BH Property Investments Limited
09 September 2025

Rating

Facilities/Instruments	Amount (MUR Million)	Rating[1]	Rating Action
Bank Facility - Term Loan	**177 (Reduced from 200)**	**CARE MAU A; Positive**	Reaffirmed

Rating Rationale

The rating assigned to the bank facility of BH Property Investments Limited ('**BH Property Investments**') continues to derive strength from experienced promoters with satisfactory track record in lease rental income generating properties, stable occupancy rate with high retention of tenants and the reputed anchor tenant – Absa Bank (Mauritius) Limited with low counterparty risk and prime location of the property with steady demand for Grade A office spaces in Ebene. The rating also draws comfort from the low gearing and loan to value, the presence of a Debt Service Reserve Account providing comfort for liquidity and the stable financial performance of BH Property Investments.

The rating is, however, constrained by refinancing risk of the part-bullet repayment in the 10th year of maturity of the bank facility, interest rate risk which is linked to the key rate, renewal risk of the lease agreement with anchor tenant, concentration of revenue from anchor tenant and new office developments coming up in and around Ebene.

Outlook: Positive

The outlook is positive on the account of the possibility to improve the risk profile and visibility on future cash flows of BH Property Investments by securing long term lease agreement with the reputed anchor tenant – Absa Bank (Mauritius) Limited for the remaining vacant office space at Absa House. However, the outlook may be revised to stable if the company is unsuccessful in finalizing the lease agreement with the anchor tenant.

Rating Sensitivities:

Positive factors that could, individually or collectively, lead to positive rating action/upgrade:

- Ability to achieve above 95% occupancy and to retain Absa Bank (Mauritius) Limited as tenant.
- Ability to sign lease agreements with new tenants for the remaining vacant space.
- Reduction of debt on a sustainable basis resulting in an overall gearing level below 0.3 times.

Negative factors that could, individually or collectively, lead to negative rating action/downgrade:

- Non-renewal of lease agreement by Absa Bank (Mauritius) Limited.
- Additional debt by BH Property Investments over and above the envisaged level resulting in an overall gearing level above 1x.
- Reduction in occupancy level below 80% and difficulty in filling the vacant space.

[1]Complete definitions of the ratings assigned are available at www.careratingsafrica.com.

BACKGROUND

Incorporated on October 16, 2015, BH Property Investments is a wholly owned subsidiary of Lavastone Ltd (rated CARE MAU A-; Stable). BH Property Investments was fully acquired in July 2022 by Lavastone Ltd ('Lavastone') from Grit Services Limited. The core activity of BH Property Investments includes renting investment property (office building). Its portfolio comprises of only one standalone building located in Ebene, named Absa House which was built in the early 2000s. As on June 30, 2025, Absa House had a total gross lettable area (GLA) of 8,070 sqm with 93% occupancy. The anchor tenant, Absa Bank (Mauritius) Limited has been occupying space in the building for more than a decade.

Management: BH Property Investments is a professionally managed company, with experienced management. It is governed by a 2-member Board of Directors with Mr. Taylor Colin acting as Non-Executive Director and Mr. Vaudin Nicolas as Executive Director. Mr. Taylor is the Chairman of Lavastone, Kingston Asset Management Ltd and Taylor Smith Investment Ltd. Mr. Vaudin joined Lavastone in 2017 and has more than a decade of established track record in the Mauritian real estate industry. He is assisted by a team of qualified professionals.

Stable financial performance of BH Property Investments

In FY23, BH Property Investments aligned its financial year end date with its parent, Lavastone Ltd, to September from June. Accordingly, FY23's financials recorded 15 months performance (01 July 2022 – 30 September 2023) against 12 months for FY24 (01 October 2023 - 30 September 2024).

BH Property Investments recorded a total income of MUR 51 million in FY24 (FY23: MUR 52 million) and an EBITDA of MUR 45 million (FY23: MUR 43 million). Interest cost during FY24 was at par with FY23 at MUR 29 million and the company posted a lower PAT at MUR 10 million compared to MUR 33 million in FY23. The lower PAT was driven by non-operational items including fair value adjustment, straight line rental income accrual, deferred consideration amounting to loss of MUR 2 million in FY24 compared to gain of MUR 29 million in FY23.

Annexure I

Rating Symbols

Long /Medium-term Instruments

Symbols	Rating Definition
CARE MAU AAA	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry lowest credit risk.
CARE MAU AA	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry very low credit risk.
CARE MAU A	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry low credit risk.
CARE MAU BBB	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry moderate credit risk.
CARE MAU BB	Instruments with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations, in Mauritius.
CARE MAU B	Instruments with this rating are considered to have high risk of default regarding timely servicing of financial obligations, in Mauritius.
CARE MAU C	Instruments with this rating are considered to have very high risk of default regarding timely servicing of financial obligations, in Mauritius.
CARE MAU D	Instruments with this rating are in default or are expected to be in default soon.

Modifiers {"+" (plus) / "-"(minus)} can be used with the rating symbols for the categories CARE MAU AA to CARE MAU C. The modifiers reflect the comparative standing within the category.

Rating Outlook

The rating outlook can be 'Positive', 'Stable' or 'Negative'.

A 'Positive' outlook indicates an expected upgrade in the credit ratings in the medium term on account of expected positive impact on the credit risk profile of the entity in the medium term.

A 'Negative' outlook would indicate an expected downgrade in the credit ratings in the medium term on account of expected negative impact on the credit risk profile of the entity in the medium term.

A 'Stable' outlook would indicate expected stability (or retention) of the credit ratings in the medium term on account of stable credit risk profile of the entity in the medium term.

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About CARE Ratings (Africa) Private Limited:

CARE Ratings (Africa) Private Limited (CRAF) is the first credit rating agency to be licensed by the Financial Services Commission of Mauritius in May 2015. It is also recognized by Bank of Mauritius as External Credit Assessment Institution (ECAI) from May 2016. CRAF is also licensed by Capital Markets Authority of Kenya to operate as a Credit Rating Agency in Kenya. CRAF intends to expand across other geographies in Africa with Mauritius as its hub of operations. With an equitable position in the Mauritius capital market, CARE Ratings (Africa) Private Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.

CRAF's shareholders are CARE Ratings Limited, African Development Bank, MCB Equity Fund and SBM (NFC) Holdings Limited.

CRAF gets its technical support in the areas such as rating systems and procedures, methodologies, etc. from CARE Ratings Limited on an ongoing basis. CARE Ratings Limited, with an established track record of rating companies over almost three decades, follows a robust and transparent rating process that leverages its domain and analytical expertise backed by the methodologies congruent with the international best practices.

CRAF’s Rating Committee consist of full-time members comprising of Senior Rating officials from CARE Ratings Limited and a panel of experienced professionals from Mauritius and African Development Bank.

CRAF has had a pivotal role to play in developing bank debt and capital market instruments including MMIs, corporate bonds and structured credit.