11 500	11 590	79 665
	15	11 950	11 600	11 720	156 161
	16	11 750	11 500	11 650	17 374
	19	11 850	11 650	11 791	21 105
	20	12 000	11 800	11 950	47 405
	22	12 400	12 000	12 135	141 686
	23	12 200	12 050	12 150	57 772

		High (cents)	Low (cents)	Closing (cents)	Volume	
2007	March	26	12 400	12 000	12 105	76 368
		27	12 450	12 000	12 260	43 389
		28	12 200	12 005	12 005	28 309
		29	12 200	12 000	12 106	30 122
		30	12 640	12 001	12 300	193 165
	April	2	12 500	11 955	12 425	35 116
		3	12 950	12 400	12 830	266 443
		4	13 300	12 700	12 800	152 410
		5	13 200	12 750	12 850	161 123
		10	13 353	12 805	13 216	48 177
		11	13 650	13 201	13 511	84 163
		12	14 000	13 500	13 950	199 513
		13	14 700	13 750	14 600	228 390
		16	14 700	14 410	14 650	238 502
		17	14 600	14 200	14 305	143 805
		18	14 550	14 000	14 005	117 545
		19	13 999	13 400	13 700	67 476

Source: BFA McGregor.

EXTRACTS FROM THG ARTICLES OF ASSOCIATION

The following are extracts of the articles of association of THG which govern the powers of directors:

BORROWING POWERS

- | | | |
|--------------------------------|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Right to borrow | 32.1 | Subject to the provisions of Article 32.2 hereof, the directors may borrow or raise from time to time for the purposes of the company such sums as they deem fit. |
| Maximum amount | 32.2 | The directors may from time to time and at their discretion borrow or secure for the purposes of the company such amounts as they think fit, provided that the aggregate principal amount at any one time outstanding in respect of money so borrowed or secured by the company and all the subsidiaries for the time being of the company (excluding monies borrowed by any such companies from any other of such companies) shall not, without the previous sanction of an ordinary resolution passed by the company in general meeting exceed one and a half times the aggregate of the issued and paid-up share capital for the time being of the company and the amounts standing to the credit of all distributable and non-distributable reserve accounts and any share premium accounts and the retained income and the value of minority shareholders' interest in any subsidiary company as set out in the consolidated balance sheet of the company and its subsidiaries certified by the company's auditors and as attached to or forming part of the last financial statements of the company which shall have been drawn up to be laid before the company in general meeting at the relevant time. Provided that no such sanction shall be required to the borrowing of any monies intended to be applied and actually applied within ninety days in the repayment (with or without premium) of any monies then already borrowed and outstanding and notwithstanding that the new borrowing may resulting the above limit being exceeded. |
| Manner of raising loans | 33. | The directors may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the issue of bonds, perpetual or redeemable, secured or unsecured debentures, or debenture stock, or any mortgage, charge or other security, on the undertaking of the whole or any part of the property of the company (both present and future), provided that no special privilege as to allotment of share or stock, attending and voting at general meetings, appointment of directors or otherwise shall be given, save with the sanction of the company in general meeting. |

DIRECTORS

- | | | |
|----------------------------|------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| Number of directors | 58. | Until otherwise determined by the company in general meeting the company shall have not less than five nor more than twenty-four directors. |
|----------------------------|------------|---------------------------------------------------------------------------------------------------------------------------------------------|

FILLING OF VACANCIES ON THE BOARD AND ROTATION OF DIRECTORS

- | | | |
|------------------------------------------------|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Power of directors when vacancies occur | 59. | The directors and the company in general meeting shall have the power at any time and from time to time to appoint any person as a director to either to fill a casual vacancy or as an additional director. Any person appointed under this article shall hold office only until the annual general meeting following next after his appointment when he shall retire but shall be eligible for election as a director at that meeting. |
| Vacancies on board | 60. | The continuing directors may act notwithstanding any vacancy in their body, but if the number falls below the minimum the directors shall not, except for the purpose of filling vacancies or calling general meetings, act so long as the number is below such minimum. |
| Rotation of directors | 61. | At every annual general meeting, one-third of the directors for the time being, not being managing directors or directors retiring in terms of Article 59, or if the number is not a multiple of three, then the number nearest to one-third, shall retire from office. A director of the company shall retire from office at the close of business of the annual general meeting next after he attains the age of seventy years unless at such meeting the company shall, by ordinary resolution, resolve to retain the services of such person as a director upon such terms as may be specified in such resolution. |

- Who shall retire** 62. The directors to retire at each annual general meeting shall be those which have been longest in office since their last election, but, as between persons who become directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot; provided always that there shall in any event be included as one of the directors to retire a director retiring in accordance with Article 61 on account of his having attained the age of seventy years.
- Removal of a director** 65. The company may by ordinary resolution, of which special notice has been given in accordance with the Companies Act, remove any director before the expiration of his period of office, notwithstanding anything in these articles or in any agreement between the company and such director. Such removal shall be without prejudice to any claim such director may have for damages for breach of any contract of service between him and the company.

REMUNERATION OF DIRECTORS

- Annual remuneration** 66. The directors shall be entitled to remuneration for their services as directors in each financial year, provided that the aggregate thereof shall not exceed 2.5% of the amount of all dividends and bonuses declared and paid by the company in cash to its shareholders in respect of such financial year. Such remuneration shall be divided amongst the directors in such proportions as the directors shall determine and, failing such determination, then proportionately to the respective periods during which they have so held office during the said financial year.
- Extra service and travelling expenses** 67. If any director shall be called upon to perform extra services or to give his professional services or to make any special exertions, such as serving upon any committee of directors or going or residing abroad, or otherwise, for any of the purposes of the company, the directors shall be at liberty to remunerate the director so doing either by a fixed sum or otherwise as may be determined and such remuneration may be either in addition to or in substitution for his remuneration provided for in the last preceding article. The directors shall be paid all their reasonable travelling and other expenses incurred by them in and about the business of the company and in attending meetings of the directors or of committees of directors.

DIRECTORS' INTERESTS IN CONTRACTS

- Contracting with the company** 69. Subject to the next succeeding article hereof no director or intending director shall be disqualified by his office from contracting with the company either with regard to his tenure of any other office or place of profit under the company or in any company promoted by the company or in which the company is interested or in respect of professional services rendered or to be rendered by such director or as vendor, purchaser or in any other manner whatever, nor shall any such contract or arrangement entered into by or on behalf of the company in which any director is in any way interested be liable to be avoided, nor shall any director so contracting or being so interested be liable to account to the company for any profit realised by any such appointment, contract or arrangement by reason of such director holding the office or of the fiduciary relationship thereby established.
- Restrictions on voting** 70. A director shall not vote nor be counted in the quorum and if he shall do so his vote shall not be counted on any resolution for his own appointment to any other office or place of profit under the company or in respect of any contract or arrangement in which he is interested, but this prohibition shall not apply to:
- 70.1 Any arrangement for giving to any director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the company; or
 - 70.2 Any arrangement for the giving by the company of any security to a third party in respect of a debt or obligation of the company which the director has himself guaranteed or secured; or
 - 70.3 Any contract by a director to subscribe for or underwrite shares or debentures of the company; or
 - 70.4 Any contact or arrangement with the company in which he is interested by reason only of being a director, officer, creditor or member of such company;

70.5 Any proposal concerning the adoption, modification, or operation of a superannuation fund or retirement, death or disability benefits scheme which relates both to directors and employees of the company or of any of its subsidiaries and does not accord to any director as such any privilege or advantage not generally accorded to the employees to whom such scheme or fund relates;

70.6 Any arrangement for the benefit of employees of the company or any of its subsidiaries under which the director benefits in a similar manner as the employees and these prohibitions may at any time be suspended or relaxed to any extent either generally, or in respect of any particular contract or arrangement, by the company in general meeting.

**Exercising
voting
powers**

71. The directors may exercise the voting powers conferred by the shares in any other company held or owned by the company in such manner and in all respects as they think fit, including the exercise thereof in favour of any resolution appointing themselves or any of them to be directors or officers of such other company or voting or providing for the payment of remuneration to the directors or officers of such other company; and any director of the company may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be, or about to become, a director or other officer of such other company and as such, or in any other manner, is or may be interested in the exercise of such voting rights in manner aforesaid.

TERMS OF THE TH “A” PREFERRED ORDINARY SHARES

155. RIGHTS, PRIVILEGES AND CONDITIONS ATTACHING TO THE “A” COMPULSORILY CONVERTIBLE CUMULATIVE PREFERRED ORDINARY SHARES WITH A PAR VALUE OF R1 EACH

155.1 Interpretation

In this article 155, unless the context clearly indicates a contrary intention, the following words and expressions shall bear the following meanings and cognate words and expressions shall bear corresponding meanings:

- 155.1.1 “A preferred ordinary share”** means an “A” compulsorily convertible cumulative preferred ordinary share in the issued capital of the company (prior to its conversion under Article 155.10):
- 155.1.1.1 with a par value of R1 (one Rand);
 - 155.1.1.2 which is not, and shall not at any time be, listed on any stock or securities exchange; and
 - 155.1.1.3 having the rights, privileges and conditions set out in this article 155;
- 155.1.2 “A preferred ordinary share class meeting”** means a class meeting of the holders as contemplated in article 155.7;
- 155.1.3 “agent”** means the preference share agent appointed by the class A preference shareholders and the class B preference shareholders in writing to act on their behalf;
- 155.1.4 “board”** means the board of directors of the company from time to time;
- 155.1.5 “business day”** means a day which is not a Saturday, a Sunday or an official public holiday in South Africa;
- 155.1.6 “class A preference shareholder”** at a point in time, means a registered holder of one or more class A preference shares at that point in time;
- 155.1.7 “class A preference share”** means a class A cumulative fixed rate redeemable preference share in the capital of Yomoba SPV or Infrastructure SPV, as the case may be;
- 155.1.8 “class B preference share”** means a class B cumulative fixed rate redeemable preference share in the capital of Yomoba SPV or Infrastructure SPV, as the case may be;
- 155.1.9 “class B preference shareholder”** at a point in time, means a holder of one or more class B preference shares at that point in time;
- 155.1.10 “Companies Act”** means the Companies Act No. 61 of 1973, as amended, repromulgated or substituted from time to time;
- 155.1.11 “company”** means The Tongaat-Hulett Group Limited (Registration No. 1892/000610/06), a limited liability public company duly incorporated under the laws of South Africa;
- 155.1.12 “conversion”** means the automatic conversion and redesignation of an “A” preferred ordinary share into and as an ordinary share in accordance with article 155.10;
- 155.1.13 “conversion date”** means the date on which each “A” preferred ordinary share automatically converts into, and is automatically redesignated as, an ordinary share, being the date which is the earlier of the:
- 155.1.13.1 seventh anniversary of the issue date of the first “A” preferred ordinary share to be issued (or the business day immediately preceding the seventh anniversary of such issue date if the day on which such seventh anniversary falls is not a business day); and

- 155.1.13.2 the date of a notice delivered by the agent to the company under article 155.10.1 (or the business day immediately succeeding such date of delivery if such date of delivery is not a business day);
- 155.1.14 “**converted ordinary share**” means an ordinary share into which an “A” preferred ordinary share has been converted and redesignated pursuant to article 155.10;
- 155.1.15 “**dividend**” in respect of a class of shares, means a dividend declared or otherwise paid by the company to the registered holders of that class of shares in their capacity as such;
- 155.1.16 “**early redemption event**” means the occurrence of any event described as a “Redemption Event” under and for purposes of the rights, conditions and privileges of any class A preference share or any class B preference share;
- 155.1.17 “**encumber**” means to pledge, mortgage, hypothecate, charge, cede in security or out-and-out, create a lien over, subordinate, grant an option over, grant a right of retention over, or otherwise encumber in any way whatsoever, or hedge, or lend, or enter into any arrangement or transaction whatsoever (whether or not subject to any suspensive or resolutive condition) which may have the same or similar effect as any of the aforementioned, and “encumbered” and “encumbrance” shall have corresponding meanings;
- 155.1.18 “**general meeting**” means a general meeting of the company;
- 155.1.19 “**holder**” at a point in time, means a registered holder of an “A” preferred ordinary share at that point in time;
- 155.1.20 “**Infrastructure SPV**” means Cast Arena Trade and Invest 67 (Proprietary) Limited (Registration No. 2006/038322/07), a limited liability private company duly incorporated under the laws of South Africa;
- 155.1.21 “**Infrastructure SPV preference share**” means a class A preference share or class B preference share issued by Infrastructure SPV from time to time;
- 155.1.22 “**Infrastructure SPV preference shareholder**” at a point in time, means a holder of one or more Infrastructure SPV preference shares at that point in time;
- 155.1.23 “**issue date**” of an “A” preferred ordinary share, means the date on which that “A” preferred ordinary share is issued;
- 155.1.24 “**JSE**” means the exchange operated by JSE Limited;
- 155.1.25 “**normal distribution**” in respect of ordinary shares (or any class of shares in the share capital of the company other than the “A” preferred ordinary shares), means any shareholder distribution declared and paid by the company in respect of ordinary shares (or that other class of shares other than the “A” preferred ordinary shares) which is not a special distribution;
- 155.1.26 “**ordinary share**” means an ordinary share in the capital of the company with a par value of R1 (one Rand);
- 155.1.27 “**ordinary shareholder**” at a point in time, means the holder of one or more ordinary shares at that point in time;
- 155.1.28 “**person**” includes natural persons, companies, corporations, close corporations, trusts, foundations, firms, partnerships and other entities, juristic persons and associations of persons, wheresoever incorporated or registered and whether or not incorporated or registered;
- 155.1.29 “**preferred ordinary dividend**” means the cumulative preferential cash dividend payable on each “A” preferred ordinary share, as provided for in article 155.4;
- 155.1.30 “**prime rate**” means the publicly quoted prime rate of interest (percent, per annum, compounded monthly in arrears and calculated on a 365 day year irrespective of whether or not the year is a leap year) as published by First National Bank, a division of FirstRand Bank Limited, (or its successor) as being its prime rate from time to time, as certified by any manager of such bank whose authority, appointment and designation need not be proved;
- 155.1.31 “**redeemable preference share**” means a redeemable preference share in the share capital of the company with a par value of R1 (one Rand) which might be issued pursuant to the provisions of article 155.10.9;

- 155.1.32** “**registered holder**” of a share in a company as at a point in time, means the holder of that share at that time as reflected in the register of members of that company;
- 155.1.33** “**sell**” means sell, alienate, donate, exchange, distribute, transfer or in any manner whatsoever dispose of, or enter into any arrangement or transaction whatsoever (whether or not subject to any suspensive or resolutive condition) which may have the same or similar effect as any of the aforementioned sale, alienation, donation, exchange, distribution, transfer or disposal (including but not limited to any arrangement or transaction, or series of arrangements or transactions, or the cession of any rights or the granting of any option or any derivative or similar transaction(s) which would have the same or substantially similar economic effect, whether in whole or in part), or realise any value in respect thereof, and “sale” and “sold” will be construed accordingly;
- 155.1.34** “**shareholder distribution**” in respect of a class of shares, means a dividend, a capital or other distribution or any other payment to registered holders of that class of shares in their capacity as such;
- 155.1.35** “**special distribution**” in respect of ordinary shares, means any shareholder distribution declared and paid by the company in respect of ordinary shares (including a share buy-back) which (i) does not coincide (in respect of date) with either the normal annual final dividend or normal semi-annual interim dividend declared by the company on or in respect of the ordinary shares (it being recorded that such declarations occur during February and July of each year as at the issue date of the first “A” preferred ordinary share), or (ii) entails the declaration or distribution of any dividend *in specie*, or (iii) entails the payment or distribution of an amount exceeding 5% of the company’s market capitalisation on the JSE as at the date of declaration, but then only in respect of the amount of such excess, or (iv) is described by the board as a special, extraordinary or abnormal shareholder distribution;
- 155.1.36** “**STC**” means secondary tax on companies levied in terms of the Income Tax Act, 1962 (as amended, repromulgated or substituted from time to time);
- 155.1.37** “**subsidiary**” means a “subsidiary” as defined in the Companies Act;
- 155.1.38** “**tax**” means any tax, duty, levy, surcharge or imposition of any nature whatever, and any penalties or interest payable in respect thereof, which may be lawfully imposed, including STC or any other tax on dividends;
- 155.1.39** “**terms, privileges and conditions**” means the terms, privileges and conditions attaching to the “A” preferred ordinary shares, as set out in this article 155;
- 155.1.40** “**Yomoba SPV**” means Marble Gold 424 (Proprietary) Limited (Registration No. 2006/037863/07), a limited liability private company duly incorporated under the laws of South Africa;
- 155.1.41** “**Yomoba SPV preference share**” means a class A preference share or class B preference share issued by Yomoba SPV from time to time;
- 155.1.42** “**Yomoba SPV preference shareholder**” at a point in time, means a holder of one or more Yomoba SPV preference shares at that point in time.

155.2 Issue and certificates

Each “A” preferred ordinary share shall be issued at:

155.2.1 its par value; plus

155.2.2 such premium (if any) thereon as may be agreed in writing between the company and the subscriber for that “A” preferred ordinary share,

and shall have the rights, privileges and conditions as set out in these terms, privileges and conditions. The share certificate issued by the company to a holder in respect of each “A” preferred ordinary share held by such holder shall be endorsed with the amount originally paid for the issue of that “A” preferred ordinary share.

155.3 Ranking

Save as provided to the contrary in articles 155.4 to 155.8 (both inclusive) and in articles 155.10 to 155.12 (both inclusive), each “A” preferred ordinary share shall rank *pari passu* in all respects with each ordinary share, including in relation to the right (i) to vote, (ii) to receive notice of, attend and speak at all general meetings, (iii) to participate in any rights, capitalisation, bonus or other similar issues and offers, and (iv) to participate in and receive any special distribution declared or distributed by the company to its ordinary shareholders, but specifically excluding the right to participate in and receive any normal distribution declared or distributed by the company to its ordinary shareholders.

155.4 Preferred ordinary dividends

155.4.1 The board shall be entitled, from time to time, to declare and pay any dividend and to declare and distribute any other shareholder distribution to ordinary shareholders and to the registered holders of any other classes of shares in the share capital of the company, provided that (notwithstanding any other provision of these articles) no such declaration, payment or distribution shall be made unless and until the company has declared and paid all preferred ordinary dividends that should, in terms of the following provisions of this article 155.4, have been declared and paid as at such point in time.

155.4.2 Each “A” preferred ordinary share shall confer on the holder thereof, the right to receive and be paid (in priority to the ordinary shareholders and the registered holders of any other class of shares in the capital of the company), a preferred ordinary dividend consisting of the aggregate of the following amounts:

155.4.2.1 an amount of R1,986 (one comma nine eight six Rand) on each 30 June and 31 December in each year that falls between the issue date of the first “A” preferred ordinary share to be issued and the conversion date or the date on which the company is deregistered or wound-up (whichever occurs first) in respect of the six month period preceding each such date of 30 June and 31 December (or, if the period up to the first such date or up to the last such date is less than six months, an amount *pro rata* to the amount of R1,986 (one comma nine eight six Rand) taking into account the actual number of days in the relevant period and the number of days that would have been in a six month period), provided that if any such date is not a business day, the relevant amount shall be paid on the business day immediately preceding it; plus

155.4.2.2 on the conversion date or the date on which the company is deregistered or wound up (whichever occurs first), in respect of the period from the last date referred to in article 155.4.2.1 on which an amount was paid-up to such conversion date or date of deregistration or winding-up (as the case may be), an amount *pro rata* to the amount of R1,986 (one comma nine eight six Rand) taking into account the actual number of days in the relevant period and the number of days that would have been in a six month period); plus

155.4.2.3 to the extent that any amount referred to in article 155.4.2.1 and article 155.4.2.2 is not paid in full on the relevant date referred to in article 155.4.2.1 or article 155.4.2.2 (as the case may be), an additional amount determined by multiplying the amount so not paid on the relevant date by the prime rate for the period from the relevant date referred to in article 155.4.2.1 or article 155.4.2.2 (as the case may be) up to (and including) the date on which it is actually paid in full, compounded monthly in arrear; plus

155.4.2.4 if, for any reason, any amount declared or paid to a holder in terms of this article 155.4 is or becomes subjected to tax in the hands of the holder and/or is or becomes the subject of any deduction or withholding on account of tax, a further amount (if any) in order to place that holder in the same after tax position that it would have been in had same not been the case, provided that the company shall not be required to pay any amount pursuant to this article 155.4.2.4 if the payment thereof would leave the company in a worse net after tax position than what it would have been in on the issue date of the first “A” preferred ordinary share; plus

155.4.2.5 if, for any reason, any amount paid to a holder in terms of this article 155.4 does not carry an amount equal to 12.5% of the amount so paid in the form of a credit for STC or for a tax on dividends for which the holder is responsible, a further amount (if any) in order to place that holder in the same after tax position that it would have been in had same not been the case, provided that the company shall not be required to pay any amount pursuant to this article 155.4.2.5 if the payment thereof would leave the company in a worse net after tax position than what it would have been in on the issue date of the first “A” preferred ordinary share.

