THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY

- If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, banker, lawyer, accountant or other professional adviser immediately.

- If you have sold or transferred all your Linked Units in Letlole La Rona Limited ("LLR" or "the Company"), you should at once hand this Circular together with the Notice of the Extraordinary General Meeting ("EGM") and the Form of Proxy to the agent through whom you effected the sale and transfer for onward transmission to the purchaser or transferee.

- This Circular incorporates listing particulars and is issued in compliance with the Listing Requirements of the Botswana Stock Exchange for the purpose of giving information to the public with regard to the Unitholders of LLR. The Botswana Stock Exchange assumes no responsibility for the accuracy of any of the statements made or opinions expressed in this Circular.

---

LETLOLE LA RONA LIMITED
Incorporated in the Republic of Botswana on 8 July 2010
Registration number CO 2010/6316
Share Code: LLR
("LLR" or "the Company")

---

CIRCULAR TO UNITHOLDERS
IN RELATION TO THE RELATED PARTY TRANSACTIONS AND INCORPORATING A NOTICE OF THE EGM AND A FORM OF PROXY

A notice convening an EGM of LLR is to be held at Cresta Lodge, Fairgrounds Gaborone on the 10th of June 2016 at 0900hrs or any adjournments thereof, together with the Form of Proxy enclosed in the notice of the EGM. The Form of Proxy must be lodged at the registered office of the Company Secretary at Plot 54373, 1st Floor, 5 Matante News, CBD, Gaborone not later than forty-eight (48) hours before the time set for holding the meeting. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

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<th>Important Dates</th>
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</tr>
</thead>
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<tr>
<td>Date of Circular</td>
<td>18 May 2016</td>
</tr>
<tr>
<td>Last day and time for lodgement of Form of Proxy</td>
<td>8 June 2016</td>
</tr>
<tr>
<td>Date and time of EGM</td>
<td>10 June 2016</td>
</tr>
<tr>
<td>Press Announcement on results of EGM</td>
<td>15 June 2016</td>
</tr>
</tbody>
</table>

The dates and times are subject to change. Any such change will be published in the press.

---

IMARA INVESTING IN AFRICA

A member of the Botswana Stock Exchange

Stockbrokers

ARMSTRONGS

Legal Advisors

Attorneys, Notaries & Conveyancers
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</table>
## CORPORATE INFORMATION

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<tr>
<th>Board of Directors:</th>
<th>Legal Advisors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boitumelo Mogopa</td>
<td>Armstrong’s Attorneys</td>
</tr>
<tr>
<td>Terence Dambe</td>
<td>2nd Floor Acacia House, Plot 74538 New CBD</td>
</tr>
<tr>
<td>Peter Stevenson</td>
<td>Cnr P.G. Matante &amp; Khama Crescent Ext</td>
</tr>
<tr>
<td>Jane Tselayakgosi</td>
<td>P.O Box 1368,</td>
</tr>
<tr>
<td>Bafana Molomo</td>
<td>Gaborone, Botswana</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Registered office</th>
<th>Reporting Accountants</th>
</tr>
</thead>
<tbody>
<tr>
<td>LetiLe La Rona Limited</td>
<td>Grant Thornton</td>
</tr>
<tr>
<td>1st Floor, 5 Matane Mews,</td>
<td>Plot 50370</td>
</tr>
<tr>
<td>Plot 54373, CBD</td>
<td>Fairgrounds Acumen Park</td>
</tr>
<tr>
<td>P. O Box 700ABG,</td>
<td>P.O Box 1157</td>
</tr>
<tr>
<td>Gaborone</td>
<td>Gaborone</td>
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</table>

<table>
<thead>
<tr>
<th>Transfer Secretaries</th>
<th>Sponsoring Brokers</th>
</tr>
</thead>
<tbody>
<tr>
<td>DPS Consulting Services (Pty) Ltd</td>
<td>Imara Botswana Limited</td>
</tr>
<tr>
<td>Plot 50371, Fairground Office Park</td>
<td>2nd Floor, Moroqwa Mews, Unit 6, Plot 74770,</td>
</tr>
<tr>
<td>1st Floor</td>
<td>Western Commercial Road CBD, Gaborone</td>
</tr>
<tr>
<td>P.O. Box 1453</td>
<td>Private Bag 173, Gaborone</td>
</tr>
<tr>
<td>Gaborone, Botswana</td>
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<table>
<thead>
<tr>
<th>Independent Expert</th>
<th>Independent Valuer</th>
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</thead>
<tbody>
<tr>
<td>Grant Thornton</td>
<td>Kwena Property Services (Proprietary) Limited</td>
</tr>
<tr>
<td>Plot 50370</td>
<td>Plot 799, Independence Avenue</td>
</tr>
<tr>
<td>Fairgrounds Acumen Park</td>
<td>Private Bag 0099</td>
</tr>
<tr>
<td>P.O Box 1157</td>
<td>Gaborone, Botswana</td>
</tr>
<tr>
<td>Gaborone</td>
<td></td>
</tr>
</tbody>
</table>
1. DEFINITIONS AND INTERPRETATION

In this section unless otherwise stated or the context otherwise requires, the words in the first column have the meanings stated opposite them in the second column, words in the singular include the plural and vice versa, and words importing natural persons shall include juristic persons, whether corporate or incorporate, and vice versa:

"Act" the Companies Act, 2003, Act No 32 of 2004 as amended;

"Acquisitions" the acquisition of ½ participatory interest in the Partnership which owns Plot 16186 Francistown from BDC and the acquisition of immovable property situated on Lot 2989 Gaborone, from Residential Holdings by LLR or either one of them as the context applies;

"Acquisition Agreements" the sale agreements for the Acquisitions (as the case may be);

"BDC" Botswana Development Corporation Limited (registration number CO 1970/750) incorporated in the Republic of Botswana;

"Botswana" the Republic of Botswana;

"BSE" the Botswana Stock Exchange;

"BWP" the legal tender of the Republic of Botswana in which all monetary amounts in this Circular are expressed;

"the Company or LLR" Letiole La Rona Limited (registration number 2010/6316) a company incorporated with limited liability in accordance with the laws of Botswana and listed on the BSE;

"Debenture Notes" the debt instrument issued by LLR in an aggregate of BWP 40,000,000.00;
"Directors" the Board of Directors of LLR;

"EGM" Extraordinary General Meeting of the Company to be held on the 10th of June 2016;

"Effective Date" being the date on which it is contemplated that all benefits in and risks relating to the Acquisitions pass to the Company, in accordance with the terms of the Acquisition Agreements;

"Facilities" the Senior Debt Loan and the Debenture Notes to be subscribed by BDC issued by LLR;

"Linked Unit" one ordinary share in the share capital linked to one Debenture in the debenture capital of the Company which will rank pari passu with all other Linked Units issued by the Company;

"Listings Requirements" the listings requirements of the BSE;

"Independent Expert" Grant Thornton;

"Independent Valuer" Kwen Property Services (Proprietary) Limited;

"Ordinary Resolution" a resolution passed by the majority of the votes of all Linked Unit Holders present or represented by proxy at the general meeting and eligible to vote on the matter;

"Partnership" means NBC Development, a partnership comprising of BDC, Botswana Insurance Fund Management Limited and Northern Investments (Proprietary) Limited which was established by way of the Partnership Agreement;

"Partnership Agreement" means the agreement dated the 7th of December 1990 establishing the Partnership;

"Participatory Interest" means one-third representing 33.3% Participatory Interest held by BDC in the Partnership as the Seller to the Acquisition;

"Property(ies)" means Lot 2989, Gaborone measuring 4.5521 acres situate in Gaborone Extension 11, which is currently owned by Residential Holdings (Proprietary) Limited or Plot 2989 Francistown, as the context applies;

"Red Square" means the property situate at Plot 2989 measuring 4.5521 acres situate in Extension 11, Gaborone owned by Residential Holdings;

"Registered Office" the registered office of LLR as provided on the Corporate Information section on page 3;
2. INTRODUCTION

2.1 LLR proposes to enter into the Acquisition Agreements with BDC and Residential Holdings. Furthermore BDC has agreed to advance a Senior Debt Loan to LLR and subscribe for Debenture Notes issued by LLR.

