

This document is important and requires your immediate attention

If you are in any doubt as to what action to take, please consult your stockbroker, banker, attorney, accountant or other professional adviser immediately.

Action required

1. If you have disposed of your shares in Realestate Development Company Limited, kindly forward this document to the purchaser or agent through whom such sale was effected.
2. If you are unable to attend the extraordinary general meeting to be held at 11:00 on Wednesday, 28 August 1996, you should complete and return the attached form of proxy as soon as possible.



Realestate Development Company Limited

(Registration number 92/10)
("RDC" or "the Company")

Circular to shareholders

regarding

- **the sale of all the assets and liabilities of the Company and its subsidiaries to RDC Properties Limited;**
- **the change of name of RDC to Property Development and Portfolio Company Limited; and**
- **the members voluntary winding-up of the Company;**

incorporating

a proposed pre-listing statement of



RDC Properties Limited

(Registration number 96/592)
("RDCP")

Corporate adviser

Sponsoring broker

Attorneys



FirstCorp

FirstCorp (Botswana) Limited
(Registration number 90/1536)
(A member of the
First National Bank Group)



Stockbrokers Botswana Limited
(Registration number 88/1163)
(A member of the
Botswana Stock Exchange)



ARMSTRONGS

Date of issue: 7 August 1996

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CORPORATE INFORMATION

Directors

M A Giachetti (*Chairman*)
H T Batwell
G Giachetti
G R Giachetti
D C Khama
G W Matenge
L Rowland

Registered office

First Floor
Debswana House
The Mall
Gaborone
(PO Box 294, Gaborone)

Corporate adviser

FirstCorp (Botswana) Limited
Fourth Floor
Finance House
Khama Crescent
Gaborone
(Private Bag 00381, Gaborone)

Auditors and Reporting Accountants

Deloitte & Touche
Fourth Floor
Barclays House
Khama Crescent
Gaborone
(PO Box 778, Gaborone)

Sponsoring broker

Stockbrokers Botswana Limited
Ground Floor
Barclays House
Khama Crescent
Gaborone
(PO Box 41015, Gaborone)

Attorneys

Armstrongs
Fifth Floor
Barclays House
Khama Crescent
Gaborone
(PO Box 1368, Gaborone)

Secretary and transfer secretary

Coopers & Lybrand Services (Proprietary) Limited
First Floor
Debswana House
The Mall
Gaborone
(PO Box 294, Gaborone)

DEFINITIONS

In this circular, unless otherwise stated, the words in the first column shall have the meaning stated opposite them in the second column and cognate expressions shall bear corresponding meanings. Words importing the masculine include the feminine and the neuter and words importing the singular include the plural and vice versa. Words importing persons include corporations and associations of persons:

"Aspera"	Aspera Holdings Limited, an international holding company registered in Gibraltar;
"the BSE"	the Botswana Stock Exchange;
"Chobe"	Chobe Financial Corporation, an international holding company registered in Liberia;
"debentures"	variable rate unsecured debentures issued by RDCP at a par value of 160 thebe each, in terms of the debenture trust deed;
"debenture trust deed"	the trust deed relating to the debentures entered into between RDCP and Neill William Armstrong as trustee on 22 July 1996;
"the effective date"	the effective date of the transactions being the close of business on 31 December 1995;
"issue price"	199 thebe per linked unit to be issued to RDC shareholders at the net asset value of the assets and liabilities acquired by RDCP with effect from the effective date, which is represented by 160 thebe for each debenture, one ordinary share at a par value of 1 thebe, and share premium of 38 thebe per ordinary share;
"linked units"	linked units in RDCP comprising one ordinary share at a par value of 1 thebe and one debenture, which will be listed on the BSE;
"Lotsane"	Lotsane Complex (Proprietary) Limited (registration number 94/575), a subsidiary in which RDC owns 76,67% of the ordinary shares;
"net asset value"	the net asset value of the RDC Group as at the effective date, amounting to 199 thebe per RDC share;
"PAM"	Property and Asset Management Limited (registration number 96/1034), a public company incorporated in Botswana which is the management company of RDCP;
"placement for cash"	the issue of 882 352 linked units by RDCP at 170 thebe per linked unit;
"RDC" or "the Company"	Realestate Development Company Limited (registration number 92/10), a public company incorporated in Botswana which is currently listed on the BSE;
"RDC Group"	RDC and the subsidiaries;
"RDCP"	RDC Properties Limited (registration number 96/592), a variable rate loan stock company which will be listed on the BSE;
"RDC property portfolio"	the immovable property which is currently owned by the subsidiaries or in which the subsidiaries have rights akin to that of owner;
"restructure"	the restructure of the RDC Group in terms of which all properties, assets and liabilities of the RDC Group, including a 76,67% shareholding in Lotsane, will be sold to RDCP with effect from the effective date, at net asset value at the effective date, in exchange for 23 500 000 linked units to be issued at the issue price and the purchase of the 25% minority stake in Roots Tower for an additional 215 971 linked units issued at the issue price;
"RFSA"	Realestate Financière Société Anonyme, an investment holding company registered in Switzerland;
"Roots Tower"	Roots Tower (Proprietary) Limited (registration number 92/1163), a subsidiary company in which RDC owns 75% of the ordinary shares;

"subsidiaries"	Plaza (Proprietary) Limited (registration number 3924), S.M.B. (Proprietary) Limited (registration number 466), Midlands Properties (Proprietary) Limited (registration number 88/483), 914 Kasane (Proprietary) Limited (registration number 87/942), Roots Tower (Proprietary) Limited (registration number 92/1163), Two Three Four Holdings (Proprietary) Limited (registration number 90/35), Boswa Enterprises (Proprietary) Limited (registration number 90/1783), Lotsane Complex (Proprietary) Limited (registration number 94/575) and Plots 1124 – 1127, The Mall (Proprietary) Limited (registration number 976);
"transactions"	the restructure, the winding-up and the placement for cash; and
"winding-up"	the members voluntary winding-up of RDC, whereby all of RDC's assets, comprising 23 500 000 linked units, are distributed to RDC's shareholders pro rata to their shareholdings in RDC on the basis of one linked unit for each RDC share held.

SALIENT DATES AND TIMES

1996

Last day for proxies to be received by 11:00 on	Monday, 26 August
Extraordinary general meeting to be held at 11:00 on	Wednesday, 28 August
Last day to register in order to participate in the liquidation distribution on	Friday, 25 October
Pre-listing statement of RDCP published in the press on	Friday, 8 November
Members voluntary winding-up of RDC (after the close of trading) on	Friday, 8 November
Listing of 24 598 323 RDCP linked units issued pursuant to the transactions on the BSE on	Monday, 11 November

Realestate Development Company Limited

(Incorporated in the Republic of Botswana)

(Registration number 92/10)

Directors

M A Giachetti (*Chairman*)

H T Batwell

G Giachetti

G R Giachetti

D C Khama

G W Matenge

L Rowland

Circular to shareholders

1. INTRODUCTION

1.1 Rationale for the proposed restructure and winding-up

Despite a significant expansion of RDC's underlying property portfolio, and an increase in the Company's turnover and earnings, RDC's ordinary shares have continued to trade at a discount to net asset value since its listing on the BSE in 1992. This phenomenon can in part be attributed to local institutional investors not holding RDC shares. In fact, local institutions achieve higher yields through direct investments in property than would be the situation of holding property through a corporate structure such as RDC. It is therefore proposed to restructure RDC to make its ordinary shares more attractive to institutional investors.

The proposed restructure will effectively transform the shareholding in RDC into a holding of linked units in a variable rate loan stock company, RDCP, which will directly own the RDC property portfolio. This structure is a mechanism which will afford institutional investors an opportunity to invest in a diversified property portfolio and yet achieve yields similar to that which they could achieve through a direct holding of property.

The directors of RDC are of the opinion that such a change in structure is necessary to unlock the inherent value of the RDC property portfolio and enhance the returns to its shareholders. The proposed issue of linked units by RDCP, either to acquire properties directly, or to raise cash to acquire such properties will inevitably expand the shareholder register. This expansion, resulting in a greater number of unitholders, should result in increased trade in RDCP linked units which should lead to a more indicative market price (i.e. the discount between the market price of the linked unit on the BSE and the Company's underlying net asset value should narrow) thereby increasing unitholder value.

1.2 Rationale for the placement for cash

The purpose of the placement for cash is aimed at promoting RDCP to certain domestic institutional investors to invest in RDCP linked units. It is anticipated that the expansion of the number of linked units in issue and the number of linked unitholders will increase the trading liquidity of the RDCP linked units.

The placement for cash will also raise funds for future acquisitions of developed immovable property, the redevelopment of certain of RDCP's existing properties, the development of existing and new properties and the retirement of existing indebtedness. At the date of posting, RDC had received formal commitment from Botswana Insurance Fund Management Limited that it would invest P1,5 million in return for 882 352 linked units at the placement for cash price of 170 thebe per linked unit.

1.3 Objectives and benefits

The transactions are intended to:

- 1.3.1 create a structure which will be attractive for institutional investors to hold interests in a diversified property portfolio;
 - 1.3.2 increase the ability of RDCP to make use of the mechanism of issuing new linked units to expand the RDC property portfolio and therefore the anticipated tradeability of the linked units;
-

- 1.3.3 increase the number of linked units in issue and the total number of linked unitholders on RDCP's register; and
- 1.3.4 raise cash to fund redevelopment of the RDC property portfolio, new development opportunities, acquisition of properties and to retire debt.

1.4 **Management of RDCP**

RDCP will be managed by PAM, a public company incorporated in Botswana, in which RFSA will own 47% of the ordinary shares, Chobe will own 30% and Aspera will own 23%. It is proposed that there be five directors, three representing the shareholders and two representing institutional investors in RDCP. The two external directors will be appointed by invitation.

2. **SALIENT FEATURES OF THE TRANSACTIONS**

2.1 **Salient features of the proposed restructure, winding-up and placement for cash**

On Friday, 9 August 1996, it will be announced, *inter alia*, that subject to the necessary approvals being obtained from RDC's shareholders in extraordinary general meeting and the granting of a listing of the linked units by the BSE:

- 2.1.1 All of the assets and liabilities held by the RDC Group as at the effective date, plus the 25% minority interest in Roots Tower, valued at a total of approximately P47,2 million, will be acquired by RDCP with retrospective effect from 1 January 1996.
- 2.1.2 In consideration for the assets and liabilities referred to in paragraph 2.1.1 above, RDCP will issue 23 500 000 linked units at the issue price, to the RDC Group, and a further 215 971 linked units at the issue price for the purpose of purchasing the minority interest in Roots Tower. The subsidiaries will distribute by way of a dividend in specie and sell by way of loan account their holding of RDCP linked units to RDC. The minority shareholder in Roots Tower will sell its interest in Roots Tower to RDCP for P143 750 in exchange for an assumption of its shareholder loan account payable to Roots Tower.
- 2.1.3 RDC will adopt a change of name to Property Development and Portfolio Company Limited, prior to undertaking a members voluntary winding-up, whereby all of its assets comprising 23 500 000 RDCP linked units, will be distributed pro rata to its existing shareholders.
- 2.1.4 The shareholders of RDC will then be constituted unitholders in RDCP, and RDCP will directly own the RDC property portfolio and 76,67% of the issued share capital of Lotsane Complex (Proprietary) Limited.
- 2.1.5 RDCP will be listed on the BSE.
- 2.1.6 Concurrently with the restructure, RDCP will issue 882 352 linked units, at the placement for cash price of 170 thebe for P1 500 000 in cash.
- 2.1.7 It is proposed that resolutions be adopted by RDC, in which (subject to the conditions precedent outlined in paragraph 6 below being met) the directors of RDCP be given the specific authority to issue additional linked units up to a maximum of 50% of the number of linked units of the Company's issued share capital and debenture capital as at the date of listing of the linked units as and when suitable situations arise, subject to the following limitations:
 - that this authority shall not extend beyond twenty-four months from the date of adoption of this resolution;
 - that a paid press announcement giving full details, including the impact on net asset value and earnings per share, be published at the time of any issue representing, on a cumulative basis within one year, 5% or more of the number of linked units in issue prior to the issues;
 - that issues of linked units will not in aggregate exceed 50% of the Company's issued share capital and debenture capital, and that issues for cash in the aggregate will not exceed 25% of the number of linked units of the Company's issued share capital and debenture capital as at the date of listing of the linked units; and
 - that, in determining the price at which an issue of linked units will be made in terms of this authority, the maximum discount permitted will be 10% of the average closing price of the appropriate linked units, over the 30 days prior to either the date of the paid press announcement or, where no announcement is required and none has been made, the date of issue of the linked units.

2.2 Purpose of shareholders' extraordinary general meeting

The purpose of this circular, the attached proposed pre-listing statement of RDCP and the accompanying notice of extraordinary general meeting is to:

- furnish RDC shareholders with information regarding the transactions;
- convene an extraordinary general meeting of RDC shareholders, the business of which will be:
 - to adopt the ordinary and special resolutions necessary for the implementation of the transactions;
 - to adopt the special resolution necessary for the change of the name of Realestate Development Company Limited to Property Development and Portfolio Company Limited. The name of RDC is to be changed in order to avoid confusion with the name RDC Properties Limited;
 - to adopt the ordinary resolution necessary to place an additional 50% of the number of linked units of the Company's issued share capital and debenture capital, as at the date of listing of the linked units under the control of directors until the next annual general meeting and to adopt the resolution requiring an 85% majority of shareholders present or represented by proxy insofar as such issue relates to an issue of 50% of such number of linked units for cash; and
 - to adopt the special resolution necessary to place RDC in members voluntary winding-up.

