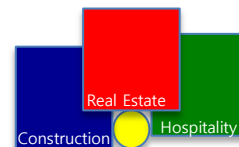




**RDC PROPERTIES LIMITED**  
PO Box 405391, Gaborone, Botswana  
Plot 5624, Lejara Road, Broadhurst Industrial, Gaborone, Botswana,

Registration Number 96/592 (Incorporated in the Republic of Botswana)  
Directors: G R Giachetti (Chairman)\*, G Giachetti\*, K Jefferies, L Magang,  
K C Maphage, J Pari\*, Andrew Bradley\*\*  
\* Italian , \*\* South African



Member of the: **Realestate Group**

**HIGHLIGHTS –ANNOUNCEMENT OF THE AUDITED CONSOLIDATED SUMMARISED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016**

**↑ INVESTMENT AND PROPERTY PORTFOLIO UP 12.1% TO P1,237 MILLION**      **↑ PROFIT FOR THE YEAR UP 24% TO P124,5 MILLION**      **↑ DISTRIBUTION PER LINKED UNIT UP 13%**      **◆ LAND SECURED IN NAMIBIA PARTNERSHIPS SIGNED IN MOZAMBIQUE**

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	2016 P'000 Audited	2015 P'000 Audited	% Change
<b>Revenue</b>	<b>90,886</b>	<b>86,993</b>	<b>4%</b>
Operating expenses	(27,834)	(25,678)	
(Loss)/ income arising from joint venture	(310)	238	
Other foreign exchange (losses)/gains	(240)	52	
Other operating income	2,673	1,220	
Investment income	12,176	1,767	
Finance costs	(17,541)	(18,888)	
<b>Net income from operations before fair value adjustments</b>	<b>59,810</b>	<b>45,704</b>	<b>31%</b>
Surplus arising on revaluation of properties	90,350	80,618	
<b>Profit before tax</b>	<b>150,160</b>	<b>126,322</b>	<b>19%</b>
Income tax expense	(25,659)	(25,965)	
<b>Profit for the year</b>	<b>124,501</b>	<b>100,357</b>	<b>24%</b>

Other comprehensive income	2016 P'000 Audited	2015 P'000 Audited	% Change
<i>Items that may be subsequently classified to profit or loss</i>			
Exchange differences on translation of foreign operations	566	175	
Fair value gains on available for sale financial asset	1,276	-	
<b>Total comprehensive income for the year</b>	<b>126,343</b>	<b>100,532</b>	<b>26%</b>
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the company	106,342	76,754	
Non-controlling interests	20,001	23,778	
	<b>126,343</b>	<b>100,532</b>	<b>26%</b>
<b>Average number of linked units in issue (adjusted for bonus and rights issue)</b>	<b>347,547,222</b>	<b>259,422,463</b>	<b>34%</b>
<b>Earnings per linked unit (thebe)</b>	<b>31.64</b>	<b>31.19</b>	<b>1%</b>
<b>Number of linked units in issue at year end</b>	<b>347,547,222</b>	<b>347,547,222</b>	
<b>Distribution per linked unit (thebe)</b>	<b>8.48</b>	<b>7.52</b>	<b>13%</b>

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	2016 P'000 Audited	2015 P'000 Audited	% Change
<b>Assets</b>			
Property, plant and equipment	10,168	1,146	
Intangible asset	1,000	1,000	
Investment in a joint venture	26,434	26,528	
Investment properties	1,169,268	1,075,161	
Rental receivable - straight line rental adjustment	10,839	9,656	
Available for sale investments	14,415	-	
Long-term trade receivables	2,052	8,197	
Current assets	205,180	201,981	
Assets classified as held for sale	15,634	-	
<b>Total Assets</b>	<b>1,454,990</b>	<b>1,323,669</b>	
<b>Equity and Liabilities</b>			
Equity attributable to the owners of the parent	927,806	840,319	10%
Non-controlling interests	177,559	160,706	
Long term borrowings	224,048	211,621	
Deferred tax liabilities	86,537	66,714	
Current liabilities	39,040	44,309	
<b>Total Equity and Liabilities</b>	<b>1,454,990</b>	<b>1,323,669</b>	