2.2 The Acquisitions and Facilities constitute Related Party Transactions in terms of the Listings Requirements of the BSE and is accordingly subject to approval by the Unitholders.

2.3 The purpose of this Circular is to provide the Unitholders with initial information regarding the Acquisitions and the Facilities and the Unitholders will be asked to approve the Ordinary Resolutions necessary to implement the Acquisitions and the Facilities at the forthcoming EGM.

3. NATURE OF LLR BUSINESS

3.1 LLR is a variable rate loan stock company that was listed on the BSE on the 15\textsuperscript{th} of June 2011. The core business of the Company is to invest in real estate and real estate instruments in order to maximize returns to Unitholders.

3.2 The existing property portfolio of the Company comprises of industrial, leisure, retail and commercial office property space. As at June 2015, the Company’s property portfolio value was BWP 622,300,000.00. A copy of the full valuation report on the existing property portfolio is available for inspection at the Registered Office.
4.1 **NBC Developments Acquisition**

In terms of the Acquisition Agreement, LLR will acquire a Participatory Interest in the Partnership from BDC. BDC currently owns 86% of the Linked Units in the Company and is therefore a material Unitholder of LLR.

4.2 **Red Square Acquisition**

In terms of the Acquisition Agreement, LLR will acquire the Red Square Property belonging to Residential Holdings which is 100% wholly owned by BDC as a residential property investment company. Residential Holdings is also willing to dispose the Red Square Property to LLR on an arms-length commercial basis.

The Transaction involves parties that are related through the beneficial material shareholding that BDC has in both Residential Holdings and LLR and consequently the Transaction is a Related Party Transaction.

4.3 **Facilities to be granted by BDC**

BDC has agreed to advance an amortized Senior Debt Loan amounting to BWP 160,000,000.00 to LLR for a period of ten years. In addition to this, BDC will subscribe for a Debenture Note issued by LLR of BWP 40,000,000.00 redeemable in the tenth year unless an option to roll-over is exercised by LLR.

5. **DETAILS OF THE PARTICIPATORY INTEREST ACQUISITION**

5.1 **Background Information of BDC**

5.1.1 BDC was established in 1970 to be the country's main agency for commercial and industrial development. BDC has the mandate to invest, by way of equity and loans, in legal entities, or properties, with a view to the development and the creation of a stable and mature investment.

5.1.2 When such mandate is fulfilled, BDC aims to disinvest from that entity or property in order to create the opportunity for citizens to invest in the corporate entity or property.

5.1.3 BDC is 100% owned by the Government of Botswana. BDC has a total equity investment of about BWP 1,402,236 in companies that are involved in different segments of industries including retail, industrial, tourism and investment.

5.2 **Details of the Acquisition Agreement**

5.2.1 **Details of the Partnership**
5.2.1.1 BDC and LLR have entered into an Acquisition Agreement in terms of which LLR shall acquire from BDC the Participatory Interest in the Partnership.

5.2.1.2 The Partnership, known as NBC Developments was established on the 21st of December 1990 through a Partnership Agreement. A copy of the Partnership Agreement is available for inspection at the Registered Office.

5.2.1.3 The Partnership currently owns Lot 16186, Francistown, a commercial property, in its favour through a Deed of Fixed Period State Grant for a period of 50 years from the 2nd of August 1995. The Partnership shares the net profits and losses of the Partnership in equal proportions.

5.2.1.4 The Partnership Agreement provides BDC the right to sell its interest in the Partnership provided that the other partners, Botswana Insurance Fund Management and Northern Investments (Proprietary) Limited waive their rights to acquire the Participatory Interest in terms of clause 10 of the Partnership Agreement.

5.2.2 Consideration

The aggregate purchase price for the Participatory Interest is BWP 35 413 333.00. The market value of the Property is BWP 104 000 000.00 which is the only asset of the Partnership, LLR intends to acquire one-third interest in the Partnership and the value of the Participatory Interest is BWP 34 666 667.00.

5.2.3 Effective Date

Subject to Unitholders' approval and the fulfilment of the conditions set out in clause 5.2.4, LLR shall be a partner to the Partnership and be entitled to every benefit arising out of the Partnership's ownership of Lot 16186 Francistown. It is further anticipated that a new Partnership Agreement will be entered into between Botswana Insurance Fund Management, Northern Investments (Proprietary) Limited and LLR reconstituting the new Partnership and reflecting that each partner holds a third interest in same.

5.2.4 Conditions

The Acquisition is subject to the fulfillment of the following conditions:

5.2.4.1 the Unitholders in LLR approving the acquisition of the Participatory Interest at a duly convened EGM;

5.2.4.2 the approval of the BSE and the Competition Authority Approval (if required);
5.2.4.3 the Board of Directors of BDC approving and ratifying the Acquisition Agreement; and

5.2.4.4 the Botswana Insurance Fund Management Limited and Northern Investments (Proprietary) Limited waiving their rights to acquire the Participatory Interest in the Partnership.

5.2.5 Rationale for the Transaction

The opportunity presented to acquire the Participatory Interest by LLR is attractive in that the acquisition by LLR provides growth opportunities and enhances returns on the equity of the Company.

6. DETAILS OF THE RED SQUARE ACQUISITION

6.1 Background Information of Residential Holdings

6.1.1 Residential Holdings is a company incorporated in accordance with the laws of Botswana with registration number Co.1972/1190. It is a wholly owned subsidiary of BDC.

6.1.2 The Red Square Property is a multi-residential property which has been sublet to various lessees.

6.2 Details of the Acquisition Agreement

6.2.1 Details of Residential Holdings

6.2.1.1 An Acquisition Agreement has been entered into between Residential Holdings as the seller and LLR as the purchaser to acquire the Red Square Property.

6.2.1.2 The Red Square Property is situated in Gaborone Extension 11 measuring 4.5521 acres. The Red Square Property is held under Deed of State Grant for a period of 50 years. The use of the Red Square Property is a multi-residential building and currently comprises of 42 units and currently valued at BWP 41 325 000.00 in aggregate.

6.2.2 Consideration

The purchase price payable for the Transaction is BWP 42 000 000.00 (Forty Two Million Pula). The Property is valued at BWP 41 325 000.00.

