

CONSTANCE HOTELS SERVICES LIMITED AND ITS SUBSIDIARIES

THE GROUP - (MUR'000)	STATEMENT OF PROFIT OR LOSS				
	6 months to		3 months to		12 months to
	Jun-23 Unaudited	Jun-22 Unaudited	Jun-23 Unaudited	Jun-22 Unaudited	Dec-22 Audited
Revenue	2,969,064	2,495,064	1,177,919	1,050,173	5,091,004
Earnings before interest, taxation, depreciation and amortisation	954,192	739,846	175,296	147,560	1,524,726
Allowance charged on expected credit losses on trade receivables	-	-	3,611	3,770	(22,732)
Depreciation and amortisation	(327,217)	(315,105)	(164,434)	(156,533)	(638,064)
Operating profit/(loss)	626,975	424,741	14,473	(5,203)	863,930
Finance income	13,409	4,998	6,594	1,104	14,610
Finance costs	(377,089)	(295,374)	(189,964)	(142,013)	(640,205)
Loss on deemed disposal of investment in associates	(12,075)	-	(12,075)	-	-
Share of results of associates	90,962	64,624	13,390	3,752	150,616
Profit/(loss) before taxation	342,182	198,989	(167,582)	(142,360)	388,951
Income tax expense	(45,407)	(20,846)	(8,449)	(6,275)	(141,539)
Profit/(loss) for the period	296,775	178,143	(176,031)	(148,635)	247,412
Attributable to:					
Owners of the parent	278,632	172,076	(181,916)	(149,017)	224,728
Non-controlling interests	18,143	6,067	5,885	382	22,684
	296,775	178,143	(176,031)	(148,635)	247,412
Earnings/(loss) per share (MUR)	2.54	1.57	(1.66)	(1.36)	2.05

COMMENTS

1 Consolidation and Accounting Standards

The abridged financial statements for the quarter and half year ended 30 June 2023 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 2022.

2 General Comments

The growth of tourist arrivals for the second quarter 2023 followed that of the first quarter in all of our main destinations, allowing Mauritius and Seychelles to close the gap with 2019 arrivals. Thus, the second quarter 2023 saw growth of 30.6%, 8.9% and 7.4% for Mauritius, Maldives and Seychelles respectively when compared to that of 2022.

TOURIST ARRIVALS

JAN - JUN	2023	2022	2023 vs 2022	2019	2023 VS 2019
MAURITIUS	596,466	381,931	56.17%	656,082	-9.09%
MALDIVES	929,607	813,219	14.31%	862,589	7.77%
SEYCHELLES	172,045	156,287	10.08%	187,108	-8.05%

3 Results

The performance for the semester of 2023 was good overall. The combined Owned and Managed hotels' occupancy reached 79.9 % (June 2022: 70.5%) with an improved RevPAR and TRevPAR of MUR 14,909 (June 2022: MUR 12,412) and MUR 24,534 (June 2022: MUR 21,193) respectively.

Group revenue totalled MUR 2,969 million (June 2022: MUR 2,495 million) generating an improved EBITDA of MUR 954 million (June 2022: MUR 740 million), resulting from high occupancies in Mauritius mainly and favourable exchange rates.

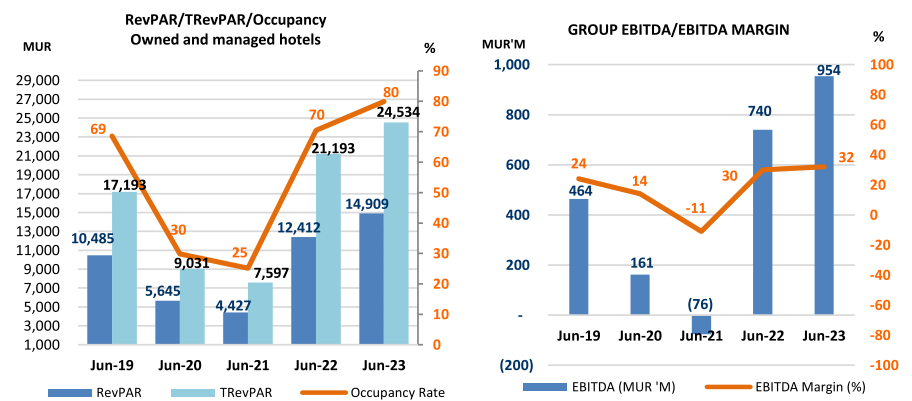
Despite a significant drop in our borrowings from MUR 5.7 billion to MUR 4.7 billion since June 2022, finance costs for the period remained higher than last year's first semester, at MUR 377 million (June 2022: MUR 295 million) as a result of the successive interest rate hike decisions since June 2022.

Share of profit from associates, arising mainly from positive contributions from our operations in the Seychelles and Madagascar, amounted to MUR 91 million (June 2022: MUR 65 million). The net effect is nevertheless reduced by MUR 12 million following the deemed disposal of an investment in associates.

After accounting for taxation of MUR 45 million (June 2022: MUR 21 million), the Group profit for the first semester 2023 was MUR 297 million (June 2022: MUR 178 million).

