



Annual
Report
2001

RDC
Properties
Limited



RDC Properties Limited

Incorporated in Botswana - Company number 96/592

RDC Directors



Directors:

(L to R) G. Giachetti, G.W. Matenge, D.C. Khama, M.A. Giachetti (Chairman), J.S. Stewart, A.D. Norrie, G.R. Giachetti (Managing Director),

Nature of Business:

Holding of income-generating investments in property and property developments.

Secretaries:

PricewaterhouseCoopers (Proprietary) Limited

Registered Office:

Plot 50371
Fairground Office Park
Gaborone

Auditors:

Deloitte & Touche

Bankers:

Barclays Bank of Botswana Limited
Standard Chartered Bank Botswana Limited

Attorneys:

Armstrongs

Investment Portfolio:

BOTSWANA

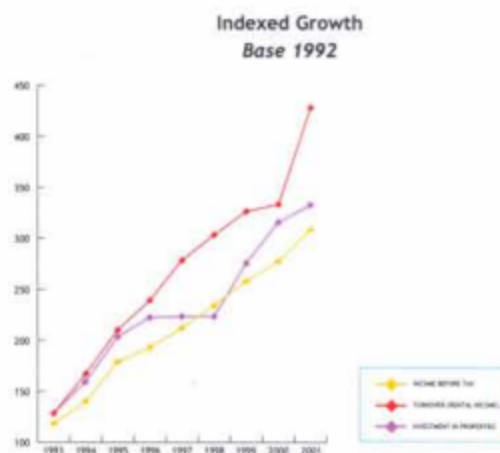
Gaborone	Standard House Plaza I & II, Mebala Centre Broadhurst Business Centre Professional House Tholo A & B - Fairgrounds Phakalane Industrial Estate Gaborone West Warehouses
Jwaneng	Diamond Centre
Kasane	Chobe Commercial Centre Chobe Marina Lodge - Units 18, 20, 22
Maun	Roots Tower Tsodilo Centre
Molepolole	Lot 617
Palapye	Lotsane Complex
Serowe	Boswa Centre Standard House, Pep House

MADAGASCAR

Antananarivo Tana Waterfront (under construction)

Highlights

- Investment strategy pays off with significant increase in turnover - 28.4%
- Positive control on operating costs with profit from operations up 29.82%
- Total investment portfolio reaches P106 million mark
- Strategy of diversification of income stream continued with investments in Madagascar and tourism sector



Profile

RDC Properties Limited provides the investor with the opportunity to participate directly in the income and capital growth of both a professionally managed and prime quality property portfolio and rewarding property developments. The investment portfolio, geographically spread over the major centres of Botswana, is valued at approximately 106 188 million. It consists of 17 properties, mainly office buildings and commercial centres, by and large rented to 'blue chip' tenants on long term leases.

Pursuant to a restructure in 1996, all the assets and liabilities of the RDC Group were transferred to RDC Properties Limited in exchange for linked units. The company is now a variable rate loan stock company which produces similar yields to those which an institutional investor could expect from a direct holding in property.

Salient Features

The salient features of the group from 1996 to 2001

	Pro-forma						Variance %
	1996 P'000	1997 P'000	1998 P'000	1999 P'000	2000 P'000	2001 P'000	
Investment portfolio	67 157	67 492	67 583	83 206	97 268	106 188	9
Long term borrowings	10 816	9 872	9 810	8 866	16 508	16 636	1
Turnover (Rental income & recoveries)	8 000	9 303	10 141	10 887	11 138	14 298	28
Net operating income before interest	6 355	7 184	7 649	8 367	8 936	11 258	26
Interest received and other income	491	276	277	193	434	102	(421)
Interest paid	(1 624)	(1 730)	(1 618)	(1 630)	(1 640)	(3 000)	83
Income before taxation	5 222	5 730	6 308	6 968	7 473	8 308	11
Interest to unitholders	3 875	4 509	4 995	5 526	5 909	5 178	(12)
Income after taxation and minority interest	1 352	1 199	1 260	1 294	1 411	5 415	284
Dividends	78	90	100	111	118	104	(12)
Income to unitholders	3 953	4 599	5 095	5 637	6 027	5 281	(12)



Above: Tholo development

It is a pleasure to report to you on our activities and successes throughout the year 2001. This year the company witnessed the positive effect of the investment strategy of the last few years with a substantial growth in the rental income, 28.4% up from last year. In the capital city alone, we achieved the opening of our two newest Buildings, Tholo A & B, with blue chip tenants, namely ABC Holdings, Barclays Bank and Vista cellular. We enjoyed a full trading year in the re-launched Mebala Centre in the Mall and achieved 100% occupancy level in our Gaborone West Warehouses from 1 May 2001. At the close of the year we were delighted to welcome Steers and Debonairs to Professional House in Broadhurst, these tenants are now occupying the space that was previously a retail-banking hall. Occupancy levels on the whole portfolio are still a pleasing 93%.

Throughout the year unit holders had two opportunities to increase their holding of units in RDC Properties. This year the Directors preferred to provide eligible unit holders with the option to capitalise 50% of each of the current interim and prior year final distribution payments. The injection by the unitholders into the company has helped fund the expansion projects we have undertaken in the previous and current year. The response was successful as 92% of unit holders eligible to participate in the capitalisation offers did so. As a result 1 962 200 additional units were registered on the Botswana Stock Exchange during the year. The beneficial number of linked units in issue is now 30 901 629.

We have continued our investment in Madagascar this year and expect our commercial centre in Antananarivo to commence trading in the first quarter of 2002. We are committed to the growth in Botswana's tourism industry with the investment we have made in Chobe Marina Lodge. The lodge welcomed its first guests on 18 October this year and has continued with its soft opening throughout the residual of the last quarter. The soft opening being where staff gain valuable experience in dealing with customers and familiarising themselves with all the benefits the resort offers the public. The Official Opening will take place in the first quarter of 2002 from where we expect a positive contribution to our financial results. Unit holders will reap benefits from these investments as the rates at the Lodge are US\$ based for inbound tourists from Asia, Europe and North America and the rentals in Madagascar are also linked to the US\$ and the Euro.



Above: Professional House new tenants

The Economy

Although 2001 was marked by a reduction in government spending, and reduction in the GDP growth, this has had a minor effect on the property market, especially in the major centers. Property and Asset Management are closely monitoring the level of debt on all properties to ensure losses in this regard are kept to a minimum.