155.4.3 For purposes of determining the company’s net after tax position as referred to in article 155.4.2.4 and article 155.4.2.5

155.4.3.1 it is recorded that, as at the issue date of the first “A” preferred ordinary share, the company would (i) not have been entitled to claim any deduction for or reduction of tax in respect of any amounts paid to any holder in terms of this article 155, and (ii) have had to pay STC of 12.5% on all amounts paid to the holders in terms of this article 155; and

155.4.3.2 only circumstances which relate to the “A” preferred ordinary shares shall be taken into account for the determination to be made.

155.5 Winding-up

On a deregistration or winding-up of the company:

155.5.1 all preferred ordinary dividends that should, in terms of article 155.4, have been declared and paid at such point in time, shall automatically be declared (to the extent not yet declared) and shall be paid in priority to any shareholder distribution to ordinary shareholders or the registered holders of any other classes of shares in the capital of the company from time to time; and

155.5.2 thereafter, each “A” preferred ordinary share shall participate *pari passu* with each ordinary share in the remaining profits and assets of the company.

155.6 No listing

The “A” preferred ordinary shares are not, and shall not at any time prior to their conversion into ordinary shares as envisaged below be, listed on the JSE or any other stock or securities exchange.

155.7 “A” preferred ordinary share class meetings

155.7.1 If and to the extent the provisions of this article 155.7 conflict with those in article 19, the provisions of this article 155.7 shall prevail in respect of the “A” preferred ordinary shares.

155.7.2 Any modification of, or alteration or variation to, any of the rights, privileges and conditions may only be effected with the prior approval of a general meeting and with the prior written consent of the agent (if, at the time, there is any class A preference share or any class B preference share in issue) and with the prior:

155.7.2.1 written consent of each of the holders; or

155.7.2.2 sanction of a resolution passed at an “A” preferred ordinary share class meeting by 75% of the votes exercisable and exercised by holders who are present in person or by proxy or represented at such “A” preferred ordinary share class meeting.

155.7.3 The provisions of articles 43 and 44 relating to general meetings shall apply, *mutatis mutandis*, to each “A” preferred ordinary share class meeting, except that a quorum at each such “A” preferred ordinary share class meeting shall be such holder(s) (present in person or by proxy or represented) which are at the time of the “A” preferred ordinary share class meeting the registered holders of at least one quarter of the then issued “A” preferred ordinary shares; provided that the quorum at any adjourned meeting shall be any holder.

155.7.4 The provisions of these articles relating to adjourned general meetings shall apply, *mutatis mutandis*, if a quorum is not present at any “A” preferred ordinary share class meeting.

155.8 Restriction on sale and encumbrance of “A” preferred ordinary shares

155.8.1 A holder shall not be entitled to directly or indirectly:

155.8.1.1 sell all or any of the “A” preferred ordinary shares held by it or all or any of its rights and/or interests therein or thereto or forming part thereof save as may be agreed in writing between, inter alia, the company, the holder and the agent (if, at the time, there is any class A preference share or any class B preference share in issue) from time to time. The company hereby irrevocably agrees to the sale of such “A” preferred ordinary shares as the agent (if, at the time, there is any class A preference share or any class B preference share in issue) may decide to sell in accordance with such written agreement or in accordance with any encumbrance (permitted in terms of article 155.8.1.2) that may be given over the “A” preferred ordinary shares in future; or

155.8.1.2 encumber all or any of the “A” preferred ordinary shares or all or any of its rights and/or interests therein or thereto or forming part thereof save as may be agreed in writing between, inter alia, the company, the holder and the agent (if, at the time, there is any class A preference share or any class B preference share in issue) from time to time. The company hereby irrevocably agrees to the “A” preferred ordinary shares being dealt with in accordance with such written agreement and (once it becomes legally competent to do so) to the “A” preferred ordinary shares being encumbered as security for the obligations of Yomoba SPV to the Yomoba SPV preference shareholders in relation to the Yomoba SPV preference shares and as security for the obligations of Infrastructure SPV to the Infrastructure SPV preference shareholders in relation to the Infrastructure SPV preference shares.

155.8.2 The company shall not register any sale of an “A” preferred ordinary share which is not effected in compliance with this article 155.8.

155.9 Consolidations and Subdivisions

If at any time the ordinary shares are consolidated into a smaller number of ordinary shares, or are subdivided into a larger number of ordinary shares, in a specific ratio (“specific ratio”), the “A” preferred ordinary shares shall similarly and simultaneously be consolidated into a smaller number of “A” preferred ordinary shares, or be subdivided into a larger number of “A” preferred ordinary shares (as the case may be), in the specific ratio.

155.10 Conversion

155.10.1 If any early redemption event occurs, the agent (if, at the time, there is any class A preference share in issue or any class B preference share in issue) may deliver a written notice to the company to that effect and advising that conversion of the “A” preferred ordinary shares is required.

155.10.2 Each “A” preferred ordinary share shall, on the conversion date, automatically convert into, and automatically be redesignated as, an ordinary share.

155.10.3 Each converted ordinary share shall rank *pari passu* in all respects with each other ordinary share with effect from the conversion date.

155.10.4 Within three business days after the conversion date, each holder shall surrender to the company the certificate(s) relating to its “A” preferred ordinary shares against the necessary electronic entries being made in the company’s sub-register reflecting that holder as holding converted ordinary shares. For avoidance of doubt, the terms, privileges and conditions set out in this article 155 shall cease to apply on the conversion date irrespective of when the certificate(s) relating to the “A” preferred ordinary shares is/are surrendered to the company.

155.10.5 The preferred ordinary dividends payable in respect of each “A” preferred ordinary share shall cease to accrue from the conversion date.

155.10.6 The company shall procure, to the extent it is legally able to do so, that the converted ordinary shares arising pursuant to the conversion of “A” preferred ordinary shares shall be listed on any stock or securities exchange on which the issued ordinary shares are then listed.

- 155.10.7** In order to comply with any formalities that may be required for any conversion in terms of this article 155.10 and in order to enable the converted ordinary shares to be listed as envisaged in article 155.10.6, the company shall, as soon as reasonably possible, but by no later than one business day after the conversion date, complete any and all documents, and do all other things which may be necessary or desirable for that purpose, and failing timeous compliance by the company with its obligations in terms hereof, the company irrevocably and *in rem suam* appoints each holder and the agent (or any person appointed by any of them for such purpose) in its name and stead, to attend to all of the foregoing.
- 155.10.8** On the conversion date, all preferred ordinary dividends that should, in terms of article 155.4, have been declared and paid as at such point in time, shall automatically be declared (to the extent not yet declared) and shall be paid in priority to any shareholder distribution to ordinary shareholders or the registered holders of any other classes of shares in the capital of the company from time to time. The conversion shall not affect any accrued rights of the holders in terms of this article 155.
- 155.10.9** If, on the conversion date, there is any preferred ordinary dividend that should have been declared and paid in terms of article 155.10.8 but that has not been declared or paid in full in accordance with article 155.4, and if any holder (or the agent if, at the time, there is any class A preference share in issue or any class B preference share in issue) delivers written notice to the company requiring same, the company shall forthwith allot and issue (at the par value thereof) one redeemable preference share to each holder. The redeemable preference shares shall have the rights, privileges and conditions set out in article 155.10.10.
- 155.10.10** Each redeemable preference share shall have the following rights, privileges and conditions:
- 155.10.10.1 it shall confer on the registered holder thereof the right to receive payment of an amount equivalent to the aggregate of all preferred ordinary dividends that should, in terms of article 15.10.8 have been declared but that were not declared and paid in full in respect of all the “A” preferred ordinary shares (**“original “A” preferred ordinary shares”**), immediately prior to their conversion plus (i) an additional preferred dividend calculated at the prime rate on the aforesaid amounts from the business day succeeding the conversion date to the date of actual payment thereof in full, (ii) a further additional preferred dividend (if any) if, for any reason, any amount so declared or paid is or becomes subjected to tax in the hands of the registered holder and/or is or becomes the subject of any deduction or withholding on account of tax, in order to place that registered holder in the same after tax position that it would have been in had same not been the case, and (iii) a further additional preferred dividend (if any) if, for any reason, any amount so paid does not carry an amount equal to 12,5% of the amount so paid in the form of a credit for STC or for a tax on dividends for which the registered holder is responsible, in order to place that registered holder in the same after tax position that it would have been in had same not been the case, all in priority to any payments of shareholder distributions of any nature whatsoever to the ordinary shareholders or to the registered holder of any other classes of shares in the capital of the company;
- 155.10.10.2 it shall confer on the registered holder thereof the right, in a winding-up, to a payment of the amounts referred to in article 155.10.10.1 and to repayment of the par value thereof, in priority to any payments to the ordinary shareholders or to the registered holders of any other classes of shares in the capital of the company;

- 155.10.10.3 save as provided in articles 155.10.10.1 and 155.10.10.2, the redeemable preference shares shall not participate in, or receive any shareholder distributions distributed by the company;
- 155.10.10.4 it shall not confer on the holder the right to vote at meetings of the company, except:
- 155.10.10.4.1 during any period during which any dividend or any part of any such dividend on such redeemable preference share or any redemption payment thereon remains in arrear and unpaid; or
- 155.10.10.4.2 in regard to any resolution proposed which, directly or indirectly, affects any of the rights attached to such redeemable preference share or the interests of the registered holder thereof, including a resolution for the winding-up of the company or for the reduction of its capital;
- 155.10.10.5 it shall be redeemable at an amount equal to its par value at the option of the company (**“option”**) in accordance with section 98 of the Companies Act at any time after payment in full of all preferred dividends referred to in article 155.10.10.1, on the following terms and conditions:
- 155.10.10.5.1 notice (**“redemption notice”**) of the exercise of the option may not be given by the company unless all preferred dividends referred to in article 155.10.10.1 have been paid;
- 155.10.10.5.2 the redemption notice shall be given by the company to the registered holder of the redeemable preference share in writing, whereupon such redeemable preference share shall be redeemed and cancelled; and
- 155.10.10.5.3 on receipt of the redemption notice, the registered holder shall deliver the certificate of such redeemable preference share to the company at its registered office and the company shall pay the par value of such redeemable preference share to such registered holder in consideration of the redemption.
- 155.10.11 The company shall be liable for any stamp duty and/or like tax, charge or duty which becomes payable by the holder on the conversion of any “A” preferred ordinary share for any reason. To the extent that the holder pays or becomes liable to pay such stamp duty or any such like tax, charge or duty, the company shall pay an amount to the holder equal to the amount so paid by the holder.

155.11 General

- 155.11.1 Any payment due by the company to the holder shall be made without set-off, deduction or any form of withholding whatsoever and shall be made by electronic funds transfer into a bank account nominated in writing by the holder.
- 155.11.2 The company shall not be liable for any interest on amounts which are due and payable to, and have been tendered to, the holder under this article 155, but which have not been claimed by such holder.
- 155.11.3 All notices required in terms of this article 155 shall be in writing.

155.11.4 If any certificate issued in respect of an “A” preferred ordinary share is defaced, lost or destroyed, it shall be replaced by the company only with the prior written consent of the agent (if, at the time, there is any class A preference share or any class B preference share in issue) and upon receipt by the company of:

155.11.4.1 either:

155.11.4.1.1 the defaced certificate; or

155.11.4.1.2 an affidavit by the holder (or a director of the holder) to the effect that such certificate has been lost or destroyed; and

155.11.4.1.3 a written undertaking by the holder to indemnify the company against any loss, liability, damage, cost or expense which the company may suffer as a result of issuing such replacement certificate.

155.12 Stipulation

Each of the provisions of this article 155 which, and to the extent it, confers rights on the agent constitutes a stipulation for the benefit of the agent which may accept same at any time without giving any notice to the company or to any holder.

Terms of the TH “B” ordinary shares

The following are the extracts from the proposed amendments to the articles of TH setting out the terms of the TH “B” ordinary shares:

TERMS AND CONDITIONS OF THE B1 ORDINARY SHARES

131. For the purposes of Articles 131 to 138:

- (a) “B1 Attrition Shares” means B1 Ordinary Shares which had been allocated, but then ceded and transferred on the occurrence of an event of default in terms of the rules of the TH Employee Share Ownership Scheme;
- (b) “B1 Capital Appreciation Period” means the 5 (five)-year period commencing on the date of allotment and issue of the B1 Ordinary Shares and expiring on the 5th (fifth) anniversary of such date of allotment and issue, or such shorter period as may be agreed to by the directors;
- (c) “B1 Ordinary Shares” means B1 ordinary shares with a par value of R1.00 (one Rand) each in the share capital of the Company;
- (d) “B1 Repurchase Shares” means the number of the B1 Ordinary Shares which are eligible to be acquired by the Company in accordance with the formula set out in Article 132;
- (e) “B1 Remaining Shares” means the B1 Ordinary Shares which are not B1 Repurchase Shares; and
- (f) “VWAP” means the volume weighted average trading price of an ordinary share in the Company on the JSE.

132. The Company shall have the right, during the last 5 (five) days before the expiry of the B1 Capital Appreciation Period, to acquire by written notice (“B1 Written Notice”) to that effect to the holder of the B1 Ordinary Shares and subject to and in terms of the provisions of the Act, such number of the B1 Ordinary Shares, at an acquisition price of R0.01 per B1 Ordinary Share, as determined in accordance with the following formula:

$$R = \frac{(P_1 + F - D)}{P_2} \times (B_1 - AS) + AS$$

Where:

R = number of B1 Ordinary Shares to be acquired;

P₁ = VWAP during the 22 JSE trading days preceding the date of the allotment and issue of the B1 Ordinary Shares;

P₂ = VWAP during the 22 JSE trading days preceding the date of the B1 Written Notice;

F = cumulative annual funding cost imputed to the B1 Ordinary Shares over the B1 Capital Appreciation Period, which annual funding cost will be equal to the ordinary dividend per share declared on ordinary shares in the Company in that year;

D = cumulative amount of all dividends per B1 Ordinary Shares which were declared but not received in cash by the participants in the TH Employee Share Ownership Scheme over the duration of the B1 Capital Appreciation Period;

AS = number of B1 Attrition Shares;

B₁ = number of B1 Ordinary Shares in issue.

133. The holder of the B1 Ordinary Shares shall not be entitled, before the Company exercises its right in terms of Article 132 and acquires the B1 Repurchase Shares, to dispose of any of the B1 Ordinary Shares; provided that if the holder of the B1 Ordinary Shares is required to do so by virtue of all shareholders, or specific classes of shareholders, being obliged to dispose of their shares, then it may dispose of the B1 Ordinary Shares in terms of such obligation but only as a collective group of shares (and not individually) to a single acquirer. In order to give effect to the provisions of Article 133 and as security for the obligations of the holder of the B1 Ordinary Shares arising from the exercise by the Company of its rights as contemplated in Article 132, the B1 Ordinary Shares shall be held by the Company in safe custody.

134. To give effect to the provisions of Article 133, the B1 Ordinary Shares shall be certificated and the share certificates of the B1 Ordinary Shares shall be held in trust by the secretary of the Company. The certificates of the B1 Ordinary Shares shall be appropriately endorsed to reflect the existence of the safe custody arrangement.

135. On the Company exercising its right and acquiring the B1 Repurchase Shares:
- (a) the conditions and restrictions contained in Articles 132 to 134 shall automatically cease to apply to the B1 Remaining Shares and the B1 Remaining Shares shall continue to rank *pari passu* in all respects with the other ordinary shares (other than the B1 Repurchase Shares) in the issued share capital of the Company;
 - (b) the B1 Remaining Shares shall be renamed “ordinary shares”;
 - (c) the B1 Remaining Shares shall automatically be released from safe custody and the share certificates in respect of the B1 Remaining Shares shall be delivered to the holder of the B1 Ordinary Shares to enable the B1 Remaining Shares to become uncertificated; and
 - (d) the B1 Remaining Shares shall be listed on the JSE.
136. If at the time the Company exercises its rights in terms of Article 132 the solvency and liquidity requirements set out in Sections 85(4)(a) and (b) of the Act are not met, the Company shall nevertheless be entitled to acquire the B1 Repurchase Shares but shall only be obliged to pay the consideration for the B1 Repurchase Shares as and when the Company can make such payment without contravening the provisions of Section 85(4) of the Companies Act. Until the Company has fully discharged its obligation to the holder of the B1 Ordinary Shares, the holder of the B1 Ordinary Shares shall retain the status of a claimant with the rights set out Section 88(3) of the Act.
137. Save as set out in Articles 131 to 134, the B1 Ordinary Shares shall rank *pari passu* in all respects with the other ordinary shares in the issued share capital of the Company.
138. After expiry of the B1 Capital Appreciation Period and after all the B1 Repurchase Shares have been acquired by the Company in accordance with Section 85 of the Act, Articles 131 to 137 shall cease to be of any further force and effect.

TERMS AND CONDITIONS OF THE B2 ORDINARY SHARES

139. For the purposes of Articles 139 to 146:
- (a) “B2 Attrition Shares” means B2 Ordinary Shares which had been allocated, but then ceded and transferred on the occurrence of an event of default in terms of the rules of the TH Management Share Ownership Scheme;
 - (b) “B2 Capital Appreciation Period” means the 5 (five)-year period commencing on the date of allotment and issue of the B2 Ordinary Shares and expiring on the 5th (fifth) anniversary of such date of allotment and issue, or such shorter period as may be agreed to by the directors;
 - (c) “B2 Ordinary Shares” means B2 ordinary shares with a par value of R1,00 (one Rand) each in the share capital of the Company;
 - (d) “B2 Repurchase Shares” means the number of the B2 Ordinary Shares which are eligible to be acquired by the Company in accordance with the formula set out in Article 140;
 - (e) “B2 Remaining Shares” means the B2 Ordinary Shares which are not B2 Repurchase Shares; and
 - (f) “VWAP” means the volume weighted average trading price of an ordinary share in the Company on the JSE.
140. The Company shall have the right, during the last five days before the expiry of the B2 Capital Appreciation Period, to acquire by written notice (“B2 Written Notice”) to that effect to the holder of the B2 Ordinary Shares and subject to and in terms of the provisions of the Act, such number of the B2 Ordinary Shares, at an acquisition price of R0.01 per B2 Ordinary Share, as determined in accordance with the following formula:

R_1 equals the greater of:

$$R = \frac{(P_1 \times 80\%) + F - D}{P_2} \times (B_2 - AS) + AS$$

or

$$R = \left(\frac{(P_1 \times 80\%) + F - D}{P_2} + \frac{P_2 - (P_1 \times 161\%)}{P_2} \right) \times (B_2 - AS) + AS$$

Where:

R_1 = number of B2 Ordinary Shares to be acquired;

P_1 = VWAP during the 22 JSE trading days preceding the date of allotment and issue of the B2 Ordinary Shares;

P_2 = VWAP during the 22 JSE trading days preceding the date of the B2 Written Notice;

AS = number of B2 Attrition Shares;

B_2 = number of B2 Ordinary Shares in issue;

F = cumulative annual funding cost imputed to the B2 Ordinary Shares over the B2 Capital Appreciation Period, which annual funding cost will be equal to the ordinary dividend per share declared on ordinary shares in the Company in that year;

D = cumulative amount of all dividends per B2 Ordinary Shares which were declared but not received in cash by the participants in the TH Management Share Ownership Scheme over the duration of the B2 Capital Appreciation Period.

