

UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

In MUR 000	Unaudited quarter ended 31-03-2023	Unaudited quarter ended 31-03-2022	Unaudited 6 months ended 31-03-2023	Unaudited 6 months ended 31-03-2022	Audited year ended 30-09-2022
Rental income and recoveries	70,562	62,023	140,377	123,341	277,258
Other operating income	2,208	169	6,242	2,903	10,065
Revenue	72,770	62,192	146,619	126,244	287,323
Operating expenses	(11,097)	(10,272)	(23,895)	(22,846)	(50,866)
Net operational income	61,673	51,920	122,724	103,398	236,457
Administrative expenses	(15,023)	(14,934)	(32,181)	(31,760)	(67,271)
(Impairment losses)/Reversal of impairment losses	(226)	5,963	(551)	5,963	3,947
Operating profit	46,424	42,949	89,992	77,601	173,133
Profit on disposal of investment properties	-	(6)	-	(6)	28,943
Profit on sale of land	11,833	-	16,864	-	-
Profit before finance costs	58,257	42,943	106,856	77,595	202,076
Other gains and losses	2,470	(2,753)	6,349	-	1,275
Net finance costs	(15,908)	(5,788)	(27,129)	(11,368)	(30,994)
Effect of exchange difference	(2,841)	(4,909)	(10,042)	(1,268)	40,752
Share of results in associate	(3,934)	(1,942)	(3,802)	(3,176)	(4,282)
Profit before tax	38,044	27,551	72,232	61,783	208,827
Income tax expense	(1,418)	(6,751)	(9,284)	(10,851)	(28,616)
Profit for the year	36,626	20,800	62,948	50,932	180,211
Other comprehensive income	40,152	-	29,104	-	(702)
Total comprehensive income for the year	76,778	20,800	92,052	50,932	179,509
Total comprehensive income attributable to:					
- Ordinary equity holders of the parent	72,889	21,223	86,432	51,786	172,200
- Non-controlling interests	3,889	(423)	5,620	(854)	7,309
	76,778	20,800	92,052	50,932	179,509
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 per share (MUR)	0.08	0.08	0.08	0.08	0.25
Net asset value per share (MUR)	4.03	3.80	4.03	3.80	3.94
Interim dividend per share (MUR)	0.025	0.02	0.025	0.02	0.02
Final dividend per share (MUR)	-	-	-	-	0.04

UNAUDITED STATEMENTS OF CHANGES IN EQUITY

In MUR 000	Stated capital	Retained earnings	Capital & Other reserves	Non-Controlling Interests	Total
GROUP					
Balance at 01 October, 2021	1,721,081	698,873	131,053	325,787	2,876,794
Dividend paid	-	(27,221)	-	-	(27,221)
Total comprehensive income for the period	-	172,200	-	7,309	179,509
Changes in ownership interest in subsidiaries that do not result in a loss of control	-	(12,366)	-	(2,959)	(15,325)
At 30 September, 2022	1,721,081	831,486	131,053	330,137	3,013,757
Balance at 01 October, 2022	1,721,081	831,486	131,053	330,137	3,013,757
Dividend paid	-	(27,221)	-	-	(27,221)
Total comprehensive income for the period	-	57,328	29,104	5,620	92,052
Balance at 31 March, 2023	1,721,081	861,593	160,157	335,757	3,078,588

