

Unaudited abridged group interim results for the half year ended 31 July 2022

GROUP REVENUE
11%

11.90
EARNING PER
SHARE HALF YEAR

Directors: B D Phirie(Chairperson), G H Abdoola (MD), S Puvimanasinghe,V T Tebele Amaresh Chetty (Appointed 1 July 2022),S S Mantsewe (Appointed 1 July 2022) ,S Manake (Appointed 1 September 2022) P K Balopi(Retired 05 July 2022),P Bezuidenhout (Retired 30 June 2022)

Registered Office: Acumen Park, Plot 50370, Fairground Office Park, P O Box 1172 Gaborone

Transfer secretaries: Grant Thornton Business Services (Proprietary) Limited,

Auditors: Ernst & Young, 2nd Floor Plot 22, Khama Crescent PO Box 41015 Gaborone, Botswana

The Board of Directors of Turnstar Holdings Limited are pleased to present the unaudited Group Financial results, for the 6 month period ended 31 July 2022.

The Group consists of Turnstar Holdings Limited (Botswana), Island View (Proprietary) Limited (Botswana), Mlimani Holdings Limited (Tanzania), Turnstar Investments Limited (UAE) and Palazzo Venezia Holdings Limited (UAE). We hereby report on the performance of the group.

Basis of preparation and accounting policies

The summarised financial results have been prepared in accordance with International Financial Reporting Standards ("IFRS"), and contain the information required by IAS 34, Interim Financial Reporting. In preparing the underlying financial statements from which these summarised financial results were extracted, all IFRS and International Reporting Interpretations Committee interpretations issued and effective for annual periods beginning on or after 1st of January 2022 have been applied. The Group's underlying consolidated financial statements have been prepared in accordance with IFRS. The principal accounting policies are consistent in all material aspects with those adopted in the previous year.

OVERVIEW

The rental revenues of the Group for the half year period ended 31 July 2022 increased by approximately 11.3% compared to the corresponding half year period ended 31 July 2021 (P 128.2 million for the half year period ended 31 July 2021 compared to P 142.7 million for the half year period ended 31 July 2022). The increase in rental revenues resulted in a marginal increase in the Group's operational profit despite current inflationary cost increases, when compared to the corresponding half year period ended 31 July 2021.

Escalating borrowing rates resulted in an increase in the Group's finance costs compared to the comparative prior period. The US Dollar also appreciated substantially against the Botswana Pula, during the current half year period, resulting in foreign exchange losses recognised on the Group's borrowings denominated in US Dollar.

As a result of the inflationary cost pressures together with the increase in finance costs and foreign exchange losses referred to above, the Group's profit before taxation, for the half year period ended 31 July 2022, is 11.5% lower (or P7 million) from P 61 million for the half year period ended 31 July 2021 to P 54 million for the half year period ended 31 July 2022.

After realisation of deferred tax and an exchange gain on translating of the Group's foreign operations, the Group's comprehensive income for the half year period ended 31 July 2022, has increased by 103% (P61 million) from P59 million for the half year period ended 31 July 2021 to approximately P 120 million for the half year period ended 31 July 2022.

Stakeholders are reminded that foreign exchange translation gains are unrealized and are dependent on the US \$ /BWP exchange rate at the reporting date.

Group

- Group earnings per share (EPS) is 11.99 thebe per share, for the half year, up from 10.27 thebe per share for the half year July 2021.
- Group Tax recovery of P14.6 million comprises wholly of a deferred tax realization, calculated in accordance with IAS 12.

INTERIM DISTRIBUTION

The dividend of 9t per linked unit will comprise of Debenture interest of 7.9024t and dividend of 1.0976t per linked unit, to all registered unit holders as at the close of business on 2nd December 2022.

Ex distribution date 30th November 2022
Record date for participation 2nd December 2022
Date of payment of dividend 13th December 2022

In accordance with requirements of the Income Tax Act, withholding tax shall be deducted by the company on the payment of interest and dividends paid to residents and non-residents' holders of link units who are not exempt from the withholdings tax provisions of the Act.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 JULY 2022

	Group						
	Stated capital	Linked unit debentures	Fair value surplus	Foreign Currency translation reserve	Distribution reserve	Retained earnings	Total equity and reserves
Opening balance of group at 01 February 2022	346,420,555	286,076,802	688,625,100	177,161,668	51,493,824	184,965,721	1,734,743,670
Profit for the 6 month period	-	-	-	51,326,513	-	68,627,964	68,627,964
Other comprehensive income for the 6 month period	-	-	-	-	-	-	51,326,513
Total comprehensive income for the 6 month period	-	-	-	51,326,513	-	68,627,964	119,954,477
Final debenture interest and dividends paid 31 January 2022	-	-	-	-	(51,493,824)	-	-
Debenture interest and dividends transferred to dividend and debenture interest reserve	-	-	-	-	51,493,824	(51,493,824)	-
Transactions with unit holders recognised in statement of changes in equity	-	-	-	-	-	(51,493,824)	(51,493,824)
Balance as at 31 July 2022	346,420,555	286,076,802	688,625,100	228,488,181	51,493,824	202,099,861	1,803,204,323

