

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

The definitions and interpretations commencing on page 4 of this Circular apply *mutatis mutandis* to this cover.

ACTION REQUIRED BY SHAREHOLDERS

- Shareholders are referred to page 1 of this Circular, which sets out the action required of them with regards to matters set out in this Circular.
- If you are in any doubt as to what action you should take, you should consult your CSDP, Broker, banker, legal advisor, accountant or other professional advisor immediately.
- If you have disposed of all of your Aveng Shares, please forward this Circular together with the Notice of Extraordinary General Meeting, to the purchaser of your Aveng Shares, or the CSDP or Broker or agent through whom the disposal was effected.

Aveng does not accept responsibility, and shall not be held liable, for any action of, or omission by, any CSDP or Broker or agent including, without limitation, any failure on the part of CSDP or Broker or agent of any beneficial owner of Aveng Shares to notify such beneficial owner of the details set out in this Circular.

**CIRCULAR TO SHAREHOLDERS AND NOTICE OF EXTRAORDINARY
GENERAL MEETING**



AVENG LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1944/018119/06)
Share code on the JSE: AEG ISIN: ZAE000111829
("Aveng" or "the Company")

regarding:

- **the approval of the Rights Offer;**
- **the granting of authority to the Board to issue such number of unissued Aveng Ordinary Shares and/or Aveng Class A Shares as may be required, and as determined by the Board, in its discretion, specifically for the purpose of implementing the Rights Offer, up to an aggregate amount of ZAR100 million, being the Rights Offer Shares in terms of (i) section 41(3) of the Companies Act, and (ii) clause 7 of the MOI; and**
- **the approval for the placing of the Rights Offer Shares (in the authorised but unissued share capital of Aveng) under the control of the Board, solely for purposes of implementing the Rights Offer.**

and incorporating:

- **a Notice of Extraordinary General Meeting; and**
- **a form of proxy (blue) to be used by Certificated Shareholders and Dematerialised Shareholders only.**

Date of issue: Tuesday, 6 April 2021

JSE Sponsor



Legal Advisor



Transaction Advisor



CERTAIN FORWARD LOOKING STATEMENTS

The definitions and interpretations commencing on page 4 of this Circular apply *mutatis mutandis* in this section.

GENERAL

This Circular does not constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell, or otherwise dispose of, issue or purchase any security in any jurisdiction (including, for the avoidance of doubt, South Africa, Australia, Canada, Japan, the United Kingdom, the United States, any member states of the European Economic Area or elsewhere).

The proposed Rights Offer referred to in this Circular, if made, will be pursuant to a rights offer circular that will be made available to Shareholders in accordance with applicable South African laws and regulations, and such circular will only be addressed to persons to whom it may lawfully be addressed to. This Circular does not contain all of the information required for a rights offer circular to Shareholders prepared in accordance with the relevant disclosure requirements under, *inter alia*, the Companies Act and the Listings Requirements, and does not, and is not intended to constitute an offer to sell or subscribe for, or a solicitation of an offer to purchase, any securities pursuant to a rights offer in any jurisdiction, including (without limitation) South Africa, Australia, Canada, Japan or the United States.

This Circular is not for distribution, directly or indirectly, in or into any jurisdiction other than South Africa where to do so would constitute a violation of the relevant laws of such jurisdiction. In those circumstances or otherwise if the distribution of this Circular and/or any accompanying documentation in those jurisdictions outside of South Africa are restricted or prohibited by the laws of such jurisdiction, this Circular and/or any accompanying documentation are deemed to have been sent for information purposes only and should not be copied or redistributed.

The information contained in this Circular constitutes factual information as contemplated in section 1(3)(a) of the South African Financial Advisory and Intermediary Services Act No. 37 of 2002 (as amended) and should not be construed as an express or implied recommendation, guide or proposal that any particular transaction in respect of the potential Rights Offer or in relation to the business or future investments of Aveng is appropriate to the particular investment objectives, financial situations or needs of any prospective investor, and nothing in this Circular should be construed as constituting the canvassing for, or marketing or advertising of, financial services in South Africa.

FORWARD-LOOKING STATEMENTS

This Circular contains statements about Aveng that are or may be forward-looking statements. All statements, other than statements of historical fact, are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning: strategy; the economic outlook for the mining and construction industry; cash costs and other operating results; growth prospects and outlook for operations, individually or in the aggregate; liquidity and capital resources and expenditure and the outcome and consequences of any pending litigation proceedings and specifically including the proposed Rights Offer. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as "believe", "aim", "expect", "anticipate", "intend", "foresee", "forecast", "likely", "should", "planned", "may", "estimated", "potential" or similar words and phrases.

Examples of forward-looking statements include statements regarding a future financial position or future profits, cash flows, corporate strategy, estimates of capital expenditures, acquisition strategy, or future capital expenditure levels.

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

All these forward-looking statements are based on estimates and assumptions, all of which, although Aveng may consider them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Many factors (including factors not yet known to Aveng, or not currently considered material), could cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those estimates, statements or assumptions.

Shareholders should keep in mind that any forward-looking statement made in this Circular or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors may emerge from time to time that could cause the business of Aveng or other matters to which such forward-looking statements relate, not to develop as expected and it is not possible to predict all of them.

Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement are not known. Aveng has no duty to, and does not intend to, update or revise the forward-looking statements contained in this Circular after the date of this Circular, except as may be required by law.

