



**RDC PROPERTIES LIMITED**  
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RDC Properties Limited  
(Incorporated in the Republic of Botswana)  
Registration number BW 00000877423  
BSE Ordinary Share Code: RDCP

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## **POTENTIAL ACQUISITION OF TOWER PROPERTY FUND LIMITED AND RENEWAL OF CAUTIONARY ANNOUNCEMENT**

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### **1. POTENTIAL TRANSACTION**

RDC Properties Limited (“**RDC**”) unitholders are referred to the cautionary announcement released on X-News on 25 May 2021, advising them that RDC was in negotiations, which if successfully concluded, may have an impact on the value of the Company’s Linked Units.

RDC is pleased to announce a potential transaction which may result in the acquisition of all, or the majority, of the shares not already owned by RDC in Tower Property Fund Limited (“**Tower**”), and the potential subsequent delisting of Tower from the Johannesburg Stock Exchange (“**JSE**”) (the “**Potential Transaction**”). The Potential Transaction is a major transaction, as defined in the Companies Act No 32 of 2004 of Botswana, for RDC and will require approval of unitholders by special resolution in general meeting. The Potential Transaction contemplates:

- a cash offer by RDC to acquire all of the ordinary shares in Tower it does not already own, for a purchase consideration of R4.00 per Tower share, on a *cum* distribution basis (“**Cash Consideration**”), by way of a scheme of arrangement in accordance with section 114 of the Companies Act, No. 71 of 2008 of South Africa (“**Companies Act**”) (the “**Scheme**”); and
- a standby general offer to Tower shareholders to acquire their Tower shares for a price equal to the Cash Consideration (“**General Offer**”), which would be conditional on, *inter alia*, (i) the Scheme failing to become operative and (ii) a sufficient number of acceptances of the General Offer being received to result in RDC obtaining control of Tower (such control deemed to be no less than 50% + 1 Tower share in respect of voting rights); and
- the potential delisting of all Tower shares from the JSE pursuant to the implementation of the Scheme or pursuant to the General Offer being implemented and the delisting being approved by Tower shareholders.

As required in terms of the Companies Act, the board of directors of Tower has now constituted an independent board who are engaging with RDC in relation to the Potential Transaction.

## **2. RATIONALE**

The Potential Transaction represents an attractive qualitative and quantitative opportunity for RDC to transition into the next phase of its growth strategy. The acquisition of the Tower rental enterprise for the Cash Consideration will be yield and net asset value accretive to RDC unitholders. It will furthermore substantially increase the RDC market capitalisation, due to the equity funding component set out below, which is expected to enhance market liquidity. The strengthening of sector and geographic diversification is in line with current strategy and the operational synergies will enhance management efficiency and supplement its skillset.

## **3. FUNDING**

RDC intends funding the Potential Transaction consideration of c. BWP980 million using its own capital resources, funded by way of a combination of debt and equity, through additional long-term debt funding and a rights offer to RDC unit holders to raise up to BWP730 million of new equity (“**Potential Rights Offer**”).

RDC has received written confirmation from a select number of existing unitholders that they will follow their rights and subscribe for additional RDC linked units in respect of 100% of the Potential Rights Offer.

## **4. TOWER SHAREHOLDER SUPPORT**

RDC has engaged with key Tower shareholders and obtained a combination of irrevocable letters and in-principal support to vote in favour of all resolutions required to implement the Potential Transaction from c. 69% of Tower shareholders.

## **5. RENEWAL OF CAUTIONARY ANNOUNCEMENT**

This announcement does not constitute an offer, undertaking or firm intention to make an offer to Tower shareholders by any party, including RDC.

This Announcement does not constitute an offer or invitation to make an offer to subscribe for linked units in RDC to existing unitholders or any other person.

A notice convening a general meeting of unitholders to consider inter alia, a special resolution approving the Potential Transaction, with explanatory Circular as regards the Potential Transaction, necessary resolutions of unitholders and details of the Rights Offer will be dispatched to unitholders in due course.

RDC unitholders are referred to the announcement issued by Tower on the Johannesburg Stock Exchange News Service on 27 May 2021.

Accordingly, RDC unitholders are advised to continue to exercise caution when trading in their RDC units until a further announcement is made.

**By order of the Board**  
**PricewaterhouseCoopers (Pty) Limited**  
**Company Secretary**

**27 May 2021**



**Corporate advisor to RDC**  
Investec Bank Limited



**Botswana legal advisor to RDC**  
Neill Armstrong



**South African legal advisor to RDC**  
Fluxmans Inc.

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