

HOTELEST LIMITED AND ITS SUBSIDIARIES

Abridged interim unaudited financial statements for the nine months ended 30 September 2019

	STATEMENT OF PROFIT OR LOSS					COMMENTS
	9 months to		3 months to		12 months to	
	Sep-19 Unaudited	Sep-18 Unaudited	Sep-19 Unaudited	Sep-18 Unaudited	Dec-18 Audited	
THE GROUP - (MUR'000)						
Revenue	2,503,935	2,629,740	596,618	637,429	3,747,479	1. Principal activity The only activity of Hotelest Limited is to hold 51% of the share capital of Constance Hotels Services Limited (CHSL).
Earnings before interest, taxation, depreciation and amortisation	399,283	507,406	(63,612)	(17,043)	913,667	
Depreciation and amortisation	(389,574)	(386,170)	(139,264)	(124,669)	(457,155)	2. Consolidation and Accounting Standards The abridged financial statements for the nine months ended 30 June 2019 are unaudited. The accounting policies and standards used in the preparation of these abridged unaudited financial statements are consistent with those used in the audited financial statements for the year ended 31 December 2018. The effect of IFRS 16, which is effective 01 January 2019 is still being finalized and is not reflected in this interim report.
Operating profit/(loss)	9,709	121,236	(202,876)	(141,712)	456,512	
Finance costs	(247,160)	(239,558)	(88,373)	(72,039)	(324,323)	3. General Comments For the nine months of 2019, with the exception of Mauritius, tourist arrivals in CHSL's main destinations saw positive growth compared to last year. Maldives arrivals grew by 15.8% to 1,251,690 followed by Seychelles with 5.4% growth to 274,823 while Mauritius had a slight decrease of -0.1% to 973,642. The arrival growth in the Maldives continues to be offset by an increase in room supply. Seychelles remains in a strong position but Mauritius is suffering from the air access constraints resulting in declining market share compared to other destinations.
Share of results of associates	65,760	60,115	13,969	31,548	120,757	
(Loss)/profit before taxation and pre-opening expenses	(171,691)	(58,207)	(277,280)	(182,203)	252,946	4. Results CHSL's owned properties in Mauritius and Maldives recorded a slowdown in their performance due to subdued, or constraints in, market conditions, the closure of part of Constance Belle Mare Plage Hotel's room inventory during the third quarter for renovation and the postponement of the formal launching of C Mauritius Hotel due to delays encountered in the redevelopment project. This led to a decrease in revenue and GOP. CHSL's managed resorts in the Seychelles and Madagascar performed well, with positive contribution to the Group results. Overall, CHSL's owned and managed hotels achieved an occupancy rate of 64.5% compared to 66.2% in 2018, with a 1% improvement in RevPar and Trevpar compared to last year.
Pre-opening expenses	(10,739)	(20,784)	(10,739)	(20,784)	(14,245)	
(Loss)/profit before taxation	(182,430)	(78,991)	(288,019)	(202,987)	238,701	5. Outlook The markets are becoming very competitive and the five-star segment remains challenging. Mauritius, which is experiencing the proliferation of non-hotel competitors and losing market share to competing destinations, will continue to be adversely affected. Despite growing demand in the Maldives, the increased competition due to parallel growth in supply will lead to pressure on pricing in the high-end market segment. On the other hand, Seychelles is expected to remain a positive market.
Taxation	(8,072)	(9,163)	(3,023)	(464)	(28,598)	
(Loss)/profit for the period/year	(190,502)	(88,154)	(291,042)	(203,451)	210,103	Nevertheless, the last quarter looks positive for CHSL's properties but the full year group performance is expected to be lower than 2018.
Attributable to:						
Owners of the parent	(100,094)	(51,338)	(148,193)	(104,455)	98,250	By order of the Board La Gaieté Services Ltd Secretary 12 November 2019 <i>The statement of direct and indirect interests of insiders pursuant to rule 8(2)(m) of the Securities (Disclosure obligations of Reporting Issuers) Rules 2007 is available free of charge upon request from the Company Secretary, La Gaieté Services Ltd, 5th Floor, Labama House, 35 Sir William Newton Street, Port Louis. The financial statements are issued pursuant to DEM Listing Rule 17 and Securities Act 2005. The Board of Hotelest Ltd accepts full responsibility for the accuracy of these financial statements. Copies of these abridged unaudited financial statements are available to the public free of charge at 5th floor, Labama House, 35 Sir William Newton Street, Port Louis, Mauritius.</i>
Non-controlling interests	(90,408)	(36,816)	(142,849)	(98,996)	111,853	
(Loss)/earnings per share (MUR)	(1.79)	(0.92)	(2.65)	(1.87)	1.76	

	STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME				
	9 months to		3 months to		12 months to
	Sep-19 Unaudited	Sep-18 Unaudited	Sep-19 Unaudited	Sep-18 Unaudited	Dec-18 Audited
THE GROUP - (MUR'000)					
(Loss)/profit for the period/year	(190,502)	(88,154)	(291,042)	(203,451)	210,103
Other comprehensive income for the period/year	50,752	42,931	18,735	(50,338)	249,978
Total comprehensive income for the period/year	(139,750)	(45,223)	(272,307)	(253,789)	460,081
Attributable to:					
Owners of the parent	(75,544)	(29,825)	(139,269)	(129,758)	225,317
Non-controlling interests	(64,206)	(15,398)	(133,038)	(124,031)	234,764
	(139,750)	(45,223)	(272,307)	(253,789)	460,081

	STATEMENT OF FINANCIAL POSITION		
	Sep-19	Sep-18	Dec-18
	Unaudited	Unaudited	Audited
THE GROUP - (MUR'000)			
Assets			
Non-Current Assets			
Property, plant and equipment	8,123,794	8,127,107	8,091,359
Intangible assets	1,153,576	1,129,660	1,131,970
Investments in associates	1,683,722	1,193,163	1,616,805
Investment in financial assets	-	545	-
Non-current receivables	-	56,286	-
Financial assets at amortised cost	53,906	-	110,755
Deferred tax assets	83,408	94,475	82,185
	11,098,406	10,601,236	11,033,074
Current Assets	1,255,717	1,321,609	1,417,837
Total Assets	12,354,123	11,922,845	12,450,911
Equity and Liabilities			
Owners' interest	3,030,493	2,876,620	3,106,037
Non-controlling interests	2,945,688	2,807,667	3,030,963
Total equity	5,976,181	5,684,287	6,137,000
Non-Current Liabilities			
Borrowings	4,060,541	4,030,366	3,380,648
Deferred tax liabilities	60,183	58,184	60,062
Retirement benefit obligations	182,698	186,396	182,702
	4,303,422	4,274,946	3,623,412
Current Liabilities	2,074,520	1,963,612	2,690,499
Total Liabilities	6,377,942	6,238,558	6,313,911
Total Equity and Liabilities	12,354,123	11,922,845	12,450,911
Net Asset Value per share (MUR)	54.19	51.44	55.54

	STATEMENT OF CASH FLOW		
	Sep-19	Sep-18	Dec-18
	Unaudited	Unaudited	Audited
THE GROUP - (MUR'000)			
Net cash generated from operating activities	177,148	235,146	314,504
Net cash used in investing activities	(200,153)	(120,392)	(164,957)
Net cash used in financing activities	(32,567)	(185,852)	(179,673)
Net decrease in cash and cash equivalents	(55,572)	(71,098)	(30,126)
Cash and cash equivalents at beginning of the period/year	(436,197)	(406,071)	(406,071)
Cash and cash equivalents at end of the period/year	(491,769)	(477,169)	(436,197)

	STATEMENT OF CHANGES IN EQUITY					
	Attributable to owners of the parent					
	Stated capital	Revaluation and other reserves	Retained earnings	Owners' interest	Non-controlling interests	Total
THE GROUP - (MUR'000)						
Balance at January 1, 2019	1,102,001	1,641,154	362,882	3,106,037	3,030,963	6,137,000
Total comprehensive income for the period	-	24,550	(100,094)	(75,544)	(64,206)	(139,750)
Dividends	-	-	-	-	(21,069)	(21,069)
Balance at September 30, 2019	1,102,001	1,665,704	262,788	3,030,493	2,945,688	5,976,181
Balance at January 1, 2018	1,102,001	1,514,087	290,357	2,906,445	2,857,485	5,763,930
Total comprehensive income for the period	-	21,513	(51,338)	(29,825)	(15,398)	(45,223)
Dividends	-	-	-	-	(34,420)	(34,420)
Balance at September 30, 2018	1,102,001	1,535,600	239,019	2,876,620	2,807,667	5,684,287
Balance at January 1, 2018	1,102,001	1,514,087	290,357	2,906,445	2,857,485	5,763,930
Profit for the year	-	-	98,250	98,250	111,853	210,103
Other comprehensive income for the year	-	127,067	-	127,067	122,911	249,978
Dividends	-	-	(25,725)	(25,725)	(61,286)	(87,011)
Balance at December 31, 2018	1,102,001	1,641,154	362,882	3,106,037	3,030,963	6,137,000

	GEOGRAPHICAL INFORMATION					
	9 months to Sep 2019			9 months to Sep 2018		
	Mauritius	Maldives	Total	Mauritius	Maldives	Total
THE GROUP - (MUR'000)						
Revenue	1,296,969	1,206,966	2,503,935	1,439,381	1,190,359	2,629,740
Operating profit/(loss)	52,861	(43,152)	9,709	140,189	(18,953)	121,236

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