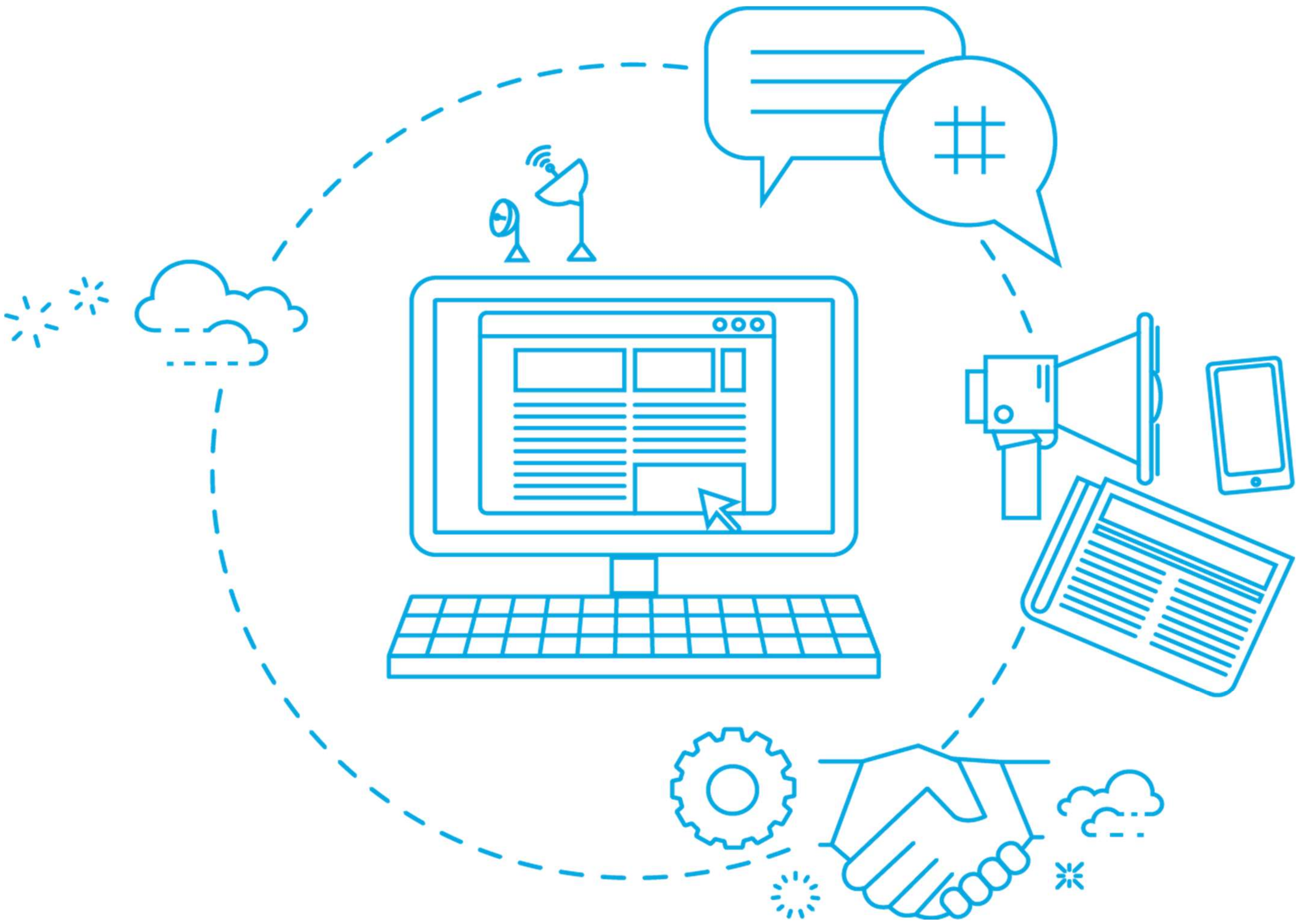


CAVELL TOURISTIC INVESTMENTS LTD

Business Plan

CONTENTS

DISCLAIMER

The information contained in this Business Plan will require examination and verification from the recipients (the “Recipients”). Persons or institutions intending to invest in Cavell Touristic Investments Ltd (“CTIL” or the “Company”) should not solely rely on the Business Plan when taking a decision; in this respect, we make no representations as to the completeness of the contents in this document.

We provide no guarantees with respect to any profits made in relation to an investment in the Company; nor do we make any representations as to the legal, tax and accounting aspects associated with any transaction involving the Company.

The Business Plan is not to be construed as an invitation to make any investments whatsoever in relation to the Company.

We do not undertake to provide any information in addition to the contents of the Business Plan, except those expressly made available by us in connection with the communication of the Business Plan to the Recipients.

The Business Plan has been prepared with the information available as at a point in time, which normally coincides with the date of issue or earlier dates, where expressly stated. We have neither updated the information in line with circumstances occurring beyond those dates, nor do we undertake to revise them at any point in the future.

The forecast information in the Business Plan, normally indicated by words like “expected”, “anticipated”, “estimated” or relating to statement containing words like “may”, “believe” or “will” or any words having similar connotations or meanings of the kind stated, have been assessed in terms of their reasonableness but we, accordingly make no representations whatsoever, as to their ultimate attainability. New or unforeseeable circumstances may arise that cause the actual and realised information to significantly deviate from the forecast information.

