

Letshego Holdings Limited
("Letshego" or "the Company")



Incorporated in the Republic of Botswana
Registration Number: Co. 98/442
Date of Incorporation: 4 March 1998

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

ACTION REQUIRED:

1. If you are in any doubt on the action you should take, immediately seek advice from your stockbroker, bank manager, legal advisor, accountant or other professional advisor.
2. If you no longer hold any shares in Letshego immediately send the document to the stockbroker, bank or other agent through whom the sale was effected for transmission to the purchaser or transferee.
3. If you are unable to attend the Extraordinary General Meeting scheduled for Monday 12 April 2010 at 16h30 you are entitled to be represented thereat by proxy and should you desire to be so represented, you should complete the form of proxy which is attached hereto, so as to be received by the Transfer Secretary of the Company by no later than 16h00 on Thursday 8 April 2010. Registration of shareholders during the Extraordinary General Meeting on Monday 12 April 2010 commences at 16h00.

CIRCULAR TO THE SHAREHOLDERS OF LETSHEGO HOLDINGS LIMITED

The purpose of this Circular is:

- to explain the salient terms and conditions of the Convertible Loan Note Subscription Agreement for fundraising of the Pula equivalent of USD 36 million that will, subject to shareholder approval, be made available to Letshego by ADP I Holding 2 ("ADP I");
- to seek Shareholder approval for the issuance of the Loan Notes in accordance with the Convertible Loan Note Subscription Agreement and the issue of Ordinary Shares or New Letshego Shares, as applicable, in Letshego to ADP I in the event of conversion under the terms of the Convertible Loan Note Subscription Agreement, which issues shall each constitute a Specific Issue for Cash by Letshego; and
- to seek Shareholder approval of the sub-division of the Ordinary Shares of Letshego in the ratio of ten New Letshego Shares for every old share held.

Incorporating:

- a notice convening an Extraordinary General Meeting of Shareholders of Letshego; and a Form of Proxy.

Date of issue: 19 March 2010

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SECTION 1: IMPORTANT DATES AND SALIENT FEATURES

EVENT	DATES
Post circular and notice of Extraordinary General Meeting	Friday 19th March 2010
Proxies to be delivered	Thursday 8th April 2010
Record date for the sub-division	Thursday 15th April 2010
Extraordinary General Meeting	Monday 12th April 2010
Registration of special resolution with the Registrar of Companies	Wednesday 14th April 2010
Publication in the press of the results of the Extraordinary General Meeting	Friday 16th April 2010
Post results of the Extraordinary General Meeting circular to shareholders	Friday 16th April 2010
Sub-division at close of business	Friday 16th April 2010
New share certificates good for delivery on the BSE as from commencement of business	Monday 19th April 2010
New share certificates will be posted by ordinary mail on or before 23 April 2010. Those who want to collect their certificates can do so from 21 April 2010 on submission of a written request received no later than 19 April 2010	Friday 23rd April 2010

NOTES

1. Should any Letshego shareholder wish to collect their new share certificate, such shareholder is requested to instruct the Transfer Secretaries in writing, either by facsimile on +267 3973 901 or by email to esther.ganapathy@bw.pwc.com on or before Friday 6, April 2010, of their intention to do so, subject to such shareholder providing their Transfer Secretaries with positive proof of identification at the time of collection.
2. Shareholders are advised that in order to mitigate against the possibility of a shareholder receiving cash from the sale of old shares, post the record date, and also receiving new shares, the register will be closed from trading with effect from commencement of trade on Friday 16th April 2010 to opening of business on Monday the 19th of April 2010.
3. As of close of business on Friday 16th April 2010 share certificates in respect of old shares will cease to have any value and cease to be good for delivery on the BSE.
4. As for commencement of business on Monday 19th April 2010 only share certificates in respect of new shares will have value and be good for delivery on the BSE.
5. The new paper share certificates bearing the subdivided shares will not be sent to those shareholders who may have already converted to the CSD electronic system by cut off of Wednesday 14th April 2010.
6. Shareholders or prospective investors are further advised that if they want to trade in Letshego shares, they will have to open CSD accounts. CSD accounts can be opened through any BSE authorized participant and include stockbrokers and custodial banks.
7. Shareholders holding paper certificates can convert them to the CSD electronic form. Upon conversion, the shareholders' CSD accounts are credited accordingly. In order to convert to the CSD electronic form, shareholders are required to complete a deposit form. This process is also facilitated by any BSE authorized participant.
8. The above dates and times are subject to change. Any amendment will be published in the press.

SECTION 2: CORPORATE INFORMATION

DIRECTORS

C M Lekaukau (Chairman)

J K Bucknor

J A Burbidge

J A Claassen (Managing Director)

M Dawes

G Hassam

D Ndebele

L E Serema

P Voutyritsas

Plot 2667, Phuti Crescent, Extension 9, Gaborone, Botswana

No 42, 6th Road, Tesano, Accra, Ghana

No 12 Monate Resort, Maalgate Street, Herolds Bay,
George, 6529, RSA

Plot 11966, House 55089, Broadhurst, Gaborone, Botswana

1 Cambridge Road, Bryanston, 2021, RSA

Plot 13084, Broadhurst, Gaborone, Botswana

Plot 2760, Extension 9, Gaborone, Botswana

Plot 1898, Jacaranda Hillside, Lobatse, Botswana

007, Amazonas complex, 14 Lower Road,

Morningside, 2196, RSA

REGISTERED OFFICE

PricewaterhouseCoopers (Pty) Limited

Plot 50371

Fairground Office Park

P.O. Box 294

Gaborone, Botswana

COMPANY SECRETARY

Mr D Ndebele

Plot 50371

Fairground Office Park

P.O. Box 294

Gaborone, Botswana

LEGAL ADVISORS

Armstrongs Attorneys

5th Floor, Barclays House

Khama Crescent

P.O. Box 1368

Gaborone, Botswana

AUDITORS

KPMG

Plot 67977

off Tlokweng Road, Fairground Office Park

P.O. Box 1519

Gaborone, Botswana

SPONSORING BROKERS

Stockbrokers Botswana Limited

Ground Floor, United Nations Place

Plot 22, Khama Crescent

Private Bag 00113

Gaborone, Botswana

TRANSFER SECRETARIES

PricewaterhouseCoopers (Pty) Limited

Plot 50371, Fairground Office Park

P.O. Box 294

Gaborone, Botswana

SECTION 3: DEFINITIONS

In this Circular and annexures, unless otherwise stated or the context otherwise requires, the words in the first column have the meanings stated opposite them in the second column, words in the singular include the plural and vice versa, and words importing natural persons shall include juristic persons, whether corporate or incorporate, and vice versa:

"Act"	the Companies Act, 2003 of the laws of Botswana as amended from time to time;
"Articles" / "Constitution"	the constitution of Letshego as amended from time to time;
"Auditors" / "Independent Reporting Accountants"	KPMG, Certified Public Accountants, of Gaborone, Botswana;
"BSE"	the Botswana Stock Exchange as established by the Botswana Stock Exchange Act and the regulations promulgated pursuant thereto;
"Botswana"	the Republic of Botswana;
"Board"	the Board of Directors of Letshego for the time being;
"BWP"	Botswana Pula, the legal tender of Botswana;
"Circular"	this Circular, dated 19 March 2010, and including all appendices;
"Convertible Loan Note Subscription Agreement"	The Convertible Loan Note Subscription Agreement between Letshego and ADP I that was executed on the 15th of February 2010, and that is subject to Shareholder approval, and forms the subject of the explanatory statements herein;
"Conversion Shares"	means the Ordinary Shares or New Letshego Shares to be issued to ADP I upon conversion of the Loan Notes, in accordance with the Convertible Loan Note Subscription Agreement;
"ADP I"	ADP I Holdings 2 advised by Development Partners International, an investment adviser founded in 2007 to make private equity investments in Africa;
"Directors"	the Board of Directors of Letshego for the time being;
"EGM"	the Extraordinary General Meeting of Shareholders of Letshego to be held on the 12th of April 2010 at the Gaborone Sun Hotel, Gaborone, Botswana at 16h00 and at which Shareholders will be asked to consider and to vote on resolutions set out in the notice which forms part of this Circular;
"Group"	Letshego and its subsidiaries;
"IFSC"	International Financial Services Centre, a statutory body in Botswana, intended to facilitate offshore expansion of Botswana financial services;

SECTION 3: DEFINITIONS (Continued)

“Last Practicable Date”	Wednesday 10th March 2010 being the last practicable date prior to finalisation of this Circular;
“Letshego or the Company”	Letshego Holdings Ltd. (Registration Number Co.98/442) incorporated in the Republic of Botswana, on 4 March 1998 and listed on the BSE on 25 September 2002, ISIN BW 000 000 0322;
“Listings Requirements”	The Listings Requirements of the BSE, which all companies listed on the BSE must adhere to;
“Loan Notes”	the notes to be subscribed for by ADP I in terms of the Convertible Loan Note Subscription Agreement;
“New Letshego Shares”	Ordinary Shares in the stated capital of Letshego which replace each ordinary share with ten shares on a 10 to 1 basis;
“Ordinary Shares”	ordinary shares of no par value in the stated capital of Letshego;
“Ordinary Resolution”	A resolution passed by at least 51% of the votes of all Shareholders present or represented by proxy at the EGM, and eligible to vote on the matter;
“Shareholders”	current holders of ordinary shares of the Company;
“Specific Issue for Cash”	A method by which a company listed on the BSE may issue securities and bring those securities to be listed it being envisaged that the shares to be issued in the event of conversion in terms of the Convertible Loan Note Subscription Agreement will be considered an issue of securities by the Company for the extinction of a liability, and thus deemed an “Issue for Cash”. This Circular is issued to Shareholders in accordance with the Listings Requirements for Shareholder approval of the Specific Issues for Cash at the EGM;
“Special Resolution”	A resolution passed by at least 75% of the votes of all Shareholders present or represented by proxy at the extraordinary general meeting, and eligible to vote on the matter; and
“USD”	United States Dollars, the legal currency of the United States of America.

