

HOTELEST LIMITED AND ITS SUBSIDIARIES

Abridged audited financial statements for the year ended December 31, 2023

STATEMENT OF PROFIT OR LOSS			COMMENTS
THE GROUP - (MUR'000)	Dec-23	Dec-22	1. Principal activity
	Audited	Audited	
Revenue	5,727,053	5,091,004	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	1,569,015	1,522,354	2. Consolidation and Accounting Standards
Allowance charged on expected credit losses	37,634	(22,732)	The financial statements comply with the Companies Act 2001 and Financial Reporting Act 2004 and have been prepared in accordance with International Financial Reporting Standards effective for the year under review. The financial statements for the year ended 31 December 2023 have been audited by Ernst & Young.
Depreciation and amortisation	(641,169)	(638,064)	3. General Comments
Operating profit	965,480	861,558	All CHSL's market destinations recorded increases in arrivals compared to 2022, although Mauritius and the Seychelles were still below their pre-covid levels.
Finance income	13,312	14,610	
Finance costs			
- on financial debt	(415,773)	(324,577)	
- on lease liabilities	(318,438)	(315,968)	
Share of results of associates	187,832	150,616	
	432,413	386,239	
Long term loan receivable from associates written off	(12,698)	-	
Profit before taxation	419,715	386,239	
Income tax expense	(101,311)	(141,539)	
Profit for the year	318,404	244,700	
Attributable to:			
Owners of the parent	141,892	111,899	
Non-controlling interests	176,512	132,801	
	318,404	244,700	
Basic and diluted earnings per share (MUR)	2.54	2.00	

TOURIST ARRIVALS

	2023	2022	2023 v/s 2022	2019
MAURITIUS	1,295,410	997,290	29.9%	1,383,488
MALDIVES	1,878,539	1,675,294	12.1%	1,702,887
SEYCHELLES	350,879	332,068	5.7%	384,204

4. Resorts Performances

The performance of CHSL's owned and managed hotels in Mauritius, the Seychelles and Madagascar were excellent. On the other hand, its performance in the Maldives was affected by lower occupancies due to fierce competition among luxury hotels and by the opening of 9 new hotels in 2023, alone, representing 2,600 additional beds. Nevertheless, CHSL's overall key revenue indicators showed good growth with a combined occupancy rate of 78.2% (2022: 73.6%), RevPAR of MUR 14,451 (2022: MUR 12,944) and TrevPAR of MUR 23,781 in 2023 (2022: MUR 21,848).

5. Group Results

Group revenue, increased by 12.5% to reach MUR 5,727 million in 2023 (MUR 5,091 million in 2022). The strong resumption of activity and occupancies in CHSL's Mauritius properties combined with inflationary pressures on staff costs and imported goods had an impact on operating costs. Consequently, EBITDA increased by 3% and reached MUR 1,569 million (2022: MUR 1,522 million). Despite a drop in its borrowings from MUR 5.8 billion to MUR 4.8 billion since September 2022, finance costs increased from MUR 325 million to MUR 416 million due to interest rates hikes since July 2022. In addition, MUR 318 million were booked as finance costs on leases. The excellent performances of CHSL's associates in the Seychelles and Madagascar contributed to a share of profit from associates amounting to MUR 188 million, increasing by 24.5% compared to 2022 (MUR 151 million). Profit for the year increased by 30% and amounted to MUR 318 million (MUR 245 million in 2022) after registering taxation charges of MUR 101 million (MUR 142 million in 2022).

6. New partnership

As previously stated, in line with CHSL's strategy to increase its footprint in the Indian Ocean, CHSL has entered into a partnership with Trimetys Ltd to manage, effective from 1st January 2024, 3 hotels namely, Constance Sakoa Boutique Hotel in Mauritius and, in Rodrigues, Constance Tekoma and C Rodrigues Mourouk. This partnership also encompasses equity investments in both hotels in Rodrigues.

7. Outlook

Improving CHSL's top line in the Maldives with better RevPAR remains its top priority and CHSL's management is implementing a range of measures which should bring benefits. For CHSL's other destinations, it anticipates further rise in the number of visitors to its hotels as trends in forward booking remain promising. Further, with new additions in the group's owned and managed hotels there is growth prospect. Nevertheless, there are still a lot of international geopolitical and economic obstacles to overcome particularly in Europe and these could impact CHSL's performances.

