

QINISANANI

PRIVATE PLACEMENT MEMORANDUM

QINISANANI INVESTMENT LTD
(REGISTRATION NUMBER 2014/176983/06)

IN PARTNERSHIP WITH:



INTRODUCTION

Caban Investments Ltd and Mzukisi Lembeni, owner of Imizamo Yethu Tours, have joined forces to launch Qinisanani Investments Limited, a joint venture aimed at assisting kasi (township) entrepreneurs in need of business support to establish and grow their own enterprises.

The business philosophy of Qinisanani is reflected in the meaning of the name – which simply explained means to strengthen, support and grow each other.

Qinisanani Investments emulates Caban Investments' tried and tested business model, in providing a host of services for these Khayelitsha based entrepreneurs. These services include business support, accounting, mentoring, website design, social media, assistance in opening markets and the provision of capital.

Subsequent to the launch of the Qinisanani Entrepreneurship Development Programme on Saturday, 19 July 2014 at Look Out Hill, Khayelitsha, we underwent a rigorous interview and selection process that has seen us select our first group of entrepreneurs.

There is now the exciting opportunity for investors looking for a smart investment that is also contributing the development of the most critical sectors in the South African economy – township based entrepreneurs.

CABAN SUPPORT

The Caban Group will provide complete support and is funding the set up and development of the company. It is through the mentorship of individuals in Khayelitsha that Qinisanani will emulate the Caban's successful business model. Caban believes that through this process, entrepreneurship can develop at a greater pace thereby accelerating the creation of jobs.

The Caban service providers will provide the initial support and through on-going mentorship, the joint venture will eventually develop its own capacity. To this end, the Caban service providers will embark on a campaign to train and mentor individuals that will eventually become the service providers in the joint venture.

Every two weeks Caban Investments Ltd Group CEO Dave Romero will have discussions on entrepreneur/enterprise development with



the new enterprises, thereby creating a culture where entrepreneurs learn new ways of assisting each other.

INVESTMENT OPPORTUNITY

A total of R 2,000,000 will be raised through this private placing and this capital will be used to develop a total of 12 businesses. This is a unique investment opportunity in that it is supported by the proven experience of Caban Investments, whilst still providing essential capital support for emerging enterprises in one of South Africa's fastest growing townships.

The funds will be utilised as follows to fund the following operations:

LITHA COOPERATIVE

Litha Primary is a sewing cooperative formed in March 2010 with the support of A.S.B.

With nine dedicated women involved in the project, the last 3 years has seen Litha Primary Cooperative exclusively producing shopping and conference bags for Township Patterns CC. In that time they have gained confidence in the quality and efficiency of their production output. This experience has also boosted their reputation through direct customer marketing and selling the bags to renowned local and export retailers.



Mission

Litha Primary Cooperative's mission is to continuously provide quality products and services to the market. This is done to contribute to community development through job creation especially for the youth and to provide workshops for the unemployed where they can learn new skills that could potentially provide them with an income.



Vision

To have a factory based in Khayelitsha

To create jobs opportunities for the people of community.

To see the number of our members increase.

To encourage individual growth in computer literacy and business skills development.

To increase annual turnover



Product List

Litha Cooperative produces shopping bags, conference bags, laptop bag, wine bags and gift bags. Additionally they produce aprons, table cloths, bedding, curtains, dresses, shirts, traditional wear, and tracksuits.

Assets

The cooperative has 10 plain machines, 1 safety over-locker and 1 ironing system with vacuum table.

Management

Litha Primary Cooperative is directed by a board that consists of a Director, Chairperson, Vice chairperson, Treasure, Vice treasure, Secretary, Vice secretary with the management consisting of production manager.



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YAKANANI FRESH FOODS

Busisiwe Madyolo, the founder and owner of Yakanani Fresh Foods, is a 36 year old lady who hails from Engcobo, (Mthatha) in the Eastern Cape. She is one of six siblings and was raised by a single mother. Her mother owns a grocery and hardware store and she assisted her mother in the shop since childhood where her entrepreneurial flair developed after she completed her formal schooling.

Now as a mother supporting her own children, Busisiwe has launched her own business after years of working various jobs that meant long hours of work and travel, and little hop of real advancement. As the sole breadwinner in the family, and in additionally assisting her two sisters, who are both unemployed, Busisiwe has realised that her passion and flair for cooking and baking would make a smart business decision.



