

## HOTELEST LIMITED AND ITS SUBSIDIARIES

### Abridged interim unaudited financial statements for the period ended 30 June 2020

| STATEMENT OF PROFIT OR LOSS   |                                      |                                |                     |                     |                           | COMMENTS         |
|---|--------------------------------------|--------------------------------|---------------------|---------------------|---------------------------|------------------|
|   | Half year ended                      |                                | Quarter ended       |                     | Year ended                |                  |
|   | Jun-20<br>Unaudited                  | Jun-19<br>Unaudited            | Jun-20<br>Unaudited | Jun-19<br>Unaudited | Dec-19<br>Audited         |                  |
| <b>THE GROUP - (MUR'000)</b>  |                                      |                                |                     |                     |                           |                  |
| Revenue   | 1,130,197                            | 1,907,317                      | 3,805               | 707,524             | 3,516,913                 |                  |
| Earnings before interest, taxation, depreciation and amortisation   | 160,339                              | 462,895                        | (271,701)           | (7,952)             | 982,657                   |                  |
| Depreciation and amortisation   | (342,961)                            | (250,310)                      | (172,631)           | (116,814)           | (543,703)                 |                  |
| Operating(loss)/profit  | (182,622)                            | 212,585                        | (444,332)           | (124,766)           | 438,954                   |                  |
| Net Impairment losses on financial assets   | -                                    | -                              | -                   | -                   | (88,002)                  |                  |
| Finance costs   | (274,243)                            | (158,787)                      | (137,971)           | (78,912)            | (544,100)                 |                  |
| Share of results of associates  | (14,368)                             | 51,791                         | (35,037)            | 22,864              | 92,575                    |                  |
| (Loss)/profit before taxation and non recurring item  | (471,233)                            | 105,589                        | (617,340)           | (180,814)           | (100,573)                 |                  |
| Non recurring item  | -                                    | -                              | -                   | -                   | (41,863)                  |                  |
| (Loss)/profit before taxation   | (471,233)                            | 105,589                        | (617,340)           | (180,814)           | (142,436)                 |                  |
| Taxation  | (4,667)                              | (5,049)                        | 668                 | 1,194               | 3,670                     |                  |
| (Loss)/profit for the period/year   | (475,900)                            | 100,540                        | (616,672)           | (179,620)           | (138,766)                 |                  |
| Attributable to:  |                                      |                                |                     |                     |                           |                  |
| Owners of the parent  | (238,600)                            | 48,099                         | (310,340)           | (92,616)            | (74,681)                  |                  |
| Non-controlling interests   | (237,300)                            | 52,441                         | (306,332)           | (87,005)            | (64,085)                  |                  |
|   | (475,900)                            | 100,540                        | (616,672)           | (179,620)           | (138,766)                 |                  |
| (Loss)/earnings per share (MUR)   | (4.27)                               | 0.86                           | (5.55)              | (1.66)              | (1.34)                    |                  |
| <b>1. Principal activity</b>  |                                      |                                |                     |                     |                           |                  |
| The only activity of Hotelest Limited is to hold 51% of the share capital of Constance Hotels Services Limited (CHSL).  |                                      |                                |                     |                     |                           |                  |
| <b>2. Consolidation and Accounting Standards</b>  |                                      |                                |                     |                     |                           |                  |
| The abridged financial statements for the half year ended 30 June 2020 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 2019.  |                                      |                                |                     |                     |                           |                  |
| <b>3. General Comments - COVID 19</b>   |                                      |                                |                     |                     |                           |                  |
| CHSL's resorts remained closed during the quarter under review, except for a few F&B outlets and golf courses at its Mauritian resorts. As previously reported, it is maintaining a range of cost containment measures including voluntary wage reduction programs. CHSL received support from wage assistance programs in Mauritius and Seychelles, and obtained lease reduction and moratoriums for both its Mauritian and Maldives properties. In addition, it is progressing in its discussions with the banks, financial institutions and the Mauritius Investment Corporation to secure financial support and loan deferrals.   |                                      |                                |                     |                     |                           |                  |
| <b>4. Results</b>   |                                      |                                |                     |                     |                           |                  |
| Turnover for the quarter ended 30 June 2020 was MUR 4 million compared to MUR 707 million for the same period last year thus, bringing the Group's cumulative turnover for the first half 2020 to MUR 1,130 million. For the first half 2020, EBITDA generated was MUR160 million; the increases in depreciation and finance costs were mainly attributable to IFRS 16 adjustments notably, MUR 62 million and MUR 112 million respectively. After booking MUR 14 million for share of loss from associates and taxation of MUR 5 million, loss for the period was MUR 476 million.   |                                      |                                |                     |                     |                           |                  |
| <b>5. Outlook</b>   |                                      |                                |                     |                     |                           |                  |
| The Maldives' and the Seychelles' borders reopened officially on 16 <sup>th</sup> July and 1 <sup>st</sup> August 2020 respectively. Constance Halaveli Resort in the Maldives have welcomed some guests, whereas Constance Ephelia Resort, Seychelles is achieving good occupancy rate due to the presence of a special group for a period of six weeks. In Mauritius, C Mauritius opened on 1 <sup>st</sup> of August with half its room inventory, offering special packages, exclusively, to Mauritian residents.   |                                      |                                |                     |                     |                           |                  |