GDP is forecast to grow at 3.4% for the year according to Bidpa. Inflation has been brought down to a positive year on year average of 6.6%. Unfortunately, the cost of borrowing is still very high, with the prime-lending rate still kept at 15.75%. The company is strongly affected by the high level of the interest rate on bank lending, as many of our acquisitions are financed by commercial loans. The Pula has devalued almost 25% against the US Dollar throughout the year under review and this is a further reason to find investments opportunities that are linked to a stronger currency income.

The political instability in Zimbabwe has had a negative impact on Botswana. The effect has been mostly felt under the form of a lack of interest in the whole region by the international investment community. It is hoped that this will improve after the election in Zimbabwe scheduled to be held in the first quarter of 2002.

Financial Results

We are pleased to report that group results for the period ended 31 December 2001 reflect an increase in revenue of 28.4%. The growth has been achieved from Tholo A and B; both buildings were fully leased and occupied in the second quarter of the year. Mebala Centre, was in full service for the year and traded with 100% occupancy throughout the period. The Gaborone West Warehouses also gave a positive revenue contribution in this period.

Although a substantial part of our growth was financed through bank borrowing, we are pleased to record that profit before taxation and distribution to unit holders increased to P8 308 000 which is an increase of 11.17%. This is a pleasing result considering the high levels of interest paid on increased borrowing of the group, the net interest paid increased by 101%, from P1 463 000 to P2 950 000.

In order to finance further expansion and refurbishments, two options have been presented to the Directors; one is to propose a capitalisation of dividends on an elective basis, as has been done in the past years, or increase the retention. The Directors have proposed to change the retention from 15% to 25% of profit before interest and taxation. The proposed distribution to linked unit holders has therefore been set at P5 281 000.

This year, in line with International Accounting Standard 40, the Directors have revalued the property portfolio. The Directors have considered it prudent to get an independent valuation for the new and refurbished properties, Mebala Centre, Tholo and Gaborone West Warehouses, while maintaining the value of all other properties to the levels of the 1999 valuation, undertaken by independent valuers. The total investment portfolio is now valued at P106 188 000 representing an increase of P8 920 000 over the year.

The major capital investments this year have been, the financing of the development of Tana Waterfront in Madagascar, to the tune of P1 242 000 and an investment of P2 378 000 into Chobe Marina Lodge.

At the start of the year the RDC unit was quoted as P1.20 on the Botswana Stock Exchange and by the close of the year the price had risen to P1.80. The unit is still we believe substantially under valued in relation to its net asset value which at the end of the year was P2.50 per unit.

Your Company and the Future

The last few years have been years of strong investments, it is my belief that we should see the positive effect in the next year as we have felt it this year. It is my pleasure to provide some information on our strategy, plans and ideas for the coming year.

In terms of first year rental income the properties will contribute the following amounts to the group, Tholo P1 390 308, Mebala Centre P1 146 396 and Gaborone West P870 000.



Above: Tholo A - Blue chip tenants



Above: Mebala Centre - a modern building

Tholo (Proprietary) Limited

Tholo has traded well and above budget since its launch this year. With a first phase cost of P8 532 000 including additional land, the first year rent projected is P1 390 308 which represents a 16.3% gross yield. Ground breaking has started on the large plot adjacent to Tholo the site of the International Financial Service Centre for Botswana. We are meeting with our partners in this venture to determine the scope for the second phase of Tholo, to be built on the remaining land we own in the fairgrounds area. Timing is critical with this project, as we must have the building ready ahead of the opening up of the buildings in the IFSC to maximise its success. We strongly believe that the Tholo property should be able to compete positively with the buildings in the IFSC, due to the efficiencies and control on construction costs offered by the close collaboration with Itaitswana Construction Company. The ideal time to have our new property available for occupation will be mid 2003. This will be a challenge for all that work on the project as we still have 5000m2 of undeveloped land available.

Completion of Tana Waterfront

Our first building in Madagascar will be unveiled in the first quarter of 2002. Initially the project was scheduled to roll out at the end of November 2001, however the difficulties experienced in concluding the financing of the project, slowed down construction and the occupation of the ground floor took place beginning of February with the first floor being completed by the end of February 2002. This development is a 50% joint venture with a Madagascar Citizen Company and has been financed with an equity and land injection and long term financing provided through BMOI (A subsidiary of Banque National of Paris) in Antananarivo.

Our investment in Madagascar is held by RDC Properties Mauritius Limited and as the majority of commercial leases in the country have an index to either the Euro or the US Dollar we benefit from trading in a currency that is protected against rapid devaluation of the Pula. The FMG (Malagasy Franc) has been stable with the USD during the period under review.

Chobe Marina Lodge

Construction was completed on the first phase of the lodge in the last quarter of 2001. Phase One is made up of 16 accommodation units, 6 three-bedroom chalets and 10 two-bedroom chalets along with public areas of the lodge. The public areas include the reception, restaurants, bars, conference rooms and swimming pool. RDC Properties has acquired leases on 12 accommodation units, which will be completed and ready for occupation in February 2002.

The Hotel Operator appointed to manage the direct running of the facility is Three Cities Group Botswana (Proprietary) Limited. Three Cities have a wealth of experience running hotels and lodges in Southern Africa and this is their first undertaking in Botswana. Three Cities Group also manages the Victoria Falls Safari Lodge in nearby Victoria Falls therefore they are able to offer unique marketing to both destinations using both of these four star lodges.

RDC will receive income from the bed nights let out to tourists by the lodge. It will take time for the lodge to become established by being included in tour operators brochures and being known to the international and local market.

Refurbishment Programme

Following the success of the refurbishment programme that enabled us to re-launch Hardware House as Mebala Centre, during 2002 the Directors will be considering and identifying other properties requiring upgrading.

Corporate Governance

The Directors of RDC Properties are firmly committed to the highest standards of corporate governance and understand that this is an essential component of continued success. The Board of RDC Properties has as some of its core beliefs, the necessity to conduct all its business with integrity and transparency and that all Directors are accountable for their actions and decisions.

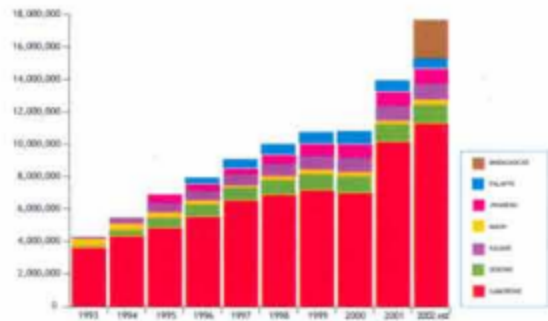
The Board of Directors comprises both executive and non-executive Directors. I am a non-executive Chairman and my four other non-executive colleague directors offer independent advice on matters directly relating to the business of RDC Properties and wholeheartedly provide the company with a wealth of experience which benefits the company and adds quality to our decision making process. Our Managing Director is an executive member who devotes much time beyond that in board meetings steering the business and ensures continued innovation.

