

ANNOUNCEMENT TO THE SHAREHOLDERS OF BONATLA PROPERTY HOLDINGS LIMITED

21st October 2020 -

This announcement serves to update the previous announcements made.

1- Reminder of 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 and irregularly 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, negatively affected the company's affairs since 2014, with disastrous results..

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 in terms of the Special Resolutions of 2009 passed by the Bluezone Companies. 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.

More importantly my successful efforts (originally announced and confirmed on SENS) to obtain a substantial Investor in respect of ZAR 800 million, – Kinfedi - were fatally prejudiced by the actions of these ex Bluezone financial advisors and their accomplices who caused major damage to the Company.

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. In October 2019 we also 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, mentioned above , previously linked to Bluezone , to extract irregular repurchases of their shareholdings for cash. This expensive and difficult exercise was sought in order to obtain justice against those who used irregular legal means to harm Bonatla and its shareholders.

2- Accommodation of the shareholding of all Bonatla shareholders in a new entity.

There has been progress in the project through which all shareholders of Bonatla will be accommodated, in respect of their shareholdings, in a new entity and its subsequent listing in order to allow them either to either dispose of, or retain the value of their shareholding. This will be offered to them in the new listing in lieu of their existing Bonatla shareholding. I have also discussed the above with all parties involved, including the liquidators, and no objection was raised.

At the same time Bonatla will be finally unwound, depending on the prevailing circumstances. At the appropriate time, shareholder information will be forwarded to the shareholders through this medium of communication. Further announcements will be also made at the end of November 2020.

I need to emphasize at this point that there is absolutely no obligation for the company, nor the directors to implement this arrangement, but I feel that it is the right thing to do after all the pain that has been inflicted on all of **u**: 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 certain institutional players, with destructive unintended consequences.

3- Conclusion

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 (when necessary) to ensure that I can communicate with you.

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

Niki Vontas

21 October 2020