UNAUDITED STATEMENTS OF FINANCIAL POSITION

In MUR 000	Unaudited half year ended 31-03-2023	Unaudited half year ended 31-03-2022	Audited year ended 30-09-2022
ASSETS			
Non-current assets			
Investment properties	3,747,625	3,419,402	3,672,802
Investment property under development	169,379	105,981	106,717
Plant, property and equipment	24,353	19,431	23,079
Net investment in lease	5,950	6,459	6,304
Investment in associate	138,824	143,732	142,626
Intangible assets	9,838	496	426
Loan receivable	65,055	24,436	24,436
Total non-current assets	4,161,024	3,719,937	3,976,390
Current assets	527,159	170,048	192,469
Total assets	4,688,183	3,889,985	4,168,859
EQUITY AND LIABILITIES			
Shareholders' Equity			
Stated capital	1,721,081	1,721,081	1,721,081
Capital and other reserves	160,157	131,053	131,053
Retained earnings	861,593	737,049	831,486
Non-controlling interests	335,757	324,933	330,137
Total equity	3,078,588	2,914,116	3,013,757
Non-current liabilities			
Borrowings	1,263,716	669,476	786,350
Other liabilities	161,923	136,818	147,844
Total non-current liabilities	1,425,639	806,294	934,194
Current liabilities			
Borrowings	54,161	58,456	70,987
Other liabilities	129,795	111,119	149,921
Total current liabilities	183,956	169,575	220,908
Total equity and liabilities	4,688,183	3,889,985	4,168,859

UNAUDITED STATEMENTS OF CASH FLOWS

In MUR 000	Unaudited half year ended 31-03-2023	Unaudited half year ended 31-03-2022	Audited year ended 30-09-2022
Net cash generated from operating activities	86,152	73,668	187,677
Net cash used in investing activities	(73,668)	(315,678)	(341,369)
Net cash from financing activities	377,264	35,423	113,992
Net increase/(decrease) in cash and cash equivalents	389,748	(206,587)	(39,700)
Cash and cash equivalents - opening	23,824	63,209	63,209
Effect of foreign exchange rate changes	(5,855)	-	315
Cash and cash equivalents - closing	407,717	(143,378)	23,824

COMMENTS ON THE HALF YEAR ENDED 31 MARCH 2023

Operational and financial review

The Group continues to perform in line with expectations with revenue and operating profit increasing by 16.1% and 16.0% respectively as compared to the half year ended 31 March 2022. The increase is mainly attributable to rental income from ABSA House which was acquired in the last financial year, new tenants at EDITH along with annual rental escalations.

The Group occupancy as at 31 March 2023 was 94.8% compared to 94.1% in December 2022 due to new office tenants. Management continues to work actively towards improving the occupancy rate of the Group.

Transfer of title deeds in the Morcellement at Case Noyale to individual owners is progressing as planned with 37% of plots already transferred allowing for the recognition of additional profit on sale of land.

Interim Dividend

In light of the results of the Group, the Board has approved a dividend of MUR 0.025 per share.

Outlook

The renovation and redevelopment of Play Mourouk Hotel is accelerating with the opening planned during the last quarter of financial year 2023.

The Group drewdown the final MUR 550m from its existing bond facility with The Mauritius Commercial Bank Ltd aimed at acquisitive opportunities being considered. This explains the marked increase in its cash position at 31 March 2023. Management is currently finalising cash placements in order to mitigate the cost of financing in the short term until new acquisitive and development projects are concluded.

Management and the Board continue to track interest rates in consideration of the Group's gearing levels to ensure the Group continues to comfortably service its debt. The Group's gearing stood at 29.6% at 31 March 2023.

The challenging global economic climate affected by the war in Ukraine and probable recession in Europe and the West are important factors that the Group continues to monitor.

By order of the board

10th May 2023

KEY FIGURES FOR THE HALF YEAR ENDED

NET OPERATIONAL INCOME	MUR 122.7 M	TOTAL ASSETS	MUR 4.7 BN
NET ASSET VALUE PER SHARE	MUR 4.03	OCCUPANCY	94.8% (MARCH 2022: 95.9%) (DEC 2022: 94.1%)

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 2022 except for the adoption of a new International Financial Reporting Standards issues 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 of DEM Rule 17. the statement of direct and indirect interests of Officers pursuant to rule8(2)(m) of the Securities (Disclosure Obligations of Reporting Issues) Rules 2007 is available, free of charge at the registered office:

1st floor, EDITH, 6 Edith Cavell Street, Port Louis, Mauritius