



LAVASTONE
PROPERTIES

Lavastone Ltd

ADMISSION DOCUMENT OF LAVASTONE LTD
LEC/1/07/2018

In relation to the listing of 680,523,310 ordinary shares of no par value of **Lavastone Ltd** on the Development and Enterprise Market of the Stock Exchange of Mauritius Ltd by way of an introduction at a price of MUR3.00 per share.

14 December 2018

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This document is issued by Lavastone Ltd (“Lavastone Ltd” or the “Company”), a company incorporated in Mauritius, as a private company limited by shares, on 05 March 2012, with business registration number C12108298 and currently regulated by the Companies Act 2001. Its registered address is 33 Edith Cavell Street, Port Louis. The Company was converted into a public company on 25 June 2018 and was previously known as Cim Property Development Ltd (“CPDL”).

This document is issued for the purpose of giving information to the shareholders of Cim Financial Services Limited (“CFSL” or “Cim”), the current parent company of Lavastone Ltd, in relation to the proposed listing of the ordinary shares of Lavastone Ltd on the Development and Enterprise Market (“DEM”) of the Stock Exchange of Mauritius Ltd (the “SEM”). CFSL currently holds 100% of the share capital of Lavastone Ltd.

This document also serves as Admission Document as defined in The Rules for DEM companies (the “DEM Rules”) and includes information given in compliance with the relevant sections of the DEM Rules of the SEM for the purpose of giving information with regards to the proposed listing of 680,523,310 ordinary shares of no par value of Lavastone Ltd by way of an introduction on the DEM at a price of MUR3.00 per ordinary share (the “Listing”).

An application has been made to the SEM for the listing and permission to deal in the ordinary shares of Lavastone Ltd. This document has been approved by the Listing Executive Committee (“LEC”) of the SEM in conformity with the DEM Rules on 14 December 2018. No other listing has been sought for the ordinary shares of Lavastone Ltd.

On the first day of listing and trading of Lavastone Ltd, 1,000 ordinary shares (the “Initial Shares”) will be made available for trading by CFSL at an indicative price of MUR3.00 per share.

A copy of this Admission Document has been filed with the Financial Services Commission (“FSC”).

For a full appreciation of this document, it should be read in its entirety. If you have any doubt as to the action you should take, please consult your banker, stockbroker, legal advisor, accountant or other professional advisor immediately.

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FINANCIAL INFORMATION CONTAINED IN THIS ADMISSION DOCUMENT

Historical Audited Financial Information of Lavastone Ltd

The Historical Audited Financial Information of Lavastone Ltd for the three years ended 30 September 2015 (“FY15A”), 30 September 2016 (“FY16A”), 30 September 2017 (“FY17A”) and for the interim 9 months ended 30 June 2018 (“9M18A”) is set out in Appendix 1 of this Admission Document.

The Independent Reporting Accountants’ reports on the historical audited financial information of Lavastone Ltd are set out in the same Appendix.

Unaudited Pro Forma Financial Information of Lavastone Ltd

From 30 June 2018, the date of Lavastone Ltd’s last audited consolidated accounts, to 14 December 2018 being the date of issue of this document, Cim has undertaken an internal reorganisation (the “Reorganisation”), a capital injection into Lavastone Ltd (the “Capital Injection”), and a stock-split of the shares of Lavastone Ltd (the “Stock-split”), together the “Restructuring” as documented in section 4.3, to regroup all its property assets and property-related operations under Lavastone Ltd in view of the Listing.

Unaudited Pro Forma Financial Information on Lavastone Ltd for the corresponding periods is set out in Appendix 2 of this Admission Document. **This Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only to provide information on how the Restructuring would have impacted Lavastone Ltd had the Restructuring or its principles been implemented on 01 October 2014, and also caters for the continuing effects of the Listing. For the avoidance of doubt, whilst the Capital Injection and Stock-split occurred after 30 June 2018, these have been reflected in the Pro Forma as at 30 June 2018 in order to reflect Lavastone Ltd on a continuing basis post Restructuring. The Unaudited Pro Forma Financial Information hence does not purport to represent what Lavastone Ltd’s financial position, changes in equity, results of operations and other comprehensive income or cash flows would have been, had the Restructuring occurred on the date assumed for the purpose of its preparation.**

The Pro Forma principles and methodology are likewise documented in Appendix 2 of this document.

Since the post-Restructuring position of Lavastone Ltd effectively reflects the ongoing property business, the Pro Forma approach enables the prospective shareholders of Lavastone Ltd to better understand and compare the operations and evolution of the Company by effectively consolidating all property assets and operations under one company, as if they had always operated under Lavastone Ltd since 01 October 2014.

Accordingly for the purpose of this document, all quantitative and qualitative references relate to Lavastone Ltd’s Unaudited Pro Forma Financial Information.

The preparation of the Unaudited Pro Forma Financial Information falls under the responsibility of Lavastone Ltd’s Directors.

Statements of intent

Certain sections contained in this document constitute “statements of intent”. Such statements of intent involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company’s results to be materially different from any expected future results, performance or achievements expressed or implied by such statements of intent.

The statements of intent in this document are made based upon the Directors’ expectations and beliefs concerning future events impacting the Company. The Company cautions that these statements of intent are not guarantees and actual results could differ materially from those expressed or implied in these statements of intent.

It is strongly recommended that prospective investors read the section titled “Risk Factors” set out in section 6.0 of this document for a more complete discussion of the factors that could affect the Company’s future performance and the industry in which it operates. In light of these risks, uncertainties and assumptions, the forward-looking events described in this document may not occur. The statements of intent referred to above speak only as at the date of this document.

Subject to any obligations under applicable law, including the DEM Rules, the Company undertakes no obligation to release publicly any revisions or updates to these statements of intent to reflect events, circumstances or unanticipated events occurring after the date of this document.

All subsequent written and oral statements of intent attributable to the Company, Directors or senior management acting on behalf of the Company are expressly qualified in their entirety by this paragraph.

This document is neither an invitation nor a Prospectus nor a statement in lieu of a Prospectus for the public in Mauritius or elsewhere to subscribe for shares in Lavastone Ltd.

Transaction Advisers

PricewaterhouseCoopers Ltd



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1.0 DECLARATION BY DIRECTORS

This Admission Document includes particulars given in compliance with the DEM Rules governing the listing of securities on the DEM, for the purpose of giving information with regards to Lavastone Ltd in the context of its proposed Listing. The Directors of Lavastone Ltd (the “Directors”), whose names appear in section 8.0, collectively and individually, accept full responsibility for the accuracy and completeness of the information contained in this document and confirm, having made all reasonable enquiries that, to the best of their knowledge and belief, there are no facts, the omission of which would make any statement herein misleading, and that this document complies with the Securities Act 2005 (the “Securities Act”), or any rules or regulation made under the Securities Act as applicable.

The Directors of Lavastone Ltd have, on 07 December 2018, approved the proposed Listing, the salient features of which are provided in section 3.0.

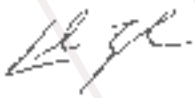
Furthermore, the Directors declare that, to the best of their knowledge and belief and after having made reasonable inquiries, in relation to the period from 30 June 2018, the date to which the last audited financial statements of Lavastone Ltd have been prepared, to the date of this document:

- There has not been any material change in the financial or trading position of Lavastone Ltd, except for the Restructuring as described in section 4.3 of this document; and
- The business of Lavastone Ltd has been satisfactorily maintained.

The Directors also declare that:

- The working capital available to Lavastone Ltd is sufficient for at least twelve (12) months from the date of this document; and
- There will be no change in the nature of the business of Lavastone Ltd following its admission to listing on the DEM of the SEM.

Approved by the Board of Lavastone Ltd (the “Board”) on 07 December 2018 and signed on its behalf by:



Colin Taylor
Chairman



Nicolas Vaudin
Managing Director

2.0 GLOSSARY OF DEFINITIONS AND ABBREVIATIONS

TERM	DEFINITION/ MEANING
Act	The Companies Act 2001, as may be amended from time to time
Admission Document	This document prepared pursuant to the DEM Rules of the SEM for the purpose of the listing of the ordinary shares of Lavastone Ltd on the DEM
AHL	Attitude Hospitality Ltd
B59	B59 Ltd
Board	The Board of Directors of Lavastone Ltd
CAGR	Compound annual growth rate
Capital Injection	The additional capital injection of MUR170 million by CFSL into Lavastone Ltd, which was effected post the reporting date of 30 June 2018 up until the issue of this document
Carve-out	Carve-out of the Company from its parent company, CFSL, via a dividend in specie
CDS	The Central Depository & Settlement Co. Ltd
CFSL or Cim	Cim Financial Services Limited
Company or Lavastone Ltd	Lavastone Ltd
Constitution	The constitution of the Company dated 12 November 2018
CPDL	Cim Property Development Ltd, renamed as Lavastone Ltd on 12 November 2018
CPI	Consumer Price Index
CSBO2	CSBO2 Ltd
DEM	Development and Enterprise Market
DEM Rules	The rules constituted by the SEM governing the listing of securities on the DEM
Directors	Directors of Lavastone Ltd
Distribution	The distribution of the remaining 680,522,310 ordinary shares of Lavastone Ltd held by Cim, excluding the Initial Shares, to all the shareholders of Cim, in the ratio of 1 ordinary share of Lavastone Ltd for every ordinary share of Cim as at 07 January 2019
EBITDA	Earnings before interest, tax, depreciation and amortisation
ECP	Edith Cavell Properties Ltd
FSC	Financial Services Commission
FY[YY]A	For the financial year ended 30 September 20YY, based on audited figures
FY[YY]PF	For the financial year ended 30 September 20YY, based on unaudited Pro Forma figures
9M[YY]A	For the interim 9 months ended 30 June 20YY, based on audited figures
9M[YY]PF	For the interim 9 months ended 30 June 20YY, based on unaudited Pro Forma figures
GLA	Gross Leasable Area
Gross yield	Gross yield for yielding properties being the rental income divided by the NBV of the yielding assets
Group	Lavastone Ltd and its subsidiaries
IHS	Invest Hotel Scheme
Initial Shares	The 1,000 ordinary shares that will be made available for trading by CFSL at an indicative price of MUR3.00 per share on the first day of listing and trading of Lavastone Ltd
IRS	Integrated Resort Scheme
KPI	Key Performance Indicators
Lavastone Group or Group	Lavastone Ltd and its subsidiaries post Restructuring

TERM	DEFINITION/ MEANING
Lavastone Properties	The brand name under which the companies forming part of the Lavastone Group trade
LEC	Listing Executive Committee
Listing	The proposed admission to listing of 680,523,310 ordinary shares of no par value of Lavastone Ltd by way of an introduction on the DEM at a price of MUR3.00 per ordinary share
LMDC	Le Morne Development Corporation Ltd
Lochiel	Lochiel Property Management Ltd
LPL	Lavastone Properties Ltd, previously known as Cim Property Holdings Ltd and renamed on 12 November 2018
MUR	Mauritian Rupee
NAV	Net asset value
NBV	Net book value
Net yield	Net yield for yielding properties being the NOI divided by the NBV of the yielding assets
NOI	Net operating income calculated as (rental income + other income) - (operating expenses + admin expenses)
NPS	National Pensions Scheme
PAT	Profit after tax
PAYE	Pay As You Earn
PDS	Property Development Scheme
Pier9	Pier9 Ltd
PMO	Prime Minister's Office
Pro Forma, pro forma or PF	Unaudited Pro Forma Financial Information prepared for illustrative purposes only to provide information on how the Restructuring would have impacted Lavastone Ltd had the Reorganisation or its principles been implemented on 01 October 2014, and also catering for the continuing effects of the Listing. PF or <i>pro forma</i> accordingly refer to Pro Forma figures.
Record Date	07 January 2019
RES	Real Estate Scheme
Reorganisation	The reorganisation of Cim's property assets and property-related operations under Lavastone Ltd as documented in section 4.3
Restructuring	The Reorganisation together with the Capital Injection and the Stock-split effected post the reported period of 30 June 2018 as documented in section 4.3
Rogers	Rogers and Company Ltd
San Paolo	San Paolo Ltd
Scott	Scott & Co Ltd
Securities Act	Securities Act 2005
SEM	The Stock Exchange of Mauritius Ltd
Stock-split	Stock-split effected on the shares of Lavastone Ltd post the Reorganisation and the Capital Injection but pre issue of the Initial Shares, in order to bring the Company's issued share capital to 680,522,310 ordinary shares, so as to facilitate the foreseen Distribution
Sqm	Square metre
SWSG	South West Safari Group Limited
SWTD Bis	SWTD Bis Ltd
WALE	Weighted average lease expiry, being the weighted average lease term remaining to expire across a portfolio

3.0 SALIENT FEATURES OF THE LISTING

Issuer	Lavastone Ltd, a property company that is involved in the ownership, rental, management and development of commercial and industrial properties in Mauritius.
The Listing and first day of trading	<p>The listing of 680,523,310 ordinary shares of no par value of Lavastone Ltd by way of an introduction on the DEM at a price of MUR3.00 per share. The Listing is scheduled for 28 December 2018.</p> <p>On the first day of listing and trading of Lavastone Ltd, 1,000 ordinary shares (the “Initial Shares”) will be made available for trading by CFSL at an indicative price of MUR3.00 per share.</p> <p>Following the Distribution, as described further below, the current shareholders of Cim shall be able to trade their shares in Lavastone Ltd on the DEM.</p>
Key strengths of Lavastone Ltd	<ol style="list-style-type: none">1. Strong track record of top line growth;2. Steady profitability and cash flow generation;3. Diversified portfolio of yielding assets;4. Long-standing, high-quality tenants;5. Experienced board and management team;6. Strong capital base and a high borrowing capacity; and7. Well-defined strategy in place.
Distribution of Lavastone Ltd’s ordinary shares	<p>Following the approval by the LEC of the Listing of Lavastone Ltd on the DEM, Cim will proceed with a full carve-out of the Company (the “Carve-out”), via a dividend in specie.</p> <p>On 14 December 2018, the Board of Cim announced that it will proceed with such distribution to all its shareholders.</p> <p>The remaining 680,522,310 ordinary shares of Lavastone Ltd will therefore be distributed by Cim to all its shareholders, who are registered at 07 January 2019 (the “Record Date”), and the shareholders of Cim will be entitled to receive 1 ordinary share of Lavastone Ltd for every 1 ordinary share of Cim held by them as at the Record Date, (the “Distribution”).</p> <p>The shareholders of Cim will thereafter hold shares directly in both Cim and Lavastone Ltd.</p>
Allotment date	On or around 17 January 2019, the date at which the ordinary shares of Lavastone Ltd will be allotted to the shareholders of Cim entitled thereto.

4.0 OVERVIEW OF LAVASTONE LTD

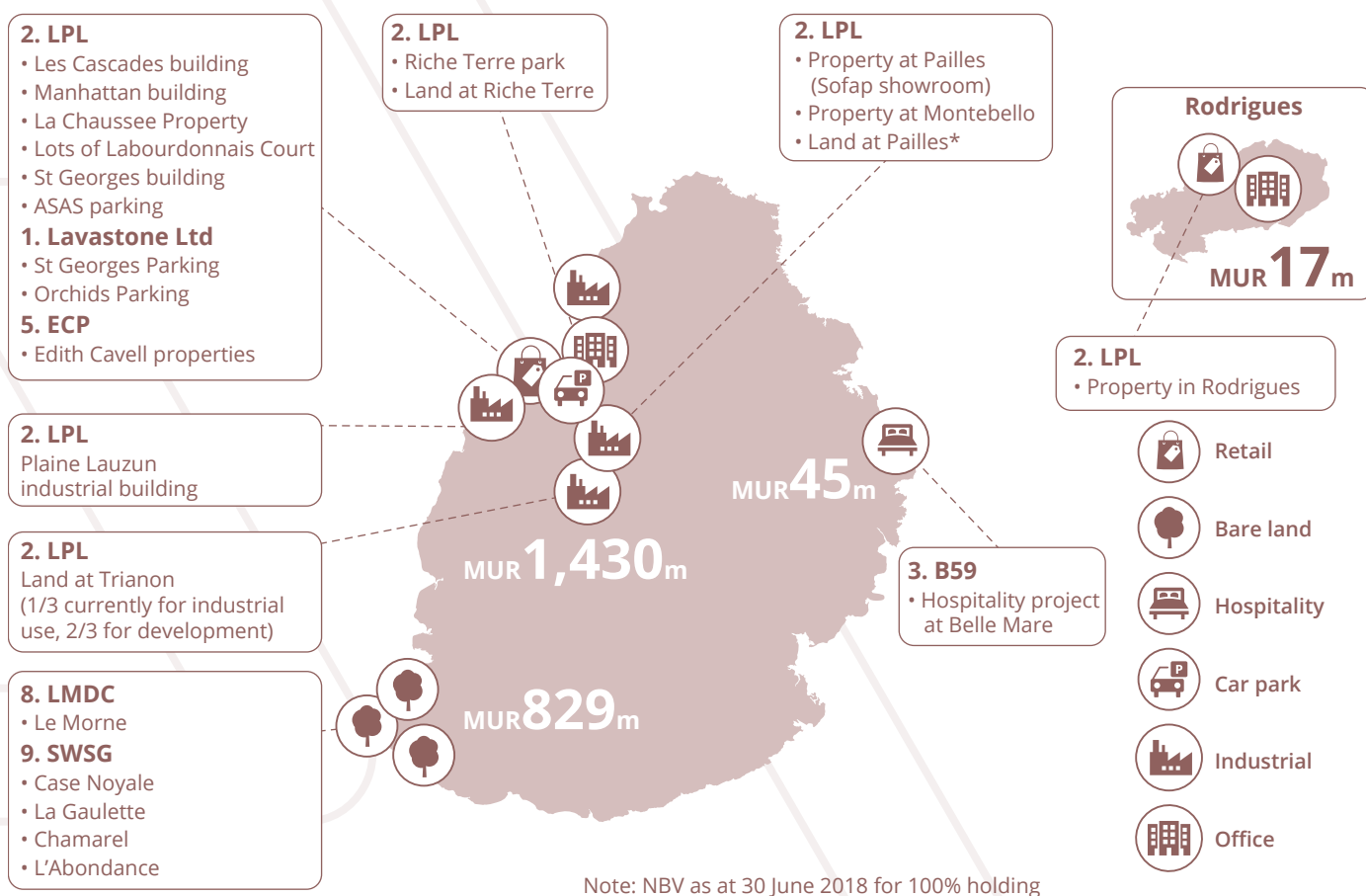
4.1 Introduction of Lavastone Ltd¹

Lavastone Ltd (“Lavastone Ltd”, or the “Company”) is a public company incorporated in Mauritius on 05 March 2012 and bears business registration number C12108298. Its registered office is located at 33 Edith Cavell Street, Port Louis, Mauritius. The Company, a wholly-owned subsidiary of Cim Financial Services Ltd (“CFSL” or “Cim”) as at the date of this document, was previously known as Cim Property Development Ltd (“CPDL”) and was renamed on 12 November 2018.

As at the date of this document, the stated capital of Lavastone Ltd was made up of 680,523,310 ordinary shares of no par value amounting to MUR1.72 billion. All issued shares are fully paid.

Lavastone Ltd is involved in the ownership, rental, management and development of commercial and industrial properties in Mauritius. The Company and its subsidiaries are currently trading under the common brand name of ‘Lavastone Properties’. The geographical location of Lavastone Ltd’s assets is illustrated below:

Chart 4.1.1: Geographical location of Lavastone Ltd’s assets



*Land at Pailles is being subject to a compulsory acquisition by the government

As at 30 June 2018, the Company and its subsidiaries (together the “Lavastone Group” or the “Group”), held pro forma total assets of MUR2.87 billion, of which 84% or MUR2.42 billion related to its property portfolio consisting of 23 properties. These have been classified as Investment Property (“IP”) at MUR1.45 billion, Plant, Property and Equipment (“PPE”) at MUR842 million, assets under construction at MUR68 million and intangible assets at MUR60 million.

After adjusting for assets under construction and fixtures and fittings, the *pro forma* effective property portfolio under management amounts to MUR2.32 billion as at 30 June 2018.

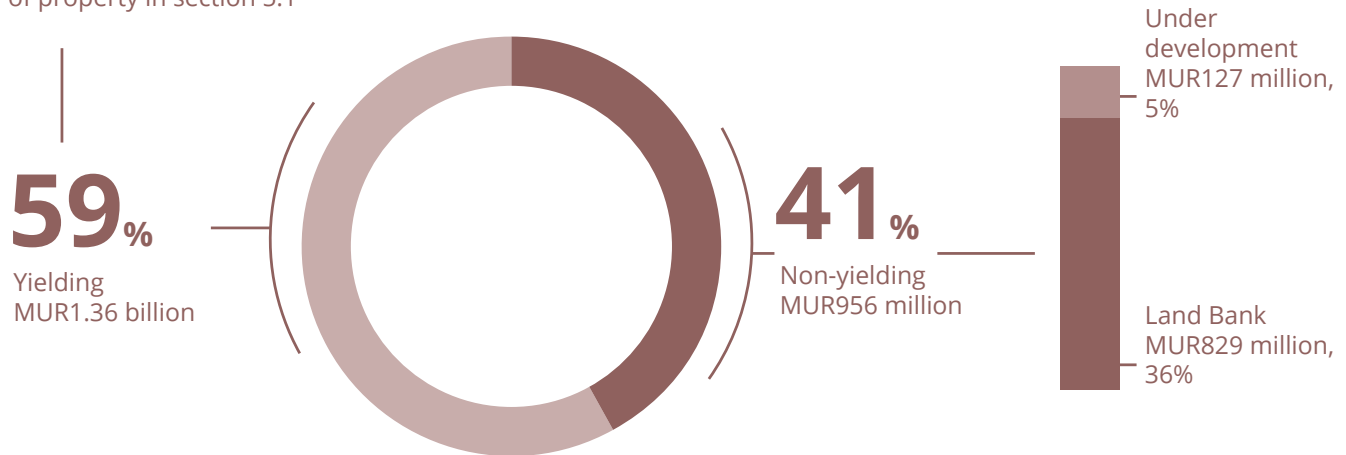
¹ The definitions of Pro Forma referred to on page 2 apply *mutatis mutandis* to this section for analytical review purposes.

A breakdown of the *pro forma* effective property portfolio by yield status is shown below:

Chart 4.1.2: Pro forma NBV of assets by yield status as at 30 June 2018

NBV of MUR2.32 billion by yield status as at 30 June 2018

This is analysed further by type of property in section 5.1

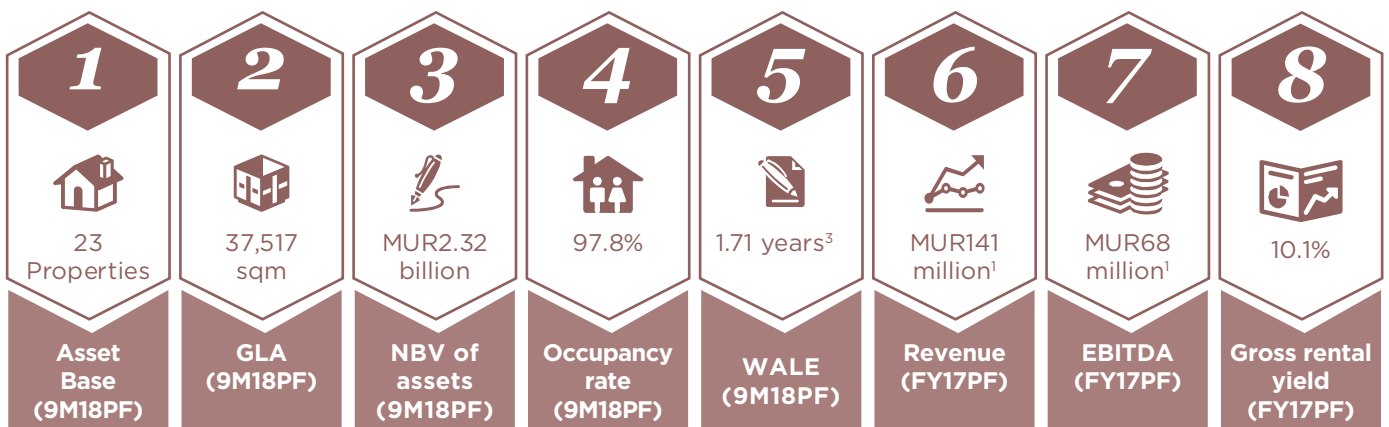


The main source of revenue for the Group is rental income derived from its yielding properties, which represented 59% of the *pro forma* property portfolio NBV at 30 June 2018. These properties are rented out to tenants, with long lease agreements, thereby generating a steady and predictable flow of income.

For the year ended 30 September 2017, Lavastone Ltd recorded total *pro forma* revenues of MUR141 million¹, of which MUR118 million were *pro forma* rental income from the yielding properties, and *pro forma* PAT of MUR42 million¹.

The remaining non-yielding assets of MUR956 million as at 30 June 2018 in the portfolio are either currently being redeveloped or have been earmarked for sale or development in the near future. The non-yielding portfolio also comprises a land bank of 1,391 arpents in the regions of Le Morne, Chamarel, Case Noyale and Bel Ombre, valued at MUR829 million.

At a glance^{2 3}



¹ Revenue, EBITDA and PAT excluding profit on disposal and fair value gains.

² The definitions of Pro Forma referred to on page 2 apply *mutatis mutandis* to this section for analytical review purposes.

³ Please refer to section 5.1 for the update regarding the WALE calculated at 5.41 as at 30 September 2018 further to renewal of significant tenancy contracts since the reporting date of 30 June 2018.

4.2 Mission and vision

Lavastone Ltd aims to be the **preferred partner** for commercial real estate solutions whilst delivering **optimum value to its shareholders**.

Lavastone Ltd prides itself on passion, commitment and integrity to **deliver superior value** in design, quality, sustainability and service in its developments and properties to its customers.



Focuses on **Customer Service** and provides real estate solutions that are aligned with needs, expectations and business strategies of its tenants



Maximises value for shareholders through efficient property management



Invests in energy efficient equipment, materials and building techniques to achieve **Sustainability**



Emphasises **Initiative and Leadership** through employee empowerment and exploration of new technologies and products



Clear and transparent **Communication** with our stakeholders

Strategic intent

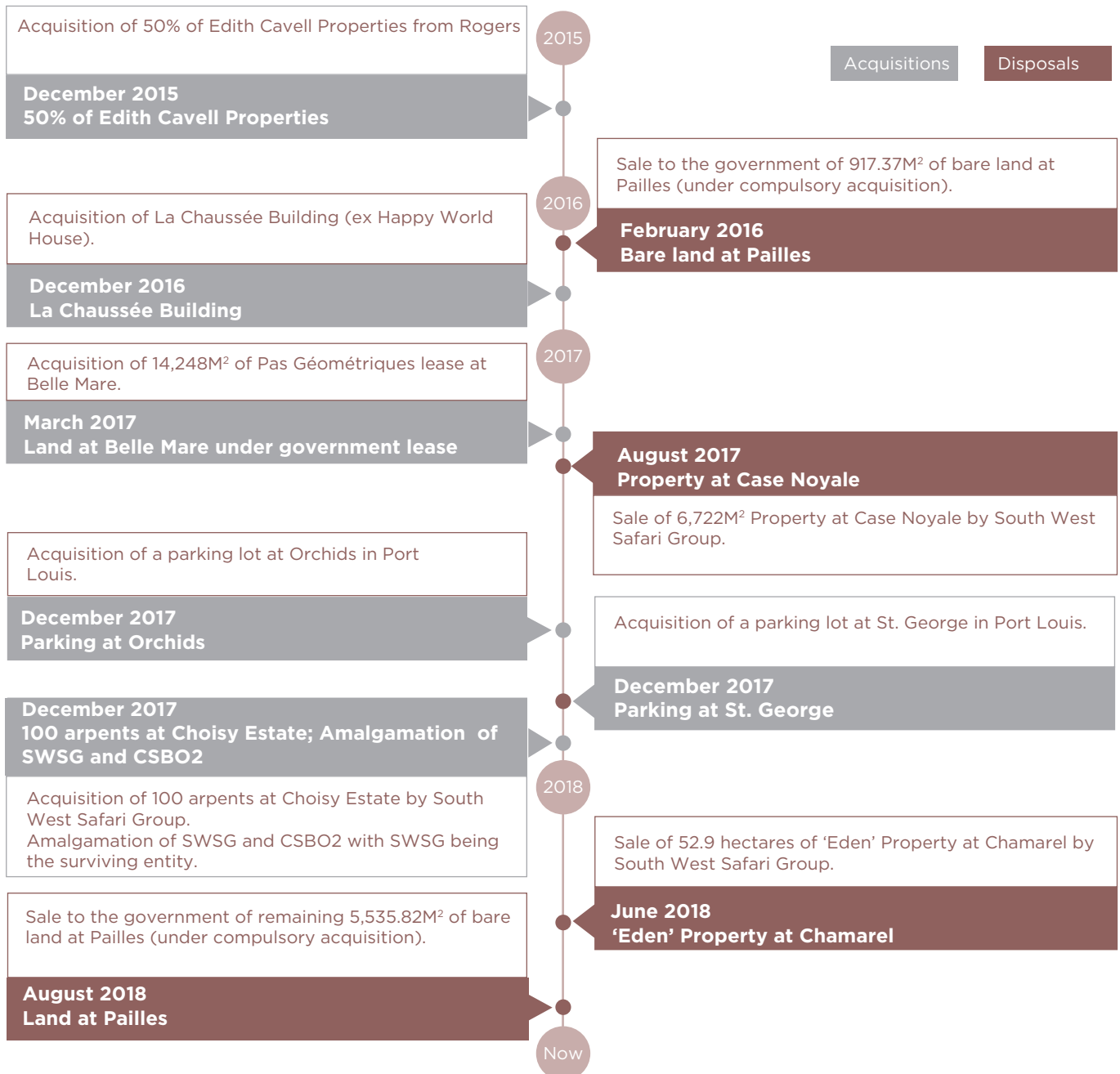
- ▶ Recognised property owner and developer in the region
- ▶ Double portfolio of yielding assets within 5 years as from 30 September 2017
- ▶ Generate attractive rental and dividend yields for shareholders

4.3 Background of Lavastone Ltd and key milestones

Following the separation of Cim from Rogers and Company Ltd (“Rogers”) in 2012, CFSL inherited a legacy portfolio of real estate assets that comprised principally of buildings in Port Louis, an industrial park on the outskirts of the City and a land bank in the south west region of the island.

