

SUN LIMITED ABRIDGED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021 (AUDITED)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (ABRIDGED)	YEAR ENDED 30 JUNE (AUDITED)	
	2021 Rs'000	2020 Rs'000
Continuing operations		
Revenue	527,901	4,634,869
Other income	667,514	350,695
Total revenue	1,195,415	4,985,564
Operating expenses	(1,784,758)	(4,095,828)
(Loss)/Earnings before interest, tax, depreciation and amortisation and exceptional items	(589,343)	889,736
Impairment of non-financial assets	(4,705)	(117,049)
Impairment of financial assets	(18,237)	(76,146)
(Loss)/Earnings before interest, tax, depreciation and amortisation	(612,285)	696,541
Depreciation and amortisation	(560,809)	(629,337)
Operating (loss)/profit	(1,173,094)	67,204
Net finance costs	(875,486)	(972,624)
Share of result of joint venture	(7,844)	(275)
Impairment of investment in associate	-	(107,044)
Loss before tax	(2,056,424)	(1,012,739)
Income tax credit/(charge)	224,637	(27,511)
Loss for the year from continuing operations	(1,831,787)	(1,040,250)
(Loss)/profit from discontinued operation	(244,927)	(778,061)
Loss for the year	(2,076,714)	(1,818,311)
Other comprehensive income, net of tax	638,596	205,991
Total comprehensive income for the year	(1,438,118)	(1,612,320)
Loss attributable to:		
Owners of the Company	(1,989,032)	(1,804,838)
Non-controlling interests	(87,682)	(13,473)
	(2,076,714)	(1,818,311)
Total comprehensive income attributable to:		
Owners of the Company	(1,349,568)	(1,573,183)
Non-controlling interests	(88,550)	(39,137)
	(1,438,118)	(1,612,320)
Basic loss per share (Rs)	(11.40)	(10.35)

CONSOLIDATED GEOGRAPHICAL AND SEGMENTAL INFORMATION	YEAR ENDED 30 JUNE (AUDITED)	
	2021 Rs'000	2020 Rs'000
Geographical revenue:		
Continuing operations		
Mauritius	518,656	4,434,530
Others	9,245	200,339
	527,901	4,634,869
Discontinued operation		
Maldives	389,810	422,808
Total revenue	917,711	5,057,677
Segment revenue:		
Hotel operations - External sales	908,466	4,857,338
Hotel operations - Inter-segment sales	-	143,164
	908,466	5,000,502
Others - External sales	9,245	200,339
Elimination of inter-segment sales	-	(143,164)
Total revenue	917,711	5,057,677
Geographical results:		
Continuing operations		
Mauritius	(1,819,271)	(1,045,392)
Others	(12,516)	5,142
Loss for the year	(1,831,787)	(1,040,250)
Discontinued operation		
Maldives	(244,927)	(778,061)
Loss for the year	(2,076,714)	(1,818,311)
Segment results:		
Hotel operations	(2,064,198)	(1,823,480)
Others	(12,516)	5,169
Loss for the year	(2,076,714)	(1,818,311)

CONSOLIDATED STATEMENT OF CASH FLOWS (ABRIDGED)	YEAR ENDED 30 JUNE (AUDITED)	
	2021 Rs'000	2020 RESTATE Rs'000
Operating (loss)/profit before working capital changes	(525,293)	812,479
Movement in working capital	(246,875)	47,063
Cash (used in)/generated from operations	(772,168)	859,542
Income taxes credit/(paid)	7,359	(48,660)
Net cash flows (used in)/from operating activities	(764,809)	810,882
Net cash flows from/(used in) investing activities	1,380,177	(420,003)
Net cash flows from/(used in) financing activities	305,487	(369,544)
Net increase in cash and cash equivalents	920,855	21,335
Net foreign exchange difference	39,962	(10,063)
CASH AND CASH EQUIVALENTS AT 30 JUNE	1,547,858	587,041

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (ABRIDGED)	30 JUNE (AUDITED)	
	2021 Rs'000	2020 RESTATE Rs'000
ASSETS		
Non-current assets		
Property, plant and equipment	15,321,636	16,656,029
Rights-of-use assets	1,518,315	1,873,504
Intangible assets	269,394	281,227
Investments in associates and joint ventures	441,922	547,094
Other non-current assets	368,850	356,427
	17,920,117	19,714,281
Current assets	2,088,235	1,489,195
Total assets	20,008,352	21,203,476
EQUITY AND LIABILITIES		
Shareholders' equity	6,242,028	5,341,637
Non-controlling interests	677,011	765,561
Total equity	6,919,039	6,107,198
Loans and other borrowings	6,686,989	6,254,161
Lease liabilities	1,648,043	2,096,806
Deferred tax liability	946,728	1,084,079
Provision	9,913	60,298
Contract liabilities	90,503	95,163
Employee benefit liability	266,752	459,068
Non-current liabilities	9,648,928	10,049,575
Current liabilities	3,440,385	5,046,703
Total liabilities	13,089,313	15,096,278
Total equity and liabilities	20,008,352	21,203,476
Net debt excluding lease liabilities	7,087,513	8,778,405
Gearing (excluding lease liabilities)	50.6%	59.0%

