



Botswana Development Corporation  
Private Bag 160  
Gaborone

**EXPRESSION OF INTEREST**

**TITLE: EXPRESSION OF INTEREST – LOBATSE CLAY WORKS ACQUISITION**

**Issue Date:** 20 October 2026

**Closing Date and Time:** 20 November 2026 @1000hrs

## **1.0 Background:**

Botswana Development Corporation (“BDC” or “the Corporation”) is seeking expressions of interest from suitably qualified and interested parties for the acquisition of a portion of or the entire shareholding in Lobatse Clay Works (Pty) Ltd (“LCW” or “the Company”).

LCW commenced operations in 1980 as a joint venture between BDC and Inter-Kiln, an American company. In 2004, Inter-Kiln exited the venture and BDC acquired the entire issued share capital of the Company, which has since operated as a wholly owned subsidiary of BDC. The Company’s manufacturing plant is situated in Lobatse, approximately 70 kilometres south of Gaborone. The Company further owns two clay mines, one in Mmamabula and the other in Lobatse.

LCW operates within the manufacturing and building materials sector as a producer of clay building products. Its product range comprises face bricks, pavers and associated special clay products used extensively in residential, commercial, institutional and government construction. For decades the Company has been a significant supplier to Botswana’s construction industry, with capacity to serve both the domestic market and regional export markets.

The Company temporarily ceased operations in 2017 following a period of operational challenges, including ageing plant and equipment, production inefficiencies and rising input costs. Following a refurbishment and plant modernisation programme, the Company resumed production in 2024, with upgraded manufacturing equipment, improved energy efficiency and enhanced kiln technology.

BDC currently holds 100% of the issued share capital of the Company.

## **2.0 Sale of shares**

BDC intends to dispose of a significant portion or its entire 100% equity interest in LCW. The consideration for the sale will be subject to acceptance of an offer made by the prospective buyer. Interested parties are invited to submit their expressions of interest in accordance with the requirements set out in this document. The proposed transaction is subject to satisfactory due diligence, negotiation and execution of definitive transaction documents, as well as obtaining all necessary corporate, regulatory and other approvals.

## **3.0 Properties**

The equity value of LCW as at June 2026 is estimated at BWP55million- subject to final confirmation. The value of LCW is underpinned, among other factors, by its interests in the following assets:

### **3.1 Land & Buildings**

LCW currently owns three properties, with 2 located in Lobatse and 1 in Mmamabula. The details of the properties are as below:

- **Plot 4821, Lobatse:** The property is situated along Mokgosi 1 road in Lobatse adjacent to Delta Automotive and opposite the main industrial precinct, in close proximity to BURS and BPC Lobatse. The area has good access to the greater Lobatse amenities. The plot measures 49.8 hectares and facility comprises several distinct areas. The main office section features multiple offices separated by drywall partitions. Adjacent to this is a warehouse operations area, which also contains

some internal offices. Restroom facilities are available throughout the property. Lastly the clay mine is also on site.

- **Portion 70 of Farm Knockduff No.6-JO, Lobatse:** The subject property measures 1,748 square metres and is located in a section of Lobatse known as Farm Knockduff a short distance from the Puskas Engen Filling Station. It can be accessed through a network of gravel internal roads branching off the A1 at the Engen filling station. The property consists of a single residential development (3 bedroomed house) within a plot demarcated by a boundary wall on all sides.
- **Clay Quarry Plot in Mmamabula:** The property measures 257 hectares and consists of a clay quarry and brick manufacturing facility. The site includes several structures: a guardhouse, a plant house, sheds with an underlying control room, an ablution block, and an office building with integrated restroom facilities. The perimeter of the property is enclosed by a 1.8-meter-high mesh wire fence, with steel gates at both the main entrance and the quarry access point. At present, no brick production activities are in progress.

### 3.2 **Plant, machinery and equipment**

The Company's brick and clay-product manufacturing plant, including its kilns, forming and drying equipment, hybrid fuel system and associated fixed and movable plant, machinery and equipment. A detailed fixed asset register will be shared as part of the due diligence for the prospective sale.

### 3.3 **Clay reserves and mining rights**

The Company's clay raw-material reserves and any associated mineral, extraction or mining rights and permits held by the Company from its clay mines in Mmamashia and Lobatse.

### 3.4 **Other assets**

Assets will also include all inventory on the ground at the time of the disposal.