Those assets were split amongst various CFSL subsidiaries, including Lavastone Ltd. The Company grew by way of acquisitions as summarised in the timeline below:

Chart 4.3.1: Key milestones of Lavastone Ltd



On 02 October 2017, as part of its strategic review, the Board of Cim, approved a plan for the reorganisation of its property cluster through Lavastone Ltd so as to regroup all its property assets and property-related operations under one roof (the “Reorganisation”). The Reorganisation is further described overleaf, together with the additional capital injection (the “Capital Injection”) and the stock-split (the “Stock-split”) effected since the reported date of 30 June 2018.

TIMELINE FOR THE REORGANISATION, CAPITAL INJECTION, STOCK-SPLIT AND THE LISTING OF LAVASTONE LTD

09 May 2018 On 09 May 2018, the Board of Cim announced that in a bid to unlock value for its shareholders, it would list its property investments held under CPDL, now Lavastone Ltd, on the DEM, subject to the approval of the relevant regulators.

15 October 2018 The aforementioned Reorganisation was approved by the Prime Minister's Office ("PMO") on 15 October 2018, and led to Lavastone Ltd, being established as the investment holding vehicle for Cim's property cluster.

The Reorganisation entailed the following steps:

- The transfer of the property assets (shares and immovable assets)¹ held directly by CFSL to Lavastone Ltd at book value of MUR526.1 million, in consideration for 526,080 new ordinary shares issued by Lavastone Ltd at no par value to CFSL;
- The assignment of CFSL's loans and other receivables from the subsidiaries of Lavastone Ltd to the Company at book value of MUR249 million, in consideration for 249,004 new ordinary shares issued by Lavastone Ltd at no par value to CFSL;
- The capitalisation of CFSL's loans and other receivables from Lavastone Ltd at book value of MUR223.5 million, in consideration for 223,502 new ordinary shares issued by Lavastone Ltd at no par value to CFSL; and
- The capitalisation of CFSL's cash injection into Lavastone Ltd of MUR102.5 million, in consideration for 102,494 new ordinary shares issued by Lavastone Ltd at no par value to CFSL.

The above Reorganisation thus constituted a transfer of cash, property and financial assets portfolio, with book value of c. MUR1.10 billion, to Lavastone Ltd, against an issue of 1,101,080 new ordinary shares made up of 1,067,630 fully paid shares and 33,450 unpaid shares, at no par value by the Company at an implied price of MUR1,000 per share.

Further, an additional cash injection (the "Capital Injection") of MUR170 million, was also effected post the reported date of 30 June 2018 by CFSL to Lavastone Ltd in exchange for 170,000 fully paid new ordinary shares at no par value by the Company at an implied price of MUR1,000 per share.

Subsequent to the above Reorganisation and Capital Injection, Lavastone Ltd then undertook a stock split to bring its issued share capital to 680,522,310 ordinary shares. This was done to simplify the foreseen Distribution of ordinary shares of Lavastone Ltd to the shareholders of Cim.

A further 1,000 ordinary shares of Lavastone Ltd have also been issued to Cim to provide liquidity for the first day of trading, prior to the Distribution, bringing the total number of shares to 680,523,310.

Table 4.3.1: Alterations in the share capital of Lavastone Ltd

STATED CAPITAL OF LAVASTONE LTD	NUMBER OF SHARES	AMOUNT (MUR)
Stated capital – pre Reorganisation	450,000	450,000,000
Issue of ordinary shares to CFSL as part of the Reorganisation	1,101,080	1,101,080,000
Issue of ordinary shares to CFSL as part of the Capital Injection effected post 30 June 2018	170,000	170,000,000
Sub-total	1,721,080	1,721,080,000
Issue of ordinary shares to CFSL as part of the Stock-split	678,802,230	-
Issue of the Initial Shares	1,000	1,000
Stated capital post effect of stock split – as at date of document	680,523,310	1,721,081,000

13 December 2018 The Restructuring is finalised and Lavastone Ltd now regroups all of CFSL's property operations. The *pro forma* NBV of the effective property portfolio amounts to MUR2.32 billion.

As at the date of this document, Cim holds a total of 680,523,310 of ordinary shares with no par value in Lavastone Ltd.

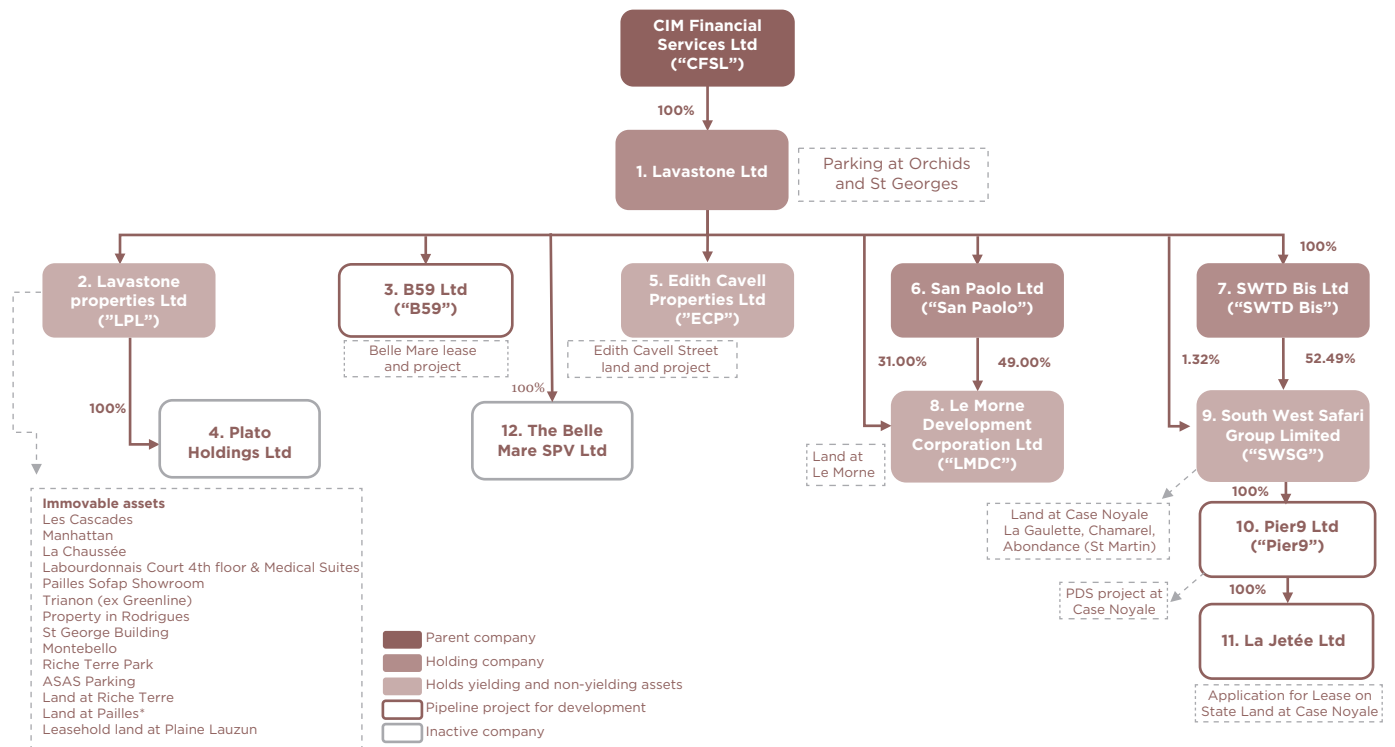
The group structure^{2,3} of Lavastone Ltd as at the date of this document, post-Restructuring but prior to the distribution of Lavastone Ltd's shares, is shown in the adjacent chart:

¹ The assets that were transferred comprised shares in San Paolo Ltd, Le Morne Development Corporation Ltd, Edith Cavell Properties Ltd, SWTD Bis Ltd, South West Safari Group Limited, and a leasehold land with immovable property at Plaine Lauzun.

² The transfer of the lease for the land at Plaine Lauzun, as part of the Reorganisation, is not yet finalised as at the date of this document.

³ The Belle Mare lease was previously held by New Fashion Style & Design Limited and has been transferred to B59 Ltd in April 2018. New Fashion Style & Design Limited has since been renamed "The Belle Mare SPV Ltd".

Chart 4.3.2: Group structure of Lavastone Ltd



*Land at Pailles is being subject to a compulsory acquisition by the government

14 December 2018 The LEC approved this Admission Document and the Listing of the ordinary shares of Lavastone Ltd on the DEM of the SEM.

The listing of 680,523,310 ordinary shares of no par value of Lavastone Ltd by way of an introduction on the DEM at a price of MUR3.00 per ordinary share (the “Listing”) is scheduled for 28 December 2018.

On the first day of listing and trading of Lavastone Ltd, 1,000 ordinary shares (the “Initial Shares”) will be made available for trading by CFSL at an indicative price of MUR3.00 per share.

Following the Distribution, as described further below, the current shareholders of Cim shall be able to trade their shares in Lavastone Ltd on the DEM.

The ordinary shares shall be in registered form and the register shall be kept by the Registrar and Transfer Office, MCB Registry & Securities Ltd. The ordinary shares shall be in either certificated or dematerialised form.

14 December 2018 The Board of Cim announced that following the approval by the LEC of the Listing of Lavastone Ltd on the DEM, it will proceed with a full carve-out of the Company (the “Carve-out”), via a dividend in specie to its shareholders. The Board approved such distribution on the same day.

The remaining 680,522,310 ordinary shares of Lavastone Ltd will be distributed by Cim to all its shareholders, who are registered at 07 January 2019 (the “Record Date”), and the shareholders of Cim will be entitled to receive 1 ordinary share of Lavastone Ltd for every 1 ordinary share of Cim held by them as at the Record Date (the “Distribution”).

The shareholders of Cim will thereafter hold shares directly in both Cim and Lavastone Ltd.

17 January 2019 Following the aforementioned Distribution, the shares of Lavastone Ltd will be allotted to the shareholders of Cim entitled thereto on or around 17 January 2019 and letters of allotment will be sent to shareholders around the same date.

A calendar for the Listing is detailed in section 7.5.

5.0 INVESTMENT HIGHLIGHTS

Lavastone Ltd possesses a number of competitive strengths that together have enabled the Company to implement its historical growth strategy, and should enable the Company to achieve its ambitions. These strengths include:

- 1 Strong track record of top line growth
- 2 Steady profitability and cash flow generation
- 3 Diversified portfolio of yielding assets
- 4 Long-standing, high quality tenants
- 5 Experienced board and management team
- 6 Strong capital base and high borrowing capacity
- 7 Well defined strategy in place

Financial

Steady profits, top line growth and cash flow generation

Assets	Steady profits
Properties	Growth
Capital	Cash flow

Strategy

Experienced board and management team with well defined strategy in place



Asset Base

Diversified portfolio of assets and properties



Capital Base & Funding Capacity

Strong capital base and high borrowing capacity



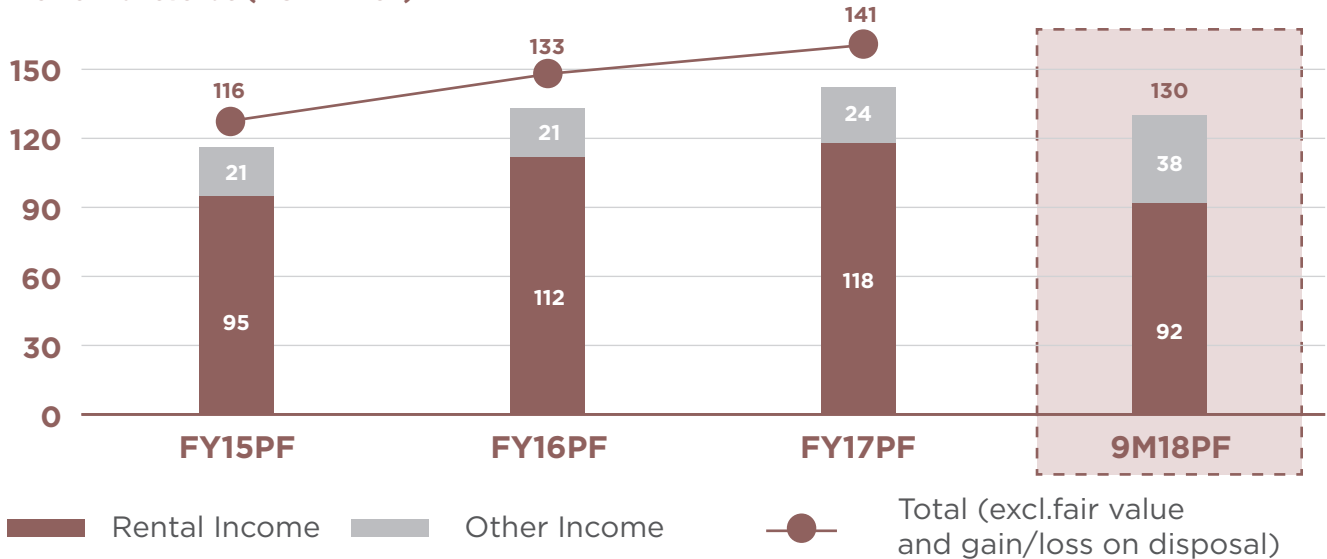
These strengths are further detailed in the following section. The definitions of Pro Forma referred to on page 2 apply *mutatis mutandis* to the next section for analytical review purposes.

5.1 Key strengths

- The Group has a strong track record of top line growth

Chart 5.1.1: Pro Forma revenue¹

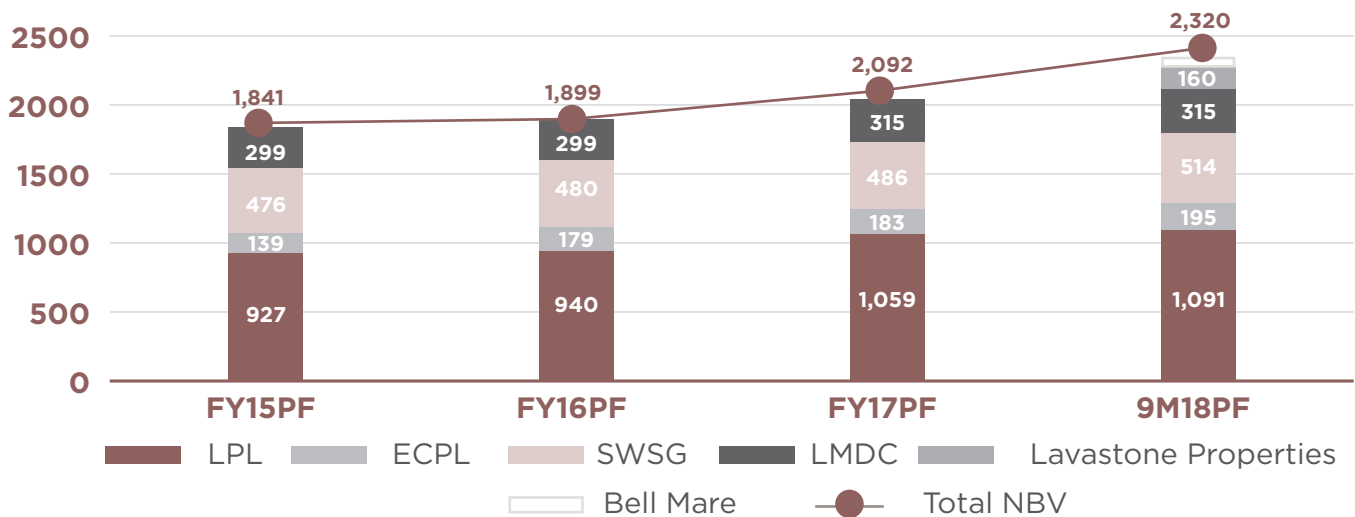
Pro Forma revenue (MUR million)



Over the last three years, *pro forma* revenue has increased at a CAGR of 10% from MUR116 million in FY15 to MUR141 million in FY17, driven by a combination of acquisitions of property assets, improved occupancy rates and annual escalation of rental rates.

Chart 5.1.2: Pro Forma NBV of effective property portfolio

Pro Forma NBV of assets (MUR million)



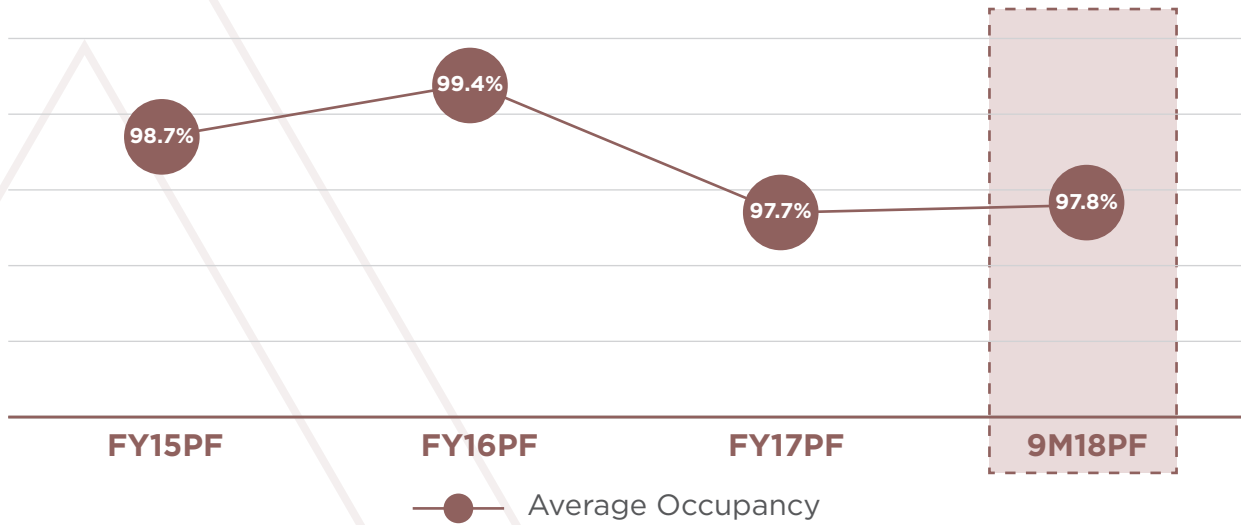
The *pro forma* NBV of Lavastone Ltd's property assets has correspondingly increased from MUR1.84 billion in FY15 to MUR2.32 billion in FY18 primarily due to the following acquisitions totalling MUR309 million:

- FY16: acquisition of the remaining 50% of Edith Cavell Properties
- FY17: acquisition of La Chaussée building and land at Belle Mare
- FY18: acquisition of two parkings at Orchids and St George

¹ Revenue excluding profit on disposal and fair value gains.

Chart 5.1.3: Pro Forma occupancy rates¹

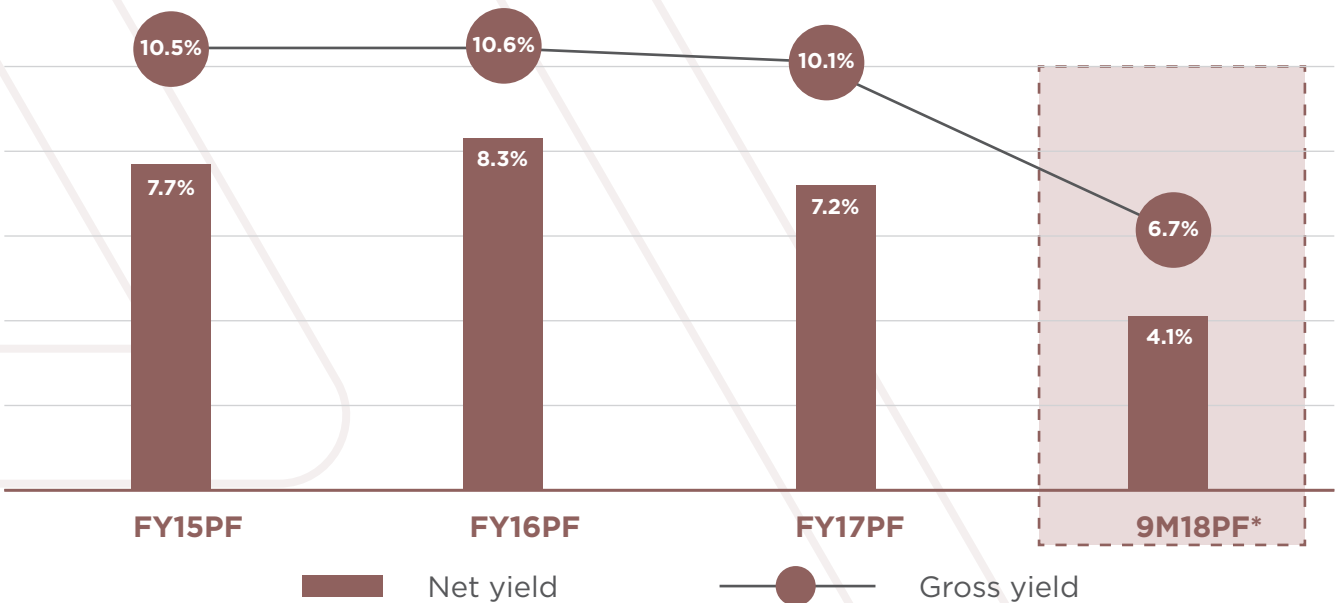
Pro Forma occupancy rates (%)



Lavastone Ltd has been able to maintain an average *pro forma* occupancy rate of 98.6% over the last 3 years, which has contributed to the double digit revenue growth.

Chart 5.1.4: Pro Forma average gross and net rental yield for yielding properties

Pro Forma gross yield and net yield (%)



* Yields for 9M18PF are calculated as 9 months figures divided by NBV of yielding assets

The sustained performance at the top line has led to an average *pro forma* gross yield² of 10.4% over the past 3 years from FY15 to FY17 for the yielding properties. With an average *pro forma* operating cost to income³ ratio of 32.3% and a *pro forma* administrative cost to income ratio of 21.5% for the past 3 years, the average *pro forma* net yield⁴ was at 7.7% over the same period.

Detailed KPIs are available in section 9.1 of this document.

1 Average occupancy rates in 9M18PF excludes ECPL on account of renovation

2 Gross rental yield is calculated as rental income / NBV of yielding assets

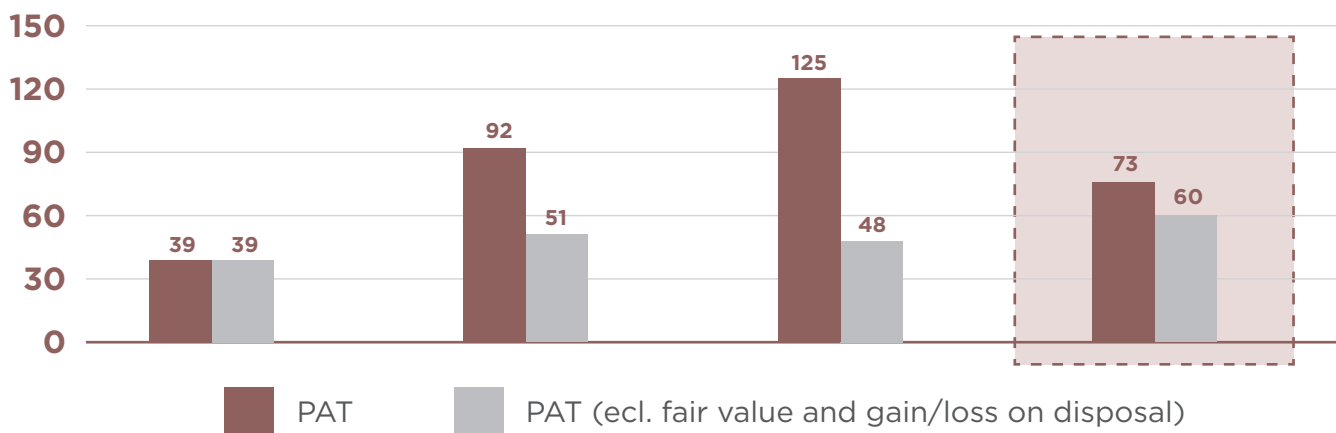
3 Operating cost to income ratio is calculated as (operating expenses directly attributable to properties + depreciation) / total recurring revenue

4 Net rental yield is calculated as NOI / NBV of yielding assets

- **Steady profitability and cash flow generation**

Chart 5.1.5: Pro Forma PAT

Pro Forma PAT (MUR million)



Lavastone Ltd has achieved a steady level of profitability over the last three years, with an average pro forma PAT (excluding fair value movements and gain/loss on disposal) of MUR46 million over the period, driven by the year on year growth in revenue, low finance charges with most of the funding being intra-Group and no distributions.

As Lavastone Ltd executes its strategy of revenue expansion and implements stringent cost control measures through the outsourcing of certain core operational functions, Management expects to see an improvement in profitability levels, thus driving equity yields¹ for shareholders over the coming years (currently at 5.8% for the year ended 30 September 2017, based on the price of MUR3.00 per share at Listing).

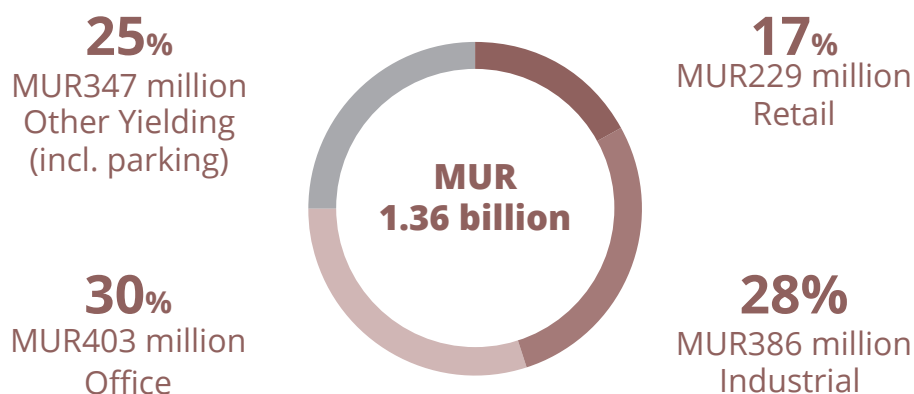
Lavastone Ltd also has a track record of generating stable cash flows, driven mainly by its recurring profit levels and capital expenditure averaging 3% of rental revenues over the last three years.

Detailed KPIs are available in section 9.1 of this document.

- **The Group holds a diversified portfolio of yielding assets.**

Chart 5.1.6: NBV of yielding properties by sector

NBV of yielding properties by sector at 30 June 2018



The yielding portfolio of Lavastone Ltd comprised of 15 assets out of a total of 23 properties, with *pro forma* NBV of MUR1.36 billion at 30 June 2018. The yielding asset base is well-diversified by sector, with NBV of properties being split between office, industrial, retail and other yielding segments. Such apportionment enables the Group to limit its exposure to sectorial risks, whilst at the same time giving management the flexibility of redirecting its investment focus to the most attractive segment on the basis of market trends at any given point in time.

¹ Equity yield is calculated as earnings per share divided by price per share.

- **The Group has long-standing, high quality tenants**

Most of the yielding properties are located in prime areas of Port-Louis or in the North-West region of the island, and with competitive rental rates offered and a sustained level of service, Lavastone Ltd has been able to attract and retain quality tenants.

