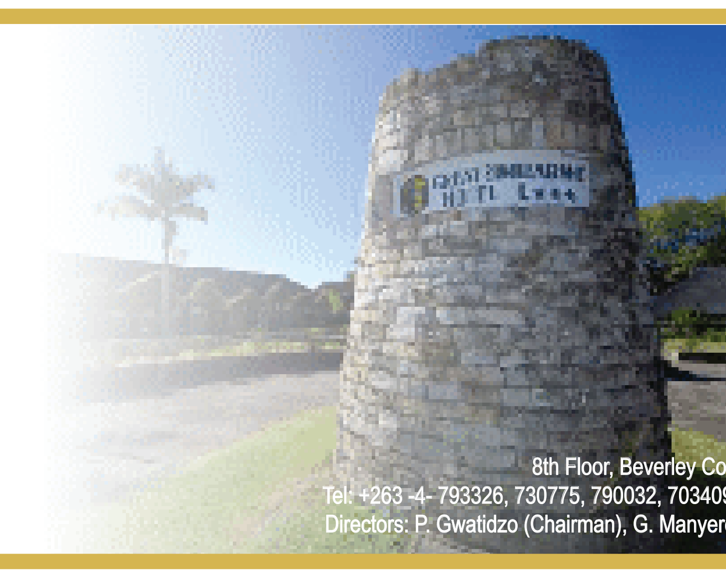
Dawn Properties Limited

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2013



8th Floor, Beverley Court, 100 Nelson Mandela Avenue, P. O. Box CY 1618, Causeway, Harare
Tel: +263 -4- 793326, 730775, 790032, 703409, 730774. Fax: +263 -4- 796172. E-mail: info@dawnpro.co.zw. Web: www.dawnproperties.co.zw
Directors: P. Gwatidzo (Chairman), G. Manyere, D. Goldwasser, R. Makoni, M. Mukonoweshuro, B. Ndebele, J. Dowa (Chief Executive Officer)

CHAIRMAN'S STATEMENT

Introduction
Despite the difficult economic environment experienced during the review period the Company delivered a satisfactory set of results.

Financial Review
Statement of comprehensive income
Revenue for the period has remained flat with a turnover of US$2.8 million for the period under review. Operating profit achieved for the period is US$874,791 which is 185% above that achieved for prior equivalent period. The improved profitability is largely a result of the rationalisation completed in the prior financial year leading to the discontinuation of non-performing businesses.

Statement of financial position
The closing carrying amount of investment property was US$84,423,000. The cash and cash equivalents for the Group increased to US$1,838,102 million from US$832,011 for the equivalent previous reporting period.

The deferred tax liability reduction is a result of a change in tax rates applied in computing the deferred tax in accordance with amendments to International Accounting Standard (''IAS'') 12,'Income taxes', on deferred tax which resulted in the change in the deferred tax rate from 25.75% to 5%. As required by International Financial Reporting Standards, this change has been applied retrospectively. The reduction was credited to the retained income.

Hotel portfolio
The hotel portfolio achieved a 3% increase in turnover to US$1,321,014. This was mainly due to a growth of 23% in revenue per available room (rev par) at Elephant Hills Resort which hosted the UNWTO conference in August 2013 while that for Crowne Plaza Monomotapa grew by 1%. Operating profit increased by 353% to US$529,484.

Property consultancy
The property consultancy business re-branded from CB Richard Ellis (Private) Limited to Dawn Property Consultancy (Private) Limited as of 16 September 2013. The turnover achieved for the period under review is 6% below prior period.Overally, the business has been negatively impacted by the adverse liquidity situation which has led to reduced rent collection rates, resulting in reduction in commission earned from rent collections and valuation mandates from clients. Operating profit for the period was US$345,307 against US$515,609 last year largely because of once-off costs associated with the re-branding.

