



RDC Properties Limited
(incorporated in Botswana on 18 April 1996)
(Registration No. BW00000877423)
("RDC Properties" or the "Company")

SUPPLEMENTARY PROGRAMME MEMORANDUM

Capitalised terms used in this section shall bear the same meaning as defined in the section headed "Definitions", unless separately defined.

The Company established a **BWP 500 000 000** Medium Term Note Programme, on the 11 October 2018 ("the Programme") and issued notes under the programme in March 2019 and April 2020.

The Issuer, subject to compliance with all relevant laws and regulations, may in terms of the Programme, from time to time, issue notes with securities and on terms related to market conditions at the time of issue ("the Notes"). The Notes may be sold to dealers or underwriters, who may resell the Notes in private offerings or otherwise.

Notes in an aggregate outstanding amount which will not exceed **BWP 500 000 000** may be issued under the Programme. As at date hereof Notes to the aggregate value of BWP47 350 000 were issued on the 22 March 2019, Notes to the aggregate value of BWP52 150 000 were issued on the 24 March 2020, Notes to the aggregate value of BWP75 000 000 were issued on 8 December 2021 and Notes to an aggregate value of BWP100 600 000 were issued on 8 November 2022. The Notes in aggregate of BWP75 000 000 were redeemed on 9 December 2022. As of date hereof Notes to an aggregate of BWP200 100 000 are issued and outstanding. The Company intends to issue further Notes under the Programme.

All Notes issued under the Programme shall be listed on the BSE, or on such other or additional financial exchange(s) as may be determined by the Issuer, subject to all applicable laws. The applicable terms of any Tranche of Notes will be agreed by the Issuer prior to the issue of such Notes and will be set out in the Terms and Conditions incorporated by reference into the Notes, as modified and supplemented by an Applicable Pricing Supplement.

This Supplementary Programme Memorandum ("the Supplementary Memorandum") has been approved by the Botswana Stock Exchange ("BSE"). The BSE's approval of this Supplementary Memorandum or the listing of the Notes issued here under the Programme after the date of the Supplementary Memorandum, should not be taken in any way as an indication of the merits of either the Issuer or the Notes. The BSE takes no responsibility for the contents of this Supplementary Memorandum and has not verified the accuracy or truth of the contents of the documentation submitted to it, makes no representation as to the accuracy or completeness of any of the foregoing, disclaims any liability for any loss arising from or as a result of reliance upon the whole or any part of this Supplementary Programme Memorandum or any Applicable Pricing Supplement and, to the extent permitted by law, the BSE will not be liable for any claim of whatever kind.

This Supplementary Programme Memorandum was registered with the Companies Intellectual Property Authority on or about the 9 November 2023, in terms of Section 300 (1) (b) of the Companies Act of the laws of Botswana.

Arranger and Dealer



**Issuing Agent, Transfer Agent,
Calculation Agent and Paying Agent**



**Legal Advisor to the Issuer and Sponsoring Broker
Arranger**



Reporting Accountants and Auditors



Dated: 8 November 2023

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1 INTRODUCTION AND GENERAL

Capitalised terms used in this section headed “Introduction and General” shall bear the same meanings as ascribed to such terms section in the Programme Memorandum or in the section headed “Definitions”, except to the extent that they are separately defined in this section or it is clearly inappropriate from the context.

The terms and conditions of the Notes to be issued after the date of this Supplementary Memorandum shall be those set out in the Programme Memorandum, as amended by an Applicable Pricing Supplement to be issued by the Issuer, in respect of each Tranche issued after date of this Supplementary Memorandum (“a Tranche”) and together with any further Tranche or Tranches of Notes which are: (i) expressed to be consolidated and form a single series; and (ii) identical in all respects (including as to listing) except for their respective issue dates, interest commencement dates and/or issue prices, (a “Series”) of Notes (“the Applicable Pricing Supplement”).

Where it is intended that any of the Notes be admitted to the official list of and to trading on a Financial Exchange, that intention and the fact of application and the identity of the Financial Exchange will be stipulated in the Applicable Pricing Supplement relevant to that Tranche of Notes.

Rating

The Issuer has not been rated. Any rating which may be issued will be disclosed in each Applicable Pricing Supplement. A credit rating is not a recommendation to buy, sell or hold securities and is subject to suspension, reduction or withdrawal at any time by the relevant rating agency.

Risk

Prospective investors should have regard to the legal status of the Notes, and the rights arising to them under a Note in the form it has been issued and consult with their advisors in this regard. Prospective investors should have regard to the factors described under Section [6] “Risk Factors” in this Supplementary Memorandum.

The Issuer represents that it has taken all reasonable care to ensure that the information concerning the Issuer contained in this Supplementary Memorandum is true and accurate in all material respects on the date hereof and, that as of the date hereof, there are no other material facts in relation to the Issuer the omission of which would make misleading any statement herein, whether of fact or of opinion.

The advisors whose names and details are set out on Section 17 of this Supplementary Memorandum (“the Advisors”) have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Advisors as to the accuracy or completeness of the information contained or incorporated in this Supplementary Memorandum or any other information provided by the Issuer in connection with any issue of Notes.

No person is authorised to give any information or to make any representation not contained in this Supplementary Memorandum or any Applicable Pricing Supplement, and comprising final terms in connection with the offering of a Tranche of Notes. If any such information or representation is nevertheless given or made by any dealer, broker, seller or other person, it must not be relied upon as having been authorised by the Issuer or by any of the Advisors.

Selling Restrictions

The Notes may not be offered, sold or delivered, nor may this Supplementary Memorandum, nor any Applicable Pricing Supplement or any other offering material be distributed, in any country or jurisdiction outside Botswana except in circumstances that will result in compliance with all applicable laws and regulations. No action has been or will be taken by the Issuer or the Advisors that would permit an offering of the Notes or the circulation or distribution of this Supplementary Memorandum, in proof or final form, or any Applicable Pricing Supplement, or any offering material in relation to the Issuer or the Notes in any country or jurisdiction where action for that purpose is required.

Prior to the issue of any Tranche of Notes after date of the Supplementary Memorandum, each Dealer who has (or will have) agreed to place that Tranche of Notes will be required to agree that:

- (a) it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in each jurisdiction in which it purchases, subscribes or procures the subscription for, offers or sells Notes in that Tranche or has in its possession or distributes this Memorandum; and
- (b) it will comply with such other or additional restrictions as the Issuer and such Dealer agree and as are set out in the Applicable Pricing Supplement.

None of the Issuer, the Arrangers or any of the Dealer(s) represent that Notes may at any time lawfully be subscribed for or sold in compliance with any applicable registration or other requirements in any jurisdiction or pursuant to any exemption available thereunder nor assumes any responsibility for facilitating such subscription or sale.

The Notes are not required to be registered under the United States Securities Act of 1933, as amended. Accordingly, no registration statement has been filed with the US Securities and Exchange Commission (the "Commission"). The Notes have not been approved or disapproved by the Commission or any state securities commission nor has the Commission or any state securities commission passed an opinion upon the accuracy or adequacy of this Supplementary Memorandum. Any representation to the contrary is a criminal offence in the United States.

Arranger and Dealers

Each of the Arranger and Dealers and its affiliates may have a lending relationship with the Issuer and from time to time have performed, and in the future will perform, banking, investment banking, advisory, consulting and other financial services for the Issuer, for which it may receive customary advisory and transaction fees and expenses reimbursement.

In addition, in the ordinary course of its business activities, each of the Arranger or Dealers and its affiliates may make loans or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such loans, investments and securities activities may involve securities and/or instruments of the Issuer (including the Notes) or the Issuer's affiliates. Each Arranger or Dealer or its affiliates may hedge their credit exposure to the Issuer consistent with their customary risk management policies.

Issuer Responsibility

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted that would make any statement in this Supplementary Memorandum false or misleading and that all reasonable enquiries to ascertain such facts have been made and that the Supplementary Memorandum (and all documents incorporated by reference therein) contains all information required by law. The Applicant shall accept full responsibility for the accuracy of the information contained in the Supplementary Memorandum the amendments to the Supplementary Memorandum or any supplements made from time to time, except as otherwise stated therein. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Supplementary Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information. This Supplementary Memorandum has been drawn up in compliance with the Companies Act for Botswana and in accordance with the Listings Requirements of the BSE.

The Issuer, having made all reasonable enquiries, confirms that this Supplementary Memorandum contains or incorporates all information which is material in the context of the issue and the offering of Notes, that the information contained or incorporated in this Supplementary Programme Memorandum is true and accurate in all material respects and is not misleading, that the opinions and the intentions expressed in this Supplementary Memorandum are honestly held and that there are no other facts the omission of which would make this Supplementary Memorandum or any of such information or expression of any such opinions or intentions misleading in any material respect.

Where any term is defined within the context of any particular Condition or Section in this Supplementary Memorandum, the term so defined, unless it is clear from the Condition or Section in question that the term so defined has limited application to the relevant Condition or Section, shall bear the meaning ascribed to it for all purposes in this Supplementary Memorandum, unless qualified by the Terms and Conditions of any particular Tranche of Notes as set out in the Applicable Pricing Supplement or unless the context otherwise requires.

Neither this Supplementary Memorandum nor any other information supplied in connection with the Programme is intended to provide a basis for any credit or other evaluation, nor should it be considered as a recommendation by the Issuer, the Arranger(s) or the Dealer(s) that any recipient of this Supplementary Memorandum or any other information supplied in connection with the Programme should purchase any Notes.

The delivery of this Supplementary Memorandum does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other financial statements or other information supplied in connection with the Programme is correct as at any time subsequent to the date indicated in the document containing the same. Neither the Arrangers nor the Dealers undertake to review the financial condition or affairs of the Issuer during the life of the Programme. Investors should review, inter alia, the most recent financial statements of the Issuer when deciding whether or not to purchase any Notes.

Offer and Issue

The offer and issue of Notes may be by way of placement pursuant to bookbuilds and auctions, or public offer as set out below.

With respect to different Series or Tranches of Notes, the respective Notes in a Series or Tranche will be marketed before or after the Issue Date to specified persons or to clients of the Arranger(s) and/or Sponsoring Broker or any other party assisting in the placing of the Notes ("Private Placement") and/or also offered to the public generally in an offer which takes place immediately

prior to the Notes being listed (“Public Offer”) subject to meeting the Listing Requirements, as specifically set forth, in relation to a Tranche of Notes, in the Applicable Pricing Supplement. Applications to subscribe for Notes may be accepted from persons who complete the Application Form which is incorporated as an annexure to this Supplementary Memorandum.

In connection with the issue of any Series or Tranche of Notes under this Supplementary Memorandum, the Dealer(s) named in the Applicable Pricing Supplement (or any person(s) acting on their behalf) may over-allot Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Dealer or Dealers (or any agent of the Dealers), will undertake stabilisation action. Any stabilisation action may begin at any time after the adequate public disclosure of the Applicable Pricing Supplement for the offer of the relevant Series or Tranche of Notes and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Series or Tranche of Notes and 60 days after the date of the allotment of the relevant Series or Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Dealer(s) (or any agent of such Dealer(s)) in accordance with all applicable laws and rules.

2 DOCUMENTS INCORPORATED BY REFERENCE AND SUPPLEMENTARY DOCUMENTS

Capitalised terms used in this section headed “Documents Incorporated by Reference and Supplementary Documents” shall bear the same meanings as used in the section headed “Definitions”, except to the extent that they are separately defined in this section or it is clearly inappropriate from the context.

1. The following documents shall be deemed to be incorporated in, and to form part of, this Supplementary Memorandum (hereinafter called the “**Supplementary Documents**”) and be relevant to any issue of Notes under the Programme and read herewith:
 - 1.1 the Programme Memorandum;
 - 1.2 the Supplementary Programme Memorandum dated 28 September 2021;
 - 1.3 all amendments and/or supplements to this Supplementary Memorandum circulated by the Issuer from time to time including inter alia any Applicable Pricing Supplement;

- 1.4 the published audited integrated annual financial statements (together with reports and the notes thereto) of RDC Properties Limited for its five previous financial periods ending 31 December 2022, 2021, 2020, 2019 and 2018;
- 1.5 the Applicable Pricing Supplement relating to any Tranche of Notes issued under the Programme and all information pertaining to the Issuer which is relevant to the Programme and/or this Supplementary Memorandum;
- 1.6 the Trust Deed which establishes the Trust and appoints the Trustee to administer the Trust for the benefit of the Noteholders and Holders, executed on the 11 October 2018 and the Supplemental Trust Deed dated 31 October 2019 and Supplemental Trust Deed 1, 2, 3 and 5 dated 22 March 2019, 24 March 2020 and 30 October 2023 respectively in respect of the Notes currently in issue and outstanding;

save that any statement contained in this Supplementary Memorandum or a supplementary document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Supplementary Memorandum to the extent that a statement contained in any Supplementary Document modifies or supersedes such earlier statement whether expressly, by implication or otherwise.

2. The Issuer will provide, free of charge, to each person to whom a copy of the Supplementary Memorandum has been delivered, upon request of such person, a copy of any of the Supplementary Documents which relate to a Tranche of Notes being subscribed for by such person, and/or the Applicable Pricing Supplement (unless such documents have been modified or superseded in which case the modified or superseded documents will be supplied). Requests for such documents should be directed to the Issuer at its Registered Office and the Transfer Agent at its office as set out in Section 17 ("Corporate Information").
3. This Supplementary Memorandum, any amendments and/or supplements thereto, and the documents referred to above will be available on the Issuer's website www.rdcbw.com and will also be made available in electronic form to the BSE for publication on the BSE's X-News platform.
4. Whilst any Listed Note remains outstanding, the Issuer will publish a supplementary programme memorandum or a memorandum substantially on the same terms as this Supplementary Memorandum, as the case may be, if:

- 4.1. there is a Material Change which would affect the Issuer's payment obligations thereunder; or
- 4.2. an event has occurred which affects any matter contained in this Supplementary Memorandum, the disclosure of which would reasonably be required by the Issuer to the Noteholders, Holders and/or potential investors in the Notes; or
- 4.3. any of the information contained in this Supplementary Memorandum requires to be updated in terms of the Applicable Laws or applicable Listing Requirements; or
- 4.4. this Supplementary Memorandum no longer contains all the information required by the Applicable Laws or applicable Listing Requirements,

provided that, in the circumstances set out in this paragraph, no supplementary memorandum or programme memorandum which is substantially similar to this Supplementary Memorandum, as the case may be, is required in respect of the Issuer's audited annual financial statements if such audited annual financial statements are within 9 (nine) months after date of this Supplementary Memorandum or any supplementary memorandum.

3 GENERAL DESCRIPTION OF THE PROGRAMME

The General Description of the Programme, remains as set forth in section 3 of the Programme Memorandum.

4 SUMMARY OF THE PROGRAMME

The summary of the Programme remains as set forth in section 4 of the Programme Memorandum.

5 DEFINITIONS

1. In this Supplementary Memorandum, unless otherwise indicated, the words or phrases defined in section 5 ("Definitions") of the Programme Memorandum shall have the meaning stipulated therefor in such section 5.
2. In this Supplementary Memorandum, unless otherwise indicated, the words or phrases in the firsthand column bear the meaning stipulated in the second column and cognate expression shall bear corresponding meaning: -

“Last Practicable Date”

30 September 2023;

“Trust Deed”

the Trust Deed entered into between the Issuer and the Trustee dated 11 October 2018 as amended and restated by the Supplementary Trust Deed dated 31 October 2019, and Supplementary Trust Deeds 1, 2, 3 and 5 dated 22 March 2019, 24 March 2020 and 30 October 2023 respectively in respect of Notes currently in issue and outstanding, and as such Supplementary Trust Deeds may be amended or restated or supplemented from time to time.

6 RISK FACTORS

In addition to the Risk Factors set forth in section 6 of the Programme Memorandum, the Issuer believes that the following additional factors outlined below may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, additional factors which are material for the purpose of assessing the market risks associated with the Notes are also described below. The value of the Notes could decline due to any of these risks, and investors may lose some or all of their investment.

The Issuer believes that the factors set forth in section 6 of the Programme Memorandum and the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it, or which it may not currently be able to anticipate. Accordingly, the Issuer does not represent that the statements contained in section 6 of the Programme Memorandum and the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should read the detailed information set out in the Programme Memorandum, and elsewhere in this Supplementary Memorandum to reach their own views prior to making any investment decision.

6.1. RISKS RELATING TO THE BUSINESS

6.1.1. Principle Risks and Uncertainties

Currency

The existence of portfolios of properties in Botswana, Croatia, Mozambique, Namibia, South Africa, United States of America and Zambia have a material impact on the Currency Risk for the Group as the reporting currency is Pula. The Board endeavours to fund investments in-country using local currency where possible and will consider the need for currency hedging arrangements as required to maintain currency risk at an appropriate level. Having a diversified income stream by currency does however act as a natural hedge against currency movements.

contents of the documentation submitted to it, and the BSE or any other financial exchange accepts no liability of whatever nature for any loss, liability, damage or expense resulting directly or indirectly from the investment in the said instrument.

1. PARTIES

1.1. Issuer	RDC Properties Limited
1.2. Dealer(s)	Stanbic Bank
1.3. Arranger(s)	Stanbic Bank
1.4. Sponsoring Broker	Motswedi Securities
1.5. Paying Agent	PricewaterhouseCoopers Advisory Services Proprietary Limited
Specified Office	Plot 64289, Tlokweng Road, Gaborone
1.6. Calculation Agent	PricewaterhouseCoopers Advisory Services Proprietary Limited
Specified Office	Plot 64289, Tlokweng Road, Gaborone
1.7. Transfer Agent	PricewaterhouseCoopers Advisory Services Proprietary Limited
Specified Office	Plot 64289, Tlokweng Road, Gaborone

2. PROGRAMME

2.1. Aggregate Authorised Amount	BWP500 000 000.00
2.2. Notes in issue and outstanding	BWP200 190 000.00
2.3. Authorised Aggregate Amount in respect of this issue	BWP140 000 000.00

3. PROVISIONS RELATING TO THE NOTES BEING ISSUED

- 3.1. Status of Notes [Senior/Unsubordinated]
- 3.2. Guaranteed [Yes/No]
- 3.3. Secured [Yes/No]
- 3.4. Underwritten [Yes/No]
- 3.5. Form of Notes [Unlisted/Listed Notes]
[Secured/Unsecured]
- 3.6. Series Number []
- 3.7. Tranche Number []
- 3.8. Aggregate Nominal Amount:
- i. Series []
 - ii. Tranche []
- 3.9. Interest Interest-bearing/[Non-interest bearing]
- 3.10. Interest Payment Basis [Fixed Rate / Floating Rate / Zero
Coupon / Index-Linked / Instalment]
Notes / Other Notes]
- 3.11. Automatic/Optional Conversion from one [Insert details including date for
Interest / Redemption / Payment Basis to
another conversion]
- 3.12. Opening Date of Offer []
- 3.13. Closing Date of Offer []
- 3.14. Settlement Date []
- 3.15. Issue Date []
- 3.16. Delivery []
- 3.17. Minimum Denomination []
- 3.18. Currency []

- 3.19. Minimum Subscription Amount []
- 3.20. Issue Price []
- 3.21. Interest Commencement Date []
- 3.22. Maturity / Redemption Date []
- 3.23. Maturity Type []
- 3.24. Applicable Business Day Convention Floating Rate Business Day / Following Business Day / Modified Following Business Day / Preceding Business Day / other convention – insert details]
- 3.25. Final Redemption Amount []
- 3.26. Last Day to Register []
- 3.27. Books Closed Period(s) The Register will be closed from [] to [] and from [] to [] (all dates inclusive) in each year until the Maturity Date
- 3.28. Default Rate []

4. FIXED RATE NOTES

- 4.1. Fixed Rate of Interest [] per cent per annum payable [semi-annually in arrears]
- 4.2. Interest Commencement Date []
- 4.3. Fixed Interest Payment Date(s) [] and [] in each year up to and including the Maturity Date
- 4.4. First Interest Payable []
- 4.5. Initial Broken Amount []
- 4.6. Final Broken Amount []
- 4.7. Interest Determination Date(s) []
- 4.8. Day Count Fraction []
- 4.9. Any other terms relating to the particular method of calculating interest []

5. FLOATING RATE NOTES

- 5.1. Interest Payment Date(s) []
- 5.2. Interest Period(s) []
- 5.3. Definition of Business Day (if different from that set out in Definition) []
- 5.4. Minimum Rate of Interest [] per cent per annum
- 5.5. Maximum Rate of Interest [] per cent per annum
- 5.6. Other terms relating to the method of Calculating interest (e.g.: Day Count Fraction, rounding up provision) []
- 5.7. Manner in which the Rate of Interest is to Rate be determined [ISDA Determination/Screen Determination/other – insert details]
- 5.8. Margin []
- 5.9. If ISDA Determination [Applicable/Non-Applicable]
- a) Floating Rate []
- b) Floating Rate Option []
- c) Designated Maturity []
- d) Reset Date(s) []
- e) ISDA Definitions to apply []
- 5.10. If Screen Determination [Applicable/Non-Applicable]
- a) Reference Rate (including relevant period by reference to which the Rate of Interest is to be calculated) []
- b) Relevant Screen Page and Reference Code []
- 5.11. Interest Determination Date(s) []
- 5.12. If Rate of Interest to be calculated []

Otherwise than by ISDA Determination
or Screen Determination, insert basis
for determining Rate of Interest/Margin/
Fallback provisions

6. ZERO COUPON NOTES

- 6.1. Implied Yield [] per cent [NACA] [NACM]
[NACQ] [NACS] [other
method of compounding]
- 6.2. Reference Price [] per cent
- 6.3. Any other formula or basis for determining
amount(s) payable []

7. INSTALMENT NOTES

- 7.1. Instalment Dates []
- 7.2. Instalment Amounts []

8. MIXED RATE NOTES

- 8.1. Period(s) during which the interest rate for
the Mixed Rate Notes will be (as applicable)
that for:
- a) Fixed Rate Notes []
- b) Floating Rate Notes []
- c) Index-Linked Notes []
- d) Other Notes []
- 8.2. Interest Determination Date(s) []
- 8.3. The interest rate and other pertinent details
are set out under the headings relating to
the applicable forms of Notes []

9. INDEX-LINKED NOTES

- | | |
|--|------------------------------------|
| 9.1. Type of Index-Linked Notes | [Indexed Interest Notes / Indexed] |
| 9.2. Index/Formula by reference to which Interest Rate / Interest Amount is to be Determined | [] |
| 9.3. Manner in which the Interest Rate / Interest Amount is to be determined | [] |
| 9.4. Interest Period(s) | [] |
| 9.5. Interest Determination Date(s) | [] |
| 9.6. Interest Payment Date(s) | [] |
| 9.7. Provisions where calculation by reference to Index and/or Formula is impossible or impracticable | [] |
| 9.8. Definition of Business Day (if different from that set out in Condition (Definitions)) | [] |
| 9.9. Minimum Rate of Interest | [] per cent per annum |
| 9.10. Maximum Rate of Interest | [] per cent per annum |
| 9.11. Other terms relating to the method of calculating interest (e.g.: Day Count Fraction, rounding up provision) | [] |

10. OTHER NOTES

If the Notes are not Instalment Notes, Fixed Rate Notes, Floating Rate Notes, Mixed Rate Notes, Zero Coupon Notes, Index-linked Notes, or if the Notes are a combination of any of the foregoing, set out the relevant description and any additional Terms and Conditions relating	[]
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to such Notes

11. LINKAGE TO OTHER NOTES OF THE ISSUER

- 11.1. Other Notes to be issued linked to
any other Notes of the Issuer [Yes/No]
- 11.2. If Yes then description of linked notes []

12. PROVISIONS REGARDING REDEMPTION / MATURITY

- 12.1. Redemption at the Option of the Issuer: [Yes/No]
- If yes:
- a) Optional Redemption Determination Date(s) []
 - b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s) []
 - c) Minimum period of notice (if different from Condition 8.11.3 (Redemption at the Option of the Issuer) []
 - d) If redeemable in part:
 - Minimum Redemption Amount(s) []
 - Higher Redemption Amount(s) []
 - e) Other terms applicable on Redemption []
- 12.2. Early Redemption Amount(s) payable on Redemption for taxation reasons or on Event of Default (if required) [Yes/No]
- 12.3. If yes:
- a) Amount payable; or []
 - b) Method of calculation of amount []

Payable

12.4. Final Redemption Amount []

GENERAL

13. Financial Exchange []

14. Clearing System []

15. Additional selling restrictions []

16. Stabilising manager []

17. Provisions relating to stabilisation []

18. Listing Date []

19. Distribution [Private Placement
or Bookbuild]

20. Credit Rating assigned to the [Yes/No]
and [Issuer]/[Programme]/[Notes]

21. If rated details of rating assigned on [●]
due for renewal on [●]

22. Use of proceeds []

23. Other provisions [Other Events of Default in
addition to the Events of
Default referred to in
Condition 11 (Events of
Default)]

24. Law

The Notes are governed by the Laws of Botswana.

