

heartwood[®]

PROPERTIES

HEARTWOOD PROPERTIES LIMITED

Incorporated in the Republic of South Africa

Registration Number: 2017/654253/06

ISIN: ZAE400000044

4AX Share Code: 4AHWP

("Heartwood Properties" or "the Company")

RESULTS OF WRITTEN RESOLUTIONS SUBMITTED FOR CONSIDERATION BY HEARTWOOD PROPERTIES SHAREHOLDERS IN ACCORDANCE WITH SECTION 60 OF THE COMPANIES ACT, NO 71 OF 2008, AS AMENDED ("Companies Act")

1. Shareholders of Heartwood Properties ("Shareholders") are referred to the notice incorporating written resolutions distributed by the Company on 12 February 2019 ("Section 60 Notice"), in terms of which Shareholders were to consider the special and ordinary resolutions authorising the proposed issue and allotment by the Company of the Pencil Creek Trust Consideration Shares and the Alpha Trust Consideration Shares ("the Transaction Resolutions"). It being recorded that the issue and allotment of the aforesaid shares are in consideration for the acquisition by the Company of all the shares in Utter Velvet Proprietary Limited ("Utter Velvet"), held by the Pencil Creek Trust and the Alpha Trust.

Save to the extent specifically stated otherwise, capitalised terms in this announcement shall bear the same meaning as ascribed to such terms in the Section 60 Notice.

2. In terms of the Section 60 Notice, the Transaction Resolutions were to be considered and if deemed fit, approved, by Shareholders in accordance with section 60 of the Companies Act. In terms of section 60 of the Companies Act, Shareholders would have a period of 20 business days from the date of distribution of the Section 60 Notice to consider and vote on the Transaction Resolutions.
3. Pursuant to the distribution of the Section 60 Notice, Shareholders are hereby advised that the Transaction Resolutions have been passed by the requisite majorities of the Company's Shareholders. The detailed voting results on the Transaction Resolutions are as follows:

| | |
|--|------------|
| Total number of shares voted on the Transaction Resolutions: | 98 903 040 |
| % of the Company's total issued share capital: | 90.53% |

| | Votes for resolution as a percentage of total number of shares represented (%) | Votes against resolution as a percentage of total number of shares represented (%) | Number of shares voted (%) | Number of shares voted for as a percentage of the votes exercisable (%) | Number of shares abstained as a percentage of the votes exercisable (%) |
|--|--|--|----------------------------|---|---|
| ORDINARY RESOLUTION NUMBER 1: CONFIRMATION OF SUFFICIENT NOTICE AND WAIVER | 100% | 0% | 90.53% | 90.53% | 0% |
| SPECIAL RESOLUTION NUMBER 1: AUTHORISING THE ISSUE AND ALLOTMENT OF THE CONSIDERATION | 100% | 0% | 90.53% | 90.53% | 0% |

| | | | | | |
|--|------|----|--------|--------|----|
| SHARES PURSUANT TO THE SALE AND SUBSCRIPTION AGREEMENT | | | | | |
| ORDINARY RESOLUTION NUMBER 2: AUTHORISATION | 100% | 0% | 90.53% | 90.53% | 0% |

- Pursuant to the approval of the Transaction Resolutions by Shareholders, the Company will now proceed to implement the Transaction in accordance with its terms. Accordingly, the Company has applied for the listing of the Pencil Creek Trust and Alpha Trust Consideration Shares, which shares will be issued and allotted upon the application being approved by 4AX's Issuer Regulation Division and Committee and the Utter Velvet shares being transferred to the Company.

22 February 2019

External Issuer Agent

Pallidus Capital Proprietary Limited