2.3 Notice convening an extraordinary general meeting

The notice convening an extraordinary general meeting to be held at 11:00 on Wednesday, 28 August 1996 at the Institutional Property Management (Proprietary) Limited's offices, Conference room, unit number 3, Broadhurst Business Centre, Mandela Drive, Plot 10211, Gaborone, which notice forms an integral part of this circular, is attached hereto. The relevant form of proxy is also attached. RDC ordinary shareholders who are unable to attend this extraordinary general meeting should complete and return the form of proxy to either the registered office of the Company, First Floor, Debswana House, The Mall, Gaborone (PO Box 294, Gaborone), or the Company's transfer secretary, Coopers & Lybrand Services (Proprietary) Limited, First Floor, Debswana House, The Mall, Gaborone (PO Box 294, Gaborone), by not later than 11:00 on Monday, 26 August 1996. The return of the form of proxy will not preclude members from attending and voting in person at this extraordinary general meeting should they so desire.

3. THE RESTRUCTURE, WINDING-UP AND PLACEMENT FOR CASH

3.1 The sale of all of the assets and liabilities of the RDC Group

The subsidiaries, with the exception of Lotsane, will sell all their assets and liabilities (excluding tax liabilities) valued at P41 152 008, to RDCP at net asset value in exchange for 20 658 977 RDCP linked units.

3.2 The sale of RDC's interest in Lotsane

RDC will sell its 76,67% shareholding in Lotsane at its net asset value of P1 691 780 to RDCP in exchange for 849 301 RDCP linked units.

3.3 The declaration of a dividend in specie and sale of the RDCP linked units by the RDC subsidiaries

The subsidiaries, other than Lotsane, will declare dividends in specie and "sell" on loan account to RDC 20 443 006 RDCP linked units (i.e. 20 658 977 less 215 971 attributable to the minority shareholder in Roots Tower). The minorities of Roots Tower will receive a dividend in specie and purchase on loan account 215 971 linked units in RDCP, from Roots Tower.

3.4 The sale of all of the assets and liabilities of RDC, except the RDCP linked units and the members voluntary winding-up of RDC

RDC will sell all its assets and liabilities, valued at P4 397 652, except the RDCP linked units, at net asset value to RDCP in exchange for 2 207 693 linked units. RDC will then undertake a members voluntary winding-up whereby all of its remaining assets, 23 500 000 linked units valued at P16 811 232, will be distributed to RDC shareholders pro rata to their shareholdings.

3.5 The purchase by RDCP of the shares in the subsidiaries

RDCP will purchase the shares in the subsidiaries from RDC in return for the assumption by RDCP of the loan accounts receivable by the subsidiaries from RDC, for the linked units sold to RDC by the subsidiaries.

3.6 The purchase of the 25% minority stake in Roots Tower by RDCP

Concurrent with the members voluntary winding-up, RDCP will purchase the 25% minority stake in the now dormant Roots Tower from its current shareholder for P143 750. The purchase consideration for this 25% interest will be an assumption by RDCP of the account payable by the Roots Tower minority shareholder to Roots Tower created pursuant to paragraph 3.3 above.

3.7 The placement for cash

Subsequent to the members voluntary winding-up, RDCP will issue 882 352 linked units at the placement for cash price of 170 thebe, for a cash consideration of P1,5 million, to Botswana Insurance Fund Management Limited.

3.8 Listing of RDCP linked units

Subject to the fulfilment of the conditions precedent outlined in paragraph 6 below, the BSE has granted a listing for 24 598 323 linked units to be issued pursuant to the transactions with effect from the commencement of business on 11 November 1996.

4. FINANCIAL EFFECTS OF THE TRANSACTIONS

4.1 Number of shares held

Subsequent to the transactions, a RDC shareholder will hold 100 RDCP linked units for every 100 RDC ordinary shares held.

4.2 Earnings

Based on earnings per share for the full financial year ended 31 December 1995, had the transactions been effective from 1 January 1995, the earnings attributable to a RDC ordinary shareholder who holds 100 RDC ordinary shares would have increased by 17,4% from P16,3 to P19,1.

4.3 Income

Had the transactions been effective for the full financial year ended 31 December 1995, the cash received by a RDC ordinary shareholder who holds 100 RDC ordinary shares would have increased by 40,5% from P11,1 after withholding tax to P15,6 before income tax.

4.4 Net asset value

Had the transactions been effective for the full financial year ended 31 December 1995, the net asset value attributable to a RDC ordinary shareholder who holds 100 RDC ordinary shares would have declined by 2,4% from P199,2 to P194,5.

4.5 Expenses of the transactions

The costs of the transactions amount to some P906 000 and will be paid by RDCP. These costs include the listing fee payable to the BSE of P10 000.

4.6 Audited income statement of RDC

Outlined below is the audited consolidated income statement for the RDC Group for the year ended 31 December 1995:

RDC Group audited consolidated income statement for the year ended 31 December 1995		P 000's
Rental income		6 933
Recoveries		90
Turnover		7 023
Operating expenses		(1 453)
Operating income before interest		5 570
Interest receivable		361
Interest payable		(1 106)
Income before taxation		4 825
Effective tax rate (%)		18.9
Taxation		(912)
Income after taxation		3 913
Outside shareholders' portion of net income		(71)
Net income attributable to shareholders		3 842
Dividends		(3 055)
Retained income		787
Earnings per share based on 23 500 000 shares in issue (thebe)		16,3
Dividend per share based on 23 500 000 shares in issue (thebe)		13,0
Yield per share after withholding tax (thebe)		11,1
Number of shares in issue		23 500 000

5. SALIENT FEATURES OF THE RDCP LINKED UNITS

5.1 Linked unit distributions

The yield on the linked units is comprised of two elements – an interest component and a dividend component. The interest component is fixed at fifty (50) times that of the dividend component. The yield on the linked units will vary with the operating performance of the RDC property portfolio. Linked unit distributions will be made semi-annually. Pro forma income statements demonstrating the amount of the distributions are included in paragraph 5.5 below.

5.2 Cash retention

It is the intention of RDCP to retain up to a maximum of 15% of operating income before net interest, and to declare and pay after such retention, RDCP's entire earnings after taxation and interest payable on third-party debt, to its unitholders each year. These earnings are to be distributed by way of a combination of interest on the debentures and dividends on the ordinary shares. RDCP also intends, at each distribution, to invite linked unitholders to utilise a portion of their distribution from the linked units to subscribe for additional linked units, thereby effectively capitalising a portion of the income of RDCP. Depending on the extent to which subscription for new linked units occurs, the necessity to retain cash from operating income will be reduced, increasing the distribution per linked unit.

5.3 Gearing limitation

RDCP is restricted by its articles of association to incur borrowings (excluding any variable rate debentures which are linked to issued shares in the capital of the Company) not exceeding 25% of the value of the fixed assets owned or held by the Company at any time.

5.4 Sale of linked units

The ordinary share and debenture comprising the linked unit are indivisible and cannot be broken down into their constituent parts other than by special resolution, in both shareholders and debentureholders meetings. The linked unit will be listed on the BSE, subject to the conditions precedent in paragraph 6 below, being fulfilled.

5.5 Pro forma consolidated income statement of RDCP

Outlined below is the pro forma consolidated income statement for RDCP for the year ended 31 December 1995:

RDCP pro forma consolidated income statement for the year ended 31 December 1995

	P 000's
Rental income	6 933
Recoveries	90
Turnover	7 023
Operating expenses	(1 442)
Operating income before interest	5 581
Interest receivable	361
Interest payable	(1 106)
Income before taxation and distribution to unitholders	4 836
Debenture interest	(3 623)
Income before taxation	1 213
Effective tax rate (%)	25
Taxation	(303)
Income after taxation	910
Dividends	(73)
Retained income	837
Interest per linked unit (thebe)	15,3
Dividend per linked unit (thebe)	0,3
Retained earnings attributable per linked unit (thebe)	3,5
Earnings per linked unit (thebe)	19,1
Distribution per linked unit after withholding tax (thebe)	
Distribution per linked unit after withholding tax (Botswana holder) (thebe) (assuming Botswana holder is a non-taxpayer)	15,5
Distribution per linked unit after tax (Botswana holder) (thebe) (assuming 25% effective tax rate for recipient of debenture interest)	11,7
Distribution per linked unit after tax (overseas holder) (thebe)	13,2
Number of linked units in issue	23 715 971

6. CONDITIONS PRECEDENT

The transactions remain subject to the adoption of ordinary and special resolutions proposed in the attached notice of extraordinary general meeting and registration of special resolutions.

The members' voluntary winding-up remains subject to the approval of the Master of the High Court.

It is recorded that the restructure has the approval of certain property transfers by the Land Boards of Kweneng, Tawana, Chobe and Ngwato.

The transactions remain subject to the approval from the Bank of Botswana with regard to the distributions from RDCP to unitholders being treated as dividends and interest, and that the linked units of RDCP will be treated as equity for the purposes of exchange control regulations.

It is further recorded that the financial institutions, which have extended finance in respect of the immovable properties of the subsidiaries, have consented to the transfer of the immovable properties from the Company to RDCP and have approved the substitution of RDCP as the debtor.

7. FURTHER INFORMATION CONCERNING RDC

7.1 Reporting accountants' report

Reports prepared by Deloitte & Touche, the auditors of both RDC and RDCP, are set out in the attached proposed pre-listing statement, as follows:

Appendix B Report on the audited pro forma consolidated income statements of RDCP for the nine month period ended 31 December 1992 and financial years ended 31 December 1993 to 31 December 1995 and the audited pro forma consolidated balance sheet at 31 December 1995; and

Appendix D Report on the forecast income statement for RDCP for the financial year ending 31 December 1996.

7.2 Acquisition of additional properties

7.2.1 RDC has agreed in principle to a transaction for the acquisition of Professional House (Proprietary) Limited ("Professional House") at a price of P5.15 million. The proposed effective date of such purchase and sale is 1 October 1996, with the net acquisition price payable on 15 October 1996. Professional House is situated as piece of land being lot 13142, Gaborone (portion of lot 8446, Gaborone) in extension 25, Gaborone. The building measures some 1744 square metres and has as its major tenants Standard Chartered Bank, KPMG Peat Marwick, Corporate Services, OFS, LA Maine and the German Embassy. Although agreement in principle has been reached, there remain numerous conditions precedent which need to be fulfilled before this property will be acquired. As such, no account has been taken of this property in the pro forma financial accounts or projected financial accounts detailed in this circular or in the pre-listing statement annexed hereto.

7.2.2 On the assumption that the restructure takes place, the management of RDCP will continue acquiring quality properties to further enhance the underlying property portfolio of the RDCP.

7.3 Directors' interests

7.3.1 None of the directors of RDC have any financial interest, direct or indirect, in any transactions relating to the distribution of RDCP linked units, save as set out in paragraph 10 of the attached proposed pre-listing statement.

7.3.2 As far as the directors of the Company are aware, no shareholder of RDC will derive any benefit from the transaction, or from the listing of RDCP linked units on the BSE, other than as shareholders of either RDC and/or linked unitholders of RDCP.

7.4 Documents available for inspection

The documents, or copies thereof, referred to in paragraph 17 of the attached proposed pre-listing statement will be available for inspection at the registered office of the Company during normal business hours for the period specified therein.

8. **DIRECTORS' RESPONSIBILITY**

8.1 **Accuracy of statements**

The directors of RDC hereby accept full responsibility for the accuracy of the information given herein and certify that to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement contained herein false or misleading and that they have made all reasonable enquiries to ascertain such facts.

By order of the board

Secretary

7 August 1996

Registered office

First Floor
Debswana House
The Mall
Gaborone
(PO Box 294, Gaborone)

Transfer secretary

Coopers & Lybrand Services (Proprietary) Limited
First Floor
Debswana House
The Mall
Gaborone
(PO Box 294, Gaborone)



Realestate Development Company Limited

(Registration number 92/10)

(Incorporated in the Republic of Botswana)

("RDC" or "the Company")

Directors

M A Giachetti (*Chairman*)

G Giachetti

D C Khama

L Rowland

H T Batwell

G R Giachetti

G W Matenge

NOTICE CONVENING AN EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an extraordinary general meeting of RDC ordinary shareholders will be held at the Institutional Property Management (Proprietary) Limited's offices, Conference room, unit number 3, Broadhurst Business Centre, Mandela Drive, Plot 10211, Gaborone, at 11:00 on Wednesday, 28 August 1996, for the purpose of considering and, if deemed fit, adopting, with or without modification, the ordinary, special and extraordinary resolutions set out below:

Ordinarily resolved that:

1. "The sale by the Company of its assets comprising:

its fixed assets;

and

its claims against its subsidiaries for monies loaned and advanced;

and

its claims against its debtors;

and

any cash on hand;

and

its investments in subsidiaries;

and

its investments in Bank of Botswana certificates,

all at 31 December 1995, for the fair value thereof which is an aggregate total price of P10 431 707 (ten million four hundred and thirty-one thousand seven hundred and seven Pula),

to RDC Properties Limited,

is hereby ratified."