25. Jurisdiction

The Issuer is subject to Jurisdiction of the Courts of Botswana.

26. Disclosure by Issuer

The Issuer will for as long as any Tranche of Notes remains Outstanding, notify the Noteholders of any Material Change in the financial position of the Issuer.

27. Responsibility

The Issuer accepts full responsibility for the information contained in this Applicable Pricing Supplement. To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case) the information contained in this Applicable Pricing Supplement is in accordance with the facts and does not omit anything which would make any statement false or misleading and all reasonable enquiries to ascertain such facts have been made. This Applicable Pricing Supplement contains all information required by Applicable Laws and the listing requirements of the BSE.

Application is hereby made to list this issue of Notes on [] December 2023

SIGNED at Gaborone on this [] day of December 2023

For and on behalf of

RDC PROPERTIES LIMITED

Name:
Capacity:
Who warrants his authority hereto

Name:
Capacity:
Who warrants his authority hereto

Acknowledged these to be the terms of the Notes allocated to us on [] December 2023

Name:
For and on behalf of Investor

Investor Stamp

8 TERMS AND CONDITIONS OF THE NOTES [SCHEDULE 10 PARAGRAPH 18(2)]

The Terms and Conditions of the Notes to be issued after date of this Supplementary Memorandum will be issued on and subject to the Terms and Conditions set forth in Section 8 of the Programme Memorandum, as amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement. If there is any conflict or inconsistency between provisions set out in the Applicable Pricing Supplement and the provisions set out in the Terms and Conditions set out in Section 8 of the Programme Memorandum, in respect of the Notes, then the provisions in the Applicable Pricing Supplement will prevail.

The Notes to be issued after date of this Supplementary Programme Memorandum will be senior, unsubordinated notes, which will not be secured, nor guaranteed, nor underwritten.

In the event a meeting of Noteholders is necessary this will be called by notice published on XNEWS and one edition of an English Language newspaper circulating in Botswana and sent electronically to the email address of the Noteholder.

9 PURPOSE OF OFFER AND USE OF PROCEEDS [SCHEDULE 10 PARAGRAPH 7]

The Issuer makes the offer of Notes pursuant to and after the date of this Supplementary Memorandum, and will use the proceeds thereof partly to redeem RDCP-CRB-1223-09 in the aggregate amount of BWP100,600,000, partly to redeem RDCP003 in the amount of P12,000,000 and partly to settle the BIFM loan facility in the amount of P25,000,000. Any additional amounts will be used in funding the expansion of operations or the acquisition of companies, with similar operations to that of the Group, in countries where the Group is currently operating or with the purpose of establishing operations in other countries to which operations of the Group may be expanded.

Any specific use of proceeds of a particular Tranche of Notes issued pursuant to and after the date of this Supplementary Memorandum shall be stated in the Applicable Pricing Supplement.

10 DESCRIPTION OF THE ISSUER, AS AT DATE OF ISSUE OF THIS MEMORANDUM [SCHEDULE 10 PARAGRAPH 1(B)]

1. History and business activities of the Issuer [Schedule 10 paragraph 6(1)(a)]

In addition to the information contained in paragraphs 1 (Background) and 2 (Timeline) of section 10 of the Programme Memorandum, and section 10 (History and Business) of the Supplementary

Programme Memorandum dated 28 September 2021 the following additional information is provided: -

During 2022 until June 2023, RDC's investment and property portfolio increased in total value by 0.7% to P5.9 billion through fair-value uplift of properties and organic investment, with Botswana representing 25.5% of this value and South Africa, 50.2%.

No new acquisitions were effected during this period, however the acquisition of David Livingstone which is to be consolidated as a 50% joint venture at 31 December 2023 is to be noted.

Timeline

- **2021:** Successful 100% acquisition of the JSE listed property fund – Tower Property Fund Limited, effective 28 December 2021.
 - Successful development of the Radisson Red Hotel (Rosebank, Johannesburg), with official opening of the hotel in August 2021.
 - Successful rights offer executed and generating funds of P667 million.
- **2022:** RDC Properties Limited undergoes rebranding exercise.
 - Successful integration of the Tower Portfolio into the existing RDC portfolio.
- **2023:** Disposal of one of the USA properties – Research Court successfully concluded in April 2023.
 - Progress towards the 50% of acquisition of David Livingstone Safari Lodge (Zambia) – the acquisition was completed in September 2023 and will be brought into consolidated results for the year ended 31 December 2023.

2. Directors' opinion on the Prospects of the Issuer [Schedule 10 paragraph 6 (9)]

The trend of the business of the Group, since the date to which the latest audited financial accounts of RDC were made up, 31 December 2022, has been positive in a challenging market. The portfolio has contained vacancies to well below average with high tenant retention. The business has been resilient as a result of its strategy of greater diversification and a “hands-on” management team. The management team is a core strength of the Group. Senior management, both in Botswana and South Africa, has maintained a measured and collaborative approach, keeping particularly close to the Group tenants, financing partners and other stakeholders. The hospitality industry in the region has recovered well post the Covid-19 pandemic.

3. Acquisition of the David Livingstone Safari Lodge (Target Investment)

The Group has effectively acquired 50% of the equity and equity claims of David Livingstone Safari Lodge and Spa (“DLSL”) in September 2023. Protea Hotels Zambia is the 50% partner with RDC Properties Limited.

The operations of DLSL consist of a 72-bedroom hotel, a conference venue and a 200-seater river cruiser. The acquisition will benefit the group through further sectorial diversification into the hospitality industry and new geographic – Zambia.

4. Sectorial Diversification

As at 30 June 2023, RDC’s portfolio is spread (by GLA) as to office 42%, retail 37%, industrial 6%, hospitality 13% and residential 3%.

5. Management Team

The management team developed since 2021 is well positioned to leverage combined skills within the group to take advantage of opportunity for repurposing and disposing of less strategic properties, the streamlining of the business.

6. Benefit of the Capital Raise

The Directors believe the proposed capital to be raised pursuant to the issue of Notes under the Programme after issue of this Supplementary Memorandum will secure the continued growth of the Group ‘s acquisition strategy.

7. Status of Business and Financial Integrity

The Directors remain confident that the business and financial integrity of the Group remains sound.

8. Business of the Group [Schedule 10 paragraph 6(2)]

The business of the Issuer and the Group, remains thus as set out in Section 10 of the Programme Memorandum.

9. Risk Management

The risk management, within the Group, remains as set forth in paragraph 3 of Section 6 of the Programme Memorandum. Reference is also made to Note 33 to the Integrated Audited financial Statements of the Group as at 13 December 2022 Annexure 2 hereto.

10. Countries of Operation

As at the Last Practicable Date the countries of operation of the Group are Botswana (22 properties), South Africa (41 properties), Croatia (4 properties), Mozambique (3 properties), Madagascar (1 property), USA (1 Development investment) and Namibia (dormant properties), Zambia (1 property investment).

11. The Directors of the Issuer as at date of this Supplementary Memorandum [Schedule 10 paragraph 2 (a) and (b)] are:

Andrew John Gawith Bradley

Catherine Kate Maphage

Federica Emilie Costanza Giachetti

Gary Morton Fisher

Giorgio Giachetti

Guido Renato Giachetti

Jacopo Pari

Joanne Mabin

Nicola Robyn Milne

Simon Norman Susman

Sithabile Pauline Mathe

The details and CVs of the Directors, save for Federica Emilie Costanza Giachetti, Gary Morton Fisher, Joanne Mabin, Nicola Robyn Milne, Simon Norman Susman and Sithabile Pauline Mathe, appeared in the Programme Memorandum and Supplementary Programme Memorandum dated 28 September 2021.

Federica Emilie Costanza Giachetti –

Federica (28) is a graduate from Boston University, Summa Cum Laude, Top Concentrator in Entrepreneurship. She has undergone training by the Institute of Directors of South Africa and recently completed a London School of Economics Certificate in Real Estate Finance and Economics. Federica has worked in Washington, D.C. and in Milan for a renewable energy

developer and was transferred three years ago to its subsidiary in Cape Town (Red Rocket South Africa) where she led the Company's Solar Project Developments. She is pursuing a Master of Business Administration in 2023.

Gary Morton Fisher –

Gary (57) is a University of Cape Town graduate and brings three decades of property asset management experience to RDC. He was a member of JSE-listed CBS Property Group's executive team from inception in 1994 through to its disposal in 2007. He subsequently launched British Capital, a Guernsey based property investment Company, and founded The Property Foundation, a non-profit property development company. Gary also served a term with the Western Cape Government as the Premier's special advisor before assisting to establish Capitalgro Properties in 2014, a business that has since become a subsidiary of RDC.

Joanne Mabin –

Joanne (44) qualified as a Chartered Accountant in 2004, after which she spent seven years working in the UK at Rowan Asset Management and M&G Investments Limited, where she was responsible for the financial management and reporting for several property and infrastructure funds. After returning to South Africa, Joanne joined Old Mutual Investment Group where she was responsible for the financial reporting of their African infrastructure funds. She joined Tower Property Fund in 2014 as the Chief Financial Officer. In 2021, Tower Property Fund was acquired by RDC Properties Limited where she was appointed as the Group Chief Financial Officer.

Nicola Robyn Milne –

Nicola (48) has a BCom from the University of Cape Town and qualified as a CA(SA). After working in finance in New York and London, she joined the Old Mutual Investment Group's Property Investment team, where she fulfilled various roles, including managing the Company's joint venture business in India. She was the founding CEO of the Green Building Council of South Africa (GBCSA), an NGO with the goal of transforming South Africa's property industry to sustainability. She has consulted to the GBCSA and the World Green Building Council and serves on a number of boards as an independent non-executive director.

Simon Norman Susman –

Simon (73) is the Honorary President of Woolworths Holdings Limited, having joined Woolworths in 1982. Prior to his retirement, Simon served as the Chief Executive Officer of Woolworths Holdings and then Chairman over a twenty year period until 2019. He has been appointed

Honorary Professor of Entrepreneurship at Stellenbosch University Business School, and currently chairs several local and international businesses and NGOs.

Sithabile Pauline Mathe –

Sithabile (50) has twenty-three years of post-graduate experience in the built environment, working with both the design and implementation of projects. She qualified in Architecture in Glasgow, Scotland. In 2006, she established Moralo Designs, an Architectural Practice which now offers Urban Design, Architectural Design, Landscape Design, Interior Design and Project Management services. Ms Mathe is registered with four professional bodies. She is the former Chair of the Architect's Registration Council of Botswana, the former Chair of the Botswana Housing Corporation Board and the former Treasurer on the Architects Association of Botswana Executive Committee. She is also a former Council Member for the Commonwealth Association of Architects (CAA) as Vice President Africa Region, and the immediate past Chair of CAA Validation.

A list of all the other companies of which the directors are also directors, and the nature of business of such companies is Annexure 4 hereto.

12. Governance

RDC conducts all business with integrity and provides effective leadership based on an ethical foundation.

The board directs strategy and operations to build a sustainable business while considering the long- term impact on the environment, society and the economy. Our corporate structure, business, operations and disclosure practices have been strictly aligned to our corporate governance policies. Transparency, accountability, fairness and intensive communication with stakeholders are integral to our functioning.

The board ensures that RDCP acts as a responsible corporate citizen by adhering to corporate governance policies. The board is aware that stakeholders' perceptions affect RDCP's reputation. The Group is committed to promoting ethical business practice in all aspects of its operations. The board acts as the custodian for corporate governance.

The Group has adopted King Code (King III) as the framework for corporate governance. RDCP has applied the guidelines as entrenched in the revised Botswana Stock Exchange listing rules in so far as appropriate and practical for a Company of its size.

13. External Auditor

Grant Thornton were appointed and acted as auditors of the Company, and the Group, in respect of the financial years 2019, 2020, 2021, 2022 and act as such in respect of the financial year 2023.

The Audit and Risk Committee remains satisfied with the independence of the external auditor and the quality of the external audit.

Except for the foregoing, the statement with regard to External Auditor contained in Section 10 of the Programme Memorandum remain applicable.

14. Key Management Executives

As at the Last Practicable Date, the following are the key management executives of the Issuer and the Group: -

Guido R. Giachetti – Executive Chairman

Jacopo Pari – Chief Executive Officer, Operations and Developments

Joanne Mabin – Group Chief Financial Officer

Gary Fisher – Chief Executive Officer, Properties

15. Alteration in share and debenture capital in last five years [schedule 10 paragraph 6(1)(b) and (c) and 8]

End of FY 2018	350982285
End of FY 2019	350982285
End of FY 2020	353448157
]End of FY 2021	758232937
End of FY 2022	758232937

16. Stated Share and Debenture Capital [schedule 10 paragraph 8]

As at the Last Practicable Date the stated share capital of the Issuer was BWP 1 058 199 000 and the debenture capital of the Issuer was BWP 242 634 000.

17. Shares and debentures in issue

As at the Last Practicable Date there were 758232937 ordinary shares and 758232937 debentures in issue.

18. Major share and debenture holders (holders of linked units)

As at the Last Practicable Date the following Unitholders held more than 5% of the issued ordinary shares and debentures linked thereto, in the Company.

Top 10 Unit Holders	Linked Units	%
SCBN (PTY) LTD RE: BOTSWANA PUBLIC OFFICERS PENSION FUND	200,541,548	26.45
REALESTATE FINANCIERE SA REALESTATE FINANCIERE SA	169,797,025	22.39
FNB BOTSWANA NOMINEES RE: BOTSWANA PUBLIC PENSION FUND - VUNANI	93,855,489	12.38
GIORGIO GIACHETTI	75,476,750	9.95
FNB BOTSWANA NOMINEES RE: BIFM - ACT MEM & DP EQUITY	44,097,944	5.82

19. Registered Address [Schedule 10 paragraph 5]

The address of the Issuer's registered office is Plot 50371, Fairgrounds Office Park, Gaborone.

20. Independent Group Auditor [Schedule 10 paragraph 3]

Grant Thornton was appointed and acted as auditor for the Group in respect of the financial year ended December 2022. Grant Thornton has issued an unqualified audit opinion in respect of the Issuer for the financial year ended 31 December 2022.

21. Compliance Officer, Attorney, Stockbroker, Trustee and Bankers [Schedule 10 paragraph 4]

The Compliance Officer of the Issuer is Joanne Mabin.

The Attorney to the Issuer and Arranger, in respect of the Programme, is now Bothole Law Group to which Neill Armstrong acts as a consultant. The Stockbroker and Trustee in respect of the Programme, remains as set forth in Section 10 of the Programme Memorandum.

As at the Last Practicable Date, the bankers to the Issuer are:

- Stanbic Bank Botswana Limited
- First National Bank of Botswana Limited

- ABSA Bank Botswana Limited
- Access Bank Botswana Limited

As at the Last Practicable Date, the bankers to the Group are:

- Stanbic Bank Botswana Limited
- Standard Bank of South Africa
- Standard Bank (Mauritius) Limited
- First National Bank of Botswana Limited
- First National Bank of South Africa Limited
- ABSA Bank Botswana Limited
- ABSA Bank of South Africa
- Access Bank Botswana Limited
- African Banking Corporation of Botswana Limited
- Eerste & Steiermarkische Bank
- Nedbank of South Africa
- Privredna Banka Zagreb
- The Mauritius Commercial Bank Limited
- Investec Bank Limited

22. Directors Interests [Schedule 10 paragraph 17]

As at the Last Practicable Date the following directors who currently hold office have a direct and indirect interest, through connected persons, in the Issuer as set forth below:

Indirect Holding of G.R GIACHETTI		
Description	No. of units	Percentage (%)
Guido Renato Giachetti holds 33% shares in Realestate Financiere SA	56033018	7.39
Direct Holding		
Andrew John Gawith Bradley		
Catherine Kate Maphage		
Federica Emilie Costanza Giachetti	348973	0.05
Gary Morton Fisher		
Giorgio Giachetti	75476750	9.95
Jacopo Pari	1850000	0.24
Joanne Mabin		
Nicola Robyn Milne		
Simon Norman Susman	2462006	0.32
Sithabile Pauline Mathe		

23. Directors Remuneration [Schedule 10 paragraphs 2 (b) and (c)]

From 1 January 2022 to 31 December 2022 the Issuer's directors received total emoluments of BWP3,367,658.

24. Details of any material change in the business of the Issuer during the last five years [Schedule 10 paragraph 6(4)]

Save for

- the acquisition of the Radisson RED Hotel in Rosebank, Johannesburg completed in July 2021;
 - the acquisition of Xiquelene Project in Mozambique, completed in 2021;
 - the acquisition of all the issued shares in Tower Property Fund of South Africa, completed in December 2021;
 - the acquisition of 50% interest in David Livingstone Safari Lodge and Spa, Zambia completed in September 2023;
 - the redemption and disposal of the investment in Research Court (USA), in April 2023;
- there has been no material change in the business of the Issuer during the last five years.

25. Material Contracts

The Company has not entered into any other material agreements during the 12 months preceding the Last Practicable Date.

26. Other Fees [schedule 10 paragraph 16 (2)]

The statement made, in this regard in Section 10 of the Programme Memorandum remains applicable.

27. Principal Immovable Property

As at the Last Practicable Date the Group's Freehold and Leasehold land and buildings currently comprise that set forth in Annexure 3 hereto.

28. Material Commitments Borrowings and Guarantees- [Schedule 10 paragraph 6 5(b) and 9]

The material commitments of the Group, which include borrowings and guarantees, as at 31 December 2022 are set forth in detail in N24 to the Integrated Audited Financial Statements of the Group as at 31 December 2022 which is Annexure 2 to this Supplementary Programme

Memorandum. The outstanding obligations in terms of those commitments as at 30 June 2023 are set forth here below:

Lender	Nature	Repayment terms	Interest rate (weighted average)	Balance at 30 June 2023 (P'000)
The Standard Bank of South Africa	Term loans	Repayment dates range between November 2024 and June 2026. Limited capital repayments and final repaid at maturity	3m JIBAR + 1.80% to 3m JIBAR + 2.60%. 80% of loans hedged at 5.88%.	984,996
ABSA Bank Limited – South Africa	Term loans	Repayment dates range between June 2024 and September 2026. Limited capital repayments and final repaid at maturity	Prime – 1% to Prime – 0.83%	376,934
Botswana Insurance Fund Management Limited	Promissory notes, unlisted bond and commercial paper	Repayment dates range between December 2023 and 2035	Fixed rates ranging from 8.00% to 10.20%	338,430
Erste Bank	Term loan	February 2025. Repayment on maturity	2.5% fixed by swaps equal to loan value.	248,653
Nedbank	Term loan	February 2025. Repayment on maturity	3m JIBAR + 2.22%	145,027
Privredna Bank Zagreb	Term loan	December 2025. Repayment on maturity	3m EURIBOR + 3.50%	133,877
Investec	Term loan	December 2025. Repayment on maturity	50% at 3m JIBAR + 3.50% and 50% at Prime + 0.28%	131,458
First National Bank South Africa	Term loan	July 2028. Limited capital repayments and final repaid at maturity	Ranging from Prime + 0.50% to Prime + 2%	52,277
Listed bonds	Senior Notes	Repayment dates range between December 2023 and March 2027	P100m ranges from MoPR +4.81% to MoPR + 5.61. Balance fixed at 8.75%	200,100

A list of the properties of the Group which are encumbered in favour of third parties, including the lenders set out in the table above, is set out in note 24 to the Integrated Audited Financial Statements of the Group as at 31 December 2022 which is annexure 2 to this Supplementary Programme Memorandum.

29. Capital Commitments

As at the Last Practicable Date, no capital commitments are noted.

30. Contingent liabilities

The Group has given a corporate guarantee of P47 700 000 in favour of ABSA Bank Botswana Limited and a Deed of Cession of Rentals dated 03 November 2010 over Plot 54353 Gaborone.

The Issuer has given a guarantee to Investec Bank Limited, for the due discharge of all the obligations of RDC Properties South Africa Proprietary Limited under the loan agreement entered into between RDC Properties South Africa Proprietary Limited and Investec Bank, in respect of a facility of ZAR400 000 000.

The Group has recognised a contingent liability to value of P31,933,000 for an additional tax assessment issued by SARS to Tower International Treasury (Pty) Ltd for tax years 2019 and 2020, which is still in the process of a formal dispute.