CORPORATE INFORMATION AND ADVISORS

Company secretary

Edinah Mandizha
3rd Floor
10 The High Street
Melrose Arch
Gauteng, 2076
(PO Box 6062, Rivonia, 2128)

Transfer Secretaries

Computershare Investor Services
Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg, 2196
(Private Bag X9000, Saxonwold, Johannesburg,
Gauteng, 2132)

Transaction Advisor

DG Capital Proprietary Limited
66 St Andrew Street
Birdhaven
Johannesburg, 2196
(PO Box 3061, Houghton, 2041)

Date of incorporation of Aveng

22 November 1944

Place of incorporation of Aveng

South Africa

Registered office and business address

3rd Floor
10 The High Street
Melrose Arch
Gauteng, 2076
(PO Box 6062, Rivonia, 2128)

Legal advisers

Baker & McKenzie Incorporated
1 Commerce Square
39 Rivonia Road
Sandhurst
Johannesburg, 2196

Sponsor

UBS South Africa Proprietary Limited
144 Oxford Road
8th Floor South Wing
Melrose
Johannesburg
2196
(PO Box 522194, Saxonwold, Rosebank, 2196)

This Circular is available in English only. Copies may be obtained from the registered office of the Company and the Transfer Secretaries at the addresses set out above. Shareholders will be able to access the Circular at <https://www.aveng.co.za>.

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ACTION REQUIRED BY SHAREHOLDERS

This Circular is important and requires your immediate attention.

Please take careful note of the following provisions regarding the action required by Shareholders. If you are in any doubt as to what actions to take, please consult your Broker, CSDP, banker, attorney, accountant or other professional adviser immediately.

If you have disposed of all of your Aveng Shares, this Circular should be handed to the purchaser of such Aveng Shares or to the Broker, CSDP, banker, attorney or other agent through whom the disposal was effected.

The Extraordinary General Meeting, (notice of which is attached to and forms part of this Circular), will be held at 09:00 on Wednesday, 5 May 2021 for the purposes of considering and, if deemed fit, passing, the resolutions contained in the Notice of an Extraordinary General Meeting.

In the backdrop of the COVID-19 pandemic and subsequent impact in South Africa, as well as the general uncertainty occasioned by this and the related restrictions imposed by the South African Government on travel and the holding of public gatherings; and the implementation of distancing measures, thereby limiting the ability of Shareholders to participate in person in the Extraordinary General Meeting, the Extraordinary General Meeting will be held entirely through electronic communication having regard to these measures and the impact of COVID-19. The Extraordinary General Meeting will be conducted on an interactive electronic platform in compliance with, *inter alia*, the quorum requirements contained in the MOI and the Companies Act.

Shareholders are strongly encouraged to submit their votes by proxy before the Extraordinary General Meeting at their earliest convenience. Certificated Shareholders and Dematerialised Shareholders with "own name" registration can submit their votes before the Extraordinary General Meeting by completing a proxy form or submitting proxy instructions in accordance with the instructions set out below. Dematerialised Shareholders without "own name" registration can submit their voting instructions before the Extraordinary General Meeting to their CSDP or Broker by the cut-off time and date advised by their CSDP or Broker for instructions of this nature in the manner stipulated in their respective custody agreements.

Aveng does not accept any responsibility and will not be held liable for any failure on the part of the Broker or CSDP of any holder of Dematerialised Shares to notify such Shareholder of this Circular and/or the Extraordinary General Meeting.

Shareholders that wish to participate in the Extraordinary General Meeting are referred to the instructions below.

1. ELECTRONIC PARTICIPATION

In light of the restrictions on travel and the holding of public gatherings pursuant to the regulations issued in terms of section 27(2) of the Disaster Management Act No. 57 of 2002 (as amended) arising from the COVID-19 pandemic as at the date of this Circular, and in accordance with the provisions of the Companies Act and the MOI, the Extraordinary General Meeting will be conducted entirely through electronic communication. The electronic meeting facilities will enable all participants to communicate concurrently with each other without an intermediary, and to participate reasonably effectively in the Extraordinary General Meeting. Voting via the electronic facility will be the only method available to Shareholders to vote their Aveng Shares at the Extraordinary General Meeting. The electronic facility which has been elected by Aveng for purposes of the Extraordinary General Meeting is <https://web.lumiagm.com>, an electronic facility which may be accessed by using a smartphone, tablet or computer.

Shareholders (or a representative or proxy for a Shareholder) who wish to participate in the Extraordinary General Meeting will be required to register their personal details, as contemplated in the link below, to enable them to participate in Extraordinary General Meeting. Such registration must be completed as soon as possible but by no later than 09:00 on Monday, 3 May 2021 using the link www.smartagm.co.za. Following successful completion of the aforesaid registration process, Shareholders (or a representative or proxy for a Shareholder) who wish to participate in the Extraordinary General Meeting should connect to the Extraordinary General Meeting by using the link <https://web.lumiagm.com>, and follow the prompts on that website.

If any Shareholder (or a representative or proxy for a Shareholder) experiences any difficulty with (i) the registration process contemplated above, or (ii) logging into the Extraordinary General Meeting (by 09:00 on Wednesday, 5 May 2021) such Shareholder (or a representative or proxy for a Shareholder) should request an agent of the Transfer Secretaries to assist such Shareholder (or a representative or proxy for such Shareholder) with such difficulty by sending an email to proxy@computershare.co.za.

IMPORTANT NOTE: Shareholders (or a representative or proxy for a Shareholder) wishing to participate in the Extraordinary General Meeting are advised that they will also be able to register to participate by sending a notice by email to the Transfer Secretaries at proxy@computershare.co.za by no later than 09:00 on Monday, 3 May 2021, that they wish to participate in the Extraordinary General Meeting.