Outlook
The hosting of the UNWTO positively impacted not only our revenues but tourism in general and the benefits are expected to flow as tourist arrivals increase. The lease re-structure initiative is in progress and completion is expected in the second half of the financial year. The recent change in shareholding is also expected to impact business performance positively. Steady progress has been made towards the development of the residential estate at Marlborough. It is anticipated that the project will be launched during the first half of the 2014 calendar year.

Dividend
The Directors have resolved that a 25% of profit for the period dividend policy be adopted. The Directors have declared a dividend of 0.00008 cents per linked unit payable on or about the 22nd January 2014.

Appreciation
I would like to extend my appreciation to management and staff for their commitment in creating shareholder value. I extend my appreciation to my fellow Board members for the support and dedication as we strive to improve Company performance.

Board Chairman
Phibion Gwatidzo **28 November 2013**

By Order of the Board
Nora M Tome **28 November 2013**

DIVIDEND ANNOUNCEMENT
NOTICE IS HEREBY GIVEN that on 20 November 2013 the Board of Directors declared an interim dividend (number 1) of 0.00008 cents per linked unit payable out of the net profits of the Group for the half year ended 30 September 2013.

The dividend will be payable on or about 22 January 2014 in United States Dollars to shareholders registered in the books of the Group at the close of business on 20 December 2013.

The share register of the Group will be closed from 21 December 2013 to 26 December 2013, both dates inclusive.

By Order of the Board
Nora M Tome
Company Secretary

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 September 2013

	Unaudited September 2013 US$	Audited March 2013 US$	Audited March 2012 US$ Restated
ASSETS			
Non-current assets			
Investment property	84 423 000	84 297 416	74 250 000
Property, plant and equipment	889 387	770 777	11 113 177
Goodwill	120 186	120 186	120 186
	85 432 573	85 188 379	85 483 363
Current assets			
Inventory	29 388	25 821	22 170
Trade and other receivables	712 453	639 021	427 046
Cash and cash equivalents	1 838 102	1 379 349	469 242
	2 579 943	2 044 191	918 458
Assets of disposal group classified as held for sale	-	-	589 389
Total assets	88 012 516	87 232 570	86 991 210
EQUITY			
Equity attributable to the owners of the parent			
Share capital	18 156	18 156	18 156
Share premium	17 680 929	17 680 929	17 680 929
Revaluation reserves	7 353 815	7 353 815	7 353 815
Linked unit debenture equity component	206 790	206 790	206 790
Retained earnings	59 465 734	58 664 897	58 405 360
Shareholders' equity	84 725 424	83 924 587	83 665 050
Non controlling interests	562 286	562 331	(114 108)
Total equity	85 287 710	84 486 918	83 550 942
LIABILITIES			
Non-current liabilities			
Linked unit debentures	1 590 696	1 590 696	1 590 696
Deferred income tax liabilities	604 014	726 807	846 068
	2 194 710	2 317 503	2 436 764
Current liabilities			
Trade and other payables	530 096	411 034	746 979
Current income tax liabilities	-	17 115	36 520
	530 096	428 149	783 499
Liabilities of disposal group classified as held for sale	-	-	220 005
Total liabilities	2 724 806	2 745 652	3 440 268
Total equity and liabilities	88 012 516	87 232 570	86 991 210

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the six months ended 30 September 2013

