

Open Letter to the Shareholders and Stakeholders of Amaanat Holdings Ltd.

Dear Fellow Shareholders and Stakeholders,

It is with profound concern and an unwavering sense of responsibility that we, as committed shareholders, address the grave issues currently plaguing Amaanat Holdings Ltd. The blatant disregard for corporate governance, transparency, and shareholder rights by the current Board of Directors, particularly the newly appointed members, cannot be ignored any longer. The time has come to expose these alarming practices and demand accountability from those entrusted with the stewardship of our company.

1. Absence of Financial Statements and Meetings

For over three years, we have been kept in the dark, with no Annual Financial Statements (AFS), no Annual General Meetings (AGM), and not even basic management accounts provided to us. This is not only a violation of the Companies Act but also a deliberate attempt to obscure the true financial condition of the company from its rightful owners.

2. Non-Disclosure of Salaries

The executive directors, MS Mahomedy, MS Paruk, Yusuf Paruk, as well as Salim Limalia and his brother Junaid Limalia, have consistently failed to disclose their salaries and other forms of remuneration. This lack of transparency is not only unethical but also raises significant concerns about the integrity of the Board. We, as shareholders, have the right to know how much these individuals are being compensated, especially given the current state of the company.

3. Unexplained Legal Fees

The Board has incurred substantial legal fees without any explanation or disclosure to shareholders. These unexplained expenses are draining our investments, and we deserve to know the reasons behind these costly legal battles.

4. Second Forensic Auditor Appointment

Why was a second forensic auditor appointed, and what was wrong with the first forensic auditor's findings? The decision to appoint a second auditor without informing shareholders and thereby duplicating costs is deeply suspicious. This move suggests either gross incompetence or a deliberate effort to conceal critical information from us.

5. Sale of Properties

We have been informed that properties within the Amaanat Group are being sold or have been made available for sale, yet no communication regarding these sales has been made to

shareholders. This is a material event with significant implications for the value of our investments, and the Board's silence on this matter is unacceptable.

6. Questionable Property Valuation Process

The shareholders were previously informed that the Group had lost significant value due to the overvaluation of its properties. However, it has been observed that the valuation process was conducted during or immediately after the COVID-19 pandemic—a period that likely prejudiced property valuations. Given the potential inaccuracies of that time, has the company undertaken a new property valuation before proceeding with a share valuation? The integrity of the entire valuation process is at stake.

7. Flawed Share Valuation Process

The company has reportedly appointed an audit firm to conduct a valuation of the company's shares. However, this process is fundamentally flawed. The property valuation, which serves as the basis for the share valuation, was itself flawed. Furthermore, the methodology currently being promoted by the Board—a dividend yield basis—is highly suspect. If the Board is deliberately suppressing dividends and interest payments to shareholders, it naturally leads to a suppressed share price valuation. This manipulation of the valuation process appears to be a deliberate effort to undermine the true value of our shares.

8. Artificial Suppression of Share Price

The above points suggest that an environment is being engineered to artificially suppress the share price and overall valuation of the Amaanat Group. This deliberate manipulation is an egregious violation of the trust placed in the Board by the shareholders and undermines the very foundations of shareholder value.

9. Legal Action and Conflicts of Interest

It has come to our attention that the Ohlanga Tradeport Akoonjee Group has instituted legal action against Amaanat Holdings Ltd. Even more concerning is the apparent conflict of interest involving Mr. M.S. Paruk, who serves as both an advisor to the Akoonjee Group and the Chairman of Amaanat. This dual role raises serious ethical concerns and suggests a mechanism that could prioritize the interests of preferred creditors over those of the shareholders, particularly in the event of a liquidation.

10. Section 345 Demand Letter

The Section 345 Demand Letter served on the Board of Directors by the Minority Shareholder Group is a matter of critical importance. The failure to inform the broader shareholder base of this material development is a gross dereliction of duty on the part of the Board.

11. Retention of Former Board Members

Why have certain members of the previous Board, such as Yusuf Paruk, been retained despite the ongoing issues? This decision undermines any attempt at meaningful reform within the company and suggests a continuation of the same problematic practices that have historically plagued Amaanat Holdings Ltd.

12. Continued Involvement of Imran Moosa

The continued involvement of Imran Moosa on the Board, despite clear conflicts of interest—including the Hartly transaction, which has not been fully disclosed—raises serious concerns about the integrity and impartiality of the Board's decisions. His father, Rashid Moosa, has also benefited from these dealings, further complicating the situation.

13. Removal of JHI as Property Agents

The decision to remove JHI as property agents and create an internal team to manage Amaanat properties is a step backward. It is reminiscent of the days of Kreston, when conflicts of interest and mismanagement were rampant. The hypocrisy of the Board and major shareholders in this matter is evident.

14. Escalating Running Costs

Recent newsletters have disclosed that the current running costs of the Amaanat Group may exceed those incurred under the previous management structures. This revelation is deeply troubling, especially given the lack of transparency regarding these expenses.

15. Current Cash Holdings

What are the current cash and cash equivalent holdings of the Amaanat Group? Shareholders have a right to this information, yet the Board has remained silent. The withholding of this crucial data is yet another indication of the Board's disregard for shareholder rights.

16. Outcomes of Legal Battles

What are the outcomes of the numerous legal battles that have been fought on behalf of Amaanat Holdings Ltd.? The lack of communication regarding these matters is appalling and leaves shareholders in a state of uncertainty.

17. Corporate Governance Failures

Finally, we must address the overarching issue of corporate governance. The Companies Act mandates that directors act in the best interests of the company and its shareholders. The current Board's actions—or lack thereof—constitute a clear violation of these duties. We demand immediate action to rectify these governance failures and restore transparency, accountability, and trust within the company.

18. Parallels to Islamic History

The current situation at Amaanat Holdings Ltd. is reminiscent of troubling events in Islamic history, such as the boycott of the Banu Hashim and the attack and murder of the 3rd Caliph,

Hadrat Uthman ibn Affan (R.A). In both instances, individuals who harboured ill intentions exploited the general ignorance of the public, spreading misinformation and sowing discord to further their own agendas. Similarly, the Board of Directors appears to be leveraging the lack of transparency and the complexity of corporate affairs to manipulate the narrative, keeping shareholders in the dark while advancing their own interests.

Call to Action

We call upon all shareholders to unite and demand answers from the Board of Directors. It is time to hold these individuals accountable for their actions and to ensure that Amaanat Holdings Ltd. is managed in a manner that protects the interests of all stakeholders.

We will not stand by and allow our investments to be eroded by a Board that has shown nothing but contempt for the very people they are supposed to represent. The time for change is now.

Sincerely,

Abdullah Abdur Rahman
Amaanat Holdings Ltd. Shareholder