ANNEXURE 1

MEMORANDUM OF AGREEMENT IN RELATION TO THE SALE OF A BUSINESS AND AN UNDERLYING IMMOVABLE ASSET

made and entered into by and between:

G.H. Group Proprietary Limited
[Registration No: UIN BW00000593092]
("the seller")

and

Turnstar Holdings Limited
[Registration No: UIN BW00000973397]
("the purchaser")

LAW OFFICES OF
AKHEEL JINABHAI & ASSOCIATES
IN ASSOCIATION WITH
MCKEE COMMERCIAL LAW

AJA House, Unit 2, Matante Mews, Plot 54373 CBD, Gaborone P O Box 20575, Gaborone, Botswana

W H E R E A S:

a. The seller operates a letting enterprise, doing business as 'Lotsane Junction Mall' (hereinafter referred to as '**the Business**').

b. The seller is desirous of selling to the purchaser, and the purchaser is desirous of purchasing from the seller, the business as a going concern, including the underlying business asset as defined below upon below upon and subject to certain terms and conditions contained in this agreement.

c. The parties are desirous of recording in writing the terms and conditions of the agreement hereby concluded between them arising from the aforegoing.

Now Therefore These Presents Witnesseth:

1. Each of the parties hereto hereby warrants that the facts contained in the preamble hereto, insofar as they relate to each such party, are correct.

2. In this agreement: -

2.1 Any term defined within the context of any particular clause in this agreement shall, unless it is clear from the clause in question that the term so defined has limited application to the relevant clause, bear the meaning ascribed to it for all purposes in terms of this agreement, notwithstanding that the term has not been defined in this interpretation clause;

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2.2 Any reference in this agreement to any legislation is intended to be a reference to such legislation as at the date of signature by the signatory hereto last signing this agreement and as amended or re-enacted from time to time;

2.3 In the event that any provision in a definition contained in this agreement is a substantive provision conferring any right or imposing any obligation on any party hereto, then notwithstanding that it appears only in such definition, effect shall be given to it as if it were a substantive provision in this agreement;

2.4 In the event that any number of days is prescribed in this agreement, such number shall exclude the first and include the last day unless the last day falls on a Saturday, Sunday or public holiday in the Republic of Botswana, in which event the last day shall be the next succeeding day which is not a Saturday, Sunday or public holiday in the Republic of Botswana;

2.5 The rule of construction that a contract shall be interpreted against the party responsible for the drafting or preparation thereof, shall not apply to the construction of this agreement;

2.6 Unless inconsistent with the subject or context or unless the subject or context otherwise requires: -

2.6.1 clause headings, if any, are incorporated for convenience only and shall not be used for interpretation purposes;

2.6.2 words signifying the singular number shall include the plural and vice versa;

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2.6.3 words relating to natural persons shall include associations of persons having corporate status by statute or common law and vice versa;

2.6.4 words relating to any gender shall include the other genders;

2.6.5 the following words and expressions shall have the following meanings respectively assigned to them as follows: -

a. **"the adjustment account"**

shall mean the adjustment account to be prepared by the auditors/accountants in accordance with clause 5.2.2 hereunder;

b. **"the Agent"**

if any agents are involved, the party who appointed such an agent shall bear all costs and commissions associated with that agent;

c. **"the agreement"**

shall mean the agreement evidenced by these presents;

d. **"the auditors/accountants"**

shall mean the seller's auditors/accountants at the time contemplated herein;

e. **"the attorneys"**

shall mean attorneys Akheel Jinabhai & Associates or their successors in practice.

f. **"the book debts"**

shall mean each and every claim of whatsoever nature that the seller might have against any person, body, entity or authority howsoever arising either from any or all of the business activities of the business or otherwise and without derogating from the generality of the aforegoing, including each and every such claim arising from or in respect of goods sold and/or delivered and/or services rendered and/or work done and/or materials supplied by the business to, or on behalf of any person, body, entity or authority and/or each and every account, book debt, promissory note, bill of exchange, cheque or other negotiable instrument or other form of obligation howsoever in favour of the business including all and any of the seller's rights against any surety/ies and/or co-principal debtor/s in respect of such claim/s and including also all any securities of whatsoever nature held or deemed to be held by the seller and/or the business for the payment of any such claim/s;

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g. **"the business assets"**

shall mean the business, goodwill, the fixtures and fittings, equipment the financial record, intellectual property rights, the sellers business license, plant and machinery and all improvements attached to the Properties which are of a permanent nature and all movable and immovable assets owned by the seller and used for the operation of the business as set out in Schedule 2;

h. **"the business"**

shall mean the business defined as such in the preamble hereto, inclusive of those aspects thereof referred to in paragraph 4.1 hereunder;

i. **"the business name"**

shall mean "**Lotsane Junction Mall";**

j. **"the closing date"**

shall mean the date on which (i) the Properties is officially registered into the name of the Purchaser at the Deeds Registry, (ii) the attorneys have confirmed the upliftment of the registered Deed/s from the Deeds Registry, and (iii) the purchase price has been paid to the Seller's bond bank, and the balance has been deposited into the trust account of the attorneys and/or directly to the seller's nominated account;

k. **"the conditions precedent"**

shall mean the conditions precedent to which this agreement is subject and which are referred to in paragraph 3 hereunder; and

l. **"the Deeds"**

shall mean Notarial Deed of Cession No. FTMA168/2019 dated 22nd July 2019 which has ceded to the seller, the land lease agreement entered agreement entered into by Business Care Services (Pty) Limited and the Land Board and Notarial Deed of Cession No. FTMA212/2017 dated 27th June 2017 which has ceded to the seller, the land lease agreement entered agreement entered into by Julia Natefo Phala and the Land Board, copies of which are annexed as **Schedule 1**;

m. **"the excluded assets"**

shall mean those assets specifically identified as not being included in the sale. These assets will remain the property of the seller beyond the closing date. The seller is obligated to remove these excluded assets from the Properties promptly after the closing date;

n. **"the financial records"**

shall mean all the financial books of account and ancillary records kept by the seller of and relating to the business but excluding such copies thereof as the seller might reasonably require to retain for the lawful purposes of the seller;

o. **"the fulfilment date"**

shall mean the achievement of the Long-Stop Date as defined at clause w. below;

p. **"the goodwill"**

shall mean the goodwill, customer base and network of the seller in relation to the business including the exclusive right for the purchaser to represent itself as carrying on the business in succession to the seller;

q. **"intellectual property rights"**

shall mean patents, utility models, rights to inventions, copyright and neighbouring and related rights, trademarks and service marks, business names and domain names, rights in get-up and trade dress, goodwill and the right to sue for passing off or unfair competition,1rights in designs, rights in computer software, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets), and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world, which relate strictly to the business, being the a rental enterprise business being sold in terms of this agreement;

r. **"the Land Board"**

shall mean the Ngwato Land Board and/or its subordinate land board, being the Palapye Sub-Land Board, as the case may be;

s. **"the liabilities"**

shall mean all the liabilities that may be owing by the seller or the business as at the closing date, to any third party;

t. **"Leases"**

means any tenant in occupation of a part of the Properties under a Lease/s or Sub-Lease/s, or any other replacement or substitute tenant:

u. **"Lessee"**

means any tenant in occupation of a part of the Properties under a Lease/s or Sub-Lease/s, or any other replacement or substitute tenant;

v. **"Letting Enterprise"**

means the business of letting of retail and office accommodation in the Properties conducted by the Seller as at the Fulfilment Date;

w. **"the Long Stop Date"**

Shall mean the date on which all the condition precedents are met and/or waived, as the case may be and as further clarified or stated at clause 3 below;

x. **"the Notarial Deed of Servitude"**

means Notarial Deed of Servitude No. FTMA196/2020 dated 31st August 2020 registered against the Tribal Lot 19668, Palapye in favour of Fuel In Motion Proprietary Limited;

y. **"the Mortgage Bond"**

means Mortgage Bond No. FT382/2021 dated 4th August 2021 registered against the Properties in favour of First Capital Bank Limited;

z. **"the party/parties"**

shall mean the seller and the purchaser together and/or individually as the context refers.

aa. **"the Property/Properties"**

shall mean the Properties in which the business is presently being conducted at pieces of land being Tribal Lot 19668, Palapye measuring approximately 1, 7836 Hectares and Tribal Lot 19674, Palapye measuring 1, 5036 Hectares;

bb. **"the purchase price"**

shall mean the aggregate of the sum of **BWP123, 000, 000.00 (One Hundred and Twenty-Three Million Pula)** exclusive of VAT payable by the purchaser to the seller as a zero-rated sale transaction under VAT laws and in terms of the provisions of paragraph 6 hereunder;

cc. **"the purchaser"**

shall mean **Turnstar Holdings Limited, a company incorporated under the laws of Botswana under company number UIN BW00000973397**;

dd. **"the seller"**

shall mean **G.H. Group Proprietary Limited , a company incorporated according to the laws of Botswana with company number UIN BW00000593092**, and;

ee. **"the signature date "**

shall mean the date of signature of this agreement by the parties or the party signing last;

3. **CONDITIONS PRECEDENT**

3.1 The rights and obligations of the parties contained in this agreement (other than those contained in 3,11,14,15,16,17,18,19 and 21 clauses (all inclusive) (**"the Surviving Provisions"**), which will be of full force and effect on the signature date, are subject to and conditional upon the fulfilment of the following conditions precedent on or before the expiry of **90 working days** from the date the balance of the purchase price is secured by the purchaser in terms of clause 6.1 below (**"the Long-Stop Date"**),or such earlier or later date as may be agreed in writing prior to that date between the parties:

3.1.1 written confirmation being obtained from the Competition Authority that their approval is not required or if required, the approval of the Competition Authority being obtained, and if such approval is conditional, on satisfaction of such conditions by the purchaser and the seller;

3.1.2 delivery by the Seller of settlement balance and confirmation from the financial institutions holding the Mortgage Bond over the Properties, which confirmation shall state that upon receipt of the letter of undertaking referred to at clause

3.1.3 below securing the settlement balance, the financial institution will have no objection signing the relevant consents to release and cancel the Mortgage Bond/s registered over the Properties;

3.1.3 delivering a letter of guarantee to (i) the financial institutions holding a Mortgage Bond/s over the Properties in the amount of the settlement balance and interest referred to at clause 3.1.2 above and the balance thereafter, (ii) to the Purchaser's Conveyancers on or before the Long-Stop Date, from a reputable financial institution registered in Botswana and in terms acceptable to the Seller, securing the payment of the Purchase Price;

3.1.4 the passing of the resolutions of the Board of Directors of the seller and purchaser, respectively, (i) approving the purchase transaction set out in this agreement; (ii) confirming and ratifying the authority of the person who signs this agreement on behalf of each party; and (iii) exchange and delivering the copy of all above resolutions to each party;

3.1.5 provide the purchaser with a special resolution passed by the shareholders authorising the sale of the business as a going concern including all the underlying business assets;

3.1.6 the seller causing a notice of the transfer of the business to be advertised in terms of the Insolvency Act of Botswana, as amended ("the insolvency act") within five (5) days from the signature date and resolve any objection to the disposal raised by all creditors or any other person received before the Long-Stop date. It being acknowledged that all such objections received will be notified to the purchaser;

3.1.7 both parties obtaining a tax clearance certificate from BURS;

3.1.8 the seller obtaining an approval from Botswana Unified Revenue Services that the proposed sale of business including the underlying business assets as set out in this agreement is a zero-rated supply for VAT purposes;

3.1.9 the seller applying to and procuring from the Land Board, the necessary consent as stipulated under Section 33 of the Tribal Land Act, consenting to the cession/transfer of rights, title, and interest in and to the Deeds of the Properties from the Seller to the Purchaser;

3.1.10 the seller shall deliver to the purchaser all relevant documents pertaining to the development of the Properties. This includes, but is not limited to, all planning permission documents, leases and renewals, management accounts of the business, a comprehensive list of all current employment and service contracts related to the operation of the business on the Properties. detailed information regarding any liabilities, prepayments, or other financial obligations attached to each of these contracts, copies of the actual contracts and any amendments or addenda to them and any other documents necessary for the purchaser to conduct a comprehensive due diligence of the Properties and the letting enterprise operated by the Seller on the Properties;

3.1.11 the purchaser shall, following the receipt of the aforementioned documents from the seller, conduct a due diligence. The purchaser must thereafter indicate in writing to the Attorneys whether it is satisfied with the findings of its due diligence;

3.1.12 the seller shall provide the purchaser with confirmation of the current insurance policies covering the Properties and business. This confirmation must include details of the insurance coverage, policy numbers, and any other relevant information;

3.1.13 the purchaser obtaining written confirmation from the Botswana Stock Exchange that their approval is not required or if required, the approval of the Botswana Stock Exchange being obtained, and if such approval is conditional, on satisfaction of such conditions by the purchaser and/or the seller;

3.1.14 the purchaser shall be entitled to conduct a due diligence on the Notarial Deed of Servitude at its own cost. Transfer of the Properties shall be subject to the Purchaser consenting to take subject to the Servitude and obtaining consent from the holder, Fuel in Motion Proprietary Limited if so required;

3.2 The purchaser and/or the seller shall on or before the Long-Stop Date be entitled, to waive all or any of such of the aforesaid conditions, either conditionally or otherwise, as are stipulated for its benefit respectively.

3.3 Each party shall use its best commercial endeavors to ensure the fulfillment of all conditions precedent and to ensure that all provisions of this agreement become unconditional as per their terms on or before the Long-Stop Date. If any of the conditions are not waived or fulfilled by or before the Long-Stop Date, the Long-Stop Date will automatically extend for an additional 90 days. This automatic extension shall continue until either party issues a written notice to the other, stating that if the outstanding condition or conditions are not met by the next renewed Long-Stop Date, there will be no further automatic extensions and the agreement will lapse in accordance with clause 3.4.

3.4 This agreement shall be of no force or effect should any of the conditions precedent (unless waived by the party(ies) entitled to waive same), not be fulfilled or deemed fulfilled on or before the Long-Stop Date. However, in accordance with Clause 3.3, if the conditions precedent are not waived or fulfilled by the Long-Stop Date, the Long-Stop Date shall automatically extend for an additional 90 days. This process will continue until either party provides written notice as described in Clause 3.3, after which there will be no further extensions and the agreement will lapse as outlined in the Clause 3.4.

3.5 The conditions precedent which are regulatory in nature may not be waived, unless the parties are satisfied that the relevant regulatory requirements or any part thereof no longer apply, in which case the condition precedent relating thereto can be waived (in whole or in part) by written agreement between the parties on or before the Long-Stop Date.

3.6 In the event that all the conditions precedent are not fulfilled or waived timeously as aforesaid, the provisions of this agreement (save for the surviving provisions and subject to clause 3.4 above), shall be of no further force or effect whatever, the *status quo ante* shall be restored as near as may be and neither party will have any claim against the other in terms of this agreement or arising from a genuine failure to fulfil the conditions precedent.

4. SALE OF BUSINESS

4.1 The seller hereby sells to the purchaser, who hereby purchases from the seller, the business as an going concern including the underlying business assets, upon and subject to the terms and conditions herein contained, including the fulfilment and/or waiver of the condition's precedent, with effect from the closing date.

4.2 The seller acknowledges and records that it is not entitled, and irrevocably agree/s and undertake/s not, to sell, alienate, dispose of, encumber or otherwise deal with the business or any of the business assets, otherwise than in the ordinary course of the conduct of the business activities of the business, between the signature date and the closing date.

5. DELIVERY OF THE BUSINESS

5.1 On the Fulfillment Date, immediately upon request by the Purchaser's attorneys, both parties shall convene at the offices of the Purchaser's attorneys to sign all necessary documents and provide all relevant information and documents for the cession/transfer registration of the Properties into the names of the Purchaser with the Deeds Registry. Additionally, on this same Fulfillment Date, the Seller is obligated to deliver to all tenants the notices as detailed in Schedule 4 – 'Notice of Assignment of Rentals and Rental Income' and procure from the tenants the acknowledgements required in Schedule 5 – 'Acknowledgement of Cession'. Accordingly, on the closing date, the risks and benefits attaching to the business and the underlying business assets shall be passed, transferred, ceded and assigned (as the case maybe) to the purchaser.

5.2 Immediately (no later than 7 days) after the closing date, the parties representatives, and their respective accountants/auditors shall meet, at Gaborone at the offices of the attorneys or such other place as may be agreed to by the parties, and the seller shall deliver to the purchaser:

5.2.1 convey and hand over possession and management control of the business enterprises to the purchaser. This transfer shall be documented in writing and duly acknowledged and signed by the purchaser's representative. In doing so, the seller shall comply with the obligations set forth in Clause 13 concerning Employees and Service Contracts. Furthermore, the seller shall hand over all business assets listed in Schedule 2, along with all necessary documents for the ongoing operation of the business. This includes delivering the notices and obtaining the acknowledgements as specified in Schedules 4 and 5;

5.2.2 further to 5.2.1, the Purchaser shall be entitled to the benefits attaching to, and to receive the proceeds of all the rental income from the Lessees, which are hereby ceded and transferred over to the Purchaser by the Seller, with effect from the closing date;

5.2.3 the Purchaser shall be liable for the cost of operation of the Business including the Letting Enterprise and the Properties and the obligations of Lessor under the Leases, with effect from the closing date.

5.2.4 an adjustment account which shall have been prepared by the auditors/accountants and shall have been signed by the directors of the seller and accepted by the purchaser's representatives;

5.2.5 Such adjustment account, as referred to in clause 5.2.4 above shall reflect:

5.2.5.1 credits for the benefit of the seller such portion of the aggregate of all amounts paid on or before the closing date for any period after the closing date in respect of security deposits, rentals, rates and taxes, electricity, water, gas, sewerage, effluent disposal, insurance premiums, [illegible] and service providers for the business enterprise including the Letting Enterprise, as is proportionate to the ratio which the period commencing at the closing date bears in relation to the entire period for which each such payment was made; and

5.2.5.2 debits for the benefit of the purchaser such portion of the aggregate of any items referred to in clause 5.2.5.1 above that are owing at the closing date in respect of any period prior to the fulfilment date as is proportionate to the ratio which the period ending on the fulfilment date bears in relation to the entire period for which each such item is owed.

5.3 Immediately after the meeting referred to at clause 5.2 above ("the completion date"), the attorneys will account for the balance of the purchase price as follows:

5.3.1 by paying the balance of the purchase price, after the deductions agreed to by the parties in terms of this agreement, to the account to be nominated by the seller in writing on or before the completion date.

6. **PAYMENT OF THE PURCHASE PRICE**

6.1 The purchase price in the sum of **BWP123, 000, 000.00 (One Hundred and Twenty-Three Million Pula)** excluding VAT (payable by the purchaser to the seller under a zero-rated sale transaction under VAT laws) shall be secured by the Purchaser in terms of clauses 3.1.2 and 3.1.3 above.

6.2 On the completion date, the attorneys are hereby irrevocably authorised and required by the parties hereto, to release and make payment of the purchase price in terms of clause 5.3 above.

6.3 It is further recorded and agreed that none of the parties hereto shall have any claim for damages or compensation howsoever arising from the retention or the release by the attorneys of any amount or amounts that are held by or are under their control in terms of this agreement as long as the attorneys have complied with the provisions of this agreement.

7. **WARRANTIES, REPRESENTATIONS AND UNDERTAKINGS BY THE SELLER**

7.1 Unless otherwise specifically stated in this agreement, the seller warrants, represents and undertakes unto and in favour of the purchaser, and acknowledges awareness of the fact that the purchaser relies upon the strength of the truth and accuracy of each such warranty, representation and undertaking in entering into this agreement, that as at the signature and the completion date each warranty, representation and undertaking (as set out in Schedule 3) is true accurate and not misleading.

7.2 The parties acknowledge that each warranty, representation and undertaking shall survive the completion date.

8. **INDEMNITY BY THE SELLER**

8.1 The seller hereby indemnifies the purchaser and holds him harmless against all and any claims and demands that might be made by any creditor, any entity and/or government authority in respect of any cause arising prior to the completion date inclusive of the warranties and representations provided at clause 7 above.

8.2 Notwithstanding anything to the contrary herein contained or implied, the purchaser acknowledges being aware of the fact that it shall not, in consequence of any of the provisions of this agreement, acquire ownership, or any other right or title which will avail it against the claim of any third party to ownership or possession, of the following items at the Properties which the purchaser irrevocably acknowledges do not form part of the business either as herein defined or as is referred to in paragraph 2.6.5.m above, namely:-

8.2.1 the book debts in respect of the business arising prior the signature date;

8.2.2 the liabilities;

8.2.3 cash on hand or deposits and accounts receivable prior to the signature date.

8.3 The purchaser shall notify the seller in writing of any claims which may be made against the purchaser in respect of any of the matters referred to in 8.1 above in writing within thirty (30) business days of the purchaser becoming aware thereof to enable the seller to take steps to contest such claim.

9. PURCHASER'S ACKNOWLEDGEMENTS

The purchaser irrevocably acknowledges and records that; -

9.1 save for those contained in this agreement, no promises, warranties, representations or undertakings, express or implied, have been given or made, either directly or indirectly, by or on behalf of the seller;

9.2 the purchaser has not been induced to enter into this agreement by virtue of any promises, warranties, representations or undertakings, express or implied, having been given or made, directly or indirectly, by or on behalf of the seller, other than those stated in this agreement;

9.3 subject to the warranties given by seller in Schedule 3 being correct, the business, including the business assets, is sold, as provided in this agreement, as is and voetstoots in all respects;

9.4 save as otherwise provided in this agreement, all the risks attaching to and benefits arising from the business shall pass to the purchaser with effect from the closing date.

10. VALUE ADDED TAX

10.1 It is agreed that as -

10.1.1 the business is an enterprise capable of separate operation;

10.1.2 the business assets constitute all of the assets necessary for the carrying on of the business;

10.1.3 the business will be an income earning activity as at the fulfilment date; and

10.1.4 the business is being sold as a going concern, the sale of the business which is the subject matter of this agreement falls within the ambit of Section 2 (p) of the First Schedule [First Schedule – Zero Rated Supplies] of the Value Added Tax Act [Cap: 50:03] and therefore value-added tax is payable at the rate of zero percent.

11. NOTICES

11.1 any notice to be given to the seller or to the purchaser in terms of this agreement shall be delivered or posted by pre-paid registered post: -

11.1.1 in the case of the seller to it at: -

Registered Office Address:

R K Accountants, Acumen Park, Plot 50370, Fairgrounds, Gaborone, Botswana

Postal Address:

R K Accountants, P O Box 1157, Gaborone, Botswana

Principal Place of Business:

Plot 54381, Extension 9, New Cbd, Gaborone, Botswana

Email Address:

gulaam@ghgroup.co.bw and ahmed@ghgroup.co.bw

11.1.2 in the case of the purchaser to it at: -

Registered Office Address:

Grant Thornton Business Services, Plot 50370, Acumen Park, Fairgrounds, Gaborone, Botswana

Postal Address:

P O Box 1157, Gaborone, Botswana

Principal Place of Business:

Centre Management Offices, Game City Management Offices, Game City Retail Center, Kgale, Gaborone, Botswana

Email address:

shiran.puvimanasinghe@turnstar.co.bw

or at such other address as the party concerned may from time notify the other in writing.

11.2 every notice, if posted by the purchaser to the seller or by the seller to the purchaser respectively, by pre-paid registered post addressed as aforesaid, shall be deemed to have been received on the 4th business day after the date of such posting and to have come to the notice of the addressee by 16h00 on such date, unless the addressee proves otherwise.

11.3 the seller and the purchaser respectively choose domicilium citandi et executandi for all purposes howsoever arising here from at their respective addresses referred to in 11.1.1 and 11.1.2 above.

11.4 Hand Delivery: Any notice to be given under this agreement may also be hand-delivered to the respective addresses mentioned in 11.1.1 and 11.1.2. In such cases, the notice shall be deemed received on the date of delivery, as evidenced by a dated and signed receipt from the recipient or their representative.

11.5 Email Delivery: Notices may also be delivered via email to the email addresses specified in 11.1.1 and 11.1.2. Such notices shall be deemed to have been received on the first business day following the date of sending, provided that a confirmation of receipt (either automated or manual) is obtained by the sender.

12. **SELLER'S OBLIGATION IN THE INTERIM PERIOD**

It is expressly recorded and agreed that until such time as the purchase price has been paid to the seller in full and the purchaser has fulfilled and discharged all obligations which are by it to be fulfilled and discharged towards the seller in terms of this agreement: -

12.1 the seller shall at all times continuously maintain, conduct and keep the business open for its ordinary business as hitherto conducted by the seller strictly in accordance with the law and during the normal business hours hitherto observed by the seller;

12.2 the seller shall not otherwise than in the ordinary course of the business sell, alienate, mortgage, pledge or hypothecate the business or any of the business assets or allow such business assets to become the subject matter of any lien or other encumbrance, nor shall it sell, cede, assign, transfer or make over this agreement or any of its rights hereunder;

12.3 the seller shall not conduct any activity, otherwise than the conduct of the business, at the Properties;

12.4 the seller shall at all times conduct the business according to the highest standards of, inter alia, presentation, display, efficiency, service and competence and shall do all such other things as might be necessary to maintain such standard and in addition, but without derogating from the generality of the aforegoing, shall do all such things as might be reasonably necessary in order to conduct the business profitably and in such a manner so as to successfully compete with its competitors for its greater benefit.

12.5 no payments of whatsoever nature will be made to employees, officers, directors or agents of the seller other than in the ordinary course of business;

12.6 no payments of whatsoever nature will be made to any other person other than in the ordinary course of business and/or necessitated by the transaction as recorded herein;

12.7 The seller shall not grant or extend any loans or advances to any person or provide any guarantees, indemnities, comfort letters, sureties or other similar undertakings regarding the indebtedness of a third party (specifically excluding existing loans, advances, guarantees, indemnities, comfort letters, sureties or other similar undertakings); and

12.8 maintain the business assets in the same order and condition as at the signature date, fair wear and tear excepted and fully operational apart from breakdowns (in the ordinary course) or any loss or damage to or destruction of such assets beyond the control of the seller.

13. EMPLOYMENT AND SERVICE CONTRACT TRANSFER

13.1 On the date of the meeting stipulated in Clause 5, the purchaser shall review and decide on the takeover of the employment and service contracts. The purchaser, in consultation with the seller, may elect to assume responsibility for any of these contracts under the same terms and conditions as existed prior to the signature date.

13.2 Contracts of employment or service not elected for takeover by the purchaser will remain under the responsibility of the seller, who shall continue to fulfill all obligations under these contracts.

13.3 Upon the purchaser electing to take over specific employment and service contracts, the seller shall facilitate the cession of these contracts. This includes issuing formal notices to the respective employees and service providers, informing them of the cession of their contracts to the purchaser.

13.4 The seller shall provide a statement of any liabilities and prepayments attached to these contracts, ensuring the purchaser is fully informed of any outstanding obligations or credits as of the transfer date.

13.5 The purchaser shall assume responsibility for all liabilities associated with the ceded contracts from the date of cession, including any prepayments made by the seller.

13.6 The seller and purchaser shall ensure that all legal requirements are met for the cession of contracts, including obtaining any necessary consents and executing any required amendments to the contracts.

14. DEFAULT, BREACH AND TERMINATION

14.1 In the event that any party (the 'Defaulting Party') to this Agreement fails to fulfill any of its obligations under this Agreement and does not rectify such breach within fourteen (14) days after receiving written notice from the other party (the 'Aggrieved Party') to do so, the Aggrieved Party shall have the right to take one or more of the following actions:

14.1.1 Cancel the Agreement: Terminate this Agreement forthwith, with immediate effect.

14.1.2 Claim for Specific Performance: Compel the Defaulting Party to perform its obligations under this Agreement, as per the terms agreed upon.

14.1.3 Seek Damages: Pursue a claim for any losses or damages incurred due to the breach by the Defaulting Party.

14.2 These rights are without prejudice to the Aggrieved Party's entitlement to any other legal remedies or compensations due to the breach.

15. **DISPUTE RESOLUTION**

15.1 **SEPARATE, DIVISIBLE AGREEMENT**

This clause is a separate, divisible agreement from the rest of this agreement and shall:

15.1.1 not be or become void, voidable or unenforceable by reason only of any alleged misrepresentation, mistake, duress, undue influence, impossibility (initial or supervening), illegality, immorality, absence of consensus, lack of authority or other cause relating in substance to the rest of the Agreement and not to this clause. The parties intend that any such issue shall at all times be and remain subject to arbitration in terms of this clause;

15.1.2 remain in effect even if this agreement terminates or is cancelled.

15.2 **DISPUTES**

Save as may be expressly provided for elsewhere in this agreement for the resolution of particular disputes, any other dispute arising out of or in connection with this agreement or the subject matter of this agreement, including without limitation, any dispute concerning:

15.2.1 the existence of this agreement apart from this clause;

15.2.2 the interpretation and effect of this agreement;

15.2.3 the parties' respective rights or obligations under this agreement;

15.2.4 the rectification of this agreement;

15.2.5 the breach, termination or cancellation of this agreement or any matter arising out of the breach, termination or cancellation;

15.2.6 damages arising in delict, compensation for unjust enrichment or any other claim, whether or not the rest of this agreement apart from this clause is valid and enforceable, shall follow the procedure set out in clause 15.3.

15.3 **MEETING OF REPRESENTATIVES**

15.3.1 any party who wishes to declare a dispute (**"Dispute"**), shall give written notice of the dispute to the other party, setting out its nature and full particulars (**"Dispute Notice"**), together with all relevant supporting documents. Upon service of the dispute notice, the representative of each of the parties to the dispute shall attempt in good faith to resolve the Dispute;

15.3.2 if the representative of the parties are for any reason unable to resolve the dispute within 10 (ten) business days of service of the dispute notice, the dispute will be referred to arbitration.

15.4 **APPOINTMENT OF ARBITRATOR**

15.4.1 In order to initiate arbitration proceedings, the party to the dispute may serve written notice upon the other party, requesting that the dispute be submitted to arbitration in Gaborone in accordance with the Botswana Institute of Arbitrators (BIArbs) rules, for commercial arbitration (as last applied by BIArbs).

15.4.2 The arbitration shall be conducted before an arbitrator appointed by agreement between the parties to the dispute or failing agreement within 10 (ten) business days of the demand for arbitration, then any party to the dispute shall be entitled to forthwith call upon the chairperson of the Law Society of Botswana to nominate the arbitrator, provided that the person so nominated shall be a suitably qualified and experienced attorney or advocate practicing in Botswana of not less than 10 (ten) years standing as such, and who is independent of and not related to any of the parties, nor conflicted in any other way whatsoever. The person so nominated shall be the duly appointed arbitrator in respect of the Dispute. In the event of the attorneys of the parties to the Dispute failing to agree on any matter relating to the administration of the arbitration, such matter shall be referred to and decided by the arbitrator whose decision shall be final and binding on the Parties to the dispute.

15.4.3 Nothing herein contained shall be deemed to prevent or prohibit a party to the arbitration from applying to the appropriate court for urgent relief or for judgment in relation to a liquidated claim.

15.4.4 The result of the arbitration will be final and binding on the parties and any party may have the award of the arbitrator made an order of any Court of competent jurisdiction to secure its enforcement.

16. COSTS

16.1 Each party shall bear its own legal costs incurred in the negotiation and implementation of this agreement.

16.2 The Purchaser shall pay for the costs in relation to the transfer of the Properties, the registration of any mortgage bond and the transfer of the licenses.

16.3 Both parties shall be equally responsible for the legal fees for the Competition Application, which shall be in the sum of P20 000.00 plus VAT each. This excludes attending any meeting at the Competition Authorities which shall be charged separately. Each party shall bear responsibility for the payment of their respective filing fees required for obtaining approval from the Competition Authority.

17. WHOLE AGREEMENT

17.1 This agreement constitutes the whole agreement between the parties relating to the subject matter hereof and no party shall be bound by any express or implied term, representation, warranty, promise or the like not recorded herein, whether it induced the contract and/or whether it was negligent or not.

17.2 This agreement supercedes and invalidates all other commitments, representations and warranties relating to the sale and purchase of the business, the Properties and the Business Assets between the parties.

18. **NO AMENDMENT AND VARIATION**

18.1 This agreement may be amended, modified or varied in whole or in part, provided that any such amendment, variation or modification of this agreement shall be in writing and signed by each of the parties to this agreement.

18.2 This agreement may not be released, discharged supplement or varied in any manner except by an instrument in writing duly signed by the parties.

19. **SEVERANCE**

19.1 If any provision of this agreement (or part of a provision) is found by any court or administrative body of competent jurisdiction to be invalid, unenforceable or illegal, the other provisions shall remain in force.

19.2 If any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some part of it were deleted, the provision shall apply with whatever modification is necessary to give effect to the commercial intention of the parties.

20. **COUNTERPARTS**

This agreement may be executed in any number of counterparts by the parties and each of which when so executed and delivered shall be deemed to be an original, and all such counterparts together shall constitute one and the same document.

21. CESSION AND ASSIGNMENT

No party shall be entitled to cede, delegate, assign, transfer, pledge, cede in security or otherwise dispose of or encumber all or any of its rights and/or obligations under this agreement, without the prior written consent of the other party.

22. GOVERNING LAW

This agreement and all matters or disputes arising therefrom shall be governed and construed in accordance with the laws of Botswana.

THUS, SIGNED BY THE SELLER AT ____________________________ ON

THE _______ DAY OF NOVEMBER 2023.

WITNESSES:

1. ____________________

2. ____________________

____

THE SELLER, duly authorised

Name: GULAAM HUSAIN ABDOOLA

Capacity: DIRECTOR.

THUS, SIGNED BY THE PURCHASER AT Gaborone. **ON**

THE 6th **DAY OF** ~~**NOVEMBER**~~ December **2023.**

WITNESSES:

3. ____________________

4. ____________________

____

THE PURCHASER, duly authorised

Name: SHIRAN PUVIMANASINGHE.

Capacity: DIRECTOR.

Schedule 1

The Deeds

Schedule 2

Business Assets

The business assets include all the assets owned by the seller and used for the operation of the business and entail:

a) Rights over a piece of land being Tribal Lot 19674 and 19668, Palapye;

b) All assets stated in the Fixed Asset Register which is part of the 2023 Financials of the Business.

Excluded Assets

Schedule "3"

WARRANTIES

The following warranties are given by the seller on the basis set forth in clause 7 of the Agreement to which this schedule "3" is annexed. Unless the context otherwise requires, each warranty shall be a separate warranty in no way limited or restricted by reference to or interpretation from the terms of any other warranty or by any other word in the Agreement or the annexures thereto.

1. The Seller owns and has good and marketable title to all the business assets, all of which are in the seller's possession and control.

2. The Seller has not created or granted, or agreed to create or grant, any security or other encumbrance in respect of any of the Assets.

3. None of the business assets is subject to any option, charge, lien, pledge, hypothec, bond, suspensive sale condition, encumbrance or the like and/or right of pre-emption or any agreement or commitment to give or create any of the foregoing and each such sale asset is the sole unencumbered absolute property of the Seller and are fully paid for.

4. No third party has or will have any right to prohibit or to undertake any action to prohibit the seller from selling the business assets to the purchaser in terms hereof and no third party has a right which has been, or is still available to be exercised be exercised to acquire the business assets or any part thereof

5. The seller is in possession of all necessary licenses, permits, authorities and permissions legally required in order to conduct the business and the seller is not

aware of any facts or circumstances which might lead to the cancellation, or withdrawal or non-renewal of any such licence, permit, authority or permission;

6. Neither the execution or the delivery of this Agreement nor the fulfilment of or compliance with any terms hereof will conflict with, or result in a breach of, any material agreement or instrument to which the seller is subject, or require any consent or other action by any administrative or governmental body.

7. The business shall not have incurred any liabilities nor acquired any assets otherwise than what has been disclosed in the adjustment accounts; what is commercially recognised as being within the ordinary course of its business activities.

8. There are no litigation or arbitration proceedings, attachments or executions pending against or affecting the seller's business and the business assets and the seller is not aware, after due enquiry, of any legal or arbitration proceedings pending or threatened in respect thereof.

9. There are no material facts or circumstances in relation to the seller's business and/or the business assets which have not been fully and fairly disclosed to the purchaser, and which, if disclosed, might reasonably have been expected to affect the decision of the purchaser to enter into this Agreement.

10. The seller shall in all material respects have complied with all relevant laws relating to taxation in relation to the business.

11. The seller's books of account and records in relation to the business shall have been properly and correctly maintained according to law and are written up to date so as to record all of the transactions of the business.

12. the seller is able to and will deliver free, undisturbed and unfettered ownership and possession of the business and the business assets to the purchaser on the fulfilment date;

13. Notwithstanding anything contained in warranties as contained in Schedule 3 or elsewhere in the agreement, in relation to the leases as being part of the business assets, the purchaser acknowledges that the leases are subject to terms and conditions contained in the leases which are made in favour of the land lord;

14. Tribal Lot 19668, Palapye is subject only to the Notarial Deed of Servitude and the Properties are subject to the Mortgage Bond, full details of which have been provided to the Purchaser. The Seller warrants that it is not in breach of any terms thereof.

EXECUTION VERSION – 30.11.2023

SCHEDULE 4 – NOTICE OF ASSIGNMENT OF RENTALS AND RENTAL INCOME
LETTER ON LETTERHEAD OF G.H. GROUP PROPRIETARY LIMITED

[Date]

TO: Lessee or [Occupier]

[Address]

Dear Sirs

RE: SALE AGREEMENT AND CESSION OF RENTALS AND RENTAL INCOME TO TURNSTAR HOLDINGS LIMITED ("TURNSTAR") – TRIBAL LOTS 19674 and 19668, PALAPYE ("THE PROPERTIES")

We hereby give you notice that we sold the Letting Enterprise operated in respect of the PROPERTIES, to TURNSTAR.

Consequently, we have assigned to TURNSTAR all Rentals and Rental Income (and their successors in-title or assigns ("the Purchaser"), all our rights, title and interest in and to all claims in respect of the Rentals and Rental Income under our Lease Agreement in respect of the PROPERTIES.

Please note with effect from the date of actual transfer, which date shall be advised you, all payments to be made by you under the said Lease Agreement should be paid directly to TURNSTAR, into a bank account to be notified to you in writing by it.

Please note that the instructions contained in this letter may not be varied or revoked except with the prior written consent of G.H GROUP PROPRIETARY LIMITED. We would be grateful if you would acknowledge receipt of this letter in the form attached and if you would, forward it us.

Yours faithfully

for and on behalf of

SCHEDULE 5 – ACKNOWLEDGEMENT OF CESSION

ON THE LETTERHEAD OF THE LESSEE OR OCCUPIER OF THE PROPERTIES

[Date]

TO: Lessee or [Occupier]

[Address]

Dear Sirs

RE: ACKNOWLEDGEMENT OF NOTICE OF CESSIION

PROPERTIES: TRIBAL LOTS 19674 AND 19668, PALAPYE

We acknowledge receipt of the Notice of Cession dated [....] (the "Notice") a true copy of which is attached to this letter. Terms defined in the Notice will have the same meaning in this Acknowledgment.

We hereby confirm that we have not received notice of any prior cession or encumbrance of the Rentals and Rental Income payable in terms of our Lease Agreement with you ("Ceded Rights").

Furthermore, we acknowledge the Cession which is the subject of the Notice and hereby agree that from a date to be advised us by TURNSTAR HOLDINGS LIMITED , we will pay all sums due and payable by us under the Lease Agreement directly to the TURNSTAR HOLDINGS LIMITED by making payment into such bank account as may be specified by TURNSTAR HOLDINGS LIMITED by notice in writing.

Yours faithfully

____

for and on behalf of
full names of Lessee

27th March 2024

Valuation & Report

Client

TURNSTAR HOLDINGS LIMITED

Location

TRIBAL LOTS 19668 & 19674 PALAPYE

LOTSANE JUNCTION, PALAPYE

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EXECUTIVE SUMMARY

Scope of Work	To value on the basis of Open Market Value, Forced Sale Value and Insurance Replacement Cost the Leasehold interest in The Property as at the Valuation Date in accordance with your instruction dated 26th March 2024.
Purpose of Valuation	Balance sheet purposes.
Inspection Date	23rd March 2024.
Property Description	A retail complex constructed over 2 plots having part upper floor offices suites and comprising of 24 retail outlets, restaurant block, filling station and paved parking space all enclosed within palisade fenced boundaries.
Valuation Date	27th March 2024.
Addresee:	Turnstar Holdings Limited Game City Mall, Plot 9-KO Farm Forest Hill P O Box 26012 Game City Gaborone Attention: Mr. Shiran Puvimanasinge Tel – 371 8911.
Relevance	The report is only for the use by the addressee and no responsibility is accepted from third parties for any part or the entire report.
Standards	The valuation report has been prepared in accordance with the International Valuation Standards and Royal Institution Chartered Surveyors Valuation Standards (Red Book), unless there are any departures which will annexed to this report.
Assumptions	We have also assumed town and regional planning issues, state of repair and condition of the property, soil + environmental issues, tenure as per the Deeds Registry office or as provided in the furnished title deed. Any variation to the above might render the values in this report to be incorrect, hence, a re-appraisal should be considered.
Special Assumptions	**The property is not connected to a sewer line. Currently there are conservancy tanks requiring**

the waste to be pumped out which comes at a huge cost of approximately P800,000 per annum. We understand that plans are at an advanced stage to connect to the main village sewer line. An agreement in principle has been reached in principal with Department of Roads for wayleave over A1 and Water Utilities for connecting to the main village line at the property owner's cost, estimated at approximately P1,000,000. We have adopted normal property expenses excluding the current sewer costs in our valuation and have deducted the costs of establishing a sewer plant directly from the final valuation figure.

Verification

We recommend that before any financial transaction is entered into based upon this valuation, you obtain verification of the information contained within our report and the validity of the assumptions we have adopted.

Publication

Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval.

Market Value

P126,200,000 (ONE HUNDRED AND TWENTY SIX MILLION TWO HUNDRED THOUSAND PULA)

Forced Sale Value

P101,000,000 (ONE HUNDRED AND ONE MILLION PULA)

Insurance Replacement Cost

P184,000,000 (ONE HUNDRED AND EIGHTY FOUR MILLION PULA)

Report Date

27th March 2024.

Valuer

Yours Faithfully

RIBERRY (PTY) LTD
UNIT 11D, PLOT 54368
i-TOWERS, NEW CBD GABORONE
P. O. BOX 602, MOGODITSHANE
TEL: 3180830 FAX: 3180831

Benedict Kgosilentswe BSc (Hons) MRICS MREIB
For and on behalf of
Riberry (Pty) Ltd

Cell: 73302777

Tel: 3188830
Fax: 3188831
E-mail:ben@riberry.co.bw
E-mail: riberry@riberry.co.bw
www.riberry.co.bw

The valuer has sufficient local/national property market knowledge, skills and understanding to undertake valuation competently.

Qualifications and Credentials of the Valuer	Professional Member of the Royal Institution of Chartered Surveyors Professional Member of the Real Estate Institute of Botswana BSc (Hons) Estate Management

GLOSSARY OF STANDARD TERMS USED

This table defines various standard terms used in valuation reports. Where a term is used as defined it will be identified in the text with an *italic* font.

Appraisal	See *valuation*
Assets	Real and personal *property*.
Assumption	A supposition taken to be true. It involves facts, conditions or situations affecting the subject of, or approach to, a *valuation* that, by agreement, need not be verified by the *member* as part of the *valuation* process. Typically, *assumptions* are made where specific investigation by the valuer is not required in order to prove that something is true.
Basis of Value	A statement of the fundamental measurement principles of a *valuation* on specified date.
Date of Report	The date on which the valuer signs the *report*.
Date of Valuation	The date agreed with the client as being the date on which the value is assessed. This date may be before, or the same as, the *date of report* but it cannot be after that date.
Departure	Special circumstances where the *member* considers that it is inappropriate, or impractical, for the *valuation* to be made wholly in accord with a *practice statement* in these standards.
Depreciated Replacement Cost	The current cost of replacing an *asset* with its modern equivalent *asset* less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.
Directors	The individual(s) responsible for the management of a company, firm or entity. This also includes, where the context so admits, the corresponding officers, charged with similar duties (for example, trustees) of an undertaking, enterprise or other organisation, which does not have *directors*.
External Valuer	A valuer who, together with any associates, has no material links with the client, an agent acting on behalf of the client, or the subject of the assignment.
Inspection	A visit to a *property* to examine it and obtain relevant information, in order to express a professional opinion of its value. Unless otherwise agreed with the client the term assumes that the *member* will inspect the *property* both internally and externally, wherever access is possible. (See also *survey*).
Investment Value, or Worth	The value of a *property* to a particular investor, or a class of investors, for identified investment objectives. This subjective concept relates specific *property* to a specific investor, group of investors, or entity with identifiable investment or operational objectives and/or criteria.
Market Rent (MR)	The estimated amount for which a *property*, or space within a *property*, should lease on the *date of valuation* between a willing lessor and a willing lessee on appropriate lease terms, in an arm's length transaction, after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Market Value (MV)	The estimated amount for which a *property* should exchange on the *date of valuation* between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.
Member	A Fellow, Professional *Member*, Technical *Member* or Honorary *Member* of the Royal Institution of Chartered Surveyors (RICS).
Method of Valuation	A procedure or technique used to arrive at the value described by a *basis of value*.
Market Value (MV)	Its application provides the same result as *Market Value*.
Portfolio	A collection or aggregation of *properties* held by a single entity.
Practice Statement (PS)	A statement of the highest professional standards that apply mandatorily to members when providing *written valuations* of *property* in all states, for all purposes to which these standards apply.
Property	All rights and interests in land (with and without buildings), *plant & equipment* and wasting *assets* unless the context clearly implies a more restrictive definition. The term applies also to other *assets* held as *trading stock* or work in progress, when the *valuation* is for the purposes of inclusion of a figure(s) in a financial statement. '*Property*' will include '*properties*' in the appropriate context.
Report	The *written* means of providing the client with the *valuation, appraisal* or assessment of *worth*.
Special Assumption	An *assumption* that either: + requires the *valuation* to be based on facts that differ materially from those that exist at the *date of valuation*; or + is one that a prospective purchaser (excluding a purchaser with a special interest) could not reasonably be expected to make at the *date of valuation*, having regard to prevailing market circumstances.
Special Property	*Property* that is rarely if ever sold in the market, except by way of a sale of the business or entity of which it is part, due to uniqueness arising from its specialised nature and design, its configuration, size, location, or otherwise. Examples include refineries, power stations, docks, specialised manufacturing facilities, public facilities, churches, museums.
Special Value	An amount above the *Market Value* that reflects particular attributes of an *asset* that are only of value to a *special purchaser*.
Survey	An *inspection* of a *property* or land for the purpose of recording specific information. Surveys may be required for a variety of purposes, such as to assess structural condition, dimensions, soil condition, quality etc.
Synergistic Value	An additional element of value created by the combination of two or more interests where the value of the combined interest is *worth* more than the sum of the original interests. (May also be known as 'marriage value'.)