- Shareholders must also provide reasonably satisfactory identification before participating in the Extraordinary General Meeting. This must be included with the electronic notice and shall include:
- if the Shareholder is an individual, a copy of his/her original South African identity document and/or passport and/or South African driver's licence; or
- if the Shareholder is not an individual, a copy of a resolution by the relevant entity and a copy of the South African identity documents and/or passports of the persons who passed the relevant resolution, which resolution must set out who from the relevant entity is authorised to represent the relevant entity at the Extraordinary General Meeting via electronic communication; and
- in all cases, a valid email address and/or mobile telephone number (the contact email address/number).

Any Certificated Shareholder or Dematerialised Shareholders with "own name" registration or their proxies who do not send an electronic notice recording their intention to participate in the Extraordinary General Meeting to the Transfer Secretaries by 09:00 on Monday, 3 May 2021, may still participate via electronic communication at the Extraordinary General Meeting and may email that electronic notice to the Transfer Secretaries at proxy@computershare.co.za at any time prior to the commencement of the Extraordinary General Meeting. However, for the purpose of effective administration, Shareholders (and their proxies and representatives) wishing to participate in the Extraordinary General Meeting are strongly urged to send the electronic notice by 09:00 on Monday, 3 May 2021. The electronic communication employed will enable all persons participating in that meeting to communicate concurrently with one another without an intermediary and to participate reasonably effectively in the meeting. Voting of Aveng Shares via electronic communication will be the only means possible to vote at the Extraordinary General Meeting. Once the meeting has commenced, participants will be able to vote via the voting link to be provided before the meeting.

2. VOTING AND FORMS OF PROXY

On a show of hands, every Shareholder, present in person or represented by proxy, shall have one vote only. On a poll, every Shareholder, present (i.e. in attendance for the electronic Extraordinary General Meeting) in person or by proxy, shall have one vote for every Share held or represented.

Certificated Shareholders and Dematerialised Shareholders with "own name" registration are entitled to appoint a proxy or proxies (for which purpose a form of proxy (blue) is included) to vote in their stead. The person so appointed need not be a Shareholder.

The forms of proxy attached to the Notice of an Extraordinary General Meeting must be completed only by Certified Shareholders and Dematerialised Shareholders with "own name" registration.

Forms of proxy must be lodged with the Transfer Secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or posted to the Transfer Secretaries at Private Bag X9000, Saxonwold, 2132, or emailed to proxy@computershare.co.za by no later than 09:00 on Monday, 3 May 2021.

Dematerialised Shareholders with "own name" registration, must contact their CSDP or broker, in the manner and time stipulated in their agreement, to furnish their CSDP or Broker with their voting instructions by the cut-off time and date advised by their CSDP or Broker for instructions of this nature.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 4 of this Circular apply, *mutatis mutandis*, to this section (unless specifically defined where used or the context indicates a contrary meaning).

2021

Record date to be eligible to receive this Circular	Friday, 26 March
Date of issue of this Circular	Tuesday, 6 April
Last Day to Trade to participate in and vote at the Extraordinary General Meeting	Tuesday, 20 April
Voting Record Date to participate and vote at the Extraordinary General Meeting	Friday, 23 April
Deadline for purposes of lodging proxy forms with the Transfer Secretaries (for administrative purposes, 48 hours prior to the Extraordinary General Meeting) by 09:00 on	Monday, 3 May
Written notice to participate electronically in the Extraordinary General Meeting to be delivered to the Transfer Secretaries by 09:00 on	Monday, 3 May
Extraordinary General Meeting to be held at 09:00 on	Wednesday, 5 May
Results of the Extraordinary General Meeting to be released on SENS	Thursday, 6 May

Notes:

1. The above dates, times and other details of the Extraordinary General Meeting are subject to amendment. Any such material amendment will be released on SENS.
2. All times quoted in the Circular are local times in South Africa on a 24-hour basis, unless specified otherwise.
3. No orders to dematerialise or rematerialise Aveng Shares will be processed from the Business Day following the Last Day to Trade up to and including the Voting Record Date, but such orders will again be processed from the first Business Day after the Voting Record Date.
4. The Register will be closed between the Last Day to Trade and the Voting Record Date.
5. If the Extraordinary General Meeting is adjourned or postponed, forms of proxy submitted for the Extraordinary General Meeting will remain valid in respect of any adjournment or postponement of the Extraordinary General Meeting unless the contrary is stated on such form of proxy (blue).

DEFINITIONS AND INTERPRETATIONS

Throughout this Circular, unless the context indicates otherwise, the words in the column on the left below shall have the meaning stated opposite them in the column on the right below, reference to the singular shall include the plural and *vice versa*, words denoting one gender include the other and words and expressions denoting natural persons include juristic persons and associations of persons:

