

Capital Appreciation Limited
 Incorporated in the Republic of South Africa
 (Registration number 2014/253277/06)
 Tax number 9591281176
 JSE Share Code: CTA
 ISIN: ZAE000208245
 (the "Company")

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016

INTRODUCTION

The directors have pleasure in submitting their condensed report for the six months ended 30 September 2016.

Capital Appreciation Limited issued a Pre-Listing Statement on 28 September 2015 for the purpose of raising capital and being listed on the Main Board of the Johannesburg Stock Exchange ("JSE"). The Company raised R1 billion through a private placement and obtained a listing on 16 October 2015 on the JSE in the Non-Equity Investment Instrument sector as a Special Purpose Acquisition Company ("SPAC"). The primary purpose of a SPAC is to conclude an acquisition of a viable asset being an investment in a commercial enterprise with high growth potential.

Unless and until such viable asset is acquired, the only material asset of a SPAC is the cash it holds pursuant to the capital raising/private placement as aforesaid. In terms of the JSE Listings requirements and in this case, such cash is to be held in escrow and invested in interest bearing investment grade securities for the protection of the Company's shareholders. If an acquisition of a viable asset is not concluded within a period of 24 months from the date on which the SPAC was listed, or such later date as the JSE may permit, the SPAC is required to return the subscription funds, to shareholders, plus interest earned, less certain permissible expenses and taxation.

STATUS REVIEW

During the period under review, the company's executives have reviewed and assessed several potential acquisitions. Certain of these propositions present interesting prospects for further consideration and the company's executives continue to work diligently on these matters to ensure that the company's investment objectives are satisfactorily fulfilled. The company will make an announcement on SENS as soon as a viable asset acquisition has been finally negotiated.

While the acquisition of a viable asset is expected to enhance shareholder value, in the unlikely event of an acquisition not occurring within the permitted period, the cash already available for redemption of 1,000,000,000 shares qualifying for redemption is 103.05 cents per share at 30 September 2016.

CONDENSED STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2016

	Unaudited 30 September 2016 R	Audited 31 March 2016 R
Assets		
Non-Current Assets		
Property, plant and equipment	175 046	172 685
	175 046	172 685
Current Assets		
Interest receivable and prepayments	591 145	479 640
Cash and cash equivalents	1 037 033 673	1 008 020 404
	1 037 624 818	1 008 500 044
Total Assets	1 037 799 864	1 008 672 729
Equity and Liabilities		
Equity		
Redeemable ordinary share capital	1 000 002 500	1 000 002 500
Constituent ordinary share capital	4 000 000	4 000 000
Constituent costs	(22 543 311)	(22 543 311)
Accumulated profit	49 052 784	22 158 579
	1 030 511 973	1 003 617 768
Liabilities		
Current Liabilities		
Accounts payable	1 132 680	4 969 177
Tax liability	6 155 211	85 784
	7 287 891	5 054 961
Total Equity and Liabilities	1 037 799 864	1 008 672 729

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Six months to 30 September 2016 R	Audited Five and a half month period 16 October 2015 to 31 March 2016 R
Revenue	39 745 134	32 995 626
Operating expenses	(2 384 623)	(2 214 856)
Profit before taxation	37 360 511	30 780 770
Taxation	(10 466 306)	(8 622 191)
Total comprehensive profit for the period	26 894 205	22 158 579

Earnings per share (cents)

Basic and headline earnings per share (cents)	2,15	1,77
Redeemable ordinary shares in issue	1 250 000 000	1 250 000 000

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Redeemable ordinary share capital R	Constituent ordinary share capital R	Constituent costs R	Accumulated profit R	Total equity R
Issue of ordinary share capital	*				*
Balance at 1 March 2015	*				*
Conversion of ordinary share capital to constituent ordinary share capital	*	*			*
Issue of redeemable ordinary share capital	1,000,000,000				1,000,000,000
Issue of founders' initial ordinary share capital	7,500				7,500
Issue of constituent ordinary share capital		4,000,000			4,000,000
Redemption of founders' initial ordinary share capital	(5,000)				(5,000)
Redemption of constituent ordinary share capital		*			*
Constituent costs			(22,543,311)		(22,543,311)
Total comprehensive profit for the period				22,158,579	22,158,579
Balance at 31 March 2016	1,000,002,500	4,000,000	(22,543,311)	22,158,579	1,003,617,768
Total comprehensive profit for the six months ended 30 September 2016				26 894 205	26 894 205
Balance at 30 September 2016	1,000,002,500	4,000,000	(22,543,311)	49,052,784	1,030,511,973

*Less than R1

CONDENSED STATEMENT OF CASH FLOWS

	Unaudited Six months to 30 September 2016 R	Audited Five and a half month period 16 October 2015 to 31 March 2016 R
Cash flows from operating activities	(6,223,058)	2,283,658
Interest income	39,745,134	32,995,626
Tax paid	(4,396,879)	(8,536,407)
Net cash from operating activities	29,125,197	26,742,877
Cash flows from investing activities		
Property, plant and equipment	(111,928)	(181,662)
Net cash from investing activities	(111,928)	(181,662)
Cash flows from financing activities		
Issue of redeemable ordinary share capital		1 000,000,000
Issue of founders' initial ordinary share capital		2,500
Issue of constituent ordinary share capital		4,000,000
Payment of constituent costs		(22,543,311)
Net cash from financing activities		981,459,189
Total cash movement for the period	29,013,269	1,008,020,404
Total cash at beginning of the year	1,008,020,404	
Total cash at end of the period	1,037,033,673	1,008,020,404

1. Basis of preparation

The condensed unaudited financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), IAS 34 Interim Financial Reporting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the South African Companies Act, 71 of 2008, as amended and the Listings Requirements of the JSE Limited. The accounting policies and methods of computation used in the preparation of this report are consistent with those of the previous period and with those applied in the financial statements for the period ended 31 March 2016.

2. Revenue

	Unaudited Six months to 30 September 2016 R	Audited Five and a half month period 16 October 2015 to 31 March 2016 R
Bank - interest income	39,745,134	32,995,626

Total interest income is calculated and received at the negotiated interest rates with ABSA Bank and Investec Bank on cash held on call and on notice deposits.

3. Events after the reporting period

No events or circumstance have arisen since the end of the financial period.

4. Comparative financials

No comparative financial data is prepared for the six months ended 30 September 2015. The comparative financial data relates to a five and a half month period being from date of commencement of business, 16 October 2015 to 31 March 2016.

5. Interim dividend

No dividend was declared during the interim period.

6. Preparation

Mr. A Salomon (CA(SA)), Chief Financial Officer, is responsible for this set of financial statements and has supervised the preparation thereof in conjunction with the Financial Manager, Ms. C Sacharowitz (CA(SA)).

By order of the Board

Chairman
Motty Sacks

Chief Financial Officer
Alan Salomon

Directors

M Sacks# (Chairman), M Pimstein*(Joint Chief Executive), B Sacks*(Joint Chief Executive), A Salomon*, Dr. D Matjila#, R Morar#, B Bullo#, J M Kahn#, V Sekese#, C Valkin# *Executive # Non-Executive

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Sandton
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