

HOTELEST LIMITED AND ITS SUBSIDIARIES
Abridged audited financial statements for the year ended 31 December 2019

STATEMENT OF PROFIT OR LOSS			COMMENTS
	Dec 2019	Restated Dec 2018	
	Audited	Audited	
THE GROUP - (MUR'000)			1. Principal activity
Revenue	3,516,913	3,747,479	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	982,657	905,818	2. Consolidation and Accounting Standards
Depreciation and amortisation	(543,703)	(457,155)	The abridged financial statements for the year ended 31 December 2019 is audited by BDO & Co. The financial statements comply with the Companies Act 2001 and has been prepared in accordance with International Financial Reporting Standards effective for the year under review.
Operating profit	438,954	448,663	3. General Comments
Net impairment losses on financial assets	(88,002)	-	In 2019, with the exception of Mauritius, which experienced a marginal decrease, the Maldives and Seychelles saw growth, in tourist arrivals.
Finance costs			Arrivals for Mauritius decreased by 1.1% with 1,383,488 (2018: 1,399,408) while Maldives saw a 14.7% increase with 1,702,887 arrivals (2018: 1,484,274) and Seychelles had a 6.2% increase with 384,204 arrivals (2018: 361,844).
- on financial debt	(320,754)	(324,323)	
- on rights of use assets	(223,346)	-	
Share of results of associates	92,575	120,757	
(Loss)/profit before taxation and non recurring item	(100,573)	245,097	
Non recurring item	(41,863)	(14,245)	
(Loss)/profit before taxation	(142,436)	230,852	
Income tax credit/(expense)	3,670	(26,176)	
(Loss)/profit for the year	(138,766)	204,676	
Attributable to:			
Owners of the parent	(74,681)	95,482	
Non-controlling interests	(64,085)	109,194	
	(138,766)	204,676	
(Loss)/earnings per share (MUR)	(1.34)	1.71	

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			COMMENTS
	Dec 2019	Restated Dec 2018	
	Audited	Audited	
THE GROUP - (MUR'000)			4. Results
(Loss)/profit for the year	(138,766)	204,676	Occupancy for CHSL's hotels, owned and managed, was 67% (2018: 68%) with an improved RevPAR of MUR 10,391 (2018: MUR 10,217) and Trev PAR of MUR 17,037 (2018: MUR 16,680).
Other comprehensive income for the year	83,094	249,978	The business conditions prevailing in Mauritius and Maldives during the year were challenging and the Group achieved a revenue of MUR 3,517 million (2018: MUR 3,747 million). With the introduction of IFRS 16 – Leases and the Group's decision to apply the standard prospective as from 01 January 2019, the EBITDA for the year amounted to MUR 983 million compared to MUR 906 million in 2018. Depreciation and finance cost figures were also impacted with the new standard on leases.
Total comprehensive income for the year	(55,672)	454,654	As a result of the appreciable performance from CHSL's Seychelles and Madagascar operations, the Group posted a share of results from associated companies of MUR 93 million.
Attributable to:			After taking on the impact of IFRS 16, a provision for impairment of MUR 88 million and pre-opening expenses of MUR 42 million, the Group booked pre-tax loss of MUR 142 million. Loss for the year was MUR 139 million (2018 restated: MUR 205 million).
Owners of the parent	(33,263)	222,549	
Non-controlling interests	(22,409)	232,105	
	(55,672)	454,654	