The information contained in the Business Plan are strictly confidential information and prepared in the context of the listing application before the DEM and should not be used for any other purpose, other than for which it has been communicated to the Recipients.

While the Company considers that the contents in this Business Plan is accurate, the Company shall not be held liable for the inaccuracy or omissions of any information in the Business Plan, nor any reliance place by any person on the contents.

The Listing Executive Committee of the SEM makes no representation as to the accuracy or completeness of any of the statements made or opinions expressed in this document and expressly disclaim any liability whatsoever for any loss arising from or in reliance upon the whole or any part thereof.

GLOSSARY

Term	Definition / Meaning
Associates	This term is used to collectively refer to Attitude Hospitality Management Ltd, Water Sports Village Limited and Zilwa Resort Ltd.
AHML	Attitude Hospitality Management Ltd
Attitude Partner	Attitude Hospitality Ltd, the fellow shareholder of the Associates with operational expertise of the hospitality sector.
Board	The Board of directors of Cavell Touristic Investments Ltd
Business Plan	The document submitted to the Stock Exchange of Mauritius, pursuant to the Guidance Note 2 of the Listing Rules 2008 as amended, in the context of an application for listing of Cavell Touristic Investments Ltd.
Company or CTIL	Cavell Touristic Investments Ltd
DEM	Development and Enterprise Market of the Stock Exchange of Mauritius
EBITDA	Earnings before interest, tax, depreciation and amortisation.
FY	Financial year or financial period (as appropriate) to June
HM	Harel Mallac & Co. Ltd
Hotels	The hotels managed by AHML.
KPI	Key performance indicator(s)
Listing	The proposed admission to listing of 11,259,388 ordinary shares of no par value of Cavell Touristic Investments Ltd by way of introduction on the Development and Enterprise Market
MTPA	Mauritius Tourism Promotion Authority
MUR	Mauritian Rupees
MUR' 000	Figures presented in thousands of Mauritian Rupees
Restructuring	The carve-out of the investments in the Associates from HM through (i) the transfer of the investments in the Associates from HM to CTIL and (ii) the distribution of the CTIL shares held by HM to HM shareholders by way of the Special Dividend.
Special Dividend	The dividend in specie of one ordinary share of no par value of CTIL for every ordinary share of HM to the shareholders of HM registered at 27 April 2023
SEM	Stock Exchange of Mauritius Ltd
Terra	Terra Mauricia Ltd
UNWTO	World Tourism Organisation, a UN Specialized Agency
WSVL	Water Sports Village Limited
ZRL	Zilwa Resort Ltd

EXECUTIVE SUMMARY

The board ("We" or "us" or the "Board") of Cavell Touristic Investments Ltd ("CTIL" or the "Company") is pleased to present a business plan (the "Business Plan") for the Company in the context of its listing on the Development and Enterprise Market (the "DEM") of the Stock Exchange of Mauritius Ltd (the "SEM").

On 13 March 2023, the Board of Harel Mallac & Co. Ltd ("HM"), the sole shareholder of CTIL, decided to proceed with a restructuring of its activities though the carve-out of its investments in Attitude Hospitality Management Ltd ("AHML"), Water Sports Village Limited ("WSVL") and Zilwa Resort Ltd ("ZRL") (together the "Associates") (the "Restructuring").

The investments in the Associates were transferred on 15 May 2023 to CTIL for MUR 447.92m which CTIL settled by issuing shares to its sole shareholder, HM, worth MUR 410.98 million and drawing down MUR 36.94 million from the shareholder loan facility available to settle the unfunded consideration owed to HM.

The Associates of CTIL operate in the hospitality sector as hotel owners and operators. They own and/or manage several hotels with an established track-record in Mauritius.

The majority of the hotels managed by AHML trade under the Attitude brand, which is a reference in the Mauritian tourism industry, and AHML targets a large segment of the market from 3-star to 5-star. In addition to the 'asset-light' AHML management company, the investment portfolio of CTIL also includes two hotel properties owned by the Associates, namely Paradise Cove Boutique Hotel by WSVL and Zilwa Attitude by ZRL.

The key objectives of the Restructuring are to:

- remunerate shareholders;
- unlock value for shareholders by enabling CTIL to independently focus on its own core business performance and creating better visibility and liquidity of the underlying Associates for the shareholders to hold and trade depending on their risk and reward profiles;
- offer supportive shareholders the opportunity to invest in future projects that may be approved by the respective Associates by facilitating access to additional capital if required by the Company in the future. Currently, there are no projects identified which would lead the Board to anticipate capital raising over the short to medium term; and
- generate attractive returns from projects that offer sustainable growth potential while adhering to ethical and responsible investment practices.

In this respect, the Company aspires to be a long-term investor in the hospitality industry to create value for its stakeholders by tapping into the promising performance of the sector in Mauritius.

This Business Plan outlines the business model and strategy of CTIL. Based on our analysis of the Mauritian tourism industry, we have indicated the strengths, weaknesses, opportunities and threats relevant to the Company.