Figures in Pula

Opening balance of group at 01 February 2022

Profit for the 6 month period	-	-	-	51,326,513	-	68,627,964	68,627,964
Other comprehensive income for the 6 month period	-	-	-	-	-	-	51,326,513
Total comprehensive income for the 6 month period	-	-	-	51,326,513	-	68,627,964	119,954,477
Final debenture interest and dividends paid 31 January 2022	-	-	-	-	(51,493,824)	-	-
Debenture interest and dividends transferred to dividend and debenture interest reserve	-	-	-	-	51,493,824	(51,493,824)	-

Transactions with unit holders recognised in statement of changes in equity

Balance as at 31 July 2022	346,420,555	286,076,802	688,625,100	228,488,181	51,493,824	202,099,861	1,803,204,323
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CONDENSED CONSOLIDATED STATEMENT OF CASHFLOW FOR THE HALF YEAR ENDED 31 JULY 2022

	GROUP		COMPANY			
	Unaudited 31-Jul-22 Pula	Unaudited 31-Jul-21 Pula	Audited 31-Jan-22 Pula	Unaudited 31-Jul-22 Pula	Unaudited 31-Jul-21 Pula	Audited 31-Jan-22 Pula
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash generated from operations	69,499,817	74,999,182	164,567,930	42,960,164	47,175,970	106,980,183
Taxation (paid) received	(708,734)	(1,045,605)	(1,660,764)	(1,925)	-	-
Net cash from operating activities	68,791,083	73,953,577	162,907,166	42,958,239	47,175,970	106,980,183
Net cash from investing activities	(3,308,837)	(2,780,375)	(9,895,067)	23,504,334	26,191,258	47,941,266
Net cash from financing activities	(85,244,380)	(80,658,999)	(163,042,300)	(85,244,380)	(80,658,999)	(163,042,300)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	(19,762,134)	(9,485,797)	(10,030,201)	(18,781,807)	(7,291,771)	(8,120,851)
Cash and cash equivalent at the beginning of the year	14,058,183	23,978,151	23,978,151	9,238,058	17,248,678	17,248,678
Effects of exchange rate movement on cash balances	(88,442)	(379,095)	110,232	(88,442)	(379,095)	110,232
Total cash and cash equivalents at the end of the year	(5,792,393)	14,113,259	14,058,182	(9,632,191)	9,577,812	9,238,059

SEGMENT REPORT

Primary segment - Geographical segment	31-Jul-22		31-Jul-21		31-Jul-22		31-Jul-21		31-Jul-22		31-Jul-21	
	Botswana	Botswana	Tanzania	Tanzania	Dubai	Dubai	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
Revenues from external customers	80,313,749	74,552,633	61,518,009	53,388,204	820,910	236,381	142,652,668	128,177,218				
Inter segment revenues	-	-	-	-	-	-	-	-				
Total segment revenues	80,313,749	65,050,635	61,518,009	51,817,849	820,910	4,943,292	142,652,668	128,177,218				
Segment property direct and indirect expenses	28,942,441	23,836,482	21,595,509	13,556,846	5,251,529	3,149,056	55,789,478	40,542,384				
Segment operating profit	51,371,309	40,401,562	39,922,501	29,154,932	-4,430,620	3,318,247	86,863,190	87,634,834				
Segment Assets	1,447,200,173	1,394,685,053	1,157,534,901	1,018,707,330	21,675,693	88,928,959	2,626,410,767	2,502,321,342				
Segment Liabilities	645,221,843	669,855,422	169,873,008	128,571,088	48,528	63,097	815,143,379	798,489,607				