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS	2016 P'000 Audited	2015 P'000 Audited
<b>Cash flows from operating activities</b>		
Net income from operations before fair value adjustments	59,810	45,704
Adjustment for non-cash items	3,392	13,300
Working capital changes	3,266	(1,922)
Taxation paid	(285)	(989)
Net cash generated from operations	66,183	56,093
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,592)	(27)
Investment property additions	(26,643)	(62,428)
Interest income	11,739	1,767
Purchase of available for sale investments	(13,139)	-
Net cash used in investing activities	(30,635)	(60,688)
<b>Cash flows from financing activities</b>		
Dividend income	436	-
Dividends and debenture interest paid	(27,211)	(21,891)
Finance costs paid	(17,541)	(18,888)
Net loans raised	12,515	4,855
Contributions to joint venture	-	(3,951)
Issue of ordinary shares and debentures	-	232,081
Net cash (used in)/generated from financing activities	(31,081)	192,206
<b>Net movement in cash and cash equivalents</b>	<b>3,747</b>	<b>187,611</b>
Cash and cash equivalents at beginning of year	178,485	(9,744)
Effects of exchange rate on the cash held in foreign currencies	107	618
<b>Cash and cash equivalents at end of year</b>	<b>182,339</b>	<b>178,485</b>

Consisting of:	2016 P'000 Audited	2015 P'000 Audited
Cash and bank balances	182,339	183,274
Bank overdraft	-	(4,789)
	<b>182,339</b>	<b>178,485</b>

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	2016 P'000 Audited	2015 P'000 Audited
Balance brought forward	1,001,025	685,974
Rights issue	-	232,081
Total comprehensive income for the year	126,343	100,532
Debiture interest paid	(22,647)	(21,468)
Taxation attributable to debenture interest	5,475	4,329
Dividends paid	(4,831)	(423)
	<b>1,105,365</b>	<b>1,001,025</b>

**The Year Review & Prospects**  
It is a pleasure to report that the audited financial results for the year ended 31 December 2016 reflect revenue growth of 4% and a profit for the year up 24%. Profit before tax was up 19%. The investment and property portfolio grew 12% to P1.2 billion. The largest contributor to the growth in the portfolio value relates to the fair value gains of the Chobe Marina Lodge property which was independently valued this year.

Contractual lease rental revenue improved by 6%, excluding the effects of the straight line rental adjustment. This growth is largely due to the performance of Chobe Marina Lodge (rental revenue linked to turnover of the Lodge).

The successful completion of the Masa Suites during the year as well as the Masa Square Hotel refurbishment has added positively to the Masa Centre experience. Masa Centre continues to be a key business and leisure destination in the Gaborone CBD. The new Gaborone West Warehouses were completed during the year and are practically fully let with offers on the final unit in hand. The development of the new 45 residential apartments at the ICC Flats property in Gaborone is progressing well and should be completed early 2018; on track and within budget.

The P15.6 million 'Assets classified as held for sale' in the Summarised Consolidated Statement of Financial Position relates to a signed offer the Group has received on 1 February 2017 for the sale of an office park on Lot 5624 Lejara Road, Broadhurst Industrial. The sale is subject to the purchaser meeting all the terms and conditions associated with the transaction.

In pursuit of our regional expansion, we have now secured sites in Namibia for the development of convenience shopping centres in Katima Mulilo and Tsumeb. The land allocation process is on-going for three other towns. Construction is expected to start within the next six months.

