TRADING STATEMENT FOR THE YEAR ENDED 31 JANUARY 2018

TURNSTAR HOLDINGS LIMITED (TURNSTAR)

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

(“TURNSTAR” or “the Company” or “the Group”)

The listing requirements of the Botswana Stock Exchange (“The 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.

There was a delay in the completion of the construction of the new section of Game City. In addition, the Government did not issue Trading Licences to the prospective tenants who had signed pre-leases. These issues delayed the leasing of the new wing of Game City. However, the majority of the premises have now been rented and rentals revenues have been received during the last few months of the Financial year under review.

In Tanzania, the delay in the completion of the construction, resulted in a delay in the leasing of the new developments. The current downturn in the economy has affected the Mlimani Commercial Office and Conference Centre revenues. Leasing inquiries are now being received and the Commercial offices have commenced tenanting.

However, pending the leasing, the Group had to incur overheads such as utilities, security, cleaning etc. The interest charges on the completed construction project, has to be incurred as well.

To summarize, the delayed income from the newly completed areas has affected the Group operating Profits.

The stakeholders are also reminded that the Group posted significant Fair Value Gains, over the past few years. Due to the downturn in the Tanzanian rentals described above, Mlimani Holdings will report a Fair Value loss during this reporting period. It should be noted that Fair Values are calculated on current rentals, projected into the future on a discounted cash flow basis, and do not reflect the actual cost of the buildings.
The US Dollar depreciated against the Botswana Pula, significantly, during the year ended 31 January 2018. This has adversely affected the Group results for the year ended 31 January 2018. Stakeholders are however, reminded that, the foreign exchange translation gains and losses are unrealised and dependant on the US $ / BWP exchange rate as at year end. Further, the Group has ensured that, the US Dollar dominated liabilities are serviced by US Dollar income, and hence the Group is not exposed to actual exchange fluctuations.

The Board of Turnstar hereby advices its stakeholders that the Group’s results for the year ended 31 January 2018, will be lower than those reported for the year ended 31 January 2017. The results for the year ended 31 January 2018 will be published on or before 30th April 2018. Therefore, 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.

The information in this trading update has not been reviewed or reported upon Turnstar’s independent auditors.

By order of the Board of Directors

13th April 2018