



ILAM FAHARI I-REIT EGM HELD VIRTUALLY ON 24.11.2023 - QUESTIONS AND ANSWERS

1. Questions about Delisting and Quoting on the USP

Investor	Question	Response
Anonymous	What will happen after the REIT is delisted? How long will it take the REIT to be admitted to the USP?	<p>If the resolutions are passed, there are several approvals that the REIT will need to obtain before being listed on the USP</p> <p>The REIT will need to obtain approval from the CMA and the NSE to delist. The REIT will also need to apply to the CDSC to request the securities to be withdrawn from the NSE list. This process may take between 3 – 4 weeks subject to regulatory processes. Once the approvals have been obtained, a notice will be published with the Delisting Date.</p> <p>Simultaneously, the REIT will need to amend its Trust Deed to incorporate its change to a Restricted REIT and its listing on the USP. The amended Trust Deed will need to be approved by the Trustee and the CMA. Once the approvals have been obtained, the amended Trust Deed will be registered with the Registrar of Societies.</p> <p>Finally, the REIT will need to apply to the NSE to be admitted to the USP. Unitholders will be contacted to enable them to open USP accounts so that their units can be credited to their accounts.</p> <p>The REIT will be quoted on the USP and the units available for trading once all these approvals have been obtained.</p>

2. Questions about Pending Payments

Investor	Question	Response
Catherine K.	When were the redemption proceeds paid	Payments were made on 24th Oct 2023 with a second batch for those which had issues processed on 23rd November 2023
Anonymous Attendee	Good morning, everyone, those who redeemed their units, when are they going to get their money?	
Gichana H. B.	<p>From the information above, I applied for ILAM redemption where I am yet to receive the money as other Unitholders who received theirs last month on 24th Oct.</p> <p>What would have happened to my money? Thanks.</p>	The payment was processed on 23rd November 2023
Leonard B. K.	<p>Good afternoon, am Leonard a unitholder who accepted initial offer but I am yet to be paid. How do I go about this?</p> <p>Secondly, from the initial schedule the unit ought to have been suspended and delisted but it is still trading. I do not understand.</p> <p>Please bring to the books. Kindly regard</p>	<p>Your payment was processed on 23rd November 2023 via EFT.</p> <p>The unit will continue trading until the delisting date, which will be communicated to unitholders upon the REIT obtaining approval from the CMA and the NSE to delist. This could only be done after unitholder approval at the EGM.</p>

3. Questions about Incomplete and Late Applications for Redemption

Please note that the procedure for accepting the redemption offer was as contained in the Conversion Offering Memorandum (COM), which is available on the REIT website

<https://ilamfahariireit.com/conversion-offering-memorandum>

Unitholder	Question	Response
Leina E.T.	Dear ILAM, I had requested to be paid my units and opt out, not sure why my request has not been factored in, I filled the requisite form provided as well. Kind Regards.	Our records show that your application is incomplete because you did not enter your bank details or submit your application. We are looking into this further and will contact you directly, the unitholder, when we have more information
Joseph A. K.	Dear Sir/Madam, my name is Joseph, a unit holder of ILAM FAHARI-REIT. When the offer of Ksh.11 per share was issued, I accepted the offer using the text message Option, which was a seamless process. I even entered the account number which I was To be paid through, but to my surprise, my unit were not accepted and got no payment. I was wondering why? I did my part by accepting the offer using the text message option which it was provided To me. In November, I called my broker Kingdom Securities and they informed me that payment has been made already and that got me by surprised because I did not receive any money in my account. What next for me?	Our records show that your application was incomplete in that you did not select broker details or submit the application. We are investigating further and will revert directly to the unitholder
Ngugi J.K.	I have not received my payments in the last concluded redemption offer, which I participated. Kindly regards, John	Our records show that your application is incomplete. We are looking into this further and will contact you directly, the unitholder, when we have more information.
Wendy M.	Have you finished paying unitholders dues from buying of their shares? I haven't received my dues	Our records indicate that your registration and application were not completed.
Khaemba R.N.	Dear All, I hope this mail finds you well. One of my colleagues has notified me that there was a notice for unitholders to sell off their shares, is this true. I must have missed this. Kindly advise	Yes, that is correct. The month-long offer closed on October 6, 2023. However, the unit is still trading on the market, so you can sell your units through your broker.
Mary E.N.	How do I redeem my shares now	The redemption offer period ran for five weeks, from 6th September to 6th October 2023. Since the offer period has expired, you are no longer able to redeem your units. As you did not take action during the offer period, your units will be bundled up into a nominee account along with the units of other non-professional investors who did not take up the offer. However, if you still wish to sell your units, you have two options:
Grace K.	I missed out the redemption period. What options do I have if I really desire to liquidate my investment?	1. Sell your units in the secondary market at the current market price when the REIT is still listed. 2. Wait until the REIT is delisted from the main NSE segment and transitions to the USP segment to sell your units. Please note that trading on this segment is over-the-counter, liquidity may be limited as disclosed in the Conversion Offering Memorandum.
Buruburu English Congregation	I applied to opt out due to inability to raise the requisite funds but no response came. My holding is far less than required. What is the position?	Please reach out to the REIT Manager via the email: ilamreit@icealion.com , with your identification details for assistance