The Board of Directors meets four times a year and our company secretaries attend every meeting making certain the board meeting follows all required procedures and providing an opportunity for any Director to discuss a matter directly with the company secretary. All Directors are further entitled to seek independent professional advice, if they deem it necessary.

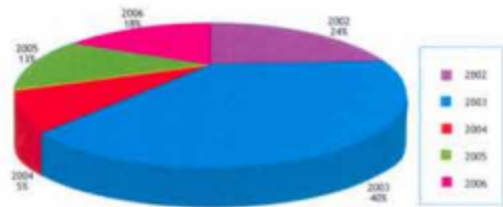
The Directors review and approve all the financial statements for RDC Properties. The statements are produced quarterly. Our independent auditors review the year end financial statements annually and they will provide a separate report of their findings. The work of the independent auditors and the presentation of the financial statements are conducted in line with International Standards on Auditing. There are times when the financial statements will include estimates by the management and it is the job of the external auditors to check the reasonableness of these judgements as well as to ensure the financial statements provide a fair portrayal of the company's business.

The management of Property and Asset Management are responsible for ensuring adequate internal controls exist to safeguard the assets of RDC Properties. Satisfactory accounting records are kept and segregation of duties exists and no matter of any concern has ever had to be raised with the Board of Directors.

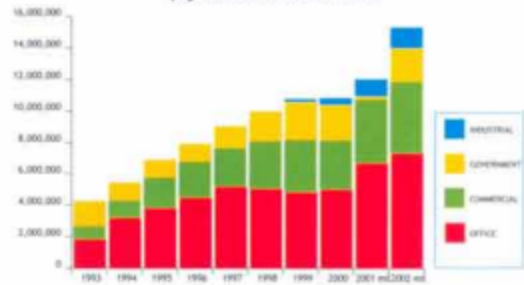
The Directors are of the firm view that the business of RDC Properties will continue to prosper for the foreseeable future.



Geographical Spread
(by rental income 2001)



Lease Profile
(by rental income 2001)



Sectoral Spread
(by rental 2001)



Above: Chobe Marina Lodge - the beautiful Chobe River

Acknowledgements

My sincere thanks to my fellow board members for their dedication and effort throughout the year. On behalf of all of the Directors - thank you to the Management and Staff of Property and Asset Management who have worked diligently this year managing the daily business and interests of the company.



Above: An artists impression of Tholo Office Park incorporating the second phase of development

The Directors have pleasure in submitting their report together with the audited financial statements for the year ended 31 December 2001.

1. Capital

During the year, unitholders representing 92% of the linked units eligible to receive capitalisation units in respect of 50% of the 2000 final net distribution, and 50% of the 2001 interim elected to receive fully paid linked units in the company net distribution and were allotted 1 271 500 and 690 700 new linked units respectively. The total number of linked units in issue is therefore 30 901 629.

2. Financial Statements

The balance sheets set out the company's and the group's financial position at 31 December 2001 and the income statements reflect the results of the company and the group for the year ended 31 December 2001.

3. Linked Unit Distribution Policy

The interest entitlement on every debenture is fixed at 50 times that of the dividend component of any distribution. The distribution, made bi-annually, varies with the operating performance of the group.

4. Distribution to Unitholders (thebe)

	Interest	Dividend	Total
2000			
Interim	8.59	0.17	8.76
Final	<u>12.27</u>	<u>0.25</u>	<u>12.52</u>
	<u>20.86</u>	<u>0.42</u>	<u>21.28</u>
2001			
Interim	8.37	0.17	8.54
Final	<u>8.58</u>	<u>0.17</u>	<u>8.75</u>
	<u>16.95</u>	<u>0.34</u>	<u>17.29</u>
	-19%	-19%	-19%

5. Subsidiaries

The details of your company's interest in property owning subsidiaries are set out on page 16 of this report. During the year under a group restructure Professional House (Proprietary) Limited transferred all its assets and liabilities at fair value to RDC Properties Limited.

6. Administration and Management

The management of the group's property and assets is undertaken by Property and Asset Management Limited, a company primarily dedicated to service the needs of your company and its subsidiaries.

7. Directors

There were no changes during the year.

The Board of Directors are:

M.A. Giachetti (Chairman), G. Giachetti, G.R. Giachetti, D.C. Khama, G.W. Matenge, J.S. Stewart, A.D. Norrie, S. Denton (Alternate to M.A. Giachetti) L. Magang (Alternate to G. Giachetti) and S. Gupta (Alternate to A.D. Norrie).

M.A. Giachetti and G.R. Giachetti retires by rotation in terms of Article 54 of the Articles of Association and, being eligible, offer themselves for re-election.

8. Secretaries

The company secretaries remain:
PricewaterhouseCoopers (Proprietary) Limited
Business Address: Plot 50371 Fairgrounds Office Park
Postal Address: P O Box 294, Gaborone

To the members of RDC Properties Limited

We have audited the accompanying financial statements of the company and the group set out on pages 10 to 20 for the year ended 31 December 2001. These financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Companies Act (Chapter 42:01) and International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We have examined the books, accounts and vouchers of the company and the group to the extent we considered necessary and have obtained all the information and explanations which we required. We have satisfied ourselves as to the existence of securities. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- the company and the group have kept proper books of account with which the financial statements are in agreement; and
- the financial statements give a true and fair view of the state of the company's and the group's affairs at 31 December 2001 and the results of their operations and cash flows for the year then ended in accordance with International Accounting Standards and in the manner required by the Companies Act (Cap 42:01).