## 4.0 **Compliance requirements**

All submissions must satisfy the minimum compliance requirements set out below. Failure to meet any mandatory requirement may result in the submission being disqualified and excluded from further consideration.

### 4.1 **Confirmation of Offer**

Interested parties must clearly state the consideration they are prepared to pay for BDC's 100% shareholding and confirm the basis and value of their offer.

Any offers below the indicative valuation stated in Part 3 above shall not be considered.

#### 4.2 **Proof of funds**

Interested parties must provide satisfactory evidence of their ability to fund the proposed acquisition. The proof of funds should be in the form of a recent bank statement, bank guarantee, a letter of undertaking or other acceptable documentary evidence demonstrating the availability of sufficient funds to meet the proposed purchase consideration.

#### **Applicant Authorization and Consent**

BDC reserves the right to independently verify the authenticity and adequacy of the proof of funds submitted. The Bidders acknowledges and provides consent for BDC to perform a complete verification of their background and submission and agrees to fully cooperate with any verification procedures.

#### 4.3 **Source of Funds**

Interested parties must provide sufficient information regarding the proposed source of funds for the acquisition and demonstrate that the funds are from legitimate and verifiable sources.

#### 4.4 **Relevant Experience**

This expression of interest is open to:

- **Strategic/Industry Participants:** Established operators within the construction materials, manufacturing, or brick production sectors.
- **Financial Sponsors & Investment Funds:** Private equity firms, venture capital funds, asset managers, or family offices with a mandate for industrial acquisitions.
- **Consortia & Joint Ventures:** Special purpose vehicles or partnerships combining financial backing with industrial, operational, or engineering professional expertise.

Assessment will be based as follows:

- **For Industry Participants:** Direct experience in managing, operating, or optimizing heavy manufacturing, building material production, or brick-making plants.
- **For Financial/Professional Consortiums:** Access to or a clear strategy to deploy qualified technical professionals, project managers, or operational executives with proven experience in heavy industry or manufacturing plant management.

Preference will be given to bidders with strong citizen participation and beneficiation proposal.

#### 4.5 **Timeframe**

The transaction is anticipated to be completed within **6 months** of issuance of this EOI.

#### 4.6 KYC and Due Diligence Documentation

Interested parties are required to provide all documentation necessary to satisfy BDC's Know Your Customer ("KYC"), Anti-Money Laundering ("AML") and other applicable compliance requirements. This may include, but is not limited to:

- Certified identification documents for shareholders, directors and beneficial owners;
- Company registration documents;
- Shareholding and ownership structure;
- Proof of registered address;
- Tax clearance documentation, where applicable;
- Beneficial ownership information.

#### 5.0 Evaluation criteria

Submissions will be evaluated based on, among other factors, the following criteria:

| Evaluation Criteria    | Consideration                                                                                                                                                                                                              |
|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Financial Capacity     | Availability and adequacy of funds to complete the transaction.                                                                                                                                                            |
| Purchase Consideration | Value offered for BDC's shareholding and basis of valuation                                                                                                                                                                |
| Source of funds        | Transparency and acceptability of the proposed funding sources.                                                                                                                                                            |
| Relevant experience    | Corporate/ Investor Profile, Track Record/ Case studies/ Experience in large scale industrial and/or building material manufacturing and/or other technical disciplines and/or completing similar investment transactions. |
| KYC and compliance     | Satisfactory completion of BDC's applicable compliance and KYC requirements.                                                                                                                                               |
| Transaction certainty  | Ability and willingness to proceed within the required timeframe.                                                                                                                                                          |
| Conditions to offer    | Number, nature and materiality of any conditions attached to the offer.                                                                                                                                                    |
| Overall suitability    | Overall financial, strategic and commercial suitability of the interested party.                                                                                                                                           |

#### 6.0 Submission

- 6.1 All questions and queries should be addressed to [lcw@bdc.bw](mailto:lcw@bdc.bw) no later than **13 November 2026**.
- 6.2 EOI's should be sent via email and submitted to [lcw@bdc.bw](mailto:lcw@bdc.bw) with a subject "Expression of Interest - Lobatse Clay Works Acquisition" not later than **20 November 2026, 10am**.
- 6.3 Late submissions will not be considered. Bidders bear the responsibility of ensuring their submission is delivered on time; BDC accepts no liability for delayed delivery of the submission however created.