4. Questions about Partial Redemption and Events after Delisting

Investor	Question	Response
Shah, M.U.	For the investors whose units were partially redeemed, what happens to their remaining units? Will there be a second redemption?	Their remaining units will be bundled up into a nominee account, which will be managed by the REIT manager. The investors will still receive their dividends. There will be no second redemption. However, if you still wish to sell your units, you can do so at the Unquoted Securities Platform (UPS). Please note that trading at this platform will be over-the-counter and liquidity may be limited.
Felister	What does it mean to unit holders delisting of I-RIET from NSE?	
Agnes	Now that Fahari has been delisted. What happens to those who still want to sell the Fahari shares?	Fahari will be delisted after approval from CMA, which is expected in about 4 weeks. The Units are still trading and you can sell your units through your broker. Post delisting, you will still be able to sell your units at the USP. However, please note that trading on this segment is over-the-counter, and liquidity may be limited.
Dorcas K.	Good morning, my name is Dorcas, my question is, and can a unit holder add units? Thank you	Yes, a unitholder can still buy or sell their units through: <ol style="list-style-type: none"> Buy or sell the units on the secondary market at the current market price as the units are still trading at the main market segment of the NSE. Wait until the REIT is delisted from the main NSE segment and transitions to the USP segment to trade the units. Please note that trading on this segment is over-the counter, and liquidity may be limited. The reference price at the USP will be equivalent to the redemption price
Anonymous	Would it be possible for non-professional investors to increase the number of units held even if the increment will not meet the professional investors' threshold (ultimately increasing their respective units held in the nominee account)?	
Agnes	hello, when can we be able to trade our shares on the NSE	
Stella W.	What happens to those who did not redeem their shares mainly because they were bought at Kes 20 and redemption at 11 is a loss can they continue? Thanks	
Anonymous	How do I dispose of my units?	
Kilonzo	Is it possible to increase holding?	
Eunice	Can I continue buying units from the NSE platform?	
Anonymous Attendee	How does the promoter intend to address the anticipated oversupply of shares in the USP esp. from the large shareholders who were unable to participate in the redemption due to the large number of shares they held... will they continue to buy the shares at 11/-?	
Ramachandran P.	Why the uptake was partial...? I have about 40000 units remaining with me. I wonder what will it mean	The Trustee was only able to redeem up to 301,400 units from each unitholder that submitted their application as per the approved transaction by CMA. Those with partial remainder will be bundled in the nominee account together with other non-professional investors Investors also have the option of selling their units on the NSE until the Delisting Date, which will be announced upon receipt of CMA and NSE approval.
Paul M.	what is the current cost of the REIT share	The current market price of the REIT units trading as 'FAHR' fluctuates daily and is available on the NSE website.