Terms of Engagement	*Written* confirmation of the conditions that the *member* either proposes, or that the *member* and client have agreed shall apply to the undertaking and reporting of the *valuation*, *appraisal* or opinion of *worth*.
Third party	Any party, other than the client, who may have an interest in the *valuation* or its outcome.
Trade Related Property	*Property* with trading potential, such as hotels, fuel stations, restaurants, or the like, the *Market Value* of which may include *assets* other than land and buildings alone. These *properties* are commonly sold in the market as operating *assets* and with regard to their trading potential. Also called *property* with trading potential.
Valuation	A member's opinion of the value of a specified interest or interests in a *property*, at the *date of valuation*, given *in writing*. Unless limitations are agreed in the *terms of engagement* this will be provided after an inspection, and any further investigations and enquiries that are appropriate, having regard to the nature of the *property* and the purpose of the *valuation*.
Worth	*See investment value.*
Written/inwriting	*Written* verification, including material transmitted by electronic means.

SCOPE OF WORK

Sources of Information

The valuation report has been prepared in accordance with the International Valuation Standards and Royal Institution Chartered Surveyors Valuation Standards (Red Book), unless there are any departures which will annexed to this report. Also, the terms of engagement, information supplied to us by yourselves, an inspection of the property and a research carried out in respect of tenure and current market conditions.

Terms of engagement

The terms of engagement are attached herewith in the appendix, but in the absence of the attachment, the terms will be as specified in the executive summary under scope of work as follows; To value on the basis of Market Value, Forced Sale Value and Insurance Replacement Cost the interest in The Property as at the Valuation Date.

Inspection

We undertook a visit to the property to examine it and obtain relevant information. We inspected the property visually both internally and externally, and our report contains a brief summary of the property details on which our valuation has been based. All measurements and areas quoted in our report are approximate. We did not undertake a building, structural, soil or any other specialist survey of the property. Standard fixtures and other normal service installations including air-conditioning have been treated as an integral part of the building, hence included in our valuation.

Inspection date

23rd March 2024.

Repair Condition

From our visual inspection as at the time of our survey the property appeared to be in a satisfactory state of repair and condition.

Titles & Tenures

Details of title/tenure under which the property is held have been obtained either from the Deeds Registry Office or from the client. Where information from deeds, leases or other documents is recorded in this report this represents our understanding of the relevant documents. We should emphasise, however, that the interpretation of the documents of title (including relevant title deeds, leases, restrictive covenants and planning consents) is the responsibility of your legal advisor.

We have not measured the site but relied on the surveyed diagrams details as obtained from the Deeds Registry.

Environmental Matters

We have not carried out any investigation into past or present uses of the property nor of any neighbouring land to establish whether there is any potential for contamination from these uses or sites adjacent to the subject property and have therefore assumed that none exists.

We have not factored in any environmental issues, that are either an inherent feature of the property itself, or the surrounding area, which could impact on the value of the property interest i.e. environmental legislation, soil conditions, historic mining, archeological sites, electricity transmission equipment etc.

Town Planning

We have not undertaken planning enquiries but relied on the information obtained from the Title Deed and/or lease and/or certificate. And we assumed that; the property possesses a good and marketable title free from any onerous or hampering restrictions or conditions; all buildings have been erected either prior to planning control or in accordance with planning permissions and have the benefit of permanent planning consents or existing use rights for their current use; the property is not adversely effected by town planning or road proposals; all buildings comply with all statutory and local authority requirements including building, fire and health and safety regulations

STANDARD VALUATION ASSUMPTIONS

Market Value

Market Value is defined as:

"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

Market Value is understood as the value of a property estimated without regard to costs of sale or purchase, and without offset for any associated taxes.

Definitions of the above market value statement are as below

'The estimated amount . . .'

Refers to a price expressed in terms of money (normally in the local currency) payable for the property in an arm's-length market transaction.
Market Value is measured as the most probable price reasonably obtainable in the market at the date of valuation in keeping with the Market Value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of Special Value.

'. . . a property should exchange . . .'

Refers to the fact that the value of a property is an estimated amount, rather than a predetermined or actual sale price. It is the price at which the market expects a transaction that meets all other elements of the Market Value definition should be completed on the date of valuation.

'. . . on the date of valuation . . .'

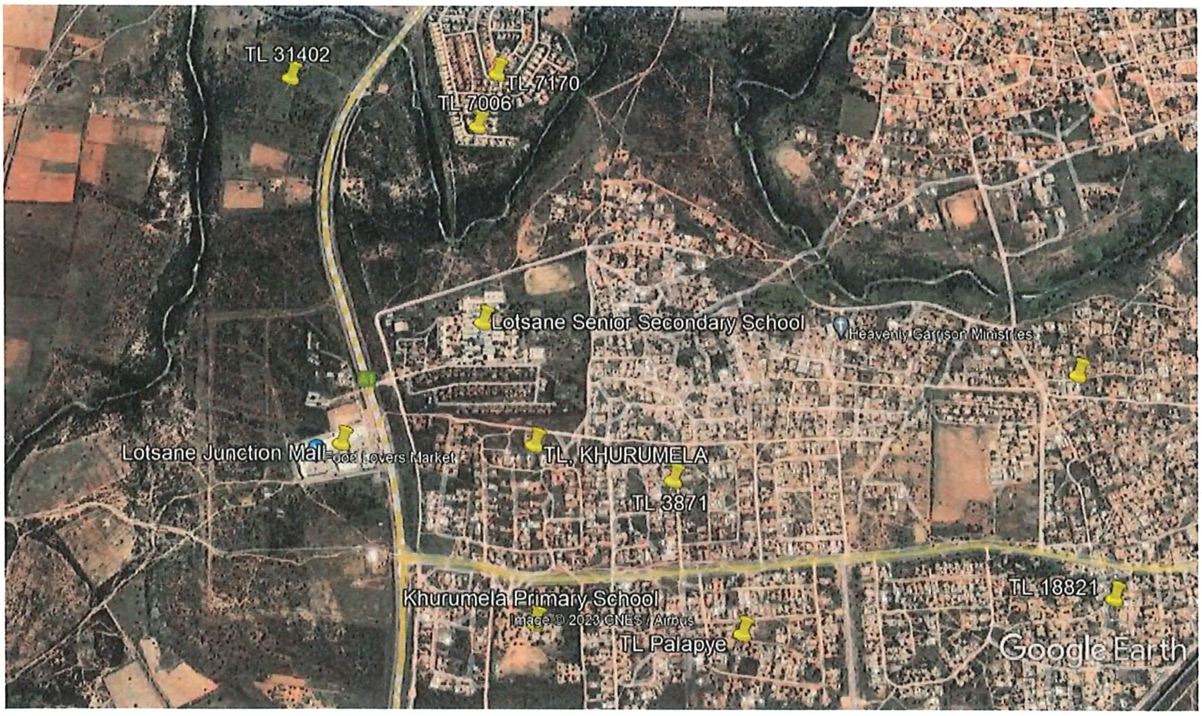
Requires that the estimated Market Value is time-specific as of a given date. Because markets and market conditions may change, the estimated value may be incorrect or inappropriate at another time. The valuation amount will reflect the actual market state and circumstances as of the effective valuation date, not as of either a past or future date. The definition also assumes simultaneous exchange and completion of the contract for sale without any variation in price that might otherwise be made.

'...between a willing buyer . . .'

Refers to one who is motivated, but not compelled to buy. This buyer is neither over-eager nor determined to buy at any price. This buyer is also one who purchases in accordance with the realities of the current market and with current market expectations, rather than on an imaginary or hypothetical market which cannot be demonstrated or anticipated to exist. The assumed buyer would not pay a higher price than the market requires. The present property owner is included among those who constitute 'the market'. A valuer must not make unrealistic Assumptions about market conditions or assume a level of Market Value above that which is reasonably obtainable.

'. . . a willing seller . . .'	Is neither an over-eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the property at market terms for the best price attainable in the (open) market after proper marketing, whatever that price may be. The factual circumstances of the actual property owner are not a part of this consideration because the 'willing seller' is a hypothetical owner.
'. . . in an arm's-length transaction . . .'	Is one between parties who do not have a particular or special relationship (for example, parent and subsidiary companies or landlord and tenant) which may make the price level uncharacteristic of the market or inflated because of an element of Special Value. The Market Value transaction is presumed to be between unrelated parties each acting independently.
'. . . after proper marketing . . .'	Means that the property would be exposed to the market in the most appropriate manner to effect its disposal at the best price reasonably obtainable in accordance with the Market Value definition. The length of exposure time may vary with market conditions, but must be sufficient to allow the property to be brought to the attention of an adequate number of potential purchasers. The exposure period occurs prior to the valuation date.
'. . . wherein the parties had each acted knowledgeably, prudently . . .'	Presumes that both the willing buyer and the willing seller are reasonably informed about the nature and characteristics of the property, its actual and potential uses, and the state of the market as of the date of valuation. Each is further presumed to act for self-interest with that knowledge and prudently to seek the best price for their respective positions in the transaction. Prudence is assessed by referring to the state of the market at the date of valuation, not with benefit of hindsight at some later date. It is not necessarily imprudent for a seller to sell property in a market with falling prices at a price which is lower than previous market levels. In such cases, as is true for other purchase and sale situations in markets with changing prices, the prudent buyer or seller will act in accordance with the best market information available at the time.
'. . . and without compulsion.'	Establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it.
Market Rent	The estimated amount for which a property, or space within a property, should lease (let) on the date of valuation between a willing lessor and a willing lessee on appropriate lease terms in an arm's-length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion.

GOOGLE MAP FOR TRIBAL LOT 19668 & 19674, PALAPYE



COORDINATES: LATITUDES: 22°33'41.36"S LONGITUDES: 27° 4'54.35"E

PROPERTY DESCRIPTION

LOCATION	The property is prime situated within Palapye Village, Lotsane Ward, fronting onto A1 Road and in close proximity to the southwest of Lotsane Senior Secondary School.
TENURE	The development has been constructed over two plots whose tenure details are as below;

TRIBAL LOT 19668 PALAPYE

The property is subject of a Memorandum of Agreement between Palapye Sub Land board and Business Care Services (Proprietary) Limited and subsequent Notarial Deed of Cession No. FT MA 168/2019 dated 22nd July 2019. The lease is for 50 years having commenced on the 12th December 2018. The registered name there is shown as G.H. Group (Proprietary) Limited. The area of land is shown as 1.7836 hectares.

Use: specifies "Commercial"

Survey Diagram: D.S.M. No. 1672/2014 prepared by B. Hungwe in April 2014 and approved by the Director of Surveys and Mapping on the 23rd May 2014.

TRIBAL LOT 19674 PALAPYE

The property is a subject of a Memorandum of Agreement of between Ngwato Land Board and Julia Natefo Phala and registered at the Deeds under FT TL 310/2014 dated 21st March 2014 and subsequent Notarial Deed of Cession No. FT MA 212/2017 dated 11th June 2017. The lease is for 50 years having commenced on the 3rd June 2013. The registered name there is shown as G.H. Group (Proprietary) Limited. The area of land is shown as 1.5036 hectares.

Use: specifies "Commercial"

Survey Diagram: D.S.M. No. 962/2014 prepared by C. Mannathoko in March 2014 and approved by the Director of Surveys and Mapping on the 14th March 2014.

SERVICES	Mains water, electricity and are available and connected to the property. Drainage is by way of conservancy tanks.

DESCRIPTION SUMMARY

A retail complex constructed over 2 plots having part upper floor offices suites and comprising of 24 retail outlets, restaurant block, filling station and paved parking space all enclosed within palisade fenced boundaries.

CONSTRUCTION

Main Building

Constructed from reinforced concrete frames and columns with brick infills walls rendered externally and plastered internally with glazed shop fronts on aluminum frames under mono pitched IBR roof sheets on steel trusses with parapet walls. Suspended ceilings are fitted. Floors are concrete and variously covered with porcelain and ceramic tiles to parts.

Running the front length of the entire building is a veranda/covered walkway.

Restaurant/ Fast Food Block

Constructed from reinforced concrete columns with brick infills walls rendered externally and plastered internally with glazed shop fronts on aluminum frames under mono pitched IBR roof sheets on steel trusses with parapet walls. Suspended ceilings are fitted. Floors are covered with porcelain and ceramic tiles to parts.

Running the front length of the entire building is a sitting terrace/ veranda/covered walkway.

Filling Station Canopy

Constructed from steel stanchions supporting butterfly shaped/mono pitched IBR chromadeck roof sheets on steel purlins with boxed fascias. Klip-lock sheets are fitted as ceilings. Floors are part power floated reinforced concrete and part concrete pavers.

Filling Station Convenience Shop

Constructed from brick walls rendered externally and plastered internally with glazed shop fronts on aluminum frames under mono pitched IBR roof sheets on steel trusses with parapet walls. Suspended ceilings are fitted. Floors are covered with ceramic tiles.

ACCOMMODATION

Main Building

Accommodation comprises 24 retail units being;

The anchor unit is accessed via a double volume entrance veranda through an aluminum folding door leading onto an open retail space having trading area, kitchen, butchery, bakery and take away sections and rear receiving and stock storeroom.

There is also a mezzanine area accessed via internal concrete stairs and comprising administration offices, staff canteen fitted with stainless steel drainer sink unit, ladies change rooms having dressing area and fitted with 3 shower cubicles area, 6 w.c. and 4 wash hand basins, gentlemen change rooms fitted with. 3 urinals, 4 shower cubicles, 3 w.c. and 3 wash hand basins.

Each retail unit is accessed via an aluminum framed and glazed door leading onto an open plan retail space.

Smaller Units each have kitchenette fitted with a single stainless-steel sink base unit.

Larger units have ladies and gentlemen toilets each fitted with w.c. and wash hand basin and kitchenette fitted with a single stainless-steel sink base unit.

There is a centre management office, centre toilets comprising female toilets fitted with 4 w.c. and hand wash trough and male toilets fitted with 3 urinal basins, 2 w.c. and hand wash trough, paraplegic toilet fitted with w.c. and wash hand basin, kitchenette fitted with a single stainless-steel sink and wall units and a storeroom.

First floor accommodation accessed via 2 front staircases leading onto a landing, walkway, 6 office suites each accessed via a double aluminum framed and glazed door leading onto an open plan office area.

The office suites are serviced by ablutions located on the first floor and comprises female toilets fitted with 2 w.c. and wash hand trough and male toilets fitted 2 urinal basins, 2 w.c. and wash hand trough, paraplegic toilet fitted with w.c. and wash hand basin and storeroom.

Restaurant/Fast Food Block

Accommodation comprises 5 units. units now being for office accommodation.

Each unit is accessed from the front verandah/sitting area comprises an open shop/office suite each with dedicated staff change rooms comprising male and female change rooms each fitted with shower cubicle, w.c. and wash hand basin and each having access to a rear service/ delivery yard.

On the eastern side and separately accessed are customer toilet facilities comprising female toilets fitted with 3 w.c. and wash hand trough and male toilets fitted with 3 urinal basins, 2 w.c. and wash hand trough, paraplegic toilet fitted with a w.c. and wash hand basin.

Filling Station/ Convenience Shop

Accommodation comprises a modern filling station facility with a 4 pump island forecourt, an open high speed diesel pump island, a convenience kiosk shop with a kitchen preparation area fitted with a single stainless steel drainer sink, double stainless steel drainer sink, an office, 2 store rooms, freezer room, retail shop space fitted with check-out counter, an ATM, attendant's office, staff toilet facilities comprising female toilets fitted with 2 w.c. and wash hand basin, male toilets fitted with urinal basin, w.c. and wash hand basin and paraplegic toilet fitted with w.c. and wash hand basin.

Water Service Station

An open room having 2 pump station facilities and 2 water reservoirs/tanks.

EXTERNAL AREAS

These include 3 standby genset enclosures, brick wall enclosed engine room and water service station with reservoir/tanks, paved driveways/walkways and approximately 488 parking bays all enclosed with palisade fenced boundaries.

CONDITION

From our visual inspection at the time of our survey the property appeared to be in a satisfactory state of repair and condition.

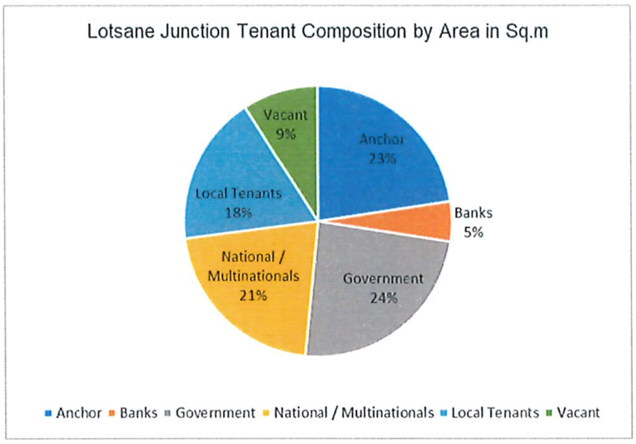
TENANCY DETAIL

We did not have sight of the leases. However, we extracted leasing information from lease schedule shared by the landlord. We understand from the landlord schedule provided, the premises are let on the following terms and conditions;

89% of the property is let to various tenants, anchored by a supermarket, with a Bank, Government departments, national/multinational and local retailers. The tables and charts below give insight on the tenant composition and lease expiry profiles.

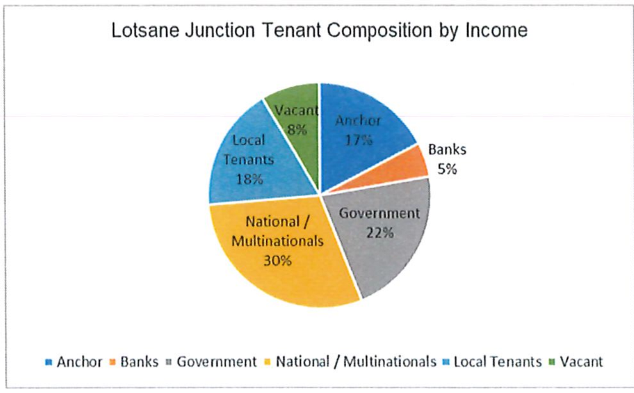
Tenant Profiles by Area

Tenant Type	Area m2	Area %
Anchor	2,334	23%
Banks	493	5%
Government	2,498	24%
National / Multinationals	2,203	21%
Local Tenants	1,853	18%
Vacant	935	9%

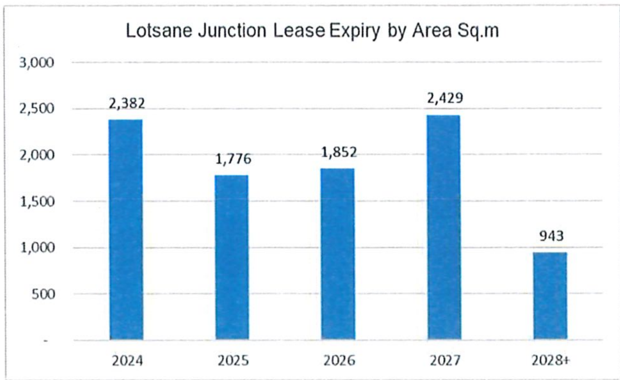


Tenant Composition by Income

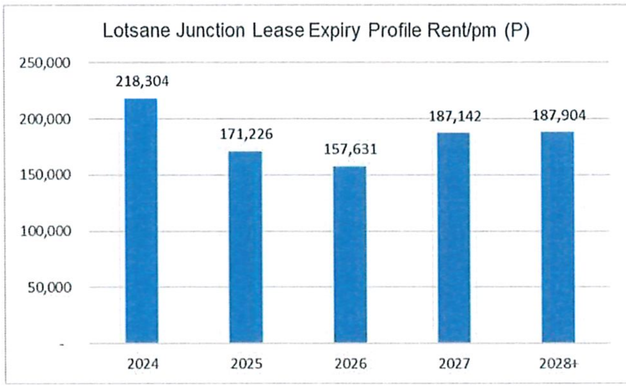
Anchor	175,000	17%
Banks	49,605	5%
Government	218,644	22%
National / Multinationals	299,220	30%
Local Tenants	179,736	18%
Vacant	85,248	8%
	1,007,453	**100%**



Lease Expiry By Area in sq.m		
2024	2,382	25%
2025	1,776	19%
2026	1,852	20%
2027	2,429	26%
2028+	943	10%



Lease Expiry By Monthly Income		
2024	218,304	22%
2025	171,226	17%
2026	157,631	16%
2027	187,142	18%
2028+	187,904	19%
Total	**922,205.20**	
Filling S/S	90,000.00	



The leases are signed for a 1 to 10 years period depending on the tenant profile. The passing rentals are more in line with market rates with escalations averaging 7%.

Multinationals/nationals, Banks and Government occupy 73% of the centre by both GLA & income, thereby providing stability to the centre.

The centre has over 9% of vacancies against a industry norm of about 2.5%. Given the centre's visible location and with more marketing it will be just a matter of time that it will be fully let.

The detailed lease schedule is as below;

Unit No.	Tenant	Area (m2)	Lease Period	Esc	(March 2024) Rent (P) (ex VAT)
SHOP 1	LINCOLNHURST	51.00	5	7%	6,685.06
SHOP 1A	SCALES	59.10	2	7%	7,512.53
SHOP 2	MIDNIGHT PHARMACY	120.42	5	8%	17,693.65
SHOP 3 & FF OFFICES	LAND TRIBUNAL	1,090.30	5	0%	84,975.00
SHOP 4	RAYONI	42.03	2	7%	5,396.95
SHOP 5	CELLPHONE WAREHOUSE	140.77	5	8%	13,530.24
SHOP 6	BOLK EX-JAYSHEL CASH	18.73	2	8%	3,750.00
SHOP 7	THE SQUARE MART	2,334.32	10	-	175,000.00
SHOP 8	HOLISTIC PHYSIO CLINIC	36.90	5	7%	4,737.60
SHOP 9	LEA	211.56	3	6%	19,040.00
SHOP 10	NDAWANI DUBE	151.24	2	7%	12,099.20
SHOP10A	VACANT - NMG ADMINISTRATORS	150.76	5	7%	
SHOP 11	YAKU (baby)	184.90	5	7%	14,658.54
Shop 12	WUC	180.69	-	7%	16,262.10
SHOP 13	ALECHANT	190.60	5	7%	18,212.47
SHOP14	REGALINK	210.80	5	7%	18,351.14
SHOP15	VACANT	443.83	-	-	-
SHOP16	SBC INVESTMENTS	439.51	5	6%	34,025.12
SHOP 17A	ABOVE LIFE	79.40	5	8%	9,261.22
SHOP 17B	SERVE	57.60	2	7%	7,395.84
SHOP 17C	NATIONAL AMALGAMATED	57.66	5	7%	7,403.54
SHOP 17D	TASK Manufacturer	27.84	2	7%	3,575.00
SHOP 17E	TINOTECH	74.93	-	8%	8,220.00
SHOP 17F	KREDICELL	74.67	1	7%	10,166.58
SHOP 17G	MOREECADA	28.24	5	8%	4,158.00
SHOP17H	SETHUNYA'S CANVAS	49.28	2	7%	10,327.21
SHOP 17I	VACANT	58.21	-	-	-
Shop 17J	VACANT	80.43	-	-	-
SHOP18	YAKU	511.93	3	5%	40,584.91
SHOP19	VACANT	365.69	-	-	-
SHOP20	YAKU	366.52	3	5%	29,057.06
Shop 21-22	Ministry of Finance	573.17	5	0%	51,585.30
SHOP23	BLUE QUARTZ (western furniture)	305.00	5	8%	33,286.27
SHOP24	FNB	493.44	5	6%	49,605.33
SHOP25	DCEC	291.07	5	0%	31,942.72
SHOP26	INDUSTRO CLEAN (BIDVEST)	188.86	5	4%	17,363.03
SHOP27	BOTSWANA POST	155.39	5	7%	15,228.75
SHOP28A	BOPEU	225.10	3	6%	17,895.45
SHOP28	DCEC NEW UNIT	176.35	5	0%	15,871.50
Stand Alone	A1 FILLING STATION	1.00	-	-	90,000.00
ATM	VACANT	9.00	-	-	-
ROOF	MASCOM	1.00	10	8%	4,407.99

MARKET & VALUATION

MARKET

Our recent survey of commercial property sales in the area shows land values devaluing to a range of P75 - 500/m². Sales within that range reflect differences in land size, shape, position and other location qualities such as frontages, roads, proximity to amenities, neighbourhoods, etc. Improvement rates also show variations attaching to differing qualities of design, volume, construction, scale etc. of various forms of developments. On the letting side, retail shop rentals currently range from P70/m² – P250/m², Offices/First floor units range from P40/m² – P60/m² and differing in regard to location, size as well as the general quality of the improvements.

There has been an upsurge of shopping centre developments in Palapye. The 4 new centres (including the subject property) have added an additional 45,000m² to the retail landscape of Palapye. All centres do benefit from the A1 highway frontage with the other three more centrally located nearer to the main junction where there is foot traffic. These developments have increased retail space supply in the Palapye precinct within a short space of time and would be anticipated to put downward pressure on rental levels. Palapye rental rates range between P70/m² and P250/m² depending on the size and with anchors at the lower end and small shops located next to the anchor at the higher end. The ideal tenant mix of the subject property will be a mixture of convenience and regional outlets that will service both local, regional and travelling customers. Palapye village has favourable attributes in the form of catchment from villages, (Serowe, Mahalapye, Palapye and other surrounding smaller villages/settlements) various establishments such as BIUST, Morupule Coal Mine, Morupule Power Plant, Letlhakane & Orapa Mines and various Government institutions who form by and large the catchment for customers for Lotsane Junction and Palapye centres. Therefore, we are of the opinion the Centre benefit from a strong convenience i.e. Food Lovers regional appeal and fresh produce & offering groceries, chemist and bottle store; banking institutions, general clothing outlets i.e. furniture, homeware, outdoor, cellphone sales etc. filling station and take-aways for the public transit customers. The location of the Centre is very prime in the medium and long-term as more developments are envisaged to be done adjacent to the property which falls under mixed use zone and targeted to be the Palapye New CBD.

VALUATION METHODOLOGY

Lotsane Junction has a GLA of approximately 10,300m^2 offering one of the modern shopping space and experience to Palapye and its surrounding villages thus giving it a community Centre status with more of a regional pull.

The Centre boasts of Caltex branded filling station, Square Mart Food Lovers as the supermarket anchor, First National Bank, Government offices (Land Tribunal, Ministry of Finance, DC.E.C.) and small to medium scale service and convenience retailers.

The respective lease terms for the filling station, anchors and banks are between 2 - 25years with options to renew. The line shops being the national/multinational tenants have 5-year lease terms also with options to renew. Then, the local tenants have the standard 2 - 3 years lease with options to renew.

We believe the existing and targeted tenants' profiles and covenant strength give the centre an element of security and stability. From this, it could be assumed rental payments/cash flows would not be compromised. There are also further opportunities of accommodating stronger new brands in the letting process as an upmarket highly visible centre.

As this is a retail property it has been valued on an investment method of valuation whose process is as follows;

We were furnished with a tenancy schedule populated current rent and add market rent for the vacant spaces.

The next stage was to establish the Centre running costs. We were furnished with schedule of centre costs. We interrogated the said costs in detail. We have established costs for running centres of this magnitude based on comparable data for similar sized centres in Palapye/Mahalapye region. The costs established are more in line with the current shopping Centre running trends. However, the costs of sewerage disposal were sticking out too high and should be aligned to the norms once the centre is connected to the main sewer line or the planned stand alone sewer plant to be constructed by the developer.

A net amount was then established and capitalised with an industry established capitalisation rate. It is worth noting there is limited comparable sales evidence of shopping centres that have exchanged hands. Most transactions in the market have been partial buy-ins into existing centres which have reflected purchase yields averaging 7.5% - 9%. Outright purchase has been Watershed in Mahalapye that transacted at 7.5%. We are of the opinion that the subject property due to the tenant profile and covenants which will be diluted by increased supply would attract a yield of 8.0% which has been adopted as the appropriate capitalisation rate.

PLINTH

Sites (Land)				
TL 19668 Palapye	1.7661	ha		
TL 19674 Palapye	1.5036	ha		
Total/Aggregate	3.2697	ha		
Main Shop Block				
Ground Floor Retail Shops	9,518.95	m^2		
Mezzanine	245.05	m^2		
Double Volume entrance / arcade	101.64	m^2		
Verandas	1,204.03	m^2		
First Floor Office Suites	964.35	m^2		
Balconies	260.71	m^2		
Restaurants Block (Now Offices)	1,100.00	m^2		
Veranda	557.05	m^2		

Filling Station Canopy	443.31	m^2		
Filling Station-Convenience Shop	254.70	m^2		
Tripple shade net carports	21.0	No.		
Double shade net carports	2.0	No.		
Single shade net caports	1.0	No.		
Paving (driveway/parking)	15,400	m^2		
Palisade boundary fencing	755.12	m		

VALUATION

Market Value (MV)				**P126,200,000**
Forced Sale Value				**P101,000,000**
Insurance Replacement Cost				**P184,000,000**

CONCLUSION & GENERAL COMMENTS

A commercial plot developed with a retail building with 24 shops, Restaurant food court block converted to retail/office use with 4 outlets, a filling station with a convenience shop located within a prime developing commercial area in Palapye, Lotsane Ward along the A1 Road.

The property provides adequate security to any financial institution for a normal mortgage advance on the basis of our valuation.

<u>TRIBAL LOT 19668 & 19674, PALAPYE – LOTSANE JUNCTION</u>

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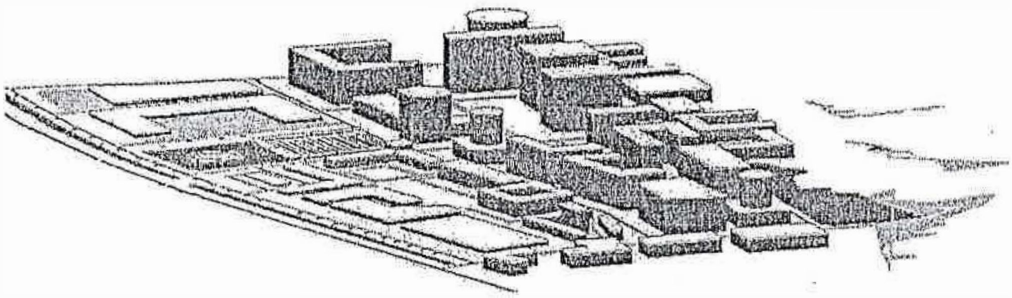
ANNEXURE 3

Central District Council

Palapye Administrative Authority

LOTSANE MIXED USE DESIGN BRIEF



Ngwato Land Board

Principal Land Registration 4631445

Palapye Sub-land Board 4920324

Palapye Admin Authority 4930800

TOWN PLANNER

MR SEFORO

Seforo

Caferen (bus Expo)
own land . Pursued developers!

ahmed

76202804.

gmail.com.
71791881

ADDENDUM – CENTRAL DISTRICT COUNCIL, PALAPYE

APPLICATION FOR PLANNING PERMISSION FOR LOTSANE MIXED LAND USE DETAILED LAYOUT BY THE SENIOR ASSISTANT COUNCIL, PALAPYE ADMINISTRATIVE AUTHORITY, P/BAG 0072, PALAPYE

1.0 Introduction

The area was previously zoned for agro-industries with a detailed layout and pre-demarcated plots. There are currently some existing agro-industries holdings like poultry but most of the plots have not been allocated. The area has now been zoned by the Current Palapye Planning Area Development Plan (2007- 2031) for mixed use developments. This is to be developed as a mix of commercial and civic with components of residential uses.

2.0 SITE LOCATION AND SIZE

The designated Lotsane Mixed Use area is located west of the Gaborone-Francistown A1 highway opposite Lotsane Senior Secondary School. The area measures 69 ha with a perimeter of 3 570m and is bordered to east by the A1 road, north by arable landuses, west by Lotsane river and to the south by farms. There are 68 pre-demarcated plots with sizes ranging from 4000 sqm – 2.2ha

3.0 GOALS AND OBJECTIVES

According to the Palapye Planning Area Development Plan (2007- 2031) the aims and objectives of the development are as follows;

I. To facilitate the integration of different but compatible uses of commercial, residential and civic and community into single planned development units or zones with the aim of creating spatial developments that will offer "live, work and recreation" opportunities within walking distances of each other.
II. To create a vibrant place that will serve as a centre of attraction and a place of increased economic activities thus improving the vibrancy and economic viability.
III. To achieve intensification and optimal utilisation of land resources.

IV. Promote a greater mix of land uses, higher densities and intensification of development at selected nodes and corridors in order to raise the economic vibrancy and viability

V. Pro-actively manage the use of land and to set appropriate levels of service standards to ensure wise use of land, provision of adequate infrastructure, services and sustainability

With the above goals in mind the mixed use development will try to achieve the following specific goals;

- Create a dynamic walkable, mixed-use environment
- Create quality usable public spaces
- Ensure high standards of design for buildings, infrastructure and landscaping
- Create a high degree of pedestrian and vehicular connectivity
- Locate buildings close to the street so that streets and squares feel enclosed
- Introduce on- street parking

4.0 PHYSICAL CHARACTERISTICS OF THE SITE

4.1 TOPOGRAPHY AND SOILS

According to Palapye Development Plan, the planning area is covered by basic rocks composed mainly of magnetite and some feldspar extruded during the Jurassic period. This basalt's are predominant in the central part along the Lotsane River and to the south east. There are two types of Kalahari sands in the area, the undisturbed primary sand that is found to the west and North West around the Morupule Colliery and Power Station, and the secondary sands that have mixed with clay and silt found along the northern banks of the Lotsane River to the north east of the area.

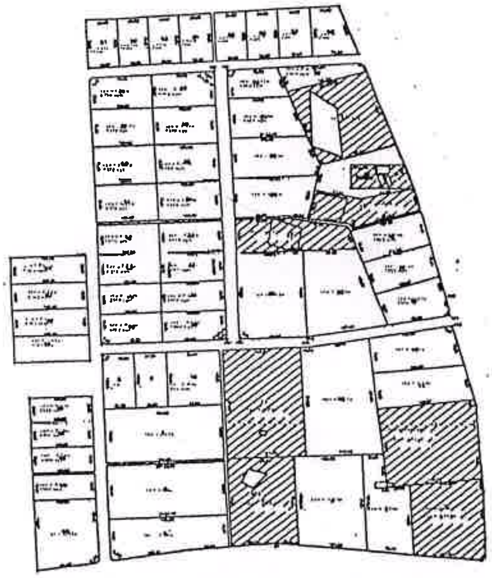
4.2 MAN MADE FEATURES

There are existing agricultural holdings with the tarred primary road (A1) providing access to the site from the eastern site. The site is traversed by dust roads and foot tracks with some plots fenced and few with developments.

4.2 EXISTING USES

There is currently an existing Agro-Industries layout which was not fully allocated. There are 62 pre-demarcated plots with sizes ranging from 4000 sqm – 2.2ha, 8 have been allocated with 5 of the 8 developed. All the allocated plots were allocated for agro-industrial uses and 3 of them are operating as poultry farms. The following diagram is of the layout and indicates plots which were allocated;

FIGURE 1: existing layout



All the shaded plots have been allocated while the rest are not

5.0 EXISTING INFRASTRUCTURE SYSTEM AND FACILITIES

5.1 WATER SYSTEM
There is an existing water reticulation system along A1 road and the existing plots hence water connection would not be a problem.

5.2 POWER NETWORK
There are existing powers lines running into the site for existing operations hence power connection will not be a problem.

5.3 SANITATION SYSTEM
There is no sewerage system in this area. As the area does not have sewerage network the plot owners should use conservancy tanks while awaiting the future phases of sewerage reticulation.

5.4 ROADS

There are no existing roads on the area except for a few motorable tracks and the tarred A1 road. It is therefore advisable that Council debush the roads that will be proposed to enable access to the plots after realignment of plots

6.0 Consultations

The PPADP (2007-2031) has in the design of the Lotsane mixed use prescribed a thorough consultation with land owners in the area. A meeting was held between the Palapye Sub DLUPU members and owners of plots as a consultative forum to map a way forward in the design of a layout and the development of the mixed use zone. The following is the output of the meeting;

- It was agreed that owners be allowed to keep their portions and that the design should endeavour to achieve that.
- No compensations will be made for those who have structures and operating under the current land use. The land owners are to take it upon themselves that they conform to the proposed land use and other provisions of the development plan.
- The design of the layout should focus on rationalising the roads to ensure proper road hierarchy, access, movement and circulation within the area.
- A liberal approach to be adopted where all plots are left as mixed use and developers themselves choose within the prescribed mixed use.

The consultation of the land owners is an on-going process which engages all the affected stakeholders in the implementation of the project.

6.1 Challenges

The following are some of the challenges which contributed to the adoption of a liberal approach in the design and development of the area;

Lack of funds for compensation

I. There is currently lack of funds for compensations if a completely new design was to be carried out such that owners end up losing their land portions and /or buildings.

7.0 LAND USE DISPOSITION

The proposed mixed use is for commercial, civic and residential uses with exclusion of Industrial and agricultural uses. The Palapye Planning Area Development Plan (2007-2031) has designated a 940 ha land zoned for Agro-industrial uses which will accommodate arable agriculture and agro-industrial uses. The current existing use for Agro-industries will not be allowed in the mixed use zone, but is to be relocated to agro-industrial zone, and is to be phased out in favour of the proposed uses

TABLE 1: LAND USE DISPOSITION

LAND USE	NO. OF PLOTS	PLOT SIZE RANGE (ha)	TOTAL AREA (Ha)
COMMERCIAL	1 (mega shopping complex)	5.3	5.3
commercial	5	1.24-2.79	9.64
Civic and Community	8 general	1.15 – 2.33	11.1
	taxi rank	1.35	1.35
Open Spaces	1 (Park)	1.35	1.35
	Recreation park	5.9	5.9
Mixed-Use	4 (commercial and CC)	1.27 – 1.65	6.05
	14 (commercial, CC and residential	1.16- 2.80	21.06
Others			13.65
			75.4

7.1 COMMERCIAL

6 plots have been designated as commercial development. There are those along the main A1 road. Only one plot has been designated for development as a commercial for a mega shopping complex. The objective is to have a modern mega shopping centre instead of the usual smaller shops in our local centres. The plot measures 5.3 ha.

7.2 CIVIC AND COMMUNITY

Eight plots have been designated for civic and community use with one for a taxi rank and the other two for general civic use. The other 8 plots may be allocated for any civic use like schools, place of worship, post office etc. Currently churches are increasingly becoming incompatible in predominately residential areas; it is therefore preferable that one of the plots be allocated for a church.

7.3 OPEN SPACE

A 1.4 ha plot has been designated as an open space for development as Park. The park is to enhance the visual appearance of the area and also provide leisure for the residents. The other open space is a recreational park which is along the Lotsane River and is buffer of the area.

7.4 COMMUNICATION ROUTES

- Road: the layout has proposed two accesses of 30m roads into the area from the A1 road with a slip road that runs parallel to the primary road (the A1).
- Pedestrian walkways: provision has been made for pedestrian movements around the layout in terms of 10m corridors between plots

7.5 MIXED USE

A total of 18 plots are designated for mixed use developments with a size range of 1.15 ha – 2.79ha. The plots have been made larger in order to accommodate sizeable developments for mixed uses. . The following are the uses which will be allowed in the mixed use zone;

I. Commercial and Residential land use
II. Residential, Commercial and Civic/Community
III. Commercial and Civic and Community
IV. Commercial
V. Civic and Community
VI. Multifamily Residential

Table 2: Percentage allowances for mixing of uses

Mixed Use Zone Type	Percentage of allowable mixing of uses
Commercial, Civic and community, Residential (horizontal mixing)	• No one category of use (commercial, residential, civic) shall exceed 35% plot coverage • Open area or parking shall be utilised to buffer mixed land uses
Commercial/ Residential(horizontal mixing)	75% plot coverage shall be for commercial use and 25% for residential use. If the mixed use is in a single multi-storey building, which shall not exceed three storeys, residential uses shall not exceed 25% of the total floor area.
Commercial, Civic and community, Residential (vertical mixing)	• Commercial shall occupy ground • Civic and Community shall occupy first floor • Residential shall occupy the second floor.
Mixed Use – Commercial/ Residential(vertical mixing)	• Maximum 3 storey • Commercial shall occupy ground floor and first floor • Residential shall then occupy the second floor.

General provisions

- Separate parking facilities shall be provided for residential uses and commercial uses except that residential visitor parking and commercial parking may be shared, as determined during project review.
- Commercial loading areas and solid waste storage areas shall not be shared with residential uses unless so determined during project review.
- Each residential unit shall be plumbed and wired for a washing machine and dryer, or shall provide common laundry facilities of sufficient number and accessibility, consistent with the number of living units
- All developments shall provide at least 10% of the total floor area as open space. The open space shall typically include elements of soft/green landscaping with not more than 50% assigned to hard landscaping. Parking and loading bays and driveways shall not be considered as part of the open space.
- Site plans shall clearly indicate the mixture of uses within the plot/building and the percentages of the overall coverage that each use occupies. Furthermore, the site plans shall indicate the number of parking required and provided, assigned to each use and their locations, and also illustrated how public transport (where applicable) is to be integrated into the site

8.0 Urban Design Scheme and Development Strategy

8.1 The design of the Lotsane mixed use follows the recognised mixed uses as found in the PPADP (2007-2031). There are 3 types of mixed use development namely;

i. **Mixed use Corridor Development**; usually located along an activity corridor and connects nodes. Example is the first row of plots along the major 45m road entering Palapye connecting CBD and Business Park.

ii. **Mixed use Centre;** usually in nodes that are connected by an activity corridor (e.g. proposed CBD and business Park in Palapye)

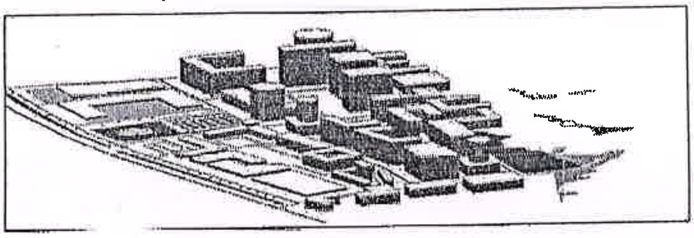
iii. **Mixed use neighbourhood**; characterised by a neighbourhood and usually self-contained in terms of land uses and have a carrying capacity of around 5000 people. (E.g. extension 1 in Palapye).

Palapye is characterised by three nodes, the business park, CBD and now the Lotsane mixed use .Therefore Lotsane Mixed land use will follow mixed use centre as it is a node as per PPADP (2007-2031).

8.2 Lotsane mixed use has natural features in the form of Lotsane River and lots of greenery along the river banks. The development in the layout will therefore take into cognisance the natural features that are there. The man made features at the same time will be taken into cognisance. There is the A1 road which is existing and that is the main activity corridor that the area will be highly appreciated from.

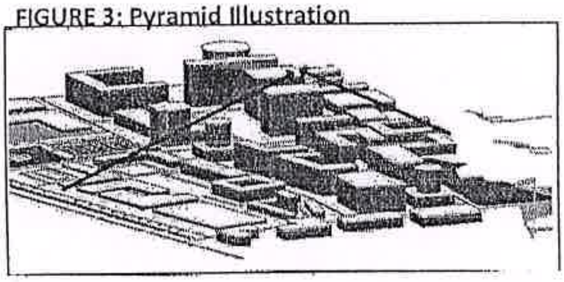
Existing features, man-made features and the type of buildings that will be design has informed the plan to have the model as figure 2 illustrates.

FIGURE 2: Layout Model Illustration



The bone of contention is to achieve a concept where now the whole area' building are enjoyed and appreciated without visual intrusion from one building to the other and at the same time the scenery created by the river and river bank is enjoyed too . The whole layout will therefore make a pyramid model informed by building height as the figure3 illustrates.