By order of the Board

ECS Secretaries Ltd Secretaries

28 March 2024

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 is available free of charge upon request from the Company Secretary, ECS Secretaries Ltd, 3rd Floor, Labama House, 35 Sir William Newton Street, Port Louis. The financial statements are issued pursuant to DEM Listing Rule 18 and Securities Act 2005. The Board of Hotelest Limited accepts full responsibility for the accuracy of these financial statements. Copies of this abridged audited financial statements are available to the public free of charge at 3rd floor, Labama House, 35 Sir William Newton Street, Port Louis, Mauritius.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

THE GROUP - (MUR'000)	Dec-23	Dec-22
	Audited	Audited
Profit for the year	318,404	244,700
Other comprehensive income for the year	187,809	121,423
Total comprehensive income for the year	506,213	366,123
Attributable to:		
Owners of the parent	236,682	173,727
Non-controlling interests	269,531	192,396
	506,213	366,123

STATEMENT OF FINANCIAL POSITION

THE GROUP - (MUR'000)	Dec-23	Dec-22
	Audited	Audited
Assets		
Non-Current Assets		
Property, plant and equipment	8,339,310	8,314,067
Rights-of-use assets	4,517,053	4,146,020
Intangible assets	84,779	8,184
Investments in associates	2,142,768	2,099,623
Deferred tax assets	90,050	97,629
	15,173,960	14,665,523
Current Assets	1,899,636	1,745,942
Total Assets	17,073,596	16,411,465
Equity and Liabilities		
Owners' interest	2,482,884	2,263,315
Convertible bonds	961,715	961,715
Non-controlling interests	2,374,805	2,151,538
Total equity	5,819,404	5,376,568
Non-Current Liabilities		
Borrowings	4,426,100	4,922,619
Lease liabilities	4,349,840	4,014,561
Deferred tax liabilities	142,981	92,418
Employee benefit obligations	499,822	507,757
	9,418,743	9,537,355
Current Liabilities	1,835,449	1,497,542
Total Liabilities	11,254,192	11,034,897
Total Equity and Liabilities	17,073,596	16,411,465
Net Asset Value per share (MUR)	44.40	40.47

STATEMENT OF CASH FLOW

THE GROUP - (MUR'000)	Dec-23	Dec-22
	Audited	Audited
Net cash generated from operating activities	1,272,019	1,316,947
Net cash used in investing activities	(31,411)	(229,262)
Net cash used in financing activities	(1,203,818)	(507,027)
Increase in cash and cash equivalents	36,790	580,658
Foreign exchange difference	1,607	4,488
Cash and cash equivalents at beginning of the year	341,449	(243,697)
Cash and cash equivalents at end of the year	379,846	341,449

GEOGRAPHICAL INFORMATION

THE GROUP - (MUR'000)	Revenue from external	
	Dec 2023	Dec 2022
Mauritius	3,725,470	2,958,406
Maldives	2,001,583	2,132,598
Total	5,727,053	5,091,004
	Total Assets	
	Dec 2023	Dec 2022
Mauritius	10,597,343	9,634,543
Maldives	6,476,253	6,776,922
Total	17,073,596	16,411,465

STATEMENT OF CHANGES IN EQUITY

THE GROUP - (MUR'000)	Attributable to owners of the parent						Total equity
	Stated capital	Revaluation and other reserves	Retained earnings	Owners' interest	Convertible bonds	Non-controlling interests	
At January 1, 2023	1,102,001	1,913,079	(751,765)	2,263,315	961,715	2,151,538	5,376,568
Profit for the year	-	-	141,892	141,892	-	176,512	318,404
Other comprehensive income for the year	-	94,790	-	94,790	-	93,019	187,809
Acquisition of a subsidiary	-	-	-	-	-	8,000	8,000
Interest on convertible bonds	-	-	(17,113)	(17,113)	-	(17,308)	(34,421)
Dividends	-	-	-	-	-	(36,956)	(36,956)
At December 31, 2023	1,102,001	2,007,869	(626,986)	2,482,884	961,715	2,374,805	5,819,404
At January 1, 2022	1,102,001	1,851,250	(851,250)	2,102,001	646,980	2,006,807	4,755,788
Profit for the year	-	-	111,899	111,899	-	132,801	244,700
Other comprehensive income for the year	-	61,829	-	61,829	-	59,594	121,423
Issue of convertible bonds, net of transaction costs	-	-	-	-	314,735	-	314,735
Interest on convertible bonds	-	-	(12,414)	(12,414)	-	(12,422)	(24,836)
Dividends	-	-	-	-	-	(35,242)	(35,242)
At December 31, 2022	1,102,001	1,913,079	(751,765)	2,263,315	961,715	2,151,538	5,376,568

BRN: C06014126