

# PRIME TIME

3 March 2023

Dear Unitholder,

## **RE: ELECTIVE CAPITALISATION OPTION ON THE TOTAL OF THE FINAL DISTRIBUTION 2022 AND FIRST INTERIM DISTRIBUTION 2023**

On 24 February 2023, the Company announced that the net amount of the 2022 final distribution and the 2023 first interim distribution totaling 8.27 thebe per linked unit payable on 31 March 2023 would be offered with up to a 100% elective capitalisation option to those who qualify.

The number of capitalisation units to which Unitholders will be entitled will be calculated on the following basis:

Capitalisation units entitlement = net distribution amount (after tax) / P1.62

In accordance with Section 6.4 of the Constitution of the Company, the Board of Directors of PrimeTime Property Holdings Limited have approved the issue of up to 12 637 509 (twelve million six hundred and thirty-seven thousand five hundred and nine) new units to be funded by the capitalisation of up to 100% of the imminent cash distribution to unitholders.

We enclose a circular explaining the rationale and basis of the offer together with the Form of Election to accept the offer instead of the cash distribution. We recommend that you opt for the capitalisation issue as several benefits will flow to Unitholders. Refer to section 4 of the enclosed circular for the rationale for the capitalisation issue.

Should you wish to receive the capitalisation units, the Form of Election should be completed and returned to the Nominated Transfer Secretaries, **ON OR BEFORE THE CLOSING DATE, 24 MARCH 2023 BY 5:00PM.** If you do not complete and return the form, you will receive the full amount of distribution in cash.

Please read the attached documents carefully and should you have any doubts as to what action to take, contact your professional advisor.

For and on behalf of the board



**P Masie**  
**Chairman**

PrimeTime Property Holdings Limited  
Company No BW00000877365

Acacia, Prime Plaza, Plot 54358 New CBD Gaborone • P O Box 1395 • Gaborone • Botswana

Tel: +267 3956080 Fax: +267 3900160 Email: info@primetime.co.bw

Registered Office: c/o PricewaterhouseCoopers (Pty) Ltd Plot 50371 Fairground Office Park • Gaborone • Botswana

Directors: Paul Masie (Chairman) (Botswana) • Nigel Dixon-Warren (Botswana) • Joanna Jones (UK) • Alexander Kelly (South Africa) • Massimo Marinelli (Italy)  
• Chandada Masendu-Kusane (Botswana) • Mmoloki Morolong (Botswana)

## **THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in doubt as to the action you should take in relation to this document, please consult your stockbroker, banker, legal advisor or other professional advisor immediately. This document is issued in compliance with the Equity Listings Requirements of the Botswana Stock Exchange to the Unitholders of PrimeTime Property Holdings Limited ("**PrimeTime**" or "**the Company**"), for the purpose of explaining the elective capitalisation option on the total of the final distribution of 2022 and the first interim distribution of 2023.

### **Action required:**

- If you have sold or transferred all your linked units in PrimeTime, you should at once hand this Circular to the agent through whom you effected the sale and transfer for transmission to the purchaser or transferee.
- Unitholders wishing to receive the capitalisation units, should complete the attached Form of Election and return it to the office of the Nominated Transfer Secretary ON OR BEFORE THE CLOSING DATE 24 MARCH 2023 BY 5:00PM.
- If you do not complete and return the form, you will receive the full amount of distribution in cash.



### **PRIMETIME PROPERTY HOLDINGS LIMITED**

Incorporated in the Republic of Botswana on 29 August 2007

Company number BW00000877365

Share Code ISIN: BW0000000603

("PrimeTime" or "the Company")

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### **CIRCULAR TO PRIMETIME UNITHOLDERS**

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### **Relating to:**

- elective capitalisation option on the total of the final distribution of 2022 and first interim distribution of 2023
- incorporating a form of election.