**Deloitte
& Touche**

Certified Public Accountants

12 March 2002
Gaborone

Income Statements

for the year ended 31 December 2001

	Notes	Company		Group	
		2001 P'000	2000 P'000	2001 P'000	2000 P'000
Revenue	1	12 579	9 255	14 298	11 138
Operating expenses		(2 733)	(2 022)	(3 092)	(2 506)
Profit from operations	2	9 846	7 233	11 206	8 632
Other revenue		52	571	52	304
Finance costs	3	(2 132)	(817)	(2 950)	(1 463)
Profit before taxation and distribution to unitholders		7 766	6 987	8 308	7 473
Debenture interest	4	(5 178)	(5 909)	(5 178)	(5 909)
Profit before exceptional items		2 588	1 078	3 130	1 564
Surplus arising on revaluation of properties		5 092	-	5 212	-
Profit before taxation		7 680	1 078	8 342	1 564
Taxation	5	(1 895)	(21)	(2 317)	(83)
Profit after taxation		5 785	1 057	6 025	1 481
Minority interest		-	-	(610)	(70)
Net profit for the year		5 785	1 057	5 415	1 411
Interest to dividend ratio		50:1	50:1	50:1	50:1
Average weighted number of linked units in issue		29 771 583	27 704 846	29 771 583	27 704 846
Earnings per linked unit				27.12	26.42
Earnings per linked unit are calculated based on net income before debenture interest and after taxation and minority interest of P8 074 600 (2000 : P7 320 000)					
Distribution per linked unit (thebe)				17.29	21.28
Interest per linked unit (thebe)				16.95	20.86
Dividend per linked unit (thebe)				0.34	0.42

* The earnings per linked unit is calculated on the weighted average of linked units in issue at year end. This figure comprises 28 939 429 units in issue at the beginning of the year and the weighted average of an additional 1 271 500 units capitalised and issued on 18 May 2001 and a further 690 700 units capitalised and issued on 12 October 2001.

	Notes	Company		Group	
		2001 P'000	2000 P'000	2001 P'000	2000 P'000
ASSETS					
Non Current Assets					
Plant & equipment	6	812	874	849	877
Investments	7	10 504	6 885	5 637	2 017
Investment properties	8	86 611	76 668	100 551	95 251
		<u>97 927</u>	<u>84 427</u>	<u>107 037</u>	<u>98 145</u>
Current Assets					
Trade and other receivables	9	1 655	1 890	693	603
Bank balances and cash	10	75	60	144	401
		<u>1 730</u>	<u>1 950</u>	<u>837</u>	<u>1 004</u>
Total Assets		<u>99 657</u>	<u>86 377</u>	<u>107 874</u>	<u>99 149</u>
EQUITY AND LIABILITIES					
Unitholders' Funds					
Share capital	11	309	289	309	289
Debentures	12	49 443	46 303	49 443	46 303
Share premium	13	7 627	8 268	7 627	8 268
Non distributable reserves	14	-	7 079	-	8 811
Accumulated profits	15	16 228	3 467	17 324	4 936
Dividend reserve		2 673	3 623	2 673	3 623
		<u>76 280</u>	<u>69 029</u>	<u>77 376</u>	<u>72 230</u>
Minority Interest		-	-	2 539	1 805
Non Current Liabilities					
Long term borrowings	16	10 436	8 936	15 152	15 266
Deferred taxation	17	5 626	3 735	6 543	4 837
		<u>16 062</u>	<u>12 671</u>	<u>21 695</u>	<u>20 103</u>
Current Liabilities					
Trade and other payables	18	4 671	3 094	3 343	2 966
Taxation		2	-	26	149
Bank overdraft	19	1 411	654	1 411	654
Current portion of long term borrowings	16	1 231	929	1 484	1 242
		<u>7 315</u>	<u>4 677</u>	<u>6 264</u>	<u>5 011</u>
Total Equity and Liabilities		<u>99 657</u>	<u>86 377</u>	<u>107 874</u>	<u>99 149</u>

Statement of Changes in Equity
for the year ended 31 December 2001

	Share capital P'000	Debentures P'000	Non distributable reserves P'000	Dividend reserves P'000	Share premium P'000	Accumulated profits P'000	Total P'000
GROUP							
Balance at 1 January 2000	275	43 933	9 210	3 455	8 787	3 643	69 303
Net profit for the year	-	-	-	-	-	1 411	1 411
Distribution proposed	-	-	-	6 027	-	-	6 027
Distribution paid	-	-	-	(5 859)	-	(118)	(5 977)
Capitalisation issue	14	2 370	-	-	(519)	-	1 865
Outside shareholders' interest	-	-	(10)	-	-	-	(10)
Deferred taxation on revaluation	-	-	(389)	-	-	-	(389)
Balance at 31 December 2000	289	46 303	8 811	3 623	8 268	4 936	72 230
Balance at 1 January 2001	289	46 303	8 811	3 623	8 268	4 936	72 230
Net profit for the year	-	-	-	-	-	5 415	5 415
Distribution proposed	-	-	-	5 281	-	-	5 281
Distribution paid	-	-	-	(6 231)	-	(104)	(6 335)
Capitalisation issue	20	3 140	-	-	(641)	-	2 519
Reversal on disposal of property	-	-	(1 544)	-	-	(162)	(1 706)
Deferred taxation on revaluation	-	-	(28)	-	-	-	(28)
Transfer on adoption of new accounting policy	-	-	(7 239)	-	-	7 239	-
Balance at 31 December 2001	309	49 443	-	2 673	7 627	17 324	77 376
COMPANY							
Balance at 1 January 2000	275	43 933	7 407	3 455	8 787	2 528	66 385
Net profit for the year	-	-	-	-	-	1 057	1 057
Distribution proposed	-	-	-	6 027	-	-	6 027
Distribution paid	-	-	-	(5 859)	-	(118)	(5 977)
Capitalisation issue	14	2 370	-	-	(519)	-	1 865
Deferred taxation on revaluation	-	-	(328)	-	-	-	(328)
Balance at 31 December 2000	289	46 303	7 079	3 623	8 268	3 467	69 029
Balance at 1 January 2001	289	46 303	7 079	3 623	8 268	3 467	69 029
Net profit for the year	-	-	-	-	-	5 786	5 786
Distribution proposed	-	-	-	5 281	-	-	5 281
Distribution paid	-	-	-	(6 231)	-	(104)	(6 335)
Capitalisation issue	20	3 140	-	-	(641)	-	2 519
Transfer on adoption of new accounting policy	-	-	(7 079)	-	-	7 079	-
Balance at 31 December 2001	309	49 443	-	2 673	7 627	16 228	76 280

