

CIM GROUP REPORTS A 16% INCREASE IN GROUP PAT (BEFORE DISCONTINUED OPERATIONS) FOR THE YEAR ENDED 30 SEPTEMBER 2018.

The Group achieved a 16% increase in profit after taxation (PAT) to MUR352.1m (before discontinued operations).

The Finance cluster reported a 9% increase in PAT year-on-year with net operating income increasing from MUR 1,323.3m to MUR 1,405.9m. The Finance cluster remains the core business of the Group with the Consumer Finance business unit being the main driver of growth within the business through increased lending activities.

The loss in the Investment cluster has declined from MUR 136.2m to MUR 105.4m, mainly due to a decrease in mark-to-market foreign exchange losses on USD financial assets that were hedged in the current financial year.

The Property cluster achieved a 12% increase in operating income, which included a fair value gain of MUR 29.6m on investment property.

Listing of the Property Cluster

The listing of Lavastone Ltd (formerly Cim Property Development Ltd) on the Development and Enterprise Market (DEM) was approved on the 14th December 2018 by the Listing Executive Committee of the Stock Exchange of Mauritius. On 28 December 2018, the first day of trading, Cim Group will make available 1,000 ordinary shares of Lavastone for trading. Concurrently, the Board has declared a dividend in specie by which all shareholders will receive one share of Lavastone for each share they hold in the Company. These Lavastone shares will be available for trading on 17 January 2019.

Final dividend

The Board has declared a final dividend of MUR 0.15 per share payable in respect of all the ordinary shares of the Company which will be payable to the shareholders of the Company registered at close of business on 27 December 2018.

Outlook

With the listing of the Property cluster, CIM Financial Services Ltd and Lavastone Ltd will now be each fully focussed on their core activities of financial services and property development respectively.

The new and exciting projects set out in the Admission Document of Lavastone Ltd should maximise the development potential of its low/non-yielding assets and improve its income stream for the next future years.

CIM Financial Services Ltd will continue to develop its Consumer Finance business unit's lending activities, as well as to grow its Leasing business unit following the acquisition of Mauritian Eagle Leasing Company Limited.

Disclaimer after comments on results

By Order of the Board

Cim Administrators Ltd

Company Secretary

26 December 2018

The abridged audited financial statements of the Group for the year ended 30 September 2018 have been prepared using the same accounting policies as set out in the audited financial statements for the year ended 30 September 2018; in accordance with International Financial Reporting Standards.

These abridged audited financial statements are issued pursuant to Listing Rule 12.14 and the Securities Act 2005.

Copies of the statement of direct and indirect interests of Officers pursuant to rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 and the financial statements are available free of charge upon request made to the Company Secretary at the registered office of CIM Financial Services Ltd.

The Board of Directors of CIM Financial Services Ltd accepts full responsibility for the accuracy of the information contained therein.

CIM Financial Services Ltd

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STATEMENT OF FINANCIAL POSITION

	Audited Year ended 30 September	
	2018	2017
	MUR m	MUR m
ASSETS		
Cash and bank balances	526.1	505.4
Deposits with banks	1,026.0	2,738.9
Net investment in leases and other credit agreements	7,637.7	6,609.7
Loans and advances	2,865.6	2,367.6
Investment in financial assets	1,598.9	21.8
Other assets	676.1	546.5
Inventories	5.6	8.2
Investment in associates	177.5	193.1
Investment properties	1,216.5	1,039.2
Property, plant and equipment	1,585.8	1,199.5
Intangible assets	106.7	66.1
Post employment benefits assets	7.2	6.8
Deferred tax assets	83.0	65.2
Total assets	17,512.7	15,368.0
LIABILITIES		
Deposits from customers	3,426.6	3,134.3
Other borrowed funds	5,949.8	4,184.2
Other liabilities	1,341.4	1,159.0
Income tax liabilities	33.0	28.3
Post employment benefits liability	87.6	77.7
Deferred tax liabilities	28.4	25.3
Total liabilities	10,866.8	8,608.8
EQUITY		
Stated capital	680.5	680.5
Retained earnings	4,999.9	5,171.6
Revaluation and other reserves	646.1	592.1
Equity attributable to owners of the parent	6,326.5	6,444.2
Non controlling interests	319.4	315.0
Total equity	6,645.9	6,759.2
Total equity and liabilities	17,512.7	15,368.0