2. "The Company delegate its responsibility to settle its liabilities, at 31 December 1995, to RDC Properties Limited."
 3. "The Company accept that RDC Properties Limited shall be entitled to offset from the aggregate of the price for the assets set out in ordinary resolution number 1, the value of the liabilities assumed by it."
-

4. "The Company accept P4 397 652 (four million three hundred and ninety-seven thousand six hundred and fifty-two Pula) in the form of 2 207 693 (two million two hundred and seven thousand six hundred and ninety-three) linked units, each such unit comprising 1 (one) ordinary share having a par value of 1 (one) thebe and a share premium of 38 (thirty-eight) thebe, and 1 (one) debenture of 160 (one hundred and sixty) thebe in the capital of RDC Properties Limited, from RDC Properties Limited in respect of the transactions set out in ordinary resolutions numbers 1 and 2."
5. "The action of the board of directors in appointing one of its number to negotiate and execute the agreement necessary to implement the foregoing is hereby ratified."
6. "The Company takes cognisance of and acceptance of, and confirms the sales by its subsidiaries of the assets of each of them, and in certain cases the delegation of the liabilities of the subsidiaries, to RDC Properties Limited and the acceptance by the subsidiaries of discharge by RDC Properties Limited of its obligation to pay the price due to the subsidiaries by way of the issue of linked units in RDC Properties Limited to the subsidiaries, summarised as follows:

Plots 1124 – 1127, The Mall (Proprietary) Limited

Sale of assets and delegation of liabilities (excluding tax liabilities) for P22 417 814 (twenty-two million four hundred and seventeen thousand eight hundred and fourteen Pula) settled by the issue of 11 254 107 (eleven million two hundred and fifty-four thousand one hundred and seven) linked units in RDC Properties Limited.

Plaza (Proprietary) Limited

Sale of the assets and delegation of liabilities (excluding tax liabilities) for P7 011 202 (seven million and eleven thousand two hundred and two Pula) settled by the issue of 3 519 737 (three million five hundred and nineteen thousand seven hundred and thirty-seven) linked units in RDC Properties Limited.

S.M.B. (Proprietary) Limited

Sale of assets and delegation of liabilities (excluding tax liabilities) for P4 709 191 (four million seven hundred and nine thousand one hundred and ninety-one Pula) settled by the issue of 2 364 090 (two million three hundred and sixty-four thousand and ninety) linked units in RDC Properties Limited.

Two Three Four Holdings (Proprietary) Limited

Sale of assets and delegation of liabilities (excluding tax liabilities) for P2 291 483 (two million two hundred and ninety-one thousand four hundred and eighty-three Pula) settled by the issue of 1 150 362 (one million one hundred and fifty thousand three hundred and sixty-two) linked units in RDC Properties Limited.

Midlands Properties (Proprietary) Limited

Sale of assets and delegation of liabilities (excluding tax liabilities) for P900 797 (nine hundred thousand seven hundred and ninety-seven Pula) settled by the issue of 452 215 (four hundred and fifty-two thousand two hundred and fifteen) linked units in RDC Properties Limited.

Boswa Enterprises (Proprietary) Limited

Sale of assets and delegation of liabilities (excluding tax liabilities) for P1 239 806 (one million two hundred and thirty-nine thousand eight hundred and six Pula) settled by the issue of 622 403 (six hundred and twenty-two thousand four hundred and three) linked units in RDC Properties Limited.

914 Kasane (Proprietary) Limited

Sale of assets and delegation of liabilities (excluding tax liabilities) for P767 831 (seven hundred and sixty-seven thousand eight hundred and thirty-one Pula) settled by the issue of 385 464 (three hundred and eighty-five thousand four hundred and sixty-four) linked units in RDC Properties Limited.

Molemall (Proprietary) Limited

Sale of its immovable property for P115 804 (one hundred and fifteen thousand eight hundred and four Pula) against which the debt of P115 794 (one hundred and fifteen thousand seven hundred and ninety-four Pula) owed by the seller to the Company and delegated to RDC Properties Limited is offset and for payment of P10 (ten Pula).

Roots Tower (Proprietary) Limited

Sale of assets and delegation of liabilities (excluding tax liabilities) for P1 813 884 (one million eight hundred and thirteen thousand eight hundred and eighty-four Pula) settled by the issue of 910 599 (nine hundred and ten thousand five hundred and ninety-nine) linked units in RDC Properties Limited."

7. "The Company sell the shares held by it in Lotsane Complex (Proprietary) Limited, representing 76,67% (seventy six comma six seven percent) of the entire issued share capital of that company, to RDC Properties Limited, for P1 691 780 (one million six hundred and ninety-one thousand seven hundred and eighty Pula) and in settlement of the purchase price the Company accepts the issue to it of 849 301 (eight hundred and forty-nine thousand three hundred and one) linked units in RDC Properties Limited."
8. "The Company accept by way of a dividend in specie from each of the subsidiaries referred to in ordinary resolution number 6, as many of the linked units received by each such subsidiary from RDC Properties Limited as envisaged in ordinary resolution number 6, as do not equate to the share capital of each such subsidiary."
9. "The Company purchase from each subsidiary referred to in ordinary resolution number 6, such of the linked units received by each subsidiary from RDC Properties Limited as envisaged in ordinary resolution number 6, as were not distributed in terms of ordinary resolution number 8."
10. "The Company delegate, with the consent of each subsidiary concerned, its liability envisaged in ordinary resolution number 9 above, to RDC Properties Limited."
11. "The Company directs that the long-term unsecured shareholders' loans of Realestate Financière Société Anonyme and Chobe Financial Corporation amounting to some P790 000 (seven hundred and ninety thousand Pula) may be capitalised in the form of linked units at the placement for cash price of 170 thebe (one hundred and seventy thebe), each unit comprising 1 (one) ordinary share having a par value of 1 (one) thebe and a share premium of 9 (nine) thebe, and 1 (one) debenture of 160 (one hundred and sixty) thebe in the capital of RDC Properties Limited."

Specially resolved that:

1. "Subject to the registration of this special resolution and the approval of the Registrar of Companies being had and obtained, the Company change its name to **PROPERTY DEVELOPMENT AND PORTFOLIO COMPANY LIMITED.**"
2. "The Company be voluntarily wound-up as envisaged in terms of section 208(b) of the Companies Act, Cap42:01, as amended ("the Act")."
3. "By virtue of the fact that at date hereof the Company has no liabilities:
 - (i) the action of the directors in furnishing to the Master of the High Court a sworn statement that the Company has no liabilities, in terms of section 212 of the Act, is hereby sanctioned and ratified;
 - (ii) the action of the auditors in rendering a certificate to the Master of the High Court verifying that the Company has no liabilities in terms of section 212 of the Act, is hereby sanctioned and ratified."
4. "As it is entitled to do in terms of section 214 of the Act, the Company appoints John Yendall Stevens to be the Liquidator for the purpose of winding-up the affairs and distributing the assets of the Company."
5. "As it is entitled to do in terms of section 240 of the Act, the Company directs that the Liquidator will not be required to furnish security to the satisfaction of the Master of the High Court as contemplated in section 240 of the Act."
6. "The Liquidator be and is hereby authorised to receive in compensation for the sale and transfer of the whole of the business of the Company to RDC Properties Limited the 2 207 693 (two million two hundred and seven thousand six hundred and ninety-three) linked units referred to in ordinary resolution number 4 for distribution amongst members of the Company as envisaged in section 212 of the Act together with linked units received by the Company as dividend in terms of ordinary resolution number 8 and purchased on loan account in terms of ordinary resolution number 9."

Extraordinarily resolved that:

"Shareholders agree to waive their pre-emptive rights and hereby give their consent that:

- (ii) on receiving RDC Properties Limited linked units, that the directors of RDC Properties Limited be granted the specific authority to issue 12 299 161 linked units (i.e. 50% of the 24 598 323 linked units issued to unitholders as at the date of listing) and further resolved by 85% of shareholders present or represented by proxy, that not more than 6 149 581 of such linked units may be issued for cash, as and when suitable situations arise, subject to the following limitations:
 - that this authority shall not extend beyond 24 (twenty-four) months from the date of adoption of this resolution;
 - that a paid press announcement giving full details, including the impact on net asset value and earnings per share, be published at the time of any issue representing, on a cumulative basis within 1 (one) year, 5% (five percent) or more of the number of linked units in issue prior to the issues;
 - that issues for cash in the aggregate in any one year will not exceed 25% (twenty-five percent) of the number of linked units of the Company's issued share capital and debenture capital; and
 - that, in determining the price at which an issue of linked units will be made in terms of this authority, the maximum discount permitted will be 10% (ten percent) of the average closing price of the appropriate listed linked units, over the 30 (thirty) days prior to either the date of the paid press announcement or, where no announcement is required and none has been made, the date of issue of the linked units."

All shareholders will be entitled to attend and vote at this extraordinary general meeting. A shareholder entitled to attend and vote at this extraordinary general meeting is also entitled to appoint one or more proxy/proxies (which proxy/proxies need not be a shareholder in the Company) to attend, speak and vote in his/her stead. A form of proxy is attached for the convenience of any shareholder who is unable to attend this extraordinary general meeting and wishes to be represented thereat.

Duly completed forms of proxy must be lodged at, or posted to, the registered office of RDC, First Floor, Debswana House, The Mall, Gaborone (PO Box 294, Gaborone), or the transfer secretary of RDC, Coopers & Lybrand Services (Proprietary) Limited, First Floor, Debswana House, The Mall, Gaborone (PO Box 294, Gaborone), so as to be received by not later than 11:00 on Monday, 26 August 1996.

By order of the board

REALESTATE DEVELOPMENT COMPANY LIMITED

Gaborone
7 August 1996

Realestate Development Company Limited

(Registration number 92/10)

(Incorporated in the Republic of Botswana)

("RDC")

FORM OF PROXY

Number of RDC ordinary shares ("ordinary shares") held

I/We,

being an ordinary shareholder/s,

hereby appoint:

or failing him/her,

or failing him/her,

the Chairman of the extraordinary general meeting, as my/our proxy to vote for me/us on my/our behalf at the extraordinary general meeting of ordinary shareholders of RDC to be held at the Institutional Property Management (Proprietary) Limited's offices, Conference room, unit number 3, Broadhurst Business Centre, Mandela Drive, Plot 10211, Gaborone, at 11:00 on Wednesday, 28 August 1996, and at any adjournment thereof, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions referred to hereunder and/or abstain from voting, in respect of the ordinary shares registered in my/our name/s. Unless otherwise indicated below, my/our proxy may vote or abstain as he/she thinks fit:

	Number of votes		
	For	Against	Abstain
Ordinary resolution number 1			
Ordinary resolution number 2			
Ordinary resolution number 3			
Ordinary resolution number 4			
Ordinary resolution number 5			
Ordinary resolution number 6			
Ordinary resolution number 7			
Ordinary resolution number 8			
Ordinary resolution number 9			
Ordinary resolution number 10			
Ordinary resolution number 11			
Special resolution number 1			
Special resolution number 2			
Special resolution number 3			
Special resolution number 4			
Special resolution number 5			
Special resolution number 6			
Extraordinary resolution			

Signed at

on

1996

Signature of ordinary shareholder/s

Assisted by me (where applicable)

An ordinary shareholder entitled to attend and vote at the extraordinary general meeting is entitled to appoint one or more proxies to attend, speak and vote thereat in his/her stead.

Please read the instructions on the reverse side hereof.

Instructions

1. A deletion of any printed matter and the completion of any blank spaces need not be signed or initialled. Any alteration must be signed, not initialled.
2. The Chairman of the extraordinary general meeting shall be entitled to decline to accept the authority of the signatory: (i) under a power of attorney; or (ii) on behalf of a company, unless the power of attorney or authority is deposited at the registered office of RDC or the office of the transfer secretary of RDC not less than 48 hours before the time of holding the extraordinary general meeting.
3. The signatory may insert the name/s of any person/s whom the signatory wishes to appoint as his/her proxy/proxies in the blank space/s provided for that purpose.
4. When there are joint holders of ordinary shares, and if more than one such joint holder is present or represented, then the person whose name stands first in the register in respect of such ordinary shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof.
5. A vote cast in accordance with the terms of a proxy shall be valid, notwithstanding the previous death or legal incapacity or, in the event of a body corporate, the liquidation or placing under judicial management of the ordinary shareholder or the revocation of the power of attorney under which it is granted, or the transfer of the ordinary shares in respect of which the proxy is granted, provided that RDC shall not have been notified at least 48 hours before the time of commencement of the extraordinary general meeting of such event.
6. The completion and lodging of this form of proxy will not preclude the signatory from attending the extraordinary general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such signatory wish to do so.
7. If the signatory does not indicate how he/she wishes to vote in the appropriate place/s on the face hereof in respect of the ordinary resolutions, and/or the special resolutions and/or the extraordinary resolution, his/her proxy shall be entitled to vote as he/she deems fit in respect of such resolution/s.
8. The Chairman of the extraordinary general meeting may reject or, provided that he is satisfied as to the manner in which an ordinary shareholder wishes to vote, accept any form of proxy which is completed other than in accordance with these instructions.
9. If the number of the ordinary shareholding is not indicated on the face hereof, the proxy will be deemed to be authorised to vote the total ordinary shareholding.
10. Forms of proxy must be lodged at, or posted to, the registered office of RDC, First Floor, Debswana House, The Mall, Gaborone (PO Box 294, Gaborone), or the transfer secretary of RDC, Coopers & Lybrand Services (Proprietary) Limited, First Floor, Debswana House, The Mall, Gaborone (PO Box 294, Gaborone), so as to be received by not later than 11:00 on Monday, 26 August 1996.



RDC Properties Limited

(Incorporated in the Republic of Botswana)

(Registration number 96/592)

("RDCP" or "the Company")

This proposed pre-listing statement has been prepared on the assumption that the resolutions proposed in the notice of extraordinary general meeting forming part of the circular to Realestate Development Company Limited shareholders of which this proposed pre-listing statement forms part, will have been duly adopted at the extraordinary general meeting of Realestate Development Company Limited to be held at 11:00 on Wednesday, 28 August 1996, and that such resolutions will have also been duly implemented and the conditions precedent outlined in such circular being fulfilled.