The business model of CTIL as an investment-holding company is primarily to earn dividend income and on a secondary note, identifying potential opportunities for capital growth to generate added shareholder value.

As a minority shareholder, CTIL will both be bound by and benefit from the strategic decisions of the management and controlling shareholders of the Associates. Note that CTIL will have representation on the board of the Associates and hence the Company will be in a position to put the experience and expertise of its network to the service of the Associates through participative decision-making in line with the wishes of its fellow investors.

International tourism is expected to pick up after being nearly two years at a standstill (*UNWTO, 2022*). In 2022, tourist arrivals in Mauritius recovered, reaching 72% of its pre-pandemic level. Going forward, the Mauritian authorities are confident the industry will grow but forecasts are subject to change given uncertainties surrounding the global tourism industry, including ongoing geopolitical tensions and economic as well as sanitary conditions.

The tourism sector, which is a key pillar of the Mauritian economy, has stood the test of time given the established position of Mauritius as a competitive travel destination.

In sections 7 and 9 of this Business Plan, we set out the financial forecasts of CTIL based on the expected performance of the Associates, key assumptions and accounting policies. In summary, the financial forecasts boast a positive outlook of its underlying investments over the coming years.

Approved by the Board of CTIL on 31 October 2023 and signed on its behalf by

Christian Yong Kiang Young
Director

Henri Harel
Director

1. Overview of Cavell Touristic Investments Ltd and the Associates

Cavell Touristic Investments Ltd (the "Company" or "CTIL") is a newly set-up wholly-owned subsidiary of Harel Mallac & Co. Ltd ("HM").

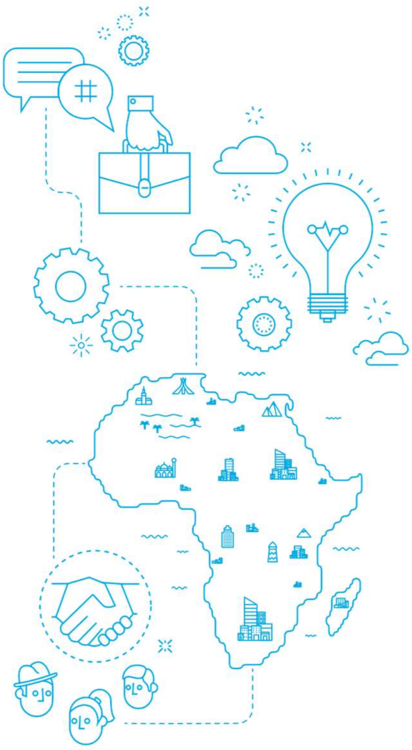
1.1 Historical milestones of Cavell Touristic Investments Ltd

CTIL was incorporated in accordance with the Cautionary Announcement issued on 13 March 2023 by its parent whereby:

- The board of directors of HM announced its decision to proceed with a restructuring of its activities through the carve-out of its investments in AHML (20.08% ownership interest), WSVL (24.50% ownership interest) and ZRL (24.00% ownership interest) (collectively referred to as the "Associates") and transfer its investments in the Associates to CTIL.
- The board of directors of HM declared a dividend in specie of one ordinary share of no-par value of CTIL for every ordinary share of HM to the shareholders registered in the books of HM as at close of business on 27 April 2023, subject to and conditional on the approval of shareholders, the regulatory approval for the listing of the shares of CTIL on the DEM and compliance with any relevant legislation.

