

HOTELEST LIMITED AND ITS SUBSIDIARIES

Abridged interim unaudited financial statements for the period ended June 30, 2022

STATEMENT OF PROFIT OR LOSS						COMMENTS
THE GROUP - (MUR'000)	6 months to		3 months to		12 months to	
	Jun-22 Unaudited	Jun-21 Unaudited	Jun-22 Unaudited	Jun-21 Unaudited	Dec-21 Audited	
Revenue	2,495,064	701,016	1,050,173	295,174	2,439,188	<p>1. Principal activity</p> <p>The only activity of Hotelest Limited is to hold 51% of the share capital of Constance Hotels Services Limited (CHSL).</p> <p>2. Consolidation and Accounting Standards</p> <p>The abridged financial statements for the six months and quarter ended 30 June 2022 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 2021.</p> <p>3. General Comments</p> <p>The first semester of 2022 saw positive recovery of tourist arrivals in CHSL's key markets. During the period, Maldives and Seychelles, which received 813,211 and 156,287 arrivals respectively are nearing pre-pandemic levels. Tourists arrivals to Mauritius, which reopened for business in third quarter of 2021, totalled 376,556 visitors during the same period.</p> <p>Constance Hotels owned and managed resorts' performance for the six months was satisfactory in all principal operating destinations, achieving combined occupancy of 70.6% (2019: 67.3%), enhanced RevPAR of MUR 12,424 (2019: MUR 10,298) and TrevPAR of MUR 21,212 (2019: MUR 16,867).</p> <p>4. Results</p> <p>Group revenue was MUR 2,495 million (June 2021: MUR 701 million) generating an EBITDA of MUR 738 million against a loss before interest, taxation, depreciation and amortisation of MUR 77 million for the same period last year. Finance costs for the period were at MUR 295 million compared to MUR 246 million for the first semester 2021.</p> <p>Share of profit from associates, generated mainly from CHSL's operations in the Seychelles, amounted to MUR 65 million (June 2021: loss of MUR 91 million).</p> <p>After accounting for income tax of MUR 21 million (June 2021: MUR 5 million), the Group profit for the period was MUR 177 million (June 2021: loss of MUR 715 million).</p> <p>5. Outlook</p> <p>Global geo-political and economic uncertainties, the conflict in Ukraine and the prolonged impact of the pandemic remain concerns for international travellers.</p> <p>Nevertheless, all CHSL's hotels are seeing encouraging booking trends and CHSL is confident that, unless impacted by unforeseen events, it should maintain its recovery pace in arrivals. CHSL's property in Madagascar is also showing a positive trend following the recent reopening of its borders.</p> <p>In light of the above, with the good positioning of CHSL's hotels in the market, a better than anticipated performance is expected in the upcoming quarters and a positive overall result for 2022.</p> <p>By order of the Board</p> <p>ECS Secretaries Ltd Secretary</p> <p>12 August 2022</p> <p>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, ECS Secretaries Ltd, 3rd 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 Limited 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 3rd floor, Labama House, 35 Sir William Newton Street, Port Louis, Mauritius.</p>
Earnings/(loss) before interest, taxation, depreciation and amortisation	738,471	(77,070)	146,631	(74,021)	532,273	
Allowance charged on expected credit losses	-	(2,512)	3,770	(1,285)	(9,644)	
Depreciation and amortisation	(315,105)	(301,123)	(156,533)	(148,434)	(614,521)	
Operating profit/(loss)	423,366	(380,705)	(6,132)	(223,740)	(91,892)	
Finance income	4,998	7,920	1,104	4,101	10,156	
Finance costs	(295,445)	(246,151)	(142,051)	(120,373)	(597,271)	
Share of results of associates	64,624	(91,451)	3,752	(5,668)	(61,704)	
Profit/(loss) before taxation	197,543	(710,387)	(143,327)	(345,680)	(740,711)	
Income tax (expense)/credit	(20,846)	(4,552)	(6,275)	(2,018)	25,187	
Profit/(loss) for the period	176,697	(714,939)	(149,602)	(347,698)	(715,524)	
Attributable to:						
Owners of the parent	86,313	(360,240)	(76,966)	(177,051)	(363,286)	
Non-controlling interests	90,384	(354,699)	(72,636)	(170,647)	(352,238)	
	176,697	(714,939)	(149,602)	(347,698)	(715,524)	
Basic and diluted earnings/(loss) per share (MUR)	1.54	(6.44)	(1.38)	(3.17)	(6.50)	
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME						
THE GROUP - (MUR'000)	6 months to		3 months to		12 months to	
	Jun-22 Unaudited	Jun-21 Unaudited	Jun-22 Unaudited	Jun-21 Unaudited	Dec-21 Audited	
