## HOTELEST LIMITED AND ITS SUBSIDIARIES

### Abridged interim unaudited financial statements for the guarter ended 31 March 2020

Abridged interim unaudited financial statements for the quarter ended 31 March 2020						
STATEMENT OF PROFIT OR LOSS						
THE GROUP - (MUR'000)	Mar 2020 Unaudited	Mar 2019 Unaudited	Dec 2019 Audited			
Revenue	1,126,392	1,199,792	3,516,913			
Earnings before interest, taxation, depreciation and amortisation	432,040	470,847	982,657			
Depreciation and amortisation	(170,330)	(133,496)	(543,703)			
Operating profit	261,710	337,351	438,954			
Net impairment losses on financial assets	-	-	(88,002)			
Finance costs	(136,272)	(79,875)	(544,100)			
Share of results of associates	20,669	28,927	92,575			
Profit/(loss) before taxation and non recurring item	146,107	286,403	(100,573)			
Non recurring item	-	<u> </u>	(41,863)			
Profit/(loss) before taxation	146,107	286,403	(142,436)			
Taxation	(5,335)	(6,243)	3,670			
Profit/(loss) for the period/year  Attributable to:	140,772	280,160	(138,766)			
Owners of the parent	71,740	140,715	(74,681)			
Non-controlling interests	69,032	139,446	(64,085)			
	140,772	280,160	(138,766)			
Earnings/(loss) per share (MUR)	1.28	2.52	(1.34)			
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME						
THE GROUP - (MUR'000)	Mar 2020	Mar 2019	Dec 2019			
	Unaudited	Unaudited	Audited			
Profit for the period/year	140,772	280,160	(138,766)			
Other comprehensive income for the period/year	235,674	14,685	83,094			

Total comprehensive income for the period/year Attributable to:	376.446	294,845	(55,672)				
Owners of the parent	190,548	147,835	(33,263)				
Non-controlling interests	185,898	147,010	(22,409)				
	376,446	294,845	(55,672)				
STATEMENT OF FINANCIAL POSITION							
THE GROUP - (MUR'000)	Mar 2020	Mar 2019	Dec 2019				
Assets	Unaudited	Unaudited	Audited				
Non-Current Assets							
Property, plant and equipment	8,352,897	8,058,502	8,237,098				
Rights-of-use assets	3,654,096	-	3,479,116				
Intangible assets	539,670	1,127,033	502,949				
Investments in associates	1,859,628	1,645,778	1,754,239				
Financial assets at amortised cost	53,906	112,183	53,906				
Deferred toy coasts	96 047	00 151	06,770				

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Rights-of-use assets	3,654,096	-	3,479,116
Intangible assets	539,670	1,127,033	502,949
Investments in associates	1,859,628	1,645,778	1,754,239
Financial assets at amortised cost	53,906	112,183	53,906
Deferred tax assets	86,917	82,154	96,770
	14,547,114	11,025,650	14,124,078
Current Assets	1,378,437	1,497,495	1,393,177
Total Assets	15,925,551	12,523,145	15,517,255
Equity and Liabilities			
Owners' interest	3,236,149	3,253,872	3,045,601
Non-controlling interests	3,126,074	3,177,973	2,940,176
Total equity	6,362,223	6,431,845	5,985,777
Non-Current Liabilities			
Borrowings	3,116,780	3,850,441	2,748,198
Lease liabilities	3,087,399	-	2,910,052
Deferred tax liabilities	59,899	60,748	44,870
Retirement benefit obligations	270,259	182,698	270,259
	6,534,337	4,093,887	5,973,379
Current Liabilities	3,028,991	1,997,413	3,558,099
Total Liabilities	9,563,328	6,091,300	9,531,478
Total Equity and Liabilities	45.005.554	10.500.115	45.543.055
Total Equity and Liabilities	15,925,551	12,523,145	15,517,255
Net Asset Value per share (MUR)	57.87	58.18	54.46
	Rights-of-use assets Intangible assets Investments in associates Financial assets at amortised cost Deferred tax assets  Current Assets Total Assets Equity and Liabilities Owners' interest Non-controlling interests Total equity Non-Current Liabilities Borrowings Lease liabilities Deferred tax liabilities Retirement benefit obligations  Current Liabilities Total Equity and Liabilities Total Equity and Liabilities	Rights-of-use assets       3,654,096         Intangible assets       539,670         Investments in associates       1,859,628         Financial assets at amortised cost       53,906         Deferred tax assets       86,917         Current Assets       1,378,437         Total Assets       15,925,551         Equity and Liabilities       3,236,149         Non-controlling interests       3,126,074         Total equity       6,362,223         Non-Current Liabilities       3,087,399         Deferred tax liabilities       3,087,399         Deferred tax liabilities       59,899         Retirement benefit obligations       270,259         Current Liabilities       3,028,991         Total Liabilities       9,563,328         Total Equity and Liabilities       15,925,551	Rights-of-use assets       3,654,096