6.2.3 Effective Date

Subject to Unitholders’ approval and the fulfillment of the conditions set out in clause 6.2.4 and the transfer of the Red Square Property from Residential Holdings to LLR in terms of the Deeds Registry Act Cap 33:02, LLR shall have registered
and beneficial ownership of the Red Square Property including rights, title and interest in and to all claims in respect of the rental income deriving from the Red Square Property. Registration of transfer of the Red Square Property into the name of LLR will be effected as soon as possible after the Effective Date.

6.2.4 **Conditions**

This Agreement is subject to the fulfilment of the Conditions Precedent that —

6.2.4.1 the board of LLR conducting a due diligence on the affairs of the Red Square Property, being satisfied with the outcome thereof, and notifying the seller in writing;

6.2.4.2 the board of directors of Residential Holdings approving and ratifying the entering into of the Acquisition Agreement, and all other agreements and transactions contemplated herein; and

6.2.4.3 the Unitholders in LLR approving the acquisition of the Red Square Property at a duly convened EGM;

6.2.4.4 the approval of the BSE and the Competition Authority Approval, if required or confirmation that their approval is not required.

6.2.5 **Rationale for the Transaction**

The opportunity presented to acquire the Red Square Property by LLR is attractive in that the Acquisition will also provide LLR with growth opportunities and enhances returns on its equity.

7. **DETAILS OF THE FACILITIES TO BE GRANTED BY BDC**

7.1 **Reasons for the Facilities**

Access to funding is a critical aspect of the business. Traditionally LLR has obtained funding from commercial banks as well as reinvesting internally generated funds into the business. These Facilities will be used to fund the Acquisitions and also assist in retiring the Company’s existing borrowings.

7.2 **Reasons for raising funds through the Facilities**

The Senior Debt Loan and Debenture Notes will have a structure that allows LLR to draw on the facilities for a period of 12 months in minimum drawdown tranches of BWP20 million.

7.3 **Use of the Proceeds**

The proceeds of the Senior Debt Loan will be used to fund the Acquisitions. The Debenture Note proceeds will be used to refinance the Stanbic Bank of Botswana Limited overdraft in the amount of BWP 40,000,000.00.
7.4 **Salient terms of any Associated Agreements**

There are no associated agreements.

7.5 **Conditions of the Facilities**

The Facilities is subject to the fulfillment of the following conditions:

7.5.1 BDC being granted security to secure the payment of the Facilities to the value of BWP 400 million which may include the registration of a mortgage bond over the property, cessionary documents including insurance policies, receivable and bank accounts and any other security over LLR’s assets as may be required from time to time;

7.5.2 the Unitholders of LLR approving the Facilities;

7.5.3 the board of directors of BDC approving and ratifying the terms and conditions of the Senior Debt Loan and the subscription of the Debenture Notes.

7.6 **Salient terms of the Senior Debt Loan**

BDC is prepared to advance a Senior Debt Loan in an aggregate amount of BWP 160,000,000.00 repayable over a period of ten years. 50% of Senior Debt Loan can be refinanced after the third anniversary of the facility at the option of LLR and the balance from the sixth anniversary of the facility.

The Senior Loan will earn a floating rate interest of prime rate, currently at 7.5% plus 100 basis point NACM. A commitment fee of 0.75% NACM exclusive of VAT per quarter will be applicable which will be charged on undrawn amounts, payable on a quarterly basis. The Senior Debt Loan is conditional upon certain conditions precedent being met including Unitholders approval. The Senior Debt Loan will not afford BDC conversion rights in LLR.

7.7 **Salient terms of the Debenture Note**

BDC is prepared to subscribe for Debenture Notes in an aggregate amount of BWP 40,000,000.00. The Debenture Note will be a zero coupon note with an interest rate calculated at 200 basis points above the applicable rate as compared to the Senior Debt Loan. The Debenture Note has a period of ten years with the option to roll-over the face value for a further 5 year period, where the amount will be amortised at the same rate. The subscription of the Debenture Note is subject to certain condition precedents being met including Unitholders approval. The Debenture Note will not afford BDC conversion rights in LLR.
8. **FINANCIAL INFORMATION**

8.1 **Profit Forecast**

The profit forecast for LLR for the financial year ending 30 June 2018 post acquisition is shown below:

<table>
<thead>
<tr>
<th></th>
<th>AUDITED Year ended Jun-16 P</th>
<th>UNAUDITED Half year ended Dec-15 P</th>
<th>FORECAST Year ended Jun-16 P</th>
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</thead>
<tbody>
<tr>
<td>Rental income</td>
<td>67,186,674</td>
<td>30,630,608</td>
<td>65,858,952</td>
</tr>
<tr>
<td>Contractual revenue</td>
<td>64,410,059</td>
<td>29,855,613</td>
<td>64,318,072</td>
</tr>
<tr>
<td>Straight line lease rental adjustment</td>
<td>2,778,015</td>
<td>774,895</td>
<td>1,549,990</td>
</tr>
<tr>
<td>Investment income</td>
<td>2,653,995</td>
<td>1,059,753</td>
<td>1,729,753</td>
</tr>
<tr>
<td>Changes in fair value of investment property</td>
<td>36,538,385</td>
<td>11,418,006</td>
<td>37,335,600</td>
</tr>
<tr>
<td>Other income</td>
<td>4,411,491</td>
<td>210,954</td>
<td>210,954</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(2,899,474)</td>
<td>(1,129,283)</td>
<td>(3,007,400)</td>
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<tr>
<td>Property related expenses</td>
<td>(5,783,655)</td>
<td>(3,843,188)</td>
<td>(7,069,927)</td>
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<tr>
<td>Administration expenses</td>
<td>(5,049,431)</td>
<td>(3,432,160)</td>
<td>(6,894,330)</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>97,257,095</td>
<td>34,914,719</td>
<td>88,182,742</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(17,790,954)</td>
<td>(11,893,468)</td>
<td>(14,550,152)</td>
</tr>
<tr>
<td>Total profit and comprehensive income for the year</td>
<td>79,457,841</td>
<td>23,021,251</td>
<td>73,632,580</td>
</tr>
</tbody>
</table>

|                      | 260,000,000                  | 260,000,000                       | 260,000,000               |
| Weighted average number of linked units in issue | 31.27                       | 9.60                              | 29.19                      |
| Earnings per linked unit (thebe)                      | 31.27                       | 9.60                              | 29.19                      |

**ASSUMPTIONS**

a. All rental income has been accounted for on the straight line basis and budgeted to be received when due, at the beginning of each month and that all leases will be renewed with an escalation of 8% from the current rent when they expire.
b. The fair value of the portfolio will increase by 8% over the reported values as at 30 June 2015.
c. Administrative and property related expenses are expected to increase at 35% and 22% over the prior year. This includes the amount incurred up to 31 Dec 2015.
d. The income tax has been calculated at 16.5% on the profits before tax based on the past tax trends.

