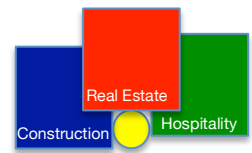




RDC PROPERTIES LIMITED
PO Box 405391, Gaborone, Botswana
Plot 5624, Lejara Road, Broadhurst Industrial, Gaborone, Botswana,

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



Member of the: **Realestate Group**

HIGHLIGHTS –ANNOUNCEMENT OF THE AUDITED GROUP CONSOLIDATED SUMMARISED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

INVESTMENT AND PROPERTY PORTFOLIO UP 31% TO P1.6 BILLION
REVENUE UP 9%
DISTRIBUTION PER LINKED UNIT UP 15%
SUCCESSFUL ACQUISITION OF CAPITALGRO (PTY) LTD IN SOUTH AFRICA

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	2017 P'000 Audited	2016 P'000 Audited	% Change
Revenue	99,170	90,886	9%
Operating expenses	(30,405)	(27,834)	
Income/(loss) arising from joint venture	4,674	(310)	
Other foreign exchange gains/(losses)	544	(240)	
Other operating income	725	2,673	
Investment income	12,256	12,176	
Finance costs	(17,710)	(17,541)	
Net income from operations before fair value adjustments	69,254	59,810	16%
Surplus arising on revaluation of properties	86,001	90,350	
Profit before tax	155,255	150,160	3%
Income tax expense	(22,007)	(25,659)	
Profit for the year	133,247	124,501	7%
Other comprehensive income			
<i>Items that may be subsequently classified to profit or loss</i>			
Exchange differences on translation of foreign operations	2,888	566	
Fair value gains on available for sale financial asset	(2,044)	1,276	
Total comprehensive income for the year	134,091	126,343	6%
Total comprehensive income for the year attributable to:			
Owners of the company	108,318	106,342	
Non-controlling interests	25,773	20,001	
	134,091	126,343	6%
Average number of linked units in issue	347,547,222	347,547,222	
Earnings per linked unit (thebe)	33.73	31.64	7%
Number of linked units in issue at year end	347,547,222	347,547,222	
Distribution per linked unit (thebe)	9.77	8.48	15%

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	2017 P'000 Audited	2016 P'000 Audited	
Assets			
Property, plant and equipment	8,943	10,168	
Intangible asset	1,000	1,000	
Investments	30,784	-	
Investment in a joint venture	30,353	26,434	
Investment properties	1,538,807	1,169,268	
Rental receivable - straight line rental adjustment	16,193	10,839	
Available for sale investments	17,580	14,415	
Long-term trade receivables	130	2,052	
Current assets	138,134	205,180	
Assets classified as held for sale	-	15,634	
Total Assets	1,781,924	1,454,990	22%
Equity and Liabilities			
Equity attributable to the owners of the parent	1,012,030	927,806	
Non-controlling interests	268,452	177,559	
Long term borrowings	323,625	224,048	
Deferred tax liabilities	110,985	86,537	
Current liabilities	66,832	39,040	
Total Equity and Liabilities	1,781,924	1,454,990	

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS	2017 P'000 Audited	2016 P'000 Audited	
Cash flows from operating activities			
Net income from operations before fair value adjustments	69,254	59,810	
Adjustment for non-cash items	(370)	4,264	
Working capital changes	1,522	3,266	
Taxation paid	(1,598)	(1,007)	
Net cash generated from operations	68,808	66,333	
Cash flows from investing activities			
Purchase of property, plant and equipment	(65)	(2,592)	
Investment property additions	(29,706)	(26,643)	
Interest income	11,093	11,739	
Payment for acquisition of a subsidiary	(38,561)	-	
Net cash acquired from acquisition of a subsidiary	517	-	
Movement in investments	(30,784)	-	
Asset classified as held for sale disposed	15,634	-	
Purchase of available for sale investments	(5,145)	(13,139)	
Net cash used in investing activities	(77,017)	(30,635)	
Cash flows from financing activities			
Dividend income	1,163	436	
Dividends and debenture interest paid	(35,309)	(27,211)	
Finance costs paid	(17,710)	(17,541)	
Net loans (repaid)/raised	(7,200)	12,515	
Contributions to joint venture	(797)	-	
Net cash (used in)/generated from financing activities	(59,853)	(31,801)	
Net movement in cash and cash equivalents	(68,062)	3,897	
Cash and cash equivalents at beginning of year	182,339	178,485	
Effects of exchange rates	(6,319)	(43)	
Cash and cash equivalents at end of year	107,958	182,339	
Consisting of:			
Cash and bank balances	110,514	182,339	
Bank overdraft	(2,556)	-	
	107,958	182,339	

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	2017 P'000 Audited	2016 P'000 Audited
Balance brought forward	1,105,365	1,001,025
Total comprehensive income for the year	134,091	126,343
Debtenture interest paid	(25,677)	(22,647)
Taxation attributable to debenture interest	6,169	5,475
Dividends paid	(9,632)	(4,831)
Acquisition of subsidiary	70,166	-
	1,280,482	1,105,365

The Year Review & Prospects
In challenging local market conditions, I am pleased to report a **very good set of results and great progress** in our effort to diversify our income stream. The audited financial results for the year ended 31 December 2017 reflect **revenue growth of 9% and net income from operations before fair value adjustments was up 16%**. The investment and property portfolio grew 31% to P1.6 billion. The largest contributor to the growth in the portfolio value relates to the successful acquisition of a controlling stake in Capitalgro (Proprietary) Limited ("Capitalgro"), South Africa.