31. Auditors Letter of Comfort

Grant Thornton has issued a letter of comfort confirming the status of the Issuer as a going concern as at 31 December 2022.

32. Regulatory Approvals

The necessary approvals from the Companies and Intellectual Property Authority of Botswana (“CIPA”) in terms of the Companies Act for Botswana for this Supplementary Memorandum, and the BSE in terms of the Listing Requirements regarding the issuance of the Notes in the BSE have been obtained. CIPA has scrutinized the information disclosed in this Supplementary Memorandum to ensure that it complied with provisions of the Companies Act and regulations of the Companies Act of Botswana with regard to a prospectus for an offering of Notes. CIPA does not express a view on the legal status of the Notes or risk for investors or the price of the Notes

therein and as such CIPA accepts no liability of whatever nature for any loss, liability, damage or expense resulting directly or indirectly from the investment in the Notes.

No other consents, approvals, authorisations or other orders of a regulatory authorities are required under the laws of the Republic of Botswana for the establishment of the Programme and the issue of Notes in Botswana, and for the Issuer, the Arranger(s), the Issuing Agent, Transfer Agent, Paying Agent and Calculation Agent to undertake and perform their respective obligations under the Programme.

33. Listing

The Programme has been approved by the BSE. The Issuer seeks to list certain Notes issued under the Programme on the BSE (or any successor exchange to the BSE) and may seek to list Notes issued under the Programme on other Financial Exchanges.

In the event that Notes that are intended to be listed are issued 12 months after the date of this Supplementary Memorandum, the Issuer undertakes to prepare and publish a further Supplementary Memorandum in compliance with relevant Listings Requirements, unless exempted from such Listing Requirements.

34. Consents [Section 304 (2) of the Companies Act]

The advisors to the Issuer in respect of this Supplementary Memorandum and the Notes to be issued pursuant thereto, to whom reference is made in this Supplementary Memorandum have given their consents to be so referred to.

Grant Thornton as expert has given consent to reference as such in this Supplementary Memorandum and the inclusion of its letter of comfort, in respect of the Issuer, in respect of the financial year ended 31 December 2022, for inspection.

35. Documents Available

Copies of the following documents will, be available from the Registered Office of the Issuer for the time being, in Gaborone:

- (a) the published integrated annual reports of the Issuer, incorporating the audited annual financial statements of the Issuer in respect of the most recent five financial years;
- (b) the published audited financial results of the Issuer for the twelve months ended 31 December 2022;

- (c) the published unaudited financial results of the Issuer for the six months ended 30 June 2023;
- (d) this Supplementary Memorandum;
- (e) the Applicable Pricing Supplement relating to the particular Tranche of Notes that is being subscribed for;
- (f) the Trust Deed, and Supplementary Trust Deed number 1 and 2, 3, 4 and a draft of Supplementary Trust Deed number 5;
- (g) letter of comfort of Grant Thornton; and
- (h) the letters of consent of the advisors and Grant Thornton as expert.

36. Subsidiaries [Schedule 10 paragraph 6(1)(a)]

The following update to the subsidiaries set forth in the paragraph “Subsidiaries” in Section 11 of the Programme Memorandum lists all current subsidiaries of the group as at the Last Practicable Date:

Name of Subsidiary	Country	Percentage Share
RDC Properties International (Pty) Ltd	Botswana	100%
Three Partners Resorts Limited	Botswana	53.75%
Lotsane Complex (Pty) Ltd	Botswana	76.67%
Propcorp (Pty) Ltd	Botswana	33.33%
Norman Kwati Matsetse (Pty) Ltd	Botswana	100%
TPF International Limited	Mauritius	74%
Tower Industrial d.o.o	Croatia	74%
Sub Dubrovnik d.o.o	Croatia	74%
Tower Europe Retail d.o.o	Croatia	74%
Tower Europe d.o.o	Croatia	59.2%
RDC Mauritius	Mauritius	100%
RDC Zimpeto Limited	Mauritius	60%
RDC KMR Limited	Mauritius	55%
Zimpeto Shopping Centre, Lda	Mozambique	60%
Xai-Xai Newco, Lda	Mozambique	33%
RDC Xiquelene, Lda	Mozambique	100%
RDC Properties (Namibia) (Pty) Ltd	Namibia	100%
RDC Property Development (Namibia) (Pty) Ltd	Namibia	70.31%
Hotel Management Site 1 (Isalo Lodge)	Madagascar	50%
David Livingstone Safari Lodge & Spa Limited	Zambia	50%
RDC Properties South Africa (Pty) Ltd	South Africa	100%
Capitalgro (Pty) Ltd	South Africa	61.11%

RDC ERF232 Rosebank (Pty) Ltd	South Africa	100%
108 Albert Road (Pty) Ltd	South Africa	50%
Lucky Bean Property Investment (Pty) Ltd	South Africa	100%
Tower Property Fund (Pty) Ltd	South Africa	100%
Micawber 219 (RF) (Pty) Ltd	South Africa	100%
Lexshell 492 Investments (Pty) Ltd	South Africa	100%
Tower International Treasury South Africa (Pty) Ltd	South Africa	100%

11 FINANCIAL INFORMATION [SCHEDULE 10 PARAGRAPH 6(6)]

The following financial data has been extracted from the audited financial statements of the Issuer in respect of the years ending 31 December 2018, 2019, 2020, 2021 and 2022.

Statement of profit and loss and other comprehensive income in respect of preceding 5 financial years to 31 December 2022

	Financial year ended 31-Dec 2022 P'000	Financial year ended 31-Dec 2021 P'000	Financial year ended 31-Dec 2020 P'000	Financial year ended 31-Dec 2019 P'000	Financial year ended 31-Dec 2018 P'000
Revenue	525,205	146,562	131,594	152,480	156,014
Contractual Lease rental revenue	525,556	145,289	129,828	151,812	144,013
Straight line rental adjustment	(351)	1,273	1,766	669	12,002
Revenue from sale of inventory	77,483	-	-	-	-
Cost of sales	(77,648)	-	-	-	-
Operating expenses	(256,076)	(85,140)	(52,007)	(50,986)	(45,148)
Gains/(losses) arising from joint venture	310	(413)	(427)	1,089	463
Other foreign exchange gains (losses)	2,259	(1,820)	1,647	827	2,579
Other operating income	15,541	3,503	1,913	3,279	954
Inventory write-down	(13,005)	-	-	-	-
Profit from operations before fair value adjustments	274,069	62,692	87,720	106,689	114,853
Surplus arising on fair valuation of investments	1,765	16,051	7,486	-	-
Surplus arising on fair valuation of interest rate derivatives	39,001	-	-	-	-
Surplus arising on revaluation of investment properties	97,516	36,632	(25,947)	84,746	54,834
Net valuation	97,165	37,905	(24,181)	85,415	66,836
Adjusted for straight line rental adjustment	351	(1,273)	(1,766)	(669)	(12,002)
Profit from operations	412,351	115,375	64,259	191,436	169,687
Investment income	8,791	18,343	13,025	19,349	11,452
Finance costs	(212,228)	(68,598)	(58,317)	(48,704)	(39,828)
Bargain purchase gain	-	577,342	-	-	-

Profit before tax	208,914	642,462	18,967	162,080	141,310
Income tax expense	(24,752)	4,920	3,240	(34,548)	(18,238)
Profit for the year	184,162	647,382	22,207	127,533	123,073
Other comprehensive income					
<i>Items that may be subsequently identified to profit or loss</i>					
Exchange differences on translation of foreign operations	28,247	(8,869)	(9,067)	5	(10,381)
Net fair value gains on available for sale financial assets	(1,104)	13,165	3,862	(6,697)	(2,043)
Gross fair value gains on available for sale financial assets	(1,104)	13,165	3,862	(6,697)	(2,107)
Income tax on fair value gains of available for sale financial assets	-	-	-	-	64
Other Comprehensive income/(loss) for the year	27,143	4,296	(5,205)	(6,692)	(12,424)
Total comprehensive income for the year	211,305	651,678	17,002	120,840	110,649

Dividends paid in the 5 years preceding date of this Supplementary Memorandum

Year	Dividend No	Declaration Date	Distribution Date	Number of Shares	Gross dividend / Share	Gross interest / share	Total Gross Distribution (P'000)
2023	Interim	20/09/2023	30/10/2023	758,232,937	0.135 thebe	4.128 thebe	P32,323
2022	Final	-	-	758,232,937	-	-	-
2022	Interim	21/09/22	28/10/22	758,232,937	0.158 thebe	3.337 thebe	P26,500
2021	Final	31/12/21	27/04/21	758,232,937	0.132 thebe	6.524 thebe	P50,468
2021	Interim	14/09/21	06/10/21	441,810,009	0.347 thebe	2.370 thebe	P12,004
2020	Final	30/12/20	28/04/21	353,448,157	0.75 thebe	3.745 thebe	P15,887
2020	Interim	15/09/20	28/10/20	353,448,157	0.399 thebe	2.147 thebe	P8,999
2019	Final	05/12/19	29/04/20	350,982,285	0.489 thebe	5.282 thebe	P20,255
2019	Interim	13/08/2019	30/10/19	350,982,285	0.101 thebe	5.028 thebe	P18,002
2018	Final	12/12/18	30/05/19	350,982,285	0.028 thebe	1.397 thebe	P5,001
2018	Interim	15/08/18	26/10/18	347,547,222	0.124 thebe	6.206 thebe	P22,000

Dividend Policy

The dividend policy of the Issuer, remain as set forth in Section 11 of the Programme Memorandum.

Availability of complete financial results including notes

The complete financial results for the past 5 financial years, including the full notes to the financial statements are available on the Issuer's website www.rdcbw.com and for inspection by potential Noteholders, during normal business hours after the date of this Supplementary Memorandum, at the registered offices of the Issuer, as set out herein.

12 SUBSCRIPTION AND SALE

The information in respect of application procedure, payment for the notes and delivery, and selling restrictions, secondary market of the Notes as set forth in Section 12 of the Programme Memorandum continue to apply.

13 BOTSWANA TAXATION

The statements with regard to the information given in Section 13 of the Programme Memorandum, and the information set forth as regards Income Tax, Withholding Tax, Capital Gains, Stamp Duty and Tax Treaties set forth in Section 13 of the Programme Memorandum remain applicable.

14 EXCHANGE CONTROL

The statement made in Section 14 of the Programme Memorandum with regard to Exchange Control, remains applicable.

15 PARAGRAPHS OF 10TH SCHEDULE TO COMPANIES ACT NOT APPLICABLE

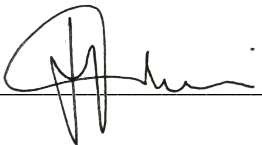
The statement with regard to the paragraphs of the 10th Schedule to the Botswana Companies Act which are not applicable set forth in Section 15 of the Programme Memorandum remains valid.

16 BOARD OPINION AND RESPONSIBILITY STATEMENT OF THE MEMBERS OF THE BOARD

(1) The Board of Directors is confident that the business and financial integrity of the Issuer shall remain sound.

- (2) The members of the Board, whose names are given on page 22 of this Supplementary Memorandum collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no other facts the omission of which would make any statement false or misleading, that they have made all reasonable enquiries to ascertain such facts and (if applicable) that this Supplementary Memorandum contains all information required by law.
- (3) The members of the Board confirm that this Supplementary Memorandum includes all such information within their knowledge (or which it would be reasonable for them to obtain by making enquiries) as investors and their professional advisers would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the issuer and of the rights attaching to the securities to which this Supplementary Memorandum relates.

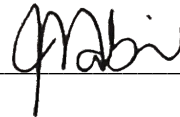
SIGNED AT CAPE TOWN ON THIS 8th DAY OF NOVEMBER 2023



Name: **GUIDO R GIACHETTI**

Capacity: Director

Who warrants his authority hereto



Name: **JOANNE MABIN**

Capacity: Director

Who warrants his authority hereto

17 CORPORATE INFORMATION

<p>Issuer</p>  <p>Plot 5624 Lejara Road, Broadhurst Industrial Gaborone, Botswana P.O. Box 405391 Gaborone, Botswana Contact: Joanne Mabin</p>	<p>Issuer's Principal Place of Business</p> <p>Plot 5624 Lejara Road, Broadhurst Industrial Gaborone, Botswana P.O. Box 405391 Gaborone, Botswana Contact: Joanne Mabin</p>
<p>Legal Advisor to the Issuer and Arranger</p>  <p>Bothole Law Group 6th Floor, Exponential Building, Plot 54351, New CBD, Gaborone, Botswana P.O. Box 1027 AAD, Gaborone, Botswana Contact: Neill Armstrong</p>	<p>Arrangers and Dealers</p>  <p>Stanbic Bank Botswana Limited Plot 50672 Fairgrounds Office Park Gaborone Contact: Onalenna Keseabetswe</p>
<p>Sponsoring Broker</p>  <p>Motswedi Securities (Proprietary) Limited Plot 113, Unit 30, Kgale Mews, Gaborone Private Bag 00223, Gaborone Contact: Kelemosadi Gaorengwe</p>	<p>Auditors and Reporting Accountants</p>  <p>Grant Thornton Acumen Park, Plot 50370, Fairgrounds Gaborone Postal Address P. O. Box 101, Gaborone Contact: Aswin Vaidyanathan</p>
<p>Company Secretary</p>  <p>PricewaterhouseCoopers Proprietary Limited 64289, Tlokweng Road, Gaborone P.O. Box 294 Gaborone, Botswana Contact: Saumendu Sinha</p>	<p>Issuing, Transfer, Calculation and Paying Agent</p>  <p>PricewaterhouseCoopers Advisory Services Proprietary Limited 64289, Tlokweng Road, Gaborone P.O. Box 294 Gaborone, Botswana Contact: Saumendu Sinha</p>
<p>Compliance Officer Joanne Mabin Tel: (+27) 76 714 8166 (+267) 391 4548 joannem@rdc.bw</p>	<p>Trustee Ranjith Priyalal De Silva DPS Consultancy Services Proprietary Limited Plot 54513, Unit 6A, Courtyard, Gaborone PO Box 1453 Gaborone</p>

ANNEXURE 1: UNAUDITED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023 AND STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 JUNE 2023

ABRIDGED UNAUDITED GROUP STATEMENT OF COMPREHENSIVE INCOME	Six months ended 30 June 2023	Six months ended 30 June 2022	% Change	Audited year ended 31 December 2022
	P'000	P'000		P'000
Revenue	272,911	249,669	9%	525,205
Net property operating expenses	(98,829)	(94,177)		(201,634)
Net property income	174,082	155,492	12%	323,571
Other operating expenses	(26,937)	(22,612)		(54,442)
Sale of inventory	2,466	76,003		77,483
Cost of sales	(2,399)	(75,838)		(77,648)
Inventory write-down	-	-		(13,005)
Other operating income	5,166	3,669		15,541
Income arising from joint venture	20	2,664		310
Other foreign exchange gains	6,876	3,059		2,259
Profit from operations before fair value adjustments & finance costs	159,274	142,437	12%	274,069
Fair value gain/(loss) on investments	(340)	2,863		1,765
Fair value gain/(loss) on investment properties	(13,191)	-		97,516
Fair value gain/(loss) on interest rate derivatives	(4,324)	26,758		39,001
Net finance costs	(111,208)	(95,680)		(203,437)
Profit before tax	30,211	76,378	(60%)	208,914
Income tax expense	(5,759)	(3,388)		(24,752)
Profit for the period	24,452	72,990	(66%)	184,162
Total profit for the period attributable to:				
Owners of the company	15,007	59,807		137,299
Non-controlling interests	9,445	13,183		46,863
	24,452	72,990		184,162
Other comprehensive income				
Exchange differences on translation of foreign operations	3,465	13,411		28,247
Fair value gain on available for sale financial assets	(1,840)	1,104		(1,104)
Total comprehensive income for the period	26,077	87,505	(70%)	211,305
Average number of linked units in issue at period end	758,232,937	758,232,937		758,232,937
Earnings per linked unit (thebe)	1.98	7.89		18.84
Number of linked units in issue at distribution date	758,232,937	758,232,937		758,232,937
Distribution per linked unit (thebe)	4.26	3.49	22%	3.50

**ABRIDGED UNAUDITED GROUP
STATEMENT OF FINANCIAL POSITION**

	Six months ended 30 June 2023	Six months ended 30 June 2022	% Change	Audited year ended 31 December 2022
Assets	P'000	P'000		P'000
Property, plant and equipment	41,684	35,327		47,090
Intangible asset	1,000	1,000		1,000
Investments	106,679	102,790		95,413
Financial assets at fair value through OCI	8,344	12,780		10,642
Investment in a joint venture	29,207	27,579		25,746
Investment properties	5,446,284	5,600,847		5,570,144
Investment properties held for sale	80,813	19,896		-
Long-term trade receivables	30,656	10,163		36,478
Inventories	151,389	30,450		161,076
Other current assets	191,468	198,046		180,097
Total Assets	6,087,524	6,038,878	1%	6,127,686
Equity and Liabilities				
Equity attributable to the owners of the parent	2,514,095	2,509,853		2,497,463
Non-controlling interests	534,300	494,048		532,734
Long-term borrowings	2,714,551	2,742,688		2,763,685
Deferred tax liabilities	186,901	165,830		185,060
Current liabilities	137,677	126,459		148,744
Total Equity and Liabilities	6,087,524	6,038,878	1%	6,127,686

**ABRIDGED UNAUDITED GROUP
STATEMENT OF CHANGES IN EQUITY**

	Six months ended 30 June 2023	Six months ended 31 December 2022	Six months ended 30 June 2022
	P'000	P'000	P'000
Balance brought forward – previously reported	3,030,197	3,003,901	2,941,015
Total distribution to the owners of the company	-	(46,440)	(24,962)
Net movement attributable to the owners of the company	16,632	46,857	74,322
Net movement attributable to non-controlling interests	1,566	25,879	13,526
Balance at the end of the period	3,048,395	3,030,197	3,003,901

**ABRIDGED UNAUDITED GROUP
STATEMENT OF CASH FLOWS**

	Six months ended 30 June 2023	Six months ended 30 June 2022	Audited Year ended 31 December 2022
	P'000	P'000	P'000
Cash flows from operating activities			
Profit from operations	159,274	142,437	274,069
Adjustment for non-cash items	3,832	2,909	(9,523)
Working capital changes	(15,708)	(14,130)	(4,436)
Taxation paid	(2,867)	(1,646)	(9,625)
Net cash generated/(utilized) from operating activities	144,531	129,570	250,485
Additions to investment properties	(20,631)	(16,213)	(40,744)
Additions of property, plant and equipment	-	-	(2,241)
Movements in investments	(11,266)	-	(561)
Net proceeds from sale of inventory	2,466	76,003	77,515
Proceeds on held for sale investment property	-	17,294	50,813
Investment income	-	-	7,687
Share of income from joint venture	(20)	(2,664)	-
Net loans repaid	(5,488)	(112,084)	(67,192)
Net finance costs paid	(111,208)	(95,680)	(212,228)
Dividend and debenture interest	(1,709)	(53,468)	(94,115)
Net movement in cash and cash equivalents	(3,325)	(57,242)	(30,581)
Cash and cash equivalents at beginning of the period	80,077	137,109	137,109
Effects of exchange rates	7,128	6,940	(26,451)
Cash and cash equivalents at end of the period	83,880	86,807	80,077

ANNEXURE 2: AUDITED FINANCIAL RESULTS OF THE 12 MONTHS ENDED 31 DECEMBER 2022
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	<u>Notes</u>	Group 2022 P'000	2021 P'000	Company 2022 P'000	2021 P'000
Revenue					
Contractual lease rental revenue	2	525 556	145 289	53 602	45 670
Straight-line rental adjustment		(351)	1 273	(288)	478
		525 205	146 562	53 314	46 148
Net property operating expenses		(201 634)	(47 083)	(11 951)	(8 813)
Net Property Income		323 571	99 479	41 363	37 335
Revenue from the sale of inventory	2	77 483	-	-	-
Cost of sales	16	(77 648)	-	-	-
Gross Profit from operations		323 406	99 479	41 363	37 335
Other operating expenses		(54 442)	(38 057)	(11 347)	(14 142)
Gains/(losses) from joint venture	3	310	(413)	-	-
Other foreign exchange gains/(losses)		2 259	(1 820)	24 538	1 488
Other operating income		15 541	3 503	3 015	125
Inventory write-down	16	(13 005)	-	-	-
Profit from operations before fair value adjustments		274 069	62 692	57 569	24 806
Surplus arising on fair valuation of investments	10	1 765	16 051	-	-
Surplus arising on fair valuation of interest rate derivatives	24	39 001	-	-	-
Surplus arising on revaluation of investment properties	12	97 516	36 632	13 475	24 182
Net valuation		97 165	37 905	13 187	24 660
Adjusted for straight line rental adjustment		351	(1 273)	288	(478)
Profit from operations	4	412 351	115 375	71 044	48 988
Investment income	5	8 791	18 343	40 161	26 121
Finance costs	6	(212 228)	(68 598)	(41 819)	(30 033)
Bargain purchase gain	7	-	577 342	-	-
Profit before tax		208 914	642 462	69 386	45 076
Income tax expense	8	(24 752)	4 920	3 116	(326)
Profit for the year		184 162	647 382	72 502	44 750
Other comprehensive income					
<i>Items that may be subsequently reclassified to profit or loss</i>					
Exchange differences on translation of foreign operations		28 247	(8 869)	-	-
Net fair value gains on financial assets at fair value		(1 104)	13 165	(1 104)	5 005
Gross fair value gains on financial assets at fair value	13	(1 104)	13 165	(1 104)	5 005
Other comprehensive income/(loss) for the year		27 143	4 296	(1 104)	5 005
Total comprehensive income for the year		211 305	651 678	71 398	49 755
Profit attributable to:					
Owners of the company		137 299	629 325	72 502	44 750
Non-controlling interests		46 863	18 057	-	-
		184 162	647 382	72 502	44 750
Total comprehensive income attributable to:					
Owners of the company		164 442	633 621	71 398	49 755
Non-controlling interests		46 863	18 057	-	-
		211 305	651 678	71 398	49 755
Number of linked units in issue at year end		758 232 937	758 232 937		
Average number of linked units in issue		758 232 937	391 792 630		
Earnings per linked unit (thebe)		18.84	163.99		
Dilutive earnings per linked unit (thebe)		18.84	163.99		
Earnings per linked unit is calculated based on the average number of linked units in issue and profit for the year attributable to the owners of the Company adjusted by taxation on debenture interest credited to statement of change in equity of:		142 865	642 511		
Distribution per linked unit					
Distribution per linked unit (thebe)		3.50	9.37		
Interest per linked unit (thebe)		3.34	8.89		
Dividend per linked unit (thebe)		0.16	0.48		
Distribution per linked unit is calculated on the number of linked units in issue at date of distribution.					
Other information					
Interest to dividend ratio		21.12	18.57		

