

CONSTANCE HOTELS SERVICES LIMITED AND ITS SUBSIDIARIES

| STATEMENT OF PROFIT OR LOSS | | |
|---|-----------|-----------|
| THE GROUP - (MUR'000) | | Restated |
| | Dec 2019 | Dec 2018 |
| | Audited | Audited |
| Revenue | 3,516,913 | 3,747,479 |
| Earnings before interest, taxation, depreciation and amortisation | 984,660 | 909,189 |
| Depreciation and amortisation | (543,703) | (457,155) |
| Operating profit | 440,957 | 452,034 |
| Net impairment losses on financial assets | (88,002) | - |
| Finance costs | | |
| - on financial debt | (320,647) | (324,294) |
| - on rights of use assets | (223,346) | - |
| Share of results of associates | 92,575 | 120,757 |
| (Loss)/profit before taxation and non recurring items | (98,463) | 248,497 |
| Non recurring items | (41,863) | (14,245) |
| (Loss)/profit before taxation | (140,326) | 234,252 |
| Income tax credit/(expense) | 3,670 | (26,176) |
| (Loss)/profit for the year | (136,656) | 208,076 |
| Attributable to: | | |
| Owners of the parent | (142,296) | 193,887 |
| Non-controlling interests | 5,640 | 14,189 |
| | (136,656) | 208,076 |
| (Loss)/earnings per share (MUR) | (1.30) | 1.77 |

| STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME | | |
|--|-----------|----------|
| THE GROUP - (MUR'000) | | Restated |
| | Dec 2019 | Dec 2018 |
| | Audited | Audited |
| (Loss)/profit for the year | (136,656) | 208,076 |
| Other comprehensive income for the year | 83,094 | 249,978 |
| Total comprehensive income for the year | (53,562) | 458,054 |
| Attributable to: | | |
| Owners of the parent | (61,084) | 443,038 |
| Non-controlling interests | 7,522 | 15,016 |
| | (53,562) | 458,054 |

| STATEMENT OF FINANCIAL POSITION | | |
|-------------------------------------|------------|------------|
| THE GROUP - (MUR'000) | | Restated |
| | Dec 2019 | Dec 2018 |
| | Audited | Audited |
| Assets | | |
| Non-Current Assets | | |
| 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 | 1,393,054 | 1,419,936 |
| Total Assets | 15,517,132 | 12,463,586 |
| Equity and Liabilities | | |
| Owners' interest | 5,978,769 | 6,041,498 |
| Non-controlling interests | 10,581 | 45,330 |
| Total equity | 5,989,350 | 6,086,828 |
| 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 | 3,554,403 | 2,691,135 |
| Total Liabilities | 9,527,782 | 6,376,758 |
| Total Equity and Liabilities | 15,517,132 | 12,463,586 |
| Net Asset Value per share (MUR) | 54.52 | 55.10 |

| STATEMENT OF CASH FLOW | | |
|--|-----------|-----------|
| THE GROUP - (MUR'000) | | Restated |
| | Dec 2019 | Dec 2018 |
| | Audited | Audited |
| Net cash generated from operating activities | 658,414 | 321,446 |
| Net cash used in investing activities | (409,043) | (164,957) |
| Net cash used in financing activities | (196,652) | (185,626) |
| Net increase/(decrease) in cash and cash equivalents | 52,719 | (29,137) |
| Cash and cash equivalents at beginning of the year | (433,990) | (404,853) |
| Cash and cash equivalents at end of the year | (381,271) | (433,990) |

| 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 | Non-controlling interests | Total equity |
| Balance at January 1, 2019 | | | | | | |
| - As previously reported | 2,153,395 | 3,266,313 | 673,425 | 6,093,133 | 45,330 | 6,138,463 |
| - Prior year adjustment | - | - | (51,635) | (51,635) | - | (51,635) |
| - Effect of adopting IFRS 16 | - | - | (1,645) | (1,645) | - | (1,645) |
| - As restated | 2,153,395 | 3,266,313 | 620,145 | 6,039,853 | 45,330 | 6,085,183 |
| (Loss)/profit for the year | - | - | (142,296) | (142,296) | 5,640 | (136,656) |
| Other comprehensive income for the year | - | 81,212 | - | 81,212 | 1,882 | 83,094 |
| Dividends | - | - | - | - | (42,271) | (42,271) |
| Balance at December 31, 2019 | 2,153,395 | 3,347,525 | 477,849 | 5,978,769 | 10,581 | 5,989,350 |

