

AFRICAN PHOENIX INVESTMENTS LIMITED

Incorporated in the Republic of South Africa

(Registration number 1946/021193/06)

Share code: AXL ISIN: ZAE000221370

(“**African Phoenix**” or the “**company**”)



UPDATE TO SMALL RELATED PARTY TRANSACTION

Shareholders are referred to the announcement dated 3 December 2019, in which they were advised that African Phoenix concluded a purchase and sale of shares agreement with Siyabonga Sizo Nhlumayo, Shafiek Ahmed Rawoot, Alupheli Kwanele Sithebe, Kamogelo Mudimbu and Crocopillar Proprietary Limited (collectively, the “**sellers**”) pursuant to which, with effect from 31 December 2019, African Phoenix will (after having disposed of certain fixed assets and being released from liability under a property lease agreement), acquire 100% of the shares in and claims on loan account against API Capital Proprietary Limited for an aggregate consideration of R53 978 136 (collectively, the “**API Capital transactions**”).

As Siyabonga Sizo Nhlumayo and Shafiek Ahmed Rawoot were each a director of African Phoenix within the 12 months preceding the date of the API Capital transactions and are each a related party of African Phoenix in terms of paragraph 10.1(b) of the JSE Listings Requirements, the API Capital transactions constitutes a small related party transaction in terms of paragraph 10.7 of the JSE Listings Requirements. Accordingly, the company appointed Mazars Corporate Finance Proprietary Limited (“**Mazars**”) to provide a fairness opinion (“**fairness opinion**”). Mazars has subsequently concluded that the terms of the API Capital transactions are fair to African Phoenix shareholders.

As required in terms of paragraph 10.7(b) of the JSE Listings Requirements, the board of African Phoenix hereby confirms that it is of the opinion that the API Capital transactions are fair insofar as African Phoenix shareholders are concerned, having regard to the fairness opinion. Copies of the fairness opinion will be available for inspection at the offices of the transaction sponsor (6A Sandown Valley Crescent, Sandown, Sandton, 2196) and at the company’s registered offices for a period of 28 days from the date of this announcement.

On the basis of the foregoing, the acquisition is not subject to shareholder approval.

Shareholders are further advised that all the conditions precedent to the API Capital transactions have been fulfilled and that the API Capital transactions will be effective from 31 December 2019.

18 December 2019

Transaction sponsor and corporate advisor to African Phoenix

JAVACAPITAL