The forecast and assumptions are covered by the opinion of the Reporting Accountants in Annexure 1.
## Projected balance sheet

The projected balance sheet as at 30 June 2016 post acquisition is as follows:

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>AUDITED June 2015 P</th>
<th>UNAUDITED December 2015 P</th>
<th>FORECAST June 2016 P</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment properties</td>
<td>600,186,304</td>
<td>614,176,235</td>
<td>684,273,828</td>
</tr>
<tr>
<td>Straight-line rental adjustment</td>
<td>22,073,696</td>
<td>22,648,591</td>
<td>23,023,686</td>
</tr>
<tr>
<td>Plant &amp; Equipment</td>
<td>147,157</td>
<td>825,981</td>
<td>743,995</td>
</tr>
<tr>
<td>Deferred taxation recoverable - related party</td>
<td>5,738,320</td>
<td>5,859,762</td>
<td>5,659,752</td>
</tr>
<tr>
<td>Investment in Associate</td>
<td>-</td>
<td>-</td>
<td>35,413,333</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>628,145,517</strong></td>
<td><strong>643,510,667</strong></td>
<td><strong>749,714,294</strong></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxation refundable</td>
<td>115,137</td>
<td>185,096</td>
<td>185,096</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>9,313,848</td>
<td>1,106,347</td>
<td>2,850,763</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>46,661,846</td>
<td>57,152,905</td>
<td>27,988,986</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>59,090,631</strong></td>
<td><strong>58,484,351</strong></td>
<td><strong>30,124,747</strong></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>687,236,148</strong></td>
<td><strong>701,995,018</strong></td>
<td><strong>779,839,041</strong></td>
</tr>
</tbody>
</table>

## EQUITY AND LIABILITIES

<table>
<thead>
<tr>
<th>Capital and reserves</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Stated capital</td>
<td>2,718,884</td>
<td>2,718,884</td>
<td>2,718,884</td>
</tr>
<tr>
<td>Debentures</td>
<td>405,113,547</td>
<td>405,113,547</td>
<td>405,113,547</td>
</tr>
<tr>
<td>Dividend and debenture interest reserve</td>
<td>19,480,000</td>
<td>17,640,000</td>
<td>19,460,000</td>
</tr>
<tr>
<td>Accumulated profit</td>
<td>182,011,897</td>
<td>166,263,160</td>
<td>248,954,487</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>616,304,326</strong></td>
<td><strong>623,725,591</strong></td>
<td><strong>675,146,918</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-current liabilities</th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Long term loan</td>
<td>37,937,216</td>
<td>-</td>
<td>47,756,000</td>
</tr>
<tr>
<td>Deferred taxation</td>
<td>29,609,710</td>
<td>34,635,004</td>
<td>37,302,390</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>64,617,926</strong></td>
<td><strong>34,635,004</strong></td>
<td><strong>85,058,390</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Current liabilities</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and other payables</td>
<td>6,313,686</td>
<td>7,120,601</td>
<td>6,120,601</td>
</tr>
<tr>
<td>Overdraft</td>
<td>-</td>
<td>36,513,222</td>
<td>12,513,222</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,313,686</strong></td>
<td><strong>43,035,923</strong></td>
<td><strong>18,033,823</strong></td>
</tr>
</tbody>
</table>

| **Total Liabilities** | **70,931,620** | **78,269,427** | **103,892,124** |
| **Total equity and liabilities** | **687,236,148** | **701,995,018** | **779,839,041** |

## Pro forma Balance Sheet

The pro forma balance sheet set out below is presented for illustrative purposes only, to provide information about how the Acquisitions and the Facilities may affect the balance sheet of LLR as at the 30th of June 2016 as per para 8.37 of the BSE Listing Requirements should the Transactions be implemented on that date. Due to the nature of a pro forma
balance sheet, it may not accurately reflect the financial position of LLR after the Acquisitions and the Facilities being granted. This proforma is covered by the Reporting Accountant’s opinion given in Annexure 2.

<table>
<thead>
<tr>
<th>PROFORMA STATEMENT OF FINANCIAL POSITION</th>
<th>PRE TRANSACTION</th>
<th>Acquisition adjustments</th>
<th>Notes</th>
<th>POST TRANSACTION</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31 DECEMBER 2016</td>
<td>31 DECEMBER 2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actual P P P</td>
<td>Adjusted P</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment properties</td>
<td>614,176,233</td>
<td>44,180,000</td>
<td>1</td>
<td>658,356,233</td>
</tr>
<tr>
<td>Straight-line rental adjustment</td>
<td>22,846,691</td>
<td></td>
<td></td>
<td>22,846,691</td>
</tr>
<tr>
<td>Plant &amp; Equipment</td>
<td>825,991</td>
<td></td>
<td></td>
<td>825,991</td>
</tr>
<tr>
<td>Deferred taxation recoverable - related party</td>
<td>5,659,752</td>
<td></td>
<td></td>
<td>5,659,752</td>
</tr>
<tr>
<td>Investment in Associate</td>
<td>-</td>
<td>35,413,333</td>
<td>2</td>
<td>35,413,333</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>643,610,567</td>
<td>35,413,333</td>
<td>44,180,000</td>
<td>723,104,000</td>
</tr>
<tr>
<td><strong>EQUITY AND LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital and reserves</td>
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<td></td>
<td></td>
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<td></td>
<td></td>
<td>405,113,547</td>
</tr>
<tr>
<td>Dividend and debenture interest reserve</td>
<td>17,640,000</td>
<td></td>
<td></td>
<td>17,640,000</td>
</tr>
<tr>
<td>Accumulated profits</td>
<td>198,253,190</td>
<td></td>
<td></td>
<td>198,253,190</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td>623,725,591</td>
<td></td>
<td></td>
<td>623,725,591</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long term loan</td>
<td>-</td>
<td>21,248,000</td>
<td>25,508,000</td>
<td>47,766,000</td>
</tr>
<tr>
<td>Deferred taxation</td>
<td>34,635,604</td>
<td></td>
<td></td>
<td>34,635,604</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>34,635,604</td>
<td>21,248,000</td>
<td>25,508,000</td>
<td>82,391,604</td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>7,120,601</td>
<td></td>
<td></td>
<td>7,120,601</td>
</tr>
<tr>
<td>Overdraft</td>
<td>36,513,222</td>
<td></td>
<td></td>
<td>36,513,222</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>43,633,823</td>
<td></td>
<td></td>
<td>43,633,823</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td>701,958,018</td>
<td>21,248,000</td>
<td>25,508,000</td>
<td>749,761,018</td>
</tr>
</tbody>
</table>

**NOTES**

1. The investment properties include the acquisition of Red Square Property covered in paragraph 6 of this Circular at BWP 42 Million and additional spend of BWP 2.18 Million towards improvements to the Red Square Property.
2. Investment in associate includes the acquisition of the Participatory Interest covered in paragraph 5 of this Circular at BWP 35 million and additional spend of BWP 400 000.00 on improvements to the Partnership Property.
3. Part of the Acquisitions is being financed out of existing cash reserves of the Company.
4. The long term finance reflects the drawdowns made towards the Acquisitions and the Facilities by BDC covered in paragraph 7 to this Circular.
8.4 Working capital statement

The Directors of LLR are of the opinion that, after the Acquisitions and the Facilities, the working capital of LLR will be adequate for the Company’s foreseeable future requirements.

9. MAJOR UNITHOLDERS

9.1 Each debenture is linked to an ordinary share, which together comprise one Linked Unit. The Linked Unit debenture and ordinary share may be traded and transferred only as a single Linked Unit. The ordinary share and debenture as a unit are indivisible and cannot be separated into their constituent parts, other than by special resolution of shareholders and debenture holders in separate general meetings. The debentures are redeemable subject to approval by Unitholders by way of a special resolution and with the written consent of the creditors of LLR.