Yakanani was started four years ago as a business focused on cooking and selling food to school children and the local community. But it was only a year and a half ago that Busisiwe became fully committed to the business and at this time recognised that she lacked the basic skills to successfully manage a business. At that time she enrolled for three different courses in an endeavour to improve her business acumen and has completed the following courses: Business Management & Financial Literacy (through the Thuthuwa Foundation), Managing Money and How to Win Sales (both courses were done through the Business Place).

Yakanani is currently a vetkoek business with plans to expand into muffins, home-made pies and pizzas. Busisiwe makes vetkoek from her household kitchen and sells these to learners at a nearby primary school during the week, and over weekends she sells at the taxi-rank or at the stadium if there are sporting activities. The vetkoek are

sold plain or with fillings (chicken liver, viennas, polony or Russian sausages) at different prices. According to Busisiwe, her vetkoeks special attributes are the size, consistency, taste and price.

At two Rand each, Busisiwe believes her vetkoek are the best tasting, bigger in size, and light in consistency. She uses a basic plastic sandwich packaging for her vetkoek and there is currently no formal branding, marketing or advertising in place except for a board at Busisiwe's house.

Yakhanani is a low margin high volume business and in order to increase revenue, Busisiwe needs to increase her capacity to produce more vetkoek. Her customers are mainly school children looking for a tasty and convenient lunch snack at a low and affordable price.

There is an opportunity to grow into other schools and the local taxi rank but she is limited by her current capacity. The barriers to entry in this market are low, as her requirements in terms of equipment will not increase substantially but should she expand she will need assistance in the kitchen and a sales force to sell at other nearby schools.

The opportunity for growth and profitability is substantial, however should she expand the business her current kitchen space will not cope, and she will thus need a bigger preparation space. To keep up with the growth in demand, Busisiwe will also need to hire an assistant in the kitchen and staff to man the stalls at the other schools.

The additional staff will invariably increase her cost of production. Busisiwe is an energetic, disciplined and driven individual who is highly organized and hard working. She starts her day off very early and ends it quite late enabling her to cater for the business needs as well as for the needs of her young family. She has all the key attributes of an entrepreneur and the fact that she was raised by an entrepreneurial mother has been a strong driving force throughout her life.



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SOLARNFO PTY LTD



Solarnfo is a renewable energy company based Khayelitsha that supplies alternative energy solutions around the Khayelitsha area. They install solar panels in households, commercial buildings, community structures and possible wind turbines, green rolling of trees and small nutritious gardening programs for schools, calling it eco-system.

After conducting a market research, they have discovered that their customers, especially households, complain about the continuous rise of already unaffordable electricity prices. Those who reside in informal settlements are mostly affected by this. They have also found that most individuals do not really understand the mechanism of going green.

Solution

Their aim is to educate and create more awareness around renewable energy and at the same time also promote Solarnfo through:

Road shows

Workshops

Pamphlets or brochures

Local newspapers etc.

The company is currently 100% black owned with one Director including three employees.



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LEBUTHO UNIFORM MANUFACTURES

Lebutho Uniform Manufactures CC was founded in 2007 by Beauty Nodada and manufactures uniforms for nurses, schools, churches and community organisations.

From a young age, Beauty had a passion for designing clothes and sewing and during her high school years, Beauty was known as the 'needle work girl' by her community. The huge demand for nurse and school uniforms in Khayelitsha was one of the main reasons that prompted her to start her own business.

She advanced her business skills through the Triple Trust Organisation and since 2007 she has been running her business successfully and has established clientele in areas such as Worcester and Strand. Her aim is to expand her business and also have a manufacturing factory in Khayelitsha that will be responsible for the production of uniforms.

BIBO CREATION

Bibo Creations was started by Bongiwe Kulu in 2014 in order to make a difference in her life and that of her community. Like other entrepreneurs in Khayelitsha or any other township; Bongiwe's decision to start her own business was based on her observation of how people in her community struggle to get access to basic resources.

Bibo Creations manufactures and supplies affordable uniforms for schools and churches around the area. The company is also committed to community development projects and reducing the crime rate in surrounding communities.

