

## **ANNOUNCEMENT - LLR'S ACQUISITION OF 32.79% SHAREHOLDING IN JTTM**

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The Directors of Letlole La Rona Limited ('LLR' / 'the Company') wish to advise Unitholders that further to the Cautionary Announcement that was published on 9 July 2021 relating to potential LLR transactions, and the subsequent Cautionary Updates dated 6 August 2021, 6 September 2021, 5 October 2021 and 8 November 2021, the negotiations with one of the two parties have reached an advanced stage.

On the 8<sup>th</sup> of November 2021, the Company entered into a Sale of Share Agreement with Botswana Railways Organisation ("BRO") and JTTM Properties (Proprietary) Limited ("JTTM") for the acquisition of 49,775.22 shares ("sale shares"), accounting for 32.79% of the shareholding in JTTM. JTTM is a variable rate loan stock company which owns 100% of Railpark Mall in Gaborone.

The consideration for the sale shares amounting to P152.0 million, being 32.79% of JTTM's net asset value as at 30 June 2021 of P463.5 million, will be settled in cash upon fulfilment of the set conditions in the Sale of Shares Agreement.

The JTTM's net asset value of BWP463.5 million ( derived from the 30<sup>th</sup> June 2021 Management accounts) is derived from the fair value of Railpark Mall, its sole investment property, being valued at P690.0 million (31<sup>st</sup> March 2021) by Knight Frank Proprietary Limited, after adjusting for the company debt amounting to P167.9 million as at 30 June 2021 and net liabilities of P58.6 million which is mainly deferred tax liability arising from the cumulative revaluation gains of the property.

Notwithstanding the above, LLR engaged an independent valuer, Riberry Proprietary Limited, who valued the asset at a market value of P690.0 million on the 22<sup>nd</sup> of January 2021.

At a shareholding of 32.79%, JTTM will be an associate of LLR therefore, in line with the Company's accounting policy, JTTM will be equity accounted into LLR's financial statements i.e. the Company will recognize its share of JTTM's profit/loss in the statement of comprehensive income and recognize the carrying value of the investment in associate in the statement of financial position.

The Company expects to realize an attractive distribution and net asset value returns from this transaction as it will be yield and value accretive to LLR. In addition, the acquisition of the sale shares will further diversify the Company's portfolio through increased exposure in the prime retail sector. This transaction further reiterates the Company and the Board's commitment to delivering on the growth strategy and creating value for the Company's shareholders.

The conclusion of the transaction is subject to certain conditions precedent to the Sale of Shares Agreement, one of which is the regulatory approval from the Competition and Consumer Authority.

Further details will be disclosed upon conclusion of the transaction, therefore, unitholders and investors are advised to continue exercising caution when dealing in the Company's securities.

**By order of the Board**

**19 November 2021**



**Legal Advisor**



**Sponsoring Broker**