FIGURE 3: Pyramid Illustration



8.3 With that dealt with, the layout will be divided into four sub zones and each sub zone explained. The zones will be namely;

i. Core sub zone,
ii. Centre sub zone,
iii. General sub zone and the
iv. Civic sub zone

All of the above sub zones will follow the mix use allowable percentage table as outlined by PPADP (2007-2031). The table is as below

Table 3: Percentage allowances for mixing of uses

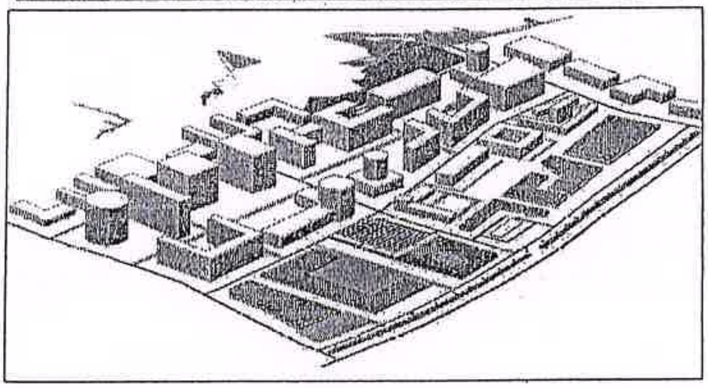
Mixed Use Zone Type	Percentage of allowable mixing of uses
Commercial, Civic and community, Residential (horizontal mixing)	• No one category of use (commercial, residential, civic) shall exceed 35% plot coverage • Open area or parking shall be utilised to buffer mixed land uses
Commercial/ Residential(horizontal mixing)	75% plot coverage shall be for commercial use and 25% for residential use.
Commercial, Civic and community, Residential (vertical mixing)	• Commercial shall occupy ground • Civic and Community shall occupy first floor • Residential shall occupy the second floor.

Mixed Use – Commercial/ Residential(vertical mixing)	• Commercial shall occupy ground floor and first floor • Residential shall then occupy the second floor.

Source; PPADP (2007-2031)

8.3.1 Core sub zone

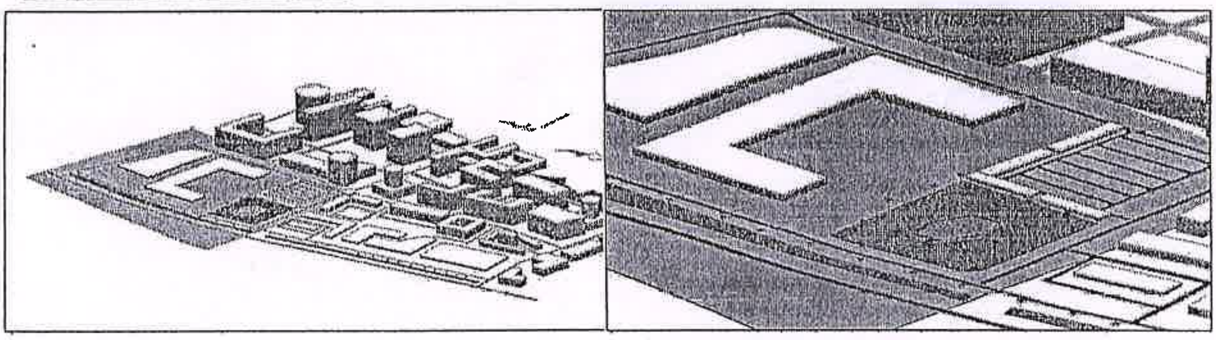
FIGURE 4: GRAPHICAL REPRESENTATION OF CORE SUB ZONE



The area along the main A1 road will be strictly commercial and will be of maximum 2 storey buildings. It will be mostly dense area consisting of primarily buildings which will mostly serve as a source of attraction to the area. Horizontal and vertical development is encouraged in this sub zone and mixing is discouraged.

Area consists of the mega shopping complex with a bus rank and a park next to it. The main reason why is to promote a public square where there is a connectivity and where people can walk interchangeable from one use to the other. Figure 5 and 6 illustrates this.

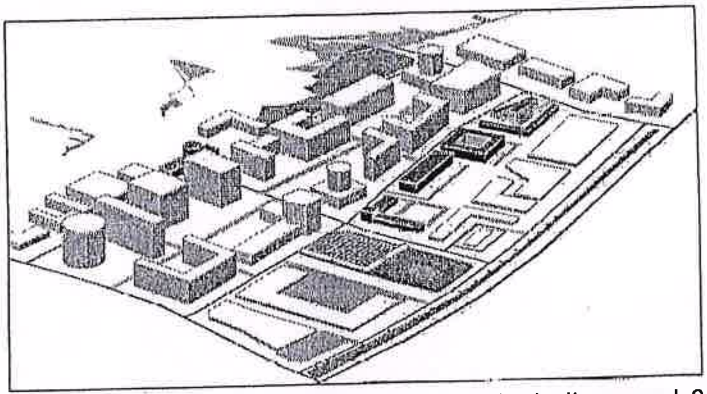
FIGURE 5 AND 6 GRAPHICAL REPRESENTATION OF THE MEGA MALL, BUS RANK AND THE PARK



When allocating the mega mall plot, it should be emphasised that a private-public partnership should be made and the owner of that plot should develop the park and the bus rank so that the main focus of the layout is achieved.

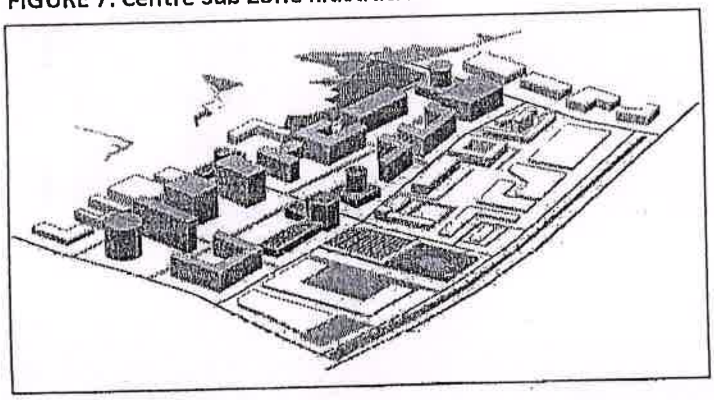
8.3.2 Centre Sub Zone

The area includes mixed use buildings that will accommodate retail, offices and commercial developments. The area is centrally located and hence serves as an area where civic and community and commercial developments can be combined. Building storeys should be between 2-5 storeys high. The sub zone is behind the core sub zone area as illustrated by figure 7 and compliments the initial sub zone. No one category of land use (commercial and civic and community) shall exceed 35% plot coverage. Open area or parking shall be utilised to buffer mixed land use



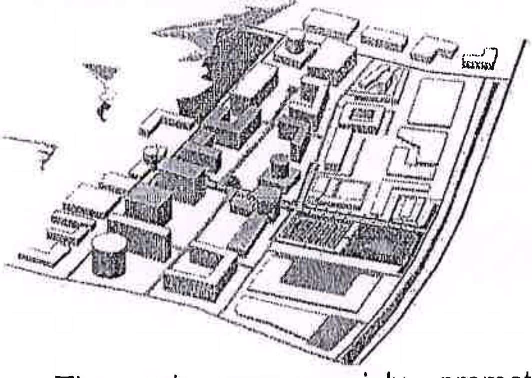
8.3.3 General Sub Zone

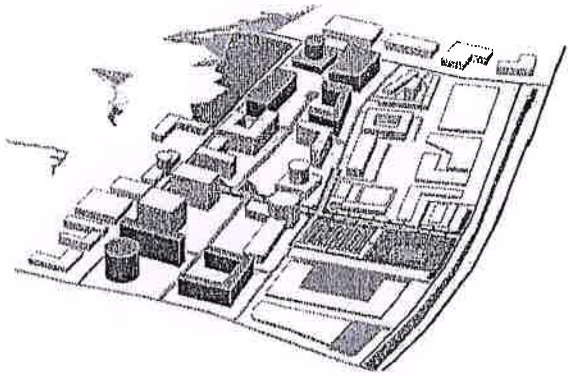
FIGURE 7: Centre Sub Zone illustration



This is an area of mostly dense mixed fabric as figure 7 illustrates. They can accommodate commercial, civic and community and residential (detached multifamily houses, townhouses, apartment's building).

FIGURE 8 and 9: GRAPHICAL REPRESENTATION OF ALLOWABLE MIXING



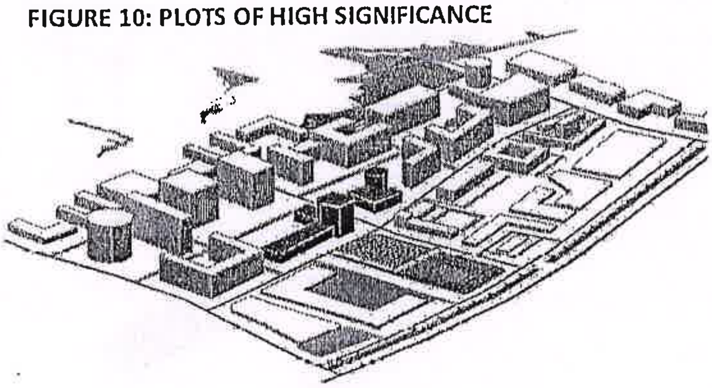


The sub zone mainly promotes horizontal mixed use and vertical mixed use in both the same plot or along the sub zone. Height of the buildings will be between 4 and 10 storeys. Plots in figure 8 should have commercial developments occupying the first two storeys and other uses at the top to maintain the commercial street scape at along the street. Plots in figure 9 should be residential on the upper floors with commercial occupying the first floor in the case of commercial and residential mixed use in the same plot. In terms of percentage allowable for mixing table 1 should be used.

The area of interest will be the two areas in this sub zone namely; the first two plots when one enters the area from the main street and lastly the last row of plots

The first two plots when one enters the area from the main street

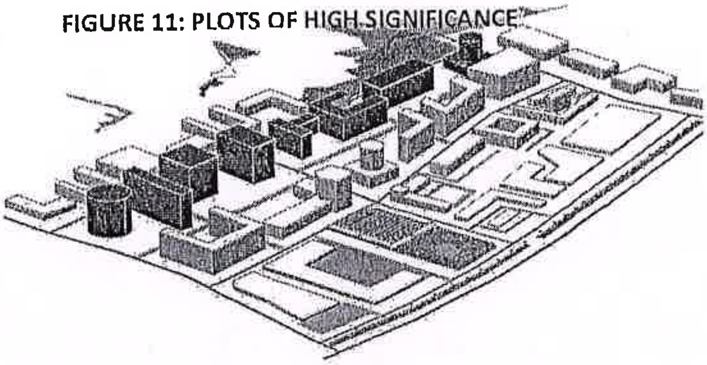
FIGURE 10: PLOTS OF HIGH SIGNIFICANCE



The two plots should be of high value and great attraction and prestigious as they are mainly centralised and should symbolise that. It is highly recommended that tender documents from land allocating authority should explicitly outline such and evaluation be based on such. The layout respects the main street of the layout and therefore the two illustrated plots should be of the same significance and quality.

The last row of plots

FIGURE 11: PLOTS OF HIGH SIGNIFICANCE

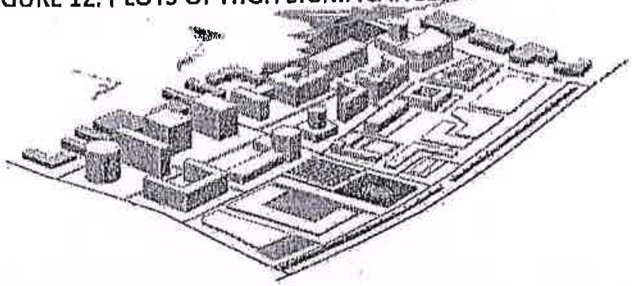


These plots should enjoy the natural resources as indicated early in the write up. The Lotsane River and its greenery will therefore make the plots very ideal for live/work situation, hotels and residential uses. It should be indicated that all other parameters will have to be adhered to in terms of planning parameters as stipulated by the development control code, standard and all other policies.

8.3.4 Civic sub zone

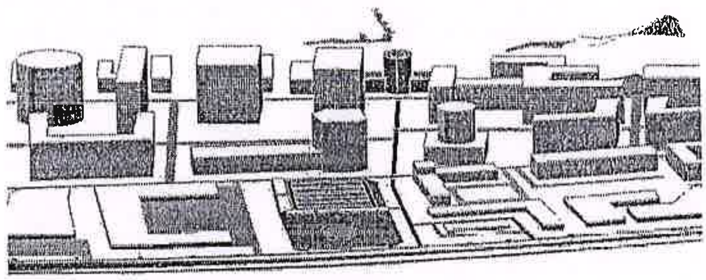
Civic and community sub zone; consist of site reserved for public squares, greenery and live/ work restricted to corner plots. Places of worship, day care centres to mention a few are allowed in the mentioned zone. The building height should be between 1-4 storeys. The buffer zone should be used as greenery and should be kept at a very high standard as possible.

FIGURE 12: PLOTS OF HIGH SIGNIFICANCE



The area of interest to the civic sub zone will be the following down street plot by the junction on the main street which defines access to the area. Gantry entry point should be made on the main street to emphasise the whole layout. The plot should be of high value and it is recommended that the building there should be of monumental value and serve as an attraction area. Care will have to be taken that the building be visible even from the main road (A1). Examples include high courts and others and the design brief has to explicitly define such.

FIGURE 13: PLOT OF HIGH SIGNIFICANCE



8.4 Allowed building types

The design of this mixed use will try by all means to allow for variety of mixing of different land uses. It should be understood that not all building types will be allowed in every sub area. The buildings types will have to follow those as prescribed by the development control code. Building types are therefore regulated by Sub zones and will be as the following table;

	Applicability of the building type in sub zone			
Building type	**core**	**centre**	**General**	**Civic zone**
Live/work building				Corner Plot
Civic and Comm				
Commercial				Corner Plot
Apartment building				
Townhouse				
Duplex (flat over/ paired house				
Multi-family detached house				

8.5 Intensity of Use;

Intensity is governed by sub zone, lot location and parking requirements according to table 3. When assessing applications the standard minimum walking distance of 500m to a nearest commercial, civic and community and open spaces should be adopted verses the residential neighbourhood. Multi-family residential are subjected to 50% of open spaces of the total development within each plot especially those in general and civic sub zones.

<table>
<tr><th></th><th colspan="4">Allowed Intensity of Use in Lotsane Mixed Use</th></tr>
<tr><th>Use</th><th>core</th><th>Centre</th><th>General</th><th>Civic</th></tr>
<tr><td>commercial</td><td colspan="2">Use limited by parking standards</td><td>Building area available for commercial is restricted to the first story of building in vertical mixing</td><td>Building area available for commercial is restricted to the first story of block corner plots</td></tr>
<tr><td>Civic and community</td><td colspan="2">Use limited by parking standards</td><td>Building area available for civic and community is restricted to the first story of building</td><td>Use limited by parking standards</td></tr>
<tr><td>Residential</td><td colspan="2">Not allowed</td><td>For vertical mixing residential is restricted to the upper floors.
Each lot should be subjected to 10% open spaces</td><td>For block corner plots mixed use, residential is restricted to the upper floors. Each lot should be subjected to 10% open spaces.</td></tr>
<tr><td>Tourism related</td><td colspan="2">Use limited by parking standards</td><td>Use limited by parking standards</td><td>Not allowed</td></tr>
<tr><td>others</td><td colspan="2">Use limited by parking standards</td><td>Use limited by parking standards</td><td>Use limited by parking standards</td></tr>
</table>

8.6 Existing trees and vegetation

It is highly anticipated that existing significant trees and vegetation should be incorporated into the design of the development as natural features. Appropriate locations to preserve existing trees and vegetation include drainage way, steep slopes and areas where natural woodland, grassland is desired.

Significant tree in this instance shall be defined as

Deciduous tree with a minimum calliper of 30.48 cm

Evergreen tree at least 3.6m in height

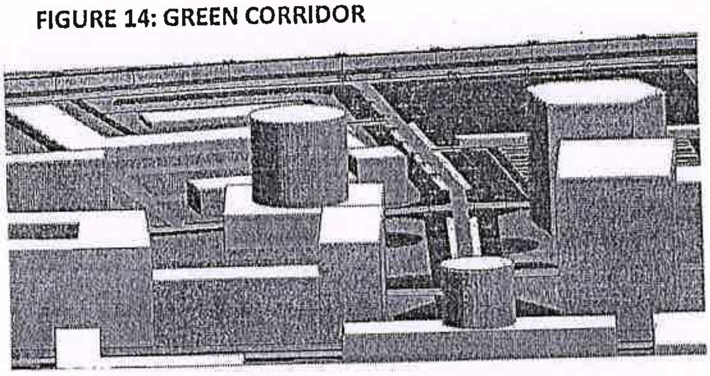
Groups of 10 or more deciduous or evergreen trees with a 15.24 cm minimum calliper

A tree survey should be done and developers should submit an existing tree survey and preservation plan, the extent of the survey shall be determined by the local authority.

All preserved trees and vegetation shall be healthy and free of mechanical injury during construction. To guide against this, erection of barrier fencing should be constructed during construction.

In case a significant tree designated to be preserved is removed or substantially damaged during clearing, grading or construction the developer shall replace the removed or damaged tree with new trees. Replacement shall be the same species to the tree removed or species related to the affected tree.

FIGURE 14: GREEN CORRIDOR



A green corridor will have to be provided along the major street (see figure 14). The street shall provide both a continuous shaded environment along roadways and a physical and visual barrier between a pedestrian on the sidewalk and vehicles on the roadway. The plots along that street should have their façade facing the mentioned street and 5 to 10 % of the plot area should be left as open space as the PPADP (2007-2031) outlined. This will facilitate and promote greenery and no boundary wall shall be provided along the area and let alone the plots in the entire layout. There should be greenery along the A1 road on the island of the slip road.

Location of the street trees shall not conflict with streets lights, utilities and other public facilities

Distance between trees will depend on the side or parallel on street parking and in the case there is none there should be 10m apart

Between the trees can either be a landscaped pavement or tree lawned area

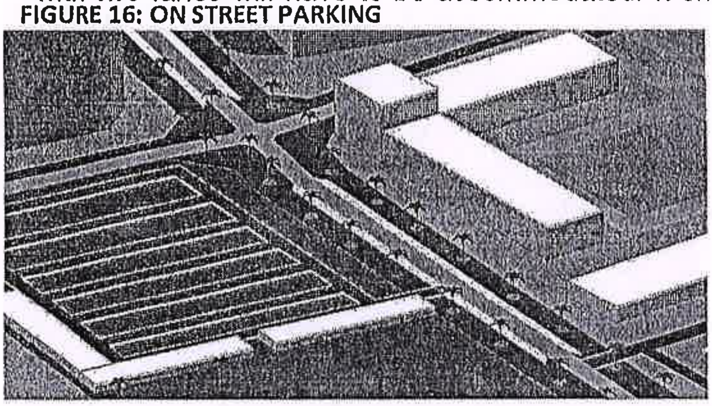
In areas next to the commercial or civic and community plots, a tree orchards can be made with street furniture involved.

8.7 Parking requirement,

Parking standards will be regulated by the development control code (1995) and will have to abide by. The off street parking will be provided within each plot and complemented by on street parking bays to reduce number of parking bays required. On street parking will be allowed only on the major street as figure_ illustrates.

On street parking will only be allowed in all building frontages and a two way traffic with two lanes will have to be accommodated. It should not in any way temper with walkways which are supposed to be 2m from plot boundaries. In streets/ roads with open space the other side and building frontage the other side, on street parking will be allowed on the side where there is building frontage and not the open space side. This will reduce the vehicular-pedestrian movement conflicts.

FIGURE 16: ON STREET PARKING



No parking bays are to be allowed in alleys/ service lane.

8.8. Pedestrian realm

Walkways along building fronts and streets, access ways and parking lots should be provided to enhance pedestrian realm and ensure adequate space for uses provided within the pedestrian realm. The main intent is to provide direction and to minimise traffic- pedestrian conflicts. In a typical pedestrian realm the following will have to be observed;

8.8.1 Activity zone; this are zones of pedestrian way that will be provided by the plots owners in core, centre and general zones where a covered canopy of 2m is provided on the façade of the plot.

8.8.2 Pedestrian zone; this zones will be provided in all zones of the layout and is from the plot boundary and going 3m in to the road. Cyclists will also be allowed to use such for travelling.

8.8.3 Amenity zone; the zone is mainly for services and other amenities like street furniture, streets lights, bus stops, street trees to mention a few.

9.0 IMPLEMENTATION

9.1 It is advised that there be a project implementation body or advisory committee for the implementation and monitoring of the layout.

9.2 It is advised that the allocation process of the layout should not follow the normal process of land board allocation rather there be a committee that looks and makes recommendation to the land board after evaluating all the applications. The reason why is to guard against land speculation and promote plots that are developed.

9.3 The committee will have to seat down and come up with terms of reference and tender documents for the finalisation of tenders. It is advised that land board, physical planning and council architect be the part of the above mentioned committee.

1 Certificate of Incorporation
2 Copy Titled deed.
3 Management

Crowe Goel & Associates
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Main +267 395 9730 / 393 3120
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22 May 2024

The Independent Board of Directors
Turnstar Holdings Limited
Game City Mall, Plot 9-KO Farm Forest Hill
PO Box 26012 Game City
Gaborone
Botswana

Dear Sirs

FAIR AND REASONABLE OPINION OF THE INDEPENDENT PROFESSIONAL EXPERT TO TURNSTAR HOLDINGS LIMITED IN RESPECT OF THE PROPOSED ACQUISITION OF LOTSANE JUNCTION MALL

1 Introduction

Turnstar Holdings Limited ("**Turnstar**" or the "**Company**") is entering into a Sale Agreement with G.H. Group (Proprietary) Limited, a company registered in Botswana with registration number BW00000856435 ("**GHG**") (the "**Sale Agreement**") in terms of which Turnstar will purchase the Lotsane Junction Mall (**LJM**) situated at Tribal Lots 19668 and 19674 in Palapye from GHG, together with the commercial letting business related thereto (the "**Transaction**"), for a consideration of BWP P123,000,000.00 (One Hundred and Twenty-Three Million Pula), payable in cash (the "**Acquisition Consideration**"). LJM is located along the A1 Road in Palapye and has a GLA of approximately 10,300 sq.m.

2 Related Party Transaction and scope of the engagement of the Independent Expert

GHG is a material Shareholder in Turnstar holding 80,148,355 shares (14%) as at the date of this opinion. One of the Shareholders and Directors of GHG, Mr. Gulaam Abdoola, is also the Managing Director of Turnstar.

The proposed transaction is a related party transaction under Chapter 7 of the Botswana Stock Exchange ("**BSE**") Equity Listings Requirements. Section 7.4(c)(i) of the said Chapter requires an Independent Expert's opinion as to whether the transaction is fair and reasonable to the Company and its shareholders ("**Fairness Opinion**") which is to be included in the Circular relating to the Transaction to be dated on or about 10 April 2024 ("**Circular**").

The Independent Board of Turnstar has appointed Crowe Goel & Associates ("**Crowe**") to act as the Independent Professional Expert and provide a Fair and Reasonable Opinion in respect of the Acquisition Consideration of P123 million.

3 Responsibility

Compliance with the BSE Equity Listings Requirements is the responsibility of the Board and Independent Board. Our responsibility is to report to the Independent Board on whether the Transaction is carried out under normal commercial terms and if it is fair and reasonable.

4 Fair and reasonable in the context of the transaction

Fair and reasonable means that the transaction should be in the interest of Turnstar, and its shareholders as a whole. A transaction is deemed fair and reasonable to the shareholders if the benefits derived from the transaction will equal or exceed the related costs thereof.

The assessment of "fairness" is mainly quantitative. In the case of an acquisition from a related party, a transaction will generally be considered fair if the consideration payable to the related party is equal to or less than the value of the business and assets that are the subject of the transaction. Accordingly, the Transaction would be considered fair if the Acquisition Consideration is equal to or less than the value of LJM, or unfair if the Acquisition Consideration is greater than the value of LJM.

The assessment of "reasonableness" of the transaction is generally based on qualitative considerations surrounding it. In this case, the transaction may said to be reasonable if it is within Turnstar's long-term strategy.

5 Factors taken into consideration in forming the opinion

5A Information and its sources

We obtained the following principal sources of information which we considered appropriate in concluding on the scope of the engagement-

a) BSE listing requirements.

b) Turnstar's cautionary announcement to its shareholders dated 26 February 2024 relating to the Transaction which includes the details of the Transaction and the proposed Acquisition Consideration of P123,000,000. This consideration approximates 11% of market capitalisation of Turnstar Holdings Limited as of the date of this report.

c) Property valuation report from Riberry dated 22 March 2023, addressed to GHG, valuing LJM at a Market Value of P123,000,000.

d) Independent property valuation report from Riberry dated 27 March 2024, addressed to Turnstar, valuing LJM at a Market Value of P126,200,000.

e) Obtained recent correspondence, dated February and March 2024, confirming progress being made by GHG for connecting the sewerage to the mains.

f) Draft (unaudited) annual financial statements of GHG for the year ended 30 September 2023 which owns LJM as one of its properties, among others.

g) Historical annual reports of Turnstar for financial year ending 31 January 2021, 2022 and 2023;

h) Historic monthly management accounts for LJM for the 12 months ended 28 February 2024 and financial forecasts, budgets and assumptions prepared by GHG management, supported by leases and invoices from suppliers of services and correspondences with prospective tenants.

i) Extracts of minutes of Turnstar's Board and report from Management to the Board Chairman of Turnstar regarding the transaction.

j) Due diligence report prepared by Turnstar.

k) Discussions with Executive Management of Turnstar, GHG Executive Management and Valuer/Director at Riberry.

l) Publicly available information on comparable companies and similar transactions.

m) Knight Frank's The Africa report 2022/23.

The sources of above information were as follows-

- Executive Management of Turnstar, Management of GHG and their advisers.
- Third party sources, including information related to publicly available economic, market and other data which we considered applicable to, or potentially influencing, Turnstar.
- Publicly available information such as BSE X-News and relevant websites.

5B Procedures performed

Following the receipt of information as summarised in paragraph 5A above, we performed the following procedures-

a) Obtained an understanding of the BSE listing requirements as regards expectations relating to "fair and reasonable" and requirements relating to related party transactions.

Crowe

b) Reviewed the terms and conditions of the Transaction.

c) Held discussions with the Executive Management of Turnstar regarding the rationale, reviewed the reports presented to the Independent Board in respect of the Transaction and reviewed the prevailing market, economic, legal and other conditions which may affect the underlying value of the Transaction. Discussed the prospects of the Transaction in the context of Turnstar's growth and long-term strategy. Concluded on the rationale of the Transaction.

d) Independently verified the credentials of the Property Valuer, Riberry, and confirmed from the BSE website that Riberry is a Property Valuer approved by the BSE and recorded on the "BSE Register for Registered Advisors."

e) Reviewed the Valuation Reports from Riberry dated 22 March 2023 and 27 March 2024 and reviewed the appropriateness of the valuation approaches used for valuing LJM and the capitalisation rate of 8%. The valuation methodology adopted by Riberry is based on Investment Method of valuation which is more fully described in the above reports. The approach is based on current and projected rentals, less operating expenses, divided by a capitalisation rate. The valuation approach is reasonable and acceptable in the market.

f) Held discussions with the Executive Management of Turnstar, to re-affirm the above property valuation methodology approaches and assumptions. Discussed the capitalisation rate in the context of recently concluded transactions in Botswana and the Africa Report 2022/23 published by Knight Frank.

g) Considered the prevailing economic and market conditions, including slashing of benchmark interest rate by 25 bps on 7th of December 2023 by Bank of Botswana which reduced interest rates and capitalisation rates, and performed such other studies and analyses as we considered appropriate.

h) <u>Concluded that the capitalisation rate used in the valuation of 8% was fair and reasonable</u>.

i) Vetted the management accounts and forecasts as prepared by GHG management and used our own assumptions to study the current and medium-term impact on the Transaction.

j) Verified lease terms such as rentals, area occupied, escalation rates, escape clauses and other salient terms of all major leases and reconciled them to the management information produced to us by GHG management.

k) Conducted a visit to LJM to compare the tenants as per the rent roll with those physically occupying LJM. The verification also considered if the tenants were operating fairly and were well stocked. Unoccupied units were reconciled to the rent roll also.

l) Reviewed the lease agreements with two related parties namely The Square Mart and for the A1 filling station and noted that the rentals charged were in line with rentals paid by anchor tenants and filling stations in Palapye.

m) <u>Concluded on the current and forecasted lease rental income of LJM</u>.

n) Reviewed suppliers' invoices for all major services provided to LJM for the last 12 months and <u>concluded on the average monthly operating costs incurred by LJM</u>, excluding the cost of waste disposal approximating P1,000,000 per annum.

o) The property is not connected to a sewer line. Currently there are conservancy tanks requiring the waste to be pumped out which comes at a cost of approximately P1,000,000 per annum. Reviewed correspondences dated February and March 2024 confirming progress being made by GHG for connecting the sewerage to the mains. The estimate of costs, though, may have escalated from P1 million to P2 million.

p) Used our cumulative and recent experience in assessing asset valuations in the retail and office property sector. Performed desktop research to supplement our knowledge in the context of the Transaction. Compared the Transaction with recently concluded comparable transactions, and other information available on the BSE website.

q) Performed a SWOT analysis of LJM, including assessing its long-term potential, and concluded on it in relation to the Acquisition Consideration.

r) Obtained direct confirmation from Riberry of their independence, the fact that the valuation is extended for the purpose of the Transaction and that the range of related party rentals payable by The Square Mart and the filling station are fair and reasonable.

s) Performed a risk analysis of the property as described in paragraph 5C below.

t) Concluded on the Acquisition Consideration, considering the conclusions reached on rental income, operating expenses and the capitalisation rate.

5C Risk analysis of LJM

Concentration risk / Tenancy mix: The top 5 tenants occupy circa 52% of GLA of LJM which compares well with the norm in retail shopping malls.

The mall is anchored by a related party of Turnstar, The Square Mart (Pty) Ltd. The filling station is also occupied by another related entity of Turnstar, A1 Filling Station (Pty) Ltd.

Besides the above, the LJM has attracted stable tenants in the form of Government departments, a Parastatal (Botswana Post) and a Bank (FNB). These tenants pull reasonable crowds for other tenants to prosper.

The top 5 tenancies are summarised below-

Tenant	Lease term	Lease expiry	% of GLA (excl filling station area)	Escalation rates	Notes
The Square Mart (Pty) Ltd	10 years	Aug 2027	23%	None	Related Party*
Government and Parastatals (Land Tribunal, Ministry of Finance, DCEC, Botswana Post)	4-5 years	Oct 2024 to Sep 2026	24%	None	Fixed rental – paid quarterly in advance by Government institutions
A1 Filling Station (Pty) Ltd	10 years	Sep 2030.	-	None	Related Party*
Ya Ku (Pty) Ltd – local trader	5 years	Dec 2024	11%	5-7%	The business is relevant to the village of Palapye
First National Bank	2 years	Oct 2025	4%	6%	National tenant
* The Square Mart (Pty) Ltd, A1 Filling Station (Pty) Ltd and their 100% shareholder, GH Investments (Pty) Ltd are related parties to Turnstar.					

The top 5 tenants by area occupied have rental leases running between 3 to 10 years. Most of the leases with Government institutions expire between 2024 and 2026 but are likely to be renewed.

Rental Income Escalation: Majority of the rental income from the Lotsane Mall is escalated by circa 4-6% on a year-to-year basis from 2024 to 2028. To assess the comparability and reasonableness of this key assumption, we researched rental escalation rates for local comparable companies in Botswana. From our observation, rental escalation rates range between 5-10% for commercial properties of listed companies in the local market and this attests that the applied rental escalation is within the market range.

Overflow of Retail Space in Palapye: Palapye had an upsurge of 4 retail malls with an additional 45,000 sq.m. of retail space coming to the market within a short period of time. LJM was one of them. Hence there has been a downward pressure on retail rentals in the town and the vacancy rates have been higher than normal.

Crowe

Vacancy rate - current situation: The property has a vacancy rate of 8% - 9% as of the date of our verification. However 3 tenants, of which 2 are existing tenants, have shown keen interest to occupy space, which would reduce the vacancy rate to 7%. Other Government institutions have been attracted to the centre because of the presence of complimenting institutions and expressions are coming from such tenants. The Valuer's report confirms that the industry vacancy rate is 2.5% and given the centre's visible location it will be just a matter of time that LJM will be fully let.

Key drivers: Considering that LJM's location is along the Gaborone – Francistown (A1) road, located within the Palapye administrative district, the addition of this property will be a good investment for Turnstar. Palapye is currently the sixth largest village of Botswana with a population of circa 52 636[1]. LJM has attracted Government institutions as tenants, which are considered secured. In the medium-term LJM will benefit from Government's plan and in the long-term LJM could be close to Palapye's new CBD, as per Riberry's report dated 27th of March 2024.

5D Summary of key considerations in forming our opinion

Following the receipt of information as summarised in paragraph 5A above and work performed in paragraph 5B and 5C above, we summarise as below the significant factors and key considerations in arriving at our opinion.

a) The valuation of LJM was initially arrived at P123 million on 22 March 2023 by Riberry, for GHG, based on which the sale agreement was reached.

b) Upon re-engagement by the independent board of Turnstar, the Independent Valuer Riberry, being cognizant of the related party transaction and the cautionary announcement, assessed LJM's Market Value on 27 March 2024 at P126.2 million.

c) Because of the upsurge of 4 malls, the value of LJM stands discounted from its initial cost of P159 million. Turnstar may benefit from increased fair value as the market in Palapye settles down, demand increases and rentals escalate.

d) The property should be connected to the sewerage system within the short-term as otherwise it costs at least P1,000,000 per annum to empty the sewerage of LJM, a factor which could diminish the Acquisition Consideration by P12.5 million.

e) Vacant units – the present financial budget is based on 3 unoccupied units which are likely to be occupied within one-three months by Government Institutions and a fund administrator as negotiations are being finalised. The lettable area will increase by 770 sq.m.

f) The current and projected income and expenses, subject to note e) above, provide a capitalisation yield of 8%. This yield is in line with industry market averages.

g) According to Knight Frank's The Africa Report 2022/23 and recently concluded market transaction between PrimeTime and Time Projects, the capitalisation rate which has been commonly achieved was around 8.25%. However, a downward adjustment of interest rate of 25 bps in December 2023 has pushed down commercial lending rates, and thus the capitalisation rate of 8% used now is considered acceptable.

h) Geographical property concentration risk of Turnstar in Botswana would dilute from concentration in Gaborone and Francistown.

i) The Transaction would introduce a more diversified tenancy mix. This may have an effect of drawing similar tenants to other properties owned by Turnstar.

j) Our maths are presented as below-

[1] Population and Housing Census 2022 – Population of Cities, Towns and Villages Version 2 published by Census Office, Statistics Botswana, Private Bag 0024 Gaborone.

Particulars	Amount (P)
Monthly Rental income including recoveries of levies	P1,020,000
Less: Monthly expenses	(P188,000)
Net monthly income	P832,000
Annual income	P9,984,000
Capitalisation rate	8%
Value of property	P124,800,000
Less: Estimated cost of Sewerage connection exclusive of VAT	(P1,800,000)
Value	P123,000,000

k) The Acquisition Consideration fairly represents the above amount. The amount to be paid for the sewerage connection would add on to the Acquisition Consideration but is covered by the values determined above, and by the Market Value of P126.2 million as determined by the Independent Valuer.

l) As far as the reasonableness of the transaction is concerned, we are satisfied with the rationale of the Transaction as discussed between the Executive Management and the Independent Board in various presentations relating to the Transaction. The Transaction supplement's Turnstar's long-term strategy, reduces its geographical concentration risk, increases the Investment Portfolio to P2.7 billion and surpasses Turnstar's GLA over the 100,000 mark.

We believe that the procedures performed are sufficient to justify the opinion outlined in paragraph 8 below.

6 Key assumptions made in considering our opinion

We have arrived at our findings based on the following assumptions-

a) The transaction is legally enforceable.

b) Reliance is placed on the Valuation Report from Riberry dated 27th of March 2024, and on the information provided by the Executive Management and Independent Directors of Turnstar.

c) LJM is connected to the main sewer line within the next financial year.

d) The present economic, regulatory and market conditions remain stable.

7 Limiting Conditions

The following limiting conditions apply to the opinion-

a) This opinion is provided to the Directors and shareholders of Turnstar in connection with and for the purposes of the Transaction. The opinion does not purport to cater for each individual shareholder's perspective, but rather that of the general body of Turnstar shareholders.

b) Individual shareholders' decisions regarding the Transaction may be influenced by such shareholders' particular circumstances and accordingly individual shareholders should consult an independent adviser if in any doubt as to the merits or otherwise of the Transaction.

c) We have relied upon and assumed the accuracy of the information provided to us in deriving our opinion. Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of our opinion, whether in writing or obtained in discussion with management, by reference to publicly available or independently obtained information. While our work has involved an analysis of, inter alia, the annual financial statements, and other information provided to us, our engagement does not constitute an audit conducted in accordance with international standards on auditing.

d) We have also assumed that the Transaction will have the legal consequences described in discussions with, and materials furnished to us by representatives and advisers of Turnstar and we express no opinion on such consequences. Furthermore, we have not verified the titled deeds and have relied on Turnstar's legal advisors in this regard.

e) Our opinion is based on current economic, regulatory and market as well as other conditions. Subsequent developments may affect the opinion, and we are under no obligation to update, review or re-affirm our opinion based on such developments.

8 Conclusion

Our Opinion
Based on the results of the procedures performed above, and subject to the key assumptions and limiting conditions, we are of the opinion that the related party transaction is fair and reasonable and is in the interests of Turnstar and its linked unitholders as a whole, in accordance with the expectations of the BSE listing requirements relating to related party transactions.

Responsibilities
Compliance with the BSE Equity Listings Requirements is the responsibility of the Board and Independent Board. Our responsibility is to report to the Independent Board on whether the Transaction is carried out under normal commercial terms and if it is fair and reasonable.

Independence, Competence and Fees
We confirm that we are independent of the Company and that save for the fees payable to Crowe for providing this independent expert opinion, we have no financial or any other interest, direct or indirect, beneficial, or non-beneficial, in Turnstar or any of its related entities or in the Transaction mentioned in the circular and this opinion.

Furthermore, we confirm that our professional fees are not contingent upon the success of the Transaction.

The Partners of Crowe assigned to this assignment have the necessary qualifications, experience, and competence to understand the related-party transaction, evaluate the consequences of the Transaction and can express opinions, exercise judgements, and make decisions independently in carrying out this assignment.

Other matter
Please note that we have also acted as Reporting Accountants to Turnstar Holdings Limited and have provided a report on the compilation of pro forma financial information included in the circular relating to the transaction.

Consent
Crowe Goel & Associates hereby consents to the inclusion of this opinion, in whole and in part, in the form and context in which they appear to be included in any regulatory announcement, circulars or any documentation regarding the Transaction.

Yours faithfully

Crowe Goel & Associates

Crowe Goel & Associates
Audit Firm of Public Interest Entity (FAP 009 2024), and
BSE Registered Corporate Financial Adviser
Sanjay Goel
Certified Auditor of Public Interest Entities (CAP 0027 2024)

ANNEXURE 5

Purchase of Lotsane Mall Palapye

Due Diligence work performed

The CFO and COO of Turnstar, reviewed the Title documents of the property, Management accounts comprising of the schedule of rental revenue, tenant leases, Income & expenditure statements for the past 3 years and the March 2023 valuation of the property carried out by a firm of Botswana registered professional valuers.

Including the above documents, in July 2023, a submission was made to the Investment Committee of Turnstar Holdings, proposing the purchase of the Lotsane Mall.

The Investment Committee reviewed the submission and held an Investment Committee meeting on the 26th July 2023 to discuss this proposed purchase.

The Investment Committee recommended the purchase of the property to the Board of Directors of Turnstar Holdings Ltd, on the 8th September 2023. A copy of the Investment Committee recommendation is attached in Annexure 6 hereto.

The Board of Directors travelled to Palapye on the 18th September 2023 to visit the property. Subsequent to the visit, a Board meeting was held in Palapye, particularly to discuss this purchase.

The purchase of the property was again discussed at the Board meeting held on the 25th October 2023 in Gaborone. Management was requested to provide further information and clarification for the Board's consideration.

Mr Abdoola was recused from the above mentioned Investment Committee meeting, the Palapye site visit and subsequent Palapye Board meeting and also when the topic was discussed at the Gaborone Board meeting on the 25th October 2023, since he is a related party.

As directed by the Board at the meeting of the 25th October 2023, the COO and CFO made an additional submission to the Board.

In all the following documents were submitted to the Board for scrutiny;

1. Lotsane Junction Mall Income and Expenditure Management accounts for the past 3 years (2021 - 2023).

2. Five year financial forecast (2024 – 2028) to prepared on the basis of contracted leases and escalations and historical expense trends.

3. Schedule of current leases and rentals

4. Professional Valuation report dated March 2023. (attached in Annexure A)

5. Sensitivity Analysis of the Financial forecasts - if occupancy increases from the current 86% to 90%, 93%, and 97%.

6. Property Brochure

The Board after the review of the above documents as well as further clarifications and explanations obtained, approved the purchase of the property.

The Board resolution is attached in Annexure B.