141. The holder of the B2 Ordinary Shares shall not be entitled, before the Company exercises its right in terms of Article 140 and acquires the B2 Repurchase Shares, to dispose of any of the B2 Ordinary Shares; provided that if the holder of the B2 Ordinary Shares is required to do so by virtue of all shareholders, or specific classes of shareholders, being obliged to dispose of their shares, then it may dispose of the B2 Ordinary Shares in terms of such obligation but only as a collective group of shares (and not individually) to a single acquirer. In order to give effect to the provisions of this Article 141 and as security for the obligations of the holder of the B2 Ordinary Shares arising from the exercise by the Company of its rights as contemplated in Article 140 the B2 Ordinary Shares shall be held by the Company in safe custody.
142. To give effect to the provisions of Article 141, the B2 Ordinary Shares shall be certificated and the share certificates of the B2 Ordinary Shares shall be held in trust by the secretary of the Company. The certificates of the B2 Ordinary Shares shall be appropriately endorsed to reflect the existence of the safe custody arrangement.
143. On the Company exercising its right and acquiring the B2 Repurchase Shares:
- (a) the conditions and restrictions contained in Articles 140 to 142 shall automatically cease to apply to the B2 Remaining Shares and the B2 Remaining Shares shall continue to rank *pari passu* in all respects with the other ordinary shares (other than the B2 Repurchase Shares) in the issued share capital of the Company;
 - (b) the B2 Remaining Shares shall be renamed "ordinary shares";
 - (c) the B2 Remaining Shares shall automatically be released from safe custody and the share certificates in respect of the B2 Remaining Shares shall be delivered to the holder of the B2 Ordinary Shares to enable the B2 Remaining Shares to become uncertificated; and
 - (d) the B2 Remaining Shares shall be listed on the JSE.
144. If at the time the Company exercise its rights in terms of Article 140 the solvency and liquidity requirements set out in Sections 85(4)(a) and (b) of the Act are not met, the Company shall nevertheless be entitled to acquire the B2 Repurchase Shares but shall only be obliged to pay the consideration to the holder of the B2 Ordinary Shares as and when the Company can make such payment without contravening the provisions of Section 85(4) of the Act. Until the Company has fully discharged its obligation to the holder of the B2 Ordinary Shares, the holder of the B2 Ordinary Shares shall retain the status of a claimant with the rights set out Section 88(3) of the Act.
145. Save as set out in Articles 139 to 142, the B2 Ordinary Shares shall rank *pari passu* in all respects with the other ordinary shares in the issued share capital of the Company.
146. After expiry of the B2 Capital Appreciation Period and after all the B2 Repurchase Shares have been acquired by the Company in accordance with Section 85 of the Act, Articles 139 to 145 shall cease to be of any further force and effect.

TERMS AND CONDITIONS OF THE B3 ORDINARY SHARES

147. For the purposes of Articles 147 to 154:
- (a) "B3 Attrition Shares" means B3 Ordinary Shares which had been allocated, but then ceded and transferred on the occurrence of an event of default in terms of the rules of the TH Management Share Ownership Scheme;
 - (b) "B3 Capital Appreciation Period" means the 5 (five)-year period commencing on the date of allotment and issue of the B3 Ordinary Shares and expiring on the 5th (fifth) anniversary of such date of allotment and issue, or such shorter period as may be agreed to by the directors;
 - (c) "B3 Ordinary Shares" means B3 ordinary shares with a par value of R1,00 (one Rand) each in the share capital of the Company;
 - (d) "B3 Repurchase Shares" means the number of the B3 Ordinary Shares which are eligible to be acquired by the Company in accordance with the formula set out in Article 148;

- (e) "B3 Remaining Shares" means the B3 Ordinary Shares which are not B3 Repurchase Shares;
- (f) "VWAP" means the volume weighted average trading price of an ordinary share in the Company on the JSE.

148. The Company shall have the right, during the last five days before the expiry of the B3 Capital Appreciation Period, to acquire by written notice ("B3 Written Notice") to that effect to the holder of the B3 Ordinary Shares and subject to and in terms of the provisions of the Act, such number of the B3 Ordinary Shares, at an acquisition price of R0.01 per B3 Ordinary Share, as determined in accordance with the following formula:

R_2 equals the greater of:

AS; or

$$R = \frac{P_2 - (P_1 \times 161\%) + F - D}{P_2} \times (B_3 - AS) + AS$$

Where:

R_2 = number of B3 Ordinary Shares to be acquired;

P_1 = VWAP during the 22 JSE trading days preceding the date of allotment and issue of the B3 Ordinary Shares;

P_2 = VWAP during the 22 JSE trading days preceding the date of the B3 Written Notice;

F = cumulative annual funding cost imputed to the B3 Ordinary Shares over the B3 Capital Appreciation Period, which annual funding cost will be equal to the ordinary dividend per share declared on ordinary shares in the Company in that year;

D = cumulative amount of all dividends per B3 Ordinary Shares which were declared but not received in cash by the participants in the TH Management Share Ownership Scheme over the duration of the B3 Capital Appreciation Period;

AS = number of B3 Attrition Shares;

B_3 = number of B3 Ordinary Shares in issue.

149. The holder of the B3 Ordinary Shares shall not be entitled, before the Company exercises its right in terms of Article 148 and acquires the B3 Repurchase Shares, to dispose of any of the B3 Ordinary Shares; provided that if the holder of the B3 Ordinary Shares is required to do so by virtue of all shareholders, or specific classes of shareholders, being obliged to dispose of their shares, then it may dispose of the B3 Ordinary Shares in terms of such obligation but only as a collective group of shares (and not individually) to a single acquirer. In order to give effect to the provisions of this Article 149 and as security for the obligations of the holder of the B3 Ordinary Shares arising from the exercise by the Company of its rights as contemplated in Article 148 the B3 Ordinary Shares shall be held by the Company in safe custody.

150. To give effect to the provisions of Article 149, the B3 Ordinary Shares shall be certificated and the share certificates of the B3 Ordinary Shares shall be held in trust by the secretary of the Company. The certificates of the B3 Ordinary Shares shall be appropriately endorsed to reflect the existence of the safe custody arrangement.

151. On the Company exercising its right and acquiring the B3 Repurchase Shares:

- (a) the conditions and restrictions contained in Articles 148 to 150 shall automatically cease to apply to the B3 Remaining Shares and the B3 Remaining Shares shall continue to rank *pari passu* in all respects with the other ordinary shares (other than the B3 Repurchase Shares) in the issued share capital of the Company;
- (b) the B3 Remaining Shares shall be renamed "ordinary shares";
- (c) the B3 Remaining Shares shall automatically be released from safe custody and the share certificates in respect of the B3 Remaining Shares shall be delivered to the holder of the B3 Ordinary Shares to enable the B3 Remaining Shares to become uncertificated; and
- (d) the B3 Remaining Shares shall be listed on the JSE.

152. If at the time the Company exercise its rights in terms of Article 148, the solvency and liquidity requirements set out in Sections 85(4)(a) and (b) of the Act are not met, the Company shall nevertheless be entitled to acquire the B3 Repurchase Shares but shall only be obliged to pay the consideration to the holder of the B3 Ordinary Shares as and when the Company can make such payment without contravening the provisions of Section 85(4) of the Act. Until the Company has fully discharged its obligation to the holder of the B3 Ordinary Shares, the holder of the B3 Ordinary Shares shall retain the status of a claimant with the rights set out Section 88(3) of the Act.

153. Save as set out in Articles 147 to 150, the B3 Ordinary Shares shall rank *pari passu* in all respects with the other ordinary shares in the issued share capital of the Company.

154. After expiry of the B3 Capital Appreciation Period and after all the B3 Repurchase Shares have been acquired by the Company in accordance with Section 85 of the Act, Articles 147 to 153 shall cease to be of any further force and effect.

TERMS OF THE HULAMIN “A” ORDINARY SHARES

The following is an extract from the articles of association of Hulamin and sets out the terms and conditions of the Hulamin “A” ordinary shares:

TERMS AND CONDITIONS OF THE A ORDINARY SHARES

- 140.** For the purposes of Articles 140 and 141 “A Ordinary Shares” means A ordinary shares with a par value of R0,10 (ten cents) each in the share capital of the Company.
- 141.** The A Ordinary Shares shall carry the following rights and be subject to the following conditions:
- (a) each A Ordinary Share shall confer on the holder thereof, the right on a winding-up of the Company to repayment of the par value of the A Ordinary Share, being R0,10 (ten cents);
 - (b) except as set out in Article 141(a), the A Ordinary Shares shall not be entitled to any participation in the profits of the Company or any distribution of the assets or capital of the Company (including dividends or other payments);
 - (c) the holders of the A Ordinary Shares shall be entitled to receive notice of and be present and vote, either in person or by proxy, at any meeting of the Company;
 - (d) on a show of hands every holder of an A Ordinary Share present in person or by proxy, or being a corporate body represented, at the meeting, shall have one vote, and on a poll every member present in person or by proxy shall be entitled to exercise the voting rights determined by section 195 of the Act; and
 - (e) the rights, terms and conditions attaching to the A Ordinary Shares shall only be varied or cancelled by means of a special resolution passed by the Company with the consent in writing of the holders of the A Ordinary Shares.

TERMS OF THE HULAMIN “B” ORDINARY SHARES

The following is an extract from the articles of association of Hulamin and sets out the terms and conditions of the Hulamin “B” ordinary shares:

TERMS AND CONDITIONS OF THE B1 ORDINARY SHARES

142. For the purposes of Articles 142 to 149:

- (a) “B1 Attrition Shares” means B1 Ordinary Shares which had been allocated, but then ceded and transferred on the occurrence of an event of default in terms of the rules of the Hulamin Employee Share Ownership Scheme;
- (b) “B1 Capital Appreciation Period” means the 5 (five) year period commencing on the date of allotment and issue of the B1 Ordinary Shares and expiring on the 5th (fifth) anniversary of such date of allotment and issue, or such shorter period as may be agreed to by the directors;
- (c) “B1 Ordinary Shares” means B1 ordinary shares with a par value of R0,10 (ten cents) each in the share capital of the Company;
- (d) “B1 Repurchase Shares” means the number of the B1 Ordinary Shares which are eligible to be acquired by the Company in accordance with the formula set out in Article 143;
- (e) “B1 Remaining Shares” means the B1 Ordinary Shares which are not B1 Repurchase Shares; and
- (f) “VWAP” means the volume weighted average trading price of an ordinary share in the Company on the JSE.

143. The Company shall have the right, during the last five days before the expiry of the B1 Capital Appreciation Period, to acquire by written notice (“B1 Written Notice”) to that effect to the holder of the B1 Ordinary Shares and subject to and in terms of the provisions of the Act, such number of the B1 Ordinary Shares, at an acquisition price of R0,01 per B1 Ordinary Share, as determined in accordance with the following formula:

$$R = \frac{(P_1 + F - D)}{P_2} \times (B_1 - AS) + AS$$

Where:

R = number of B1 Ordinary Shares to be acquired;

P₁ = VWAP during the 22 JSE trading days preceding the date of the allotment and issue of the B1 Ordinary Shares;

P₂ = VWAP during the 22 JSE trading days preceding the date of the B1 Written Notice;

F = cumulative annual funding cost imputed to the B1 Ordinary Shares over the B1 Capital Appreciation Period, which annual funding cost will be equal to the ordinary dividend per share declared on ordinary shares in the Company in that year;

D = cumulative amount of all dividends per B1 Ordinary Shares which were declared but not received in cash by the participants in the Hulamin Employee Share Ownership Scheme over the duration of the B1 Capital Appreciation Period;

AS = number of B1 Attrition Shares; and

B₁ = number of B1 Ordinary Shares in issue.

144. The holder of the B1 Ordinary Shares shall not be entitled, before the Company exercises its right in terms of Article 143 and acquires the B1 Repurchase Shares, to dispose of any of the B1 Ordinary Shares; provided that if the holder of the B1 Ordinary Shares is required to do so by virtue of all shareholders, or specific classes of shareholders, being obliged to dispose of their shares, then it may dispose of the B1 Ordinary Shares in terms of such obligation but only as a collective group of shares (and not individually) to a single acquirer. In order to give effect to the provisions of this Article 144 and as security for the obligations of the holder of the B1 Ordinary Shares arising from the exercise by the Company of its rights as contemplated in Article 143 the B1 Ordinary Shares shall be held by the Company in safe custody.

145. To give effect to the provisions of Article 144, the B1 Ordinary Shares shall be certificated and the share certificates of the B1 Ordinary Shares shall be held in trust by the secretary of the Company. The certificates of the B1 Ordinary Shares shall be appropriately endorsed to reflect the existence of the safe custody arrangement.
146. On the Company exercising its right and acquiring the B1 Repurchase Shares:
- the conditions and restrictions contained in Articles 143 to 145 shall automatically cease to apply to the B1 Remaining Shares and the B1 Remaining Shares shall continue to rank *pari passu* in all respects with the other ordinary shares (other than the B1 Repurchase Shares) in the issued share capital of the Company;
 - the B1 Remaining Shares shall be renamed “ordinary shares”;
 - the B1 Remaining Shares shall automatically be released from safe custody and the share certificates in respect of the B1 Remaining Shares shall be delivered to the holder of the B1 Ordinary Shares to enable the B1 Remaining Shares to become uncertificated; and
 - the B1 Remaining Shares shall be listed on the JSE.
147. If at the time the Company exercises its rights in terms of Article 143, the solvency and liquidity requirements set out in sections 85(4)(a) and (b) of the Act are not met, the Company shall nevertheless be entitled to acquire the B1 Repurchase Shares but shall only be obliged to pay the consideration for the B1 Repurchase Shares as and when the Company can make such payment without contravening the provisions of section 85(4) of the Act. Until the Company has fully discharged its obligation to the holder of the B1 Ordinary Shares, the holder of the B1 Ordinary Shares shall retain the status of a claimant with the rights set out section 88(3) of the Act.
148. Save as set out in Articles 142 to 145, the B1 Ordinary Shares shall rank *pari passu* in all respects with the other ordinary shares in the issued share capital of the Company.
149. After expiry of the B1 Capital Appreciation Period and after all the B1 Repurchase Shares have been acquired by the Company in accordance with section 85 of the Act, Articles 142 to 148 shall cease to be of any further force and effect.

TERMS AND CONDITIONS OF THE B2 ORDINARY SHARES

150. For the purposes of Articles 150 to 157:
- “B2 Attrition Shares” means B2 Ordinary Shares which had been allocated, but then ceded and transferred on the occurrence of an event of default in terms of the rules of the Hulamini Management Share Ownership Scheme;
 - “B2 Capital Appreciation Period” means the 5 (five) year period commencing on the date of allotment and issue of the B2 Ordinary Shares and expiring on the 5th (fifth) anniversary of such date of allotment and issue, or such shorter period as may be agreed to by the directors;
 - “B2 Ordinary Shares” means B2 ordinary shares with a par value of R0.10 (ten cents) each in the share capital of the Company;
 - “B2 Repurchase Shares” means the number of the B2 Ordinary Shares which are eligible to be acquired by the Company in accordance with the formula set out in Article 151;
 - “B2 Remaining Shares” means the B2 Ordinary Shares which are not B2 Repurchase Shares; and
 - “VWAP” means the volume weighted average trading price of an ordinary share in the Company on the JSE.
151. The Company shall have the right, during the last 5 (five) days before the expiry of the B2 Capital Appreciation Period, to acquire by written notice (“B2 Written Notice”) to that effect to the holder of the B2 Ordinary Shares and subject to and in terms of the provisions of the Act, such number of the B2 Ordinary Shares, at an acquisition price of R0.01 per B2 Ordinary Share, as determined in accordance with the following formula:

R_1 equals the greater of:

$$R = \frac{(P_1 \times 80\%) + F - D}{P_2} \times (B_2 - AS) + AS$$

or

$$R = \left(\frac{(P_1 \times 80\%) + F - D}{P_2} + \frac{P_2 - (P_1 \times 161\%)}{P_2} \right) \times (B_2 - AS) + AS$$

Where:

R_1 = number of B2 Ordinary Shares to be acquired;

P_1 = VWAP during the 22 JSE trading days preceding the date of allotment and issue of the B2 Ordinary Shares;

P_2 = VWAP during the 22 JSE trading days preceding the date of the B2 Written Notice;

AS = number of B2 Attrition Shares;

B_2 = number of B2 Ordinary Shares in issue;

F = cumulative annual funding cost imputed to the B2 Ordinary Shares over the B2 Capital Appreciation Period, which annual funding cost will be equal to the ordinary dividend per share declared on ordinary shares in the Company in that year; and

D = cumulative amount of all dividends per B2 Ordinary Shares which were declared but not received in cash by the participants in the Hulamin Management Share Ownership Scheme over the duration of the B2 Capital Appreciation Period.

- 152.** The holder of the B2 Ordinary Shares shall not be entitled, before the Company exercises its right in terms of Article 151 and acquires the B2 Repurchase Shares, to dispose of any of the B2 Ordinary Shares; provided that if the holder of the B2 Ordinary Shares is required to do so by virtue of all shareholders, or specific classes of shareholders, being obliged to dispose of their shares, then it may dispose of the B2 Ordinary Shares in terms of such obligation but only as a collective group of shares (and not individually) to a single acquirer. In order to give effect to the provisions of this Article 152 and as security for the obligations of the holder of the B2 Ordinary Shares arising from the exercise by the Company of its rights as contemplated in Article 151 the B2 Ordinary Shares shall be held by the Company in safe custody.
- 153.** To give effect to the provisions of Article 152, the B2 Ordinary Shares shall be certificated and the share certificates of the B2 Ordinary Shares shall be held in trust by the secretary of the Company. The certificates of the B2 Ordinary Shares shall be appropriately endorsed to reflect the existence of the safe custody arrangement.
- 154.** On the Company exercising its right and acquiring the B2 Repurchase Shares:
- (a) the conditions and restrictions contained in Articles 151 to 153 shall automatically cease to apply to the B2 Remaining Shares and the B2 Remaining Shares shall continue to rank *pari passu* in all respects with the other ordinary shares (other than the B2 Repurchase Shares) in the issued share capital of the Company;
 - (b) the B2 Remaining Shares shall be renamed “ordinary shares”;
 - (c) the B2 Remaining Shares shall automatically be released from safe custody and the share certificates in respect of the B2 Remaining Shares shall be delivered to the holder of the B2 Ordinary Shares to enable the B2 Remaining Shares to become uncertificated; and
 - (d) the B2 Remaining Shares shall be listed on the JSE.
- 155.** If at the time the Company exercise its rights in terms of Article 151, the solvency and liquidity requirements set out in sections 85(4)(a) and (b) of the Act are not met, the Company shall nevertheless be entitled to acquire the B2 Repurchase Shares but shall only be obliged to pay the consideration to the holder of the B2 Ordinary Shares as and when the Company can make such payment without contravening the provisions of section 85(4) of the Act. Until the Company has fully discharged its obligation to the holder of the B2 Ordinary Shares, the holder of the B2 Ordinary Shares shall retain the status of a claimant with the rights set out section 88(3) of the Act.
- 156.** Save as set out in Articles 150 to 153, the B2 Ordinary Shares shall rank *pari passu* in all respects with the other ordinary shares in the issued share capital of the Company.
- 157.** After expiry of the B2 Capital Appreciation Period and after all the B2 Repurchase Shares have been acquired by the Company in accordance with section 85 of the Act, Articles 150 to 156 shall cease to be of any further force and effect.