4.1 BUSINESS OF THE COMPANY AND ITS SUBSIDIARIES

Letshego is a regional financial services provider in sub-Saharan Africa. The Company commenced trading in Botswana in September 1998 after being incorporated in March of the same year. In September 2002 the Company was listed on the Botswana Stock Exchange, raising BWP 30.0 million through a private placement. A further share offer, via an offer for subscription was completed during March 2009 which raised BWP360.0 million. At the Last Practical Date Letshego had a market capitalisation of BWP 3 billion. Letshego is a holding Company, with subsidiaries operating in Botswana, Namibia, Mozambique, Tanzania, Swaziland, Uganda and Zambia. The Company derives the majority of its income from its operations in Botswana. This is expected to be diversified over time.

The Group's main activity is to extend short and medium term, personal, unsecured loans to individuals that are in formal employment. Its customers are individuals that are in formal employment with the governments, parastatals and the private sector. Loan repayments are deducted through payroll systems of participating employers, whereby the participating employer grants a code that allows the Group to deduct capital and interest due on loans directly from an employee's salary. The monthly loan instalment is deducted by the participating employer from the borrower's monthly salary and paid directly to Letshego or its subsidiaries.

Based on the same business model, a pan-African expansion plan was adopted to ensure continued growth and geographic diversification. The Company has expanded into six other countries namely; Namibia, Mozambique, Tanzania, Swaziland, Uganda, and Zambia between 2005 to date. All of these subsidiaries, except for Mozambique, which is anticipated to commence operations during the first half of 2010, are now profitable and have established themselves in their respective countries as the first phase of the Letshego pan African growth strategy. The customer base in Botswana is over 37,000 active customers, and the new markets of Namibia, Mozambique, Swaziland, Tanzania, Uganda and Zambia now have a combined customer base of over 80,000 customers which continue to grow each month. The Group is now actively planning for the next phase of the Pan African growth expansion strategy and new entry markets are at an advanced stage and will continue to be pursued. The Group is also exploring other initiatives that would allow Letshego to become a financial services Group with a broader service offering.

4.2 DIRECTORS' OPINION AS TO THE PROSPECTS OF THE BUSINESS OF THE COMPANY

The Directors of Letshego are confident regarding the prospects of the Group. Letshego has established itself as a key player in the consumer finance market and has built, and continues to build upon its trusted and reliable service promise to its existing and potential client base.

As previously communicated to shareholders, there is a vast market for the products that Letshego offers. While there is significant competition in this market segment from other consumer finance organizations / micro finance companies the entry into this market of the mainstream commercial banks is worth noting.

The critical success factor will be the continued ability of Letshego to provide quality and relevant service to its customer base, while also moving towards providing a greater spectrum of financial services to its clients.

The ability to source long term funding for the Letshego Group's operations is critical. The vote of confidence in Letshego from this new investor should be viewed as a positive. Given the recent financial crisis in the international financial markets, the related restriction in lending by these institutions and the fact that Letshego has been able to obtain significant new long term funding levels is noteworthy.

4.3 SHARE CAPITAL OF THE COMPANY

At Last Practicable Date, the stated capital of the Company was BWP 396,019,000 consisting of 182,475,236 ordinary shares of no par value.

All issued shares of the Company rank pari passu and carry the same voting rights.

The entire issued share capital of the Company is listed on the main board of the Botswana Stock Exchange.

There are no other classes of securities of the Company and there are no securities of the Company listed on any other stock exchange.

There are no other convertible loan arrangements entered into by the Company with any other third party at the moment.

4.4 DIRECTORS

Jan Abraham Claassen (57) - Managing Director, RSA

Mr Claassen has been Managing Director of Letshego since July 2003. Prior to joining Letshego, he spent 7 years at First National Bank of Namibia as Deputy Managing Director. He spent the first twenty years of his career at First National Bank of South Africa in Johannesburg and has also worked in Malawi. Mr Claassen holds a B.Com, LLB and has completed an Advanced Executive Programme with UNISA.

In his time as Managing Director of Letshego, the Group has grown from having one company in Botswana employing 30 people with four branches, to the current Group of seven operating subsidiaries with over 450 employees, in seven countries with a branch network of over 100 branches.

Dumisani Ndebele (43) - Executive Director Risk and Compliance, Botswana

Mr Ndebele joined Letshego in February 1999 as the finance and administration manager. He became the Finance Director in 2002 and moved to his current role of Director: Risk and Compliance in August 2006.

His previous experience includes roles at PricewaterhouseCoopers Zimbabwe and Botswana, Cash Bazaar Holdings Botswana, Anglo American Botswana and De Beers Botswana. He trained with PricewaterhouseCoopers in Zimbabwe for his articles under the Institute of Chartered Accountants of Zimbabwe.

Mr Ndebele is a Fellow member of the Chartered Institute of Management Accountants (UK) as well as being a Fellow Certified Public Accountant (Botswana). He is a member of the Institute of Directors (IoD – RSA), the Information Systems Audit and Control Association (ISACA) as well as the Institute of Internal Auditors. He also holds a Bachelor of Accountancy Honours Degree and a Masters in Business Administration (MBA) from the University of Derby (UK).

4.4 DIRECTORS (Continued)

Cuthbert Moshe Lekaukau (66) – Chairman, Botswana

Mr Lekaukau, who has been the Chairman of Letshego since 2002 has served the Government of Botswana previously as a Senior Public Officer in various capacities from 1973 to 1996. For 12 of those years he served as Permanent Secretary in the Ministries of Works, Transport and Communications; Mineral Resources and Water Affairs as well as the Ministry of Agriculture. He was awarded a Presidential Order of Honour in 1996 in recognition of his efficient and devoted service to the country.

In December 1996, he was appointed to start Botswana Telecommunications Authority as the founding Executive Chairman and served thereof until December 2006. His last position until 2009 was the Director General of the Government Implementation Coordination Office in the Office of the President, having rejoined the Public Service in May 2007 to oversee and coordinate implementation of projects and timely delivering of services in the country of Botswana.

Mr Lekaukau has served various corporate institutions these include: Chairman of Turnstar Holdings Limited, Chairman of Botswana Telecommunications Corporation, Botswana Diamond Valuing Company (Proprietary) Limited, Water Utilities Corporation, Air Botswana Corporation, Botswana Railways Corporation, Botswana Vaccine Institute, Botswana Agricultural Resources Board, Botswana Power Corporation and Governing Council of Botswana College of Agriculture. Mr Lekaukau has served as Vice Chairman of Botswana Meat Commission, Debswana Diamond Company (Proprietary) Limited and Soda Ash Botswana (Proprietary) Limited. Mr Lekaukau has been a Director of Botswana Development Corporation Limited, De Beers Centenary AG, De Beers Consolidated Mines Limited, Diamond Trading Company (Proprietary) Limited, BMC (UK) Holdings Limited, Table Bay Cold Storage (Proprietary) Limited (RSA), National Development Bank Limited and member of the Council of the University of Botswana.

Mr Lekaukau who is an Attorney at-law holds an LLB (UBLS) in conjunction with Edinburgh University, LL.M. (Columbia University-NYC) and a Commonwealth Certificate in Legislative Drafting.

John Alexander Burbidge (59) - Non-executive director, British

Mr Burbidge qualified as a chartered accountant in the UK and was part of the African Life Group in various senior management and board positions over a 27 year period. These included the role of managing director, executive director, chief financial officer and company secretary during his career with Botswana Life and the African Life Group.

Some of the highlights of his career include the involvement in the listing of African Life Group on the JSE in 1990 and playing a leading role in the acquisition of a controlling stake in Botswana Insurance Holdings by African Life Group. In 1999, Mr Burbidge was appointed to the African Life Group Board which was responsible for the development and management of the African expansion which included operations in Botswana, Lesotho, Namibia, Kenya, Zambia, Ghana and Tanzania; a position he held until his retirement from African Life Group in 2007.