| The severity of the COVID-19 impact on the travel industry and resurgences of cases in some countries, notably UK, France and Germany, continue to provide a lack of visibility and much uncertainty for the months to come. Without a clear indication on the reopening of the borders in Mauritius, CHSL is not in a position to start marketing its properties. This will adversely affect its financial results and position for the remainder of the 2020 financial year and even into 2021.   |                                      |                                |                     |                     |                           |                  |
| <b>By order of the Board</b>  |                                      |                                |                     |                     |                           |                  |
| <b>La Gaieté Services Ltd</b>   |                                      |                                |                     |                     |                           |                  |
| <b>Secretary</b>  |                                      |                                |                     |                     |                           |                  |
| <b>12 August 2020</b>   |                                      |                                |                     |                     |                           |                  |
| 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. |                                      |                                |                     |                     |                           |                  |
| <b>STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>   |                                      |                                |                     |                     |                           |                  |
|   | Half year ended                      |                                | Quarter ended       |                     | Year ended                |                  |
|   | Jun-20<br>Unaudited                  | Jun-19<br>Unaudited            | Jun-20<br>Unaudited | Jun-19<br>Unaudited | Dec-19<br>Audited         |                  |
| <b>THE GROUP - (MUR'000)</b>  |                                      |                                |                     |                     |                           |                  |
| (Loss)/profit for the period/year   | (475,900)                            | 100,540                        | (616,672)           | (179,620)           | (138,766)                 |                  |
| Other comprehensive income for the period/year  | 337,249                              | 32,017                         | 101,575             | 17,332              | 83,094                    |                  |
| Total comprehensive income for the period/year  | (138,651)                            | 132,557                        | (515,097)           | (162,288)           | (55,672)                  |                  |
| Attributable to:  |                                      |                                |                     |                     |                           |                  |
| Owners of the parent  | (68,380)                             | 63,725                         | (258,928)           | (84,110)            | (33,263)                  |                  |
| Non-controlling interests   | (70,271)                             | 68,832                         | (256,169)           | (78,178)            | (22,409)                  |                  |
|   | (138,651)                            | 132,557                        | (515,097)           | (162,288)           | (55,672)                  |                  |
| <b>STATEMENT OF FINANCIAL POSITION</b>  |                                      |                                |                     |                     |                           |                  |
|   | Jun-20                               |                                | Jun-19              |                     | Dec-19                    |                  |
|   | Unaudited                            | Unaudited                      | Unaudited           | Unaudited           | Audited                   |                  |
| <b>THE GROUP - (MUR'000)</b>  |                                      |                                |                     |                     |                           |                  |
| <b>Assets</b>   |                                      |                                |                     |                     |                           |                  |
| <b>Non-Current Assets</b>   |                                      |                                |                     |                     |                           |                  |
| Property, plant and equipment   | 8,307,946                            | 8,078,800                      | 8,237,098           |                     |                           |                  |
| Rights-of-use assets  | 3,713,150                            | -                              | 3,479,116           |                     |                           |                  |
| Intangible assets   | 550,677                              | 1,146,835                      | 502,949             |                     |                           |                  |
| Investments in associates   | 1,885,736                            | 1,670,903                      | 1,754,239           |                     |                           |                  |
| Financial assets at amortised cost  | 57,000                               | 113,826                        | 53,906              |                     |                           |                  |
| Deferred tax assets   | 86,919                               | 83,408                         | 96,770              |                     |                           |                  |
|   | 14,601,428                           | 11,093,772                     | 14,124,078          |                     |                           |                  |
|   | 1,114,431                            | 1,231,423                      | 1,393,177           |                     |                           |                  |
| <b>Current Assets</b>   |                                      |                                |                     |                     |                           |                  |
| <b>Total Assets</b>   | 15,715,859                           | 12,325,195                     | 15,517,255          |                     |                           |                  |
| <b>Equity and Liabilities</b>   |                                      |                                |                     |                     |                           |                  |
| Owners' interest  | 2,977,221                            | 3,169,762                      | 3,045,601           |                     |                           |                  |
| Non-controlling interests   | 2,869,905                            | 3,079,001                      | 2,940,176           |                     |                           |                  |
| Total equity  | 5,847,126                            | 6,248,763                      | 5,985,777           |                     |                           |                  |
| <b>Non-Current Liabilities</b>  |                                      |                                |                     |                     |                           |                  |
| Borrowings  | 3,259,135                            | 3,800,317                      | 2,748,198           |                     |                           |                  |
| Lease liabilities   | 3,148,947                            | -                              | 2,910,052           |                     |                           |                  |