| | | | | | | |
|---|-----------|-----------|----------|-----------|----------|-----------|
| Balance at January 1, 2018 | | | | | | |
| - As previously reported | 2,153,395 | 3,017,162 | 528,938 | 5,699,495 | 64,734 | 5,764,229 |
| - Prior year adjustment | - | - | (46,208) | (46,208) | - | (46,208) |
| - As restated | 2,153,395 | 3,017,162 | 482,730 | 5,653,287 | 64,734 | 5,718,021 |
| Profit for the year - restated | - | - | 193,887 | 193,887 | 14,189 | 208,076 |
| Other comprehensive income for the year | - | 249,151 | - | 249,151 | 827 | 249,978 |
| Dividends | - | - | (54,827) | (54,827) | (34,420) | (89,247) |
| Balance at December 31, 2018 | 2,153,395 | 3,266,313 | 621,790 | 6,041,498 | 45,330 | 6,086,828 |

| 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 |

1 Consolidation and Accounting Standards

The abridged financial statements for the year ended 31 December 2019 are audited by BDO & Co. The financial statements comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards effective for the year under review.

2 General Comments

In 2019, with the exception of Mauritius, which experienced a marginal decrease, the Maldives and Seychelles saw growth, in tourist arrivals.

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).

3 Results

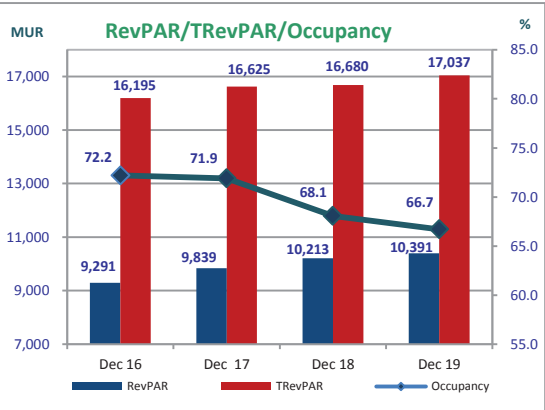
Occupancy for all hotels, owned and managed, was 67% (2018: 68%) with an improved RevPAR of MUR 10,391 (2018: MUR 10,217) and TrevPAR of MUR 17,037 (2018: MUR 16,680).

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 985 million compared to MUR 909 million in 2018. Depreciation and finance cost figures were also impacted with the new standard on leases.

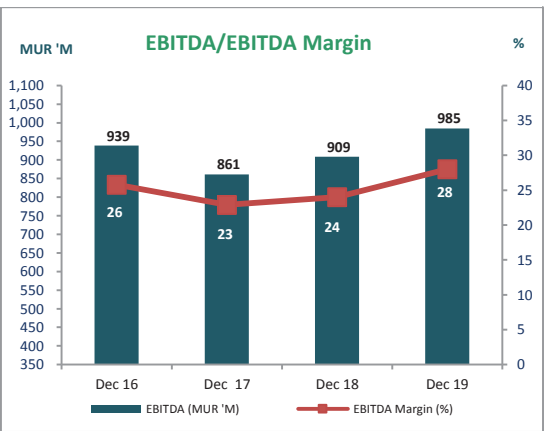
As a result of the appreciable performance from our Seychelles and Madagascar operations, the Group posted a share of results from associated companies of MUR 93 million.

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 140 million. Loss for the year was MUR 137 million (2018 restated: MUR 208 million).

Operational performance of all hotels owned and managed for the year ended 31st Dec



EBITDA/EBITDA margin for year ended 31st Dec



4 COVID-19

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, our hotels operations were forced to cease for an indefinite period thus creating significant disruption to our business and posing a major crisis with evolving challenges.

The focus in our 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 our guests and employees whilst at the same time protecting our 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, we obtained the deferral of loans interest servicing and capital repayments from our bankers.

5 Outlook

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.

By order of the Board

La Gaieté Services Ltd
Secretary
30 June 2020

The statement of direct and indirect interests of officers 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 18 and Securities Act 2005. The Board of Constance Hotels Services Limited accepts full responsibility for the accuracy of these financial statements. Copies of this abridged audited financial statements are available to the public free of charge at 5th floor, Labama House, 35 Sir William Newton Street, Port Louis, Mauritius.

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