The Group has 67 tenants (excluding parkings) with an average tenure of 2.8 years, a weighted average contract length of 5.17 years, and a weighted average lease expiry of 1.71 years as at 30 June 2018. Since this reported date, there has been renewal of significant tenancy contracts which has brought up the WALE to 5.41 as at 30 September 2018.

Its top 7 anchor tenants include high profile clients such as SGG, Cim Finance, Scott & Co Ltd (“Scott”), The Brandhouse, Sukpak, Roger Fayd’herbe and New Capricorn Services, which collectively contributed c. 69% of its rental revenue in 2017. A key competitive advantage of the Group is the strong relationship that it has built with these anchor tenants, which is reflected in their long tenure in the respective properties.

All of the rental contracts also incorporate yearly escalation clauses with the minimum linked to Consumer Price Index (“CPI”). Detailed KPIs are available in section 9.1 of this document.

- **The Group has an experienced board and management team**

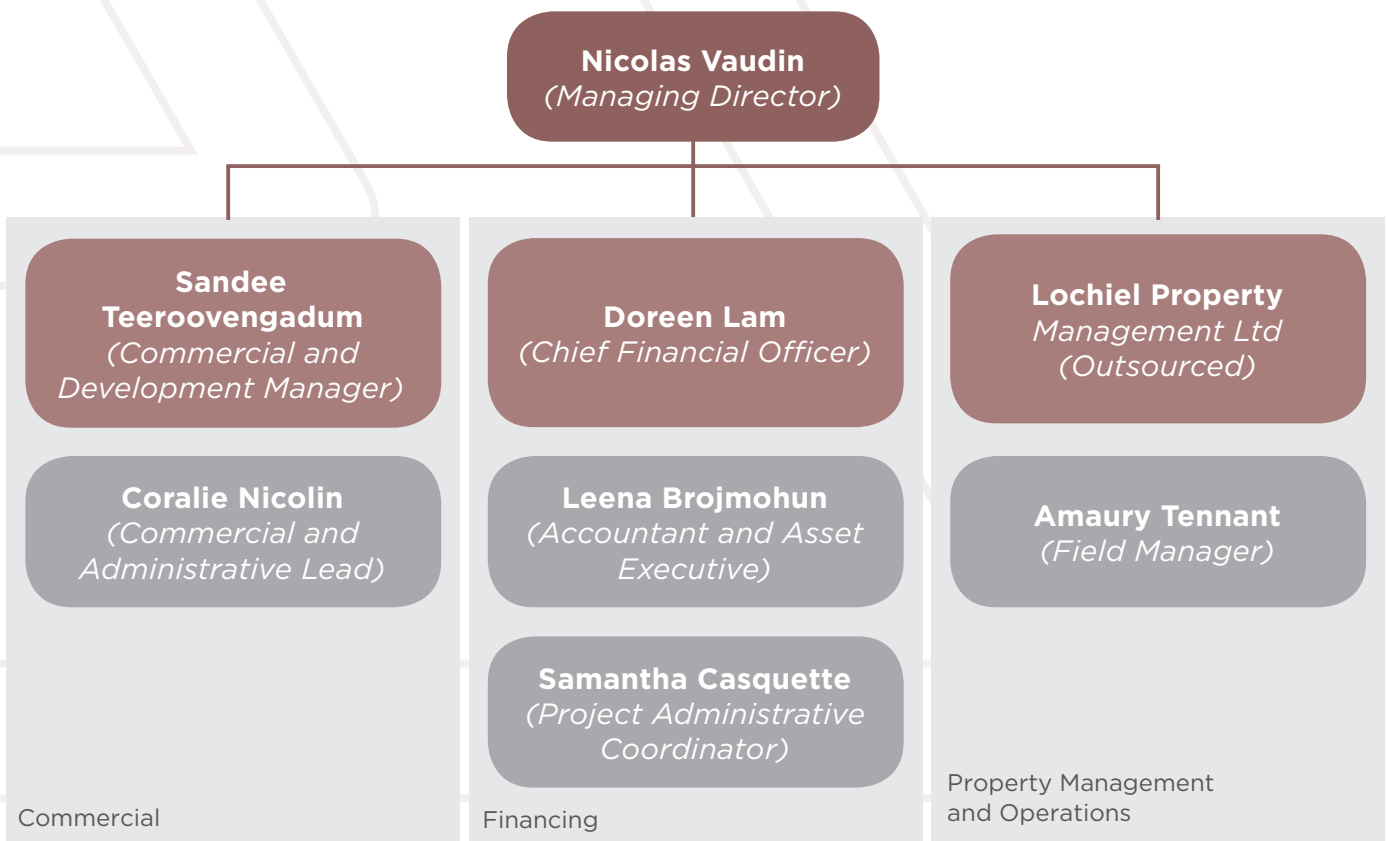
Over the past three years, Lavastone Ltd has taken an active approach to managing its properties and growing its portfolio through acquisitions and redevelopment of its existing assets.

Since 2017, Lavastone Ltd has assembled an experienced management team, who collectively have c. 56 years of relevant experience. The Company currently has a lean organisational structure, with 7 full time employees dedicated to project management, business development and day-to-day management of the Company, together with project appraisals, project management and business development.

Certain core functions such as property and facility management are outsourced to external providers, thus enabling Management to focus on its core activity and to achieve its strategic vision for the Group.

The team is led by Mr. Nicolas Vaudin, the Group’s Managing Director who joined Lavastone Ltd in February 2017. Having worked in the property industry for over 13 years, Mr. Vaudin has a proven track record in the local real estate industry having previously been involved on diversified projects including SMART cities, Hotel development, IRS, RES, PDS, IHS and private morcellements.

Detailed profiles of the management team and board members are available in sections 8.2 and 8.3 of this document.



- **The Group has a strong capital base and a high borrowing capacity**

Further to the transfer of assets, novation and capitalisation of loans and other receivables undertaken as part of the Reorganisation, and the Capital Injection described in section 4.3, Lavastone Ltd, as a group, is conservatively leveraged with a *pro forma* gearing ratio of 0.4% as at 30 June 2018, whilst having a strong property asset base of MUR2.32 billion.

Through this robust capital structure, the Company, is well positioned for future fund raising initiatives, through either debt or equity.

5.2 Lavastone Ltd's business strategy and prospects

Lavastone Ltd has a clearly-defined strategy for yield improvement and timely expansion of its existing portfolio. The Group focuses on achieving profitable growth, through active management of its existing portfolio of assets as well as identification of new opportunities for growth.

Lavastone Ltd also aims to reduce its cost base per square metre through growth, economies of scale and internalisation of most of the property management functions whilst keeping the facilities maintenance and management outsourced.

The strategic initiatives will focus on the following areas:

1. Improving the yields from the existing portfolio of yielding properties.

- As at 30 September 2017, the occupancy for yielding properties was at 97.7% with a gross yield of 10.1%. The Company aims to maintain an almost full occupancy whilst increasing rental rates by staying abreast of its tenants' requirements and rolling out a planned upkeep programme to improve its facilities and infrastructure where required.
- For low yielding properties, the Company aims to identify conversion opportunities and as such, Lavastone Ltd is currently working on the redevelopment of the commercial building at Edith Cavell Properties, as further described below.

2. Actively converting its non-yielding properties to yielding status.

- Lavastone Ltd currently has an existing land bank of 1,399 arpents. At 30 September 2017, these accounted for MUR956 million or 41% of the Group's property portfolio, and were either non-yielding or identified for development.
- In order to generate returns on these assets, Lavastone Ltd intends to sell selective assets and/or convert them through development projects.
- Over the past 12 months, the Company has already negotiated the sale of plots of land at Pailles for MUR20 million and the sale of land at Chamarel for MUR31 million.
- Current development projects also include the construction for rental of a 7,100 sqm warehouse in the Riche Terre industrial area, and the sale of 95 residential plots in Case Noyale.

3. Pro-actively scanning the market for new acquisitions or development opportunities.

- Lavastone Ltd intends to explore opportunities for acquisitions and new developments that will allow it to further diversify its portfolio in terms of segments and locations. For example, the Company is currently working on the construction of 92 hotel rooms at Belle Mare to be leased to Attitude Hospitality Ltd (“AHL”) (trading under the Attitude hotel brand).
- An acquisition of some 4,245 sqm of land adjacent to the new Supreme Court, has also been completed in October 2017 giving the Company further development opportunities in Port Louis.
- Further, the forthcoming large infrastructure projects such as the Metro Express and the development of the Victoria Bus Terminal represent potential opportunities in retail and office building development for lease. With a full-time management team focused on to business development and the Company’s existing relationship with consultants, Lavastone Ltd intends to tap into these opportunities to expand its portfolio.

Lavastone Ltd has a strong pipeline of projects that have already been initiated in 2018, with costs totalling c. MUR1.3 billion, and that are expected to enhance the income-generating capacity of the Group over the short to medium term. These projects will be financed through a combination of debt and own funds and are further described below:

1. 246 Edith Cavell Court

- The existing property on Edith Cavell Street in Port Louis is being redeveloped at a cost of MUR500 million. The development shall include a 35-strong rentable mix of Grade A offices, retail and restaurant lots over a Ground+2 floors building, with a GLA of 6,107 sqm. The project, which is expected to complete by Q2 of 2020, is in line with the Company’s strategy of profitable portfolio growth through expansion and diversification of rental spaces. Tenants have already been contacted and 55% of the GLA has already been pre-leased, with occupancy expected to reach 68% by FY19.

2. Invest Hotel Scheme project at Belle Mare

- In 2017, Lavastone Ltd acquired the leasehold rights to a 3-arpent plot of land in the coastal area of Belle Mare, on which it is developing a hospitality project with AHL under the IHS at a cost of MUR533 million. The development involves 92 new hotel rooms and hotel amenities to be leased to AHL. As at the date of this document, approval has been obtained from the Ministry of Tourism for the IHS scheme and hotel development. The technical and lease contracts with the hotel operator are currently in the process of being signed. Construction is expected to start in the first quarter of 2019 and completion is expected towards the beginning of the last quarter of 2020.

3. Warehouse project at Riche Terre

- Lavastone Ltd is looking to develop a 7,100 sqm mixed-use light industrial building fronting the highway between Riche Terre and Jin Fei roundabouts, for lease to third parties. Completion is expected in 2019 at a total cost of MUR220 million, subject to the commitment of tenants and the required permits being obtained. As at the date of this document, the design and location of the access to and from the motorway has been finalised and approved by the Road Development Authority (“RDA”).

4. Residential project at Case Noyale

- The Company is currently converting 12.19 arpents of non-yielding land in Case Noyale which shall result in 95 residential plots available for sale. Completion is expected in 2019 at a cost of MUR41 million. This is the first phase of a conversion programme, which will cover a total of 50 arpents of the undeveloped and grazing land owned by SWSG. As at the date of this document, permits have already been obtained for 11 of the 95 plots.

5. Other hospitality projects

- The Company is currently investigating another hospitality real estate project estimated at c. MUR300 million for which Lavastone Ltd has been shortlisted.

6.0 RISK FACTORS

A number of factors may affect the operations, financial performance and growth prospects of Lavastone Ltd. Investors must be aware that although property is often considered a low risk asset over the long-term, significant short and medium term risk factors are inherent in such asset class.

Accordingly, prospective investors should consider carefully the specific risk factors set out below in addition to the other information contained in this document before investing in the Company. In particular, the Company's performance may be materially and adversely affected by changes in the market and/or economic conditions and by changes in the laws and regulations (including any tax laws and regulation) relating to, or affecting, the Group, or the interpretation of such laws and regulations. If any of the following risks materialise, the business, financial condition, results or future operations of the Group could be materially and adversely affected. In such circumstances, the trading price of the ordinary shares of Lavastone Ltd could decline and investors could lose part or all of the value of their investment in the ordinary shares.

The risks below are not the only risks to which the Company may be subject. The Company may be unaware of certain risks or believe certain risks to be immaterial which later prove to be material. The order in which risks are presented is not an indication of the likelihood of the risks actually materialising, of the potential significance of the risks or of the scope of any potential harm to the Group's business, results of operations and financial condition. Prospective investors should therefore consider carefully whether an investment in the ordinary shares of Lavastone Ltd is suitable for them in the light of the information in this document and their personal circumstances.

This section describes the risk factors which are considered by the Board to be material with regards to the Group and its property business.

6.1 Sector specific risk factors

- **The Group is subject to macroeconomic risks outside of its control**

Real estate, like any other asset, will be impacted by economic cycles. Changes in economic conditions, including, for example, unemployment trends, interest rates, inflation rates, industry conditions, competition, political events, and innumerable other factors may adversely affect the demand for premises (particularly offices and commercial buildings) and indirectly the rental potential of buildings as well as the market values of properties. The performance of any underlying property asset may therefore be adversely affected in an economic downturn in terms of both capital value and rental yields, thus adversely affecting the Company's NAV or its ability to make distributions to shareholders.

None of these conditions shall be within the control of the Company, but with its segmental diversification and quality of its existing long-term tenants, this risk can be minimised.

- **The Group is subject to liquidity risk as real estate investments are relatively illiquid**

Properties such as those in which the Group invests are relatively illiquid. In particular, the Group's large land bank and other non-yielding properties may be especially illiquid due to their location, age, quality and specification. Such illiquidity may affect the Group's ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely fashion and at satisfactory prices in response to changes in economic, real estate market or other conditions or the exercise by tenants of their contractual rights such as those which enable them to vacate properties occupied by them prior to, or at, the expiry of the originally agreed term.

In the event of enforcement of security by a lender under one of the Group's borrowing facilities or in the case of a sale required for compliance with covenants contained in the Group's financing, lack of liquidity in the market for the Group's real estate may lead to a significant shortfall between the carrying value of the property on the Group's consolidated balance sheet and the price achieved on the disposal of such property, and there can be no assurance that the price obtained from such a sale would cover the book value of the property sold.

Any resulting cash flow liquidity issue may impact the debt servicing capacity of the Company, and this could have an adverse effect on the Group's financial condition and results of operations, with a consequential adverse effect on the market value of the ordinary shares or on the Company's ability to make expected distributions to its shareholders.

Management addresses this risk through constant monitoring of its debt cover ratios, whilst at the same time maintaining a conservative gearing ratio. Furthermore, the Company has already put in place an action plan to actively convert its non-yielding assets to yielding status.

- **The Group's NAV and Adjusted NAV may not be equal to the value of the underlying portfolio**

Property assets are inherently difficult to value as there is no liquid market or standard pricing mechanism. As a result, valuations are subject to substantial uncertainty. There is no assurance that estimates resulting from a valuation process will reflect the actual sales price even when such sales occur shortly after the date of the valuation.

Shareholders should be aware that the Company currently performs independent property valuations on a yearly basis. As a result, the Company's reported NAVs may not accurately reflect the value the Company would receive if it had to sell all of its underlying assets immediately.

Consequently, the traded share price which should normally reflect the NAV of the Company and incorporate the valuation of the underlying property assets may be subject to uncertainty, and may not accurately reflect the value of the properties.

6.2 Company specific risk factors

- **The Group is subject to regulatory risks which may curb its speed of execution**

Currently and post Carve-out, Lavastone Ltd is and shall be considered to be a non-citizen under the Non-Citizens (Property Restriction) Act 1975 due to the presence of non-citizen shareholders at the level of Cim Holdings Ltd. Acquisitions of immovable property by the Company requires prior approval from the Prime Minister's Office ("PMO").

Lavastone Ltd's management and company secretary have extensive experience of such process through the various interaction and exchanges with the PMO, and are aware of the detailed procedures to follow to obtain the required approvals prior to executing a transaction.

The Company may also be adversely affected should there be any changes in accounting standards or regulations in relation to real estate, including those governing permitted and planning usage, taxes and government charges.

Further, being subject to Mauritius tax laws, any tax and tax dispensation accorded to the Company may change over time. The levels of and relief from taxation may change, thus adversely affecting the financial prospects of the Company and/or the returns to its shareholders.

- **The Group is subject to tenant concentration risk**

For the year ended 30 September 2017, 57% of the *pro forma* rental revenue was contributed by 4 tenants. The financial performance of the Company may be impacted should those key tenants decide not to renew their contracts, for example, due to financial difficulties, and this may be aggravated if Lavastone Ltd is at the same time unable to find replacement tenants in a timely manner on the same rental terms.

However, this risk is mitigated by the fact that the Company has a long-standing relationship with those key tenants who have signed long-term rental contracts, with a WALE of 1.71 years at 30 June 2018. To note however that since this reported period, Management has been able to renew its key tenancy contracts, which has improved the WALE, now at 5.41 years as at 30 September 2018.

Additionally, this risk is foreseen to decline over time as the Company's portfolio grows, particularly with the acquisition and development of new projects, which shall then dilute the current tenant concentration.

- **The Group is subject to geographical concentration risk**

Lavastone Ltd's yielding portfolio is fairly geographically concentrated, with 57% of its *pro forma* rental revenue being generated by the 6 properties located in Port Louis for the year ended 30 September 2017.

With Port Louis remaining a prime location on the island and commanding higher rental rates, there has nonetheless been an ongoing trend over the last few years which saw businesses relocating to Ebène and other newly created business hubs outside of Port Louis at relatively lower rates. There is a risk therefore that the financial performance of Lavastone Ltd may be impacted should existing and prospective tenants decide to relocate outside of Port Louis.

Management expects this risk to decline over time as the Company pursues its expansion strategy.

- **The Group is subject to the risk of contracting counter parties failing to meet their obligations**

The Group engages in contractual relationships with both related and third parties in the ordinary course of its business. For the Group, this relates to both operating the portfolio and acquiring and selling properties. For the operating of the portfolio, the risk is primarily with tenant lease contracts and contracts with suppliers for services provided to the Group's properties. In relation to acquiring and selling properties, this relates to agreements with vendors and purchasers as well as the financing institutions that provide debt to acquire the assets. The failure of such parties to fulfil their contractual responsibilities could place the Group and its business at risk.

Management performs yearly reviews of its main suppliers and has identified prospective suppliers to replace current ones should these not be able to honour their contractual obligations. For tenant lease contracts, the Company also manages this risk through strict advance rental collection policies effected via standing orders.

- **The Group's ability to grow will depend on its ability to identify, develop and/or acquire suitable properties, and overcome competition whilst doing so**

The Group's ability to implement its growth through acquisition and asset recycling strategies to achieve its desired future returns may be limited by its ability to identify and acquire suitable properties. In addition, the Group may face significant competition in acquiring suitable properties from other investors, including competitors, who may have greater liquid resources or who may be prepared to pay a higher price. Competition in the local real estate market may as a result lead prices for properties identified by the Group for acquisition being driven up through competing bids.

Accordingly, the existence and extent of such competition may have a material adverse effect on the Group's ability to acquire properties at satisfactory prices and otherwise on satisfactory terms. If increasing competition for properties causes the Group's acquisition pipeline to decline, or its capital expenditure to increase, it is likely to affect the Company's ability to achieve its targeted earnings and dividend growth rates.

The experienced management team in place has an extensive network and market knowledge to keep abreast of the developments in the real estate market, as evidenced by the pipeline projects already in place. Any new opportunity is also assessed on its merits and the Company's ability to generate an appropriate return (without jeopardising the Group's existing commitments through expensive bids).

- **The Group is subject to financing and refinancing risks relating to the funding/indebtedness requirements of its growth strategy**

The Group has historically been funded fully by Cim, but post Carve-out, it shall stand on its own to negotiate its funding facilities. The execution of the Company's growth strategy will therefore depend on its ability to raise funding to finance additional property acquisitions and/or developments.

The Group may use its existing cash resources and incur additional borrowings to finance additions to the Group's portfolio. The Group's ability to generate sufficient cash flow to make scheduled interest payments on its indebtedness in the longer term and the Group's ability to refinance its indebtedness when due will depend on the market at the time and its performance over future years, which will be affected by a range of economic, competitive and business factors, many of which are outside the Group's control.

Use of gearing also increases volatility in NAV per ordinary share. Existing and prospective investors should be aware that, whilst the use of borrowings should enhance the NAV of the ordinary shares where the value of the Group's underlying assets is rising, it can have the opposite effect if the underlying asset value is falling. In addition, in the event that the rental income of the Group's property portfolio falls, the use of borrowings will increase the impact of such falls on the profitability of the Group and, accordingly, this will have an adverse effect on the Group's profits and the Company's ability to pay dividends to shareholders in the future.

On the basis of its strong capital base, the Company however intends to maintain a conservative gearing ratio, and will manage its exposure to financing requirements and interest rate fluctuations through adequate monitoring of credit metrics and debt cover ratios. Furthermore, the Group's management and Board have extensive experience in capital raising and project finance.

- **The Group is subject to inherent operational risks specific to its property business**

Returns for investors will depend largely upon the rental income generated from the yielding properties and the operating expenses incurred as well as upon changes in the market value of the assets.

The operational and financial performance of the Company may be impacted by a number of inherent risks, including the following:

- Changes in rental rates and/or occupancy due to competition;
- Terms for the renewal of rental contracts, which are less favourable than existing terms;
- Ability to collect rent and service charges on a timely basis;
- Defaults by tenants and legal costs associated with the recovery thereof;
- Renovation costs that are required to preserve or enhance value of buildings;
- Costs of repairs and maintenance;
- Increases in fees paid to third party contractors, in particular facilities management fees; and
- Unforeseen capital expenditures.

Management aims to pro-actively manage its operations to address the above risks and mitigate issues by focusing on quality tenants and quality service.

7.0 LISTING OF LAVASTONE LTD

7.1 Rationale for Listing

The Listing and the Carve-out should prove attractive to investors at both Cim and Lavastone Ltd level as it effectively creates two better focused groups – Cim for financial services and Lavastone Ltd for property investments.

A Listing shall also improve the visibility of Lavastone Ltd's operations on the market through enhanced reporting on the Group's strategy, financial performance/position and prospects. As a separate listed entity, Lavastone Ltd shall henceforth have a more comprehensive reporting and communications plan, to keep its investors fully informed of its operational and financial performance.

With Lavastone Ltd operating as a fully independent company, it shall also be able to better execute its strategic plan through a more focused management team and its board of directors. The Listing likewise shall enable the Company to have its own direct access to alternative sources of capital, both equity and debt, to fund its development opportunities. Previously, Lavastone Ltd had to rely fully on Cim for such funding, which also had to consider all other Cim business units' requirements. The Listing and Carve-out shall thus enable Lavastone Ltd in raising its own funds and setting its optimal target gearing level.

Given the above, the Listing accordingly provides current and future shareholders with an opportunity to benefit from growth prospects in the real estate sector. Ultimately, being listed and having a traded share price that reflects the underlying value of Lavastone Ltd's assets shall also help unlock value for the shareholders of Cim, and enable them to have improved liquidity for their investment.

7.2 Introductory price

An independent valuation exercise has been carried out by the independent valuer, KPMG Advisory Services Ltd, to establish the fair value of Lavastone Ltd, post-Restructuring and on a Pro Forma basis as at 30 June 2018. The valuation outcome is detailed in the valuation certificate provided by KPMG in section 7.3.

Based on the valuation exercise carried out, Lavastone Ltd is valued at MUR2.279 billion or MUR3.35 per share.

Post Restructuring, Lavastone Ltd also has 680,523,310 ordinary shares in issue.

The Directors have considered the above valuation and have recommended a c. 10% listing discount. Hence, the introductory price of Lavastone Ltd on the DEM is calculated at MUR3.00 per share, as detailed in the table below.

Table 7.2.1: Introductory price of Lavastone Ltd

Fair value of Lavastone Ltd at 30 June 2018 (MUR million)	2,279
Less: Listing discount assumed at c. 10% (MUR million)	(237)
Market value of Lavastone Ltd upon Listing (MUR million)	2,042
Number of ordinary shares of Lavastone Ltd	680,523,310
Introductory price per share (MUR)	3.00

Since Cim will distribute all of the remaining 680,522,310 ordinary shares of Lavastone Ltd to its shareholders in the context of the Carve-out, the implied dividend in specie payable by Cim therefore represents MUR3.00 per share of Cim.

7.3 Independent valuer's certificate



KPMG Advisory Services Ltd
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BRN No. C06010081
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Confidential
The Directors
Lavastone Ltd
33 Edith Cavell Street
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Our ref HBB/ral/31218

03 December 2018

Report of the Independent Valuer

Introduction

CIM Financial Services Ltd ("CFSL") made an announcement on the 9th May 2018 to list its property business on the Development and Enterprise Market ("DEM") of the Stock Exchange of Mauritius Ltd ("SEM").

As part of the pre-listing restructuring, the shares and immovable assets of all Cim's property companies will be transferred and consolidated at the level of Lavastone Ltd, previously known as Cim Property Development Ltd. Lavastone Ltd will be the new holding vehicle of the property cluster to be carved out via an in-specie distribution of shares to the existing shareholders of CFSL and listed on the DEM.

KPMG Advisory Services Ltd ("KPMG") has been approached to act as independent valuer of Lavastone Ltd in the context of the proposed listing.

Scope of work

Our scope was to carry out a valuation of Lavastone Ltd for the purposes of the listing. In arriving at our valuation conclusion, we applied generally accepted valuation procedures based upon economic and market factors as of the valuation date.

Responsibility

The compliance with the DEM Rules is the responsibility of the Board of Directors of Lavastone Ltd.

KPMG Advisory Services Ltd, a Mauritius limited liability company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
Document classification: KPMG Confidential



Key valuation considerations

In arriving at our valuation conclusion, we have undertaken the following procedures as part of the independent valuation of Lavastone Ltd:

- obtained an understanding of the structure of Lavastone Ltd, the nature of operations and assets that make up the business of Lavastone Ltd;
- considered the proforma financial information on Lavastone Ltd for FY2015, FY2016, FY2017 and 9 months ended 30 June 2018;
- held discussions with the management of Lavastone Ltd around its strategy, business outlook, portfolio yield information and other matters we considered necessary, including assessment of the prevailing economic and market conditions in the industry;
- considered the independent property valuation reports available in respect of properties held by Lavastone Ltd in Mauritius;
- considered certain applicable publicly available information, including company announcements and media articles; and
- considered management's growth prospects by property segment in respect of Lavastone Ltd including an assessment of the recent historical performance and the reasonableness of the outlook based on representations from management.

Valuation

We have approached the valuation by considering the business of Lavastone Ltd and its portfolio of properties. The portfolio consists of income-yielding properties, land earmarked for future development and land available for sale or development. Value streams have been identified and our valuation analysis and valuation method applied were based on the nature of their business.

For the purpose of our valuation we used a combination of the discounted cash flow and asset-based valuation methodologies.

After undertaking the valuation as presented above, we determined the value of the equity of Lavastone Ltd to be **MUR 2.279 billion** as at 30 June 2018.

Limitations

Our opinion is necessarily based upon the information available to us up to 12 November 2018, including in respect of the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us at the date thereof.

Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.

We have relied upon and assumed the accuracy of the information used by us in deriving our opinion. Where practical, we have corroborated the reasonability of the information provided to us for the purpose of our opinion, whether in writing or by discussion with management of Lavastone Ltd or by reference to publicly available and independently obtained information.



While our work has involved an analysis of financial and other information provided to us, our engagement does not constitute, nor does it include, an audit or review, due diligence, or other assurance engagement or an agreed-upon procedures engagement, performed in accordance with International Standards on Auditing, International Standards on Review Engagements, International Standards on Assurance Engagements or International Standards on Engagements to perform Agreed-upon Procedures regarding Financial Information.

Where relevant, the prospects of Lavastone Ltd relate to future events that may or may not occur as expected. Consequently, such information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion or assurance as to the achievability of the prospects. Where practicable, we have in our valuation model assessed the recent historical financial performance and the reasonableness of the outlook based on discussions with the management of Lavastone Ltd.

Independence

We confirm that we have no direct or indirect material interest in Lavastone Ltd or CFSL, nor have the right to subscribe for or to nominate persons to subscribe for shares in Lavastone Ltd or CFSL.

Consent

We consent to the inclusion of this letter and the reference to our independent valuation in the Admission Document to be issued by Lavastone Ltd in the form and context in which it appears and in any required regulatory announcement or documentation.