9.2 All Linked Units currently comprise one class of linked unit consisting of an ordinary share and a debenture and rank pari passu in all respects. No special voting power is reserved for any promoter or any other person. All new Linked Units issued will rank pari passu with the existing Linked Units from date of allotment, and ownership of all Linked Units will be evidenced by Linked Unit certificates.

9.3 In so far as it is known to the Directors of LLR, the following Unitholders held more than 5% of the issued Linked Units in LLR as at the notice of the EGM, or will hold more than 5% of the issued Linked Units subsequent to the Acquisitions and the Facilities being granted.

| Botswana Development Corporation Ltd | 194 199 963 | 65.79% | 0 | 194 199 963 | 65.79% | 0 | 0 |
| First National Bank Nominees | 15 999 784 | 5.72% | 0 | 15 999 784 | 5.72% | 0 | 0 |
| Stanbic Nominees Bols. | 17 500 000 | 5.12% | 0 | 17 500 000 | 5.12% | 0 | 0 |

10. INFORMATION ON DIRECTORS

10.1 Directors remuneration
The proposed and forecast aggregate remuneration and benefits to be paid to the Directors of the Company are BWP 786,000.00 per annum.

10.2 Directors’ interests in transactions

None of our Directors and Substantial Unitholders and/or persons connected to them has any interest, direct or indirect, in the Transactions.

10.3 Directors’ interests in LLR Linked Units

As at the notice of the EGM, none of the Directors hold any interest, direct or indirect in LLR.

11. RELATED PARTIES

Other than BDC and Residential Holdings, there are no other related parties as regards the Acquisitions and the Facilities to be granted. BDC will therefore not be entitled to vote regarding these Acquisitions and the Facilities being granted.

12. DIRECTORS’ OPINIONS, RECOMMENDATIONS AND BELIEF

12.1 The Directors of LLR are of the opinion that the terms and conditions of the Acquisitions and Facilities are fair and reasonable and will be to the long-term benefit of LLR and its Unitholders. Accordingly, the Directors recommend that the Unitholders vote in favor of the Ordinary Resolutions necessary to approve and implement the Acquisitions and the Facilities. The Directors who are Unitholders intend to vote in favor of the said Ordinary Resolutions.

12.2 The Directors are to the best of my knowledge and belief that any nominee Unitholders do not include any person who may be acting in concert with any other person in relation to the Related Party Transactions.

13. VALUATION REPORT AND INDEPENDENT EXPERT OPINION

A valuation of the Properties has been conducted by the Independent Valuer. A report by the Independent Valuer on the value of the Properties is attached to this Circular as Annexure 3. Furthermore the Reporting Accountants as Independent Experts has issued an opinion that the terms and conditions of the Facilities are fair and reasonable to the Company and its Unitholders. The Independent Expert opinion is attached to this Circular as Annexure 4.

14. DIRECTORS’ RESPONSIBILITY

14.1 The Directors, whose names are given on page 3 of this notice of the EGM, 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 that the Circular contains all information required by
the law.

14.2 The Directors confirm that this section 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 the section relates.

15. OTHER INFORMATION

15.1 Material changes

Other than in the ordinary course of business or as set out elsewhere in this Circular, there
has been no material change in the financial or trading position of the Company for the past
three years.

15.2 Significant contracts

The Company has not entered into any material agreements prior to the date hereof which
are or may be material and which have been entered into, otherwise than in the ordinary
course of business for the past three years.

15.3 Advisors

Armstrong's Attorneys has been appointed to advise the Company regarding the
Acquisitions and the Facilities and have not withdrawn its consent prior to the publication of
this notice of the EGM.

15.4 Litigation

There are no legal or arbitration proceedings against the Company, nor, as far as the
Directors are aware any legal or arbitration proceedings pending or threatened against the
Company which have had or may have, a significant effect on the financial position of the
Company.

15.5 Documentation available for inspection

Copies of the documents listed below will be available for inspection during normal
business hours on business days from the 18th of May 2016 until the 10th of June 2016 at
the Registered Office whose address is given on page 3 of this notice of the EGM:

15.5.1 the Acquisition Agreements;

15.5.2 the signed term sheet of the Senior Debt Loan and Debenture Note Agreement
signed by BDC and LLR;
15.5.3 the Partnership Agreement;

15.5.4 the audited financial statements for the year ended 30 June 2015;

15.5.5 a copy of the fair and reasonable opinion by the Independent Expert;

15.5.6 a copy of the valuation report by the Independent Valuer on the Properties; and

15.5.7 a copy of the full valuation report on the existing property portfolio of the Company.

15.6 **Expenses of the Acquisition and Facilities**

The expenses incurred or to be incurred by LLR pursuant to the Acquisitions and the Facilities is estimated to be at P 360 000.

Signed by Boitumelo Mogopa and Paul More on behalf of each of the Directors of LLR

Dated at Gaborone this 16th day of May 2016

[Signatures]

Chairman
Boitumelo Mogopa

Chief Executive Officer
Paul More
ANNEXURE 1

REPORTING ACCOUNTANTS OPINION ON THE FORECAST AND ASSUMPTION
18 May 2016

Dear Sirs,

INDEPENDENT REPORTING ACCOUNTANT’S
ASSURANCE REPORT ON THE PROFIT FORECAST
INCLUDED IN A CIRCULAR TO UNITHOLDERS

We have examined the profit forecast statements of comprehensive income and the underlying assumptions of Letlole La Rona Limited (the Company) for the financial year ending 30 June 2016 as set out in paragraph 8.1 of the circular to the Company’s unit holders dated 18 May 2016.

The forecast information has been prepared and presented in accordance with the BSE Listings Requirements.

Directors Responsibility

The Directors are responsible for the preparation and presentation of the forecast information in accordance with the BSE Listings Requirements, including the assumption on which it is based, and for the financial information from which it has been prepared. This responsibility includes determining whether:

- The assumptions, barring unforeseen circumstances, provide a reasonable basis for the preparation of the forecast information;
- The forecast information has been properly compiled on the basis stated;
- The forecast information has been properly presented and that all material assumptions are adequately disclosed; and
- The forecast information is presented on a basis consistent with the accounting policies of the Company.

Reporting accountant’s responsibility

Our responsibility is to express a limited assurance conclusion on the reasonableness of the assumptions used in the forecast information and whether the forecast information has been prepared on the basis of those assumptions and is presented in accordance with the
BSE Listings Requirements, based on the procedures we have performed and the evidence we have obtained.

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagement 3400, "The Examination of Prospective Financial Information" ("ISAE 3400"), issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform the engagement to obtain sufficient appropriate evidence on which to base our limited assurance conclusion as to whether or not:

- Management's best-estimate assumptions on which the forecast information is based are not unreasonable and are consistent with the purpose of the information;
- The forecast information is properly prepared on the basis of the assumptions;
- The forecast information is properly presented and all material assumptions are adequately disclosed; and
- The forecast information is prepared and presented on a basis consistent with the accounting policies of the Company in question for the period concerned.

In a limited assurance engagement, the evidence-gathering procedures vary in nature from, and are less in extent than for a reasonable assurance engagement and, therefore, less assurance is obtained than in a reasonable assurance engagement. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

**Information and sources of information**

In arriving at our conclusion, we have relied upon forecast financial information prepared by the Directors of the Company and other information from various public, financial and industry sources.