“Act” or “Companies Act”	Companies Act No 71 of 2008, as amended;
“Aveng Class A Shares”	unlisted, A class, no par value, non-voting convertible shares in the authorised share capital of Aveng;
“Aveng Ordinary Shares”	ordinary no par value shares in the share capital of Aveng;
“Aveng Shares”	includes Aveng Class A Shares and/or Aveng Ordinary Shares;
“Board”	the board of Directors, which, as at the Last Practicable Date, comprised the persons whose names appear on page 6 of this Circular;
“Broker”	any person registered as a broking member in equities in terms of the rules of the JSE in accordance with the provisions of the Financial Markets Act;
“Business Day”	any day other than Saturday, Sunday or any official public holiday in South Africa;
“Certificated Shareholders”	holders of Certificated Shares;
“Certificated Shares”	Aveng Shares that have not been Dematerialised, the title to which is represented by a share certificate or other Document of Title;
“Circular”	this bound document, dated Tuesday, 6 April 2021 including the annexures hereto;
“CSDP”	a central securities depository participant, being a participant as defined in section 1 of the Financial Markets Act, appointed by a Shareholder for purposes of, and in regard to, Dematerialisation and to hold and administer securities or an interest in securities on behalf of a Shareholder;
“Dematerialisation” or “Dematerialised”	the process by which Certificated Shares are converted to or held in electronic form as uncertificated securities and recorded in a sub-register of securities holders maintained by a CSDP, after the Documents of Title have been validated and cancelled by the Transfer Secretaries and captured onto the Strate system by the selected CSDP or Broker, and the holding of securities is recorded electronically;
“Dematerialised Shareholders”	holders of Dematerialised Shares;
“Dematerialised Shares”	Aveng Shares which have been through the Dematerialisation process;
“Directors”	directors of Aveng, being both non-executive and executive directors;
“Documents of Title”	share certificates, certified transfer deeds, balance receipts, or any other documents of title to Aveng Shares;
“Extraordinary General Meeting”	the extraordinary general meeting of Shareholders to be held at 09:00 on Wednesday, 5 May 2021, or any adjournment or postponement thereof, to consider and, if deemed appropriate, approve the resolutions set out in the Notice of an Extraordinary General Meeting;
“Financial Markets Act”	Financial Markets Act No 19 of 2012, as amended;
“Group”	Aveng and its subsidiaries;

“JSE”	the stock exchange operated by the JSE Limited;
“JSE Limited”	JSE Limited (registration number 2005/022939/06), a public company duly registered and incorporated with limited liability in accordance with the laws of South Africa and which is licensed to operate an exchange in terms of the Financial Markets Act;
“Last Day to Trade”	the last Business Day to trade Aveng Ordinary Shares in order to settle same and reflect in the Register so as to be eligible to vote on the resolutions set out in the Notice of an Extraordinary General Meeting, being Tuesday, 20 April 2021;
“Last Practicable Date”	Thursday, 1 April 2021, being the last practicable date prior to the finalisation of this Circular;
“Listings Requirements”	Listings Requirements of the JSE, as amended from time to time by the JSE;
“MOI”	the memorandum of incorporation of Aveng in force as at the Last Practicable Date;
“Notice of an Extraordinary General Meeting”	the notice of the Extraordinary General Meeting attached to, and forming part of, this Circular;
“Register”	the register of Certificated Shareholders maintained by Aveng and the sub-registers of Dematerialised Shareholders maintained by the relevant CSDPs;
“Rights Offer”	a renounceable rights offer proposed to be undertaken by Aveng in order to raise gross proceeds of up to ZAR100 million which is expected to be co-underwritten by certain of Aveng’s largest Shareholders at no fee;
“Rights Offer Shares”	up to 6 666 666 668 Aveng Shares;
“Shareholders”	holders of Aveng Shares;
“SENS”	Stock Exchange News Service of the JSE;
“South Africa”	the Republic of South Africa;
“Strate”	the settlement and clearing system used by the JSE, managed by Strate Proprietary Limited (registration number 1998/022242/07), a limited liability private company duly incorporated in South Africa;
“Transfer Secretaries”	Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a private company incorporated in accordance with the laws of South Africa;
“Voting Record Date”	the date on which Shareholders must be entered in the Register in order to be eligible to vote at the Extraordinary General Meeting, expected to be Friday, 23 April 2021; and
“ZAR” and “cents”	South African Rand and cents, the official currency of South Africa.



AVENG LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1944/018119/06)
Share code on the JSE: AEG ISIN: ZAE000111829
("Aveng" or "the Company")

Executive Directors

SJ Flanagan (Group Chief Executive Officer)
AH Macartney (Group Financial Director)

Independent Non-Executive Directors

PA Hourquebie (Chair)
MA Hermanus (Lead independent non-executive)
MJ Kilbride
B Modise

CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION

On 23 March 2021, Aveng released an announcement on SENS in terms of which it reported the successful completion of a ZAR300 million rights offer and debt restructure transaction. Shareholders demonstrated a higher than anticipated interest in such rights offer resulting in the raising of ZAR392 million of new capital, with Shareholders subscribing for ZAR278 million and the co-underwriters taking up their fees and minimum subscriptions. This SENS announcement is annexed hereto as **Annexure A**.

The additional capital received by the Company in the abovementioned rights offer was not anticipated at the time of developing the balance sheet restructure plan for the Company, when only limited capital was available in an uncertain market with limited appetite. As a result of the additional capital received, there is surplus capital available to the Company from certain of its major Shareholders, which capital the Company wishes to access to provide for the further solidification of the Company's balance sheet and provide the capital to accelerate its business plan and explore identified growth opportunities to provide attractive returns to Shareholders.

The Board has therefore taken the decision to implement the Rights Offer as a follow on rights offer at 1.5 cents per Aveng Share (being the same price as the initial rights offer), which Rights Offer is expected be co-underwritten by certain of Aveng's largest Shareholders, at no fee.

Accordingly, the purpose of this Circular is to provide the Shareholders with the relevant information to enable them to make an informed decision as to whether or not they should vote in favour of the resolutions set out in the Notice of an Extraordinary Meeting which is attached to and forms part of this Circular, in relation to the following resolutions:

1. the granting of authority to the Board to issue such number of unissued Aveng Ordinary Shares and/or Aveng Class A Shares as may be required and as determined by the Board, in its discretion, specifically for the purpose of implementing the Rights Offer, up to an aggregate amount of ZAR100 million, being the Rights Offer Shares in terms of (i) section 41(3) of the Companies Act, and (ii) the MOI;
2. the approval for the placing of the Rights Offer Shares (in the authorised but unissued share capital of Aveng) under the control of the Board, solely for purposes of implementing the Rights Offer; and
3. authorising any Director to take all actions necessary to give effect to the abovementioned resolutions.