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Notes	Group		Company	
		2022 P'000	2021 P'000	2022 P'000	2021 P'000
ASSETS					
Non-current Assets					
Property, plant and equipment	9	47 090	37 081	3 564	2 833
Investments	10	95 413	89 340	598 680	627 552
Investment in a joint venture	3	25 746	26 408	-	-
Long-term loan receivables	11	-	-	658 878	638 335
Investment properties	12	5 575 136	5 535 902	833 777	819 804
At fair value		5 570 144	5 531 261	835 773	821 512
Rental receivable - straight-line rental adjustment		4 992	4 641	(1 996)	(1 708)
Financial assets at fair value through other comprehensive income	13	10 642	14 129	9 201	10 305
Intangible asset	14	1 000	1 000	-	-
Trade and other receivables	15	36 478	26 086	-	-
Rental receivable - straight line rental adjustment		(4 992)	(4 641)	1 996	1 708
		5 786 513	5 725 305	2 106 096	2 100 537
Current Assets					
Trade and other receivables	15	90 336	98 145	106 269	79 215
Current tax assets		3 578	3 893	1 746	1 827
Inventories	16	161 076	99 522	-	-
Investment property held for sale	17	-	26 180	-	10 680
Cash and cash equivalents	18	86 183	143 801	1 474	13 024
		341 173	371 541	109 489	104 746
Total Assets		6 127 686	6 096 846	2 215 585	2 205 283
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated capital	19	1 058 199	1 058 199	1 058 199	1 058 199
Debentures	20	242 634	242 634	242 634	242 634
Accumulated profits	21	1 193 847	1 120 745	351 125	299 557
Debenture interest and dividend reserve	22	-	50 468	-	50 468
Investments revaluation reserve		6 415	7 519	(5 750)	(4 646)
Foreign currency translation reserve		(3 632)	(31 879)	-	-
Equity attributable to owners of the parent		2 497 463	2 447 686	1 646 208	1 646 212
Non-controlling interests	23	532 734	493 329	-	-
Total equity		3 030 197	2 941 015	1 646 208	1 646 212
Non-current Liabilities					
Long-term borrowings	24	2 369 095	1 750 896	365 321	363 074
Deferred tax liabilities	25	185 060	168 956	34 122	42 805
		2 554 155	1 919 852	399 443	405 879
Current Liabilities					
Trade and other payables	26	142 638	149 306	23 128	35 459
Bank overdraft	27	6 106	6 692	2 192	2 142
Current portion of long-term borrowings	24	394 590	1 079 981	144 614	115 591
		543 334	1 235 979	169 934	153 192
Total Equity and Liabilities		6 127 686	6 096 846	2 215 585	2 205 283

STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2022

	<u>Notes</u>	Stated capital P'000	Debentures P'000	Accumulated profits P'000	Investment revaluation reserve P'000	Debt interest and dividend reserve P'000	Foreign currency translation reserve P'000	Attributable to owners of the parent P'000	Non-controlling interests P'000	Total Equity P'000
GROUP										
Balance at 1 January 2021		329 073	113 103	729 801	(5 646)	13 502	(23 010)	1 156 823	297 009	1 453 832
Bonus issue of linked units	19 & 20	160 819	28 276	(189 095)	-	-	-	-	-	-
Rights offer of linked units		568 307	101 255	-	-	-	-	669 562	-	669 562
Profit for the year		-	-	629 325	-	-	-	629 325	18 057	647 382
Other comprehensive income for the year		-	-	-	13 165	-	(8 869)	4 296	-	4 296
Total comprehensive income for the year		-	-	629 325	13 165	-	(8 869)	633 621	18 057	651 678
Debt interest declared and proposed	22	-	-	(59 938)	-	59 938	-	-	-	-
Taxation attributable to debt interest	8	-	-	13 186	-	-	-	13 186	-	13 186
Debt interest paid		-	-	-	-	(23 708)	-	(23 708)	-	(23 708)
Dividends declared and proposed	22	-	-	(2 534)	-	2 534	-	-	-	-
Dividends paid		-	-	-	-	(1 798)	-	(1 798)	(15 130)	(16 928)
Non-controlling interest recognised on acquisition		-	-	-	-	-	-	-	193 393	193 393
Balance at 31 December 2021		1 058 199	242 634	1 120 745	7 519	50 468	(31 879)	2 447 686	493 329	2 941 015
Profit for the year		-	-	137 299	-	-	-	137 299	46 863	184 162
IFRS 3 - Business Combination Adjustment		-	-	(43 263)	-	-	-	(43 263)	9 689	(33 574)
Other comprehensive income for the year		-	-	-	(1 104)	-	28 247	27 143	-	27 143
Total comprehensive income for the year		-	-	94 036	(1 104)	-	28 247	121 179	56 552	177 731
Debt interest declared and proposed	22	-	-	(25 302)	-	25 302	-	-	-	-
Taxation attributable to debt interest	8	-	-	5 566	-	-	-	5 566	-	5 566
Debt interest paid		-	-	-	-	(74 769)	-	(74 769)	-	(74 769)
Dividends declared and proposed	22	-	-	(1 198)	-	1 198	-	-	-	-
Dividends paid		-	-	-	-	(2 199)	-	(2 199)	(17 147)	(19 346)
Balance at 31 December 2022		1 058 199	242 634	1 193 847	6 415	-	(3 632)	2 497 463	532 734	3 030 197
COMPANY										
Balance at 1 January 2021		329 073	113 103	493 188	(9 651)	13 502	-	939 215	-	939 215
Bonus issue of linked units	19 & 20	160 819	28 276	(189 095)	-	-	-	-	-	-
Rights offer of linked units		568 307	101 255	-	-	-	-	669 562	-	669 562
Profit for the year		-	-	44 750	-	-	-	44 750	-	44 750
Other comprehensive income		-	-	-	5 005	-	-	5 005	-	5 005
Total comprehensive income for the year		-	-	44 750	5 005	-	-	49 755	-	49 755
Debt interest declared and proposed	22	-	-	(59 938)	-	59 938	-	-	-	-
Taxation attributable to debt interest	8	-	-	13 186	-	-	-	13 186	-	13 186
Debt interest paid		-	-	-	-	(23 708)	-	(23 708)	-	(23 708)
Dividends declared and proposed	22	-	-	(2 534)	-	2 534	-	-	-	-
Dividends paid		-	-	-	-	(1 798)	-	(1 798)	-	(1 798)
Balance at 31 December 2021		1 058 199	242 634	299 557	(4 646)	50 468	-	1 646 212	-	1 646 212
Profit for the year		-	-	72 502	-	-	-	72 502	-	72 502
Other comprehensive income		-	-	-	(1 104)	-	-	(1 104)	-	(1 104)
Total comprehensive income for the year		-	-	72 502	(1 104)	-	-	71 398	-	71 398
Debt interest declared and proposed	22	-	-	(25 302)	-	25 302	-	-	-	-
Taxation attributable to debt interest	8	-	-	5 566	-	-	-	5 566	-	5 566
Debt interest paid		-	-	-	-	(74 769)	-	(74 769)	-	(74 769)
Dividends declared and proposed	22	-	-	(1 198)	-	1 198	-	-	-	-
Dividends paid		-	-	-	-	(2 199)	-	(2 199)	-	(2 199)
Balance at 31 December 2022		1 058 199	242 634	351 125	(5 750)	-	-	1 646 208	-	1 646 208

STATEMENT CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Group		Company	
		2022 P'000	2021 P'000	2022 P'000	2021 P'000
Cash flows from operating activities					
Profit from operations		412 351	115 375	71 044	48 988
Share of loss/(income) in a joint venture, net of foreign exchange differences		(310)	413	-	-
Depreciation		8 308	2 483	655	381
Contingent liability recognised on business combination	26	(32 291)	-	-	-
Inventory write-downs		13 005	-	-	-
Surplus arising on fair valuation of interest rate derivatives		(39 001)	-	-	-
Surplus arising on revaluation of investment properties		(97 516)	(36 632)	(13 475)	(24 182)
Operating income before working capital changes		264 546	81 639	58 224	25 187
Changes in working capital:					
- (Increase)/decrease in trade and other receivables		2 583	(8 170)	(27 054)	(24 996)
- (Decrease)/increase in trade and other payables		(7 019)	30 791	(12 034)	8 834
Taxation recovered/(paid)	35	(9 625)	(1 256)	81	(208)
Net cash generated from operating activities		250 485	103 004	19 217	8 817
Cash flows from investing activities					
Purchase of property, plant and equipment		(2 241)	(26 869)	(1 386)	-
Payment for acquisition of a subsidiary	7	-	(927 957)	-	-
Net cash acquired from acquisition of a subsidiary	7	-	111 819	-	-
Investment property additions	12	(40 744)	(383 602)	(1 092)	(2 421)
Investment income		6 563	29 021	37 673	23 593
Movement in investments		(2 586)	15 570	8 329	(716 886)
Sale of financial assets	13	2 025	-	-	-
Net movement in inventory	16	76 355	-	-	-
Disposals of investment property not held for sale	12	24 633	-	-	-
Sale of investment properties previously held for sale		26 180	-	10 680	-
Net cash generated from/(used in) investing activities		90 185	(1 182 018)	54 204	(695 714)
Cash flows from financing activities					
Dividend income	5	1 124	2 487	2 488	2 528
Issue of ordinary shares (net of costs)		-	568 307	-	568 307
Issue of debentures		-	101 255	-	101 255
Dividends paid		(2 199)	(1 798)	(2 199)	(1 798)
Debenture interest paid		(74 769)	(23 708)	(74 769)	(23 708)
Dividends paid to non-controlling interest		(17 147)	(15 130)	-	-
Finance costs	6	(212 228)	(68 598)	(41 819)	(30 555)
Long-term loans raised		489 814	532 768	113 293	70 373
Long-term loans repaid		(557 006)	(16 622)	(82 015)	-
Net cash generated from financing activities		(372 411)	1 078 961	(85 021)	686 402
Net movement in cash and cash equivalents		(31 741)	(53)	(11 600)	(495)
Cash and cash equivalents at beginning of year		137 109	158 340	10 882	11 377
Effects of exchange rates		(25 291)	(21 178)	-	-
Cash and cash equivalents at end of year		80 077	137 109	(718)	10 882
Consisting of:					
Cash and bank balances		86 183	143 801	1 474	13 024
Bank overdraft		(6 106)	(6 692)	(2 192)	(2 142)
Cash and cash equivalents at end of year		80 077	137 109	(718)	10 882

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. Presentation of financial statements

These financial statements are presented in Pula (P) as that is the currency of Botswana and the functional currency of the Group and Company's operations.

1.2. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

1.3. Adoption of new and revised International Financial Reporting Standards

The following new IFRS standards, interpretations and amendments have been adopted during the financial reporting period:

- Reference to the Conceptual Framework (Amendments to IFRS 3)
- COVID-19 – Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)
- Property, plant and Equipment: Proceeds before Intended Use (Amendment to IAS 16)
- Onerous Contracts – Costs of Fulfilling a Contract (Amendments to IAS37)

None of these new IFRS standards, interpretations and amendments have had a material impact on the Group or Company.

International Financial Reporting Standards in issue but not yet effective

At the date of approval of these financial statements, The Group and Company have chosen not to early adopt the following applicable Standards that were in issue but not yet effective.

International Financial Reporting Standards (IFRSs)	Effective date
<i>IFRS 17 Insurance Contracts - Amendments</i>	Annual reporting periods beginning on or after 1 January 2023
<i>Classification of Liabilities as Current or Non-current — Deferral of Effective Date (Amendment to IAS 1)</i>	Annual reporting periods beginning on or after 1 January 2024
<i>Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)</i>	Annual reporting periods beginning on or after 1 January 2023
<i>Definition of Accounting Estimates (Amendments to IAS 8)</i>	Annual reporting periods beginning on or after 1 January 2023
<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)</i>	Annual reporting periods beginning on or after 1 January 2023
<i>Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)</i>	Annual reporting periods beginning on or after 1 January 2024
<i>Non-current Liabilities with Covenants (Amendments to IAS 1)</i>	Annual reporting periods beginning on or after 1 January 2024

The Group and Company expect to adopt the above for the first time in the 2023 annual financial statements. The impact of the adoption of the new standards, amendments and interpretations is not likely to be material to the Group and Company financial statements.

1.4. Basis of accounting

The financial statements have been prepared on the historical basis, except for the revaluation of investment properties and certain financial instruments carried at fair value. The principal accounting policies, which have been consistently followed in all material respects, are set out below.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.5. Basis of consolidation

The consolidated financial statements "Group financial statements", incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. The Group's accounting policies are similar to those adopted by the Company. In the significant accounting policies, where applicable, Group also refers to Company. Control is achieved when the Company has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders; potential voting rights held by the Company, other vote holders or other parties; rights arising from other contractual arrangements; and any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interests of non-controlling shareholders may be initially measured either at fair value or the non-controlling interest's proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree. If, in the case of a bargain purchase, the result of this formula is negative, then the difference is recognised directly in profit or loss.

Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial acquisition plus the non-controlling interest's share of subsequent changes in equity.

1.6. Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between the aggregate of the fair value of the consideration received and the fair value of any retained interest and the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.7. Revenue recognition

Revenue arises mainly from rental income from operating leases with tenants, dividend income and interest income. Other revenue arises from the sale of inventories (properties acquired or developed for the purpose of sale).

1.7.1. Contractual lease rental revenue

The Group often enters into transactions involving operating leases with tenants. The transaction price for a lease contract excludes any amounts collected on behalf of third parties.

Rental income from operating leases is recognised in the statements of comprehensive income on a straight-line basis over the term of relevant leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on the straight-line basis over the lease term. The change in fair value of investment properties is offset against the rental straight-line adjustment in the statements of comprehensive income.

Service charges recovered comprises utility expenses, service levies and other costs recovered from tenants which are recognised in the profit and loss statement on an accrual basis.

1.7.2. Dividend Income

Dividend income is recognised when the shareholders' right to receive payment has been established and is measured gross of withholding tax.

1.7.3. Interest

Interest is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount.

1.7.4. Sale of inventories

The sale of inventories includes the sales of properties developed by the Group. Based on the terms of the underlying contracts, revenue is recognised when all the suspensive conditions are met and when the property is registered in the name of the customer. The outstanding amount is settled on the date of transfer.

1.8. Investments in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in the consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interest that, in substance, forms part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payment on behalf of the associate or joint venture.

An investment in an associate or joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 - Impairment of Assets are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less cost to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.8. Investments in joint ventures (continued)

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IAS 39. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on the disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if the associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to the reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

1.9. Interests in joint operations

A joint venture operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a Group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly.
- Its liabilities, including its share of any liabilities incurred jointly.
- Its revenue from the sale of its share of the output arising from the joint operation.
- Its share of the revenue from the sale of the output by the joint operation.
- Its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the operation.

When a Group entity transacts with a joint operation in which a Group entity is a joint operation (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

1.10. Financial instruments

1.10.1. Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.10. Financial instruments (continued)

1.10.2. Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

In the periods presented the Group does not have any financial assets categorised as FVTPL.

The classification is determined by both:

- the entity's business model for managing the financial asset.
- the contractual cash flow characteristics of the financial asset.

1.10.3. Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Financial assets at fair value through other comprehensive income (FVOCI)

All FVOCI financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the investment revaluation reserve within equity, except for interest and dividend income, impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired, the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss.

Trade and other receivables and contract assets

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience to calculate the expected credit losses on an individual basis.

Write - off policy.

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances and short-term deposits and are classified as financial assets measured at amortised cost. Cash and cash equivalents are measured initially at fair value and subsequently at amortised cost.

1.10.4. Financial liabilities

The Group's and the Company's significant financial liabilities include interest bearing loans, derivative financial instruments, related companies' loans payable, and trade and other payables, which have been classified as other financial liabilities.

Interest bearing loans are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.10.4. Financial liabilities (continued)

Related companies' loans payable comprises loans from companies owing at year-end. The financial liabilities included in this line item are classified as financial liabilities at amortised cost. They are measured initially at fair value and subsequently at amortised cost.

Derivative financial instruments are initially recognised at fair value and the fair value is re-measured at each reporting date. Derivative financial instruments comprise interest rate swaps, which are classified as at fair value through profit or loss. Gains or losses on the fair value of derivative financial instruments are recognised in profit or loss.

1.11. Stated capital and debentures

Stated capital and debentures issued by the Company are recorded at the proceeds received, net of direct issue costs.

Expenses incurred in the raising of capital are written off against equity if directly related to the equity raised. Indirect expenses relating to the raising of equity are expensed through profit and loss.

1.12. Investment properties

Investment properties are held to earn rentals and for capital appreciation. Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at their fair values at each statement of financial position date. Gains or losses arising in changes to fair value of investment properties are recognised in the statements of comprehensive income in the period in which they arise. Investment property is transferred to inventory when a change in use is evidenced by the commencement of development with a view to sale.

1.13. Property, plant and equipment

Properties in the course of construction are reflected as capital work in progress and are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs are capitalised in accordance with the Group's and the Company's accounting policies. Completed properties, plant and equipment (excluding investment properties) are stated in the statements of financial position at cost less accumulated depreciation and any impairment losses. The methods of depreciation, useful lives and residual values are reviewed annually.

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

Leasehold buildings	20 - 50 years
Furniture and equipment	2 - 10 years
Aircraft	15 years

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as difference between the sales proceeds, and the carrying amount of the asset and is recognised in the statements of comprehensive income.

1.14. Intangible assets

Intangible assets acquired separately are reported at cost less accumulated impairment losses. The intangible asset has been assessed as having an indefinite useful life as it relates to an indefinite license acquired to build and operate a hotel in the Central Business District of Gaborone. As such, the intangible asset is not amortised. The estimated useful life is reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

1.14.1. Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and 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 loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.14.1. Impairment of tangible and intangible assets other than goodwill (continued)

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.15. Inventories

Inventories consist of properties held for development and sale and are measured at the lower of cost and net realisable value. The cost of the inventories is assigned using the specific identification method.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises all costs of purchase, costs of construction and other costs incurred in bringing the inventories to their present location and condition.

Properties transferred from investment property to inventory have an initial deemed cost equal to their fair value on the date of transfer.

When inventories are sold, the carrying amount of those inventories are recognised as an expense (cost of sales) in the period in which the related revenue is recognised.

1.16. Taxation

Tax expense comprises current, withholding taxes paid in a foreign country and deferred tax.

1.16.1. Current tax

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 or substantively enacted at the statements of financial position date.

1.16.2. Deferred tax

Deferred tax is accounted for using the statement of financial position liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and corresponding tax basis used for 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 is calculated at the rates that are expected to apply when the asset is realised, or the liability settled. Deferred tax is charged or recognised in the statements of comprehensive income. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or a part of the asset to be recovered.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model under IAS 40 Investment Property, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax liabilities and deferred tax assets for such investment properties are measured in accordance with the above general principles set out in IAS 12 Income Taxes (i.e. based on the expected manner as to how the properties will be recovered).

1.16.3. Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for business combination.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.17. 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 statements of comprehensive income.

Monetary assets and liabilities denominated in foreign currency are retranslated at the rates ruling on the statements of financial position date. Gains and losses arising on retranslation are dealt with in the statements of comprehensive income.

On consolidation, the assets and liabilities of the Group's operations are translated at the exchange rate prevailing at the statements of financial position date. Income and expense items are translated at the average exchange rates for the period unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's foreign currency translation reserve. Such translation are recognised in the Group statement of comprehensive income in the period in which the operation is disposed of.

1.18. Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of that asset until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowings costs eligible for capitalisation.

Other borrowing costs are recognised as an expense in the period in which they are incurred.

1.19. Share-based payment equity reserve

The grant-date fair value of the scheme is recognised as an expense in the statement of profit or loss and other comprehensive income, with a corresponding increase in equity through the share-based payment reserve, over the vesting period. The amount recognised as an expense is adjusted for changes in management's estimate of the number of shares expected to vest, such that the amount ultimately recognised is based on the number of awards that vest.

1.20. Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

1.21. Operating expenditure

Tenant recoveries are recognised as they are earned, in line with the contractual rights in the leases. Recoveries of costs from lessees are recognised as revenue received from customers, and thus not offset against operating cost expenses.

1.22. Distributions

The company may from time to time distribute accumulated profits provided that the relevant regulatory requirements been met, notably whether the solvency and liquidity tests have been passed to the satisfaction of the directors.

1.23. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

1.23.1. The Group as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. Although the risks associated with rights the Group retains in underlying assets are not considered to be significant, the Group employs strategies to further minimise these risks. For example, ensuring all contracts include clauses requiring the lessee to compensate the Group when a property has been subjected to excess wear-and-tear during the lease term.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.24. Non-Current assets held for sale

Non-current assets and disposal Groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the following criteria are met:

- management is committed to a plan to sell.
- the asset is available for immediate sale.
- the sale is highly probable, within 12 months of classification as held for sale (subject to limited exceptions) - the asset is being actively marketed for sale at a sales price reasonable in relation to its fair value
- actions required to complete the plan indicate that it is unlikely that plan will be significantly changed or withdrawn.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after sale.

1.25. Provisions and contingencies

Provisions are recognised when:

- the Group has a present obligation as a result of a past event.
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision. Provisions are not recognised for future operating losses.

1.26. Operating segments

An operating segment is a distinguishable component of the Group that is engaged either in providing products and services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those other segments. The Group's primary format for segment reporting is based on geographical segments. Segment results include items that are directly attributable to a segment as well as those that can be allocated on a reasonable basis.

1.27. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future and other sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts within the next financial year:

1.27.1. Fair value of investment properties

The directors use their judgement in selecting an appropriate valuation technique for the investment properties. Investment properties are valued using a direct capitalisation method based on assumptions supported, where possible, by observable market prices. Each property is revalued by an independent accredited valuer at least every three years. The directors ensure that the reviewer selected is independent, maintains the appropriate qualification and accreditation, and has the necessary experience in the property market to which the property being valued belongs to.