	Unaudited September 2013 US$	Unaudited September 2012 US$ Restated and represented
Revenue	2 808 978	2 871 505
Net gain from fair value adjustment on investment property	125 584	-
Other income	56 351	13 877
Total income	2 990 913	2 885 382
Administration expenses	(2 116 122)	(1 814 211)
Loss from disposal of subsidiary	-	(764 518)
Operating profit	874 791	306 653
Finance income	8 504	-
Finance costs	-	-
Profit before income tax	883 295	306 653
Income tax (expense)/credit	(82 503)	963 714
Profit for the period from continuing operations	800 792	1 270 367
Discontinued operations		
Loss for the period from continuing operations	-	(274 875)
Profit for the period	800 792	995 492
Other comprehensive income		
Other comprehensive income for the period	-	-
Total comprehensive income for the period	800 792	995 492
Profit attributable to:		
- Owners of the parent	800 837	1 079 303
- Non-controlling interest	(45)	(83 811)
	800 792	995 492
Total comprehensive income attributable to:		
- Owners of the parent	800 837	1 079 303
- Non-controlling interest	(45)	(83 811)
	800 792	995 492
Earnings per share from continuing and discontinued operations attributable to the owners of parent during the period (expressed in US cents per share)		
Basic earnings per share		
From continuing operations	0.033	0.052
From discontinued operations	-	(0.011)
Basic earnings per share	0.033	0.041
Headline earnings per share (US cents per share)	0.022	0.043

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six months ended 30 September 2013

	Attributable to owners of the parent							
	Share capital US$	Share premium US$	Revaluation reserves US$	Other reserves US$	Retained earnings US$	Total US$	Non Controlling interests US$	Total US$
Six months ended 30 September 2012 Balance as at 1 April 2012	18 156	17 680 929	7 353 815	206 790	52 123 552	77 383 242	(114 108)	77 269 134
Comprehensive income:								
Profit/(loss) for the period	-	-	-	-	1 079 303	1 079 303	(83 811)	995 492
Non-controlling interest de-recognised on disposal of interest in subsidiary	-	-	-	-	-	-	684 529	684 529
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	1 079 303	1 079 303	600 718	1 680 021
Balance as at 30 September 2012	18 156	17 680 929	7 353 815	206 790	53 202 855	78 462 545	486 610	78 949 155
Six months ended 30 September 2013 Balance as at 1 April 2013	18 156	17 680 929	7 353 815	206 790	58 664 897	83 924 587	562 331	84 486 918
Comprehensive income :								
Profit/(loss) for the period	-	-	-	-	800 837	800 837	(45)	800 792
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	-	-	800 837	800 837	(45)	800 792
Balance as at 30 September 2013	18 156	17 680 929	7 353 815	206 790	59 465 734	84 725 424	562 286	85 287 710

CONSOLIDATED STATEMENT OF CASH FLOWS
for the six months ended 30 September 2013

	Unaudited September 2013 US$	Unaudited September 2012 US$
Cash flow from operating activities		
- Profit before income tax (including discontinued operations)	883 295	31 778
Adjustments for non-cash items:		
- Depreciation of property, plant and equipment	68 005	52 078
- Loss on disposal of subsidiary	-	764 518
- Interest received	(8 504)	-
- Net gain from fair value adjustment on investment property	(125 584)	-
- (Profit)/loss on disposal of property, plant and equipment	(45 567)	1 590
Operating surplus before working capital changes	771 645	849 964
Changes in working capital:		
Increase in inventory	(3 567)	(4 988)
Increase in trade and other receivables	(73 433)	(46 425)
Increase/(decrease) in trade and other payables	119 062	(345 297)
Cash generated by operations	813 707	453 254
Income tax paid	(108 246)	(96 355)
Interest received	8 504	-
Net cash generated from operating activities	713 965	356 899
Cash flow from investing activities		
Purchase of property, plant and equipment	(161 467)	(12 850)
Improvements to investment property	(93 745)	-
Proceeds from disposal of property, plant and equipment	-	12 000
Net cash used in investing activities	(255 212)	(850)
Cash flow from financing activities	-	-
Net cash (used in)/generated by financing activities	-	-
Net increase in cash and cash equivalents	458 753	356 049
Cash and cash equivalents at beginning of the period	1 379 349	475 962
Cash and cash equivalents at the end of period	1 838 102	832 011

NOTES TO THE CONSOLIDATED INTERIM REPORT
for the six months ended 30 September 2013

1 GENERAL INFORMATION
Dawn Properties Limited (the "Company") own investment property and provide property valuation and management consultancy services.