PROPOSED PRE-LISTING STATEMENT OF RDCP

Issued in terms of the requirements of the Botswana Stock Exchange

This proposed pre-listing statement is not an invitation to the public to subscribe for linked units, but is issued in compliance with the Rules, Regulations and Requirements of the Botswana Stock Exchange for the sole purpose of giving information with regard to RDCP. The directors of the Company collectively and individually accept full responsibility for the accuracy of the information given herein, in respect of RDCP and certify that, to the best of their knowledge and belief, there are no other facts, the omission of which, would make any statement in this proposed pre-listing statement false or misleading and that they have made all reasonable enquiries to ascertain such facts.

The Committee of the Botswana Stock Exchange has granted a listing for a total of 24 598 323 linked units in RDCP. This listing will commence on 11 November 1996 under the abbreviated name "RDCP".

Deloitte & Touche and Richard Ellis Africa, whose reports are included in this proposed pre-listing statement, have given and have not withdrawn their written consents to the issue of this proposed pre-listing statement with their reports in the form and context in which they appear.

Corporate adviser



FirstCorp (Botswana) Limited

(Registration number 90/1536)

(A member of the
First National Bank Group)

Sponsoring broker



Stockbrokers Botswana Limited

(Registration number 88/1163)

(A member of the
Botswana Stock Exchange)

Attorneys



CORPORATE INFORMATION

Secretary and registered office

Coopers & Lybrand Services (Proprietary) Limited
First Floor
Debswana House
The Mall
Gaborone
(PO Box 294, Gaborone)

Corporate adviser

FirstCorp (Botswana) Limited
Fourth Floor
Finance House
Khama Crescent
Gaborone
(Private Bag 00381, Gaborone)

Sponsoring broker

Stockbrokers Botswana Limited
Ground Floor
Barclays House
Khama Crescent
Gaborone
(PO Box 41015, Gaborone)

Attorneys

Armstrongs
Fifth Floor
Barclays House
Khama Crescent
Gaborone
(PO Box 1368, Gaborone)

Auditors and Reporting Accountants

Deloitte & Touche
Fourth Floor
Barclays House
Khama Crescent
Gaborone
(PO Box 778, Gaborone)

Transfer secretary

Coopers & Lybrand Services (Proprietary) Limited
First Floor
Debswana House
The Mall
Gaborone
(PO Box 294, Gaborone)

Trustee for debenture holders

Neill William Armstrong
Armstrongs
Fifth Floor
Barclays House
Khama Crescent
Gaborone
(PO Box 1368, Gaborone)

DEFINITIONS

In this proposed pre-listing statement, unless otherwise stated, the words in the first column have the meaning stated opposite them in the second column and cognate expressions shall bear corresponding meanings. Words importing the masculine include the feminine and the neuter and words importing the singular include the plural and vice versa. Words importing persons include corporations and associations of persons:

"Aspera"	Aspera Holdings Limited, an international holding company registered in Gibraltar;
"the BSE"	the Botswana Stock Exchange;
"Chobe"	Chobe Financial Corporation, an international holding company registered in Liberia;
"debentures"	variable rate unsecured debentures issued by RDCP at a par value of 160 thebe each, in terms of the debenture trust deed;
"debenture trust deed"	the trust deed relating to the debentures entered into between RDCP and Neill William Armstrong as trustee on 22 July 1996;
"the effective date"	the effective date of the transactions, being the close of business on 31 December 1995;
"issue price"	199 thebe per linked unit to be issued to RDC shareholders at the net asset value of the assets and liabilities acquired by RDCP, with effect from the effective date, which is represented by 160 thebe for each debenture, one ordinary share at a par value of 1 thebe and share premium of 38 thebe per share;
"linked units"	linked units in RDCP comprising one ordinary share at a par value of 1 thebe and one debenture, which will be listed on the BSE;
"Lotsane"	Lotsane Complex (Proprietary) Limited (registration number 94/575), a subsidiary in which RDC owns 76,67% of the ordinary shares;
"net asset value"	the net asset value of the RDC Group as at the effective date, amounting to 199 thebe per RDC share;
"PAM"	Property and Asset Management Limited (registration number 96/1034), a public company incorporated in Botswana which is the management company of RDCP;
"placement for cash"	the issue of 882 352 linked units by RDCP at 170 thebe per linked unit;
"RDC" or "the Company"	Realestate Development Company Limited (registration number 92/10), a public company incorporated in Botswana which is currently listed on the BSE;
"RDC Group"	RDC and the subsidiaries;
"RDCP"	RDC Properties Limited (registration number 96/592), a variable rate loan stock company which will be listed on the BSE;
"RDC property portfolio"	the immovable property which is currently owned by the subsidiaries or in which the subsidiaries have rights akin to that of owner;
"restructure"	the restructure of the RDC Group in terms of which all properties, assets and liabilities of the RDC Group including a 76,67% shareholding in Lotsane, were sold to RDCP with effect from the effective date at net asset value at the effective date in exchange for 23 500 000 linked units to be issued at the issue price and the purchase of the 25% minority stake in Roots Tower for an additional 215 971 linked units issued at the issue price;
"RFSa"	Realestate Financière Société Anonyme, an investment holding company registered in Switzerland;
"Roots Tower"	Roots Tower (Proprietary) Limited (registration number 92/1163), a subsidiary company in which RDC owns 75% of the ordinary shares;

"subsidiaries"

Plaza (Proprietary) Limited (registration number 3924), S.M.B. (Proprietary) Limited (registration number 466), Midlands Properties (Proprietary) Limited (registration number 88/483), 914 Kasane (Proprietary) Limited (registration number 87/942), Roots Tower (Proprietary) Limited (registration number 92/1163), Two Three Four Holdings (Proprietary) Limited (registration number 90/35), Boswa Enterprises (Proprietary) Limited (registration number 90/1783), Lotsane Complex (Proprietary) Limited (registration number 94/575) and Plots 1124 – 1127, The Mall (Proprietary) Limited (registration number 976);

"transactions"

the restructure, the winding-up and the placement for cash; and

"winding-up"

the members voluntary winding-up of RDC, whereby all of RDC's assets, comprising 23 500 000 linked units, are distributed to RDC's shareholders pro rata to their shareholdings in RDC on the basis of one linked unit for each RDC share held.

DIRECTORS OF RDCP

Name	Address	Occupation
Marco Antonio Giachetti* (Chairman)	Viale Matteotti 34 Cuorné, Italy	Civil Engineer
Henry Thompson Batwell**	Flat 1 ICC Flats Nche Close Gaborone	Chartered Accountant
Guido Renato Giachetti*	Plot 6248 Gaborone	Civil Engineer
Giorgio Giachetti*	Viale XXV Aprile 171 Torino, Italy	Civil Engineer
Doreen Cilla Khama	Plot 15619 Extension 44 Gaborone	Attorney
Gobe Willie Matenge	Plot 271 North Ring Road Extension 5 Gaborone	Director of Companies
Linda Rowland**	Plot 8498 Gaborone	Director of Botswana Insurance Fund Management Limited

* Italian

** British

RDC Properties Limited

(Incorporated in the Republic of Botswana)

(Registration number 96/592)

1. LISTING OF RDCP ON THE BSE

- 1.1 RDCP has acquired all the assets and liabilities of the RDC Group, plus the 25% minority interest in Roots Tower not previously owned by RDC, in exchange for 23 715 971 linked units, at an effective issue price of 199 thebe per linked unit, which price, was the net asset value per share of RDC at the effective date. Pursuant to the winding-up of RDC, these linked units will be distributed to the RDC shareholders registered as such at the close of business on 25 October 1996 on the basis of one RDCP linked unit for each RDC ordinary share held. RDCP also issued 882 352 linked units in exchange for P1,5 million in cash, at an effective issue price of 170 thebe per linked unit.
- 1.2 Application has been made to and been granted by the Committee of the BSE for a listing of the 23 715 971 linked units in RDCP issued pursuant to the restructure, and the 882 352 linked units issued in terms of the placement for cash, under the abbreviated name "RDCP", with effect from 11 November 1996.
- 1.3 The sole purpose of this proposed pre-listing statement is to inform the public about RDCP in terms of the requirements of the BSE.

2. SALIENT FINANCIAL INFORMATION

Linked units issued in terms of the restructure	23 715 971
Linked units issued in terms of the placement for cash	882 352
Linked units in issue after the placement for cash and the restructure	24 598 323
Total value of linked unitholders' interest (Pula)	47 835 667
Net asset value per linked unit (thebe)	194,5
Issue price per linked unit (thebe) (restructure)	199
Issue price per linked unit (thebe) (placement for cash)	170
Projected distribution per linked unit (thebe)	16,2

3. HISTORY

RDCP was incorporated as a public company on 18 April 1996. Prior to the restructure, the immovable properties which constitute RDCP's principal assets were owned by the RDC Group. The joint controlling shareholders of the RDC Group, RFSA and Chobe, have been active in Botswana in excess of 25 years. In 1970, RFSA and Chobe founded Italtswana Construction Company ("ICC") in Botswana. ICC is an associate company of RDCP with the same joint controlling shareholders. Outside of Botswana, RFSA and Chobe have successfully managed property developments and investment companies in Europe and Nigeria.

With the benefit of the expertise of its associate companies in Nigeria and Europe, whose operations extend historically to *circa* 1870, ICC has an impressive record of successful property construction, development and management in Botswana. Through prudent financial management, the highest quality building standards and astute selection of development opportunities, ICC has grown into a substantial construction company and created a portfolio of prime investment properties. These properties formed the basis for the property portfolio of the RDC Group.

RDC was listed on the BSE on 5 August 1992. At listing, the RDC Group's developed property portfolio consisted of three wholly-owned properties and a 50% stake in a fourth property. Since listing, the RDC Group acquired the remaining 50% stake in the latter property and has acquired seven additional wholly-owned developed properties and a 76,67% majority stake in another property development. This dramatic expansion of the RDC Group's property portfolio significantly expanded the portfolio's tenant base and geographic diversification. This expansion flowed through to the RDC Group's financial results, with an increase in earnings and dividends per share in each year since listing. This expansion and financial performance, however, have not manifested themselves in an increased RDC share price. Since listing, trading in RDC shares has been minimal and the RDC share price has declined in real terms. These circumstances can be largely attributed to a lack of institutional investment support for RDC shares. This lack

of support stems from a perception that the yield on RDC shares is materially lower than the yield such institutions could achieve through direct investment in physical property. The restructure, however, is intended to rectify such perception by institutions, by increasing the effective yield on linked units compared to the effective yield on RDC shares. The restructure and an anticipated greater interest in the RDCP linked units is expected to improve tradeability of the RDCP linked units and enable RDCP to issue new linked units in acquiring additional properties.

4. PROSPECTS

Pursuant to the restructure, all the assets and liabilities of the RDC Group were transferred to RDCP in exchange for RDCP linked units. RDCP is a variable rate loan stock company which will produce similar yields to those which an institutional investor could expect from a direct holding in real property. A further benefit to investors in the linked units is that they provide the investment community with the opportunity to invest in a diversified property portfolio without having to hold such properties directly.

The restructure of the RDC Group and the formation of RDCP as a variable rate loan stock company, creates an exciting investment opportunity in a market operation comprising a select portfolio of well-managed retail and commercial properties.

Future growth will result mainly from an escalation of rental income, reversionary increases on expiry of existing leases and the subsequent renewals thereof, continued focused management of RDCP's existing properties, redevelopment of certain existing RDCP properties and the acquisition and development of new properties in line with RDCP's investment policy.

The flexibility of a listed property loan stock company will enable RDCP to acquire other properties at attractive yields thereby increasing the market capitalisation of RDCP and simultaneously enhancing the overall profitability of the RDCP property portfolio.

5. PURPOSE OF THE LISTING OF THE RDCP LINKED UNITS

The listing of the linked units will be made to:

- 5.1 afford investors the opportunity of investing in a tradeable structure comprising a portfolio investment in immovable properties;
- 5.2 aid in the acquisition of developed properties which will further diversify and enhance the existing RDCP property portfolio; and
- 5.3 facilitate the raising of cash for future acquisitions of developed immovable property, the redevelopment of certain of RDCP's existing properties, the development of existing and new properties and the retirement of existing indebtedness.

6. FINANCIAL INFORMATION ON RDCP

Financial information including pro forma income statements of RDCP for the period ended 31 December 1992 and for the subsequent three years ended 31 December 1993 to 31 December 1995 and the pro forma statement of assets and liabilities of RDCP based on the audited consolidated financial statements of RDC at 31 December 1995, are included in the reporting accountants' report contained in Appendix B.

7. SALIENT FEATURES OF RDCP

7.1 Object

The object of the restructure is to offer individual and institutional investors the opportunity to acquire a holding in a mature property investment vehicle, comprising a select, diversified portfolio of well-managed retail and commercial properties in urban areas throughout Botswana. This portfolio will also offer investors the expectation of growing income distribution and the opportunity to share in long-term capital growth.

7.2 Investment policy

In order to pursue the objective of maintaining a property portfolio capable of providing income and capital growth, PAM's investment strategy for RDCP incorporates the following principal factors:

- 7.2.1 to acquire and/or develop modern, well-located properties in major metropolitan areas and in emerging new townships;
- 7.2.2 to upgrade existing buildings and/or accommodate any reasonable expansion requirements of existing tenants;

- 7.2.3 to dispose of buildings which no longer meet RDCP's investment criteria;
- 7.2.4 to maintain a balance between office, retail, industrial and commercial properties; and
- 7.2.5 to seek opportunities of investing in suitable properties offshore.

7.3 Management of the properties

7.3.1 Management company

The RDCP property portfolio, will be managed by PAM, a public company incorporated in Botswana, in which RFSA will own 47% of the ordinary shares, Chobe will own 30% and Aspera will own 23%.

It is proposed that the board of directors of PAM be five directors, three representing the shareholders of the management company and two representing institutional investors in RDCP. The two external directors will be appointed by invitation.