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**3 March 2023**

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## CORPORATE INFORMATION

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**Board of Directors:**

Paul Masie (Chairman)  
Nigel Dixon-Warren  
Joanna Jones  
Alexander Kelly  
Massimo Marinelli  
Chanda Masendu-Kusane  
Mmoloki Turnie Morolong

**Company Secretary:**

Unopa T Njadingwe  
Plot 54358  
Prime Plaza, New CBD PO Box 1395  
Gaborone, Botswana

**Auditors until the year ended 31 August 2022:**

Deloitte & Touche  
Plot 64518  
Fairground Office Park  
PO Box 778  
Gaborone, Botswana

**Nominated Transfer Secretary:**

Transaction Management Services Proprietary Limited t/a Corpserve Botswana Transfer Secretaries  
Unit 206  
Plot 64516  
Fairgrounds Close  
Gaborone, Botswana  
contactus@corpservebotswana.com

**Sponsoring broker**

Motswedi Securities  
Plot 113 Unit 30 Kgale Mews Gaborone, Botswana

**TABLE OF CONTENTS**

<b>1. SALIENT DATES AND TIMES</b>	<b>4</b>
<b>2. INTERPRETATIONS AND DEFINITIONS</b>	<b>4</b>
<b>3. INTRODUCTION</b>	<b>5</b>
<b>4. RATIONALE FOR THE CAPITALISATION ISSUE</b>	<b>5</b>
<b>5. BASIS OF THE AWARD OF CAPITALISATION UNITS</b>	<b>5</b>
<b>6. CAPITALISATION OPTION</b>	<b>5</b>
<b>7. ISSUE OF LINKED UNITS</b>	<b>5</b>
<b>8. CAPITALISATION UNITS ENTITLEMENT</b>	<b>6</b>
<b>9. FRANCTIONAL ENTITLEMENTS</b>	<b>6</b>
<b>10. PROCEDURE FOR UNITHOLDERS WHO ELECT THE CAPITALISATION OPTION</b>	<b>6</b>
<b>11. OPENING OF THE OFFER AND THE LAST DAY TO MAKE THE ELECTION</b>	<b>6</b>
<b>12. CREDIT OF NEW LINKED UNITS AND CASH DISTRIBUTION</b>	<b>7</b>
<b>13. LISTING OF THE CAPITALISATION UNITS</b>	<b>7</b>
<b>14. RESULTS OF THE CAPITALISAITON OPTION</b>	<b>7</b>
<b>15. TAXATION</b>	<b>7</b>
<b>16. FINANCIAL INFORMATION</b>	<b>7</b>
<b>17. MATERIAL CHANGES</b>	<b>7</b>
<b>18. NOTICE</b>	<b>7</b>
<b>19. APPROVAL</b>	<b>7</b>
<b>20. FORM OF ELECTION</b>	<b>9</b>

## 1. SALIENT DATES AND TIMES

### Capitalisation issue

	2023
Approval of the Circular by the BSE	Thursday 23 February
X-News announcement published on	Friday 24 February
Publication and distribution of the Circular and election forms	Friday 3 March
Election open and Record date	Monday 6 March
Ex-scrip date (closure of the capitalisation issue)	Friday 24 March
Notification to the BSE of the conclusion of the capitalisation issue and approval for listing by the BSE Letters of allotment dispatched/capitalisation units uploaded to CSDB with notice to linked Unitholders	Friday 31 March

### Cash distribution

Declaration date	Friday 24 February
Ex-interest date	Wednesday 22 March
LDR	Friday 24 March
Date of payment	Friday 31 March

**Note:** The above dates and times are subject to change. Any such changes will be published on X-News.

## 2. INTERPRETATIONS AND DEFINITIONS

In this Circular and the annexures hereto, unless the context indicates a contrary intention, an expression which denotes any gender includes the other genders, a natural person includes a juristic person and vice versa, the singular includes the plural and vice versa and the words in the first column have the meaning stated opposite them in the second column as follows:

<b>Board</b>	collectively the board of directors of the Company as listed in the corporate information section of this Circular;
<b>BSE</b>	the Botswana Stock Exchange Limited;
<b>Circular</b>	this Circular dated 3 March 2023 including the annexures and attachments, and the form of election;
<b>Closing date</b>	the date on which the form of election must be returned to the Nominated Transfer Secretary;
<b>CSDB</b>	Central Securities Depository of Botswana
<b>PrimeTime or the Company</b>	PrimeTime Property Holdings Limited, a company duly incorporated according to the laws of Botswana, under company number BW00000877365;
<b>Linked units</b>	One debenture and one ordinary share in the debenture and share capital of the Company, indivisibly linked as a unit;
<b>Listing requirements</b>	the Equity Listings Requirements of the BSE;
<b>Pula, P or BWP</b>	Botswana Pula, the official currency of Botswana;
<b>Unitholders</b>	holders of Linked units in the Company

## 3. INTRODUCTION

In accordance with Section 6.4 of the constitution of the Company, the board of PrimeTime have now approved the issue of up to 12 637 509 (twelve million six hundred and thirty-seven thousand five hundred and nine) new units to be funded by the capitalisation of up to 100% of the imminent cash distribution due to Unitholders.

The capitalisation option has been approved by the BSE.

## 4. RATIONALE FOR THE CAPITALISATION ISSUE

The Company has successfully traded throughout the last few financial years with the challenges brought about by the covid pandemic followed by the war in Ukraine, and continues to meet all its financial obligations as they fall due. The group is maintaining its excellent record of tenant retention and vacancies had reduced across the portfolio to their lowest levels for 5 years at 2% by the last year end of 31 August 2022.

Under the current economic environment of rising interest rates, inflation, and exchange rate volatility, it is critical that the Company remains focused on reducing its gearing levels to strengthen its balance sheet and distributable profit in the longer term. As part of that strategy, the board recommends this capitalisation issue to assist the Company to continue to meet its scheduled loan amortisation program and build-out its existing pipeline projects, while continuing to reduce its existing loan-to-value ratio. As at its last financial year end being 31 August 2022, the Loan to Value ratio had already dropped to 53% being the lowest level for 3 years.

This represents an opportunity for Unitholders to assist the Company in retaining its cash reserves by supporting this elective capitalisation. In return, Unitholders will increase their Linked unit holding in the Company without incurring any of the costs normally associated with this. The Company will be able to utilise the amount of the Unitholder's funds retained through election of the capitalisation option to continue to strengthen its financial position.

## 5. BASIS OF THE AWARD OF CAPITALISATION UNITS

Unitholders registered in the books of the Company on Friday 24 March 2023 ("the last date to register") will receive as many fully paid Linked units in the Company as will arise from up to 100% of the net distribution amount (after deduction of any withholding tax) provided that the minimum issue will be 1 Linked unit at a price of P1.62 per Linked unit ("capitalisation units") and provided that such Unitholders decline the cash distribution and instead elect the capitalisation option in terms of 6 below.

## 6. CAPITALISATION OPTION

Unitholders registered in the books of the Company at the Record date are offered the option to elect to receive capitalisation units arising out of up to 100% of the distribution due to them, comprising the 2022 final cash debenture interest of 4.00 thebe per Linked unit and the 2023 interim cash debenture interest of 4.27 thebe per Linked unit, totaling 8.27 thebe per Linked unit, less any withholding tax, in respect of all or in part of their unitholdings ("the capitalisation option").

Unitholders should note that this is a non-renounceable offer that cannot be transferred to a third party.

## 7. ISSUE OF LINKED UNITS

The Linked units issued in terms of this capitalisation offer will be fully paid out of the distribution account. Assuming that all the Unitholders are in possession of the minimum number of Linked units required for the 1-unit capitalisation issue (see 10 below), do elect the capitalisation option, the maximum amount to be capitalised, prior to the deduction of any withholding tax that will be settled in cash to Botswana Unified Revenues Services, on behalf of the Unitholder, is expected to be P20 472 763.85.