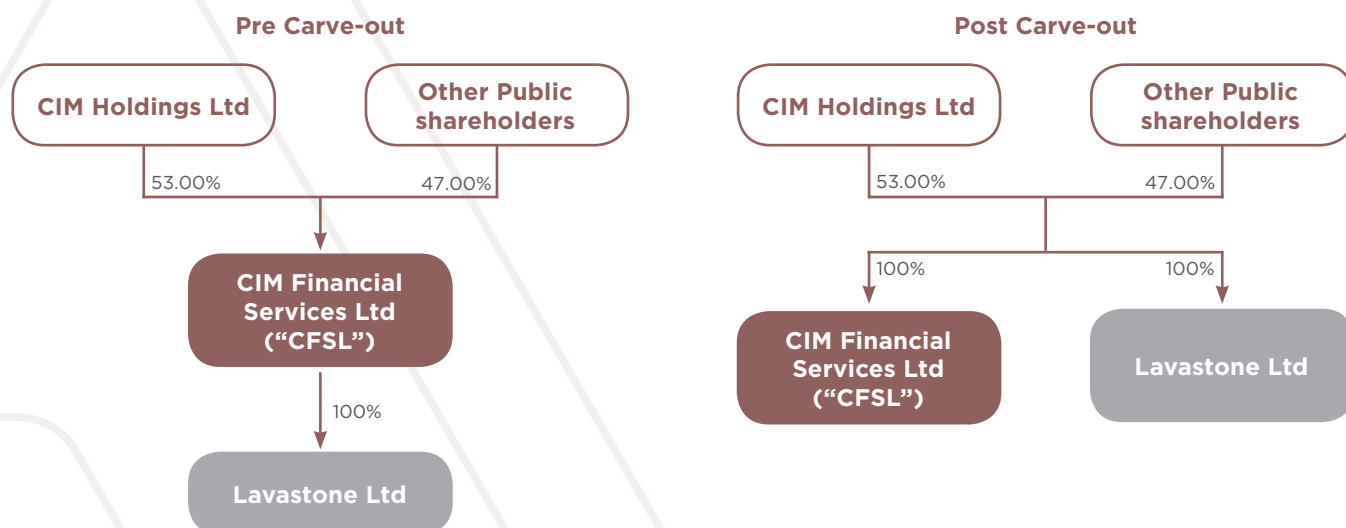
Yours faithfully

Huns Biltoo
Partner
KPMG Advisory Services Ltd

7.4 Major shareholders

Immediately following the admission to listing, the share capital of Lavastone Ltd will be owned at 100% by CFSL.

Following the Carve-out, the share capital of Lavastone Ltd will be owned by Cim Holdings Ltd at 53.00% and the remaining 47.00% by the public, reflective of Cim's actual shareholding and as illustrated below.



With the exception of Cim Holdings Ltd, there will be no other shareholder(s) who will hold more than 5% of the share capital of Lavastone Ltd upon Listing.

7.5 Calendar of events

Approval of Listing of Lavastone Ltd by the LEC	14 December 2018
Approval of Carve-out and dividend in specie by the Board of CFSL	14 December 2018
Communiqué by CFSL to announce the dividend in specie	14 December 2018
First day for CFSL existing shares to trade cum-div	17 December 2018
Investor presentation of Lavastone Ltd	17 December 2018
Listing of Lavastone Ltd on the DEM	28 December 2018
Last day for CFSL existing shares to trade cum-div	31 December 2018
CFSL existing shares trade ex-div	03 January 2019
Close of CFSL's shareholders' register - Record Date	07 January 2019
Allotment of shares of Lavastone Ltd - Effective distribution	17 January 2019
Commencement of dealings for Lavastone Ltd shares allotted to CFSL's shareholders	As from 17 January 2019

7.6 Details of expenses related to the Listing

The estimated expenses associated with the Restructuring and Listing are shown in the table below.

DETAILS OF EXPENSES	MUR
Transaction adviser	2,559,656
Independent valuer	862,500
Legal adviser	669,300
Other consultants	575,000
PR and marketing	939,785
Property valuers	436,550
Reporting accountants	431,250
Printing, stationery and postage	268,077
SEM application	75,000
Total estimated expenses	6,817,118

7.7 Property valuers' reports

GEXIM Real Estate Ltd and JPW International Ltd, the Property valuers, have provided an executive summary of their reports dated 16 August 2018 and 09 August 2018 respectively for incorporation in this Admission Document. The executive summaries are set out in Appendix 3.

The Property valuers have given their written consent to include the report, in the form and context in which it appears in the Admission Document. Such consent has been filed with the SEM.

8.0 CORPORATE INFORMATION

8.1 Company information

Name of company	Lavastone Ltd
Date of incorporation	05 March 2012
Place of incorporation and registration	Mauritius
Business Registration Number	C12108298
Registered office	33 Edith Cavell Street, Port Louis, Mauritius
Telephone number	+230 213 7676

The table below summarises the statutory information on the subsidiaries of Lavastone Ltd as at date of this document.

NAME OF COMPANY	STATED CAPITAL (MUR)	GENERAL NATURE OF BUSINESS	EFFECTIVE% HELD BY LAVASTONE LTD	DATE AND PLACE OF INCORPORATION
Lavastone Properties Ltd	450,000,000	Activities of holding/ management company Development of building projects for sale	100%	05 March 2012, Mauritius
B59 Ltd	1,000	Development of building projects for sale	100%	17 April 2017, Mauritius
Edith Cavell Properties Ltd	138,391,215	Activities of holding/ management company	100%	02 July 2012, Mauritius
San Paolo Ltd	5,022,000	Business/Professional and management consultancy service	59.2%	12 December 1991, Mauritius
SWTD Bis Ltd	163,350,000	Activities of holding/ management company	100%	02 July 2012, Mauritius
South West Safari Group Limited	321,353,771	Activities of holding/ management company Real Estate activities Mixed farming Hunting, trapping and other related service activities	53.8%	05 March 2012, Mauritius
Le Morne Development Corporation Ltd	25,000	Real Estate activities Development of building projects for sale	60%	26 June 1972, Mauritius
La Jetée Ltd	1,000	Real Estate activities	53.8%	1 September 2017, Mauritius
Plato Holdings Ltd	10,000	Real Estate activities	100%	15 March 2016, Mauritius
Pier9 Ltd	1,000	Real Estate activities	53.8%	17 March 2017, Mauritius
The Belle Mare SPV Ltd	36,000,000	Development of building for sale/ General retailer of foodstuff	100%	29 April 2008, Mauritius

8.2 Directors

The current Board of Lavastone Ltd is headed by the Colin Taylor, who has no executive responsibilities and comprises of 3 additional Directors, namely Matthew Taylor, Nicolas Vaudin and Mark van Beuningen.

The Corporate Governance Committee of Cim has been informed that some Directors will step down from the Board of Lavastone Ltd upon its Listing and the names of the new directors proposed for appointment to the Board of Lavastone Ltd have been communicated to the Committee.

After an interview process, the proposed directors have been recommended for appointment by the Board of Lavastone Ltd upon its Listing. The new Board of Lavastone Ltd will thus comprise of the following individuals, with details as at the date of this document:

NAME	APPOINTMENT DATE	POSITION	AGE	NATIONALITY
Colin Geoffrey Taylor	08/04/2015	Chairman, Non-Executive Director	53	Mauritian
Alexander Matthew Taylor	15/02/2017	Non-executive Director	44	Mauritian
Nicolas Vaudin	12/09/2017	Managing Director	46	Mauritian
Sebastian Callum Taylor	28/12/2018	Non-executive Director	29	Mauritian
Gaetan Ah Kang	28/12/2018	Non-executive Director	51	Mauritian
Vedanand Singh Mohadeb	28/12/2018	Independent Director	63	Mauritian
Jose Arunasalom	28/12/2018	Independent Director	61	Mauritian
Vijaya Lakshmi Saha	28/12/2018	Independent Director	71	Mauritian

The business address of the Directors and proposed directors is 33, Edith Cavell Street, Port Louis.

8.2.1 Names and profiles

Colin Geoffrey 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 which is a diversified group of companies involved in Marine Services, Logistics and Distribution, Manufacturing, Services and Property. He is the Honorary Consul of Sweden in Mauritius.

Directorship in other listed companies: Cim Financial Services Ltd

Alexander 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 & Co Ltd from 2007 to January 2013 and is currently the firm's CEO.

Directorship in other listed companies: Cim Financial Services Ltd

Nicolas Vaudin – Managing Director

Nicolas Vaudin joined the Cim Group as Managing Director of the Cim Property cluster in February 2017. Prior to joining the Cim Group, Nicolas was the Director in the Advisory Deals (Real Estate) practice of PricewaterhouseCoopers Ltd, Mauritius, where he provided advisory services and development management services in connection with real estate projects in Mauritius, Dubai, Morocco and Kenya. Prior to his time at PwC, Nicolas was the General Manager of Ciel Properties Ltd and headed the Anahita resort real estate development which included the Four Seasons Resort Mauritius at Anahita and the Ernie Els design championship golf course.

Nicolas holds a Bachelor of Applied Science in Hospitality Administration from Southern New Hampshire University, Manchester, NH, USA and an MBA from Surrey European Management School, University of Surrey, Guildford, UK.

He has 12 years' experience in Hospitality Management and 11 years in Real Estate development management and his sector expertise includes Real Estate, Construction, Lodging and Food & Beverages.

Directorship in other listed companies: None

Sebastian Callum Taylor - Non-Executive Director

Sebastian Taylor holds a Bachelor's degree, Economics and Politics from the University of Western Australia and a Master of 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 & 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. Gaetan spent the first six years of his career working in the UK in an audit firm. He returned to Mauritius in 1992 and joined De Chazal Du Mee in an Audit role. He subsequently moved to the Risk and Audit team of the Rogers Group in 1994 before he became the Finance Manager of the Rogers Group Engineering Cluster in 1999. Since 2004 Gaetan is the Group Finance Director and a member of the Audit and Risk Committee of the Taylor Smith Group.

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 and was responsible for a large portfolio of GBC1 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

Vijaya Lakshmi Anna Ruby Saha - Independent Director

Vijaya Lakshmi is a qualified barrister who 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.

She is Barrister at law in a private legal practice, with 11 years' standing at the bar and presently working on a wide range of civil cases, the majority of which relate to land, land development and property development. Prior to that, she had worked as consultant to the DCP Programme of the European Union and to UNDP Mauritius. She was also the Chief Technical Officer and Chief Town & Country Planning Officer at the Ministry of Housing & Lands of Mauritius.

Directorship in other listed companies: none

Jose Arunasalom - Independent Director

Jose Arunasalom graduated in Economics and also holds also 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 as Minister.

He has an extensive knowledge and experience in development economics and is fully conversant with a wide range of issues affecting African and Indian Ocean countries' economies.

He has worked in Madagascar and Africa advising governments and had previously been a member of Parliament at the National Assembly.

Directorship in other listed companies: none

8.2.2 Interests

The interests of the Directors and proposed directors in the stated capital of the Company are as follows:

Directors	INTEREST AS AT 30 JUNE 2018 (%)		INTERESTS UPON LISTING (%)	
	Direct	Indirect	Direct	Indirect
Colin Geoffrey Taylor	Nil	3.54%	Nil	3.54%
Alexander Matthew Taylor	Nil	1.20%	Nil	1.20%
Nicolas Vaudin	Nil	0.00004%	Nil	0.00004%
Sebastian Callum Taylor	Nil	1.20%	Nil	1.20%
Gaetan Ah Kang	Nil	0.0283%	Nil	Nil
Vedanand Singh Mohadeb	Nil	Nil	Nil	Nil
Jose Arunasalom	Nil	0.0012%	Nil	0.0012%
Vijaya Lakshmi Saha	Nil	Nil	Nil	Nil

The table below summarises the other potential conflicts of interests of the Directors and proposed directors between any duty to the Company and their private interests.

NAME	POTENTIAL CONFLICTS
Colin Geoffrey Taylor	Director and indirect shareholder of Cim Holdings Ltd, the majority shareholder of CFSL Director and indirect shareholder of Lochiel
Alexander Matthew Taylor	Director and indirect shareholder of Cim Holdings Ltd, the majority shareholder of CFSL
Nicolas Vaudin	None
Sebastian Callum Taylor	Indirect shareholder of Cim Holdings Ltd, the majority shareholder of CFSL
Gaetan Ah Kang	Director and indirect shareholder of Lochiel
Vedanand Singh Mohadeb	None
Jose Arunasalom	None
Vijaya Lakshmi Saha	None

8.2.3 Remuneration and benefits

The total remuneration and benefits paid by the Company and its subsidiaries to Directors for the year ended 30 September 2017 amounted to MUR2.89 million.

As at the date of this document, there are no arrangements under which a Director has waived or agreed to waive future emoluments.

8.2.4 Service contracts

The Directors and proposed directors have no service contracts with the Company.

8.2.5 Outstanding loans

At 30 June 2018, there were no outstanding loans and/or guarantees that have been provided to the Directors and proposed directors by the Company.

8.2.6 Payments or benefits in connection with the issue or sale of shares

There have been no commissions, discounts, brokerages or other special terms granted within the two years immediately preceding the issue of this Admission Document in connection with the issue or sale of any capital of any member of the Group, and none of the Directors and proposed directors of Lavastone Ltd, promoters or experts have received any such payment or benefit.

8.3 Profiles of the senior executive team of Lavastone Ltd

Doreen Lam – Chief Financial Officer

Doreen Lam joined the Lavastone Group as Chief Financial Officer on 01 October 2018. She has a vast experience in Strategic Planning, Property Development, Property & Facilities management as well as Asset Management in her previous role as the Financial Controller of the Property Division at Medine Limited since 2009.

She played an instrumental role in the setup of Medine Property for the development and management of various types of projects amongst which a Smart City, a Shopping Mall, a Business Park and various Residential Projects. She implemented a wide range of measures that drove change and increased operational efficiency. She developed financial modelling tools which proved to be essential strategic aids for the decision-making and forecasting process.

She has over ten years of international experience, with Executive roles at Shell International Limited and Ernst & Young LLP in London.

Doreen graduated from the London School of Economics and Political Science with a BSc Management Sciences and is also a qualified accountant of the Institute of Chartered Accountants in England and Wales (ICAEW).

Sandee Teeroovengadam – Development and Commercial Manager

Sandee is the Commercial and Development Manager of the Lavastone Group since September 2017.

Sandee worked as a Business Risk Advisory Consultant for Ernst & Young Mauritius with a focus on key client accounts in Nigeria and Cameroon. He then joined the Currimjee Jeewanjee Group where he was involved in Business Strategic Reviews, Business Plans as well as franchise negotiation in the ICT and Hospitality sector.

From 2010 to 2018, he cumulated work experience in the property sector; within the development, marketing and sales of residential and office properties as well as commercial leasing. As the Head of Leasing at ENL Property, he overlooked the leasing of commercial assets including office parks and malls with a Gross Lease Area of more than 120,000 sqm.

Sandee holds a Bachelor of Arts with Honours in Travel Management from the University of Brighton and a Master of Science in International Marketing Strategy from the University of Surrey in the UK.

Leena Brojmohun – Accountant and Asset Executive

Leena joined the Lavastone Group in December 2017. Leena has over 10 years' experience in real estate. Before leaving the UK, Leena worked as a Client Account Manager with LaSalle Investment Management, a leading real estate investment management firm investing in UK direct property on behalf of pension funds and other institutional investors for 4 years. La Salle Investment Management is also a subsidiary of Jones Lang LaSalle.

Prior to joining LaSalle, Leena learnt the passion for the property industry when she joined W D King Group as Financial Controller and overlooking the Finance Department and the Asset Management Department. Leena played a vital role in the reorganisation and the restructuring of the team and was recognised for her commitment and dedication. Being part of the executive team, she played a major part in the development of a holiday resort in the Turks and Caicos Islands.

8.4 Material contracts

(a) Management services agreements between Lochiel and its clients

Certain Directors of Lavastone Ltd have an interest in Lochiel. Lochiel provides property management services and facilities management services to companies forming part of the Group (collectively the "Clients"), which own properties in Plaine Wilhems, Port Louis and Rodrigues.

As remuneration for those services, the Clients pay (i) property management fees calculated on the basis of an agreed percentage of the total amount of rent and other income paid by the tenants of the Clients, and (ii) facilities management fees of an initial fixed amount, that are revised annually. The increase in the facilities management fees is calculated based on the increase in the Consumer Price Index

Additional fees may be charged for additional services on an ad-hoc basis.

(b) Lease agreement between Lavastone Ltd and Scott and Co Ltd

Certain Directors of Lavastone Ltd are interested in Scott & Co Ltd. Pursuant to a lease agreement between Scott and LPL the latter leases commercial property and parking bays to Scott in consideration for the payment of a monthly rent and a monthly service charge per square foot, both of which are revised on an annual basis. The lease agreement was renewed in September 2018 for a period of 10 years.

(c) Management services agreements and lease agreements between Lavastone Ltd and Group companies and related parties

Certain Directors of Lavastone Ltd are also appointed onto the Board of Lavastone Properties Ltd (“LPL”), which:

- (a) provides management services to group companies for an agreed management fee; and
- (b) leases properties to group companies and to related parties in consideration for the payment of a monthly rent, which increases annually on the basis of the consumer price index or a percentage agreed by the LPL and the relevant counterparty.

(d) Service level agreement between Lavastone Ltd and Rogers Capital Payroll Services Ltd

LPL has entered into a service level agreement with Rogers Capital Payroll Services Ltd for the provision of payroll services consisting of, inter alia, (i) the preparation of employee payslips, (ii) the remittance of PAYE, NPS and other contributions to authorities, (iii) the payment of remuneration to employees, and (iv) other ancillary services. As remuneration, LPL pays a monthly fee calculated on the number of employees on the payroll of LPL. The scope of services and calculation of fees are reviewed annually by the parties.

(e) Service level agreement between Lavastone Ltd and Cim Management Services Ltd

Cim Management Services outsources 1 staff to LPL for a fixed monthly fee.

(f) Company secretarial services agreement by and among Cim Administrators Ltd and Group companies

Cim Administrators Ltd is paid an annual services fee for the provision of company secretarial services to a number of companies forming part of the Cim group, including Cim Property Holdings Ltd (renamed as Lavastone Properties Ltd), Cim Financial Services Ltd and certain other group companies in which the directors are interested.

A summary of each of the aforementioned contracts is available for inspection at the registered office of Lavastone Ltd.

8.5 Third party information

Company Secretary	Cim Administrators Ltd Represented by: Tioumitra Maharahaje, Associate of the Institute of Chartered Secretaries and Administrators (U.K.) 33 Edith Cavell Street, Port Louis
Registrar and Transfer Office	MCB Registry & Securities Ltd 9 th Floor MCB Centre Sir William Newton Street Port Louis, Mauritius
Principal bankers	Mauritius Commercial Bank Ltd MCB Head Office, Sir William Street, Port Louis, Mauritius SBM Bank (Mauritius) Ltd Queen Elizabeth II Avenue, Port Louis, Mauritius Afrasia Bank Limited Bowen Square, 10, Dr Ferriere Street, Port Louis, Mauritius Barclays Bank Mauritius Limited Barclays House, 68, Cybercity, Ebène, Mauritius HSBC Bank (Mauritius) Limited 18, HSBC Centre, Cybercity, Ebène, Mauritius ABC Banking Corporation Ltd WEAL HOUSE, Duke of Edinburgh Avenue, Place d'Armes, 11328, Port Louis, Mauritius

Auditors/Reporting Accountants

Ernst & Young Mauritius (from 29 August 2017)

Chartered Accountants

Level 9, Tower 1, NeXTeracom

Cybercity,

Ebène, Mauritius

BDO Mauritius (from 05 March 2012 to 28 August 2017)

Chartered Accountants

10 Frère Félix de Valois

Port Louis, Mauritius

Transaction advisers

PricewaterhouseCoopers Ltd

18 CyberCity,

Ebène, Mauritius

Independent valuers

KPMG Advisory Services Ltd

KPMG Centre

31, CyberCity,

Ebène, Mauritius

Property valuers

JPW International Ltd

PO Box 1023, PL Centre,

Port Louis, Mauritius

Gexim Real Estate Ltd.

Level 2, Discovery House,

Saint Jean Road,

Quatre Bornes, Mauritius

Legal advisers

Benoit Chambers

Level 9, Orange Tower,

CyberCity,

Ebène, Mauritius

Eversheds Sutherland Mauritius

Suite 310, 3rd Floor Barkly Wharf,

Le Caudan Waterfront,

Port Louis, Mauritius

9.0 FINANCIAL SUMMARY AND ANALYSIS

9.1 Summary Pro Forma Financial Information

The tables below summarise the performance of Lavastone Ltd on a Pro Forma basis for the years ended 30 September 2015, 2016 and 2017 and the interim 9 months ended 30 June 2018. The definitions of Pro Forma referred to on page 2 apply *mutatis mutandis* to this section for analytical review purposes.

Table 9.1.1 – Summary Pro Forma Financial Information

Statement of financial position

MUR'000s	FY15PF	FY16PF	FY17PF	9M18PF
ASSETS				
Non-current assets				
Property, Plant & Equipment	775,208	784,371	801,003	842,007
Investment properties	928,975	1,119,310	1,242,065	1,447,121
Assets under construction	-	-	-	67,634
Intangible assets	579	348	60,304	59,500
Investment in joint venture	75,364	-	-	-
	1,780,126	1,904,029	2,103,372	2,416,262
Current Assets				
Inventory	1,842	1,982	1,996	3,831
Trade and other receivables	39,529	35,694	112,983	38,508
Cash and cash equivalents	45,175	99,152	149,556	407,731
	86,546	136,828	264,535	450,070
Total Assets	1,866,672	2,040,857	2,367,907	2,866,332
EQUITY AND LIABILITIES				
Share capital and reserves				
Share capital	1,076,134	1,157,308	1,393,916	1,827,052
Retained earnings	262,585	320,934	447,752	522,065
Revaluation reserves	56,028	50,363	88,131	101,808
Other reserves	(6,605)	35,969	38,628	40,292
Non-controlling interests	391,015	383,222	314,877	317,494
Total Equity	1,779,157	1,947,797	2,283,304	2,808,712
Non-current liabilities				
Deferred tax liabilities	10,344	13,131	23,068	25,850
Borrowings	49,690	51,758	20,000	11,802
Obligations under finance lease	155	12	13	13
Trade and other payables	119	141	180	626
	60,308	65,042	43,261	38,290
Current liabilities				
Trade and other payables	23,990	16,565	34,733	13,025
Borrowings	792	4,631	-	-
Obligations under finance lease	94	143	-	-
Current tax liabilities	2,331	6,679	6,608	6,085
Bank overdraft	-	-	-	220
	27,207	28,018	41,342	19,330
Total liabilities	87,515	93,060	84,603	57,620
Total equity and liabilities	1,866,672	2,040,857	2,367,907	2,866,332

Statement of profit or loss and other comprehensive income

MUR'000s	FY15PF	FY16PF	FY17PF	9M18PF
Revenue	116,999	174,279	224,198	142,823
Rental Income	95,488	111,811	117,676	91,859
Other Income	18,479	21,427	23,556	38,387
Total rental and other income	113,967	133,238	141,232	130,246
Profit/(Loss) on disposal of P&E	-	-	6,801	-
Share of profit from Joint venture	2,458	-	-	-
Increase in Fair Value of IP	574	41,041	76,165	12,577
	-	-	-	-
Expenses	(67,156)	(67,799)	(72,847)	(56,009)
Operating Expenses	(41,908)	(40,646)	(41,765)	(33,677)
Admin Expenses	(25,248)	(27,153)	(31,082)	(22,331)
EBITDA	49,843	106,480	151,351	86,814
Depreciation	(919)	(1,194)	(1,557)	(1,130)
Amortisation	(232)	(232)	(246)	(148)
Foreign exchange difference	215	5	(71)	143
EBIT	48,907	105,059	149,477	85,679
Finance Costs	(1,436)	(1,484)	(1,348)	(582)
Finance Income	273	233	295	-
Profit (Loss) before Tax	47,744	103,808	148,424	85,096
Taxation	(8,667)	(11,931)	(23,922)	(12,450)
Profit (Loss) for the year	39,077	91,877	124,502	72,647
Other comprehensive income	-	-	-	-
Total comprehensive income	39,077	91,877	124,502	72,647

Table 9.1.2 - Key performance indicators for Lavastone Ltd

	FY15PF	FY16PF	FY17PF	9M18PF
Pro Forma Financial Metrics				
Rental Revenue growth	n/a	17.1%	5.2%	4.1%
EBITDA margin	42.6%	61.1%	67.5%	60.8%
Net Profit margin	33.4%	52.7%	55.5%	50.9%
Operating Cost to income ratio	36.8%	30.5%	29.6%	25.9%
Admin Cost to income ratio	22.2%	20.4%	22.0%	17.1%
NBV of properties (MUR'm)	1,841	1,899	2,092	2,320
Gross yield	10.5%	10.6%	10.1%	6.7%
Net yield	7.7%	8.3%	7.2%	4.1%
Equity yield	2.2%	6.8%	8.8%	n/a
Gearing	2.8%	2.8%	0.9%	0.4%
Loan-to- book value ratio	2.7%	3.0%	1.0%	0.5%
Interest Cover	34	71	111	147
Pro Forma Operational metrics				
Average occupancy	98.7%	99.4%	97.7%	97.8%
Gross leasable area (sqm)	37,139	36,355	37,140	37,517
Average NOI (MUR per sqm)	2,014	2,302	2,462	n/a

Additional financial information is set out in Appendix 1 – Accountants' Report and Historical Financial Information and Appendix 2 – Unaudited Pro Forma Financial Information.

9.2 Recent trends

The PAT for the 9 months ending 30 June 2018 increased compared to the same period last year driven primarily by recognition of profit on the sale of land and reduced finance costs at the level of the Group. Operationally, continued high levels of occupancy, strong lease covenants and control of operational expenses sustain the quality of the Group's cash flows. Staff costs have increased in line with increase in head count to cater for the projected growth of the Group. This was mitigated by new management fees received from one of the subsidiary of the Group, additional income from rental of newly acquired parking lots and rent escalation.

9.3 Trading prospects

The Company is set to start construction of a hotel in early 2019, subject to obtaining the required permits and clearances. The hotel, upon completion, will be operated by AHL via a triple net lease. AHL is the owner of the Emeraude Beach Attitude Hotel. AHL will provide a corporate guarantee towards the rental payments owed by its subsidiary Compagnie Marmite des Iles.

Simultaneously, the Group has applied for 2 morcellement permits for the development of land it owns at Case Noyale and La Gaulette. The revenues generated from these sales will be used to invest in yielding property development projects.

The hunting grounds at Case Noyale and Abondance will be leased to a Hunting Club thus allowing the Company to reduce the impact of losses associated with the operations of these two properties.

Having secured good interest from prospective tenants and obtained new access onto the M2 Motorway at Riche Terre following the creation of the third lanes, the construction of a mixed use light industrial building with some 7,100 sqm of leasable space is set to start in 2019 subject to obtaining the relevant local authority permits and clearances.

Management is confident that the remaining yielding properties will continue to perform well in 2019, and that the Group's performance will be on target.

9.4 Dividend policy

Lavastone Ltd has not distributed any dividend since inception. The Board will aim to distribute regular and stable dividends subject to the financial performance and cash flow availability of the Company. The dividend payout will be limited to the amount of distributable reserves and will be subject to the solvency test being satisfied as required by the Companies Act 2001.

9.5 Pro Forma dividends, NAV and Earnings per share

The financial ratios for the last three financial years are shown below. Figures are on a Pro Forma basis and have been adjusted to reflect the theoretical impact of the Restructuring on Lavastone Ltd.

MUR	FY15PF	FY16PF	FY17PF
	Unaudited	Unaudited	Unaudited
Dividend per share	Nil	Nil	Nil
NAV per share¹	2.61	2.86	3.36
Earnings per share	0.05	0.12	0.18

Details of the above calculations have been provided in Appendix 2.

¹ The unaudited Pro Forma NAV includes non-controlling interests, assuming post stock-split and post issue of Initial Shares levels

9.6 Analysis of consolidated borrowings and charges at 31 October 2018

MUR (MILLION)	AS AT 31 OCTOBER 2018	SECURITY
Bank loan - SWSG	35	Fixed charge on land
Overdraft facility - ECPL	270	Floating charge
Total	305	

At 31 October 2018:

- The total borrowings of the Lavastone Group amounted to MUR305 million, all of which were secured but only MUR35 million has been drawn down to date;
- The Group had not issued any debt securities;
- Lavastone Ltd had provided corporate guarantees in respect of the bank facilities taken by ECPL to MCB amounting to MUR270 million. MUR100 million was provided on 05 October 2018 and MUR170 million was provided on 18 July 2018. None of these overdraft facilities have been used or drawn down to date;
- Lavastone Ltd did not have contingent liabilities and guarantees; and
- There were no outstanding mortgages and charges.

10.0 ADDITIONAL DISCLOSURES

10.1 Legal and arbitration proceedings

During the last 12 months, Lavastone Ltd was not a party to any legal or arbitration proceedings, outside the normal course of business, which have had or may have a significant effect on Lavastone Ltd's consolidated financial position.

10.2 Business interruption

During the last 12 months preceding the publication of this document, there were no disruption in the business nor any significant events that had a material impact on the financial position of Lavastone Ltd, except for the Restructuring described in section 4.3 of this document.