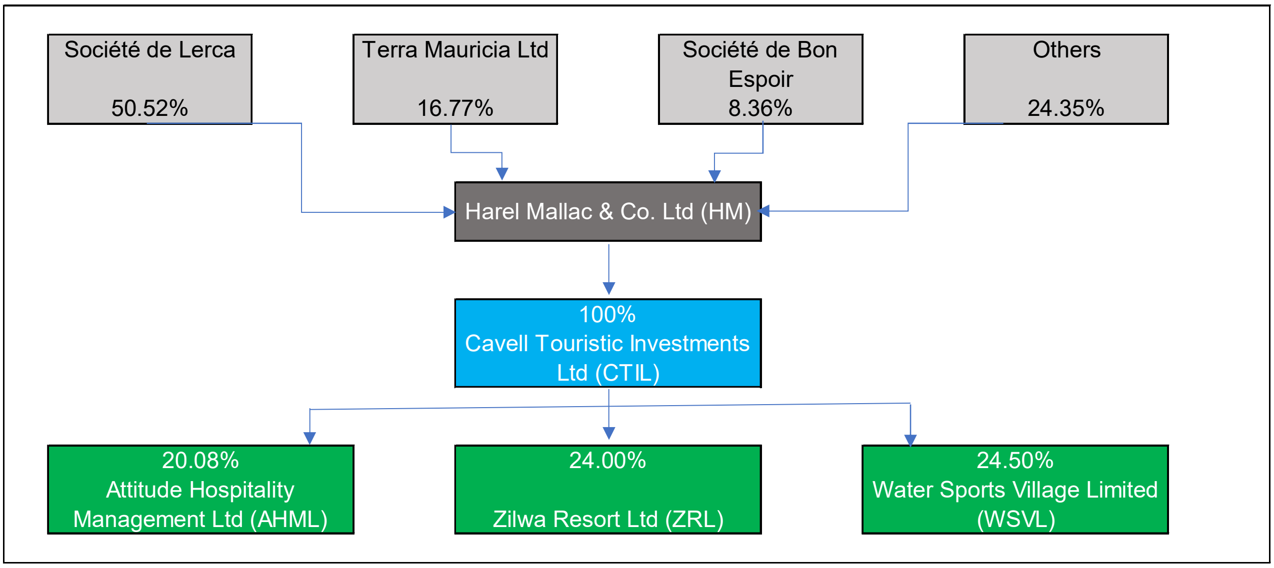
As part of the Restructuring,

- On 15 March 2023, HM incorporated CTIL as its wholly-owned subsidiary to act as an investment-holding company of the Associates with 1 ordinary share of no-par value;
- On 25 April 2023, the shareholders of HM approved the Special Dividend;
- On 15 May 2023, HM transferred the investments in Associates to its wholly-owned subsidiary, CTIL for MUR 447.92 million, being the fair value recorded in the books of HM as at 27 March 2023.
- On the same date and as consideration for receiving the investments in Associates, CTIL, a wholly-owned subsidiary of HM, issued 11,259,387 ordinary shares to HM for MUR 410.98 million and drew down MUR 36.94 million from the shareholder loan facility available to settle the unfunded consideration payable to HM.

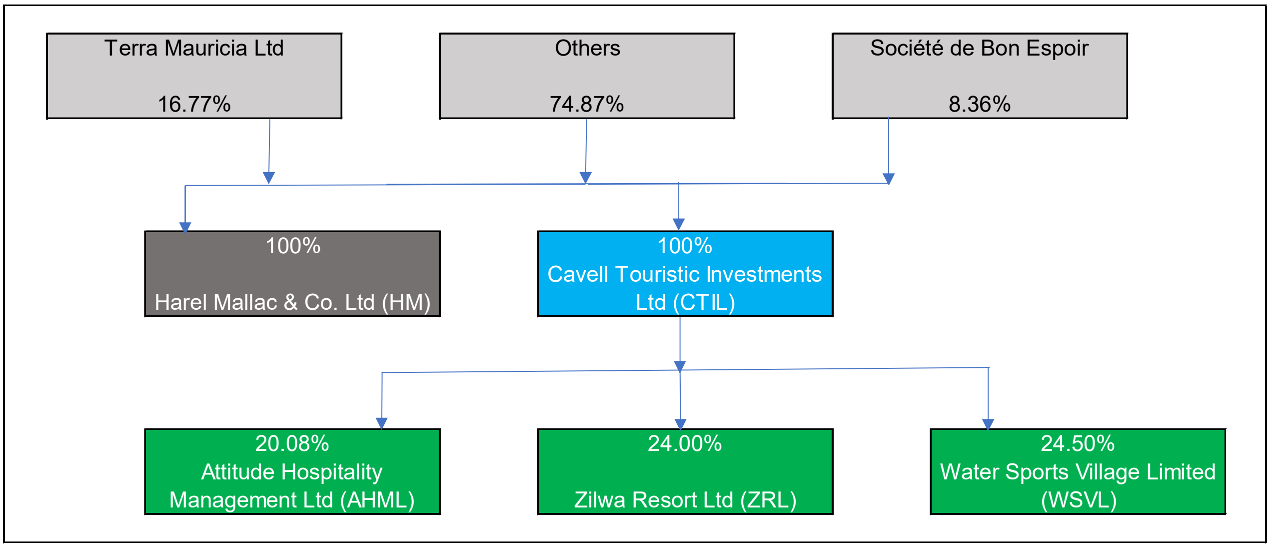


1.2 Corporate structure of Cavell Touristic Investments Ltd

Pre-listing (at 31 July 2023) group structure



Post-listing (first day of trading) group structure



The sociétaires of Société de Lerca (the "Lerca Sociétaires") hold usufructs rights with regards to the HM shares that Société de Lerca holds. The Lerca Sociétaires will therefore receive the CTIL shares as part of the Special Dividend. As each Lerca Sociétaire is entitled to receive less than 5% stake, they have been regrouped under 'Others' holding 74.87% as illustrated above.

We understand from the Lerca Sociétaires that the CTIL shares will be subsequently distributed to their respective sociétaires, being Terra Mauricia Ltd, Société Libra and Management Enterprise Ltd. Accordingly, as substantial shareholders, Terra Mauricia Ltd will be expected to eventually hold circa 40.34% while Société Libra should hold about 26.82% of the outstanding CTIL shares.

The corporate details of CTIL are outlined below.

Details of Cavell Touristic Investments Ltd ("CTIL")

- Incorporated under the laws of the Republic of Mauritius on 15 March 2023
- Business Registration Number (BRN): C23195524
- Nature of business activities: activities of holding / management / investment (with or without management)

Directors

- Aumeerally Feriel Jabeen
- Harel Marie Donald Henri
- Maigrot Nicolas Marie Edouard
- Giraud Gerard Joseph Daniel
- Levigne Anne Christine Marie
- Yong Kiang Young Christian Pierre

- Koenig Louis Denis (alternate to Henri Harel and Nicolas Maigrot)

Shareholders

- Pre-listing: Harel Mallac & Co. Ltd
- Post-listing: shareholders of Harel Mallac & Co. Ltd (on first day of trading) and/or investors in general (subsequently)

1.3 Directors of Cavell Touristic Investments Ltd

Being an investment-holding company with no operations, CTIL will favour outsourcing its administrative requirements and hence does not intend to have any employees but will rely rather on the experience of its directors to manage the company.