Secondary segment- Operating segment	31-Jul-22		31-Jul-21		31-Jul-22		31-Jul-21		31-Jul-22		31-Jul-21	
	Botswana	Botswana	Tanzania	Tanzania	Botswana	Botswana	Tanzania	Tanzania	Dubai	Dubai	Consolidated	Consolidated
Revenues												
Rental income from external customers	74,902,034	69,451,744	49,831,166	43,678,180	5,411,715	5,100,889	11,686,843	9,710,024	820,910	236,381	142,652,668	128,177,218
Inter segment revenues	-	-	-	-	-	-	-	-	-	-	-	-
Total segment revenues	74,902,034	69,451,744	49,831,166	43,678,180	5,411,715	5,100,889	11,686,843	9,710,024	820,910	236,381	142,652,668	128,177,218
Segment expenses	27,639,902	22,611,768	18,893,715	11,294,502	1,302,539	1,224,715	2,701,794	2,262,343	5,251,529	3,149,056	55,789,478	40,542,384
Segment operating profit	47,262,133	46,839,976	30,937,451	32,383,678	4,109,176	3,876,174	8,985,049	7,447,680	-4,430,620	-2,912,675	86,863,190	87,634,834

Figures in Pula 31-Jul-22

	Figures in Pula 31-Jul-22	Figures in Pula 31-Jul-21
Reconciliation of group net profit before tax		
Total reporting segment operating profit	86,863,189	87,634,834
Salaries and wages	(7,605,670)	(7,130,046)
Loss on exchange difference	(19,768,666)	(791,024)
Profit on exchange differences	12,968,818	107,747
Finance income	14,339	104,343
Sundry income	1,438,703	1,011,415
Corporate expenses	(7,578,982)	(9,299,207)
Operating profit	66,331,731	71,638,061
Finance costs	(12,325,316)	(10,619,925)
Group profit before tax	54,006,415	61,018,136

Segment information is organised into two, geographical 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.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	GROUP			COMPANY		
	Unaudited 31-Jul-22 Pula	Unaudited 31-Jul-21 Pula	Audited 31-Jan-22 Pula	Unaudited 31-Jul-22 Pula	Unaudited 31-Jul-21 Pula	Audited 31-Jan-22 Pula
Continuing operations						
Rental income	142,652,668	128,177,218	266,595,710	80,313,748	74,552,633	154,076,022
Other income	1,438,703	1,011,415	2,352,161	2,314,486	1,811,864	4,108,434
Operating expenses	(70,974,131)	(56,971,638)	(119,738,107)	(40,721,701)	(35,517,596)	(75,812,628)
Dividend income from subsidiary	-	-	-	6,280,224	6,181,013	14,946,873
Operations profit	73,117,240	72,216,995	149,209,764	48,186,757	47,027,914	97,318,701
Finance income	14,339	104,343	243,593	7,020,596	6,401,204	12,760,195
Finance cost	(12,325,316)	(10,619,925)	(21,280,321)	(12,325,316)	(10,619,925)	(21,280,321)
Profit before exchange difference and FV	60,806,263	61,701,413	128,173,036	42,882,037	42,809,193	88,798,575
Exchange gain	12,968,818	107,747	12,423,604	12,968,818	107,747	12,423,604
Exchange loss	(19,768,666)	(791,024)	(17,334,952)	(19,639,233)	(716,172)	(17,291,609)
Profit before FV	54,006,415	61,018,136	123,261,689	36,211,622	42,200,768	83,930,571
Impairment of investment in subsidiary	-	-	-	-	-	(65,083,782)
Fair value adjustments	-	(8,900,110)	-	-	-	59,443,996
Profit before tax	54,006,415	61,018,136	114,361,579	36,211,622	42,200,768	78,290,785
Taxation	14,621,549	(2,257,822)	(13,425,106)	23,836,699	7,329,819	4,090,362
Profit for 6 months	68,627,964	58,760,314	100,936,473	60,048,321	49,530,587	82,381,147
Other comprehensive income						
Exchange difference on translating foreign operations	51,326,513	208,173	40,437,771	-	-	-
Total comprehensive income for the half year	119,954,477	58,968,487	141,374,244	60,048,321	49,530,587	82,381,147
Basic earnings per linked unit (in thebe)	11.99	10.27	14.21	10.50	8.66	27.34
Distribution per linked unit(in thebe)	9.00	9.00	19.00	9.00	9.00	19.00
Debenture interest per linked unit(in thebe)	7.9024	7.9197	11.9400	7.9024	7.9197	11.9400
Dividend per linked unit(in thebe)	1.0976	1.0803	7.0600	1.0976	1.0803	7.0600
Number of linked units	572,153,603	572,153,603	572,153,603	572,153,603	572,153,603	572,153,603

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	GROUP			COMPANY		
	Unaudited 31-Jul-22 Pula	Unaudited 31-Jul-21 Pula	Audited 31-Jan-22 Pula	Unaudited 31-Jul-22 Pula	Unaudited 31-Jul-21 Pula	Audited 31-Jan-22 Pula
Non-Current Assets	2,579,052,367					