In the absence of current prices in an active market, valuations that make maximum use of relevant observable inputs and minimal use of unobservable inputs are prepared. Discounted cash flow analysis is applied which is prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. Then a yield that reflects the specific risks inherent in the net cash flows is applied to the net annual cash flows to arrive at the property valuation. The valuation process also makes use of the net income method which assumes a rental stream into perpetuity and uses the capitalisation rate to account for the risk of projected market, business and financial volatility and to adjust for the sustainability of the cash flow into perpetuity. Once the capitalisation value has been calculated, further adjustments are made to the valuations relating to project costs and values. The directors confirm that there have not been any material changes to the information used and assumptions applied by the valuer.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.27. Critical accounting judgements and key sources of estimation uncertainty (continued)

1.27.2. *Deferred taxation on investment properties*

For the purposes of measuring deferred tax liabilities or deferred tax assets from investment properties that are measured using the fair value model in IAS 40 - Investment Properties, the directors have reviewed that the Group's investment property portfolio and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the Group's deferred taxation on investment properties, the directors have determined that the presumption set out in IAS 12 - Income Taxes, that investment properties measured using the fair value model are recovered through sale is not rebutted.

1.27.3. *Impairment of investments and assets*

The Group and Company review the investments and assets for impairment at the end of each annual reporting period and consider if any impairment is necessary based on review of net asset value, current market value and discounted cash flows.

1.27.4. *Provision for doubtful debt*

The Group makes use of a simplified approach in accounting for trade and other receivables, and related companies' receivable loans and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

1.27.5. *Useful lives and residual values of property, plant and equipment*

The Group and Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each annual reporting period.

1.27.6. *Recoverability of intangible asset*

The Group and Company review the intangible asset for impairment at the end of each annual reporting period.

1.27.7. *Related party transactions*

Related parties are defined as those parties that:

- directly, or indirectly through one or more intermediaries:
 - (i) control, are controlled by, or are under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries).
 - (ii) have an interest in the entity that gives them significant influence over the entity; or
- are members of the key management personnel of the entity or its parent including close members of the family.

All dealings with related parties are transacted on an arm's length basis.

1.27.8. *Joint arrangements and joint operations*

Joint operations are joint arrangements whereby the parties that have joint control of the arrangement have the rights to the assets and the obligations for the liabilities relating to the arrangement. In assessing whether an arrangement constitutes a joint arrangement, the directors consider whether the arrangement is structured through a separate vehicle, the type of legal structure, the agreements with other parties that have joint control and other facts and circumstance that be relevant.

1.27.9. *Net realisable values of properties held as inventories*

Independent valuations are performed on a regular basis for the purpose of determining the net realisable value of the properties included in inventory. As part of the preparation of the current year annual financial statements, detailed valuations were performed by an independent valuer. The comparable sales valuation method was used to determine the fair value of the properties. This method uses the recent selling values of properties in a similar location, condition and size adjusted in certain instances for unit density, usability and access. The reduction to net realisable value is accounted for in profit or loss.

1.27.11. *Classification between inventories and investment properties*

Management uses the criteria as set out by IAS 2 (Inventories) and IAS 40 (Investment Properties) for the initial recognition and classification of inventories and investment properties. When the company decides to dispose of an investment property without development, it continues to treat the property as an investment property until it is derecognised and does not treat it as inventory.

Management identified the portions of the properties required for intended development and sale projects and classified these portions of the properties as inventory as it is the intention of the company to develop these properties for later sale. Development and sale is not the primary business of the company.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2022	2021	2022	2021
	P'000	P'000	P'000	P'000
2. Revenue				
Contractual lease rental revenue comprises:				
Rental income	403 390	120 953	50 839	42 819
Service charges recovered	122 166	24 336	2 763	2 851
	525 556	145 289	53 602	45 670

Variable lease income, not dependent on an index or rate, of P17.6m is included in the rental income above (2021: P5.2m)

Other revenue comprises:

Revenue from the sale of inventory	77 483	-	-	-
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On acquisition of Tower Property Fund Limited in 2021, the Group recognised inventory consisting of 61 residential units, at the Old Cape Quarter and Napier Street properties located in the De Waterkant district of Cape Town, South Africa. During the current financial year (2022), 18 units were sold for a selling price of P77,483,000 (2021: P nil).

Revenue recognised at a point in time:				
Service charges recovered	122 166	24 336	2 763	2 851
Revenue from the sale of inventory	77 483	(413)	-	-

The group meets all performance obligations at the point in time when either services are rendered or developed units are sold.

3. Investment in a joint venture

Details of the Group's investment in a joint venture at the end of the reporting period is as follows:

Name of joint venture	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the Group	
			2022	2021
HMS1 Société Anonyme (HMS1)	Operating a lodge known as Isalo Rock lodge	Madagascar	50%	50%

The above joint venture is accounted for using the equity method in these financial statements.

The principle activity of the joint venture is the operation of a hospitality asset in Madagascar. This represents a strategic investment of the Group, which continues to expand its footprint in the hospitality property sector.

Summarised information in respect of the Group's joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with IFRS.

Summarised statement of financial position

	2022	2021
	P'000	P'000
Current		
Cash and cash equivalents	13	15
Financial assets (excluding cash)	11 242	10 207
Total current assets	11 255	10 222
Other current liabilities (including trade and other payables)	(8 731)	(8 451)
Total current liabilities	(8 731)	(8 451)
Non-current		
Investment property	50 076	52 186
Deferred tax asset	488	504
Total non-current assets	50 564	52 690
Long-term borrowings	(1 596)	(1 644)
Total financial liabilities	(1 596)	(1 644)
Net assets	51 492	52 817

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

3. Investment in a joint venture (Continued)

Summarised statement of comprehensive income

Revenue	1 433	115
Operating costs	(806)	(615)
Profit/(loss) from operations	627	(500)
Finance costs	-	(324)
Profit/(loss) before taxation	627	(824)
Income tax expense	(7)	(1)
Profit/(loss) for the year	620	(825)
Group's profit/(loss) for the year	310	(413)

Reconciliation of summarised financial information

Reconciliation of the above summarised financial information to the carrying amount of the interest in joint venture recognised in the consolidated financial statements

	2022 P'000	2021 P'000
Summarised financial information		
Opening net assets	52 817	54 887
Profit/(loss) for the year	620	(825)
Foreign exchange differences	(1 945)	(1 245)
Closing net assets	51 492	52 817
Interest in joint venture	50%	50%
Carrying amount of the Group's interest in the joint venture	25 746	26 408

4. Profit from operations

Profit from operations is stated after taking into account the following:

	Group		Company	
	2022 P'000	2021 P'000	2022 P'000	2021 P'000
Auditor's remuneration - audit fee	1 931	497	138	128
Depreciation	8 308	2 483	655	381
Directors' emoluments - for services as directors (note 28)	3 368	612	1 076	534
Management and administration fee paid to related company (note 28)	22 390	10 518	3 094	2 445
Acquisition cost relating business combinations paid to related company (note 28)	-	3 466	-	3 466
Acquisition cost relating business combinations - other	-	13 177	-	13 177
Lease renewal fees paid to related company (note 28)	7 151	789	693	548
Movement in expected credit losses (note 15)	6 166	6 779	144	(453)
Inventory write-down (net realisable value)	13 005	-	-	-
Repairs and maintenance on investment properties	15 444	5 199	1 845	1 560
Service charges paid to related company (note 28)	8 602	4 447	8 602	4 447
Foreign exchange gains/(losses)	2 259	(1 820)	24 538	1 488
Bargain purchase gain (note 7)	-	577 342	-	-

5. Investment income

Bank balances	6 059	2 036	1 433	1 852
Money market	59	987	59	262
Overdue accounts and tenant deposits	1 549	10 986	33	(160)
Related parties and intercompany (note 28)	-	-	36 148	21 639
	7 667	14 009	37 673	23 593
Fair value gain on level 1 financial instruments	-	1 847	-	-
Dividends received	1 124	2 487	2 488	2 528
	8 791	18 343	40 161	26 121

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

6. Finance costs

Interest payable on:

Bank overdraft	881	385	703	303
Long-term borrowings	205 431	68 213	40 090	29 730
Other	5 916	-	1 026	-
	212 228	68 598	41 819	30 033

7. Acquisition of Tower Property Fund Limited (Prior Year Acquisition)

The Group held a 2% interest in Tower Property Fund Limited, a property holding group listed on the Johannesburg Stock Exchange. On 28 December 2021, the Group obtained majority control of Tower Property Fund Limited by acquiring the additional 98% of Tower Property Fund Limited's share capital, thereby increasing its ownership interest to 100%. With this acquisition, the Group increased its market share in South Africa and gained exposure to the Croatian property market. Details of the business combination are as follows:

	Group	
	2022 P'000	2021 P'000
Amount settled in cash	927 957	927 957
Fair-value of equity shares held	20 244	20 244
Total fair value of consideration transferred	948 201	948 201
Fair-value of non-controlling interest in TPF International	193 393	193 393
At acquisition adjustment to non-controlling interest	9 689	-
Adjusted fair-value of non-controlling interest in TPF International	203 082	193 393
	1 151 283	1 141 594
Recognised amounts of identifiable net assets:		
Investment property	2 820 417	2 965 817
Property plant and equipment	6 284	6 284
Inventories	245 797	100 397
Trade and other receivables	74 776	76 731
Deferred taxation liability	(54 138)	(54 138)
Tax receivable	2 542	2 228
Cash and cash equivalents	111 819	111 819
Investment property held for sale	15 500	15 500
Other financial liabilities	(1 414 325)	(1 414 325)
Contingent liability	(31 933)	-
Related party loans	(22 661)	(22 661)
Trade and other payables	(67 715)	(67 715)
Tax payable	(1 001)	(1 001)
Net identifiable assets and liabilities	1 685 362	1 718 936
Bargain purchase gain	534 078	577 342

Measurement period adjustment

During the measurement period, new information was obtained about facts and circumstances that existed as at the acquisition date. This related to:

1. An additional tax assessment issued by SARS to Tower International Treasury (Pty) Ltd which is still in the process of a formal dispute. At the date of these annual financial statements, the outcome of the case is still undecided and therefore the Group has provided for and recognised a contingent liability based on the SARS assessment.
2. A write-off of a debtor which existed at acquisition date and which formed part of the settlement executed prior to the acquisition date, and;
3. A consolidation adjustment entry of the non-controlling interest in TPF International that existed at acquisition date.
4. The split between inventories and investment properties acquired as at the acquisition date was amended. Inventories acquired was increased by P145,400,000 and investment properties reduced by P145,400,000. The rationale for the revised split was due to the estimated provisional basis for cost allocation applied at the acquisition date. The revised split which was recalculated during the measurement period, provides more accurate information regarding the cost of the development of the properties held as inventory.

These items have reduced the bargain purchase gain that had been recognised in the 2021 financial year. This adjustment is reflected as a movement in accumulated profits in the statement of changes in equity.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

7. Acquisition of Tower Property Fund Limited (Prior Year Acquisition) (Continued)

Consideration transferred

The acquisition was settled in cash of P927,957,182 by acquiring the remaining 330,044,093 shares of Tower Property Fund Limited from the existing shareholders. The fair value of the equity shares held previously were measured at its market value on the date of acquisition at P20,243,634. Acquisition-related costs amounting to P16,642,391 have been recognised as an expense in the consolidated statement of comprehensive income, as part of other expenses.

Previously held investment in Tower Property Fund Limited

On the acquisition date, the Group's 2% investment in Tower Property Fund Limited, previously accounted for as an available for sale financial asset, was remeasured to fair value of P20,243,634. The previously held investment is considered part of what was given up by the Group to obtain control of Tower Property Fund Limited. Accordingly, the fair value of the investment is included in the determination of the bargain purchase gain.

Non-controlling interest in TPF International Limited

The non-controlling interest in TPF International Limited is measured at its proportionate share of the net asset value of TPF International at the acquisition date.

8. Income tax expense

	Group		Company	
	2022 P'000	2021 P'000	2022 P'000	2021 P'000
Normal taxation				
Current year expense	9 940	1 099	-	19
Prior year under provision	-	(241)	-	-
Total normal taxation	9 940	858	-	19
Deferred taxation				
Current year (excluding capital gains tax)	15 372	(3 231)	6 189	(6 112)
Capital gains deferred tax	(12 964)	(15 733)	(14 696)	(6 767)
Prior year under provision	6 838	-	(175)	-
	19 186	(18 106)	(8 682)	(12 860)
Income tax expense comprises:				
Charged to statement of comprehensive income	24 752	(4 920)	(3 116)	326
Attributable to debenture interest credited to statement of changes in equity	(5 566)	(13 186)	(5 566)	(13 186)
	19 186	(18 106)	(8 682)	(12 860)

The charge for the year can be reconciled to the profit per the Statement of Comprehensive Income as follows:

	%	%	%	%
Tax rate reconciliation:				
Tax at current rate	22.00	22.00	22.00	22.00
Taxation on debenture interest	(2.66)	(2.05)	(8.02)	(29.25)
Prior year underprovision/(overprovision)	0.61	0.56	(1.01)	8.58
Deferred tax prior year underprovision	-	(0.34)	-	(4.80)
Fair value adjustment on investment properties, net of deferred capital gains tax	(16.55)	(3.45)	(21.18)	(27.05)
Sale of investment properties	(1.27)	-	(3.82)	-
Share of profit from joint venture	0.03	(0.02)	-	-
Non-taxable income	(0.17)	(0.86)	(0.48)	(3.46)
Non-taxable bargain purchase gain	-	(19.77)	-	-
Non-deductible expenses	0.36	0.23	-	5.45
Unutilised tax losses	1.71	0.29	-	-
Withholding taxes paid in a foreign country	1.91	-	-	-
Substantively enacted tax rate change in South Africa	(0.39)	-	-	-
Effect of tax rate differentials	3.60	0.58	-	-
	9.18	(2.83)	(12.51)	(28.53)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

9. Property, plant and equipment

Group	Leasehold buildings P'000	Furniture, equipment P'000	Aircraft & vehicles P'000	Total P'000
Cost				
At 1 January 2021	2 270	9 147	3 093	14 510
Acquisition through business combination	-	6 284	-	6 284
Additions during the year	-	26 869	-	26 869
As at 31 December 2021	2 270	42 300	3 093	47 663
Additions during the year	-	2 241	-	2 241
Transfers from investment property	-	16 098	-	16 098
Write-offs during the year	-	(22)	-	(22)
As at 31 December 2022	2 270	60 617	3 093	65 980
Accumulated depreciation				
At 1 January 2021	1 660	5 484	877	8 021
Charge for the year	140	2 215	206	2 561
As at 31 December 2021	1 800	7 699	1 083	10 582
Charge for the year	111	7 991	206	8 308
As at 31 December 2022	1 911	15 690	1 289	18 890
Net book value at 31 December 2022	359	44 927	1 804	47 090
Net book value at 31 December 2021	470	34 601	2 010	37 081

Leasehold buildings comprise the following:

A basement parking facility at portion of Lots 1204, 1138 and 8897 in Main Mall area in Gaborone, Botswana, constructed on a plot of land leased from Gaborone City Council for a period of 20 years.

Company	Furniture & equipment P'000	Aircraft P'000	Total P'000
Cost			
At 1 January 2021	1 788	3 093	4 881
Additions during the year	7	-	7
As at 31 December 2021	1 795	3 093	4 888
Additions during the year	1 386	-	1 386
As at 31 December 2022	3 181	3 093	6 274
Accumulated depreciation			
At 1 January 2021	796	878	1 674
Charge for the year	175	206	381
As at 31 December 2021	971	1 084	2 055
Charge for the year	449	206	655
As at 31 December 2022	1 420	1 290	2 710
Net book value at 31 December 2022	1 761	1 803	3 564
Net book value at 31 December 2021	824	2 009	2 833

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

10. Investments

	Country of incorporation	Share Holding	Group		Company	
			2022 P'000	2021 P'000	2022 P'000	2021 P'000
At cost:						
Equity investments - Subsidiaries						
RDC Properties International (Proprietary) Limited	Botswana	100%	-	-	508 220	537 092
Lotsane Complex (Proprietary) Limited	Botswana	77%	-	-	1 692	1 692
Three Partners Resorts Limited	Botswana	54%	-	-	82 281	82 281
Norman Kwati Matsetse (Proprietary) Limited	Botswana	100%	-	-	4 300	4 300
			-	-	596 493	625 365
Joint Operation						
Propcorp (Proprietary) Limited	Botswana	33%	-	-	2 187	2 187
			-	-	2 187	2 187
USA Private Placement Insurance Policy						
Evergreen Private Placement Policy			95 413	89 340	-	-
			95 413	89 340	-	-
			95 413	89 340	598 680	627 552

USA Private Placement Insurance Policy

Reconciliation of fair value

Opening value	89 340	68 461	-	-
Distributions	(1 271)	(1 754)	-	-
Foreign exchange gains	5 579	6 582	-	-
Net increase in fair value	1 765	16 051	-	-
Closing balance	95 413	89 340	-	-

Joint operations

The principle activity of the joint operation, Propcorp (Proprietary) Limited is the rental generation on a parking lot owned by the entity in Botswana. The parking lot is situated next to an investment property held by the Group and accordingly, the investment in the joint operation is strategic in nature. The following amounts are included in the Group financial statements as a result of the proportionate consolidation of Propcorp (Proprietary) Limited:

	2022 P'000	2021 P'000
Non-current assets	359	470
Current assets	126	102
Current liabilities	(95)	(151)
Income	168	154
Expenses	(265)	(261)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

11. Long term loan receivables

	Country of incorporation	Share Holding	Group		Company	
			2022 P'000	2021 P'000	2022 P'000	2021 P'000
At cost:						
Long-term loans - Investments through RDC Properties International (Proprietary) Limited*						
RDC Properties International (Proprietary) Limited	Botswana	100%	-	-	626 109	607 836
RDC Properties Namibia (Proprietary) Limited	Namibia	100%	-	-	4 986	4 986
RDC-KMR Limited	Mauritius	55%	-	-	14 093	12 951
RDC Zimpeto Limited	Mauritius	60%	-	-	13 690	12 562
			<u>-</u>	<u>-</u>	<u>658 878</u>	<u>638 335</u>

Long-term loans – investments through RDC Properties International (Propriety) Limited are unsecured, bear interest at rates linked to the prime lending rate and are repayable on demand, however these loans will not be recalled in the upcoming 12 month period.

12. Investment properties

	Group		Company	
	2022 P'000	2021 P'000	2022 P'000	2021 P'000
Freehold land and buildings at fair value	4 434 670	4 410 092	367 719	366 110
Leasehold land and buildings at fair value	1 135 474	1 121 169	468 054	455 402
	<u>5 570 144</u>	<u>5 531 261</u>	<u>835 773</u>	<u>821 512</u>
Straight-line rental adjustment	4 992	4 641	(1 996)	(1 708)
	<u>5 575 136</u>	<u>5 535 902</u>	<u>833 777</u>	<u>819 804</u>
Reconciliation of fair value				
Opening value	5 535 902	2 145 151	819 804	802 925
At valuation	5 550 604	2 158 580	821 512	805 111
Straight-line rental adjustment	(14 702)	(13 429)	(1 708)	(2 186)
Acquisition through business combination	-	2 965 817	-	-
Transfers to available for sale	-	(10 680)	-	(10 680)
Transfers to inventory	(144 134)	-	-	-
Transfers to property, plant and equipment	(16 098)	-	-	-
Additions during the year	40 744	87 414	1 092	2 421
Acquisitions during the year	-	296 188	-	-
Disposals during the year	(24 633)	-	-	-
Foreign currency translation reserve	85 839	15 380	-	-
Net increase in fair value	97 165	37 905	13 169	24 660
Straight-line rental adjustment included in profit or loss	351	(1 273)	(288)	478
Closing balance	<u>5 575 136</u>	<u>5 535 902</u>	<u>833 777</u>	<u>819 804</u>

Fair value adjustments

For the year ended 31 December 2022, valuations of all properties were performed by either the directors or independent valuers and have resulted in a net upward revaluation of P97,165,000 (2021: P37,905,000). The Group engaged registered independent valuers, Stocker Fleetwood Bird to independently value properties in Botswana, and Mills Fitchet Magnus Penny to independently value properties in South Africa. These parties are considered specialists in the real estate industry and are appropriately qualified and certified to perform valuations.

Investment properties are revalued based on an independent accredited valuers report at least every three years and are revalued annually by the Board of Directors based on a direct capitalisation model or a discounted cash flow model. The board is appropriately resourced with the necessary financial qualifications and experience to perform valuations on this basis.

The property rental income earned by the Group from its investment properties before the straight-line adjustment is P525,556,000 (2021: P145,289,000). Direct operating expenses (including repairs and maintenance) arising from investment properties was P201,634,000 (2021: P47,083,000).

As at 31 December 2022 Investment properties with a fair value of P5.137 billion (2021: P5.107 billion) are encumbered. Refer to note 24.

For contractual capital commitments to repair or enhance investment properties refer to note 30.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

13. Financial assets at fair value through other comprehensive income (OCI)

	Group		Company	
	2022 P'000	2021 P'000	2022 P'000	2021 P'000
Ordinary shares in listed companies	10 642	14 129	9 201	10 305
Opening balance	14 129	38 160	10 305	5 300
Disposals during the year	(2 025)	(37 537)	-	-
Fair value gains / (losses)	(1 104)	13 165	(1 104)	5 005
Foreign currency translation reserve	(358)	341	-	-
Closing balance	10 642	14 129	9 201	10 305

The Group holds investments in Letshego Holdings Limited, a financial services provider listed on the Botswana Stock Exchange, Spear Real Estate Investment Trust Limited, a property REIT listed on the JSE AltX and South African government bonds.

14. Intangible asset

Licence allowing right of usage	1 000	1 000	-	-
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The Group acquired an indefinite license to build and operate a hotel in the central business district in Gaborone, Botswana. The hotel was completed and started operations during 2012. The license acquired does not expire, nor does it get renewed periodically. The directors have determined this to be an indefinite intangible asset and have reviewed the intangible asset for impairment and have concluded that the asset is not impaired.

15. Trade and other receivables

Trade receivables	72 649	59 128	15 478	14 996
Allowance for doubtful debts	(22 545)	(16 379)	(4 881)	(4 737)
	50 104	42 749	10 597	10 259
Value added tax	2 366	3 974	(320)	120
Prepayment	3 990	10 099	156	259
Municipal deposits	7 008	12 399	-	-
Recovery accruals	-	7 847	-	-
Tower Treasury shares held by broker	-	6 426	-	-
Recoverable expenses	-	3 612	-	-
Settlement agreements	-	1 727	-	-
Other receivables	26 416	12 230	(583)	2 092
Related parties:				
RDC Properties International (Proprietary) Limited	-	-	59 623	53 376
Italtswana Construction Company (Proprietary) Limited	86	-	86	-
Property & Asset Management Limited	572	-	648	-
Norman Kwati Matstese (Proprietary) Limited	-	-	2 231	2 183
Chobe Marina Lodge (Proprietary) Limited	2 958	-	2 958	-
Dirwe (Proprietary) Limited	-	-	-	-
Scenic Adventures (Proprietary) Limited	-	-	-	-
Three Partners Resorts Limited	-	-	30 864	10 072
Natural Mystik (Proprietary) Limited	-	-	-	-
Antya Investments (Proprietary) Limited	2	11	2	11
RDC Zimpeto Limited	-	-	-	843
Yuagong (Proprietary) Limited	33 312	23 157	-	-
Propcorp (Proprietary) Limited	-	-	-	-
Lotsane Complex (Proprietary) Limited	-	-	7	-
	126 814	124 231	106 269	79 215
Short-term portion	90 336	98 145	106 269	79 215
Long-term portion	36 478	26 086	-	-
	126 814	124 231	106 269	79 215

All amounts are short-term, unless indicated otherwise. The net carrying value of trade receivables is considered a reasonable approximation of fair value. Other receivables from related parties are unsecured and will be settled on a cash basis within the next 12 months.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

15. Trade and other receivables (continued)

The Group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component. In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to the geographical location of customers.