He is currently a director of Funeral Services Group Limited, a company that recently listed on the Botswana Stock Exchange.

Mr Burbidge has been a director of Letshego since 2002 and is currently the chairman of the Group Audit and Risk Committee and the Investment Committee.

4.4 DIRECTORS (Continued)

Jude Kofi Bucknor (54) - Non-executive director, Ghana

Mr Bucknor is the Managing Partner of Kingdom Zephyr Africa Management with extensive financial institution experience. He began his professional career at Chemical Bank in New York in 1979 after obtaining an MBA (Finance) degree from Columbia University in New York. He also holds a BSc (Administration) degree from the University of Ghana, Legon. Mr Bucknor was a former Treasurer of the African Development Bank, Executive Director of Lehman Brothers and Managing Director of CAL Merchant Bank in Ghana.

He has served or still serves on several boards including: Ashanti Goldfields Corporation (Ghana), Normandy Mining (Australia), Pep Stores (Ghana), Newmont Mining Corporation (Ghana), TA Holdings Limited (Zimbabwe), Ecobank Transnational Corporation (Togo), Asset & Resource Management (Nigeria), CNIA Assurance (Morocco) and Chirano Gold Mines (Ghana).

He also served as Chairman of the Council of the Ghana Stock Exchange and the Council of the University of Education, Winneba, Ghana.

Mr Bucknor was first appointed to the board during 2005 and more recently again in January 2008 and is currently the Chairman of the Group Remuneration Committee and also serves on the Group Audit and Risk Committee.

Margaret Dawes (52) - Non-executive director, RSA

Mrs Dawes heads the 'Rest of Africa' division of Sanlam Developing Markets. This includes responsibilities for Botswana, Ghana, Kenya, Tanzania and Zambia. Prior to this she held various roles within African Life and Sanlam Developing Markets since 2005. She also represents Sanlam Developing Markets on various boards, audit committees, investment committees and human resources committees.

Mrs Dawes qualified as a chartered accountant in the UK in 1983 and has held various senior positions in the financial services and auditing industry in both the UK and RSA since then.

Gaffar Hassam (34) - Non-executive director, Malawi

Mr Hassam has had various roles with the Botswana Insurance Holdings Limited Group since 2003 and is currently the Chief Operating Officer of Botswana Life Insurance Limited. Prior to joining the Botswana Insurance Holdings Group, he was with PricewaterhouseCoopers in Malawi and Botswana.

Mr Hassam is a fellow member of the Association of Chartered Certified Accountants (FCCA) and also has various other insurance related qualifications.

Legodile Ernest Serema (62) - Non-executive director, Botswana

Mr Serema holds a Bachelor of Science from the University of Minnesota, St Paul, USA and has various other marketing related qualifications.

Mr Serema has served many different organisations in Botswana since 1971 including the Botswana Meat Commission, Soda Ash Botswana and Sugar Industries. He has been a councillor representing Lobatse since 2002 and has served as Mayor from 2007 to 2009.

He was previously on the board of Botswana Railways and holds a number of other directorships.

4.4 DIRECTORS (Continued)

Panos Voutyritsas (33) - Non-executive director, Greek

Mr Voutyritsas is a Partner at Kingdom Zephyr Africa Management, a pan African private equity company sponsored by Kingdom Holdings, the private investment vehicle of HRH Prince Alwaleed of Saudi Arabia, and Zephyr Management LP, a New York based asset manager. With Kingdom Zephyr's US \$600 million of committed capital as of February 2010, Mr Voutyritsas has completed a number of private equity investments in Africa since the company's inception in 2004.

Mr Voutyritsas joined Kingdom Zephyr in 2003 and is based in Johannesburg. Previously, he worked in investment banking and leveraged finance at Salomon Smith Barney in New York and was part of the founding team of Soros Real Estate Partners, Greece and South Eastern Europe. He has extensive experience in investment banking and private equity.

Mr Voutyritsas has a BSc in Operations Research & Industrial Engineering from Cornell University.

He has been on the Letshego board since January 2008 and is also a member of the Remuneration Committee and the Investment Committee.

4.5 PROPOSED NEW DIRECTORS

A brief CV of the proposed directors, as per Ordinary Resolution 3 is set out below:

Runa Alam (50) - Proposed non-executive director, USA

Ms Alam is a founding partner and the CEO of Development Partners International LLP, a leading pan-African private equity management firm based in London. Ms Alam has 25 years of investment banking, emerging market management and private equity experience and devoted her career to investing in emerging markets and helping to develop their economies. Prior to DPI, Ms Alam was Chief Executive Officer of Kingdom Zephyr Africa Management and a director of the AIG Infrastructure Fund, managed by Emerging Markets Partnership.

She holds a BA in International and Developmental Economics from the Woodrow Wilson School of Princeton University and an MBA from the Harvard Business School and was also a Harry S. Truman Congressional Scholar. She serves on the board of UBA bank and has previously served on the board of Letshego and Celtel, all leading African companies.

Idris Mohammed (39) - Proposed non-executive director, USA / Nigeria

Mr Mohammed is a partner at Development Partners International ("DPI"), a leading pan-African private equity management firm based in London. Mr Mohammed was previously a Vice President at WPA, Inc., the fund manager for Africa International Financial Holdings, a US\$100 million private equity fund focused on the financial services sector in Sub-Saharan Africa. Before that, Mr Mohammed was a Vice President in the Special Situations Group at Goldman Sachs where he focused on making principal investments in the energy, power and infrastructure sectors and helped build the group's project finance and renewable energy investment businesses.

Mr Mohammed began his financial career at Core States Financial Corp (now part of Wells Fargo) in the asset management business. He subsequently held positions in treasury and asset/liability management. Mr Mohammed is a Chartered Financial Analyst and holds a BSc in Industrial Engineering from Lehigh University and an MBA in Finance and Strategic Management from The Wharton School of the University of Pennsylvania.

4.6 DIRECTORS' REMUNERATION

The remuneration of the Directors will not be varied as a consequence of the entry by the Company into the Convertible Loan Note Subscription Agreement.

4.7 DIRECTORS' INTERESTS IN SECURITIES

Direct interests – number of ordinary shares held	31 January 2008	31 January 2009	31 July 2009
C M Lekaukau	483,000	483,000	483,000
J A Claassen	209,354	209,354	580,295
D Ndebele	121,081	121,081	280,977
Indirect interest – number of ordinary shares held			
D Ndebele	7,400	7,400	7,400

There have been no changes to the above direct or indirect shareholdings since 31 July 2009.

4.8 DIRECTORS' INTERESTS IN TRANSACTIONS

None of the Directors have any interest in the Convertible Loan Note Subscription Agreement entered into between the Company and ADP I or the Loan Notes issued pursuant thereto. The Directors have had no interest in any transactions with the Company over the course of the last financial year other than the sale of Letshego Guard (Pty) Limited and Letshego Guard Insurance Company Limited to Botswana Insurance Holdings Limited. Botswana Life Insurance Limited, a subsidiary of Botswana Insurance Holdings Limited also underwrite the credit life insurance for Letshego Financial Services (Pty) Limited, a subsidiary of Letshego Holdings Limited.

Botswana Insurance Holdings Limited has two representative directors on the Board of Directors of Letshego Holdings Limited. All directors declare their interests at each board meeting of the Company.

4.9 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are given on page 4 of this document collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no other facts the omission of which would make any statement false or misleading, that they have made all reasonable enquiries to ascertain such facts and that the Circular contains all information required by law.

4.10 MARKET VALUE OF THE SECURITIES

A table illustrating the market value of the Ordinary Shares of the Company is attached as Appendix I to this Circular. The table includes the aggregate volumes traded and the highest and lowest prices traded in those securities for each month over the twelve months prior to the date of issue of this Circular; for each quarter over the previous two years; and for each day over the 30 days preceding the last practicable date prior to the date of issue of this Circular.

4.11 MATERIAL LITIGATION

The Company has not been involved in any legal proceedings during the twelve months preceding the date of this Circular which may have or have had a material effect on the financial position of the Company nor, so far as the directors are aware, are any such proceedings pending or threatened against the Company.

4.12 FINANCIAL INFORMATION

Set out in Appendix II is the summarized reviewed financial information for the 6 month period ended 31 July 2009. The auditors' review report was without qualification or modification and is available for inspection at the registered office of the Company.

4.13 MATERIAL CHANGES

The following material changes have taken place in the Company's financial position since the publication of the Company's interim results for the period ended 31 July 2009.

The sale of 100% of the share capital of Letshego Guard (Pty) Limited and Letshego Guard Insurance Company Limited to Botswana Insurance Holdings Limited was completed on 31 January 2010. These subsidiaries were deconsolidated from this date.

Deregistration of Letshego Life Insurance Limited is underway. This is a dormant subsidiary of Letshego Holdings Limited.

On 1 August 2009, the company sold 15% of the issued share capital of Letshego Financial Services (Namibia) (Pty) Limited to Kumwe Investment Holdings Limited.