On 30 June 2023, CTIL entered into a personnel recharge agreement with HM and Terra Mauricia Ltd for the secondment of Christian Yong Kiang Young as Chief Executive Officer and Henri Harel as Deputy Chief Executive Officer respectively to ensure a swift decision-making process for operational matters which do not require Board and/or shareholder approval.

Prior to the first day of trading, Daniel Giraud, Anne Christine Levigne and Christian Yong Kiang Young, being representatives of HM, will resign from their directorships as the shares of CTIL will no longer be held by HM. The Board will ensure that the provisions of the CTIL constitution with regards to the minimum number of directors are complied with by electing new directors to fill in the vacancies on the Board.

The profiles of the current Board are outlined below.

Feriel Jabeen Aumeerally

Feriel Aumeerally is a Fellow Chartered Accountant from the Institute of Chartered Accountants in England and Wales. She holds a BSc (Hons) in Economics from the London School of Economics and Political Science, UK, a Master’s degree in International Business from the University of Melbourne, Australia and a Post Graduate Diploma in Applied Finance from Macquarie University, Sydney, Australia.

Feriel Aumeerally’s experience has been in Transaction Advisory with PwC Mauritius. In 2000, she relocated to Australia for 10 years and joined the Projects and Structured Finance Team for a Central Borrowing Authority in Victoria, Melbourne working on major infrastructure projects. Later as a Senior Investment Analyst, she specialised in Infrastructure Funds. In 2011, Feriel Aumeerally joined SBM as the head of Project Finance. In 2014, she joined Harel Mallac as the Group Head of Project and Strategy.

From 2016, Feriel Aumeerally was an Independent and Non-Executive Director (INED) on the Board of Absa Bank (Mauritius) Ltd and also chaired the Risk Committee. She was until September 2023 on the board of five entities within the Apex Group which operates in the Global Sector and is currently on the board of four SEM-listed entities managed by the MCB Capital Markets Ltd: CM Diversified Credit Ltd, CM Structured Products (1) Ltd, CM Structured Products (2) Ltd and MCB Structured Solutions as well as Compagnie Immobilière Ltée, a DEM-quoted entity within the Currimjee Group.

She is a member of the Audit Review Practice Panel for the Financial Reporting Council and a member of the Audit Committee Forum jointly run by KPMG and the MIOD.

Gerard Joseph Daniel Giraud G.O.S.K.

Daniel Giraud G.O.S.K. holds a Master’s degree in Management Sciences from Université Paris Dauphine. He spent 23 years in the textile industry as CEO of the Floréal Group (CIEL Textiles), the largest textile manufacturer, before joining Médine Limited as Chief Executive Officer in 2002. He sat on the Board of Médine Limited and EUDCOS and their subsidiaries from 2003 until his retirement from Médine Limited in 2017. He was appointed to the Board of Harel Mallac & Co. Ltd on 27 June 2018.

Marie Donald Henri Harel

Henri Harel is an Associate of the Chartered Institute of Secretaries and Administrators (South Africa) and first worked in South Africa as an auditor with De Ravel, Boulle, Saad & Wyman (Chartered Accountants). He then occupied the post of Internal Auditor with Toyota S.A. Manufacturing and that of Financial Accountant at Amalgamated Beverage Industries Ltd (Coca-Cola).

Upon his return to Mauritius in 1991, he worked for Société de Gérance de Mon Loisir as Financial Controller until 1996, when he joined Harel Frères Limited in a similar capacity. He has also been the Chairman of the Sugar Industry Pension Fund and of its Finance and Investment Committee.

He was appointed to the Board of Terra Mauricia Ltd in 1996 and is at present the Group Chief Finance Officer at Terra and a member of Terra's Executive Committee. He is also a director in three other listed companies: Swan General Ltd, Swan Life Ltd and United Investments Ltd.

Anne Christine Marie Levigne C.S.K.

Anne Christine Levigne C.S.K. holds a Diplôme de l'Institut d'Etudes Politiques de Paris/Sciences Po, a Licence en Droit from Assas University and a Licence en Littérature Anglaise from Université de Nanterre. She was from 1976 to 1981, the Managing Director/Designer of Mistra, an international company based in Paris operating in the design industry. She has been the Managing Director of Caleage Ltd - Hemisphere Sud since 1981. Anne Christine Levigne C.S.K. was appointed to the Board of Directors of Harel Mallac & Co. Ltd in May 2011.

Nicolas Marie Edouard Maigrot

Nicolas Maigrot holds a BSc degree in Management Sciences from the London School of Economics and Political Science, UK and is since 2016 the Managing Director of Terra Mauricia Ltd. He previously occupied the position of Executive Director at Floréal Knitwear Ltd. as well as Chief Executive Officer at CIEL Textile Ltd (knits and knitwear cluster) and IBL Group.

