

ANNOUNCEMENT TO THE SHAREHOLDERS OF BONATLA PROPERTY HOLDINGS LIMITED

25th October 2019

This announcement serves to update the previous announcement made on 23rd August 2019.

Historical Factual Background

As previously stated, over the past 8 years the company endeavoured to lift the JSE's suspension of the trading of its shares. Unfortunately after the refusal in 2012 by the JSE to pursue the approval of a circular of compliance to all listing requirements at that time, it became impossible to achieve the lifting of the suspension for the following reasons:

Certain ex Bluezone financial advisers initiated legal actions against Bonatla in order to defeat/circumvent the 2009 and 2010 shareholder and High Court arrangements in order to obtain cash for certain clients (now all Bonatla shareholders) to the detriment of all other shareholders. These attempts, besides being illegal and irregular, affected the company's affairs since 2014.

As you all know, in spite of loans advanced to the company by management and certain directors exceeding R50 million, the company could not fight an unfair and expensive battle for the lifting of the suspension, nor against the illegal efforts of certain ex Bluezone financial advisers (their names will be made public shortly), to force the company to buy back the Bluezone shares that should have been surrendered in 2012. These actions ultimately rendered the affairs of the Company unsustainable both as a listed entity and as a going concern. The company could never sustain its operations in light of the irregular attempts by the abovementioned parties to cash in their Bonatla shares. At the same time it was impossible to acquire sufficient net assets to justify the continuation of the listing. Transactions were in principle concluded but in light of the above mentioned actions it was impossible to bring them to finality.

Therefore the Company requested the voluntary de-listing of its shares in January 2018, and this was granted on 5th March 2018:

On 5th July 2019, the JSE informed Arbor Capital, Bonatla's sponsors, and Bonatla that the 10 year old investigation concerning certain alleged irregularities had ended. Last week we received confirmation that the JSE had completed its investigation into the company's affairs, and that after taking cognizance of our responses to their allegations, had closed its files on this matter after 10 years.

On 9th October 2019, I initiated a business rescue operation, and lodged the application in order to protect the interest of the shareholders of the Company against the unscrupulous attempts over the past 7 years of certain parties, previously linked to Bluezone, to extract irregular repurchases of their shareholdings for cash.

Accommodation of the shareholding of all Bonatla shareholders

There has been major progress in the project through which all shareholders of Bonatla will be accommodated, in respect of their shareholdings, in a new listing in order to allow them either to dispose of, or retain the value of the shareholding offered to them in the new listing.

At the same time Bonatla will be either finally unwound or restructured, depending on the prevailing circumstances. At the appropriate time, shareholder information will be forwarded to the shareholders through the Bonatla website, www.bonatla.com. Further announcements will be also made during the next 30 days.

I need to emphasize again that there is absolutely no obligation for the company, nor for myself to implement this arrangement, but I feel that it is the right thing to do after all the pain that has been inflicted on shareholders, the company, and myself during the past 10 years, not only from the unlawful actions mentioned above, but also by the inconsiderate actions of institutional players, with destructive unintended consequences.

Shareholders are therefore advised to exercise caution when dealing with their shares and stay in touch with the company. As shareholders you are also advised to update all your contact details including email addresses and mobile numbers when necessary to ensure that I can communicate with you.

Please address all your latest updated details to: niki@bonatla.com

The **overwhelming majority** of shareholders has **over this long period** shown support and loyalty to the company, and I wish to express my gratitude to them.

Niki Vontas

25 October 2019