STATEMENT OF CASH FLOW						
THE GROUP - (MUR'000)	Mar 2019	Mar 2019	Dec 2019			
	Unaudited	Unaudited	Audited			
Net cash generated from operating activities	218,060	271,655	656,005			
Net cash used in investing activities	(20,909)	(33,339)	(409,043)			
Net cash used in financing activities	(318,402)	(144,308)	(194,917)			
Net (decrease)/increase in cash and cash equivalents	(121,251)	94,008	52,045			
Cash and cash equivalents at beginning of the period/year	(384,152)	(436, 197)	(436,197)			
period/year	(505,403)	(342,189)	(384,152)			

## 1. Principal activity

The only activity of Hotelest Limited is to hold 51% of the share capital of Constance Hotels Services Limited (CHSL).

**COMMENTS** 

### 2. Consolidation and Accounting Standards

The abridged financial statements for the first quarter ended 31 March 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.

### 3. General Comments

The COVID-19 pandemic caused a significant fall in tourist arrivals for the Group hotels' destinations during the first quarter of 2020. Tourist arrivals in Mauritius decreased by 13.5% (2020: 304,842 vs 2019:352,305), Maldives had a 20.8% fall (2020: 382,760 vs 2019: 482,978) and Seychelles arrivals dropped by 12.4% (2020: 88,912; 2019: 101,514). After a very strong month of January, the first negative effect of the pandemic was felt in February with some restrictions in CHSL's source markets and tourism travel coming to a complete halt in March, with the closure of borders worldwide.

### 4. Results

Group hotels achieved good results during January and February, setting out a positive trend for 2020 until the quasi lockdown situation in March

As a consequence, occupancy for all CHSL's hotels, owned and managed, for the quarter was 59.6 % (2019: 73.4%) with reduced RevPAR and TrevPAR of MUR 11,163 and MUR MUR 17,693 compared to MUR 12,464 and MUR 19,823 respectively for the same period last year. Group revenue was MUR 1,126 million (2019Q1: MUR 1,200 million), generating an EBITDA of MUR 432 million against MUR 471 million for the same period last year. Increase in depreciation and finance costs were mainly attributable to lease accounting under IFRS 16. After booking for share of results of associates of MUR 21 million (2019Q1: MUR 29 million) and taxation of MUR 5 million (2019Q1: MUR 6 million), the group profit for the period was MUR 141 million (2019: MUR 280 million).

#### 5. COVID 19

The crisis is having negative effects on the whole hotel and tourism industry. After more than 3 months of border closures to tourists in Mauritius, Seychelles, Maldives and Madagascar, 2020 will encounter an unprecedented decline in arrivals. CHSL's forecast scenarios for the year have been downgraded several times since the outbreak and uncertainty continues to dominate.

The group companies continue to implement a series of significant cost containment measures, which includes the adoption of voluntary wage reduction programs. Furthermore, CHSL maintained tight monitoring of its working capital requirements, applied and received wage support of Mauritian and Seychelles entities, agreed on lease rental waivers, reductions and deferrals for the Mauritian and Maldives properties and negotiated deferment of capital and interests payments for its horrowings.

# 6. <u>Outlook</u>

The Group continues to face the grave economic impact of Covid-19 as its hotels remain closed with no visibility on the comeback of the industry. Losses and mounting cash-flows issues will persist as uncertainties on the reopening of international frontiers, travel patterns and economic environment remain while the pandemic continues to evolve. The Group's priority remains the implementation of both financial and non-financial measures, including, available support schemes.

# By order of the Board

#### La Gaieté Services Ltd Secretary

# 15 July 2020

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.

BRN: C06014126

	OTATEMENT OF						
	STATEMENTO	F CHANGES IN E	QUITY				
THE GROUP - (MUR'000)	Attributable to owners of the parent						
, ,	Stated	and other	Retained	Owners'	Non-controlling		
	capital	reserves	earnings	interest	interests	Total	
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	-	118,808	71,740	190,548	185,898	376,446	
At March 31, 2020	1,102,001	1,801,380	332,768	3,236,149	3,126,074	6,362,223	
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	-	7,120	140,715	147,835	147,010	294,845	
At March 31, 2019	1,102,001	1,648,274	503,597	3,253,872	3,177,973	6,431,845	
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)	
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		<u> </u>	-		(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	

GEOGRAPHICAL INFORMATION						
THE GROUP - (MUR'000)	3 months to Mar 2020			3 months to Mar 2019		
	Mauritius	Maldives	Total	Mauritius	Maldives	Total
Revenue	578,020	548,372	1,126,392	604,659	595,133	1,199,792
Operating profit	171,183	90,527	261,710	190,939	146,412	337,351