STATEMENT OF FINANCIAL POSITION			COMMENTS
	Dec 2019	Restated Dec 2018	
	Audited	Audited	
THE GROUP - (MUR'000)			5. COVID-19
Assets			The spread of COVID-19 has severely impacted the economy and more specifically the hotel industry. With a complete global travel ban from mid March 2020, CHSL's hotels operations were forced to cease for an indefinite period thus creating significant disruption to its business and posing a major crisis with evolving challenges.
Non-Current Assets			The focus in CHSL's resorts shifted from driving revenue and operating performance to the adoption of a series of COVID-19 induced decisions to safeguard in priority the health of its guests and employees whilst at the same time protecting its business interests. The group companies implemented a range of cost containment measures to mitigate the impact of no revenue, applied for and received the Wage Assistance Schemes proposed by the Mauritian and Seychelles governments. Moreover, CHSL obtained the deferral of loans interest servicing and capital repayments from its bankers.
Property, plant and equipment	8,237,098	8,091,359	
Right-of-use assets	3,479,116	-	
Intangible assets	502,949	1,131,970	
Investments in associates	1,754,239	1,616,805	
Financial assets at amortised cost	53,906	110,755	
Deferred tax assets	96,770	92,761	
	14,124,078	11,043,650	
Current Assets	1,393,177	1,420,057	
Total Assets	15,517,255	12,463,707	
Equity and Liabilities			
Owners' interest	3,045,601	3,079,703	
Non-controlling interests	2,940,176	3,005,662	
Total equity	5,985,777	6,085,365	
Non-Current Liabilities			
Borrowings	2,748,198	3,380,648	
Lease Liabilities	2,910,052	-	
Deferred tax liabilities	44,870	60,062	
Retirement benefit obligations	270,259	244,913	
	5,973,379	3,685,623	
Current Liabilities	3,558,099	2,692,719	
Total Liabilities	9,531,478	6,378,342	
Total Equity and Liabilities	15,517,255	12,463,707	
Net Asset Value per share (MUR)	54.46	55.07	

STATEMENT OF CASH FLOW			COMMENTS
	Dec 2019	Dec 2018	
	Audited	Audited	
THE GROUP - (MUR'000)			6. Outlook
Net cash generated from operating activities	656,005	314,504	It is expected that the Group's revenue and cashflow situation for the year 2020 will be significantly impacted due to the uncertainty prevailing on the resumption of activities and the deteriorating economic environment. In addition to the measures taken above, the Group is working on plans to provide both financial and non-financial assistance, including financial restructuring plan and support scheme from the Mauritius Investment Corporation Ltd, amongst others.
Net cash used in investing activities	(409,043)	(164,957)	
Net cash used in financing activities	(194,917)	(179,673)	
Net increase/(decrease) in cash and cash equivalents	52,045	(30,126)	
Cash and cash equivalents at beginning of the year	(436,197)	(406,071)	
Cash and cash equivalents at end of the year	(384,152)	(436,197)	

STATEMENT OF CHANGES IN EQUITY							
THE GROUP - (MUR'000)	Attributable to owners of the parent					Non-controlling interests	Total equity
	Stated capital	Revaluation and other reserves	Retained earnings	Owners' interest			
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)	
	1,102,001	1,641,154	336,548	3,079,703	3,005,662	6,085,365	
- Effect of adopting IFRS 16	-	-	(839)	(839)	(806)	(1,645)	
- As restated	1,102,001	1,641,154	335,709	3,078,864	3,004,856	6,083,720	
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)	
At December 31, 2019	1,102,001	1,682,572	261,028	3,045,601	2,940,176	5,985,777	
At January 1, 2018							
- As previously reported	1,102,001	1,514,087	290,357	2,906,445	2,857,485	5,763,930	
- Prior year adjustment	-	-	(23,566)	(23,566)	(22,642)	(46,208)	
- As restated	1,102,001	1,514,087	266,791	2,882,879	2,834,843	5,717,722	
Profit for the year - restated	-	-	95,482	95,482	109,194	204,676	
Other comprehensive income for the year	-	127,067	-	127,067	122,911	249,978	
Dividends	-	-	(25,725)	(25,725)	(61,286)	(87,011)	
At December 31, 2018	1,102,001	1,641,154	336,548	3,079,703	3,005,662	6,085,365	

GEOGRAPHICAL INFORMATION				
THE GROUP - (MUR'000)	Revenue from external customers		Non-current assets	
	Dec 2019	Dec 2018	Dec 2019	Restated Dec 2018
Mauritius	1,913,911	2,155,717	8,007,555	7,466,153
Maldives	1,603,002	1,591,762	6,116,523	3,577,497
Total	3,516,913	3,747,479	14,124,078	11,043,650

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