
FURTHER ACQUISITION OF SHARES IN AFRICAN PHOENIX INVESTMENTS LIMITED

1. INTRODUCTION

Shareholders are referred to the announcement published on SENS on 6 August 2019, where shareholders were advised that Zarclear had acquired an aggregate of 311 235 546 African Phoenix Investments Limited ("**African Phoenix**") shares ("**AXL shares**") for an aggregate purchase consideration of R248 453 628 (the "**initial acquisition**").

Shareholders are now advised that Zarclear has acquired an additional 24 200 000 AXL shares from Sunwood Trading and Investments Proprietary Limited for a purchase price of 38 cents per AXL share and an aggregate purchase price of R9 196 000, which purchase was executed by way of a block trade on the JSE on Tuesday, 24 March 2020 (the "**subsequent acquisition**").

Following the subsequent acquisition, Zarclear now owns in aggregate 335 435 546 AXL shares, thus increasing its shareholding to c.23.5% of the total AXL shares in issue.

2. DESCRIPTION OF AFRICAN PHOENIX AND RATIONALE

African Phoenix is an investment holding company which is listed on the Main Board of the JSE. African Phoenix recently disposed of its interests in API Capital Fund, Standard General Insurance Company Limited, Ellerine Holdings Limited and Residual Debt Services Limited. Other than its only remaining investment in Gilt Edged Management Services Proprietary Limited, African Phoenix is essentially a cash shell.

The subsequent acquisition has enabled Zarclear to acquire additional AXL shares at a discount to the underlying net asset value. Zarclear is supportive of African Phoenix's proposed unlisted private equity strategy and Zarclear's increased shareholding in African Phoenix will allow it to provide additional support for, and benefit from, this strategy.

3. FINANCIAL INFORMATION

African Phoenix's market capitalisation as at 23 March 2020 was R514 million. African Phoenix's reported net asset value and its net loss after tax, as disclosed in its audited final results, prepared in terms of IFRS, for the year ended 30 September 2019 was R1.286 million and R78.9 million, respectively.

African Phoenix subsequently effected a capital reduction distribution to its shareholders of 42 cents per ordinary share, which distribution was paid to shareholders on 13 January 2020.

4. CATEGORISATION

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

26 March 2020

Corporate advisor and sponsor

JAVACAPITAL