TERMS AND CONDITIONS OF THE B3 ORDINARY SHARES

158. For the purposes of Articles 158 to 165:

- (a) “B3 Attrition Shares” means B3 Ordinary Shares which had been allocated, but then ceded and transferred on the occurrence of an event of default in terms of the rules of the Hulamin Management Share Ownership Scheme;

- (b) “B3 Capital Appreciation Period” means the 5 (five) year period commencing on the date of allotment and issue of the B3 Ordinary Shares and expiring on the 5th (fifth) anniversary of such date of allotment and issue, or such shorter period as may be agreed to by the directors;
- (c) “B3 Ordinary Shares” means B3 ordinary shares with a par value of R0.10 (ten cents) each in the share capital of the Company;
- (d) “B3 Repurchase Shares” means the number of the B3 Ordinary Shares which are eligible to be acquired by the Company in accordance with the formula set out in Article 159;
- (e) “B3 Remaining Shares” means the B3 Ordinary Shares which are not B3 Repurchase Shares;
- (f) “VWAP” means the volume weighted average trading price of an ordinary share in the Company on the JSE.

159. The Company shall have the right, during the last five days before the expiry of the B3 Capital Appreciation Period, to acquire by written notice (“B3 Written Notice”) to that effect to the holder of the B3 Ordinary Shares and subject to and in terms of the provisions of the Companies Act, such number of the B3 Ordinary Shares, at an acquisition price of R0.01 per B3 Ordinary Share, as determined in accordance with the following formula:

R₂ equals the greater of:

AS; or

$$R = \frac{P_2 - (P_1 \times 161\%) + F - D}{P_2} \times (B_3 - AS) + AS$$

Where:

R₂ = number of B3 Ordinary Shares to be acquired;

P₁ = VWAP during the 22 JSE trading days preceding the date of allotment and issue of the B3 Ordinary Shares;

P₂ = VWAP during the 22 JSE trading days preceding the date of the B3 Written Notice;

F = cumulative annual funding cost imputed to the B3 Ordinary Shares over the B3 Capital Appreciation Period, which annual funding cost will be equal to the ordinary dividend per share declared on ordinary shares in the Company in that year;

D = cumulative amount of all dividends per B3 Ordinary Shares which were declared but not received in cash by the participants in the Hulamin Management Share Ownership Scheme over the duration of the B3 Capital Appreciation Period;

AS = number of B3 Attrition Shares; and

B₃ = number of B3 Ordinary Shares in issue.

160. The holder of the B3 Ordinary Shares shall not be entitled, before the Company exercises its right in terms of Article 159 and acquires the B3 Repurchase Shares, to dispose of any of the B3 Ordinary Shares; provided that if the holder of the B3 Ordinary Shares is required to do so by virtue of all shareholders, or specific classes of shareholders, being obliged to dispose of their shares, then it may dispose of the B3 Ordinary Shares in terms of such obligation but only as a collective group of shares (and not individually) to a single acquirer. In order to give effect to the provisions of this Article 160 and as security for the obligations of the holder of the B3 Ordinary Shares arising from the exercise by the Company of its rights as contemplated in Article 159 the B3 Ordinary Shares shall be held by the Company in safe custody.

161. To give effect to the provisions of Article 160, the B3 Ordinary Shares shall be certificated and the share certificates of the B3 Ordinary Shares shall be held in trust by the secretary of the Company. The certificates of the B3 Ordinary Shares shall be appropriately endorsed to reflect the existence of the safe custody arrangement.

162. On the Company exercising its right and acquiring the B3 Repurchase Shares:

- (a) the conditions and restrictions contained in Articles 159 to 161 shall automatically cease to apply to the B3 Remaining Shares and the B3 Remaining Shares shall continue to rank *pari passu* in all respects with the other ordinary shares (other than the B3 Repurchase Shares) in the issued share capital of the Company;
- (b) the B3 Remaining Shares shall be renamed “ordinary shares”;

- (c) the B3 Remaining Shares shall automatically be released from safe custody and the share certificates in respect of the B3 Remaining Shares shall be delivered to the holder of the B3 Ordinary Shares to enable the B3 Remaining Shares to become uncertificated; and
 - (d) the B3 Remaining Shares shall be listed on the JSE.
- 163.** If at the time the Company exercise its rights in terms of Article 159, the solvency and liquidity requirements set out in sections 85(4)(a) and (b) of the Act are not met, the Company shall nevertheless be entitled to acquire the B3 Repurchase Shares but shall only be obliged to pay the consideration to the holder of the B3 Ordinary Shares as and when the Company can make such payment without contravening the provisions of section 85(4) of the Act. Until the Company has fully discharged its obligation to the holder of the B3 Ordinary Shares, the holder of the B3 Ordinary Shares shall retain the status of a claimant with the rights set out section 88(3) of the Act.
- 164.** Save as set out in Articles 158 to 161, the B3 Ordinary Shares shall rank *pari passu* in all respects with the other ordinary shares in the issued share capital of the Company.
- 165.** After expiry of the B3 Capital Appreciation Period and after all the B3 Repurchase Shares have been acquired by the Company in accordance with section 85 of the Act, Articles 158 to 164 shall cease to be of any further force and effect.

EXISTING THG SHARE INCENTIVE SCHEMES

DEFINITIONS

“Conditional Award”	a conditional right to receive shares granted in terms of the THG LTIP;
“Early Test Date”	31 December 2006;
“Early Vesting Date”	immediately after the THG shareholders meeting;
“Existing Share Schemes”	the current THESIS, SOS, THG SAR, THG LTIP and THG DBP;
“HA”	Hulamin Limited (Registration number 1940/013924/06), a public company with effect from 1 April 2007, duly registered and incorporated with limited liability in accordance with company laws of South Africa, the ordinary shares of which will be listed on the JSE, pursuant to the unbundling;
“HEPS”	Headline Earnings Per Share;
“JSE”	the JSE Limited (Registration number 2005/022939/06), a public company duly registered and incorporated with limited liability in accordance with the company laws of South Africa, licensed as an exchange under the Securities Services Act, 36 of 2004;
“Matching Award”	a conditional right to receive shares granted in terms of the THG DBP;
“Participants”	all permanent employees of TH or any of its subsidiaries;
“ROCE”	Return on Capital Employed;
“SARs”	Share Appreciation Rights granted in terms of the THG SAR, namely a right to receive shares to the value of the difference between the exercise price and the grant price;
“SOS”	The Tongaat-Hulett Limited Group Share Option Scheme 2001;
“TH”	Tongaat Hulett Limited (Registration number 1892/000610/06), after the unbundling;
“TH Employer Company”	a company in the TH group which employs a participant;
“TH Shares”	ordinary shares having a par value of R1.00 (one Rand) each in the issued share capital of TH;
“THESIS”	The Tongaat-Hulett Group Limited Employee Share Incentive Scheme 1989;
“THG”	Tongaat-Hulett Group Limited (Registration number 1892/000610/06), a public company duly registered and incorporated with limited liability in accordance with the company laws of South Africa, the ordinary shares of which are listed on the JSE and which is to be renamed Tongaat Hulett Limited subject to, <i>inter alia</i> , the approval of THG shareholders;
“THG DBP”	The Tongaat-Hulett Group Limited Deferred Bonus Plan 2005;
“THG LTIP”	The Tongaat-Hulett Group Limited Long-Term Incentive Plan 2005;
“THG SAR”	The Tongaat-Hulett Group Limited Share Appreciation Rights Scheme 2005;
“THG Shares”	ordinary shares having a par value of R1.00 (one Rand) each in the issued share capital of THG;
“TSR”	Total Shareholder Return;
“Unbundling”	the proposed unbundling of HA; and
“Unbundling Agreement”	the agreement between HA and TH that, <i>inter alia</i> , regulates the settlement responsibilities under the Existing Share Schemes.

1. EXISTING SHARE SCHEMES

THG's current management share incentive schemes comprise the THESIS, SOS, THG SAR, THG LTIP and THG DBP (collectively, referred to as 'the Existing Share Schemes').

In view of the proposed Unbundling of HA and restructuring of THG, the following measures will be taken with regard to the Existing Share Schemes in order to ensure the equitable and fair treatment of THG employees who were participants under the Existing Share Schemes and who remain in employment with TH post the Unbundling:

It was determined that Participants under the Existing Share Schemes should be no worse off from an economic value perspective and their rights should be aligned with those of shareholders. Accordingly, Participants will have the choice to either realise vested options and rights prior to Unbundling, or receive both TH and HA options or rights in place of each of their existing THG options or rights.

The settlement principles and provisions of the Existing Share Schemes are set out below, as affect TH going forward, while the HA effects are contained in the Hulamin pre-listing statement:

2. SALIENT FEATURES OF THE OBLIGATIONS ARISING FROM THE EXISTING SHARE SCHEMES

In order, as far as possible, to place all Participants of the Existing Share Schemes in the position they would have been in if they were shareholders of THG at the time of the unbundling, the Existing Share Schemes will continue in TH after the unbundling, subject to the provisions highlighted below, which principles are in accordance with the Unbundling Agreement.

2.1 The Tongaat-Hulett Group Limited Employee Share Incentive Scheme

At 21 April 2007, 453 260 options awarded to TH Participants under this scheme remained outstanding and all have vested.

Participants of the THESIS who have been granted options in terms of the THESIS and who have not exercised their options at the Unbundling date, will exchange each of their existing THG options for a HA option and a TH option. The original strike price of each THG option will be apportioned between the HA option and the TH option, with reference to the volume weighted average prices of the HA and TH shares for the first 22 trading days after the unbundling. This approach will permit Participants to participate in the upside of both entities that comprised THG before the Unbundling. The lapse dates of both new options will be the same as that of the original THG options. The replacement options will be settled in the manner described in paragraph 2.6 below.

An agreement will be entered into between HA and TH, to provide for the replacement HA and TH options to TH employees. The HA and TH options will be made available to Participants as a result of the grant of the original THG options under the THESIS and the subsequent exchange of each of the original THG options for an HA and TH option.

2.2 The Tongaat-Hulett Group Limited 2001 Share Option Scheme

At 21 April 2007 there were 1 895 150 options granted to TH participants outstanding under this scheme, with 1 623 380 having vested and 271 770 remaining unvested.

No accelerated vesting will apply to unvested options.

Participants of the SOS who have been granted options in terms of the SOS and who have not exercised their options at the unbundling date, will exchange each of their existing THG options for a HA option and a TH option. The original strike price of each THG option will be apportioned between the HA option and the TH option, with reference to the weighted average prices of the HA and TH shares for the first 22 trading days after the Unbundling. This approach will permit Participants to participate in the upside of both entities that comprised THG before the Unbundling. The replacement options will be settled in the manner described in paragraph 2.6 below.

An agreement will be entered into between HA and TH to provide for the replacement HA and TH options to the HA employees. The HA and TH options will be made available to Participants as a result of the grant of the original THG options under the SOS, and the subsequent exchange of each of the original THG options for an HA and TH option.

The vesting and lapse dates of both new options will be the same as that of the original THG options.

2.3 The Tongaat-Hulett Group Limited Share Appreciation Right Scheme 2005

The THG SAR has been in operation since 2005 and all SARs granted to TH Participants from the 2005 grant (1 018 032 rights) and from the 2006 grant (973 121 rights) are outstanding and are unvested.

SARs granted in terms of the 2005 and 2006 awards are subject to performance conditions, namely that the THG HEPS must increase by the increase in CPI over a three-year performance period plus 6%. The base year for the 2005 grant is the 2004 financial year and the year of assessment is the 2007 financial year. The base year for the 2006 grant is 2005 financial year and the year of assessment is the 2008 financial year.

The HEPS performance to date relative to the HEPS performance condition applicable to the 2005 and 2006 award was tested on the Early Test Date and this performance condition has been fully met in respect of both the 2005 and 2006 award.

Partial accelerated vesting will therefore be permitted on the Early Vesting Date based on full attainment of the performance conditions and vesting of the SARs will be *pro rated* with reference to the proportion of the performance period that has been served by Participants up to the unbundling date. This *pro rata* portion of the SARs can be exercised from the Early Vesting Date up to a day before the Unbundling date. If exercised before the unbundling date, the SARs will not require repricing and will be settled in THG shares.

The portion of the SARs that does not vest early or which has not been exercised by the Unbundling date where early *pro rata* vesting was permitted, will be exchanged for replacement SARs over TH and HA shares with adjusted strike prices. Replacement SARs will not be subject to any performance conditions.

The vesting and lapse dates of both new SARs will be the same as that of the original SARs.

2.4 The Tongaat-Hulett Group Long-Term Incentive Plan 2005

The THG LTIP has been in operation since 2005 and all the conditional shares granted to TH Participants under the THG LTIP are outstanding and are unvested, i.e. 256 197 from the 2005 grant and 137 195 from the 2006 grant.

In respect of both the 2005 and the 2006 awards, 50% of the award is subject to the TSR condition and 50% is subject to the ROCE condition. Both the TSR and ROCE performance to date relative to the TSR and ROCE performance condition applicable to the 2005 and 2006 award was tested on the Early Test Date and it is clear from the results achieved that this performance condition has been fully met in respect of both the 2005 and 2006 award.

Partial accelerated vesting will be permitted based on the attainment of the performance conditions and vesting of the conditional awards will be *pro rated* with reference to the proportion of the performance period that has been served by Participants up to the unbundling date. This *pro rata* portion of the Conditional Awards will vest on the Early Vesting Date and be settled in THG shares.

The portion of the Conditional Awards that does not vest early will be exchanged for replacement conditional awards over one TH and one HA shares for each THG conditional award. The replacement conditional awards will not be subject to new performance conditions and will be subject to the original vesting dates.

2.5 The Tongaat-Hulett Group Deferred Bonus Plan 2005

The THG DBP has been in operation since 2005 and a total of 31 780 and 23 138 Matching Awards were made under the THG DBP in 2005 and 2006, respectively.

The full Matching Award based on the number of shares pledged in 2005 and 2006, and retained until the Early Vesting Date, vest on the Early Vesting Date and an appropriate number of THG shares will be delivered to each of the Participants prior to the Unbundling date.

2.6 Settlement of Existing Share Scheme Benefits, post-unbundling

The obligation to settle the Existing Share Schemes will be done in accordance with the principles discussed below, which principles are in accordance with the Unbundling Agreement, namely:

The TH Employer Companies will be obliged to settle all benefits under the Existing Share Schemes for their own employees using TH shares. The TH Employer Companies will settle the outstanding share scheme instruments that arise after the award modifications for its own employees, by purchasing TH shares in the market, or issuing TH shares. The benefit for HA instruments will be determined with reference to the HA share price, and the TH instruments with respect to the TH share price, however, benefits arising from HA instruments will be settled using TH shares.

The number of shares delivered will be rounded down to the nearest number of whole shares and the remaining balance of value can be put through the payroll in cash.

SUMMARY OF PRINCIPAL IMMOVABLE PROPERTY

Details of principal immovable property owned or leased by THG and/or its subsidiaries, other than Hulamin, is set out below:

Situation	Registered owner	Extent (hectares)
The Farm Shongweni Number 15346	The Tongaat-Hulett Group Limited	92.9257
Rem of Sub 24 of the Farm Summerveld Number 14226	The Tongaat-Hulett Group Limited	410.7940
Rem of the Farm Kirkfalls Number 14227	The Tongaat-Hulett Group Limited	1 525.6118
Rem of Sub 2 of Farm Botha's Half-Way House Number 921	The Tongaat-Hulett Group Limited	13.9836
Rem of Sub 6 (of 4) of Lot 31 Number 1560 (Pd by Mdl)	The Tongaat-Hulett Group Limited	8.6769
Rem of Sub 13 of Lot 31 Number 1560	The Tongaat-Hulett Group Limited	13.8100
Lot 142 Mt Edgecombe	Mount Edgecombe Estates (Proprietary) Limited	228.8912
Rem of Sub 14 of Lot 31 Number 1560	The Tongaat-Hulett Group Limited	14.0445
Rem of Sub 15 of Lot 31 Number 1560	The Tongaat-Hulett Group Limited	6.8305
Rem of Sub 16 of Lot 31 Number 1560	The Tongaat-Hulett Group Limited	18.4031
Rem of Sub 21 of Lot 31 Number 1560	The Tongaat-Hulett Group Limited	10.4755
Sub 50 (of 8) of Lot 31 Number 1560	The Tongaat-Hulett Group Limited	20.2322
Rem of Sub 4 of Lot 31 Number 1560	The Tongaat-Hulett Group Limited	12.4061
Sub 5 (of 4) of Lot 31 Number 1560	The Tongaat-Hulett Group Limited	8.0911
Sub 57 (of 21) of Lot 31 Number 1560	The Tongaat-Hulett Group Limited	0.4047
Rem of Sub 8 of Lot 31 Number 1560	The Tongaat-Hulett Group Limited	3.8522
Rem of Sub 35 of Lot 31 Number 1560	The Tongaat-Hulett Group Limited	39.2509
Rem of Lot A 39 Number 1532	The Tongaat-Hulett Group Limited	64.3725
Sub 4 (of 3) of Lot 20 Number 1557	The Tongaat-Hulett Group Limited	12.3157
Sub 5 (of 3) of Lot 20 Number 1557	The Tongaat-Hulett Group Limited	0.0577
Rem of Lot 20 Number 1557	The Tongaat-Hulett Group Limited	230.3428
Rem of Sub 1 of Lot 20 Number 1557	The Tongaat-Hulett Group Limited	180.4279
Sub 1 of Lot 21 Number 1529	The Tongaat-Hulett Group Limited	53.6461
Sub 2 of Lot 21 Number 1529	The Tongaat-Hulett Group Limited	81.2609
Sub 3 of Lot 21 Number 1529	The Tongaat-Hulett Group Limited	61.9347
Sub 4 of Lot 21 Number 1529	The Tongaat-Hulett Group Limited	57.9814
Sub 8 of Lot 21 Number 1529	The Tongaat-Hulett Group Limited	80.8258
Sub 9 of Lot 21 Number 1529	The Tongaat-Hulett Group Limited	50.2848
Sub 11 of Lot 21 Number 1529	The Tongaat-Hulett Group Limited	49.2249
Lot 48 Blackburn	The Tongaat-Hulett Group Limited	1.1381
Rem of Lot 21 Number 1529	The Tongaat-Hulett Group Limited/Natal Estates (Proprietary) Limited (deregistered)	6.9008
Lot 1 Blackburn	The Tongaat-Hulett Group Limited	0.1922
Lot 2 Blackburn	The Tongaat-Hulett Group Limited	0.3237
Lot 3 Blackburn	The Tongaat-Hulett Group Limited	0.3237