11.0 SUMMARY OF CONSTITUTION

Subject to the Companies Act 2001, any other enactment and general law, the Company shall have full capacity to carry on or undertake any business or activity, do any act or enter into any transaction both within and outside Mauritius. The duration of the Company is unlimited.

The following key provisions have been extracted from the full and approved version of the Constitution:

RELEVANT PROVISIONS	DETAILS
Object of the company	Subject to the Act and to any other enactment, the Company shall have, both within and outside Mauritius, full capacity to carry on or undertake any business or activity, do any act, or enter into any transaction. [Clause 1.5]
Existing ordinary shares	The Company has in issue as at the date of adoption of this Constitution 450,000 ordinary shares of no par value, each having the rights set out in Article 2.4. [Clause 2.2]
Rights of existing ordinary shares	<p>The rights attaching to the ordinary shares shall be as follows:</p> <p>(a) Income: each holder of ordinary shares shall have the right to an equal share in dividends and other distributions made by the Company;</p> <p>(b) Capital and surplus: each holder of ordinary shares shall have the right to an equal share in the repayment of the capital and the surplus assets of the Company upon liquidation; and</p> <p>(c) Voting: each holder of ordinary shares shall have the right to vote at meetings of Shareholders and on a poll to cast one (1) vote for each ordinary share held. [Clause 2.4]</p>
Pre-emptive rights on issue of shares	<p>Shares issued or proposed to be issued by the Company that rank or would rank as to voting or distribution rights, or both, equally with or prior to shares already issued by the Company shall be offered, by notice in writing, to the holders of shares already issued in a manner which if the offer were accepted, will maintain the relative voting and distribution rights of those Shareholders in accordance with the provisions of section 55(1) of the Act. [Clause 2.7.1]</p> <p>An offer under Article 2.7.1 shall remain open for acceptance for a reasonable time, which shall not be less than fourteen (14) days. [Clause 2.7.2]</p> <p>New shares offered to Shareholders pursuant to Article 2.7.1 and not accepted within the prescribed time, or in respect of which an intimation is received from the person to whom the offer is made declining such offer, may be disposed of by the Board in such manner as it considers most beneficial to the Company. [Clause 2.7.3]</p>
Quorum required for the variation of rights of a class of shares	<p>If at any time the Capital is divided into different classes of shares all or any part of the rights and privileges attached to any class of shares may subject to any applicable provisions of the Act be, modified, abrogated or altered and the Capital thereof may be repaid, (otherwise than on liquidation or in accordance with the terms of issue thereof) ONLY:</p> <p>(d) with the written consent of the holders of three fourths of the issued shares of the classes;</p> <p>(e) with the sanction of a special resolution passed by the vote in person or by proxy or have cast postal votes or representative of the holders of the issued shares of the class at special meeting of such holders called for the purpose, the provisions contained in this Constitution as to special meetings shall <i>mutatis mutandis</i> apply to every such meeting, save that the quorum for such a meeting shall be present where the Shareholders in person or by proxies are present or have cast postal votes, who are between themselves able to exercise a majority of the votes to be cast on the business to be transacted at such meeting;</p> <p>provided that the quorum for a separate class meeting (other than an adjourned meeting) to consider a variation of the rights of any class of issued shares shall be the holders of at least one third of the issued shares of the relevant class. If a quorum as defined above is not present at an adjourned meeting of the holders of the issued shares of the relevant class, the Shareholders who are present shall be a quorum.</p>

RELEVANT PROVISIONS**DETAILS****Issue of shares**

The Company may from time to time by ordinary resolution increase the Capital by such sum, to be divided into shares of such amount and to the extent it is legally permissible to do so, express in such currency as the resolution shall prescribe with power:

- (a) to divide such shares in several classes;
- (b) to issue the shares of any class or classes at a premium or at par;
- (c) to issue the shares of any class or classes with any preferential, deferred, qualified or special rights, privileges or conditions attached thereto or subject to any restrictions or limitations, whether in regard to dividend, voting, return of capital, or otherwise; and
- (d) issue fractions of shares which shall have corresponding fractional liabilities, limitations, preferences, privileges, qualifications, restrictions, rights and other attributes as those which relate to the whole share of the same class or series of shares. **[Clause 3.1.1]**

Transfer of ordinary shares

There shall be no restrictions and lien on the transfer of fully paid up shares in the Company and transfers and other documents relating to or affecting the title to any shares shall be registered with the Company without payment of any fee. **[Clause 5.1.1]**

The Board may impose such restrictions as they may deem fit on the transfer of partly paid shares which are listed provided that such restrictions shall not prevent dealings in respect of such partly paid shares from taking place on an open and proper basis. **[Clause 5.2.2]**

The instrument of transfer shall be executed by or on behalf of the transferor and the transferee, and the transferor shall remain the holder of the shares transferred until the transfer is registered and the name of the transferee is entered in the Register in respect thereof. **[Clause 5.2.3]**

Dividend**Power to pay dividend**

Subject to the provisions of section 61 of the Act, the Board may authorise a dividend by the Company at a time and of an amount it thinks fit. **[Clause 25.1.1]**

The Directors may from time to time pay to the Shareholders such interim dividends as the Board deems fit, subject to the provisions of the Act and as may be justified by the profits of the Company. **[Clause 25.1.2]**

The Directors may from time to time pay to such Shareholders as are entitled to dividends in the Company such dividends determined in accordance with Article 25.1.1. The Directors may also from time to time whilst the issued Capital is divided into different classes of shares pay to any Shareholders so entitled any dividends on shares issued upon terms that the dividend thereon shall be payable on fixed dates or within a fixed period. **[Clause 25.1.3]**

No dividends shall be paid otherwise than out of the profits (whether revenue or Capital) of the Company or other funds lawfully available for such purpose. **[Clause 25.1.4]**

The declaration of the Directors as to the amount of the profits of the Company shall be conclusive. **[Clause 25.1.5]**

Dividend by way of distribution of assets

Any meeting declaring a dividend or bonus may direct, by way of ordinary resolution, payment of such dividend or bonus wholly or partly by the distribution of specific assets and in particular of paid-up shares, debentures or debenture stock of the Company or any other company or in any one or more of such ways and the Directors shall give effect to such resolution and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Shareholder upon the footing of the value so paid in order to adjust the rights of all parties, and may vest any such specific assets in such persons as may seem expedient to the Directors. **[Clause 25.3]**

RELEVANT PROVISIONS**DETAILS****Unclaimed dividends**

All dividends and any other moneys payable to any Shareholder or former Shareholder in respect of shares in the Company and/or interest in respect of debt or securities issued by the Company remaining unclaimed for five (5) years after having been declared or otherwise having become payable, may, at the expiry of such period of five (5) years after having been declared or otherwise having become payable, be forfeited by the Directors for the benefit of the Company provided always that the Directors may at any time after such forfeiture annul the same and pay the dividend or interest or issue the bonus (as the case may be) so forfeited without any interest to any person producing evidence that he is entitled to the same and shall do so unless in the opinion of the Directors such payment or issue would embarrass the Company. **[Clause 25.4]**

Powers of the Board**Management of company****Business of company**

The business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are not, by the Act, or by this Constitution, required to be exercised by the Company in meeting, subject nevertheless, to this Constitution and to the provisions of the Act. **[Clause 18.2.1]**

Agent of the company

The Directors may by power of attorney appoint any corporation, firm, or person or body of persons, whether nominated directly or indirectly by the directors, to be agent of the Company for such purposes and with such powers, authorities, and discretions, not exceeding those vested in or exercisable by the Directors under this Constitution, and for such period and subject to such conditions as they think fit, and any such power of attorney may contain such provision for the protection and convenience of persons dealing with any such attorney as the directors think fit and may also authorise any such agent to, subject to applicable law, delegate any power, authority, or discretion vested in him. **[Clause 18.2.3]**

Use of seal outside Mauritius

The Directors may exercise all the powers of the Company in relation to any official seal for use outside Mauritius in relation to branch registers. **[Clause 18.2.4]**

Investment limitations

The Company's investment objectives and investment strategies, including any investment restrictions, shall be determined by the Directors from time to time, as may be considered necessary or desirable for efficiency of operations of the Company or for conforming to regulatory restrictions and set out in writing. **[Clause 18.2.5]**

Number of Directors

Until otherwise determined by a meeting the minimum number of Directors shall be six (6) and the maximum number shall be twelve (12). **[Clause 13.1.2]**

Eligibility criteria for Directors

No person shall be appointed, or hold office, as a director of a company if he is a person who is over seventy (70) years of age. The office of director shall become vacant at the conclusion of the annual meeting of Shareholders commencing next after the director attains the age of seventy (70) years. Where the office of director has become vacant, no provision for the automatic reappointment of retiring directors in default of another appointment shall apply to that director. **[Clause 13.3.3]**

Notwithstanding the above, a person of or over the age of seventy (70) years may by an ordinary resolution of which no shorter notice is given than that required to be given for the holding of a meeting of Shareholders, be appointed or re-appointed as a director of that company to hold office until the next annual meeting of the company or be authorised to continue to hold office as a director until the next annual meeting of the company. **[Clause 13.3.4]**

RELEVANT PROVISIONS**DETAILS****Election of directors**

The Directors of the Company shall be such person or persons as may be appointed from time to time by ordinary resolution or by notice to the Company signed by the holder or holders for the time being of the majority of shares in the Capital of the Company but so that the total number of Directors shall not at any time exceed the number fixed pursuant to Article 13.1.2 or by ordinary resolution pursuant to Article 13.1.3. **[Clause 13.1.1]**

Until otherwise determined by a meeting the minimum number of Directors shall be six (6) and the maximum number shall be twelve (12). **[Clause 13.1.2]**

The Company may by ordinary resolution increase or reduce the number of Directors, and may alter their qualifications, if any. **[Clause 13.1.3]**

The Directors may be appointed individually or together unless the Shareholders by ordinary resolution require any Director's appointment to be voted on individually. **[Clause 13.1.4]**

The Shareholders shall provide at least seven (7) days' notice to the Company of the intention to propose a person (the 'Nominated Person') for election as Director of the Company. The Nominated Person shall, in turn, provide at least seven (7) days' notice to the Company of his willingness to be elected as Director of the Company. The latest date for lodgement of such notices shall not be more than seven (7) days prior to the date of the meeting appointed for such election. **[Clause 13.1.5]**

The Company shall not consider any notice sent by a Shareholder pursuant to Article 13.1.5 unless that notice is received by the Company between 01 January and 31 July in any year. **[Clause 13.1.6]**

Managing Director

The Board of Directors may appoint one or more members of the Board to the office of manager or Managing Director for such period and on such terms as they think fit and, subject to the terms of any agreement entered into in any particular case, may revoke that appointment. **[Clause 13.2.1]**

A Managing Director shall be subject to the same provisions as regards resignation, removal and disqualification as the other Directors of the Company and if he or she shall cease to hold the office of Director, he or she shall *ipso facto* immediately cease to be the Managing Director. **[Clause 13.2.2]**

Power to appoint Chief Executive Officer

Subject to Article 21.1.2, the directors may from time to time:

- (a) appoint one qualified person as Chief Executive Officer of the Company either for a fixed term or otherwise and may fix his remuneration either by way of salary or commission or by giving a right to participate in the profits of the Company or by a combination of two or more of these modes; and
- (b) remove or dismiss any Chief Executive Officer and appoint another in his place. **[Clause 21.1.1]**

A Chief Executive Officer removed from office shall have no right or claim to continue in office and his only remedy against the Company, if any, shall be in damages. **[Clause 21.1.2]**

Chief Executive Officer's powers

The Directors may from time to time entrust to and confer upon a Chief Executive Officer such of the powers of the Directors exercisable under this Constitution as they may think fit and with and subject to such limitation and restrictions as to time and mode of exercise or otherwise as they may think expedient. The Directors may at any time withdraw, revoke or vary the powers so conferred or any of them. **[Clause 21.2]**

Chairperson

The Directors shall designate one of the Directors to be the chairperson of the Board by a majority of votes. The chairperson shall remain in office until he is removed by a decision of the Board. **[Clause 15.1.6]**

RELEVANT PROVISIONS**DETAILS****Voting rights where the director has material interests**

A Director shall not vote in respect of any contract or arrangement or any other proposal in which he or his associates has directly or indirectly a material interest and if the Director does so his vote shall not be counted nor shall he be counted in the quorum present at the meeting. **[Clause 14.2.1]**

A Director shall not vote on any contract or arrangement or any other proposal in which he or his associates have a material interest nor shall he be counted in the quorum present at the meeting except in respect of the following matters:

- (a) the giving of any security or indemnity either:
- (i) to the director in respect of money lent or obligations incurred or undertaken by him at the request of or for the benefit of the issuer or any of its subsidiaries; or
 - (ii) to a third party in respect of a debt or obligation of the issuer or any of its subsidiaries for which the director has himself assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (b) any proposal concerning an offer of shares or debentures or other securities of or by the issuer or any other company which the issuer may promote or be interested in for subscription or purchase where the director is or is to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (c) any proposal concerning any other company in which the director is interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the director is beneficially interested in shares of that company, provided that he, together with any of his associates, is not beneficially interested in five per cent or more of the issued shares of any class of such company (or of any third company through which his interest is derived) or of the voting rights;
- (d) any proposal or arrangement concerning the benefit of employees of the issuer or its subsidiaries including:
- (i) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which he may benefit; or
 - (ii) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to directors and employees of the issuer or any of its subsidiaries and does not provide in respect of any director as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates;
- (e) any contract or arrangement in which the director is interested in the same manner as other holders of shares or debentures or other securities of the issuer by virtue only of his interest in shares or debentures or other securities of the issuer.

For the purposes of section (c) above, the definition of "associates" under Part I of the Schedule of the Securities Act 2005 shall apply. **[Clause 14.2.2]**

Subject to declaring his interest, a Director who is interested in a contract or arrangement of, or relating to the Company, may affix, or attest the affixing of the seal of the Company to any document relating to the contract or arrangement to the same extent as if the Director were not so interested (whether or not the Director is entitled to vote in respect of the contract or arrangement at a meeting of Directors).

[Clause 14.2.3]

Remuneration of Directors

Subject to section 159(5) to (10) of the Act, the Board may, where it considers that it is fair to the Company, approve:

- the payment of remuneration or the provision of other benefits by the Company to a Director for services as a Director or in any other capacity; **[Clause 13.6.1]**
- the payment by the Company to a Director or former Director of compensation for loss of office; **[Clause 13.6.2]**
- the entering into of a contract to do any of the things set out in paragraphs 13.6.1. and 13.6.2. above; and **[Clause 13.6.3]**
- the payment of all travelling, hotel and other expenses properly incurred by the Directors in attending any meetings of the Board or in connection with the business of the Company. **[Clause 13.6.4]**

Share qualification of Directors

An alternate Director shall not require any shareholding qualification but shall remain subject to the provisions of Article 13.1. **[Clause 16.4]**

RELEVANT PROVISIONS**DETAILS****Borrowing powers of Directors**

The Directors may exercise all powers of the Company to borrow or raise or secure the payment of money or the performance or satisfaction by the Company of any obligation or liability and to mortgage or charge its undertaking, property and uncalled Capital or any part thereof and to issue mortgages, mortgage debentures, debenture stock, charges, bonds, notes and other securities and other negotiable instruments, or commercial documents which may in the future exist whether outright or as security, for any debt liability or obligation of the Company or of any third party. Such powers shall be exercised in compliance with section 130 of the Act. **[Clause 18.1.1]**

If any uncalled Capital of the Company is included in or charged by any mortgage or other security the Directors may by instrument under the seal of the Company authorise the person in whose favour such mortgage or security is executed or any other person on behalf of him to make calls on the Shareholders in respect of such uncalled Capital and the provisions contained in this Constitution in regard to call shall *mutatis mutandis* apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Directors' power or otherwise and shall be assignable if expressed to be so. **[Clause 18.1.2]**

Purchase of own share

Subject to the provisions of section 68 of the Act, the Company may purchase or otherwise acquire and hold shares issued by it. **[Clause 3.4.1]**

Where the Company holds its own shares pursuant to Article 3.4.1 above, the Board may, by resolution, resolve that the shares so held be transferred, cancelled or reissued, and the Directors are authorised to do all acts and things necessary to give effect to such transfers, cancellation or issues, in such numbers and at such times as they deem fit in conformity with the law. **[Clause 3.4.2]**

Meetings**Annual meetings**

The Company shall hold an annual meeting once in every calendar year in addition to any other meetings in that year and shall specify the meeting as such in the notice calling it. The annual meeting shall be held not later than six (6) months after the balance sheet date of the Company. No more than fifteen (15) months shall elapse between the date of one annual meeting of the Company and that of the next unless an extension for holding any particular meeting is granted by the Registrar of Companies under the Act. **[Clause 9.1.1]**

Subject to the provisions of the Act, all meetings shall be held at such time and place as the Directors appoint. **[Clause 9.1.2]**

All meetings other than annual meetings shall be called special meetings. **[Clause 9.1.3]**

Special meetings

Whenever they think fit, the Directors may convene a special meeting, and special meetings shall also be convened on such requisition or in default may be convened by such requisitions, as is provided by section 116(b) of the Act. If at any time there are not within Mauritius sufficient Directors capable of acting to form a quorum, any Director may convene a special meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors. **[Clause 9.2.1]**

In case of a special meeting called in pursuance of a requisition under section 116 (b) of the Act, the notice convening the meeting shall state the objects which are mentioned in the requisition and, no business other than that expressed in the requisition and of which notice has not been given, shall be transacted. **[Clause 9.2.2]**

Notice of meeting

A meeting of the Company shall be called by at least fourteen (14) days' notice in writing. The notice shall be exclusive of the day on which it is given or served or deemed to be served and of the day for which it is given shall comply with the Act and shall specify the place, the day, and the hour of the meeting and, in case of special business, the general nature of that business, and shall be given in the manner hereinafter specified in Article 29 or in such other manner if any, as may have been prescribed by the Company in a meeting, to such persons as are, under this Constitution entitled to receive such notices from the Company. Every notice calling a meeting of the Company or any class of Shareholders of the Company shall contain a statement that Shareholders may appoint a proxy to attend and vote in his stead and that a proxy need not be a Shareholder. **[Clause 10.1]**

12.0 DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of Lavastone Ltd from 14 December to 28 December 2018, during the normal working hours:

- This Admission Document;
- The constitution of the Company;
- The independent valuation report by KPMG;
- The property valuation reports by GEXIM Real Estate Ltd and JPW International Ltd;
- Lavastone Ltd's audited financial statements for the years ended 30 September 2015 and 30 September 2016, audited by BDO;
- Lavastone Ltd's audited financial statements for the year ended 30 September 2017 and for the 9 months ended 30 June 2018, audited by EY; and
- A summary of each material contract of Lavastone Ltd.

APPENDIX 1: ACCOUNTANTS' REPORT AND SUMMARY CONSOLIDATED FINANCIAL STATEMENTS OF LAVASTONE LTD

(i) Basis of Preparation of the Summary Consolidated Financial Statements

The summary consolidated financial statements set out in Appendix 1 are prepared in pursuance with the requirements of the Listing Rules of the Stock Exchange of Mauritius Ltd. The summary consolidated financial statements are presented based on the requirements of IAS 34 Interim Financial Reporting.

The Directors considered that the presentation of the consolidated statements of financial position, statements of profit or loss and other comprehensive income, statements of changes in equity, statements of cash flows and notes on the related party transactions and balances are appropriate.

The summary consolidated financial statements do not include all the information required by IFRS for full financial statements and are not a substitute for the full financial statements from which they have been extracted. The accounting policies applied in the preparation of the full financial statements, from which the summary consolidated financial statements were derived, are in terms of IFRS.

The summary consolidated financial statements are themselves not audited, but are extracted from audited information. The directors take full responsibility for the preparation of summary consolidated financial statements and the correct extraction of financial information from the underlying audited financial statements.

(ii) Auditor's report for the years ended 30 September 2015 and 2016



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Grp8/1159/sj

November 30, 2018

The Board of Directors
Lavastone Ltd
33, Edith Cavell Street,
PORT LOUIS

Dear Sirs,

We report on the historical financial information for the years ended 30 September 2015 and 30 September 2016 set out in Appendix 1 of the Admission Document. This report, for which we accept full responsibility, has been prepared for inclusion in the Admission Document of Lavastone Ltd (previously known as Cim Property Development Ltd) ("the Company"), in relation to listing of the Company on the Development and Enterprise Market of the Stock Exchange of Mauritius Ltd.

Basis of preparation

The financial information is based on the audited consolidated financial statements of the Company for the years ended 30 September 2015 and 30 September 2016.

Responsibilities

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in Appendix 1 of the Admission Document and in accordance with International Financial Reporting Standards.

Scope of audit for the years ended 30 September 2016 and 30 September 2015

We conducted our audits in accordance with International Standards on Auditing. Our responsibility is to express an opinion on the historical financial information based on the audited consolidated financial statements. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the abovementioned financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements.

BDO is Co, a firm of Chartered Accountants in Mauritius, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.



Statement of independence

During the years ended 30 September 2015 and 30 September 2016, we have not been an associate, as defined in the Listing Rules, of any Directors or of any shareholders holding more than 5% of the issued share capital of the Company.

Opinion on the historical financial information

In our opinion, the historical financial information gives, for the purpose of the Admission Document, a true and fair view of the financial position of the Company and its subsidiary (the "Group") and its financial performance and its cash flows for each of the years ended 30 September 2015 and 30 September 2016, in accordance with International Financial Reporting Standards and accounting policies used in the Group's audited financial statements underlying the historical financial information.

Consent

We consent to the inclusion of this report in the Admission Document in the form and context in which it appears, and such consent have not been withdrawn prior to the approval of the Admission Document. We confirm that since our last audit report dated 09 November 2018 for the year ended September 30, 2016 and 09 November 2018 for the year ended September 30, 2015, we are not aware of any matters which could affect the validity of our report.

A handwritten signature in cursive script that reads 'BDO & CO'.

BDO & CO
Chartered Accountants

(iii) Auditor's report for the year ended 30 September 2017 and the 9 months ended 30 June 2018



REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS TO THE MEMBERS OF LAVASTONE LTD (PREVIOUSLY KNOWN AS CIM PROPERTY DEVELOPMENT LTD)

Opinion

The summary consolidated financial statements set out in Appendix 1, prepared for inclusion in the Admission Document of Lavastone Ltd (previously known as CIM Property Development Ltd), which comprise the statements of financial position as at 30 September 2017 and 30 June 2018, the statements of profit or loss and other comprehensive income, statements of changes in equity, statements of cash flows and transactions and balances with related parties for the year and period then ended, are derived from the audited financial statements of Lavastone Ltd (the 'Company') and its subsidiaries (the 'Group') for the year ended 30 September 2017 and period ended 30 June 2018 respectively.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, on the basis described in Appendix 1 of the Admission Document.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution

We draw attention to Appendix 1 of the Admission Document, which describes the criteria applied in preparation of the summary consolidated financial statements. As a result, the summary consolidated financial statements may not be suitable for another purpose. Our report is intended solely for inclusion in the Admission Document and should not be distributed or read outside of this context. Our opinion is not modified in respect of this matter.

Summary Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act 2001. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of Lavastone Ltd and the auditors reports thereon. The summary consolidated financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our reports dated 9 November 2018.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements on the basis described in Appendix 1 of the Admission Document.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), "Engagements to Report on Summary Financial Statements."

Other matter

Our audit report has been prepared solely for the Company's members, as a body, in accordance with Section 205 of the Companies Act 2001.

Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to the latter in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Report on other legal and regulatory requirements

Listing Rules of The Stock Exchange of Mauritius Ltd

During the year ended 30 September 2017 and the period ended 30 June 2018, we have not been an associate, as defined in the Listing Rules, of any directors or shareholders holding more than 5% of the shares issued by Lavastone Ltd.

We are the auditors of the holding Company and the subsidiaries of Lavastone Ltd.


ERNST & YOUNG
Ebène, Maurities


LI KUNE LAN POOKIM, F.C.A., F.C.C.A.
Licensed by FRC

Date: 05 December 2018

(iv) Audited Financial Information for the years ended 30 September 2015, 2016 and 2017

Statements of profit or loss and other comprehensive as extracted and summarised from the Audited Financial Statements

MUR'000s	Audited by BDO		Audited by EY
	30-Sep-15	30-Sep-16	30-Sep-17
Rental income	94,356	100,486	106,928
Other income	20,472	20,046	24,052
Increase in fair value of investment properties	-	-	70,864
	114,828	120,532	201,844
Decrease in fair value of investment properties	-	-	-
Operating expenses	(32,842)	(30,846)	(31,682)
Administrative expenses	(11,114)	(12,077)	(17,288)
	(43,956)	(42,923)	(48,970)
Operating profit/(loss)	70,872	77,609	152,874
Finance costs	(11,931)	(9,482)	(7,756)
Profit before exceptional item	58,941	68,127	145,118
Exceptional items	-	-	-
Profit/(loss) before tax	58,941	68,127	145,118
Income tax expense	(10,960)	(9,857)	(22,020)
Total comprehensive income for the year	47,981	58,270	123,098
Basic/diluted earnings per share (MUR/share)	92.37	112.17	236.97

Statements of financial position as extracted and summarised from the Audited Financial Statements

MUR'000s	Audited by BDO		Audited by EY
	30-Sep-15	30-Sep-16	30-Sep-17
ASSETS			
Non-current assets			
Investment properties	898,225	914,660	1,025,615
Intangible assets	579	347	46,118
Investment in subsidiaries	-	-	-
	898,804	915,007	1,071,733
Current assets			
Trade and other receivables	93,766	81,483	125,716
Cash at bank	4,232	6,256	10,644
	97,998	87,739	136,360
Total assets	996,802	1,002,746	1,208,093
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	519,466	519,466	519,466
Retained earnings/(Accumulated losses)	263,940	322,210	445,308
Total equity	783,406	841,676	964,774
Non-current liabilities			
Deferred tax liabilities	10,344	13,131	23,005
Borrowings	130,000	70,000	81,895
	140,344	83,131	104,900
Current liabilities			
Trade and other payables	20,721	11,440	62,291
Borrowings	50,000	60,000	70,001
Current tax liabilities	2,331	6,499	6,127
	73,052	77,939	138,419
Total equity and liabilities	996,802	1,002,746	1,208,093

Statement of cash flows as extracted and summarised from the Audited Financial Statements

CASH FLOW (MUR'000s)	Audited by BDO		Audited by EY
	30-Sep-15	30-Sep-16	30-Sep-17
Operating activities			
Profit/(loss) before tax	58,941	68,127	145,118
<u>Adjustments for:</u>			
Amortisation of intangible assets	232	232	246
Interest income	(270)	(108)	(105)
Interest expense	11,931	9,482	7,756
Fair value gain on investment properties	-	-	(70,864)
Profit on disposal of investment properties	-	-	(2,763)
<u>Changes in working capital:</u>			
Trade and other receivables	(6,235)	748	(44,234)
Trade and other payables	9,012	(9,281)	50,851
	73,611	69,200	86,005
Interest received	284	143	105
Income tax paid	(5,780)	(2,902)	(12,518)
Net cash generated from operating activities	68,115	66,441	73,592
Investing activities			
Purchase of investment properties	(16,149)	(16,435)	(41,541)
Purchase of intangible assets	-	-	(46,016)
Proceeds on disposal of investment properties	-	-	4,213
Net cash used in investing activities	(16,149)	(16,435)	(83,344)
Financing activities			
Loan received	-	-	81,895
Interest paid	(11,931)	(9,482)	(7,756)
Payment of borrowings	(40,000)	(50,000)	(60,000)
Net cash used in financing activities	(51,931)	(59,482)	14,139
Net increase/(decrease) in cash and cash equivalents	35	(9,476)	4,387
Cash and cash equivalents at 1 October	15,697	15,732	6,256
Cash and cash equivalents at 30 September	15,732	6,256	10,643

Statement of changes in equity

MUR'000s	Share capital	Retained earnings	Total equity
At 1 October 2016	519,466	322,210	841,676
Profit for the year	-	123,098	123,098
Other comprehensive income for the year	-	-	-
At 30 September 2017	519,466	445,308	964,774
At 1 October 2015	519,466	263,940	783,406
Profit for the year	-	58,270	58,270
Other comprehensive income for the year	-	-	-
At 30 September 2016	519,466	322,210	841,676

Transactions and balances with related parties as extracted and summarised from the Audited Financial Statements