The new Linked units will, when issued and fully paid, rank pari passu in all respects (including in terms of both voting rights and dividends) with the existing Linked units of the Company and will be fully paid up and freely transferable.

The stated capital and debentures of the Company, prior to the capitalisation option, are as follows:

	<b>Number of units</b>	<b>Value (P)</b>
<b>Stated capital</b>		
Fully paid Linked units	247 554 581	14 465 197
<b>Debentures</b>		
Variable rate unsecured debentures	247 554 581	328 433 283

Each Linked unit in the Company comprises one ordinary share and one variable rate unsecured debenture, which are indivisibly linked. It is not possible to trade with the shares or the variable rate unsecured debentures separately from one another.

All the variable rate unsecured debentures are of the same class and rank pari passu in every respect.

#### **8. CAPITALISATION UNITS ENTITLEMENT**

The number of capitalisation units to which the Unitholders will be entitled will be calculated on the following basis:

Capitalisation units entitlement = up to 100% of the net distribution amount (after tax) / P1.62

#### **9. FRACTIONAL ENTITLEMENTS**

Any allocation of Offer Linked Units that would result in fractional entitlements will be dealt with in the following manner: -

if the fraction is less than one-half of a capitalisation Linked unit it will be rounded down to the nearest whole number; and

if the fraction is equal to or greater than one-half of a capitalisation Linked unit, it will be rounded up to the nearest whole number.

**Unitholders who wish to receive the cash distribution need take no further action.**

#### **10. LIMITATION FOR UNITHOLDERS WHO ELECT THE CAPITALISATION OPTION**

Botswana resident unitholders who hold less than 11 Linked units and foreign Unitholders who hold less than 12 Linked units are not eligible to any capitalisation units and should not complete the form of election. They will receive the full distribution in cash.

Unitholders who hold more than the above minimum and elect the capitalisation option must complete the form of election accompanying this Circular in accordance with the instructions therein and lodge it with the

**Nominated Transfer Secretaries, Corpserve Botswana at:**

Unit 206  
Plot 64516  
Showgrounds Close  
Fairgrounds,  
Gaborone, Botswana  
e-mail: [contactus@corpservebotswana.com](mailto:contactus@corpservebotswana.com)

#### **11. OPENING OF THE OFFER AND THE LAST DAY TO MAKE THE ELECTION**

The offer to elect the capitalisation option opens at the commencement of business 8.00am on Monday, 6 March 2023 and closes at close of business 5.00pm on Friday, 24 March 2023.

Should completed forms of election not be received at the applicable physical or e-mail address as indicated in 10 above by close of business on Friday, 24 March 2023, this will be construed by PrimeTime as indicating that the relevant Unitholders do not wish to make the election and, accordingly, such Unitholders will automatically receive the cash distribution.

**FORMS OF ELECTION RECEIVED AFTER CLOSE OF BUSINESS 5.00PM ON FRIDAY, 24 MARCH 2023 WILL NOT BE ACCEPTED.**

#### **NOMINEE COMPANIES**

Arrangements have been made with the Nominated transfer secretaries, Corpserve Botswana, to treat the application from a nominee company's underlying beneficial holders of Linked units as individual applications on the submission of a breakdown, identified by number, of the said nominee company's underlying beneficial holders of Linked units.

#### **12. CREDIT OF NEW LINKED UNITS AND CASH DISTRIBUTION**

Capitalisation Linked units shall be credited to the respective CSDB accounts of the Unitholders. For those Unitholders who have not yet dematerialised their unitholdings and elect to accept the capitalisation offer, they will need to open a valid CSDB account by 24 March 2023 otherwise they will NOT be eligible for this scrip offer.

The distribution cheques and electronic transfers will be posted to unitholders at their risk to their registered or mandated addresses on or about 31 March 2023.

(The use of cheques as a form of payment will be coming to an end in Botswana on 31 December 2023. Any Unitholder receiving a payment by cheque should contact their stockbroker and the Nominated Transfer Secretary with their banking details to facilitate future payments through electronic transfer.)