He is also the chairman in two other listed companies: Swan General Ltd and Swan Life Ltd and also hold directorships in United Investments Ltd and United Docks Ltd.

Christian Pierre Yong Kiang Young

Christian Yong Kiang Young is a Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW) and holds a BSc (Hons) degree in Economics from the London School of Economics and Political Science, UK. He was at MoneyGram from September 2009 to September 2015, with the last posting being Director - International Accounting & Reporting, and at KPMG from September 2002 until his last working day as Audit Manager in July 2009.

In October 2015, he joined Harel Mallac & Co. Ltd as Group Financial Controller and accepted the challenge of managing the Group's projects and investments portfolio in August 2016.

Louis Denis Koenig (alternate to Henri Harel and Nicolas Maigrot)

Louis Denis Koenig holds a Maîtrise ès Sciences Economiques (Economie d'Entreprise) and a Diplôme d'Etudes Supérieures Spécialisées in Finance from CETFI (France). He is also a Fellow of the Mauritius Institute of Directors and is currently the Managing Director of Terra Services Ltd, Company Secretary. He was previously a statistician at the Anglo-Mauritius Assurance Society before moving to Terra in 1990.

2. Overview of the Associates of Cavell Touristic Investments Ltd

The Associates are incorporated under the laws of Mauritius as per the details below.

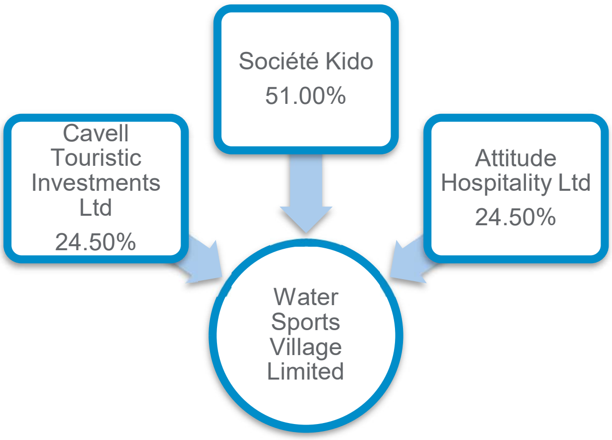
AHML – Attitude Hospitality Management Ltd
BRN: C08080852
Date of incorporation: 2 June 2008

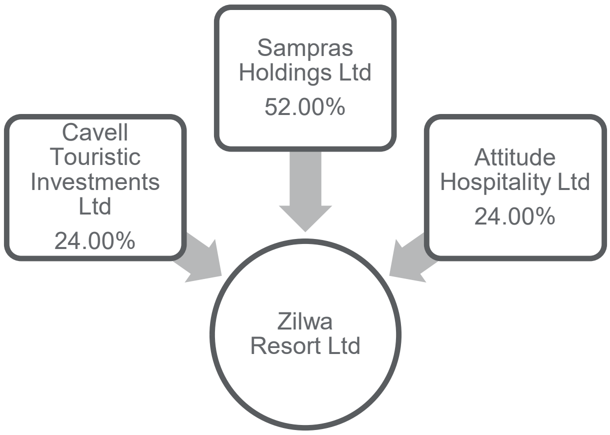
WSVL – Water Sports Village Limited
BRN: C07006058
Date of incorporation: 15 May 1987

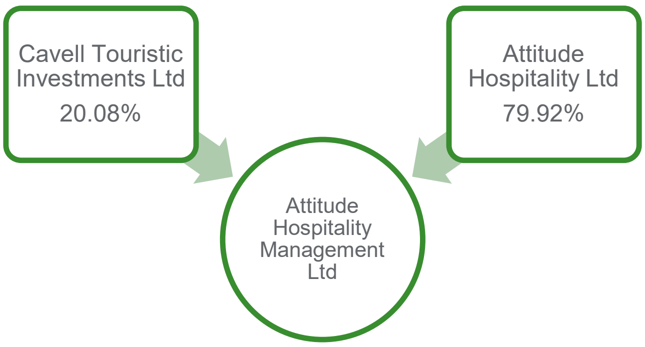
ZRL – Zilwa Resort Ltd
BRN: C10005978
Date of incorporation: 8 April 1987

WSVL and ZRL own valuable tangible assets and thus provide exposure to 'hard' hotel property assets while AHML is an asset-light management business model in CTIL's diversified hospitality portfolio.

Besides CTIL, the identity of the other shareholders of the Associates and their ownership interests are outlined below.







Source: MNS Portal, available at https://onlinesearch.mns.mu/

2.1 Attitude Hospitality Management Ltd

Overview of the hotels under the management of AHML

AHML is controlled by Attitude Hospitality Ltd (79.92% ownership interest) and manages a collection of four 3-star and four 4-star eco-committed hotels with the Travelife Gold label which is an internationally recognised sustainability label for accommodation providers under the 'Attitude' brand. It also manages the 5-star Paradise Cove Boutique Hotel. The hotels are part of the Positive Impact movement, appealing to the growing segment of responsible travellers seeking both leisure and sustainable practices.

