

Capital Appreciation Limited

Incorporated in the Republic of South Africa

(Registration number 2014/253277/06)

Share code: CTA

ISIN: ZAE000208245

('CAPPREC', 'CTA' or 'the Company')

POSTING OF CIRCULAR AND NOTICE OF GENERAL MEETING

1. INTRODUCTION

Shareholders are referred to the announcements released on the Stock Exchange News Service ("SENS") on 16 February 2017 and 17 March 2017 relating, *inter alia*, to the agreements which have been concluded by CAPPREC, subject to certain conditions precedent, to acquire three separate financial technology companies, namely (i) African Resonance Business Solutions (Proprietary) Limited ("African Resonance"), (ii) Rinwell Investments (Proprietary) Limited ("Rinwell"), the sole shareholder of Dashpay (Proprietary) Limited ("Dashpay"), and (iii) Synthesis Software Technologies Proprietary Limited ("Synthesis"), (collectively referred to as "the Transactions").

The acquisition of African Resonance and the acquisition of Rinwell are inter-conditional and will, on successful implementation, constitute the acquisition by CAPPREC of a Viable Asset (as such term is defined in the Listings Requirements of the JSE). Additionally, the acquisition of Synthesis, on successful implementation, will similarly constitute the acquisition by CAPPREC of a Viable Asset.

2. Distribution of Circular

Shareholders are hereby advised that a circular containing, *inter alia*, details of African Resonance, Rinwell, Dashpay, Synthesis and the Transactions, a notice of general meeting of CAPPREC shareholders ("General Meeting") and forms of proxy was posted to shareholders today and is available on CAPPREC's website at www.capitalappreciation.co.za (the "Circular").

In addition, copies of the Circular will be available, in English only, during normal business hours from 31 March 2017 until 5 May 2016 (both days inclusive) at the registered office of the Company at 4th Floor, One Vdara, 41 Rivonia Road, Sandhurst, 2196, at the offices of CAPPREC's sponsor, Investec Bank Limited, at 100 Grayston Drive, Sandton, 2196 and the transfer secretaries of CAPPREC, Computershare Investor Services Proprietary Limited, at Rosebank Towers, 15 Biermann Ave, Rosebank, 2196.

The purpose of the Circular is, *inter alia*, to:

- provide CAPPREC shareholders with detailed information regarding African Resonance, Rinwell, Dashpay, Synthesis and the Transaction, including the manner in which the Transactions will be implemented; and
- convene the General Meeting of CAPPREC shareholders to consider the resolutions relating to the Transactions, as set out in the notice of General Meeting incorporated in the Circular.

3. NOTICE OF GENERAL MEETING

The General Meeting of CAPPREC shareholders will be held at 4th Floor, One Vdara, 41 Rivonia Road, Sandhurst, 2196 at 10:00 on Friday, 5 May 2017, for the purpose of considering the resolutions set forth in the notice of General Meeting incorporated in the Circular.

4. IMPORTANT DATES AND TIMES

The important dates and times in relation to the Transactions and the General Meeting are set out below:

	2017
Posting Record Date to be eligible to receive the Circular	Friday, 24 March
Posting of Circular to CAPPREC Shareholders	Friday, 31 March
Last Day to Trade to participate in and vote at the General Meeting	Monday, 24 April
Voting Record Date to participate in and vote at the General Meeting	Friday, 28 April
Last day to lodge forms of proxy in respect of the General Meeting by 10:00	Wednesday, 3 May
General Meeting to be held at 10:00	Friday, 5 May
Results of General Meeting released on SENS	Friday, 5 May
Result of General Meeting published in the South African Press	Monday, 8 May

Notes:

1. The above dates and times are subject to amendment. Any such material amendment will be released on SENS and published in the South African Press.
2. All times quoted are local times in South Africa on a 24-hour basis, unless specified otherwise.
3. No orders to dematerialise or rematerialise shares will be processed from the Business Day following the Last Day to Trade up to and including the Voting Record Date, but such orders will again be processed from the first Business Day after the Voting Record Date.
4. If the General Meeting is adjourned or postponed, forms of proxy submitted for the General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting unless the contrary is stated on such form of proxy.
5. CAPPREC Shareholders are referred to the Circular for further information in relation to the Transactions and information on the action required to be taken by them.

By order of the CAPPREC board

Johannesburg

31 March 2017

DIRECTORS

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

* Non-Executive Directors

Sponsor: Investec Bank Limited

Legal advisors to Capital Appreciation: Webber Wentzel

Legal advisors to African Resonance and Rinwell: Hogan Lovells

Legal advisors to Synthesis: Werksmans Attorneys

Auditors to Capital Appreciation: Ernst and Young

Auditors to African Resonance and Rinwell: Grant Thornton

Auditors to Synthesis: BDO South Africa