Situation	Registered owner	Extent (hectares)
Lot 4 Blackburn	The Tongaat-Hulett Group Limited	0.3237
Lot 5 Blackburn	The Tongaat-Hulett Group Limited	0.3237
Lot 6 Blackburn	The Tongaat-Hulett Group Limited	0.3237
Lot 7 Blackburn	The Tongaat-Hulett Group Limited	0.3237
Lot 8 Blackburn	The Tongaat-Hulett Group Limited	0.2984
Lot 9 Blackburn	The Tongaat-Hulett Group Limited	0.2984
Sub 7 of Lot 21 Number 1529	The Tongaat-Hulett Group Limited	41.0554
Rem of Sub 22 of Lot 31 Number 1560	The Tongaat-Hulett Group Limited	7.5201
Sub 80 (of 44) of Lot 31 Number 1560	The Tongaat-Hulett Group Limited	1.5428
Rem of Sub 43 of Lot 31 Number 1560	The Tongaat-Hulett Group Limited	15.9480
Rem of Sub 418 of Lot 31 Number 1560	The Tongaat-Hulett Group Limited	9.9484
Sub 420 of Lot 31 Number 1560	The Tongaat-Hulett Group Limited	20.7983
Sub 419 of Lot 31 Number 1560	The Tongaat-Hulett Group Limited	13.1045
Sub 421 of Lot 31 Number 1560	The Tongaat-Hulett Group Limited	22.2603
Rem of Sub 436 (of 435) of Lot 31 Number 1560	The Tongaat-Hulett Group Limited	29.1148
Rem of Lot B 39 Number 1533	The Tongaat-Hulett Group Limited	113.8753
Rem of Sub 37 of Lot 31 Number 1560	The Tongaat-Hulett Group Limited	19.6253
Sub 38 of Lot 31 Number 1560	The Tongaat-Hulett Group Limited	43.8976
Sub 39 of Lot 31 Number 1560	The Tongaat-Hulett Group Limited	8.4984
Rem of Sub 46 of Lot 31 Number 1560	The Tongaat-Hulett Group Limited	124.7428
Sub 75 of the Farm Cotton Lands Number 1575	The Tongaat-Hulett Group Limited	36.4217
Sub 76 of the Farm Cotton Lands Number 1575	The Tongaat-Hulett Group Limited	8.0937
Sub 68 of the Farm Cotton Lands Number 1575	The Tongaat-Hulett Group Limited	30.3515
Rem of the Farm Pencarrow Number 17860	The Tongaat-Hulett Group Limited	318.3781
Rem of Sub 1239 (of 1220) of the Farm Cotton Lands Number 1575	The Tongaat-Hulett Group Limited	28.0204
Rem of Lot 321 of the Farm Cottonlands Number 1575	The Tongaat-Hulett Group Limited	408.6977
Rem of the Village of Mount Moreland	The Tongaat-Hulett Group Limited	84.5305
Rem of Sub 245 of the Farm Cottonlands Number 1575	The Tongaat-Hulett Group Limited	57.6606
Rem of Erf 19 Mount Moreland	The Tongaat-Hulett Group Limited	5.7989
The Farm Lot 8 of Suburban Lots Village Number 7731	The Tongaat-Hulett Group Limited	2.7133
Erf 12 Mount Moreland	The Tongaat-Hulett Group Limited	2.1246
Erf 11 Mount Moreland	The Tongaat-Hulett Group Limited	2.0234
Lot 21 of Sub Lots Mount Moreland Number 7732	The Tongaat-Hulett Group Limited	2.3223
Rem of Erf 20 Mount Moreland	The Tongaat-Hulett Group Limited	12.5133
Rem of Erf 4 Mount Moreland	The Tongaat-Hulett Group Limited	4.5145
Rem of Erf 3 Mount Moreland	The Tongaat-Hulett Group Limited	9.9322
Erf 14 Mount Moreland	The Tongaat-Hulett Group Limited	2.6807
Ptn 2 of Erf 27 Mount Moreland	The Tongaat-Hulett Group Limited	0.4047
Erf 54 Mount Moreland	The Tongaat-Hulett Group Limited	0.6413
Erf 70 Mount Moreland	Mount Edgecombe Estates (Proprietary) Limited/Kumlucky Farm (Proprietary) Limited (deregistered)	0.4047
Erf 97 Mount Moreland	Tongaat-Hulett Sugar Limited	0.2411

Situation	Registered owner	Extent (hectares)
Erf 2 Mount Moreland	The Tongaat-Hulett Group Limited	4.0469
Erf 17 Mount Moreland	The Tongaat-Hulett Group Limited	2.1098
Ptn 1 of Erf 3 Mount Moreland	The Tongaat-Hulett Group Limited	0.7918
Ptn 1 of Erf 4 Mount Moreland	The Tongaat-Hulett Group Limited	0.1394
Erf 8 Mount Moreland	The Tongaat-Hulett Group Limited	2.0234
Erf 6 Mount Moreland	The Tongaat-Hulett Group Limited	2.2257
Erf 7 Mount Moreland	The Tongaat-Hulett Group Limited	1.7679
Erf 92 Mount Moreland	Tongaat Properties (Proprietary) Limited	0.4047
Erf 94 Mount Moreland	Mount Edgecombe Estates (Proprietary) Limited/Kumlucky Farm (Proprietary) Limited (deregistered)	0.4047
Erf 98 Mount Moreland	Tongaat-Hulett Sugar Limited	0.4047
Erf 129 Mount Moreland	Mount Edgecombe Estates (Proprietary) Limited/Kumlucky Farm (Proprietary) Limited (deregistered)	0.1701
Erf 133 Mount Moreland	Mount Edgecombe Estates (Proprietary) Limited/Kumlucky Farm (Proprietary) Limited (deregistered)	0.1669
Lot 12 of Mount Moreland	The Tongaat-Hulett Group Limited	1.3520
Erf 59 Mount Moreland	The Tongaat-Hulett Group Limited	0.4046
Erf 109 Mount Moreland	The Tongaat-Hulett Group Limited	0.2064
Erf 114 Mount Moreland	The Tongaat-Hulett Group Limited	0.2805
Erf 113 Mount Moreland	The Tongaat-Hulett Group Limited	0.1742
Erf 115 Mount Moreland	The Tongaat-Hulett Group Limited	0.1380
Erf 124 Mount Moreland	The Tongaat-Hulett Group Limited	0.1701
Erf 131 Mount Moreland	The Tongaat-Hulett Group Limited	0.1690
Erf 132 Mount Moreland	The Tongaat-Hulett Group Limited	0.1690
Erf 58 Mount Moreland	The Tongaat-Hulett Group Limited	0.4046
Lot 56 Mount Moreland	Tongaat-Hulett Sugar Mills & Estates Limited/Zululand Sugar Millers Limited (deregistered)	0.4047
Rem of Lot 466 Cottonlands Number 1575	The Tongaat-Hulett Group Limited	1.6236
Lot 18 Mount Moreland	The Tongaat-Hulett Group Limited	2.1246
Sub 21 (of 19) of Lot 44 Number 1570	The Tongaat-Hulett Group Limited	20.2343
Rem of Sub 1 of Lot 44 Number 1570	The Tongaat-Hulett Group Limited	54.3101
Sub 233 of Lot 44 Number 1570	The Tongaat-Hulett Group Limited	23.5198
Rem of Sub 5 of Lot 44 Number 1570	The Tongaat-Hulett Group Limited	41.0178
Sub 23 of Lot 44 Number 1570	The Tongaat-Hulett Group Limited	13.8326
Rem of Lot 77 Number 1523	The Tongaat-Hulett Group Limited	212.6891
Sub 3 (of 2) of Lot 77 Number 1523	The Tongaat-Hulett Group Limited	16.4298
Rem of Sub 2 of Lot 77 Number 1523	The Tongaat-Hulett Group Limited	3.4921
Rem of Sub 33 (of 4) of the Farm Klipfontein Number 922	The Tongaat-Hulett Group Limited	33.9014

Situation	Registered owner	Extent (hectares)
Rem of Sub 18 (of 5) of the Farm Klipfontein Number 922	The Tongaat-Hulett Group Limited	36.5528
Rem of Sub 17 (of 4) of the Farm Klipfontein Number 922	The Tongaat-Hulett Group Limited	19.9204
Sub 1 of Lot 77 Number 1523	The Tongaat-Hulett Group Limited	1.2141
Rem of Sub 20 (of 19) of Lot 44 Number 1570	The Tongaat-Hulett Group Limited	0.3920
Sub 236 of Lot 44 Number 1570	The Tongaat-Hulett Group Limited	40.4205
Sub 168 of the Farm Cotton Lands Number 1575	The Tongaat-Hulett Group Limited	18.2109
Sub 200 of the Farm Cotton Lands Number 1575	The Tongaat-Hulett Group Limited	20.2343
Sub 178 of the Farm Cotton Lands Number 1575	The Tongaat-Hulett Group Limited	40.3873
Rem of Sub 262 of the Farm Cotton Lands Number 1575	The Tongaat-Hulett Group Limited	17.0237
Sub 263 of the Farm Cotton Lands Number 1575	The Tongaat-Hulett Group Limited	10.1495
Sub 436 (of 260) of the Farm Cotton Lands Number 1575	The Tongaat-Hulett Group Limited	1.6251
Rem of Sub 196 of the Farm Cottonlands Number 1575	The Tongaat-Hulett Group Limited	28.6594
Rem of Sub 189 of the Farm Cottonlands Number 1575	The Tongaat-Hulett Group Limited	41.5589
Rem of Sub 192 of the Farm Cottonlands Number 1575	The Tongaat-Hulett Group Limited	42.6229
Sub 391 (of 196) of the Farm Cottonlands Number 1575	The Tongaat-Hulett Group Limited	4.0469
Rem of Sub 199 of the Farm Cottonlands Number 1575	The Tongaat-Hulett Group Limited	6.6491
Rem of Sub 204 of the Farm Cottonlands Number 1575	The Tongaat-Hulett Group Limited	14.9487
Sub 1779 of the Farm Cotton Lands Number 1575	The Tongaat-Hulett Group Limited	65.8763
Rem of Sub 6 (of 4) of the Farm Klip Fontein Number 922	The Tongaat-Hulett Group Limited	22.6088
Rem of Sub 167 of the Farm Cotton Lands Number 1575	The Tongaat-Hulett Group Limited	17.4183
Rem of Sub 177 of the Farm Cotton Lands Number 1575	The Tongaat-Hulett Group Limited	31.6207
Rem of Sub 251 (of 19) of Lot 44 Number 1570	The Tongaat-Hulett Group Limited	42.3819
Sub 244 of the Farm Cotton Lands Number 1575	The Tongaat-Hulett Group Limited	16.1874
Rem of Sub 212 of the Farm Cotton Lands Number 1575	The Tongaat-Hulett Group Limited	17.2388
Lot 753 Tongaat	The Tongaat-Hulett Group Limited	6.2405
Lot 752 Tongaat	The Tongaat-Hulett Group Limited	6.3333
Sub 22 of Lot 61 Number 1521	The Tongaat-Hulett Group Limited	426.3604
Rem of Sub 44 of Lot 69 Number 917	The Tongaat-Hulett Group Limited	8.0973
Rem of Sub 10 of Lot 69 Number 917	The Tongaat-Hulett Group Limited	7.4868
Sub 11 of Lot 69 Number 917	The Tongaat-Hulett Group Limited	20.2343
Sub 30 of the Farm Umhlali Wagen Drift Number 1559	The Tongaat-Hulett Group Limited	134.1838
Rem of Lot 1 Number 1672	The Tongaat-Hulett Group Limited	108.2090
Sub 17 of Lot 1 Number 1672	The Tongaat-Hulett Group Limited	1.5169
Rem of Portion 4 (of 3) of Lot 1 Number 1672	Moreland Development (Proprietary) Limited	0.1640
The Farm Garland Number 17192	The Tongaat-Hulett Group Limited	156.5734
Ptn 230 of the Farm Lot 2 Number 1673	The Tongaat-Hulett Group Limited	290.2929
Rem of the Farm Chantilly Number 1804	The Tongaat-Hulett Group Limited	289.4187
Rem of Sub 69 of the Farm Cotton Lands Number 1575	The Tongaat-Hulett Group Limited	11.6628
Rem of Sub 70 of the Farm Cotton Lands Number 1575	The Tongaat-Hulett Group Limited	12.6181
Rem of Sub 395 (of 69) of the Farm Cotton Lands Number 1575	The Tongaat-Hulett Group Limited	3.5154

Situation	Registered owner	Extent (hectares)
Sub 396 (of 70) of the Farm Cotton Lands Number 1575	The Tongaat-Hulett Group Limited	3.5693
Sub 71 of the Farm Cotton Lands Number 1575	The Tongaat-Hulett Group Limited	8.0937
Sub 72 of the Farm Cotton Lands Number 1575	The Tongaat-Hulett Group Limited	8.0937
Rem of Sub 73 of the Farm Cotton Lands Number 1575	The Tongaat-Hulett Group Limited	27.5060
Sub 74 of the Farm Cotton Lands Number 1575	The Tongaat-Hulett Group Limited	16.1874
Sub 246 of the Farm Cotton Lands Number 1575	The Tongaat-Hulett Group Limited	32.3749
Rem of Sub 615 (of 275) of the Farm Cotton Lands Number 1575	The Tongaat-Hulett Group Limited	338.2203
Sub 2149 (of 615) of the Farm Cotton Lands Number 1575	The Tongaat-Hulett Group Limited	4.5224
Rem of Sub 6 of the Farm Buffels Kloof Number 1267	The Tongaat-Hulett Group Limited	47.6112
Sub 15 (of 2) of the Farm Buffels Kloof Number 1267	The Tongaat-Hulett Group Limited	31.9743
Rem of Sub 13 of the Farm Buffels Kloof Number 1267	The Tongaat-Hulett Group Limited	41.1966
Rem of Sub 16 (of 2) of the Farm Buffels Kloof 1267	The Tongaat-Hulett Group Limited	26.4926
Sub 32 (of 29) of the Farm Buffels Kloof Number 1267	The Tongaat-Hulett Group Limited	2.8742
Rem of Sub 29 (of 6) of the Farm Buffels Kloof Number 1267	The Tongaat-Hulett Group Limited	0.9702
Rem of Sub 10 (of 2) of the Farm Klipfontein Number 922	The Tongaat-Hulett Group Limited	87.1162
Lot 13 (of 3) of the Farm Klipfontein Number 922	The Tongaat-Hulett Group Limited	39.9829
Sub 16 (of 14) of the Farm Klipfontein Number 922	The Tongaat-Hulett Group Limited	2.0234
Sub 15 (of 10) of the Farm Klipfontein Number 922	The Tongaat-Hulett Group Limited	10.1172
Rem of Sub 3 of the Farm Klipfontein Number 922	The Tongaat-Hulett Group Limited	79.1970
Rem of Sub 14 (of 10) of the Farm Klipfontein Number 922	The Tongaat-Hulett Group Limited	8.0937
Sub 11 (of 3) of the Farm Klipfontein Number 922	The Tongaat-Hulett Group Limited	20.1331
Sub 9 (of 2) of the Farm Klipfontein Number 922	The Tongaat-Hulett Group Limited	35.3907
Sub 24 (of 19) of Klipfontein Number 922	The Tongaat-Hulett Group Limited	2.5257
Sub 30 of the Farm Buffels Kloof Number 1267	The Tongaat-Hulett Group Limited	80.9372
Sub 130 of the Farm Buffels Kloof Number 1267	The Tongaat-Hulett Group Limited	122.9577
Sub 147 of the Farm Cottonlands Number 1575	The Tongaat-Hulett Group Limited	36.4217
Rem of Sub 248 of the Farm Cottonlands Number 1575	The Tongaat-Hulett Group Limited	124.1438
Sub 140 of the Farm Cottonlands Number 1575	The Tongaat-Hulett Group Limited	36.4217
Sub 144 (of 143) of the Farm Cottonlands Number 1575	The Tongaat-Hulett Group Limited	20.2343
Sub 146 (of 145) of the Farm Cottonlands Number 1575	The Tongaat-Hulett Group Limited	4.0469
Sub 148 of the Farm Cottonlands Number 1575	The Tongaat-Hulett Group Limited	20.2343
Sub 149 (of 145) of the Farm Cottonlands Number 1575	The Tongaat-Hulett Group Limited	10.1172
Rem of Sub 2 of the Farm Klipfontein Number 922	The Tongaat-Hulett Group Limited	247.0527
The Farm Tugela Estate Number 17307	The Tongaat-Hulett Group Limited	1 146.3521
The Farm Margaret Number 16988 (Pension Fund Lease)	The Tongaat-Hulett Group Limited	212.2375
Sub 7 of Lot 83 Number 1574	The Tongaat-Hulett Group Limited	174.3570
Ptn 666 of the Farm Lot 49 Number 862	The Tongaat-Hulett Group Limited	21.6203
Sub 102 (of 9) of Lot 49 Number 862	The Tongaat-Hulett Group Limited	4.9548
Sub 180 (of 2) of Lot 49 Number 862	The Tongaat-Hulett Group Limited	4.0469

Situation	Registered owner	Extent (hectares)
Sub 100 (of 9) of Lot 49 Number 862	The Tongaat-Hulett Group Limited	12.1406
Rem of the Farm Wewe Number 17825	The Tongaat-Hulett Group Limited	155.8479
Sub 1 of Lot 42 Number 1114	The Tongaat-Hulett Group Limited	51.8908
Sub 6 (of 2) of Lot 42 Number 1114	The Tongaat-Hulett Group Limited	34.2945
Sub 67 of the Farm Cotton Lands Number 1575	The Tongaat-Hulett Group Limited	156.8158
Ptn 2320 (of 67) of the Farm Cotton Lands Number 1575	The Tongaat-Hulett Group Limited	2.3944
Sub 62 of the Farm Cotton Lands Number 1575	The Tongaat-Hulett Group Limited	32.3749
Sub 63 of the Farm Cotton Lands Number 1575	The Tongaat-Hulett Group Limited	8.0937
Sub 64 of the Farm Cotton Lands Number 1575	The Tongaat-Hulett Group Limited	8.0937
Lot 65 of the Farm Cotton Lands Number 1575	The Tongaat-Hulett Group Limited	8.0937
Sub 66 of the Farm Cotton Lands Number 1575	The Tongaat-Hulett Group Limited	8.0937
Sub 10 (of 8) of Lot 42 Number 1114	The Tongaat-Hulett Group Limited	7.7902
Rem of Sub 13 of Lot 42 Number 1114	The Tongaat-Hulett Group Limited	195.9697
Sub 12 (of 8) of Lot 42 Number 1114	The Tongaat-Hulett Group Limited	4.6817
Sub 14 (of 13) of Lot 42 Number 1114	The Tongaat-Hulett Group Limited	0.1511
Sub 22 of Lot 42 Number 1114	The Tongaat-Hulett Group Limited	4.5482
Sub 309 (of 61) of the Farm Cotton Lands Number 1575	The Tongaat-Hulett Group Limited	0.7541
Rem of Sub 61 of the Farm Cotton Lands Number 1575	The Tongaat-Hulett Group Limited	39.1745
Rem of Sub 60 of the Farm Cotton Lands Number 1575	The Tongaat-Hulett Group Limited	3.9890
Sub 5 of Lot 21 Number 1529	The Tongaat-Hulett Group Limited	60.4348
Sub 6 of Lot 21 Number 1529	The Tongaat-Hulett Group Limited	65.4275
Sub 10 of Lot 21 Number 1529	The Tongaat-Hulett Group Limited	67.4357
Rem of Sub 7 (of 2) of Lot 42 Number 1114	The Tongaat-Hulett Group Limited	110.8723
Ptn 4 of Lot 42 of the Farm 1114	The Tongaat-Hulett Group Limited	52.1108
Rem of Lot 42 Number 1114	The Tongaat-Hulett Group Limited	306.8705
Sub 5 of Lot 42 Number 1114	The Tongaat-Hulett Group Limited	0.8094
Rem of Sub 59 of the Farm Cotton Lands Number 1575	The Tongaat-Hulett Group Limited	0.8449
Rem of Sub 36 of Lot 31 Number 1560	The Tongaat-Hulett Group Limited	15.9869
Rem of Lot 467 Tongaat	The Tongaat-Hulett Group Limited	45.3140
Rem of Lot 304 Tongaat	The Tongaat-Hulett Group Limited	2.3727
Rem of Lot 305 Tongaat	The Tongaat-Hulett Group Limited	2.1551
Sub 2 of Lot 310 Tongaat	The Tongaat-Hulett Group Limited	0.3638
Rem of Lot 330 Tongaat	The Tongaat-Hulett Group Limited	44.3697
Rem of Lot 465 Tongaat	The Tongaat-Hulett Group Limited	14.1629
Rem of Lot 362 Tongaat	The Tongaat-Hulett Group Limited	42.7319
Lot 466 Tongaat	The Tongaat-Hulett Group Limited	0.0885
Rem of Sub 29 of Lot 49 Number 862	The Tongaat-Hulett Group Limited	35.2683
Sub 48 (of 43) of Lot 49 Number 862	The Tongaat-Hulett Group Limited	4.0469
Sub 51 (of 43) of Lot 49 Number 862	The Tongaat-Hulett Group Limited	4.0469
Sub 50 (of 43) of Lot 49 Number 862	The Tongaat-Hulett Group Limited	4.0469
Sub 49 (of 43) of Lot 49 Number 862	The Tongaat-Hulett Group Limited	4.0469
Rem of Lot 76 Number 1522	The Tongaat-Hulett Group Limited	176.7350
Rem of Sub 8 of Lot 49 Number 862	The Tongaat-Hulett Group Limited	87.3059