4.14 EFFECT ON NET ASSET VALUE PER SHARE IN THE EVENT OF CONVERSION IN TERMS OF THE CONVERTIBLE LOAN NOTE SUBSCRIPTION AGREEMENT

Table illustrating the effect on the net asset value per ordinary share on conversion assuming hypothetical conversion of all the Loan Notes into Conversion Shares as at 31 July 2009

Current number of Ordinary Shares in issue	182,475,236
Forecast value of the ADP I Convertible Loan as at 13 April 2012 (based on the rate of exchange USD to the BWP determined by the Bank of Botswana) being the last conversion date in terms of the loan agreement	P252,000,000
Total number of Ordinary Shares in issue after the hypothetical exercise of the option to convert as set out above at a price of BWP16 per share	198,225,236
Net asset value per issued Ordinary Share in the Company prior to the hypothetical conversion at 31 July 2009	P6.15
Net Asset Value per issued Ordinary Share in the Company after hypothetical conversion as at 31 July 2009.	P6.93

Assuming (i) the Convertible Loan Note Subscription Agreement is completed (ii) the interest periods (defined in the Convertible Loan Note Subscription Agreement) are 30 June and 31 December annually, and the Conversion Date defined in the Convertible Loan Note Subscription Agreement i.e. the date of conversion of the Loan Notes is 12 April 2013, then based on a exchange rate of BWP7.00 to USD1.00 in the event ADP I elects to convert the Loan Notes at any time before the 12 April 2013, at a price of BWP16.00 per share then the number of Ordinary Shares to be issued by the Company to ADP I at conversion would be 15,750,000 shares, or subject to the passing of the resolution for the subdivision, 157,500,000 New Letshego Shares.

Note – the above does not take into account any new shares that may be issued in terms of the existing Long Term Incentive Plan relating to the potential issuing of new shares to employees in terms of the plan approved by shareholders on 23 December 2004.

Note – exchange rate of BWP7.00 to USD1.00 used

Note – conversion price is before the proposed share split of 10 to 1

4.15 EXPLANATORY STATEMENT IN RESPECT OF THE COMPANY ENTERING INTO CONVERTIBLE LOAN NOTE SUBSCRIPTION AGREEMENT

A. REASONS FOR RAISING FUNDS

The business of the Group is the provision of unsecured loans to individuals in formal employment. Access to funding to on lend to customers is a critical aspect of the business. Traditionally, the Group has obtained funding from the commercial banks as well as reinvesting internally generated funds into the business. During March 2009, the Group raised BWP360,000,000 before expenses (BWP353,700,000 after expenses), from the issuing of 30 million new ordinary shares in Letshego. This funding was used to pay down certain of the Group's existing borrowings and to fund the ongoing and immediate expansion plans of the business.

4.15 EXPLANATORY STATEMENT IN RESPECT OF THE COMPANY ENTERING INTO CONVERTIBLE LOAN NOTE SUBSCRIPTION AGREEMENT (Continued)

B. REASONS FOR RAISING FUNDS BY WAY OF A CONVERTIBLE DEBT INSTRUMENT

The convertible Loan Note structure will allow the Group to introduce one new significant potential shareholder and the proceeds are expected to allow the Group to grow and develop on the African continent.

The global financial crisis has led to a loss of value for shareholders across various asset classes. In addition, there has been a loss of confidence in the global economy and in particular amongst lending institutions, due to the inability to ascertain the viability and liquidity of commercial and investment banks. This loss of confidence has led to a decrease in lending amongst, and between, banks and their customers. Comprehensive policy actions are being implemented to address the causes of the global financial stress and to support lending. However it will take time for these actions to take effect. As a result, financial conditions are likely to remain tight for a longer period and to be more impervious to policy measures than previously expected. This means that the availability of credit for both corporations and individuals will decrease making it more difficult for corporations to borrow to fund growth, capital expenditure and acquisitions.

Given the uncertainty around the funding environment, it is critical for the Company to closely manage its liquidity and funding risk. If the Company is to take full advantage of the growth opportunities it anticipates over the next few years, it will require additional funding. The convertible loan note facility being provided by ADP I will further ensure that the Company has adequate funding over the medium-term horizon.

The negotiations for this convertible loan note facility took place during September 2008 to October 2009 which coincided with the height of the global financial crisis and also coincided with the low point of the Letshego share price of between P9.90 and P12.00 during this period. A price of P16.00 was reached pursuant to these negotiations which was the price ADP I was prepared to accept in terms of the Convertible Loan Note Subscription Agreement. The conversion price negotiated with the other terms of the Convertible Loan Note Subscription Agreement is subject to shareholder approval.

C. USE OF THE PROCEEDS

The funding that will be available to the Group should the Convertible Loan Note Subscription Agreement be approved by shareholders, will allow the Group to:

- Repay certain existing short term loans;
- Address, in part, the maturity mismatch on the balance sheet;
- Have funding lines in place to continue to grow the Group over the next 12 to 18 months;
- Facilitate the Group obtaining a formal credit rating; and
- Allow the Group the opportunity to pursue initiatives to become a broader financial services organisation.

4.16 EXPLANATORY STATEMENT IN RESPECT OF THE CONVERTIBLE LOAN NOTE SUBSCRIPTION AGREEMENT WITH ADP I

A. ADP I

Development Partners International LLP (DPI or the Adviser and, together with its associates, the Manager) is an investment adviser founded in 2007 to make private equity investments in Africa. DPI is based in London. The founding partners of DPI have a significant breadth and range of experience in investing African and the team has over 50 years of African investment experience. DPI is owned entirely by its working partners.

DPI is the Adviser to African Development Partners I (ADP I or the Fund), a pan-African private equity fund. ADP I Holding 2 is an affiliate of ADP I.

The DPI management team is led by Mr Miles Morland, who has been investing in Africa for over 15 years and Ms Runa Alam, who has been investing in Africa for 10 years, and includes ten experienced private equity professionals mostly from Africa. The ADP I fund has €270.4 million under management from 26 investors comprising of "blue chip" U.S. and European institutional investors and family offices and five development finance institutions.

4.16 EXPLANATORY STATEMENT IN RESPECT OF THE CONVERTIBLE LOAN NOTE SUBSCRIPTION AGREEMENT WITH ADP I (Continued)

DPI is a value investor that seeks to find value in fast-growing companies. The DPI partners' experience and investment philosophy lead them to look for opportunities with three distinctive characteristics:

1. Strong growth;
2. Strong management teams;
3. Operating in a growing industry segment, particularly one which benefits from the emerging middle class in Africa.

B. SALIENT TERMS OF THE CONVERTIBLE LOAN NOTE SUBSCRIPTION AGREEMENT

The Convertible Loan Note Subscription Agreement has been entered into by Letshego and ADP I, in terms of which ADP I subscribes for Loan Notes in Letshego up to an aggregate amount equal to USD36,000,000 in BWP equivalent from the date of first subscription.

In terms of the Convertible Loan Note Subscription Agreement, ADP I shall subscribe for the Loan Notes subject to certain conditions precedent being amongst others that on both the date when the subscription for a Loan Note is requested and on subscription of the Loan Note the repeating representations are correct in all material respects; and no default is continuing or would result from the subscription for that Loan Note and, in relation to the initial subscription; that ADP I has notified the Company that it has received certain documents and evidence including (i) corporate authorizations including approval by shareholders at a general meeting on 12 April 2010 (ii) legal opinions from the legal advisers of the ADP I, to ADP I, on the validity and enforceability of the finance documents under English Law and Botswana Law (iii) approval of the investment committee and the board of directors of ADP I (iv) all know your customer or similar procedures required by ADP I are completed (v) regulatory approvals and filings from the Non-Bank Financial Institutions Regulatory Authority and/or the BSE (vi) all relevant registrations with the Registrar of Companies (vii) directors nominated by ADP I are appointed to the board by Letshego subject to shareholder approval at the EGM and (v) other documents and evidence required by ADP I.

If ADP I is satisfied that all the above conditions have been met, then ADP I shall subscribe for a Loan Note by paying the Company an amount equal to Botswana Pula Equivalent of a minimum of US\$15,000,000 (or such higher amount as ADP I may agree) on initial subscription. The Company may then request the subscription for further Loan Notes by delivering to the ADP I a duly completed request in the form as required by the Convertible Loan Note Subscription Agreement.

The proceeds of the issue of the Loan Notes may only be used towards the refinancing of certain existing financial indebtedness of the Group, to finance the general working capital requirements of the Group (including by way of intra-group loans to subsidiaries of the Company for the purpose of financing the working capital requirements of those subsidiaries) and to finance the establishment of new businesses and the acquisition of target businesses in the consumer lending industry and ancillary businesses.

