Turnstar Holdings Limited – Capitalisation of Debenture, in Mlimani Holdings Ltd

Background

Turnstar Holdings Limited acquired the Mlimani City Property development in Tanzania, through the acquisition of a 100% shareholding of Island View (Proprietary) Limited, a Botswana Registered IFSC company which is the holding company of Mlimani Holdings Limited, a company registered in Tanzania, in 2011. The transaction was approved by a special resolution of the Shareholders of Turnstar Holdings Limited at a meeting held in November 2011.

In terms of the agreement of sale, Turnstar Holdings and Mlimani Holdings signed a debenture Trust Deed. Turnstar subscribed for USD 48,532,794 debentures issued by Mlimani Holdings Ltd. The salient features of the debentures are as follows:

1. The debentures will be unsecured and have a coupon rate of LIBOR for US Dollars for 6 months plus a margin of at least 5.5% with interest payable quarterly or bi – annually;
2. The debentures will be redeemable after ten years, alternatively, Mlimani Holdings could apply to Turnstar to extend the redemption date for a further period of ten years.

Current Transaction

Mlimani Holdings Ltd, over a period of years since 2011 have been repaying Turnstar Holdings Ltd, a portion of the debenture capital, along with the interest accrued. Turnstar presently has US $31,600,000 debentures in Mlimani Holdings, which will now be converted into Equity, in tranches of US $5,000,000 per year, over the next 6 years.

The impact of this transaction would be to issue further shares in Mlimani Holdings Limited in the name of Island View (Proprietary) Limited for the said value, and in the books of Turnstar Holdings Limited, convert other financial asset, namely the debenture receivable, into investment in subsidiary (Island View (Proprietary) Limited). It is to be noted that there will be no impact on the GROUP statement of financial position as all these transactions would be eliminated on consolidation. The impact will only be on the standalone financial statements of Turnstar Holdings Limited.

The approval of the Board of Directors of Turnstar Holdings Ltd, Island View (Pty) Ltd and Mlimani Holdings Ltd, have been obtained.

The BSE has been notified of the transaction.

The statutory requirements of the Tanzanian authorities are also being satisfied.

The Board announced the transaction at the Company’s Annual General Meeting held on the 26th July 2018.
Turnstar Holdings Limited – Capitalisation of Debenture, in Mlimani Holdings Ltd

Background

Turnstar Holdings Limited acquired the Mlimani City Property development in Tanzania, through the acquisition of a 100% shareholding of Island View (Proprietary) Limited, a Botswana Registered IFSC company which is the holding company of Mlimani Holdings Limited, a company registered in Tanzania, in 2011. The transaction was approved by a special resolution of the Shareholders of Turnstar Holdings Limited at a meeting held in November 2011.

In terms of the agreement of sale, Turnstar Holdings and Mlimani Holdings signed a debenture Trust Deed. Turnstar subscribed for USD 48,532,794 debentures issued by Mlimani Holdings Ltd. The salient features of the debentures are as follows:

1. The debentures will be unsecured and have a coupon rate of LIBOR for US Dollars for 6 months plus a margin of at least 5.5% with interest payable quarterly or bi – annually:
2. The debentures will be redeemable after ten years, alternatively, Mlimani Holdings could apply to Turnstar to extend the redemption date for a further period of ten years.

Current Transaction

Mlimani Holdings Ltd, over a period of years since 2011 have been repaying Turnstar Holdings Ltd, a portion of the debenture capital, along with the interest accrued. Turnstar presently has US $31,600,000 debentures in Mlimani Holdings, which will now be converted into Equity, in tranches of US $5,000,000 per year, over the next 6 years.

The impact of this transaction would be to issue further shares in Mlimani Holdings Limited in the name of Island View (Proprietary) Limited for the said value, and in the books of Turnstar Holdings Limited, convert other financial asset, namely the debenture receivable, into investment in subsidiary (Island View (Proprietary) Limited). It is to be noted that there will be no impact on the GROUP statement of financial position as all these transactions would be eliminated on consolidation. The impact will only be on the standalone financial statements of Turnstar Holdings Limited.

The approval of the Board of Directors of Turnstar Holdings Ltd, Island View (Pty) Ltd and Mlimani Holdings Ltd, have been obtained.

The BSE has been notified of the transaction.

The statutory requirements of the Tanzanian authorities are also being satisfied.

The Board announced the transaction at the Company’s Annual General Meeting held on the 26th July 2018.