

PRESS RELEASE IN RESPECT OF ARTICLES HEADED "PENSIONERS/STOCKHOLDERS FLEECED IN TURNSTAR HOLDINGS DUBAI SHADY DEAL" AND "INSIDE HOW TURNSTAR BOARD MEMBERS WINED AND DINED PENSIONERS MONEY AWAY" PUBLISHED IN THE SUNDAY STANDARD DATED NOVEMBER 28-4 DECEMBER 2021

1. The Chairman and the Board of Directors (**the Board**) of Turnstar Holdings Limited (Turnstar) have been made aware of two articles, respectively headed "**Pensioners / stockholders fleeced in Turnstar Holdings Dubai shady deal (Article One)**" and "**Inside how Turnstar board members wined and dined pensioners money away" (Article Two)**."
2. The Board of Turnstar wishes to inform the public at large and of all its stakeholders that each of Article One and Article Two contains untrue and unfounded allegations and is misleading in several aspects both in relation to Turnstar and its managing director, Mr GH Abdoola (**Mr Abdoola**).

Article One

3. In relation to Article One, the Turnstar Board advises that:
 - 3.1. There is, and was, no "shady deal" in Dubai.
 - 3.2. As a property development company, Turnstar is, in the interests of the company, its shareholders and stakeholders, and in the discharge of its business, always on the lookout for investments, both in the Southern African region and elsewhere in the world.
 - 3.3. In 2017, such a business opportunity, which involved the acquisition of a commercial property in Dubai known as "Palazzo Venezia" (**the Property**) was brought to its attention by agents in Dubai, being a Mr Sameer Lakhani (**Mr Lakhani**) and a Mr Uzair Razi.
 - 3.4. In the usual and correct way, a due diligence exercise was initiated, resulting in the acquisition of the Property from Mr Lakhani and his operating company, Global Capital Partners (**GCP**).
 - 3.5. During the course of this financial year, and upon further enquiry by Turnstar, it has become clear to the Turnstar Board that GCP and/or its associates appear to have perpetrated fraud upon Turnstar and its Dubai subsidiary, Turnstar Investments, in that the materials, including purportedly valid and signed leases and valuations, submitted to Turnstar for due diligence on the Property were falsified.
 - 3.6. In consequence, the price paid by Turnstar for the Property, being approximately AED 28 million (**the Purchase Price**), may have been fraudulently procured by GCP and/or its associates.
 - 3.7. Upon the full facts as to the actions by GCP and/or its associates coming to light, Turnstar instructed (i) the undertaking of further valuation in respect of the Property so as to ascertain its correct value and (ii) the commencement of legal proceedings in the Dubai Courts and criminal actions against the relevant entities and/or individuals. As such, Turnstar's management and the Turnstar Board have taken the necessary and requisite action, subject to UAE law, and as quickly as was possible. In this connection, Turnstar has retained the services of the UAE advocacy firm Dr Mohamed Alhammedi Advocates & Legal Consultants Office.
 - 3.8. The procedures for filing three different sets of legal proceedings have been initiated in Dubai:
 - 3.8.1. a criminal case against GCP's associates, which has been lodged with the Dubai Police;
 - 3.8.2. a civil case against each of the responsible parties for falsifying information and misleading Turnstar;
 - 3.8.3. a civil case against GCP and its associates for mismanagement of the Property and misappropriation of rentals.

- 3.9. The valuation of the Property referred to in the article by the Sunday Standard is **not** a valuation by the Dubai Courts. It is clear from this that the Sunday Standard does not understand the applicable Court processes in Dubai. In fact, a preliminary Dubai Dispute Committee appointed a valuation expert, who valued the Property at **AED 27,350,450**. It is Turnstar itself that is disputing this value as being incorrect and Turnstar is initiating further legal proceedings in the Dubai Courts so as to seek a refund, by way of damages, in respect of the over-valuation. The actions taken by Turnstar are in order to protect its investment and, thereby, its shareholders.

- 3.10. Whilst the Sunday Standard makes reference to the Dubai Dispute Committee's statement (which, contrary to the reporting by the Sunday Standard, was disclosed by Mr Abdoola to the Turnstar Board), the Sunday Standard does not, materially, indicate that, by its very nature, the committee's statement is preliminary and not binding, and is neither a statement nor judgment from the Dubai Courts. The committee certainly could not "dismiss" any claims, as its only mandate was to appoint an expert. The committee's statement therefore does not affect the ongoing cases in the Dubai Courts.

- 3.11. Turnstar cannot of course comment further on the legal proceedings, and it is necessary and appropriate for such proceedings to reach their conclusion in the Dubai Courts, rather than be the subject of incorrect interpretation and speculation by the Sunday Standard here in Botswana. The publication is urged to refrain from doing so, for it may inadvertently prejudice Turnstar's case in those Courts. Moreover, there may be criminal liability under UAE laws for those directly or indirectly involved in the publication or disclosure of defamatory allegations or confidential materials to third parties.

- 3.12. The Turnstar Board clarifies that the valuation of the Property stated in the Annual Financial Report for 2021, at P88 million, was in respect of the financial year ended 31 January 2021. The wrongdoings in Dubai have only come to light after that date. It follows that, whatever the actual valuation of the Property turns out to be, such value will be accurately and properly recorded in the Annual Financial Report for the year ending 31 January 2022.

- 3.13. Mr Abdoola categorically rejects any insinuation that he was "**in on the deal**". The Turnstar Board has accepted Mr Abdoola's explanation as to the developments in Dubai.

Article Two

4. Turning to Article Two, the Turnstar Board advises that:
 - 4.1. It does not partake in frivolous expenditure.
 - 4.2. For the entirety of its existence, the Turnstar Board has only held two board meetings outside Botswana.
 - 4.3. The first such meeting was in Dar es Salaam, Tanzania, where Turnstar's investment, Mlimani City, is situated.
 - 4.4. The second meeting was in Dubai, in order that the Turnstar Board visit the Property which had just been acquired (there was nothing peculiar or sinister about the board meeting taking place after the acquisition as the acquisition was fully approved by the Turnstar Board and there would have been no point to the visit if the Property was not to be acquired).
 - 4.5. The cost of the Dubai trip was P338,000 in total, inclusive of travel, accommodation and subsistence for 7 persons, comprising board members and senior management (an average of P48,000 per person).
 - 4.6. There was no "fun-filled junket" nor any "fun and treats". The lunch at the Burj Al Arab referred to in the article was at the invitation of the Dubai business community.
 - 4.7. At all times, the Turnstar Board was acting in the discharge of its duties and did so.

Additional Reporting

5. At the end of Article One, the Sunday Standard makes reference that the "**story continues next week**". The Turnstar Board trusts that the Sunday Standard will exercise the necessary care and attention in relation to any further article published by it.
6. The Turnstar Board and Mr Abdoola reserve their respective rights in relation to Article One, Article Two and any such additional article that the Sunday Standard may so publish.

1st DECEMBER 2021

GABORONE

BY ORDER OF THE BOARD