The Convertible Loan Note Subscription Agreement provides that the rate of interest on Loan Notes is the percentage rate per annum equal to the fixed interest rate of 10%. The interest is payable semi annually on each 30 June and 31 December dates respectively; commencing on (and including) the date of subscription for a Loan Note (in respect of the first interest period) or commencing on (but excluding) the last day of its preceding interest period; and ending on the next interest payment date. The Company must pay all accrued interest on each Loan Note on each interest payment date. If the Company fails to pay any amount payable under the agreement, it must immediately on demand by ADP I, pay interest on the overdue amount from its due date up to the date of actual payment at a rate equal to two per cent per annum above the fixed rate, with payments being made on each interest payment date. Interest (if unpaid) on overdue amounts will be compounded with that overdue amount on each interest payment date but will remain immediately due and payable.

4.16 EXPLANATORY STATEMENT IN RESPECT OF THE CONVERTIBLE LOAN NOTE SUBSCRIPTION AGREEMENT WITH ADP I (Continued)

The Company must redeem all Loan Notes made to it under the Convertible Loan Note Subscription Agreement in full, by way of a single repayment to ADP I on the date falling six years after the initial subscription (the "Final Maturity Date"). No amount of any Loan Note redeemed may be re-borrowed.

The Company may be obliged to redeem the Loan Notes prior to the Final Maturity Date if: (i) it becomes unlawful in any applicable jurisdiction for ADP I to maintain the commitment to fund or maintain any Loan Note or hold any Conversion Shares, in which case ADP I shall notify Letshego and the commitment will be immediately cancelled and the Loan Notes will become immediately redeemable on the next interest payment date or the date specified by ADP I; (ii) the Company fails to implement and complete the conversion of the Loan Notes outstanding in accordance with the requirements of the Convertible Loan Note Subscription Agreement in which case ADP I shall be entitled to cancel the commitment and require redemption of some or all of the Loan Notes; or (iii) upon a voluntary redemption at any time falling three years after the initial subscription by the Company giving notice of its intention to do so, and no default continuing on the intended redemption date. Any unutilised part of the commitment will be automatically cancelled 18 months after the initial subscription. If the Company voluntarily redeems a Loan Note prior to the Final Maturity Date or the Company voluntarily redeems a Loan Note prior to the Final Maturity Date the Company shall pay a redemption premium which is calculated to compensate ADP I for the loss of economic benefit under the transactions contemplated by the Conversion Loan Note Subscription Agreement. Further, if the Company fails to convert the Loan Notes into Conversion Shares upon an exercise of the right to convert and is thus requested to redeem the relevant Loan Notes by ADP I, the Company shall pay a redemption premium calculated to provide ADP I with the economic benefit it would have gained had it received the Conversion Shares.

Further, the Company may be obliged to redeem the Loan Notes prior to the Final Maturity Date upon the occurrence of certain specified events of default, including but not limited to non-payment of amounts due to ADP I, misrepresentation, breach and insolvency. The obligations of the Company to redeem the Loan Notes are subject to the rights of ADP I to convert the Loan Notes to Conversion Shares. The Company grants to ADP I the irrevocable right and option to require that the Company discharges all amounts owing to ADP I, including all outstanding Loan Notes, accrued interest and any other amounts owing under the Convertible Loan Note Subscription Agreement, by way of a conversion of such amounts into Conversion Shares.

For the avoidance of doubt, the rights of ADP I may be exercised once only. ADP I may exercise its rights at anytime within the conversion period (which is the period from the date of the initial subscription by ADP I to a Loan Note to the date falling three years thereafter), by giving 14 days' notice of a conversion ("Conversion Notice") to the Company.

If ADP I issues a notice to convert, the Company must convert the Loan Note outstandings (which includes accrued interest and all other amounts owing under the Convertible Loan Note Subscription Agreement) (as at the date of the Conversion Notice) to Conversion Shares on the date of the conversion (Conversion Date) (or on such other date as the Lender and the Company may agree).

The conversion shall be implemented as follows:

- i) the Company shall be obliged to redeem the Loan Notes on the Conversion Date in an amount equal to the conversion amount set out in the Conversion Notice (which will equal all amounts outstanding);
- ii) the Company shall allot and issue to ADP I (or any person nominated by ADP I) the number of Conversion Shares set out in the Conversion Notice.

4.16 EXPLANATORY STATEMENT IN RESPECT OF THE CONVERTIBLE LOAN NOTE SUBSCRIPTION AGREEMENT WITH ADP I (Continued)

- iii) the Company must promptly make such entries in its register of members, as are required to reflect ADP I (or its nominee) as the registered holder of the Conversion Shares, and must execute such documents as may be required in connection with the allotment and issue of the Conversion Shares; and
- iv) the Company must procure that the directors, other officers of the Company take such steps and execute such documents as may be required in connection with the allotment and issue of the Conversion Shares.

On the express condition that the Company has irrevocably and unconditionally repaid the Loan Note outstandings to the full extent of the conversion amount as stated in the Conversion Notice (or has tendered to do so), ADP I shall subscribe for the number of Conversion Shares set out in the Conversion Notice, at their conversion issue price on the Conversion Date.

The obligation of the Company to repay the Loan Note outstandings and that of ADP I to subscribe for and pay to the Company the conversion issue price, may be discharged, by way of set-off and without physical cash flow.

No Loan Note shall have been redeemed until such time that ADP I (or its nominee) has been registered in the register of members of the Company and has received share certificates representing the Conversion Shares that have been allotted and issued to it. To the extent the conversion does not occur on the relevant Conversion Date, and ADP I has not exercised its rights to require redemption of the Loan Notes (in accordance with the rights upon failure to convert as noted above), the Conversion Amount shall be adjusted to allow for the accrual of additional interest on the Loan Notes prior to the actual date of conversion.

Each Conversion Share issued to ADP I (or its nominee); (i) shall be credited as fully paid-up; (ii) shall be issued free from any security interests or any other interests in favour of another person; (iii) shall rank at least pari passu in all respects with all other ordinary shares issued by the Company from time to time; and (iv) shall afford to the holder thereof the right to receive dividends and participate in the assets of the Company on a winding-up in accordance with the constitution of the Company.

The Company is obliged to take all necessary steps to ensure that all Conversion Shares, upon their allotment and issue to ADP I (or its nominee, as applicable) under the agreement are promptly listed on the Botswana Stock Exchange, the stock exchange operated by the JSE Limited (Johannesburg) or on any other recognised stock exchange on which the shares of the Company may be traded from time to time.

If ADP I exercises its rights to convert the Loan Notes outstandings to Conversion Shares, and the Company fails to implement and complete the conversion in full on the Conversion Date, ADP I shall be entitled (but not obliged), by notice to the Company, to cancel the commitments and declare all or any part of the Loan Notes to be immediately redeemable.

On receipt of such a notice the commitment shall be cancelled immediately and the Company shall redeem all Loan Notes and repay all other outstanding amounts to ADP I on the earlier of the last day of the current interest period of the Loan Notes; and the date specified by ADP I in its notification.

C. SALIENT TERMS OF ANY ASSOCIATED AGREEMENTS

There are no associated agreements.

4.16 EXPLANATORY STATEMENT IN RESPECT OF THE CONVERTIBLE LOAN NOTE SUBSCRIPTION AGREEMENT WITH ADP I (Continued)

D. CONVERSION PRICE

The conversion price to be used to calculate the number of Conversion Shares to be issued upon conversion of the Loan Notes is BWP16.00 per share (or subject to approval of the resolution for the subdivision of shares at BWP1.60 per share).

The number of Conversion Shares which the Company must allot and issue to ADP I (or its nominee) if ADP I exercises its rights shall be calculated in accordance with the following formula:

$$CS_n = CA + CP$$

where:

CS_n = the number of Conversion Shares to be allotted and issued pursuant to a conversion (with any fraction rounded up to the nearest whole conversion share);

CA = the applicable conversion amount (as specified in the relevant Conversion Notice); and

CP = a conversion price per Conversion Share equal to BWP16.00 (or BWP1.60 if the subdivision of shares is approved) (the Conversion Price).

If, during the conversion period and before the date of a conversion, any of the following occurs in respect of the Company ("Dilution Event"):

- i) a sub-division or consolidation of shares in the capital of the Company;
- ii) a distribution in specie to the holders of shares in the capital of the Company;
- iii) any change into a different number or class of shares in the capital of the Company which arises as a result of any reclassification, recapitalization, split, combination, consolidation, exchange or other adjustment in respect of the shares in the capital of the Company; or
- iv) any event similar to or with an effect equivalent to those described in Clauses (i) to (iii) above, then, upon a conversion the Conversion Price shall be adjusted so that the number of Conversion Shares to be allotted and issued to ADP I as a result of the conversion shall be the number required to ensure that it receives the same aggregate percentage of the shares in the capital of the Company which it would have received if the conversion occurred immediately prior to the Dilution Event. In the event that ADP I and the Company can not agree on such adjustment to the Conversion Price, this will be determined by an independent expert, being one of PricewaterhouseCoopers, Ernst & Young, KPMG or Deloitte & Touche.

E. ISSUE OF SHARES ON CONVERSION – SPECIFIC ISSUE FOR CASH

15,750,000 new shares would be issued to ADP I on conversion of the Loan Notes (based on an exchange rate of BWP7.00 to USD1.00) The final number of shares will depend on the actual exchange rates in place on the date of subscription for the Loan Notes.

