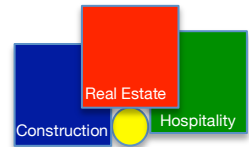


# RDC PROPERTIES LIMITED

Po Box 405391, Gaborone, Botswana  
Plot 5624, Lejara Road, Broadhurst Industrial, Gaborone, Botswana,

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



Member of the: **Realestate Group**



## HIGHLIGHTS –ANNOUNCEMENT OF THE ABRIDGED UN-AUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2016

- **PROFIT BEFORE TAX UP 42%**
- **EARNINGS PER LINKED UNIT UP 50%**
- **INVESTMENT & PROPERTY PORTFOLIO NOW STANDS AT P1,124 MILLION, UP 17%**

ABRIDGED UN-AUDITED GROUP STATEMENT OF COMPREHENSIVE INCOME For the six months ended 30 June 2016	Six months Ended 30 June 2016 P'000	Six months Ended 30 June 2015 P'000	
	<b>Revenue</b>	<b>41,728</b>	<b>39,603</b>
Operating expenses	(12,039)	(10,047)	
Other operating income	1,522	-	
Loss arising from joint venture	(243)	(1,234)	
Net foreign exchange losses	(1,245)	(859)	
<b>Profit from operations</b>	<b>29,723</b>	<b>27,463</b>	<b>8%</b>
Net finance costs	(3,452)	(9,013)	
<b>Profit before tax</b>	<b>26,271</b>	<b>18,450</b>	<b>42%</b>
Income tax credit (expense)	-	258	
<b>Profit for the period</b>	<b>26,271</b>	<b>18,708</b>	<b>40%</b>
<b>Other comprehensive income</b>			
Exchange differences on translation of foreign operations	(387)	1,336	
<b>Total comprehensive income for the period</b>	<b>25,884</b>	<b>20,044</b>	
<b>Profit for the period attributable to:</b>			
Owners of the company	21,356	14,224	
Non-controlling interest	4,915	4,484	
	<b>26,271</b>	<b>18,708</b>	

Number of linked units in issue at period end	347,547,222	347,547,222	
<b>Earnings per linked unit (thebe)</b>	<b>6.14</b>	<b>4.09</b>	<b>50%</b>
Interim dividend (thebe)	0.065	0.076	
Interim debenture interest (thebe)	3.273	3.783	
<b>Total distribution (thebe)</b>	<b>3.339</b>	<b>3.859</b>	<b>(13%)</b>

ABRIDGED UN-AUDITED GROUP STATEMENT OF FINANCIAL POSITION As at 30 June 2016	2016 P'000	2015 P'000
	<b>Assets</b>	
Property, plant and equipment	8,049	1,274
Intangible asset	1,000	1,000
Investment properties	1,090,293	934,797
Investment in a joint venture	24,687	26,102
Long-term trade and other receivables	8,388	4,460
Current assets	194,193	32,453
<b>Total Assets</b>	<b>1,326,610</b>	<b>1,000,086</b>
<b>Equity and Liabilities</b>		
Equity attributable to the owners of the company	848,543	551,298
Non-controlling interests	165,119	141,412
Long term borrowings	204,788	209,039
Deferred tax liabilities	66,714	44,961
Current liabilities	41,446	53,376
<b>Total Equity and Liabilities</b>	<b>1,326,610</b>	<b>1,000,086</b>

ABRIDGED UN-AUDITED GROUP STATEMENT OF CASH FLOWS For the six months ended 30 June 2016	Six months Ended 30 June 2016 P'000	Six months Ended 30 June 2015 P'000
	<b>Cash flows from operating activities</b>	
Profit from operations	29,723	27,463
Adjustment for non cash items	83	21
Working capital changes	(6,300)	(2,286)
Net finance costs paid	(3,549)	(9,013)
Dividend and debenture interest	(12,955)	(13,308)
Taxation (paid)/recovered	(365)	(446)
Net cash generated from operations	6,637	2,431
Purchase of property, plant and equipment	(4,942)	-
Improvements to investment properties	(5,953)	(2,889)
Share of loss in a joint venture	243	1,234
Net loans repaid	(7,305)	(2,372)
<b>Net movement in cash and cash equivalents</b>	<b>(11,320)</b>	<b>(1,596)</b>
Cash and cash equivalents beginning of the period	178,485	(9,744)
<b>Cash and cash equivalents end of the period</b>	<b>167,165</b>	<b>(11,340)</b>