	Group	
	2001 P'000	2000 P'000
Cash Flows From Operating Activities		
Net income before taxation and debenture interest	11 258	8 936
Adjustment for items not involving the movement of cash:		
Depreciation	212	127
Operating income before working capital changes	11 470	9 063
Increase in trade and other receivables	(68)	(151)
Increase/(decrease) in trade and other payables	355	(9)
Operating cash flow	11 757	8 903
Net interest paid	(2 950)	(1 463)
Debenture interest paid	(6 109)	(5 743)
Dividends paid	(122)	(116)
Taxation paid	(185)	-
Net cash generated from operating activities	2 391	1 581
Cash Flows Used In Investing Activities		
Increase in capital work in progress	-	(377)
Purchase of plant and equipment	(184)	(443)
Purchase of investment property	-	(550)
Improvements to investment properties	(1 020)	(2 151)
Investment in joint venture and other investments	(3 620)	(2 017)
Net cash used in investing activities	(4 824)	(5 538)
Cash Flows From Financing Activities		
Loan payments	(1 223)	(1 018)
Proceeds from issue of linked units	2 519	1 865
Proceeds from shareholders	123	-
Net cash generated from financing activities	1 419	847
Net decrease in cash and cash equivalents	(1 014)	(3 110)
Cash and cash equivalents at beginning of year	(253)	2 857
Cash and cash equivalents at end of year	(1 267)	(253)
Consisting of:		
Cash at bank and on hand	144	401
Bank overdraft	(1 411)	(654)
	(1 267)	(253)

Basic of Presentation of Financial Statements

The financial statements have been prepared in accordance with International Accounting Standards.

Adoption of International Accounting Standards

In the current year the company and group has adopted the following International Accounting Standards: Standard number 40 dealing with Investment Property and Standard number 10 which deals with events after balance sheet date. Under IAS 40, the group and company investment property continues to be accounted for at fair value. Gains and losses arising from changes in fair value of investment properties are included in income statement rather than equity. The effect of this change has been to increase current and accumulated profits by P3.819 million for the company and P3.909 million for the group. The closing accumulated profit includes the reclassification of any amounts held in revaluation surplus for investment property. The closing accumulated profit has been increased by P7.079 million for company and P7.239 million for group.

Basis of Accounting

The financial statements are prepared on the historical cost basis, except for the revaluation of land and buildings. The principal accounting policies are set out below:

Consolidation

The consolidated financial statements incorporate the financial statements of the company and its subsidiaries. Subsidiaries are those companies in which the group directly or indirectly has an interest of more than half of the voting rights or otherwise has power to exercise control over the operations. On acquisition the assets and liabilities of a subsidiary are measured at their fair values at date of acquisition. Subsidiaries are consolidated from the date on which effective control is transferred to the group and are no longer consolidated from date of disposal. All intercompany transactions and balances between group companies have been eliminated. Premiums arising on acquisition of subsidiaries are credited to non distributable reserves.

Investment Properties

Freehold and leasehold land and buildings which are held to earn rentals and for capital appreciation are stated at their fair values at the balance sheet date. The investment properties are valued by either Directors or independent parties. Gains or losses in the carrying amount arising in changes in fair value of investment properties are recognised in the income statement.

Financial Instruments

Financial assets and financial liabilities are recognised on the group and company balance sheets when the group or company have become party to the contractual provisions of the instrument.

Bank Borrowings

Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges are accounted for on an accrual basis and added to carrying amount.

Equity Instruments

Equity instruments are recorded at the proceeds received, net of direct issue costs.

Revenue Recognition

Rental income is recognised on a straight line basis over the period of the lease. Interest income is accrued on a time basis by reference to the principal outstanding and the appropriate interest rate applicable.

Other Investments

Investments are stated at cost. The carrying amount of investments are reviewed on an annual basis and any decline other than temporary in the carrying amount is recognised in the income statement.

Plant Equipment

Plant and equipment is stated in the balance sheet at cost less depreciation.

Depreciation is calculated on the straight line basis to write off the cost of each asset to their residual value over their estimated useful life as follows:

Plant and machinery	3 - 7 years
Office equipment and furniture	3 - 10 years

The carrying amounts are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amount. Where the carrying amount of an asset is greater than its estimated recoverable amount it is written down to its recoverable amount.

Taxation

The charge for current tax is based on the results for the year as adjusted for items which are non assessable or disallowed. It is calculated using tax rates that have been enacted at balance sheet date. Deferred taxation is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax calculated at the rates that are expected to apply when the asset is realised or the liability is settled. Deferred tax is charged or credited in the income statement except when it relates to items credited or charged to equity in which case the deferred tax is also dealt with in equity.

Foreign Currency

Foreign currency transactions are accounted for at exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions are recognised in the income statement. Monetary assets and liabilities denominated in such currencies are retranslated at the rates ruling on the balance sheet date. Profits and losses arising on exchange are dealt with in the income statement.

Cash and Cash Equivalents

For the purposes of the cashflow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks, and investments in money market instruments.

Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction of a qualifying asset are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Impairment

At each balance sheet date, the group reviews the carrying amounts of its tangible and its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. Impairment losses are recognised as an expense immediately, unless the relevant asset is land or buildings other than investment property carried at a revalued amount in which case the impairment is treated as a revaluation decrease.

Interest in Joint Ventures

Interest in jointly controlled entities are reported on using the equity method. The investments are initially carried at cost and adjusted thereafter to recognise the company's share of the profit or loss. Distributions received from the investment will decrease the carrying amount.