IQHAYIYA ARTS AND CRAFTS

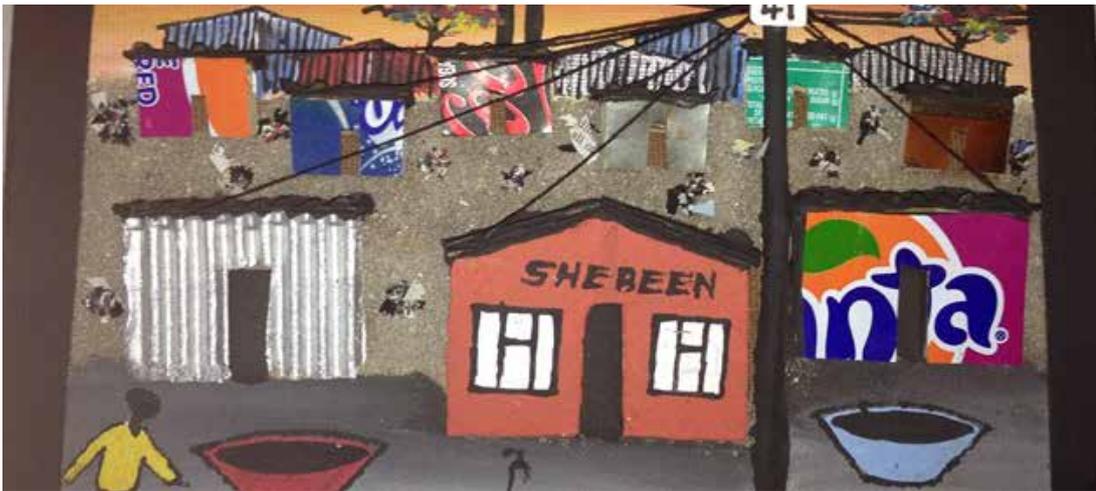
Iqhayiya is the Xhosa word for pride and is very apt for this company formed in 2005 by a group of crafters and artists around Khayelitsha.

The Founders:

The founders of Iqhayiya Arts and Crafts established the project because of a need within their community for job-creating projects around arts and crafts.

Lambatha Zanazo creates art from wire and other recycled materials.





He started his business in 2000 as a way to make ends meet and then started to teach his neighbours the same skills. He is a founding member of the project and a chairman of Iqhayiya arts and craft. He oversees the daily operations and supervises the growth of the project. His vision is for Iqhayiya Arts and Crafts to be recognised throughout Western Cape.

Sithembele Mgadi arrived in Cape Town in 1987 from a little village in Eastern Cape. After struggling to secure permanent employment, one day he decided to create a picture to send to his parents out of bits and pieces of scrap. He went to the post office to package the parcel to be sent to the Eastern Cape and surprisingly the postmaster offered to purchase the artwork from him. That is how the 3D shack picture was born.

Nosisa Magutywa was born in Tsolo Eastern Cape and started her bead work company in 1994. When her business grew she was joined by three other women. Nosisa sells her bead work from Iqhayiya arts and craft workshop, Kirstenbosch craft market and Grahamstown art festival.

Sandile Mabece is a professional Graphic Designer and specialises in creative design, printing of T-shirts and other promotional items. He is one of the founders and the Marketing and communication coordinator of Iqhayiya Arts and Crafts.

Nompumelelo Mrali was born in Lady Frere in Eastern Cape. She studied beadwork in 1984 at Maridati Project. She started her own business in 1997.

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Thembisa Konwayo was also born in Eastern Cape in a small village called Butterworth. She came to Cape Town hoping to find the work and after failing to get employed she decided to start a small beadwork business. She learnt the art and skills of beadwork from her grandmother and makes necklaces, bracelets, earrings, key rings, pin badges and Christmas decorations.

Lingwa Zanazo was born in Eastern Cape in a village of Gcuwa. Because she was unemployed she decided to learn beadwork and started the business in 2002 and is now able to provide an income for her kids.



Aim

The aim of the Iqhayiya Arts and Crafts is to create more growth opportunities, especially for the Khayelitsha communities. Their aim is to alleviate poverty and reduce the unemployed rate in the surrounding communities by transferring their skills and knowledge in order could help others help themselves.

Mission

To produce unique original arts and craft for locals and tourists.
To provide quality arts and craft workshops to community children and youth.

To introducing a unique South African and African Flair of arts & craft and inspiring and encouraging those with a potential in arts.



INVESTMENT PARTICULARS

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

The minimum investment is R 5,000.00 per investor. Each investor will receive 10,000 shares at a value of 50 cents.

In each transaction, the company will own a share in the companies that it will invest. The percentages range from 10% to 20%.