**Inherent Limitations**

Achievability of the results

The forecast information is based on assumptions about events that may occur in the future and possible actions by the Company. It is highly subjective in nature and its preparation requires the exercise of considerable judgement. While evidence may be available to support the assumptions on which the forecast information is based, such evidence is itself generally future oriented and, therefore, speculative in nature. Therefore we are unable to express an opinion as to whether the results shown in the forecast in formation will be achieved.

Accuracy of the information

The objective of our engagement is to provide a limited assurance conclusion on the reasonableness of the assumptions used in the forecast information, whether the forecast information has been prepared on the basis of those assumptions and is presented in accordance with the BSE Listing Requirements. We have relied upon and assumed the accuracy and completeness of the information provided to us in writing, or obtained through discussions from the management of the Company. While our work has involved an analysis of historical financial information and consideration of other information provided to us, our assurance engagement does not constitute an audit or review of historical financial information conducted in accordance with International standards on Auditing or International Standards on Review Engagements. Accordingly we do not express and audit or review of opinion thereon and assume no responsibility and make no representations in
respect of the accuracy or completeness of any information provided to us, in respect of the
profit forecast and relevant information including in the circular.

Limited Assurance Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention that
causes us to believe that:

- The assumptions, barring unforeseen circumstances, do not provide a reasonable
  basis for the preparation of the forecast information;
- The forecast information has not been properly compiled on the basis stated,
- The forecast information has not been properly in accordance with the BSE
  Listings Requirements and all material assumptions are not adequately disclosed,
  and
- The forecast information is not presented on a basis consistent with the accounting
  policies of the Company in question.

Actual results are likely to be different from the forecast, since anticipated events frequently
do not occur as expected and the variation may be material.

Restriction on Distribution

Our report and the conclusion contained herein are provided solely for the benefit of the
directors of the Company and existing and prospective unitholders of the Company for the
purpose of their consideration of corporate action of event, described in Paragraph 2, 5, 6
and 7 of the Circular. This letter is not addressed to and may not be relied upon by any
other third party for any purpose whatsoever.

Comment

We consent to the inclusion of this report, which will form part of the circular to the
unitholders of the Company, to be issued on 18 May 2016, in the form and context in which
it appears.

Grant Thornton
Chartered Accountants
Certified Auditor: Madhavan Venkatasachary
Membership Number : 20130049
The Board of Directors
Lelito La Rona Limited
P. O Box 7000, ABG,
Gaborone
Botswana

18 May 2016

Dear Sirs

Independent Reporting Accountant’s Assurance Report on the Compilation of Pro Forma Financial Information Included in a Circular

We have completed our assurance engagement to report on the compilation of pro forma financial information of Lelito La Rona Limited ("the company"). The pro forma financial information as set out in Para 8.3 consists of statement of financial position and related notes and assumptions.

The pro forma financial information has been compiled on the basis of applicable criteria specified in the Botswana Stock Exchange (BSE) Listing Requirements.

The pro forma financial information has been compiled by the directors to illustrate the impact of the event or transaction described in Para 5 and Para 6, on the company’s financial position as at 31 December 2015 as if the corporate event had taken place that date. As part of this process, information about the company’s financial position has been extracted by the directors from the company’s financial statements for the period ended 31 December 2015 which has been published.

Director’s Responsibility for the Pro Forma Financial Information
The directors are responsible for compiling the pro forma financial information on the basis of the applicable criteria specified in BSE Listings Requirements and described in paragraph of the circular.

Reporting Accountant’s Responsibilities
Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by the directors on the basis of the specified in BSE Listings Requirements based on our procedures performed.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus which is applicable to this engagement, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the directors have compiled, in all material respects, the pro forma financial information on the basis of the BSE Listings Requirements.
For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2015 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner’s judgment, having regard to the practitioner’s understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the BSF Listing Requirements and described in Paragraph 8.3 of the Circular.

_Grant Thornton_
Chartered Accountants
Certified Auditor: Madhavan Venkatachary
Membership Number: 20030049
INDEPENDENT VALUER'S REPORT ON THE ACQUISITIONS TRANSACTION
ANNEXURE 1:

INDEPENDENT VALUER’S REPORT ON THE TRANSACTION

The Directors
Letilele La Rona Limited
P O Box 700ABG
Gaborone

18 November 2015
Dear Sirs

RE: VALUATION OF LOT 16186 - FRANCISTOWN

I Mooketsi Mokgathe a Chartered Surveyor with more than 20 years’ experience undertaking valuations of fixed property assets declare that I and my associates have inspected the above-mentioned property as set out in the attached table below with a view to determining the market value as at 18 November 2015.

Market value is defined as “the estimated amount for which an asset or right in an asset should exchange in cash on the date of valuation between a willing seller and a willing buyer in an arms’ length transaction after proper marketing wherein parties have each acted knowledgeably, prudently and without compulsion.”

I am of the opinion that the market values of the property as at 18 November 2015 is as follows:-

Plot 16186 - Francistown P104,000,000.00 (Pula One Hundred and Four Million).

I confirm that neither I nor my associates received financial gain or any other benefits in connection with the property other than standard professional fees related to the market valuation.

There is no material contravention of statutory requirements.

Neither the whole or any part of this valuation summary, nor any reference to it may be included in any published document, circular or statement nor published in any way whatsoever in hard copy or electronically (including on any website) without our prior written approval of the form or context in which it will appear.

KWENA
PROPERTY SERVICES (PTY) LTD

MOOKETS MOKGATLHE BSc (Hons) MA (MREIB) MRICS
KWENA PROPERTY SERVICES (PTY) LTD
VALUATION CERTIFICATE

The property : Shoprite Shopping Centre
Legal Description : Plot 16186 - Francistown
Address : Blue Jacket Street, Francistown Central Business District
Tenure : Freehold
Zoning : The property is zoned for commercial use as stipulated in the Francistown Development Plan.
Property Description : Shoprite Shopping Centre Francistown comprises a two storey commercial building on a plot measuring 16,332m².

The property is constructed on concrete pillars with brick infill supporting a pitched roof covered by Chromadek roofing sheets. The walls are plastered and painted on both sides. Doors are aluminium frames with glazing as are windows. Floors are either tiled or carpeted. The upper floors are accessed through two staircases.

The building provides accommodation for 20 retail units on the ground floor and offices on the upper floor on two separate wings. The Gross annual income is P10,247,220.00. About 1200m² of offices is currently vacant.

Gross Internal Area is 7,500 m²

Instruction : To determine the Market Value for acquisition purposes.
Nature and date of valuation : Valuation is to be as at 18 November 2015 and to be in accordance with the RICS statement of Asset Valuation Practice and Guidance note (Red Book).
Market Value : Shoprite Shopping Centre - P104,000,000.00 (Pula One Hundred and Four Million).
Valuation Notes : We inspected the property on the 18 November 2015 and we did not conduct a due diligence on leases.

We relied on information provided by you and have assumed such information to be complete and accurate. Save as disclosed to us we have assumed that the property has a good and marketable title and that it is free of any onerous burdens, outgoings or restrictions and that unless stated it is not contaminated in any way or constructed with deleterious materials.
We have not seen any planning consents save as disclosed to us and we have assumed that the property has been erected, occupied and used in accordance with all the requisite consents and that there are no outstanding Statutory Notices affecting it.

