

ABRIDGED UNAUDITED GROUP FINANCIAL STATEMENTS

For the Quarter Ended 31 December 2019



Lavastone maintains growth with a 15.8% increase in operating profit year on year.

UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

<i>In MUR (000)</i>	<i>Unaudited quarter ended 31-12-2019</i>	<i>Unaudited quarter ended 31-12-2018 (Restated)</i>	<i>Audited year ended 30-09-2019</i>
Rental income and recoveries	43,231	38,357	155,328
Other operating income	1,291	1,858	7,121
Revenue	44,522	40,215	162,449
Direct operating expenses	(10,383)	(10,580)	(51,462)
Net operational income	34,139	29,635	110,987
Administrative expenses	(10,673)	(9,369)	(51,090)
Operating profit	23,466	20,266	59,897
Other gains and losses	-	-	128,158
Profit on disposal of investment properties	-	-	104
Profit before finance costs	23,466	20,266	188,159
Interest income	(0)	-	-
Finance costs	(1,891)	(279)	(1,877)
Share of results in associates	-	-	(34)
Profit before tax	21,575	19,987	186,248
Income tax expense	(4,001)	(4,186)	(29,872)
Profit for the quarter/year	17,574	15,801	156,376
Other comprehensive income	-	-	-
Total comprehensive income for the quarter/year	17,574	15,801	156,376
Total comprehensive income attributable to:			
- Ordinary equity holders of the parent	17,341	16,100	167,039
- Non-controlling interests	233	(299)	(10,663)
	17,574	15,801	156,376
Number of ordinary shares in issue			
Class A	680,523,310	680,523,310	680,523,310
Weighted average number of ordinary shares in issue	680,523,310	362,662,959	479,522,496
Basic earnings per share (MUR)	0.03	0.04	0.35
Net asset value per share (MUR)	3.70	3.47	3.70
Interim dividend per share (MUR)	-	-	0.02
Final dividend per share (MUR)	-	-	0.02

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UNAUDITED STATEMENTS OF FINANCIAL POSITION

<i>In MUR (000)</i>	<i>Unaudited quarter ended 31-12-2019</i>	<i>Unaudited quarter ended 31-12-2018 (Restated)</i>	<i>Audited year ended 30-09-2019</i>
ASSETS			
Non-current assets			
Investment properties	2,545,638	2,392,169	2,545,512
Investment property under development	403,309	149,292	344,120
Plant, property and equipment	1,334	591	1,296
Investment in associates	153,456	-	19,956
Intangible assets	104	45,088	115
Total non-current assets	3,103,841	2,587,140	2,910,999
Current assets	185,309	174,701	211,424
Total assets	3,289,150	2,761,841	3,122,423
EQUITY AND LIABILITIES			
Shareholders' Equity			
Stated capital	1,721,081	1,721,081	1,721,081
Capital and other reserves	131,053	131,053	131,053
Retained earnings	668,728	508,578	664,997
Non-controlling interests	337,304	319,747	337,071
Total equity	2,858,166	2,680,459	2,854,202
Non-current liabilities			
Borrowings	35,694	35,000	35,694
Other liabilities	51,620	29,695	51,718
Total non-current liabilities	87,314	64,695	87,412
Current liabilities			
Borrowings	-	-	77,089
Other liabilities	343,670	16,687	103,720
Total current liabilities	343,670	16,687	180,809
Total equity and liabilities	3,289,150	2,761,841	3,122,423

UNAUDITED STATEMENTS OF CASH FLOWS

<i>In MUR (000)</i>	<i>Unaudited quarter ended 31-12-2019</i>	<i>Unaudited quarter ended 31-12-2018 (Restated)</i>	<i>Audited year ended 30-09-2019</i>
Net cash generated from operating activities	41,175	15,194	1,575
Net cash (used in)/from investing activities	(248,125)	(217,597)	(348,368)
Net cash (used in)/from financing activities	-	238,450	221,968
Net (decrease)/increase in cash and cash equivalents	(206,950)	36,047	(124,825)
Cash and cash equivalents - opening	(39,205)	85,620	85,620
Cash flow from acquisition of subsidiary companies	-	14,323	-
Cash and cash equivalents - closing	(246,155)	135,990	(39,205)

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UNAUDITED STATEMENTS OF CHANGES IN EQUITY

<i>In MUR (000) Group</i>	<i>Stated Capital</i>	<i>Share application monies</i>	<i>Retained Earnings</i>	<i>Capital & Other reserves</i>	<i>Non- Controlling Interests</i>	<i>Total</i>
Balance at 01 October, 2018	450,000	575,000	511,568	-	-	1,536,568
Issue of shares	1,271,081	(575,000)	-	-	-	696,081
On internal restructuring				131,053	319,747	450,800
On purchase of subsidiaries	-				27,987	27,987
Dividend paid	-	-	(13,610)	-	-	(13,610)
Total comprehensive income for the year	-	-	167,039	-	(10,663)	156,376
At 30 Sep, 2019	1,721,081	-	664,997	131,053	337,071	2,854,202
Balance at 01 October, 2019	1,721,081	-	664,997	131,053	337,071	2,854,202
Dividend payable	-	-	(13,610)	-	-	(13,610)
Total comprehensive income for the period	-	-	17,341	-	233	17,574
At 31 Dec, 2019	1,721,081	-	668,728	131,053	337,304	2,858,166

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COMMENTS ON THE QUARTER ENDED 31 DECEMBER 2019

Operational review

Lavastone maintains strong growth with a 15.8% increase in operating profit year on year. The growth in operating profit is partly attributable to the start of operations of the retail area of 246 Edith Cavell Court in December 2019 which is fully let and that of Compagnie Valome Limited (Mourouk Ebony Hotel) which was acquired at the end of January 2019. Results for the quarter are as expected, with revenue and net operational income increasing to 10.7% and 15.2% respectively year on year. Occupancy levels remain high at 98.3%.

Financial review

Management is currently finalising the secured note programme announced on the 5th December with shareholders' approval to be sought towards the end of March 2020.

Outlook

Works on the office part of the 246 Edith Cavell Court are nearing completion with intent to lease agreements signed for 45% of available office space.

The construction works on our development projects which include the hotel at Belle Mare and the Victoria Urban Terminal Project are progressing as planned.

Lavastone has completed its full commitment of capital injection amounting to Rs150m in the Victoria Urban Terminal project.

Planning work for the renovation of the Mourouk Ebony hotel is well underway and temporary closure of the hotel will be scheduled once all relevant permits and clearances have been obtained.

By order of the Board
10th February 2020

KEY FIGURES FOR THE QUARTER ENDED

NET OPERATIONAL
INCOME

MUR 34 m

TOTAL
ASSETS

MUR 3.3 bn
(+ 19%)

NET ASSET VALUE
PER SHARE

MUR 3.7
(+ 7%)

OCCUPANCY

98.3%
(Dec 2018:98.6%)

The board of directors of Lavastone Ltd 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 period ended 30 September 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 Lavastone Ltd. 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 Issues) Rules 2007 is available, free of charge at the registered office: corner Edith Cavell Street & Mere Barthelemy Street, Port Louis, 11324

Lavastone Ltd | Incorporated in the Republic of Mauritius | Business Registration No: C12108298 | c/r Edith Cavell & Mere Barthelemy streets, Port Louis, 11324, Mauritius | T: + 230 213 7601 | E: info@Lavastone.mu | www.Lavastone.mu