

UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

In MUR (000)	Unaudited quarter ended 30-06-2020	Unaudited quarter ended 30-06-2019	Unaudited 9 months ended 30-06-2020	Unaudited 9 months ended 30-06-2019	Audited year ended 30-09-2019
Rental income and recoveries	45,864	39,233	138,234	116,763	155,328
Other operating income	1,536	3,077	3,729	9,207	7,121
Revenue	47,400	42,310	141,963	125,970	162,449
Direct operating expenses	(10,291)	(12,857)	(35,838)	(36,259)	(51,462)
Net operational income	37,109	29,453	106,125	89,711	110,987
Administrative expenses	(13,711)	(9,589)	(37,169)	(27,055)	(51,090)
Operating profit	23,398	19,864	68,956	62,656	59,897
Other gains and losses	-	-	-	-	128,158
Profit on disposal of investment properties	-	(700)	-	(700)	104
Profit before finance costs	23,398	19,164	68,956	61,956	188,159
Interest income	-	-	-	-	-
Finance costs	(4,107)	(499)	(10,211)	(1,322)	(1,877)
Share of results in associates	(2,122)	-	(3,333)	-	(34)
Profit before tax	17,169	18,665	55,412	60,634	186,248
Income tax expense	(4,053)	(5,616)	(11,425)	(13,973)	(29,872)
Profit for the period/year	13,116	13,049	43,987	46,661	156,376
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period/year	13,116	13,049	43,987	46,661	156,376
Total comprehensive income attributable to:					
- Ordinary equity holders of the parent	13,146	13,544	46,882	47,821	167,039
- Non-controlling interests	(30)	(495)	(2,895)	(1,160)	(10,663)
	13,116	13,049	43,987	46,661	156,376
Number of ordinary shares in issue					
Class A	680,523,310	680,523,310	680,523,310	680,523,310	680,523,310
Weighted average number of ordinary shares in issue	680,523,310	680,523,310	680,523,310	411,785,957	479,522,496
Basic earnings per share (MUR)	0.02	0.02	0.07	0.12	0.35
Net asset value per share (MUR)	3.75	4.40	3.75	4.40	3.70
Interim dividend per share (MUR)	-	-	-	0.02	0.02
Final dividend per share (MUR)	-	-	-	-	0.02

UNAUDITED STATEMENTS OF CHANGES IN EQUITY

In MUR (000) Group	Stated Capital	Share application monies	Retained Earnings	Capital & Other reserves	Non-Controlling Interests	Total
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
Issue of shares	225	-	-	-	-	225
Changes in percentage holding of subsidiaries	-	-	1,781	-	(17,237)	(15,456)
Dividend paid	-	-	(13,610)	-	-	(13,610)
Total comprehensive income for the period	-	-	46,882	-	(2,895)	43,987
At 30 June, 2020	1,721,306	-	700,050	131,053	316,939	2,869,348

UNAUDITED STATEMENTS OF FINANCIAL POSITION

In MUR (000)	Unaudited 9 months ended 30-06-2020	Unaudited 9 months ended 30-06-2019	Audited year ended 30-09-2019
ASSETS			
Non-current assets			
Investment properties	2,903,335	2,366,876	2,545,512
Investment property under development	215,799	269,611	344,120
Plant, property and equipment	2,763	3,448	1,296
Investment in associates	146,633	-	19,956
Intangible assets	83	44,656	115
Goodwill	-	261,242	-
Total non-current assets	3,268,613	2,945,833	2,910,999
Current assets	133,760	145,222	211,424
Total assets	3,402,373	3,091,055	3,122,423
EQUITY AND LIABILITIES			
Shareholders' Equity			
Stated capital	1,721,306	1,721,081	1,721,081
Share application monies	-	-	-
Capital reserves	131,053	380,598	131,053
Retained earnings	700,050	555,869	664,997
Non-controlling interests	316,939	337,541	337,071
Total equity	2,869,348	2,995,089	2,854,202
Non-current liabilities			
Borrowings	87,565	35,601	35,694
Other liabilities	53,521	38,021	51,718
Total non-current liabilities	141,086	73,622	87,412
Current liabilities			
Borrowings	256,002	-	77,089
Other liabilities	135,937	22,344	103,720
Total current liabilities	391,939	22,344	180,809
Total equity and liabilities	3,402,373	3,091,055	3,122,423

UNAUDITED STATEMENTS OF CASH FLOWS

In MUR (000)	Unaudited 9 months ended 30-06-2020	Unaudited 9 months ended 30-06-2019	Audited year ended 30-09-2019
Net cash generated from operating activities	122,109	44,777	1,575
Net cash (used in)/from investing activities	(368,080)	(303,913)	(348,368)
Net cash (used in)/from financing activities	38,761	222,214	221,968
Net (decrease)/increase in cash and cash equivalents	(207,210)	(36,922)	(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	(246,415)	63,021	(39,205)

COMMENTS ON THE NINE MONTHS ENDED 30 JUNE 2020
Operational review

Revenue for the nine months showed a 13% increase to reach MUR142m (June 2019: MUR 126m) and profit before finance costs increased by 11% to MUR 69m (June 2019 : MUR62m). This increase is mainly due to the opening of 246 Edith Cavell Court despite the impact of Covid-19 on its retail and hospitality portfolio.

Management has been working with tenants which have been most impacted by Covid-19 and is in the process of finalising plans which have been tailored to their specific needs.

The office area of 246 Edith Cavell Court is now included in the total Gross Lettable Area of the Group of which 45% has already been let. The overall occupancy of the Group sits at 95% (March 2020: 98.3%) primarily due to the office area of 246 Edith Cavell Court which continues to receive strong interests.

Financial Review

The secured notes programme has been approved by shareholders during the special meeting of shareholders held on 10th July 2020. The notes programme is expected to be in place by the end of the year if terms are in line with market conditions.

Outlook

As a result of the lockdown, the timelines for the completion of our ongoing construction projects have been extended.

The completion of the hotel at Belle Mare is now expected to be at the end of December 2020. Given the uncertainties around the re-opening of our borders, the hotel is planned to open next year.

The planning around the renovation of the Mourouk hotel is progressing and construction will start once all relevant permits have been obtained.

Infrastructure works on one of the morcellement projects at Case Noyale have been completed. The other morcellement project is progressing well following restart of works after the lockdown and is expected to complete in the next financial year.

Management continues to monitor the impact of Covid-19 on its operations and its development plans, thus allowing the Board to reassess the Group's growth strategy and make decisions in order to adapt them to any change in market conditions in the best interest of the Group and its stakeholders.

By order of the Board

07th August 2020

KEY FIGURES FOR THE NINE MONTHS ENDED

NET OPERATIONAL INCOME	TOTAL ASSETS	NET ASSET VALUE PER SHARE	OCCUPANCY
MUR 106.1 m (+18%)	MUR 3.4 bn (+10%)	MUR 3.8 (-15%)	95.0% (June 2019: 98.7%)

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 year 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