Situation	Registered owner	Extent (hectares)
Rem of Sub 16 (of 2) of the Farm Buffels Kloof Number 1267	The Tongaat-Hulett Group Limited	26.4926
Rem of Sub 2 of the Farm Buffels Kloof Number 1267	The Tongaat-Hulett Group Limited	8.6609
Sub 102 (of 9) of Lot 49 Number 862	The Tongaat-Hulett Group Limited	4.9548
Sub 33 of Lot 49 Number 862	The Tongaat-Hulett Group Limited	62.9791
Sub 34 of Lot 49 Number 862	The Tongaat-Hulett Group Limited	26.9191
Rem of Sub 43 (of 32) of Lot 49 Number 862	The Tongaat-Hulett Group Limited	22.6624
Rem of Sub 31 of Lot 49 Number 862	The Tongaat-Hulett Group Limited	41.9088
Sub 643 of Lot 49 Number 862	The Tongaat-Hulett Group Limited	95.0351
Lot 46 (of 43) of Lot 49 Number 862	The Tongaat-Hulett Group Limited	4.0469
Lot 47 of Lot 49 Number 862	The Tongaat-Hulett Group Limited	4.0469
Rem of Sub 1 of Lot 86 Number 1531	The Tongaat-Hulett Group Limited	80.2051
Ptn 2 of Lot 64 Amatikulu Number 13971	The Tongaat-Hulett Group Limited	52.3022
Rem of the Farm Three Brothers Number 13861	The Tongaat-Hulett Group Limited	70.0356
Ptn 3 of the Farm Prospect Three Number 17875	The Tongaat-Hulett Group Limited	145.6387
Ptn 9 of the Farm Prospect Three Number 17875	The Tongaat-Hulett Group Limited	0.2356
Rem of Sub 1 of Dube Ridge Number 15223	The Tongaat-Hulett Group Limited	589.9775
The Rem of the Farm Arcadia Number 11079	The Tongaat-Hulett Group Limited	470.3456
Lot 291 Empangeni Number 13387	The Tongaat-Hulett Group Limited	519.1059
The Rem of Lot 290 Empangeni Number 13388	The Tongaat-Hulett Group Limited	537.8951
Sub 1 of Lot 290 Empangeni Number 13388	The Tongaat-Hulett Group Limited	5.2972
The Farm Sylvia Number 16305	The Tongaat-Hulett Group Limited	177.7663
Rem of Handley Cross Number 12187	The Tongaat-Hulett Group Limited	431.4734
Rem of Lot 738 Sea View	The Tongaat-Hulett Group Limited	0.2998
Rem of Lot 805 Sea View	The Tongaat-Hulett Group Limited	0.4412
Rem of Lot 740 Sea View	The Tongaat-Hulett Group Limited	15.3699
Sub 12 of Lot 672 Sea View	The Tongaat-Hulett Group Limited	0.1320
Sub 17 (of 10) of Lot 745 Sea View	The Tongaat-Hulett Group Limited	0.0368
Sub 18 (of 11) of Lot 745 Sea View	The Tongaat-Hulett Group Limited	0.0469
Sub 19 (of 13) of Lot 745 Sea View	The Tongaat-Hulett Group Limited	0.0134
Sub 8 (of 2) of Lot 746 Sea View	The Tongaat-Hulett Group Limited	0.0419
Sub 9 (of 1) of Lot 746 Sea View	The Tongaat-Hulett Group Limited	0.0795
Sub 4 (of 3) of Lot 747 Sea View	The Tongaat-Hulett Group Limited	0.0100
Erf 378 Nkwazi	The Tongaat-Hulett Group Limited	20.2925
Lot 54 Amatikulu Number 13916	The Tongaat-Hulett Group Limited	38.5075
Rem of Ptn 3 of Lot 54 Amatikulu Number 13916	The Tongaat-Hulett Group Limited	8.9261
Rem of Ptn 1 of Lot 55 Amatikulu Number 13917	The Tongaat-Hulett Group Limited	8.8615
Rem of the Farm Felixton Number 17401	The Tongaat-Hulett Group Limited	146.5369
Rem of the farm Fulda Number 13224	The Tongaat-Hulett Group Limited	393.2502
Rem of the Farm Stinnes Number 13225	The Tongaat-Hulett Group Limited	455.4793
The Farm Catania Number 13574	The Tongaat-Hulett Group Limited	463.7094
Rem of the Farm Trapani Number 13575	The Tongaat-Hulett Group Limited	379.8662
Rem of the Farm Marx Number 15337 (Hawera)	The Tongaat-Hulett Group Limited	579.3481
Rem of the Farm Tokaano Number 13867	The Tongaat-Hulett Group Limited	475.8867
The Farm Taranaki Number 13868	The Tongaat-Hulett Group Limited	482.5273
Ptn 1 of Farm Tugela Number 17307, Sub 59 of Farm de Jager kraal Number 874, Rem of Ptn 15 of Farm Colerain Number 17122, Sub 5 of Farm Hilltop Number 11748	The Tongaat-Hulett Group Limited	808.4000

African Products (Proprietary) Limited

Situation	Registered owner	Extent (hectares)
Erf 21656 Bellville	The Tongaat-Hulett Group Limited	3.8595
Rem of Erf 12686 Bellville	The Tongaat-Hulett Group Limited	1.3966
Erf 790 Germiston South Extension 2	The Tongaat-Hulett Group Limited	2.0002
Erf 869 South Germiston South Extension 2	The Tongaat-Hulett Group Limited	2.9589
Erf 868 South Germiston South Extension 2	The Tongaat-Hulett Group Limited	3.3330
Erf 877 South Germiston South Extension 2	The Tongaat-Hulett Group Limited	0.0347
Erf 438 South Germiston South Extension 2	The Tongaat-Hulett Group Limited	0.0906
Erf 899 South Germiston South Extension 2 (registered on 20/09/2005)	The Tongaat-Hulett Group Limited	1.5207
Erf 1110 Meyerton Extension 1 Industrial Township	The Tongaat-Hulett Group Limited	45.9329
Portion 30 of the Farm Blesboklaagte Number 181	The Tongaat-Hulett Group Limited	355.7683
Portion 31 of the Farm Blesboklaagte Number 181	The Tongaat-Hulett Group Limited	584.2878
Portion 32 (a portion of portion 19) of the Farm Blesboklaagte 181	The Tongaat-Hulett Group Limited	453.0197
Portion 8 of the Farm Blesboklaagte 181	The Tongaat-Hulett Group Limited	416.9170
Portion 18 of the Farm Green Valley 154	The Tongaat-Hulett Group Limited	8.5675

Details of principal immovable property leased by THG and/or its subsidiaries, other than Hulamin, is set out below:

	Lessor	Lessee	Rental	Unexpired term	Address
1.	Beare Holdings (Proprietary) Limited	Moreland Developments (Proprietary) Limited	R174 118.37 per month with 10% escalation per annum	March 2007 to July 2007	305 Umhlanga Rocks Drive La Lucia
2.	Airport Company of SA	Tongaat-Hulett Sugar Agricultural Operation	R851 550 Annual Excludes VAT	March 2007 to March 2008	Tongaat Estate Inyaninga Estate Umhloti Estate
3.	Coronation (Proprietary) Limited	Tongaat-Hulett Sugar Agricultural Operation	R46 925 Annual Excludes VAT	Indefinitely	Glen Anil Durban
4.	Neville Graeme Dixon	Tongaat-Hulett Sugar Agricultural Operation	R207 000 Annual Excludes VAT	Indefinitely With 12 months' notice	Bergveld Farm Heatonville
5.	Ogilve	Tongaat-Hulett Sugar Agricultural Operation	R6 422 Annual Excludes VAT	Indefinitely	Inyaninga Tongaat
6.	Moreland Development Westbrook N	Tongaat-Hulett Sugar Agricultural Operation	Free	Indefinitely With 12 months' notice	Westbrook Tongaat
7.	Moreland Development Westbrook S	Tongaat-Hulett Sugar Agricultural Operation	R312 000 Annual Excludes VAT	Indefinitely With 36 months' notice	Westbrook Tongaat
8.	Moreland Development Zimbali	Tongaat-Hulett Sugar Agricultural Operation	Free	Indefinitely With 1 month's notice	Zimbali Golf Estate Zimbali
9.	Moreland Development Triangle	Tongaat-Hulett Sugar Agricultural Operation	Free	Indefinitely With 12 months' notice	La Lucia Durban
10.	Tongaat-Hulett Agricultural Operation	Readman Family Trust	R300 000 Annual Excludes VAT	Indefinitely With 1 month's notice	Pogela Estate Heatonville
11.	Tongaat-Hulett Agricultural Operation	John Albert Trust	R96 812 Annual Excludes VAT	March 2007 to March 2012	Saxe Farm Umhlali
12.	Tongaat-Hulett Agricultural Operation	Maidstone Local Grower Council	R149 748 Annual Excludes VAT	Mar 2007 to Mar 2009	Klipfontein Tongaat
13.	Broll Property Management	African Products (Proprietary) Limited	R4 020.32 monthly	March 2007 to January 2008	2A Upper Ground Floor Upminster Essex Gardens Westville Durban
14.	Growthpoint Properties – Investec Administrators	African Products (Proprietary) Limited	R289 802.08 monthly, escalating at 7% per annum on 1 August	March 2007 to July 2008	2 Dick Kemp Street Meadowdale Germiston Gauteng

For details of immovable properties owned and leased by Hulamin, please refer to the Hulamin pre-listing statement.

This annexure does not include principal immovable property owned or leased by THG or any of its subsidiaries outside South Africa.

Other than as noted in this annexure, there is no other principal immovable property owned or leased by THG or any of its subsidiaries.

EXCHANGE CONTROL REGULATIONS

The following is a summary of the Exchange Control Regulations insofar as they have application to scheme participants. In the event of scheme participants having any doubts, they should consult their professional advisors without delay.

1. RESIDENTS OF THE COMMON MONETARY AREA

In the case of certificated scheme participants whose registered addresses in THG's register of members is within the common monetary area and whose documents of title are not restrictively endorsed in terms of the Exchange Control Regulations, the scheme consideration will be posted or in respect of the cash consideration electronically transferred, depending on the election, in accordance with paragraph 3.3.4 of the scheme procedure, which forms part of this circular.

2. EMIGRANTS FROM THE COMMON MONETARY AREA

The scheme consideration accruing to the scheme participants who are emigrants from the common monetary area will:

- 2.1 in the case of certificated scheme participants, whose documents of title are restrictively endorsed in terms of the Exchange Control Regulations, be forwarded to the authorised dealers in foreign exchange in South Africa controlling such scheme participants blocked assets in terms of the Exchange Control Regulations. The attached form of surrender (*pink*) makes provision for the details of the authorised dealer concerned to be given; or
- 2.2 in the case of dematerialised scheme participants, be paid to their CSDP or broker, who shall arrange for the scheme consideration to be credited directly to the scheme participants' blocked Rand bank accounts held with the authorised dealers in foreign exchange in South Africa who control such scheme participants' blocked Rand bank accounts.

The new share certificates due to certificated scheme participants who are emigrants and whose documents of title have been restrictively endorsed in terms of Exchange Control Regulations, on the surrender of the appropriate documents of title, will be similarly endorsed and sent to the authorised dealer controlling the blocked assets of the emigrant scheme participant concerned.

3. ALL OTHER NON-RESIDENTS OF THE COMMON MONETARY AREA

The scheme consideration accruing to the scheme participants whose registered addresses are outside the common monetary area and who are not emigrants from the common monetary area will:

- 3.1 in the case of certificated scheme participants, whose documents of title have been restrictively endorsed in terms of Exchange Control Regulations, be forwarded to the registered addresses of the non-residents concerned unless written instructions to the contrary are received and addresses are provided or instructions for the electronic transfer of the scheme consideration is received. The attached form of surrender (*pink*) makes provision for the nominations required; or
- 3.2 in the case of dematerialised scheme participants, be paid to their duly appointed CSDP or broker and credited directly to the bank accounts nominated by the scheme participants in terms of the provisions of the custody agreements with such CSDP or broker.

The new share certificates due to certificated scheme participants who are non-residents and who have never resided in South Africa, whose registered addresses are outside the common monetary area and whose documents of title have been restrictively endorsed in terms of the Exchange Control Regulations, on the surrender of the appropriate documents of title, be similarly endorsed and sent to the registered addresses of the certificated scheme participants concerned unless written instructions to the contrary are received and addresses provided.



The Tongaat-Hulett Group Limited

(Incorporated in the Republic of South Africa)
(Registration number 1892/000610/06)
JSE share code: TNT ISIN: ZAE000007449
("THG" or "the company")

FORM OF PROXY – SCHEME MEETING

Only for use by shareholders who have not dematerialised their shares or who have dematerialised their shares with "own name" registration.

All other dematerialised shareholders must contact their Central Securities Depository Participant ("CSDP") or broker to make the relevant arrangements concerning voting and/or attendance at the scheme meeting.

For use by shareholders of the company, registered as such at the close of business on Friday, 8 June 2007 ("the scheme members") at a meeting convened in terms of an Order of the High Court of South Africa (Natal Provincial Division), to be held at THG's registered office, Amanzimnyama Hill Road, Tongaat, KwaZulu-Natal, 4400 at 10:30 (or 10 (ten) minutes after the conclusion or adjournment of the general meeting whichever is the later) on Monday, 11 June 2007 ("the scheme meeting").

If you have dematerialised your shares with a CSDP or broker and you do not own shares in "own name" dematerialised form, you must arrange with your CSDP or broker to provide you with the necessary authorisation to attend the scheme meeting or you must instruct them as to how you wish to vote in this regard. This must be done in terms of the agreement entered into between you and the CSDP or broker.

I/We

of

address

being the holder/s of certificated shares or dematerialised "own name" shares, do hereby appoint (see note 1):

1. _____ or failing him,
2. _____ or failing him,

3. the chairman of the scheme meeting,

as my/our proxy to attend and speak on my/our behalf at the scheme meeting and, if deemed fit, agree to:

with modification†	(delete whichever is not applicable)
without modification	

the scheme of arrangement ("the scheme") proposed by THG between THG and its shareholders, and to vote for or against the scheme or abstain from voting in respect of the shares registered in my/our name/s, in accordance with the following instructions (see note 3):

For the scheme	Number of votes*
Against the scheme	Number of votes*
Abstain from voting	Number of votes*

* One vote per share held by scheme member.

Signed at _____ on _____ 2007

Signature _____

Capacity of signatory (where applicable) _____

Note: Authority of signatory to be attached – see note 9.

Assisted by me (where applicable) _____

Full name _____ Capacity _____

Signature _____

† If a scheme member agrees that the scheme may be modified, the scheme member may, if he so desires, indicate the manner and extent of any such modification to which the proxy may agree on a separate sheet of paper which must be lodged at or posted to the address stipulated in note 4, together with this form of proxy. In addition, please refer to the conditions stipulated in note 4.

Please read the notes on the reverse side hereof.

Notes:

1. A scheme member may insert the name of a proxy or the names of two alternative proxies of the scheme member's choice in the space/s provided, with or without deleting "the chairman of the scheme meeting" but the scheme member must initial any such deletion. The person whose name stands first on this form of proxy and who is present at the scheme meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A scheme member's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the scheme member in the appropriate box provided. Failure to comply with the above will be deemed to authorise and direct the chairman of the scheme meeting, if the chairman is the authorised proxy, to vote in favour of the scheme, or any other scheme proxy to vote or abstain from voting at the scheme meeting as he deems fit, in respect of all the scheme member's votes exercisable at the scheme meeting.
3. If a scheme member agrees that the scheme may be modified, the scheme member may indicate the manner and the extent of such modification to which the proxy may agree on a separate sheet of paper which must be lodged with or posted to Computershare Investor Services 2004 (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) or alternatively Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU (Proxy Processing Centre, Telford Road, Bicester, OX26 4LD) to be received by no later than 10:30 on Thursday, 7 June 2007 or may be handed to the chairman of the scheme meeting no later than 10 (ten) minutes before the scheme meeting is due to commence.

If a scheme member fails to indicate whether the scheme may be agreed to with or without modification, or fails to indicate the manner and the extent of any modification to which the proxy may agree, such failure shall be deemed to authorise the chairman of the scheme meeting or any other proxy, as the case may be, to agree to the scheme with or without modification as the chairman deems fit, in respect of all the scheme member's votes exercisable at the scheme meeting.

4. Forms of proxy must be lodged with or posted to Computershare Investor Services 2004 (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) to be received by no later than 10:30 on Thursday, 7 June 2007. Alternatively, forms of proxy may be handed to the chairman of the scheme meeting by no later than 10 (ten) minutes before the scheme meeting is due to commence.
5. The completion and lodging of this form of proxy will not preclude the relevant scheme member from attending the scheme meeting and speaking and voting in person to the exclusion of any proxy appointed in terms hereof, should such scheme member wish to do so.
6. The chairman of the scheme meeting may reject or accept any form of proxy which is completed and/or received, other than in accordance with these notes.
7. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy unless previously recorded by the company or its transfer secretaries or waived by the chairman of the scheme meeting.
9. Where this form of proxy is signed under power of attorney, such power of attorney must accompany this form of proxy, unless it has previously been registered with THG or the transfer secretaries of THG.
10. Where ordinary shares are held jointly, all joint holders are required to sign.
11. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries of THG.
12. **Dematerialised shareholders who do not own shares with "own name" registration and who wish to attend the scheme meeting or to vote by way of proxy, must contact their CSDP or broker who will furnish them with the necessary authority to attend the scheme meeting or to be represented thereat by proxy. This must be done in terms of the agreement between a shareholder and such CSDP or broker.**



The Tongaat-Hulett Group Limited

(Incorporated in the Republic of South Africa)
(Registration number 1892/000610/06)
JSE share code: TNT ISIN: ZAE000007449
("THG" or "the company")

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of THG ordinary shareholders will be held at the registered office of the company, Amanzimnyama Hill Road, Tongaat, KwaZulu-Natal, 4400 at 10:00 on Monday, 11 June 2007, to consider and if deemed fit, to pass, with or without modification the following ordinary and special resolutions:

CONDITIONS TO THE RESOLUTIONS

Each resolution set out in this notice of general meeting is subject to the passing, and where applicable registration, of all other resolutions.

ORDINARY RESOLUTION NUMBER 1

"Resolved as an ordinary resolution, subject to the conditions to the resolutions set out in the notice of the general meeting at which this ordinary resolution will be considered, that the transactions set out in the circular to which this notice convening the general meeting to consider this ordinary resolution is attached be and are hereby approved."

