

Swaziland Property Investments Limited

(Incorporated in the Kingdom of Eswatini)

Registration Number: 478 of 1996

Listed on the Eswatini Stock Exchange (ESE)

Share code : SWAPROP ISIN code SZ0005797946

Reviewed interim results for the six month period ended 31 December 2022

Statement of comprehensive income

	Reviewed 6 months Dec 2022 E'000	Reviewed 6 months Dec 2021 E'000	Audited 12 months Jun 2022 E'000
Revenue	12 104	11 910	23 601
Property related expenses	(5 384)	(5 526)	(12 024)
Administrative expenses	(1 922)	(1 535)	(3 059)
Operating profit	4 798	4 849	8 518
Fair value adjustment	-	-	74 456
Investment income	180	161	222
Finance cost	(157)	(169)	(317)
Profit before taxation	4 821	4 841	82 878
Taxation	(211)	(211)	(84)
Profit for the period	4 610	4 630	82 794

Statement of changes in equity

Balance at beginning of period	261 623	187 838	187 838
Profit for the year	4 610	4 630	82 794
Distribution to unit holders	(4 004)	(5 005)	(9 009)
Balance at end of period	262 229	187 463	261 623

Statement of financial position

Non-current assets	251 733	186 284	252 170
Investment properties	249 860	182 753	249 860
Tenant installations	902	1 917	1 327
Plant and equipment	156	164	168
Lease accrual	775	1 450	775
Deferred tax asset	40	-	40
Current assets	19 059	11 354	19 452
Trade and other receivables	2 658	3 480	2 678
Lease accrual	446	277	446
Taxation prepaid	648	626	736
Non-current assets held for sale	7 487	-	7 487
Cash and cash equivalents	7 820	6 971	8 105
Total assets	270 792	197 638	271 622
Equity			
Ordinary shareholders funds	262 229	187 463	261 623
Non-current liabilities	2 034	3 273	2 659
Deferred taxation	140	357	205
Current liabilities	6 389	6 545	7 135
Trade and other payables	5 125	5 280	5 871
Current portion of liabilities	1 253	1 254	1 253
Current tax liability	11	11	11
Total equity and liabilities	270 792	197 638	271 622

Statement of cash flows

Cash at beginning of period	8 105	9 845	9 845
Cash from operating activities	4 448	3 136	8 657
Cash from investing activities	-	(413)	(453)
Cash from financing activities	(4 733)	(5 597)	(9 944)
Cash at end of period	7 820	6 971	8 105

SWAPROP's ratios for the periods are shown as follows:

Earnings per linked unit (cents)	19.38	19.92	356.10
Distribution per linked unit (cents)	17.22	21.53	38.75

Commentary

1. Operations

During the six month period from 1 July 2022 to 31 December 2022, SWAPROP's operations were satisfactory despite the difficult trading conditions. The ruling market price at 31 December 2022 for the company's shares was E7.90 (Dec 2021 – E7.90). The market capitalisation of the company stands at E183.7 million (Dec 2021 - E183.7 million)

Revenue increased by 1.6% compared to the corresponding six month period. Operational expenses have decreased by 0.6%. This is due to inflationary increases in costs, which was offset by savings on certain expenses. Administrative expenses have increased by 25% as a result of increases in secretarial fees; directors emoluments and Eswatini Competition Commission fees.

The Company has received regulatory approval for the acquisition of the shares in Matata Properties (Proprietary) Limited, a company that owns the major retail properties in Matata City. This transaction is expected to add to shareholder value in the Company by enhancing earnings and the resultant increase in the fair value of the assets.

The directors have received an offer in respect of the company that owns the industrial properties in Matsapha which is under consideration.

2. Statement of Compliance

The interim financial information has been drawn up under the same reporting framework as the most recent financial statements.

3. Review by the independent auditors

The interim financial information for the six months ended 31 December 2022 has been reviewed, but not audited, by SNG Grant Thornton Chartered Accountants (Eswatini) whose report is available for inspection at the registered office of the company.

4. Interim distribution

The Finance Committee have proposed a distribution of E4 004 000 for the six month period under review.

5. Corporate Governance

The directors of SWAPROP confirm their commitment to the principles of openness, integrity and accountability as advocated by sound principles of Corporate Governance contained in the King Reports.

6. Distribution declaration and important dates

The directors are expected to meet in April 2023 at which time the interim distribution will be confirmed, after which an announcement of important dates will be published in the press.

On behalf of the Board

PA Taylor

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