

LEADERSHIP





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.

“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 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

DIRECTORS' PROFILES



From left to right: Sebastian Taylor, Vedanand Singh (Shyam) Mohadeb, Gaetan Ah Kang, Nicolas Vaudin



Colin Taylor, Ruby Saha, Matthew Taylor and Jose Arunasalom

DIRECTORS' PROFILES



Colin Taylor
Chairman and Non-Executive Director

Colin Taylor holds an MSc in Management from Imperial College, London, and a BSc (Hons) in Engineering with Business Studies from Portsmouth Polytechnic. He is the Chairman and CEO of Taylor Smith Investment, a diversified group of companies involved in Marine Services, Logistics and Distribution, Manufacturing, Services, and Property. Colin is the Honorary Consul of Sweden in Mauritius.

Directorship in other listed companies: Cim Financial Services Ltd



Nicolas Vaudin
Executive Director and Managing Director

Nicolas Vaudin holds a Bachelor of Applied Sciences in Hospitality Administration from Southern New Hampshire University, Manchester, USA, and an MBA from Surrey European Management School, University of Surrey. He joined the Cim Group as Managing Director of the Cim Property cluster in February 2017, after spending over 6 years at Ciel Properties Ltd and another 6 at PricewaterhouseCoopers Ltd.

Directorship in other listed companies: None



Matthew Taylor
Non-Executive Director

Matthew Taylor holds a BSc (Hons) in Retail Management from the University of Surrey. He joined Rogers in 2000, as Project Manager in the Planning and Development Department. He was the Executive Director Retail of Scott and Co Ltd from 2007 to 2013, and is currently the company's CEO.

Directorship in other listed companies: Cim Financial Services Ltd



Sebastian Taylor
Non-Executive Director

Sebastian Taylor holds a Bachelor's Degree in Economics and Politics from the University of Western Australia and a Master's in Business from Bond University. He is currently the Investment Manager at Scott Investments Ltd. Prior to that, Sebastian had worked at Quilter Cheviot Investment Management in the UK. He is also a director on the Board of Cim Finance Ltd, Scott and Co Ltd and Scott Health Ltd.

Directorship in other listed companies: None



Gaetan Ah Kang
Non-Executive Director

Gaetan Ah Kang is a member of the Institute of Chartered Accountants in England and Wales (ICAEW). He spent the first six years of his career working in an audit firm in the UK, before coming back to Mauritius in 1992 to join De Chazal Du Mée in an Audit role. He then moved to the Rogers Group in 1994, where he assumed functions within the Risk and Audit team, before being promoted Finance Manager of the Group's Engineering Cluster in 1999. Gaetan has been the Group Finance Director and a member of the Audit and Risk Committee of the Taylor Smith Group since 2004.

Directorship in other listed companies: None



Vedanand Singh (Shyam) Mohadeb
Independent Director

Shyam Mohadeb is a Fellow of the Institute of Chartered Accountants in Ireland. Between 1988 and 2015, he was the Senior Assurance Partner at PricewaterhouseCoopers Ltd, responsible for a large portfolio of GBCI clients in the financial and real estate sectors. Shyam is also a director on the Board of other private sector companies.

Directorship in other listed companies: None



Jose Arunasalom
Independent Director

Jose Arunasalom graduated in Economics and also holds a Master's Degree in International Relations. He has held several senior executive positions in the private sector in Mauritius, before serving 23 years in government at several senior roles, including Minister. He has advised governments in Madagascar and Africa and has also been a Member of the National Assembly for five consecutive terms.

Directorship in other listed companies: None



Vijaya Lakshmi (Ruby) Saha
Independent Director

Ruby Saha holds an LLB (Hons) from the University of London and a Diploma in Code Civil Mauricien from Université de La Réunion. She also holds a BA (Hons) Degree in Geography and an MSC in Town Planning from the University of Wales.

Ruby is a qualified Barrister at law in a private legal practice, with 11 years' standing at the bar. She has worked as consultant to the Decentralised Cooperation Programme of the European Union and to the United Nations Development Programme Mauritius, and also used to be the Chief Technical Officer and Chief Town and Country Planning Officer at the Ministry of Housing and Lands of Mauritius.

Directorship in other listed companies: None

KEY SENIOR OFFICERS' PROFILES



Nicolas Vaudin
Executive Director and
Managing Director

Please refer to the Directors' Profiles on pages 18 & 19.

Doreen Lam
Chief Financial Officer

Doreen Lam holds a BSc Management Sciences from the London School of Economics and Political Science, and is also a qualified accountant of the Institute of Chartered Accountants in England and Wales (ICAEW). Prior to joining Lavastone as Chief Financial Officer in October 2018, Doreen was Financial Controller of the Property Division at Medine Limited. She also has over 10 years' international experience, with executive roles at Shell International Limited and Ernst and Young LLP in London.

Sandee Teeroovengadum
Development and Commercial
Manager

Sandee Teeroovengadum holds a Bachelor of Arts (Hons) in Travel Management from the University of Brighton and a Master of Science in International Marketing Strategy from the University of Surrey. Sandee has been the Commercial and Development Manager of Lavastone since September 2017. Prior to joining the Group, he worked as Business Risk Advisory Consultant for Ernst and Young Mauritius, before moving to the Currimjee Jeewanjee Group, where he was involved in business strategic reviews, business plans and franchise negotiation in the ICT and hospitality sectors. From 2011 to 2016, Sandee cumulated work experience in the property sector, as the Operations and Business Development Manager of Davyland Properties, and thereafter as the Head of Leasing of ENL Property.