ORDINARY RESOLUTION NUMBER 2

"Resolved as an ordinary resolution, subject to the condition precedent that Hulamin Limited (Registration number 1940/013924/06) ("Hulamin") is listed on the JSE Limited ("JSE") and subject to the conditions to the resolutions set out in the notice of the general meeting at which this ordinary resolution will be considered, that after the listing of Hulamin on the JSE, the company distribute to its shareholders registered as such on the unbundling record date (as defined in the circular to which the notice of the general meeting at which this ordinary resolution will be considered is attached), all its shares held in Hulamin as a payment in terms of section 90 of the Companies Act, 1973, as amended, *pro rata* to their shareholding in the company, at the unbundling record date (as defined in the circular to which the notice of the general meeting at which this ordinary resolution will be considered is attached), on the basis of one share in Hulamin for each share held in the company, by way of a reduction of the company's share premium account and the retained income account of the company."

SPECIAL RESOLUTION NUMBER 1

"Resolved as a special resolution, subject to the conditions to the resolutions set out in the notice of the general meeting at which this special resolution will be considered, that the name of the company be changed to Tongaat Hulett Limited."

Reason and effect

The reason for special resolution number 1 is to change the name of the company after the implementation of the transactions more fully described in the circular to which the notice of the general meeting at which this special resolution will be considered is attached. The effect of special resolution number 1 is to change the name of the company to Tongaat Hulett Limited.

SPECIAL RESOLUTION NUMBER 2

"Resolved as a special resolution, subject to conditions to the resolutions set out in the notice of the general meeting at which this special resolution will be considered, that the company's authorised share capital of R150 000 000, divided into 150 000 000 ordinary par value shares of R1,00 (one Rand) each, be increased by the creation of:

1. 30 000 000 A preferred ordinary par value shares of R1,00 (one Rand) each, which shares shall have the terms and conditions set out in the new Article 155, to be adopted in terms of special resolution number 3;
2. 6 000 000 B1 ordinary par value shares of R1,00 (one Rand) each, which shares shall have the terms and conditions set out in the new Articles 131 to 138 to be adopted in terms of special resolution number 3;
3. 10 500 000 B2 ordinary par value shares of R1,00 (one Rand) each, which shares shall have the terms and conditions set out in the new Articles 139 to 146 to be adopted in terms of special resolution number 3;
4. 3 200 000 B3 ordinary par value shares of R1,00 (one Rand) each, which shares shall have the terms and conditions set out in the new Articles 147 to 154 to be adopted in terms of special resolution number 3; and
5. 10 redeemable preference shares with a par value of R1,00 (one Rand) each which shares shall have the terms and conditions set out in the new Article 155.10.10, to be adopted in terms of special resolution number 3,

so as to result in an authorised share capital of R199 700 010 divided into:

1. 150 000 000 ordinary par value shares of R1,00 (one Rand) each;
2. 30 000 000 A preferred ordinary par value shares of R1,00 (one Rand) each;
3. 6 000 000 B1 ordinary par value shares of R1,00 (one Rand) each;
4. 10 500 000 B2 ordinary par value shares of R1,00 (one Rand) each;
5. 3 200 000 B3 ordinary par value shares of R1,00 (one Rand) each; and
6. 10 redeemable preference shares of R1,00 (one Rand) each.”

Reason and effect

The reason for special resolution number 2 is to increase the share capital of the company by creating new classes of shares for purposes of the transactions more fully described in the circular to which the notice of the general meeting at which this special resolution will be considered is attached. The effect of special resolution number 2 is to increase the share capital of the company by creating new classes of shares for purposes of the transactions more fully described in the circular to which the notice of the general meeting at which this special resolution will be considered is attached.

SPECIAL RESOLUTION NUMBER 3

“Resolved as a special resolution, subject to the conditions to the resolutions set out in the notice of the general meeting at which this special resolution will be considered, that the company’s articles of association be and are hereby amended by the insertion of the new Articles 131 to 155 as set out in Annexure 9 to the circular to which the notice of the general meeting at which this special resolution will be considered is attached.”

Reason and effect

The reason for special resolution number 3 is to amend the articles of association of the company to set out the terms and conditions applicable to the new classes of shares created in terms of special resolution number 2. The effect of special resolution number 3 is to amend the articles of association of the company.

SPECIAL RESOLUTION NUMBER 4

“Resolved as a special resolution, subject to the conditions to the resolutions set out in the notice of the general meeting at which this special resolution will be considered, that the company’s existing memorandum of association be and is hereby cancelled and that the company adopts the new memorandum of association which has been submitted to and approved by this meeting and signed by the company secretary for the purpose of identification.”

Reason and effect

The reason for special resolution number 4 is to replace the memorandum of association of the company to reflect the new name of the company and the authorised share capital of the company pursuant to the passing and registration of special resolutions numbers 1, 2 and 3. The effect of special resolution number 4 is to replace the memorandum of association of the company to reflect the new name of the company and the authorised share capital of the company pursuant to the passing and registration of special resolutions numbers 1, 2 and 3.

ORDINARY RESOLUTION NUMBER 3

“Resolved as an ordinary resolution, subject to the conditions to the resolutions set out in the notice of the general meeting at which this ordinary resolution will be considered, that:

1. the directors of the company be and are hereby authorised as a specific authority in terms of section 221 and to the extent applicable section 222, of the Companies Act, 1973, as amended, and in terms of the Listings Requirements of the JSE Limited (“JSE”) to issue for cash 4 954 456 A preferred ordinary shares of R1,00 each in the share capital of the company for an aggregate subscription price of R457 109 469 to Cast Arena Trade and Invest 67 (Proprietary) Limited (Registration number 2006/038322/07), which name will be changed to Infrastructure SPV (Proprietary) Limited;
2. the directors of the company be and are hereby authorised as a specific authority in terms of section 221 and to the extent applicable section 222, of the Companies Act, 1973, as amended, and in terms of the Listings Requirements of the JSE to issue for cash 8 992 753 A preferred ordinary shares of R1,00 in the share capital of the company for an amount equal to the par value of the A preferred ordinary shares, being an aggregate subscription price of R8 992 753 to Cast Arena Trade and Invest 67 (Proprietary) Limited (Registration number 2006/038322/07), which name will be changed to Infrastructure SPV (Proprietary) Limited;
3. the directors of the company be and are hereby authorised as a specific authority in terms of section 221 and to the extent applicable section 222, of the Companies Act, 1973, as amended, and in terms of the Listings Requirements of the JSE to issue for cash 3 963 565 A preferred ordinary shares of R1,00 each in the share capital of the company for an aggregate subscription price of R365 687 575 to Marble Gold 424 (Proprietary) Limited (Registration number 2006/037863/07), which name will be changed to yoMoba SPV (Proprietary) Limited;
4. the directors of the company be and are hereby authorised as a specific authority in terms of section 221 and to the extent applicable section 222, of the Companies Act, 1973, as amended, and in terms of the Listings Requirements of the JSE to issue for cash 7 194 202 A preferred ordinary shares of R1,00 in the share capital of the company for an amount equal to the par value of the A preferred ordinary shares, being an aggregate subscription price of R7 194 202 to Marble Gold 424 (Proprietary) Limited (Registration number 2006/037863/07), which name will be changed to yoMoba SPV (Proprietary) Limited;
5. the directors of the company be and are hereby authorised as a specific authority in terms of section 221 and to the extent applicable section 222, of the Companies Act, 1973, as amended, and in terms of the Listings Requirements of the JSE to issue for cash up to a maximum of 6 000 000 B1 ordinary shares of R1,00 in the share capital of the company for an aggregate subscription price which shall represent the economic cost to the company of these B1 ordinary shares as calculated with reference to the volume weighted average trading price of ordinary shares of the company on the JSE for the 22 trading days after the listing date (as defined in the circular to which the notice of the general meeting at which this ordinary resolution will be considered is attached) to the trustees for the time being of the trust established for purposes of the Employee Share Ownership Scheme;
6. the directors of the company be and are hereby authorised as a specific authority in terms of section 221 and to the extent applicable section 222, of the Companies Act, 1973, as amended, and in terms of the Listings Requirements of the JSE to issue for cash up to a maximum of 10 500 000 B2 ordinary shares of R1,00 in the share capital of the company for aggregate subscription price which shall represent the economic cost to the company of these B2 ordinary shares as calculated with reference to the volume weighted average trading price of ordinary shares of the company on the JSE for the 22 trading days after the listing date (as defined in the circular to which the notice of the general meeting at which this ordinary resolution will be considered is attached) to the trustees for the time being of the trust established for purposes of the Management Share Ownership Scheme;
7. the directors of the company be and are hereby authorised as a specific authority in terms of section 221 and to the extent applicable section 222, of the Companies Act, 1973, as amended, and in terms of the Listings Requirements of the JSE to issue for cash up to a maximum of 3 200 000 B3 ordinary shares of R1,00 in the share capital of the company for aggregate subscription price which shall represent the economic cost to the company of these B3 ordinary shares as calculated with reference to the volume weighted average trading price of ordinary shares of the company on the JSE for the 22 trading days after the listing date (as defined in the circular to which the notice of the general meeting at which this ordinary resolution will be considered is attached) to the trustees for the time being of the trust established for purposes of the Management Share Ownership Scheme;
8. the directors of the company be and are hereby authorised as a specific authority in terms of section 221 of the Companies Act, 1973, as amended, and in terms of the Listings Requirements of the JSE to issue for cash up to 10 (ten) redeemable preference shares of R1,00 in the share capital of the company for an

aggregate subscription price equal to the amount of all preferred ordinary dividends that should, in terms of Article 155.4 have been declared but that were not declared and paid in full in respect of all the “A” preferred ordinary shares, immediately prior to their conversion into ordinary shares, if the company becomes obliged to allot and issue the redeemable preference shares pursuant to Article 155.10.9.”

In terms of Paragraph 5.51(g) of the Listings Requirements of the JSE, this resolution is required to be passed by a 75% majority of the votes cast by all shareholders present or represented by proxy at the general meeting, excluding the related parties and their associates, as defined in the Listings Requirements of the JSE who are not entitled to participate in the vote.

ORDINARY RESOLUTION NUMBER 4

“Resolved as an ordinary resolution, subject to the conditions to the resolutions set out in the notice of the general meeting at which this ordinary resolution will be considered, that:

1. the directors of Hulamín Limited (“Hulamín”) be and are hereby authorised in terms of the Listings Requirements of the JSE Limited (“JSE”) to issue for cash 25 000 000 A ordinary shares of R0,10 each in the share capital of Hulamín for an aggregate subscription price of R2 500 000 to Chaldean Trading 67 (Proprietary) Limited (Registration number 2006/037367/07) (referred to in the circular to which the notice of the general meeting at which this ordinary resolution will be considered is attached as Hulamín BEE SPV);
2. the directors of Hulamín be and are hereby authorised in terms of the Listings Requirements of the JSE to issue for cash up to 8 000 000 B1 ordinary shares of R0,10 in the share capital of Hulamín for an aggregate subscription price which shall represent the economic cost to Hulamín of these B1 ordinary shares as calculated with reference to the volume weighted average trading price of ordinary shares of Hulamín on the JSE for the 22 trading days after the listing date (as defined in the circular to which the notice of the general meeting at which this ordinary resolution will be considered is attached) to the trustees for the time being of the trust established for purposes of the Hulamín Employee Share Ownership Scheme;
3. the directors of Hulamín be and are hereby authorised in terms of the Listings Requirements of the JSE to issue for cash up to 10 000 000 B2 ordinary shares of R0,10 in the share capital of Hulamín for an aggregate subscription price which shall represent the economic cost to Hulamín of these B2 ordinary shares as calculated with reference to the volume weighted average trading price of ordinary shares of Hulamín on the JSE for the 22 trading days after the listing date (as defined in the circular to which the notice of the general meeting at which this ordinary resolution will be considered is attached) to the trustees for the time being of the trust established for purposes of the Hulamín Management Share Ownership Scheme;
4. the directors of Hulamín be and are hereby authorised in terms of the Listings Requirements of the JSE to issue for cash up to 3 000 000 B3 ordinary shares of R0,10 in the share capital of Hulamín for an aggregate subscription price which shall represent the economic cost to Hulamín of these B3 ordinary shares as calculated with reference to the volume weighted average trading price of ordinary shares of Hulamín on the JSE for the 22 trading days after the listing date (as defined in the circular to which the notice of the general meeting at which this ordinary resolution will be considered is attached) to the trustees for the time being of the trust established for purposes of the Hulamín Management Share Ownership Scheme;
5. the directors of Hulamín be and are hereby authorised in terms of the Listings Requirements of the JSE to issue such number of ordinary shares of R0,10 each in the share capital of Hulamín, which number of shares shall represent a maximum of 11.1% of the issued share capital of Hulamín at that time, to Chaldean Trading 67 (Proprietary) Limited (Registration number 2006/037367/07) (referred to in the circular to which the notice of the general meeting at which this ordinary resolution will be considered is attached as Hulamín BEE SPV) (“Hulamín BEE SPV”) in exchange for all of the shares held by Hulamín BEE SPV in Hulamín Operations (Proprietary) Limited on or after the 7th anniversary of the effective date, pursuant to the Hulamín OpCo shareholders agreement, as defined in the circular to which the notice of the general meeting at which this ordinary resolution will be considered is attached and for a consideration set out in the Hulamín OpCo shareholders agreement.”

In terms of Paragraphs 3.35 and 5.51(g) of the Listings Requirements of the JSE, this resolution is required to be passed by a 75% majority of the votes cast by all shareholders present or represented by proxy at the general meeting, excluding the related parties and their associates, as defined in the Listings Requirements of the JSE who are not entitled to participate in the vote.

SPECIAL RESOLUTION NUMBER 5

“Resolved as a special resolution that, subject to the conditions to the resolutions set out in the notice of the general meeting at which this special resolution will be considered, the company is hereby authorised, by way of a specific authority, in terms of section 85(2) of the Companies Act, 1973 (Act 61 of 1973), as amended (“the Companies Act”), the Listings Requirements of the JSE Limited and Article 129 of the company’s articles of association, to acquire ordinary shares in the issued share capital of the company (“ordinary shares”) for a consideration of R92.80 per ordinary share in terms of the scheme of arrangement (“the scheme”) proposed by the company between the company and its ordinary shareholders, on the basis that the premium over the par value of the shares acquired will be paid out of the distributable reserves or the retained income account of the company.”

Reason and effect

The reason for special resolution number 5 is to obtain a specific approval in terms of section 85(2) of the Companies Act for the acquisition by the company of certain of its ordinary shares as proposed in the scheme. The effect of special resolution number 5 is to enable the company, by way of a specific authority, to acquire its ordinary shares in terms of the scheme.

SPECIAL RESOLUTION NUMBER 6

“Resolved as a special resolution, subject to the conditions to the resolutions set out in the notice of the general meeting at which this special resolution will be considered, that the company be and is hereby authorised by way of a specific authority in accordance with section 85 of the Companies Act, 1973, as amended, and any subsidiary of the company from time to time be and is hereby authorised in terms of section 89 of the Companies Act, 1973, as amended, and in terms of the Listings Requirements of the JSE Limited, to acquire:

1. B1 ordinary shares in the issued share capital of the company as the company may be entitled to acquire in terms of Article 132 of the articles of association of the company referred to in special resolution number 3 as and when the company exercises its rights in terms of Article 132, for a consideration of R0,01 per B1 ordinary share;
2. B2 ordinary shares in the issued share capital of the company as the company may be entitled to acquire in terms of Article 140 of the articles of association of the company referred to in special resolution number 3 as and when the company exercises its rights in terms of Article 140, for a consideration of R0,01 per B2 ordinary share; and
3. B3 ordinary shares in the issued share capital of the company as the company may be entitled to acquire in terms of Article 148 of the articles of association of the company referred to in special resolution number 3 as and when the company exercises its rights in terms of Article 148, for a consideration of R0,01 per B3 ordinary share.”

Reason and effect

The reason for and effect of special resolution number 6 is to give the directors of the company specific authority for the company to acquire the shares specified in the special resolution number to be able to give effect to the provisions of the new Articles 132, 140 and 148 as and when the company exercises its rights in terms Articles 132, 140 and 148.

SPECIAL RESOLUTION NUMBER 7

“Resolved as a special resolution, subject to the conditions to the resolutions set out in the notice of the general meeting at which this special resolution will be considered, that the company be and is hereby authorised, by way of a specific authority, in terms of section 85(2) of the Companies Act, 1973, as amended, and any subsidiary of the company from time to time be and is hereby authorised in terms of section 89 of the Companies Act, 1973, as amended, the Listings Requirements of the JSE Limited and Article 129 of the company’s articles of association, to acquire such number of A preferred ordinary shares in the issued share capital of the company (or if the A preferred ordinary shares have been converted into ordinary shares in the issued share capital of the company, then such number of ordinary shares) as the company may be entitled to acquire pursuant to subscription agreements entered into between the company and each of Marble Gold 424 (Proprietary) Limited (Registration number 2006/037863/07), which name will be changed to yoMoba SPV (Proprietary) Limited, and Cast Arena Trade and Invest 67 (Proprietary) Limited (Registration number 2006/038322/07), which name will be changed to Infrastructure SPV (Proprietary) Limited, on 2 May 2007, and for a consideration per share of R0.01.”

Reason for and effect

The reason for and effect of special resolution number 7 is to give the directors of the company specific authority for the company to acquire the shares specified in the subscription agreements entered into between the company and each of Marble Gold 424 (Proprietary) Limited (Registration number 2006/037863/07), which name will be changed to yoMoba SPV (Proprietary) Limited, and Cast Arena Trade and Invest 67 (Proprietary) Limited (Registration number 2006/038322/07), which name will be changed to Infrastructure SPV (Proprietary) Limited, on 2 May 2007 (“subscription agreements”), as and when the company exercises its rights in terms of the subscription agreements.

ORDINARY RESOLUTION NUMBER 5

“Resolved as an ordinary resolution, subject to the conditions to the resolutions set out in the notice of the general meeting at which this ordinary resolution will be considered, that the directors of Hulamin Limited (“Hulamin”) be and are hereby authorised in terms of the Listings Requirements of the JSE Limited, to acquire:

- (a) such number of B1 ordinary shares in the issued share capital of Hulamin as Hulamin may be entitled to acquire in terms of Article 143 of the articles of association of Hulamin, as and when Hulamin exercises its rights in terms of Article 143 of the articles of association of Hulamin, for a consideration of R0.01 cents per B1 ordinary share;
- (b) such number of B2 ordinary shares in the issued share capital of Hulamin as Hulamin may be entitled to acquire in terms of Article 151 of the articles of association of Hulamin, as and when Hulamin exercises its rights in terms of Article 151 of the articles of association of the Hulamin, for a consideration of R0.01 cents per B2 ordinary share;
- (c) such number of B3 ordinary shares in the issued share capital of the company as the company may be entitled to acquire in terms of Article 159 of the articles of association of the company, as and when the company exercises its rights in terms of article 159 of the articles of association of the company, for a consideration of R0.01 cents per B3 ordinary share;
- (d) such number of A ordinary shares in the issued share capital of Hulamin as Hulamin may be entitled to acquire pursuant to the Hulamin Relationship Agreement as defined in the circular to which the notice of the general meeting at which this ordinary resolution will be considered is attached and for a consideration set out in the Hulamin Relationship Agreement.”

In terms of the Listings Requirements of the JSE Limited, this resolution is required to be passed by a 75% majority of the votes cast by all shareholders present or represented by proxy at the general meeting, excluding the related parties and their associates, as defined in the Listings Requirements of the JSE Limited who are not entitled to participate in the vote.

ORDINARY RESOLUTION NUMBER 6

The directors of the company consider it to be in the best interests of the company that a share incentive scheme be adopted so as to ensure that appropriate incentives are granted to certain employees of the company and its subsidiaries to encourage and motivate continued growth and profitability within the company and to promote the retention of the company’s employees.