The growth in revenue is largely due to the performance of Chobe Marina Lodge (rental revenue linked to turnover of the Lodge), improved performance of Standard Chartered House and the contribution of Capitalgro since the acquisition on 15 November 2017.

R50.9 million was invested in Capitalgro to secure a 34.85% controlling stake in the issued share capital of this South African company. Acquiring this stake in Capitalgro is an exciting opportunity to grow the Capitalgro portfolio and continue to cement RDC's presence in South Africa with stable, predictable and low risk income streams. Post year-end, through our support, Capitalgro purchased "The Edge" building. This is a state of the art nine-storey commercial building located in Tygervalley, Cape Town. RDC's further R120 million investment into Capitalgro, for Capitalgro the purchase of The Edge, results in a 63% stake in this company. Capitalgro is managed by a team solely mandated to grow the Capitalgro portfolio and the members are experienced property professionals with a broad knowledge of the local market. This aspect clearly broadens RDC's ability to control and further grow in the region.

As a consequence of our investment in Capitalgro, we were offered the opportunity to secure a foothold in the USA market. RDC acquired shares in a development company in Nashville, Tennessee with an investment of US\$3 million. The strategic intent of this investment is to be able to grow a small portfolio in an exciting area of the USA and an opportunity to create a relatively small but important currency hedge to the Pula.

In line with our strategy of providing a balance of yielding properties and carrying out developments, we have continued to seek opportunities with considerable value enhancing projects; in particular we have been focusing in the tourism and hospitality sector as we feel this will partly hedge the exposure to regional currencies. We are working on the details of a partnership that could see us involved in the development and joint ownership of a substantial number of lodges in Namibia. These projects, in addition to the convenient centres that RDC will soon be building would significantly increase the footprint in Namibia.

The Xai Xai Shopping development in Mozambique is progressing well with anchor tenant fit out to commence in Q2 2018. Construction for the other new build development in Maputo (Zimpeto suburb) has commenced. Other opportunities are under review.

The development of the new 45 residential apartments at the ICC Flats property in Gaborone is progressing well and should be completed Q3 2018, on track and within budget.

In line with our commitment to meaningfully contribute to the social upliftment of the communities within which we operate, we have been actively pursuing the vision of creating a retirement offering in Botswana. We are presently in an advance stage of design for such offering. We are looking forward to presenting this project in the 2018 year.

Basis of preparation and accounting policies
The summarised financial results have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"), and to also, as a minimum, contain the information required by IAS 34, Interim Financial Reporting. In preparing the underlying financial statements from which these summarised financial results were extracted, all International Financial Reporting Standards and International Reporting Interpretations Committee interpretations issued and effective for annual periods beginning on or after 1 January 2017 have been applied. The Group's underlying consolidated financial statements have been prepared in accordance with IFRS. The principal accounting policies are consistent in all material aspects with those adopted in the previous year.

Financial results and highlights
Revenue increased from P90.9 million in 2016 to P99.2 million in 2017, showing an increase of 9%. Profit after tax for the year is up 7% including a P86 million investment property valuation gain. Based on these results, the company distribution per linked unit increased by 15%. The Adjusted Net Asset Value (NAV) stands at P3.13 per linked unit up 10% (2016: P2.84) and return on equity stands at 13% (2016: 13%).

Directors
There have been no changes to the Board of Directors.

Distribution to linked unit holders
Notice is hereby given that a final dividend of 0.029 thebe per ordinary share and interest of 1.407 thebe per debenture has been declared. This dividend and interest will be payable on 25 May 2018 to those linked unit holders registered at the close of business on 11 May 2018.

Independent Auditor's Report
Grant Thornton, the Group's independent auditors, have audited the consolidated financial statements of the Group from which these summarised financial results have been derived, and have expressed an unmodified audit opinion on the consolidated financial statements. These audited summarised financial results comprise the audited summarised consolidated statement of financial position as at 31 December 2017, the audited summarised consolidated statement of comprehensive income, audited summarised consolidated statement of changes in equity and audited summarised consolidated statement of cash flows for the year then ended. The full set of financial statements including the audit report and the summarised consolidated financial statements are available for inspection at the Group's registered office. For a better understanding of the Group's financial position and the results of its operations for the year and the scope of the audit, the audited summarised financial results should be read in conjunction with the audited consolidated financial statements from which the summarised financial results were derived and the audit report thereon. The audit of the summarised consolidated financial statements was conducted in accordance with International Standards on Auditing.

By order of the Board
G R Giachetti, Executive Chairman
Gaborone
26 March 2018