	Company		Group	
	2001 P'000	2000 P'000	2001 P'000	2000 P'000
1. Revenue				
Revenue comprises rental income and service charges recovered from tenants.				
Rental income	12 146	8 996	13 838	10 751
Service charges recovered	433	259	460	387
	<u>12 579</u>	<u>9 255</u>	<u>14 298</u>	<u>11 138</u>
2. Profit from operations				
Profit from operations is stated after taking into account the following:				
Auditors' remuneration - audit fee	59	53	68	63
- other services	9	4	10	4
- prior year underprovision	2	10	2	10
Depreciation	210	124	210	127
Directors' emoluments - for service as directors	42	42	42	42
Gain on foreign exchange	(36)	(257)	(36)	(257)
Management and administration fee paid to related company	736	545	839	651
Service charge paid to related company	243	238	243	238
	<u>(2 132)</u>	<u>(817)</u>	<u>(2 950)</u>	<u>(1 463)</u>
3. Finance costs				
Interest receivable				
• subsidiary companies	241	257	-	-
• bank	12	145	27	171
• overdue debtors	23	6	23	6
Interest payable				
• bank	(172)	(79)	(172)	(79)
• long term loans	(2 236)	(1 348)	(2 982)	(1 828)
• Less capitalised	-	202	154	267
	<u>(2 132)</u>	<u>(817)</u>	<u>(2 950)</u>	<u>(1 463)</u>
4. Debenture interest				
Interim paid - 8.370 thebe	2 529	7 357	2 529	2 357
Final proposed - 8.576 thebe	2 649	3 552	2 649	3 552
	<u>5 178</u>	<u>5 909</u>	<u>5 178</u>	<u>5 909</u>
During 2001 interest of 8.370 thebe per linked unit was declared and paid, a further 8.576 thebe per linked unit has been proposed and will be submitted for formal approval at the Annual General Meeting.				
5. Taxation				
The company has estimated assessable losses amounting to P1 772 000 (2000 : P2 535 000) available to reduce future taxable income.				
Normal taxation	-	-	62	62
Deferred taxation	1 895	21	2 255	21
	<u>1 895</u>	<u>21</u>	<u>2 317</u>	<u>83</u>
The charge for the year can be reconciled to the profit per income statement as follows:				
Tax reconciliation				
Tax at current rate	25.0%	25.0%	25.0%	25.0%
Timing differences	(0.3%)	(23.0%)	2.0%	(20.0%)
Effective tax rate	<u>24.7%</u>	<u>2.0%</u>	<u>27.0%</u>	<u>5.0%</u>

Deferred taxation relating to the revaluation of the group's properties has been charged directly to equity (see note 14).

Notes to the Financial Statements

31 December 2001 (continued)

6. Plant and Equipment

	Plant and machinery P'000	Office equipment P'000	Total P'000
Group			
Cost			
At 31 December 2000	1 992	51	2 043
Additions	184	-	184
At 31 December 2001	2 176	51	2 227
Depreciation			
At 31 December 2000	1 135	31	1 166
Charge	208	4	212
At 31 December 2001	1 343	35	1 378
Net book value at 31 December 2001	833	16	849
Net book value at 31 December 2000	857	20	877
Company			
Cost			
At 31 December 2000	1 983	50	2 033
Additions	145	3	148
At 31 December 2001	2 128	53	2 181
Depreciation			
At 31 December 2000	1 131	28	1 159
Charge	206	4	210
At 31 December 2001	1 337	32	1 369
Net book value at 31 December 2001	791	21	812
Net book value at 31 December 2000	852	22	874

7. Investments - at cost

		Company		Group	
	Holding	2001 P'000	2000 P'000	2001 P'000	2000 P'000
Subsidiaries					
Lotsane Complex (Proprietary) Limited	77%	1 692	1 692	-	-
Professional House (Proprietary) Limited	100%	2 021	2 021	-	-
Tholo (Proprietary) Limited	50%	1 154	1 155	-	-
RDC Properties Mauritius Limited	100%	3 259	2 017	3 259	2 017
Other					
Chobe Marina Lodge		2 378	-	2 378	-
		10 504	6 885	5 637	2 017

RDC Properties Mauritius Limited is in a 50% joint venture project to develop a commercial centre in Madagascar. The above amount represents the company's 50% contribution as set out in the shareholders agreement. The development at the date of reporting was still under construction. No consolidation has been done as no meaningful information will be provided.

All the assets and liabilities of Professional House were transferred into RDC Properties at fair value.

The investment in Chobe Marina Lodge represents a pre-payment for a 25 year lease. This will be amortised over the period of the lease. RDC Properties will receive income from the bed nights let out to tourists.

	Company		Group	
	2001 P'000	2000 P'000	2001 P'000	2000 P'000
8. Investment properties				
Freehold land and buildings at valuation	37 483	36 510	37 483	36 510
Leasehold land and buildings at valuation	49 012	40 042	62 952	52 392
Leasehold land and buildings : undeveloped at cost	116	116	116	116
: work in progress at cost	-	-	-	6 233
	86 611	76 668	100 551	95 251
Reconciliation of fair value				
Opening value	76 668	69 258	95 251	83 206
Additions	4 851	7 410	2 376	12 045
Net increase in fair value	5 092	-	2 921	-
Closing balance	86 611	76 668	100 551	95 251

Valuations are carried out on an annual basis either by the Directors or by independent valuers. The values are based on the open market value.

Freehold land and buildings comprise the following:

Lots 1124 to 1130, Extension 3, Gaborone, which are encumbered by first & second mortgage bond in favour of Barclays Bank Botswana Limited totalling P10 000 000 to secure a loan facility of P5 000 000 and an overdraft facility of P5 000 000.

Lot 21306 Phakalane.

Lot 1116/17 extension 3 Gaborone.

Leasehold land and buildings comprise the following:

Lots 4787 and 4788 , Extension 6, Gaborone.

Lots 22017/18 Gaborone.

Lot 443, Serowe, which is encumbered by a mortgage bond in favour of Botswana Building Society for P216 800.

Lot 679, Serowe, which is encumbered by a mortgage bond in favour of Standard Chartered Bank Botswana Limited for P998 000.

Lot 914, Kasane, which is encumbered by a mortgage bond in favour of First National Bank of Botswana Limited for P1 500 000.

Lot 208, Maun, which is encumbered by a mortgage bond in favour of Standard Chartered Bank Botswana Limited for P1 750 000.

Lot 234-KO, Gaborone, which is encumbered by a mortgage bond in favour of Standard Chartered Bank Botswana Limited for P1 855 000.

Lot 194, Maun, which is encumbered by a mortgage bond in favour of National Development Bank for P780 000.

Lots 680 and 292, Serowe, which are encumbered by a mortgage bond in favour of National Development Bank for P2 460 000.

Lots 3761, 5422 and 5423, Jwaneng, which are encumbered by first mortgage bonds in favour of First National Bank of Botswana Limited for P2 760 000.

Lots 13142, 13143 and 13144, Gaborone, which are encumbered by first mortgage bonds in favour of Botswana Building Society for P5 000 000.

Lot 617, Molepolole.

Lots 50668 to 50669, Faigrounds, which are encumbered by first mortgage bonds in favour of Barclays Bank of Botswana for P6 545 000.

