

Invicta Holdings Limited
(Incorporated in the Republic of South Africa)
(Registration number 1966/002182/06)
Ordinary Share code: IVT Ordinary Share ISIN ZAE000029773
Preference Share code: IVTP Preference Share ISIN ZAE000173399
("Invicta" or "the Company" or "the Group")

CAUTIONARY ANNOUNCEMENT

Ordinary and preference shareholders of Invicta ("Shareholders") are referred to the investigation conducted by the JSE Limited ("JSE") in 2016 regarding the share repurchase undertaken by Humulani Marketing (Pty) Ltd, a subsidiary of the Company, of Invicta shares on 30 November 2015, which resulted in the public censure imposed against the Company on 25 October 2016.

The public censure released by the JSE was as follows:

"GEN – General – Invicta Holdings Limited

Censure imposed by the JSE against Invicta Holdings Limited ("Invicta" or "Company")

The JSE Limited ("JSE") wishes to inform stakeholders of the following finding by the JSE in respect of the Company:

- 1. The JSE has found the Company to be in breach of paragraph 5.69 of the JSE Listings Requirements for the purchase of Invicta shares by its subsidiary without the required specific authority to do so.*
- 2. On 30 November 2015, Humulani Marketing (Pty) Ltd ("Humulani"), a subsidiary of the Company, acquired 1 880 000 shares in Invicta from the Company's directors, Mr Charles Walters and Mr Arnold Goldstone ("Directors") and their associates.*
- 3. The shares were acquired pursuant to a general repurchase authority granted by the shareholders of Invicta at its annual general meeting held on 4 September 2015. Despite such repurchases having been effected through the order book operated by the JSE trading system, a prior understanding or arrangement between Humulani and the Directors existed, contrary to the provisions of paragraph 5.72 (a) of the Listings Requirements.*
- 4. The repurchase of shares from the Directors is classified as a specific repurchase in terms of paragraph 5.69 of the Listings Requirements for which shareholder approval by way of a special resolution should have been obtained.*

The JSE has decided to impose this public censure against the Company in relation to the above mentioned breach of the Listings Requirements.

25 October 2016."

The Company also released the following announcement on SENS on 25 October 2016:

“Shareholders are referred to the announcement released by the JSE on SENS on 25 October 2016, in terms of which the JSE has decided to impose a public censure against the Company for a breach of the JSE Listings Requirements (“Listings Requirements”) as it relates to share repurchases undertaken by Humulani Marketing (Pty) Limited, a subsidiary of the Company, of Invicta shares, on 30 November 2015.

Shareholders are however requested to note that the Company immediately on becoming aware of the breach of the Listings Requirements, notified the JSE and its auditors Deloitte & Touche of the breach.

The relevant transactions were cancelled and the Company reimbursed with each and every cost related to the matter, including all transaction costs, interest and legal fees, thus placing the Company back in the position it was before the transactions occurred.

It is further noted that the Company and the Directors concerned, fully cooperated with the JSE in this regard.”

The JSE has now received information alleging (“the allegations”) that the Company and/or its directors did not fully and accurately disclose all the relevant facts to the JSE during the course of the JSE’s 2016 investigation, and had failed to rectify this despite the issue having been raised with members of the Company’s audit committee.

Each of the directors (and former directors) of the Company during the period in question (i.e. from 30 November 2015 until 25 October 2016), and the Company, have been requested by the JSE to provide responses to the allegations.

The Company has appointed an independent third party, Moore Stephens, to consider and advise it in regard to the allegations as the Company is not aware of the alleged impropriety. The advice of the independent third party will be considered by the board of the Company, excluding those directors who form part of the subject matter of the allegations. The directors in question have been given a reasonable opportunity to respond to the allegations.

The Company is committed to sound corporate governance and will take any steps it deems necessary consistent with those principles should any of the allegations prove correct.

The allegations have no bearing on the cancellation of the transactions, which was effected in 2016 without any financial loss to the Group, and are unrelated to the ongoing business operations of the Group. The allegations relate to whether the facts surrounding the transactions in 2015 were fully and accurately disclosed to the JSE.

Shareholders will be kept informed of developments in this regard.

Shareholders are advised to exercise caution when dealing in Invicta securities until a further announcement is made.

8 October 2018

Cape Town

Sponsor: Deloitte & Touche Sponsor Services (Pty) Ltd