2. THE RIGHTS OFFER

Subject to Aveng obtaining the requisite approvals set out in the Notice of an Extraordinary General Meeting, it is the intention of the Board to proceed with the Rights Offer.

Further, since the granting of authority of the Board to issue the Rights Offer Shares pursuant to the Rights Offer is anticipated to be equal to or exceed 30% of the voting power of all of the Aveng Class A Shares in issue immediately before the implementation thereof, section 41(3) of the Companies Act requires the approval of the Shareholders by special resolution for the approval of the issue of the Rights Offer Shares pursuant to the Rights Offer. This is covered in the special resolution recorded in the Notice of an Extraordinary General Meeting.

As the Rights Offer is expected to be fully co-underwritten, the approvals set out in terms of Special Resolution Number 1 as set out in the Notice of an Extraordinary General Meeting will provide the authority to issue any Rights Offer Shares in the authorised but unissued share capital of Aveng to the anticipated co-underwriters of the Rights Offer. The holders of the Aveng Class A Shares will be entitled to follow their rights to acquire further Aveng Class A Shares as holders thereof in terms of the Rights Offer and the holders of Aveng Ordinary Shares will be entitled to follow their rights to acquire further Aveng Ordinary Shares in terms of the Rights Offer.

Details of the Rights Offer, including the underwriting of the Rights Offer, and the timing thereof will be communicated to Shareholders in due course and a circular setting out the full terms of the Rights Offer will be issued to Shareholders following the Extraordinary General Meeting.

3. OPINION AND RECOMMENDATION

The Board has evaluated the rationale for the proposed resolutions set out in the Notice of an Extraordinary General Meeting attached to this Circular which, if passed by the requisite majority of Shareholders, will allow Aveng to proceed with the Rights Offer.

The Board believes that it is in the best interests of Aveng and the Shareholders for the Directors to have the authority to issue the Rights Offer Shares (as may be required for, and pursuant to, the implementation of the proposed Rights Offer to Shareholders) to further solidify the Company's balance sheet and provide the capital to accelerate its business plan and explore identified growth opportunities to provide attractive returns to Shareholders.

All Directors with an interest in Aveng intend to vote in favour of all of the resolutions set out in the Notice of an Extraordinary General Meeting.

4. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors whose names and details are provided on page 6 of this Circular, collectively and individually accept full responsibility for the accuracy of the information given and certify to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by law and the Listings Requirements.

5. NOTICE OF EXTRAORDINARY GENERAL MEETING

The Extraordinary General Meeting of Shareholders will be held at 09:00 on Wednesday, 5 May 2021 to consider, and if deemed fit, to pass, with or without modification, the resolutions required to implement the Rights Offer.

Shareholders are referred to the Notice of Extraordinary General Meeting (attached to and forming part of this Circular) for details on the resolutions to be proposed at the Extraordinary General Meeting and to page 1 of this Circular stipulating the action required by Shareholders and for information on the procedure to be followed by Shareholders in order to exercise their votes at the Extraordinary General Meeting.

All of the resolutions proposed in the Notice of an Extraordinary General Meeting are inter-conditional.

6. DOCUMENTS AVAILABLE FOR INSPECTION

In light of the COVID-19 pandemic and the current national restrictions in place in order to prevent the spread of COVID-19, copies of the following documents will be available online for inspection, on request to the Company Secretary, using the email address noted below, during normal business hours, from the date of issue of this Circular until Wednesday, 5 May 2021:

- a signed copy of this Circular;
- the MOI;
- the audited financial statements for the two years ended 30 June 2020 and 30 June 2019;
- the interim financial results for the six months ended 31 December 2020; and
- the written consents of the Sponsor, Legal Advisor and Transaction Advisor.

In order to access the above documents, they will be mailed to any requesting shareholder who requests same during the above times to the following email address: info@avenggroup.com.

7. CONSENTS

Each of the advisors whose names appear on the front cover of this Circular have consented and have not, prior to the Last Practicable Date, withdrawn their written consents to the inclusion of their names and, where applicable, reports in the form and context in which they appear in this Circular.

For and on behalf of the Board

AH Macartney

Group Financial Director

Acting under authority of the Board

Johannesburg

6 April 2021



AVENG LIMITED

(Incorporated in the Republic of South Africa)
 (Registration number 1944/018119/06)
 Share code on the JSE: AEG ISIN: ZAE000111829
 ("Aveng" or "the Company")

SHAREHOLDER ANNOUNCEMENT: COMPLETION OF RIGHTS OFFER

Aveng is pleased to report the successful conclusion of its rights offer and debt restructure on Friday, 19 March 2021. This brings to a culmination the restructuring announced on 25 November 2020. This, combined with the recently released results for the six months ended 31 December 2020, and a growing order book provides Aveng with a new platform to pursue its strategy around its core businesses, McConnell Dowell and Moolmans, that offer growth opportunities while completing the delivery of its non-core asset sale program and wind down its remaining exposure to discontinued businesses.