We have not done a due diligence on leases and title deeds and have assumed that the tenancy details as per schedule you provided is complete and accurate. Our valuation reflects the lease status as at the 18 November 2015. We have assumed the leases have been drafted on internal repairing and maintaining basis.

No allowance has been made for expenses of realisation nor for any taxation, which might arise upon disposal and or acquisition.
ANNEXURE 1:

INDEPENDENT VALUER’S REPORT ON THE TRANSACTION

The Directors
Letlole La Rona Limited
P O Box 700ABG
Gaborone

20 November 2015

Dear Sirs

RE: VALUATION OF LOT 2989 - GABORONE

I Mooketsi Mokgatlhe a Chartered Surveyor with more than 20 years’ experience undertaking valuations of fixed property assets declare that I and my associates have inspected the above-mentioned property as set out in the attached table below with a view to determining the market value as at 20 November 2015.

Market value is defined as “the estimated amount for which an asset or right in an asset should exchange in cash on the date of valuation between a willing seller and a willing buyer in an arms’ length transaction after proper marketing wherein parties have each acted knowledgeably, prudently and without compulsion.”

I am of the opinion that the market values of the property as at 20 November 2015 is as follows: -

Plot 2989 – Gaborone P41,325,000.00 (Pula Forty One Million Three Hundred and Twenty-Five Thousand).

I confirm that neither I nor my associates received financial gain or any other benefits in connection with the property other than standard professional fees related to the market valuation.

There is no material contravention of statutory requirements.

Neither the whole or any part of this valuation summary, nor any reference to it may be included in any published document, circular or statement nor published in any way whatsoever in hard copy or electronically (including on any website) without our prior written approval of the form or context in which it will appear.

Mooketsi Mokgatlhe BSc (Hons) MA (MREIB) MRICS
KWENA PROPERTY SERVICES (PTY) LTD
VALUATION CERTIFICATE

The property : Red Square Apartments
Legal Description : Plot 2989 - Gaborone
Address : Corner Nelson Mandela Drive and Nyerere Drive
Tenure : Freehold
Zoning : The property is zoned for multi-family residential housing in line with Gaborone Development Plan.
Property Description : A multi-family residential development on a plot measuring 18,422 m² with one block of single bedrooms units, six blocks of two bedrooms units and ten blocks of three bedrooms units.

The property is constructed on concrete pillars with brick infill supporting a low pitched Chromadek sheet covered roof. The walls are plastered and painted on both sides. Doors are aluminium frames with glazing as are windows. Floors are tiled with ceramic tiles. The upper floors are accessed through a staircase.

The property has a total of 42 units broken down as 10 one bedroom apartments, 12 two bedrooms’ apartments and 20 three bedrooms’ apartments. There is also a pool area with a club house and a guard house by the main entrance. The gross annual rental is P3,822,000.00 and 18 of the 42 units were vacant as at date of valuation.

Areas
One bedroom apartments 1,007.51 m²
Two bedrooms 1,896.36 m²
Three Bedrooms 3,393.20 m²
Guard house 27.00 m²
Pool House 34.00 m³

Instruction : To determine the Market Value for acquisition purposes
Nature and date of valuation : Valuation is to be as at 20 November 2015 and to be in accordance with the RICS statement of Asset Valuation Practice and Guidance note (Red Book).
Market Value : Red Square Apartments - P41,325,000.00 (Pula Forty One Million Three Hundred and Twenty-Five Thousand).
We inspected the property on the 20 November 2015 and we did not conduct a due diligence on leases.

We relied on information provided by you and have assumed such information to be complete and accurate. Save as disclosed to us we have assumed that the property has a good and marketable title and that it is free of any onerous burdens, outgoings or restrictions and that unless stated it is not contaminated in any way or constructed with deleterious materials. We have not seen any planning consents save as disclosed to us and we have assumed that the property has been erected, occupied and used in accordance with all the requisite consents and that there are no outstanding Statutory Notices affecting it.

We have not done a due diligence on leases and title deeds and have assumed that the tenancy details as per schedule you provided is complete and accurate. Our valuation reflects the lease status as at the 20 November 2015. We have assumed the leases have been drafted on internal repairing and maintaining basis.

No allowance has been made for expenses of realisation nor for any taxation, which might arise upon disposal and or acquisition
The Board of Directors
Letlole La Rona Limited
P. O Box 700 ABG,
Gaborone
Botswana

18 May 2016

Dear Sirs

REPORT OF THE INDEPENDENT EXPERT IN RESPECT OF LETLOLE LA RONA LIMITED's PROPOSED FINANCING THROUGH SENIOR DEBT LOAN AND DEBENTURE NOTE LOAN FROM BOTSWANA DEVELOPMENT CORPORATION

Introduction

Letlole La Rona Limited (henceforth called the Company) has entered into agreements for the acquisition of two properties as detailed in para a and para b and shall obtain facilities from Botswana Development Corporation (BDC) in an aggregate of BWP 200,000,000.00 ("Facilities") to finance the acquisitions as detailed in para c.

a. NBC Developments is a partnership constituted by BDC, Botswana Insurance Fund Management Limited and Northern Investments (Proprietary) Limited which was established by way of a partnership agreement for the purposes of acquiring and developing Plot 16186 Francistown, which is a commercial property being leased out for rental in the main mall in Francistown. The property is held Deed of Trust Period State Grant for a period of 50 years from the 2nd of August 1993. Each of the three partners hold an equal participatory interest in the Partnership and hence the income derived from the property. The Company has agreed to acquire a ½ participatory interest ("Participatory Interest") in this Partnership from BDC. The aggregate purchase price payable for the Participatory Interest is BWP 35,413,333.00. The market value of the property which is the only asset of the Partnership is BWP 34,666,666.67.

b. Residential Holdings (Proprietary) Limited is a wholly owned subsidiary of BDC which was established to hold and manage various immovable properties for rental. The Company holds inter alia title to Plot 2989 in central Gaborone which comprises various residential properties leased for rental. Residential Holdings is a wholly owned subsidiary of BDC. The parties have entered into a transaction in terms of which LLR has agreed to purchase the property from Residential Holdings. The
Agreement is subject to inter alia certain approvals by the linked unitholders and certain regulatory approvals such as the Botswana Stock Exchange and Competition Authority (if required). The aggregate purchase price payable for the Transaction is BWP 42,000,000.00 (Forty two million). The market value of the Property is P 41,325,000.00.

c. In order to finance the above acquisitions, BDC has agreed to advance a Senior Debt Loan in an aggregate amount of BWP 160,000,000.00 repayable over a period of ten years. 50% of Senior Debt Loan can be refinanced after the third anniversary of the facility at the option of LIR and the balance from the sixth anniversary of the facility. BDC has also agreed to subscribe for Debenture Notes in an aggregate amount of BWP 40,000,000.00. The Debenture Notes will be zero coupon notes with an interest rate calculated at 200 basis points above the applicable rate on the Senior Debt Loan. The Debenture Note has a period of ten years with the option to roll-over the face value for a further 5 year period, where the amount will be amortised at the same rate.