This structure will enable RFSA, Chobe, Aspera and local institutions with significant expertise in the property market to provide the necessary strategic management skills for RDCP.

7.3.2 Sub-contract arrangement

At the discretion of PAM, a number of services will be sub-contracted to other companies. Such services include, *inter alia*, accounting services, day-to-day administration services, secretarial services, project management services and maintenance services.

7.3.3 Salient details

The salient details of the management contract between RDCP and PAM are set out in Appendix C.

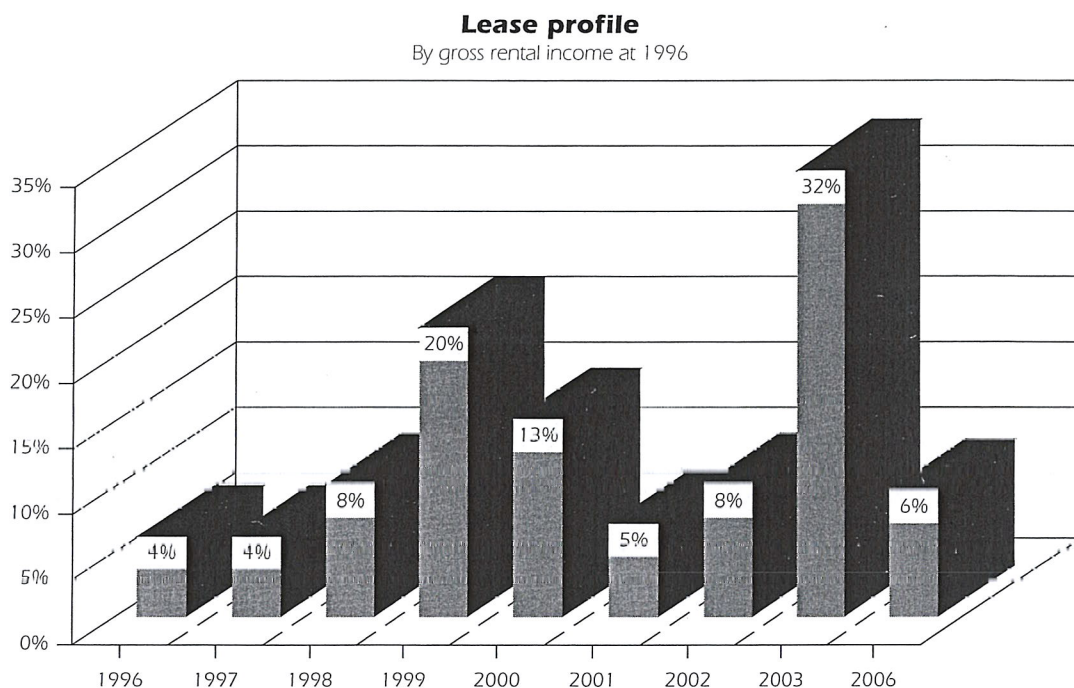
7.4 Information pertaining to the RDCP property portfolio

A detailed description of all the properties acquired by RDCP pursuant to the restructure are set out in Appendix A.

For information purposes, a number of important characteristics of the RDCP property portfolio have been set out below:

7.4.1 Lease maturity profile

The RDC Group had approximately 9% of its leases renewed for the financial year ended 31 December 1995. Such renewals have generally been at increased rentals with escalation rates of between 10% and 13% per annum. Only 4% of the leases in the RDCP property portfolio will be subject to renewal in 1996 and it is of significance that 64% of RDCP's leases fall due for renewal only after the year 1999. The leases, which expire in the forecast years ending 31 December 2006, expressed as a percentage of gross rental income, are set out below:

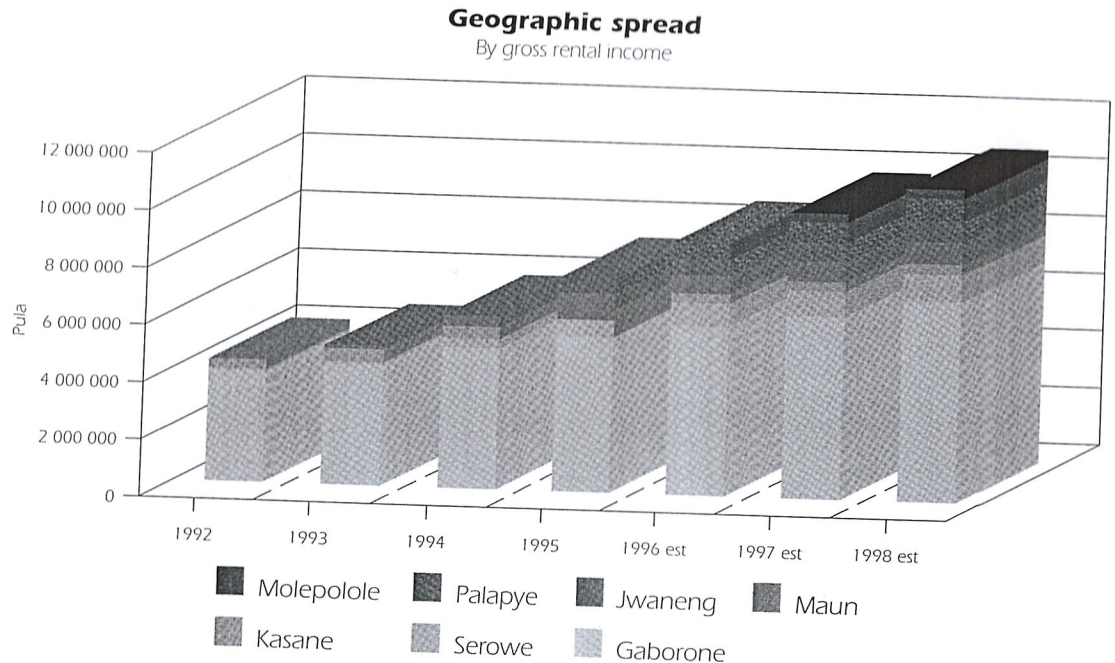


7.4.2 Vacancies

RDCP is presently experiencing vacancy rates of approximately 6,4% of the total available lettable area. This rate is relatively high but is a consequence of including vacancies in uncompleted new developments which are not yet fully let.

7.4.3 Geographic distribution of the properties

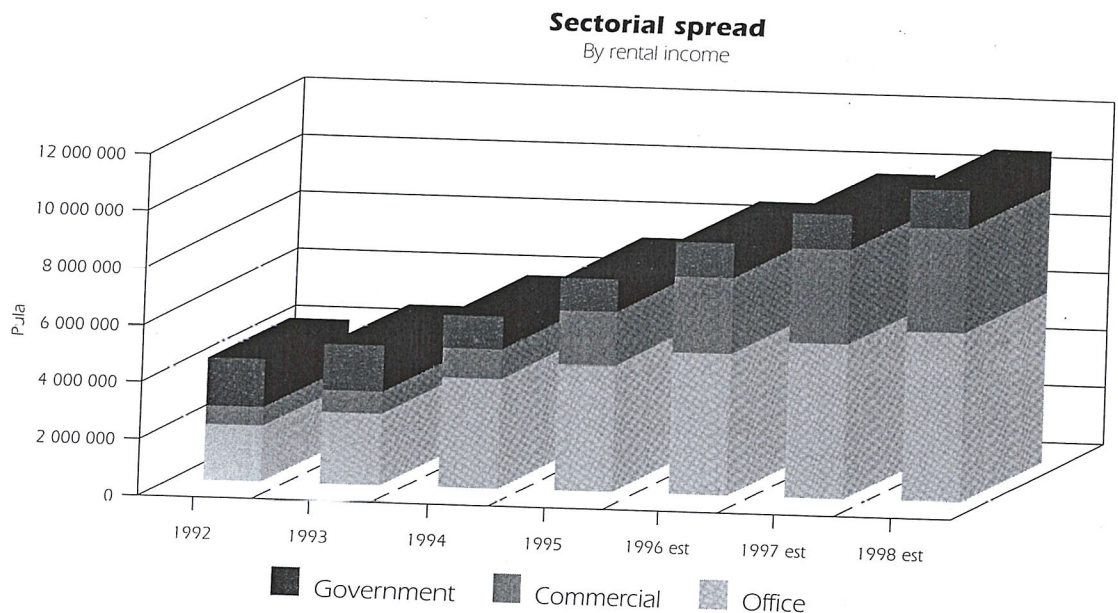
The RDCP property portfolio is spread throughout most major towns in Botswana, although Gaborone is the primary location. The portfolio expressed in terms of gross rental income, is set out below:



7.4.4 Sectoral spread

The chart shows the sectoral spread of RDCP tenants between Government, commercial and office lessees.

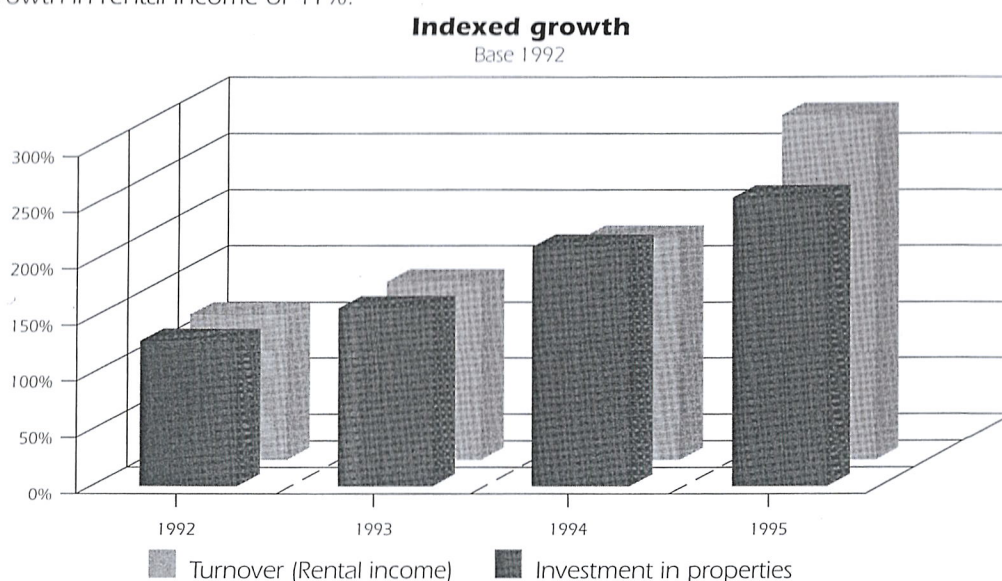
It should be noted that in accordance with a deliberate policy the Government sector will be proportionally reduced in the years ahead in the anticipation of Government's increased investment in office buildings for its own use and the consequent reduction of external lettings. In 1996, it is RDCP's intention to enter the industrial sector and slowly increase its investment in this sector over the next few years.



7.4.5 Indexed growth

This graph reflects RDC's growth in income compared with the growth of investment in properties using the figures of the 1992 financial year as a base.

In the past three years, the portfolio has experienced a 27% compound growth in property value, a compound growth of over 34% in operating income and an exceptional compound growth in rental income of 41%.



7.5 Salient financial features

The pro forma consolidated income statement for the year ended 31 December 1995 of RDCP, the forecast pro forma consolidated income statement of RDCP for the year ending 31 December 1996, together with the pro forma consolidated statement of assets and liabilities at 31 December 1995, are set out below:

Audited consolidated income statements	Pro forma year ended 31 December 1995 P 000's	Forecast year ending 31 December 1996 P 000's
Rental income	6 933	8 449
Recoveries	90	183
Turnover	7 023	8 632
Operating expenses	(1 442)	(2 147)
Operating income before interest	5 581	6 485
Interest receivable	361	180
Interest payable	(1 106)	(1 409)
Income before taxation and distribution to unitholders	4 836	5 256
Debenture interest	(3 623)	(3 817)
Income before taxation	1 213	1 439
Taxation (at 25%)	(303)	(360)
Income after taxation	910	1 079
Outside shareholders portion of income (Lotsane)	—	(30)
Income attributable to shareholders	910	1 049
Dividends	(73)	(76)
Retained income	837	973
Interest to dividend ratio	50:1	50:1
Number of linked units in issue	23 715 971	24 010 088*
Distribution per linked unit (thebe)	15,6	16,2
Interest per linked unit (thebe)	15,3	15,9
Dividend per linked unit (thebe)	0,3	0,3

***Note:** This figure of 24 010 088 comprises 23 715 971 existing linked units plus the weighted average of an additional 882 352 linked units issued in terms of the placement for cash for P1,5 million, for a period of four months.

Pro forma consolidated statement of assets and liabilities

31 December
1995
P 000's

CAPITAL EMPLOYED

Ordinary share capital	246
Share premium	8 233
Debentures	39 357
Unitholders' funds	47 836
Outside shareholders' interest	515
Long-term borrowings	9 241
	57 592

EMPLOYMENT OF CAPITAL

Investment properties	61 341
Fixed assets	254
Net current liabilities	(4 003)
	57 592

The auditors of the Company, Deloitte & Touche, have reviewed the above earnings projections for which the directors of the Company are responsible and are satisfied that the earnings computation has been properly prepared on the basis of the assumptions made by the directors of the Company. A letter from Deloitte & Touche to this effect is set out in Appendix D of this proposed pre-listing statement.

8. SHARE CAPITAL AND DEBENTURES

- 8.1 In terms of the memorandum and articles of association, RDCP's capital structure will comprise authorised ordinary share capital of P10 000 000 comprising 1 000 000 000 ordinary shares having a par value of 1 thebe each, issued ordinary share capital of P245 983 comprising 24 598 323 ordinary shares having a par value of 1 thebe and debenture capital of P39 357 317 comprising 24 598 323 debentures having a nominal value of 160 thebe each, which will only be issued in the form of linked units, in a combination of one ordinary share and one debenture.

