



LETSHEGO HOLDINGS LIMITED
Registration number) CO 1998/442
("Letshego" or "the Company")

ANNOUNCEMENT REGARDING THE RELATED PARTY TRANSACTION

This announcement is published in accordance with BSE Listing Requirements and contains salient features of the proposed related party transaction to be implemented subsequent to the Shareholders of Letshego approving same. Details of this will be set out in the Notice of the Extraordinary General Meeting as set out in paragraph 8 below.

1. INTRODUCTION

The Directors of Letshego are pleased to announce an intention by the Company to seek Shareholders' approval to purchase the remaining 13% shares in Letshego Tanzania from the minority shareholders ('the Sellers') following the Sellers informing Letshego of their intention to sell their shares. Letshego already owns 87% of the shares in Letshego Tanzania and intends to exercise its pre-emption rights by acquiring the remaining 13% shares from the Sellers, two of whom are former directors of Letshego Tanzania and the third being an independent third party.

The Listing Requirements require that Letshego obtains prior approval from the Shareholders regarding this transaction as it constitutes a Related Party transaction in terms of the BSE Listing Requirements.

2. DETAILS OF THE RELATED PARTY TRANSACTION

The Board of Letshego has agreed to acquire the Sellers 13% shares in Letshego Tanzania. Letshego intends to exercise its pre-emption rights by acquiring the shares as it already owns 87% of the shares in Letshego Tanzania. The Sellers and Related Parties are the minority shareholders of Letshego Tanzania. These are:-

- Dr Hassy Kitine who holds 6% in Letshego Tanzania and was up to 29 August 2015 a non-executive director and chairman of Letshego Tanzania. He was previously a non-executive director of Letshego during 2007-2009;
- Joseph Rugumyamheko was a non-executive director of Letshego Tanzania from 2009 to 2014 and holds 2% shares; and
- Ambassador Paul Rapia who owns 5% and never served on the board of Letshego Tanzania or Letshego.

3. CONSIDERATION

The Board of Letshego has agreed to acquire the Sellers shares for a consideration of Tanzania Shillings 10.4 billion (approximately BWP 50 million) in aggregate for their combined 13% shares in Letshego Tanzania which has been agreed by the Sellers. The Consideration was based on the net asset value of Letshego Tanzania as at 31st December 2014 per the audited financial statements plus the budgeted profit after tax for the year ended 31st December 2015.

Based on a closing date of 30 November 2015, and the estimated financial performance of Letshego Tanzania for the period to 30 November 2015, this would represent a premium of 8% over the net asset value of Letshego Tanzania.

4. NET ASSET VALUE

The related party transaction will not adversely affect the cash flow of Letshego.

The impact of this Related Party transaction on the net assets of the Company will not be material and is estimated to be BWP50 million. There is no impact on earnings per share. The audited net asset value at 30th June 2015 was BWP4.1 billion.

5. NET PROFIT AFTER TAX

This Related Party transaction will have no impact on profit after tax or earnings per share as calculated before the impact of non-controlling interests. The audited earnings per share for the half year ended 30th June 2015 were 18.5 thebe per share.

6. BENEFITS

The opportunity presented to buy 194,278 shares representing 13% of the issued share capital in Letshego Tanzania is attractive because it will allow Letshego to become the 100% owner of Letshego Tanzania and benefit fully from the future prospects of this business which has been trading successfully since 2006. Over time, it will facilitate the integration and cooperation between Letshego's two businesses in Tanzania.

7. RATIONALE


The Directors of Letshego are of the view that the Related Party transaction will be in the best interest of the Company and its Shareholders for the reasons set out in the circular to be dispatched on or about 06th November 2015.

8. NOTICE TO THE EGM



The Notice of the Extraordinary General Meeting shall be despatched to Shareholders on or about the 06th November 2015 which will set out further information on the proposed Related Party Transaction. A Circular to shareholders setting out the full details of the transaction will be dispatched to Shareholders on or about the 6th of November 2015 and convening an extraordinary general meeting of the Shareholders to be held on or about the 27th of November 2015 for purposes of approving the transaction.

9. IMPORTANT DATES

Announcement	06 November 2015
Notice of the EGM dispatched to Shareholders	06 November 2015
EGM	27 November 2015



JOHN BURBIDGE
Chairman

Legal Advisor	Sponsoring Broker
 <p>ARMSTRONGS Attorneys, Notaries & Conveyancers</p>	 <p>Stockbrokers Botswana Ltd</p>