
ACQUISITION OF 50% OF AG CAPITAL AND NOTIFICATION IN TERMS OF SECTION 45(5) OF THE COMPANIES ACT, 2008

1. Acquisition of 50% of AG Capital

Anchor Group is pleased to announce that it has acquired a 50% shareholding in AG Capital Proprietary Limited ("AG") with effect from 1 December 2016 ("the acquisition"). The acquisition is not categorisable in terms of the JSE Listings Requirements and its announcement is voluntary.

AG is an intermediate prime broker, providing broking services and facilities to a broad range of clients. The majority of its revenue is of an annuity nature and it has excellent growth prospects. Anchor has three distinct business units – Private Clients, Asset Management and Stockbroking. The Stockbroking unit is relatively new in the life of Anchor and AG will add critical mass and immediate profitability to this segment.

2. Notification in terms of section 45(5) of the companies act, 2008

Debt will be introduced to facilitate the acquisition and Anchor will provide a guarantee in terms of which, *inter alia*, the company guarantees the obligations and due performance on the repayment of the debt. The board passed a resolution to approve the debt facility and this resolution authorises the company to provide financial assistance to a subsidiary, as envisaged in terms of section 45 of the Companies Act ("the Financial Assistance").

Therefore, notice is hereby given in accordance with section 45(5) of the Companies Act, 71 of 2008 ("Companies Act") that pursuant to the authority granted to the board of directors of Anchor ("the Board") by Anchor shareholders at the annual general meeting held on 9 June 2016, the Board has adopted a resolution to provide financial assistance to a related entity as contemplated in section 45(2) of the Companies Act.

The Board prior to authorising the Financial Assistance considered and satisfied itself, in terms of section 45 of the Companies Act, that:

1. immediately after providing the Financial Assistance, the company would satisfy the solvency and liquidity test as contemplated in section 4 of the Companies Act;
2. there has been due compliance with the company's memorandum of incorporation and with the Companies Act; and
3. the terms of the Financial Assistance are fair and reasonable in relation to the company.

20 December 2016

Designator advisor

The logo for Java Capital, featuring the word "JAVACAPITAL" in a stylized, grey, sans-serif font. The letter 'J' is significantly larger and more prominent than the other letters.