As part of the rights offer and debt restructuring:

- Shareholders demonstrated a much higher than anticipated interest in the rights offer resulting in the raising of R392m of new capital, with shareholders subscribing for R278m and the underwriters taking up their fees and their minimum required subscription;
- R232m of the proceeds on the rights offer was utilised to partially settle debt at a significant discount;
- Certain lenders subscribed for R396m of new equity at 5 cents per share (compared to the rights offer price of 1,5 cents per share) in a specific issue of shares for cash and the proceeds thereof was used to settle debt;
- The iNguza note debt was settled in full as part of the restructuring;
- The settlement of the debt resulted in a gain of R486m;
- Debt has reduced from R2,1 billion as reported at 31 December 2020 by R1,1 billion;
- A total of 37 955 034 249 new ordinary and 725 472 919 A shares were issued in terms of the rights offer and the various specific issues detailed in the Circular, bringing the total number of ordinary no par value shares and Class A shares in issue to 58 075 005 388; and
- The Company has R161m of additional liquidity.

The remaining debt owing to SA Lenders has been renegotiated and is repayable over a three-year term at more favourable rates. Aveng believes that the remaining debt is sustainable.

Following the greater than anticipated interest in the Rights Offer, certain existing shareholders have indicated their willingness to provide further capital to support the Company. This additional capital was not anticipated at the time of developing the recapitalisation and balance sheet restructure plan when only limited capital was available, in an uncertain market, with limited appetite. Such additional capital would provide the Company with the opportunity to further solidify its balance sheet and provide the capital to accelerate its business plan and explore identified growth opportunities which will provide attractive returns, mainly in the Moolmans business.

The Board has therefore taken the decision to implement a follow on renounceable rights offer of R100m at 1.5 cents per share (being the same price as the initial rights issue). The rights offer is expected to be fully co-underwritten at no fee, by the Company's two largest shareholders, and will be subject to shareholder approval. A circular calling an Extraordinary General Meeting and setting out further details of the rights issue will be sent to shareholders in due course. The Board has noted that all Directors and Prescribed Officers have indicated that they will follow their rights.



AVENG LIMITED

(Incorporated in the Republic of South Africa)
 (Registration number 1944/018119/06)
 Share code on the JSE: AEG ISIN: ZAE000111829
 ("Aveng" or "the Company")

NOTICE OF AN EXTRAORDINARY GENERAL MEETING

All terms defined in the Circular to which this Notice of an Extraordinary General Meeting is attached shall bear the same meanings herein, unless otherwise indicated by the context.

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Shareholders will be held at 09:00 on Wednesday, 5 May 2021 which meeting will be conducted entirely by electronic communication as contemplated in section 63(2) and clause 19.3 of the MOI, for the purpose of considering and, if deemed fit, passing with or without modification, the Special and Ordinary Resolution set out below in the manner as required by the Companies Act and the Listings Requirements.

Due to the national restrictions in place due to the COVID-19 pandemic, including, *inter alia*, the restrictions on the size of public gatherings and social distancing measures imposed, the Company has elected to hold the Extraordinary General Meeting entirely through electronic communication having regard to and as contemplated in section 63(2) of the Companies Act and clause 22.6 of the MOI. The Extraordinary General Meeting will be held through the electronic platform accessible at <https://web.lumiagm.com>, for the purposes of considering, and passing, with or without modification, the Special Resolution and the Ordinary Resolution as set out in this notice. Shareholders can register to attend and/or participate at the Extraordinary General Meeting through (i) the website www.smartagm.co.za, or (ii) sending a notice by email the Transfer Secretaries to proxy@computershare.co.za indicating that they wish to so attend the Extraordinary General Meeting, which registration or notice is to be completed or sent before 09:00 on Monday, 3 May 2021.

Purpose

The purpose of the Extraordinary General Meeting is to consider and, if deemed fit, pass, with or without modification, the resolutions set out hereunder in the manner required by the Companies Act, and the Listings Requirements.

Notes

- The Extraordinary General Meeting will be conducted entirely by electronic communication (including voting) as contemplated in section 63(2) of the Companies Act and clause 19.3 of the MOI. Shareholders wishing to participate electronically in the Extraordinary General Meeting are required to follow the prescribed procedures set forth in the Circular under the title: "Electronic Participation".
- In terms of section 63(1) of the Companies Act, before any person may attend or participate in the Extraordinary General Meeting, that person must present reasonably satisfactory identification and the person presiding at the Extraordinary General Meeting must be reasonably satisfied that the right of that person to participate and vote at the Extraordinary General Meeting, either as a Shareholder, or as a proxy or representative of a Shareholder, has been reasonably verified. Acceptable forms of identification include a valid green bar-coded or smart card identification document issued by the South African Department of Home Affairs, South African driver's license or a valid passport.
- A Shareholder or its representative or proxy, as the case may be, must electronically deliver the necessary proof of their identification to the Transfer Secretaries to be received by the Transfer Secretaries by no later than 09:00 on Monday, 3 May 2021, before such person will be entitled to participate in the Extraordinary General Meeting. Failure to do so may mean that the participant is unable to participate in the Extraordinary General Meeting either at all, or promptly. Aveng and the Transfer Secretaries shall not be liable for any failure by any Shareholder or its representative or proxy, as the case may be, to timeously deliver the requisite identification as aforesaid.

- Shareholders who are entitled to attend, participate in and vote at the Extraordinary General Meeting are reminded that they are entitled to appoint a proxy to attend, participate in and vote at the Extraordinary General Meeting in place of such Shareholder provided that in doing so such Shareholder completes the attached Form of Proxy (blue) and follows the prescribed procedures set forth at the end of this Notice of an Extraordinary General Meeting under the title: "Voting requirements and proxies". A proxy need not also be a Shareholder.
- As the Extraordinary General Meeting will cater for electronic participation only, it will not be desirable no practical for voting to take place by show of hands. Accordingly, the chairperson may determine that all voting will be by way of poll through the facility provided by the electronic online facilities provider (ComputerShare Investor Services Proprietary Limited) in accordance with the MOI. See prescribed procedures set forth in the Circular under the title: "Electronic Participation".
- See the "Action Required by Shareholders" section of the Circular for further information.