The strength of AHML as a hotel management company is its ability to service a diverse scope of tourist interests with a range of services on offer. It is able to do so through the hotels under its management and the specificities of each in terms of location, rates, guest categories (adult-only or family-friendly hotel) and facilities. For example,

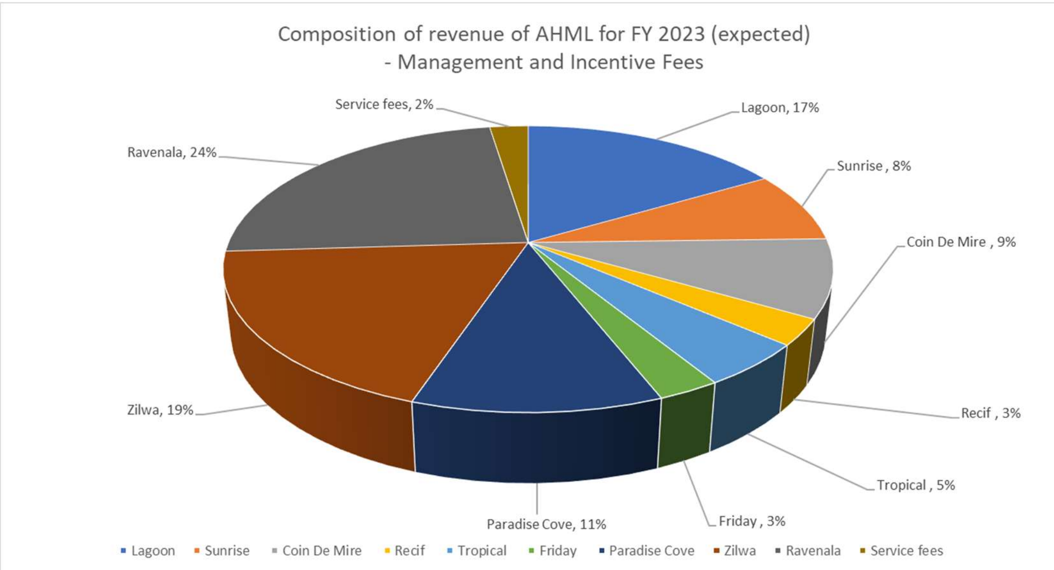
- The 3-star-plus Friday Attitude family-friendly hotel is located in the fishing village of Trou d'Eau Douce on the East coast, enabling it to offer specialised water-sports activities and sea travel, given the proximity with Ile aux Cerfs.
- The 3-star-plus Recif Attitude hotel is located near Pointe aux Piments in the Northeast and neighbours a protected marine park. It is an adults-only hotel and is specially known for the sea-diving activities it offers to its guests.
- The 4-star Ravenala Attitude hotel is located in the small village of Balaclava in the Northeast of the island, inside a large exotic garden between Riviere Citron and Turtle Bay, making it a reference in Mauritius when it comes to looking for a contemporary-style stay close to the lush vegetation. It is also known for its culinary offering with 10 diverse restaurants and it is a family-friendly environment while also offering space dedicated to adults-only.

According to industry observers, 3-star and 4-star hotels have been the mainstay of the tourism industry during the post-pandemic period, driving the recovery of the tourism sector offering the right balance between affordability and quality and the Attitude Hotels have similarly known high level of occupancy around the 80% threshold.

Revenue from management contracts

As a hotel-management company, the revenue streams of AHML relate mainly to management fees derived from a percentage of the gross revenues of the hotels under its management as well as a profitability-related incentive fee from same hotels. In addition, AHML also derives service fees from additional services (e.g., training) offered to hotel staff and other associated companies.

The proportion of the FY 2023 revenues (forecast) derived by AHML can be analysed as follows:



Source: *Financial forecasts prepared by AHML*

Thus, the revenue-earning capacity of AHML is dependent on the underlying performance of the operations as well as the terms and conditions agreed in the contractual agreements between AHML and the hotel operations.

The management contracts are usually renewed after each period of 10 years with 12 months' notice. The expiry date of the management contracts with both ZRL and WSVL is now aligned on 30 June 2028. There is no expected change in the management contracts that is likely to affect revenue of AHML over the forecast period covered in this Business Plan.

Financial forecasts of AHML

Based on the expected performance of each hotel, management of AHML has worked out the revenue that it believes will accrue to AHML on each management contract. Thus, the revenue of AHML for each year represents the aggregate of its respective share of revenues from each hotel. The forecasts of AHML are based on historical results and the management's assessment of how the operations are going to perform in the future.

Based on the forecast results from the management of AHML, profitability indicators are expected to be as follows:

Forecast Income Statement of Attitude Hospitality Management Ltd

MUR'000s	FY 24	FY 25	FY 26
Revenue	269,761	270,587	249,919
Total depreciation	(14,562)	(14,562)	(14,562)
EBITDA	92,641	85,021	58,786

Attitude Hospitality Management Ltd

Key assumptions	FY 24	FY 25	FY 26
Year-on-year increase in revenue	10%	0%	-8%
Depreciation-to-revenue ratio	5%	5%	6%
EBITDA margin	34%	31%	24%

Source: *Financial forecasts prepared by AHML*

Key observations on the forecast financial performance of AHML

- AHML is expected to be profitable again for the year ended 30 June 2023. The net assets position in 2023 has improved relative to 2022, where retained earnings had exceptionally been negative due to the impact of Covid-19 on the hospitality sector.
- As per AHML management, the hotel operations are showing signs of strong positive growth, given the established position of the Attitude Hotels in the industry.
- The strong preference for distinct 3-star-plus and 4-star hotels is expected to continue over the years.
- The foreign exchange environment is also expected to be favourable for the hospitality industry in Mauritius, potentially yielding more revenue for the hotels under AHML management given hotel pricing in foreign currency. However, no gains have been recognised for the forecast years under consideration.