Shareholders' agreements have been signed for the development of two convenience shopping centres in Mozambique; one is a partially completed centre in Xai-Xai and the other a new build in Maputo (Zimpeto suburb). Construction is expected to start within the next three months. Our interests in the developments in Mozambique will be held through two registered Mauritius subsidiaries of RDC Properties International (Proprietary) Limited ("RDCPI"), a 100% subsidiary of RDC Properties Limited. RDCPI is an International Financial Services company ("IFSC").

Finally, as part of our objective to contribute to the improvement of the quality of life in developing countries, we continue supporting various charitable causes including our long-standing support of Ngwapa Primary School, the Sephare Hospital and many other worthy causes directly or through the Masa Centre Charity events.

**Basis of preparation and accounting policies**

The summarised financial results have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"), and to also, as a minimum, contain the information required by IAS 34, Interim Financial Reporting. In preparing the underlying financial statements from which these summarised financial results were extracted, all International Financial Reporting Standards and International Reporting Interpretations Committee interpretations issued and effective for annual periods beginning on or after 1 January 2016 have been applied. The Group's underlying consolidated financial statements have been prepared in accordance with IFRS. The principal accounting policies are consistent in all material aspects with those adopted in the previous year.

**Financial results and highlights**

Revenue increased from P87 million in 2015 to P90.9 million in 2016, showing an increase of 4%. The surplus arising on revaluation of properties increased by 12% to P90.4 million (2015: P80.6 million). Net income from operations before fair value adjustments was up 31%. Profit before tax was up 19%. Based on these results, the company distribution per linked unit increased by 13%. The Adjusted Net Asset Value (NAV) stands at P2.84 per linked unit up 11% (2015: P2.56) and return on equity ("ROE") stands at 11% (2015: 9%). Current year capital expenditure amounted to P29.2 million (2015: P62.5 million).

**Commitments and contingent liabilities**

The Group's capital commitments of P78.6 million as at 31 December 2016 comprise the re-development of the ICC Flats and the international developments in Mozambique and Namibia. These will be financed through funds raised from the 2015 rights issue and bank borrowings. As at 31 December 2016, the Group had contracted with tenants for future minimum lease payments of P425.1 million (2015: P455.5 million) and has a corporate guarantee of P47.7 million.

**Fair value measurement**

The fair value of investment property is arrived at on the basis of a valuation technique using the net income capitalisation method, taking into account the prevailing market rentals, occupation levels and capitalisation rates thus classified as Level 3 in the fair value hierarchy. The fair value measurement resulted in an increase in profit of P90.4 million.

**Directors**

Mr Andrew Bradley was appointed as an independent non-executive director of the Company at the meeting of the Board of Directors held on 26 May 2016.

**Distribution to linked unit holders**

Notice is hereby given that a final distribution, in the form of a dividend of 0.915 thebe per share, has been declared. This dividend will be payable on 26 May 2017 to those linked unit holders registered at the close of business on 13 April 2017. The second interim interest distribution declared in respect of the period to 30 September 2016 is the final interest distribution for the year.

**Independent Auditor's Report**

Deloitte & Touche, the Group's independent auditors, have audited the consolidated financial statements of the Group from which these summarised financial results have been derived, and have expressed an unmodified audit opinion on the consolidated financial statements. These audited summarised financial results comprise the audited summarised consolidated statement of financial position as at 31 December 2016, the audited summarised consolidated statement of comprehensive income, audited summarised consolidated statement of changes in equity and audited summarised consolidated statement of cash flows for the year then ended. The full set of financial statements including the audit report and the summarised consolidated financial statements are available for inspection at the Group's registered office. For a better understanding of the Group's financial position and the results of its operations for the year and the scope of the audit, the audited summarised financial results should be read in conjunction with the audited consolidated financial statements from which the summarised financial results were derived and the audit report thereon. The audit of the summarised consolidated financial statements was conducted in accordance with International Standards on Auditing.

**By order of the Board**  
G R Giachetti  
Executive Chairman  
Gaborone 24 March 2017