The principal terms of the proposed Employee Share Ownership Scheme are contained in Part III of the circular to which this notice of general meeting is attached.

Accordingly, the directors propose that, subject to the approval of shareholders, a new share incentive scheme for the benefit of certain employees of the company be adopted:

“Resolved as an ordinary resolution, subject to the conditions to the resolutions set out in the notice of the general meeting at which this ordinary resolution will be considered, that the Employee Share Ownership Scheme (“the ESOP Scheme”), a copy of which was tabled at the meeting at which this ordinary resolution was passed and initialled by the Chairperson of the meeting for purposes of identification, and details of which are contained in Part III of the circular to which this notice of general meeting is attached, be and is hereby approved and that the directors of the company be and they are hereby authorised to take all such steps as may be necessary for the establishment and carrying into effect of the ESOP Scheme, including the allotment and issue of ordinary shares in the capital of the company on the terms and conditions set out in the ESOP Scheme, to participants of the ESOP Scheme, including directors of the company, be and is hereby approved.”

ORDINARY RESOLUTION NUMBER 7

The directors of the company consider it to be in the best interests of the company that a share incentive scheme be adopted so as to ensure that appropriate incentives are granted to senior and selected middle managerial level black employees of the company and its subsidiaries to encourage and motivate continued growth and profitability within the company and to promote the retention of the company's employees.

The principal terms of the proposed Management Share Ownership Scheme are contained in Part III of the circular to which this notice of general meeting is attached.

Accordingly, the directors propose that, subject to the approval of shareholders, a new share incentive scheme for the benefit of senior and selected middle managerial level black employees of the company be adopted:

"Resolved as an ordinary resolution, subject to the conditions to the resolutions set out in the notice of the general meeting at which this ordinary resolution will be considered, that the Management Share Ownership Scheme ("the MSOP Scheme"), a copy of which was tabled at the meeting at which this ordinary resolution was passed and initialled by the Chairperson of the meeting for purposes of identification, and details of which are contained in Part III of the circular to which this notice of general meeting is attached, be and is hereby approved and that the directors of the company be and they are hereby authorised to take all such steps as may be necessary for the establishment and carrying into effect of the MSOP Scheme, including the allotment and issue of ordinary shares in the capital of the company on the terms and conditions set out in the MSOP Scheme, to participants of the MSOP Scheme, including directors of the company, be and is hereby approved."

ORDINARY RESOLUTION NUMBER 8

The directors of Hulamin Limited ("Hulamin") consider it to be in the best interests of Hulamin that a share incentive scheme be adopted so as to ensure that appropriate incentives are granted to certain employees of Hulamin and its subsidiaries to encourage and motivate continued growth and profitability within Hulamin and to promote the retention of Hulamin's employees.

The principal terms of the proposed Hulamin Employee Share Ownership Scheme are contained in Part IV of the circular to which this notice of general meeting is attached.

Accordingly, subject to the approval of shareholders, a new share incentive scheme for the benefit of certain employees of Hulamin will be adopted:

"Resolved as an ordinary resolution, subject to the conditions to the resolutions set out in the notice of the general meeting at which this ordinary resolution will be considered, that the adoption by Hulamin Limited ("Hulamin") of the Hulamin Employee Share Ownership Scheme ("the Hulamin ESOP Scheme"), a copy of which was tabled at the meeting at which this ordinary resolution was passed and initialled by the Chairperson of the meeting for purposes of identification, and details of which are contained in Part IV of the circular to which this notice of general meeting is attached, be and is hereby approved and that the directors of Hulamin be and they are hereby authorised to take all such steps as may be necessary for the establishment and carrying into effect of the Hulamin ESOP Scheme, including the allotment and issue of ordinary shares in the capital of Hulamin on the terms and conditions set out in the Hulamin ESOP Scheme, to participants of the Hulamin ESOP Scheme, including directors of Hulamin, be and is hereby approved."

ORDINARY RESOLUTION NUMBER 9

The directors of Hulamin Limited ("Hulamin") consider it to be in the best interests of Hulamin that a share incentive scheme be adopted so as to ensure that appropriate incentives are granted to senior and selected middle managerial level black employees of Hulamin and its subsidiaries to encourage and motivate continued growth and profitability within Hulamin and to promote the retention of Hulamin's employees.

The principal terms of the proposed Hulamin Management Share Ownership Scheme are contained in Part IV of the circular to which this notice of general meeting is attached.

Accordingly, subject to the approval of shareholders, a new share incentive scheme for the benefit of senior and selected middle managerial level black employees of Hulamin will be adopted:

"Resolved as an ordinary resolution, subject to the conditions to the resolutions set out in the notice of the general meeting at which this ordinary resolution will be considered, that the adoption by Hulamin Limited ("Hulamin") of the Management Share Ownership Scheme ("the Hulamin MSOP Scheme"), a copy of which was tabled at the meeting at which this ordinary resolution was passed and initialled by the Chairperson of the meeting for purposes of identification, and details of which are contained in Part IV of the circular to which this notice of general meeting is attached, be and is hereby approved and that the directors of Hulamin

be and they are hereby authorised to take all such steps as may be necessary for the establishment and carrying into effect of the Hulamin MSOP Scheme, including the allotment and issue of ordinary shares in the capital of Hulamin on the terms and conditions set out in the Hulamin MSOP Scheme, to participants of the Hulamin MSOP Scheme, including directors of Hulamin, be and is hereby approved.”

ORDINARY RESOLUTION NUMBER 10

“Resolved as an ordinary resolution, subject to the conditions to the resolutions set out in the notice of the general meeting at which this ordinary resolution will be considered, that any director of the company be and is hereby authorised to do all such things and sign all such documents as may be required to give effect to the ordinary and special resolutions set out in the notice of the general meeting at which this ordinary resolution will be considered.”

VOTING

On a show of hands every THG ordinary shareholder who is present in person or by proxy at the general meeting shall have one vote (irrespective of the number of THG ordinary shares held), and on a poll, every THG ordinary shareholder shall have one vote for every THG ordinary share held or represented.

PROXIES

A THG ordinary shareholder entitled to attend and vote at the general meeting may appoint one or more persons as its proxy to attend, speak and vote in its stead. A proxy need not be a shareholder of the company. A form of proxy (*green*) is attached for the convenience of certificated shareholders and “own name” dematerialised shareholders who are unable to attend the general meeting, but who wish to be represented thereat. In order to be valid, duly completed forms of proxy must be received by THG’s transfer secretaries, Computershare Investor Services 2004 (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) or alternatively with Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU (Proxy Processing Centre, Telford Road, Bicester OX26 4LD) by no later than 10:00 on Thursday, 7 June 2007.

Dematerialised shareholders, other than with “own name” registration, who have not been contacted by their Central Securities Depository Participants (“CSDP”) or broker with regard to how they wish to cast their votes, should contact their CSDP or broker and instruct their CSDP or broker as to how they wish to cast their votes at the THG general meeting in order for their CSDP or broker to vote in accordance with such instructions. If such dematerialised shareholders wish to attend the THG general meeting in person, they must request their CSDP or broker to issue the necessary letter of representation to them. This must be done in terms of the agreement entered into between such dematerialised shareholders and the CSDP or broker.

For and on behalf of the board

THE TONGAAT-HULETT GROUP LIMITED

M M L Mokoka

Company secretary

18 May 2007

Registered office

Amanzimnyama Hill Road
Tongaat
KwaZulu-Natal, 4400
(PO Box 3, Tongaat, 4400)

Transfer secretaries

Computer Share Investor Services 2004 (Proprietary) Limited
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
(Proxy Processing Centre, Telford Road, Bicester OX26 4LD)



The Tongaat-Hulett Group Limited

(Incorporated in the Republic of South Africa)
(Registration number 1892/000610/06)
JSE share code: TNT ISIN: ZAE000007449

FORM OF PROXY – GENERAL MEETING

Only for use by shareholders who have not dematerialised their shares or who have dematerialised their shares with “own name” registration.

All other dematerialised shareholders must contact their CSDP or broker to make the relevant arrangements concerning voting and/or attendance at the general meeting.

The definitions and interpretations set out on pages 18 to 26 of this circular apply to this form of proxy.

For use by shareholders of the company, registered as such at the close of business on Friday, 8 June 2007 (“the shareholders”), at the general meeting of the company to be held at THG’s registered office, Amanzimnyama Hill Road, Tongaat, KwaZulu-Natal, 4400 at 10:00 on Monday, 11 June 2007 (“the general meeting”).

If you have dematerialised your shares with a CSDP or broker and you do not own shares in “own name” dematerialised form, you must arrange with your CSDP or broker to provide you with the necessary authorisation to attend the general meeting or you must instruct them as to how you wish to vote in this regard. This must be done in terms of the agreement entered into between you and the CSDP or broker.

I/We

of

address

being the holders of

certificated shares or dematerialised “own name” shares, do hereby appoint (see notes 1 and 2):

1. _____ or failing him/her,
2. _____ or failing him/her,
3. the Chairperson of the general meeting,

as my/our proxy to attend, speak and vote on a show of hands or on a poll for me/us or on my/our behalf at the general meeting or any adjournment thereof in the following manner (see note 3):

	For*	Against*	Abstain*
Ordinary resolution number 1 regarding the approval of the transactions contained in this circular			
Ordinary resolution number 2 regarding the distribution of the Hulamin shares in terms of section 90 of the Companies Act			
Special resolution number 1 regarding the name change to Tongaat Hulett Limited			
Special resolution number 2 regarding the creation of the TH “A” preferred ordinary shares, the TH “B” ordinary shares and the redeemable preference shares			
Special resolution number 3 regarding the amendment to the articles of association of TH to incorporate the terms attaching to the TH “A” preferred ordinary shares, the TH “B” ordinary shares and the redeemable preference shares in terms of Article 155.10.10			
Special resolution number 4 regarding the adoption of a new memorandum of association to reflect the name change and the amendments to the authorised share capital			
Ordinary resolution number 3 regarding the specific issue of TH “A” preferred ordinary shares, the TH “B” ordinary shares and possibly at a future date the redeemable preference shares			
Ordinary resolution number 4 regarding the specific issue of Hulamin “A” ordinary shares, Hulamin “B” ordinary shares and, at a future date, Hulamin ordinary shares			
Special resolution number 5 regarding the approval to repurchase shares in terms of section 85(2) of the Companies Act as proposed in the scheme			

	For*	Against*	Abstain*
Special resolution number 6 regarding the repurchase of TH "B" ordinary shares in certain circumstances			
Special resolution number 7 regarding the repurchase of the TH "A" preferred ordinary shares in certain circumstances			
Ordinary resolution number 5 regarding the repurchase of Hulamin "A" ordinary shares and Hulamin "B" ordinary shares in certain circumstances			
Ordinary resolution number 6 regarding the adoption of the TH ESOP			
Ordinary resolution number 7 regarding the adoption of the TH MSOP			
Ordinary resolution number 8 regarding the adoption of the Hulamin ESOP			
Ordinary resolution number 9 regarding the adoption of the Hulamin MSOP			
Ordinary resolution number 10 regarding the authority granted to directors of THG to give effect to the ordinary and special resolutions contained in the notice of general meeting			

* Mark with an "X" for "For", "Against" or "Abstain" as required. If no options are marked, the proxy will be entitled to vote as he/she deems fit.

Signed at _____ on _____ 2007

Signature _____

Capacity of signatory (where applicable) _____

A shareholder is entitled to appoint one or more persons as his/her proxy, none of whom need be a shareholder of THG to attend, speak and vote or abstain from voting in the place of the shareholder at the general meeting. A proxy need not be a member of the company.

Note: Authority of signatory to be attached – see note 9.

Assisted by me (where applicable) _____

Full name _____ Capacity _____

Signature _____

Please read the notes overleaf.

Notes:

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of such shareholder's choice in the space/s provided, with or without deleting "the chairperson of the general meeting", but any such deletion must be initialled by the shareholder. The person whose name stands first on this form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. Please insert an "X" in the relevant space according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of ordinary shares than you own in the company, insert the number of ordinary shares held in respect of which you wish to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the general meeting as he/she deems fit in respect of all the ordinary shareholder's votes exercisable thereat by the shareholder concerned. An ordinary shareholder or his/her proxy is not obliged to use all the votes exercisable, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the ordinary shareholder concerned or by the proxy.
3. Forms of proxy must be lodged with or posted to Computershare Investor Services 2004 (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) or alternatively with Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU (Proxy Processing Centre, Telford Road, Bicester, OX26 4LD) to be received by no later than 10:00 on Thursday, 7 June 2007.
4. The completion and lodging of this form of proxy will not preclude the relevant ordinary shareholder from attending the general meeting and speaking and voting in person to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
5. The Chairperson of the general meeting may reject or accept any form of proxy which is completed and/or received, other than in accordance with these notes, provided that the Chairperson is satisfied as to the manner in which the shareholder concerned wishes to vote.
6. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
7. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy unless previously recorded by the company or its transfer secretaries or waived by the chairman of the general meeting.
8. Where this form of proxy is signed under power of attorney, such power of attorney must accompany this form of proxy, unless it has previously been registered with THG or the transfer secretaries.
9. Where there are joint holders of ordinary shares:
 - 9.1 any one holder may sign this form of proxy;
 - 9.2 the vote of the senior (for that purpose seniority will be determined by the order in which the names of the shareholders appear in the THG register of shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote/s of the other joint ordinary shareholder/s.
10. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries of THG.
11. On a show of hands, every ordinary shareholder shall have only one vote, irrespective of the number of ordinary shares he/she holds or represents, provided that a proxy shall, irrespective of the number of shareholders he/she represents, have only one vote.
12. On a poll, every ordinary shareholder present in person or represented by proxy shall have one vote for every ordinary share held by such shareholder.
13. An ordinary and/or special resolutions put to vote shall be decided on a show of hands unless, before or on the declaration of the results of the show of hands, a poll shall be demanded by shareholders in terms of the Companies Act, or by the Chairperson of the general meeting.
14. If a poll is demanded, the ordinary and/or special resolutions put to vote shall be decided on a poll.
15. Dematerialised shareholders who do not own shares with "own name" registration and who wish to attend the general meeting or to vote by way of proxy, must contact their CSDP or broker who will furnish them with the necessary authority to attend the general meeting or to be represented thereat by proxy. This must be done in terms of the agreement between a shareholder and such CSDP or broker.



The Tongaat-Hulett Group Limited

(Incorporated in the Republic of South Africa)
(Registration number 1892/000610/06)
JSE share code: TNT ISIN: ZAE000007449
("THG" or "the company")

FORM OF SURRENDER

For use only by shareholders who hold their shares in certificated form in relation to the scheme of arrangement in terms of section 311 of the Companies Act, 1973, as amended, proposed by the company between THG and its shareholders ("the scheme")

This form of surrender ("form") should be read in conjunction with the circular sent to shareholders dated 18 May 2007.

This form is attached for the convenience of certificated shareholders of shares who may wish to surrender their documents of title prior to the operative date, which is expected to be Monday, 9 July 2007.

Instructions:

1. A separate form is required for each certificated shareholder.
2. **Part A** must be completed by all shareholders who return this form.
3. **Part B** must be completed by shareholders who are emigrants from or non-residents of the Republics of South Africa and Namibia and the Kingdoms of Swaziland and Lesotho ("the common monetary area"). (See note 2 overleaf.)
4. **Part C** must be completed by those shareholders who wish to have the cash consideration electronically transferred into their bank accounts.

To: The transfer secretaries

In South Africa

By hand

Computershare Investor Services 2004 (Proprietary) Limited
Ground Floor
70 Marshall Street
Johannesburg, 2001

By post

Computershare Investor Services 2004 (Proprietary) Limited
PO Box 61763
Marshalltown
2107

In the United Kingdom

By hand

Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

By post

Proxy Processing Centre
Telford Road
Bicester OX26 4LD

Dear Sirs

I/We hereby surrender and enclose the share certificate/s, certified transfer deed/s and/or other documents of title, details of which have been completed below, in respect of my/our holding of shares in THG.

PART A – All certificated shareholders must please complete all the blocks below and overleaf (in BLOCK CAPITALS).

Surname or Name of corporate body

First names (in full)

Title

Address to which the scheme consideration should be sent (if different from registered address)

Postal code

Country

Telephone number ()

Share certificates and/or other documents of title surrendered

Name of registered holder	Certificate number(s) (in numerical order)	Number of shares covered by each certificate
Total		

Please also read notes at the end of this form.

Signature of THG ordinary shareholder	Stamp and address of agent lodging this form (if any)
Assisted by me (if applicable)	
(State full name and capacity)	
Date 2007	
Telephone number (Home) ()	
Telephone number (Work) ()	

Signatories may be called upon for evidence of their authority or capacity to sign this form.

PART B – To be completed by all certificated shareholders who are emigrants from and non-residents of South Africa (see notes 1 and 2 overleaf).

The consideration will be forwarded to the authorised dealer nominated below for its control. Accordingly, non-residents who are emigrants from South Africa must provide the following information:

Name of authorised dealer _____

Account number _____

Address _____

Postal code _____

If no nomination is made above, the scheme consideration will be held in trust by the transfer secretaries.

PART C – To be completed by those shareholders who wish to have the cash consideration electronically transferred into their bank accounts.

Name of bank account holder _____

Account number _____

Name of bank _____

Branch _____

Branch code _____

Type of bank account (cheque, savings, transmission, etc.) _____

The cash consideration will only be electronically transferred if Part C is properly completed and this form is returned to the transfer secretaries together with the documents of title to be received prior to the consideration record date, which is expected to be Friday, 6 July 2007.

Notes:

1. Emigrants from the common monetary area must complete Part B.
2. All other non-residents of the common monetary area must complete Part B (if they wish the consideration to be sent to an authorised dealer in South Africa).
3. If Part B is not properly completed, the consideration (in the case of emigrants or non-residents) will be held in trust by the transfer secretaries pending receipt of the necessary nomination or instruction.
4. If this form is returned with the relevant documents of title, it will be treated as a conditional surrender which is made subject to the scheme becoming effective. Documents surrendered in anticipation of the scheme becoming operative will be held in trust by the transfer secretaries until the scheme becomes operative.
5. The scheme consideration will not be sent to scheme members unless and until documents of title in respect of the relevant scheme shares have been surrendered (together with this form of surrender) to the transfer secretaries.
6. If a shareholder produces evidence to the satisfaction of THG that documents of title in respect of shares have been lost or destroyed, THG may waive the surrender of such documents of title against delivery of an indemnity in a form and on terms and conditions approved by it, or may in its discretion waive such indemnity.
7. Persons who have acquired shares in THG after Friday, 18 May 2007, the date of posting of the circular to which this form is attached, can obtain copies of the form and the circular from Computershare Investor Services 2004 (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 or alternatively Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU (Proxy Processing Centre, Telford Road, Bicester OX26 4LD).
8. No receipts will be issued for documents lodged, unless specifically requested. In compliance with the requirements of the JSE Limited ("JSE"), lodging agents are requested to prepare special transaction receipts. Signatories may be called upon for evidence of their authority or capacity to sign this form.
9. Any alteration to this form must be signed in full and not initialled.
10. If this form is signed under a power of attorney, then such power of attorney, or a notarially certified copy hereof, must be sent with this form for noting (unless it has already been noted by THG or its transfer secretaries).
11. Where the shareholder is a company or a close corporation, unless it has already been registered with THG or its transfer secretaries, a certified copy of the directors' or members' resolution authorising the signing of this form must be submitted if so requested by THG.
12. Note 11 above does not apply in the event of this form bearing the stamp of a broking member of the JSE.
13. Where there are joint holders of any shares, only that holder whose name stands first in the register in respect of such shares need sign this form.
14. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced to or have been registered by the transfer secretaries of THG.

