

RESILIENT REIT LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2002/016851/06)

JSE share code: RES ISIN: ZAE000209557

Bond company code: BIRPIF

(Approved as a REIT by the JSE)

(“Resilient” or “the Company”)



REQUEST FOR INDEPENDENT INVESTIGATION FROM INSTITUTIONAL INVESTORS

The newly-appointed chairman of Resilient, Alan Olivier, has written to the chairs of the boards of the institutional investors who requested an independent investigation, providing them with a response of the Resilient board committee (comprising six independent non-executive directors) formed to deal with the matter and requesting feedback as a preliminary requirement for further consideration.

The board is resolved to do all necessary to serve the best interests of the Company and to communicate transparently with all stakeholders. Steps undertaken to date include:

- publication of detailed information responding to allegations by SENS announcement and on its website;
- the distribution of Fortress B shares to eliminate the cross-shareholding with Fortress;
- appointing new independent valuers to value all of Resilient’s properties for purposes of its annual results recently released;
- thorough reconsideration of Resilient’s financial statements and restatement where necessary;
- appointment by Resilient of a former auditor general (assisted by an experienced advocate of his choice) to undertake an independent review of the most concerning of allegations and all relevant material available to the Company with a broad discretion and wide scope of powers, with the outcome made public by SENS announcement on 10 April 2018;
- commencing with and announcing the Company’s intentions regarding a comprehensive restructure of Resilient’s BEE ownership scheme in the Siyakha Education Trusts;
- review of the constitution of the board, with one resignation and three new appointments of independent non-executive directors.

Resilient’s recent results for the financial year ended June 2018 show that its operations continue to be sound, it has renewed loan facilities with its financiers and it received an unqualified audit opinion from Deloitte. Resilient’s gearing at approximately 30% on an LTV basis remains low.

The Company has established an independent whistle-blower hotline 0800 333 235, which refers all allegations it receives to the chair of the board. The board committee will follow up on all substantiated allegations relevant to the Company.

Shareholders will be kept informed on progress of the board’s various engagements with stakeholders and shareholders.

11 September 2018

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