Lobatse Junction - Forecast & ROI
Based on Rentals and Vacancies as at 1st Sept 2023

	Actual	Forecast					
Rental Income (Occupied)	**Sep-23**	**Sep-24**	**Sep-25**	**Sep-26**	**Sep-27**	**Sep-28**	**Total**
Rental Income	10,443,125	10,526,126	10,887,842	11,274,551	11,688,004	12,130,079	**66,949,725**
Recoveries	933,370	940,788.6	973,117.5	1,007,680.3	1,044,633.3	1,084,144.4	**5,983,734**
Total Income	**11,376,495**	**11,466,914**	**11,860,959**	**12,282,231**	**12,732,638**	**13,214,223**	**72,933,460**
Expenses	**2,278,185**	**2,437,657**	**2,608,294**	**2,790,874**	**2,986,235**	**3,195,272**	**16,296,517**
Net Income	**9,098,310**	**9,029,257**	**9,252,666**	**9,491,357**	**9,746,402**	**10,018,951**	**56,636,943**
Potential Rental Income from Vacant units	1,309,434	1,401,094	1,499,171	1,604,113	1,716,401	1,836,549	
Valuation	**123,000,000**						
ROI on currently occupied	7.40%	7.34%	7.52%	7.72%	7.92%	8.15%	
ROI on full occupation	8.46%	8.48%	8.74%	9.02%	9.32%	9.64%	

Assumptions

1 Rentals are budgeted according to the lease agreements.
2 All expenses are based on April 2023 actual figures plus an incremental rate of 7%.
3 Rates per m2 for vacant units is based on the market research and Ribbery valuation of P70/m2
4 Escalation for vacant units is based on the average escalation of occupied units of 7%
5 Recoveries escalate at the same rate as the rent

Lobatse Junction - Forecast & ROI Sensitivity Analysis

	Actual	Forecast				
	Sep-23	**Sep-24**	**Sep-25**	**Sep-26**	**Sep-27**	**Sep-28**
Net Income Based on current occupancy (86%)	**9,098,310**	**9,029,257**	**9,252,666**	**9,491,357**	**9,746,402**	**10,018,951**
Additional income - 90% occupancy		441,789	472,714	505,804	541,210	579,095
Additional income - 93% occupancy		702,082	751,228	803,814	860,081	920,287
Additional income - 97% occupancy		1,049,140	1,122,580	1,201,161	1,285,242	1,375,209
Net Income (90 occupancy)		9,471,046	9,725,380	9,997,161	10,287,613	10,598,046
Net Income (93 occupancy)		9,731,339	10,003,894	10,295,171	10,606,484	10,939,238
Net Income (97 occupancy)		10,078,397	10,375,246	10,692,518	11,031,645	11,394,160
Valuation	**123,000,000**					
Gross ROI - 86% occupancy (Current)	**8.49%**	**8.56%**	**8.85%**	**9.17%**	**9.50%**	**9.86%**
Net ROI - 86% occupancy (Current)	7.40%	7.34%	7.52%	7.72%	7.92%	8.15%
Gross ROI - 90% occupancy		8.92%	9.24%	9.58%	9.94%	10.33%
Net ROI - 90% occupancy		7.70%	7.91%	8.13%	8.36%	8.62%
Gross ROI - 93% occupancy		9.13%	9.46%	9.82%	10.20%	10.61%
Net ROI - 93% occupancy		7.91%	8.13%	8.37%	8.62%	8.89%
Gross ROI - 97% occupancy		9.41%	9.76%	10.14%	10.55%	10.98%
Net ROI - 97% occupancy		8.19%	8.44%	8.69%	8.97%	9.26%

GH GROUP (PTY) LTD
LOTSANE JUNCTION
SUMMARY OF LEASES and rental
updated rents as of AUGUST 2023

Tenant	Location	Lease period	Escalation	Area (M2)	Current Rental (ex VAT)	AVERAGE RATE/M2	RECOVERIES	RATE
Related companies								
THE SQUARE MART	SHOP 7	SEP 17 - AUG 27		2,334.32	175,000.00	74.97	30,000.00	12.85
A1 FILLING STATION	Stand Alone			1.00	90,000.00	90,000.00	12,500.00	
				2,335.32	**265,000.00**	**113.47**	**42,500.00**	
Third parties								
LINCOLNHURST	SHOP 1	DEC 19 - NOV 24	7%	51.00	6,247.71	122.50	624.76	12.25
SCALES	SHOP 1A	MAR21 - FEB23	7%	59.10	6,956.07	117.70	591.00	10.00
MIDNIGHT PHARMACY	SHOP 2	MAY 18 - APR 23	8%	120.42	17,693.65	146.93	1,043.24	8.66
RAYONI	SHOP 4	OCT22-SEP24	7%	42.03	5,043.60	120.00	420.30	10.00
CELLPHONE WAREHOUSE	SHOP 5	MAR 18 - FEB 23	8%	140.77	13,530.24	96.12	951.89	6.76
BOLK	SHOP 6	JUL23-JUN25	8%	18.73	2,247.60	120.00	187.30	10.00
HOLISTIC PHYSIO CLINIC	SHOP 8	AUG22 - JUL 27	7%	36.90	4,428.00	120.00	369.00	10.00
LEA	SHOP 9	*AUG23-JUL26*	6%	211.56	19,040.40	90.00	2,115.60	10.00
NDWANI DUBE	SHOP10	MAY 23 - APR 25	7%	151.24	12,099.20	80.00	1,512.40	10.00
YAKU (baby)	SHOP 11	OCT 18 - SEP 23	7%	184.90	13,949.62	75.44	-	-
ALECHANT	SHOP 13	JUN 20 - MAY 25	7%	190.60	19,585.29	102.76	2,510.93	13.17
REGALINK	SHOP14	DEC 18 - NOV 23	7%	210.80	17,150.60	81.36	1,592.55	7.55
SBC INVESTMENTS	SHOP16	JUL 20 - JUN 25	6%	439.51	32,099.17	73.03	4,938.33	11.24
ABOVE LIFE	SHOP 17A	SEP18- AUG23	8%	79.40	8,575.20	108.00	857.20	10.80
SERVE	SHOP 17B	FEB22-JAN23	7%	57.60	7,395.84	128.40	616.32	10.70
NATIONAL AMALGAMATED	SHOP 17C	APR22-MAR27	7%	57.66	6,919.20	120.00	576.60	10.00
TASK Manufacturer	SHOP 17D	DEC 21 - NOV 23	7%	27.84	3,575.00	128.41	297.89	10.70
KREDICELL	SHOP 17F	APR 19 - MAR 24	7%	74.67	10,720.39	143.57	974.57	13.05
BUSINESS DIRECT	SHOP 17G	APR 18 - MAR 23	8%	28.24	5,809.16	205.71	414.95	14.69
SETHUNYA'S CANVAS	Shop 17J	FEB 23 - JAN 25	7%	80.43	9,651.60	120.00	804.30	10.00
YAKU	SHOP18	OCT 18 - SEP 23	7%	511.93	38,622.11	75.44	-	-
YAKU	SHOP19	OCT 18 - SEP 23	7%	365.69	27,589.16	75.44	-	-
Ministry of Finance	Shop 21-22	OCT21- SEP26	0%	573.17	51,585.30	90.00	2,840.78	4.96
BLUE QUARTZ (western furniture)	SHOP23	JUL 19 - JUN 24	8%	305.00	33,286.72	109.14	-	-
FNB	SHOP24	NOV 18 - OCT 23	6%	493.44	46,797.49	94.84	3,119.83	6.32
DCEC	SHOP25	NOV20-OCT25	0%	291.07	31,942.72	109.74	1,442.49	4.96
INDUSTRO CLEAN (BIDVEST)	SHOP26	OCT21- SEP26	4%	188.86	16,695.22	88.40	1,833.52	9.71
BOTSWANA POST	SHOP27	JAN 21 - DEC 25	7%	155.39	13,087.58	84.22	1,144.90	7.37
BOPEU	SHOP28A	JUL22-JUN25	6%	225.10	16,882.50	75.00	2,251.00	10.00
LAND TRIBUNAL	SHOP 3 AND OFFICES UPSTAIRS	NOV 19 - OCT 24	0%	1,090.30	84,975.00	77.94	5,402.21	4.95
MASCOM	ROOF	NOV 18 - OCT 28	8%		3,787.80		-	
STD CHARTERED ATM	AT FILLING STATION	JUN 19 - JUN 24	6%	9.00	4,168.56	463.17	-	-
				6,472.35	**592,137.71**	**91.49**	**39,433.85**	**6.09**
TOTAL				**8,807.67**	**857,137.71**	**97.32**	**81,933.85**	**9.30**

VACANT UNITS		Potential					
	SHOP10A	***NMG (government department)***	150.76	13,568.00	90.00	1,507.60	10.00
	SHOP 17E		74.93	8,991.60	120.00	749.30	10.00
	SHOP17H		49.28	5,913.60	120.00	492.80	10.00
	SHOP 17I		58.21	6,985.20	120.00	582.10	10.00
	SHOP17H		58.28	6,993.60	120.00	582.80	10.00
	Shop 12	***Ndowani Attorneysecond unit***	180.69	16,262.10	90.00	1,806.90	10.00
	SHOP15	***Botswana Post***	443.83	37,725.55	85.00	4,438.30	10.00
	SHOP20		366.52	32,986.80	90.00	3,665.20	10.00
	SHOP28	***DCEC***	176.35	15,871.50	90.00	1,763.50	10.00
			1,558.85	**145,297.95**	**93.21**	**15,588.50**	10.00
			10,366.52	**1,002,435.66**	**96.70**	**97,522.35**	9.41
		OCCUPANCY	**85%**				

Most tenants have operating costs of P10/sqm on top of the rental amount escalating at the same rate as rent

GH GROUP (PTY) LTD

LOTSANE JUNCTION TRADING STATEMENT FOR THE PERIOD ENDED 30 APRIL 2023

	ACTUAL								
INCOME	31-Oct-22	30-Nov-22	31-Dec-22	31-Jan-22	28-Feb-23	31-Mar-23	30-Apr-23	Total YEAR TO DATE	% of sales
Property income									
Rental income - Lotsane Junction	1,172,649	678,440	669,431	1,166,277	671,366	665,487	1,134,610	6,158,260	
Recoveries - Lotsane Junction	70,360	87,231	68,618	83,106	68,794	68,838	97,519	544,466	
	1,243,009	**765,671**	**738,049**	**1,249,384**	**740,159**	**734,325**	**1,232,129**	**6,702,726**	
EXPENSES									
Cleaning and refuse expenses- Palapye	51,668	40,068	36,030	41,589	38,830	42,787	46,900	297,873	4%
Electricity- Palapye	18,801	13,191	11,292	11,173	11,185	16,453	14,163	96,258	1%
Water- Palapye	44,592	48,514	54,482	59,403	43,045	36,571	45,500	332,107	5%
Insurance -Lotsane	4,664	4,664	4,664	4,664	4,664	4,664	4,664	32,650	0%
rates - lotsane	1,370	1,370	1,370	1,370	1,370	1,370	1,370	9,588	0%
Repairs and Maintenance - Palapye	43,275	23,500	72,565	17,785	12,555	18,055	7,150	194,886	3%
Salaries - centre manager and one staff	14,600	14,600	14,600	14,600	14,600	14,600	14,600	102,200	2%
Security expense- Palapye	35,109	35,109	35,109	35,109	35,109	39,322	35,109	249,974	4%
Training levy - lotsane	2,486	1,531	1,476	2,499	1,480	1,469	2,464	13,405	0%
Total Direct Expenses	**216,565**	**182,547**	**231,588**	**188,192**	**162,838**	**175,291**	**171,920**	**1,328,940**	20%
NET CONTRIBUTION	**1,026,444**	**583,124**	**506,462**	**1,061,192**	**577,321**	**559,034**	**1,060,209**	**5,373,786**	
Direct contribution %	**83%**	**76%**	**69%**	**85%**	**78%**	**76%**	**86%**	**80%**	

GH GROUP (PTY) LTD

LOTSANE JUNCTION TRADING STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 21

	ACTUAL													
INCOME	31-Oct-20	30-Nov-20	31-Dec-20	31-Jan-21	28-Feb-21	31-Mar-21	30-Apr-21	31-May-21	30-Jun-21	31-Jul-21	31-Aug-21	30-Sep-21	Total YEAR TO DATE	% of sales
Property income														
Rental income - Lotsane Junction	978,192	864,020	704,307	962,932	710,118	718,145	1,075,757	726,795	738,182	1,090,084	736,977	681,868	9,987,375	
Recoveries - Lotsane Junction	6,406	4,296	4,296	4,296	4,296	4,296	4,296	4,296	4,296	4,296	80,101	75,352	200,518	
	984,597	**868,316**	**708,602**	**967,227**	**714,414**	**722,440**	**1,080,052**	**731,091**	**742,477**	**1,094,379**	**817,077**	**757,220**	**10,187,893**	
EXPENSES														
Cleaning and refuse expenses- Palapye	48,490	36,532	29,532	29,100	35,532	36,532	40,419	43,932	36,532	40,732	31,332	30,500	439,165	4%
Electricity- Palapye	20,389	9,631	9,740	9,675	6,541	7,142	25,094	7,206	7,024	15,793	8,497	7,297	134,029	1%
Water- Palapye	44,246	66,226	31,191	63,934	29,634	76,251	46,810	59,532	37,045	41,773	43,197	58,174	598,012	6%
Insurance - lotsane	6,569	6,569	6,569	6,569	6,569	6,569	6,569	6,569	6,569	6,569	6,569	6,569	78,823	1%
Rates - lotsane	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	16,440	0%
Repairs and Maintenance - Palapye	17,591	56,945	24,671	39,368	173,972	21,920	106,145	60,068	18,572	21,126	90,945	43,812	675,136	7%
Salaries and Wages	13,900	13,900	13,900	13,900	13,900	13,900	13,900	13,900	13,900	13,900	13,900	13,900	166,800	2%
Security expense- Palapye	30,923	30,923	32,973	32,492	32,760	32,760	32,760	32,760	32,760	32,328	32,760	32,760	388,960	4%
Training levy	1,969	1,737	1,417	1,934	1,429	1,445	2,160	1,462	1,485	2,189	1,634	1,514	20,376	0%
Total Direct Expenses	**185,447**	**223,833**	**151,363**	**198,341**	**301,706**	**197,888**	**275,226**	**226,799**	**155,257**	**175,780**	**230,204**	**195,896**	**2,517,740**	25%
NET CONTRIBUTION	**799,151**	**644,483**	**557,239**	**768,886**	**412,708**	**524,552**	**804,826**	**504,292**	**587,220**	**918,599**	**586,873**	**561,324**	**7,670,153**	
Net Contribution Ratio (%)	**81%**	**74%**	**79%**	**79%**	**58%**	**73%**	**75%**	**69%**	**79%**	**84%**	**72%**	**74%**	**75%**	

GH GROUP (PTY) LTD

LOTSANE JUNCTION TRADING STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2022

INCOME	ACTUAL													
Property income	31-Oct-21	30-Nov-21	31-Dec-21	31-Jan-22	28-Feb-22	31-Mar-22	30-Apr-22	31-May-22	30-Jun-22	31-Jul-22	31-Aug-22	30-Sep-22	Total YEAR TO DATE	% of sales
Rental income - Lotsane Junction	1,241,047	706,595	714,404	1,214,932	720,893	675,552	1,163,138	684,083	686,151	1,164,868	669,222	669,222	10,310,108	
Recoveries - Lotsane Junction	79,491	75,417	75,440	76,316	76,420	75,886	75,955	76,100	70,536	81,837	70,268	70,268	903,933	
	1,320,538	**782,012**	**789,844**	**1,291,248**	**797,313**	**751,438**	**1,239,093**	**760,183**	**756,687**	**1,246,705**	**739,490**	**739,490**	**11,214,041**	
EXPENSES														
Cleaning and refuse expenses- Palapye	29,795	27,500	28,500	34,282	31,030	31,380	36,632	32,131	35,830	34,232	27,030	27,030	375,372	3%
Electricity- Palapye	7,783	7,064	7,215	7,362	7,774	7,218	7,375	7,317	7,303	7,283	7,392	12,392	93,478	1%
Water- Palapye	57,647	3,050	41,917	76,321	61,474	34,716	81,078	39,451	35,000	30,698	43,140	44,140	548,633	5%
Insurance - lotsane	5,874	5,874	5,874	5,874	5,874	5,874	5,874	5,874	5,874	5,874	5,874	5,874	70,490	
Rates - lotsanes	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	16,440	
Repairs and Maintenance - Palapye	22,859	2,000	81,850	15,070	4,080	22,023	64,210	3,900	20,157	114,681	56,683	26,622	434,135	4%
Salaries and Wages	14,600	14,600	14,600	14,600	14,600	14,600	14,600	14,600	14,600	14,600	14,600	14,600	175,200	2%
Security expense- Palapye	32,760	32,760	32,760	35,109	35,109	35,109	35,109	35,109	35,109	35,109	35,109	35,109	414,258	4%
Training levy	2,641	1,564	1,580	2,582	1,595	1,503	2,478	1,520	1,513	(3,489)	1,479	1,479	16,446	0%
Total Direct Expenses	**175,330**	**95,782**	**215,666**	**192,571**	**162,906**	**153,792**	**248,725**	**141,272**	**156,755**	**240,359**	**192,677**	**168,616**	**2,144,452**	19%
NET CONTRIBUTION	**1,145,208**	**686,230**	**574,178**	**1,098,677**	**634,407**	**597,646**	**990,368**	**618,911**	**599,932**	**1,006,346**	**546,813**	**570,874**	**9,069,589**	
Net Contribution Ratio (%)	**87%**	**88%**	**73%**	**85%**	**80%**	**80%**	**80%**	**81%**	**79%**	**81%**	**74%**	**77%**	**81%**	

Annexure A

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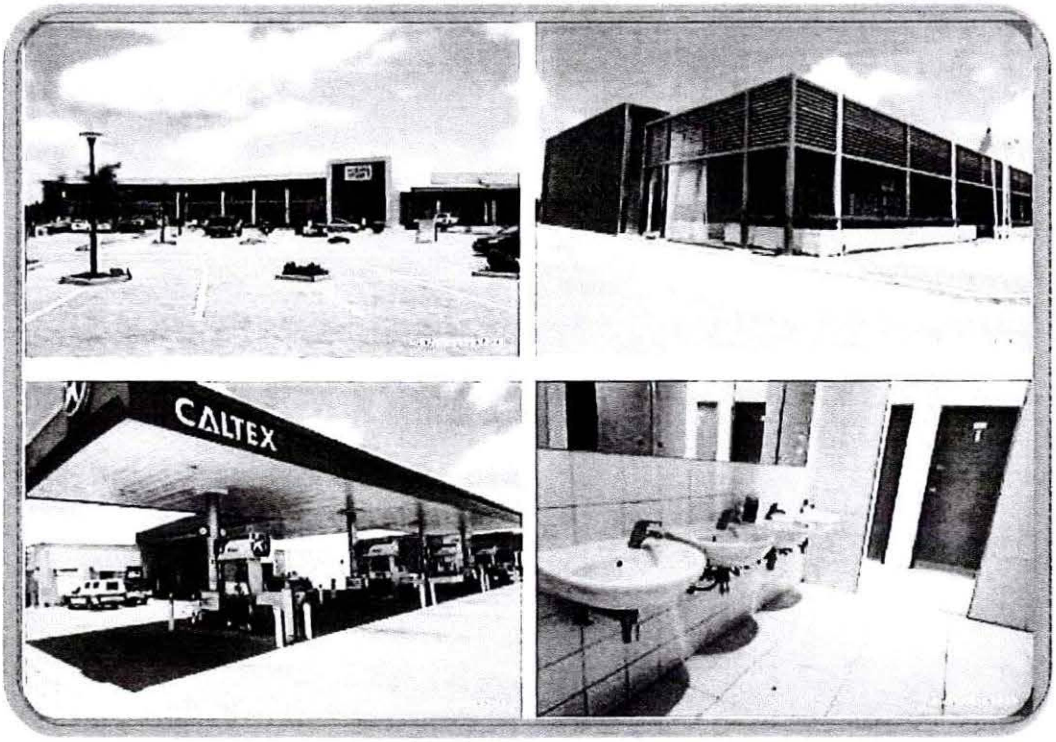
22nd March 2023

Valuation & Report

Client

GH GROUP (PROPRIETARY) LIMITED



Location

TRIBAL LOTS 19668 & 19674 PALAPYE

LOTSANE JUNCTION, PALAPYE

riberry

fluency in property

Chartered Valuation Surveyors, Property Research, Consultants, Managers, Web Portal

RICS

The mark of property professionalism worldwide

EXECUTIVE SUMMARY

Scope of Work	To value on the basis of Open Market Value, Forced Sale Value and Insurance Replacement Cost the Leasehold interest in The Property as at the Valuation Date in accordance with your instruction dated 25th January 2023.
Purpose of Valuation	Balance sheet purposes.
Inspection Date	2nd - 7th February 2023.
Property Description	A retail complex having part upper floor offices suites and comprising of 24 retail outlets, restaurant block, filling station and paved parking space all enclosed within palisade fenced boundaries.
Valuation Date	22nd March 2023.
Addresee:	G.H. Group (Proprietary) Limited P O Box 41029 Gaborone Attention: Mr. Ahmed Patel – 310 5959.
Relevance	The report is only for the use by the addressee and no responsibility is accepted from third parties for any part or the entire report.
Standards	The valuation report has been prepared in accordance with the International Valuation Standards and Royal Institution Chartered Surveyors Valuation Standards (Red Book), unless there are any departures which will annexed to this report.
Assumptions	We have also assumed town and regional planning issues, state of repair and condition of the property, soil + environmental issues, tenure as per the Deeds Registry office or as provided in the furnished title deed. Any variation to the above might render the values in this report to be incorrect, hence, a re-appraisal should be considered.
Special Assumptions	**The property is not connected to a sewer line. Currently there are using conservancy tanks requiring daily emptying which comes at a huge cost of approximately P800,000 per annum. We understand that plans are at an advanced stage**

to establish an onsite sewer plant at a cost estimate of approximately P1,500,000. We have adopted normal property expenses excluding the current sewer costs in our valuation and have deducted the costs of establishing a sewer plant directly from the final valuation figure.

Verification

We recommend that before any financial transaction is entered into based upon this valuation, you obtain verification of the information contained within our report and the validity of the assumptions we have adopted.

Publication

Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval.

Market Value

P123,000,000 (ONE HUNDRED AND TWENTY THREE MILLION PULA)

Forced Sale Value

P86,000,000 (EIGHTY SIX MILLION PULA)

Insurance Replacement Cost

P177,000,000 (ONE HUNDRED AND SEVENTY SEVEN MILLION PULA)

Report Date

22nd March 2023.

Valuer

Yours Faithfully

RIBERRY (PTY) LTD
UNIT 11D, PLOT 54368
I-TOWERS, NEW CBD GABORONE
P. O. BOX 532, MOGODITSHANE
TEL: 3188830 FAX: 3188831

Benedict Kgosilentswe BSc (Hons) MRICS MREIB
For and on behalf of
Riberry (Pty) Ltd

Cell: 73302777
Tel: 3188830
Fax: 3188831
E-mail:ben@riberry.co.bw
E-mail: riberry@riberry.co.bw
www.riberry.co.bw

The valuer has sufficient local/national property market knowledge, skills and understanding to undertake valuation competently.

Qualifications and Credentials of the Valuer	Professional Member of the Royal Institution of Chartered Surveyors Professional Member of the Real Estate Institute of Botswana BSc (Hons) Estate Management

GLOSSARY OF STANDARD TERMS USED

This table defines various standard terms used in valuation reports. Where a term is used as defined it will be identified in the text with an *italic* font.

Appraisal	See *valuation*
Assets	Real and personal *property*.
Assumption	A supposition taken to be true. It involves facts, conditions or situations affecting the subject of, or approach to, a *valuation* that, by agreement, need not be verified by the *member* as part of the *valuation* process. Typically, *assumptions* are made where specific investigation by the valuer is not required in order to prove that something is true.
Basis of Value	A statement of the fundamental measurement principles of a *valuation* on specified date.
Date of Report	The date on which the valuer signs the *report*.
Date of Valuation	The date agreed with the client as being the date on which the value is assessed. This date may be before, or the same as, the *date of report* but it cannot be after that date.
Departure	Special circumstances where the *member* considers that it is inappropriate, or impractical, for the *valuation* to be made wholly in accord with a *practice statement* in these standards.
Depreciated Replacement Cost	The current cost of replacing an *asset* with its modern equivalent *asset* less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.
Directors	The individual(s) responsible for the management of a company, firm or entity. This also includes, where the context so admits, the corresponding officers, charged with similar duties (for example, trustees) of an undertaking, enterprise or other organisation, which does not have *directors*.
External Valuer	A valuer who, together with any associates, has no material links with the client, an agent acting on behalf of the client, or the subject of the assignment.
Inspection	A visit to a *property* to examine it and obtain relevant information, in order to express a professional opinion of its value. Unless otherwise agreed with the client the term assumes that the *member* will inspect the *property* both internally and externally, wherever access is possible. (See also *survey*).
Investment Value, or Worth	The value of a *property* to a particular investor, or a class of investors, for identified investment objectives. This subjective concept relates specific *property* to a specific investor, group of investors, or entity with identifiable investment or operational objectives and/or criteria.
Market Rent (MR)	The estimated amount for which a *property*, or space within a *property*, should lease on the *date of valuation* between a willing lessor and a willing lessee on appropriate lease terms, in an arm's length transaction, after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Market Value (MV)	The estimated amount for which a *property* should exchange on the *date of valuation* between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.
Member	A Fellow, Professional *Member*, Technical *Member* or Honorary *Member* of the Royal Institution of Chartered Surveyors (RICS).
Method of Valuation	A procedure or technique used to arrive at the value described by a *basis of value*.
Market Value (MV)	Its application provides the same result as *Market Value*.
Portfolio	A collection or aggregation of *properties* held by a single entity.
Practice Statement (PS)	A statement of the highest professional standards that apply mandatorily to members when providing *written valuations* of *property* in all states, for all purposes to which these standards apply.
Property	All rights and interests in land (with and without buildings), *plant & equipment* and wasting *assets* unless the context clearly implies a more restrictive definition. The term applies also to other *assets* held as *trading stock* or work in progress, when the *valuation* is for the purposes of inclusion of a figure(s) in a financial statement. '*Property*' will include '*properties*' in the appropriate context.
Report	The *written* means of providing the client with the *valuation, appraisal* or assessment of *worth*.
Special Assumption	An *assumption* that either: + requires the *valuation* to be based on facts that differ materially from those that exist at the *date of valuation*; or + is one that a prospective purchaser (excluding a purchaser with a special interest) could not reasonably be expected to make at the *date of valuation*, having regard to prevailing market circumstances.
Special Property	*Property* that is rarely if ever sold in the market, except by way of a sale of the business or entity of which it is part, due to uniqueness arising from its specialised nature and design, its configuration, size, location, or otherwise. Examples include refineries, power stations, docks, specialised manufacturing facilities, public facilities, churches, museums.
Special Value	An amount above the *Market Value* that reflects particular attributes of an *asset* that are only of value to a *special purchaser*.
Survey	An *inspection* of a *property* or land for the purpose of recording specific information. Surveys may be required for a variety of purposes, such as to assess structural condition, dimensions, soil condition, quality etc.
Synergistic Value	An additional element of value created by the combination of two or more interests where the value of the combined interest is *worth* more than the sum of the original interests. (May also be known as 'marriage value'.)

Terms of Engagement	*Written* confirmation of the conditions that the *member* either proposes, or that the *member* and client have agreed shall apply to the undertaking and reporting of the *valuation, appraisal* or opinion of *worth*.
Third party	Any party, other than the client, who may have an interest in the *valuation* or its outcome.
Trade Related Property	*Property* with trading potential, such as hotels, fuel stations, restaurants, or the like, the *Market Value* of which may include *assets* other than land and buildings alone. These *properties* are commonly sold in the market as operating *assets* and with regard to their trading potential. Also called *property* with trading potential.
Valuation	A member's opinion of the value of a specified interest or interests in a *property*, at the *date of valuation*, given *in writing*. Unless limitations are agreed in the *terms of engagement* this will be provided after an inspection, and any further investigations and enquiries that are appropriate, having regard to the nature of the *property* and the purpose of the *valuation*.
Worth	*See investment value.*
Written/inwriting	*Written* verification, including material transmitted by electronic means.

SCOPE OF WORK

Sources of Information

The valuation report has been prepared in accordance with the International Valuation Standards and Royal Institution Chartered Surveyors Valuation Standards (Red Book), unless there are any departures which will annexed to this report. Also, the terms of engagement, information supplied to us by yourselves, an inspection of the property and a research carried out in respect of tenure and current market conditions.

Terms of engagement

The terms of engagement are attached herewith in the appendix, but in the absence of the attachment, the terms will be as specified in the executive summary under scope of work as follows; To value on the basis of Market Value, Forced Sale Value and Insurance Replacement Cost the interest in The Property as at the Valuation Date.

Inspection

We undertook a visit to the property to examine it and obtain relevant information. We inspected the property visually both internally and externally, and our report contains a brief summary of the property details on which our valuation has been based. All measurements and areas quoted in our report are approximate. We did not undertake a building, structural, soil or any other specialist survey of the property. Standard fixtures and other normal service installations including air-conditioning have been treated as an integral part of the building, hence included in our valuation.

Inspection date

2nd - 7th February 2023.

Repair Condition

From our inspection as at the time of our survey the property appeared to be in a satisfactory state of repair and condition.

Titles & Tenures

Details of title/tenure under which the property is held have been obtained either from the Deeds Registry Office or from the client. Where information from deeds, leases or other documents is recorded in this report this represents our understanding of the relevant documents. We should emphasise, however, that the interpretation of the documents of title (including relevant title deeds, leases, restrictive covenants and planning consents) is the responsibility of your legal advisor.

We have not measured the site but relied on the surveyed diagram details as obtained from the Deeds Registry. We have not measured the site but relied on the surveyed diagram details as obtained from the Deeds Registry.

Environmental Matters

We have not carried out any investigation into past or present uses of the property nor of any neighbouring land to establish whether there is any potential for contamination from these uses or sites adjacent to the subject property and have therefore assumed that none exists.

We have not factored in any environmental issues, that are either an inherent feature of the property itself, or the surrounding area, which could impact on the value of the property interest i.e. environmental legislation, soil conditions, historic mining, archeological sites, electricity transmission equipment etc.

Town Planning

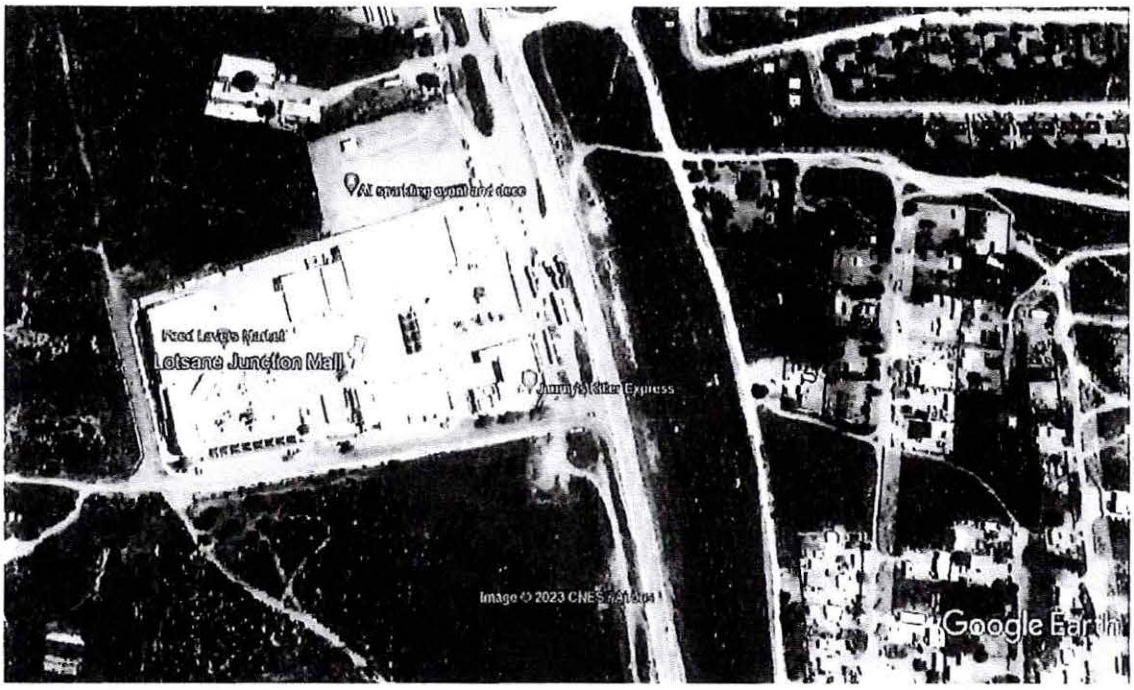
We have not undertaken planning enquiries but relied on the information obtained from the Title Deed and/or lease and/or certificate. And we assumed that; the property possesses a good and marketable title free from any onerous or hampering restrictions or conditions; all buildings have been erected either prior to planning control or in accordance with planning permissions and have the benefit of permanent planning consents or existing use rights for their current use; the property is not adversely effected by town planning or road proposals; all buildings comply with all statutory and local authority requirements including building, fire and health and safety regulations

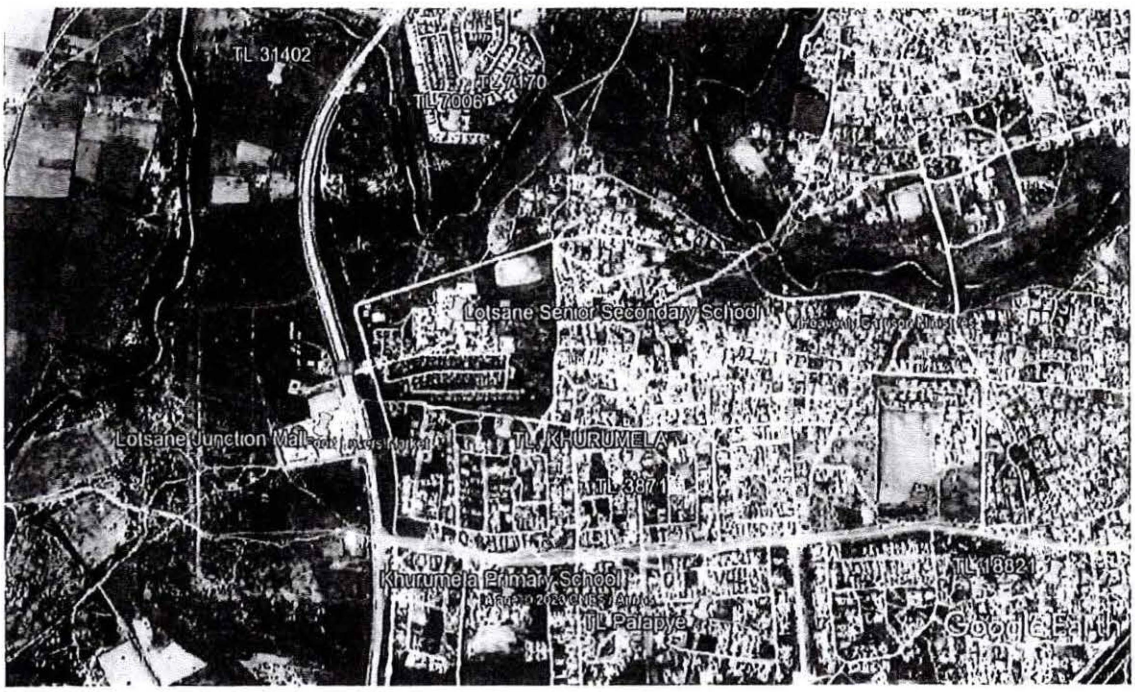
STANDARD VALUATION ASSUMPTIONS

Market Value	**Market Value** is defined as: "The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion." Market Value is understood as the value of a property estimated without regard to costs of sale or purchase, and without offset for any associated taxes.
Definitions of the above market value statement are as below	
'The estimated amount…'	Refers to a price expressed in terms of money (normally in the local currency) payable for the property in an arm's-length market transaction. Market Value is measured as the most probable price reasonably obtainable in the market at the date of valuation in keeping with the Market Value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of Special Value.
'…a property should exchange…'	Refers to the fact that the value of a property is an estimated amount, rather than a predetermined or actual sale price. It is the price at which the market expects a transaction that meets all other elements of the Market Value definition should be completed on the date of valuation.
'…on the date of valuation…'	Requires that the estimated Market Value is time-specific as of a given date. Because markets and market conditions may change, the estimated value may be incorrect or inappropriate at another time. The valuation amount will reflect the actual market state and circumstances as of the effective valuation date, not as of either a past or future date. The definition also assumes simultaneous exchange and completion of the contract for sale without any variation in price that might otherwise be made.
'…between a willing buyer…'	Refers to one who is motivated, but not compelled to buy. This buyer is neither over-eager nor determined to buy at any price. This buyer is also one who purchases in accordance with the realities of the current market and with current market expectations, rather than on an imaginary or hypothetical market which cannot be demonstrated or anticipated to exist. The assumed buyer would not pay a higher price than the market requires. The present property owner is included among those who constitute 'the market'. A valuer must not make unrealistic Assumptions about market conditions or assume a level of Market Value above that which is reasonably obtainable.

'... a willing seller ...'	Is neither an over-eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the property at market terms for the best price attainable in the (open) market after proper marketing, whatever that price may be. The factual circumstances of the actual property owner are not a part of this consideration because the 'willing seller' is a hypothetical owner.
'... in an arm's-length transaction ...'	Is one between parties who do not have a particular or special relationship (for example, parent and subsidiary companies or landlord and tenant) which may make the price level uncharacteristic of the market or inflated because of an element of Special Value. The Market Value transaction is presumed to be between unrelated parties each acting independently.
'... after proper marketing ...'	Means that the property would be exposed to the market in the most appropriate manner to effect its disposal at the best price reasonably obtainable in accordance with the Market Value definition. The length of exposure time may vary with market conditions, but must be sufficient to allow the property to be brought to the attention of an adequate number of potential purchasers. The exposure period occurs prior to the valuation date.
'... wherein the parties had each acted knowledgeably, prudently ...'	Presumes that both the willing buyer and the willing seller are reasonably informed about the nature and characteristics of the property, its actual and potential uses, and the state of the market as of the date of valuation. Each is further presumed to act for self-interest with that knowledge and prudently to seek the best price for their respective positions in the transaction. Prudence is assessed by referring to the state of the market at the date of valuation, not with benefit of hindsight at some later date. It is not necessarily imprudent for a seller to sell property in a market with falling prices at a price which is lower than previous market levels. In such cases, as is true for other purchase and sale situations in markets with changing prices, the prudent buyer or seller will act in accordance with the best market information available at the time.
'... and without compulsion.'	Establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it.
Market Rent	The estimated amount for which a property, or space within a property, should lease (let) on the date of valuation between a willing lessor and a willing lessee on appropriate lease terms in an arm's-length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion.

GOOGLE MAP FOR TRIBAL LOT 19668 & 19674, PALAPYE





COORDINATES: LATITUDES: 22°33'41.36"S LONGITUDES: 27° 4'54.35"E

PROPERTY DESCRIPTION

LOCATION

The property is prime situated within Palapye Village, Lotsane Ward, fronting onto A1 Road and in close proximity to the southwest of Lotsane Senior Secondary School.

TENURE

The development has been constructed over two plots whose tenure details are as below;

TRIBAL LOT 19668 PALAPYE

The property is a subject of a Memorandum of Agreement of between Palapye Sub Land board and Business Care Services (Proprietary) Limited and subsequent Notarial Deed of Cession No. FT MA 168/2019 dated 22nd July 2019. The lease is for 50 years having commenced on the 12th December 2018. The registered name there is shown as G.H. Group (Proprietary) Limited. The area of land is shown as 1.7836 hectares.

Use: specifies "Commercial"

Survey Diagram: D.S.M. No. 1672/2014 prepared by B. Hungwe in April 2014 and approved by the Director of Surveys and Mapping on the 23rd May 2014.

TRIBAL LOT 19674 PALAPYE

The property is a subject of a Memorandum of Agreement of between Ngwato Land Board and Julia Natefo Phala and registered at the Deeds under FT TL 310/2014 dated 21st March 2014 and subsequent Notarial Deed of Cession No. FT MA 212/2017 dated 11th June 2017. The lease is for 50 years having commenced on the 3rd June 2013. The registered name there is shown as G.H. Group (Proprietary) Limited. The area of land is shown as 1.5036 hectares.

Use: specifies "Commercial"

Survey Diagram: D.S.M. No. 962/2014 prepared by C. Mannathoko in March 2014 and approved by the Director of Surveys and Mapping on the 14th March 2014.

SERVICES

Mains water, electricity and are available and connected to the property. Drainage is by way of conservancy tanks.

DESCRIPTION SUMMARY	A retail complex having part upper floor offices suites and comprising of 24 retail outlets, restaurant block, filling station and paved parking space all enclosed within palisade fenced boundaries.
CONSTRUCTION	
Main Building	Constructed from reinforced concrete frames and columns with brick infills walls rendered externally and plastered internally with glazed shop fronts on aluminum frames under mono pitched IBR roof sheets on steel trusses with parapet walls. Suspended ceilings are fitted. Floors are concrete and variously covered with porcelain and ceramic tiles to parts. Running the front length of the entire building is a veranda/covered walkway.
Restaurant/ Fast Food Block	Constructed from reinforced concrete columns with brick infills walls rendered externally and plastered internally with glazed shop fronts on aluminum frames under mono pitched IBR roof sheets on steel trusses with parapet walls. Suspended ceilings are fitted. Floors are covered with porcelain and ceramic tiles to parts. Running the front length of the entire building is a sitting terrace/ veranda/covered walkway.
Filling Station Canopy	Constructed from steel stanchions supporting butterfly shaped/mono pitched IBR chromadeck roof sheets on steel purlins with boxed fascias. Klip-lock sheets are fitted as ceilings. Floors are part power floated reinforced concrete and part concrete pavers.
Filling Station Convenience Shop	Constructed from brick walls rendered externally and plastered internally with glazed shop fronts on aluminum frames under mono pitched IBR roof sheets on steel trusses with parapet walls. Suspended ceilings are fitted. Floors are covered with ceramic tiles.

ACCOMMODATION

Main Building

Accommodation comprises 24 retail units being;

The anchor unit which is accessed via a double volume entrance veranda through an aluminum folding door leading onto an open retail space having trading area, kitchen, butchery, bakery and take away sections and rear receiving and stock storeroom.

There is also a mezzanine area accessed via internal concrete stairs and comprising administration offices, staff canteen fitted with stainless steel drainer sink unit, ladies change rooms having dressing area and fitted with 3 shower cubicles area, 6 w.c. and 4 wash hand basins, gentlemen change rooms fitted with. 3 urinals, 4 shower cubicles, 3 w.c. and 3 wash hand basins.

Each retail unit is accessed via an aluminum framed and glazed door leading onto an open plan retail space.

Smaller Units are each have kitchenette fitted with a single stainless-steel sink base unit.

Larger units have ladies and gentlemen toilets each fitted with w.c. and wash hand basin and kitchenette fitted with a single stainless-steel sink base unit.

There is a centre management office, centre toilets comprising female toilets fitted with 4 w.c. and hand wash trough and male toilets fitted with 3 urinal basins, 2 w.c. and hand wash trough, paraplegic toilet fitted with w.c. and wash hand basin, kitchenette fitted with a single stainless-steel sink and wall units and a store room.

First floor accommodation accessed via 2 front staircases leading onto a landing, walkway, 6 office suites each accessed via a double aluminum framed and glazed door leading onto an open plan office area.

The office suites are serviced by ablutions located on the first floor and comprises male toilets fitted with 2 w.c. and wash hand trough and females toilets room fitted 2 urinal basins, 2 w.c. and wash hand trough, paraplegic toilet fitted with w.c. and wash hand basin and store room.

Restaurant/Fast Food Block	Accommodation comprises 5 units. units now being for office accommodation. Each unit is accessed from the front verandah/sitting area comprises an open shop/office suite each with dedicated staff change rooms comprising male and female change rooms each fitted with shower cubicle, w.c. and wash hand basin and each having access to a rear service/ delivery yard On the eastern side and separately accessed are customer toilet facilities comprising female toilets fitted with 3 w.c. and wash hand trough and male toilets fitted with 3 urinal basins, 2 w.c. and wash hand trough, paraplegic toilet fitted with a w.c. and wash hand basin.
Filling Station/ Convenience Shop	Accommodation comprises a modern filling station facility with a 4 pump island forecourt, a convenience kiosk shop with a kitchen preparation area fitted with a single stainless steel drainer sink, double stainless steel drainer sink, an office, 2 store rooms, freezer room, retail shop space fitted with check-out counter, an ATM, attendant's office, staff toilet facilities comprising female toilets fitted with 2 w.c. and wash hand basin, male toilets fitted with urinal basin, w.c. and wash hand basin and paraplegic toilet fitted with w.c. and wash hand basin.
Water Service Station	An open room having 2 pump station facilities and 2 water reservoirs/tanks.
EXTERNAL AREAS	These include 3 standby genset enclosures, brick wall enclosed engine room and water service station with reservoir/tanks, paved driveways/walkways and approximately 488 parking bays all enclosed with palisade fenced boundaries.

CONDITION

From our inspection as at the time of our survey the property appeared to be in a satisfactory state of repair and condition.

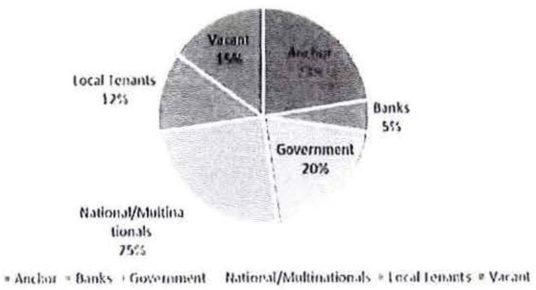
TENANCY DETAIL

We did not have sight of the leases. However, we extracted leasing information from lease schedule shared by the landlord. We understand from the landlord schedule provided, the premises are let on the following terms and conditions;

85% of the property is let to various tenants, anchored by a supermarket, with a Bank, Government departments, national/multinational and local retailers. The tables and charts below give insight on the tenant composition and lease expiry profiles.

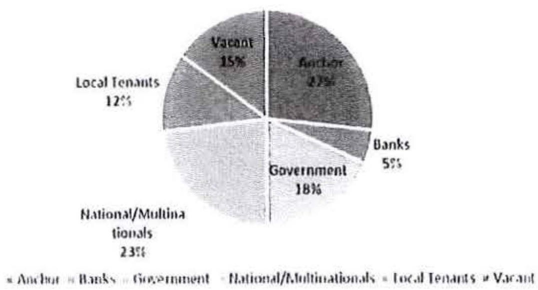
Tenant Profiles by Area		
Tenant Type	Area m2	Area %
Anchor	2,334	23%
Banks	502	5%
Government	2,110	20%
National / Multinationals	2,599	25%
Local Tenants	1,235	12%
Vacant	1,577	15%
	10,359	**100%**

Lotsane Junction Tenant Composition by Area in Sq.m



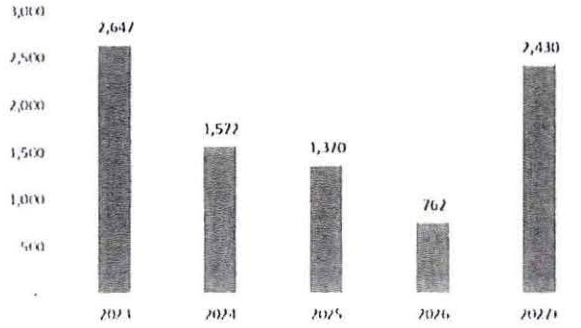
Tenant Composition by Income		
Anchor	265,000	27%
Banks	50,730	5%
Government	180,734	18%
National / Multinationals	230,457	23%
Local Tenants	116,620	12%
Vacant	149,840	15%
	993,381	**100%**

Lotsane Junction Tenant Composition by Income



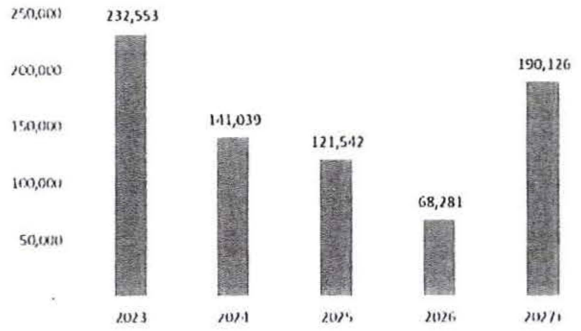
Lease Expiry By Area in sq.m		
2023	2,647	30%
2024	1,572	18%
2025	1,370	16%
2026	762	9%
2027+	2,430	28%

Lotsane Junction Lease Expiry by Area Sq.m



Lease Expiry By Monthly Income		
2023	232,553	28%
2024	141,039	17%
2025	121,542	14%
2026	68,281	8%
2027+	190,126	23%

Lotsane Junction Lease Expiry Profile Rent/pm (P)



The leases are signed for 1 to 10 years period depending on the tenant profile. The passing rentals are more in line with market rates with escalations averaging 7%.

Multinationals/nationals, Banks and Government occupy 73% of the centre by both GLA & income, thereby providing stability to the centre.

The centre has over 10% vacancies against a industry norm of about 2.5%. Given the centre's visible location and with more marketing it will be just a matter of time that it fully let.