Scope
These transactions are under the purview of Section 10 – Transactions With Related Parties of the BSE Listing Requirements by virtue of the fact that BDC own 66% of the linked units in the company.

The Directors of the Company have appointed Grant Thornton, auditors of the company to act as independent experts in assessing whether the conditions of the loan between the Company and its financier, BDC are fair and reasonable.

Responsibility
Compliance with the BSE Listing Requirements is the responsibility of the Board of Directors of the Company. Our responsibility to determine if the conditions of the loan agreement between the Company and its financier, BDC is fair and reasonable.

Definition of Fair and Reasonable
A transaction is deemed fair and reasonable to the shareholders if the benefits derived from the transaction will equal or exceed the related costs thereof. The assessment of fairness is primarily quantitative. In this case, fairness is determined by the rental income derived by the company from the acquisitions being greater than the interest expenditure related to the loan. The assessment of reasonableness is qualitative. In this case, the transaction is deemed reasonable if qualitative aspects of the loan is market related.

Information utilised and procedures performed
In arriving at our opinion, we have been reviewed the following information

1. The indicative terms of the loan finance between BDC and the company
2. The indicative terms of loan finance from certain other financiers for comparison purposes
3. The projected repayment schedule of the loan and the related interest cost.
Opinion
Our opinion is subject to the fulfilment of conditions precedent set out in the circular including:

a. The approval of acquisition of the properties by the Unitholders of the company
b. The approval of Competition Authority if required
c. The fulfilment of all the conditions set out in Section 10 and other relevant sections of the BSE listing requirements

We have considered the conditions of the finance term sheet between Botswana Development Corporation and the company and are of the opinion that the proposed terms are fair and reasonable.

Independence
We confirm that we are independent of the company and that we have no financial or any other interest in the transactions mentioned in the circular and this opinion. We would like to reiterate that we are the statutory auditors of the company.

Furthermore, we confirm that our professional fees are not contingent upon the success of the transactions including the financing terms between BDC and the Company.

Limitations
The values of the properties pertaining to the acquisitions have been determined by independent external valuers and certain external parties have carried out a due diligence of the transaction pertaining to the acquisitions. We have not scrutinised or interrogated the results of the due diligence pertaining to the acquisitions or the valuation of the properties proposed to the acquired. Our scope was to determine the fairness and reasonableness of the transactions pertaining only to the loan finance between BDC and the Company.

Yours sincerely

[Signature]
Madhavan Venkatachary
Partner
NOTICE IS HEREBY GIVEN of an Extraordinary General Meeting of Unitholders of LLR will be held at 0900hrs on the 10th of June 2018 at Cresta Lodge, Fairgrounds Gaborone to consider and if thought fit, to adopt, with or without amendment, the following Resolution:

Ordinary Resolution 1

“That the Directors of LLR be granted authority as required by the Listing Requirements, to acquire a ⅛ the participatory interest in a partnership known as NBC Developments comprising of LLR La Rona, Botswana Insurance Fund Management and Northern Investments (Pty) Ltd who own Lot16186 Francistown from Botswana Development Corporation Limited”.

Ordinary Resolution 2

“That the Directors of LLR be authorized (as required by the Listing Requirements) to acquire Lot 2989, Gaborone from Residential Holdings (Proprietary) Limited”.

Ordinary Resolution 3

That the Directors be and are hereby authorized to negotiate and enter into a Senior Debt Loan Agreement with BDC substantially in accordance with the salient terms of the Senior Debt Loan Agreement set out in the circular to which this notice is attached and to authorize one of their number to execute that Agreement for and on behalf of the Company.

Ordinary Resolution 4

That the Directors be and are hereby authorized to negotiate and issue the Debenture Note to BDC substantially in accordance with the salient terms and conditions of the Debenture Note as set out in the circular to which this notice is attached and to authorize one of their number to issue the Debenture Note to BDC.

Please note that a shareholder may be present at the meeting, in person or by proxy. A proxy need not be a member of the Company.

If you are unable to attend the meeting, kindly complete and return the enclosed Form of Proxy, in accordance with the instructions printed thereon, as soon as possible, but in any event so as to be received by the company secretary of LLR by no later than 1600hrs on 08th of June 2018.
The return of the Form of Proxy does not preclude a Shareholder from attending the Extraordinary General Meeting and voting in person.

By order of the Board

Date 18 May 2016
LETLOLE LA RONA LIMITED
Incorporated in the Republic of Botswana on 8 July 2010
Registration number CO. C02010/6316
Share Code: Letlale
("LLR" or "the Company")

FORM OF PROXY FOR UNITHOLDERS

For use at the Extra-Ordinary General Meeting of the Unitholders ("the EGM") of LLR to be held on the 10th of June 2016, at 0900hrs at Cresta Lodge, Fairgrounds, Gaborone

PLEASE READ THE NOTES BELOW BEFORE COMPLETING THIS FORM

I/We ______________________

(NAME(S) IN BLOCK LETTERS)

being the holder of _______ Linked Units in LLR do hereby appoint (see Note 1):

1. ______________________ or failing him/her;

2. ______________________ or failing him/her;

3. the Chairman of the Extraordinary General Meeting

as my/our proxy to act for me/us at the extraordinary general meeting, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment thereof, and to vote for and/or against the resolutions and/or abstain from voting in respect of the Linked Units registered in my /our name/s in accordance with the following instructions:

<table>
<thead>
<tr>
<th>Number of Linked Units</th>
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<tr>
<td>For</td>
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<tr>
<td>Ordinary Resolution 1</td>
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<td>Ordinary Resolution 2</td>
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<tr>
<td>Ordinary Resolution 3</td>
</tr>
<tr>
<td>Ordinary Resolution 4</td>
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</tbody>
</table>
Each Unitholder is entitled to appoint one or more proxies (who need not be a member of the Company) to attend, speak and vote in place of that Unitholder at the E.G.M.

NOTES:

1. A Unitholder may insert the name of a proxy or the names of two alternative proxies of the Unitholder’s choice in the space provided, with or without deleting “the Chairman of the Extraordinary General Meeting”, but such deletion must be initialed by the Unitholder. The person whose name appears first on the form of proxy and whose name has not been deleted shall be entitled to act as proxy to the exclusion of those whose names follow.

2. In the event a Unitholder does not insert the name of a proxy or the name of any alternative proxy, then the Unitholder shall be deemed to have appointed the Chairman of the Extraordinary General Meeting as his/hers/its proxy.

3. In the event that a Unitholder does not complete the instructions as to how the proxy shall vote, then the proxy shall be entitled to vote as he/she/it thinks fit.

4. The authority of a person signing proxy under a power of attorney or on behalf of a company must be attached to the proxy unless that authority has already been recorded by the Company Secretary or waived by the Chairman of the Extraordinary General Meeting.

5. Forms of proxy must be lodged or posted to, and reach the registered office of the Company, by 16h00 on 08th of June 2016

6. The completion and lodging of this form of proxy shall not preclude the relevant Unitholder from attending the extraordinary general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms thereof should the Unitholder wish to do so.

7. The Chairman of the Extraordinary General Meeting may accept a proxy form which is completed and/or received other than in accordance with these instructions, provided that he is satisfied as to the manner in which a Unitholder wishes to vote.

8. Any alteration or correction to this form must be initialed by the signatory/signatories.