STATEMENT OF PROFIT OR LOSS

	Audited Year ended 30 September	
	2018	2017
	MUR m	MUR m
Continuing operations		
Interest income	1,189.2	1,042.4
Interest expense	(382.0)	(352.1)
Net interest income	807.2	690.3
Fee and commission income	539.4	566.3
Other income	235.7	325.1
	775.1	891.4
Net operating income	1,582.3	1,581.7
Operating expenses	(931.5)	(874.4)
Operating profit before impairment	650.8	707.3
Net impairment	(214.9)	(186.9)
Operating profit	435.9	520.4
Foreign exchange loss	(9.3)	(117.0)
Share of result of associates	(14.7)	(5.6)
Net gain on business combination	29.5	-
	441.4	397.8
Gain on disposal of subsidiaries	-	13.7
Profit before tax from continuing operations	441.4	411.5
Income tax expense	(89.3)	(107.3)
Profit for the year from continuing operations	352.1	304.2
Discontinued operations		
Profit for the year from discontinued operations and gain on disposal of discontinued operations	-	2,645.4
	352.1	2,949.6
Profit for the year		
Attributable to:		
Owners of the parent	351.4	2,956.2
Non controlling interests	0.7	(6.6)
	352.1	2,949.6
Earnings per share from continuing operations	MUR 0.52	0.46
Earnings per share	MUR 0.52	4.35
Dividends per share	MUR 0.67	0.13
Number of ordinary shares used in calculation	680,522,310	680,522,310

STATEMENT OF COMPREHENSIVE INCOME

	Audited Year ended 30 September	
	2018	2017
	MUR m	MUR m
Profit for the year	352.1	2,949.6
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Gain on revaluation of land and buildings, net of tax	8.0	70.4
Remeasurement of post employment benefits, net of tax	(16.3)	1.4
Items that may be reclassified subsequently to profit or loss		
Exchange difference on translation of foreign entities	(0.3)	(14.0)
Movement in reserves of associates	(0.9)	(1.4)
Other comprehensive income for the year, net of tax	(9.5)	56.4
Total comprehensive income for the year, net of tax	342.6	3,006.0
Attributable to:		
Owners of the parent	338.2	3,001.6
Non controlling interests	4.4	4.4
	342.6	3,006.0

STATEMENT OF CASH FLOWS

	Audited 30 September	
	2018	2017
	MUR m	MUR m
Net cash flow used in operating activities	(887.9)	(3,107.3)
Net cash flow (used in)/generated from investing activities	(369.8)	2,580.0
Net cash flow generated from financing activities	1,201.3	330.0
Net decrease in cash and cash equivalents	(56.4)	(197.3)
Cash and cash equivalents - opening	379.1	576.4
Cash and cash equivalents - closing	322.7	379.1

ABRIDGED AUDITED FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2018

STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent				Non-controlling interests	Total Equity
	Stated capital	Revaluation and other reserves	Retained earnings	Total		
	MUR m	MUR m	MUR m	MUR m		
At 1 October 2017	680.5	592.1	5,171.6	6,444.2	315.0	6,759.2
Profit for the year	-	-	351.4	351.4	0.7	352.1
Other comprehensive income for the year	-	(13.2)	-	(13.2)	3.7	(9.5)
Total comprehensive income for the year	-	(13.2)	351.4	338.2	4.4	342.6
Dividends	-	-	(455.9)	(455.9)	-	(455.9)
Transfer	-	67.2	(67.2)	-	-	-
Total transactions with owners	-	67.2	(523.1)	(455.9)	-	(455.9)
At 30 September 2018	680.5	646.1	4,999.9	6,326.5	319.4	6,645.9

	Attributable to owners of the parent				Non-controlling interests	Total Equity
	Stated capital	Revaluation and other reserves	Retained earnings	Total		
	MUR m	MUR m	MUR m	MUR m		
At 1 October 2016	680.5	452.0	2,348.7	3,481.2	384.5	3,865.7
Profit/(loss) for the year	-	-	2,956.2	2,956.2	(6.6)	2,949.6
Other comprehensive income for the year	-	45.4	-	45.4	11.0	56.4
Total comprehensive income for the year	-	45.4	2,956.2	3,001.6	4.4	3,006.0
Dividends	-	-	(88.5)	(88.5)	-	(88.5)
Transfers	-	77.2	(77.2)	-	-	-
Purchase of non controlling interest	-	25.4	(22.2)	3.2	(72.5)	(69.3)
Disposal of subsidiaries	-	(7.7)	7.7	-	(1.4)	(1.4)
Total transactions with owners	-	94.9	(180.2)	(85.3)	(73.9)	(159.2)
At 30 September 2017	680.5	592.1	5,171.6	6,444.2	315.0	6,759.2

SEGMENT ANALYSIS

	Net Operating Income Audited Year ended 30 September		Profit After Tax Audited Year ended 30 September	
	2018	2017	2018	2017
	MUR m	MUR m	MUR m	MUR m
Finance	1,405.9	1,323.3	378.8	349.1
Property	199.0	177.6	78.7	91.3
Investments	146.9	659.3	(105.4)	(136.2)
Group elimination	(169.5)	(578.5)	-	-
	1,582.3	1,581.7	352.1	304.2
Discontinued operations	-	516.0	-	2,645.4
	1,582.3	2,097.7	352.1	2,949.6