Profit/(loss) for the period	176,697	(714,939)	(149,602)	(347,698)	(715,524)	
Other comprehensive income for the period	(69,353)	153,805	(106,112)	164,509	75,038	
Total comprehensive income for the period	107,344	(561,134)	(255,714)	(183,189)	(640,486)	
Attributable to:						
Owners of the parent	50,743	(283,297)	(131,055)	(94,128)	(326,037)	
Non-controlling interests	56,601	(277,837)	(124,659)	(89,061)	(314,449)	
	107,344	(561,134)	(255,714)	(183,189)	(640,486)	
STATEMENT OF FINANCIAL POSITION						
THE GROUP - (MUR'000)	6 months to		3 months to		12 months to	
	Jun-22 Unaudited	Jun-21 Unaudited	Jun-22 Unaudited	Jun-21 Unaudited	Dec-21 Audited	
Assets						
Non-Current Assets						
Property, plant and equipment	8,164,728	8,331,183	8,164,728	8,331,183	8,245,812	
Rights-of-use assets	4,266,525	4,404,369	4,266,525	4,404,369	4,312,286	
Intangible assets	6,531	11,590	6,531	11,590	8,728	
Investments in associates	2,006,481	2,065,370	2,006,481	2,065,370	2,029,957	
Deferred tax assets	113,002	74,925	113,002	74,925	113,008	
	14,557,267	14,887,437	14,557,267	14,887,437	14,709,791	
Current Assets						
Total Assets	15,883,739	15,773,549	15,883,739	15,773,549	16,078,628	
Equity and Liabilities						
Owners' interest	2,146,982	2,169,443	2,146,982	2,169,443	2,102,001	
Convertible bonds	646,980	-	646,980	-	646,980	
Non-controlling interests	2,038,026	2,062,601	2,038,026	2,062,601	2,006,807	
Total equity	4,831,988	4,232,044	4,831,988	4,232,044	4,755,788	
Non-Current Liabilities						
Borrowings	5,421,026	4,582,026	5,421,026	4,582,026	4,902,870	
Lease liabilities	4,015,988	3,988,323	4,015,988	3,988,323	4,029,268	
Deferred tax liabilities	23,789	39,293	23,789	39,293	23,791	
Employee benefit obligations	390,826	316,435	390,826	316,435	390,826	
	9,851,629	8,926,077	9,851,629	8,926,077	9,346,755	
Current Liabilities						
Total Liabilities	11,051,751	11,541,505	11,051,751	11,541,505	11,322,840	
Total Equity and Liabilities	15,883,739	15,773,549	15,883,739	15,773,549	16,078,628	
Net Asset Value per share (MUR)	38.39	38.79	38.39	38.79	37.59	
STATEMENT OF CASH FLOW						
THE GROUP - (MUR'000)	6 months to		3 months to		12 months to	
	Jun-22 Unaudited	Jun-21 Unaudited	Jun-22 Unaudited	Jun-21 Unaudited	Dec-21 Audited	
Net cash generated from/(used in) operating activities	500,014	(174,537)	500,014	(174,537)	4,331	
Net cash used in investing activities	(42,060)	(27,262)	(42,060)	(27,262)	(18,140)	
Net cash (used in)/generated from financing activities	(133,641)	(421,738)	(133,641)	(421,738)	340,915	
Increase/(decrease) in cash and cash equivalents	324,313	(623,537)	324,313	(623,537)	327,106	
Foreign exchange difference	12,137	(4,557)	12,137	(4,557)	(5,334)	
Cash and cash equivalents at beginning of the period	(243,697)	(565,469)	(243,697)	(565,469)	(565,469)	
Cash and cash equivalents at end of the period	92,753	(1,193,563)	92,753	(1,193,563)	(243,697)	
STATEMENT OF CHANGES IN EQUITY						
THE GROUP - (MUR'000)	Attributable to owners of the parent					
	Stated capital	Revaluation and other reserves	Retained earnings	Owners' interest	Convertible bonds	Non-controlling interests
At January 1, 2022	1,102,001	1,851,250	(851,250)	2,102,001	646,980	2,006,807
Total comprehensive income for the period	-	(35,570)	86,313	50,743	-	56,601
Interest on convertible bonds	-	-	(5,762)	(5,762)	-	(5,751)
Dividends	-	-	-	-	-	(19,631)
Balance at June 30, 2022	1,102,001	1,815,680	(770,699)	2,146,982	646,980	2,038,026
Balance at January 1, 2021	1,102,001	1,814,000	(463,261)	2,452,740	-	2,349,646
Total comprehensive income for the period	-	76,943	(360,240)	(283,297)	-	(277,837)
Dividends	-	-	-	-	-	(9,208)
Balance at June 30, 2021	1,102,001	1,890,943	(823,501)	2,169,443	-	2,062,601
At January 1, 2021	1,102,001	1,814,000	(463,261)	2,452,740	-	2,349,646
Loss for the year	-	-	(363,286)	(363,286)	-	(352,238)
Other comprehensive income for the year	-	37,250	-	37,250	-	37,789
Issue of convertible bonds, net of transaction costs	-	-	-	-	646,980	-
Changes in percentage holding of subsidiary	-	-	(19,795)	(19,795)	-	19,795
Interest on convertible bonds	-	-	(4,908)	(4,908)	-	(4,899)
Dividends	-	-	-	-	-	(43,286)
At December 31, 2021	1,102,001	1,851,250	(851,250)	2,102,001	646,980	2,006,807
GEOGRAPHICAL INFORMATION						
THE GROUP - (MUR'000)	6 months to Jun-22			6 months to Jun-21		
	Mauritius	Maldives	Total	Mauritius	Maldives	Total
Revenue	1,317,730	1,177,334	2,495,064	114,039	586,977	701,016
Operating profit/(loss)	246,949	176,417	423,366	(294,320)	(86,385)	(380,705)