This would be equal to 8% of the new issued share capital of the Company (i.e 198,225,236 ordinary shares) should all of the Loan Notes be converted to Ordinary Shares, or New Letshego Shares as the case may be. Under the BSE Listings Requirements ADP I would be considered a non-public shareholder as it has the right to nominate two directors to the Board of the Company subject to approval by shareholders at the EGM.

4.16 EXPLANATORY STATEMENT IN RESPECT OF THE CONVERTIBLE LOAN NOTE SUBSCRIPTION AGREEMENT WITH ADP I (Continued)

The Convertible Loan Subscription Agreement with ADP I is conditional upon shareholder approval of the issue of shares to ADP I in the event of conversion as envisaged under the terms of the Convertible Loan Note Subscription Agreement explained above.

In terms of the Listings Requirements, the issue of shares to ADP I in terms of a Convertible Loan Note Subscription Agreement is an issue of shares by the Company for the extinction of a liability (the Loan Notes) and is deemed a "Specific Issue for Cash". The Listings Requirements require Shareholders to approve the specific issue of shares to ADP I under the terms of the Convertible Loan Note Subscription Agreement, and in giving such approval by way of Special Resolution at the EGM, Shareholders' waive their respective pre-emptive rights to the issue. The full text of the Special Resolutions that Shareholders will be asked to consider and vote on at the EGM is to be found in the Notice calling the EGM that is attached to this Circular.

F. DIRECTORS' RECOMMENDATION

The Directors of Letshego recommend that Shareholders vote in favour of the Special Resolutions to approve the specific issue of shares for cash to ADP I.

The Directors believe that the introduction of ADP I as a potential shareholder is in the best interests of all shareholders and will allow the group to have access to funding and benefit from ADP I's relationships with a wide network of organizations.

4.17 TAKEOVER BID

The Directors are not aware of any announced or expected takeover bid as regards the Company.

4.18 SUB-DIVISION OF SHARES

Introduction

The strong financial performance of Letshego has led to an increase in the demand for its ordinary shares without a concomitant increase in supply with the result that the price of the ordinary shares quoted on the BSE has increased significantly. The ordinary shares have thus become too costly for acquisition by smaller investors resulting in reduced liquidity and tradability of Letshego's shares.

Rationale

The Directors of Letshego have proposed the ten-for-one sub-division of Letshego's shares in order to:

- facilitate the acquisition of shares in Letshego by smaller investors;
- promote transferability and liquidity of Letshego's shares on the BSE; and
- encourage a greater spread of investors.

It is proposed that the sub-division be implemented through the procedures set out in this circular.

Approval

The sub-division is subject to the approval of the requisite majority of shareholders present in person or by proxy voting in favour of the relevant Special Resolution proposed for the implementation of the sub-division at the EGM.

Last day to trade and record date

The last date to trade and record date is Friday 16th April 2010.

4.18 SUB-DIVISION OF SHARES (Continued)

Sub-division

Subject to the passing of the Special Resolution approving the sub-division:

- each old share will be replaced by ten New Letshego Shares;
- as of close of business on Friday 16th April share certificates in respect of old shares will cease to have any value and cease to be good delivery on the BSE; and
- as of commencement business on Monday 19th April 2010 only share certificates in respect of New Letshego Shares will have value and be good delivery on the BSE.

Share Certificates

New share certificates will be posted by ordinary mail on or before 23rd April 2010. Those who want to collect their certificates can do so from 21st April 2010 on submission of a written request received no later than 19th April 2010.

Effects on capital

The table below shows the effect of the sub-division on Letshego's stated capital at the last Practicable Date:

	Before the sub-division (Pula)	After the sub-division (Pula)
Stated Capital	396,019,000	396,019,000
Letshego old shares	182,475,236	
Letshego new shares		1,824,752,360

Financial effects of the sub-division

The sub-division will result in the number of shares in the stated capital of Letshego being increased by a factor of ten. Consequently the effect of the sub-division on earnings per share and net asset value of Letshego would have been as follows:

	Before the sub-division (Pula)	After the sub-division (Pula)
Earnings per share-weighted*	90.8 thebe	9.1 thebe
Earnings per share-diluted*	88.3 thebe	8.8 thebe
Net asset value per share*	P6.15	P0.62

Notes:

- * Earnings per share computed on an annualized profit basis, based on the reviewed group results of Letshego for the six months ended 31 July 2009.
- * Net asset value per share based on the unaudited group results of Letshego for the six months ended 31 July 2009.
- * For a fuller appreciation of the financial effects of the sub-division, shareholders are referred to the unaudited group results of Letshego for the six months ended 31 July 2009 as published in the press on 16 October 2009 and available on Letshego's website www.letshego.com.

4.18 SUB-DIVISION OF SHARES (Continued)

Application for amendment of listing

An application has been made to the Listings Committee of the BSE for amendment of the Companies shares in terms of clause 11.33 of the Listing Requirements.

Announcement

The results of the General Meeting will be published in the press on Friday 16 April 2010 and in a circular which will be posted to shareholders on Friday 16 April 2010.

4.19 DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at Plot 50371, Fairground Office Park, Gaborone, Botswana, during office hours, Monday to Friday, from the date of issue hereof of this circular, until the day preceding the Extraordinary General Meeting:

- (i) The Constitution of the Company;
- (ii) The Annual Financial Statements of the Company for the past five (5) years; and
- (iii) The Convertible Loan Note Subscription Agreement between the Company and ADP I.

4.20 VOTING

A notice convening an EGM is sent simultaneously as part of the Circular. The possible issue of conversion shares in pursuant of the Convertible Loan Note Subscription Agreement constitutes a Specific Issues for Cash by the Company, and each Specific Issue for Cash is required to be approved by Shareholders by way of Special Resolution. This means that at least 75% of the votes of all eligible shareholders present or represented by proxy at the general meeting must be in favor of the resolution.

The Listing Requirements prohibit (i) controlling shareholders, their associates or parties acting in connection with and (ii) any shareholder participating in the issue who is a non public shareholder from voting on a resolution of this nature.

Date 19 March 2010



.....
C M Lekaukau
Chairman



.....
J A Claassen
Managing Director

APENDIX 1

1. TABLE OF AGGREGATE VOLUMES FOR EACH QUARTER TRADED OVER THE LAST TWO YEARS

2008	AGGREGATE VOLUME TRADED	LOWEST PRICE	HIGHEST PRICE
JAN - MARCH 2008	2,091,413	1455	1480
APRIL - JUNE 2008	969,565	1450	1470
JULY - SEPT 2008	1,611,184	1450	1530
OCT - DEC 2008	1,806,249	1275	1580
2009	AGGREGATE VOLUME TRADED	LOWEST PRICE	HIGHEST PRICE
JAN - MARCH 2009	10,639,584	990	1190
APRIL - JUNE 2009	382,883	990	1010
JULY - SEP 2009	7,109,065	1020	1250
OCT - DEC 2009	516,522	1275	1600
2010	AGGREGATE VOLUME TRADED	LOWEST PRICE	HIGHEST PRICE
JAN - MARCH 2010	6,497,105	1550	1652

2. TABLE OF AGGREGATE VOLUMES TRADED OVER LAST TWELVE MONTHS

MONTH 2008/9/10	AGGREGATE VOLUME TRADED	LOWEST PRICE	HIGHEST PRICE
DECEMBER 2008	2,488	1275	1500
JANUARY 2009	6,771,165	1045	1190
FEBRUARY 2009	2,976,878	1045	1045
MARCH 2009	891,541	990	1040
APRIL 2009	159,390	990	1000
MAY 2009	180,077	990	990
JUNE 2009	43,416	990	1010
JULY 2009	5,409,531	1010	1020
AUGUST 2009	154,418	1020	1020
SEPTEMBER 2009	1,545,116	1020	1250
OCTOBER 2009	117,165	1275	1370
NOVEMBER 2009	160,152	1370	1600
DECEMBER 2009	239,205	1550	1550
JANUARY 2010	1,000,386	1550	1600
FEBRUARY 2010	5,465,567	1650	1652

APENDIX 1 (Continued)

3. TABLE OF AGGREGATE VOLUMES TRADED OVER THE LAST 30 DAYS PRECEEDING THE LAST PRACTICABLE DATE PRIOR TO THE DATE OF ISSUE OF THE CIRCULAR

DATE	AGGREGATE VOLUME TRADED	LOWEST PRICE	HIGHEST PRICE
Wednesday 10th March 2010	1,100	1620	1620
Tuesday 9th March 2010	0	1630	1630
Monday 8th March 2010	0	1630	1630
Friday 5th March 2010	1,021	1630	1630
Thursday 4th March 2010	9,500	1630	1630
Wednesday 3rd March 2010	877	1640	1640
Tuesday 2nd March 2010	0	1645	1645
Monday 1st March 2010	0	1645	1645
Friday 26th February 2010	0	1645	1645
Thursday 25th February 2010	5,116	1645	1645
Wednesday 24th February 2010	0	1650	1650
Tuesday 23rd February 2010	0	1650	1650
Monday 22nd February 2010	7,200	1650	1650
Friday 19th February 2010	2 008	1650	1650
Thursday 18th February 2010	431	1650	1650
Wednesday 17th February 2010	7,300	1650	1650
Tuesday 16th February 2010	5,401,580	1650	1650
Monday 15th February 2010	5,523	1652	1652
Friday 12th February 2010	0	1651	1651
Thursday 11th February 2010	0	1651	1651
Wednesday 10th February 2010	0	1651	1651
Tuesday 9th February 2010	0	1650	1650
Monday 8th February 2010	0	1650	1650
Friday 5th February 2010	0	1650	1650
Thursday 4th February 2010	560	1650	1650
Wednesday 3rd February 2010	0	1650	1650
Tuesday 2nd February 2010	48,265	1650	1650
Monday 1st February 2010	0	1650	1650
Friday 29th January 2010	0	1600	1600
Thursday 28th January 2010	0	1600	1600

The conversion price of P16.00 represents a discount of 2.7% to the weighted average trading price of the securities of the Company over the 30 days to the last practicable date.

