



TRADING STATEMENT FOR THE HALF YEAR ENDED 31 JULY 2020

TURNSTAR HOLDINGS LIMITED (TURNSTAR)

(Incorporated in Botswana on the 7th November 2000) (Registration Number 2000/5302)

("TURNSTAR" or "the company" OR "the Group")

The listing requirements of the Botswana Stock Exchange ("BSE") require Turnstar to announce through the BSE, any circumstances or events that have or are likely to have, a material effect on the financial results of the company for the period to be reported upon next.

The Government of Botswana implemented two lockdowns, to combat the spread of the Covid 19 Pandemic. The first lockdown was for 6 weeks, commencing in the beginning of April until mid-May 2020. The second lockdown was for the first two weeks of August 2020. There was a similar disruption of trade in Tanzania and Dubai.

Turnstar considers its tenants as partners in its business and their existence and continuity are paramount in the success of Turnstar. As such a strategic decision was made to grant substantial rental concessions to our commercial tenants who could not operate during the first lockdown. As such the rental revenues of the Group reduced by approx. P 12,27m (9.15%) during the half year to 31 July 2020, compared to the corresponding half year ended 31 July 2019.

The developments at Mlimani in Tanzania are financed by a US \$ loan obtained by Turnstar. These funds are passed on from Turnstar to Mlimani in the form of intercompany loans. A part of this loan was converted to share capital in Mlimani, at the commencement of the period under review. The US \$ appreciated against the Botswana Pula, during the half year ended 31 July 2020. As such the Group had a net forex loss, on the US \$ loan, for the half year 31 July 2020 of P 4m, compared to the net forex gain of P 8.9m in the corresponding previous half year 31 July 2019, when Turnstar had a corresponding US \$ intercompany loan in Mlimani.

Stakeholders are reminded that the foreign exchange translation gains are unrealised, and dependant on the US\$ /BWP exchange rate at half year end.

As such, the Group's profit before tax, for the half year ended 31 July 2020, is expected to be lower by approximately 38% (P26.5m) from P 69,660m for the half year ended 31 July 2019 to approx. P 43,167 for the half year ended 31 July 2020. Of this, P 12.27 m pertains to the rental rebates granted during the Covid 19 lockdowns, whilst P 13m relates to the unrealised forex exchange loss.

However, it is to be noted that, the exchange difference on translating foreign operations has substantially increased from P 20.1 m for the half year ended 31 July 2019 to approx. P 44.2 m for the half year ended 31 July 2020. As such, the Profit after Tax - Total comprehensive income for the half year ended 31 July 2020 is largely on par with that of the previous half year ended 31 July 2019.

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S. Puvimanasinghe*****

***Botswana **South Africa ***Sri Lanka**

Turnstar did not pay a final dividend for the year ended 31 January 2020. The Company had traditionally paid an interim and final dividend since the inception of the Company. The rationale was to be prudent and retain cash within the Company, during difficult times, when trading conditions were almost impossible to forecast.

The Company is financially strong. The current as well as forecasted cash flows indicate that the Company can comfortably, resume the payment of dividends, as had previously been the case traditionally.

As such the Company intends to pay an interim dividend of 10t per linked unit, which is substantially more than the interim dividend paid in the past.

The dividend 10t per linked unit will comprise of Debenture interest of 7.3976t and dividend of 2.6024t per linked unit, to all registered unit holders as at the close of business on 27th November 2020.

Ex distribution date 25th November 2020

Record date for participation 27th November 2020

Date of payment of dividend 9th December 2020

The results for the year ended 31 July 2020 will be published before 31 October 2020.

Shareholders and Investors are advised to exercise caution when trading in the Company's securities until such time as a detailed announcement as to the results is made.

By order of the Board of Directors

7th October 2020