The expected credit loss rates are based on the payment profile for sales over the past 24 months before 31 December 2022 and 31 December 2021 respectively as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the economy. The Group has identified the gross domestic product (GDP) rate of the countries in which the customers are domiciled to be the most relevant factors and according adjusts historical loss rates for expected changes in these factors.

Trade receivables are written off when there is no reasonable expectation of recovery. Failure to make payments within 180 days from the invoice date and failure to engage with the Group on alternative payment arrangements amongst others is considered an indicator of no reasonable expectation of recovery.

The tables below include disclosures relating to credit risk exposure and analysis relating to expected credit losses.

Group

	GROUP - P'000s				
	Current	30 days	60 days	90 days	120 days and more
2022					
Expected credit loss rate	8%	30%	31%	34%	39%
Gross carrying amount	14 233	7 451	4 798	4 418	41 749
Lifetime expected credit losses	1 161	2 249	1 482	1 510	16 143
2021					
Expected credit loss rate	6%	15%	19%	27%	39%
Gross carrying amount	11 794	5 572	3 763	4 707	33 292
Lifetime expected credit losses	667	832	699	1 289	12 892

Company

	GROUP - P'000s				
	Current	30 days	60 days	90 days	120 days and more
2022					
Expected credit loss rate	15%	23%	30%	35%	35%
Gross carrying amount	2 093	1 087	875	516	10 907
Lifetime expected credit loss	318	251	262	183	3 867
2021					
Expected credit loss rate	0%	6%	12%	18%	45%
Gross carrying amount	1 217	1 716	1 450	1 097	9 516
Lifetime expected credit loss	-	98	171	194	4 274

Expected credit losses reconciliation

	Group		Company	
	2022 P'000	2021 P'000	2022 P'000	2021 P'000
Movement in expected credit losses				
Balance at beginning of the year	16 379	9 600	4 737	5 190
Movement in expected credit losses	6 166	6 779	144	(453)
Balance at end of the year	22 545	16 379	4 881	4 737

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

16. Inventories

	Group		Company	
	2022 P'000	2021 P'000	2022 P'000	2021 P'000
Inventories at cost				
Opening balance	99 522	-	-	-
IFRS 3 - Business Combination Adjustment (Refer to note 7)	145 400	-	-	-
Additions	133	-	-	-
Sales	(77 648)	-	-	-
Inventory write-down	(13 005)	-	-	-
Acquisition through business combination	-	99 522	-	-
Foreign currency reserve adjustment	6 673	-	-	-
Closing balance	161 076	99 522	-	-

On acquisition of Tower Property Fund Limited in 2021, the Group recognised inventory consisting of 61 residential units, at the Old Cape Quarter and Napier Street properties located in the De Waterkant district of Cape Town, South Africa.

18 units were sold in 2022 with a cost price of P77,648,000, with one further unit expected to transfer post year-end.

In line with IAS2, to recognise inventory at the lower of cost or net realisable value, the remaining units held for sale were written down to the net realisable value giving rise to an inventory write-down of P13,005,000 for the period.

The remaining units will continue to be leased on a short-term basis and actively marketed until buyers are found.

All of the company's inventories are pledged as security, refer to note 24.

17. Investment property held for sale

Opening Balance	26 180	-	10 680	-
Acquisition of subsidiary	-	15 500	-	-
Sales during the period	(26 180)	-	(10 680)	-
Transfer from Investment Property	-	10 680	-	10 680
Closing Balance	-	26 180	-	10 680

The Braides property was recognised as investment property held for sale at 31 December 2021, and transferred on the 4th of February 2022 for its book value of P15,500,442. The Roots Tower property which was classified as held for sale at 31 December 2021 was sold on 1 September 2022 for P10,637,250. As at 31 December 2022 none of the Group's properties met the classification criteria for being classified as held for sale.

18. Cash and cash equivalents

	Group		Company	
	2022 P'000	2021 P'000	2022 P'000	2021 P'000
Bank balances	86 181	143 753	1 472	12 976
Money Market	2	48	2	48
	86 183	143 801	1 474	13 024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

	Group		Company	
	2022 P'000	2021 P'000	2022 P'000	2021 P'000
19. Stated capital				
The stated capital reserve comprises the fully paid ordinary share component of the linked units issued to shareholders of the Group with no par value:				
Issued and fully paid				
Opening balance 758 233 124 (2021: 353 448 157) ordinary shares	1 058 199	329 073	1 058 199	329 073
Bonus Share Issue nil (2021: 88 362 039) ordinary shares	-	160 819	-	160 819
Rights Offer Share Issue nil (2021: 316 422 931) ordinary shares	-	575 890	-	575 890
Transaction Costs Capitalised	-	(7 583)	-	(7 583)
Closing balance 758 233 124 (2021: 758 233 124) ordinary shares	1 058 199	1 058 199	1 058 199	1 058 199

Transaction costs totalling P nil (2021: P7.6m) have been accounted for as a deduction from the rights offer share issue above. P6.3m of the above transaction cost was paid to a related party. Refer to note 28.

20. Debentures

The debenture reserve comprises the variable interest debenture portion of the linked units issued to the shareholders of the Group:

Opening balance 758 233 124 (2021: 353 448 157) ordinary shares	242 634	113 103	242 634	113 103
Bonus Share Issue nil (2021: 88 362 039) ordinary shares	-	28 276	-	28 276
Rights Offer Share Issue nil (2021: 316 422 931) ordinary shares	-	101 255	-	101 255
Closing balance 758 233 124 (2021: 758 233 124) ordinary shares	242 634	242 634	242 634	242 634

21. Accumulated profits

The accumulated profits reserve comprises the accumulative retained earnings balance of the Group:

Arising from operations	530 214	567 241	47 913	24 228
Bonus Share Issue	(189 095)	(189 095)	(189 095)	(189 095)
Arising from revaluation of investment properties	852 728	742 599	492 307	464 424
	1 193 847	1 120 745	351 125	299 557

22. Debenture interest and dividend reserve

The debenture interest and dividend reserve comprise the interest and dividends owing to shareholders of the Group at the end of the year.

Debenture interest	-	49 467	-	49 467
Dividends	-	1 001	-	1 001
	-	50 468	-	50 468

Distributions to linked Unit holders are primarily in the form of debenture interest.

The distribution, made bi-annually, varies with the operating performance of the Group and Company.

Debenture interest

Interim paid - 3.337 (2021: 2.370) thebe	25 302	10 471	25 302	10 471
Interim declared - nil (2021: 6.524) thebe	-	49 467	-	49 467
Final proposed - nil (2021: nil) thebe	-	-	-	-
	25 302	59 938	25 302	59 938

Dividends:

Interim paid - 0.158 (2021: 0.347) thebe	1 198	1 533	1 198	1 533
Interim declared - nil (2021: 0.132) thebe	-	1 001	-	1 001
Final proposed - nil (2021: nil) thebe	-	-	-	-
	1 198	2 534	1 198	2 534

At year end, no final distribution has been proposed other than those paid and declared in the period.

23. Non-controlling interests

Opening balance	493 329	297 009	-	-
Subsidiary acquired during the year	-	193 393	-	-
Bargain Purchase Adjustment	9 689	-	-	-
Share of profit for the year	46 863	18 057	-	-
Dividends for the year	(17 147)	(15 130)	-	-
Closing balance	532 734	493 329	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

24. Long term borrowings

	Interest rate at 31 December 2022	Maturity date	Group		Company	
			2022	2021	2022	2021
			P'000	P'000	P'000	P'000
First National Bank of Botswana Limited¹						
Loan Facility - 1	Prime Rate	January 2023	578	3 923	578	3 923
Loan Facility - 2	Prime Rate	February 2022	-	375	-	375
Loan Facility - 3	Prime Rate	January 2029	10 162	11 508	10 162	11 508
Loan Facility - 4	Prime +1.25%	March 2027	4 448	-	4 448	-
Access Bank²						
Loan Facility 1	Prime +1.75%	January 2025	5 024	-	5 024	-
Loan Facility 2	Prime Rate	November 2024	3 164	4 770	3 164	4 770
ABSA Bank Botswana Limited³						
Three Partners Resorts Loan Facility 1	Prime - 2.75%	December 2022	-	3 135	-	-
Three Partners Resorts Loan Facility 2	Prime + 1.00%	May 2023	2 804	10 622	-	-
Three Partners Resorts Loan Facility 3	Prime + 0.75%	December 2028	17 000	17 000	-	-
BIFM Capital Investment Fund One (Pty) Limited⁴						
Promissory Note 1	Fixed at 10.20%	2030 - 2034	76 928	76 928	76 928	76 928
Promissory Note 2	Fixed at 9.45%	2025 - 2034	64 941	64 941	-	-
Botswana Insurance Fund Management Limited⁵						
Promissory Note	Fixed at 8.00%	2031 - 2035	50 000	50 000	50 000	50 000
Unlisted bond	Fixed at 9.00%	2031 - 2035	125 000	125 000	125 000	125 000
Commercial Paper	Fixed at 9.00%	December 2023	25 166	25 000	25 166	25 000
Stanbic Bank of Botswana⁶						
Revolving Credit Facility	Prime + 0.75%	September 2024	10 006	6 503	10 006	6 503
Investec Bank Limited⁷						
Term Loan Facility	3 Month JIBAR + 3.50%	December 2025	201 129	225 435	-	-
Revolving Credit Facility	Prime + 0.28%	December 2025	41 638	-	-	-
Nedbank South Africa Limited⁸						
Term Loan Facility	3 Month JIBAR + 2.22%	July 2031	151 960	149 815	-	-
ABSA Bank Limited - South Africa⁹						
Mortgage bond Facility 1	Prime (RSA) - 1.00%	June 2025	143 062	140 749	-	-
Mortgage bond Facility A, B and C	Prime (RSA) - 1.00%	June 2024	133 815	121 003	-	-
Mortgage bond Facility 2	Prime (RSA) - 0.83%	May 2023	121 979	120 038	-	-
First National Bank Limited - South Africa¹⁰						
Development Loan Facility	Prime (RSA) + 2.00%	May 2023	50 682	37 253	-	-
VAT loan Facility	Prime (RSA) + 2.00%	May 2023	328	4 429	-	-
Term Loan Facility	Prime (RSA) + 0.50%	May 2023	3 543	3 772	-	-
Standard Bank Limited - South Africa¹¹						
Standard Bank Loan 1	3m JIBAR + 1.95%	May 2025	655 458	344 343	-	-
Standard Bank Loan 2	3m JIBAR + 1.95%	May 2025	61 464	87 448	-	-
Standard Bank Loan 3	3m JIBAR + 1.80%	November 2024	228 234	213 429	-	-
Standard Bank Loan 4 - Euro Denominated	3m EURIBOR + 2.50%	June 2023	-	51 820	-	-
Standard Bank Loan 5	3m JIBAR + 2.42%	July 2022	-	353 671	-	-
Privredna Banka Zagreb - Croatia¹²						
Loan Facility - Euro Denominated	3m EURIBOR + 3.50%	December 2025	125 042	121 757	-	-
Erste Bank Group - Croatia¹³						
Loan Facility 1 - Euro Denominated	Fixed at 2.50%	February 2025	185 120	180 256	-	-
Loan Facility 2 - Euro Denominated	Fixed at 2.50%	February 2025	47 125	45 886	-	-
Total bank debt owed			2 545 800	2 600 809	310 476	304 007

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

24. Long term borrowings (continued)

RDC Properties Listed Notes:

RDCP001 Listed Unsecured Senior Notes	MoPR + 5.61%	March 2026	47 371	47 385	47 371	47 385
RDCP002 Listed Unsecured Senior Notes	MoPR + 5.61%	March 2027	40 214	40 202	40 214	40 202
RDCP003 Listed Unsecured Senior Notes	MoPR + 4.81%	March 2024	12 017	12 014	12 017	12 014
RDCP004 Listed Unsecured Senior Notes	Fixed at 7.40%	December 2022	-	75 335	-	75 335
RDCP005 Listed Unsecured Senior Notes	Fixed at 8.75%	December 2023	101 131	-	101 131	-

Total Listed Notes

200 733	174 936	200 733	174 936
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Balance of debt origination costs being amortised

(11 066)	(10 349)	(1 274)	(278)
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Loans from related parties

Loan from KMR Projectos	3 Month Libor + 2.50%	On Demand	12 013	12 118	-	-
Loan from JHK Investimentos	3 Month Libor + 2.50%	On Demand	13 131	11 481	-	-
Loan from Panache Properties (Proprietary) Limited	Interest Free	On Demand	-	5 905	-	-
Loan from The Castle Group (Proprietary) Limited	Interest Free	On Demand	6 071	-	-	-
Loan from VMD Grupa d.o.o.	Fixed at 12.79%	December 2025	23 489	22 872	-	-

Interest rate derivatives at fair value through profit or loss*

(26 486)	13 105	-	-
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Total current and long term borrowings

2 763 685	2 830 877	509 935	478 665
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Current-portion of long term borrowings

394 590	1 079 981	144 614	115 591
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Long-term borrowings

2 369 095	1 750 896	365 321	363 074
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Total current and long term borrowings

2 763 685	2 830 877	509 935	478 665
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- The loan facilities 1,2 and 3 are secured as mortgage bonds over investment property (note 12) - Lot 50369 - Gaborone, Botswana.
- The loan facilities 1 and 2 are secured as a mortgage bond over investment property (note 12) - Lot 50669 - Gaborone, Botswana
- The loan facilities 1,2 and 3 are secured as mortgage bonds over investment property (note 12) - Lot 54353, Central Business District, Gaborone, Botswana
- The RDC promissory notes are secured as mortgage bonds over investment properties (note 12) - Lots 1124 to 1130, Extension 3, Gaborone, Botswana. The Three Partner Resorts promissory notes are secured against Lot 54353, Central Business District, Gaborone, Botswana.
- The RDC promissory notes and unlisted bond are secured as mortgage bonds over investment properties (note 12) - Lots 1124 to 1130, Lots 1116, 1117, 1840, Extension 3 Gaborone, Botswana, as well as, Lease Area No. 4 - AO, Kasane
- The Stanbic Revolving Credit Facility is secured over investment property (note 12) - Lot 758, Gaborone Botswana
- The term loan is secured by mortgage bonds over Lots 2258, 3761, 5422, 5435, 21306, 22107, 22018, 50068, 80055, Gaborone, Botswana and a guarantee from the Group and the Company.
- The loan is secured by a mortgage bond over erf 232, Johannesburg, South Africa
- The loans are secured by mortgage bonds over erven 491, 1158, 39227, 13047, 39224, 38794, 39215, 39651, 39037, 8132, 178287, 23831, Cape Town, South Africa.
- The loans are secured by mortgage bonds over erven 14849, 11152, 14849, 170664, Cape Town, South Africa
- These loan facilities are secured by mortgage bonds over the South African domiciled Properties of the Tower Property Fund Limited Group.
- The loan facility is secured by a mortgage bond over land registry file number: 25703, Zagreb, Croatia
- The loan facilities are secured by mortgage bonds over land registry file number: 1548, Dubrovnik, Croatia and land registry file number: 24671, Zagreb, Croatia

Breach of covenants

As at 31 December 2022, the Group was in breach of the following loan covenants:

- BIFM Promissory Note – the group achieved an interest cover ratio (ICR) of 1.5 in breach of the required 1.75x.
- Investec Term Loan Facility – the group achieved an interest cover ratio (ICR) of 1.5, in breach of the required 2x.

During the period between the reporting date and the publication of these financial statements, the Group has been in negotiation with the relevant banks regarding condonation of the breaches. None of the banks have recalled the loans nor implemented penalties.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

24. Long term borrowings (continued)

*Interest-rate derivatives

As at year end, the Group had the following interest rate derivatives. The percentage of total bank debt hedged by interest-rate derivatives was 42% at the end of the year. The fair-value measurement of the interest rate derivatives gave rise to fair-value gains for the period of P39,001,000 (2021: P nil).

Consist of the following contracts:	Base currency	Nominal value P'000	Fixed rate of swap	Expiry
Interest Rate Swap Contract 1 - Standard Bank Limited SA	ZAR	150 591	7.57%	August 2023
Interest Rate Swap Contract 2 - Standard Bank Limited SA	ZAR	225 887	7.30%	August 2024
Interest Rate Swap Contract 3 - Standard Bank Limited SA	ZAR	451 773	4.60%	July 2023
Interest Rate Swap Contract 4 - Erste & Steiermarkische Bank	EUR	185 120	-0.20%	February 2025
Interest Rate Swap Contract 5 - Erste & Steiermarkische Bank	EUR	47 125	-0.20%	February 2025
		<u>1 060 496</u>		

Mortgages with bankers, against which no obligation existed as at 31 December 2022:

Mortgages on the below mentioned properties were registered as security for loans in prior years. As at 31 December 2022, the loans were fully repaid and therefore the facilities could be cancelled.

Value of mortgages with no liability

Property	2022 P	2021 P
Lot 443, Serowe	216 800	216 800
Lot 194, Maun	780 000	780 000
Lots 680 and 292, Serowe	2 460 000	2 460 000
Lot 914, Kasane	1 500 000	1 500 000
Lot 50369, Gaborone	-	8 000 000
	<u>4 956 800</u>	<u>12 956 800</u>

25. Deferred tax liabilities

	Group		Company	
	2022 P'000	2021 P'000	2022 P'000	2021 P'000
Deferred tax liabilities				
Temporary differences arising on:				
Plant and equipment	739	623	739	623
Investment properties - capital allowances claimed to date	122 979	99 792	16 439	16 295
Investment properties - capital gains tax on fair value	89 068	100 726	21 104	35 800
Capital gains tax on fair value gains on financial assets through OCI	2 719	-	-	-
Unrealised gains	5 929	-	5 929	-
Operating lease asset	-	5 289	-	-
Expected credit loss allowance	(1 042)	(2 027)	(1 042)	(1 042)
Prepayments	24	2 360	-	-
Deferred income	(867)	(3 231)	(874)	(874)
Municipal provisions	(415)	(3 547)	-	-
Income received in advance	(235)	-	-	-
Provision for leave pay	(7)	(156)	-	-
Fair value of financial instruments	-	(2 591)	-	1 101
Tax losses	(34 046)	(28 355)	-	(9 098)
Capitalised borrowing costs	-	73	(8 173)	-
Other	214	-	-	0
	<u>185 060</u>	<u>168 956</u>	<u>34 122</u>	<u>42 805</u>

Reconciliation of movement

	2022 P'000	2021 P'000	2022 P'000	2021 P'000
Opening balance	168 956	129 624	42 805	55 684
Acquisition of Tower Property Fund Limited	-	58 562	-	-
Foreign currency translation reserve	1 293	(266)	-	-
Charge to profit or loss - current year (excluding capital gains tax)	20 938	(1 068)	6 013	(3 949)
Charge to profit or loss - capital gains tax on fair value of investment property	(12 964)	(15 733)	(14 696)	(6 767)
Charge to profit or loss - prior year adjustment	6 837	(2 163)	-	(2 163)
Closing balance	185 060	168 956	34 122	42 805

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

25. Deferred tax liabilities (continued)

Tax losses

The tax losses, if unutilised, will fall away as follows:

Financial year	Group P'000	Company P'000
2025	4 612	-
2026	49 676	37 147
2027	825	-
	<u>55 113</u>	<u>37 147</u>
Tax losses that will not fall away:	191 604	-
Total tax losses	<u>246 717</u>	<u>37 147</u>

The Directors have evaluated the profitability trends of the Group and Company and have determined that at the current level of operations, the Group and Company will make adequate taxable profits in the future for which the assessed losses will be utilised before they expire.

26. Trade and other payables

	Group		Company	
	2022 P'000	2021 P'000	2022 P'000	2021 P'000
Trade payables	8 452	12 115	63	2 619
Accrued expenses	36 068	46 472	8 956	10 190
Security deposits	29 219	26 985	3 401	3 233
Advance rental received	18 784	15 402	4 012	3 974
VAT payable	(535)	-	-	-
Unpaid dividends and interest	3 238	7 236	-	-
Retention liability on property development	352	4 300	352	-
Contingent liability recognised on business combination	32 291	-	-	-
Other payables	14 187	23 816	5 762	2 325
Related parties:				
Property & Asset Management Limited	-	175	-	314
Italtswana Construction Company (Proprietary) Limited	-	10 108	-	10 108
David & Dorcas Magang Family Trust	551	309	551	309
Realestate Financier SA	-	2 384	-	2 384
Sunnyside (Proprietary) Limited	-	4	-	3
Chobe Financial Corporation	31	-	31	-
	<u>142 638</u>	<u>149 306</u>	<u>23 128</u>	<u>35 459</u>

The average credit period for the Group and Company is 30 days for trade payables.

The directors believe the fair value of the trade and other payables approximate their carrying amounts. Other payables to related parties are unsecured and will be settled on a cash basis within the next 12 months.