4. TABLE OF AGGREGATE VOLUMES TRADED OVER THE LAST 30 DAYS PRECEEDING THE FINALISATION OF THE CONVERSION PRICE

DATE	AGGREGATE VOLUME TRADED	LOWEST PRICE	HIGHEST PRICE
Monday 16th November 2009	4,580	1450	1450
Friday 13th November 2009	387	1420	1420
Thursday 12th November 2009	15,639	1420	1420
Wednesday 11th November 2009	608	1410	1410
Tuesday 10th November 2009	0	1400	1400
Monday 9th November 2009	0	1400	1400
Friday 6th November 2009	1,000	1400	1400
Thursday 5th November 2009	1,600	1390	1390
Wednesday 4th November 2009	46,217	1390	1390
Tuesday 3rd November 2009	1000	1370	1370
Monday 2nd November 2009	0	1370	1370
Friday 30 th October 2009	600	1370	1370
Thursday 29th October 2009	10,495	1370	1370
Wednesday 28th October 2009	3,344	1365	1365
Tuesday 27th October 2009	1,059	1365	1365
Monday 26th October 2009	0	1350	1350
Friday 23rd October 2009	0	1350	1350
Thursday 22nd October 2009	0	1350	1350
Wednesday 21st October 2009	0	1350	1350
Tuesday 20th October 2009	17,297	1350	1350
Monday 19th October 2009	468	1325	1325
Friday 16th October 2009	0	1325	1325
Thursday 15th October 2009	0	1325	1325
Wednesday 14th October 2009	8,019	1325	1325
Tuesday 13th October 2009	0	1310	1310
Monday 12th October 2009	400	1310	1310
Friday 9th October 2009	778	1300	1300
Thursday 8th october 2009	54,057	1300	1300
Wednesday 7th October 2009	13,147	1275	1275
Tuesday 6th October 2009	100	1275	1275

The conversion price of P16.00 represents a premium of 15.2% to the weighted average trading price of the securities of the Company over the 30 days prior to the conversion price being finalized on 16 November 2009.

APENDIX II - Financial Information

This represents an extract from the Group Interim Financial Statements for the 6 month period ended 31 July 2009 where the complete accounting policies and notes to the financial statements can be found.

APPENDIX II

REVIEWED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 31 JULY 2009

ABRIDGED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME	6 months ended 31 July 2009 (reviewed) P'000	6 months ended 31 July 2008 (reviewed) P'000	Change %	12 months ended 31 January 2009 (audited) P'000
Interest income	277 400	167 365	66	398 311
Interest expense	(25 343)	(26 537)	(4)	(72 196)
Net interest income	252 057	140 828	79	326 115
Fee and commission income	57 061	39 210	46	87 827
Other operating income	2 572	2 233		4 621
Operating income	311 690	182 271	71	418 563
Operating expenses				
Staff costs	(44 856)	(23 771)	89	(54 522)
Other operating costs	(35 724)	(21 080)	69	(45 930)
Operating income before impairment	231 110	137 420	68	318 111
Impairment on advances to customers	(18 815)	(8 551)	120	(29 421)
Profit before taxation	212 295	128 869	65	288 690
Income taxation expense	(52 470)	(31 872)	65	(69 626)
Profit for the period	159 825	96 997	65	219 064
Other comprehensive income				
Foreign currency translation differences for foreign operations	(12 876)	(1 214)		6 168
Total comprehensive income for the period	146 949	95 783	53	225 232
Profit attributable to :				
Equity holders of the parent company	156 257	95 685		216 057
Minority interest	3 568	1 312		3 007
Profit for the period	159 825	96 997	65	219 064
Total comprehensive income for the period attributable to :				
Equity holders of the parent company	145 304	94 637		221 945
Minority interest	1 645	1 146		3 287
Total comprehensive income for the period	146 949	95 783	53	225 232

APENDIX II - Financial Information (Continued)

STATEMENT OF FINANCIAL POSITION

	At 31 July 2009 (reviewed) P'000	At 31 July 2008 (reviewed) P'000	Change %	At 31 January 2009 (audited) P'000
ASSETS				
Cash and cash equivalents	105 395	3 657		5 165
Advances to customers	1 532 032	1 032 861	48	1 342 557
Other receivables	15 441	3 757		8 453
Property, plant and equipment	7 292	4 243		7 152
Intangible assets	562	589		596
Goodwill	25 760	-		25 760
Deferred taxation	11 514	6 477		11 338
Total assets	1 697 996	1 051 584	61	1 401 021
Liabilities				
Trade and other payables	91 046	47 466		80 114
Income taxation	20 908	11 257		5 042
Borrowings	456 774	454 843		644 385
Total liabilities	568 728	513 566		729 541
SHAREHOLDERS' EQUITY				
Stated capital	396 019	35 092		35 092
Foreign currency translation reserve	(6 514)	(2 497)		4 439
Shared based payments reserve	15 234	6 575		10 588
Retained income	718 471	496 576	45	616 948
Total equity attributable to equity holders	1 123 210	535 746	45	667 067
Minority interest	6 058	2 272		4 413
Total liabilities and equity	1 697 996	1 051 584	61	1 401 021

APENDIX II - Financial Information (Continued)

STATEMENT OF CASH FLOWS	6 months ended 31 July 2009 (reviewed) P'000	6 months ended 31 July 2008 (reviewed) P'000	12 months ended 31 January 2009 (audited) P'000
Operating activities			
Profit before taxation	212 295	128 869	288 690
Add : Amortization and depreciation	1 905	1 512	3 262
: Impairment of advances	5 596	3 707	9 752
: Profit on disposal of property, plant and equipment	(3)	-	-
: Long term incentive plan	11 863	2 652	6 665
Movement in working capital and other adjustments	(205 928)	(235 193)	(494 414)
Cash generated from / (used in) operations	25 728	(98 453)	(186 045)
Taxation paid	(40 413)	(34 490)	(77 400)
Net cash used in operating activities	(14 685)	(132 943)	(263 445)
Investing activities			
Net cash used in investing activities - capital expenditure and acquisitions	(2 236)	(1 001)	(37 624)
Financing activities			
Dividends paid (net of withholding taxation)	(48 949)	(19 718)	(19 718)
Gross repayments made on borrowings	(196 365)	(82)	(10 061)
Gross receipts from borrowings	8 755	148 200	326 812
Net cash raised from 'Offer for Subscription' during March 2009	353 710	-	-
Net cash from financing activities	117 151	128 400	297 033
Net movement in cash and cash equivalents	100 230	(5 544)	(4 036)
Cash and cash equivalent at the beginning of the period	5 165	9 201	9 201
Cash and cash equivalent at the end of the period	105 395	3 657	5 165

APENDIX II - Financial Information (Continued)

STATEMENT OF CHANGES IN EQUITY	Stated capital P'000	Retained earnings P'000	Shared based payments reserve P'000	Foreign exchange translation reserve P'000	Minority interest P'000	Total P'000
Balance at 1 February 2008	35 092	422 107	3 923	(1 449)	1 594	461 267
Total comprehensive income for the period	-	95 685	-	(1 048)	1 146	95 783
Dividends paid to minority shareholders	-	-	-	-	(468)	(468)
Allocation to long term incentive plan	-	-	2 652	-	-	2 652
Dividends declared and paid: Final (2008)	-	(21 216)	-	-	-	(21 216)
Balance at 31 July 2008	35 092	496 576	6 575	(2 497)	2 272	538 018
Balance at 1 August 2008	35 092	496 576	6 575	(2 497)	2 272	538 018
Total comprehensive income for the period	-	120 372	-	6 936	2 141	129 449
Allocation to long term incentive plan	-	-	4 013	-	-	4 013
Balance at 31 January 2009	35 092	616 948	10 588	4 439	4 413	671 480
Balance at 1 February 2009	35 092	616 948	10 588	4 439	4 413	671 480
Total comprehensive income for the period	-	156 257	-	(10 953)	1 645	146 949
Additional shares issued (net of expenses)	353 710	-	-	-	-	353 710
New shares issued from long term incentive plan	7 217	-	(7 217)	-	-	-
Allocation to long term incentive plan	-	-	11 863	-	-	11 863
Dividends declared and paid: Final (2009)	-	(54 734)	-	-	-	(54 734)
Balance at 31 July 2009	396 019	718 471	15 234	(6 514)	6 058	1 129 268



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The Directors
Letshego Holdings Limited
Shri Ram House, Queens Road
Main Mall
Gaborone

10 March 2010

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION REPORTED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Introduction

At your request and for the purposes of the circular to Letshego Holdings Limited ("Letshego") shareholders, to be dated on or about 19 March 2010, we present our report on the historical financial information contained within the circular, relating to

- the issuance of the Loan Notes in accordance with the Convertible Loan Note Subscription Agreement and the issue of Ordinary Shares or New Letshego Shares, as applicable, in Letshego to ADP I in the event of conversion under the terms of the Convertible Loan Note Subscription Agreement, which issues shall each constitute a Specific Issue for Cash by Letshego; and
- the sub-division of the Ordinary Shares of Letshego in the ratio of ten new Letshego Shares for every old share held.

