



TRUSTCO GROUP HOLDINGS LIMITED

Incorporated in the Republic of Namibia

(Registration number 2003/058)

Registered as an external company in South Africa

(External registration number 2009/002634/10)

NSX share code: TUC

JSE share code: TTO

ISIN Number: NA000A0RF067

("Trustco" or "the Company")

RESPONSE TO MISLEADING STATEMENTS IN THE MEDIA ON TRUSTCO GROUP HOLDINGS LTD ("Trustco", "TGH" and/or the "group") PROVISIONAL REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS DATED 31 MARCH 2019

It has come to the board's attention that misleading statements were published by certain financial commentators and media practitioners regarding note 4 of the Provisional Reviewed Condensed Consolidated Financial Statements dated 31 March 2019, as published on SENS on 13 June 2019.

It is with concern that the Company takes note of the ill-informed opinions of some commentators who have maliciously labelled the reclassification, as referred to above, as unethical or insinuated similar practices to recent corporate failures in South Africa. It has been the policy of the Company not to respond to media critics but the malicious nature of certain of these recent publications demand a response.

Trustco advises its shareholders ("**Shareholders**") of the following regarding the matter:

- The group reclassified the certain properties from inventory to investment property as required by IAS 40: Investment property when there is a change in the intention and actions of an entity. Under such circumstances when an entity transfers items from inventories to investment property that will be carried at fair value, IAS 40

requires that the transfer be treated in a manner that “is consistent with the treatment of sales of inventories” and to “recognise any difference between the fair value of the property at that date and its previous carrying amount in profit or loss”.

- This reclassification was treated as required by IFRS. The nature and complexity of this matter demanded a robust and responsible approach to all of its aspects with extensive involvement of internal and external professionals. These included chartered accountants, independent certified property valuers, JSE-accredited IFRS advisors, external auditors as well as the board of directors. Consensus was not only on the technical matters, but also on the strategic rationale for the change which is a pre-requisite for a reclassification like this.
- The group’s property assets are carried at their fair market value as determined by an independent valuer. Any suggestion that Trustco’s property portfolio is overvalued is false.
- These properties comprise of more than 4 000 hectares of the highest quality land available in Namibia, with a fair market value of more than NAD 2.3 billion. It is estimated that these properties will generate cash flows in excess of NAD 40 billion in future (refer to the Company’s Integrated Annual Reports of 2017 (page 47) and 2018 (page 63)). The property business model creates value through the acquisition of virgin un-serviced land and then unlocks its true value through development into a product which meets the diverse needs of Namibians.

Anything published to the contrary of these facts is published to cause harm to the Company and its Shareholders. Responsible commentators will rectify their misleading statements without delay.

Windhoek, Namibia

25 June 2019

Amanda Bruyns

Company Secretary: Trustco Group Holdings Limited

JSE Sponsor

Vunani Corporate Finance

NSX Sponsor

Simonis Storm Securities Proprietary Limited