27. Bank facilities

In addition to the loans described in note 24, the Group has the following banking facilities, secured as per note 12:

Stanbic Bank Botswana Limited				
A bank overdraft totalling P6 000 000 (2021: P6 000 000)	2 192	2 142	2 192	2 142
The unused facility is P3 808 000 (2021: P3 858 000)				
Barclays Bank of Botswana Limited				
A bank overdraft totalling P5 000 000 (2021: P5 000 000)	3 914	4 550	-	-
The unused facility is P1 086 000 (2021: P450 000)				
Bank overdraft	<u>6 106</u>	<u>6 692</u>	<u>2 192</u>	<u>2 142</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

28. Related party transactions

Relationships

Subsidiaries		% 2022	% 2021
Botswana	Three Partners Resorts Limited	53.75%	53.75%
	RDC Properties International (Proprietary) Limited	100%	100%
	Lotsane Complex (Proprietary) Limited	76.67%	76.67%
	Propcorp (Proprietary) Limited	33.33%	33.33%
	Norman Kwati Matetse (Proprietary) Limited	100%	100%
South Africa	RDC Properties South Africa (Proprietary) Limited	100%	100%
	RDC Erf 232 Rosebank (Proprietary) Limited	100%	100%
	Capitalgro (Proprietary) Limited	61.11%	61.11%
	108 Albert Rd (Proprietary) Limited	50%	50%
	City Square Trading 522 (Proprietary) Limited	100%	100%
	Cross Atlantic Properties 162 (Proprietary) Limited	100%	100%
	De Ville Shopping Centre (Proprietary) Limited	100%	100%
	HTP Holdings (Proprietary) Limited	100%	100%
	Lexshell 492 Investments (Proprietary) Limited	100%	100%
	Link Hills Shopping Centre (Proprietary) Limited	100%	100%
	Lucky Bean Property Investments (Proprietary) Limited	100%	100%
	Micawber 219 (RF) (Proprietary) Limited	100%	100%
	Plenty Properties 118 (Proprietary) Limited	100%	100%
	Tower Asset Managers (Proprietary) Limited	100%	100%
	Turquoise Moon Trading 258 (Proprietary) Limited	100%	100%
	Tower International Treasury (Proprietary) Limited	100%	100%
	Tower Property Fund (Proprietary) Limited	100%	100%
The Cape Quarter Property Company (Proprietary) Limited	100%	100%	
Croatia	Sub Dubrovnik d.o.o.	74%	74%
	Tower Europe Retail d.o.o.	74%	74%
	Tower Industrial d.o.o.	74%	74%
	Tower Europe d.o.o.	59%	59%
Mauritius	RDC Mauritius	100%	100%
	TPF International Limited	74%	74%
	RDC-KMR Limited	55%	55%
	RDC Zimpeto Limited	60%	60%
Mozambique	RDC Xiquelene, Lda	100%	100%
	Xai-Xai Newco, Lda	33%	33%
	Zimpeto Shopping Centre, Lda	60%	60%
Madagascar	HMS1 Société Anonyme	50%	50%
Namibia	RDC Properties (Namibia) (Proprietary) Limited	100%	100%
	RDC Property Development (Namibia) (Proprietary) Limited	70.31%	70.31%

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

28. Related party transactions (continued)

All related parties in addition to those listed in note 10 and the directors of the Company, are companies with common shareholding and control, except for the David & Dorcas Magang Family Trust which is a related party through a director of the Company. Receivables relating to related parties are disclosed in note 15.

Payables relating to related parties are disclosed in note 26.

The following trading transactions were carried out with related parties. These transactions were made on terms equivalent to those that prevail in arm's length transactions, where such transactions can be substantiated:

	Group		Company		Interest
	2022 P'000	2021 P'000	2022 P'000	2021 P'000	
income (note 5)					
Yuagong (Proprietary) Limited	2 114	1 852	1 725	1 852	
RDC Properties International (Proprietary) Limited	-	-	36 148	21 639	
	2 114	1 852	37 873	23 491	

Payments made to Property & Asset Management Limited:

	Group		Company	
	2022 P'000	2021 P'000	2022 P'000	2021 P'000
Management and administration expenses (note 4)	22 390	10 518	3 094	2 445
Lease renewal fees (note 4)	7 151	789	693	548
Service charges (note 4)	8 602	4 447	8 602	4 447
Rights offer - share issue costs (note 19)	-	6 311	-	6 311
Acquisition cost relating business combinations (note 4)	-	3 466	-	3 466

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.

Service charges are calculated as a fixed percentage of the market capitalisation of the Group on the last trading day of the month. All related party transactions are at arm's length.

Directors' emoluments (note 4)

For services as directors	<u>3 368</u>	<u>612</u>	<u>1 076</u>	<u>534</u>
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29. Operating lease arrangements

The Company and Group as lessor

Operating leases receivable by the Company as a lessor relate to the investment properties owned by the Company with lease terms between 1 and 23 years.

At the statement of financial position date, the Group had contracted with tenants for the following future minimum lease payments:

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

Operating lease arrangements (continued)

	Group		Company	
	2022 P'000	2021 P'000	2022 P'000	2021 P'000
Within one year	308 595	309 268	21 768	24 468
In the second to fifth years inclusive	647 663	679 617	25 983	35 718
After five years	171 099	238 400	7 520	1 920
	1 127 358	1227 285	55 271	62 106

30. Capital commitments

Authorised and contracted	58 602	48 279	-	-
Authorised but not contracted	9 129	208 571	-	-
	67 731	256 850	-	-

The Board of Directors of the Company have approved the following projects for which contracts have been signed:

- US\$3.5 million for the acquisition of the David Livingstone Safari Lodge and Spa in Zambia (P45 million)
- EUR560,000 extension to the Yazaki building in Croatia (P7.2 million)
- Improvements across the Tower SA and Capitalgro portfolios (P6.3 million)

The Board of Directors of the Company have approved the following projects for which contracts have not yet been signed:

- Further improvements to the Tower SA and Capitalgro portfolios (P502,000)
- Improvements to the Botswana property portfolio (P8.6 million)

The projects will be funded through cash resources and borrowings.

31. Contingent liabilities

The Company has given a corporate guarantee of P47 700 000 in favour of Absa Bank Botswana Limited, a Deed of Cession of Rentals dated 03 November 2010 over Plot 54353 Gaborone and has issued a corporate guarantee in favour of Investec Bank Limited. Both are for facilities held by Group companies.

In line with IFRS 3, the group has recognised a contingent liability arising from the prior year business combination (refer to note 7 and note 26). The contingent liability pertains to an additional tax assessment issued by SARS to Tower International Treasury (Pty) Ltd for tax years 2019 and 2020, which is still in the process of a formal dispute.

32. Segmental reporting

The Group's primary business activities are concentrated in the segment of property rentals and are predominantly concentrated within the geographical region of southern Africa and the Group is expanding within this region and abroad, primarily in Croatia. The geographical segmental information is outlined below:

	GROUP (P'000s)							Total
	Botswana	South Africa	Namibia	Mozambique	USA	Croatia	Madagascar	
At 31 December 2022								
SEGMENT ASSETS								
Investments	-	-	-	-	95 413	-	-	95 413
Investment properties at fair-value	1 444 739	2 895 128	-	64 765	-	1 170 504	-	5 575 136
Investment in a joint venture	-	-	-	-	-	-	25 746	25 746
Inventories	-	161 076	-	-	-	-	-	161 076
Rental receivable - straight-line rental adjustment	4 798	(9 790)	-	-	-	-	-	(4 992)
Available-for-sale investments carried at fair value	9 201	1 441	-	-	-	-	-	10 642
Trade and other receivables	56 279	63 763	184	4 041	-	2 547	-	126 814
Current tax assets	1 760	1 678	-	140	-	-	-	3 578
Cash and cash equivalents	3 054	44 571	12	1 326	-	37 220	-	86 183
Property, plant and equipment	5 525	41 565	-	-	-	-	-	47 090
Total segment assets	1 525 356	3 199 432	196	70 272	95 413	1 210 271	25 746	6 126 686
Intangible asset								1 000
Consolidated total assets								6 127 686
At 31 December 2022								
SEGMENT LIABILITIES								
Trade and other payables	(26 919)	166 771	-	560	-	2 226	-	142 638
Borrowings	614 151	1 787 363	-	-	-	362 171	-	2 763 685
Deferred tax liabilities	69 662	33 856	-	-	-	81 542	-	185 060
Total segment liabilities	656 894	1 987 990	-	560	-	445 939	-	3 091 383
Bank overdraft								6 106
Consolidated total liabilities								3 097 489

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

32. Segmental reporting (continued)

	GROUP (P'000s)							Total
	Botswana	South Africa	Namibia	Mozambique	USA	Croatia	Madagascar	
At 31 December 2021								
SEGMENT ASSETS								
Investments	-	-	-	-	89 340	-	-	89 340
Investment properties	1 435 692	2 934 936	75	62 313	-	1 102 886	-	5 535 902
Investment in a joint venture	-	-	-	-	-	-	26 408	26 408
Inventories	-	99 522	-	-	-	-	-	99 522
Investment property held for sale	10 680	15 500	-	-	-	-	-	26 180
Rental receivable - straight-line rental adjustment	(4 641)	-	-	-	-	-	-	(4 641)
Financial assets through other comprehensive income	10 306	3 823	-	-	-	-	-	14 129
Trade and other receivables	53 226	67 301	181	619	-	2 904	-	124 231
Current tax assets/(liability)	2 248	3 041	-	45	-	(1 441)	-	3 893
Cash and cash equivalents	19 173	64 144	13	2 384	-	58 087	-	143 801
Property, plant and equipment	5 429	31 652	-	-	-	-	-	37 081
Total segment assets	1 532 113	3 219 919	269	65 361	89 340	1 162 436	26 408	6 095 846
Intangible asset	-	-	-	-	-	-	-	1 000
Consolidated total assets								6 096 846

	Botswana	South Africa	Namibia	Mozambique	USA	Croatia	Madagascar	Total
At 31 December 2021								
SEGMENT LIABILITIES								
Trade and other payables	(21 142)	142 946	38	(2 844)	-	30 308	-	149 306
Borrowings	597 891	1 865 269	-	-	-	367 717	-	2 830 877
Deferred tax liabilities	90 247	11 543	-	-	-	67 166	-	168 956
Total segment liabilities	666 996	2 019 758	38	(2 844)	-	465 191	-	3 149 139
Bank overdraft	-	-	-	-	-	-	-	6 692
Consolidated total liabilities								3 155 831

	Botswana	South Africa	Namibia	Mozambique	USA	Croatia	Madagascar	Total
At 31 December 2022								
SEGMENT REVENUES AND RESULTS								
Contractual lease rental revenue	89 342	356 198	-	-	-	79 665	-	525 205
Operating expenses	(48 029)	(211 304)	(46)	(680)	-	(9 022)	-	(269 081)
Income arising from joint venture (net of forex gains)	-	-	-	-	-	-	310	310
Other foreign exchange gains/(losses)	1 062	3 643	98	(284)	-	(2 260)	-	2 259
Other operating income	11 589	2 901	-	1 051	-	-	-	15 541
Surplus arising on fair value of investments	-	-	-	-	1 765	-	-	1 765
Surplus arising on fair value of interest rate derivatives	-	23 585	-	-	-	15 416	-	39 001
Surplus arising on revaluation of properties	16 415	41 063	-	-	-	40 038	-	97 516
Sales revenue	-	77 483	-	-	-	-	-	77 483
Cost of sales	-	(77 648)	-	-	-	-	-	(77 648)
Investment income	4 945	3 846	-	-	-	-	-	8 791
Finance costs	(50 966)	(146 592)	-	(774)	-	(13 896)	-	(212 228)
Profit/(loss) before tax	24 358	73 175	52	(687)	1 765	109 941	310	208 914
Income tax income/(expense)	15 987	(22 736)	-	-	-	(18 003)	-	(24 752)
Profit/(loss) for the year	40 345	50 439	52	(687)	1 765	91 938	310	184 162

	Botswana	South Africa	Namibia	Mozambique	USA	Croatia	Madagascar	Total
At 31 December 2021								
SEGMENT REVENUES AND RESULTS								
Contractual lease rental revenue	72 169	73 753	-	-	-	640	-	146 562
Operating expenses	(51 905)	(30 508)	(1 979)	(686)	-	(62)	-	(85 140)
Income arising from joint venture (net of forex gains)	-	-	-	-	-	-	(413)	(413)
Other foreign exchange gains/(losses)	(11 088)	21	5	3 747	5 482	13	-	(1 820)
Other operating income	2 361	20	-	1 122	-	-	-	3 503
Surplus arising on fair value of investments	-	-	-	-	16 051	-	-	16 051
Surplus arising on revaluation of properties	30 373	6 259	-	-	-	-	-	36 632
Investment income/(loss)	41 812	(3 299)	1	-	-	(20 170)	-	18 343
Finance costs	(39 427)	(28 773)	-	(284)	-	(114)	-	(68 598)
Bargain purchase gain	577 342	-	-	-	-	-	-	577 342
Profit/(loss) before tax	621 637	17 473	(1 973)	3 899	21 533	(19 693)	(413)	642 462
Income tax income/(expense)	6 826	(1 879)	-	-	-	(28)	-	4 920
Profit/(loss) for the year	628 463	15 594	(1 973)	3 899	21 533	(19 721)	(413)	647 382

33. Financial risk management

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt which includes the long-term borrowings disclosed in note 24, cash and cash equivalents and equity attributable to equity holders of the parent, which comprises stated capital, debentures and accumulated profits as disclosed in notes 19, 20 and 21 respectively.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

33. Financial risk management (continued)

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarised below. The main types of risks are currency risk, credit risk, liquidity risk and interest rate risk.

The Group's risk management is coordinated at its headquarters, in close cooperation with the board of directors, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

Risk management objectives and policies

The Group does not actively engage in the trading of financial assets for speculative purposes, nor does it write options.

	Group		Company	
	2022 P'000	2021 P'000	2022 P'000	2021 P'000
<i>Financial assets</i>				
Fair value through profit and loss				
Investments	95 413	89 340	598 680	627 552
Fair value through other comprehensive income				
Investments	10 642	14 129	9 201	10 305
Long term loan receivables	-	-	658 878	638 335
Trade and other receivables	120 458	110 158	106 433	78 836
Cash and cash equivalents	86 183	143 801	1 474	13 024
<i>Financial liabilities at amortised cost</i>				
Long term borrowings				
- at floating interest rate	2 064 785	2 136 734	131 710	220 233
Long term borrowings				
- at fixed interest rate	698 900	694 143	378 225	258 431
Trade and other payables	123 854	133 904	19 116	31 485
Bank overdraft	6 106	6 692	2 192	2 142
	2 893 645	2 971 473	531 243	512 291

Currency risk

The Group undertakes transactions denominated in the following foreign currencies: South African Rand, Mozambican Metical, Malagasy Ariary, Euro, Croatian Kuna, and US dollar. Consequently, exposure to exchange rate fluctuations arise. Financial instruments that are sensitive to currency risks are mainly trade receivables, group loans to foreign operations, cash and cash equivalents and foreign currency-related debt.

To mitigate the Group's exposure to foreign currency risk, non-Pula cash flows are monitored in accordance with the Group's risk management policies. The Group's risk management procedures distinguish short-term foreign currency cash flows (due within six months) from longer-term cash flows (due after six months). The amounts to be paid and received in a specific currency are expected to largely offset one another, and no further hedging activity is undertaken.

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 10% increase and 10% decrease in the Pula against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to the board and represents the board's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items (including trade and other receivables, trade and other payables and long term loan receivable and payables) and adjusts their translation at the period-end for a 10% change in foreign currency rates. The sensitivity analysis includes receivables from tenants who are billed in a currency other than the functional currency of the Group.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

33. Financial risk management (continued)

A 10% strengthening of the Pula would decrease the profit and equity and a 10% weakening of the Pula would have an equal but opposite effect on the profit and equity.

	Group's Net Exposure Asset/(Liability) P'000	IAS21 Exchange Rate (Foreign Currency:Pula) P'000	10% strengthening of P'000
2022			
United States Dollar (USD)	68 708	12.7714	(6 871)
South Africa Rand (ZAR)	(1 844 086)	0.7530	184 409
Namibian Dollar (NAD)	196	0.7530	(20)
Mozambican Metical (MZN)	4 947	0.1992	(495)
Euro (EUR)	(362 221)	13.6054	36 222
Croatian Kuna (HRK)	33 631	1.8150	(3 363)
2021			
United States Dollar (USD)	64 774	11.7371	(6 477)
South Africa Rand (ZAR)	(1 875 988)	0.7381	187 599
Namibian Dollar (NAD)	232	0.7381	(23)
Mozambican Metical (MZN)	114	0.1831	(11)
Euro (EUR)	(349 880)	13.2802	34 988
Croatian Kuna (HRK)	26 378	1.7714	(2 638)

Credit risk

The Group's credit risk is primarily attributable to its trade and other receivables. Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group has adopted a policy of only dealing with creditworthy counterparties. The amounts presented in the statements of financial position are net of allowances for lifetime expected credit losses estimated by management based on the expected credit loss model. Refer to note 15.

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

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, management of the Group aims to maintain flexibility in funding by keeping committed credit lines available.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

33. Financial risk management (continued)

Maturity analysis for financial liabilities:

Group

	Within one year	In the second to fifth years inclusive	After five years
	P'000	P'000	P'000
2022			
Trade and other payables	142 638	-	-
Bank overdraft	6 106	-	-
Current portion of long term borrowings	394 590	-	-
Non-current portion of long term borrowings	-	1 847 149	521 946
	<u>543 334</u>	<u>1 847 149</u>	<u>521 946</u>

	Within one year	In the second to fifth years inclusive	After five years
	P'000	P'000	P'000
2021			
Trade and other payables	149 306	-	-
Bank overdraft	6 692	-	-
Current portion of long term borrowings	1 079 981	-	-
Non-current portion of long term borrowings	-	1 243 189	507 707
	<u>1 235 979</u>	<u>1 243 189</u>	<u>507 707</u>

Company

	Within one year	In the second to fifth years inclusive	After five years
	P'000	P'000	P'000
2022			
Trade and other payables	23 128	-	-
Bank overdraft	2 192	-	-
Current portion of long term borrowings	144 614	-	-
Non-current portion of long term borrowings	-	63 017	302 304
	<u>169 934</u>	<u>63 017</u>	<u>302 304</u>

	Within one year	In the second to fifth years inclusive	After five years
	P'000	P'000	P'000
2021			
Trade and other payables	35 459	-	-
Bank overdraft	2 142	-	-
Current portion of long term borrowings	115 591	-	-
Non-current portion of long term borrowings	-	59 436	303 638
	<u>153 192</u>	<u>59 436</u>	<u>303 638</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

Financial risk management (continued)

Interest rate risk

Interest rate risk is the possible loss in the value resulting from an unexpected and adverse movement in interest rates. Entities in the Group are exposed to interest rate risk because they borrow funds at both fixed and floating interest rates. The Group entities manage interest rate risk by maintaining an appropriate mix between fixed and floating rate borrowings and by basing the interest rate on financial assets and liabilities around the prime lending rate. Financial instruments that are sensitive to interest rate risks comprise bank balances, loans and advances, related party balances and long-term borrowings.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both financial assets and liabilities at the end of the reporting period. For the floating interest rate financial assets and liabilities, the analysis is prepared assuming the amount of the asset or liability outstanding at the end of the reporting period was outstanding for the whole year. A 50-basis point increase or decrease is used by the directors when reporting interest rate risk management, as it represents a reasonable possible change in the interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the effect of the profit for the year for the Group and Company, would have been as follows:

Group	Amount of asset/(liability) P'000	Change in interest rate %	(Decrease)/increase in profit before tax P'000
31 December 2022			
Financial assets			
Cash and cash equivalents	86 183	0.5%	431
Financial liabilities			
Long term borrowings at floating interest rate	(2 064 785)	0.5%	(10 324)
Bank overdraft	(6 106)	0.5%	(31)
			<u>(9 924)</u>
31 December 2021			
Financial assets			
Cash and cash equivalents	143 801	0.5%	719
Financial liabilities			
Long term borrowings - at floating interest rate	(2 136 734)	0.5%	(10 684)
Bank overdraft	(6 692)	0.5%	(33)
			<u>(9 998)</u>
Company			
31 December 2022			
Financial assets			
Cash and bank balances	1 474	0.5%	7
Financial liabilities			
Long term borrowings - at floating interest rate	(131 710)	0.5%	(659)
Bank overdraft	(2 192)	0.5%	(11)
			<u>(663)</u>
31 December 2021			
Financial assets			
Cash and bank balances	13 024	0.5%	65
Financial liabilities			
Long term borrowings - at floating interest rate	(220 233)	0.5%	(1 101)
Bank overdraft	(2 142)	0.5%	(11)
			<u>(1 047)</u>

Price Risk

The Group and Company are exposed to equity securities and government bond price risk because of investments held and classified on the consolidated statement of financial position as financial assets through other comprehensive income (OCI). The Group and Company are not exposed to commodity price risk. To manage its price risk arising from investments in equity securities and government bonds, the company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group and Company.

Price sensitivity analysis

If the base prices of the equity securities and government bonds held (refer to note 13) increased by 10%, other comprehensive income and equity for the Group and Company would increase by P1.1m, respectively. If the base prices of the equity securities

and government bonds decreased by 10%, this would have an equal but opposite effect on the other comprehensive income and equity.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

34. Fair value measurement

Assets measured at fair value

Some of the Group's financial assets are measured at fair value at the end of each reporting period. Below is the summarised information about how fair values of financial assets are determined (in particular, the valuation techniques and inputs used). For further detail on the fair valuation of Investment Property, refer note 11.