Notes to the Financial Statements

31 December 2001 (continued)

	Company		Group	
	2001 P'000	2000 P'000	2001 P'000	2000 P'000
9. Trade and other receivables				
Trade receivables	438	392	592	413
Tholo (Proprietary) Limited	65	129	-	-
Lotsane Complex (Proprietary) Limited	1 066	1 297	-	-
Other receivables	86	72	101	93
Property and Asset Management	-	-	-	97
	<u>1 655</u>	<u>1 890</u>	<u>693</u>	<u>603</u>
10. Other financial assets				
Cash at bank and in hand	75	60	144	401
11. Share capital				
Authorised				
1 000 000 000 shares of 1 thebe each	10 000	10 000	10 000	10 000
Issued 30 901 629 (2000 : 28 939 429) shares of 1 thebe each	309	289	309	289
12. Debentures				
30 901 629 (2000 : 28 939 429) debentures of P1.60 each	49 443	46 303	49 443	46 303
13. Share premium				
Opening balance	8 268	8 787	8 268	8 787
Discount on capitalisation of distribution during the year	(641)	(519)	(641)	(519)
	<u>7 627</u>	<u>8 268</u>	<u>7 627</u>	<u>8 268</u>
14. Non distributable reserves				
Opening balance	7 079	7 407	8 811	9 210
Deferred taxation	-	(328)	(28)	(389)
Outside shareholders	-	-	-	(10)
Release on internal transfer of property	-	-	(1 544)	-
Transfer on adoption of new accounting policy	(7 079)	-	(7 239)	-
	<u>-</u>	<u>7 079</u>	<u>-</u>	<u>8 811</u>
15. Accumulated profits				
Arising from operations	5 330	3 467	6 176	4 936
Arising from revaluation of investments	10 898	-	11 148	-
	<u>16 228</u>	<u>3 467</u>	<u>17 324</u>	<u>4 936</u>
16. Long term borrowings				
Standard Chartered Bank Botswana Limited	489	876	489	876
Less current portion	(247)	(373)	(247)	(373)
	<u>242</u>	<u>503</u>	<u>242</u>	<u>503</u>
<p>These loans bear variable interest rates of 1% to 2% above prevailing prime rates. The loans are repayable in monthly instalments of P57 761 (2000 : P80 761) including interest, and are secured as indicated in note 8. These loans are repayable in 2003 and 2004.</p>				
Botswana Building Society	2 670	158	2 670	2 871
Less : current portion	(228)	(12)	(228)	(195)
	<u>2 442</u>	<u>146</u>	<u>2 442</u>	<u>2 676</u>
<p>These loans bear interest at a fixed rate of 15% per annum and are repayable in monthly instalments of P51 956 (2000 : P51 956) including interest, and are secured as indicated in note 8. The loans are repayable in 2010.</p>				
First National Bank of Botswana Limited	2 291	2 609	2 291	2 609
Less : current portion	(396)	(292)	(396)	(292)
	<u>1 895</u>	<u>2 317</u>	<u>1 895</u>	<u>2 317</u>

	Company		Group	
	2001 P'000	2000 P'000	2001 P'000	2000 P'000
16. Long term borrowings (continued)				
These loans bear interest at a flat rate of prime currently 15.75% per annum. The loans are repayable in monthly instalments of P60 109 (2000 : P59 000) including interest, and are secured as indicated in note 8. The loans are repayable in 2005 and 2112.				
National Development Bank	1 415	1 510	1 415	1 510
Less : current portion	(110)	(90)	(110)	(90)
	<u>1 305</u>	<u>1 420</u>	<u>1 305</u>	<u>1 420</u>
These loans bear interest at a fixed rate of 16.5% and are repayable in monthly instalments of P28 571 (2000 : P28 571) including interest, and are secured as indicated in note 8. The loans are repayable in 2010.				
Barclays Bank of Botswana Limited	4 802	4 712	9 771	8 642
Less : current portion	(252)	(162)	(505)	(292)
	<u>4 550</u>	<u>4 550</u>	<u>9 266</u>	<u>8 350</u>
These loans bear interest at rates of 0.5% below prevailing prime rates. The loans are repayable in monthly instalments of P162 075 (2000 : P189 727) including interest. The loans are secured as indicated in note 8. The loans are repayable in 2010 and 2011.				
Long term portion of loans	10 436	8 936	15 152	15 266
Current portion of loans	<u>1 231</u>	<u>929</u>	<u>1 484</u>	<u>1 242</u>
17. Deferred taxation				
The deferred taxation liability comprises of timing differences on: plant and equipment	(36)	(20)	(41)	(21)
: investment properties	(24 240)	(17 457)	(27 920)	(21 861)
Tax losses	1 772	2 535	1 789	2 535
	<u>(22 504)</u>	<u>(14 942)</u>	<u>(26 172)</u>	<u>(19 347)</u>
Tax at 25%	<u>(5 626)</u>	<u>(3 735)</u>	<u>(6 543)</u>	<u>(4 837)</u>
Reconciliation of movement				
Opening balance	3 735	3 387	4 837	4 427
Charge to equity	-	327	28	389
Internal transfer of property	-	-	(577)	-
Charge to income statement	1 891	21	2 255	21
Closing balance	<u>5 626</u>	<u>3 735</u>	<u>6 543</u>	<u>4 837</u>
18. Trade and other payables				
Trade payables	958	760	1 322	1 205
Property Asset Management Limited	467	194	467	215
Italtswana Construction Company (Proprietary) Limited	40	122	40	122
Professional House (Proprietary) Limited	1 883	667	-	-
Other payables	1 323	1 351	1 514	1 424
	<u>4 671</u>	<u>3 094</u>	<u>3 343</u>	<u>2 966</u>
19. Bank overdraft				
The bank overdraft is secured by a first mortgage bond of P5 000 000 over Lots 1124 to 1130 in favour of Barclays Bank of Botswana.				
20. Dividends				
Interim paid - 0.167 thebe	50	47	50	47
Final proposed - 0.1719 thebe	54	71	54	71
	<u>104</u>	<u>118</u>	<u>104</u>	<u>118</u>

During 2001 a dividend of 0.167 thebe per linked unit was declared and paid, a further 0,1719 thebe per linked unit has been proposed and will be submitted for formal approval at the Annual General Meeting.

