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## **ACQUISITION OF SHARES IN AFRICAN PHOENIX INVESTMENTS LIMITED**

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### **1. ACQUISITION**

Shareholders are advised that Zarclear has acquired an aggregate of 306 316 054 African Phoenix Investments Limited ("AXL") shares ("AXL shares") from Value Capital Partners Limited, Coronation Asset Managers Proprietary Limited and Allan Gray Proprietary Limited for a purchase price of 80.00 cents per AXL share (and an aggregate purchase price of R245 052 843.20), which sale was executed by way of a block trade on the JSE on Monday, 5 August 2019. Together with 3 683 946 AXL shares acquired by Zarclear on the JSE on Friday, 2 August 2019 (at an average purchase price of 68.85 cents per AXL share) and 1 235 546 AXL shares acquired on the JSE on Monday, 5 August 2019 (at an average purchase price of 69.96 cents per AXL share), Zarclear owns in aggregate 311 235 546 AXL shares (collectively the "acquisitions").

### **2. DESCRIPTION OF AXL AND RATIONALE**

AXL is an investment holding company which is listed on the Main Board of the JSE and has interests in API Capital Fund, Standard General Insurance Company Limited, Gilt Edged Management Services Proprietary Limited, Ellerrine Holdings Limited and Residual Debt Services Limited.

The acquisitions have enabled Zarclear to acquire a c.22% shareholding in AXL at a discount to the underlying net asset value. The resultant shareholding in AXL will enable Zarclear to explore and pursue value unlocking initiatives for the mutual benefit of both AXL and Zarclear and their respective shareholders. To this end, Zarclear will be formally engaging with AXL and its other major shareholders to explore these initiatives and will remain sensitive to the company's current strategy, endeavours and challenges. Zarclear will also seek representation on the AXL board of directors.

### **3. FINANCIAL INFORMATION**

AXL's market capitalisation as at 2 August 2019 was R913 million. AXL's reported net asset value and its net profit after tax, as disclosed in its reviewed interim results, prepared in terms of IFRS, for the period ended 31 March 2019 was R1.886 million and R13.8 million, respectively.

### **4. CATEGORISATION**

The acquisition is classified as a category 2 transaction in terms of the JSE Listings Requirements and is, accordingly, not subject to approval by shareholders.

6 August 2019

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**Corporate advisor and sponsor**

**JAVACAPITAL**