The detailed lease schedule is as below;

Unit No.	Tenant	Area (m2)	Lease Period	Esc	Current (Feb'23) Rent (P) (ex VAT)
SHOP 1	LINCOLNHURST	51.00	5	7%	6,247.71
SHOP 1A	SCALES	59.10	2	7%	6,956.07
SHOP 2	MIDNIGHT PHARMACY	120.42	5	8%	16,383.01
SHOP 3 & FF OFFICES	LAND TRIBUNAL	1,090.30	5	0%	84,975.00
SHOP 4	RAYONI	42.03	2	7%	5,043.60
SHOP 5	CELLPHONE WAREHOUSE	140.77	5	8%	12,528.00
SHOP 6	JAYSHEL CASH	18.73	2	7%	2,247.60
SHOP 7	THE SQUARE MART	2,334.32	10		175,000.00
SHOP 8	HOLISTIC PHYSIO CLINIC	36.90	5	7%	4,428.00
SHOP 9	VACANT	211.56	-	-	-
SHOP 10	VACANT	151.24	-	-	-
SHOP10A	VACANT	150.76	-	-	-
SHOP 11	YAKU (baby)	184.90	5	7%	13,949.62
Shop 12	VACANT	180.69	-	-	-
SHOP 13	ALECHANT	190.60	5	7%	18,304.01
SHOP14	REGALINK	210.80	5	7%	17,150.60
SHOP15	VACANT	443.83	-	-	-
SHOP16	SBC INVESTMENTS	439.51	5	6%	30,282.24
SHOP 17A	ABOVE LIFE	79.40	5	8%	8,575.20
SHOP 17B	SERVE	57.60	1	7%	7,395.84
SHOP 17C	NATIONAL AMALGAMATED	57.66	5	7%	6,919.20
SHOP 17D	TASK Manufacturer	27.84	2	7%	3,575.00
SHOP 17E	VACANT	74.93	-	-	-
SHOP 17F	KREDICELL	74.67	5	7%	10,019.06
SHOP 17G	BUSINESS DIRECT	28.24	5	8%	5,378.85
SHOP17H	SETHUNYA'S CANVAS	49.28	2	7%	9,651.60
SHOP 17I	VACANT	58.21	-	-	-
Shop 17J	VACANT	80.43	-	-	-
SHOP18	YAKU	511.93	5	7%	38,622.11
SHOP19	YAKU	365.69	5	7%	27,589.16
SHOP20	YAKU	366.52	4	7%	27,651.78
Shop 21-22	Ministry of Finance	573.17	5	0%	51,585.30
SHOP23	BLUE QUARTZ (western furniture)	305.00	5	8%	30,821.04
SHOP24	FNB	493.44	5	6%	46,797.49
SHOP25	DCEC	291.07	5	0%	31,942.72
SHOP26	INDUSTRO CLEAN (BIDVEST)	188.86	5	4%	16,695.22
SHOP27	BOTSWANA POST	155.39	5	7%	12,231.38
SHOP28A	BOPEU	225.10	3	6%	16,882.50
SHOP28	VACANT	176.35	-	-	-
Stand Alone	A1 FILLING STATION	1.00			90,000.00
AT FILLING STATION	STD CHARTERED ATM	9.00	5	6%	3,932.60
ROOF	MASCOM	1.00	10	8%	3,779.13

MARKET & VALUATION

MARKET

Our recent survey of commercial property sales in the area shows land values devaluing to a range of P75 - 500/m². Sales within that range reflect differences in land size, shape, position and other location qualities such as frontages, roads, proximity to amenities, neighbourhoods, etc. Improvement rates also show variations attaching to differing qualities of design, volume, construction, scale etc. of various forms of developments. On the letting side, retail shop rentals currently range from P70/m² – P250/m², Offices/First floor units range from P40/m² – P60/m² and differing in regard to location, size as well as the general quality of the improvements.

There has been an upsurge of shopping centre developments in Palapye. The 4 new centres (including the subject property) have added an additional 45,000m² to the retail landscape of Palapye. All centres do benefit from the A1 highway frontage with the other three more centrally located nearer to the main junction. These developments have increased retail space supply in the Palapye precinct within a short space of time and would be anticipated to put downward pressure on rental levels. Palapye rental rates range between P70/m² and P250/m² depending on the size and with anchors at the lower end and small shops located next to the anchor at the higher end. The ideal tenant mix of the subject property will be a mixture of convenience and regional outlets that will service both local, regional and travelling customers. Palapye village has favourable attributes in the form of catchment from villages, (Serowe, Mahalapye, Palapye and other surrounding smaller villages/settlements) various establishments such as BIUST, Morupule Coal Mine, Morupule Power Plant, Letlhakane & Orapa Mines and various Government institutions who form by and large the catchment for customers for Lotsane Junction and Palapye centres. Therefore we are of the opinion the Centre benefit from a strong convenience i.e. Food Lovers regional appeal and fresh produce & offering groceries, chemist and bottle store; banking institutions, general clothing outlets i.e. furniture, homeware, outdoor, cellphone sales etc. filling station and take-aways for the public transit customers. The location of the Centre is very prime in the medium and long-term as more developments are envisaged to be done adjacent to the property which falls under mixed use zone and targeted to be the Palapye New CBD.

VALUATION METHODOLOGY

Lotsane Junction has a GLA of approximately 11,000m^2 offering one of the modern shopping space and experience to Palapye and its surrounding villages thus giving it a community Centre status with more of a regional pull.

The Centre boasts of Caltex branded filling station, Square Mart Food Lovers as the supermarket anchor, First National Bank, Government offices (Land Tribunal, Ministry of Finance, DC.E.C.) and small to medium scale service and convenience retailers.

The respective lease terms for the filling station, anchors and banks are normal 5 - 25years with options to renew. The line shops being the national/multinational tenants have 5-year lease terms also with options to renew. Then, the local tenants have the standard 2 - 3 years lease with options to renew.

We believe the existing and targeted tenants' profiles and covenant strength give the centre an element of security and stability. From this, it could be assumed rental payments/cash flows would not be compromised. There are also further opportunities of accommodating stronger new brands in the letting process as an upmarket highly visible centre.

As this is a retail property it has been valued on an investment method of valuation whose process is as follows;

We were furnished with a tenancy schedule populated current rent and add market rent for the vacant spaces.

The next stage was to establish the Centre running costs. We were furnished with schedule of centre costs. We interrogated the said costs in detail. We have established costs for running centres of this magnitude based on comparable data for similar sized centres in Palapye/Mahalapye region. The costs established are more in line with the current shopping Centre running trends. However costs of sewerage disposal was sticking out too high and should be aligned to the norms once the centre is connected to the main sewer line or the planned stand alone sewer plant to be constructed by the developer.

A net amount was then established and capitalised with an industry established capitalisation rate. It is worth noting there are limited comparable sales evidence of shopping centres that have exchanged hands. Most transactions in the market have been partial buy-ins into existing centres which have reflected purchase yields averaging 7.5% - 9%. Outright purchase has been Watershed in Mahalapye that transacted at 7.5%. We are of the opinion that the subject property due to the tenant profile and covenants which will be diluted by increased supply would attract a yield of 8.0% which has been adopted as the appropriate capitalisation rate.

PLINTH

Sites (Land)				
TL 19668 Palapye	1.7661	ha		
TL 19674 Palapye	1.5036	ha		
Total/Aggregate	3.2697	ha		
Main Shop Block				
Ground Floor Retail Shops	9,518.95	m^2		
Mezzanine	245.05	m^2		
Double Volume entrance / arcade	101.64	m^2		
Verandas	1,204.03	m^2		
First Floor Office Suites	964.35	m^2		
Balconies	260.71	m^2		
Restaurants Block (Now Offices)	1,100.00	m^2		

Veranda	557.05	m^2		
Filling Station Canopy	443.31	m^2		
Filling Station-Convenience Shop	254.70	m^2		
Paving (driveway/parking)	15,400	m^2		
Palisade Boundary Fencing	755.12	m		

VALUATION

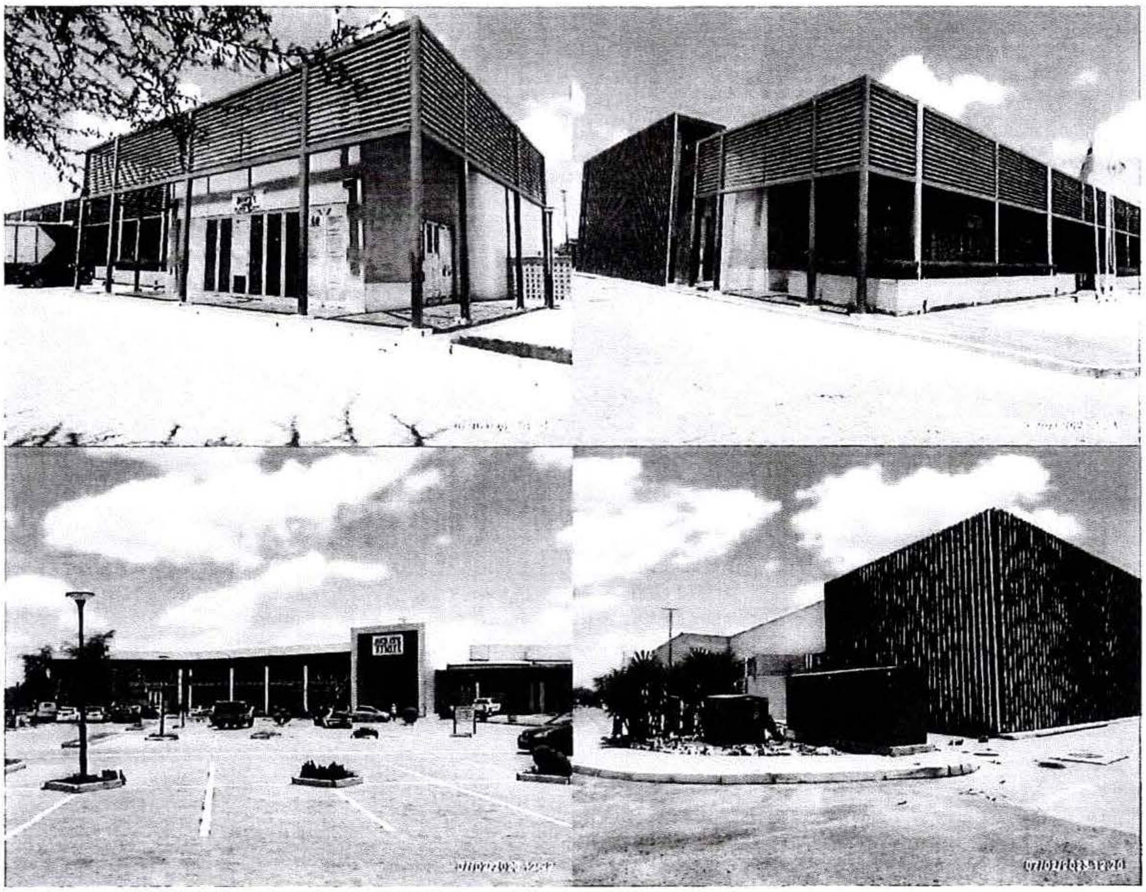
Market Value (MV)				**P123,000,000**
Forced Sale Value				**P86,000,000**
Insurance Replacement Cost				**P177,000,000**

CONCLUSION & GENERAL COMMENTS

A commercial plot developed with a retail building with 24 shops, Restaurant food court block converted to retail/office use with 4 outlets, a filling station with a convenience shop located within a prime developing commercial area in Palapye, Lotsane Ward along the A1 Road.

The property provides adequate security to any financial institution for a normal mortgage advance on the basis of our valuation.

TRIBAL LOT 19668 & 19674, PALAPYE

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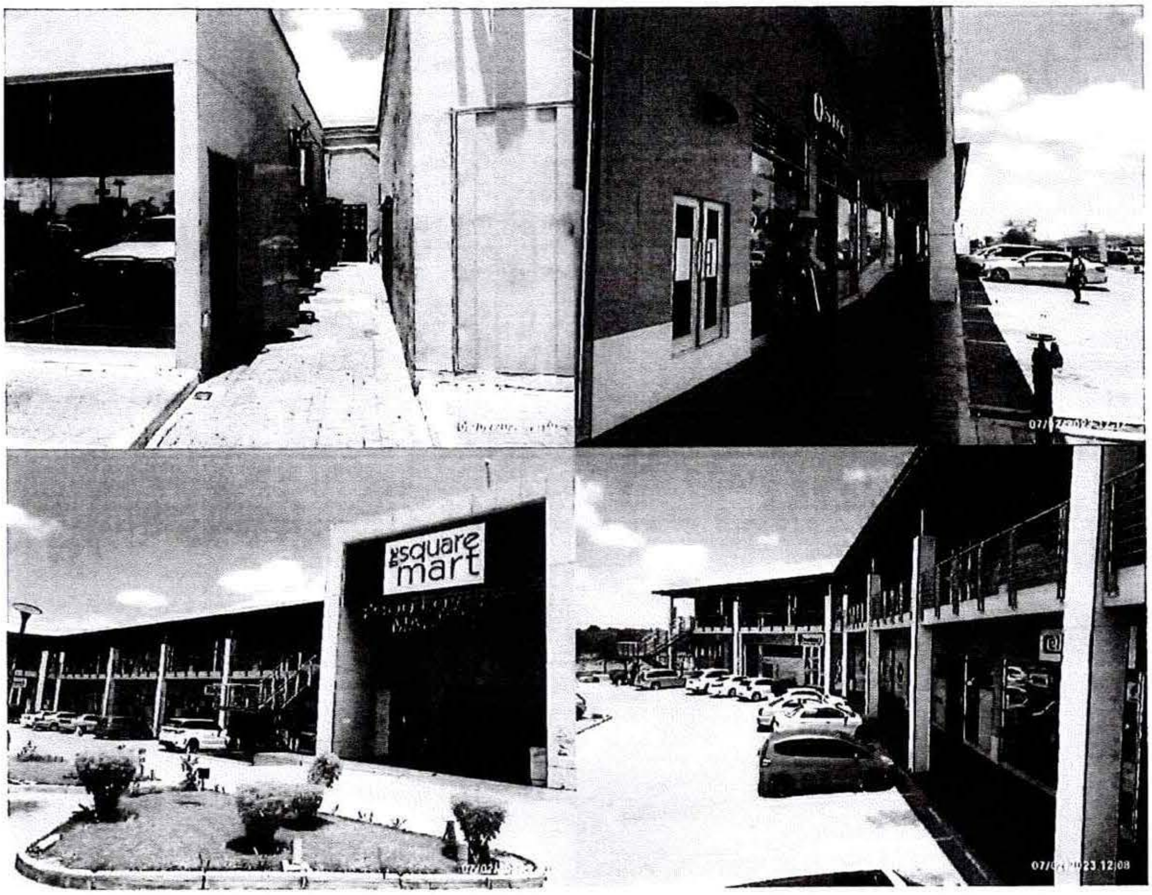
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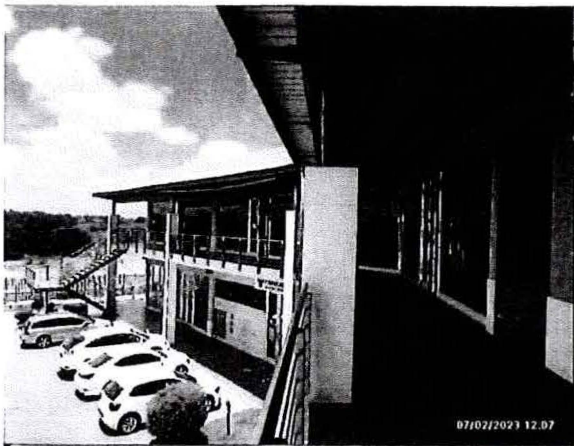
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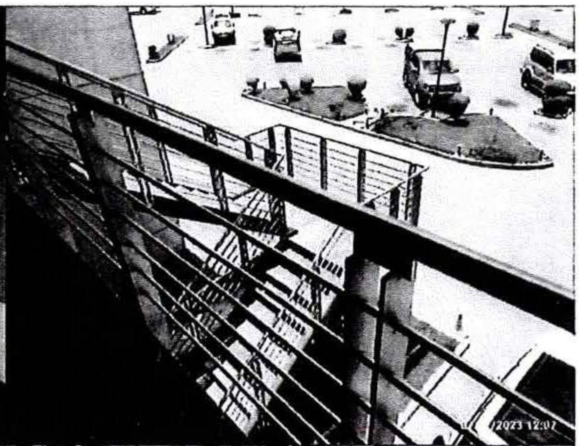
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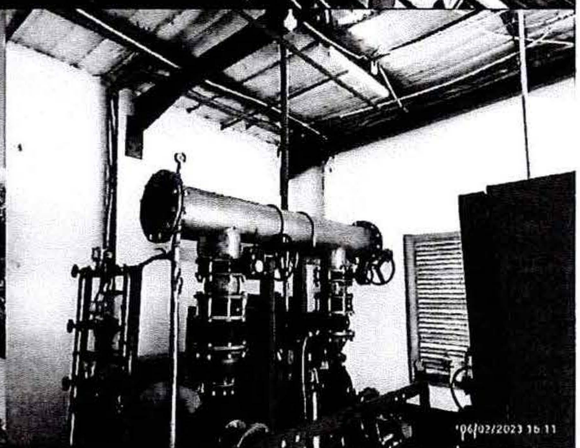
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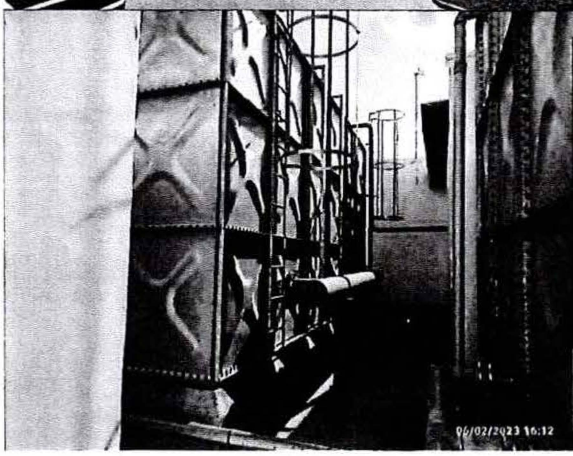
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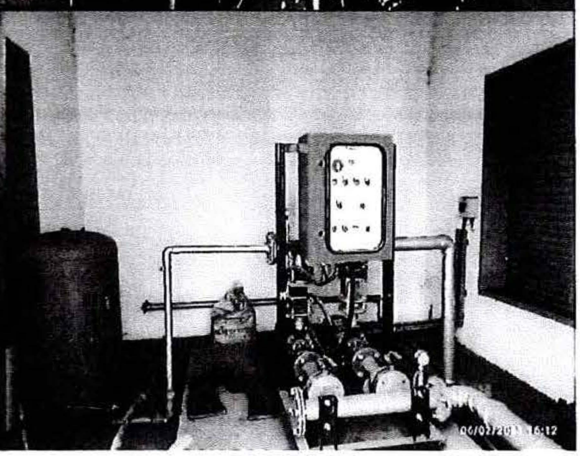
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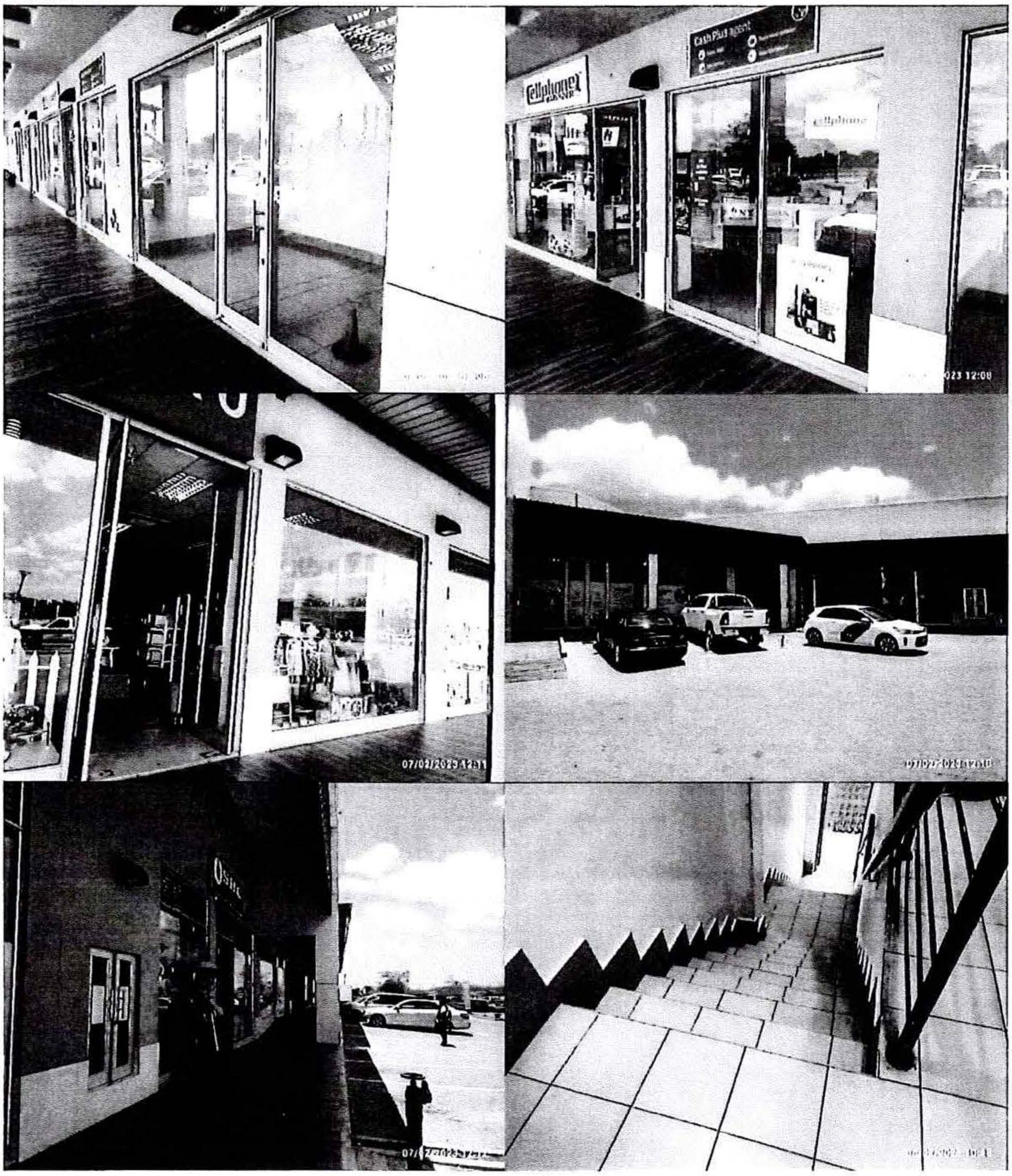
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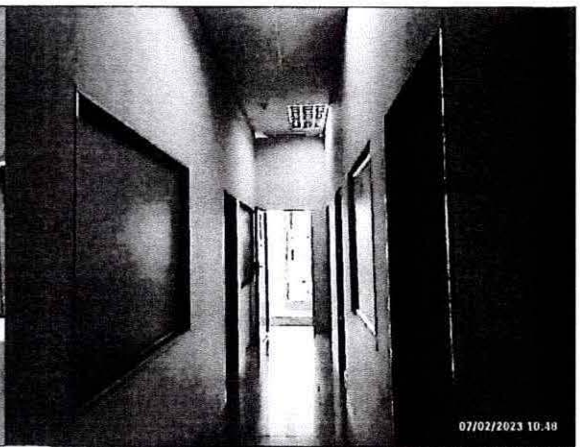
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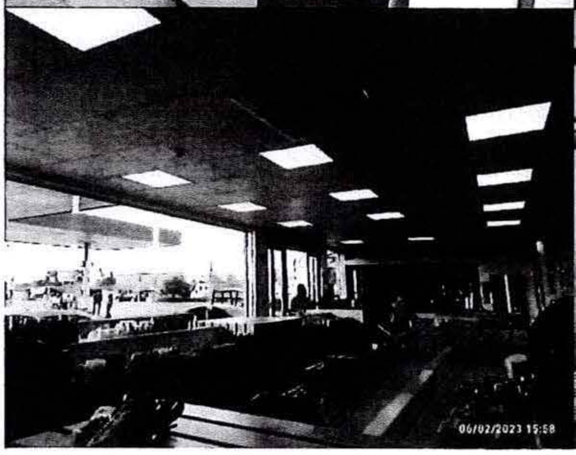
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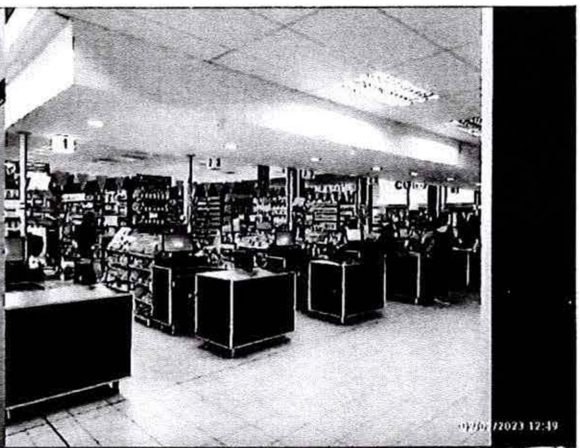

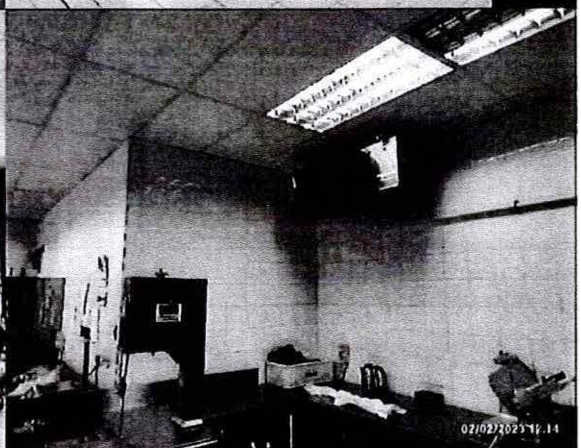
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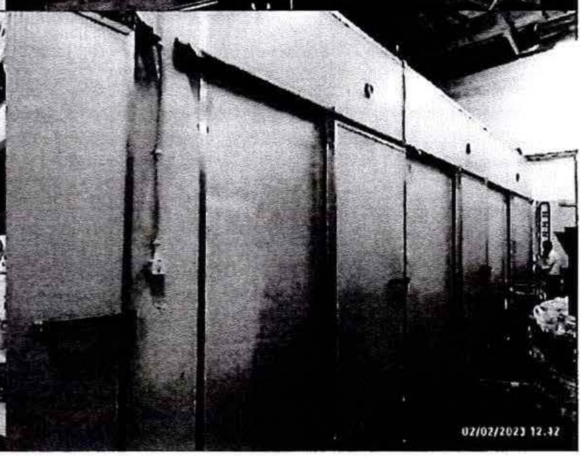
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fluency in property

Chartered Valuation Surveyors, Property Research, Consultants, Managers, Web Portal

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RICS

GH GROUP (PTY) LTD
LOTSANE JUNCTION
SUMMARY OF LEASES and rental
updated rents as of AUGUST 2023

Tenant	Location	Lease period	Escalation	Area (M2)	Current Rental (ex VAT)	AVERAGE RATE/M2	RECOVERIES	RATE
Related companies								
THE SQUARE MART	SHOP 7	SEP 17 - AUG 27		2,334.32	175,000.00	74.97	30,000.00	12.85
A1 FILLING STATION	Stand Alone			1.00	90,000.00	90,000.00	12,500.00	
				2,335.32	**265,000.00**	**113.47**	**42,500.00**	
Third parties								
LINCOLNHURST	SHOP 1	DEC 19 - NOV 24	7%	51.00	6,247.71	122.50	624.76	12.25
SCALES	SHOP 1A	MAR21 - FEB23	7%	59.10	6,956.07	117.70	591.00	10.00
MIDNIGHT PHARMACY	SHOP 2	MAY 18 - APR 23	8%	120.42	17,693.65	146.93	1,043.24	8.66
RAYONI	SHOP 4	OCT22-SEP24	7%	42.03	5,043.60	120.00	420.30	10.00
CELLPHONE WAREHOUSE	SHOP 5	MAR 18 - FEB 23	8%	140.77	13,530.24	96.12	951.89	6.76
BOLK	SHOP 6	JUL23-JUN25	8%	18.73	2,247.60	120.00	187.30	10.00
HOLISTIC PHYSIO CLINIC	SHOP 8	AUG22 - JUL 27	7%	36.90	4,428.00	120.00	369.00	10.00
LEA	SHOP 9	*AUG23-JUL26*	6%	211.56	19,040.40	90.00	2,115.60	10.00
NDWANI DUBE	SHOP10	MAY 23 - APR 25	7%	151.24	12,099.20	80.00	1,512.40	10.00
YAKU (baby)	SHOP 11	OCT 18 - SEP 23	7%	184.90	13,949.62	75.44	-	-
ALECHANT	SHOP 13	JUN 20 - MAY 25	7%	190.60	19,585.29	102.76	2,510.93	13.17
REGALINK	SHOP14	DEC 18 - NOV 23	7%	210.80	17,150.60	81.36	1,592.55	7.55
SBC INVESTMENTS	SHOP16	JUL 20 - JUN 25	6%	439.51	32,099.17	73.03	4,938.33	11.24
ABOVE LIFE	SHOP 17A	SEP18- AUG23	8%	79.40	8,575.20	108.00	857.20	10.80
SERVE	SHOP 17B	FEB22-JAN23	7%	57.60	7,395.84	128.40	616.32	10.70
NATIONAL AMALGAMATED	SHOP 17C	APR22-MAR27	7%	57.66	6,919.20	120.00	576.60	10.00
TASK Manufacturer	SHOP 17D	DEC 21 - NOV 23	7%	27.84	3,575.00	128.41	297.89	10.70
KREDICELL	SHOP 17F	APR 19 - MAR 24	7%	74.67	10,720.39	143.57	974.57	13.05
BUSINESS DIRECT	SHOP 17G	APR 18 - MAR 23	8%	28.24	5,809.16	205.71	414.95	14.69
SETHUNYA'S CANVAS	Shop 17J	FEB 23 - JAN 25	7%	80.43	9,651.60	120.00	804.30	10.00
YAKU	SHOP18	OCT 18 - SEP 23	7%	511.93	38,622.11	75.44	-	-
YAKU	SHOP19	OCT 18 - SEP 23	7%	365.69	27,589.16	75.44	-	-
Ministry of Finance	Shop 21-22	OCT21- SEP26	0%	573.17	51,585.30	90.00	2,840.78	4.96
BLUE QUARTZ (western furniture)	SHOP23	JUL 19 - JUN 24	8%	305.00	33,286.72	109.14	-	-
FNB	SHOP24	NOV 18 - OCT 23	6%	493.44	46,797.49	94.84	3,119.83	6.32
DCEC	SHOP25	NOV20-OCT25	0%	291.07	31,942.72	109.74	1,442.49	4.96
INDUSTRO CLEAN (BIDVEST)	SHOP26	OCT21- SEP26	4%	188.86	16,695.22	88.40	1,833.52	9.71
BOTSWANA POST	SHOP27	JAN 21 - DEC 25	7%	155.39	13,087.58	84.22	1,144.90	7.37
BOPEU	SHOP28A	JUL22-JUN25	6%	225.10	16,882.50	75.00	2,251.00	10.00
LAND TRIBUNAL	SHOP 3 AND OFFICES UPSTAIRS	NOV 19 - OCT 24	0%	1,090.30	84,975.00	77.94	5,402.21	4.95
MASCOM	ROOF	NOV 18 - OCT 28	8%		3,787.80		-	
STD CHARTERED ATM	AT FILLING STATION	JUN 19 - JUN 24	6%	9.00	4,168.56	463.17	-	-
				6,472.35	**592,137.71**	**91.49**	**39,433.85**	6.09
TOTAL				**8,807.67**	**857,137.71**	**97.32**	**81,933.85**	9.30

VACANT UNITS		Potential						
	SHOP10A	***NMG (government department)***		150.76	13,568.00	90.00	1,507.60	10.00
	SHOP 17E			74.93	8,991.60	120.00	749.30	10.00
	SHOP17H			49.28	5,913.60	120.00	492.80	10.00
	SHOP 17I			58.21	6,985.20	120.00	582.10	10.00
	SHOP17H			58.28	6,993.60	120.00	582.80	10.00
	Shop 12	***Ndawani Attorneysecond unit***		180.69	16,262.10	90.00	1,806.90	10.00
	SHOP15	***Botswana Post***		443.83	37,725.55	85.00	4,438.30	10.00
	SHOP20			366.52	32,986.80	90.00	3,665.20	10.00
	SHOP28	***DCEC***		176.35	15,871.50	90.00	1,763.50	10.00
				1,558.85	**145,297.95**	**93.21**	**15,588.50**	10.00
				10,366.52	**1,002,435.66**	**96.70**	**97,522.35**	9.41
			OCCUPANCY	**85%**				

Most tenants have operating costs of P10/sqm on top of the rental amount escalating at the same rate as rent

Annexure B

RESOLUTION OF THE BOARD OF DIRECTORS TURNSTAR HOLDINGS LIMITED PASSED AT GABORONE ON THE 5th DAY OF DECEMBER 2023.

RESOLVED THAT the Board of Directors of Turnstar Holdings Limited ("the Company") hereby approves the purchase of the business known as "Lotsane Junction Mall" including the underlying business assets as defined in the Memorandum of Agreement, from G.H. Group Proprietary Limited on the terms and conditions set out in the Memorandum of Agreement presented to the meeting.

RESOLVED FURTHER THAT the proposed acquisition constitutes a "related party transaction" in terms of the Companies Act as Gulaam Husain Abdoola is a director/shareholder of both the Company and G.H. Group Proprietary Limited.

RESOLVED FURTHER THAT the Board is satisfied that the terms of the proposed acquisition are fair and reasonable as far as the shareholders of the Company are concerned and that the acquisition will benefit the Company.

RESOLVED FURTHER THAT the proposed acquisition be and is hereby approved notwithstanding that it constitutes a related party transaction.

RESOLVED FURTHER THAT Shiran Naomal Chrysanthus Puvimanasinghe, be and is hereby authorized to sign the Memorandum of Agreement, any disclosure documents required for shareholder approval under the Companies Act, and any other ancillary documents on behalf of the Company and to do all such acts, deeds and things as may be necessary to give effect to this resolution, including obtaining shareholder approval as required.

B D Phirie

V Tebele

A Chetty

S S Mantswe

S H Manake

S Puvimanasinghe

COMPANY SECRETARY

SEAL: 5/12/2023

GRANT THORNTON BUSINESS SERVICES (PTY) LTD
P.O. BOX 1157
PLOT 50370 FAIRGROUNDS GABORONE
TEL: 3952313 FAX: 3972357

ANNEXURE 6

08 September 2023

Introduction

The board will recall that at the last board meeting the section of the board pack detailing the MD's report made mention of four potential acquisitions for consideration with an indicative value of up to P500m. The MD disclosed in that report that two of these opportunities were from his group.

Mr Abdoola recused himself from the meetings with management that concerned the GH Group.

Recommendations from the Investment Committee to the board of Turnstar Holdings Ltd

The investment committee, have considered the attached pack, initially received from the executive directors and senior management of Turnstar, during July 2023.

The investment committee held a meeting with the senior management on the 26 July 2023 to discuss the information that was provided.

The matters for consideration were:

1) Acquisition of the Lotsane Junction Mall

In respect of this opportunity the investment committee noted concerns arising from the Riberry valuation report. Specifically the report suggested that there was a possibility of encroachment or that the size of the plot stated on the title deed was smaller than was the case. Management has followed up with Riberry and it seems that these were errors. The investment committee has satisfied itself that this is the case by reading the underlying notarial deeds of cession in respect of the relevant lots.

The property is being offered at P123m which equates to a 7.38% yield on the current occupation and potentially 8.5% on full occupation.

The purchase price is market related as it is being offered at the price determined in the Riberry report.

It also gives the investment committee comfort that though the GH Group is selling, the MD remains one of the largest shareholders in Turnstar and so this is not an exit.

The acquisition is intended to be fully debt funded at our existing cost of funding from RMB. The company's loan to value is expected to increase from 22% to 25.66% which is still quite conservative.

The distributions are not envisaged to be adversely affected given the acquisition yield of 7.38% and the company's cost of funding and terms thereof : the very recent P290m loan concluded with RMB (interest only with a capital moratorium) was prime + 65 bps = 7.41%.

The investment committee support this and a decision is sought from the board in respect of this opportunity.

The investment committee considered all recommendations from management and are in favour of management's recommendations to proceed with Opportunity 1 and Opportunity 2 and recommend same for consideration and ratification by the Turnstar Board of Directors.

Amaresh Chetty
Chairman

Sethebe Manake
Member

TURNSTAR HOLDINGS LIMITED

ANNEXURE 7 – NOTICE OF GENERAL MEETING

The definitions and interpretations commencing on page 2 of this Announcement & Circular, to which this notice is attached apply to this Notice of General Meeting.

1. Notice of General Meeting

1.1. Notice is hereby given to all Shareholders recorded in the Company's securities register on 22 May 2024 that a General Meeting of the Company will be held at Centre Management Offices, 1st Floor, Game City Retail Mall, Gaborone, Botswana at 12 noon on 05 July 2024 or any other adjourned or postponed date and time determined in accordance with the Company's constitution.

2. **Purpose of the General Meeting**

2.1. The purpose of the General Meeting is to consider and, if deemed fit, pass with or without modification the ordinary resolutions set out hereunder to the extent proposed by the chairman of the General Meeting.

3. ORDINARY RESOLUTION 1 – APPROVAL OF RELATED PARTY TRANSACTION

3.1. "RESOLVED THAT the proposed Transaction in terms of which Turnstar acquires the business of GHG known as Lotsane Junction Mall and the Properties thereunder, be and is hereby approved in terms of 7.4 (b) of the Listings Requirements, it being noted that;

3.1.1. GHG is a material Shareholder in the Company;

3.1.2. Gulaam Abdoola is a Managing Director of the Company and a shareholder and director in GHG; and

3.1.3. the proposed Transaction is deemed to be a 'Related Party Transaction' in terms of the Listings Requirements."

In order for this ordinary resolution to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by Shareholders, other than GHG, present in person or represented by proxy, at the General Meeting is required.

4. **ORDINARY RESOLUTION 2 – DIRECTORS' AUTHORITY**

4.1. "RESOLVED THAT, any Director of Turnstar be and is hereby authorised to do all such things, sign all such documents and agreements and procure the doing of all such things and signature of all documents as may be necessary for or incidental to the implementation of ordinary resolution 1."

In order for this ordinary resolution 2 to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by Shareholders present in person, or represented by proxy, at the General Meeting is required.

Turnstar Holdings Limited
(Registration number BW00000973397)

PROXY FORM (to be completed by Holders of Linked Units)

Please read the notes overleaf before completing this form

For use at the General Meeting of Unit Holders of the company to be held at Centre Management Offices, 1st Floor, Game City Retail Mall, Gaborone, Botswana at 12 noon on 05 July 2024.

I/We ______________________________
(Name in block letters)

Of (address) ______________________________

Hereby appoint ______________________________

Or failing him/her ______________________________

Or failing him/her, the Chairman of the meeting as my/our proxy to act for me/ us at the General Meeting, to vote for or against the resolutions and/or abstain from voting in respect of the Linked Units registered in my/our name in accordance with the following instruction.

NUMBER OF LINKED UNITS				
		For	**Against**	**Abstain**
Ordinary Resolution 1	**Agenda No 3**			
Ordinary Resolution 2	**Agenda No 4**			

Signed at ______________________________

Date: ______________________________

Signature: ______________________________

Assisted by (where applicable) ______________________________

Each unit holder who is entitled to attend and vote at a General Meeting is entitled to appoint one or more persons as proxy to attend, speak and vote in place of the Unit Holder at the General Meeting and the proxy so appointed need not to be a member of the company.

Turnstar Holdings Limited
(Registration number BW00000973397)

NOTES TO THE PROXY FORM

1. A Shareholder must insert the names of two alternative proxies of the Shareholders choice in the space provided with or without deleting ''Chairman of the General Meeting''. 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. A shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the Shareholder in the appropriate space provided. Failure to comply herewith will be deemed to authorize the proxy to vote at the General Meeting as he/she deems fit in respect of the Shareholders votes exercisable thereat, but where the proxy is the Chairman, failure to comply will be deemed to authorize the proxy to vote in favor of the resolution. A Shareholder or his/her proxy is obliged to use all the votes exercisable by the Shareholder of by his/her proxy.

3. The completion and lodging of this form will not preclude the relevant Shareholder from attending the General Meeting.

4. The Chairman of the General Meeting may reject or accept any form of proxy not completed and/or received other than in accordance with these notes provided that he/she is satisfied as to the manner in which the Shareholder concerned wishes to vote.

5. An instrument of proxy shall be valid for the General Meeting as well as for any adjournment thereof, unless the contrary is stated thereon.

6. The authority of a person signing the form of proxy under power of attorney or on behalf of a company must be attached to the form of proxy.

7. Where Ordinary Shares are held jointly, all Shareholders must sign. A minor must be assisted by his/her guardian.

ANNEXURE 8

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JANUARY 2024

	GROUP		
	31-Jan-24	**31-Jan-23**	**31-Jan-22**
	Pula	**Pula**	**Pula**
Revenue		**Restated**	**Restated**
Rental income	328 502 653	291 267 868	266 595 710
Other income	3 228 233	3 083 810	2 352 161
Operating expenses	(155 559 129)	(141 004 504)	(119 738 107)
Operating profit	**176 171 757**	**153 347 174**	**149 209 764**
Finance income	662 286	16 074	243 593
Finance cost	(38 785 285)	(30 903 614)	(21 280 321)
Profit before exchange difference and FV	**138 048 758**	**122 459 634**	**128 173 036**
Exchange gain	11 699 909	19 455 154	
Exchange loss	(22 021 526)	(31 077 831)	(4 911 348)
Profit before fair value and impairment	**127 727 141**	**110 836 957**	**123 261 688**
Good will impairment	-	(29 864 906)	
Fair value adjustments	49 781 650	31 184 126	(8 900 110)
Profit before tax	**177 508 791**	**112 156 177**	**114 361 578**
Taxation	(30 280 675)	7 608 618	(3 688 508)
Profit for the year	**147 228 116**	**119 764 795**	**110 673 070**
Other comprehensive income			
Exchange difference on translating foreign operations	48 385 918	74 510 636	40 437 771
Total comprehensive income for the year	**195 614 034**	**194 275 431**	**151 110 841**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2024

	GROUP		
	31-Jan-24	**31-Jan-23**	**31-Jan-22**
ASSETS		**Restated**	**Restated**
Non-Current Assets	**2 749 773 629**	**2 616 747 755**	**2 504 744 338**
Investment property	2 726 602 519	2 599 722 059	2 460 487 166
Plant and equipment	1 861 600	1 928 866	1 383 514
Goodwill	-	-	27 177 745
Lease asset	21 309 510	15 096 830	15 695 913
Current Assets	**59 882 686**	**45 278 489**	**46 946 344**
Lease asset	-	1 300 967	4 323 415
Cash and cash equivalent	27 098 773	9 542 151	14 208 533
Trade and other receivables	32 783 913	34 435 371	28 414 396
Total Assets	**2 809 656 315**	**2 662 026 244**	**2 551 690 682**
EQUITY AND LIABILITIES			
Stated Capital and Reserves	**1 922 672 952**	**1 835 768 048**	**1 744 480 268**
Stated capital	346 420 555	346 420 555	346 420 555
Linked unit debentures	286 076 802	286 076 802	286 076 802
Fair value surplus	769 590 876	719 809 226	688 625 100
Retained earnings	163 311 191	180 295 337	194 702 319
Debenture interest and dividend reserves	57 215 306	51 493 824	51 493 824
Foreign currency translation reserve	300 058 222	251 672 304	177 161 668
Non- Current Liabilities	**521 234 904**	**697 059 221**	**689 191 553**
Borrowings	290 000 000	503 568 944	498 566 484
Deferred taxation	231 234 904	193 490 277	190 625 069
Current Liabilities	**365 748 459**	**129 198 975**	**118 018 861**
Trade and other payables	57 582 521	51 585 909	47 334 089
Borrowings	304 656 118	26 546 603	67 118 511
Unclaimed debenture interest and dividend	2 551 028	2 250 945	1 840 616
Current tax payable	-	-	1 575 294
Bank overdraft	958 792	48 815 518	150 351
Total Equity and Liabilities	**2 809 656 315**	**2 662 026 244**	**2 551 690 682**
	-	-	-

Turnstar Holdings Limited

Consolidated and separate annual financial statements
for the year ended 31 January 2024

General Information

Country of incorporation and domicile	Botswana
Nature of business and principal activities	Property Investment
Directors	G H Abdoola (Managing Director) S Puvimanasinghe V Tebele B D Phirie A Chetty S S Mantswe S Manake
Registered office	Plot 50370 Fairgrounds Gaborone Botswana
Business address	Center Management Offices Game City Management Offices Game City Retail Center Kgale, Gaborone
Postal address	P O Box 26012 Game City Gaborone Botswana
Bankers	ABSA Bank of Botswana Limited Absa Bank Tanzania Limited Exim Bank Tanzania Limited First National Bank of Botswana Limited Mashreq Bank of United Emirates
Auditors	Ernst & Young Chartered Accountants
Secretary	Grant Thornton Business Services (Proprietary) Limited
Company registration number	BW00000973397
Functional currency	Botswana Pula
Transfer secretaries	Grant Thorton Business Services (Proprietary) Limited

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Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act (Cap 42:01) to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate annual financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the consolidated and separate annual financial statements.

The consolidated and separate annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated and separate annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the group's cash flow forecast for the year to 31 January 2025 and, in light of this review and the current financial position, they are satisfied that the group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the group's consolidated and separate annual financial statements. The consolidated and separate annual financial statements have been examined by the group's external auditors and their report is presented on pages 5 to 8.

The consolidated and separate annual financial statements set out on pages 9 to 69, which have been prepared on the going concern basis, were approved by the board of directors on 29 April 2024 and were signed on their behalf by:

Approval of financial statements

Director	**Director**

Directors' Report

The directors have pleasure in submitting their report on the consolidated and separate annual financial statements of Turnstar Holdings Limited and the group for the year ended 31 January 2024.

1. Review of financial results and activities

The consolidated and separate annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act (Cap 42:01). The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the group are set out in these consolidated consolidated and separate annual financial statements.

2. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

3. Secretary

The company secretary is Grant Thornton Business Services (Proprietary) Limited.