This report has been prepared in terms of the Companies Act (No. 32 of 2004), 2003 of Botswana and Paragraph 7.E.1 of the Botswana Stock Exchange Listings Requirements.

Responsibility

The compilation, contents and presentation of the circular are the responsibility of the directors of Letshego. Our responsibility is to express an opinion on the historical financial information included in this circular.

Scope

We audited the financial information of Letshego for the year ended 31 January 2009 and reviewed the interim financial information for the six-month periods ended 31 July 2009 and 31 July 2008.

Basis for opinions

Audit opinions

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements relating to the year ended 31 January 2009 are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Review opinion

We conducted our reviews in accordance with the International Standards on Review Engagements 2410 applicable to the review of interim historical financial information. This standard requires that we plan and perform the review to obtain moderate assurance that the interim historical financial information for the six months ended 31 July 2009 and six months ended 31 July 2008, presented in terms of International Financial Reporting Standards, are free of material misstatement. A review is limited primarily to enquiries of company personnel and analytical procedures applied to financial data and this provides less assurance than an audit. We have not performed an audit of this historical financial information as at 31 July 2009 and as at 31 July 2008 and, accordingly, we do not express an audit opinion thereon.

Opinions

Audit opinion

In our opinion, the historical financial information of Letshego for the year ended 31 January 2009 fairly presents, in all material respects, the financial position at that date, and the results of the operations and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Review opinion

Based on our review, nothing has come to our attention that causes us to believe that the historical financial information of Letshego for the six months ended 31 July 2009 and six months ended 31 July 2008 are not fairly presented, in all material respects, in accordance with International Financial Reporting Standards.

Consent

We consent to the inclusion of this report, which will form part of the circular to shareholders of Letshego, to be issued on or about 19 March 2010, and the reference to our opinion in the circular, in the form and context in which it appears.

Yours faithfully

A handwritten signature in black ink, appearing to read 'gdl', with a horizontal line underneath.

Gerard Devlin
Senior Partner



Incorporated in the Republic of Botswana
Registration Number: Co. 98/442
Date of Incorporation: 4 March 1998
ISIN: BW 000 000 0322

NOTICE OF AN EXTRAORDINARY GENERAL MEETING (EGM) OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of shareholders of Letshego will be held at 16h30 on the 12 April 2010 at the Gaborone Sun Hotel to consider and if thought fit, to adopt, with or without amendment, the following Resolutions:

Special Resolution 1

that the Shareholders waive their respective preemptive rights in respect of such number of ordinary shares in the capital of the Company which will be required to be issued to ADP I pursuant to the terms of the Convertible Loan Note Subscription Agreement, in the event that ADP I exercises its rights to convert all of the Loan Notes to ordinary shares in the capital of the Company, and that the Directors be and are hereby authorized to issue such ordinary shares to the ADP I pursuant to the terms of the Convertible Loan Note Subscription Agreement.

Special Resolution 2

Resolved that each ordinary share in the stated capital of Letshego be sub-divided by a factor of 10 shares for each share in issue with immediate effect resulting in the stated capital of the Company comprising of 1,824,752,360 shares instead of 182,475,236 shares.

Ordinary Resolution 1:

that the Company enter into the Convertible Loan Note Subscription Agreement and all transactions contemplated therein with ADP, I substantially in accordance with the salient terms of the Convertible Loan Note Subscription Agreement set out in the circular to which this Notice is attached and to authorize one of the Directors to execute the Convertible Loan Note Subscription Agreement for and on behalf of the Company.

Ordinary Resolution 2

Resolved that the Directors be and hereby authorized to take such steps and sign all such other documents as are necessary to give effect to the special resolution passed at this meeting in particular to authorize the Company Secretary to issue share certificates in respect of subdivided shares upon cancellation of the share certificates in respect of the old shares.

That to the extent that a person who is authorized to execute the Convertible Loan Note Subscription Agreement or a related document on behalf of the Company under the above resolution has done so before the date of this meeting and the passing of the above resolutions, his or her actions in this regard be and are hereby ratified to the fullest extent permitted by law.

Ordinary Resolution 3

Resolved that Ms Runa Alam and Mr Idris Mohammed be appointed as directors of the Company with effect from the date of initial subscription in a Loan Note in accordance with the Convertible Loan Note Subscription Agreement.

VOTING AND PROXIES

All shareholders entitled to vote will be entitled to attend and vote at the EGM.

A shareholder who is present in person, by authorized representative or by proxy shall have one vote on a show of hands and have one vote for every ordinary share held on a poll.

Each shareholder entitled to attend and vote at the EGM is entitled to appoint one or more proxies (none of whom need to be a shareholder of Letshego) to attend, speak and subject to the Constitution of Letshego, vote in his /her/its stead.

The form of proxy for the EGM, which sets out the relevant instructions for its completion, is attached to this Circular.

In order to be effective, a duly completed form of proxy must be received at the Transfer Secretaries, by not later than 16h30 Thursday 8 April 2010.

Letshego Holdings Limited
("Letshego" or "the Company")



Incorporated in the Republic of Botswana
Registration Number: Co. 98/442
Date of Incorporation: 4 March 1998
ISIN: BW 000 000 0322

FORM OF PROXY

For use at the Extraordinary General Meeting of the Shareholders of Letshego to be held on Monday 16h30 on the 12 April 2010, at the Gaborone Sun Hotel, Gaborone, Botswana.

PLEASE READ THE NOTES BELOW BEFORE COMPLETING THIS FORM

I/We _____
(NAME (S) IN BLOCK LETTERS)

being the holder of _____ Ordinary Shares in Letshego do hereby appoint (see Note 1):

1. _____ or failing him/her;
2. _____ or failing him/her;
3. the Chairman of the Extraordinary General Meeting

as my/our proxy to act for me/us at the extraordinary general meeting, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment thereof, and to vote for and/or against the resolutions and/or abstain from voting in respect of the ordinary shares registered in my /our name/s in accordance with the following instructions:

	Number of ordinary shares		
	For	Against	Abstain
Special Resolution 1			
Special Resolution 2			
Ordinary Resolution 1			
Ordinary Resolution 2			
Ordinary Resolution 3			

SIGNED AT _____ ON _____ 2010

SIGNATURE _____

ASSISTED BY (where applicable) _____

Each ordinary shareholder is entitled to appoint one or more proxies (who need not be a member of the Company) to attend, speak and vote in place of that ordinary shareholder at the EGM.

1. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space provided, with or without deleting "the Chairman of the Extraordinary General Meeting", but such deletion must be initialed by the shareholder. The person whose name appears first on the form of proxy and whose name has not been deleted shall be entitled to act as proxy to the exclusion of those whose names follow.
2. In the event a Shareholder does not insert the name of a proxy or the name of any alternative proxy, then the shareholder shall be deemed to have appointed the Chairman of the Extraordinary General Meeting as his/hers/its proxy.
3. In the event that a Shareholder does not complete the instructions as to how the proxy shall vote, then the proxy shall be entitled to vote as he/she/it thinks fit.
4. The authority of a person signing proxy under a power of attorney or on behalf of a company must be attached to the proxy unless that authority has already been recorded by the Company Secretary or waived by the Chairman of the Extraordinary General Meeting.
5. Forms of proxy must be lodged or posted to, and reach the registered office of the Company, by 16h00 on Thursday 8 April 2010.
6. The completion and lodging of this form of proxy shall not preclude the relevant Shareholder from attending the extraordinary general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms thereof should the shareholder wish to do so.
7. The Chairman of the Extraordinary General Meeting may accept a proxy form which is completed and/or received other than in accordance with these instructions, provided that he is satisfied as to the manner in which a Shareholder wishes to vote.
8. Any alteration or correction to this form must be initialed by the signatory/ signatories.