#### **13. LISTING OF THE CAPITALISATION UNITS**

The BSE has granted a conditional listing of the capitalisation Linked units arising from the capitalisation issue with effect from the commencement of business on Friday, 31 March 2023.

#### **14. RESULTS OF THE CAPITALISATION OPTION**

The results of the capitalisation option will be published on X-News and in the press on Wednesday 29 March 2023.

#### **15. TAXATION**

In compliance with the requirements of the Botswana Income Tax Act, withholding tax at the applicable rate will be deducted by the Company from interest paid to registered unitholders, unless they are specifically exempted.

#### **16. FINANCIAL INFORMATION**

A full copy of the Company's audited financial results for the year ended 31 August 2022 is available for inspection on the Company's website. The auditor's report was unmodified.

#### **17. MATERIAL CHANGES**

There have been no material changes to the financial trading position of the Company since the release of the audited financial results for the year ended 31 August 2022.

#### **18. NOTICE**

The BSE has not verified the accuracy and truth of the contents of this Circular, as submitted to it and the BSE accepts no liability of whatever nature for any loss, liability, damage, or expenses resulting directly or indirectly from a decision taken based on the contents of this Circular.

#### **19. APPROVAL**

The directors, whose names are given under the corporate information on page 2 of this document collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no other facts, the omission of which would make any statement false or misleading, that they have made all reasonable enquiries to ascertain such facts and (if applicable) that the Circular contains all information required by law.

The directors confirm that the Circular includes all such information within their knowledge (or which it would be reasonable for them to obtain by making enquiries) that investors and their professional advisers would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the issuer and of the rights attaching to the securities to which the listing particulars relate.

Signed by P Masie on behalf of each of the directors of PrimeTime.  
Dated at Gaborone this 3 March 2023.



Chairman

## 20. FORM OF ELECTION

EXPRESSIONS USED IN THIS FORM WILL, UNLESS THE CONTEXT REQUIRES OTHERWISE, BEAR THE SAME MEANINGS AS GIVEN IN THE CIRCULAR ISSUED BY THE COMPANY TO UNITHOLDERS ON 3 MARCH 2023 ("THE CIRCULAR"). THIS FORM SHOULD BE READ IN CONJUNCTION WITH THE CIRCULAR.

I / We, the undersigned, being the registered unitholder(s) at the close of the business on 24 March 2023 of Linked units in PrimeTime, hereby give notice that, I / we

\_\_\_\_\_ Insert name of registered Unitholder  
desire to receive, in respect of

\_\_\_\_\_ linked units (number or percentage)\*

of my / our Linked units as many fully paid Linked units, at a price of P1.62, as will arise from the 2022 final distribution and the 2023 interim distribution totaling 8.27 thebe per linked unit, net of any withholding tax, as detailed in the Circular letter dated 3 March 2023 addressed to the Unitholders of the Company.

(\*Please insert number of Linked units held or percentage of linked units held on which you elect to receive the capitalisation award. The election may be made in respect of all, or part of the Linked units held or deemed to be held at the close of business on the Record date. If this is left blank, it will be assumed to read 100%).

### PLEASE COMPLETE IN BLOCK LETTERS

CSD number\*\* \_\_\_\_\_ Broker Code \_\_\_\_\_

Unitholder name \_\_\_\_\_

No. Units held \_\_\_\_\_

Signature(s)\*\*\* \_\_\_\_\_

Name for signature(s) \_\_\_\_\_

Date \_\_\_\_\_

(\*\* if the linked units are held in the Omnibus account, they will need to be transferred to a valid CSDB account by 24 March 2023 otherwise you will NOT be eligible for this scrip offer.

\*\*\* In case of joint holders, ALL holders must sign. In case of a corporation, this form should be completed under its seal or signed by an attorney or by a duly authorised officer whose representative capacity must be stated.)

**No late forms of election will be accepted, that is, forms of election received after 24 March 2023 at 5pm will not be accepted.**