Building a better working world

Firm of Chartered Accountants
2nd Floor
Plot 22, Khama Crescent
P O Box 41015
Gaborone, Botswana

Tel: +267 397 4078/ 365 4000
Fax: +267 397 4079
Email: eybotswana@za.ey.com
Partnership registered in Botswana
Registration No: 10829
VAT No: P03625401112
www.ey.com

Independent Auditor's Report

To the Shareholders of Turnstar Holdings Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Turnstar Holdings Limited and its subsidiaries ('the Group') and Company set out on pages 9 to 69, which comprise the consolidated and separate statements of financial position as at 31 January 2024, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and the notes to the consolidated and separate annual financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Turnstar Holdings Limited as at 31 January 2024, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act (CAP 42:01).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Botswana. We have fulfilled our ethical responsibilities in accordance with the IESBA Code, and in accordance with the other ethical requirements applicable to performing the audit of the Group and Company. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

The key audit matter applies equally to the audit of the consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in the audit
Valuation of Investment Properties	
The Group's investment property portfolios are valued at BWP2,726,602,519 (2023: BWP 2,599,722,059) and the Company's investment	Our procedures included amongst others:

property portfolio is valued at BWP 1,439,670,285 (2023: BWP1,427,539,285) as at 31 January 2024. The Group's investment property portfolios comprise of investment properties held in three geographical regions. The Group's investment property portfolios comprised 97% (2023: 98%) of the Group's total assets at the reporting date. The Company's investment property portfolio comprised 66% (2023: 65%) of its total assets at the reporting date.
 	
The fair values of these portfolios are determined using the discounted cash flow method which involves forecasting income and expenditure for each investment property for future years and discounting the forecasted future cash flows at a discount rate to calculate the fair value at the reporting date.
 	
The valuation model used for forecasting the income and expenditure for each investment property is subjective in nature and involve various input assumptions distinctive to each geographical location regarding rental income and expenses, occupancy rates and discount rates. The estimation uncertainty is further compounded by the uncertain economic and market conditions in each geographical region due to volatile inflation and interest rates.
 	
We have identified the valuation of the investment property portfolios to be a key audit matter due to valuation method being inherently judgmental because of the subjective inputs, across regions and the significance of the investment property portfolios to the Company and Group's total assets.
 	
The disclosure associated with the valuation of investment properties is set out in the consolidated and separate annual financial statements in the following notes:
• Note 1.3 Fair value estimation
• Note 1.4 Investment property
• Note 3: Investment property
• Note 36: Fair value information
	• We obtained an understanding of the valuation process and models used to determine the fair value of these investment property portfolios through discussion with the external independent valuation specialists and management.
	• We evaluated the external valuation specialists' competence, capabilities, and objectivity with reference to their qualifications and industry experience.
	• With the support of our internal valuation specialists, we:
	  ▪ Evaluated the appropriateness of the input data and assumptions used by the valuers, including current and projected rental income and expenses and occupancy rates by agreeing these to management's records, invoices received or other supporting documentation including:
	    o key terms of lease agreements
	    o rental income schedules
	    o Independent macro-economic data
	  ▪ Evaluated the key assumptions used by the independent valuers against our own expectations using evidence from comparable market transactions, historical records, and approved budgets.
	  ▪ Assessed the appropriateness of the discount rates by evaluating these rates against risk free rates, adjustments for market and other risks in the different geographical areas, and rates applied by other entities in the same industry and geographical areas.
	  ▪ Considered the impact of volatile inflation and interest rates on the market related assumptions and inputs into the fair value models through discussion with both management and the valuation specialists.
	• We assessed the adequacy of the disclosures included in the consolidated and separate financial statements relating to investment property and the fair value thereof against the requirements of IAS 40 – Investment Property and IFRS 13 Fair Value Measurement.

Other Information

The directors are responsible for the other information. The other information comprises the other information included in the 69-page document titled “Turnstar Holdings Limited Consolidated and Separate Annual Financial Statements for the year ended 31 January 2024” which includes the General Information, Directors’ Responsibilities and Approval Statement and the Directors’ Report, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. Other information does not include the consolidated and separate financial statements and our auditor’s report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act (CAP 42:01) and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and Company’s financial reporting processes.

Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group’s and Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures on the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group and Company audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Ernst + Young

Ernst & Young
Firm of Certified Auditors
Practising member: Francois J Roos (CAP 0013 2024)

Gaborone

13 May 2024

Turnstar Holdings Limited

(Registration number BW00000973397)
Consolidated And Separate Annual Financial Statements for the year ended 31 January 2024

Statement of Financial Position as at 31 January 2024

		Group			Company		
Figures in Pula	**Note(s)**	**2024**	**2023 Restated ***	**2022 Restated ***	**2024**	**2023 Restated ***	**2022 Restated ***
Assets							
Non-Current Assets							
Property, plant and equipment	4	1 861 600	1 928 866	1 383 514	265 357	268 782	265 277
Investment property	3	2 726 602 519	2 599 722 059	2 460 487 166	1 439 670 285	1 427 539 285	1 404 778 381
Goodwill	5	-	-	27 177 745	-	-	-
Investments in subsidiaries	6	-	-	-	541 529 229	541 529 229	541 529 229
Loans to group companies	7	-	-	-	173 439 532	190 863 452	210 790 566
Operating lease asset	9	21 309 510	15 096 830	15 695 913	13 829 715	10 939 748	12 597 000
		2 749 773 629	**2 616 747 755**	**2 504 744 338**	**2 168 734 118**	**2 171 140 496**	**2 169 960 453**
Current Assets							
Trade and other receivables	10	32 666 651	34 318 109	28 414 396	10 654 386	15 081 119	13 168 884
Operating lease asset	9	-	1 300 967	4 323 415	-	1 300 967	4 323 415
Current tax receivable		117 262	117 262	-	117 262	117 262	-
Cash and cash equivalents	11	27 098 773	9 542 151	14 208 533	17 344 362	3 892 636	9 388 408
		59 882 686	**45 278 489**	**46 946 344**	**28 116 010**	**20 391 984**	**26 880 707**
Total Assets		**2 809 656 315**	**2 662 026 244**	**2 551 690 682**	**2 196 850 128**	**2 191 532 480**	**2 196 841 160**
Equity and Liabilities							
Equity							
Stated capital and linked unit debentures	12	632 497 357	632 497 357	632 497 357	632 497 357	632 497 357	632 497 357
Foreign currency translation reserves		300 058 222	251 672 304	177 161 668	-	-	-
Retained income		990 117 373	951 598 387	934 821 243	911 728 260	919 150 106	908 132 054
		1 922 672 952	**1 835 768 048**	**1 744 480 268**	**1 544 225 617**	**1 551 647 463**	**1 540 629 411**
Liabilities							
Non-Current Liabilities							
Borrowings	13	290 000 000	503 568 944	498 566 484	290 000 000	503 568 944	498 566 484
Deferred tax	8	231 234 904	193 490 277	190 625 069	34 974 943	51 290 483	75 492 336
		521 234 904	**697 059 221**	**689 191 553**	**324 974 943**	**554 859 427**	**574 058 820**

Statement of Financial Position as at 31 January 2024

		Group			Company		
Figures in Pula	**Note(s)**	**2024**	**2023**	**2022**	**2024**	**2023**	**2022**
			Restated *	**Restated ***		**Restated ***	**Restated ***
Current Liabilities							
Trade and other payables	14	57 582 521	51 585 909	47 334 089	19 483 630	7 412 524	11 468 157
Borrowings	13	304 656 118	26 546 603	67 118 511	304 656 118	26 546 603	67 118 511
Current tax payable		-	-	1 575 294	-	-	1 575 294
Unclaimed debenture interest and dividend		2 551 028	2 250 945	1 840 616	2 551 028	2 250 945	1 840 616
Bank overdraft	11	958 792	48 815 518	150 351	958 792	48 815 518	150 351
		365 748 459	**129 198 975**	**118 018 861**	**327 649 568**	**85 025 590**	**82 152 929**
Total Liabilities		**886 983 363**	**826 258 196**	**807 210 414**	**652 624 511**	**639 885 017**	**656 211 749**
Total Equity and Liabilities		**2 809 656 315**	**2 662 026 244**	**2 551 690 682**	**2 196 850 128**	**2 191 532 480**	**2 196 841 160**

Statement of Profit or Loss and Other Comprehensive Income

		Group		Company	
Figures in Pula	**Note(s)**	**2024**	**2023 Restated ***	**2024**	**2023 Restated ***
Revenue	15	328 502 653	291 267 868	166 225 198	158 318 540
Other operating income	16	3 228 233	3 083 810	4 986 210	4 734 486
Other operating losses	17	(10 321 617)	(11 622 677)	(6 340 176)	(11 278 060)
Movement in credit loss allowances other receivables*	19	(7 778 447)	(4 136 575)	(10 592 833)	(1 169 972)
Goodwill impairment	5	-	(29 864 906)	-	-
Other operating expenses*	18	(147 780 682)	(136 867 929)	(85 208 990)	(80 684 140)
Dividend income	16	-	-	27 886 404	15 895 608
Operating profit	19	**165 850 140**	**111 859 591**	**96 955 813**	**85 816 462**
Finance income	20	662 286	16 074	20 582 677	17 018 901
Interest paid	22	(38 785 285)	(30 903 614)	(38 785 285)	(30 903 614)
Fair value adjustment	21	49 781 650	31 184 126	6 218 539	17 872 099
Profit before taxation		**177 508 791**	**112 156 177**	**84 971 744**	**89 803 848**
Taxation	23	(30 280 675)	7 608 618	16 315 540	24 201 853
Profit for the year		**147 228 116**	**119 764 795**	**101 287 284**	**114 005 701**
Other comprehensive income:					
Items that may be reclassified to profit or loss:					
Exchange differences on translating foreign operations		48 385 918	74 510 636	-	-
Other comprehensive income for the year net of taxation	24	**48 385 918**	**74 510 636**	**-**	**-**
Total comprehensive income for the year		**195 614 034**	**194 275 431**	**101 287 284**	**114 005 701**
Basic earnings per linked unit (in Pula)		0,26	0,21	0,18	0,20
Diluted earnings per linked unit (in Pula)		0,26	0,21	0,18	0,20

* In 2024 the movement in expected credit losses is presented as a separate line on the face. In 2023 this was included with "other operating expenses" as it was not previously material, 2023 has now been restated for comparability with 2024.

Statement of Changes in Equity

Figures in Pula	Share capital	Linked unit debentures	Total stated capital and linked unit debentures	Foreign currency translation reserve	Distribution to debenture holders	Fair value surplus*	Retained income *Restated	Total equity *Restated
Group								
Opening balance as previously reported	346 420 555	286 076 802	632 497 357	177 161 668	51 493 824	688 625 100	184 965 721	1 734 743 670
Adjustments								
Prior period error	-	-	-	-	-	-	9 736 598	9 736 598
Restated* Balance at 01 February 2022	**346 420 555**	**286 076 802**	**632 497 357**	**177 161 668**	**51 493 824**	**688 625 100**	**194 702 319**	**1 744 480 268**
Profit for the year	-	-	-	-	-	-	119 764 795	119 764 795
Other comprehensive income	-	-	-	74 510 636	-	-	-	74 510 636
Total comprehensive income for the year	**-**	**-**	**-**	**74 510 636**	**-**	**-**	**119 764 795**	**194 275 431**
Fair value transferred (Turnstar Properties)	-	-	-	-	-	17 873 308	(17 873 308)	-
Fair value transferred (Mlimani Properties)	-	-	-	-	-	10 300 182	(10 300 182)	-
Fair value transferred (Palazzo Properties)	-	-	-	-	-	3 010 636	(3 010 636)	-
Final distribution to debenture holders 31 January 2022	-	-	-	-	(51 493 824)	-	-	(51 493 824)
Interim distribution to debenture holders 31 July 2022	-	-	-	-	(51 493 824)	-	-	(51 493 824)
Proposed distribution to debenture holders	-	-	-	-	102 987 648	-	(102 987 648)	-
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**-**	**-**	**31 184 126**	**(134 171 774)**	**(102 987 648)**
Balance at 01 February 2023	**346 420 555**	**286 076 802**	**632 497 357**	**251 672 304**	**51 493 824**	**719 809 226**	**180 295 337**	**1 835 768 048**
Profit for the year	-	-	-	-	-	-	147 228 116	147 228 116
Other comprehensive income	-	-	-	48 385 918	-	-	-	48 385 918
Total comprehensive income for the year	**-**	**-**	**-**	**48 385 918**	**-**	**-**	**147 228 116**	**195 614 034**
Fair value transferred (Turnstar Properties)	-	-	-	-	-	6 218 539	(6 218 539)	-
Fair value transferred (Mlimani Properties)	-	-	-	-	-	42 602 573	(42 602 573)	-
Fair value transferred (Palazzo Properties)	-	-	-	-	-	960 538	(960 538)	-
Final distribution to debenture holders 31 January 2023	-	-	-	-	(51 493 824)	-	-	(51 493 824)
Interim distribution to debenture holders 31 July 2023	-	-	-	-	(57 215 306)	-	-	(57 215 306)
Proposed distribution to debenture holders	-	-	-	-	114 430 612	-	(114 430 612)	-
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**-**	**5 721 482**	**49 781 650**	**(164 212 262)**	**(108 709 130)**
Balance at 31 January 2024	**346 420 555**	**286 076 802**	**632 497 357**	**300 058 222**	**57 215 306**	**769 590 876**	**163 311 191**	**1 922 672 952**
Note(s)	12	12	12	24	24		24	

Statement of Changes in Equity

Figures in Pula	Share capital	Linked unit debentures	Total stated capital and linked unit debentures	Foreign currency translation reserve	Distribution to debenture holders	Fair value surplus*	Retained income *Restated	Total equity *Restated
Company								
Opening balance as previously reported	346 420 555	286 076 802	632 497 357	-	51 493 824	753 265 947	93 635 685	1 530 892 813
Adjustments								
Prior period error	-	-	-	-	-	-	9 736 598	9 736 598
Restated* Balance at 01 February 2022	**346 420 555**	**286 076 802**	**632 497 357**	**-**	**51 493 824**	**753 265 947**	**103 372 283**	**1 540 629 411**
Profit for the year	-	-	-	-	-	-	114 005 701	114 005 701
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**114 005 701**	**114 005 701**
Fair value surplus transfered	-	-	-	-	-	17 873 308	(17 873 308)	-
Final distribution to debenture holders31 January 2022	-	-	-	-	(51 493 824)	-	-	(51 493 824)
Interim distribution to debenture holders 31 July 2022	-	-	-	-	(51 493 824)	-	-	(51 493 824)
Proposed distribution to debenture holders	-	-	-	-	102 987 648	-	(102 987 648)	-
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**-**	**-**	**17 873 308**	**(120 860 956)**	**(102 987 648)**
Balance at 01 February 2023	**346 420 555**	**286 076 802**	**632 497 357**	**-**	**51 493 824**	**771 139 255**	**96 517 027**	**1 551 647 463**
Profit for the year	-	-	-	-	-	-	101 287 284	101 287 284
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**101 287 284**	**101 287 284**
Fair value surplus transfered	-	-	-	-	-	6 218 539	(6 218 539)	-
Final distribution to debenture holders 31 January 2023	-	-	-	-	(51 493 824)	-	-	(51 493 824)
Interim distribution to debenture holders 31 July 2023	-	-	-	-	(57 215 306)	-	-	(57 215 306)
Proposed distribution to debenture holders	-	-	-	-	114 430 612	-	(114 430 612)	-
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**-**	**5 721 482**	**6 218 539**	**(120 649 151)**	**(108 709 130)**
Balance at 31 January 2024	**346 420 555**	**286 076 802**	**632 497 357**	**-**	**57 215 306**	**777 357 794**	**77 155 160**	**1 544 225 617**
Note(s)	12	12	12	24	24		24	

*Fair value surplus is Non distributable reserve from valuation on investment properties, the reserve is created to separate fair value from retained earnings.

Statement of Cash Flows

		Group		Company	
Figures in Pula	**Note(s)**	**2024**	**2023**	**2024**	**2023**
Cash flows from operating activities					
Cash (used in)/generated from operations	26	173 450 076	156 333 388	89 110 310	80 618 269
Interest income		662 286	16 074	20 582 677	17 018 901
Interest paid	22	(38 785 285)	(30 903 614)	(38 785 285)	(30 903 614)
Dividends paid	28	(108 709 130)	(102 987 648)	(108 709 130)	(102 987 648)
Tax paid	27	(3 115 818)	(3 467 744)	-	(1 692 556)
Net cash flows (used in)/generated from operating activities		**23 502 129**	**18 990 456**	**(37 801 428)**	**(37 946 648)**
Cash flows from investing activities					
Purchase of property, plant and equipment	4	(291 937)	(931 961)	(103 509)	(102 124)
Purchase of investment property	3	(5 912 461)	(4 888 805)	(5 912 461)	(4 888 805)
Loans advanced to group companies - repayments received	7	-	-	29 123 829	39 382 269
Dividends received	16	-	-	27 886 404	15 895 608
Net cash flows (used in)/generated from investing activities		**(6 204 398)**	**(5 820 766)**	**50 994 263**	**50 286 948**
Cash flows from financing activities					
Proceeds from borrowings	13	60 174 271	-	60 174 271	-
Repayment of borrowings	13	(11 753 465)	(65 702 274)	(11 753 465)	(65 702 274)
Net cash flows (used in)/generated from financing activities		**48 420 806**	**(65 702 274)**	**48 420 806**	**(65 702 274)**
Total cash movement for the year		**65 718 537**	**(52 532 584)**	**61 613 641**	**(53 361 974)**
Cash at the beginning of the year		(39 273 367)	14 058 183	(44 922 882)	9 238 058
Effect of exchange rate movement on cash balances		(305 189)	(798 966)	(305 189)	(798 966)
Total cash at end of the year	11	**26 139 981**	**(39 273 367)**	**16 385 570**	**(44 922 882)**

Accounting Policies

1. Significant accounting policies

The consolidated and separate annual financial statements have been prepared in accordance with International Financial Reporting Standards. The consolidated and separate annual financial statements have been prepared on the historical cost basis, except for the measurement of investment properties and certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in the Group's functional currency, Botswana Pula.

These accounting policies are consistent with the previous period, except for the new standards and interpretations effective and adopted in the current year as set out in note 2.

1.1 Basis of preparation

The principal activities of the company and its subsidiaries include property investment spread across retail, commercial,residential and industrial sectors. The company is a Variable Loans Stock company listed on the Botswana Stock Exchange.

These accounting policies are consistent with the previous period.

1.2 Consolidation

Basis of consolidation

The Group financial statements consolidate those of the parent company and all of its subsidiaries as of 31 January 2024. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 31 January.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests,if any, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

Business combinations

The group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Contingent consideration is included in the cost of the combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not adjusted against goodwill, unless they are valid measurement period adjustments.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the acquiree's assets and liabilities are reassessed in terms of classification and are reclassified where the classification is inappropriate for group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Non-controlling interest arising from a business combination is measured either at their share of the fair value of the assets and liabilities of the acquiree or at fair value. The treatment is not an accounting policy choice but is selected for each individual business combination, and disclosed in the note for business combinations.

In cases where the group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year. Where the existing shareholding was classified as an available-for-sale financial asset, the cumulative fair value adjustments recognised previously to other comprehensive income and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

Accounting Policies

1.2 Consolidation (continued)

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

Goodwill arising on acquisition of foreign entities is considered an asset of the foreign entity. In such cases the goodwill is translated to the functional currency of the group at the end of each reporting period with the adjustment recognised in equity through to other comprehensive income.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the consolidated and separate annual financial statements, directors are required to make estimates and assumptions that affect the amounts represented in the consolidated and separate annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the consolidated and separate annual financial statements. Significant judgements include:

Trade receivables and other receivables

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

The Group assesses its Trade receivables and other receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the Group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for Trade receivables and other receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio.

Fair value estimation

The carrying value less impairment provision of trade and other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The fair value of investment property is determined using discounted cash flow valuation and/or capitalisation approach (mainly on residential properties), using assumptions that are based on market conditions existing at the reporting date. The property's current retail rental rates are considered to be market related and it is assumed that the existing tenants will renew their leases on termination of the existing period. Key valuation parameters such as capitalisation rate, growth in market rental and discount rate are used to arrive at the fair value.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value- in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption by management may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and the assets.

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and the assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including estimates, supply demand, together with economic factors such as exchange rates, inflation and interest rates.

Provisions

Provisions were raised and directors determine an estimate based on the information available.

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Contingent liabilities

Directors apply their judgement to facts and advice it receives from its attorneys, advocates and other advisors in assessing if an obligation is probable, more likely than not, or remote. This judgement application is used to determine if the obligation is recognised as a liability or disclosed as a contingent liability.

Useful life and residual value of plant and equipment

The estimates of useful lives as translated into depreciation rates are detailed in plant and equipment policy on the annual financial statements. These rates and residual lives of the assets are reviewed annually taking cognisance of the forecasted commercial and economic realities and through benchmarking of accounting treatments in the industry.

1.4 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Rental income and expenses from investment property are reported within revenue and operating expenses respectively, and are recognised in the statement of Profit and Loss and Other Comprehensive Income.

Accounting Policies

1.4 Investment property (continued)

Fair value

Subsequent to initial measurement investment property is measured at fair value.

A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

Investment property is a property held to earn rentals and/or for capital appreciation, and are subsequently accounted for using the fair value model.

Investment property is valued annually and are included in the statement of financial position at their open market values. These values are supported by market evidence and are determined by external professional valuers with sufficient experience with respect to both the location and the nature of the investment property.

If the fair value of investment property under construction is not determinable, it is measured at cost until the earlier of the date it becomes determinable or construction is complete.

Any gain or loss resulting from either a change in the fair value or the sale of investment property is immediately recognised in profit or loss within change in the fair value of the investment property.

Fair value surplus

Fair value surplus recognised in the profit or loss statement are transferred from the retained income to the fair value surplus account, net of tax, within the equity, in order to monitor the fair value of each investment property. Any fair value deficit arising during the year which offsets previously recognised fair value surplus is transferred from the fair value surplus account to retained income, net of relevant tax. Upon derecognition of the asset the equity account gets cleared.

1.5 Property, plant and equipment

Property, plant and equipment are tangible assets which the group holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the group, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate. Subsequently property, plant and equipment is measured at cost less accumulated depreciation and impairment.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Plant and machinery	Straight line	6-8 years
Furniture and fixtures	Straight line	8-10 years
Motor vehicles	Straight line	4 years
Office equipment	Straight line	8-10 years
IT equipment	Straight line	3-4 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

Accounting Policies

1.5 Property, plant and equipment (continued)

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.6 Goodwill

Goodwill is initially measured at cost, being the excess of the cost of the business combination over Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

Subsequently goodwill, acquired in a business combination is carried at cost less any accumulated impairment.

Goodwill is assessed at each reporting date for impairment.

The excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of the business combination is immediately recognised in the statement of Profit or loss and Other Comprehensive Income.

Internally generated goodwill is not recognised as an asset.

1.7 Investments in subsidiaries

In the company's separate annual financial statements, investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company;

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

Accounting Policies

1.8 Financial instruments

Financial instruments held by the group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the group, as applicable, are as follows:

Financial assets which are debt instruments:
- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or

Financial liabilities:
- Amortised cost

Note 35 Financial instruments and risk management presents the financial instruments held by the group based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the group are presented below:

Loans receivable at amortised cost

Classification

Loans to group companies (note 7), are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

Loans receivable are recognised when the group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

Interest income is calculated using the effective interest method, and is included in profit or loss in finance income (note 20).

The application of the effective interest method to calculate interest income on a loan receivable is dependent on the credit risk of the loan as follows:
- The effective interest rate is applied to the gross carrying amount of the loan, provided the loan is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a loan is purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the loan, even if it is no longer credit-impaired.
- If a loan was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the loan in the determination of interest. If, in subsequent periods, the loan is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Accounting Policies

1.8 Financial instruments (continued)

Impairment

The group recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The group measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the group considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a loan has increased significantly since initial recognition, the group compares the risk of a default occurring on the loan as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

Irrespective of the outcome of the above assessment, the credit risk on a loan is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the group has reasonable and supportable information that demonstrates otherwise.

By contrast, if a loan is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk on the loan has not increased significantly since initial recognition.

The group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

Definition of default

For purposes of internal credit risk management purposes, the group consider that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

Irrespective of the above analysis, the group considers that default has occurred when a loan instalment is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write off policy

The group writes off a loan when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Loans written off may still be subject to enforcement activities under the group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default, taking the time value of money into consideration.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default is the gross carrying amount of the loan at the reporting date.

Accounting Policies

1.8 Financial instruments (continued)

Lifetime ECL is measured on a collective basis in cases where evidence of significant increases in credit risk are not yet available at the individual instrument level. Loans are then grouped in such a manner that they share similar credit risk characteristics, such as nature of the loan, external credit ratings (if available), industry of counterparty etc.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the group measures the loss allowance at an amount equal to 12 month ECL at the current reporting date, and vice versa.

An impairment gain or loss is recognised for all loans in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in other operating expenses* in profit or loss as a movement in credit loss allowance (note 19).

Credit risk

Details of credit risk related to loans receivable are included in the specific notes and the financial instruments and risk management (note 35).

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 10).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Trade and other receivables denominated in foreign currencies

When trade and other receivables are denominated in a foreign currency, the carrying amount of the receivables are determined in the foreign currency. The carrying amount is then translated to the Pula equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in other operating gains (losses) (note 17).

Details of foreign currency risk exposure and the management thereof are provided in the trade and other receivables (note 10).

Impairment

The group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The group measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Accounting Policies

1.8 Financial instruments (continued)

Measurement and recognition of expected credit losses

The group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 10.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses* in profit or loss as a movement in credit loss allowance (note 19).

Write off policy

The group writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit risk

Details of credit risk are included in the trade and other receivables note (note 10) and the financial instruments and risk management note (note 35).

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Borrowings and loans from related parties

Classification

Loans from group companies (note 7), are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Borrowings and loans from related parties are recognised when the group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in interest paid (note 22.)

Borrowings expose the group to liquidity risk and interest rate risk. Refer to note 35 for details of risk exposure and management thereof.

Loans denominated in foreign currencies

When borrowings are denominated in a foreign currency, the carrying amount of the loan is determined in the foreign currency. The carrying amount is then translated to the Pula equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains (losses) (note 17).

Details of foreign currency risk exposure and the management thereof are provided in the specific loan notes and in the financial instruments and risk management (note 35).

Accounting Policies

1.8 Financial instruments (continued)

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Trade and other payables

Classification

Trade and other payables (note 14), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in interest paid (note 22).

Trade and other payables expose the group to liquidity risk and possibly to interest rate risk. Refer to note 35 for details of risk exposure and management thereof.

Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Pula equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains (losses) (note 17).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management note (note 35).

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Any difference between the proceeds (net transaction cost) and settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with accounting policy for borrowing costs.

Accounting Policies

1.8 Financial instruments (continued)

Derecognition

Financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The group derecognises financial liabilities when, and only when, the group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification

Financial assets

The group only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term. The difference between the amounts recognised as an income and the contractual receipts are recognised as an operating lease asset. This asset is not discounted.

Any contingent rent are recognised as and when it is determined and recognised on profit or loss.

Income for leases is disclosed under revenue in profit or loss.

Operating leases – lessee

Any contingent rents are expensed in the period they are incurred.

1.10 Impairment of assets

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the group also:

- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

Accounting Policies

1.10 Impairment of assets (continued)

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is so allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes, and is not larger than an operating segment as defined by paragraph 5 of IFRS 8 Operating Segments before aggregation.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation gain.

1.11 Stated capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.12 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

1.13 Revenue from agreements with customers and rental income

The group recognises revenue from the following major sources:

- Rental income recognised in terms of IFRS 16 from the investment properties and recoveries as per the terms of lease agreement.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control of a product or service to a customer.

Interest income is recognised, in profit or loss, using the effective interest rate method. Services and recoveries are recognised in accounting period in which services are rendered.

Notes to the Consolidated And Separate Annual Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

International tax reform - Pillar two model rules - amendments to IAS 12

The amendments incorporate into IAS 12, taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. As an exception, deferred tax assets and liabilities shall not be recognised, nor information about them disclosed related to Pillar Two income taxes. Disclosures about applying this exception to deferred tax are required. Any current tax income or expense related to Pillar Two income taxes is required to be disclosed separately. In addition, where the legislation is enacted or substantively enacted, but not yet in effect, management are required to disclose known or reasonably estimable information of the entity's exposure to Pillar Two taxes arising from that legislation.

The effective date of the amendment is for years beginning on or after 01 January 2024.

The group has adopted the amendment for the first time in the 2024 consolidated and separate annual financial statements.

The impact of the amendment is not material.

Initial application of IFRS 17 and IFRS 9 - Comparative information

A narrow-scope amendment to the transition requirements of IFRS 17 for entities that first apply IFRS 17 and IFRS 9 at the same time. The amendment regards financial assets for which comparative information is presented on initial application of IFRS 17 and IFRS 9, but where this information has not been restated for IFRS 9. Under the amendment, an entity is permitted to present comparative information about a financial asset as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset before. The option is available on an instrument-by-instrument basis. In applying the classification overlay to a financial asset, an entity is not required to apply the impairment requirements of IFRS 9.

The effective date of the amendment is for years beginning on or after 01 January 2023.

The group has adopted the amendment for the first time in the 2024 consolidated and separate annual financial statements.

The impact of the amendment is not material.

Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12

The amendment adds an additional requirement for transactions which will not give rise to the recognition of a deferred tax asset or liability on initial recognition. Previously, deferred tax would not be recognised on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit or loss. The additional requirement provides that the transaction, at the time of the transaction must not give rise to equal taxable and deductible temporary differences.

The effective date of the amendment is for years beginning on or after 01 January 2023.

The group has adopted the amendment for the first time in the 2024 consolidated and separate annual financial statements.

The impact of the amendment is not material.

Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2

IAS 1 was amended to require that only material accounting policy information shall be disclosed in the consolidated and separate annual financial statements. The amendment will not result in changes to measurement or recognition of financial statement items, but management will undergo a review of accounting policies to ensure that only material accounting policy information is disclosed.

The effective date of the amendment is for years beginning on or after 01 January 2023.

The group has adopted the amendment for the first time in the 2024 consolidated and separate annual financial statements.

The impact of the amendment is not material.

Notes to the Consolidated And Separate Annual Financial Statements

2. New Standards and Interpretations (continued)

Definition of accounting estimates: Amendments to IAS 8

The definition of accounting estimates was amended so that accounting estimates are now defined as "monetary amounts in consolidated and separate annual financial statements that are subject to measurement uncertainty."

The effective date of the amendment is for years beginning on or after 01 January 2023.

The group has adopted the amendment for the first time in the 2024 consolidated and separate annual financial statements.

The impact of the amendment is not material..

Classification of Liabilities as Current or Non-Current - Amendment to IAS 1

The amendment changes the requirements to classify a liability as current or non-current. If an entity has the right at the end of the reporting period, to defer settlement of a liability for at least twelve months after the reporting period, then the liability is classified as non-current.

If this right is subject to conditions imposed on the entity, then the right only exists, if, at the end of the reporting period, the entity has complied with those conditions.

In addition, the classification is not affected by the likelihood that the entity will exercise its right to defer settlement. Therefore, if the right exists, the liability is classified as non-current even if management intends or expects to settle the liability within twelve months of the reporting period. Additional disclosures would be required in such circumstances.

The effective date of the amendment is for years beginning on or after 01 January 2023.

The group has adopted the amendment for the first time in the 2024 consolidated and separate annual financial statements.

The impact of the amendment is not material.

IFRS 17 Insurance Contracts

The IFRS establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts issued.

The effective date of the standard is for years beginning on or after 01 January 2023.

The group has adopted the amendment for the first time in the 2024 consolidated and separate annual financial statements.

The impact of the amendment is not material.

2.2 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 01 February 2024 or later periods:

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents' profit or loss only to the extent of the unrelated investors' interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents' profit or loss.

The effective date of the amendment is to be determined by the IASB.

The amendment will not have a material impact on the group's consolidated and separate annual financial statements.

Notes to the Consolidated And Separate Annual Financial Statements

2. New Standards and Interpretations (continued)

Lack of exchangeability - amendments to IAS 21

The amendments apply to currencies which are not exchangeable. The definition of exchangeable is provided as being when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. The amendments require an entity to estimate the spot exchange rate at measurement date when a currency is not exchangeable into another currency. Additional disclosures are also required to enable users of financial statements to understand the impact of the non-exchangeability on financial performance, financial position and cash flow.

The effective date of the amendment is for years beginning on or after 01 January 2025.

The group expects to adopt the amendment for the first time in the 2026 consolidated and separate annual financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate annual financial statements.

Supplier finance arrangements - amendments to IAS 7 and IFRS 7

The amendment applies to circumstances where supplier finance arrangements exist. These are arrangements whereby finance providers pay the suppliers of the entity, thus providing the entity with extended payment terms or the suppliers with early payment terms. The entity then pays the finance providers based on their specific terms and conditions. The amendment requires the disclosure of information about supplier finance arrangements that enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows as well as on the entity's exposure to liquidity risk.

The effective date of the amendment is for years beginning on or after 01 January 2024.

The group expects to adopt the amendment for the first time in the 2025 consolidated and separate annual financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate annual financial statements.

Non-current liabilities with covenants - amendments to IAS 1

The amendment applies to the classification of liabilities with loan covenants as current or non-current. If an entity has the right to defer settlement of a liability for at least twelve months after the reporting period, but subject to conditions, then the timing of the required conditions impacts whether the entity has a right to defer settlement. If the conditions must be complied with at or before the reporting date, then they affect whether the rights to defer settlement exists at reporting date. However, if the entity is only required to comply with the conditions after the reporting period, then the conditions do not affect whether the right to defer settlement exists at reporting date. If an entity classifies a liability as non-current when the conditions are only required to be met after the reporting period, then additional disclosures are required to enable the users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period.

The effective date of the amendment is for years beginning on or after 01 January 2024.

The group expects to adopt the amendment for the first time in the 2025 consolidated and separate annual financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate annual financial statements.

Lease liability in a sale and leaseback

The amendment requires that a seller-lessee in a sale and leaseback transaction, shall determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

The effective date of the amendment is for years beginning on or after 01 January 2024.

The group expects to adopt the amendment for the first time in the 2025 consolidated and separate annual financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate annual financial statements.

Notes to the Consolidated And Separate Annual Financial Statements

3. Investment property

Group	2024 Cost / Valuation	2023 Cost / Valuation
Investment property	2 726 602 519	2 599 722 059

Company	2024 Cost / Valuation	2023 Cost / Valuation
Investment property	1 439 670 285	1 427 539 285

Reconciliation of investment property - Group - 2024

	Opening balance	Additions	Foreign exchange movements	Other changes, movements	Fair value adjustments	Total
Investment property	2 599 722 059	5 912 461	66 640 651	4 545 698	49 781 650	2 726 602 519

Reconciliation of investment property - Group - 2023

	Opening balance	Additions	Foreign exchange movements	Other changes, movements	Fair value adjustments	Total
Investment property	2 460 487 166	4 888 805	103 032 455	129 507	31 184 126	2 599 722 059

The group additions for both current year (P 5 912 461) and prior year (P 4 888 805) are made up of subsequent expenditures only.

Reconciliation of investment property - Company - 2024

	Opening balance	Additions	Fair value adjustments	Total
Investment property	1 427 539 285	5 912 461	6 218 539	1 439 670 285

Reconciliation of investment property - Company - 2023

	Opening balance	Additions	Fair value adjustments	Total
Investment property	1 404 778 381	4 888 805	17 872 099	1 427 539 285

The company additions for both current year (P 5 912 461) and prior year (P 4 888 805) are made up of subsequent expenditures only.

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Company	
Figures in Pula	**2024**	**2023**	**2024**	**2023**

3. Investment property (continued)

Pledged as security

Carrying value of assets pledged as security:

Game City Shopping Centre, Portion 3 Forest farm	1 088 255 184	1 080 061 516	1 088 255 184	1 080 061 516
Nzano Shopping Centre, Lot 904 Fracistown	188 544 836	188 461 431	188 544 836	188 461 431
Lot 6670, Supa Save Mall	55 486 213	52 963 780	55 486 213	52 963 780
Lot 1131-1137,Turnstar House, Main Mall Offices	41 029 550	40 508 830	41 029 550	40 508 830
Lot 13093 and 16398, Tapologo Estate,Gaborone	35 457 236	35 492 912	35 457 236	35 492 912
Lot 63 Commerce Park	19 125 957	18 415 926	19 125 957	18 415 926
Tribal Lot 1203, Mogoditshane Flats	11 771 310	11 634 890	11 771 310	11 634 890
	1 439 670 286	**1 427 539 285**	**1 439 670 286**	**1 427 539 285**

The property is pledged as security towards bank facilities as detailed in Note 13.

Details of property

Game City Shopping Centre
Forest Farm Hill LA 975 KO,
Notarial Lease with Roman Catholic Church
Lease from 1 April 2001 for 75 Years

- Cost of property	473 420 662	469 086 362	473 420 662	469 086 362
- Additions during the year	5 912 461	4 334 300	5 912 461	4 334 300
- Fair Value surplus (Net of straight lining adjustment)	608 922 061	606 640 854	608 922 061	606 640 854
	1 088 255 184	**1 080 061 516**	**1 088 255 184**	**1 080 061 516**

Nzano Shopping Centre
Lot 904, Francistown
Freehold

- Cost of property	43 064 398	42 509 893	43 064 398	42 509 893
- Additions since purchase or valuation	-	554 505	-	554 505
- Fair Value surplus (Net of straight lining adjustment)	145 480 438	145 397 033	145 480 438	145 397 033
	188 544 836	**188 461 431**	**188 544 836**	**188 461 431**

Supa Save Mall
Lot 6670, Mogoditshane
Leasehold
Lease from 12 January 1982 for 50 Years

- Cost of property	13 001 621	13 001 621	13 001 621	13 001 621
- Fair Value surplus (Net of straight lining adjustment)	42 484 592	39 962 159	42 484 592	39 962 159
	55 486 213	**52 963 780**	**55 486 213**	**52 963 780**

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Company	
Figures in Pula	**2024**	**2023**	**2024**	**2023**

3. Investment property (continued)

Commerce Park				
Portion 63 Forest Hill, No. 9 KO				
Leasehold under a Notarial Deed of Cession and Delegation Lease from 04 February 1994 for 99 Years				
- Cost of property	6 218 956	6 218 956	6 218 956	6 218 956
- Fair Value surplus (Net of straight lining adjustment)	12 907 001	12 196 970	12 907 001	12 196 970
	19 125 957	**18 415 926**	**19 125 957**	**18 415 926**
Turnstar House, Main Mall Offices				
Lot 1131-1137, Gaborone				
Fixed year state grant				
Lease from 15 December 1979 for 99 Years				
- Cost of property	36 006 666	36 006 666	36 006 666	36 006 666
- Fair Value adjustment (Net of straight lining adjustment)	5 022 884	4 502 164	5 022 884	4 502 164
	41 029 550	**40 508 830**	**41 029 550**	**40 508 830**
Tapologo Estates				
Lot 13093 and 16398, Gaborone Ext 40				
Fixed year state grant				
Lease from 1981 for 99 years				
- Cost of the property	9 466 456	9 466 456	9 466 456	9 466 456
- Fair Value surplus (Net of straight lining adjustment)	25 990 780	26 026 456	25 990 780	26 026 456
	35 457 236	**35 492 912**	**35 457 236**	**35 492 912**
Mogoditshane Town Houses				
Tribal Lot 1203, Mogoditshane				
Lease from 1990 for 99 years	-	-	-	-
- Cost of the property	3 912 365	3 912 365	3 912 365	3 912 365
- Fair Value surplus (Net of straight lining adjustment)	7 858 945	7 722 525	7 858 945	7 722 525
	11 771 310	**11 634 890**	**11 771 310**	**11 634 890**
Properties not pledged as security				
Mlimani City				
Plot 2, Block L, situated in Ubungo, Dar es Salaam, Tanzania	-	-	-	-
-Cost of property	1 128 574 075	1 059 085 465	-	-
- Fair Value surplus (Net of straight lining adjustment)	130 878 163	88 275 591	-	-
	1 259 452 238	**1 147 361 056**	**-**	**-**

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Company	
Figures in Pula	**2024**	**2023**	**2024**	**2023**

3. Investment property (continued)

Palazzo Venezia Office Block Plot 8297, Suite 409, city tower . Al Majan, Wadi Al Safa 3 Dubai				
-Cost of property	96 275 730	94 577 992	-	-
- Fair Value loss (Net of straight lining adjustment) and including foreign exchange movements	(68 795 735)	(69 756 273)	-	-
	27 479 995	**24 821 719**	**-**	**-**

Turnstar Holdings Limited have occupied 650 sqm out of 63 670.74 sqm in Game City shopping complex, one of the properties for the purposes of centre management office and towards their administrative purposes. The owner occupied portion is not significant to the individual property or the portfolio of investments held by the Group and thus no transfer of the owner occupied portion has been made to property, plant and equipment.

Details of valuation

Turnstar Holdings Limited

The investment properties registered in the name of Turnstar Holdings Limited are as follows: Game City Shopping Centre (Portion 3 of Forest Farm), Nzano Shopping Centre (Lot 904 Francistown), Supa Save Mall (Lot 6670), Turnstar House (Lot 1131-1137, Main Mall offices), Tapologo Estate (Lot 13093 and 16398), Lot 63 Commerce Park, Mogoditshane Flats (Tribal Lot 1203). These properties were valued by an external valuer on 31 January 2024. The valuation was performed by valuer, Benedict Kgosilentswe of Riberry (Proprietary) Limited, [Benedict Kgosilentswe is a Registered member of Real Estate Institute of Botswana, Royal Institute of Chartered Surveyors and holds a BSc (Hons) in Estate Management] and has over 10 years of valuation experience. The management has assessed that these properties have been maintained in a reasonable state of repair and condition. The open market value of the properties has been arrived using discounted cash flow method which involved projecting income and expenditure for period of 5 years and discounting at a long term investment rate to arrive at net present value. The capitalisation rate used for the purposes of valuation varies from 7.75% to 9.5% for retail, commercial and residential properties. In view of the fact that the fair value of the asset was arrived at taking into account the present value of future revenues, the fair value gain was reduced by the operating lease asset amount in order to avoid over valuation.

Mlimani Holdings Limited

The Mlimani City (Plot 2, Block L, situated in Ubungo, Dar es Salaam, Tanzania) property is registered in the name of Mlimani Holdings Limited, a subsidiary company. The property was valued on 31 January 2024. The valuation was performed by valuer, Ms. Claire Everatt MRICS MIVSA Chartered Valuation Surveyor Eris Property Group, Claire Everatt is Registered member of Royal Institute of Chartered Surveyors and holds the appropriate qualifications and has more than 15 years of experience in the real estate sector. The management has assessed that these properties have been maintained in a reasonable state of repair and condition. The open market value of the properties has been arrived using discounted cash flow method which involved projecting income and expenditure for a period of 5 years and discounting at a long term investment rate to arrive at net present value. The capitalisation rate used for the purpose of valuation varies from 8.25% to 8.75% for retail, office park and conference centre.

Secured lease income was reflected with the underlying assumption that on expiry, a renewal would occur. However, on a vacancy occurring, there would be an interruption in the cash flow for that period to secure a new tenant. In view of the fact that the fair value of the asset was arrived at taking into account the present value of future revenues, the fair value was reduced by the operating lease asset amount in order to avoid over valuation.

Palazzo Venezia Holding Limited

The Palazzo Venezia Office Block property, registered in the name of Palazzo Venezia Holdings limited, subsidiary company was valued on 31 January 2024. The valuation was performed by Algem Hernandez , and has been reviewed by Jace Williams, head of valuations at CRC Valuations. The open market value of the properties has been arrived using discounted cash flow method which involved projecting income and expenditure for a period of 5 years and discounting at a long term investment rate to arrive at net present value. The capitalisation rate used for the purposes of valuation is 8% for the commercial property. In view of the fact that the fair value of the asset was arrived at taking into account the present value of future revenues, the fair value gain was reduced by the operating lease asset amount in order to avoid over valuation.

Valuations Assumptions:

The assumptions were based on current market conditions.

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Company	
Figures in Pula	**2024**	**2023**	**2024**	**2023**

3. Investment property (continued)

A gain or loss arising from a change in fair value is included in the profit or loss for the period in which it arises.

Refer to note 36 for IFRS 13 disclosure for investment properties valued at fair value.

