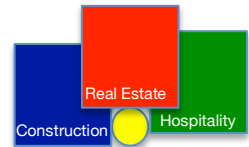


RDC PROPERTIES LIMITED

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 2017

- **PROFIT BEFORE TAX UP 8%**
- **EARNINGS PER LINKED UNIT UP 11%**
- **INVESTMENT & PROPERTY PORTFOLIO NOW STANDS AT P1,260 MILLION, UP 12%**

ABRIDGED UN-AUDITED GROUP STATEMENT OF COMPREHENSIVE INCOME For the six months ended 30 June 2017	Six months	Six months	
	Ended 30 June 2017 P'000	Ended 30 June 2016 P'000	
Revenue	43,935	41,728	5%
Operating expenses	(13,124)	(12,039)	
Other operating income	560	1,522	
Profits/ (loss) arising from joint venture	99	(243)	
Net foreign exchange losses	(90)	(1,245)	
Profit from operations	31,380	29,723	6%
Net finance costs	(3,057)	(3,452)	
Profit before tax	28,323	26,271	8%
Income tax expense	-	-	
Profit for the period	28,323	26,271	8%
Other comprehensive income			
Fair value losses on available for sale financial assets	(442)	-	
Exchange differences on translation of foreign operations	(1,202)	(387)	
Total comprehensive income for the period	26,679	25,884	
Profit for the period attributable to:			
Owners of the company	23,745	21,356	
Non-controlling interest	4,578	4,915	
	28,323	26,271	
Number of linked units in issue at period end	347,547,222	347,547,222	
Earnings per linked unit (thebe)	6.83	6.14	11%
Interim dividend (thebe)	0.070	0.065	
Interim debenture interest (thebe)	3.500	3.273	
Total distribution (thebe)	3.570	3.339	7%

ABRIDGED UN-AUDITED GROUP STATEMENT OF FINANCIAL POSITION As at 30 June 2017	2017	2016
	P'000	P'000
Assets		
Property, plant and equipment	9,534	8,049
Available for sale Investments	16,575	-
Intangible asset	1,000	1,000
Investment properties	1,192,578	1,090,293
Asset classified as held for sale	15,634	-
Investment in a joint venture	24,499	24,687
Long-term trade and other receivables	5,131	8,388
Current assets	191,360	194,193
Total Assets	1,456,311	1,326,610
Equity and Liabilities		
Equity attributable to the owners of the company	931,072	848,543
Non-controlling interests	179,759	165,119
Long term borrowings	215,269	204,788
Deferred tax liabilities	86,537	66,714
Current liabilities	43,674	41,446
Total Equity and Liabilities	1,456,311	1,326,610

ABRIDGED UN-AUDITED GROUP STATEMENT OF CASH FLOWS For the six months ended 30 June 2017	Six months	Six months
	Ended 30 June 2017 P'000	Ended 30 June 2016 P'000
Cash flows from operating activities		
Profit from operations	31,380	29,723
Adjustment for non cash items	(1,391)	83
Working capital changes	(3,705)	(6,300)
Net finance costs paid	(3,057)	(3,549)
Dividend and debenture interest	(20,236)	(12,955)
Taxation paid	(653)	(365)
Net cash generated from operations	2,338	6,637
Purchase of property, plant and equipment	(11)	(4,942)
Improvements to investment properties	(10,825)	(5,953)
Share of income from joint venture	(99)	243
Contributions to joint venture	(858)	-
Net loans repaid	(9,801)	(7,305)
Net movement in cash and cash equivalents	(19,256)	(11,320)
Cash and cash equivalents beginning of the period	182,339	178,485
Cash and cash equivalents end of the period	163,083	167,165

ABRIDGED UN-AUDITED GROUP STATEMENT OF CHANGES IN EQUITY For the six months ended 30 June 2017	June 17	June 16
	P'000	P'000
Balance brought forward	1,013,662	692,710
Total distribution to the owners of the company	(17,857)	(12,730)
Net movement attributable to the owners of the company	100,388	309,975
Net movement attributable to non-controlling interests	14,640	23,707
Balance at period end	1,110,833	1,013,662

Comments and prospects

We are pleased to present the **RDC Properties Limited** abridged un-audited financial results for the half-year ended 30 June 2017. Profit from operations increased by 6% to P31.4 million with rental income up 5% to P43.9 million despite challenging trading conditions in the commercial property market. Profit before tax increased by 8% to P28.3 million. The growth in rental income was through solid rental renewals and lease escalations, as well as the exceptional performance of Chobe Marina Lodge in Kasane, where the lease is linked to the revenue of the Lodge.

The key tourism areas in Botswana are performing well. However, the Gaborone hospitality market has been under pressure which has impacted on the revenues of the Masa Square Hotel. Despite tough trading conditions Masa Square Hotel continues to be a destination of choice for travellers to the city, with the Hotel being the top of its peer set when it comes to occupancies and revenue per available room.

The new Gaborone West industrial warehouses have also contributed to the growth in revenue as they are fully occupied in 2017 compared to the last year when the units were being completed.

The ICC Flats extension project in Extension 9, Gaborone, is well on track. The development will provide 45 brand new apartments in this sought after area of Gaborone. The development will be completed in quarter two 2018.

Management continues to focus its attention on the regional diversification, whilst not forgetting the local market as stated previously. In **South Africa**, we are engaged in negotiations which would lead to the acquisition of a controlling stake in a portfolio of properties in the Western cape Area. In **Namibia**, we are expecting to initiate construction on three convenience centres within the next six months. The centers are located in Katima Mulilo, Tsumeb and Grootfontein. We continue to pursue other commercial opportunities as well as hospitality opportunities. In **Mozambique**, we have obtained central bank approval for the funding of the Xai Xai project and will commence with the construction works very shortly. All the structures are in place now for the project in Zimpeto, Maputo and we will hopefully have the central bank approvals shortly too. The Board is fully supporting management's plans and provides the overarching supervision for 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 2017 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.

Financial results and highlights

The results of the group are very pleasing with a significant growth in our property portfolio which now stands at P1,260 million (2016: P1,124 million), up 12%.

Revenue increased by 5% to P43.9 million (2016: P41.7 million). Profit from operations increased by 6% to P31.4 million (2016: P29.7 million). Profit before tax increased by 8% to P28.3 million (2016: P26.3 million).

Directors

There has been no change in Directorship.

Distribution to linked unit holders

Notice is hereby given that an interim dividend of **0.070** thebe per ordinary share and interest of **3.500** thebe per debenture has been declared. This dividend and interest will be payable on 27 October 2017 to those linked unit holders registered at the close of business on 13 October 2017. 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 14 August 2017