INVESTOR SECURITY

Although this form of investment is risky, the risk has been reduced due to the fact that the company will be initially managed by the Caban management team that have already excelled in this form of investment.

SHARES IN ISSUE

The company has issued 10 million shares to both Caban and Mzukisi. Therefore a total of 20 million shares have been issued prior to this offer. Through this offer, a further 4 million shares will be issued to raise R2 million.

PROSPECTUS

This is not a public offering therefore no prospectus is required.

PROSPECTS

It is Caban's intention to prove that it is profitable to invest in Khasi entrepreneurs. It's through this initiative that Caban hopes to attract other investment companies to invest in this area.

Although this investment should be seen in the context of assisting entrepreneurs, it is the intention to achieve a 40% return on investment. The Caban management team have far exceeded these targets within the Caban group.



MANAGEMENT

Mzukisi Lembeni

Director

Mzukisi 'Mzu' Lembeni is the driving force behind Imizamo Yethu Tours as the owner and tour operator. He has a strong passion for tourism and has gained much experience with tourism throughout his career starting in 1998. He has worked for different hotels around Cape Town, Two Oceans Aquarium, the Castle of Good Hope and City Sightseeing Cape Town.

He received a tertiary education from University of South Africa in Tour Operation Management. He attended College of Cape Town in 2007 where he studied for three years both tourism management and tour operations. He has also received a Tourism Certificate from the Western Cape as a certified Western Cape Tour Guide and Eastern Tour Guide. He is a Qualified Magician.

He has a great passion for community development in Khayelitsha and is developing an entrepreneurship programme with Caban to accelerate entrepreneurship in the area. He is always wearing a smile and exuding infectious optimism.

Dave Romero

Director

Dave qualified as a Professional Accountant (SA) in 1987. He joined a Corporate Finance Company after qualifying where he got the first taste of Venture Capital. Dave became the Financial Director and later, the Managing Director of Equivest, a Venture Capital Group.

During 1991, Dave established his own Venture Capital Company which was listed on the Johannesburg Stock Exchange on the 25th of November 1997. REF Finance and Investment Corporation Ltd focussed on the ICT industry. Highlights of this company include being ranked 21st in a Business Times Top 100 Companies survey during 1998, ranked the 40th fastest growing company in South Africa, with investors receiving a 1,800% return over a five year period

The company became a casualty of the October 1998 crash, where the shares tumbled in line with global markets, however Dave listed



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two more companies during 1999.

After resigning as Executive Chairman from REF Finance and Investment Corporation Ltd Dave went on to pursue a career in consulting and business mentoring.

During 2005, Dave bought into Isibane Holdings (Pty) Ltd, formed a Private Equity company called Isibane Capital Ltd and was elected as the Joint CEO. 2009 saw the merger of the company with Pulse Private Equity.

Dave founded TBL Capital utilising his 24 years' experience in Corporate Finance to assist Entrepreneurs.

During 2012, Dave decided that he wanted to enter the Private Equity arena again. In particular, wanted to use his experience to help entrepreneurs and make them successful. To that end, he founded Caban Investments Limited of which he is the Group CEO.

He also founded the following holding companies:

Caban Capital PLC - The group's holding company based United Kingdom;

Caban Investments UK Limited - Caban's United Kingdom operation;

TBL Capital UK Limited - United Kingdom financial services company;

UREG Investments Limited - The Group's renewable energy and sustainable holding company.

Dave also serves on the board of the following organisations:

South African Small and Medium Enterprise Federation (SASMEF);

Salesian Life Choices

DIVIDEND DISTRIBUTION

30% of after tax profits are to be retained to fund further entrepreneurs. This percentage may vary depending on the profitability of the company and is based on certain criteria being met which will be disclosed in the forecasts. The balance of the profits to be distributed on a quarterly basis as dividends paid a month in arrears.

INVESTORS RELATIONS (POST INVESTMENT)

Caban will supply Investors the following monthly reports:

- Verified Turnover of all machines;
- Management accounts of the company



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- Distribution of Funds analysis;
- Going concern report;
- Business risk report.

EXIT STRATEGY

This investment is to be considered as a long term investment. However, shareholders wishing to sell after two years must follow this procedure:

- A written application wishing to sell must be sent to Caban;
- Caban will offer the shares and loan account to existing Shareholders;
- If none of the existing shareholders want to purchase, shares will be offered to third parties;
- If no third parties take up the share, Caban undertakes to purchase the shares at the higher of market value or at capital cost plus 10% per annum.

