

ABRIDGED UNAUDITED GROUP FINANCIAL STATEMENTS

For the quarter and six months ended 31 March 2021

UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

In MUR (000)	Unaudited quarter ended 31-03-2021	Unaudited quarter ended 31-03-2020	Unaudited 6 months ended 31-03-2021	Unaudited 6 months ended 31-03-2020	Audited year ended 30-09-2020
Rental income and recoveries	52,778	49,140	104,615	92,371	190,085
Other operating income	1,313	902	2,562	2,193	7,122
Revenue	54,091	50,042	107,177	94,564	197,207
Direct operating expenses	(13,299)	(16,496)	(27,027)	(26,879)	(46,237)
Net operational income	40,792	33,546	80,150	67,685	150,970
Administrative expenses	(13,448)	(11,454)	(25,025)	(22,127)	(52,683)
Operating profit	27,344	22,092	55,125	45,558	98,287
Other gains and losses	-	-	-	-	(190,567)
(Loss)/Profit on disposal of investment properties	(112)	-	(4,338)	-	3,371
Profit/(loss) before finance costs	27,232	22,092	50,787	45,558	(88,909)
Net Finance costs	(4,432)	(4,215)	(7,790)	(6,106)	(6,059)
Effect of exchange difference	6,088	3	864	3	(6,231)
Share of results in associates	(445)	(1,211)	(226)	(1,211)	(4,626)
Profit/(loss) before tax	28,443	16,669	43,635	38,244	(105,825)
Income tax (expense)/credit	(4,228)	(3,372)	(7,519)	(7,373)	2,385
Profit/(loss) for the period/year	24,215	13,297	36,116	30,871	(103,440)
Other comprehensive income	-	-	-	-	(275)
Total comprehensive income for the period/year	24,215	13,297	36,116	30,871	(103,715)
Total comprehensive income attributable to:					
- Ordinary equity holders of the parent	24,889	16,395	39,478	33,736	(95,940)
- Non-controlling interests	(674)	(3,098)	(3,362)	(2,865)	(7,775)
	24,215	13,297	36,116	30,871	(103,715)
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	680,523,310	680,523,310
Basic earnings/(loss) per share (MUR)	0.06	0.05	0.06	0.05	(0.14)
Net asset value per share (MUR)	3.59	3.73	3.59	3.73	3.56
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	Retained Earnings	Capital & Other reserves	Non-Controlling Interests	Total
Balance at 01 October, 2019	1,721,081	664,997	131,053	337,071	2,854,202
Impact of IFRS 16	-	9,534	-	4,110	13,644
Changes in ownership interest in subsidiaries that do not result in a loss of control	-	2,345	-	(8,482)	(6,137)
Dividend paid	-	(13,610)	-	-	(13,610)
Total comprehensive income for the year	-	(95,940)	-	(7,775)	(103,715)
At 30 Sep, 2020	1,721,081	567,326	131,053	324,924	2,744,384
Balance at 01 October, 2020	1,721,081	567,326	131,053	324,924	2,744,384
Dividend payable	-	(13,610)	-	-	(13,610)
Total comprehensive income for the period	-	39,478	-	(3,362)	36,116
At 31 March, 2021	1,721,081	593,194	131,053	321,562	2,766,890