MUR'000s	Rental Income	Other Income	Management Fees	Finance Cost	Amount owed by related party	Amount owed to related party	Loan from related party
<u>Year ended 30 September 2017</u>							
Holding Company	-	105	-	7,756	69,467	54,154	151,895
Fellow Subsidiaries	42,352	10,141	9,128	-	167	78	-
Companies with common shareholders	28,743	-	-	-	2	302	-
<u>Year ended 30 September 2016</u>							
Holding Company	-	108	-	9,482	1	2,882	130,000
Fellow Subsidiaries	49,443	11,224	6,855	-	-	698	-
Companies with common shareholders	21,443	5,944	-	-	567	24	-
<u>Year ended 30 September 2015</u>							
Holding Company	-	-	-	11,931	81,002	5,894	180,000
Fellow Subsidiaries	49,664	10,053	7,060	-	433	6,357	-
Companies with common shareholders	17,446	4,972	-	-	395	70	-

(v) Audited Interim Financial Information for the 9 months ended 30 June 2018

Statements of profit or loss and other comprehensive income

MUR'000s

Rental income
Other income
Increase in fair value of investment properties

Operating expenses
Administrative expenses

Operating profit/(loss)

Finance costs
Profit before exceptional item
Exceptional items
Profit/(loss) before tax
Income tax expense

Total comprehensive income for the year

Basic/diluted earnings per share (MUR/share)

	Audited by EY	
	30-Jun-17	30-Jun-18
Rental income	80,087	84,431
Other income	15,800	18,498
Increase in fair value of investment properties	70,864	577
	166,751	103,506
Operating expenses	(23,428)	(26,165)
Administrative expenses	(9,852)	(22,895)
	(33,280)	(49,060)
Operating profit/(loss)	133,471	54,446
Finance costs	(5,697)	(6,860)
Profit before exceptional item	127,774	47,586
Exceptional items	-	-
Profit/(loss) before tax	127,774	47,586
Income tax expense	(18,055)	(9,114)
Total comprehensive income for the year	109,719	38,472
Basic/diluted earnings per share (MUR/share)	211.22	75.78

Statement of financial position

MUR'000s

ASSETS

Non-current assets

Investment properties	1,025,615	1,207,196
Intangible assets	46,118	45,314
Investment in subsidiaries	-	-
	1,071,733	1,252,510

Current assets

Trade and other receivables	125,716	71,592
Cash at bank	10,644	91,026
	136,360	162,618

Total assets

1,208,093 **1,415,128**

EQUITY AND LIABILITIES

Share capital and reserves

Share capital	519,466	450,000
Retained earnings/(Accumulated losses)	445,308	483,780
Total equity	964,774	933,780

Non-current liabilities

Deferred tax liabilities	23,005	25,787
Borrowings	81,895	81,895
	104,900	107,682

Current liabilities

Trade and other payables	62,291	297,581
Borrowings	70,001	70,000
Current tax liabilities	6,127	6,085
	138,419	373,666

Total equity and liabilities

1,208,093 **1,415,128**

Audited by EY

30- Sep-17

30-Jun-18

Statement of cash flows

MUR'000s

Operating activities

Profit/(loss) before tax

Adjustments for:

Amortisation of intangible assets

Interest income

Interest expense

Fair value gain on investment properties

Profit on disposal of investment properties

Changes in working capital:

Trade and other receivables

Trade and other payables

Interest received

Income tax paid

Net cash generated from operating activities

Investing activities

Purchase of investment properties

Purchase of intangible assets

Proceeds on disposal of investment properties

Net cash used in investing activities

Financing activities

Loan received

Interest paid

Payment of borrowings

Net cash used in financing activities

Net increase/(decrease) in cash and cash equivalents

Cash and cash equivalents at 1 October

Cash and cash equivalents at 30 June

	Audited by EY	
	30-Jun-17	30-Jun-18
Profit/(loss) before tax	127,774	47,586
Adjustments for:		
Amortisation of intangible assets	177	804
Interest income	(37)	-
Interest expense	5,697	6,860
Fair value gain on investment properties	(70,864)	(577)
Profit on disposal of investment properties	86	-
Changes in working capital:		
Trade and other receivables	(41,482)	(15,342)
Trade and other payables	92,939	229,471
	114,290	268,802
Interest received	37	-
Income tax paid	(8,520)	(6,374)
Net cash generated from operating activities	105,807	262,428
Investing activities		
Purchase of investment properties	(41,730)	(181,004)
Purchase of intangible assets	(216)	-
Proceeds on disposal of investment properties	534	-
Net cash used in investing activities	(41,412)	(181,004)
Financing activities		
Loan received	-	-
Interest paid	(7,387)	(1,041)
Payment of borrowings	(60,000)	-
Net cash used in financing activities	(67,387)	(1,041)
Net increase/(decrease) in cash and cash equivalents	(2,992)	80,383
Cash and cash equivalents at 1 October	6,256	10,643
Cash and cash equivalents at 30 June	3,264	91,026

Statement of changes in equity

MUR'000s	Share capital	Retained earnings	Total equity
At 1 October 2017	519,466	445,308	964,774
Profit for the period	-	38,472	38,472
Other comprehensive income for the period	-	-	-
Reduction of capital	(69,466)	-	(69,466)
At 30 June 2018	450,000	483,780	933,780
At 1 October 2016	519,466	322,210	841,676
Profit for the period	-	109,719	109,719
Other comprehensive income for the period	-	-	-
At 30 June 2017	519,466	431,929	951,395

Transactions and balances with related parties as extracted and summarised from the Audited Financial Statements

MUR'000s	Rental Income	Other Income	Management Fees	Finance Cost	Amount owed by related party	Amount owed to related party	Loan from related party
30 June 2018							
Holding company	-	-	-	6,860	-	282,431	151,895
Fellow subsidiaries	16,909	4,077	4,554	-	41,342	2,320	-
Companies with common shareholders	22,310	-	-	-	-	-	-
30 September 2017							
Holding company	-	105	-	7,756	69,467	54,154	151,895
Fellow subsidiaries	42,352	10,141	9,128	-	167	78	-
Companies with common shareholders	28,743	-	-	-	2	302	-

APPENDIX 2: UNAUDITED PRO FORMA FINANCIAL INFORMATION OF LAVASTONE LTD

The unaudited Pro Forma statement of financial position and statement of profit or loss and other comprehensive income of Lavastone Group for the years ended 30 September 2015, 30 September 2016, 30 September 2017 and for the interim 9 months ended 30 June 2018 are provided in this section, and have been prepared for illustrative purposes only.

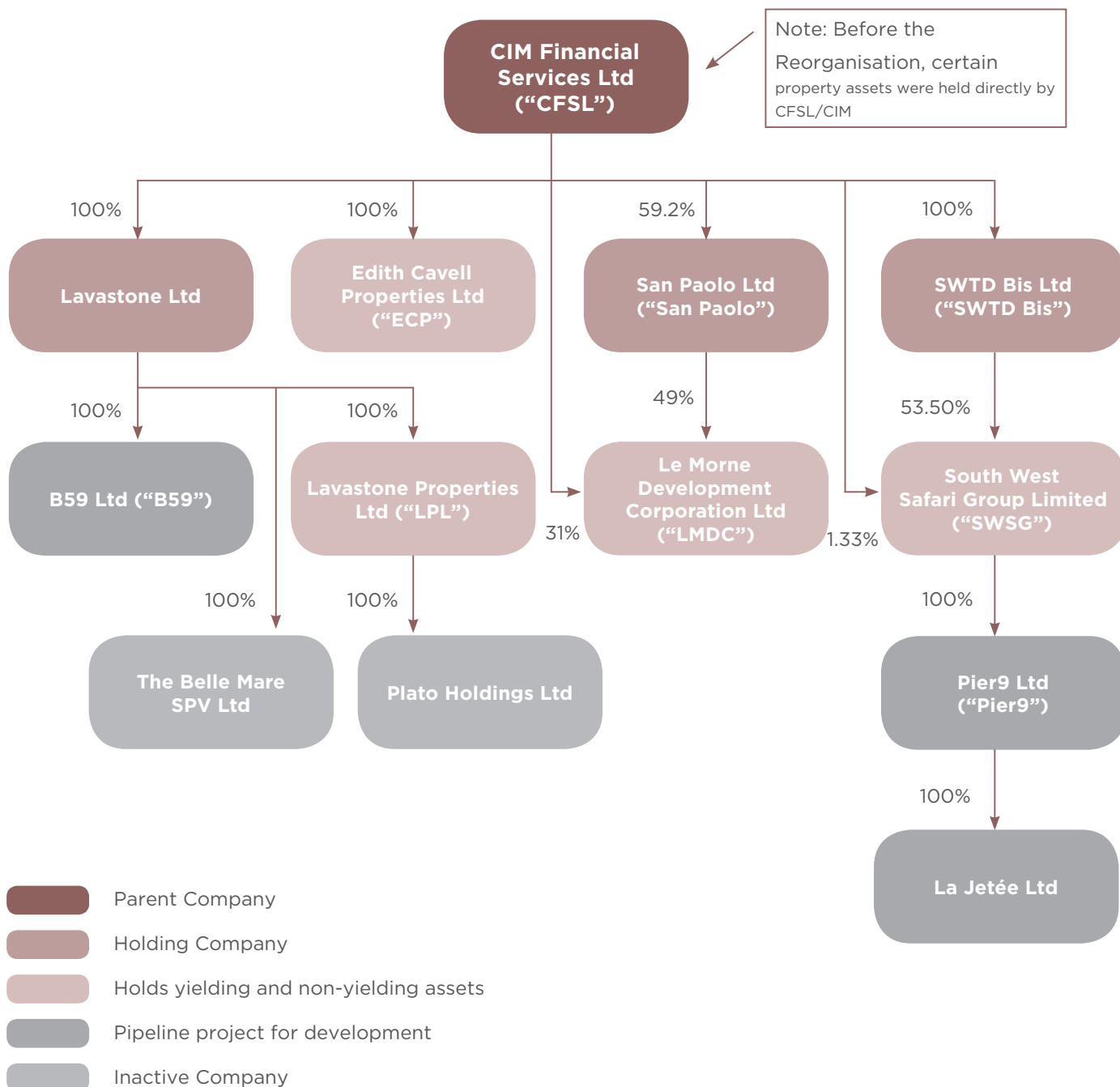
Because of their nature, the unaudited Pro Forma statements of financial position and income statements may not fairly present Lavastone Group's financial position, changes in equity, results of operations or cash flows. The Unaudited Pro Forma Financial Information is based on the accounting policies adopted by Lavastone Ltd, which are in accordance with IFRS, except where otherwise stated.

The Unaudited Pro Forma Financial Information is the responsibility of Lavastone Ltd's Directors.

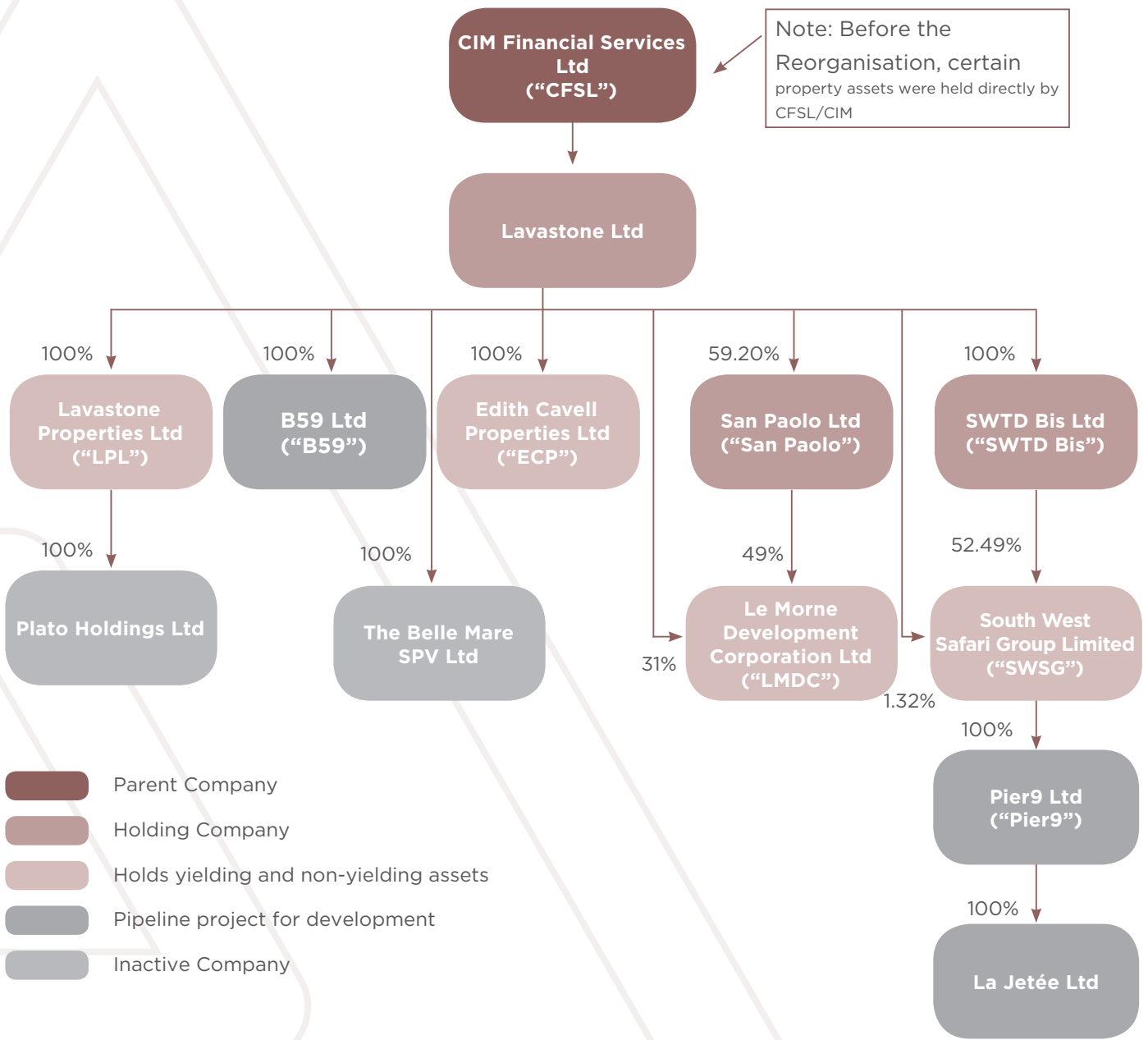
Introduction

From 30 June 2018, the date of Lavastone Ltd’s last audited consolidated accounts, to 14 December 2018 being the date of issue of this document, Cim has undertaken an internal Reorganisation, to regroup all its property assets and operations under Lavastone Ltd. Further to same, a Capital Injection and Stock-split were also effected as part of the overall Restructuring, as documented in section 4.3, in view of the Listing. The pre and post-Restructuring group structure is illustrated below.

Pre-Restructuring Lavastone Group structure as at 30 June 2018



Post-Restructuring/Current Lavastone Group structure



Whilst Lavastone Ltd’s historical financial information presented in Appendix 1 for the years ended 30 September 2015, 30 September 2016, 30 September 2017 and the interim 9 months ended 30 June 2018 reflect the actual pre-Restructuring financial position and performance for the Group, the Unaudited Pro Forma Financial Information presented in this section has been prepared for illustrative purposes only to provide information on how the components of the Restructuring, all 3 being significant events, would have impacted Lavastone Ltd had the Restructuring or its principles been implemented on 01 October 2014, and it also caters for the continuing effects of the Listing.

Since the post-Restructuring structure of Lavastone Ltd effectively reflects the ongoing property business, the Pro Forma approach enables the prospective shareholders of Lavastone Ltd to better understand and compare the operations and evolution of the Company by effectively consolidating all property assets and operations under one company, as if they had always operated under Lavastone Ltd.

Pro Forma principles and methodology

Pro Forma principles

Due to the nature of the Unaudited Pro Forma Financial Information, which addresses a hypothetical situation, it does not purport to represent what Lavastone Ltd's consolidated financial position, changes in equity, results of operations and other comprehensive income or cash flows would have been had the Restructuring or its principles occurred at the date assumed for the purpose of its preparation.

The preparation of the Unaudited Pro Forma Financial Information has made use of information that is readily available to Lavastone Ltd and Cim, and corresponds to Lavastone Ltd's reporting periods.

In building the Pro Forma Financial Information, all adjustments which are relevant for the purpose of the illustration have been made so as to reflect the quantitative and qualitative factors of their nature and circumstances.

The methodology applied in deriving the Pro Forma Financial Information, and documented further overleaf, has been applied consistently across the reported periods, and is reflective of the following adjustment criteria:

- *'Factually supportable'*: the nature of the facts supporting an adjustment will vary according to the circumstances. Nevertheless, facts are expected to be capable of some reasonable degree of objective determination. Support has been provided by published accounts, management accounts, other financial information and valuations contained in the various documents, purchase and sale agreements and other agreements to transactions covered as part of the Restructuring.
- *'Directly attributable to the Restructuring'*: the Pro Forma reflects matters that are an integral part of the Restructuring. In particular, the Pro Forma does not include adjustments which are dependent on actions to be taken once the current Listing has been completed, even where such actions are central to Lavastone Ltd's purpose in undertaking such Listing.
- *'Continuing effects'*: The Pro Forma also reflects adjustments which are expected to have a continuing effect on Lavastone Ltd and those which are not. Ultimately it is however the responsibility of prospective investors to make their own individual assessments of future earnings and cash flows.
- *'Tax and other considerations'*: The Pro Forma considers the tax effects of adjustments directly attributable to the Restructuring and those of continuing effects on the PAT.
- *'Synergy benefits from the Restructuring'*: It is often the case that Restructurings are justified in terms of the synergies to be obtained from bringing businesses together, either through savings in costs or through enhanced cross-selling of products and services. Synergy benefits are normally dependent on the future actions of the management of the enlarged Lavastone Group after completion of the Restructuring and Listing and are, therefore, not directly attributable to the Listing. Consequently, synergies have not been the subject of adjustments made in preparing the Pro Forma.
- *'Subsequent events'*: Other than where a subsequent event qualifies as an adjusting event under IAS 10 (Events After the Reporting Period) and is reflected in the unadjusted financial information of the issuer, it should normally not be reflected in pro forma financial information. However, on the basis that the management of Lavastone Ltd believes that the pro forma financial information would be misleading if it does not reflect the 3 subsequent events (the Reorganisation, the Capital Injection, the Stock-split) which are significant non-adjusting events after the end of the reporting period, i.e. 30 June 2018, these events have been considered as qualifying for adjustments to the pro forma financial information.

The resulting illustrative Pro Forma data needs to be read in the context of the general limitations on its preparation and its necessarily limited objective, as well as in the light of any specific limitation disclosed within the Unaudited Pro Forma Financial Information. The Pro Forma Financial Information should also be read in light of the Admission Document as a whole.

Pro Forma methodology

The unaudited Pro Forma statements for the historical and current reporting periods have been prepared on the assumption that the Restructuring or its principles was implemented as from 01 October 2014, being the commencement of the periods being reported on.

The following key assumptions have been made in order to reflect the impact of the Restructuring, the continuing effects of the Listing on Lavastone Ltd, and to reconcile to the actual values used at the effective time of the Restructuring:

1. For all property assets (shares and immovable assets) held directly by CFSL as at 30 September 2014 (the "Transferred Assets"), except for those held by Lavastone Ltd itself, these have been assumed to have been transferred to Lavastone Ltd on 01 October 2014 against a corresponding issue of shares by Lavastone Ltd;
2. For all property assets (shares and immovable assets) thereafter acquired and held directly by CFSL, these have been assumed as having been transferred to Lavastone Ltd at the start of the period to which the transaction relates against a corresponding issue of shares by Lavastone Ltd;

3. The same principle has also been applied for all equity injections, loans, current accounts made or held by CFSL viz. Lavastone Ltd and viz. the transferred subsidiaries, over the reported periods against a corresponding issue of shares by Lavastone Ltd. In adjusting for same, gross amounts have been adjusted to enable the reconciliation to the net amounts (after loan capital repayments, interests and other current account repayments) at the effective time of the Reorganisation. An exception to this rule however applies to subsidiaries where there are minority shareholders, and where instead it has been assumed that the loans and the current accounts have shifted to Lavastone Ltd.
4. In adjusting for those loans against which an issue of share has been reflected, it has also been assumed that such amounts were sufficient and quasi-equity in nature by CFSL, and that no separate bank funding would have been raised in lieu of these loans for the various acquisitions and working capital requirements of Lavastone Ltd. Accordingly, no interest has been imputed on the uplifted cash balance resulting from the restatement of the loan capital, interest and other current account payments made by the various Lavastone Ltd entities to CFSL;
5. The corresponding financial performance has similarly been adjusted for in the Pro Forma to reflect the above;
6. Additional considerations have also been factored in the Pro Forma regarding the following 'Continuing effects' of the Listing as if they had always applied to Lavastone Ltd as from FY15A:
 - a. The estimated cost of additional staff who have been and shall be recruited to achieve an optimal organisational structure has been adjusted for, with inflation-linked year on year adjustments;
 - b. CFSL management fees which historically catered for Lavastone Ltd's reporting and administrative functions, but which shall henceforth be reduced, have been adjusted for;
 - c. Standalone costs further to the Listing have been adjusted for and incorporated:
 - Professional fees (auditors, lawyers, company secretary, board of directors, etc.);
 - Listing fees; and
 - Office-related fees for the day-to-day administration of the property business.
7. The net tax impact of all of the above has also been estimated at the standard tax rate of 17% to arrive at the Pro Forma PAT of Lavastone Ltd.
8. For the Capital Injection and the Stock-split effected post the reporting period of 30 June 2018, these have also been adjusted in the interim 9 month ended 30 June 2018 pro forma calculations to better reflect the capital structure post Listing.
 - a. It is highlighted, that apart from the impact of the Reorganisation adjustments, which have been matched to the reported periods, these 2 corporate actions were the only other elements occurring post 30 June 2018 which have been factored as qualifying adjusting events for the purpose of the pro forma.
 - b. Accordingly, it is highlighted that no movement post 30 June 2018 arising on the assets held directly by Lavastone Ltd or by the Transferred Assets have been factored in the pro forma.
9. Pro Forma earnings per share ("EPSPF) are calculated based on the requirements of IAS33 "Earnings per share". In the Pro Forma calculations, it has been assumed that new shares have been issued by Lavastone Ltd at the start of the corresponding year to be in line with our assumptions or principles 1-4 documented above. Accordingly, the weighted average number of ordinary shares for each financial year has been calculated to derive the EPSPF for FY15-FY18, and also takes into account the Capital Injection and Stock-split for FY18PF.

All numbers refer to consolidated numbers of the Lavastone Group, with intercompany eliminations having been effected accordingly.

In reconciling unadjusted and the Pro Forma statements, the cumulative impact of the preceding year's or years' adjustments are also shown separately so as not to detract from the current year's adjustments.

Where applicable, reclassifications have also been made to the unadjusted audited financial information to align with the reporting requirements of this Admission Document. Examples would be the reclassification of tax refunds from Other income and CSR from administrative expenses to Tax.

The Pro Forma considerations are accordingly listed below:

PRO FORMA CONSIDERATIONS	DESCRIPTION	REF
Reported periods	Year ended 30 September 2015 Year ended 30 September 2016 Year ended 30 September 2017 Interim 9-months ended 30 June 2018	
Accounting policy	The accounting policies adopted by Lavastone Ltd, which are in accordance with IFRS, except where otherwise stated.	
Source data	<ul style="list-style-type: none"> • Audited and interim management accounts of all entities forming part of the Lavastone Group post-Restructuring. • CFSL's summary investment and funding statements over the reported periods, for all equity injections, shareholder loans, and current accounts relating to all the entities mentioned above. • CFSL's Capital Injection post the reported period. 	
Directly attributable adjustments	The retrospective application of the Restructuring entails the following adjustments which have been reflected in line with the key assumptions previously documented: <ul style="list-style-type: none"> • The transfer of property assets (shares and immovable assets) held directly by CFSL to Lavastone Ltd against an issue of shares by Lavastone Ltd, including the impact of the transferred subsidiaries' current year performance and fair value gains; (1) • The assignment of CFSL's loans and other net receivables from the subsidiaries which were subsequently transferred to Lavastone Ltd against an issue of shares by Lavastone Ltd, including the resulting restatement of cash balances; and (2) • The capitalisation of CFSL's loans and other net receivables from Lavastone Ltd against an issue of shares by Lavastone Ltd, including the resulting restatement of cash balances. (3) 	
Continuing and Listing effects adjustments	The retrospective application of the continuing effects entails the normalisation of the Pro Forma for: <ul style="list-style-type: none"> • The cost of establishing the optimal organisational structure; • Lower CFSL management fees; and • Standalone costs further to Lavastone Ltd's listing. These affect both the statement of financial position and the statement of profit or loss.	(4) - (5)
Capital Injection and Stock-split	<ul style="list-style-type: none"> • The capitalisation of the additional cash injection of MUR170m effected post the reporting period of 30 June 2018; and • The impact on the number of shares resulting from the Stock-split effected pre-Listing to facilitate the foreseen Distribution. 	(8)
Tax and other considerations	The estimated net tax effect of all the adjustments made at the standard tax rate of 17%.	