Detailed below is the authorised and issued ordinary share capital and debenture capital of RDCP, after the restructure, the placement for cash, and expenses:

	P 000's
Authorised	
1 000 000 000 ordinary shares having a par value of 1 thebe each	10 000
Issued	
24 598 323 ordinary shares having a par value of 1 thebe each	246
Share premium	
Arising on issue of shares – to shareholders of ROC	9 059
– in respect of the placement for cash	80
Share issue and listing expenses written off	(906)
	8 233
Unsecured redeemable variable rate debentures	
24 598 323 debentures with a nominal value of 160 thebe each	39 357

8.2 Notes

- 8.2.1 12 299 161 unissued ordinary shares being 50% of the issued ordinary shares at the date of listing of the linked units, have been placed under the control of the directors of the Company subject to the provisions of the Act, and to the Rules, Requirements and Regulations of the BSE. The BSE has granted its approval (subject to majority shareholder approval in general meeting) that the directors can issue 12 299 161 linked units within a 24-month period from the date of the general meeting in which such approval was given, subject further to an 85% majority shareholder approval that a maximum of 6 149 581 linked units can be issued for cash within such period, at a maximum discount of 10% of the average closing price per linked unit.

- 8.2.2 The linked units rank *pari passu* in all respects, including upon liquidation. At all meetings of the shareholders of the Company and of separate meetings of the debentureholders of the Company, every shareholder and debentureholder present in person or by proxy has one vote on a show of hands and on a poll, one vote for each share or debenture held, in separate meeting.
- 8.2.3 The conditions attaching to the shares of RDCP may be varied only with the consent of the holders of at least 75% of the shares and debentures in separate meetings.
- 8.2.4 The interest payable on one debenture is fixed at 50 (fifty) times the dividend payable on 1 (one) ordinary share of RDCP.
- 8.2.5 The debentures have a 25 (twenty-five) year term and are redeemable after the term has expired at the option of the debentureholders, subject to the adoption of a special resolution by such debentureholders.
- 8.2.6 The claims of debentureholders are not subordinated to the claims of other creditors, except in the circumstance where RDCP becomes insolvent or placed under judicial management. In those circumstances, the claims of the debentureholders automatically become subordinated to the claims of all of the other creditors of RDCP.
- 8.2.7 Salient terms of the debentures are contained in Appendix H of this proposed pre-listing statement. Further details are contained in the debenture trust deed which is available for inspection as outlined in paragraph 17 below.

9. LOAN CAPITAL AND BORROWING POWER

Other than the debentures, RDCP has outstanding loans of P10 651 872. Further details with respect to these loans are outlined in Appendix E.

Other than the debentures, the quantum of borrowings by RDCP is limited to 25% of the market value of the fixed assets of RDCP in the initial year and thereafter will be limited to 25% of the directors' valuation of the fixed assets. The current loans outlined in Appendix E fall within this limitation.

The borrowing powers of RDCP exercisable by the directors may, with the sanction of the linked unitholders, be varied by special resolution.

10. DIRECTORS' INTERESTS

Immediately after the listing of RDCP, the directors will have the following direct and indirect beneficial interest in the issued linked units of the Company:

Director	After restructure and winding-up, but before placement for cash		After placement for cash	
	Direct	Indirect	Direct	Indirect
M A Giachetti	—	—	—	—
H T Batwell	5 000	—	5 000	—
G Giachetti	45 000	—	45 000	—
G R Giachetti	43 428	—	43 428	—
D C Khama	—	—	—	—
G W Matenge	7 000	—	7 000	—
L Rowland	—	—	—	—

All the directors of RDCP are also directors of RDC and (with the exception of M A Giachetti, D C Khama and L Rowland) are also beneficial shareholders of RDC. The assets and liabilities acquired by RDCP pursuant to the restructure were acquired from the RDC Group and therefore these directors have an interest in both parties involved in the restructure.

11. CONTROLLING AND SIGNIFICANT SHAREHOLDERS

RFSA and Chobe exercise joint control over RDC and RDCP. They own 70% of the RDCP linked units. Botswana Motor Vehicle Insurance Fund owns 6,5% of the RDCP linked units. It is the only other linked unitholder owning more than 5% of the linked units.

12. VENDORS

Details with respect to the vendors of the properties acquired pursuant to the restructure and the property acquisitions are outlined in Appendix F.

13. LITIGATION

There is no outstanding, pending, or threatened litigation which would have a material effect on the Company's financial position.

14. WORKING CAPITAL AND CASH FLOW REQUIREMENTS

The directors of RDCP are of the opinion that there is sufficient working capital to fund its current cash flow requirements and future operations. Such cash flow requirements will be met through the retention of cash and/or by an invitation to shareholders to utilise their cash distribution from the linked units to subscribe for additional linked units. RDCP's retention will amount to 15% of operating income and will be used to service the capital repayments of third party debt. It is intended that at each distribution, unitholders will be invited to resubscribe for new linked units for a portion of their distribution, thereby effectively capitalising a portion of the income of RDCP. Depending on the extent to which subscription for new linked units occurs, the necessity to retain cash from operating income will be reduced, increasing the distribution per linked unit.

15. FURTHER INFORMATION CONCERNING RDCP

15.1 Independent valuation

Richard Ellis Africa has performed an independent valuation of the RDCP property portfolio. Based on their report set out in Appendix G, they are of the opinion that the value of the current RDCP property portfolio is P63 170 000. The directors of RDC however, have placed a valuation on the RDCP property portfolio of P61 340 804 on the basis that there were certain capital commitments which were not as yet accounted for on 31 December 1995, and as a consequence, the directors believe it prudent that an adjustment to such independent valuation be done.

15.2 Salient terms of the debentures

The salient terms of the debentures are set out in Appendix H.

15.3 Material contracts and other fees

Contracts entered into by or for the benefit of RDCP which are or may be material and which have been entered into other than in the ordinary course of business, are as follows:

- 15.3.1 the management contract between RDCP and PAM referred to in paragraph 7.3 above, the salient details of which are summarised in Appendix C;
- 15.3.2 the trust deeds governing the debentures, the salient terms of which are summarised in Appendix H;
- 15.3.3 the purchase agreements between RDCP and each company within the RDC Group, relating to RDCP's purchase of the assets and liabilities of each such company, RDCP's purchase of RDC's shareholding in Lotsane from RDC and RDCP's purchase of the assets and liabilities from RDC; and
- 15.3.4 a letter of commitment from Botswana Insurance Fund Management Limited to subscribe for 882 352 linked units in RDCP at 170 thebe per linked unit.

15.4 Expenses

The costs of the transactions will be approximately P906 000 and will be paid by RDCP. These costs include the listing fee payable to the BSE of P10 000.

15.5 Extracts from the articles of association of RDCP

Extracts from the articles of association of RDCP relating to:

- 15.5.1 the appointment of directors;
 - 15.5.2 the remuneration of directors; and
 - 15.5.3 the borrowing powers of RDCP and its subsidiaries exercisable by the directors;
- are set out in Appendix I.

16. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of RDCP, whose names are given in paragraph 10 above, collectively accept full responsibility for the accuracy of the information given in this proposed pre-listing statement and certify that to the best of their knowledge and belief there are no other facts, the omission of which would make any statement contained herein false or misleading and that they have made all reasonable enquiries to ascertain such facts.

17. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or certified copies thereof are available for inspection during business hours on business days (Saturdays excepted) at the registered office of RDCP, First Floor, Debswana House, The Mall, Gaborone for a period of 14 days from the date of publication of this proposed pre-listing statement:

- 17.1 the audited annual financial statements of RDC for the past four years;
- 17.2 the memorandum and articles of association of RDCP;
- 17.3 the reports of Deloitte & Touche dated 6 November 1996 which are included in Appendices B and D to this proposed pre-listing statement;
- 17.4 the report of Richard Ellis Africa dated 30 July 1996 which is attached as Appendix G to this proposed pre-listing statement;
- 17.5 the written consents of Deloitte & Touche and Richard Ellis Africa to the publication of their reports dated 6 November 1996 and 30 July 1996 respectively and references thereto in the form and context in which they are included in this proposed pre-listing statement;
- 17.6 the written consents of the auditors, attorneys, trustee for the debenture holders, transfer secretary, corporate adviser, independent valuator and sponsoring broker named in this proposed pre-listing statement to act in those capacities; and
- 17.7 copies of the material contracts referred to in paragraph 15 above.

Signed at Gaborone on 8 November 1996 for RDC Properties Limited

M A Giachetti

H T Batwell

G Giachetti

G R Giachetti

D C Khama

G W Matenge

L Rowland

DETAILS OF PROPERTIES AND SALIENT INFORMATION AS AT 30 JUNE 1996

Owner	Form of lease	Title deed number	Location of property	Sector	% let	Land area m ²	Lettable area m ²
Plots 1124-1127, The Mall (Pty) Ltd	Freehold	421/74	Lots 1124 to 1130 in Gaborone Extensor 3	Offices	100	1 036	4 886.38
Plaza (Pty) Ltd	50-year State leasehold expiring 17/08/2026	139/84	Lots 4787 and 4788 in Gaborone Extensor 6	Offices	100	4 460	2 240.24
S.M.B. (Pty) Ltd	Freehold	48/70	Lots 1116, 1117 and 1840 in Gaborone Extensor 3	Retail and offices	79	447	1 517.99
914 Kasane (Pty) Ltd	50-year State leasehold	158/88	Lot 914 Kasane in Chobe Administration District	Retail and offices	80	1 793	1 144.00
Boswa Enterprises (Pty) Ltd	50-year Tribal lease	75/95	Lot 680 Serowe Lot 292 Serowe Agreement of Lease No. 258/96 of 18/7/96	Retail and offices	100	802	843.00
Lotsane Complex (Pty) Ltd	50-year Tribal lease	MA 62/95	Lot 1707 Palapye	Retail	30	9 756	3 878.00
Two Three Four Holdings (Pty) Ltd	50-year State leasehold	MA 46/92	Lease area 234 - KO, on Lot 10211 in Gaborone	Offices	100	3 040	1 658.00
Midlands Properties (Pty) Ltd	50-year Tribal lease	19/90	Lot 443 Serowe	Retail	100	578	470.00
Midlands Properties (Pty) Ltd	50-year Tribal lease	92/95	Lot 679 Serowe	Retail and offices	100	727	1 450.00
Plaza (Pty) Ltd under long-term lease entered into with Realstate Development Company Ltd	50-year State leasehold	514/95 661/95 (being processed)	Lot 3761 Jwaneng Lot 5422 Jwaneng Lot 5423 Jwaneng	Retail	100	1 633	2 322.00
914 Kasane (Pty) Ltd	50-year Tribal lease	105/95	Lot 194 Maun	Retail	100	625	492.00
Molemall (Pty) Ltd	50-year Tribal lease	MA 104/95	Lot 617 Molepolole			2 165	
Roots Tower (Pty) Ltd	50-year Tribal lease	(being processed)	Lot 208 Maun Notarial Deed of Lease No. 20/96 of 14/3/96	Retail and offices	89	750	1 069.00

**REPORTING ACCOUNTANTS' REPORT IN RESPECT OF THE PRO FORMA
PROFIT HISTORY AND THE PRO FORMA STATEMENT OF ASSETS AND
LIABILITIES OF RDCP**

Deloitte & Touche
Fourth Floor
Barclays House
Khama Crescent
Gaborone

The Directors
RDC Properties Limited
First Floor
Debswana House
Gaborone

6 November 1996

Gentlemen

We refer to the pre-listing statement dated 8 November 1996 and report as follows:

1. BACKGROUND

RDC Properties Limited ("RDCP") was incorporated on 18 April 1996. As part of a restructure of Realestate Development Company Limited ("RDC"), a company currently listed on the Botswana Stock Exchange, which took effect from 1 January 1996, RDC will sell all of its assets and liabilities and those of its subsidiaries, and the shares of Lotsane Complex (Proprietary) Limited ("Lotsane") to RDCP, in exchange for linked units in RDCP, issued at a price equivalent to the net value of the assets and liabilities acquired. Subsequent to the above transaction, RDC will undertake a members voluntary winding-up, and the linked units held by it in RDCP will be distributed to the current shareholders of RDC pro rata to their shareholdings in RDC.

RDCP will also issue 882 352 linked units on 1 September 1996 in exchange for P1,5 million at the placement for cash price of 170 thebe per linked unit, and further linked units will be issued in exchange for certain properties which RDCP intends to acquire in the future.

2. We have examined the audited Group annual financial statements of RDC for the nine-month period ended 31 December 1992 and for each of the three years ended 31 December 1995.
3. We were appointed as auditors to RDC at its date of incorporation and have acted as auditors of the subsidiaries through the period over which RDC has owned an interest in the subsidiaries. Throughout all periods covered by this report, the auditors' reports on the financial statements of these companies have been issued without qualification.
4. The pro forma financial information set out below was compiled from the annual financial statements of RDC and the subsidiaries. We have made such adjustments as we deemed necessary and the more important of these adjustments are described in notes 6.1, 6.2 and 6.3 below.

5. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared on the historical cost basis, adjusted for the revaluation of land and buildings and incorporate the following principal accounting policies which comply with International Accounting Standards.

Basis of consolidation

The Group financial statements incorporate the financial statements of RDC and the subsidiaries. The results of the subsidiaries are included from the effective dates of acquisition by RDC.

Turnover

Turnover comprises gross rental and other charges recovered from tenants.

Fixed assets

Fixed assets are stated in the balance sheet at cost and depreciated as detailed below.

Investment properties

Freehold and leasehold land and buildings are deemed to be investment properties and are stated at a value based on the most recently established open market values. The investment properties are valued independently on a regular basis. Surpluses and deficits on revaluation are transferred to non-distributable reserve. Provisions are made to recognise any permanent declines in the value of investment properties.