Amounts recognised in profit and loss for the year

Rental income from investment property	328 502 653	291 267 868	166 225 198	158 318 540
Direct operating expenses from rental generating property	(115 095 195)	(111 705 102)	(62 653 090)	(62 386 838)
	213 407 458	**179 562 766**	**103 572 108**	**95 931 702**

Adjusted valuations

The following valuations were adjusted for consolidated and separate annual financial statements purposes to avoid double counting:

Valuation as per financial statements				
Fair value of investment property	2 747 912 028	2 616 119 856	1 453 500 000	1 439 780 000
Less: operating lease receivable	(21 309 509)	(16 397 797)	(13 829 715)	(12 240 716)
	2 726 602 519	**2 599 722 059**	**1 439 670 285**	**1 427 539 284**

4. Property, plant and equipment

Group	**2024**			**2023**		
	Cost or revaluation	**Accumulated depreciation**	**Carrying value**	**Cost or revaluation**	**Accumulated depreciation**	**Carrying value**
Plant and machinery	7 484 124	(6 935 649)	548 475	6 962 051	(6 478 662)	483 389
Furniture and fixtures	6 413 438	(5 452 647)	960 791	6 018 240	(4 956 747)	1 061 493
Motor vehicles	231 835	(231 835)	-	231 835	(231 835)	-
Office equipment	162 239	(159 588)	2 651	154 350	(151 101)	3 249
IT equipment	3 963 613	(3 613 930)	349 683	3 801 799	(3 421 064)	380 735
Total	**18 255 249**	**(16 393 649)**	**1 861 600**	**17 168 275**	**(15 239 409)**	**1 928 866**

Company	**2024**			**2023**		
	Cost or revaluation	**Accumulated depreciation**	**Carrying value**	**Cost or revaluation**	**Accumulated depreciation**	**Carrying value**
Plant and machinery	237 439	(237 439)	-	237 439	(237 439)	-
Furniture and fixtures	1 242 266	(1 118 413)	123 853	1 206 735	(1 096 340)	110 395
Motor vehicles	231 835	(231 835)	-	231 835	(231 835)	-
Office equipment	25 218	(22 568)	2 650	25 218	(21 969)	3 249
IT equipment	2 550 182	(2 411 328)	138 854	2 482 207	(2 327 069)	155 138
Total	**4 286 940**	**(4 021 583)**	**265 357**	**4 183 434**	**(3 914 652)**	**268 782**

Notes to the Consolidated And Separate Annual Financial Statements

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2024

	Opening balance	Additions	Foreign exchange movements	Depreciation	Total
Plant and machinery	483 389	111 273	29 529	(75 716)	548 475
Furniture and fixtures	1 061 493	99 460	64 274	(264 436)	960 791
Office equipment	3 249	13 227	-	(13 825)	2 651
IT equipment	380 735	67 977	13 799	(112 828)	349 683
	1 928 866	**291 937**	**107 602**	**(466 805)**	**1 861 600**

Reconciliation of property, plant and equipment - Group - 2023

	Opening balance	Additions	Foreign exchange movements	Depreciation	Total
Plant and machinery	88 263	519 399	8 927	(133 200)	483 389
Furniture and fixtures	1 080 481	142 599	93 655	(255 242)	1 061 493
Office equipment	6 370	-	249	(3 370)	3 249
IT equipment	208 400	269 963	6 283	(103 911)	380 735
	1 383 514	**931 961**	**109 114**	**(495 723)**	**1 928 866**

Reconciliation of property, plant and equipment - Company - 2024

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	110 395	35 532	(22 074)	123 853
Office equipment	3 249	-	(599)	2 650
IT equipment	155 138	67 977	(84 261)	138 854
	268 782	**103 509**	**(106 934)**	**265 357**

Reconciliation of property, plant and equipment - Company - 2023

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	133 256	-	(22 861)	110 395
Office equipment	3 849	-	(600)	3 249
IT equipment	128 172	102 124	(75 158)	155 138
	265 277	**102 124**	**(98 619)**	**268 782**

5. Goodwill

Group	2024			2023		
	Cost	Accumulated impairment	Carrying value	Cost	Accumulated impairment	Carrying value
Goodwill	-	-	-	29 864 906	(29 864 906)	-

Notes to the Consolidated And Separate Annual Financial Statements

5. Goodwill (continued)

Reconciliation of goodwill - Group - 2023

	Opening balance	Foreign exchange movements	Impairment loss	Total
Goodwill	27 177 745	2 687 161	(29 864 906)	-

The goodwill of USD 6 146 170 (P 74 923 279) (2023: USD 6 146 170(P 70 001 170) arising from acquisition of subsidiary, is attributable to acquired investment property from combining the operations of the company with Island View (Proprietary) Limited and Mlimani Holdings Limited. Goodwill recognised is not expected to be deductible for income tax purposes. Goodwill has been converted to functional currency of the group at closing exchange rate prevailing at the end of reporting period, as per IAS 21.47.

Impairment assessment on carrying value of goodwill

The group has allocated the carrying value of goodwill reported at P29 864 906 (USD 2 386 206) to the subsidiary, Mlimani Holdings Limited. This subsidiary is the cash generating unit. For purposes of testing impairment on the carrying value of goodwill, the group has considered 5 year budgeted cash flow projections of the subsidiary's operations to determine the value in use. These future cash flow projections are prepared in functional currency of the subsidiary (United States Dollar). As a result of the assessment, management decided to recognise an impairment charge against the carrying amount of the entire goodwill in the entity, which was previously measured at P29 864 906. This was following management taking note that the goodwill that was in place was recognised when the underlying entity in Tanzania was acquired in 2012 and although the forecast cashflows shows improvement in operation high discount rates significantly reduces the underlying asset

The following are the key assumptions used in determining the value in use:

a) Rental income has been assumed to grow at a rate of 2% per annum, based on the contracted lease agreements with the tenants.

b) Operating expenses has been assumed to grow at 3-4%, based on the inflation rate

c) The management has considered a pre-tax cost of capital rate of 11.5%. This discount rate is based on cost of capital for borrowings obtained by the company from its shareholders.

In the year ended 31 January 2023 Goodwill was impaired by 29,864,906 to a closing balance of zero. As at 31 January 2024 the group does not have any remaining Goodwill.

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Company	
Figures in Pula	**2024**	**2023**	**2024**	**2023**

6. Investments in subsidiaries

Group

Name of the subsidiary	Country of incorporation and principal of business	Principal activity	Proportion of ownership interests held by the Group at year end 2022	Proportion of ownership interests held by the Group at year end 2021
Mlimani Holdings Limited	Tanzania	Property Investment	99.99%	99.99%
Palazzo Venezia Holdings Limited	Dubai	Property Investment	100%	100%
Turnstar Investment Limited	Dubai	Investment	100%	100%
Island View (Proprietary) Limited	Botswana	Investment	100%	100%

Company

Set out below are the details of the subsidiaries held directly by the company:

Name of company	Held by	Carrying amount 2024	Carrying amount 2023
Island View (Proprietary) Limited (Botswana)		521 713 944	521 713 944
Turnstar Investment Limited (Dubai)		19 815 285	19 815 285
		541 529 229	541 529 229

Turnstar Holdings Limited holds 100% shares in Island View (Proprietary) Limited. Island View (Proprietary) Limited holds 99.99% of Mlimani Holdings Limited with Turnstar Holdings Limited directly holding 0.01%.

Turnstar Holdings Limited holds 100% shares in Turnstar Investment Dubai which in turn holds 100% shares in Palazzo Venezia Holdings Limited.

7. Loans to group companies

Subsidiaries

	Group 2024	Group 2023	Company 2024	Company 2023
Mlimani Holdings Limited	-	-	173 439 532	190 863 452

The balance of the loan to Mlimani Holdings LImited as at 31st January 2024 was USD 12 713 118 (2023: USD 14 849 176). The company has signed a loan agreement with Mlimani to finance construction of phase II. The loan is unsecured, repayable by the subsidiary 12 months subsequent to the year end, in 60 equal monthly installments. Interest is payable each month at 5.5% per annum (and the benchmark is 3 months USD LIBOR) will be charged on loan outstanding balance. Loan repayment started in February 2021.

Libor is being phase out, the company has entered into negotiations with the bank to identify an alternative rate and preliminary discussions indicated that no significant change in the interest rate is expected as well as the expected date on which the negotiations will be concluded. Once the negotiations are concluded, the new rate will be used to replace Libor. The original loan amount was USD 25 million.

Notes to the Consolidated And Separate Annual Financial Statements

8. Deferred tax

Deferred tax liability

	Group			Company		
	2024	**2023 restated***	**2022 restated***	**2024**	**2023 restated***	**2022 restated***
Deferred tax on asset/(liability) on capital allowances	(435 056 653)	(396 867 922)	(359 291 903)	(36 122 817)	(34 066 405)	(32 130 343)
Exchange rate	24 091 562	22 763 865	21 940 819	24 091 562	22 763 865	21 940 819
Retentions	112 096	113 312	111 582	112 096	113 312	111 582
Provision for bad and doubtful debts as per balance sheet	839 309	687 569	608 336	839 309	687 569	608 336
Lease smoothening	(3 175 557)	(2 692 957)	(3 722 491)	(3 175 557)	(2 692 957)	(3 722 491)
Loss on current year	219 877 588	232 087 915	216 713 062	17 203 713	11 486 192	4 684 235
Capital gains tax	(37 923 249)	(49 582 059)	(66 984 474)	(37 923 249)	(49 582 059)	(66 984 474)
Total net deferred tax liability	**(231 234 904)**	**(193 490 277)**	**(190 625 069)**	**(34 974 943)**	**(51 290 483)**	**(75 492 336)**

*Please refer to note 38 prior period error

Notes to the Consolidated And Separate Annual Financial Statements

8. Deferred tax (continued)

Reconciliation of deferred tax asset / (liability)

	Group			Company		
	2024	**2023 restated***	**2022 restated***	**2024**	**2023 restated***	**2022 restated***
At beginning of year	(193 490 277)	(190 625 069)	(181 887 923)	(51 290 483)	(75 492 336)	(89 319 296)
Increases (decrease) in tax loss available for set off against future taxable income	15 851 162	8 801 956	10 545 376	5 717 521	6 801 956	3 776 144
Increases (decrease) in capital allowance	(66 250 220)	(31 003 123)	(31 147 182)	(2 056 412)	(1 936 062)	(1 813 844)
Taxable / (deductible)temporay difference in bad dets provision	151 740	1 029 534	(145 797)	151 740	1 029 534	145 797
Taxable / (deductible) temporary difference on lease smoothing	(482 599)	79 232	663 644	(482 599)	79 232	663 644
Taxable / (deductible) temporary difference on exchange gains (loss)	1 325 265	822 996	3 283 208	1 325 265	823 046	3 283 208
Taxable / (deductible) temporary difference movement capital gains	11 658 809	17 402 418	7 951 775	11 658 809	17 402 418	7 951 775
Taxable / (deductible) temporary difference retentins	1 216	1 779	115 882	1 216	1 729	115 582
	(231 234 904)	**(193 490 277)**	**(190 625 069)**	**(34 974 943)**	**(51 290 483)**	**(75 492 336)**

*Please refer to note 38 prior period error

Carry forward tax losses

No provision for current taxation has been made, the company has assessed carry forward tax losses. Turnstar Botswana is taxed at 22% and the loss relating to it is P 17 203 713 (2023: P 11 486 192) and Mlimani is taxed at 30% and the loss relating to that is P 141 678 892 (2023: P 22 507 644). The estimated tax loss available for set off against future taxable income as at 31 January 2024 was P 78 198 696 (2023: P 179 877 952) and this relate to Turnstar Botswana only.

Deferred tax on investment property held by Mlimani Holdings Limited is calculated based on the fair value of investment property at the year end, less the cost of investment property and the profits earned up to the year end as required by the Income Tax Act of Tanzania.

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Company	
Figures in Pula	**2024**	**2023**	**2024**	**2023**

9. Lease asset (accrual)

Non-current assets	21 309 510	15 096 830	13 829 715	10 939 748
Current assets	-	1 300 967	-	1 300 967
	21 309 510	**16 397 797**	**13 829 715**	**12 240 715**

Lease assets relate to the impact on straight lining of leases. This relates to the difference between the contractual rentals over the period of lease against the actual rentals charged during the year. The group leases investment properties, with average lease years between 1 to 5 years with exception of a few leases, which are between 10 to 25 years. Average annual escalation on these leases is 3%-8%.

10. Trade and other receivables

Financial instruments:				
Trade receivables	25 159 441	28 528 073	8 828 299	10 624 606
Accrued income	3 984 236	3 599 943	3 984 236	3 599 943
Loss allowance	(8 792 153)	(7 687 054)	(3 815 041)	(3 125 313)
Trade receivables at amortised cost	20 351 524	24 440 962	8 997 494	11 099 236
Deposits	1 777 949	1 675 589	-	-
Other receivables	441 051	509 422	730 445	3 283 064
Non-financial instruments:				
Tax receivable	7 180 340	4 701 033	-	-
Value Added Tax	1 514 929	1 749 177	-	-
Employee costs in advance	-	112 641	-	-
Prepayments	1 400 858	1 129 285	926 447	698 819
Total trade and other receivables	**32 666 651**	**34 318 109**	**10 654 386**	**15 081 119**

Included in Trade receivables for the Company are management fees of P3 265 873 (2024) P2 800 980 (2023)

Categorisation of trade and other receivables

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:

At amortised cost	29 750 864	31 327 006	9 727 939	14 382 300
Non-financial instruments	2 915 787	2 991 103	926 447	698 819
	32 666 651	**34 318 109**	**10 654 386**	**15 081 119**

Trade and other receivables pledged as security

Included under trade and other receivables are dues from tenants relating to Mlimani Holdings Limited and Game City Shopping Centre which have been pledged as security for borrowings from Barclays Bank Botswana Limited, refer to note 13.

Exposure to credit risk

Trade receivables inherently expose the group to credit risk, being the risk that the group will incur financial loss if customers fail to make payments as they fall due.

In order to mitigate the risk of financial loss from defaults, the group only deals with reputable customers with consistent payment histories. Sufficient collateral or guarantees are also obtained when appropriate. Each customer is analysed individually for creditworthiness before terms and conditions are offered. Customer credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of customers, is continuously monitored.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

Trade receivables comprise of tenants from retail, commercial and residential properties. The tenants are spread across different properties with no specific significant concentration of credit risk to a group of tenants.

	Group		Company	
Figures in Pula	2024	2023	2024	2023

10. Trade and other receivables (continued)

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The group measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

The group's historical credit loss experience does not show significantly different loss patterns for different customer segments. The expected credit loss as a percentage of gross carrying value of trade receivables increased from 2023 to 2024. Although the trade receivables balance reduced, credit losses provision increased slightly due to increase in value of the >120 days bracket. The loss allowance provision is determined as follows:

Group	2024	2024	2023	2023
Expected credit loss rate:	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**
Less than 30 days past due:	8 183 999	164 245	8 854 542	11 569
31 - 60 days past due:	4 989 063	121 278	2 938 059	178 739
61 - 90 days past due:	2 764 267	109 936	3 478 452	772 823
91 - 120 days past due:	1 795 209	969 791	3 676 985	801 840
More than 120 days past due:	7 426 903	7 426 903	9 580 035	5 922 083
Total	**25 159 441**	**8 792 153**	**28 528 073**	**7 687 054**

Company	**2024**	**2024**	**2023**	**2023**
Expected credit loss rate:	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**
Less than 30 days past due:	4 619 229	108 173	5 224 034	11 569
31 - 60 days past due:	366 195	56 333	1 078 497	17 408
61 - 90 days past due:	159 938	53 469	973 762	439 631
91 - 120 days past due:	203 580	117 709	328 747	314 858
More than 120 days past due:)	3 479 357	3 479 357	3 019 566	2 341 847
Total	**8 828 299**	**3 815 041**	**10 624 606**	**3 125 313**

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade and other receivables:

Opening balance in accordance with IFRS 9	**(7 687 054)**	**(7 494 193)**	**(3 125 313)**	**(2 317 361)**
Provision raised on new trade receivables	(567 676)	(192 861)	(689 728)	(807 952)
Closing balance	**(8 254 730)**	**(7 687 054)**	**(3 815 041)**	**(3 125 313)**

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Company	
Figures in Pula	**2024**	**2023**	**2024**	**2023**

11. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	7 014	60 009	3 403	3 403
Bank balances	27 091 759	9 423 156	17 340 959	3 830 247
Short-term deposits	-	58 986	-	58 986
Bank overdraft	(958 792)	(48 815 518)	(958 792)	(48 815 518)
	26 139 981	**(39 273 367)**	**16 385 570**	**(44 922 882)**
Current assets	27 098 773	9 542 151	17 344 362	3 892 636
Current liabilities	(958 792)	(48 815 518)	(958 792)	(48 815 518)
	26 139 981	**(39 273 367)**	**16 385 570**	**(44 922 882)**

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recognised at fair value and subsequently measured at amortised cost.

Overdraft

The group has available overdraft facility of P 25 million (2023: P 55 million) at interest rate equal to bank's prime lending rate (currently at 6.51% per annum).

The above facility is secured by:

1) First covering mortgage bond of P250 million (Two Hundred and Fifty Million Pula) (plus 20% contingency costs) Lease Area 975-KO on Portion 3 of Farm Forest Hill No. 9-KO (Game City Mall) over the notarial executed land lease agreement with respect to Notarial Deed of Lease No. MA 225/03 dated 10th October 2003. The security also relate to borrowings.

2) Second covering mortgage bond of P40million (Forty Million Pula) (plus 20% contingency costs) over the notarially registered Lease Area 975-KO on Portion 3 of Farm Forest Hill No. 9-KO (Game City Mall) over the notarial executed land lease agreement with respect to Notarial Deed of Lease No. MA 225/03 dated 10th October 2003.

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings or historical information about counterparty default rates: The banks in Botswana, Dubai and Tanzania are not rated, but are subsidiaries of rated banks in South Africa and the United Kingdom.

12. Share capital and linked unit debentures

Authorised				
572,153,603 Ordinary shares of no par value	572 153 603	572 153 606	572 153 603	572 153 603
Reconciliation of number of shares issued:				
Reported as at 01 February 2023	572 153 603	572 153 603	572 153 603	572 153 603
Issued				
Stated Capital - 572 153 603 (2023: 572 153 603) Ordinary shares of no par value	349 185 538	349 185 538	349 185 538	349 185 538
Share issue costs written off against stated capital	(2 764 983)	(2 764 983)	(2 764 983)	(2 764 983)
Linked unit debentures - 572 153 603 (2023: 572 153 603) Linked unit debentures of 50 thebe each	286 076 802	286 076 802	286 076 802	286 076 802
	632 497 357	**632 497 357**	**632 497 357**	**632 497 357**

The debentures carry interest at a rate which is linked to the dividend declared on the ordinary shares, and it becomes payable upon declaration of dividends on shares.

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Company	
Figures in Pula	**2024**	**2023**	**2024**	**2023**

12. Share capital and linked unit debentures (continued)

Linked unit debentures are redeemable subject to approval of shareholders by a special resolution and with written consent of the creditors of the company.

For the purposes of IFRS classification, they are thus seen as being non-redeemables and thus classified as equity in thier entity.

13. Borrowings

	Group 2024	Group 2023	Company 2024	Company 2023
Held at amortised cost				
Secured				
First National Bank of Botswana Limited	290 000 000	241 579 194	290 000 000	241 579 194
The loan is approved for P 300 million, P 100 million towards refinancing the property, Game City Mall, and P 200 million for the redevelopment of Game City Mall, known as Phase 4 redevelopment. The loan is repayable in 120 months; 1 to 60 months interest only, 61 to 120 months interest plus principal and a final bullet payment of P 185 million. The Interest rate is set at prime less 1.8% per annum. The lender will review the bullet payment at the time in order to refinance the facility through an amortising debt facility for a further term . The security also relate to overdraft facility.				
Absa Bank	306 616 644	288 881 748	306 616 644	288 881 748
Terms and conditions				
Arrangement fees	(1 960 526)	(345 395)	(1 960 526)	(345 395)
Term loan with sanctioned amount of USD 35 million was restructured during the year ended 31 January 2019 and new loan agreement was entered for USD 31.5 million with interest set at 3 months USD LIBOR plus 3.75% calculated on a 365 day basis. The loan is repayable in 24 equal monthly capital installments of USD 125 000 with first payment schedule 31 October 2018 . 6 months capital moratorium from 1 April 2020 to 30 September 2020 Thereafter, 24 equal monthly capital payments of USD 150 000 from 31 October 2020, once off capital payment of USD 2 million on 30 September 2022. Thereafter, 24 equal monthly capital payments of USD 175 000, and the final bullet payment of USD 18.45 million on 30 September 2024. In November 2022, the loan was re negotiated, The new terms of the loan are USD 22 475 000 loan with interest payment only until September 2024, when new new terms of the loan will be re- negotiated. The amended interest is Botswana prime (currently 6.51). Post year ended the loan is being renegotiated to an interest loan for 4 years. The new terms will be concluded by June 2024.				
Unsecured				
	594 656 118	**530 115 547**	**594 656 118**	**530 115 547**

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Company	
Figures in Pula	2024	2023	2024	2023

13. Borrowings (continued)

Reconciliation of borrowings - Group - 2024

	Opening balance	Additions	Repayments	Foreign exchange movements	Total
First National Bank of Botswana Limited	241 579 194	60 174 271	(11 753 465)	-	290 000 000
ABSA Bank Botswana Limited	288 536 353	-	-	16 119 765	304 656 118
	530 115 547	**60 174 271**	**(11 753 465)**	**16 119 765**	**594 656 118**

Reconciliation of borrowings - Group - 2023

	Opening balance	Repayments	Foreign exchange movements	Total
First National Bank of Botswana Limited	263 888 577	(22 309 383)	-	241 579 194
ABSA Bank Botswana Limited	301 796 418	(43 392 891)	30 132 826	288 536 353
	565 684 995	**(65 702 274)**	**30 132 826**	**530 115 547**

Reconciliation of borrowings - Company - 2024

	Opening balance	Additions	Repayments	Foreign exchange movements	Total
First National Bank of Botswana Limited	241 579 194	60 174 271	(11 753 465)	-	290 000 000
ABSA Bank Botswana Limited	288 536 353	-	-	16 119 765	304 656 118
	530 115 547	**60 174 271**	**(11 753 465)**	**16 119 765**	**594 656 118**

Reconciliation of borrowings - Company - 2023

	Opening balance	Repayments	Foreign exchange movements	Total
First National Bank of Botswana Limited	263 888 577	(22 309 383)	-	241 579 194
ABSA Bank Botswana Limited	301 796 418	(43 392 891)	30 132 826	288 536 353
	565 684 995	**(65 702 274)**	**30 132 826**	**530 115 547**

First National Bank Botswana Limited

Financial covenants that shall be maintained in accordance with the agreement with First National Bank Botswana Limited Loan facility for P 300 million

- Minimum interest cover ratio of 2 times for company
- A minimum debt Service ratio of 6 times for company
- A minimum loan to value ratio of 50% will apply to the secured property
- A maximum group borrowing gearing ratio of 55%
- Minimum group borrowings interest cover ratio of 3 times
- A minimum group borrower net asset value of P 600 million.

Security held by First National Bank Botswana Limited

- A first covering mortgage bond in favour of RMB over secured property (Game City) for a total of P 250 million plus an additional 20% towards the costs and contingencies
- Second covering mortgage bond in favour of RMB for P40m over the notarially registered land leases for a total of P250m plus an additional 20% provided thereon as a provision for costs and contingencies

13. Borrowings (continued)

- Noting of the interest of First National Bank Limited as mortgage on the building insurance policy.
- Subordination of any shareholder loans and claims in the borrower.
- Subordination of debentures of Turnstar Holdings Limited.
- Cession of all leases, insurance policies and proceeds in respect of the secured property. The secured property is to be insured for its full replacement value (agreed by the Bank) and loss of rental insurance. The bank's interest to be noted in the insurance policy.
- A guarantee from Turnstar Holdings Limited and a guarantee from other subsidiaries of Turnstar Holdings Limited, for the obligations of the borrower, and
- Cession of bank accounts to be opened with First National Bank Botswana Limited

ABSA Bank Botswana Limited (Formerly was Barclays Bank of Botswana Limited)

Loan from ABSA Bank Botswana Limited

Financial Covenants:

The financial covenants that shall be maintained in accordance with the agreement are

- EBITDA of the borrower for each measurement period must exceed 1.2 times aggregate of capital repayments and net of financing costs for such measurement period on a rolling basis (Corporate Debt Service Cover Ratio)
- EBITDA of the borrower for each measurement period must exceed net financing costs for such measurement period on a rolling basis (Corporate Interest Cover Ratio) as follows;
  Years 1 to 2 (31 January 2019 to 31January 2020): 2.5X
  Years 3 to 4 (31 January 2021 to 31January 2022): 2.7X
  Years 5 to 6 (31 January 2023 to 31 January 2024): 3.0X
- Net Interest bearing borrowings of the borrower at the end of each measurement period shall not at any time exceed 50% of the aggregate value of Investment Properties(Corporate Loan to Loan Value).
- EBITDA of the guarantor for each measurement period must exceed 2.5 times net financing costs of the facility for such measurement period on a rolling basis (transactional interest cover ratio) as follows;
  Years 1 (31 January 2019) : 2.7X
  Years 2 to 6 (31January 2020 to 31 January 2024) :3.00X
- Net Asset Value of the borrower must exceed BWP 500 000 000 (Five Hundred Million Pula) for each measurement period (Corporate Minimum Net Asset Value).
- At any time, vacancies at Plot No. 2, Block L, Ubungu Area, Kinondoni Municipality, Dar Es Salaam Tanzania, otherwise known as Mlimani City will not exceed the following:
  Retail Mall: 5% of the gross lettable area
  Office Blocks: 69% of the gross lettable area
  Residential Units: 17 Units
  Conference Centre: Minimum Gross Annual Income of USD 500,000 (Five Hundred Thousand United States Dollars) (transactional vacancy cover ratio).
- Net interest bearing borrowings of the Borrower at the end of the measurement period shall not at any time exceed 50% of the aggregate value of Investment Properties.
- Net interest bearing borrowings of the Borrower in respect of the Facility at the end of each measurement period shall not exceed the aggregate values of the mortgaged properties by the following margins for such measurement periods.

- 31st January 2019: 140%
- 31st January 2020: 130%
- 31st January 2021: 125%
- 31st January 2022: 110%
- 31st January 2023: 106%
- 31st January 2024: 106%
- 30th September 2024: 106%

Special Conditions

Payment to the Bank of Rental income

The Borrower shall continue to maintain accounts with the Bank for the sole and dedicated purpose of receiving all rental income which may accrue to it in respect of Plot No. 2, Block L, Ubungu Area Kinondoni Municipality, Dar Es Salaam, Tanzania, otherwise known as Mlimani City.

Notes to the Consolidated And Separate Annual Financial Statements

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Figures in Pula	**2024**	**2023**	**2024**	**2023**

13. Borrowings (continued)

Security held

Part A - Existing Security

- 1st covering mortgage bond passed by Turnstar Holdings Limited in favour of the bank in the amount of USD 1 514 285 (One Million Five Hundred and Fourteen Thousand and Two Hundred and Eighty Five United States Dollars) over portion 63, a portion of portion 35 (a portion of portion 3) of the Farm Forest Hill No 9-KO.
- 1st covering mortgage bond passed by Turnstar Holdings Limited in favour of the bank in the amount of USD 2 171 428 (Two Million One Hundred and Seventy One Thousand Four Hundred and Twenty Eight United States Dollars) over Lot 13093 and 16398 Gaborone.
- 1st covering mortgage bond passed by Turnstar Holdings Limited in favour of the bank in the amount of USD 971 428 (Nine Hundred and Seventy One Four Hundred and Twenty Eight United States Dollars) over Lot 1203 Mogoditshane.
- 1st covering mortgage bond passed by Turnstar Holdings Limited in favour of the bank in the amount of USD 2 351 428 (Two Million. Three Hundred and Fifty One Thousand Four Hundred and Twenty Eight United States Dollars) over Lot 6670 Mogoditshane.
- 1st covering mortgage bond passed by Turnstar Holdings Limited in favour of the bank in the amount of USD 9 628 571 (Nine Million Six Hundred and Twenty Eight Thousand Five Hundred and Seventy One United States Dollars) over Lot 904 Francistown.
- Deed of Cession over Rentals in the AN Unlimited amount of Rentals of Plot 2 Block L Ubungu Area, Kinondini Municipality Dar Es Salaam Tanzania
- Corporate Guarantees from Mlimani Holdings Limited and Island View (Pty) Ltd for an Unlimited Amount in favour of the bank.
- Pledge of shares held in Mlimani Holdings Limited and Island View (Pty) Ltd in the name of the Borrower in an Unlimited Amount.
- Assignment of the Borrower's rights and interests under the debenture agreement dated 26 Aug 2011 (As amended, varied and restated from time to time) between the borrower and the Mlimani Holdings Limited.
- 2nd covering mortgage bond passed by Turnstar Holdings Limited in favour of the bank in the amount of USD 3 460 937 (Three Million Four Hundred and Sixty Thousand Nine Hundred and Thirty Seven United States Dollars) over Plot Number 904 Francistown.
- 2nd covering mortgage bond passed by Turnstar Holdings Limited in favour of the bank in the amount of USD 824 702 (Eight Hundred and Twenty Four Thousand Seven Hundred and Two United States Dollars) over Plot Number 6670 Mogoditshane.

Part B - New Security

- First covering mortgage bond in the amount of USD 3 500 000 (Three million five hundred thousand United States Dollars) over Lot number 1131 to 1137 Gaborone

Exposure to currency risk

Pula amount				
Borrowings USD 22,475,000 (2023: USD 22,475,000)	304 656 118	288 536 353	304 656 118	288 536 353

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Figures in Pula		**2024**	**2023**	**2024**	**2023**

14. Trade and other payables

	Group 2024	Group 2023	Company 2024	Company 2023
Financial instruments:				
Trade payables	8 464 563	11 036 898	5 295 636	(2 880 347)
Retention payable	10 619 840	10 038 487	509 528	515 053
Accrued leave pay	1 005 310	1 061 498	1 005 310	1 061 498
Other accrued expenses	2 996 341	2 459 924	2 655 832	2 021 787
Deposits received	15 843 642	15 939 035	5 088 084	4 753 938
Other payables	2 498 904	1 922 949	926 324	887 158
Non-financial instruments:				
Amounts received in advance	14 270 928	8 024 780	2 777 311	-
Withholding tax payable	781 338	175 849	123 950	126 948
Value added tax	1 101 655	926 489	1 101 655	926 489
	57 582 521	**51 585 909**	**19 483 630**	**7 412 524**

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

15. Revenue

	Group 2024	Group 2023	Company 2024	Company 2023
Revenue from leases with customers				
Rental income	264 636 945	241 308 089	136 979 670	134 985 777
Turnover rent	836 560	868 570	836 560	868 570
Straight line adjustments	4 695 579	(3 757 978)	1 589 000	(4 680 910)
Recoveries	58 333 569	52 849 187	26 819 968	27 145 103
	328 502 653	**291 267 868**	**166 225 198**	**158 318 540**

Rental income has been recognised in terms of IFRS 16on a straight line basis:

Rental income ceded as security for loan availed from Absa Bank of Botswana Limited and First National Bank of Botswana Limited as stated in note 13.

The security is a deed of cession over rentals for an unlimited amount of all rentals which may accrue from any and all tenants of plot No. 2, Block l, Ubungo Area, Kinondoni Municipality, Dar es Salaam, Tanzania otherwise know as Mlimani City.

16. Other operating income

	Group 2024	Group 2023	Company 2024	Company 2023
Administration and management fees received	-	-	3 265 873	2 800 980
Other rental income	107 983	-	-	-
Bad debts recovered	-	860	-	860
Other recoveries	1 720 337	1 932 646	1 720 337	1 932 646
Dividend income	-	-	27 886 404	15 895 608
Advertising & Promotions	1 399 913	1 150 304	-	-
	3 228 233	**3 083 810**	**32 872 614**	**20 630 094**

17. Other operating gains (losses)

	Note	Group 2024	Group 2023	Company 2024	Company 2023
Foreign exchange gains (losses)					
Net foreign exchange gains/(losses)	3	(10 321 617)	(11 622 677)	(6 340 176)	(11 279 269)

Notes to the Consolidated And Separate Annual Financial Statements

		Group		Company	
Figures in Pula		**2024**	**2023**	**2024**	**2023**

18. Other operating expenses

Cleaning	7 414 368	6 880 827	2 689 135	2 650 136
Insurance	1 842 876	1 589 044	1 452 607	1 332 504
Rent paid	31 180 032	29 108 857	18 982 057	18 751 397
Repairs and maintenance	16 792 860	15 149 278	7 610 450	7 068 561
Security	6 731 296	6 252 276	3 177 005	2 817 388
Municipal expenses	39 158 238	39 046 282	24 038 720	25 257 280
Consulting and professional fees	4 741 123	10 534 041	3 008 391	3 029 590
Others	20 236 962	11 435 609	9 241 517	6 704 827
Employee costs	19 216 122	16 375 992	14 902 174	12 973 838
Property, plant and equipment	466 805	495 723	106 934	98 619
	147 780 682	**136 867 929**	**85 208 990**	**80 684 140**

19. Operating profit

Operating profit for the year is stated after charging the following, amongst others:

Auditor's remuneration - external				
Audit fees	1 052 653	671 299	829 350	483 000
Leases				
Contingent rentals on operating leases				
Contingent amounts	31 180 032	29 108 857	18 982 057	18 751 397
Impairment losses				
Goodwill	-	29 864 906	-	-
Movement in credit loss allowances				
Trade and other receivables	7 778 447	4 136 575	10 592 833	1 169 972

20. Finance income

Interest income				
Investments in financial assets:				
Bank and other cash	32 858	19	32 858	19
Debentures	-	-	19 920 391	17 002 827
Interest on money market placements	629 428	16 055	629 428	16 055
Total interest income	**662 286**	**16 074**	**20 582 677**	**17 018 901**

Interest income is calculated using the effective interest rate method. Total interest income for the company amounted to P 20,582,677 (2024), P 17 018,901 (2023), for the group is P 662,286 (2024), P 16,074 (2023),

21. Fair value adjustment

Fair value gains (losses)					
Investment property	3	49 781 650	31 184 126	6 218 539	17 872 099

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Company	
Figures in Pula	**2024**	**2023**	**2024**	**2023**

22. Interest paid

Interest paid to Absa Bank of Botswana Limited	21 416 991	20 010 370	21 416 991	20 010 370
Interest paid to First National Bank Botswana	17 368 294	10 893 244	17 368 294	10 893 244
Total finance costs	**38 785 285**	**30 903 614**	**38 785 285**	**30 903 614**

23. Taxation

Major components of the tax expense (income)

Current				
Foreign withholding tax - current period	3 115 818	1 775 188	-	-
Deferred				
Originating and reversing temporary differences	27 164 857	(9 383 806)	(16 315 540)	(24 201 853)
	30 280 675	**(7 608 618)**	**(16 315 540)**	**(24 201 853)**

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Applicable tax rate	22,00 %	22,00 %	22,00 %	22,00 %
Items exempt for income tax	(49,00)%	(71,00)%	(81,00)%	(87,00)%
Capital gains tax	28,00 %	28,00 %	7,00 %	20,00 %
Tax on foreign dividends	16,00 %	14,00 %	33,00 %	18,00 %
	17,00 %	**(7,00)%**	**(19,00)%**	**(27,00)%**

No provision for tax had been made as the group has no taxable income due to tax losses available for set off in Botswana as well as tax incentives that is available in Tanzania for Mlimani Holdings Limited, as stated below. The estimated tax losses available for the company in Botswana available for set off against future taxable income is P 78 198 696 (2023: P52 209 693).

Mlimani holdings Limited has been granted strategic investors' status by the Government of Tanzania under which, Mlimani Holdings Limited will start paying corporation tax after recovery of its investment. The tax incentives granted by the Government of Tanzania to the subsidiary has remained in force through the reporting period.

Turnstar Investments Limited based in Jebel Ali Free Zone, Dubai- United Arab Emirates was incorporated as an Offshore Company and is registered with Jebel Ali Free Zone Authority (JAFZA), Government of Dubai, Dubai - United Arab Emirates. The company is not subject to any corporate income taxes during its reporting period.

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Company	
Figures in Pula	**2024**	**2023**	**2024**	**2023**

24. Other comprehensive income

Components of other comprehensive income - Group - 2024

	Gross	Tax	Net
Items that may be reclassified to profit (loss)			
Exchange differences on translating foreign operations			
Exchange differences arising during the year	48 385 918	-	48 385 918

Components of other comprehensive income - Group - 2023

	Gross	Tax	Net
Items that may be reclassified to profit (loss)			
Exchange differences on translating foreign operations			
Exchange differences arising during the year	74 510 636	-	74 510 636

25. Operating lease arragements

Operating leases as lessor

Property rental income earned during the year is set out in note 15. At the reporting date, the group had contracted with its tenants for the following future minimum contractual lease payments:-

	Group 2024	Group 2023	Company 2024	Company 2023
Rental income				
Not more than one year	217 884 406	178 485 579	122 414 819	93 843 940
Later than one year and not later than five years	451 326 110	576 892 367	227 766 613	365 311 103
Later than five years	8 447 662	7 966 526	90 530	90 531
	677 658 178	**763 344 472**	**350 271 962**	**459 245 574**

Operating leases relate to various investment properties owned by the Group, average lease years between 1 to 5 years with the exception of a few leases, which are between 10 to 25 years. Average annual escalation on these leases are between 2 - 8%. Some of these leases have an option to renew for further years, at market related rates, at the time of such renewal. The lessees do not have an option to purchase the property at the expiry of the lease year.

Two of the leases have contingent rent option and accordingly an amount of P 836 560 (2023: P 868 570) is recognised in the Statement of Profit and Loss and Other Comprehensive Income as contingent rent income.

Operating leases as lessee

Turnstar Holdings Limited

One of the leases for a land is held under a 75 year lease commencing from 1 April 2001 expiring on 31 March 2076. Upon expiry of the lease period the property will revert to the Lessor with the development thereon. Consideration for this lease is payable at the rate of 10% of the gross rentals received from the property built on this land, net of operating expenses for the first 10 years. Thereafter, the rental increases by 2.5% of the gross rental (net of recoveries) every five years up to 30th year of lease. The lease rentals are held at 20% for 31st year to 50th year and thereafter at 25% from 51st year to the 75th year. These rental payments are recognised as contingent rent expenses.

With effect from 1 February 2013, the company's management has renegotiated the lease with the lessor (Roman Catholic Church). As per the addendum, rent will be calculated at an agreed percentage as mentioned above on gross rental income billed. This change in the rental calculation is prospective. During the year the company accounted for rental expenses of P 18 982 057 (2023: P 18 751 397).

Future leasing charges for the land are based at 17.5% of the gross rentals received, net of recoveries, which cannot be estimated reliably beyond one year. Estimated charges for the immediate following year would be P 20 589 276 (2023: P 20 589 276.

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	Group		Company	
Figures in Pula	**2024**	**2023**	**2024**	**2023**

25. Operating lease arragements (continued)

Mlimani Holdings Limited

The lease of land is held under a 50 years ground lease from the University of Dar es Salaam commencing from 01 October 2004 expiring on 30 September 2054, subject to a further 35 years renewal. Consideration for the lease is payable at the rate of 10% of the gross rentals received from the property built on this land net of operating costs. These rental payments are recognised as contingent rent expenses during the year amounting to P 12 197 975 (2023: P 10 357 460).

Future leasing charges for the land are based at 10% of the gross rentals received, net of recoveries, which cannot be estimated reliably beyond one year. Estimated charges for the immediate following year would be P 13 380 890 ((2023: P 12 263 095).

26. Cash generated from operations

Profit before taxation	177 508 791	112 156 177	84 971 744	89 803 848
Adjustments for:				
Depreciation and amortisation	466 805	495 723	106 934	98 619
Losses on foreign exchange	5 775 919	11 493 170	6 340 176	11 279 269
Finance income	(662 286)	(16 074)	(20 582 677)	(17 018 901)
Interest paid	38 785 285	30 903 614	38 785 285	30 903 614
Fair value gains	(49 781 650)	(31 184 126)	(6 218 539)	(17 873 308)
Goodwill impairments	-	29 864 906	-	-
Movements in operating lease assets and accruals	(4 911 713)	3 621 531	(1 589 000)	4 679 700
Dividend income	-	-	(27 886 404)	(15 895 608)
Impairment of receivables	-	-	8 898 113	-
Changes in working capital:				
Trade and other receivables	9 429 905	(1 724 482)	(2 776 650)	(741 059)
ECL movement on debtors	(7 778 447)	(4 136 575)	(1 694 725)	(1 169 972)
Prepayments - loan arrangement fees	(1 615 131)	197 368	(1 615 131)	197 368
Trade and other payables	5 932 515	4 251 827	12 071 101	(4 055 630)
Unclaimed debenture interest and dividend	300 083	410 329	300 083	410 329
	173 450 076	**156 333 388**	**89 110 310**	**80 618 269**

27. Tax paid

Balance at beginning of the year	117 262	(1 575 294)	117 262	(1 575 294)
Current tax for the year recognised in profit or loss	(3 115 818)	(1 775 188)	-	-
Balance at end of the year	(117 262)	(117 262)	(117 262)	(117 262)
	(3 115 818)	**(3 467 744)**	**-**	**(1 692 556)**

28. Dividends and debenture interest paid

Final distribution of prior year	(51 493 824)	(51 493 824)	(51 493 824)	(51 493 824)
Proposed dividends	(114 430 612)	(102 987 648)	(114 430 612)	(102 987 648)
Balance at end of the year	57 215 306	51 493 824	57 215 306	51 493 824
	(108 709 130)	**(102 987 648)**	**(108 709 130)**	**(102 987 648)**

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Figures in Pula	**2024**	**2023**	**2024**	**2023**

29. Basic and diluted earnings per linked unit

Basic and diluted earnings per linked unit is calculated by dividing the earnings attributable to the Linked unit holders by the weighted average number of Linked unit holders in issue during the year.

Basic and diluted earnings attributable to linked unit holders				
- from continued operations	147 228 116	119 764 795	101 287 284	114 005 701
Basic earnings per linked unit (in Pula)	0,26	0,21	0,18	0,20
Diluted earnings per linked unit (in Pula)	0,26	0,21	0,18	0,20
Weighted average number of linked units (as at year end)	572 153 603	572 153 603	572 153 603	572 153 603
Weighted average number of linked units (including issues after year end)	572 153 603	572 153 603	572 153 603	572 153 603

30. Directors linked unit holdings

G. H Abdoola- Beneficial	80 148 355	80 148 355	80 148 355	80 148 355
S N Puvimanasinghe	10 000	10 000	10 000	10 000
	80 158 355	**80 158 355**	**80 158 355**	**80 158 355**

The Directors had the beneficial interest in Turnstar Holdings Limited as at year end.

31. Linked unitholders information

G H Group (Proprietary) Limited	80 148 355	80 148 355	80 148 355	80 148 355
Associated Investment and Development Corporation (Proprietary) Limited	59 083 407	59 083 407	59 083 407	59 083 407
SCBN (pty) LTD RE BPOPF Local equity portfolio Alan Gray	112 720 935	103 098 900	112 720 935	103 098 900
FNBB NOMINEES VUNANI BPOPF	23 388 850	61 766 631	23 388 850	61 766 631
Alan Gray Re Debswana Pension Fund	34 501 175	34 494 230	34 501 175	34 494 230
FNB BOTSWANA NOMINEES RE: BIFM - ACT MEM & DP EQ	102 150 550	78 761 701	102 150 550	78 761 701
Motor Vehicle Accident Fund	31 021 292	31 020 292	31 021 292	31 020 292
STANBIC NOMINEES BOTSWANA RE BIFM PLEF	15 332 045	14 362 915	15 332 045	14 362 915
STANBIC NOMINEES BOTSWANA RE BIFM MLF	14 139 678	10 094 916	14 139 678	10 094 916
STANBIC NOMINEES BOTSWANA RE BPOPF WT PRO PORT MC	9 698 847	9 595 044	9 698 847	9 595 044
	482 185 134	**482 426 391**	**482 185 134**	**482 426 391**

Public	72 %	72 %	72 %	72 %
Non-public	28 %	28 %	28 %	28 %
	100 %	**100 %**	**100 %**	**100 %**

32. Contingencies

Litigation is in the process against the company by applicant relating to claims in respect in Mlimani City in Tanzania for P 5 164 324, with interest at prime lending rate plus 2% per annum calculated from the due date to the final repayment date. However the group has instituted counterclaim for P 3 818 750 with interest calculated at prime lending rate from date of service to final date of payment in respect of Mlimani City. The case is still ongoing.

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32. Contingencies (continued)

The Group issued a guarantee in favour of Botswana Power Corporation for P 584 000 (2023: P 584 000). Addittional guarantee of P 600 000 was issued to Material Testing Services during the year.

The Group's subsidiary Mlimani Holdings Limited was issued with a demand notice dated 4 January 2016 from USDM for payment of rent to the tune of USD 309 458 (P 3 164 058) (2018: USD 309 458 (P 3 033 901)) being the difference between the amount actually paid to UDSM against the amount claimed by USDM for the period from 01 May 2006 to 30 June 2014. The said difference arises from bad debts and recoveries from conference rental, both of which were not included in calculating rent payable to UDSM. The matter is currently under negotiation and the directors believe that the amount will either significantly reduced or be completely waived.

Following submission of notice of objections against the WHT, VAT and employment taxes (P.AY.E & SDL) for the tax periods 2013-2016 in the year 2017, the company received determination letters from TRA during the year 2018. The WHT and VAT assessment were further appealed in the Tax Revenue Appeals Board. Appeal on VAT assessment was withdrawn during 2019 following amendments to the assessment in line with company's grounds of appeal and has since been cleared. A possible liability amount of TZS 2 706 925 505 might arise out of the appealed WHT assessments which is equivalent to USD 1 176 924 at the year end rate.Currently, receipt of appeals has been acknowledged by Tax Revenue Appeals Board with pending response on WHT on interest while the assessment on WHT on non residence services has been further appealed to the Tax Tribunal. Accordingly, no provision has been made in the financial statements.The company further issued a notice of objection following a notice of assessment on withholding tax for the years of income 2017 to 2019 that was served upon the company on 24th June 2022. The company further issued a notice of objection following a notice of assessment on withholding tax and unrelieved loss to be carried forward for the years of income 2017 to 2019 that was served upon the company on 24th June 2022 for the amount of TZS 3,082,513,782.34 and the latter being served upon the company on 24th June for year of income 2017,2018 & 2019 where the amount of unrelieved loss assessed to be incorrectly carried forward was TZS 47,975,538,893.20, for the year of income 2018, TZS 52,566,511,828.20 for year of income 2018 and TZS 48,782,304,828.20 for year of income 2019.

Apart from the above, the directors are of the opinion that there are no other contingent liabilities as at the year end.