Notes to the Financial Statements

31 December 2001 (continued)

	Company		Group	
	2001 P'000	2000 P'000	2001 P'000	2000 P'000
21. Non cash transactions				
Investment property acquired during the year to the value of P1 345 199 was financed by means of loans from Barclays Bank of Botswana Limited.				
22. Related party transactions				
The following transactions were carried out with related parties. Related parties are companies with common shareholding and control.				
Trading transactions:				
Property Asset Management Limited				
- management and administration	736	545	839	651
- project management fees	-	-	74	-
- lease renewal fees	171	101	213	133
Italtswana Construction Company (Proprietary) Limited				
- service charges	243	238	243	238
	<hr/>	<hr/>	<hr/>	<hr/>
The above transactions were carried out as follows:				
Property Asset Management Limited				
Management and administration fees are calculated on a fixed percentage of net rental income after taking bad debts into consideration. Lease renewal fees are calculated on a commercial basis.				
Italtswana Construction Company (Proprietary) Limited				
Fee calculated as a fixed percentage of the market capitalisation of the group on the last trading day of the month.				
Payables relating to:				
Property Asset Management Limited	531	288	599	215
Italtswana Construction Company (Proprietary) Limited	6	193	6	193
	<hr/>	<hr/>	<hr/>	<hr/>

23. Financial Instruments

In the normal course of business the group is exposed to currency, credit, liquidity and interest rate risk. The group manages its exposure by meeting on a regular basis to ensure the treasury activities are carried out in an orderly and efficient manner adhering to management procedures and policies.

Currency risk

During the year the group did not enter into any contracts for forward exchange of foreign currencies or use any derivative financial instruments. There is minimal currency exposure on foreign investment as it is USD denominated and income will also be USD denominated.

Credit risk

The groups credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for bad debts estimated by the group management based on prior experience and the current economic environment.

The group has no significant concentration of credit risk, with exposure spread over a large number of customers.

Fair values

The carrying amounts of the following financial assets and financial liabilities approximate to their fair value: cash, investments, trade receivables and payables, other receivables, long term borrowings and dividends payable.

24. Contingent liability

If the group were to sell its underlying assets primarily its freehold and leasehold properties at current market value a capital gains tax liability of approximately P2 158 172 would arise.

Property Name	Form of lease	Title Deed Number	Location of Property	Sector	Lettable area m ²
Standard House	Freehold	133/97	Lots 1124 to 1130 in Gaborone Ext 3	Offices	4 886.38
Plaza I & II	50-year State leasehold	177/97	Lot 4787 & 4788 in Gaborone Ext 6	Offices	2 450.64
Mebala Centre	Freehold	25/97	Lots 1116/17 & 1840 in Gaborone Ext 3	Retail	1 517.99
Chobe Commercial Centre	50-year State leasehold	678/97	Lot 914 Kasane in Chobe Admin District	Retail & Offices	1 144.00
Boswa Centre	50-year Tribal lease	2/97 6/97	Lot 680 Serowe Lot 292 Serowe Agreement of lease No 258/96 of 18/7/96	Retail & Offices	843.00
Lotsane Complex	50-year Tribal lease	MA 62/95	Lot 1707 Palapye	Retail	3 878.00
Broadhurst Business Centre	50-year State leasehold	MA 15/97	Lease area 234KO on Lot 10211 in Gaborone	Offices	1 658.00
Pep Store	50-year Tribal lease	75/97	Lot 443 Serowe	Retail	471.00
Standard House	50-year Tribal lease	1/97	Lot 679 Serowe	Retail & offices	855.00
Diamond Centre	50-year State leasehold	514/95 661/95 185/96	Lot 3761 Jwaneng Lot 5422 Jwaneng Lot 5423 Jwaneng	Retail	2 322.00
Tsodilo Centre	50-year Tribal lease	3/97	Lot 194 Maun	Retail	492.00
Molemall	50-year Tribal lease	4/97	Lot 617 Molepolole	Undeveloped	
Roots Tower	50-year Tribal lease	13/97	Lot 208 Maun Notarial Deed of Lease 20/96 of 14/3/96	Retail & offices	1 069.00
Professional House	50-year State leasehold	2023/00	Lot 13142,13143 13144, Gaborone No 72/81 of 17/2/81	Offices	1 731.32
Phakalane Warehouses	Freehold	1448/99	Lot 21306 Phakalane	Industrial	2 376.00
Gaborone West Warehouses	50-year State leasehold	2219/2000 908/2001	Lots 22017/18 Gaborone	Industrial	4 041.00
Tholo A & B	50-year state leasehold	1697/98/2000	Lot 50668/69 Gaborone	Office	2 191.00
Tholo C	50-year state leasehold	1343/99	Lot 50369 Gaborone	Undeveloped	

Notice is hereby given that the sixth Annual General Meeting of the Company will be held at the RDC Offices, Realestate Office Park, Gaborone on Tuesday April 23 2002, at 4:00 pm for the following business.

Agenda

1. To read the notice convening the meeting.
2. To receive, consider and adopt the audited financial statements for the year ended 31 December 2001.
3. To pass the following Special Resolution "THAT the Articles of Association of the company be and is hereby amended as follows:-
 - i) Article 98 to be renumbered as 98 (a)
 - ii) To insert a new Article numbered 98 (b) to read as follows:-

"All dividends unclaimed for a period not less than three (3) years from the date on which the dividends become payable, may be forfeited by the Directors for the benefit of the company. On the event of a resolution being passed providing for the company to be wound up voluntarily, such resolution may provide that any dividends unclaimed for a period of not less than three (3) years from the date on which the dividends became payable and not previously forfeited, may be forfeited by the Directors for the benefit of the company."

4. To approve the distribution as recommended by the Directors.
5. To approve the payment of P42 000 for Directors' emolument (fees and expenses) for the year ended 31 December 2001.
6. To re-elect the Director of the company:

M.A. Giachetti
G.R. Giachetti

who retire by rotation in terms of Article 54 of the Articles of Association and being eligible offer themselves for re-election.

7. To appoint auditors for the ensuing year and fix their remuneration.
8. To transact such other business as may be transacted at an Annual General Meeting.

A member entitled to attend and vote may appoint a proxy to attend and vote for him/her on his/her behalf, and such proxy need not also be a member of the company. The instrument appointing such a proxy must be deposited at the registered office of the company not less than 48 hours before the meeting.

By Order of the Board

PRICEWATERHOUSECOOPERS 

PricewaterhouseCoopers Services (Proprietary) Limited
Secretaries
28 March 2002

Registered Office
Plot 50371, Fairgrounds Office Park
P O Box 294, Gaborone.

The sixth Annual General Meeting of members to be held on Tuesday April 23 2002 at 4.00 pm at the RDC Offices, Realestate Office Park, Gaborone.

I/We..... of being a member/members of the above named company do hereby appoint:

..... ofor failing that person

the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the sixth Annual General Meeting of the company to be held on April 23 2002 at 4.00 pm.

Signed this.....day of2002

Signature.....

Unless otherwise instructed, the proxy will vote as he/she thinks fit.

