

Capital Appreciation

Capital Appreciation Limited

Incorporated in the Republic of South Africa

(Registration number 2014/253277/06)

JSE share code: CTA

ISIN: ZAE000208245

(the "Company")

UNAUDITED CONDENSED 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 1 000 000 000 shares qualifying for redemption is 103,05 cents per share at 30 September 2016.

By order of the Board

Michael Sacks

Chairman

Alan Salomon

Chief Financial Officer

Directors

M Sacks[#] (Chairman), M Pimstein* (Joint Chief Executive), B Sacks* (Joint Chief Executive), A Salomon*, Dr D Matjila[#], R Morar[#], B Bulo[#], JM Kahn[#], V Sekese[#], C Valkin[#] ^{#Executive} ^{#Non-executive}

Registered office

4th Floor, I Vdara, 41 Rivonia Road, Sandhurst 2196

Company Secretary

Horwath Leveton Boner

Auditors

Ernst & Young Inc.

Sponsor

Investec Bank Limited

Published 4 November 2016

SHORT-FORM NOTICE

This short-form announcement is the responsibility of the Directors of the Company. It is a summary of the announcement released on SENS and published on the Company's website (www.CapitalAppreciation.co.za), and does not contain the complete announcement details. Copies of the full announcement are available for inspection and may also be requested at the Company's registered office during office hours at no charge. Any investment decisions by investors and/or shareholders should be based on consideration of the full announcement.

CONDENSED STATEMENT OF FINANCIAL POSITION

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