ANNOUNCEMENT

Acquisition

1. The Company gives notice that it has entered into an agreement in terms of which it will acquire Lease Area No. 4 – RO Kasane and the resort enterprise conducted thereon, which comprises a central complex of bars, restaurant, pool, shops, offices, common areas of landscaped gardens and accommodation units, all known as the Chobe Marina Lodge from Italtswana Construction Company (Pty) Ltd ("ICC") for P55 656 861 which shall be discharged by the issue by the Company to ICC of 6 957 108 linked units at an issue price of P8.00 per linked unit.

2. The asset has been independently valued at P67 000 000. Net current assets less deferred taxation totaled P1 715 207. The discount between valuation and price is accounted for by reason of the fact that five units of accommodation are the subject of long term leases, three in favour of the Company and two in favour of third parties who participate in rental income, and the fact that the Company will not receive that rental income for those units for the unexpired period of the lease.

3. Realestate Financiere SA and Chobe Financial Corporation hold 46.73% and 23.76% of the Company and 66.67% and 33.33% of ICC, the vendor, respectively and are related parties. Directors of the Company who have interest in these companies and or director who is a director of ICC are related parties.

4. Botswana Unified Revenue Service (BURS) has confirmed the acquisition is exempt from income tax on any gain and the Competition Authority has confirmed no notification and approval is necessary.

5. The acquisition is subject to the approval by ordinary resolution of shareholders, at the Annual General Meeting scheduled for the 12 September 2013. The related parties and the directors who are interested in the related parties will not vote on the resolution.

Amalgamation

6. The Company gives notice that an agreement has been reached for it to acquire the letting enterprise and properties of 50668/9 and 50369 Building A and B Tholo Park Fairgrounds, Gaborone by way of amalgamation with Tholo (Pty) Ltd. The Company shall settle the 50% interest of Shakawe (Pty) Ltd ("Shakawe") in Tholo (Pty) Ltd by way of an issue of 1 458 618 linked units at an issue price of P8.00 per linked unit and subject to consent of First National Bank of Botswana (FNBB) assumption of a debt, utilised in the development of Tholo Park, of Shakawe to FNBB of approximately P6 049 339.

7. The asset of the Tholo enterprise was independently valued at P53 491 000. In calculating the value of the 50%, current liabilities, deferred tax and long term loan were subtracted.

8. BURS has confirmed that the amalgamation will not attract income tax on disposal of the enterprise to RDC. The Competition Authority has required notification of the amalgamation and application for approval, which is in progress.

9. The amalgamation is conditional upon approval of the Competition Authority and the shareholders of Tholo (Pty) Ltd and of RDC approving the amalgamation by special resolution and registration thereof by the Registrar of Companies. 

10. The special resolution of shareholders of Tholo will be proposed at an Extraordinary General Meeting on 30 August 2013 and of unitholders of RDC will be proposed at the Annual General Meeting of 12 September 2013.

11. Subject to fulfillment of the relevant conditions, the acquisition and amalgamation are anticipated to become effective 1 October 2013.

12. The directors believe that implementation of the transaction will benefit the Company by increasing market capitalisation and the size of the portfolio, and diversifying the risk profile, while making receipt of income from the enterprises tax efficient, and saving costs.

13. Based on the Company's pro forma statement of financial position as at 31 December 2012, adjusted for the transactions, net asset value per issued linked unit decreases from P10.02 to P9.95. The anticipated benefits of the transactions of net asset value will be realised going forward.

14. The earnings per linked unit, bringing the transactions into account is anticipated to be 155.56t in respect of the year ending 31 December 2013, and 155.82t for the year ending 31 December 2014.

Annual Report and Annual General Meeting

15. The Company advises that it had hoped negotiations and regulatory approvals for the amalgamation and acquisition would be complete by early July 2013 so that the circular in respect thereof and resolutions required therefor be included is Annual Report in respect of the year ended 31 December 2012 to be distributed by mid-July in order that the Annual General Meeting with appropriate special business be convened for a date prior to 15 August 2013.

16. Due to unforeseen delays in the negotiation and the obtaining of regulatory approvals, this was not possible. The Company sought however to contain costs by delaying the dispatch of the Annual Report and holding of the Annual General Meeting, to accommodate consideration of the acquisition and amalgamation at the Annual General Meeting.

17. The Annual General Meeting will be held on 12 September 2013.

18. The Annual Report, with circular will be dispatched to unitholders on or before 10 August 2013.

By order of the Board

Gaborone

31 July 2013

Sponsoring Broker

Member of the Botswana Stock Exchange