



**Colin Taylor**  
Chairman

## CHAIRMAN'S MESSAGE

### Dear shareholders,

It is my privilege, as Lavastone's newly appointed Chairman, to present the Group's very first integrated report, highlighting our performances for the financial year 2019.

With Lavastone listing itself on the DEM in December 2018, the past year was one of change and growth, bringing about its fair share of challenges. Nonetheless, I am pleased to report some solid performances for the Group during the period under review.

### PERFORMANCE FOR THE FINANCIAL YEAR 2019

As part of Cim Financial Services Ltd's (CFSL) restructuring last year, some Rs 1.28 billion were injected as capital in Lavastone Ltd, in order to strengthen the company's balance sheet and contribute to its successful development plans and on-going and upcoming projects.

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In this regard, it is with great satisfaction that we have launched the 246 Edith Cavell Court project at Edith Cavell and Chaussée Streets in Port Louis, in December 2019. With this new development, we wish to contribute to the regeneration of our country's capital, giving a more attractive vibe to the neighbourhood by offering Mauritians an all-inclusive shopping, dining and entertainment experience.

In the same vein, we will be investing some Rs 150 million into the implementation of the Victoria Urban Terminal (VUT) project. This ambitious endeavour will further add to the regeneration of Port Louis, with some 100,000 commuters making use of this important infrastructure on a daily basis.

Finally, we are also pleased to announce that we reached an agreement to extend the lease contract with IQ-EQ, whom we will assist in renovating each floor of the Cascades building in Port Louis, to provide a more modern, appealing, productive and efficient workplace. This will help IQ-EQ cater for its growth, as well as attract and retain the best talents to work for their company. This lease extension represents a mark of confidence in Lavastone Properties from a stellar organisation.

### OUR COMMITMENT TO CORPORATE GOVERNANCE

Adherence to the New Code of Corporate Governance is key to Lavastone Properties. Our Board of Directors is strongly committed to continuously improving its governance practices, in order to meet the established standards and frameworks.

To this end, the following efforts have been undertaken to comply with the New Code of Corporate Governance:

- Setting up a Board responsible for controlling the Company and ensuring it meets all legal and regulatory requirements;
- Regularly reviewing the Board's composition and structure;
- Setting up committees to assist the Board in the discharge of its duties;
- Adopting a formal and transparent approach to the appointment of directors;
- Promoting open and transparent communication with shareholders and other stakeholders, including regulators and the Government;
- Making a commitment to maintaining risk governance and internal control systems, in order to safeguard the Company's reputation and assets;
- Implementing an IT framework with necessary safeguards to ensure data is not compromised;
- Providing an induction programme to newly appointed directors to enable them to better understand the market in which Lavastone Properties operates;
- Reporting with integrity, providing transparent information to the Company's stakeholders.

I am also pleased to report that the Board has appointed Doreen Lam, the Group CFO, as Executive Director on 12 December 2019. This addition to the Board will enhance the Board's diversity and ensure compliance with the Code.

More information on Corporate Governance can be found on pages 54 to 65.

## SUSTAINABILITY AT LAVASTONE

### “AT LAVASTONE, WE LOOK TO REDUCE OUR CARBON FOOTPRINT ACROSS ALL OUR BUILDINGS AND ACTIVITIES”

At Lavastone, we look to reduce our carbon footprint across all our buildings and activities, focusing mainly on:

- Encouraging our tenants to use the latest low-energy technologies in order to reduce their energy consumption. To this end, we have encouraged the replacement of all air conditioners at Manhattan and St Georges buildings with inverters and have invested in Variable Refrigerant Volume (VRV) air conditioners at 246 Edith Cavell Court, at the new hotel in Belle Mare under construction for Attitude Hotels, and at the Victoria Urban Terminal.
- Adhering to the Green by Design principles by opting for natural ventilation, insulation, low e-glass, natural lighting, special orientation of buildings and landscape to reduce heat gain.
- Recycling and reducing waste at multiple tenancy sites, including Riche Terre.

## OUTLOOK FOR FINANCIAL YEAR 2020

Considering the solid performances achieved in the financial year 2019, we have identified a list of projects to focus on in 2020, including:

- Ensuring 246 Edith Cavell Court is fully operational, with first office tenants starting to occupy the premises in March/April 2020.
- Maintaining continued progress on the construction of the hotel in Belle Mare for Attitude Hotels, for which completion is planned for the end of October 2020 and opening for November of the same year.
- Planning the renovation works and addition of 30 new rooms, at Mourouk in Rodrigues.

- Building the Victoria Urban Terminal.
- Building a slip lane and a new retail warehouse at Riche Terre.
- Completing construction works on the 84-lots Morcellement for South West Safari Group Ltd (SWSG) at Case Noyale.

In light of the above, some of our main short-term goals include:

- Improving the occupancy rate of our office spaces at 246 Edith Cavell Court.
- Implementing a client intimacy programme, including regular satisfaction surveys, across the whole of our client portfolio.
- Implementing smart metering for all new projects and rolling out a programme to other buildings once the trial at 246 Edith Cavell Court is completed.
- Providing respective tenants with real-time access to data collected from smart meters.
- Continued investment in energy efficient lighting and equipment to further reduce our utilities costs.
- Collaborating with tenants on an awareness campaign to reduce their utilities consumption.

## ACKNOWLEDGEMENTS

I would like to thank my fellow directors for their support during this watershed year. I am also grateful to our Managing Director, Nicolas Vaudin, for doing an excellent job completing Lavastone Properties' restructuring.

I take this opportunity to also thank you, our shareholders, for your loyalty and trust throughout this rather challenging financial year.



**Colin Taylor**  
Chairman

