
RESPONSE TO MEDIA ARTICLE

Unitholders of Letlole La Rona (“LLR” / “the Company”) are referred to the front-page article published by Business Weekly on 30 March 2023 (“the Article”), citing a proposed asset management contract and fee structure (“Proposal”) by Grit Real Estate Income Group (“Grit”).

LLR was not afforded a right of reply prior to the publication of the article, and for the benefit of our stakeholders, we wish to provide additional information not included in the Article:

1. The Board of Directors of LLR (“the LLR Board”) notes with concern that the Article is based on a commercially sensitive and confidential Proposal submitted to the previous LLR Board of Directors during or about the 2019/2020 financial period.
2. Considering the nature of the Proposal, any unauthorised sharing of such information remains a serious breach of confidentiality and fiduciary responsibility.
3. The Board has consequently launched an enquiry into the matter and will consider legal action, should any impropriety be proven.
4. Although the Article recognises that asset management contracts such as the one contained in the Proposal are valid operating models in the real estate sector, it does not specifically reference what market related rates are. It lacks analytical depth on the points discussed and is therefore irresponsibly misleading.
5. The Article furthermore fails to inform that the Proposal was received at arm’s length and was deliberated on commercial terms prevailing at the time.
6. Furthermore, the Article specifically fails to disclose that minority shareholders were protected by the governance processes and procedures implemented by shareholders and the Board at the time, which allowed for the process to be completed without any fear of victimization as recent media articles purports.

7. It was in fact this new corporate governance framework that enabled the LLR Board at the time to consider the Proposal against the needs of the Company and ultimately reject it without fear of interference or reprisals.

The LLR Board remains committed to the highest standards of governance and transparency, including the protection of minority shareholders.

By order of the Board

06 April 2023