Summary of Pro Forma Financial Information

Statement of financial position

MUR'000s	FY15PF	FY16PF	FY17PF	9M18PF
ASSETS				
Non-current assets				
Property, Plant & Equipment	775,208	784,371	801,003	842,007
Investment properties	928,975	1,119,310	1,242,065	1,447,121
Assets under construction	-	-	-	67,634
Intangible assets	579	348	60,304	59,500
Investment in joint venture	75,364	-	-	-
	1,780,126	1,904,029	2,103,372	2,416,262
Current Assets				
Inventory	1,842	1,982	1,996	3,831
Trade and other receivables	39,529	35,694	112,983	38,508
Cash and cash equivalents	45,175	99,152	149,556	407,731
	86,546	136,828	264,535	450,070
Total Assets	1,866,672	2,040,857	2,367,907	2,866,332
EQUITY AND LIABILITIES				
Share capital and reserves				
Share capital	1,076,134	1,157,308	1,393,916	1,827,052
Retained earnings	262,585	320,934	447,752	522,065
Revaluation reserves	56,028	50,363	88,131	101,808
Other reserves	(6,605)	35,969	38,628	40,292
Non-controlling interests	391,015	383,222	314,877	317,494
Total Equity	1,779,157	1,947,797	2,283,304	2,808,712
Non-current liabilities				
Deferred tax liabilities	10,344	13,131	23,068	25,850
Borrowings	49,690	51,758	20,000	11,802
Obligations under finance lease	155	12	13	13
Trade and other payables	119	141	180	626
	60,308	65,042	43,261	38,290
Current liabilities				
Trade and other payables	23,990	16,565	34,733	13,025
Borrowings	792	4,631	-	-
Obligations under finance lease	94	143	-	-
Current tax liabilities	2,331	6,679	6,608	6,085
Bank overdraft	-	-	-	220
	27,207	28,018	41,342	19,330
Total liabilities	87,516	93,060	84,603	57,620
Total equity and liabilities	1,866,672	2,040,857	2,367,907	2,866,332
BS Analysis				
Gearing	2.8%	2.8%	0.9%	0.4%
Loan-to- book value ratio	2.7%	3.0%	1.0%	0.5%

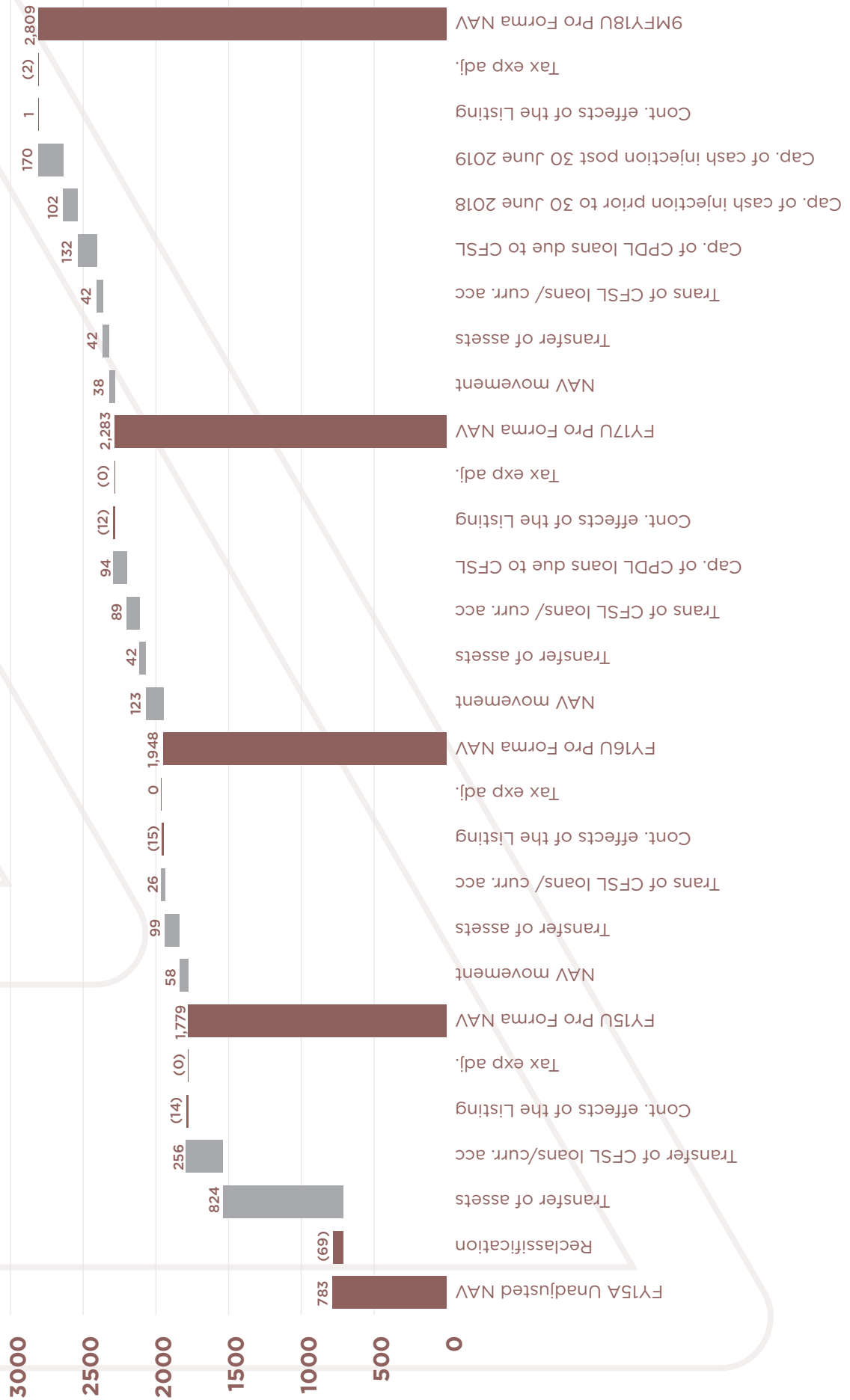
Statement of profit or loss and other comprehensive income

MUR'000s	FY15PF	FY16PF	FY17PF	9M18PF
Revenue	116,999	174,279	224,198	142,823
<i>Rental Income</i>	95,488	111,811	117,676	91,859
<i>Other Income</i>	18,479	21,427	23,556	38,387
<i>Profit/(Loss) on disposal of P&E</i>	-	-	6,801	-
<i>Share of profit from Joint venture</i>	2,458	-	-	-
<i>Increase in Fair Value of IP</i>	574	41,041	76,165	12,577
	-	-	-	-
Expenses	(67,156)	(67,799)	(72,847)	(56,009)
<i>Operating Expenses</i>	(41,908)	(40,646)	(41,765)	(33,677)
<i>Admin Expenses</i>	(25,248)	(27,153)	(31,082)	(22,331)
	-	-	-	-
EBITDA	49,843	106,480	151,351	86,814
Depreciation	(919)	(1,194)	(1,557)	(1,130)
Amortisation	(232)	(232)	(246)	(148)
Foreign exchange difference	215	5	(71)	143
EBIT	48,907	105,059	149,477	85,679
Finance Costs	(1,436)	(1,484)	(1,348)	(582)
Finance Income	273	233	295	-
Profit (Loss) before Tax	47,744	103,808	148,424	85,096
Taxation	(8,667)	(11,931)	(23,922)	(12,450)
Profit (Loss) for the year	39,077	91,877	124,502	72,647
Other comprehensive income	-	-	-	-
Total comprehensive income	39,077	91,877	124,502	72,647
IS Analysis				
Rental revenue YoY growth	n/a	17.1%	5.2%	4.1%
Operating Cost to Income	36.8%	30.5%	29.6%	25.9%
Admin Cost to Income	22.2%	20.4%	22.0%	17.1%
EBITDA Margin	42.6%	61.1%	67.5%	60.8%
Net Profit Margin	33.4%	52.7%	55.5%	50.9%

Reconciliation of audited NAV to Pro Forma NAV

Summary NAV reconciliation bridge¹

NAV Bridge FY15-9M18 (MUR million)



¹ The individual NAV impact is categorised without tax adjustments and may therefore be different to Pro Forma workings

Detailed reconciliation

Description (MUR'000s)	Ref/Notes	FY15PF	FY16PF	FY17PF	9M18PF
Unadjusted Audited NAV	Audited	783,406	841,676	964,774	933,780
Reclassification adjustments ¹		(69,466)	(69,465)	(69,466)	-
Adjusted NAV		713,940	772,211	895,308	933,780
Adjustments					
Cumulative PF impact of the preceding year		-	1,065,217	1,175,587	1,387,996
Transfer of assets	W1	823,925	99,440	42,224	41,602
Assets assumed to be transferred at the start of the year		833,482	65,052	42,754	19,625
Recognition of all revenues and expenses in the current year ²	PFIS³	(10,131)	(6,654)	(5,830)	9,977
Recognition of all fair value gains in the current year		574	41,041	5,301	12,000
Transfer of CFSL loans and current accounts from transferred entities to Lavastone Ltd		255,729	25,549	89,280	42,120
Loans and current accounts assumed to be transferred at the start of the year	W2	200,641	(38,290)	45,867	30,928
Loans and current accounts issued during the year and assumed to be capitalised in the current year	W3	40,000	50,000	30,000	-
Cash restatement relating to interest on loans and current accounts paid during the current year	W3	15,088	13,840	13,414	11,192
Capitalisation of CPDL loans due to CFSL		-	-	93,788	132,043
Loans and current accounts assumed to be capitalised at the start of the year		-	-	92,387	129,714
Cash restatements relating to interest on loans and current accounts paid during the current year	W3	-	-	1,401	2,329
Capitalisation of Cash injection		-	-	-	272,494
Cash injection prior to 30 June 2018		-	-	-	102,494
Cash injection post 30 June 2018		-	-	-	170,000
Continuing effects of the Listing assumed as from 2015 (gross)	W4	(14,304)	(14,778)	(12,488)	1,175
Tax expense adjustments to reflect the impact of all of the above	W5	(133)	159	(395)	(2,498)
Total impact of adjustments for the year		1,065,217	110,370	212,409	486,936
Unadjusted Pro Forma NAV	Pro Forma	1,779,157	1,947,797	2,283,304	2,808,712

1 Reclassification regarding a capital reduction of 69,466 shares equivalent to MUR69.47 million through the cancellation of the shares against the amount receivable from shareholder.

2 Excluding all fair value gains/losses. Refer to Pro Forma workings and reconciliation below.

3 Refer to the notes of each year's Pro Forma statement of profit or loss and other comprehensive income for these calculations.

Pro Forma NAV per share

Description	Ref/Notes	FY15PF Qty	FY16PF Qty	FY17PF Qty	9M18PF Qty	
Unadjusted Audited no. of shares in issue at year end	Audited	519,466	519,466	519,466	450,000	B1
Adjustments relating to Pro Forma theoretical issue of shares:						
Reclassification adjustments		(69,466)	(69,466)	(69,466)	-	
Cumulative PF impact of the preceeding year		-	626,133	707,308	943,916	
Theoretical issue of shares in the current year		626,134	81,175	236,607	433,136	
Theoretical Stock-split					678,695,258	
Issue of Initial Shares					1,000	
Unaudited Pro Forma no. of shares (Weighted Average)	Pro Forma	1,076,134	1,157,308	1,393,916	680,523,310	B2
Unaudited Pro Forma no. of shares assuming post Stock-split levels since 2015 and post issue of Initial Shares levels		680,523,310	680,523,310	680,523,310	680,523,310	B3
Calculation of NAVPSPF¹						
Unadjusted Audited NAV per share	MUR/share	1,508	1,620	1,857	2,075	A1/B1
Unaudited Pro Forma NAV per share (yearly weighted average)	MUR/share	1,653	1,683	1,638	4.13	A2/B2
Unaudited Pro Forma NAV per share (assuming post stock split levels since 2015 and post issue of Initial Shares levels)	MUR/share	2.61	2.86	3.36	4.13	A2/B3
Calculation of EPSPF						
Earnings attributable to owners of the parent	MUR	31,938,457	84,057,280	119,293,725	72,496,654	C
Unaudited Pro Forma Earnings per share (yearly weighted average)	MUR/share	29.68	72.63	85.58	0.11	C/B2
Unaudited Pro Forma Earnings per share (assuming post stock split levels since 2015 and post issue of Initial Shares levels)	MUR/share	0.05	0.12	0.18	0.11	C/B3

¹ The unaudited Pro Forma NAV includes non-controlling interests.

The following details pertain to the adjustments made to arrive at the Unaudited Pro Forma NAV, and also reference to the Pro Forma calculations.

W1: Transfer of assets and subsequent movement for the year

Transfer of assets mainly relate to the following properties which have been assumed to have shifted to Lavastone Ltd in the corresponding periods.

Descriptions (MUR'000s)	Initial transfer at start of FY15	FY15PF	FY16PF	FY17PF	9M18PF
Initial transfer at start of FY15	-	833,482	-	-	-
SWSG property (including CSBO2)	469,983	6,129	3,602	5,900	41,094
LMDC property	299,096	-	349	15,844	(45)
Plaines Lauzun property	30,750	-	-	2,700	11,475
Edith Cavell JV	72,906	2,458	(75,364)	-	-
Edith Cavell Property	-	-	179,112	3,989	11,955
Other net assets/ (liabilities)	(39,253)	(18,144)	(8,259)	13,791	(22,877)
Movement for the year	833,482	823,925	99,440	42,224	41,602

W2: Loans and current accounts assumed to be transferred at the start of the year

Transfer of loans and current accounts relate to the following gross amounts which have been assumed to have shifted to Lavastone Ltd in the corresponding periods.

Description (MUR'000s)	FY15PF (Opening cumulative + movement for the year)	FY16PF (Movement for the year)	FY17PF (Movement for the year)	9M18PF (Movement for the year)
- Interco loans	200,250	(38,550)	45,502	21,318
LPL loans	180,000	(50,000)	(30,000)	-
SWSG loans	20,250	10,500	41,504	21,318
LMDC loans	-	950	33,998	-
- Current interco accounts receivables	(176)	185	286	-
- Current interco account payables	567	74	79	9,610
Total	200,641	(38,290)	45,867	30,928

W3: Cash restatement relating to transfer of loans and, savings on interest on loans and current accounts

Description (MUR'000s)	FY15PF	FY16PF	FY17PF	9M18PF
Transfer of CFSL loans and current accounts from transferred entities to Lavastone Ltd (Gross)	40,000	50,000	30,000	-
Transfer of CFSL loans - Cash restatement relating to interest on loans paid during the current year (Gross)	15,088	13,840	13,414	11,192
Interest on LPL loans	11,931	9,482	6,355	4,531
Interest on CSBO2 loans	39	39	37	-
Interest on SWSG loans	1,069	2,217	4,901	5,147
Interest on LMDC loans	2,049	2,101	2,121	1,514
Capitalisation of Lavastone Ltd's loans due to CFSL - Cash restatement relating to interest on loans paid during the current year (Gross)	-	-	1,401	2,329
Interest on Lavastone Ltd's loans	-	-	1,401	2,329
Tax impact for the year	(2,565)	(2,353)	(2,518)	(2,299)
Subtotal	12,523	11,487	12,296	11,222
Cash restatement relating to interest on loans and current accounts paid during the current year (Net)	52,523	61,487	42,296	11,222

W4: Continuing effects of the Listing assumed as from 2015

Details (MUR'000s)	FY15PF	FY16PF	FY17PF	9M18PF
Cost of establishing the optimal organisational structure	(17,050)	(17,269)	(12,840)	-
Lower CFSL management fees	6,580	6,374	4,275	4,172
Standalone costs further to Lavastone Ltd's listing	(2,211)	(2,239)	(2,262)	(1,728)
Listing costs further to Lavastone Ltd's listing	(1,623)	(1,644)	(1,661)	(1,268)
Continuing effects of the Listing (Gross)	(14,304)	(14,778)	(12,488)	1,175
Tax impact of the above adjustments	2,432	2,512	2,123	(200)
Continuing effects of the Listing (Net)	(11,872)	(12,265)	(10,365)	975

W5: Tax expense adjustments

Details (MUR'000s)	FY15PF	FY16PF	FY17PF	9M18PF
Savings on finance costs	(2,565)	(2,353)	(2,518)	(2,299)
Cost of establishing the optimal organisational structure	2,898	2,936	2,183	-
Lower CFSL management fees	(1,119)	(1,084)	(727)	(709)
Standalone costs further to Lavastone Ltd's listing	376	381	385	294
Listing costs further to Lavastone Ltd's listing	276	279	282	216
Tax expense adjustments	(133)	159	(395)	(2,498)

Reconciliation of Pro Forma amount capitalised vs. actual amount capitalised as part of the Reorganisation

The following table reconciles the gross adjustments made regarding **W1** and **W2** to arrive at the values used for the effective Reorganisation.

Details for Pro Forma calculations	MUR'000s	Number of shares
Unadjusted audited share capital at 30 June 2018	450,000	450,000
Transfer of shares and immoveable assets	523,311	523,311
Capitalisation of:		
Loans Payables to CFSL	400,415	400,415
Interest Payables to CFSL	-	-
Net Account Payables to CFSL	180,832	180,832
Cash injection by CFSL	102,494	102,494
Additional cash injection committed as from 30 June 2018	170,000	170,000
Unaudited Pro Forma share capital at 30 June 2018 before Stock-split (A)	1,827,052	1,827,052
Theoretical issue of additional shares at no par value to match the number of shares at CFSL level, in order to effect a one for one dividend in specie distribution	-	678,695,258
Unaudited Pro Forma share capital at 30 June 2018 post Restructuring	1,827,052	680,522,310

Reconciliation of Pro Forma calculations to actual amount capitalised	MUR'000s	Number of shares
Unaudited Pro Forma share capital at 30 June 2018 before Stock-split (A)	1,827,052	1,827,052
Adjustment relating to the capital repayment savings on CPHL loans to CFSL capitalised and captured in the Pro Forma	(120,000)	(120,000)
Adjustment relating to reinstatement of interest payable to CFSL adjusted for in the Pro Forma	11,259	11,259
Adjustment relating to Plaine Lauzun transfer already captured in the Pro Forma	2,700	2,700
Adjustment relating to Edith Cavell transfer already captured in the Pro Forma	69	69
Unaudited actual share capital at the effective date of the Restructuring	1,721,080	1,721,080
Actual issue of additional shares at no par value to match the number of shares at CFSL level, in order to effect a one for one dividend in specie distribution	-	678,801,230
Issue of Initial Shares	1	1,000
Unaudited Expected share capital post Restructuring	1,721,081	680,523,310

Reconciliation of Pro Forma Total non-current assets with valuation reports

The following table reconciles the assets values based on JP Wan and Gexim valuation reports with the Pro Forma Total non-current assets at 30 June 2018.

	MUR'000s
Assets valuation (JP Wan valuation report)	1,241,997
Assets valuation (Gexim valuation report)	1,023,600
Other IP (reclassification by EY)	10,124
Other PPE (fixtures and fittings)	13,406
Assets under construction	67,634
Intangible assets - Computer software	169
Intangible assets - Goodwill	14,186
Intangible assets - Leasehold rights	45,145
Pro Forma Total Non-current Assets	2,416,262

Pro Forma workings and reconciliation

(i) 2015 Pro Forma workings

Statement of financial position as at 30 September 2015 (1 of 2)

MUR'000s	Lavastone Group FY15A Unadjusted	Reclass.	Lavastone Group FY15A Adjusted	Cumulative PF impact of preceding year	Transfer of assets	Transfer of CFSL loans	Capitalisation of Lavastone Ltd's loans due to CFSL	Sub Total	Continuing effects	Listing effects	Total Adj.	Lavastone Group FY15 Pro Forma
Formulae	a	b	c=a+b	d	e	f	g	h=c+d+e+f+g	i	j	k=d+e+f+g+i+j	l=c+k
ASSETS				(7)	(1)	(2)	(3)		(4)	(5)	(6)	
Non-current assets												
Property, Plant & Equipments	-	-	-	-	775,208	-	-	775,208	-	-	775,208	775,208
Investment properties	898,225	-	898,225	-	30,750	-	-	928,975	-	-	30,750	928,975
Assets under construction	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	579	-	579	-	-	-	-	579	-	-	-	579
Investment in joint venture	-	-	-	-	75,364	-	-	75,364	-	-	75,364	75,364
	898,804	-	898,804	-	881,322	-	-	1,780,126	-	-	881,322	1,780,126
Current Assets												
Inventory	-	-	-	-	1,842	-	-	1,842	-	-	1,842	1,842
Trade and other receivables	93,766	(69,466)	24,300	-	15,405	(176)	-	39,529	-	-	15,229	39,529
Cash and cash equivalents	4,232	-	4,232	-	292	52,523	-	57,047	(10,525)	(1,347)	40,943	45,175
	97,998	(69,466)	28,532	-	17,539	52,347	-	98,418	(10,525)	(1,347)	58,014	86,546
Total Assets	996,802	(69,466)	927,336	-	898,861	52,347	-	1,878,544	(10,525)	(1,347)	939,336	1,866,672

Statement of financial position as at 30 September 2015 (2 of 2)

MUR'000s	Lavastone Group FY15A Unadjusted	Reclass.	Lavastone Group FY15A Adjusted	Cumulative PF impact of preceding year	Transfer of assets	Transfer of CFSL loans	Capitalisation of Lavastone Ltd's loans due to CFSL	Sub Total	Continuing effects	Listing effects	Total Adj.	Lavastone Group FY15 Pro Forma
Formulae	a	b	c=a+b	d	e	f	g	h=c+d+e+f+g	i	j	k=d+e+f+g+i+j	l=c+k
Reference			(7)	(1)	(2)	(3)	(4)	(5)	(6)			
EQUITY AND LIABILITIES												
Share capital and reserves												
Share capital	519,466	(69,466)	450,000	-	385,493	240,641	-	1,076,134	-	-	626,134	1,076,134
Retained earnings	263,940	-	263,940	-	(2,006)	12,523	-	274,457	(10,525)	(1,347)	(1,355)	262,585
Revaluation reserves	-	-	-	-	56,028	-	-	56,028	-	-	56,028	56,028
Other reserves	-	-	-	-	(6,605)	-	-	(6,605)	-	-	(6,605)	(6,605)
Non-controlling interests	-	-	-	-	391,015	-	-	391,015	-	-	391,015	391,015
Total Equity	783,406	(69,466)	713,940	-	823,925	253,164	-	1,791,029	(10,525)	(1,347)	1,065,217	1,779,157
Non-current liabilities												
Deferred tax liabilities	10,344	-	10,344	-	-	-	-	10,344	-	-	-	10,344
Borrowings	130,000	-	130,000	-	49,690	(130,000)	-	49,690	-	-	(80,310)	49,690
Obligations under lease	-	-	-	-	155	-	-	155	-	-	155	155
Trade and other payables	-	-	-	-	119	-	-	119	-	-	119	119
Current liabilities												
Trade and other payables	20,721	-	20,721	-	3,836	(567)	-	23,990	-	-	3,269	23,990
Borrowings	50,000	-	50,000	-	21,042	(70,250)	-	792	-	-	(49,208)	792
Obligations under lease	-	-	-	-	94	-	-	94	-	-	94	94
Current tax liabilities	2,331	-	2,331	-	-	-	-	2,331	-	-	-	2,331
Bank overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	73,052	-	73,052	-	24,972	(70,817)	-	27,207	-	-	(45,845)	27,207
	213,396	-	213,396	-	74,936	(200,817)	-	87,516	-	-	(125,880)	87,516
Total equity and liabilities	996,802	(69,466)	927,336	898,861	52,347	-	1,878,544	(10,525)	(1,347)	939,336	1,866,672	

Statement of profit or loss and other comprehensive income for the year ended 30 September 2015

MUR'000s	Lavastone Group FY15A Unadjusted	Reclass.	Lavastone Group FY15A Adjusted	Transfer of assets	d	Transfer of CFSL loans	e	Capitalisation of Lavastone Ltd's loans due to CFSL	f	Sub Total	Continuing effects	Listing related costs	Total Adj.	Lavastone Group FY15 Pro Forma
Formulae	a	b	c=a+b		(1)		(2)	(3)	g=c+d+e+f	h	i	j=d+e+f+h+i	k=c+j	
Reference										(4)	(5)	(6)		
Revenue	114,828	(3,197)	111,631	5,368					116,999				5,368	116,999
Rental Income	94,356	(182)	94,174	1,313					95,488				1,313	95,488
Other Income	20,472	(3,015)	17,457	1,023					18,479				1,023	18,479
Profit/(Loss) on disposal of P&E	-	-	-	-					-				-	-
Share of profit from Joint venture	-	-	-	2,458					2,458				2,458	2,458
Incr. in Fair Value of IP	-	-	-	574					574				574	574
Expenses	(43,939)	502	(43,437)	(9,416)					(52,853)	(12,681)	(1,623)		(23,720)	(67,156)
Operating Expenses	(32,825)	(99)	(32,924)	(8,984)					(41,908)				(8,984)	(41,908)
Admin Expenses	(11,114)	601	(10,513)	(432)					(10,944)	(12,681)	(1,623)		(14,735)	(25,248)
EBITDA	70,889	(2,695)	68,194	(4,048)					64,146	(12,681)	(1,623)		(18,352)	49,843
Depreciation	-	-	-	(919)					(919)				(919)	(919)
Amortisation	(232)	-	(232)	-					(232)				-	(232)
Foreign exchange difference	215	-	215	-					215				-	215
EBIT	70,872	(2,695)	68,177	(4,967)					63,210	(12,681)	(1,623)		(19,271)	48,907
Finance Costs	(11,931)	-	(11,931)	(4,593)			15,088		(1,436)				10,495	(1,436)
Finance Income	-	270	270	3			-		273				3	273
Profit (Loss) before Tax	58,941	(2,425)	56,516	(9,557)			15,088		62,048	(12,681)	(1,623)		(8,772)	47,744
Taxation	(10,960)	2,426	(8,534)	-			(2,565)		(11,099)	2,156	276		(133)	(8,667)
Profit (Loss) for the year	47,981	1	47,982	(9,557)			12,523		50,949	(10,525)	(1,347)		(8,906)	39,077
Other comprehensive income	-	-	-	-			-		-				-	-
Total comprehensive income	47,981	1	47,982	(9,557)			12,523		50,949	(10,525)	(1,347)		(8,906)	39,077
Reference for the Pro Forma NAV table														
Profit (Loss) for the year (excl. Incr. in Fair Value of IP)	47,981	1	47,982	(10,131)			12,523		50,374	(10,525)	(1,347)		(9,480)	38,502

(ii) 2016 Pro Forma workings

Statement of financial position as at 30 September 2016 (1 of 2)

MUR'000s	Lavastone Group FY16A Unadjusted	Reclass.	Lavastone Group FY16A Adjusted	Cumulative PF impact of preceding year	Transfer of assets	e	Transfer of loans	f	Capitalisation of Lavastone Ltd's loans due to CFSL	g	Sub Total	Continuing effects	i	Listing effects	j	Total Adj.	k=d+e+f+g+i+j	Lavastone Group FY16 Pro Forma	l=c+k
Formulae	a	b	c=a+b	d	(7)	(1)	(2)	(2)	(3)	(3)	h=c+d+e+f+g	(4)	(5)	(6)	(6)	(6)			
ASSETS																			
Non-current assets																			
Property, Plant & Equipment	-	-	-	775,208	9,163	-	-	-	-	-	784,371	-	-	-	-	784,371	-	784,371	784,371
Investment properties	914,660	-	914,660	30,750	173,900	-	-	-	-	-	1,119,310	-	-	-	-	204,650	-	1,119,310	1,119,310
Assets under construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	348	-	348	-	-	-	-	-	-	-	348	-	-	-	-	-	-	348	348
Investment in joint venture	-	-	-	75,364	(75,364)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	915,008	-	915,008	881,322	107,699	-	-	-	-	-	1,904,029	-	-	-	-	989,021	-	1,904,029	1,904,029
Current Assets																			
Inventory	-	-	-	1,842	140	-	-	-	-	-	1,982	-	-	-	-	1,982	-	1,982	1,982
Trade and other receivables	81,482	(69,466)	12,016	15,229	8,264	185	-	-	-	-	35,694	-	-	-	-	23,678	-	35,694	35,694
Cash and cash equivalents	6,256	-	6,256	40,943	2,732	61,487	-	-	-	-	111,418	(10,901)	(1,364)	-	-	92,896	-	99,152	99,152
	87,738	(69,466)	18,272	58,014	11,135	61,672	-	-	-	-	149,094	(10,901)	(1,364)	-	-	118,556	-	136,828	136,828
Total Assets	1,002,746	(69,466)	933,280	939,336	118,834	61,672	-	-	-	-	2,053,122	(10,901)	(1,364)	-	-	1,107,577	-	2,040,857	2,040,857

MUR'000s	Lavastone Group FY16A Unadjusted	Reclass.	b	Lavastone Group FY16A Adjusted	c=a+b	d	e	f	g	h	i	j	k	l
Formulae	a					(7)	(1)	(2)	(3)	(4)	(5)	(6)	(6)	=c+k
Reference						Cumulative PF impact of preceding year	Transfer of assets	Transfer of CFSL loans	Capitalisation of Lavastone Ltd's loans due to CFSL	Sub Total	Continuing effects	Listing effects	Total Adj.	Lavastone Group FY16 Pro Forma
EQUITY AND LIABILITIES														
Share capital and reserves														
Share capital	519,466	(69,466)		450,000	626,134	69,465	11,710	-	-	1,157,308	-	-	707,308	1,157,308
Retained earnings	322,210	-		322,210	(1,355)	858	11,487	-	-	333,200	(10,901)	(1,364)	(1,276)	320,934
Revaluation reserves	-	-		-	56,028	(5,665)	-	-	-	50,363	-	-	50,363	50,363
Other reserves	-	-		-	(6,605)	42,574	-	-	-	35,969	-	-	35,969	35,969
Non-controlling interests	-	-		-	391,015	(7,793)	-	-	-	383,222	-	-	383,222	383,222
Total Equity	841,676	(69,466)		772,210	1,065,217	99,439	23,197	-	-	1,960,062	(10,901)	(1,364)	1,175,587	1,947,797
Non-current liabilities														
Deferred tax liabilities	13,131	-		13,131	-	-	-	-	-	13,131	-	-	-	13,131
Borrowings	70,000	-		70,000	(80,310)	3,018	59,050	-	-	51,758	-	-	(18,242)	51,758
Obligations under lease	-	-		-	155	(143)	-	-	-	12	-	-	12	12
Trade and other payables	-	-		-	119	21	-	-	-	141	-	-	141	141
Current liabilities	83,131	-		83,131	(80,036)	2,896	59,050	-	-	65,042	-	-	(18,089)	65,042
Trade and other payables	11,440	-		11,440	3,269	1,930	(74)	-	-	16,565	-	-	5,125	16,565
Borrowings	60,000	-		60,000	(49,208)	14,339	(20,500)	-	-	4,631	-	-	(55,369)	4,631
Obligations under lease	-	-		-	94	49	-	-	-	143	-	-	143	143
Current tax liabilities	6,499	-		6,499	-	180	-	-	-	6,679	-	-	180	6,679
Bank overdraft	-	-		-	-	-	-	-	-	-	-	-	-	-
Total liabilities	77,939	-		77,939	(45,845)	16,498	(20,574)	-	-	28,018	-	-	(49,921)	28,018
	161,070	-		161,070	(125,880)	19,394	38,476	-	-	93,060	-	-	(68,010)	93,060
Total equity and liabilities	1,002,746	(69,466)		933,280	939,336	118,834	61,672	-	-	2,053,122	(10,901)	(1,364)	1,107,577	2,040,857

Statement of profit or loss and other comprehensive income for the year ended 30 September 2016