Depreciation

Depreciation is charged over the estimated useful lives of the assets in equal annual instalments to write-off their cost over the following periods:

Plant and machinery	3 – 7 years
Office equipment and furniture	7 – 10 years

Taxation

Taxation is provided in the financial statements using the gross method of taxation. Current taxation is charged on the net income for the year after taking into account income and expenditure, which is not subject to taxation and other allowances for tax purposes. Withholding tax at 15% is payable on the gross value of dividends. Withholding tax on dividends is set-off against the additional company taxation of the Company and its subsidiaries in the year they are paid.

Deferred taxation

Deferred taxation arising from temporary differences between the income reflected in the financial statements and taxable income is provided for using the liability method.

6. PRO FORMA PROFIT HISTORY

The consolidated pro forma results of RDCP, had the RDC Group existed in its restructured form, are set out below and incorporate the results of RDC and the subsidiaries for the period ended 31 December 1992 and for the three years ended 31 December 1995:

	Notes	Nine months 1992 P 000's	1993 P 000's	1994 P 000's	1995 P 000's
Turnover		2 765	4 738	5 603	7 023
Operating income before interest	8.1	2 150	3 329	4 222	5 581
Interest, net paid	8.2	(136)	(190)	(462)	(745)
Income before taxation and distribution to unitholders		2 014	3 139	3 760	4 836
Debenture interest		(1 555)	(2 312)	(2 822)	(3 623)
Income before taxation		459	827	938	1 213
Taxation	8.3	(105)	(281)	(249)	(303)
Net income attributable to unitholders		354	546	689	910
Dividends	8.4	(31)	(46)	(56)	(73)
Retained income for period		323	500	633	837
Distribution per linked unit (thebe)	8.5	8,91	9,95	12,14	15,58
Interest per linked unit (thebe)		8,74	9,75	11,90	15,28
Dividend per linked unit (thebe)		0,17	0,20	0,24	0,30
Total earnings per linked unit (thebe) (including retained income attributable to unitholders)		10,74	12,08	14,83	19,14

6.1 Adjustments to historical results

Income before interest has been adjusted to reflect the management fees payable in terms of the management contract, as follows:

Income before interest	2 287	3 427	4 244	5 570
Reversal of items covered by management contract	117	330	403	534
Management fees payable in terms of Appendix C to the pre-listing statement	(254)	(428)	(425)	(523)
	2 150	3 329	4 222	5 581

6.2 Associated companies

The results of 914 Kasane (Proprietary) Limited and Roots Tower (Proprietary) Limited have been included as if they were wholly-owned subsidiaries for the entire reporting period.

6.3 Debenture interest, dividends and taxation

Debenture interest and dividends payable are reflected as if RDCP had operated as a variable rate loan stock company during the periods under review. The taxation charge was adjusted on a similar basis.

6.4 Professional House (Proprietary) Limited and other potential property acquisitions

No account has been taken of the operating results of Professional House (Proprietary) Limited, a property company with which RDCP has entered into an in-principle agreement to acquire, subsequent to the restructure. Further, no account has been taken of the effects of any other property acquisitions currently under consideration by RDCP.

7. PRO FORMA STATEMENT OF ASSETS AND LIABILITIES

The consolidated pro forma statement of assets and liabilities is based on the audited Group annual financial statements of RDC and the subsidiaries at 31 December 1995:

	Notes	1995 P 000's
CAPITAL EMPLOYED		
Share capital and share premium	8.6	8 479
Debentures	8.7	39 357
Unitholders' funds		47 836
Outside unitholders' interest		515
Long-term borrowings	8.8	9 241
		57 592
EMPLOYMENT OF CAPITAL		
Investment properties	8.9	61 341
Fixed assets	8.10	254
Current assets		
Debtors		490
Bank of Botswana Certificates		1 939
Bank balances and cash		1 764
		4 193
Current liabilities		
Creditors		4 946
Bank overdraft	8.11	692
Current portion of long-term borrowings	8.8	719
Related companies	8.12	1 396
Taxation		443
		8 196
Net current liabilities		4 003
		57 592

8. NOTES TO THE PRO FORMA PROFIT HISTORY AND PRO FORMA STATEMENT OF ASSETS AND LIABILITIES

	Nine months			
	1992 P 000's	1993 P 000's	1994 P 000's	1995 P 000's
8.1 Income before interest				
<i>Income before interest is stated after charging the following:</i>				
Auditors' remuneration				
Audit fees	25	35	35	59
Directors' emoluments				
Fees	30	30	42	42
Related company transactions				
Management fees	254	428	425	523

	Nine months 1992 P 000's	1993 P 000's	1994 P 000's	1995 P 000's
8.2 Interest, net paid				
Interest received				
Bank deposits	48	72	56	58
Bank of Botswana Certificates	361	766	357	259
Related company	91	—	—	44
Interest paid				
Bank overdraft	(4)	(20)	(27)	(27)
Long-term loans	(266)	(643)	(628)	(934)
Vendors loans	(222)	(308)	(184)	(145)
Related company	(144)	(57)	(36)	—
Net interest paid	(136)	(190)	(462)	(745)

8.3 Taxation				
Botswana normal taxation	105	281	249	303
8.4 Dividends	31	46	56	73

The dividend per share is linked to the interest paid per debenture in the ratio of 1 to 50.

8.5 Distribution per linked unit

Distribution per linked unit is based on 23 715 971 linked units throughout the reporting period and the proposed future distribution policy of 100% of income after deducting interest, taxation and retaining 15% of operating income. The return per linked unit for the 1992 period has been annualised, and the linked units issued in terms of the placement for cash detailed in paragraph 1 above, have not been included in the calculations.

8.6 Share capital

	1995 P 000's
Authorised	
1 000 000 000 shares of one thebe each	10 000
Issued	
24 598 323 shares of one thebe each	246
Share premium	
Arising on issue of shares – to shareholders of RDC	9 059
– in respect of the placement for cash	80
Share issue and listing expenses written-off	(906)
	8 233
	8 479

8.7 Debentures	
24 598 323 unsecured redeemable variable rate debentures of 160 thebe each	39 357

The debentures are linked to the ordinary shares of the Company as set out in note 8.6 above. Details of the conditions pertaining to the debentures are set out in Appendix H to the pre-listing statement.

8.8 Long-term borrowings

<i>Unsecured</i>	
Realestate Financière Société Anonyme	527
Chobe Financial Corporation	263
Total unsecured	790

	1995 P 000's
<i>Secured</i>	
Standard Chartered Bank Botswana Limited	3 366
Less: Current portion	(548)
	2 818
Botswana Building Society	195
Less: Current portion	(5)
	190
First National Bank of Botswana Limited	3 696
Less: Current portion	(128)
	3 568
National Development Bank	1 913
Less: Current portion	(38)
	1 875
Total secured	8 451
Total long-term borrowings	9 241
Total current portion	719

The terms and conditions and linked units for the above loans are set out in Appendix E to the pre-listing statement.

8.9 **Investment properties**

Freehold land and buildings	29 700
Leasehold land and buildings	27 025
Capital work in progress	4 616
	61 341

The investment properties are stated at the value at which they are being acquired by RDCP. Details of the properties being acquired are set out in Appendix A to the proposed pre-listing statement. The capital work in progress comprises expenditure incurred to date on properties in Molepolole and Palapye.

The above properties are subject to mortgage bonds totalling P14 690 000 as security for bank loans and the overdraft as indicated in Appendix E to the pre-listing statement.

8.10 **Fixed assets**

Plant and equipment	220
Office equipment	34
	254

8.11 **Bank overdraft**

The bank overdraft facility is secured as indicated in Appendix E to the pre-listing statement.

8.12 **Related companies**

Arising from trading activities:

Institutional Property Management (Proprietary) Limited	10
Italtswana Construction Company (Proprietary) Limited	1 247
Realestate Financière Société Anonyme	93
Chobe Financial Corporation	46
	1 396

8.13 Capital commitments

The Group had the following capital commitments relating to further development of existing and new investment properties:

	1995 P 000's
Capital expenditure contracted, but not reflected in the financial statements	962
Capital expenditure authorised by the directors, but not contracted for	1 300
	2 262

The above capital expenditure will be funded by P477 000 cash generated internally and P1 785 000 bank loans.

8.14 Contingent liability

There is a potential for capital gains tax of P6 482 000 which may arise should RDCP in the future sell, its underlying assets which comprise primarily its freehold land and leasehold properties, at current market values.

9. MATERIAL CHANGES SINCE 31 DECEMBER 1995

Since 31 December 1995, the following material changes have taken place or will take place:

- 9.1 The Company's share capital will be restructured as reported in paragraph 8 of the proposed pre-listing statement.
- 9.2 The restructure of RDC as approved by shareholders in the extraordinary general meeting on 28 August 1996, which restructure was set out in the circular to shareholders dated 7 August 1996.
- 9.3 The voluntary winding-up of RDC by its members.
- 9.4 The change of name of RDC to Property Development and Portfolio Company Limited.
- 9.5 The adoption of a management contract between Property Asset Management Limited and RDCP.

Yours faithfully

DELOITTE & TOUCHE

Certified Public Accountants – Botswana

SALIENT DETAILS OF THE MANAGEMENT CONTRACT BETWEEN RDCP AND PAM

1. Duration

The management agreement will commence on the close of business on 3 October 1996 or such later date as the parties may in writing agree to, and subject to paragraph 3 below, will remain in force indefinitely, terminable by either party on 12 months' written notice, which notice may be given at any time after 19 May 2001.

2. Remuneration

2.1 PAM shall be entitled to the following remuneration and fees:

- 2.1.1 a fee equivalent to 1/24th (one twenty-fourth) of 1% (one percent) of the average market capitalisation of RDCP on the BSE for the month, payable monthly;
- 2.1.2 a fee equivalent to 3% (three percent) in respect of all monies (including deposits) collected from the tenants of RDCP in respect of the management of the property portfolio;
- 2.1.3 a fee equivalent to 2,5% (two comma five percent) in respect of all monies (including deposits) collected from the tenants of RDCP in respect of the administrative and secretarial work;
- 2.1.4 5% (five percent) of the cost of all major repairs and renovations to any of the properties supervised by PAM; and
- 2.1.5 the recommended tariff of The Real Estate Institute of Botswana chargeable by estate agents, if RDCP disposes of its properties provided that if such transactions are effected through the offices of agents other than PAM the commission payable by RDCP in respect of such transactions shall not exceed the commission payable to a single agent, provided that the commission payable to PAM on the disposal of a property at a price in excess of P6 000 000 (six million Pula) shall be agreed between PAM and RDCP.

2.2 If RDCP undertakes new construction projects and such projects are managed and supervised by PAM, the property company shall pay to PAM a fee in respect of:

- 2.2.1 projects carried out in Botswana equivalent to 3,5% (three comma five percent) of the total cost thereof (total cost being the aggregate of professional fees, building costs and trade costs);
- 2.2.2 projects carried out elsewhere than in Botswana equivalent to 6% (six percent) of the total cost and re-imbursement of any outgoings reasonably disbursed in connection with such project.

3. Termination

3.1 Either RDCP or PAM shall be entitled to cancel the agreement summarily and recover any damages sustained if the other party:

- 3.1.1 fails to make any payment on due date and remains in default for 30 (thirty) days after receiving written notice to make such payment; or
- 3.1.2 commits a breach of a material term going to the root of the management contract and fails to remedy such breach within a reasonable time (which shall not be less than 30 (thirty) days) after receiving written notice to remedy such breach.

**REPORTING ACCOUNTANTS' REPORT REGARDING THE PROFIT FORECAST
OF RDCP**

"Deloitte & Touche
Fourth Floor
Barclays House
Khama Crescent
Gaborone

The Directors
RDC Properties Limited
First Floor
Debswana House
The Mall
Gaborone

6 November 1996

Gentlemen

We have examined the profit forecast for the year ending 31 December 1996 set out in paragraph 7.5 of the pre-listing statement dated 8 November 1996. The forecast was compiled by you and you are solely responsible therefor.

Our examination was carried out in accordance with International Standards on Auditing. In carrying out our examination, we have analysed the accounting policies and have checked the calculations used in the profit forecast and we have confirmed that the underlying information used in the forecast has been presented on a basis consistent with the stated accounting policies of RDC Properties Limited ("RDCP"). We consider that our procedures were appropriate in the circumstances to enable us to express our opinion presented below.

In our opinion:

- the assumptions provide a reasonable basis for the preparation of the profit forecast;
- the forecast has been properly compiled on the basis of the assumptions; and
- the forecast is presented on a basis consistent with the accounting policies stated by RDCP.

Since the forecast is based on assumptions concerning future events, actual results may vary from the forecast which has been presented and the variations may be material. Accordingly, we express no opinion on whether or not the forecast will be achieved.