Record Date

In terms of section 59(1)(a) and (b) of the Companies Act (and to the extent relevant, the Listings Requirements), the following are record dates for purposes of determining which Shareholders are entitled to:

- receive this Notice of an Extraordinary General Meeting (being the date on which the Shareholder must be registered in the Register in order to receive this Notice of an Extraordinary General Meeting), which date is Friday, 26 March 2021; and
- participate in and vote at the Extraordinary General Meeting (being the date on which the Shareholder must be registered in the Register in order to participate in and vote at the Extraordinary General Meeting), which date is Friday, 23 April 2021.

Therefore the Last Day to Trade in order to be able to participate in and vote at the Extraordinary General Meeting is Tuesday, 20 April 2021.

Proposed Resolutions

Special Resolution Number 1: (i) Approval of the Rights Offer; (ii) Authorising issue of the Rights Offer Shares to give effect to the Rights Offer; and (iii) Placing of the Rights Offer Shares under the control of the Board

"**RESOLVED THAT**, (i) **Approval of Rights Offer** (a) the ZAR100 million co-underwritten renounceable Rights Offer, and (b) the allotment and issue of ordinary no par value shares and/or A class no par value shares, be and is hereby **approved** in terms of section 41(3) of the Companies Act and clause 7 of the Company's memorandum of incorporation; and (ii) **Unauthorised shares under control of the Board**: and that such number of ordinary no par value shares and/or A class no par value shares in the authorised but unissued share capital of the Company, as may be required therefor and as determined by the Board of the Company (in its discretion) specifically for the purpose of implementing the aforesaid rights offer and the allotment of ordinary no par value shares and/or A class no par value shares pursuant thereto, be and are hereby placed **under the control of the Board** of the Company with **specific authority** to allot and issue such shares on such terms and conditions as may be determined by the Board of the Company (in its discretion) for the specific purpose of implementing the Rights Offer, subject to the (i) applicable provisions of the Companies Act, 2008, (ii) Company's memorandum of incorporation; and (iii) JSE Listings Requirements."

Reason and effect

The reason and effect for this Special Resolution Number 1 is to (i) approve the Rights Offer; (ii) authorise the issue of Aveng Class A Shares pursuant to the Rights Offer in terms of section 41(3) of the Companies Act (because the voting power of the Aveng Class A Shares to be issued under the Rights Offer will exceed 30% of the voting power of the Aveng Class A Shares in issue immediately prior to the Rights Offer as contemplated in section 41(3) of the Companies Act); and (iii) place such shares under the control of the Board with the specific authority to issue such shares for the specific purpose of implementing the Rights Offer.

Percentage voting rights required

The percentage of voting rights required for the adoption of this Special Resolution Number 1 is 75% of the voting rights to be exercised by Shareholders entitled to vote on this Special Resolution Number 1.

Shareholders entitled to vote on Special Resolution Number 1

All Shareholders are entitled to vote on Special Resolution Number 1, however, each class of Shareholders (being holders of Aveng Ordinary Shares and Aveng Class A Shares) will vote separately in respect of the matters set out in Special Resolution Number 1, noting that the holders of Aveng Class A Shares do not hold voting rights other than in respect of matters which specifically affect them as a class, in accordance with the Companies Act.

Ordinary Resolution Number 1: General

"RESOLVED THAT, subject to the passing of Special Resolution Number 1, the board of Directors of the Company be and is hereby authorised to negotiate, settle, execute and deliver any documents and to do any and all things whatsoever (including, without limitation, filing any documents necessary or appropriate with the relevant authorities) that such director(s) determine are necessary or appropriate in connection with the above Special Resolution Number 1."

Reason and effect

The reason for and effect of this Ordinary Resolution Number 1 is to authorise the directors to take all steps and actions that are necessary pursuant to the Rights Offer.

Percentage voting rights required

The percentage of voting rights that will be required for this Ordinary Resolution Number 1 to be adopted is more than 50% of the voting rights to be exercised by Shareholders entitled to vote on Ordinary Resolution Number 1.

Shareholders entitled to vote on Ordinary Resolution Number 1

All Shareholders are entitled to vote on this Ordinary Resolution Number 1.

For and on behalf of the Board

AH Macartney

Group Financial Director

Acting under authority of the Board

Johannesburg

6 April 2021



AVENG LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1944/018119/06)
Share code on the JSE: AEG ISIN: ZAE000111829
("Aveng" or "the Company")

FORM OF PROXY – FOR USE BY CERTIFICATES AND DEMATERIALISED OWN-NAME SHAREHOLDERS ONLY

For use at the extraordinary general meeting of shareholders of the Company ("Shareholders"), to be held at 09:00 on Wednesday, 5 May 2021 ("Extraordinary General Meeting") virtually on the online platform <https://web.lumiagm.com>.

I/We _____ (Full names in BLOCK LETTERS please);

of _____ (address):

Telephone number _____ Cell-phone number _____ ;

Email address _____ ;

being the register holders of: _____ hereby appoint:

1. _____ or failing him/her;

2. _____ or failing him/her;

3. the chairperson of the Extraordinary General Meeting.

as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment thereof and to vote for and/or against the said resolutions and/or to abstain from voting in respect of the shares of the Company registered in my/our name(s), in accordance with the following instructions (see notes):

Resolution	Number of Shares		
	For	Against	Abstain
Special Resolution Number 1: (i) Approval of the Rights Offer; (ii) Authorising issue of the Rights Offer Shares to give effect to the Rights Offer; and (iii) Placing of the Rights Offer Shares under the control of the Board			
Ordinary Resolution Number 1: General			

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

Signed at _____ on _____ 2021

Signature _____

Assisted by me (where applicable) (State capacity and full name) _____

Each Shareholder is entitled to appoint one or more proxy(ies) (who need not be a Shareholder(s) of the Company) to attend, speak and, vote in his stead at the Extraordinary General Meeting.

