

African Phoenix Investments Ltd Press release

7 September 2018

African Phoenix intention to simplify capital structure and embed investment strategy

African Phoenix Investments Ltd (African Phoenix) today announces that it proposes strategic transactions to simplify the group's capital structure, acquire a limited partnership interest in a private equity fund to be established, called the API Capital Fund and reclassify African Phoenix as an investment entity under section 15 of the JSE Listings Requirements.

In an attempt to align shareholder interests and simplify the Group's current capital structure, African Phoenix proposes a voluntary repurchase of up to all of the issued preference shares in African Phoenix, from preference shareholders to be left outstanding on loan account, which loan account will be settled in cash at an anticipated R37.00 per preference share, subject to final determination by the African Phoenix board of directors. Preference shareholders may elect to retain their preference shares. In accordance with the Companies Act, 2008, an independent expert will also provide a report on the proposed repurchase.

In order for African Phoenix to gain access to unique investment opportunities not typically available to public market investors, the Company proposes to establish a broad-based black economic empowerment (BEE) investment platform. To that end, African Phoenix intends to acquire a limited partnership interest in a private equity fund to be established as a South African *en commandite* partnership, to be known as the API Capital Fund ("API Fund").

African Phoenix CEO, Siya Nhlumayo noted, *"The establishment of a limited partnership, managed by a black-owned fund manager ("BFM") will positively impact the BEE status of its investee companies. This will enhance the competitive advantage of the API Fund in targeting and investing in medium sized private companies with strong cash flows and high growth potential, not ordinarily available to public market investors"*.

Over the coming weeks, African Phoenix will continue to engage with shareholders to explain the strategy and garner further support in favour of these transactions which, if implemented are intended to generate long term shareholder value.

The proposed transactions are subject to obtaining all necessary approvals from the African Phoenix board of directors, African Phoenix shareholders and regulatory authorities, including the JSE Limited (which is currently formally considering certain structuring elements of the proposed transactions).

ENDS

Louise Brugman, 083 504 1186

On behalf of Siyabonga Nhlumayo, CEO of African Phoenix Investments Ltd



Please refer to the SENS issued by African Phoenix today for high level salient terms of the proposed transactions. A detailed transaction announcement, including salient dates and additional information regarding the shareholder documentation, will be published in due course.

Notes to editors

African Phoenix Investments Limited is an investment holding company with 1 427 005 272 ordinary shares with a par value of R0.025 per share ("Ordinary Shares") and 13 523 029 non-redeemable, non-cumulative, non-participating preference shares with a par value of R0.01 per share ("Preference Shares") listed on the securities exchange operated by the JSE Limited.