33. Related parties

Relationships

Subsidiaries	Refer to note 6
Related party (directors who have significant influence or shareholding)	A1 Filling Station (Proprietary) Limited Okavango Tobacco Company (Proprietary) Limited Sterling Management Services (Proprietary) Limited Seeds of Success (Proprietary) Limited AC Smart (Proprietary) Limited Azzurro (Proprietary) Limited Diamond Bourse Botswana (Propriety)Limited CBD Filling Station (Proprietary) Limited Collectus (Proprietary) Limited Collectus South Africa (Proprietary) Limited Damstock (Proprietary) Limited Exponential Investments Limited FFND People Solutions (Proprietary) Limited G H Investments (Proprietary) Limited GH Group (Proprietary) Limited House of Giam (Proprietary) Limited Parano (Proprietary) Limited The Square Mart (Proprietary) Limited Zebuidenthout (Proprietary) Limited Mirrorlix (PTY) Limited

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	Group		Company	
Figures in Pula	**2024**	**2023**	**2024**	**2023**

33. Related parties (continued)

Related party balances

Loan accounts - Owing (to) by related parties				
Mlimani Holdings Limited	-	-	173 439 532	190 863 452
Investment in Subsidiaries				
Mlimani Holdings Limited	-	-	5	5
Island View (Proprietary) Limited	-	-	521 713 939	521 713 939
Turnstar Investment Limited	-	-	19 815 285	19 815 285
	-	**-**	**541 529 229**	**541 529 229**
Amounts included in Trade receivable regarding related parties				
Mlimani Holdings Limited	-	-	3 295 907	2 617 681
Palazzo Venezia (Proprietary) Limited	-	-	-	8 832 659
	-	**-**	**3 295 907**	**11 450 340**

Related party transactions

Directors fees				
S Manake	186 950	134 221	186 950	134 221
S S Mantswe	198 934	118 642	198 934	118 642
P K Balopi	-	278 987	-	249 986
B D Phirie	179 760	461 051	179 760	461 051
V T Tebele	233 049	427 918	174 966	417 043
A Chetty	249 205	154 712	174 966	140 213
P J Bezuidenhout	-	294 584	-	258 854
	1 047 898	**1 870 115**	**915 576**	**1 780 010**
Amounts in other operating income relating to related parties				
Mlimani Holdings)Limited (management fees received)	-	-	3 265 873	2 685 020
Island View (Proprietary) Limited (management fees received)	-	-	187 908	115 960
	-	**-**	**3 453 781**	**2 800 980**
Dividend & interest received				
Mlimani Holdings Limited (dividend received)	-	-	(27 886 404)	(15 895 608)
Mlimani Holdings Limited (interest received)	-	-	(19 920 391)	(17 002 826)
	-	**-**	**(47 806 795)**	**(32 898 434)**
Compensation to directors and other key management				
G H Abdoola	4 626 300	4 137 183	4 626 300	4 137 183
S Puvimanasinghe	2 036 800	1 865 970	2 036 800	1 865 970
C Rankgomo	1 375 608	1 091 636	1 375 608	1 091 636
	8 038 708	**7 094 789**	**8 038 708**	**7 094 789**

Compensation to directors and other key management comprises of salaries paid.

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Company	
Figures in Pula	**2024**	**2023**	**2024**	**2023**

34. Directors' emoluments

Executive

2024

	Emoluments	Total
G H Abdoola (Managing Director)	4 626 300	4 626 300
S Puvimanasinghe	2 036 800	2 036 800
	6 663 100	**6 663 100**

2023

	Emoluments	Total
G H Abdoola (Managing Director)	4 137 183	4 137 183
S Puvimanasinghe (Finance Director)	1 865 970	1 865 970
	6 003 153	**6 003 153**

* Directors emoluments is salaries paid to the executives.

Non-executive

2024

	Directors' fees	Committees fees	Directors' fees for services as directors' of subsidiaries	Retainers	Total
V Tebele	71 904	23 968	58 083	79 094	233 049
B D Phirie	71 904	23 968	-	83 888	179 760
A Chetty	71 904	23 968	74 239	79 094	249 205
S S Mantswe	71 904	47 936	-	79 094	198 934
S Manake	71 904	47 936	-	67 110	186 950
	359 520	**167 776**	**132 322**	**388 280**	**1 047 898**

2023

	Directors' fees	Committees fees	Directors' fees for services as directors' of subsidiaries	Retainers	Total
P Balopi (Retired 05 July 2022)	208 042	-	29 001	41 944	278 987
P Bezuidenhout (Retired 1 June 2022)	213 315	11 984	35 730	33 555	294 584
V Tebele	313 981	23 968	10 875	79 094	427 918
B D Phirie	361 584	23 968	-	75 499	461 051
A Chetty (Appointed 01 June 2022)	100 666	-	14 500	39 547	154 713
S S Mantswe (Appointed 01 June 2022)	55 126	23 968	-	39 547	118 641
S Manake (Appointed 01 September 2022)	88 682	11 984	-	33 555	134 221
	1 341 396	**95 872**	**90 106**	**342 741**	**1 870 115**

35. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

Group - 2024

	Note(s)	Amortised cost	Total	Fair value
Lease asset	9	21 309 510	21 309 510	-
Trade and other receivables	10	29 750 864	29 750 864	29 750 864
Cash and cash equivalents	11	27 098 773	27 098 773	27 098 773
		78 159 147	**78 159 147**	**56 849 637**

Group - 2023

	Note(s)	Amortised cost	Total	Fair value
Lease asset	9	16 397 797	16 397 797	-
Trade and other receivables	10	31 327 006	31 327 006	31 327 006
Cash and cash equivalents	11	9 542 151	9 542 151	9 542 151
		57 266 954	**57 266 954**	**40 869 157**

Company - 2024

	Note(s)	Amortised cost	Total	Fair value
Loans to group companies	7	173 439 532	173 439 532	-
Lease asset	9	13 829 715	13 829 715	-
Trade and other receivables	10	9 727 939	9 727 939	9 727 939
Cash and cash equivalents	11	17 344 362	17 344 362	17 344 362
		214 341 548	**214 341 548**	**27 072 301**

Company - 2023

	Note(s)	Amortised cost	Total	Fair value
Loans to group companies	7	190 863 452	190 863 452	-
Lease asset	9	12 240 715	12 240 715	-
Trade and other receivables	10	14 382 300	14 382 300	14 382 300
Cash and cash equivalents	11	3 892 636	3 892 636	3 892 636
		221 379 103	**221 379 103**	**18 274 936**

Notes to the Consolidated And Separate Annual Financial Statements

35. Financial instruments and risk management (continued)

Categories of financial liabilities

Group - 2024

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	14	42 209 937	42 209 937	-
Borrowings	13	594 656 118	594 656 118	-
		636 866 055	**636 866 055**	**-**

Group - 2023

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	14	42 634 642	42 634 642	-
Borrowings	13	530 115 547	530 115 547	-
Bank overdraft	11	44 985 271	44 985 271	44 985 271
		617 735 460	**617 735 460**	**44 985 271**

Company - 2024

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	14	15 604 664	15 604 664	15 604 664
Borrowings	13	594 656 118	594 656 118	594 656 118
		610 260 782	**610 260 782**	**610 260 782**

Company - 2023

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	14	6 486 040	6 486 040	6 486 040
Borrowings	13	530 115 547	530 115 547	530 115 547
Bank overdraft	11	44 985 271	44 985 271	44 985 271
		581 586 858	**581 586 858**	**581 586 858**

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in notes 13, cash and cash equivalents disclosed in note 11, and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholder, issue new shares or sell assets to reduce debt.

The group management maintains the threshold of borrowing powers in line with the limits specified by the board of directors.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The Group's strategy is to maintain a gearing ratio of between 0% to 40%.

The group has availed credit facilities from Barclays Bank Botswana Limited, these credit facilities are attached with financial covenants as referred in note 13. The Group during the year has not breached any of the covenants referred to in that note.

Notes to the Consolidated And Separate Annual Financial Statements

35. Financial instruments and risk management (continued)

There have been no changes to what the group manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

The gearing ratio at 2024 and 2023 respectively were as follows:

Borrowings	13	594 656 118	530 115 547	594 656 118	530 115 547
(Cash and cash equivalents) bank overdraft	11	(26 139 981)	39 273 367	(16 385 570)	44 922 882
Net borrowings		**568 516 137**	**569 388 914**	**578 270 548**	**575 038 429**
Equity		(1 922 672 953)	(1 835 768 048)	1 544 225 617	1 551 647 462
Gearing ratio		(30)%	(31)%	37 %	38 %

Financial risk management

Overview

The Group's activities expose it to a variety of financial risks: market risk including currency risk and cash flow interest rate risk, credit risk and liquidity risk.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by a Group finance department under policies approved by the board of directors. Group finance department identifies and evaluates financial risks in close co-operation with the Group's operating management. The board of directors provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Credit risk is the risk of financial loss to the Group if a tenant or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the lease of office space to tenants. The Group has addressed this risk by developing a credit policy, which guides on what steps to take when faced with such risk.

Trade debtors

Trade debtors mainly consists of tenants with outstanding rental balances at the reporting date.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the property sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Financial assets exposed to credit risk at year end were as follows:

Notes to the Consolidated And Separate Annual Financial Statements

35. Financial instruments and risk management (continued)

Group		2024			2023		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	10	38 543 017	(8 792 153)	29 750 864	39 014 060	(7 687 054)	31 327 006
Cash and cash equivalents	11	27 098 773	-	27 098 773	9 542 151	-	9 542 151
		65 641 790	**(8 792 153)**	**56 849 637**	**48 556 211**	**(7 687 054)**	**40 869 157**

Company		2024			2023		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Loans to group companies	7	173 439 532	-	173 439 532	190 863 452	-	190 863 452
Trade and other receivables	10	13 542 980	(3 815 041)	9 727 939	17 507 613	(3 125 313)	14 382 300
Cash and cash equivalents	11	17 344 362	-	17 344 362	3 892 636	-	3 892 636
		204 326 874	**(3 815 041)**	**200 511 833**	**212 263 701**	**(3 125 313)**	**209 138 388**

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis and may be updated throughout the year subject to approval of the Executive Management. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

Liquidity risk

Liquidity risk is the risk that operations cannot be funded and financial commitments cannot be met timeously and cost effectively. The risk arises from both the difference between the magnitude of assets and liabilities and the disproportion in their maturities. Liquidity risk management deals with the overall profile of the statement of financial position, the funding requirements of the company and cash flows. In quantifying the liquidity risk, future cash flow projections are simulated and necessary arrangements are put in place in order to ensure that all future cash flow commitments are met from the working capital generated by the company and also from available financial institutions' facilities.

The table below analyses the group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Group - 2024

		Less than 1 year	Due after one year	Total	Carrying amount
Non-current liabilities					
Borrowings	13	-	339 150 948	339 150 948	290 000 000
Current liabilities					
Trade and other payables	14	42 634 642	-	42 634 642	42 209 937
Borrowings	13	338 590 485	-	338 590 485	304 656 118
Bank overdraft	11	958 792	-	958 792	958 792
		382 183 919	**339 150 948**	**721 334 867**	**637 824 847**

Notes to the Consolidated And Separate Annual Financial Statements

35. Financial instruments and risk management (continued)

Group - 2023

		Less than 1 year	Due after one year	Total	Carrying amount
Non-current liabilities					
Borrowings	13	-	520 336 444	520 336 444	503 568 944
Current liabilities					
Trade and other payables		42 634 642	-	42 634 642	42 634 642
Borrowings	13	48 751 903	-	48 751 903	26 546 603
Bank overdraft	11	48 815 518	-	48 815 518	48 815 518
		140 202 063	**520 336 444**	**660 538 507**	**621 565 707**

Company - 2024

		Less than 1 year	Due after one year	Total	Carrying amount
Non-current liabilities					
Borrowings	13	-	339 150 948	339 150 948	290 000 000
Current liabilities					
Trade and other payables		15 604 664	-	15 604 664	15 604 664
Borrowings	13	338 590 485	-	338 590 485	304 656 118
Bank overdraft	11	958 792	-	958 792	958 792
		355 153 941	**339 150 948**	**694 304 889**	**611 219 574**
Non-current assets					
Loans to group companies		-	190 871 112	190 871 112	173 439 532
Current assets					
Loans to group companies		16 576 854	-	16 576 854	16 576 854
		16 576 854	**190 871 112**	**207 447 966**	**190 016 386**
		371 730 795	**530 022 060**	**901 752 855**	**801 235 960**

Notes to the Consolidated And Separate Annual Financial Statements

35. Financial instruments and risk management (continued)

Company - 2023

		Less than 1 year	Due after one year	Total	Carrying amount
Non-current liabilities					
Borrowings	13	-	520 568 944	520 568 944	503 568 944
Current liabilities					
Trade and other payables	14	6 486 040	-	6 486 040	6 486 040
Borrowings	13	48 715 903	-	48 715 903	26 546 603
Bank overdraft	11	48 815 518	-	48 815 518	48 815 518
		104 017 461	**520 568 944**	**624 586 405**	**585 417 105**
Non-current assets					
Loans to group companies		-	209 936 127	209 936 127	190 863 452
Current assets					
Loans to group companies		18 137 480	-	18 137 480	18 137 480
		18 137 480	**209 936 127**	**228 073 607**	**209 000 932**
		122 154 941	**730 505 071**	**852 660 012**	**794 418 037**

Foreign currency risk

The Group operates within Africa and Dubai region with exposure to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group owns subsidiary companies which holds investment properties in Tanzania and Dubai and is accordingly exposed to foreign exchange risk in respect of financial assets and liabilities that are not in the Group's functional currency which is the Botswana Pula. To mitigate the group's exposure to foreign currency risk, the management tries to balance the exposure between the long term borrowings and the loans receivable from the subsidiaries with similar currency.

Group

At 31 January 2024, if the currency had strengthened by 10% against the US dollar with all other variables held constant, pre-tax profit/impact on equity for the year would have been P 14 349 926 (2023: P 14 202 108) higher, mainly as a result of foreign exchange gains on translation of US dollar denominated financial assets and borrowings.

At 31 January 2024, if the currency had weakened by 10% against the US dollar with all other variables held constant, pre-tax profit/ impact on equity for the year would have been P 12 914 933 (2023: P 15 738 720) lower, mainly as a result of foreign exchange loss on translation of US dollar denominated financial assets and borrowings.

Company

At 31 January 2024, if the currency had strengthened by 10% against the US dollar with all other variables held constant, pre-tax profit/ impact on equity for the year would have been P 2 141 691 (2023: P 3 644 625) higher, mainly as a result of foreign exchange gains on translation of US dollar denominated financial assets and borrowings.

At 31 January 2024, if the currency had weakened by 10% against the US dollar with all other variables held constant, pre-tax profit/ impact on equity for the year would have been P 1 927 522 (2023: P 3 717 344) lower, mainly as a result of foreign exchange loss on translation of US dollar denominated financial assets and borrowings.

Notes to the Consolidated And Separate Annual Financial Statements

35. Financial instruments and risk management (continued)

Exposure in foreign currency amounts

The net carrying amounts, in foreign currency of the above exposure was as follows:

US Dollar exposure:

Non-current assets:					
Loans receivable USD 12 713 118 (2023 USD 14 849 177)		-	-	173 439 532	190 863 452
Trade and other receivables	10	21 060 468	19 641 453	-	-
Current assets:					
Cash and cash equivalents	11	24 576 985	5 649 515	14 228 005	1 749 016
Non-current liabilities:					
Borrowings	13	306 616 644	288 881 478	306 616 644	288 881 478
Trade and other payables	14	38 098 889	45 356 728	-	-
Net US Dollar exposure		**390 352 986**	**359 529 174**	**494 284 181**	**481 493 946**

Interest rate risk

The Group has significant interest-bearing assets and significant interest-bearing borrowings. The group's income and operating cash flows are substantially affected by the changes in market interest rates.

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. During 2024 and 2023, the group's borrowings at variable rate were denominated in Pula and US Dollar.

At 31 January 2024, if interest rates on Pula-denominated borrowings and interest bearing assets had been 10% higher/lower with all other variables held constant, Group pre-tax profit for the year would have been P 3 878 529 (2023: P 3 090 614) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

Interest rate profile

The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

	Note	Average effective interest rate		Carrying amount	
Group		**2024**	**2023**	**2024**	**2023**
Assets					
Cash and cash equivalents	11	5,20 %	3,42 %	27 098 773	9 483 165
Short term deposits	11	- %	5,50 %	-	58 986
				27 098 773	**9 542 151**
Liabilities					
Bank overdraft	11	6,51 %	6,76 %	958 792	48 815 518
Borrowings in Botswana Pula at local rate	13	7,40 %	4,95 %	290 000 000	241 579 194
Borrowings in USD Libor	13	6,51 %	6,76 %	-	288 536 353
				290 958 792	**578 931 065**

Notes to the Consolidated And Separate Annual Financial Statements

35. Financial instruments and risk management (continued)

Company	Note	Average effective interest rate 2024	Average effective interest rate 2023	Carrying amount 2024	Carrying amount 2023
Assets					
Loans to group companies	7	11,07 %	8,30 %	173 439 532	190 863 452
Cash and cash equivalents	11	5,20 %	3,42 %	17 344 362	3 833 650
Short term deposits		- %	5,50 %	-	58 986
				190 783 894	**194 756 088**
Liabilities					
Bank overdraft	11	6,51 %	6,76 %	958 792	48 815 518
Borrowings in Botswana Pula at local rate	13	7,40 %	4,95 %	290 000 000	241 579 194
Borrowings in USD Libor	13	6,51 %	6,76 %	-	288 536 353
				290 958 792	**578 931 065**

36. Fair value information

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the group can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Levels of fair value measurements

Level 3

Recurring fair value measurements

	Note(s)				
Assets					
	3				
Investment property					
Investment property		2 726 602 519	2 599 722 059	1 439 670 285	1 427 539 285
Total		**2 726 602 519**	**2 599 722 059**	**1 439 670 285**	**1 427 539 285**

Notes to the Consolidated And Separate Annual Financial Statements

	Group		Company	
Figures in Pula	**2024**	**2023**	**2024**	**2023**

36. Fair value information (continued)

Reconciliation of assets and liabilities measured at level 3

	Note(s)	Opening balance	Gains/losses recognised in profit or loss	Additions	Foreign exchange movement	Other changes, movements	Closing balance
Group - 2024							
Assets							
Investment property							
Investment property		2 599 722 059	49 781 650	5 912 461	66 640 651	4 545 698	2 726 602 519
Total		**2 599 722 059**	**49 781 650**	**5 912 461**	**66 640 651**	**4 545 698**	**2 726 602 519**
Group - 2023							
Assets	3						
Investment property							
Investment property		2 460 487 166	31 184 126	4 888 805	103 032 455	129 507	2 599 722 059
Total		**2 460 487 166**	**31 184 126**	**4 888 805**	**103 032 455**	**129 507**	**2 599 722 059**
Company - 2024							
Assets	3						
Investment property							
Investment property		1 427 539 285	6 218 539	5 912 461	-	-	1 439 670 285
Total		**1 427 539 285**	**6 218 539**	**5 912 461**	**-**	**-**	**1 439 670 285**
Company - 2023							
Assets	3						
Investment property							
Investment property		1 404 778 381	17 872 099	4 888 805	-	-	1 427 539 285
Total		**1 404 778 381**	**17 872 099**	**4 888 805**	**-**	**-**	**1 427 539 285**

36. Fair value information (continued)

Information about valuation techniques and inputs used to derive level 3 fair values

Investment property - Retail segment Botswana

Retail segment comprises of the following properties Game City Shopping Centre, Nzano Shopping Centre and Super Save Mall. The fair values of these properties determined by independent valuers is P 1 345 770 000 (2023: 1 333 400 000). The fair values of these properties are estimated using an income approach which capitalises the estimated rental income stream, net of projected operating costs, using a discount rate derived from market yields implied by recent transactions in similar properties. The estimated market rental per square meter used by the valuer in the projected cash flows are within the range of future contractual rent agreed by the Company with its tenants. The estimated rental stream takes into account current occupancy level, estimates of future vacancy levels, rental escalation as per lease agreements signed by the tenants.

Investment property - Commercial segment Botswana

Commercial segment comprises of the following properties; Turnstar House and Plot 63 in Commerce Park. The fair values of these properties determined by independent valuers is P 60 450 000 (2023: 59 240 000). The fair values of these properties are estimated using an income approach which capitalises the estimated rental income stream, net of projected operating costs, using a discount rate derived from market yields implied by recent transactions in similar properties. The estimated market rental per square meter used by the valuer in the projected cash flows are within the range of future contractual rent agreed by the company with its tenants. The estimated rental stream takes into account current occupancy level, estimates of future vacancy levels, rental escalation as per lease agreements signed by the tenants.

Investment property - Residential segment Botswana

Residential segment comprises of the following properties Mogoditshane Flats and Tapologo Apartments. The fair values of these properties are determined by independent valuers is P 47 280 000 (2023: 47 140 000). The fair values of these properties are estimated using an income approach which capitalises the estimated rental income stream, net of projected operating costs, using a discount rate derived from market yields implied by recent transactions in similar properties. The estimated market rental per square meter used by the valuer in the projected cash flows are within the range of future contractual rent agreed by the company with its tenants. The estimated rental stream takes into account current occupancy level, estimates of future vacancy levels, rental escalation as per lease agreements signed by the tenants. For all investment property that is measured at fair value, the current use of the property is considered the highest and best use.

The most significant inputs, all of which are unobservable, are the discount rate, long term revenue growth rate, long term expenditure growth rate, estimated rental value, reversionary capitalisation rate and assumptions about vacancy levels. The estimated fair value increases if the estimated rental increases, long term revenue growth rate increases, long term expenditure rate reduces, rental escalation increases, discount rate and reversionary discount rate declines The overall valuations are sensitive to all these assumptions. The valuation was done on 31 January 2024 and the inputs used in the valuations for the year ended 31 January 2024 were as follows:

Assumptions used for valuation of properties in Botswana - 2024	**Retail**	**Commercial**	**Residential**
Average discount rate	9.54-10.63%	8.74- 9.5%	8%
Average occupancy rate	99%	87%	100%
Long-term revenue Growth Rate - As per valuation	6%	5%	6%
Long-term expenditure Growth Rate - As per Valuation	5%	10%	8%
Average lease period	2 - 25 Yrs	3 - 5 Yrs	1 - 2 Yrs
Average Escalation/ Rental- From MDA	5-8%	5-10%	5-6%

Assumptions used for valuation of properties in Botswana - 2023	**Retail**	**Commercial**	**Residential**
Average discount rate	9.54-10.63%	8.74- 9.5%	8%
Average occupancy rate	99%	87%	100%
Long-term revenue Growth Rate - As per valuation	6%	5%	6%
Long-term expenditure Growth Rate - As per Valuation	5%	10%	8%
Average lease period	2 - 25 Yrs	3 - 5 Yrs	1 - 2 Yrs
Average Escalation/ Rental- From MDA	5-8%	5-10%	6-10%

36. Fair value information (continued)

Palazzo Venezia Dubai property

Turnstar Investments Limited. a subsidiary company owns, Palazzo Venezia Holding property a commercial property valued at Pula 27 479 995 (USD 2 051 771), (2023 : 24 821 718, USD 1 980 928) The fair values of these properties are estimated using an income approach which capitalises the estimated rental income stream, net of projected operating costs, using a discount rate derived from market yields implied by recent transactions in similar properties. The estimated market rental per square meter used by the Director in the projected cash flows are within the range of future contractual rent agreed by the company with its tenants. The estimated rental stream takes into account current occupancy level, estimates of future vacancy levels, rental escalation as per lease agreements signed by the tenants. For all investment property that is measured at fair value, the current use of the property is considered the highest and best use.

	2024	2023
Assumptions	**Commercial**	**Commercial**
Income capitalisation rate	8,00%	8,00 %
Discount rate	9,00%	9,00 %
Long-term revenue Growth Rate - As per valuation	5,00%	5,00 %
Discounted cash flow period	5	5
Average lease period	1	1
Average Escalation/ Rental- From MDA	5,00%	5,00 %

Mlimani Holdings Limited properties consist of Retail, Office Park, Conference centre and Housing units

Mlimani Holdings Limited properties comprises of the following properties Retail, Office Park, Conference centre, Housing units and unutilised bulk land with their fair values determined by independent valuers at P 840 840 000 (USD 63 700 000), P 212 520 000 (USD 16 100 000), P 91 080 000 (USD 6 900 000), P 63 360 000 (USD 4 800 000) and P 51 480 000 (USD 3 900 000) respectively, (2023: P 770 646 000 (USD 61 800 000), P192 038 000(USD 15 400 000), P 78 561 000 (USD 6 300 000), P 57 362 000 (USD 4 600 000) and P 48 633 000 (USD 3 900 000)). The fair values of these properties are estimated using an income approach which capitalises the estimated rental income stream, net of projected operating costs, using a discount rate derived from market yields implied by recent transactions in similar properties. The estimated market rental per square meter used by the valuer in the projected cash flows are within the range of future contractual rent agreed by the subsidiary with its tenants. The estimated rental stream takes into account current occupancy level, estimates of future vacancy levels, rental escalation as per lease agreements signed by the tenants. However for property where there is no income earned during the year, a comparable market approach was considered taking into account the location of the property. For all investment property that is measured at fair value, the current use of the property is considered the highest and best use.

	2024		2023	
Assumptions for the properties located in Tanzania and Dubai	**Retail**	**Office Park**	**Retail**	**Office Park**
Income capitalisation rate	8.25%	8.75%	8.25%	9%
Discount rate	12.5%	12.75%	12.5%	13%
Average occupancy rate	90-100%	90-100%	90-100%	90-100%
Long-term revenue Growth Rate - As per valuation	3%	3%	3%	3%
Long-term expenditure Growth Rate - As per Valuation	4.00%	4.00%	2.9%	2.9%
Discounted cash flow period	5 years	5 years	5 years	5 years
Average lease period	3 -5 years	3 - 5 years	3 - 5 years	3 - 5 years
Average Escalation/ Rental- From MDA	2 - 4%	2 - 4%	3 - 5 years	3 - 5 years

Valuation processes applied by the Group

The fair value of investment properties is determined by qualified property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being values. The valuation company provides the fair value of the Group's investment portfolio basis.

Sensitivity analysis for investment property carried at fair value

The best evidence of fair value is current prices in an active market for similar properties. In the absence of such information the company and group determines the estimated fair value internally.

The key assumptions underlying the investment method is capitalisation rate used.

Notes to the Consolidated And Separate Annual Financial Statements

36. Fair value information (continued)

Capitalisation rate sensitivity	Group		Company	
	2024	**2023**	**2024**	**2023**
Weighted average capitalisation rate	10.15	9.7%	8.62%	10.71%
1% upward shift	237M	240.4M	140M	120.8M
1% downward shift	290M	296.5M	174M	145.5M

Fair value of financial instruments measured at amortised cost

Following types of financial instruments which are measured at amortised cost for which the carrying amount disclosed in the respective notes are considered a reasonable approximation of fair value:

- trade and other receivables

- cash and cash equivalents

- trade and other payables

- borrowings

37. Events after the reporting period

The Russian/Ukraine conflict continues to have an impact on global markets, resulting in volatility in interest and inflation rates. Interest rates is a critical component in calculating the capitalisation rates and therefore fair value of the Group's property portfolio. The volatility in interest rates continuing into the following financial year is therefore expected to also have a continuing impact on the Group's property portfolio valuation.

The Board of Directors have resolved to acquire the Lotsane Mall in Palapye, subject to the statutory approvals from authorities. The proposed transaction will grow Turnstar's portfolio value to over P 2.850 billion and increase it's total portfolio size to approx 105,000 m2 of G.L.A . This will benefit the company and the shareholders through increased rental revenues.

38. Prior period errors

Statement of Financial Position as at 31 January 2023	Group			Company		
	Previously reported	**Adjustments**	**As restated**	**Previously reported**	**Adjustments**	**As restated**
Equity						
Opening retained earnings	930 125 172	21 473 218	951 598 390	897 676 889	21 473 218	919 150 107
Liabilities						
Deferred tax	214 963 495	(21 473 218)	193 490 277	72 763 701	(21 473 218)	51 290 483
Statement of Profit or Loss for period ended 31 January 2023						
Profit before taxation	112 156 177	-	112 156 177	89 803 848	-	89 803 848
Taxation	(4 128 002)	11 736 620	7 608 618	12 465 233	11 736 620	24 201 853
Profit for the year	**108 028 175**	**11 736 620**	**119 764 795**	**102 269 081**	**11 736 620**	**114 005 701**
Basic earnings per linked unit	0,19	0,02	0,21	0,18	0,02	0,20
Diluted earnings per linked unit	0,19	0,02	0,21	0,18	0,02	0,20

Notes to the Consolidated And Separate Annual Financial Statements

38. Prior period errors (continued)

Statement of Financial Position as at 31 January 2022	Group			Company		
	Previously reported	Adjustments	As restated	Previously reported	Adjustments	As restated
Equity						
Opening retained earnings	925 084 645	9 736 598	934 821 243	898 395 456	9 736 598	908 132 054
Liabilities						
Deferred tax	200 361 667	(9 736 598)	190 625 069	85 228 934	(9 736 598)	75 492 336
Statement of Profit or Loss for period ended 31 January 2022						
Profit before taxation	114 361 578	-	114 361 578	78 290 784	-	78 290 784
Taxation	(13 425 106)	9 736 598	(3 688 508)	4 090 362	9 736 598	13 826 960
Profit for the year	**100 936 472**	**9 736 598**	**110 673 070**	**82 381 146**	**9 736 598**	**92 117 744**
Basic earnings per linked unit	0,18	0,01	0,19	0,14	0,01	0,15
Diluted earnings per linked unit	0,18	0,01	0,19	0,14	0,01	0,15

The Group's Deferred tax computation contained a formulae error in which the tax loss was included as a deferred tax liability, whereby it should be a deferred tax asset. The error has been consistently applied in the calculation of the Group's deferred taxation calculation since 2022.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors requires an entity to correct material prior period errors retrospectively in the first set of financial statements authorised for issue after their discovery by:

(i) restating the comparative amounts for the prior period(s) presented in which the error occurred; or

(ii) if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

To correct the errors, the group has presented a third balance sheet as at 31 January 2022 because the errors date as far back as 2022. In addition, the financial statements for the year ending 31 January 2023 have been restated to correct the errors. A summary of the financial impact resulting from the correction of the errors is presented above.

The error discussed above had a material impact on the carrying amount of deferred tax liability as well as reported profits. The correction of the errors has resulted in material reduction in the carrying amount of deferred liability.

The impact as at 31 January 2023 is a decrease in the deferred tax liability of P21,473,218 and a corresponding decrease to the income tax expense in 2023 of P11,736,620 and a similar decrease of P9,736,598, which went through retained earnings on 01 Febrauary 2022.

39. Segment report

Primary segment - Geographical segment	2024	2023	2024	2023	2024	2023	Figures in Pula 2024	Figures in Pula 2023
	Botswana	Botswana	Tanzania	Tanzania	Dubai	Dubai	Consolidated	Consolidated
Revenues from external customers	166 225 198	158 318 710	160 219 104	131 180 451	2 058 373	1 768 707	**328 502 676**	**291 267 868**
Inter segment revenues					-	-	-	-
Total segment revenues	**166 225 198**	**158 318 710**	**160 219 104**	**131 180 451**	**2 058 373**	**1 768 707**	**328 502 676**	**291 267 868**
Segment property direct and indirect expenses	66 475 322	62 386 838	57 551 410	47 842 250	1 891 685	7 226 245	125 918 417	117 455 334
Segment operating profit	**99 749 876**	**95 931 872**	**102 667 694**	**83 338 201**	**166 688**	**- 5 457 539**	**202 584 258**	**173 812 534**
Segment Assets	**1 481 881 367**	**1 459 139 799**	**1 300 169 172**	**1 177 608 343**	**27 605 776**	**25 278 103**	**2 809 656 315**	**2 662 026 244**
Segment assets include the following:								
Investment property	1 439 670 285	1 427 539 285	1 259 452 239	1 147 361 056	27 479 995	24 821 718	2 726 602 519	2 599 722 059
Property plant and equipment	265 357	268 782	1 596 243	1 660 084	-	-	1 861 600	1 928 866
Operating lease asset	13 829 715	12 240 715	7 479 795	4 157 082	-	-	21 309 510	16 397 797
Trade and other receivables	10 771 648	15 198 381	21 886 483	18 780 606	125 782	456 384	32 783 913	34 435 371
Cash and cash equivalents	17 344 362	3 892 636	9 754 411	5 649 515		-	27 098 773	9 542 151
Segment Liabilities	**652 624 511**	**639 885 016**	**234 350 487**	**186 199 188**	**8 365**	**173 989**	**886 983 363**	**826 258 193**
Segment liabilities include the following:								
Borrowings	594 656 118	530 115 547	-	-	-	-	594 656 118	530 115 547
Deferred tax	34 974 943	51 290 483	196 259 961	142 199 794	-	-	231 234 904	193 490 277
Trade and other paybles	19 483 630	7 412 523	38 090 526	43 999 394	8 365	173 989	57 582 521	51 585 906
Current tax payable	-	-	-	-	-	-	-	-
Unclaimed debenture interest and dividend payable	2 551 028	2 250 945	-	-	-	-	2 551 028	2 250 945
Bank overdraft	958 792	48 815 518	-	-	-	-	958 792	48 815 518

Secondary segment- Operating segment	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	Figures in Pula 2024	Figures in Pula 2023
Revenues	Retail				Commercial							
	Botswana	Botswana	Tanzania	Tanzania	Botswana	Botswana	Tanzania	Tanzania	Dubai	Dubai	Consolidated	Consolidated
Rental income from external customers	**155 163 505**	**147 316 710**	**115 537 478**	**105 242 185**	**11 061 693**	**11 002 001**	**44 681 626**	**25 938 265**	**2 058 373**	**1 768 549**	328 502 676	291 267 710
Inter segmental revenues												
Total segment revenues	**155 163 505**	**147 316 710**	**115 537 478**	**105 242 185**	**11 061 693**	**11 002 001**	**44 681 626**	**25 938 265**	**2 058 373**	**1 768 549**	**328 502 676**	**291 267 710**
Segment expenses	61 336 406	58 180 503	43 526 038	39 815 163	5 138 916	4 206 336	14 025 371	8 027 087	1 891 685	7 226 245	125 918 417	117 455 334
Segment operating profit	**93 827 099**	**89 136 207**	**72 011 440**	**65 427 023**	**5 922 777**	**6 795 665**	**30 656 255**	**17 911 178**	**166 688**	**-5 457 697**	**202 584 258**	**173 812 376**

	Figures in Pula 2024	Figures in Pula 2023
Reconciliation of group net profit before tax		
Total reporting segment operating profit	202 584 258	173 812 376
Salaries and wages	(19 216 122)	(16 375 993)
Loss on exchange difference	11 699 909	19 455 155
Profit on exchange differences	(22 021 526)	(31 077 832)
Sundry income	3 228 233	3 083 810
Corporate expenses	(10 424 612)	(7 173 018)
Goodwill impairment	-	(29 864 906)
Operating profit	**165 850 140**	**111 859 591**
Finance income	662 286	16 074
Finance costs	(38 785 285)	(30 903 614)
Fair value adjustments	49 781 650	31 184 126
Group profit before tax	**177 508 791**	**112 156 177**

Segment information is organised into two, georaphical and into operating segments which comprises retail and commercial. The segments are the basis on which the company reports its primary segment information.
Retail segment comprises Game City, Nzano, Supa Save and Mlimani shopping centres. The commercial segment incorporates office, residential, industrial properties in Botswana,Tanzania and Dubai.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
PROTECTING BUSINESS INTERESTS

ANNEXURE 9

Company Extract

General Details

UIN	BW00000973397
Company Name	Turnstar Holdings Limited
Company Type	Public Company
Company Status	Registered
Incorporation Date	07 November 2000
Re-Registration Date	29 October 2019
Have own constitution?	Yes
Annual Return Filing Month	November

Addresses

Registered Office Address	Grant Thornton Business Services, Plot 50370, Acumen Park, Fairgrounds, Gaborone, Botswana
Postal Address	P O Box 1157, Gaborone, Botswana
Principal Place of Business	Centre Management Offices, Game City Management Offices, Game City Retail Center, Kgale, Gaborone, Botswana

Directors

Gulaam Husain Abdoola

Residential Address	Plot 2436, Extension 9, Gaborone, Botswana
Postal Address	P O Box 26012, Game City, Gaborone, Botswana
Appointment Date	12 February 2001

Shiran Naomal Chrysanthus Puvimanasinghe

Residential Address	Plot 10311, Extension 39, Maruapula, Gaborone, Botswana
Postal Address	P O Box 26012, Game City, Gaborone, Botswana
Appointment Date	11 December 2014

Company Extract

Victoria Tlamelo Tebele

Residential Address	Plot 6611, Maratanang Ward, Tlokweng, Botswana
Postal Address	P O Box 868 Abg, Gaborone, Botswana
Appointment Date	01 February 2021

Butler Daniel Phirie

Residential Address	Plot 53670, Phakalane Golf Estate, Gaborone, Botswana
Postal Address	P O Box 294, Gaborone, Botswana
Appointment Date	01 July 2021

Amaresh Chetty

Residential Address	46 First Road, Unit 6, Hyde Park, Johannesburg, 2196, South Africa
Postal Address	46 First Road, Unit 6, Hyde Park, Johannesburg, 2196, South Africa
Appointment Date	01 July 2022

Solomon Seoketsi Mantswe

Residential Address	Plot 57441, Block 10, Gaborone, Botswana
Postal Address	Private Bag 0012, Gaborone, Botswana
Appointment Date	01 July 2022

Henrietta Sethebe Manake

Residential Address	Plot 6231, Ramfurwa Ward, Tlokweng, Botswana
Postal Address	P O Box 81942, Gaborone, Botswana
Appointment Date	01 September 2022

Secretaries

Grant Thornton Business Services Proprietary Limited (BW00000054968)

Company Name	Grant Thornton Business Services Proprietary Limited
Registered Office Address	Plot 50370, Acumen Park, Fairgrounds, Gaborone, Botswana
Appointment Date	17 September 2020

Company Extract

Auditors

Francois Jacobus Roos (Ernst & Young)

Residential Address	Plot 53711, Phakalane, Gaborone, Botswana
Appointment Date	10 November 2022

Shareholders

Fnb Botswana Nominees (Pty) Ltd Re: Ag Bpopf Equity (147)

Entity Name	Fnb Botswana Nominees (Pty) Ltd Re: Ag Bpopf Equity
Address	Plot 54366, Central Business District, Gaborone, Botswana
Postal Address	P O Box 1552, Gaborone, Botswana
Appointment Date	23 October 2002

G.H. Group Proprietary Limited (BW00000593092)

Company Name	G.H. Group Proprietary Limited
Registered Office Address	Acumen Park, Plot 50370, Fairgrounds, Gaborone, Botswana
Postal Address	P O Box 26012, Game City, Gaborone, Botswana
Appointment Date	12 April 2001

Associated Investment And Development Corporation Proprietary Limited (BW00000635964)

Company Name	Associated Investment And Development Corporation Proprietary Limited
Registered Office Address	Plot 50371, Fairground Office Park, Gaborone, Botswana
Postal Address	P O Box 786, Gaborone, Botswana
Appointment Date	23 October 2002

Company Extract

Fnb Botswana Nominees (Pty) Ltd Re:Aa Bpopf Equity (147)

Entity Name	Fnb Botswana Nominees (Pty) Ltd Re:Aa Bpopf Equity
Address	Plot 54362, Central Business District, Gaborone, Botswana
Postal Address	P O Box 1552, Gaborone, Botswana
Appointment Date	23 October 2002

Fnb Botswana Nominees (Pty) Ltd Re:Bifm Bpopf-Equity (147)

Entity Name	Fnb Botswana Nominees (Pty) Ltd Re:Bifm Bpopf-Equity
Address	Plot 54366, Central Business District, Gaborone, Botswana
Postal Address	P O Box 1552, Gaborone, Botswana
Appointment Date	23 October 2002

Allan Gray Re Debswana Pension Fund (011)

Entity Name	Allan Gray Re Debswana Pension Fund
Address	Plot 54354, Unit 2, Central Square, New Central Business District, Gaborone, Botswana
Postal Address	P O Box 457, Add, Gaborone, Botswana
Appointment Date	23 October 2002

Stanbic Nominees Re: Botswana Insurance Fund Management (011)

Entity Name	Stanbic Nominees Re: Botswana Insurance Fund Management
Address	Plot 50672, Stanbic House, Off Machel Drive, Fairgrounds, Gaborone, Botswana
Postal Address	Private Bag 00168, Gaborone, Botswana
Appointment Date	23 October 2002

Motor Vehicle Accident Fund Act,2007 Limited

Company Name	Motor Vehicle Accident Fund Act,2007 Limited
Registered Office Address	Botswana
Postal Address	Private Bag 00438, Gaborone, Botswana
Appointment Date	23 October 2002

Company Extract

Fnb Botswana Nominees (Pty) Ltd Re: Allangray Bpopf Equity Portfolio B (147)

Entity Name	Fnb Botswana Nominees (Pty) Ltd Re: Allangray Bpopf Equity Portfolio B
Address	Plot 54366, Central Business District, Gaborone, Botswana
Postal Address	P O Box 1552, Gaborone, Botswana
Appointment Date	23 October 2002

Fnb Noms Bw (Pty) Ltd Re: Bpopf Equity Portfolio C - Allan Gray (147)

Entity Name	Fnb Noms Bw (Pty) Ltd Re: Bpopf Equity Portfolio C - Allan Gray
Address	Plot 54366, Central Business District, Gaborone, Botswana
Postal Address	P O Box 1552, Gaborone, Botswana
Appointment Date	23 October 2002

Share Allocations

Company Extract

The total number of shares for this company	480795496
Number of Shares	105909729
Shareholder Name	Fnb Botswana Nominees (Pty) Ltd Re: Ag Bpopf Equity
Number of Shares	80000000
Shareholder Name	G.H. Group Proprietary Limited
Number of Shares	58583407
Shareholder Name	Associated Investment And Development Corporation Proprietary Limited
Number of Shares	55520450
Shareholder Name	Fnb Botswana Nominees (Pty) Ltd Re:Aa Bpopf Equity
Number of Shares	49707352
Shareholder Name	Fnb Botswana Nominees (Pty) Ltd Re:Bifm Bpopf-Equity
Number of Shares	38363365
Shareholder Name	Allan Gray Re Debswana Pension Fund
Number of Shares	28934646
Shareholder Name	Stanbic Nominees Re: Botswana Insurance Fund Management
Number of Shares	27449863
Shareholder Name	Motor Vehicle Accident Fund Act,2007 Limited
Number of Shares	25134346
Shareholder Name	Fnb Botswana Nominees (Pty) Ltd Re: Allangray Bpopf Equity Portfolio B
Number of Shares	11192338
Shareholder Name	Fnb Noms Bw (Pty) Ltd Re: Bpopf Equity Portfolio C - Allan Gray

ANNEXURE 10

Crowe Goel & Associates
122/2F Gaborone International
Finance Park, Gaborone
PO Box 60552, Gaborone
Main +267 395 9730 / 393 3120
Fax +267 393 3119

22 May 2024

To whom it may concern

We refer to the Announcement and Circular dated on or around 22 May 2024 of Turnstar Holdings Limited relating to, among other things, the acquisition of the Lotsane Junction Mall (the "**Circular**"). Unless the context otherwise requires, terms used below shall have the same meaning as those defined in the Circular.

We hereby give, and have not withdrawn, our consent to the issue of the Circular with the inclusion therein of our name, our opinions, and all references thereto in the form and context in which they respectively appear in the Circular.

We hereby give, and have not withdrawn, our consent to this letter being made available for display as described in the Circular.

As of the Latest Practicable Date,

(i) We do not have any shareholding in any of the parties subject to the Proposed Transaction or any right (whether legally enforceable or not) to subscribe for or to nominate person(s) to subscribe for securities in any member of the parties.

(ii) We do not have direct or indirect interest in any assets which have been acquired or disposed of by or leased to any of the parties or are proposed to be acquired or disposed of by or leased to any of the parties since 31 January 2024, being the date to which the latest published audited consolidated financial statements of Turnstar were made up.

Yours faithfully,

For and on behalf of
Crowe Goel & Associates

Name: SANJAY GOEL
Title: MANAGING PARTNER

Crowe Goel & Associates
122/2F Gaborone International
Finance Park, Gaborone
PO Box 60552, Gaborone
Main +267 395 9730 / 393 3120
Fax +267 393 3119
www.crowe.co.bw

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN A CIRCULAR

To the independent Board of Directors of Turnstar Holdings Limited

We have completed our assurance engagement to report on the compilation of pro forma financial information of Turnstar Holdings Limited ("the Company") by the Directors. The pro forma financial information consists of the pro forma Statement of Financial Position as of 31 January 2024 and the pro forma Statement of Profit & Loss for the year ended 31 January 2024. The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are specified in the Botswana Stock Exchange (BSE) Equity Listings Requirements.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the event or transaction set out in the Circular, on the Company's financial position as of 31 January 2024 and the Company's financial performance for the year ended 31 January 2024, as if the event or transaction had taken place on 31 January 2024. As part of this process, information about the Company's financial position and financial performance has been extracted by the Directors from the Company's financial statements for the year ended 31 January 2024, on which an audit report has been published.

Director's Responsibility for the Pro Forma Financial Information
The Directors are responsible for compiling the pro forma financial information on the basis of the applicable criteria specified in BSE Equity Listing Requirements.

Our Independence and Quality Management
We have complied with the independence and other ethical requirement of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)(IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities
Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by the Directors on the basis of the applicable criteria specified in the BSE Equity Listings Requirements.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the pro forma financial information on the basis of the BSE Equity Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in the circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purpose of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 January 2024 would have been as presented.

A reasonable assurance engagement to report on the whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributed to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the Company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

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

Opinion
In our opinion, the pro forma statement of financial position, as presented in paragraph 7 of the circular, has been compiled, in all material respects, on the basis of the applicable criteria specified by the BSE Equity Listings Requirements.

Other matter
Please note that we have also acted as Independent Professional Experts to Turnstar Holdings Limited and have provided a Fair and Reasonable Opinion in respect of the transaction.

Crowe Goel & Associates

Crowe Goel & Associates
Audit Firm of Public Interest Entity (FAP 009 2024), and
BSE Registered Reporting Accountants
Sanjay Goel
Certified Auditor of Public Interest Entities (CAP 0027 2024)

22 May 2024
Gaborone