

PRESS ANNOUNCEMENT



THE FAR PROPERTY COMPANY LIMITED
(“the Company or “FPC”)
Company Number CO. UIN BW00000942235
Incorporated in the Republic of Botswana on 29 June 2010
ISIN: BW0000001551
SHARE CODE: FPC

FIRST NOTICE OF SCRIP DISTRIBUTION OPTION

Unitholders are advised of an offer of units to unitholders holding linked units registered in the records of the Company on the electronic platform of Central Securities Depository of Botswana (“CSDB”) at the close of business on 9 October 2020 (“the Record Date”) at a price of P2.40 per linked unit (“Scrip Distribution Option”) in lieu of the cash distribution of 16.80 thebe per linked unit in respect of the Company’s trading to 30 June 2020.

The Board of Directors offers unitholders the chance to reinvest the cash distribution and receive the distribution in respect of linked units for the period ending 30 June 2020 in new linked units instead of in cash.

The Board has declared a distribution of 16.80 thebe (comprising a dividend of 0.15 thebe on each issued share and interest of 16.65 thebe on each issued debenture comprising a linked unit) per linked unit for the twelve months of trading ending 30 June 2020 (“the Distribution”) and approved the issue of up to 27,500,269 new linked units, to be funded out of distributable profits, to unitholders who hold linked units in the Company as at the Record Date, who elect to receive the distribution in units instead of cash.

The Company will deduct and pay withholding tax of 7.5% on the dividend on shares comprising linked units payable to holders of linked units which are resident and non-resident and 10% on the interest payable on each debenture held by a holder of a linked unit resident for tax purposes in Botswana, and 15% on the interest payable on each debenture held by holder of a linked unit non-resident for tax purposes in Botswana (or such lesser percentage as may be provided in a Double Taxation Agreement (if there be one) between Botswana and the country of tax residence of the non-resident tax payer) but shall not deduct and pay any withholding tax on interest payable on debentures held by an entity which is exempt from income tax in Botswana. The resulting distribution, after deduction of withholding tax as set out above, is hereinafter referred to as “the Net Distribution”.

Unitholders registered as such on the Record Date are offered such number of linked units, at a value of P2.40 per linked unit, equal to the cash value of the Net Distribution payable to such holders. The value of a linked unit is based on the weighted average traded price of the linked units, on the Botswana Stock Exchange, over the three weeks preceding 30 June 2020.

Effectively the offer represents an offer of 0.07 new linked units, for every single linked unit currently held by a unitholder.

In so far as the allotment of linked units to a unitholder results in a fraction of a linked unit being allotted to a unitholder, the fraction will be rounded down to the nearest number and the balance of the Net Distribution not accounted for by allocation of new linked units, shall be paid in cash to the unitholder by way of cheque sent to the address of the unitholder or by way of electronic funds transfer to the bank account of the unitholder, recorded in the registers of the Company.

The Scrip Distribution Units, when issued, will rank *pari passu* in all respects with the existing linked units of the Company.

The Company will benefit from this issue. In opting for the issue of linked units in lieu of a cash distribution, unitholders will inject further capital into the Company without incurring the usual substantial dealing costs associated with a new rights issue, and the Company will be able to utilize the amount of the unitholders' funds retained in the Company to support continued growth of the current and future projects and refurbish properties, and reduce exposure to loan finance.

Holders of 77.65% of the issued linked units in the Company have committed to elect to receive the Scrip Distribution.

Based on an assumption that all unitholders elect to take up the Scrip Distribution and that tax is withheld on all dividends at a rate of 7.5% and on all interest payments at a rate of 10%, 27,500,269 linked units will be issued, with 454,031,100 linked units in issue after distribution of the Scrip in lieu of the cash distribution.

A circular explaining the Scrip Distribution Option and the Form of Election will be sent to unitholders on or before 12 October 2020.

UNITHOLDERS WHO WISH TO RECEIVE THE CASH DISTRIBUTION NEED TAKE NO FURTHER ACTION

OPENING OF THE OFFER AND THE LAST DAY TO MAKE THE ELECTION:

The offer of the scrip option opens at the commencement of business on 12 October 2020 and closes at close of business on Friday 6 November 2020.

A holder of linked units is required to notify the Transfer Agent if he/she/it wishes to receive their distribution in the form of new linked units, within the period in which the offer is open. In the event of failure to elect the Scrip Distribution Option, within the open period, a holder of linked units shall be deemed by the Company to have declined the offer of the Scrip Distribution Option and, accordingly, such unitholder will automatically receive the cash distribution.

ELECTIONS FOR SCRIP DISTRIBUTION RECEIVED AFTER THE CLOSE OF BUSINESS ON 6 NOVEMBER 2020, SENT BY POST OR OTHERWISE, WILL NOT BE ACCEPTED

CSDB AND LISTING OF THE SCRIP DISTRIBUTION UNITS

When the new linked units are issued, the Company will instruct the CSDB or broker to credit the unitholders securities account in the CSDB.

Application has been made to Botswana Stock Exchange to grant a listing of the Scrip Distribution units arising from the Scrip Distribution issue with effect from the commencement of business on Monday 23 November 2020.

SALIENT DATES

	2020
Publication of first press announcement of offer of Linked Units in lieu of distribution on or before	Tuesday 29 September
Circular distributed on or before	Monday 12 October
Publication of second press announcement of offer of Linked Units in lieu of distribution on or before	Monday 12 October
Opening of the offer	Monday 12 October
Record date for participation in scrip distribution	Friday 9 October
Last day of Election	Friday 6 November

Announcement of results of elections on or before	Monday 9 November
New Linked Units allotted on or before	Friday 13 November
Payment of cash distribution on or before	Friday 20 November
Payment of balances as a result of rounding down on or before	Friday 20 November
Linked Units credited on CSDB accounts on or before	Friday 20 November
Listing of New Linked Units	Monday 23 November

These dates are subject to change. Any change will be notified on Xnews and in the Press



By order of the Board

Dated 28 September 2020

Transfer Secretary



Sponsoring Broker



Legal Advisor