Recurring measurement at the end of the reporting period

	Group		Company	
	2022 P'000	2021 P'000	2022 P'000	2021 P'000
Recurring measurement at the end of the reporting period				
Investment properties	5 575 136	5 535 902	833 777	802 925
USA Private Placement Insurance Policy	95 413	89 340	-	-
	<u>5 670 549</u>	<u>5 625 242</u>	<u>833 777</u>	<u>802 925</u>

Reconciliation of fair value measurements categorised within Level 3 of fair value hierarchy

Investment properties

Opening value	5 535 902	2 145 151	819 804	802 925
Total gains for the period included in profit or loss (after straight line adjustment)	97 516	36 632	12 881	24 182
Acquisition of subsidiary	-	2 965 817	-	-
Additions, acquisitions and transfers	(58 282)	388 302	1 092	(7 303)
Closing balance	<u>5 575 136</u>	<u>5 535 902</u>	<u>833 777</u>	<u>819 804</u>

Gains and losses arising from the fair valuation of investment properties are shown as a separate line in the statement of comprehensive income as follows:

Total gains for the period included in profit or loss (after straight line adjustment)	<u>97 516</u>	<u>36 632</u>	<u>12 881</u>	<u>24 182</u>
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USA Private Placement Insurance policy

Opening value	89 340	68 461	-	-
Additions, acquisitions and transfers	-	-	-	-
Distributions	(1 271)	(1 754)	-	-
Foreign currency translation	5 579	6 582	-	-
Total fair-value gains for the period included in profit or loss	<u>1 765</u>	<u>16 051</u>	<u>-</u>	<u>-</u>
Closing balance	<u>95 413</u>	<u>89 340</u>	<u>-</u>	<u>-</u>

Total gains for the period included in profit or loss	<u>1 765</u>	<u>16 051</u>	<u>-</u>	<u>-</u>
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Financial assets through OCI	<u>10 642</u>	<u>14 129</u>	<u>9 201</u>	<u>10 305</u>
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Reconciliation of fair value measurements categorised within Level 1 of fair value hierarchy

Financial Assets through OCI

Opening value	14 129	38 160	10 305	5 300
Additions	-	-	-	-
Disposals	(2 025)	(37 537)	-	-
Total gains/(losses) for the period included in other comprehensive income	(1 104)	13 165	(1 104)	5 005
Foreign exchange	(358)	341	-	-
Closing balance	<u>10 642</u>	<u>14 129</u>	<u>9 201</u>	<u>10 305</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

34. Fair value measurement (continued)

Quantitative information about fair value measurements using the key inputs

Group	Fair value at 31 December 2022	Fair value hierarchy	Valuation technique	Key inputs	Range	Sensitivity to +1% of key input	Sensitivity to -1% of key input
Investment properties	4 191 662	Level 3	Direct capitalisation	Capitalisation rate	7%-11%	(476 524)	624 550
	1 272 004			Discounted Cashflow	Discount rate	13%-16%	(136 212)
	111 470		Market price	Growth rate	4%-5%	208 823	(164 392)
	5 575 136			Price comparison	-	1 115	(1 115)
Financial assets through OCI	10 642	Level 1	Quoted prices	Quoted prices in active	-		
USA Private Placement Insurance Policy	95 413	Level 3	Direct capitalisation	Capitalisation rate	7% - 8%	9 234	12 197
Company							
Investment properties	833 777	Level 3	Direct capitalisation	Capitalisation rate	6%-11%	(95 505)	125 077
Financial assets through OCI	9 201	Level 1	Quoted prices	Quoted prices in active markets	-		
Fair value at 31 December 2021							
Group							
Investment properties	5 535 902	Level 3	Direct capitalisation	Capitalisation rate	7%-11%		
Financial assets through OCI	14 129	Level 1	Quoted prices	Quoted prices in active markets	-		
USA Private Placement Insurance Policy	89 340	Level 3	Direct capitalisation	Capitalisation rate	7% - 8%		
Company							
Investment properties	819 804	Level 3	Direct capitalisation	Capitalisation rate	7%-11%		
Financial assets through OCI	10 305	Level 1	Quoted prices	Quoted prices in active markets	-		

Information about the sensitivity to changes in unobservable inputs

The significant unobservable inputs used in the fair value measurement of investment properties are the capitalisation rates, discount rates and growth rates. Significant increases/decreases in these rates would result in significantly lower/higher fair value measurement. The changes to these rates are dependent on various market factors including location of properties, interest rates, length of leases and quality of tenants.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

35. Tax paid

	Group		Company	
	2022 P'000	2021 P'000	2022 P'000	2021 P'000
Opening balance	3 893	1 779	1 827	1 600
Current tax expense	9 940	858	-	19
Closing balance	3 578	3 893	1 746	1 827
Tax paid	(9 625)	(1 256)	81	(208)

36. Events after the reporting period

During the period between reporting date and date of approval of these financial statements:

- RDC Group, through its subsidiary Tower Property Fund sold unit 403 at Napier Street along with 1 storeroom for R3,913,000 including VAT. Expected transfer date is the end of March 2023.
- The subsidiaries under Lucky Bean Property Investments (Pty) Ltd (all wholly owned subsidiaries of the Group) have undergone a restructure process commencing 1 January 2023. The effect of the restructure has no material impact to the group from a financial perspective, with the end result being that all wholly owned subsidiaries are transferring their properties held to the parent company Tower Property Fund (Pty) Ltd.

No other events are noted after the reporting period date to the approval date of these financial statements.

37. Going concern assessment

The annual financial statements for the Group and the Company have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

ANNEXURE 3: PARTICULARS OF PRINCIPAL ESTABLISHMENTS WHICH ACCOUNT FOR MORE THAN 10% OF THE NET TURNOVER OF THE GROUP PRACTICABLE DATE (30 SEPTEMBER 2023)

DESCRIPTION OF THE PROPERTY	USE	SIZE	TENURE FREEHOLD / LEASEHOLD	LENGTH OF LEASE YEARS	NET TURNOVER <i>P 000's</i>
Masa Square	Mixed Use	25,485	Leasehold	8.57	13,474
Standard House	Office	6,644	Freehold	7.65	8,283
The Edge	Office	11,219	Freehold	4.59	19,151
Voortrekker Road	Office	11,417	Freehold	2.56	9,030

ANNEXURE 4: LIST OF OTHER DIRECTORSHIPS, OF DIRECTORS OF THE ISSUER

ANDREW JOHN GAWITH BRADLEY			
Other Directorships	Company Number	Country of Incorporation	Nature Of Business
Chrome Global Wealth Solutions	165696 GBC	Mauritius	Investment Management
Prime Focus Global	159566/C2/GBL	Mauritius	Property Investment
Chrome Wealth Holdings (Pty) Ltd	2017/102097/07	South Africa	Holding Company
Chrome Wealth Strategy Solutions (Pty) Ltd	2007/035633/07	South Africa	Investment Management
Fiscal Private Clients (Pty) Ltd	1963/000032/07	South Africa	Financial Planning
GARY MORTON FISHER			
Other Directorships	Company Number	Country of Incorporation	Nature Of Business
Capitalgro Atlantic Malta Limited	C94687	Malta	Property Investment
Capitalgro (Pty) Ltd	2010/003039/07	South Africa	Property Investment
108 Albert Road (Pty) Ltd	2019/105291/07	South Africa	Property Investment
Capitalgro Asset Management (Pty) Ltd	2010/003537/07	South Africa	Asset Management
Capitalgro Atlantic 3 (Pty) Ltd	2019/342155/07	South Africa	Property Investment
Capitalgro Developments (Pty) Ltd	2014/075414/07	South Africa	Property Development
Capitalgro Property Management (Pty) Ltd	2015/164748/07	South Africa	Property Management
Hometown Spaces (Pty) Ltd	2020/511996/07	South Africa	Property Investment
Lexshell 492 Investments (Pty) Ltd	2000/023292/07	South Africa	Property Investment
Lucky Bean Property Investments (Pty) Ltd	2007/032243/07	South Africa	Property Investment
Micawber 219 (RF) Pty Ltd	2001/007499/07	South Africa	Property Investment
Morningtide Share Block (Pty) Ltd	2006/017840/04	South Africa	Investment in Immovable Property
Notwane Asset Management (Pty) Ltd	2021/713359/07	South Africa	Property Investment

Pillar Principles (Pty) Ltd	2016/321051/07	South Africa	Property Investment
Realfish (Pty) Ltd	2016/054180/07	South Africa	Property Investment
Sunnybrae Investments (Pty) Ltd	2016/029032/07	South Africa	Property Investment
The Property Foundation of Southern Africa	2009/021965/07	South Africa	Property Investment
Tower International Treasury (Pty) Ltd	2018/092955/07	South Africa	Property Investment
Tower Property Fund (Pty) Ltd	2012/066457/07	South Africa	Property Investment
Capitalgro Atlantic 3,LLC	19084747	USA	Property Investment
Capitalgro Atlantic Asset Management LDA	16070098	USA	Asset Management
Capitalgro Atlantic Management LDA	516089340	USA	Property Investment
FEDERICA EMILIE COSTANZA GIACHETTI			
Other Directorships	Company Number	Country of Incorporation	Nature Of Business
NO OTHER DIRECTORSHIPS			
GUIDO RENATO GIACHETTI			
Other Directorships	Company Number	Country of Incorporation	Nature Of Business
RDC Properties South Africa (Pty) Ltd	2015/346512/07	South Africa	Property Investment
108 Albert Road (Pty) Ltd	2019/105291/07	South Africa	Property Investment
Rosebank Red Hotel (Pty) Ltd	2019/10526/07	South Africa	Hotel Operating Company
RDC ERF 232 Rosebank (Pty) Ltd	2019/071376/07	South Africa	Property Investment
Notwane Asset Management (Pty) Ltd	2021/713359/07	South Africa	Asset Management
Equanimity Wellness (Pty) Ltd	2022/550904/07	South Africa	Mental Health Clinic
RDC Properties International	BW00000877351	Botswana	Property Investment
Lotsane Complex (Pty) Ltd	BW00000851206	Botswana	Property Investment
Property & Asset Management Ltd	BW00000967145	Botswana	Property and Asset Management
Italswana Construction Company (Pty) Ltd	BW00000876196	Botswana	Construction

Kgadi Phofu (Pty) Ltd	BW00000875767	Botswana	Property Company
Three Partners Resort (Pty) Ltd	BW00000900318	Botswana	Owner Of MASA CENTRE
Natural Mystik (Pty) Ltd	BW00000876627	Botswana	Holding Company
Yuagong (Pty) Ltd	BW00000861663	Botswana	Hotel Operating Company
Chobe Marina Lodge (Pty) Ltd	BW00000876258	Botswana	Hotel Operating Company
Antya Investments	BW00000875844	Botswana	Property
Scenic Adventures (Pty) Ltd	BW00000877330	Botswana	Casino
Windy Coves (Pty) Ltd	BW00000876857	Botswana	Investment Company
Sunnyside (Pty) Ltd	BW00000967158	Botswana	Farm Owner
Dirwe (Pty) Ltd	BW00000876188	Botswana	Hanger and Aircraft
Propcorp (Pty) Ltd	BW00000877045	Botswana	Parking Lot Management
Norman Kwati Matsetse (Pty) Ltd	BW00000876784	Botswana	Property Investment
RDC Properties (Namibia) (Pty) Ltd	2016/1125	Namibia	Asset Holding
RDC Developments (Namibia) (Pty) Ltd	2016/1434	Namibia	Property Development
RGS Limitada	100624761	Mozambique	Property Services
Zimpeto Shopping centre Limitada	100864193	Mozambique	RDC Subsidiary
XAI XAI NewCo Limitada	100831880	Mozambique	RDC Subsidiary
RDC Xiquelene Limitada	101370178	Mozambique	RDC Subsidiary
RDC Mauritius	162885 GB	Mauritius	Asset Holding
RDC KMR	146338 C1/GBL	Mauritius	Asset Holding
RDC Zimpeto	146188 C1/ GBL	Mauritius	Asset Holding
TPF International Ltd	155631 C1/GBL	Mauritius	Asset Holding
Aspera Holdings Ltd	51938	Gibraltar	Investment Company
Real Estate Financiere SA	00168/1961	Switzerland	Investment Company
David Livingstone Safari Lodge	120010048546	Zambia	Hotel Operating Company

GIORGIO GIACHETTI			
Other Directorships	Company Number	Country of Incorporation	Nature Of Business
RDC Properties International (Pty) Ltd	BW00000877351	Botswana	Property Investment
Property & Asset Management Ltd	BW00000967145	Botswana	Property & Asset Management
Italswana Construction Company (Pty) Ltd	BW00000876196	Botswana	Construction
Chobe Marina Lodge (Pty) Ltd	BW00000876258	Botswana	Hotel Operating Company
RDC Properties (Namibia) (Pty) Ltd	2016/1125	Namibia	Property Investment
RDC Property Development (Pty) Ltd	2016/1434	Namibia	Asset Holding
RDC Mauritius	162885 GB	Mauritius	Asset Holding
RDC KMR	146338 C1/GBL	Mauritius	Asset Holding
RDC Zimpeto	146188 C1/GBL	Mauritius	Asset Holding
Chobe Investments Ltd	185397	Mauritius	Real Estate
HMS1 SA	1000022303	Madagascar	Hotel Owner
HMS SA	3001476201	Madagascar	Hotel Operating Company
SITHABILE PAULINE MATHE			
Other Directorships	Company Number	Country of Incorporation	Nature Of Business
Moralo Designs (Pty) Ltd	BW00000135101	Botswana	Consulting
Motlhala Media (Pty) Ltd	BW00000151331	Botswana	Property Holding
Sesadi Leisure (Pty) Ltd	BW00003256124	Botswana	Investment Group
Moralo Media (Pty) Ltd	BW00000134738	Botswana	Property Holding
Ayiwepiwin (Pty) Ltd	BW00002984078	Botswana	Property Holding
JOANNE MABIN			
Other Directorships	Company Number	Country of Incorporation	Nature Of Business
RDC Properties South Africa (Pty) Ltd	2015/346512/07	South Africa	Investment Company

Rosebank Red Hotel (Pty) Ltd	2019-105206/07	South Africa	Hotel Operating Company
Tower Property Fund (Pty) Ltd	2012/066457/07	South Africa	Property Investment
Capitalgro (Pty) Ltd	2010/003039/07	South Africa	Property Investment
Notwane Asset Management (Pty) Ltd	2021/713359/07	South Africa	Property and Asset Management Company
Property and Asset Management Ltd	BW00000967145	Botswana	Property and Asset Management Company
CATHERINE KATE MAPHAGE			
Other Directorships	Company Number	Country of Incorporation	Nature Of Business
Botswana Life Insurance Ltd	BW00000719883	Botswana	Insurance
Solarone (Pty) Ltd	BW00001264162	Botswana	Solar Energy
Difference Marker (Pty) Ltd	BW0000121434	Botswana	Transport, Travel & Tourism
NICOLE ROBYN MILNE			
Other Directorships	Company Number	Country of Incorporation	Nature Of Business
Sanne Fund Services Holdings (Pty) Ltd	2015/426949/07	South Africa	Financial Services - Investment Administration Services
Sanne Custody SA RF (Pty) Ltd	2009/025175/07	South Africa	Financial Services - Custodial Services
JACOPO PARI			
Other Directorships	Company Number	Country of Incorporation	Nature Of Business
RDC Properties South Africa (Pty) Ltd	2015/34651/07	South Africa	Property Development
108 Albert Road (Pty) Ltd	2019/105291/07	South Africa	Property Development
Rosebank Red Hotel (Pty) Ltd	2019/105206/07	South Africa	Hotel Operating Company
RDC ERF 232 Rosebank (pty) Ltd	2019/071376/07	South Africa	Property Development
Notwane Asset Management (pty) Ltd	2021/713359/07	South Africa	Asset Management
RDC Properties Intrernational (Pty0 Ltd	BW00000877351	Botswana	Property Development

Property and Asset Management	BW00000967145	Botswana	Asset Management
Italswana Construction Company	BW00000876196	Botswana	Construction
Three Partners Resorts (Pty) Ltd	BW00000900318	Botswana	Hotel Operating Company
Natural Mystik (Pty) Ltd	BW00000876627	Botswana	Holding Company
Yuagong (Pty) Ltd	BW00000861663	Botswana	Hotel Operating Company
Chobe Marina Lodge (Pty) Ltd	BW00000876258	Botswana	Hotel Operating Company
Windy Coves (Pty) Ltd	BW00000876857	Botswana	Investment Company
Dirwe (Pty) Ltd	BW00000876188	Botswana	Hanger and Aircraft Owner
Scenic Adventures (Pty) Ltd	BW00000877330	Botswana	Gambling Investment
PropCorp (Pty) Ltd	BW00000877045	Botswana	Parking Lot Managemnet
Sunnyside (Pty) Ltd	BW00000967158	Botswana	Farm Owner
Norman Kwati Matsetse (Pty) Ltd	BW00000876784	Botswana	Property Development
Kgadi Phofu (Pty) Ltd	BW00000875767	Botswana	Property Development
Antya Investments (pty) Ltd	BW00000875844	Botswana	Casino
Lotsane Complex (Pty) Ltd	BW00000851206	Botswana	Property Investment
RGS Limitada	100624761	Mozambique	Property Services
Zimpeto Shopping Centre Limitada	100864193	Mozambique	RDC Subsidiary
Xai-Xai NewCo Limitiada	100831880	Mozambique	RDC Subsidiary
RDC Xiquelne Limitada	101370178	Mozambique	RDC Subsidiary
RDC Property Development (Namibia) (Pty) Ltd	2016/1434	Namibia	Property Development
RDC Properties (Namibia) (Pty) Ltd	2016/1125	Namibia	Asset Holding Company
RDC Mauritius	162885 GB	Mauritius	Asset Holding Company
RDC KMR	146338 C1/GBL	Mauritius	Asset Holding Company
RDC Zimpeto	146188 C1/GBL	Mauritius	Asset Holding Company
David Livingstone Safari Lodge	120010048546	Zambia	Hotel Operating Company

SIMON NORMAN SUSMAN			
Other Directorships	Company Number	Country of Incorporation	Nature Of Business
Woolworths Holdings Limited	1929/001986/06	South Africa	Retail
Versim Investments (Pty) Ltd	2015/346512/07	South Africa	Private Investment
Smalblaar River Farm (Pty) Ltd	2001/023507/07	South Africa	Private Investment
Virgin Active Group Limited	2021/713359/07	South Africa	Gym
Conservation International (South Africa)	2010/00325/08	South Africa	Conservation
Meat Naturally (Pty) Ltd	2016/089496/07	South Africa	Private Investment
AL Tayer, Dubai		Dubai	Retail

ANNEXURE 5: APPLICATION FORM



APPLICATION FORM
 BWP 500 000 000 MEDIUM TERM NOTE PROGRAMME –
 [] TRANCHE BWP []

RDC Properties Limited
 (incorporated in Botswana)
 (Registration number BW00000877423)
 (“RDC Properties”)
 ISIN NO []
 STOCK CODE NO []

I/We, the undersigned hereby apply to purchase the amount specified below of Notes (the “Notes”) to be issued by RDC Properties upon the terms and conditions set out in this application form.

(please tick the appropriate box)

NOTES

Applications must be made in accordance with the instructions set out in this document. Care must be taken to follow these instructions as applications that do not comply may be rejected. If there is any doubt, please consult the Arrangers.

Please complete all relevant sections of this form using BLOCK LETTERS where applicable		
PARTICIPANT STATUS (Please tick)	DATE (Dd/mm/yyyy)	CONTROL NO. (REGISTRARS' USE ONLY)
<input type="checkbox"/> Resident	DECLARATION (PLEASE TICK) 1.1.2I/We note that the Issuer and the Arranger are entitled in their absolute discretion to accept or reject this application. 1.1.3I/We confirm that I/we have read the Supplementary Memorandum dated 8 November 2023 and that my/our application(s) is/are made on the terms set therein. 1.1.4I/We agree to accept the nominal amount as may be allocated to me/us subject to the terms in this Application. 1.1.5I/We authorise you to enter my/our name on the Register of Noteholders of the Notes that may be allotted to me/us and to register my/our address as given below. 1.1.6I/we hereby irrevocably undertake and confirm my/our application(s) for notes is on the terms outlined in the Applicable Pricing Supplement to be dated the 28 November 2023 . 1.1.7	
<input type="checkbox"/> Non-Resident		
<input type="checkbox"/> Tax Exempt (attach Certificate)		
<input type="checkbox"/> Taxable		
PARTICIPANT TYPE (Please tick)		
<input type="checkbox"/> Pension Fund		
<input type="checkbox"/> Pension Fund Manager		
<input type="checkbox"/> Unit Trust		
<input type="checkbox"/> Insurance Company		
<input type="checkbox"/> Corporate		
<input type="checkbox"/> Bank		
<input type="checkbox"/> Individual		
<input type="checkbox"/> Other		
1.1.19 1.1.20 1.1.21 1.1.22 PARTICIPANT DETAILS (INDIVIDUALS/CORPORATE/JOINT)		

(Please use one box for one alphabet leaving one box blank between first word and second)

SURNAME / CORPORATE NAME

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

FIRST NAME (FOR INDIVIDUALS ONLY)

OTHER NAMES (FOR INDIVIDUALS ONLY)

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

JOINT APPLICANT'S FIRST NAME (IF APPLICABLE)

OTHER NAMES (FOR JOINT APPLICANT ONLY)

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

CONTACT PERSON (FOR CORPORATE APPLICANT)/NEXT OF KIN (FOR INDIVIDUAL APPLICATION)

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

PHYSICAL ADDRESS IN FULL

POSTAL ADDRESS ALONE IS NOT SUFFICIENT

EMAIL ADDRESS:	
TELEPHONE:	

PARTICIPATION AND ALLOTMENT DETAILS

Please credit my/our CSDB Account as detailed below to the extent of the Notes are allotted:

PARTICIPANT'S

CSDB ACCOUNT NO:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

BANK DETAILS FOR INTEREST AND REDEMPTION PAYMENTS																			
BANK NAME																		BRANCH	1.1.36
ACCOUNT NO																		CITY	1.1.50
SIGNATURES																			
SIGNATURE									SIGNATURE (SECOND/JOINT)									OFFICIAL STAMP	
NAME OF AUTHORISED SIGNATORY (Corporate only)									NAME OF AUTHORISED SIGNATORY (Corporate/joint)										
DESIGNATION (Corporate only)									DESIGNATION (Corporate only)										

All applications must be for a minimum amount of BWP100,000 and in multiples of BWP100,000 thereafter

BIDS																			
BID VALUE:	BWP																	TENOR (YEARS)*	
FIXED/FLOATING**:																		BID RATE (%)	%

*Tenors accepted will be either xx or xx year tenors
**Floating rate will be linked to XX

SPECIAL CONDITIONS REQUESTED																		

1 Completing the form

This completed form should e-mailed to the Arranger at the following Address:

Stanbic Bank Botswana Limited

- The deadline of accepting applications will be 12h00 on the 27 November 2023.
- All alterations to this application form must be authenticated by full signature. All applications must be made without any conditions stated by applicants.
- Under no circumstances whatsoever may the name of the applicant be changed and if this is done then the application form will be invalid.
- Applications are made subject to the provisions of the Supplementary Programme Memorandum to which

this form is attached.

- Applications are irrevocable and may not be withdrawn or amended without the written consent of the Issuer.
- Individual applicants must be over 18 years of age or older.

2. Acceptance

By signing an application form the applicant undertakes to pay the Issuer on the Issue Date. The Notes allotted to the bidder shall be in accordance with the provisions of the Trust Deed.

3. Settlement procedure

Payment of the purchase price for the Notes may be made:

- Payments to be made by successful applicants must be made into the following account:-

Account Name :RDC PROPERTIES NOTE PROGRAMME

Bank :

Account Number :

Branch Code :

Swift Code :

Account Type : Current (BWP)

- No application for amount below BWP 100,000 will be accepted.

4. General

The Programme and any contracts resulting from an acceptance of an application for the Notes shall be governed and construed in accordance with Botswana law.

5. Accepted Offer

All successful applicants will be furnished with a signed Applicable Pricing Supplement on the 28 November 2023. Further information regarding the date of allocation and listing of the Notes will be provided on the BSE X News therefore applicants are advised to keep abreast of any developments that may occur on the BSE X News platform which is available on the Botswana Stock Exchange website.