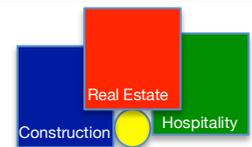




RDC PROPERTIES LIMITED
PO Box 405391, Gaborone, Botswana
Plot 5624, Lejara Road, Broadhurst Industrial, Gaborone, Botswana,

Registration Number 96/592 (Incorporated in the Republic of Botswana)
Directors: G R Giachetti (Chairman)*, G Giachetti*, K Jefferis, L Magang,
K C Maphage, J Pari*, Andrew Bradley**
* Italian, ** South African



Member of the: **Realestate Group**

HIGHLIGHTS – ANNOUNCEMENT OF THE AUDITED GROUP CONSOLIDATED SUMMARISED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2018



SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	2018 P'000 Audited	2017 P'000 Audited	% Change
Revenue	156,015	99,170	57%
Operating expenses	(45,158)	(30,405)	
Income arising from joint venture	463	4,674	
Other foreign exchange gains	2,579	544	
Other operating income	954	725	
Investment income	11,451	12,256	
Finance costs	(39,828)	(17,710)	
Net income from operations before fair value adjustments	86,476	69,254	25%
Surplus arising on revaluation of properties	54,834	86,001	
Profit before tax	141,310	155,255	(9%)
Income tax expense	(18,237)	(22,007)	
Profit for the year	123,073	133,248	(8%)
Other comprehensive income			
<i>Items that may be subsequently classified to profit or loss</i>			
Exchange differences on translation of foreign operations	(10,381)	2,888	
Fair value loss on available for sale financial asset	(2,043)	(2,044)	
Total comprehensive income for the year	110,649	134,092	(17%)
Total comprehensive income for the year attributable to:			
Owners of the company	83,449	108,319	
Non-controlling interests	27,200	25,773	
	110,649	134,092	
Average number of linked units in issue	348,121,301	347,547,222	
Earnings per linked unit (thebe)	30.20	33.73	(10%)
Number of linked units in issue at year end	350,982,285	347,547,222	
Distribution per linked unit (thebe)	13.06	9.77	34%

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	2018 P'000 Audited	2017 P'000 Audited	% Change
Assets			
Property, plant and equipment	9,586	8,943	
Intangible asset	1,000	1,000	
Investments	37,557	30,784	
Investment in a joint venture	30,951	30,353	
Investment properties	1,849,424	1,538,807	
Rental receivable - straight line rental adjustment	28,436	16,193	
Available for sale investments	14,050	17,580	
Long-term trade receivables	568	130	
Current assets	102,226	138,134	
Total Assets	2,073,798	1,781,924	16%
Equity and Liabilities			
Equity attributable to the owners of the parent	1,098,923	1,012,031	
Non-controlling interests	257,656	268,452	
Long term borrowings	509,602	323,625	
Deferred tax liabilities	118,743	110,985	
Current liabilities	88,874	66,831	
Total Equity and Liabilities	2,073,798	1,781,924	

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS	2018 P'000 Audited	2017 P'000 Audited
Net cash generated from operating activities	118,418	68,808
Net cash used in investing activities	(255,282)	(77,019)
Net cash generated from/(used in) financing activities	90,001	(59,852)
Net movement in cash and cash equivalents	(46,863)	(68,063)
Cash and cash equivalents at beginning of year	107,958	182,339
Effects of exchange rates	(5,693)	(6,318)
Cash and cash equivalents at end of year	55,402	107,958

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	2018 P'000 Audited	2017 P'000 Audited
Balance brought forward	1,280,483	1,105,364
Total comprehensive income for the year	110,649	134,092
Debtenture interest paid	(37,444)	(25,677)
Taxation attributable to debtenture interest	9,244	6,169
Dividends paid	(17,368)	(9,631)
Capitalisation issue of linked units	6,972	-
Effect of increase in controlling shareholding of subsidiary	4,043	-
Acquisition of subsidiary	-	70,166
	1,356,579	1,280,483

The Year Review & Prospects

It is a pleasure to present to you the audited Financial Statements of the Group for the year ended 31st December 2018, a very positive year with a strong set of financial results. We are particularly satisfied in view of the contribution of our diversification drive, underpinned by the strength of our investment in Capitalgro, despite difficult conditions in the region. **The investment and property portfolio is up 19% to P1,943 million and rental revenue is up 57% to P156.0 million.**

The capital raised in November 2015 (a 57% increase in capital), has been deployed creating substantial value to our shareholders. Within 3 years our rental income has grown from P87 million to P156 million (**growth of 79%**), the property portfolio has grown from P1,103.8 million to P1,942.6 million (**growth of 76%**), operating profits from P62.8 million to P114.9 million (**growth of 83%**) and distribution to shareholders from P21.3 million to P45.6 million (**growth of 114%**). Of major significance in analyzing our financial results is the positive rebalancing of our income stream by sector and geography.