UNAUDITED STATEMENTS OF FINANCIAL POSITION

In MUR (000)	Unaudited half year ended 31-03-2021	Unaudited half year ended 31-03-2020	Audited year ended 30-09-2020
ASSETS			
Non-current assets			
Investment properties	2,796,707	2,840,132	2,835,622
Investment property under development	387,755	180,053	336,221
Plant, property and equipment	8,230	1,297	2,468
Investment in associates	148,138	148,755	148,364
Intangible assets	265	94	72
Total non-current assets	3,341,095	3,170,331	3,322,747
Current assets	294,800	141,022	146,860
Total assets	3,635,895	3,311,353	3,469,607
EQUITY AND LIABILITIES			
Shareholders' Equity			
Stated capital	1,721,081	1,721,081	1,721,081
Capital reserves	131,053	131,053	131,053
Retained earnings	593,194	686,905	567,326
Non-controlling interests	321,562	316,969	324,924
Total equity	2,766,890	2,856,008	2,744,384
Non-current liabilities			
Borrowings	648,376	85,328	91,417
Other liabilities	109,156	53,486	108,321
Total non-current liabilities	757,532	138,814	199,738
Current liabilities			
Borrowings	-	232,927	345,095
Other liabilities	111,473	83,604	180,390
Total current liabilities	111,473	316,531	525,485
Total equity and liabilities	3,635,895	3,311,353	3,469,607

UNAUDITED STATEMENTS OF CASH FLOWS

In MUR (000)	Unaudited half year ended 31-03-2021	Unaudited half year ended 31-03-2020	Audited year ended 30-09-2020
Net cash generated from operating activities	43,222	104,071	242,852
Net cash used in investing activities	(79,229)	(321,044)	(558,623)
Net cash from financing activities	512,670	36,024	38,762
Net increase/(decrease) in cash and cash equivalents	476,663	(180,949)	(277,009)
Cash and cash equivalents - opening	(316,214)	(39,205)	(39,205)
Cash and cash equivalents - closing	160,449	(220,154)	(316,214)

COMMENTS ON THE HALF YEAR ENDED 31 MARCH 2021

Operational review

Year on year revenue and operating profit are in line with expectations with an increase of 13.3% and 21.0% respectively. This increase is mainly attributable to the full six months of operations of 246 Edith Cavell Court in the current financial period of 2021 as compared to only three months of operations in the prior year.

Occupancy stood at 93.7% (Dec2020:95.6%), this fall in occupancy is temporary as a replacement tenant has already been onboarded.

With measures implemented in the past year, the Group's operations suffered little to no business interruptions during the second lockdown. The usual precautionary measures were reinforced with all sites secured with the presence of an emergency team at all times to ensure the well being and safety of our tenants. Management is continually monitoring the impact of Covid-19 and have put necessary measures in place across its portfolio of properties to prepare for the full re-start of operations.

Financial Review

Rs350m out of the approved Rs1.5bn of the secured Notes Programme has been issued in February 2021. The Notes Programme has been used to reimburse Lavastone Ltd's temporary overdraft and also finance earmarked development projects as and when they materialise. It will reduce the weighted average cost of borrowing of the Group and provide liquidity for acquisitive opportunities.

Interim dividend

In light of the results of the Company, the Board has approved a dividend of Rs0.02 per share.

Outlook

The Mourouk Ebony Hotel in Rodrigues was closed for renovations in February 2021. The new hotel at Belle Mare remains on track to open during the last quarter of the year.

Infrastructure works for the two morcellement projects at Case Noyale have been completed. With the end of the second lockdown, remedial works requested by the authorities have resumed and on its completion, it will allow the authorities to issue the morcellement permits.

Management and the Board continue to closely monitor the evolution of the pandemic and its impact on the local economy and on the businesses of our tenants.

By order of the Board
12th May 2021

KEY FIGURES FOR THE HALF YEAR ENDED

NET OPERATIONAL INCOME	TOTAL ASSETS	NET ASSET VALUE PER SHARE	OCCUPANCY
MUR 80.2 m 18%	MUR 3.6 bn 9.8%	MUR 3.6 -3.7%	93.7% (Mar 2020: 98.3%) (Dec 2020: 95.6%)

The board of directors of Lavastone Ltd accepts full responsibility for the accuracy of the information contained in this report. The abridged group financial statements are unaudited and have been prepared using same accounting policies as the audited financial statements for the year ended 30 September 2020 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 audited financial statements are issued pursuant to DEM Rule 17. The statement of direct and indirect interests of Officers pursuant to rule corner Edith Cavell Street & Mere Barthelemy Street, Port Louis, 11324

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