| Deferred tax liabilities  | 60,893                               | 58,983                         | 44,870              |                     |                           |                  |
| Retirement benefit obligations  | 270,259                              | 182,698                        | 270,259             |                     |                           |                  |
|   | 6,739,234                            | 4,041,998                      | 5,973,379           |                     |                           |                  |
| <b>Current Liabilities</b>  | 3,129,499                            | 2,034,434                      | 3,558,099           |                     |                           |                  |
| <b>Total Liabilities</b>  | 9,868,733                            | 6,076,432                      | 9,531,478           |                     |                           |                  |
| <b>Total Equity and Liabilities</b>   | 15,715,859                           | 12,325,195                     | 15,517,255          |                     |                           |                  |
| Net Asset Value per share (MUR)   | 53.24                                | 56.68                          | 54.46               |                     |                           |                  |
| <b>STATEMENT OF CASH FLOW</b>   |                                      |                                |                     |                     |                           |                  |
|   | Jun-20                               |                                | Jun-19              |                     | Dec-19                    |                  |
|   | Unaudited                            | Unaudited                      | Unaudited           | Unaudited           | Audited                   |                  |
| <b>THE GROUP - (MUR'000)</b>  |                                      |                                |                     |                     |                           |                  |
| Net cash generated from operating activities  | 124,609                              | 268,301                        | 656,005             |                     |                           |                  |
| Net cash used in investing activities   | (28,189)                             | (108,475)                      | (409,043)           |                     |                           |                  |
| Net cash used in financing activities   | (268,329)                            | (250,239)                      | (194,917)           |                     |                           |                  |
| (Decrease)/increase in cash and cash equivalents  | (171,909)                            | (90,413)                       | 52,045              |                     |                           |                  |
| Cash and cash equivalents at beginning of the period/year   | (384,152)                            | (436,197)                      | (436,197)           |                     |                           |                  |
| Cash and cash equivalents at end of the period/year   | (556,061)                            | (526,610)                      | (384,152)           |                     |                           |                  |
| <b>STATEMENT OF CHANGES IN EQUITY</b>   |                                      |                                |                     |                     |                           |                  |
|   | Attributable to owners of the parent |                                |                     |                     |                           | Total            |
|   | Stated capital                       | Revaluation and other reserves | Retained earnings   | Owners' interest    | Non-controlling interests |                  |
| <b>THE GROUP - (MUR'000)</b>  |                                      |                                |                     |                     |                           |                  |
| Balance at January 1, 2020  | 1,102,001                            | 1,682,572                      | 261,028             | 3,045,601           | 2,940,176                 | 5,985,777        |
| Total comprehensive income for the period   | -                                    | 170,220                        | (238,600)           | (68,380)            | (70,271)                  | (138,651)        |
| <b>Balance at June 30, 2020</b>   | <b>1,102,001</b>                     | <b>1,852,792</b>               | <b>22,428</b>       | <b>2,977,221</b>    | <b>2,869,905</b>          | <b>5,847,126</b> |
| 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   | -                                    | 15,626                         | 48,099              | 63,725              | 68,832                    | 132,557          |
| Dividends   | -                                    | -                              | -                   | -                   | (20,794)                  | (20,794)         |
| <b>Balance at June 30, 2019</b>   | <b>1,102,001</b>                     | <b>1,656,780</b>               | <b>410,981</b>      | <b>3,169,762</b>    | <b>3,079,001</b>          | <b>6,248,763</b> |
| At January 1, 2019  |                                      |                                |                     |                     |                           |                  |
| - As previously reported  | 1,102,001                            | 1,641,154                      | 362,882             | 3,106,037           | 3,030,963                 | 6,137,000        |
| - Prior year adjustment   | -                                    | -                              | (26,334)            | (26,334)            | (25,301)                  | (51,635)         |
| - Effect of adopting IFRS 16  | -                                    | -                              | (839)               | (839)               | (806)                     | (1,645)          |
| <b>As restated</b>  | <b>1,102,001</b>                     | <b>1,641,154</b>               | <b>335,709</b>      | <b>3,078,864</b>    | <b>3,004,856</b>          | <b>6,083,720</b> |
| Loss for the year   | -                                    | -                              | (74,681)            | (74,681)            | (64,085)                  | (138,766)        |
| Other comprehensive income for the year   | -                                    | 41,418                         | -                   | 41,418              | 41,676                    | 83,094           |
| Dividends   | -                                    | -                              | -                   | -                   | (42,271)                  | (42,271)         |
| <b>At December 31, 2019</b>   | <b>1,102,001</b>                     | <b>1,682,572</b>               | <b>261,028</b>      | <b>3,045,601</b>    | <b>2,940,176</b>          | <b>5,985,777</b> |
| <b>GEOGRAPHICAL INFORMATION</b>   |                                      |                                |                     |                     |                           |                  |
|   | 6 months to Jun-20                   |                                |                     | 6 months to Jun-19  |                           |                  |
|   | Mauritius                            | Maldives                       | Total               | Mauritius           | Maldives                  | Total            |
| <b>THE GROUP - (MUR'000)</b>  |                                      |                                |                     |                     |                           |                  |
| Revenue   | 581,825                              | 548,372                        | 1,130,197           | 1,008,300           | 899,017                   | 1,907,317        |
| Operating (loss)/profit   | (111,821)                            | (70,801)                       | (182,622)           | 148,982             | 63,603                    | 212,585          |