The Company is a limited liability company incorporated and domiciled in Zimbabwe and is listed on the Zimbabwe Stock Exchange. The address of its registered office is 8th Floor, Beverley Court, Corner Fourth Street and Nelson Mandela Avenue, Harare.

The consolidated financial statements have been approved for issue by the Board of Directors on 20 November 2013.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of preparation
2.1.1 Statement of compliance
The Group's financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations and in the manner required by the Zimbabwe Companies Act (Chapter 24:03) and the relevant Statutory Instruments ("SI") SI 33/99 and SI 62/96 and the Zimbabwe Stock Exchange Listing Requirements. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of property, plant and investment property.

2.1.2 Going Concern
The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the levels of its current financing.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

2.2 Changes in accounting policy and disclosures
Amendment to IAS 12, "Deferred tax - recovery of underlying assets"

Topic	Effective date	Key requirements
Amendment to International Accounting Standard ("IAS") 12, 'Income taxes' on deferred tax	1 January 2012	Currently IAS 12, 'Income taxes', requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40, 'Investment property'. Hence this amendment introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. As a result of the amendment, SIC 21, 'Income taxes- recovery of revalued non-depreciable assets', would no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC 21, which is accordingly withdrawn.

The Group has re-measured the deferred tax relating to all its investment property in accordance with the amended IAS12 based on the presumption that they are recovered entirely by sale giving rise to a decrease in the deferred tax liabilities previously recognised. The rate used in the computation of deferred tax on the building component reduced from the corporate tax rate of 25.75% to the capital gains tax rate of 5%. This change of accounting policy has been applied retrospectively in accordance with IAS 8.19 (b), ' Accounting policies, changes in accounting estimates and errors'.

As a result, of this change in accounting policy, the comparitive figures for 2012 have been restated as follows:

	September 2013 US$	March 2013 US$	March 2012 US$
Effect on consolidated statement of financial position:			
Decrease in deferred tax liabilities	-	-	41 909
Increase in retained earnings	-	-	41 909

Effect on consolidated statement of comprehensive income:	September 2013 US$	September 2012 US$
Decrease in income tax expense	-	(6 281 808)
Increase in profit for the year	-	6 281 808

2.3 Basis of consolidation
(a) Subsidiaries
Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial reporting and operating policies generally accompanying a shareholder of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control.

2.3 Basis of consolidation (continued)
De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies. Subsidiaries are fully consolidated from the date on which controls transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition related costs are expenses as incurred.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through the statement of comprehensive income. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39, 'Financial instruments: recognition and measurement' either in the statement of comprehensive income or as a charge to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Group company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits or losses resulting from the group company transactions that are recognised in assets are also eliminated.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Changes in ownership interests in subsidiaries without change of control
Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries
When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in the statement of comprehensive income. The fair value is in the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate, joint venture, or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.4 Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operations decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group Executive Committee that makes strategic decisions.

2.5 Income and cash flow statements
The Group reports cash flows from operating activities using the indirect method. The Group represents its statement of comprehensive income by function of expense.

3 DISCONTINUED OPERATIONS
In the prior period ended 30 September 2012, CB Richard Ellis (Private) Limited and Ekodey (Private) Limited were classified as non-current assets held for sale, however in the current period these subsidiaries have been re-represented in the statement of comprehensive income and statement of financial position as continuing operations. This was because of the fact that the deals between the Group and the respective buyers failed to materialise before the end of the period and the Board has taken a decision to put on hold the disposal of these entities.

4 SEGMENT INFORMATION
The segment information provided to the Group Executive Committee for the reportable segments for the six months ending 30 September 2013 is as follows;
- Investment property segment: The principal business is that of investing in investment properties in the form of 8 hotel properties and tracks of land.
-Property services segment: Involved in real estate consultancy, building, plant and machinery valuations and property management and agency.

