

PRESS ANNOUNCEMENT



THE FAR PROPERTY COMPANY LIMITED
(“the Company or “FPC”)
Company Number CO. 2010/6009
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 10 September 2019 (“the Record Date”) at a price of P2.48 per linked unit (“Scrip Distribution Option”) in lieu of the cash distribution of 17.60 thebe per linked unit in respect of the Company’s trading to 30 June 2019.

The Board of Directors offers unitholders the chance to reinvest the cash dividend and to receive the distribution in respect of linked units for the period ending 30 June 2019 in new linked units instead of in cash.

This offer is not renounceable. If the offer of the scrip distribution is not accepted, then a holder of linked units shall be deemed to have elected to receive the distribution in cash and shall be paid the distribution in cash.

The Board has declared a distribution of 17.60 thebe (comprising a dividend of 0.16 thebe on each issued share and interest of 17.44 thebe on each issued debenture comprising a linked unit) per linked unit for the twelve months of trading ending 30 June 2019 (“the Distribution”) and approved the issue of up to 26,589,225 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 for 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 P2.48 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 2019.

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 and rights in respect of 77.66% of the issued linked units in the Company have committed to elect to receive the Scrip Distribution.

The Scrip Distribution is subject to the Botswana Stock Exchange approving in principle the issue and the listing of the new linked units.

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%, 25,957,827 linked units will be issued, with 432,265,646 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 about 9 September 2019.

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 9 September 2019 and closes at close of business on 27 September 2019.

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 27 SEPTEMBER 2019, 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 14 October 2019.

SALIENT DATES

	2019
Publication of first press announcement of offer of Linked Units in lieu of distribution	Friday 23 August
Publication of second press announcement of offer of Linked Units in lieu of distribution	Friday 30 August
Circular distributed on or before	Monday 2 September
Opening of the offer	Monday 9 September
Record date for participation in scrip distribution	Tuesday 10 September
Last day of Election	Friday 27 September
Announcement of results of elections	Friday 4 October

New Linked Units allotted	Friday 4 October
Payment of cash distribution on or before	Friday 11 October
Payment of balances as a result of rounding down on or before	Friday 11 October
Linked Units credited on CSDB accounts	Friday 11 October
Listing of New Linked Units	Monday 14 October

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

By order of the Board

Dated 22 August 2019

Company Secretary



Sponsoring Broker



Legal Advisor