MUR'000s	Lavastone Group FY17/A Unadjusted	Reclass.	Lavastone Group FY17/A Adjusted			Capitalisation of Lavastone Ltd's loans						Total Adj.	Lavastone Group FY17 Pro Forma	
			a	b	c=a+b	d	e	f	g=c+d+e+f	h	i			j=d+e+f+h+i
Formulae				(1)	(2)	(3)	(4)	(5)	(6)					
Revenue	120,532	(109)	120,423	53,856	-	-	174,279	-	-	53,856	174,279			
Rental Income	100,486	(207)	100,279	11,532	-	-	111,811	-	-	11,532	111,811			
Other Income	20,046	98	20,144	1,283	-	-	21,427	-	-	1,283	21,427			
Profit/(Loss) on disposal of P&E	-	-	-	-	-	-	-	-	-	-	-			
Share of profit from Joint venture	-	-	-	-	-	-	-	-	-	-	-			
Incr. in Fair Value of IP	-	-	-	41,041	-	-	41,041	-	-	41,041	41,041		41,041	
Expenses	(42,696)	729	(41,967)	(11,054)	-	-	(53,021)	(13,134)	(1,644)	(25,832)	(67,799)			
Operating Expenses	(30,619)	(474)	(31,094)	(9,552)	-	-	(40,646)	-	-	(9,552)	(40,646)		(40,646)	
Admin Expenses	(12,077)	1,203	(10,874)	(1,501)	-	-	(12,375)	(13,134)	(1,644)	(16,279)	(27,153)		(27,153)	
EBITDA	77,836	620	78,456	42,802	-	-	121,258	(13,134)	(1,644)	28,024	106,480			
Depreciation	-	-	-	(1,194)	-	-	(1,194)	-	-	(1,194)	(1,194)		(1,194)	
Amortisation	(232)	-	(232)	-	-	-	(232)	-	-	-	(232)		(232)	
Foreign exchange difference	5	-	5	-	-	-	5	-	-	-	5		5	
EBIT	77,609	620	78,229	41,608	-	-	119,837	(13,134)	(1,644)	26,830	105,059			
Finance Costs	(9,482)	-	(9,482)	(5,841)	13,840	-	(1,484)	-	-	7,999	(1,484)		(1,484)	
Finance Income	-	108	108	125	-	-	233	-	-	125	233		233	
Profit (Loss) before Tax	68,127	(729)	68,854	35,892	13,840	-	118,586	(13,134)	(1,644)	34,954	103,809			
Taxation	(9,857)	(729)	(10,586)	(1,505)	(2,353)	-	(14,443)	2,233	279	(1,345)	(11,931)		(11,931)	
Profit (Loss) for the year	58,270	(1)	58,269	34,387	11,487	-	104,143	(10,901)	(1,364)	33,609	91,877			
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-		-	
Total comprehensive income	58,270	(1)	58,269	34,387	11,487	-	104,143	(10,901)	(1,364)	33,609	91,877			
Reference for the Pro Forma NAV table														
Profit (Loss) for the year (excl. incr. in Fair Value of IP)	58,270	(1)	58,269	(6,654)	11,487	-	63,102	(10,901)	(1,364)	(7,433)	50,836		50,836	

(iii) 2017 Pro Forma workings

Statement of financial position as at 30 September 2017 (1 of 2)

MUR'000s	Lavastone Group FY17A Unadjusted	Reclass.	Lavastone Group FY17A Adjusted	Cumulative PF impact of preceding year	Transfer of assets	Transfer of CFSL loans	Capitalisation of Lavastone Ltd's loans due to CFSL	Sub Total	Continuing effects	Listing effects	Total Adj.	Lavastone Group FY17 Pro Forma
Formulae Reference	a	b	c=a+b	d (7)	e (1)	f (2)	g (3)	h=c+d+e+f+g	i (4)	j (5)	k=d+e+f+g+i+j (6)	l=c+k
ASSETS												
Non-current assets												
Property, Plant & Equipment	-	-	-	784,371	16,632	-	-	801,003	-	-	801,003	801,003
Investment properties	1,025,615	-	1,025,615	204,650	11,800	-	-	1,242,065	-	-	216,450	1,242,065
Assets under construction	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	46,118	-	46,118	-	14,186	-	-	60,304	-	-	14,186	60,304
Investment in joint venture	-	-	-	-	-	-	-	-	-	-	-	-
	1,071,733	-	1,071,733	989,021	42,618	-	-	2,103,372	-	-	1,031,639	2,103,372
Current Assets												
Inventory	-	-	-	1,982	14	-	-	1,996	-	-	1,996	1,996
Trade and other receivables	125,716	(69,466)	56,250	23,678	32,769	286	-	112,983	-	-	56,733	112,983
Cash and cash equivalents	10,644	-	10,644	92,896	14,085	41,133	1,163	159,921	(8,987)	(1,378)	138,912	149,556
	136,360	69,466	66,894	118,556	46,868	41,419	1,163	274,901	(8,987)	(1,378)	197,642	264,535
Total Assets	1,208,093	(69,466)	1,138,627	1,107,577	89,486	41,419	1,163	2,378,272	(8,987)	(1,378)	1,229,281	2,367,907

Statement of financial position as at 30 September 2017 (2 of 2)

MUR'000s	Lavastone Group FY17A Unadjusted	Reclass.	Lavastone Group FY17A Adjusted	Cumulative PF impact of preceding year	Transfer of assets	Transfer of CFSL loans	Capitalisation of Lavastone Ltd's loans due to CFSL	Sub Total	Continuing effects	Listing effects	Total Adj.	Lavastone Group FY17 Pro Forma
Formulae Reference	a	b	c=a+b	d (7)	e (1)	f (2)	g (3)	h=c+d+e+f+g	i (4)	j (5)	k=d+e+f+g+i+j (6)	l=c+k
EQUITY AND LIABILITIES												
Share capital and reserves												
Share capital	519,466	(69,466)	450,000	707,308	68,353	75,867	92,387	1,393,916	-	-	943,916	1,393,916
Retained earnings	445,308	-	445,308	(1,276)	1,788	11,133	1,163	458,117	(8,987)	(1,378)	2,444	447,752
Revaluation reserves	-	-	-	50,363	37,768	-	-	88,131	-	-	88,131	88,131
Other reserves	-	-	-	35,969	2,659	-	-	38,628	-	-	38,628	38,628
Non-controlling interests	-	-	-	383,222	(68,345)	-	-	314,877	-	-	314,877	314,877
Total Equity	964,774	(69,466)	895,308	1,175,587	42,223	87,000	93,550	2,293,669	(8,987)	(1,378)	1,387,996	2,283,304
Non-current liabilities												
Deferred tax liabilities	23,005	-	23,005	-	63	-	-	23,068	-	-	63	23,068
Borrowings	81,895	-	81,895	(18,242)	43,745	(35,502)	(51,895)	20,000	-	-	(61,895)	20,000
Obligations under lease	-	-	-	12	1	-	-	13	-	-	13	13
Trade and other payables	-	-	-	141	39	-	-	180	-	-	180	180
Total non-current liabilities	104,900	-	104,900	(18,089)	43,848	(35,502)	(51,895)	43,261	-	-	(61,639)	43,261
Current liabilities												
Trade and other payables	62,291	-	62,291	5,125	7,888	(79)	(40,492)	34,733	-	-	(27,558)	34,733
Borrowings	70,001	-	70,001	(55,369)	(4,631)	(10,000)	-	-	-	-	(70,000)	-
Obligations under lease	-	-	-	143	(143)	-	-	-	-	-	-	-
Current tax liabilities	6,127	-	6,127	180	301	-	-	6,608	-	-	481	6,608
Bank overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Total current liabilities	138,419	-	138,419	(49,921)	3,415	(10,079)	(40,492)	41,342	-	-	(97,076)	41,342
Total liabilities	243,319	-	243,318	(68,010)	47,263	(45,581)	(92,387)	84,603	-	-	(158,715)	84,603
Total equity and liabilities	1,208,093	(69,466)	1,138,627	1,107,577	89,486	41,419	1,163	2,378,272	(8,987)	(1,378)	1,229,281	2,367,907

Statement of profit or loss and other comprehensive income for the year ended 30 September 2017

MUR'000s Formulae Reference	Lavastone Group FY17A			Capitalisation of Lavastone Ltd's loans due to CFSL			Lavastone Group FY17 Pro Forma				
	Unadjusted	Reclass.	Adjusted	Transfer of assets	Transfer of CFSL loans	of Lavastone Ltd's loans due to CFSL	Sub Total	Continuing effects	Listing related costs	Total Adj.	Lavastone Group FY17 Pro Forma
	a	b	c=a+b	d	e	f	g=c+d+e+f	h	i	j=d+e+f+h+i	k=c+j
Revenue	201,844	(104)	201,740	22,459	-	-	224,199	-	-	22,459	224,198
Rental Income	106,928	(321)	106,607	11,069	-	-	117,676	-	-	11,069	117,676
Other Income	21,289	303	21,592	1,965	-	-	23,556	-	-	1,965	23,556
Profit/(Loss) on disposal of P&E	2,763	(86)	2,677	4,124	-	-	6,801	-	-	4,124	6,801
Share of profit from Joint venture	-	-	-	-	-	-	-	-	-	-	-
Incr. in Fair Value of IP	70,864	-	70,864	5,301	-	-	76,165	-	-	5,301	76,165
Expenses	(48,723)	71	(48,652)	(11,708)	-	-	(60,359)	(10,827)	(1,661)	(24,196)	(72,847)
Operating Expenses	(31,435)	(250)	(31,685)	(10,081)	-	-	(41,765)	-	-	(10,081)	(41,765)
Admin Expenses	(17,288)	321	(16,967)	(1,627)	-	-	(18,594)	(10,827)	(1,661)	(14,115)	(31,082)
EBITDA	153,121	(33)	153,088	10,751	-	-	163,839	(10,827)	(1,661)	(1,737)	151,351
Depreciation	-	-	-	(1,557)	-	-	(1,557)	-	-	(1,557)	(1,557)
Amortisation	(246)	(0)	(246)	-	-	-	(246)	-	-	-	(246)
Foreign exchange difference	-	(71)	(71)	-	-	-	(71)	-	-	-	(71)
EBIT	152,875	(104)	152,771	9,194	-	-	161,965	(10,827)	(1,661)	(3,294)	149,477
Finance Costs	(7,756)	(0)	(7,756)	(8,407)	13,414	1,401	(1,348)	-	-	6,408	(1,348)
Finance Income	-	105	105	190	-	-	295	-	-	190	295
Profit (Loss) before Tax	145,119	(1)	145,119	977	13,414	1,401	160,911	(10,827)	(1,661)	3,303	148,424
Taxation	(22,020)	(1)	(22,021)	(1,506)	(2,280)	(238)	(26,045)	1,841	282	(1,902)	(23,922)
Profit (Loss) for the year	123,099	(0)	123,099	(529)	11,133	1,163	134,865	(8,987)	(1,378)	1,402	124,502
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	123,099	(0)	123,099	(529)	11,133	1,163	134,865	(8,987)	(1,378)	1,402	124,502
Reference for the Pro Forma NAV table											
Profit (Loss) for the year (excl. Incr. in Fair Value of IP)	52,235	(0)	52,235	(5,830)	11,133	1,163	58,701	(8,987)	(1,378)	(3,899)	48,336

(iv) Interim 2018 Pro Forma workings

Statement of financial position as at 30 June 2018(1 of 2)

MUR'000s	Lavastone Group FY18A Unadjusted	Lavastone Group FY18A Adjusted	Cumulative PF impact of preceding year			Capitalisation of Lavastone Ltd's loans due to CFSL			Sub Total	Conti-nuing effects	Listing effects	Capital Injection and Stock-split	Total Adj.	Lavastone Group FY18 Pro Forma
	a		b	c=a+b	d	e	f	g						
<i>Formulae Reference</i>			(7)	(1)	(2)	(3)		(4)	(5)	(6)				
ASSETS														
Non-current assets														
Property, Plant & Equipment	-	-	801,003	41,004	-	-	-	842,007	-	-	-	842,007	842,007	
Investment properties	1,207,196	1,207,196	216,450	23,475	-	-	-	1,447,121	-	-	-	239,925	1,447,121	
Assets under construction	-	-	-	67,634	-	-	-	67,634	-	-	-	67,634	67,634	
Intangible assets	45,314	45,314	14,186	-	-	-	-	59,500	-	-	-	14,186	59,500	
Investment in joint venture	-	-	-	-	-	-	-	-	-	-	-	-	-	
	1,252,510	1,252,510	1,031,639	132,113	-	-	-	2,416,262	-	-	-	1,163,752	2,416,262	
Current Assets														
Inventory	-	-	1,996	1,835	-	-	-	3,831	-	-	-	3,831	3,831	
Trade and other receivables	71,592	71,592	56,733	(89,818)	-	-	-	38,508	-	-	-	(33,084)	38,508	
Cash and cash equivalents	91,026	91,026	138,912	6,817	-	-	-	236,756	2,028	(1,053)	170,000	316,705	407,731	
	162,618	162,618	197,642	(81,165)	-	-	-	279,095	2,028	(1,053)	170,000	287,452	450,070	
Total Assets	1,415,128	1,415,128	1,229,281	50,948	-	-	-	2,695,357	2,028	(1,053)	170,000	1,451,204	2,866,332	

Statement of financial position as at 30 June 2018(2 of 2)

MUR'000s	Lavastone Group FY18A Unadjusted	Reclass.	Lavastone Group FY18A Adjusted	Cumulative PF impact of preceding year	Transfer of assets	Transfer of CFSL loans due to CFSL	Capitalisation of Lavastone Ltd's loans	Sub Total	Conti-ning effects	Listing effects	Capital Injection and Stock-split	Total Adj.	Lavastone Group FY18 Pro Forma
Formulae Reference	a	b	c=a+b	d	e	f	g	h=c+d+e+f+g	i	j	m	k=d+e+f+g+i+j+m	l=c+k
EQUITY AND LIABILITIES													
Share capital and reserves													
Share capital	450,000	-	450,000	943,916	0	30,928	232,208	1,657,052	-	-	170,000	1,377,052	1,827,052
Retained earnings	483,780	-	483,780	2,444	23,644	9,289	1,933	521,090	2,028	(1,053)	-	38,285	522,065
Revaluation reserves	-	-	-	88,131	13,677	-	-	101,808	-	-	-	101,808	101,808
Other reserves	-	-	-	38,628	1,665	-	-	40,292	-	-	-	40,292	40,292
Non-controlling interests	-	-	-	314,877	2,617	-	-	317,494	-	-	-	317,494	317,494
Total Equity	933,780	-	933,780	1,387,996	41,602	40,217	234,141	2,637,737	2,028	(1,053)	170,000	1,874,932	2,808,712
Non-current liabilities													
Deferred tax liabilities	25,787	-	25,787	63	-	-	-	25,850	-	-	-	63	25,850
Borrowings	81,895	-	81,895	(61,895)	36,329	(44,528)	-	11,802	-	-	-	(70,093)	11,802
Obligations under lease	-	-	-	13	0	-	-	13	-	-	-	13	13
Trade and other payables	-	-	-	180	446	-	-	626	-	-	-	626	626
Current liabilities	107,682	-	107,682	(61,639)	36,775	(44,528)	-	38,290	-	-	-	(69,392)	38,290
Trade and other payables	297,581	-	297,581	(27,558)	(3,958)	(18,900)	(234,141)	13,025	-	-	-	(284,556)	13,025
Borrowings	70,000	-	70,000	(70,000)	(23,210)	23,210	-	-	-	-	-	(70,000)	-
Obligations under lease	-	-	-	-	-	-	-	-	-	-	-	-	-
Current tax liabilities	6,085	-	6,085	481	(481)	-	-	6,085	-	-	-	-	6,085
Bank overdraft	-	-	-	-	220	-	-	220	-	-	-	220	220
Total liabilities	373,666	-	373,666	(97,076)	(27,429)	4,311	(234,141)	19,330	-	-	-	(354,336)	19,330
	481,348	-	481,348	(158,715)	9,346	(40,217)	(234,141)	57,621	-	-	-	(423,728)	57,620
Total equity and liabilities	1,415,128	-	1,415,128	1,229,281	50,948	-	-	2,695,357	2,028	(1,053)	170,000	1,451,204	2,866,332

Statement of profit or loss and other comprehensive income for the year ended 30 June 2018

MUR'000s	Lavastone Group FY18A			Lavastone Group FY18A Adjusted			Transfer of CFSL loans			Capitalisation of Lavastone Ltd's loans due to CFSL			Listing related costs			Total Adj.	Lavastone Group FY18 Pro Forma
	Unadjusted	Reclass.	b	c=a+b	d	e	f	g=c+d+e+f	h	i	j=d+e+f+h+i	k=c+j					
<i>Formulae Reference</i>	a				(1)	(2)	(3)		(4)	(5)	(6)						
Revenue	103,506	-	103,506	39,318	-	-	-	142,824	-	-	39,318	142,823					
Rental Income	84,431	-	84,431	7,429	-	-	-	91,859	-	-	7,429	91,859					
Other Income	18,498	-	18,498	19,889	-	-	-	38,387	-	-	19,889	38,387					
Profit/(Loss) on disposal of P&E	-	-	-	-	-	-	-	-	-	-	-	-					
Share of profit from Joint venture	-	-	-	-	-	-	-	-	-	-	-	-					
Incr. in Fair Value of IP	577	-	577	12,000	-	-	-	12,577	-	-	12,000	12,577					
Expenses	(49,049)	-	(49,049)	(8,135)	-	-	-	(57,184)	2,444	(1,268)	(6,960)	(56,009)					
Operating Expenses	(26,153)	-	(26,153)	(7,525)	-	-	-	(33,677)	-	-	(7,525)	(33,677)					
Admin Expenses	(22,895)	-	(22,895)	(611)	-	-	-	(23,506)	2,444	(1,268)	564	(22,331)					
EBITDA	54,457	-	54,457	31,183	-	-	-	85,639	2,444	(1,268)	32,358	86,814					
Depreciation	-	-	-	(1,130)	-	-	-	(1,130)	-	-	(1,130)	(1,130)					
Amortisation	(148)	-	(148)	-	-	-	-	(148)	-	-	-	(148)					
Foreign exchange difference	137	-	137	6	-	-	-	143	-	-	6	143					
EBIT	54,446	-	54,446	30,058	-	-	-	84,504	2,444	(1,268)	31,233	85,679					
Finance Costs	(6,860)	-	(6,860)	(7,243)	11,192	-	2,329	(582)	-	-	6,278	(582)					
Finance Income	-	-	-	-	-	-	-	-	-	-	-	-					
Profit (Loss) before Tax	47,586	-	47,586	22,815	11,192	11,192	2,329	83,921	2,444	(1,268)	37,511	85,096					
Taxation	(9,114)	-	(9,114)	(837)	(1,903)	(396)	(415)	(12,250)	(415)	216	(3,336)	(12,450)					
Profit (Loss) for the year	38,472	-	38,472	21,977	9,289	9,289	1,933	71,671	2,028	(1,053)	34,175	72,647					
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-					
Total comprehensive income	38,472	-	38,472	21,977	9,289	9,289	1,933	71,671	2,028	(1,053)	34,175	72,647					
Reference for the Pro Forma NAV table																	
Profit (Loss) for the year (excl. Incr. in Fair Value of IP)	37,895	-	37,895	9,977	9,289	9,289	1,933	59,094	2,028	(1,053)	22,175	60,070					

APPENDIX 3: PROPERTY VALUATION REPORTS



Lavastone Ltd's property portfolio snapshot as at 30 June 2018

Segment	GLA (Sq. mt)	NBV (MUR/m)	% of NBV	Occupancy*	Annual rental* (MUR/m)	Annual income* (MUR/m)	Gross yield* (%)	NOI* (MUR/m)	Net yield* (%)	Operating and Admin Costs* (MUR/m)	Cost to income ratio* (%)
Yielding											
Office	9,689	403	17%	94.0%	56.92	68.38	14.1%	42.74	10.6%	(25.64)	37.5%
Retail	462	34	1%	100.0%	1.13	1.45	3.4%	0.99	2.9%	(0.47)	32.5%
Industrial	22,855	386	17%	99.8%	43.88	53.15	11.4%	37.96	9.8%	(15.23)	28.7%
Parking	4,168	275	12%	95.5%	3.75	3.81	1.4%	1.93	0.7%	(1.82)	47.8%
Retail (Under renovation)	-	195	8%	n/a	10.00	10.01	5.5%	8.32	4.5%	(1.69)	16.9%
Other yielding	344	72	3%	100.0%	0.77	1.08	1.1%	0.40	0.6%	(0.70)	64.4%
TOTAL yielding	37,517	1,365	59%	97.8%	116.45	137.89	10.1%	92.34	7.2%	(45.56)	33.0%
Non-yielding											
Land for development	-	621	27%	n/a	0.31	0.17	n/a	0.06	n/a	(0.11)	n/a
Land for sale	-	335	14%	n/a	1.08	0.15	n/a	0.12	n/a	(0.03)	n/a
TOTAL non-yielding	-	956	41%	n/a	1.39	0.32	n/a	0.18	n/a	(0.14)	n/a
TOTAL	37,517	2,321	100%	97.8%	117.84	138.21	10.1%	92.52	7.2%	(45.69)	33.0%

*30 September 2017

EXECUTIVE SUMMARY

Cim GROUP REAL ESTATE CLUSTER - ASSET VALUATION 2018

DATE OF REPORT	30 th July 2018
THE PROPERTIES	Different locations, namely Port-Louis, Trianon, Riche Terre and Rodrigues Island
OWNERSHIP	Cim Financial Services Ltd, Cim Property Holdings Ltd Cim Property Development Ltd
INSTRUCTION	To carry out a Valuation Report on the basis of Market Value of the Cim Group Real Estate Asset
INSPECTION	Different dates in July 2018
VALUATION DATE	30 TH JUNE 2018
CAPACITY OF VALUERS	External and Independent Valuers with no financial or other interest in the Company and its subsidiaries
PURPOSE OF VALUATION	Asset Valuation for Accounting Purposes
VALUATION	RS 1,241,996,583 (RUPEES ONE BILLION TWO HUNDRED AND FORTY ONE MILLION NINE HUNDRED AND NINETY SIX THOUSAND FIVE HUNDRED AND EIGHTY THREE)

BASIS OF VALUATION

Our opinion of Market Value has been derived primarily using the Sales Comparison Approach and verified by the Income Capitalisation Method using an appropriate Rate of Return for each property.

INSTRUCTION

Your instructions to us in this matter are to carry out the open market valuation of the properties represented by land and buildings owned by the Cim Group as at 30th June 2018.

INTRODUCTION, SUBJECT AND PURPOSE OF VALUATION

The properties are owned by the Cim Financial Services Ltd, the Cim Property Holdings Ltd and the Cim Property Development Ltd.

For the purpose of this Report, these properties have been classified in three Chapters.

The first Chapter describes the property owned by Cim Financial Services Ltd which is located in the Industrial Zone at Plaine Lauzun together with its valuation.

The second Chapter describes the other fourteen properties owned by Cim Property Holdings Ltd, of which thirteen are located in Mauritius and the last one at Port Mathurin in Rodrigues Island, as listed below:

- **Les Cascades - A multi-storey building at the corner of Edith Cavell Street and Desroches Street at Port Louis**
- **Labourdonnais Court - Office Units and Parking Slots within Labourdonnais Court at Port Louis.**
- **Manhattan Building - Land and Buildings at the corner of Edith Cavell and Mere Barthelemy Streets at Port Louis**
- **SOFAP Pailles - A showroom/store at Pailles**
- **Ex Greenline Garden Centre - Land and Building at Trianon**
- **St Georges Building - An office building at St Georges Street, Port Louis**



- **Montebello – An industrial building at Montebello, Pailles**
- **Commercial and Office Building at Port Mathurin, Rodrigues**
- **Riche Terre Industrial Park - An industrial estate**
- **ASAS Parking – Land and Buildings at the corner of E Cavell Street and Mere Barthelemy Street at Port Louis**
- **A bare plot of land along the M2 Motorway at Riche Terre**
- **A bare plot of land at Soreze, and**
- **A property located at the corner of La Chaussee and Edith Cavell Street at Port-Louis**

The third chapter describes the two recently acquired sites in Port-Louis, namely Orchid Site and St Georges Site and their valuation.

CIM 2018 SUMMARY OF VALUES	
Property Name	Total (Rs)
Cim Financial Services Ltd	
Plaine Lauzun Leasehold Interest in Land	44,925,000
Sub Total	44,925,000
Cim Property Holdings Ltd	
Les Cascades Building	195,475,000
Labourdonnais Court - 4th floor	9,300,000
Labourdonnais Court - Medical Suites 1st Floor	2,445,000
Manhattan Building, E Cavell Street Port Louis	96,275,000
Sofap Showroom, Pailles	6,675,000
Trianon (ex-Greenline)	71,350,000
St Georges Building	76,800,000
Citronelle Building, Port Mathurin Rodrigues	17,300,000
Montebello Industrial Building	79,150,000
Riche Terre Industrial Park	252,500,000
ASAS Parking	114,275,000
Land at Riche Terre	62,350,000
Land at Pailles	19,676,583
La Chaussee Property	33,500,000
Sub Total	1,037,071,583
Cim Property Development Ltd	
Land at Mere Barthelemy St - Orchid Site	115,000,000
Land at St Georges Street - St Georges Site	45,000,000
Sub Total	160,000,000
TOTAL	1,241,996,583

Basis of Valuation

This Valuation is based on Market Value which is defined as

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion" (VPS 4. 1.2).

Valuation Methodology

In assessing the estimate of likely value, three bases of Valuation have been considered, namely the Income Capitalisation, the DRC and Sales Comparison approaches.

The Income Capitalisation Approach takes a property's forecast net operating income and allocates these future benefits to the mortgage and equity components, based on market rates of return and loan to value ratios.

Through a discounted cash flow and income capitalisation procedure, the value of each component is calculated. The total of the mortgage component and the equity component equals the value of the property. This approach is often selected as the preferred valuation method for income-producing properties, because it most closely reflects the investment thinking of knowledgeable buyers.

The Depreciated Replacement Cost (DRC) Approach estimates the value by computing the current cost of replacing a property and subtracting any depreciation resulting from one or more of the following factors: physical deterioration, functional obsolescence and external (or economic) obsolescence. The value of the land, as though it were vacant and available, is then added to the depreciated value of the premises in order to produce a total value estimate.

The Sales Comparison Approach estimates the value of a property by comparing it to similar properties recently sold on the open market. The sales comparison approach is used for value estimates of any form of property provided the properties are homogeneous and the adjustments are few in number and relatively simple to compute.

The Valuation Method to be applied for the properties is contained in the description of each individual property in the report.

The Valuation Report should be read in its entirety and the Executive Summary is provided merely as a summary of its content and carries no liability.



Y C Wan Min Kee BSc (Est. Man) FRICS, FHKIS
For and on behalf of
JPW International Ltd
Port Louis

09.08.18



GEXIM REAL ESTATE LTD.

VAT Reg. No.: 20196425
Business Reg. No.: C07023665

EXECUTIVE SUMMARY

Cim GROUP REAL ESTATE CLUSTER - ASSET VALUATION 2018

DATE OF REPORT	30 th June 2018
THE PROPERTIES	At Port-Louis, Le Morne, Grande Case Noyale, La Gaulette, Chamrel, Bel Ombre & Abondance
OWNERSHIP	(i) Edith Cavell Properties Ltd (ECPL) (ii) Le Morne Development Corporation Ltd (LMDCL) (iii) South West Safari Group Ltd (SWSGL)
INSTRUCTIONS	To carry out a Valuation Report on the basis of Market Value of the Cim Group Real Estate Asset
INSPECTIONS	June 2018
VALUATION DATE	30 th June 2018
CAPACITY OF VALUERS	External and Independent Valuers with no financial or other interest in the Company and its subsidiaries
PURPOSE OF VALUATION	Asset Valuation for Accounting Purposes
VALUATION	RS 1,023,600,000 (RUPEES ONE BILLION AND TWENTY THREE MILLION SIX HUNDRED THOUSAND)

Detail Valuations	
ECPL	Rs.195,000,000
LMDCL	Rs.315,000,000
SWSGL	Rs.513,600,000
TOTAL	Rs.1,023,600,000

BASIS OF VALUATION

Our opinion of Market Value has been primarily derived using the "Sales Comparison Approach" for the land components and "Depreciated Replacement Cost Approach" for buildings.

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A MEMBER OF GEXIM GROUP

The freehold interests in the land components of the property asset have been valued using the Sales Comparison Approach, which is based on recent transactions for similar properties in the vicinity. Where comparables are not available, then the best suited ones are used and adjusted for date of transaction, geographical location, land use, size, shape, frontage, access, attributes, site constraints, planning restrictions, etc.

The 'Residual Approach' has also been used where the properties have development potential. In this case, a 'Feasibility Study' for a hypothetical subdivision for residential purposes is prepared, which entails estimating the total proceeds of the development and deducting there from the development costs to be incurred, i.e. cost of infrastructure, land transfer tax, professional fees, marketing/agency fees, developer's profits and other associated costs to arrive at the land cost.

Building improvements have been valued to their fair value using the 'Depreciated Replacement Cost (DRC) Approach'. The DRC has been arrived at by using the construction costs of similar buildings and adjusting for depreciation resulting from one or more of the following factors: Physical deterioration, functional obsolescence, external (or economic) obsolescence, renovation works and level/quality of maintenance.

Drawn up and closed in two originals this Thursday, 16 August 2018.



MARIE F. RICARDO RAMIAH-ISABEL
Sworn Land Surveyor/Real Estate Appraiser

NOTES

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Lavastone Ltd

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Port Louis.
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