ABRIDGED UN-AUDITED GROUP STATEMENT OF CHANGES IN EQUITY For the six months ended 30 June 2016	June 16 P'000	June 15 P'000
Balance brought forward	692,710	600,917
Total distribution to the owners of the company	(12,730)	(13,308)
Net movement attributable to the owners of the company	309,975	124,081
Net movement attributable to non-controlling interests	23,707	(18,980)
<b>Balance at period end</b>	<b>1,013,662</b>	<b>692,710</b>

### Comments and prospects

We are very pleased to present the **RDC Properties Limited** abridged un-audited financial results for the half-year ended 30 June 2016. Profit before tax increased by 42% to 26.2 million aided by the interest received on proceeds of the rights issue. Profit from operations increased by 8% to P29.7 million with rental income up 5% to P41.7 million despite difficult trading conditions in the commercial property market. The growth in rental income was aided by the performance of **Chobe Marina Lodge** which has performed exceptionally showing an increase in rental income of 33.9% over the prior year. The Lodge performance is benefitting from growth in the tourism industry and excellent management of the property. The lease is linked to the revenue of the Lodge hence the significant growth in rental income.

The refurbishment and rebranding of the **Masa Square Hotel** has been completed along with the addition of the now fully operational 30 luxurious **Masa Executive Suites**. The Suites are operated by the Masa Square Hotel and the response by the Market has been very good. We are also delighted to announce that the **Gaborone West Warehouse extension** is now complete and it is currently at 71% occupation. The demand for these type of Industrial units has been robust. Additionally, works have commenced on the new **ICC Residential Flats**, with 45 new flats being added to this prime property acquired in 2015 for redevelopment.

Management is very much focusing on the regional diversification. In **South Africa**, the proposed development of the Business Hotel in the CBD of Cape Town has had to be set aside as some issues arose with the subdivision of the property which was a condition precedent; other developments are under scrutiny. In **Namibia**, we have signed a Memorandum of Understanding with partners for our proposed retail developments mostly in the North of the country. At this stage two pieces of land have been identified and reserved for development. The preliminary designs, market research and feasibility are underway for many centers around the country. In **Mozambique**, we have signed Memoranda of Understanding with partners for retail developments at two sites, one in Xai Xai and the other in Zimpeto, Maputo. Both sites are in excellent locations. An Option to Purchase is also being finalised for a retail development in Xiquelene, Maputo. Control mechanisms, structures and tools are being implemented to be able to supervise our regional expansion.

### 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 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.

Earnings per linked units for the six months ended 30 June 2015 have been restated in accordance with IAS 33, Earnings per Share as a result of the Bonus and Rights Issue that occurred in November 2015.

### Financial results and highlights

The results of the group are very pleasing with a significant growth in our property portfolio which now stands at P1,124 million (2015: P963.2 million), up 17%.

Revenue increased by 5% to P41.7 million (2015: P39.6 million). Profit from operations increased by 8% to P29.7 million (2015: P27.5 million). Profit before tax increased by 42% to 26.2 million (2015: P18.5 million). Net finance costs this year decreased to P3.5 million (2015: P9.0 million) due to interest earned from the investment of funds raised during the Rights Issue in November 2015, as well as a reduction in borrowing costs.

### 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 an interim dividend of **0.065** thebe per ordinary share and interest of **3.273** thebe per debenture has been declared. This dividend and interest will be payable on 28 October 2016 to those linked unit holders registered at the close of business on 14 October 2016. In terms of the Botswana Income Tax Act (as amended), withholding tax at a rate of 7.5% will be deducted by the company from all dividends paid and 15% from interest paid to foreign registered unit holders. As per the Seventh Schedule to the Income Tax Act, withholding tax of 10% on interest paid to residents for amounts in excess of P1,950 per quarter, will be deducted wherever applicable.

By order of the Board  
G. R. Giachetti, Executive Chairman  
Gaborone 10 August 2016