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (ABRIDGED)	THE GROUP		
	Attributable to owners of the Company Rs'000	Non-controlling interests Rs'000	Total equity Rs'000
At 30 June 2019 - as restated (audited)	7,729,466	812,512	8,541,978
- Effect of adoption of IFRS 16	(814,646)	(7,814)	(822,460)
At 1 July 2019	6,914,820	804,698	7,719,518
Total comprehensive income for the year	(1,573,183)	(39,137)	(1,612,320)
At 30 June 2020 (audited)	5,341,637	765,561	6,107,198
At 30 June 2020 - as restated (audited)	5,341,637	765,561	6,107,198
Total comprehensive income for the year	(1,349,568)	(88,550)	(1,438,118)
Transactions with owners of the Company	2,249,959	-	2,249,959
At 30 June 2021 (audited)	6,242,028	677,011	6,919,039

COMMENTS ON THE RESULTS

Financial results

This financial year witnessed a full closure of our Mauritian borders with the hotel industry facing its most severe test so far. Since 20 March 2020, the Group's normalised operations across its Mauritian resorts and business units remained suspended and certain resorts only operated for quarantine and local business.

With this unprecedented scenario, the Group used this opportunity to conduct a major internal restructuring to reduce its fixed costs on a permanent basis through various tasks force and committees working on productivity and projects optimisation.

Thus Management is confident that on the resumption of normal operations in October 2021, the Group will have a leaner and more efficient organisation to better face this new environment.

On the financial side, in order to meet the cash flow requirements and future short-term financial commitments, management has successfully secured the support of Rs 3.1 billion from the Mauritius Investment Corporation ("MIC") through redeemable convertible bonds, obtained wage assistance to preserve its workforce and renegotiated existing terms with our bankers. Furthermore, on 3 May 2021 the Group completed the USD 41.5 million disposal of Kanuhura resort in the Maldives as a strategic move to refocus resources on its Mauritian operations. Those actions have enabled Sun to repay Rs 2.4 billion of bondholders which matured in November 2020 and should also ensure that it meets its second repayment of the bondholders in November 2021. As the MIC bonds are accounted as quasi-equity, our net interest-bearing debts at 30 June 2021 were standing at Rs 7.1bn against Rs 8.8bn last year resulting in a decrease of our gearing from 59.0% to 50.6%.

With only marginal business from quarantine and the local market, 12 months revenues stood at Rs 528m versus Rs 4.6bn last year.

EBITDA from continuing operations before impairment amounted to a loss of Rs 589m for the year compared to Rs 890m in 2020.

Outlook

With the restrictive opening of the borders as from 15 July 2021, the Group started taking bookings for two of its resorts for fully vaccinated incoming guests. The hotel industry is now looking forward to the country's full border reopening as from 1 October 2021. Trading conditions are still uncertain with the sanitary conditions prevailing locally and in our source markets. The June border opening announcement was followed by a slow pick up in forward bookings for the second quarter of the financial year. Management is however encouraged by the recent increase in the reservation trend as various sales and marketing actions filter into our markets, airlines start programming scheduled flights and our trade and travellers' confidence resumes.

By Order of the Board

CIEL Corporate Services Ltd
Company Secretary

20 September 2021

Notes to the above:

- The abridged financial statements have been prepared using the same accounting policies and methods adopted in the financial statements for the year ended 30 June 2020, audited by Messrs. PricewaterhouseCoopers, Chartered Accountants, except for the effects of adoption of published Standards that are now effective. The Group has adopted the amendment to IFRS 16: COVID-19 - Related Rent Concessions and other amendments which had no impact on the consolidated financial statements.
- The interim financial statements have been prepared in accordance with IAS 34 Interim Financial Statements.
- This announcement is issued pursuant to Listing Rules 12.14 and the Securities Act 2005.
- The Board of Directors of Sun Limited accepts full responsibility for the accuracy of the information contained in this report.
- The statement of direct and indirect interests of officers of the Company required under rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available upon request from the Secretary, free of charge at CIEL Corporate Services Ltd, Ebène Skies, Ebène, Mauritius.
- Copies of this report are available to the public, free of charge, at the Registered Office of the Company.