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Shah, M.U.	For the investors whose units were partially redeemed, what happens to their remaining units? Will there be a second redemption?	Their remaining units will be consolidated into a nominee account managed by the REIT manager. Investors will continue to receive their dividends. There will be no further redemption opportunities. However, investors may still sell their units on the Unquoted Securities Platform (UPS). Please note that trading on the UPS is over-the-counter and liquidity may be limited.
Felister	What does it mean to unit holders delisting of I-RIET from NSE?	
Agnes	Now that Fahari has been delisted, What happens to those who still want to sell the Fahari shares?	Fahari will be delisted upon approval from the Capital Markets Authority (CMA), which is expected within approximately four weeks. The Units are currently trading, and you can sell your Units through your broker. After delisting, you will still be able to sell your Units on the Unquoted Securities Platform (USP). However, please note that trading on the USP is over-the-counter, and liquidity may be limited.
Dorcas K.	Good morning, my name is Dorcas. My question is, can a unit holder add units? Thank you	<p>Yes, unitholders can still buy or sell their Units through the following options:</p> <ol style="list-style-type: none"> 1. Purchase Units on the secondary market at the prevailing market price as the Units are still trading on the main market segment of the Nairobi Securities Exchange (NSE). 2. Wait until the REIT is delisted from the main NSE segment and transitions to the Unquoted Securities Platform (USP) segment to purchase the Units. Please note that trading on the USP is over-the-counter and liquidity may be limited. The reference price on the USP will be equivalent to the redemption price.
Anonymous	Would it be possible for non-professional investors to increase the number of units held even if the increment will not meet the professional investors' threshold (ultimately increasing their respective units held in the nominee account)?	
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Irungu W. K.	Do not try to remove minority shareholders by force. Let us have physical meeting to raise our issues towards your agenda of today.	<p>The non-professional investors are not being forced to exit the REIT; however, they were presented with three options:</p> <ol style="list-style-type: none"> a) Redeem their units at the offer price of KSHs 11. b) Top up their units to reach the Professional Investor threshold of KSHs 5,000,000. c) Remain as investors in the REIT but be consolidated into a Nominee Account with other Non-Professional Investors while maintaining their rights to ownership of their units and dividends. This option, which did not require any action from the investor, was provided for compliance with the REIT's subsequent restricted status. <p>Non-Professional Investors who remain in the REIT will retain their unitholding and rights to distribution.</p>
Kunal B.	Please clarify on what you mean by liquidity will be provided. Are you saying you will keep buying units at 11/-	<p>Investors can still buy and sell Units at a mutually agreed-upon price on the NSE while the REIT is listed and on the USP after delisting. The reference price on the USP will be KSHs 11.</p> <p>Regarding the Redemption Offer, the REIT Trustee has redeemed the maximum number of Units permitted by the Capital Markets Authority (CMA) under that process.</p>
	How will we be able to sell our shares on unquoted NSE exchange? What guarantee and visibility of liquidity is there.	

5. Questions about Strategy and Outlook

Investor	Question	Response
TOLE M. P.	Who is the mysterious "investor"	An investor in a REIT is any individual or entity that owns units in the REIT. Units essentially represent ownership in the REIT's real estate portfolio.
	Why have the unoccupied properties not been disposed of to buy properties with better prospects?	The REIT manager has successfully disposed of the unoccupied property and the proceeds have been reinvested in higher-yielding assets.
	Why not raise funds through a rights issue	A survey revealed that the majority of unitholders, including the larger unitholders, would not support a rights issue due to the REIT's underperformance, dilution of ownership, and prevailing market conditions. Therefore, it was deemed infeasible to proceed with a capital-raising exercise.
Anonymous Attendee	Why are you delisting without physical AGM, so that Shareholder can participate fully, public participation. I will take the legal action if you remove the minority shareholders from the company by force. Let have physical meeting to participate well. This is not the right channel to communicate.	<p>We understand your concern about the delisting of the REIT without a physical AGM and assure you that the process is fair and transparent. Also, please note that unitholders approved for general meetings to be held virtually in the 2020 AGM.</p> <p>The unitholders voted to delist the REIT for a number of reasons that have been explained by the CEO. First, the REIT's share price has been declining for some time, and a strategic survey done amongst the various stakeholders concluded that delisting would help to stabilize the fund and reposition it for profitability and scalability.</p> <p>Delisting will not affect the unitholders' ability to trade their units with Non-Professional investors bundled into a Nominee Account. After three years, the REIT may consider relisting on the NSE upon successfully implementing its strategy.</p>
Bakari A.	The redemption offer is a prerequisite for the unitholder to qualify as a restrictive unit holder. Please expound on this	The redemption offer was intended to allow the REIT to comply with the proposed conversion from unrestricted to restricted I REIT, which is only available to Professional Investors who have a minimum investment threshold of KShs 5 million.
	What is the difference between normal & professional unit holders?	According to the REIT regulations, a professional investor owns units worth KShs 5 million and above while a non-professional investor owns units worth below KShs 5 million.
Maurice M.	What is the real plan to mitigate the attrition we have seen?	The restructuring is expected to create several benefits for unitholders, including increased flexibility to pursue a broader range of investment opportunities, such as direct real estate acquisitions and developments, and an improved ability to align the REIT's investment strategy with the long term needs of its unitholders. Growth of the REIT will require either capital from unitholders or property swaps, which can now be executed without the risk of value erosion.
James	What benefits will I REIT realize by delisting from NSE? Please clarify on deliverables and impact this will have on unit holders.	
Margaret	Do we expect dividends in future?	Yes, dividends will continue to be paid annually as required by the REIT regulations, which stipulate that at least 80% of distributable income must be paid out as dividends.
Susan	How do follow up on my dividend payment?	Please contact the CDSCR, the REIT registrars, at https://cdscregistrars.com/ or visit their offices at Occidental Plaza, Muthithi Road Westlands.

6. Questions about Gifts

Investor	Question	Response
Muruu R.W.	Christmas voucher	We have not yet prepared any for this year, but we will make a note of your request and plan on preparing some for next year.
Ndungu D. A. K.	Gift	