Please read the following summary of the rights contained in section 58 of the Companies Act, 2008 (“Companies Act”) and the following notes to this form of proxy.

SUMMARY OF RIGHTS CONTAINED IN SECTION 58 OF THE COMPANIES ACT

In terms of section 58 of the Companies Act:

- a shareholder of a company may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at, a shareholders’ meeting on behalf of such shareholder;
- a proxy may delegate her or his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy (see note 14 below);
- irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder’s rights as a shareholder (see note 6 below);
- any appointment by a shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise;
- if an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy, and (ii) delivering a copy of the revocation instrument to the proxy and to the relevant company;
- a proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the relevant company’s memorandum of incorporation, or the instrument appointing the proxy, provides otherwise (see note 3 below);
- if the instrument appointing a proxy or proxies has been delivered by a shareholder to a company, then, for so long as that appointment remains in effect, any notice that is required in terms of the Companies Act or such company’s memorandum of incorporation to be delivered to a shareholder must be delivered by such company to:
 - the relevant shareholder; or
 - the proxy or proxies, if the relevant shareholder has: (i) directed such company to do so, in writing and (ii) paid any reasonable fee charged by such company for doing so; and
- if a company issues an invitation to its shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of proxy instrument:
 - the invitation must be sent to every shareholder entitled to notice of the meeting at which the proxy is intended to be exercised;
 - the invitation or form of proxy instrument supplied by the company must:
 - bear a reasonably prominent summary of the rights established in section 58 of the Companies Act;
 - contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a shareholder to write the name and, if desired, an alternative name of a proxy chosen by the shareholder; and
 - provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s) to be put at the meeting, or is to abstain from voting;
 - the Company must not require that the proxy appointment be made irrevocable; and
 - the proxy appointment remains valid only until the end of the meeting at which it was intended to be used, subject to the above.

Notes to the form of proxy:

1. The form of proxy must only be used by certificated Shareholders or dematerialised Shareholders with “own name” registration.
2. Each Shareholder entitled to attend and vote at the Extraordinary General Meeting may appoint one or more persons as proxies to attend, participate in and vote at the Extraordinary General Meeting in the place of the Shareholder. A proxy need not be a Shareholder.
3. A Shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each Share held. A Shareholder’s instructions to the proxy must be indicated by inserting the relevant number of votes exercisable by the Shareholder on a poll in the appropriate box(es). Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the Extraordinary General Meeting as he/she deems fit in respect of all the Shareholder’s votes.

Further, should any further resolution(s) or any amendment(s) which may properly be put before the Extraordinary General Meeting be proposed, the proxy shall be entitled to vote as he/she thinks fit.

4. A vote given in terms of an instrument of proxy shall be valid in relation to the Extraordinary General Meeting notwithstanding the death of the person granting it, or the revocation of the proxy, or the transfer of the Aveng Ordinary Shares in respect of which the vote is given, unless notification in writing of such death, revocation or transfer shall have been received by the Company or the Transfer Secretary before the commencement of the Extraordinary General Meeting or adjourned Extraordinary General Meeting at which the proxy is used.
5. The chairperson of the Extraordinary General Meeting may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.
6. The completion and lodging of this form of proxy will not preclude the relevant Shareholder from attending the Extraordinary General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Shareholder wish to do so.
7. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the Company or unless this requirement is waived by the chairperson of the Extraordinary General Meeting.
8. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the Company.
9. Where there are joint holders of ordinary Shares:
 - a. any one holder may sign the form of proxy; and
 - b. the vote(s) of the senior Shareholders (for that purpose seniority will be determined by the order in which the names of Shareholders appear on the Register) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint Shareholder(s).
10. Forms of proxy should be mailed to Computershare Investor Services Proprietary Limited at proxy@computershare.co.za which is to be received by no later than 09:00 on Monday, 3 May 2021 (or 48 hours before any adjournment of the Extraordinary General Meeting which date, if necessary, will be notified in the press).
11. Any form of proxy not returned to Computershare Investor Services Proprietary Limited by such time may be emailed to the company secretary at edinah.mandizha@avenggroup.com to be forwarded to the chairperson of the Extraordinary General Meeting any time before the appointed proxy exercises any of the Shareholder’s rights at the Extraordinary General Meeting (or any adjournment thereof).
12. Any proxy wishing to participate and vote at the Extraordinary General Meeting through the electronic participation platform must register using the online registration portal at www.smartagm.co.za.
13. Any alteration or correction made to this form of proxy, other than the deletion of alternatives, must be initialled by the signatory/ies.
14. Any proxy appointed pursuant to this form of proxy may not delegate his/her authority to act on behalf of the relevant Shareholder.
15. In terms of section 58 of the Companies Act, unless revoked, an appointment of a proxy pursuant to this form of proxy remains valid only until the end of the Extraordinary General Meeting or any adjournment of the Extraordinary General Meeting.
16. If the Extraordinary General Meeting is adjourned or postponed, valid forms of proxy for the initial Extraordinary General Meeting will remain valid in respect of any adjournment of or postponement of the Extraordinary General Meeting.