



**BONATLA PROPERTY HOLDINGS LIMITED**

(Registration number 1996/014533/06)

Share code: BNT ISIN: ZAE000013694

("Bonatla" or "the Company")

---

**ANNOUNCEMENT REGARDING THE SIGNING OF AN AGREEMENT WITH RESPECT TO THE ACQUISITION OF GRANDE ROCHE ESTATES AND GRANDE ROCHE HOTEL, PARTIAL WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT AND RENEWAL OF CAUTIONARY ANNOUNCEMENT**

---

Shareholders are advised that an agreement has been signed between Bonatla Properties Proprietary Limited ("Bonatla Properties" or "Purchaser"), a subsidiary of Bonatla, and Volaw Nominees One Limited and Volaw Nominees Two Limited, whereby Bonatla will acquire the equity and shareholder loans of Good Hope Limited, an offshore BVI investment company, which owns Grande Roche Hotel Proprietary Limited, the company owning the properties known as Erf 9382 Paarl and Erf 20624, Paarl and operated by Grande Roche Estates Proprietary Limited (together "Grande Roche").

**1. Rationale of the acquisition**

Bonatla is currently in the process of injecting property and other assets into the Company so as to benefit shareholders and to meet the requirements of paragraph 4.28 of the Listings Requirements of the Johannesburg Stock Exchange ("JSE") for a Main Board listed company.

The Grande Roche Hotel and conference facility is one of the most prestigious boutique hotels in South Africa. The hotel has recently been operating at a loss as a result of certain non-performing assets and interest charges which Bonatla expects to eliminate. The elimination of these costs combined with Bonatla's property management expertise is expected to return the hotel to profitability. It is furthermore intended that the established hospitality component will be enhanced and extended as permitted by the town planning provisions. This acquisition will expand the Group's property holdings in the Cape Winelands following the Ruitersvlei acquisition, announced on 1 December 2016.

**2. Terms**

The total purchase consideration is R54 million, of which R100 is applied to the purchase of the equity and R53 999 900 for the purchase of all shareholders' loans including liabilities. The purchase consideration is payable by Bonatla Properties in cash.

The effective date of the transaction will be 1 February 2017, subject to the fulfilment of the conditions precedent detailed below.

**3. Conditions precedent and categorisation**

The transaction is subject to the fulfillment of the following remaining conditions precedent:

- all regulatory approvals including JSE, TRP, Companies Act, Competition Authority and Exchange Control being met by 31 January 2017, which date may be extended to allow for fulfilment of the suspensive conditions; and
- the approval by the shareholders of the Purchaser.

The transaction is a category 1 transaction per the JSE Listings Requirements. Accordingly, shareholder approval and an independent valuation report complying with section 13.20 to 13.31 of the JSE Listings Requirements will be required.

#### 4. Details of the property

PROPERTY NAME	ADDRESS	LOCATION	SECTOR	AREA	PROPERTY VALUATION
Erf 9382	Paarl, Western Cape	Paarl, Western Cape	Hospitality	958 m <sup>2</sup>	To be advised
Erf 20624	Paarl, Western Cape	Paarl, Western Cape	Hospitality	23 6296 hectares	To be advised

#### 5. Financial information

##### Impact on statement of financial position

Subject to an independent property valuation, investment property will increase by R54 million and loans will increase by R54 million. The property was previously valued at R58 million but a new independent valuation will be obtained in due course and the valuation will be included in the circular to shareholders and, in the event that the value exceeds or is below R54 million, there may be a fair value adjustment or impairment on acquisition.

##### Impact on statement of comprehensive and other income

Grande Roche operated at a loss of R8 159 504 for the year ended 30 June 2016, of which a large portion was attributed to the restaurant at Grande Roche and interest on the shareholder loan. It is the intention of Bonatla to restructure the business and to lease the restaurant to a third party, which is expected to assist in returning Grande Roche to profitability.

#### 6. Documentation

In accordance with the JSE Listings Requirements, a circular is to be issued within 60 days of publication of a terms announcement.

However, due to the complex nature of the circular to shareholders that is required to regularise transactions from 2009 to date, the Company will have to apply to the JSE for an extension of time to be able to finalise the requisite circular to shareholders. This represents an unavoidable breach of the JSE Listings Requirements. The Company is also required to comply with section 4.28 of the JSE Listings Requirements, which process is ongoing.

A circular convening a general meeting and providing further detail of the acquisition of Grande Roche will be sent to the Company's shareholders in due course.

#### 7. Partial withdrawal and renewal of cautionary announcement

Shareholders are referred to the cautionary announcement last released on 20 December 2016 and are advised that, to the extent that it applied to the acquisition of Grande Roche, the cautionary announcement is withdrawn. The Company does remain in other negotiations, which are at an advanced stage and therefore shareholders should continue to exercise caution until a further announcement is made.

**By order of the board**

23 December 2016

---

#### SPONSOR

Arbor Capital Sponsors Proprietary Limited

