

RADISSON RED ROSEBANK TRANSACTION ANNOUNCEMENT



GABORONE, BOTSWANA, 15 AUGUST 2019

Announcement of the proposed acquisition of the Radisson RED Rosebank hotel in Johannesburg, South Africa

RDC Properties Limited is pleased to announce the finalization of the sale and development agreement for the acquisition of a hotel in Rosebank, Johannesburg on a turnkey basis with a well-known developer Intaprop.

A 100% subsidiary company of RDC Properties Limited, namely RDC Erf232 Rosebank (Proprietary) Limited ("the purchaser"), will acquire a rental enterprise from Oxford Parks (Proprietary) Limited, a subsidiary of Intaprop ("the seller").

On or about 01 February 2021, the purchaser will be acquiring a fully operational 222-bed Hotel branded as Radisson RED on Oxford Road in the heart of Rosebank's CBD. The hotel will be managed by Radisson Hospitality South Africa (Proprietary) Limited.

The total cost of the land, development, inclusive of furniture, fittings and operating equipment, is expected to be approximately R405 million.

The seller will be paid on transfer of the property which is anticipated to be after the opening of the hotel (earliest 01 February 2021), with the purchaser's management having an oversight on the development process.

The transaction is subject to regulatory approvals and acceptance of the final terms of the long-term bank financing in South Africa (52% of the transaction price) and the provision of the guarantee for the equity portion (48%).

The effect of the purchase of the Radisson Red property on the net assets (per linked unit) of the company is not material due to the funding structure of the transaction.



Over the projected first three years of operation of the hotel, the transaction is expected to increase earnings per share of RDC between 12% and 18% (excluding fair value adjustments of the hotel property), with the net profits attributable to the hotel expected to be between P12 million and P19 million per annum over the same period (excluding fair value adjustments of the hotel property).

RDC Properties Limited has not proposed any additional directors to be appointed to its Board of Directors in connection with the transaction.

We are excited by the prospect of owning a Radisson RED branded property, as it is arguably one of the prime operators worldwide and well known in RSA.

The design with its contemporary feel intends to put "a twist on the conventional", and by being in a perfect location we are confident that it matches the company's strategy of investing in prime properties and contributing to the improvement of the quality of life in developing countries.

Withdrawal of cautionary announcement

As a result of this transaction, unitholders are advised that they no longer need to exercise caution when dealing in the Company's securities.

15 August 2019

