

AER: UPDATE ON LEGAL DISPUTE CONCERNING FORMERLY CONTINGENTLY
ISSUABLE SHARES

Amalgamated Electronic Corporation Limited

("Amecor")

(Incorporated in the Republic of South Africa)

(Registration number 1997/010036/06)

Share code: AER

ISIN: ZAE000070587

UPDATE ON LEGAL DISPUTE WITH RABIE VAN DER MERWE CONCERNING
FORMERLY CONTINGENTLY ISSUABLE SHARES WHICH ARE NO LONGER
CONTINGENTLY ISSUABLE AND REMOVAL OF CONTINGENT LIABILITY

Shareholders are referred to the SENS announcement of 26 July 2007, "Cautionary Announcement - Dispute with Rabie van der Merwe" and to the subsequent SENS announcement of 30 July 2007, "Further announcement on dispute with Rabie van der Merwe". In the period since 26 July 2007 Rabie van der Merwe (RVDM) has failed to proceed with the proposed arbitration. Consequently Amecor lodged an application in the South Gauteng High Court, Johannesburg, under case number 2010/8607 against RVDM and others to have the arbitration proceedings, initiated by RVDM, set aside. The matter came before the High Court on 9 June 2010, and a Court order was granted with the following terms:

1. It is declared that reference to arbitration of a dispute between RVDM (First Respondent) and Acquired Finance (Proprietary) Limited, which dispute is pending is of no force and effect in terms of section 3(2)(c) of the Arbitration Act 42 of 1965.

2. RVDM is interdicted and restrained from proceeding with, or taking any steps to give effect to the referral; and
3. RVDM is ordered to pay the costs of this application.

The effect of the order is that the arbitration proceedings are at an end and RVDM has been ordered to pay the cost of the application. Consequently the RVDM claim in respect of contingently issuable shares is cancelled and the formerly contingent liability no longer exists.

By order of the Board
HS Courtney
Chairman

DH Alexander
Chief Executive

Johannesburg
28 June 2010

Sponsor
Sasfin Capital (a division of Sasfin Bank Limited)