

NEW MAURITIUS HOTELS LIMITED (the 'Company')

COMMUNIQUE

The ongoing COVID-19 pandemic has resulted in an unprecedented temporary suspension of our tourism activity in Mauritius, with a sharp decline in our revenues. While we eagerly welcome the news of COVID-19 vaccines, much uncertainty remains over the timing of the full re-opening of our borders as well as the ensuing volume of tourist arrivals.

Over the past nine months, we have put in place several measures to sustain the business and to actively contribute to the national sanitary response. We have provided assistance through quarantine facilities and have evolved the sanitary protocols in our resorts to cater for the safety of our guests and employees. To minimise cash outflows and preserve the jobs of our employees, we have initiated cost reduction initiatives and salary cuts and have also received support from the Government in the form of the Government Wage Assistance Scheme. Nevertheless, the significant investments made in our hotels and the obligations to our lenders and suppliers continue to impact on our short-term liquidity position.

The Board has hence engaged in discussions with the Mauritius Investment Corporation Ltd (the "MIC"), and wishes to inform its shareholders and the public at large that, on 29 December 2020, the Company has signed a binding term sheet for the issue of redeemable and convertible bonds to the MIC for a total subscription amount of MUR 2.5 billion (the "Bonds"), secured by a floating charge on the assets of the Company.

The Company retains the option to redeem some or all of the Bonds any time prior to their maturity, which will be on the ninth (9th) anniversary of the first subscription of the Bonds. In the event that the Bonds are not redeemed on or before maturity, any outstanding Bonds would be converted into ordinary shares of the Company at a pre-agreed fixed valuation of MUR 7.4529 per share, being computed as the volume-weighted average price of ordinary shares of the Company as published by the Stock Exchange of Mauritius during the period of 01 January 2020 to 30 June 2020. In case of a covenant breach that is not remedied, the MIC would have the right to convert the Bonds pursuant to the abovementioned terms and conditions.

The proceeds from the Bonds will be used principally for the working capital requirements of the Company's Mauritian operations and payment of interests in respect of the Company's existing indebtedness.

The Board is of the view that the injection of MUR 2.5 billion, together with other strategic initiatives, will stabilise the Company's financial position, pending a gradual return to profitability following the full re-opening of our borders and a sustained volume of tourist arrivals to our destination.

The Company will now engage with the MIC to negotiate the transaction agreements in connection with the Bonds. The detailed terms and conditions of the Bonds will be included in a document which will be circulated to the shareholders of the Company, and a shareholders' meeting will be called in due course.

Shareholders of the Company and the public in general are therefore advised to exercise caution when dealing in the shares of the Company and will be kept informed of further developments.

By Order of the Board
ENL Secretarial Services Limited
Company Secretary

29 December 2020

This announcement is given pursuant to Listing Rule 11.3 and the Securities Act 2005.

The Board of Directors of New Mauritius Hotels Limited accepts full responsibility for the accuracy of the information in this communiqué.