The local market remains challenging, although rental income has been good from the hospitality sector. In Q4 of 2018 the redevelopment of the ICC Flats was completed at the desired cost. This is a prime residential property with 65 flats in the centre of Gaborone, **Botswana**, with rentals and uptake very pleasing. The revenue from the flats will contribute positively in 2019. Our vision of creating a retirement offering in Gaborone is now closer as we wait for approvals by authorities. The first offering includes 12 houses, 55 apartments, a central block with frail care and step down facilities.

In March 2018 we invested an additional R120 million into Capitalgro, **South Africa**, giving us a 63% stake in the company. This additional investment enabled Capitalgro's acquisition of the AAA certified green commercial building known as "The Edge", in Cape Town's Tyger Valley, housing blue chip tenants. The Capitalgro portfolio continues to ensure strong rental income streams. Evidence of this has been the low vacancy factor across the portfolio, which was 1.2% at year-end. The portfolio was valued at R680.6 million year-end, representing a capital appreciation of 6.8%. RDC have recently signed a memorandum of understanding with a Cape Town developer for the redevelopment and construction of a 5-storey office block in the vibrant and growing Woodstock corridor. Our participation in the development company will be on a 50-50 basis. Thereafter, we shall sell a 'turn-key' rental enterprise to Capitalgro upon completion in mid-2020.

We have entered negotiations with third parties, which subject to conclusion, will result in the Company participating in the development of a large branded hotel leading to its acquisition once completed. The development is perfectly located in the vibrant and multicultural district of Rosebank, north of Johannesburg city centre.

Our development in the **United States** is proving positive and by end 2018, 65% of the apartments were sold. Completion of the development and the initial pay-out of our share are expected by Q2 2019. We have started to review possible other investments since we want to retain some US Dollar exposure as hedge to the local currencies.

Unfortunately in **Namibia**, we are still awaiting the finalization of the land acquisitions before starting the developments. This protracted process has set us back with tenancies too.

The economy in **Mozambique** is experiencing difficulties despite large finds in the oil and gas sector. It is still believed that the positive effect will be felt once the gas fields start operating. The retail market remains very difficult. Despite completing the extension of the Xai Xai shopping centre, and securing a number of line shops, we experienced a set back with a large Botswana based supermarket retailer not carrying out the fit-out of their unit. Fortunately, the shopping centre is well positioned in the town. We are actively sourcing another anchor tenant and remain positive for the future. Advanced civil works have started on the Zimpeto (Maputo) site and we expect the petrol station component to follow as soon as possible.

Basis of preparation and accounting policies

The summarised financial results have been prepared in accordance with International Financial Reporting Standards ("IFRS"), and contain the information required by IAS 34, Interim Financial Reporting. In preparing the underlying financial statements from which these summarised financial results were extracted, all IFRS and International Reporting Interpretations Committee interpretations issued and effective for annual periods beginning on or after 1 January 2018 have been applied. The Group's underlying consolidated financial statements have been prepared in accordance with IFRS. The principal accounting policies are consistent in all material aspects with those adopted in the previous year.

Financial results and highlights

Net income from operations before fair value adjustments is up **25% to P86.5 million** (2017: P69.3 million). The directors' valuation of the Botswana property portfolio resulted in increased fair value adjustments of 3.3%. The fair value increase of Capitalgro's portfolio is a growth of 5.4%. The effect of this is that this year's gross increase in fair value adjustment of the portfolio is P66.8 million against P87.8 million in 2017, resulting in P21 million less contribution to the profit and profit before tax of P141.4 million (**reduction by 9%**). The company distribution per linked unit increased by **34%** and Net Asset Value (NAV) stands at **P3.13 per linked unit, up 8% (2017: P2.91)**.

Directors

There has been no change to the Board of Directors.

Distribution to linked unit holders

Notice is hereby given that a final dividend of 0.028 thebe per ordinary share and interest of 1.397 thebe per debtenture has been declared on 26 March 2019. This dividend and interest will be payable on or about 29 May 2019 to those linked unit holders registered at the close of business on 17 May 2019. The ex-dividend date is therefore 15 May 2019.

Independent Auditor's Report

Grant Thornton, the Group's independent auditors, have audited the consolidated financial statements of the Group from which these summarised financial results have been derived, and have expressed an unmodified audit opinion on the consolidated financial statements. The full set of financial statements including the audit report and the summarised consolidated financial statements are available for inspection at the Group's registered office.

By order of the Board
G R Giachetti, Executive Chairman
Gaborone
27 March 2019

Segment results