THE GROUP - (MUR'000)	STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME				
	6 months to		3 months to		12 months to
	Jun-23 Unaudited	Jun-22 Unaudited	Jun-23 Unaudited	Jun-22 Unaudited	Dec-22 Audited
Profit/(loss) for the period	296,775	178,143	(176,031)	(148,635)	247,412
Other comprehensive income for the period	169,376	(69,354)	(21,775)	(106,113)	121,423
Total comprehensive income for the period	466,151	108,789	(197,806)	(254,748)	368,835
Attributable to:					
Owners of the parent	447,789	102,333	(202,745)	(255,074)	345,961
Non-controlling interests	18,362	6,456	4,939	326	22,874
	466,151	108,789	(197,806)	(254,748)	368,835

THE GROUP - (MUR'000)	STATEMENT OF FINANCIAL POSITION			
	Jun-23 Unaudited	Jun-22 Unaudited	Dec-22 Audited	
	Assets			
Non-Current Assets				
Property, plant and equipment	8,314,754	8,164,728	8,314,067	
Rights-of-use assets	4,252,854	4,266,525	4,146,020	
Intangible assets	6,568	6,531	8,184	
Investments in associates	1,936,573	2,006,481	2,099,623	
Deferred tax assets	97,657	113,002	97,629	
Current Assets				
Total Assets	16,156,003	15,882,989	16,410,652	
Equity and Liabilities				
Owners' interest	4,887,802	4,226,902	4,457,487	
Convertible bonds	961,715	646,980	961,715	
Non-controlling interests	(34,292)	(33,157)	(32,630)	
Total equity	5,815,225	4,840,725	5,386,572	
Non-Current Liabilities				
Borrowings	4,152,723	5,421,026	4,922,619	
Lease liabilities	4,148,808	4,015,988	4,014,561	
Deferred tax liabilities	95,016	23,789	92,418	
Employee benefit liabilities	507,756	390,826	507,757	
Current Liabilities	8,904,303	9,851,629	9,537,355	
Total Liabilities	10,340,778	11,042,264	11,024,080	
Total Equity and Liabilities	16,156,003	15,882,989	16,410,652	
Net Asset Value per share (MUR)	44.58	38.55	40.65	



4 Outlook

Tourism continues to face some challenges due to geopolitical tensions, high worldwide inflation and increase in interest rates.

Nonetheless, tourist arrivals continue to grow further and we foresee a strong year for our hotels in Mauritius, Seychelles and Madagascar. Our performance in the Maldives will remain subdued as fierce competition and slow recovery of the Asian source market have an impact on occupancy. With bookings in hand for the rest of 2023 and provided that there is no deterioration in the economic conditions, we should post good results for the year 2023.

By order of the Board

**ECS Secretaries Ltd
Secretary**

14 August 2023

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 Constance Hotels Services 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 3rd floor, Labama House, 35 Sir William Newton Street, Port Louis, Mauritius.

THE GROUP - (MUR'000)	STATEMENT OF CASH FLOW			
	6 months to		12 months to	
	Jun-23 Unaudited	Jun-22 Unaudited	Dec-22 Audited	
Net cash generated from operating activities	545,233	501,410	1,290,055	
Net cash generated from/(used in) investing activities	360,053	(42,060)	(199,263)	
Net cash used in financing activities	(1,180,358)	(135,045)	(509,930)	
(Decrease)/increase in cash and cash equivalents	(275,072)	324,305	580,862	
Foreign exchange difference	32,123	12,137	4,488	
Cash and cash equivalents at beginning of the period	343,547	(241,803)	(241,803)	
Cash and cash equivalents at end of the period	100,598	94,639	343,547	

THE GROUP - (MUR'000)	STATEMENT OF CHANGES IN EQUITY						
	Attributable to owners of the parent						Total
	Stated capital	Other reserves	Retained earnings	Owners' interest	Convertible bonds	Non-controlling interests	
Balance at January 1, 2023	2,153,395	3,799,499	(1,495,407)	4,457,487	961,715	(32,630)	5,386,572
Total comprehensive income for the period	-	168,309	278,632	446,941	-	19,210	466,151
Interest on convertible bonds	-	-	(16,626)	(16,626)	-	(430)	(17,056)
Dividends	-	-	-	-	-	(20,442)	(20,442)
Balance at June 30, 2023	2,153,395	3,967,808	(1,233,401)	4,887,802	961,715	(34,292)	5,815,225
Balance at January 1, 2022	2,153,395	3,678,266	(1,695,794)	4,135,867	646,980	(19,767)	4,763,080
Total comprehensive income for the period	-	(69,743)	172,076	102,333	-	6,456	108,789
Interest on convertible bonds	-	-	(11,298)	(11,298)	-	(215)	(11,513)
Dividends	-	-	-	-	-	(19,631)	(19,631)
Balance at June 30, 2022	2,153,395	3,608,523	(1,535,016)	4,226,902	646,980	(33,157)	4,840,725
Balance at January 1, 2022	2,153,395	3,678,266	(1,695,794)	4,135,867	646,980	(19,767)	4,763,080
Profit for the year	-	-	224,728	224,728	-	22,684	247,412
Other comprehensive income for the year	-	121,233	-	121,233	-	190	121,423
Issue of convertible bonds, net of transaction costs	-	-	-	-	314,735	-	314,735
Interest on convertible bonds	-	-	(24,341)	(24,341)	-	(495)	(24,836)
Dividends	-	-	-	-	-	(35,242)	(35,242)
Balance at December 31, 2022	2,153,395	3,799,499	(1,495,407)	4,457,487	961,715	(32,630)	5,386,572

THE GROUP - (MUR'000)	GEOGRAPHICAL INFORMATION					
	6 months to Jun-23			6 months to Jun-22		
	Mauritius	Maldives	Total	Mauritius	Maldives	Total
Revenue	1,779,829	1,189,235	2,969,064	1,317,730	1,177,334	2,495,064
Operating profit	473,203	153,772	626,975	248,324	176,417	424,741