Yours faithfully

DELOITTE & TOUCHE

Certified Public Accountants - Botswana

DETAILS OF ADVANCES, LOAN CAPITAL AND BORROWINGS AS AT 31 DECEMBER 1995

Borrower	Lender	Amount P	Terms	Rate of interest	Security
RDCP	Standard Chartered Bank Botswana Limited	1 375 020	Monthly repayment of P26 384	Variable rates linked to prime	First mortgage bond over Lot 208 Maun
RDCP	Standard Chartered Bank Botswana Limited	650 613	Monthly repayment of P11 906	Variable rates linked to prime	First mortgage bond over Lots 46/49 Serowe
RDCP	Standard Chartered Bank Botswana Limited	1 340 446	Monthly repayment of R32 409	Variable rates linked to prime	First mortgage bond over Lot 234-KO Gaborone
RDCP	Botswana Building Society	194 922	Monthly repayment of P2 883	15.0%	First mortgage bond over Lot 443 Serowe
RDCP	First National Bank of Botswana Limited	2 233 391	Monthly repayment of P39 000	Prime plus 1.5%	First mortgage bond over Lot 3761 Jwaneng and Lots 5422 and 5423 Jwaneng
RDCP	First National Bank of Botswana Limited	1 462 554	Monthly repayment of P20 000	Prime plus 1.5%	First mortgage bond over Lot 914 Kasane
RDCP	National Development Bank	1 510 562	Monthly repayment of P22 556	16.5% fixed	First mortgage bond over Lots 680 and 292 Serowe
RDCP	National Development Bank	402 816	Monthly repayment of P6 015	16.5% fixed	First mortgage bond over Lot 194 Maun
RDCP	Standard Chartered Bank Botswana Limited	691 548	Overdraft	Prime	First, second and third mortgage bonds over Lots 1124 – 1130 Gaborone

The following advances have been made by associated companies of RDCP.

Borrower	Lender	Amount P	Terms	Rate of interest	Security
RDCP	RFSA	526 667	No fixed terms of repayment	Prime plus 0.5%	Unsecured
RDCP	Chobe	263 333	No fixed terms of repayment	Prime plus 0.5%	Unsecured
Total advances			790 000*		

***Note:** Subject to the approval by shareholders of RDC in the extraordinary general meeting of 28 August 1996, these long-term unsecured shareholders' loans amounting to P790 000 will be capitalised in RDCP prior to the end of the 1996 financial year, at the placement for cash price.

DETAILS OF VENDORS

Name of ultimate vendor	Address of vendor	Value of interest Pula	Linked units received in RDCP pursuant to the restructure
Plaza (Proprietary) Limited	c/o Coopers & Lybrand Services (Proprietary) Limited First Floor Debswana House The Mall Gaborone	7 011 202	3 519 737
S.M.B. (Proprietary) Limited	c/o Coopers & Lybrand Services (Proprietary) Limited First Floor Debswana House The Mall Gaborone	4 709 191	2 364 090
Midlands Properties (Proprietary) Limited	c/o Coopers & Lybrand Services (Proprietary) Limited First Floor Debswana House The Mall Gaborone	900 797	452 215
914 Kasane (Proprietary) Limited	c/o Coopers & Lybrand Services (Proprietary) Limited First Floor Debswana House The Mall Gaborone	767 831	385 464
Roots Tower (Proprietary) Limited	c/o Coopers & Lybrand Services (Proprietary) Limited First Floor Debswana House The Mall Gaborone	1 813 884	910 599
Two Three Four Holdings (Proprietary) Limited	c/o Coopers & Lybrand Services (Proprietary) Limited First Floor Debswana House The Mall Gaborone	2 291 483	1 150 362
Boswa Enterprises (Proprietary) Limited	c/o Coopers & Lybrand Services (Proprietary) Limited First Floor Debswana House The Mall Gaborone	1 239 806	622 403

Name of ultimate vendor	Address of vendor	Value of interest Pula	Linked units received in RDCP pursuant to the restructure
Lotsane Complex (Proprietary) Limited	c/o Coopers & Lybrand Services (Proprietary) Limited First Floor Debswana House The Mall Gaborone	1 691 780	849 301
Plots 1 124–1 127, The Mall (Proprietary) Limited	c/o Coopers & Lybrand Services (Proprietary) Limited First Floor Debswana House The Mall Gaborone	22 417 814	11 254 107
Realestate Development Company Limited	c/o Coopers & Lybrand Services (Proprietary) Limited First Floor Debswana House The Mall Gaborone	4 397 652	2 207 693
		47 241 440	23 715 971

INDEPENDENT VALUATION OF THE PROPERTY PORTFOLIO

The following is a copy of the letter received from the property valuers:

Richard Ellis Africa
Barclays House
Khama Crescent
Gaborone

The Directors
Realestate Development Company Limited
First Floor
Debswana House
The Mall
Gaborone

30 July 1996

Dear Sirs

REALESTATE DEVELOPMENT COMPANY LIMITED ("RDC")

1. We have examined the properties owned by the subsidiaries and the associated companies of RDC as set out in Appendix A to the pre-listing statement dated 8 November 1996, of which this letter will form Appendix G. We advise that the Open Market Value of the buildings (excluding land) of the twelve properties comprising the properties owned by the RDC Group is assessed at P61 000 000 (sixty-one million Pula).
2. We advise further that the valuation placed on the land component of the said properties is assessed at P2 170 000 (two million one hundred and seventy thousand Pula).
3. This valuation has been prepared by N K Kwele (Chartered Valuation Surveyor) who has confirmed the above by signing this letter.

Yours faithfully

N K Kwele BA Bsc (Hons) ARICS
Director - Valuations

REALESTATE DEVELOPMENT COMPANY LIMITED

Summary of portfolio valuation as at 31 December 1995:

Lot number	Name	Improvements	Land	Open Market Value
Lots 1116, 1117 and 1840 Gaborone Ext. 3	Hardware House	4 610 000	340 000	4 950 000
Lots 1124 to 1130 Gaborone Ext. 3	Standard House	23 970 000	780 000	24 750 000
Lots 4787 and 4788 Gaborone Ext. 6	Plaza Centre	6 180 000	290 000	6 770 000
Lot 10211 Gaborone Ext. 20	Broadhurst Business Centre	4 300 000	200 000	4 500 000
Lots 3761, 5422 and 5423 Jwaneng	Diamond Plaza	4 110 000	120 000	4 230 000
Lot 914 Kasane	Chobe Commercial Centre	2 050 000	70 000	2 120 000
Tribal Lot 194 Maun	Tsodilo Centre	920 000	40 000	960 000
Tribal Lot 208 Maun	Roots Tower	3 180 000	50 000	3 230 000
Tribal Lot 443 Serowe	Pep Stores Serowe	805 000	30 000	835 000
Tribal Lot 679 Serowe	Standard House Serowe	1 610 000	40 000	1 650 000
Tribal Lot 680 Serowe	Boswa Centre	2 670 000	60 000	2 730 000
Tribal Lot 1707 Palapye	Lotsane Complex	6 295 000	150 000	6 445 000
Total		61 000 000	2 170 000	63 170 000

SALIENT TERMS OF THE DEBENTURES

1. **Trustee**

The first trustee for the holders of the debentures ("debenture holders") will be Neill William Armstrong. The trustee, in addition to the powers conferred by law and elsewhere in the debenture trust deed, has the power to enforce the due performance by RDCP of all the terms and conditions of the debenture trust deed and to recover from RDCP all monies due by it in respect of the debentures.

2. **Linked units**

The issue of each debenture at a par value of 160 (one hundred and sixty) thebe will be linked to the issue of 1 (one) ordinary share at a par value of 1 (one) thebe in the share capital of RDCP, together comprising 1 (one) linked unit. Any further issues of linked units will be in the same combination.

3. **Listing and transfer**

The debentures and ordinary shares will be listed as linked units on the BSE and may be traded and transferred only as linked units.

4. **Interest**

Interest for each six-monthly period then ended being 30 June and 31 December, payable at the same time that the dividend declared on the ordinary shares in the Company for the six-monthly period concerned is payable. It is expected that such payments will be made in October and April of each year.

The rate of interest payable on each debenture in respect of any six-monthly period shall be determined in such a way that the interest entitlement on each debenture shall be 50 (fifty) times the dividend per ordinary share declared in respect of the six-monthly period concerned.

5. **Repayment**

The debentures will be repayable at their issue price if a final Court Order is granted or an effective special resolution is adopted for the winding-up of RDCP or if RDCP, *inter alia*, commits a material breach of a material obligation under the trust deed governing the debentures.

The debentures are redeemable at their issue price at any time after 25 (twenty-five) years after the date of allotment of the relevant debentures at the election of the debentureholders, subject to that election being the result of a special resolution by all of the debentureholders so concerned.

6. **Amendment of terms of debentures, or conversion of debentures**

If there is:

- an introduction of or change in legislation (other than a change to the rate of normal company taxation) in the Republic of Botswana;
- any change in the system of taxation (other than a change in the rate of normal company taxation) applicable in the Republic of Botswana; or
- a withdrawal of or change in any rulings or advice given by the Commissioner of Taxes of the Republic of Botswana which is relied on by RDCP,

which, in the sole and absolute discretion of the directors of RDCP, is to the detriment of RDCP, RDCP will be entitled to convene a meeting of the debentureholders at which proposals will be considered which, if implemented, would eliminate or reduce the detrimental effect. Such proposals may include the creation of appropriate property unit trusts or schemes of a similar nature.

If a proposal is not approved, or if such proposal is approved but not carried into effect within 3 (three) months of its approval, then RDCP shall have the right to adjust the aggregate interest payable on the debentures in issue to take into account the amount of the additional taxation payable by RDC or to convert the debentures into another debt instrument which may be beneficial to debentureholders.

The trust deed and hence the terms of the debentures may be amended subsequent to the listing of the linked units on the BSE, only with the written consent of the Company, and the written consent of debenture holders holding not less than 75% in number of the debentures in issue at that time, or with the sanction of a special resolution of the debentureholders and the approval of the BSE.

7. Issue of shares

The yield on the debentures is dependent upon the dividend paid on ordinary shares. For this reason, limitations have been placed on RDGP such that it may not increase its issued ordinary share capital without the adoption of a special resolution of the debentureholders so that the Company may not change its issued ordinary share capital, if such change results in a change in the equity to debenture ratio.

8. Subordination

The debentures are not subordinated. However, on written notice by the auditor of the Company to the Trustee that the Company is trading in insolvent circumstances, the debentures are converted to subordinated debentures, subordinate to the claims of all creditors of the Company other than debentureholders which claims may be actual or contingent.

EXTRACTS FROM THE ARTICLES OF ASSOCIATION OF RDCP

1. Relating to the appointment of directors

"52. Unless and until the Company in General Meeting shall otherwise determine, the number of Directors shall be not less than four nor more than twelve."

"53. At the first ordinary general meeting of the Company all the Directors for the time being shall retire. At every ordinary general meeting of the Company thereafter at least one-third of the Directors for the time being shall retire from office. The Directors so to retire in each year shall be those who have been longest in office since their last appointment or election, but as between persons who were last elected as Directors on the same day, those to retire, unless they otherwise agree among themselves, shall be determined by lot, provided that notwithstanding anything herein contained, if, at the date of any ordinary meeting any Director shall have held office for a period of three (3) years since his last election or appointment, he shall retire at such meeting, either as one of the Directors to retire in pursuance of the foregoing provisions, or additionally thereto. A retiring Director shall hold office until the conclusion of the meeting at which he retires.

Retiring Directors shall be eligible for re-election, but no person not being a retiring Director shall be eligible for election to the office of Director at any general meeting unless the member intending to propose him and the member intending to second him have at least five (5) clear days before the meeting, left at the registered office of the Company a notice in writing, duly signed signifying the intention of such members to propose and second him and the consent of the candidate to assume the office of the Director.

The Company in general meeting shall fill up any vacancies in the Board of Directors existing or arising at that meeting, unless it is resolved to reduce the number of Directors as set out below.

If at any general meeting at which an election of Directors ought to take place, the place of any retiring Director is not filled up, he shall, if willing, continue in office until the dissolution of the ordinary meeting in the next year, and so on from year to year until his place is filled up, unless it shall be determined at such meeting not to fill up such vacancy.

Subject to the provisions of Article 52, the Company by ordinary resolution in general meeting may from time to time increase or reduce the number of Directors and alter their qualifications and may also determine in what rotation such increased or reduced number is to go out of office. Whenever such increase is made the shareholders at the said meeting, or failing them, the Directors, may fill up the new seats so created."

"54. A Director shall not be required to hold a share qualification."

2. Relating to the remuneration of directors

"55. The remuneration of the Directors shall be such sum or sums as may from time to time be determined by the Company in General Meeting. The Directors shall also be paid such travelling, hotel and other expenses as may be properly incurred by them in the execution of their duties, including any such expenses incurred in connection with their attendance at meetings of Directors and at General Meetings."

"56. The Directors may award special remuneration out of the funds of the Company to any Director going or residing outside of Botswana in the interests of the Company, or undertaking any work additional to that usually required of Directors of a Company similar to this.

3. Relating to the borrowing powers

"63. The Directors may raise or borrow for the purposes of the Company's business such sum or sums of money, provided that the aggregate of such sum or sums (and in calculating such aggregate, the value of debentures issued which are linked to shares issued in the capital of the Company shall not be considered) shall in aggregate at any time not exceed 25% of the value of the fixed assets owned or held by the Company at any time, or such other percentage of such value as may be otherwise determined by the Company in General Meeting.

The Directors may secure the repayment of or raise any such sum or sums as aforesaid by mortgage or charge upon the whole or any part of the property and assets of the Company, present and future, including its uncalled capital, or by the issue, at such price as they may think fit, of debentures which shall not be linked to issued shares in the capital of the Company, either charged upon the whole or any part of the property and assets of the Company, or in such other way as the Directors may think expedient."

- "64. The Directors may raise or secure payment or repayment of such monies in such manner and upon such terms and conditions in all respects as they think fit, and in particular by mortgage bonds or by the issue of debentures not linked to issued shares in the capital of the Company or debenture stock not linked to issued shares or share stock in the capital of the Company, charged upon all or any part of the property of the Company (both present and future)."
- "65. The Directors shall cause a proper register to be kept in accordance with the provisions of the Statutes of all mortgages and charges specifically affecting the property of the Company, and they shall cause to be entered in such register in respect of each mortgage or charge a short description of the property mortgaged or charged, the amount of charge created, the name of mortgagee or person entitled to such charge and such further particulars as the provisions of the Statutes require."
- "66. If any Director or other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability."