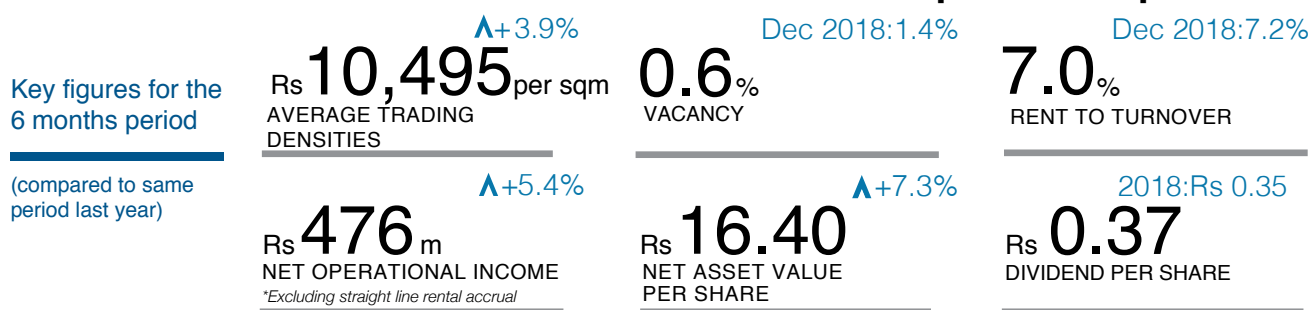


## On time delivery of our projects and increased dividend pay-out on the back of robust operational performance of our assets



### COMMENTS FOR THE PERIOD ended 31 December 2019

#### Operational review:

The Group continues to perform well with a 5.4% increase in net operational income compared to the same period last year (excluding straight line of rental accrual). The key performance indicators of every property are showing a reassuring degree of resilience with better trading densities, lower vacancies and rent to turnover ratios. The only exception is Phoenix Mall which has been impacted by the access works following the compulsory acquisition initiated by the authorities.

#### Major events:

##### Developments

Bo'Valon Mall opened on 21st November with an occupancy of close to 98%. The Mall was well received. The new ramp in Phoenix Mall was opened in early December. Works on the new access are due to be completed by mid-March.

##### Dividend declaration

Ascencia declared an interim dividend of 37 cents per share, a 5.7% increase compared to last year's interim dividend. The share price traded at a premium of 28% to its NAVPS, reaching a peak at Rs 22.00 before settling at 21.00 at the end of December.

##### Outlook

The extension project at Bagatelle Mall is on track. As part of this extension, we will welcome some new international brands that will further strengthen the appeal of the Mall. Likewise, bulk earthworks for the Decathlon development at Bagatelle Mall have started with a planned opening in November 2020.

As for the next 6 months of the financial year, our focus will be on:

- Phoenix Mall to mitigate the impact of the road decongestion program on the Mall
- So'flo to fill the vacancies on the first floor
- Bo'Valon Mall as this is its first year of operation

Overall, we expect the operating performance of the Group to be in line with the targets in an environment that is becoming more competitive.

By order of the Board  
04 February 2020

### STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| In Rs 000   | Unaudited quarter ended 31 December 2019 | Unaudited quarter ended 31 December 2018 | Unaudited 6 months ended 31 December 2019 | Unaudited 6 months ended 31 December 2018 | Audited year ended 30 June 2019 |
|---|--|--|---|---|---------------------------------|
| <b>Continuing operations</b>                                    |  |  |   |   |                                 |
| Operational revenue   | 323,453                                  | 314,781                                  | 638,754                                   | 624,064                                   | 1,294,275                       |
| Other operating income  | 12,627                                   | 10,708                                   | 22,696                                    | 17,177                                    | 32,835                          |
| Straight line rental accrual                                    | (1,386)                                  | 20,943                                   | (2,443)                                   | 42,116                                    | 74,476                          |
| <b>Total revenue</b>  | <b>334,694</b>                           | <b>346,432</b>                           | <b>659,007</b>                            | <b>683,357</b>                            | <b>1,401,585</b>                |
| Direct operating expenses arising from investment properties    | (97,696)                                 | (99,129)                                 | (185,453)                                 | (189,621)                                 | (396,244)                       |
| <b>Net operational income</b>                                   | <b>236,998</b>                           | <b>247,303</b>                           | <b>473,554</b>                            | <b>493,736</b>                            | <b>1,005,341</b>                |
| Investment and other income                                     | 6,183                                    | 5,193                                    | 13,029                                    | 12,577                                    | 27,516                          |
| Administrative expenses   | (38,360)                                 | (39,568)                                 | (73,533)                                  | (70,957)                                  | (141,886)                       |
| <b>Operating profit</b>   | <b>204,821</b>                           | <b>212,928</b>                           | <b>413,050</b>                            | <b>435,356</b>                            | <b>890,971</b>                  |
| Share of Profit from joint ventures                             | 2,376                                    | -  | 2,305                                     | -   | 24,224                          |
| Increase in fair value of investment properties                 | -  | -  | -   | -   | 400,569                         |
| Net effect on business combinations                             | -  | -  | -   | 9,208                                     | 9,506                           |
| <b>Profit before finance costs</b>                              | <b>207,197</b>                           | <b>212,928</b>                           | <b>415,355</b>                            | <b>444,564</b>                            | <b>1,325,270</b>                |
| Finance costs   | (67,618)                                 | (71,112)                                 | (137,179)                                 | (141,301)                                 | (277,765)                       |
| <b>Profit before tax</b>  | <b>139,579</b>                           | <b>141,816</b>                           | <b>278,176</b>                            | <b>303,263</b>                            | <b>1,047,505</b>                |
| Income tax expense  | (17,013)                                 | (19,087)                                 | (35,320)                                  | (41,154)                                  | (107,282)                       |
| <b>Profit for the quarter/period from continuing operations</b> | <b>122,566</b>                           | <b>122,729</b>                           | <b>242,856</b>                            | <b>262,109</b>                            | <b>940,223</b>                  |
| <b>Discontinued operations</b>                                  |  |  |   |   |                                 |
| Post tax profit from discontinued operations                    | 2,574                                    | 1,361                                    | 4,945                                     | 1,305                                     | 9,869                           |
| <b>Profit for the quarter/period</b>                            | <b>125,140</b>                           | <b>124,090</b>                           | <b>247,801</b>                            | <b>263,414</b>                            | <b>950,092</b>                  |
| Other comprehensive income                                      | -  | -  | -   | -   | -                               |
| <b>Total comprehensive income for the quarter/period</b>        | <b>125,140</b>                           | <b>124,090</b>                           | <b>247,801</b>                            | <b>263,414</b>                            | <b>950,092</b>                  |
| <b>Total comprehensive income attributable to:</b>              |  |  |   |   |                                 |
| - Ordinary equity holders of the parent                         | 125,140                                  | 124,090                                  | 247,801                                   | 263,414                                   | 950,092                         |
|   | <b>125,140</b>                           | <b>124,090</b>                           | <b>247,801</b>                            | <b>263,414</b>                            | <b>950,092</b>                  |
| <b>Class A ordinary share</b>                                   |  |  |   |   |                                 |
| Number of shares in issue                                       | 484,817,301                              | 482,019,385                              | 484,817,301                               | 482,019,385                               | 484,817,301                     |
| Weighted average number of ordinary shares in issue             | <b>484,817,301</b>                       | <b>482,019,385</b>                       | <b>484,817,301</b>                        | <b>482,019,385</b>                        | <b>482,034,716</b>              |
| Basic earnings per share (Rs)                                   | 0.26                                     | 0.26                                     | 0.51                                      | 0.55                                      | 1.97                            |
| Diluted earnings per share (Rs)                                 | -  | -  | -   | -   | 1.96                            |
| Interim dividend per share (Rs)                                 | 0.37                                     | 0.35                                     | 0.37                                      | 0.35                                      | 0.35                            |
| Final dividend per share (Rs)                                   | -  | -  | -   | -   | 0.47                            |
| Net asset value per share (Rs)                                  | 16.40                                    | 15.29                                    | 16.40                                     | 15.29                                     | 16.25                           |

### STATEMENTS OF FINANCIAL POSITION

| In Rs 000   | Unaudited 6 months ended 31 December 2019 | Unaudited 6 months ended 31 December 2018 | Audited year ended 30 June 2019 |
|---|---|---|---------------------------------|
| <b>ASSETS</b>   |   |   |                                 |
| Investment properties   | 12,348,783                                | 11,803,915                                | 12,293,927                      |
| Equipment   | 24,935                                    | 27,121                                    | 26,832                          |
| Investment in joint venture   | 130,730                                   | 104,200                                   | 128,424                         |
| Goodwill  | 4,006                                     | -   | 4,006                           |
| Current assets  | 821,144                                   | 846,876                                   | 935,285                         |
| Non-current assets classified as held for sale                                      | 20,905                                    | 71,600                                    | 119,144                         |
| <b>Total assets</b>   | <b>13,350,503</b>                         | <b>12,853,712</b>                         | <b>13,507,618</b>               |
| <b>EQUITY AND LIABILITIES</b>   |   |   |                                 |
| <b>Shareholders' equity</b>   |   |   |                                 |
| Stated capital  | 4,411,401                                 | 4,362,734                                 | 4,411,401                       |
| Retained earnings   | 3,537,710                                 | 3,009,162                                 | 3,469,291                       |
| <b>Total equity</b>   | <b>7,949,111</b>                          | <b>7,371,896</b>                          | <b>7,880,692</b>                |
| <b>Non-current liabilities</b>  |   |   |                                 |
| Borrowings  | 4,444,578                                 | 4,474,045                                 | 4,465,209                       |
| Other liabilities   | 687,637                                   | 695,238                                   | 694,894                         |
| <b>Total Non-current liabilities</b>  | <b>5,132,215</b>                          | <b>5,169,283</b>                          | <b>5,160,103</b>                |
| <b>Current liabilities</b>  |   |   |                                 |
| Borrowings  | 29,193                                    | 5,385                                     | 11,471                          |
| Other liabilities   | 237,296                                   | 267,785                                   | 452,670                         |
| <b>Total current liabilities</b>  | <b>266,489</b>                            | <b>273,170</b>                            | <b>464,141</b>                  |
| Liabilities directly associated with non-current assets classified as held for sale | 2,688                                     | 39,363                                    | 2,682                           |
| <b>Total equity and liabilities</b>   | <b>13,350,503</b>                         | <b>12,853,712</b>                         | <b>13,507,618</b>               |

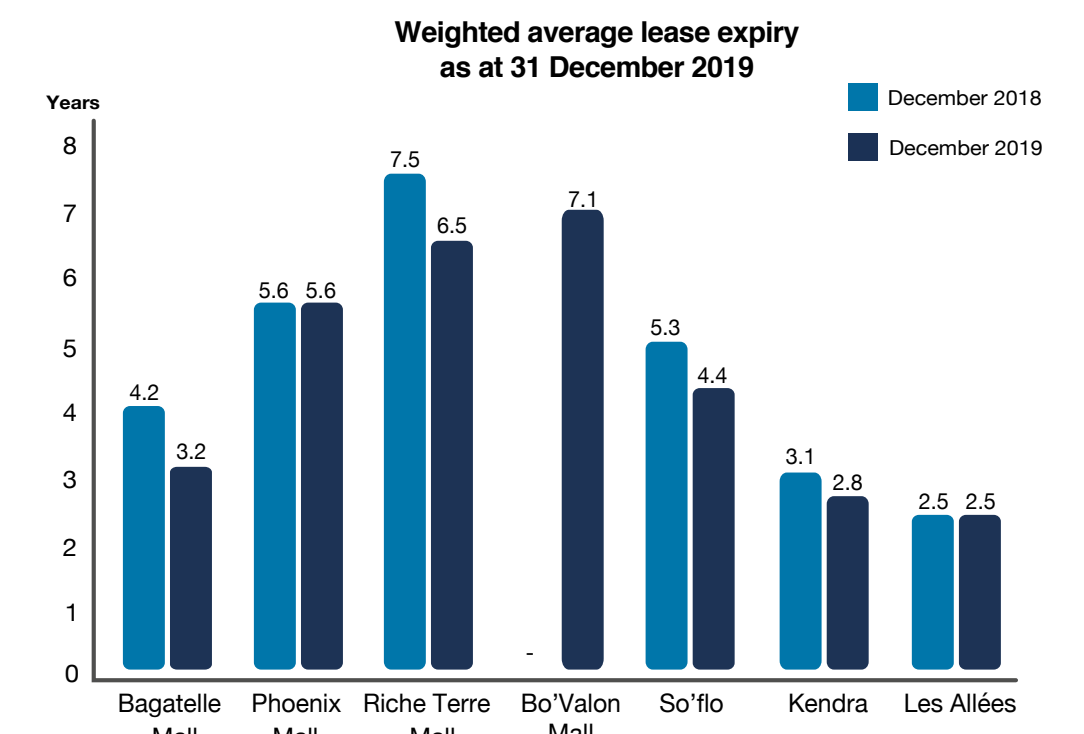
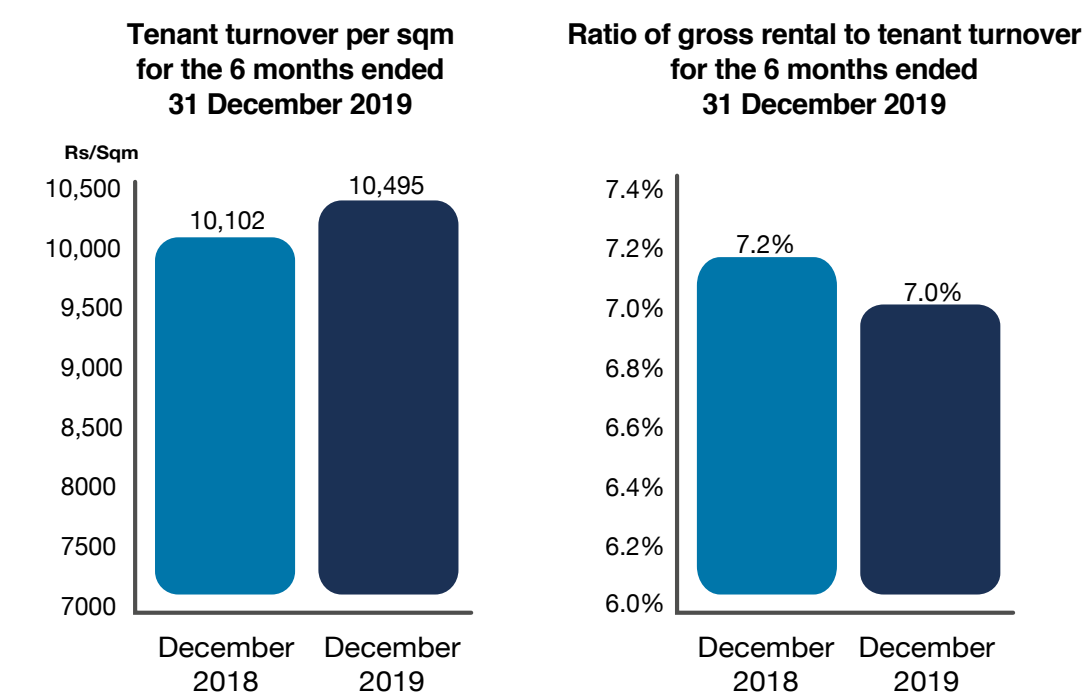
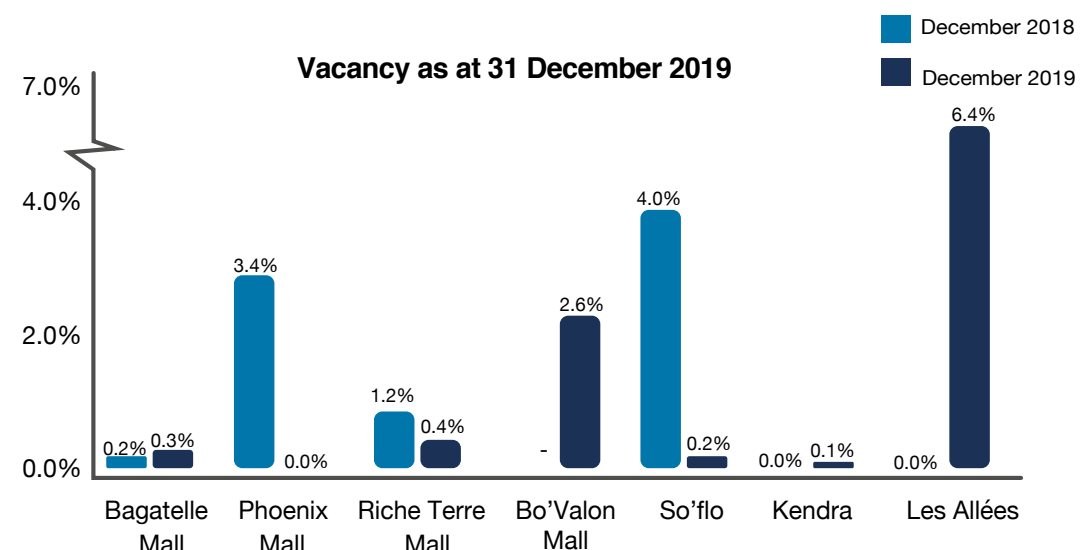
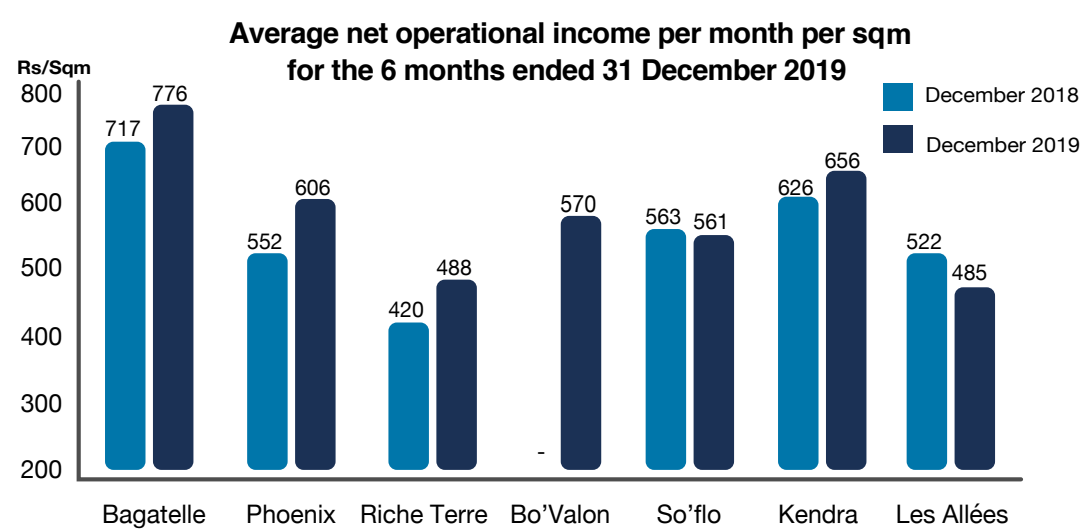
### STATEMENTS OF CASH FLOWS

| In Rs 000  | Unaudited 6 months ended 31 December 2019 | Unaudited 6 months ended 31 December 2018 | Audited year ended 30 June 2019 |
|--|---|---|---------------------------------|
| Net cash generated from operating activities       | 304,300                                   | 411,825                                   | 757,096                         |
| Net cash (used in) investing activities            | (59,500)                                  | (247,462)                                 | (362,852)                       |
| Net cash (used in) financing activities            | (540,400)                                 | (512,599)                                 | (651,811)                       |
| Net cash flows from discontinued operations        | 99,100                                    | 1,160                                     | 16,429                          |
| <b>Net (decrease) in cash and cash equivalents</b> | <b>(196,500)</b>                          | <b>(347,076)</b>                          | <b>(241,138)</b>                |
| Cash and cash equivalents - opening                | 762,852                                   | 992,537                                   | 992,537                         |
| Cash flow from acquisition of subsidiary company   | -   | 11,458                                    | 11,453                          |
| <b>Cash and cash equivalents - closing</b>         | <b>566,352</b>                            | <b>656,919</b>                            | <b>762,852</b>                  |

### STATEMENTS OF CHANGES IN EQUITY

| In Rs 000                                 | Stated Capital   | Retained Earnings | Total Equity     |
|---|------------------|-------------------|------------------|
| <b>Balance at 01 July 2018</b>            | 4,362,734        | 2,914,455         | 7,277,189        |
| Total comprehensive income for the period | -                | 263,414           | 263,414          |
| Dividends                                 | -                | (168,707)         | (168,707)        |
| <b>At 31 December 2018</b>                | <b>4,362,734</b> | <b>3,009,162</b>  | <b>7,371,896</b> |
| <b>Balance at 01 July 2019</b>            | 4,411,401        | 3,469,291         | 7,880,692        |
| Total comprehensive income for the period | -                | 247,801           | 247,801          |
| Dividends                                 | -                | (179,382)         | (179,382)        |
| <b>At 31 December 2019</b>                | <b>4,411,401</b> | <b>3,537,710</b>  | <b>7,949,111</b> |

The Board of Directors of Ascencia Limited accepts full responsibility for the accuracy of the information contained in this report. The abridged financial statements are unaudited and have been prepared using same accounting policies as the audited financial statements for the year ended 30 June 2019 except for the adoption of new International Financial Reporting Standards issued which are now effective. Copies of this report are available free of charge and upon request from the Company Secretary at the registered office of Ascencia Limited. The abridged unaudited financial statements are issued pursuant to DEM Rule 17. The statement of direct and indirect interests of Officers pursuant to rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available, free of charge at the registered office: No. 5, President John Kennedy Street, Port Louis.





**Ascencia**  
Shaping singular places

# HALF YEARLY REVIEW DECEMBER 2019

▲+ 3.9%  
Rs **10,495** per sqm  
AVERAGE TRADING DENSITIES

Dec 2018:7.2%  
**7.0%**  
RENT TO TURNOVER

▲+ 5.4%  
Rs **476m**  
NET OPERATIONAL INCOME  
*\*Excluding straight line rental accrual*

## HEADLINES for the period

(compared to same period last year)

▲+ 5.7%  
Rs **0.37**  
INTERIM DIVIDEND PER SHARE

▲+ 7.3%  
Rs **16.40**  
NET ASSET VALUE PER SHARE

▲+ 19%  
Rs **21.00**  
SHARE PRICE

## Sector Review

Despite the continuous challenging economic environment, Ascencia portfolio performed in line with expectations bearing testament to its high-quality properties. Overall, consumption growth was solid at 3.2% supported by the several policies implemented by the government. Yields on government bills and bond continue to follow a downside trend compared to one year ago. Our domestic economic activity is expected to remain resilient in the short to medium term, despite a highly uncertain global economic environment. We believe that the low interest rate environment shall sustain growth momentum in the property sector given moderate inflationary pressures.

## Ascencia Performance

The Group continues to perform well with pleasing growth in net operational income and revenue of 5.4% and 3.2% respectively compared to the same period last year (excluding straight line of rental accrual). The key performance indicators of each property is showing a reassuring degree of resilience on the back of better trading densities, lower vacancies, lower rent to turnover ratios and asset management initiatives. The only exception is Phoenix Mall which has been impacted by the access works following the compulsory acquisition initiated by the authorities. WALE over the portfolio improved to 4.58 years from 4.33 years last year. Vacancy levels across the portfolio remain low and we continue to benefit from demand by retailers for space in our malls. The overall vacancy rate reduced to 0.6%. (1.4%: Dec 2018)

## Operational Performance

### KPIs Breakdown

## Macroeconomic Indicators

|                       | Dec-19 | Dec-18 |
|-----------------------|--------|--------|
| Headline Inflation    | 0.50%  | 3.20%  |
| Repo rate             | 3.35%  | 3.50%  |
| 10yrs GOM bonds yield | 4.41%  | 5.42%  |

Source: Bank of Mauritius & Statistic Mauritius

## Financial KPIs

|                         | Q2 FY 20 | Q2 FY 19 | 6M FY 20 | 6M FY 19 | Full Year FY 19 |
|-------------------------|----------|----------|----------|----------|-----------------|
| Revenue (Rs m)          | 335      | 346      | 659      | 683      | 1,402           |
| Operating profit (Rs m) | 205      | 213      | 413      | 435      | 891             |
| PAT (Rs m)              | 125      | 124      | 248      | 262      | 950             |
| LTV (%)                 | 38       | 39       | 38       | 39       | 38              |

PAT: Profit After Tax

LTV: Loan To Value

## Operational KPIs

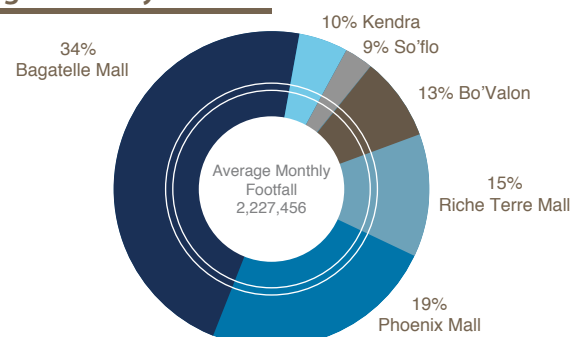
|                                     | Dec-19    | Dec-18    |
|-------------------------------------|-----------|-----------|
| Weighted Average Lease Expiry (Yrs) | 4.58      | 4.33      |
| Vacancy (%)                         | 0.6       | 1.4       |
| Average Monthly Footfall (N#)       | 2,227,456 | 1,955,400 |
| Malls (N#)                          | 7         | 6         |
| Trading Densities                   | 10,495    | 10,102    |
| Rent to Turnover (%)                | 7.0       | 7.2       |

|            | Bagatelle Mall |        | Phoenix Mall |        | Riche Terre Mall |        | So'flo |        | Kendra |        | Les Allées |        | Bo'Valon Mall |        |
|------------|----------------|--------|--------------|--------|------------------|--------|--------|--------|--------|--------|------------|--------|---------------|--------|
|            | Dec-19         | Dec-18 | Dec-19       | Dec-18 | Dec-19           | Dec-18 | Dec-19 | Dec-18 | Dec-19 | Dec-18 | Dec-19     | Dec-18 | Dec-19        | Dec-18 |
| GLA (sqm)  | 52,514         | 56,859 | 27,559       | 29,092 | 21,105           | 21,105 | 7,503  | 7,422  | 5,271  | 5,271  | 2,687      | 2,655  | 10,567        | -      |
| WALE (yrs) | 3.2            | 4.2    | 5.6          | 5.6    | 6.5              | 7.5    | 4.4    | 5.3    | 2.8    | 3.1    | 2.5        | 2.5    | 7.1           | -      |
| Vacancy(%) | 0.3            | 0.2    | 0.0          | 3.4    | 0.4              | 1.2    | 0.2    | 11.2   | 0.1    | 0.0    | 6.4        | 2.2    | 2.6           | -      |

### Bagatelle Mall

Bagatelle Mall remains the prized attraction among consumers and continues to set the trend on the market. Average monthly footfall rose 0.6% whilst trading densities gained 8.8%, showing a higher spend per head. Vacancy stood at 0.3% compared to 0.2% same period last year. Gross lettable area (GLA) was reduced by approximately 4345 sqm, representing 8% of GLA, following the closure of Monoprix and extension works being on track. New tenants have been secured for most of the space in the coming extension and we are confident of its ability to re-let the balance between the existing and new tenants.

### Average Monthly Footfall



## Phoenix Mall

Phoenix Mall is having a tough time as a result of the access works following the compulsory acquisition initiated by the authorities. The Mall has seen trading performance and footfall down by 10.7% and 17.2% respectively. On the other side, NOI increased by 4.1% on the back of contractual increase in leases and reduced vacancies for the period.

## Riche Terre Mall

The Mall recorded a 16% increase in NOI mainly due to a reduction in vacancy levels. Average monthly footfall rose by 2.6%, whereas trading densities was down by 2.0%.

## Bo'Valon Mall

Bo'Valon Mall opened on 21st November 2019 with an occupancy of close to 98%. The Mall has met a heartening response from the visitors alike with significant footfall of 289,105 over the month of December. Ascencia invested Rs 104m as equity for a 33% stake in Bo'Valon Mall. Being a new Mall, management is still working on fine-tuning its tenant mix and results shall follow over the next periods.

## So'flo

So'flo reported as expected for the period. Average monthly footfall rose by 38.4%, whereas trading densities improved by 0.9%, the latter being diluted by two boxes, which have not traded up to expectation. Management will focus on the categories on the first floor and will look for the right mix.

## Kendra

The Mall continues to deliver up to expectations with trading densities improving by 8.6%. Being mature and well tenanted, trading densities remain the primary driver in the performance of the Mall. NOI improved by 4.8% compared to last year.

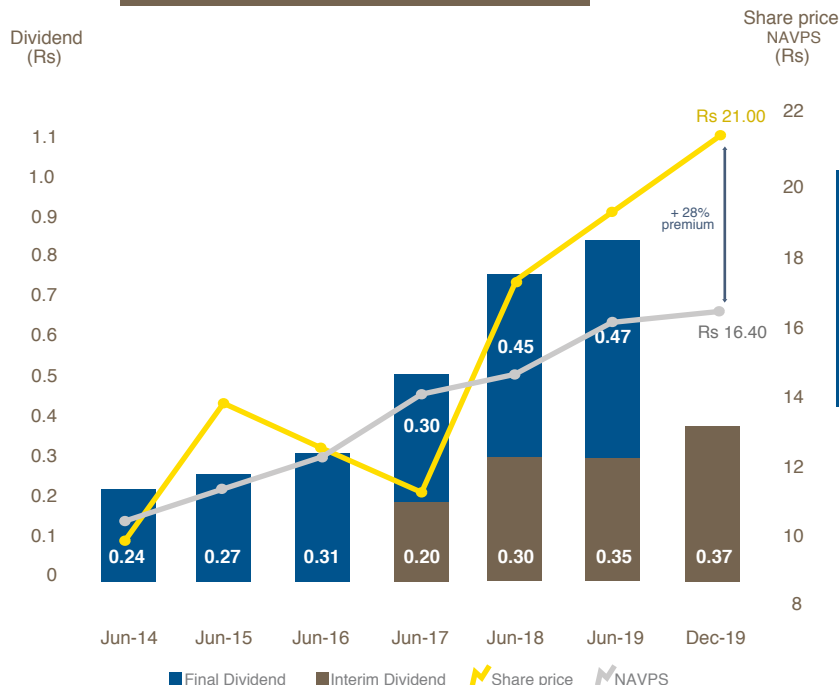
## Les Allées

Les Allées recorded good operational performance for the period with trading densities edging up by 8.8%. However, NOI decreased by 6% mainly due to breaks in rental amounting to 5% of the Mall GLA.

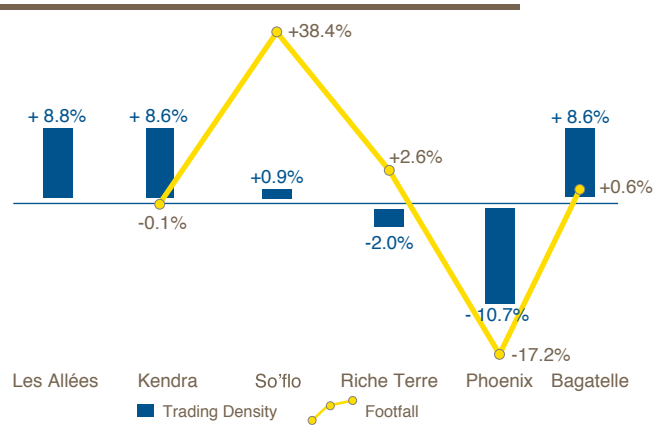
## Stock Information

Interim Dividend per share for the six months ended 31 December 2019 amounted to Rs 0.37 (FY19: Rs 0.35), an increase of 5.7% on the previous comparable period. This performance resulted from the high quality of the group's property portfolio and its strong cash generating ability, which underpins the group's financial strength and stability. On another note, the share price traded at a premium of 28% to its NAVPS (Rs 16.40), reaching a peak at Rs 22.00 before settling at 21.00 at the end of December 2019.

### Share price vs NAVPS vs Dividend

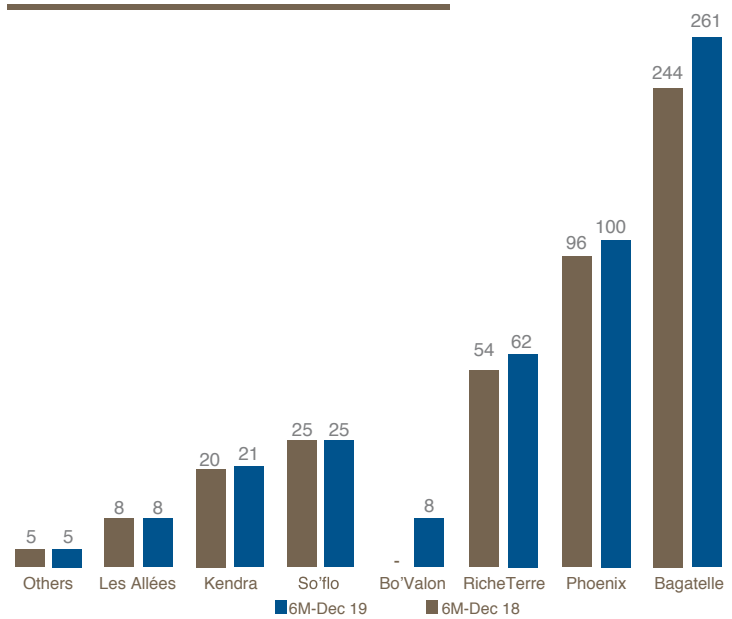


### Movement in Trading Densities vs Footfall



Les Allées footfall not applicable

### Net Operational Income (In Rs m)



\*Bo'Valon was operational as from 21 November 2019

|                              | Dec-19 | Dec-18 |
|------------------------------|--------|--------|
| Share price (Rs)             | 21.00  | 17.60  |
| Dividend Yield Class A (%)   | 1.8    | 2.0    |
| NAVPS (Rs)                   | 16.40  | 15.29  |
| P/NAVPS                      | 1.28   | 1.15   |
| Market capitalisation (Rs m) | 10,181 | 8,484  |



## Outlook

The extension project at Bagatelle Mall is on track. As part of this extension, we will welcome some new international brands that will further strengthen the appeal of the Mall. Likewise, bulk earthworks for the Decathlon development at Bagatelle Mall have started with a planned opening in November 2020.

As for the next 6 months of the financial year, our focus will be on:

- Phoenix Mall to mitigate the impact of the road decongestion program on the Mall,
- So'flo to fill the vacancies on the first floor,
- Bo'Valon Mall as this is its first year of operation.

Overall, we expect the operating performance of the Group to be in line with the targets in an environment that is becoming more competitive.