	Investment property segment		Property services segment		Total	
	September 2013 US$	September 2012 US$	September 2013 US$	September 2012 US$	September 2013 US$	September 2012 US$
Revenue - external customers	1 321 014	1 282 546	1 487 964	1 588 959	2 808 978	2 871 505
Operating profit/(loss) before income tax	529 484	(208 956)	345 307	515 609	874 791	306 653
Income tax (expense)/credit	1 230	1 131 944	(83 733)	(168 230)	(82 503)	963 714
Included in operating profit:						
Depreciation	33 869	36 320	34 136	15 758	68 005	52 078

	September 2013 US$	March 2013 US$	September 2013 US$	March 2013 US$	September 2013 US$	March 2013 US$
Non-current assets:						
Investment property	84 423 000	84 297 416	-	-	84 423 000	84 297 416
Property, plant and equipment	764 713	632 183	124 674	138 594	889 387	770 777
Goodwill	-	-	120 186	120 186	120 186	120 186
Current assets:						
Inventories	-	-	29 388	25 821	29 388	25 821
Trade and other receivables	422 923	320 957	289 530	318 064	712 453	639 021
Cash and cash equivalents	1 310 604	1 048 949	527 497	330 400	1 838 102	1 379 349
Total assets	1 733 527	1 369 906	846 416	674 285	2 579 943	2 044 191
Total liabilities	2 277 107	2 393 949	447 699	351 703	2 724 806	2 745 652
Total liabilities include:						
Deferred income tax	570 990	693 783	33 024	33 024	604 014	726 807

		September 2013 US$	September 2012 US$
5.	**CAPITAL EXPENDITURE**		
5.1	**Capital expenditure for the period**		
	Purchase of property, plant and equipment	(161 467)	(12 850)
		(161 467)	(12 850)
5.2	**Authorised and committed**	-	-
5.3	**Authorised and not committed**		
	Property, plant and equipment	506 300	96 326

6 CONTINGENCIES
The Group has no significant contingent liabilities as at 30 September 2013 (31 March 2012 - US$nil) except for a disagreement with a ZIMRA investigation. Analysis by tax specialists has indicated that the possibility of the Group being charged is remote.

7 RELATED PARTY TRANSACTIONS
The Group leases out all its hotel properties to African Sun Limited who have 16.54% stake in the Group. The leases are structured in a commercial way so as to charge market related turnover rentals.

The following transactions were carried out with related parties:

7.1 Lease rentals

Lease rentals	1 321 014	1 282 546
Outstanding lease rentals	382 110	261 265

7.2 Key management compensation
Key management includes executive directors of the Group and its subsidiary companies and the company secretary. The compensation paid to key management for employee services are shown below:
Salaries and other short-term employee benefits

Services as directors	174 410	166 186

7.3 Year end balances arising from provision of services
Receivables from related parties

African Sun Limited	382 110	261 265

The receivables from related parties arise mainly lease of hotel properties and are due within the month of provision. The receivables are unsecured in nature and bear no interest. No allowances prepayments are held against receivables from related parties (2012: US$nil).

8 OPERATING LEASE COMMITMENTS
8.1 As lessor
(1) Hotel properties
The signed lease agreements are ten year leases and the lessee ha s the option to renew the leases for four ten year periods resulting in 50 year effective lease period. Future minimum lease payments could not be determined as rental is based on revenue generated by the process of being African Sun Limited. Negotiations to enhance lease terms are in progress.

(11) Farm lease

No later than 1 year	15 652	5 217
Later than 1 year	16 491	26 087
Later than 5 years	40 900	41 739
	73 043	73 043

8.2 As lessee
The future aggregate minimum lease payments under non-cancellable operating leases as follows:
(1) Beverley Court

No later than 1 year	181 646	187 005
Later than 1 year and no longer than 5 years	459 048	534 480
Later than 5 years	-	-
	640 694	721 485

9 EVENTS AFTER REPORTING PERIOD
There were no events after the interim period that would have any effect on this interim financial report.