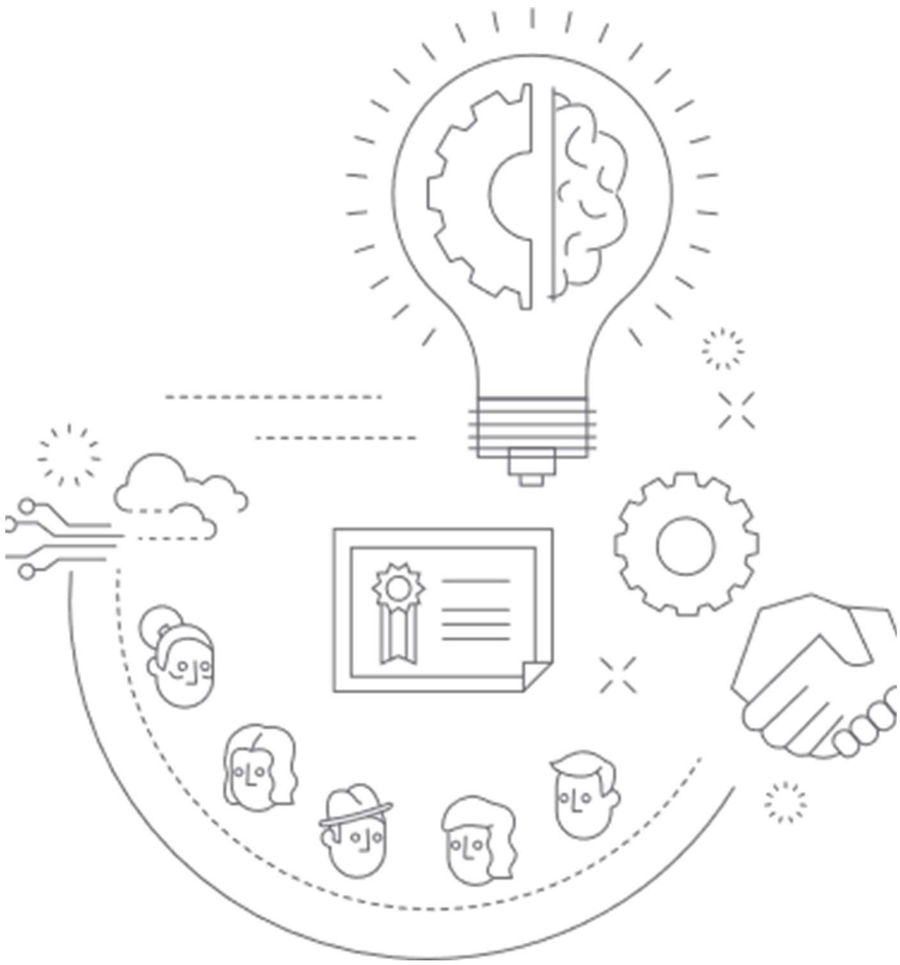
Key performance indicators

To estimate the revenue, Management has made assumptions about the occupancy rate and average daily rate of the individual hotels under the management of AHML. Using these key performance indicators (which are indicative of the overall profitability of each hotel), management of AHML has forecast the revenue and profitability of AHML for the relevant years.

Note: The average daily rate represents the revenue earned per each occupied hotel room and is a key performance metric in the hospitality industry.

Notes to the forecasts

- The hotel, Zilwa Attitude 4*, is expected to close for 3 months due to major renovation works in the financial year 2026. This will negatively impact ZRL's gross revenues and profitability and hence, AHML's fees calculated thereon in financial year 2026.
- As a hotel management company with no property under its ownership, capital expenditure is expected to be relatively low compared to its profits at an average of MUR 4.00 million in FY 25 and FY 26, except for a one-off peak capital expenditure of MUR 41.54 million forecast in FY 24 as part of planned office relocation.
- Payroll and related costs comprise the main share of administrative expenses and is expected to increase by 22% in FY 24 and then 3% per annum in the following two years.



2.2 Zilwa Resort Ltd

Overview

Zilwa Resort Ltd is the owner of the 4-star Zilwa Attitude hotel which is built partially on leased land of 51,405 square metres at Calodyne with the lease agreement starting in 2010 and ending in 2070.

Located in the north of Mauritius near the fishing village of Grand Gaube and facing the north islands, the Zilwa Attitude hotel offers guests the opportunity to live like an islander, with a wide range of accommodation choices, 4 swimming pools, 6 restaurants and activities, including pirogue excursions, snorkelling and trips in the lagoon.

Like all Attitude Hotels, Zilwa Attitude is Travelife Gold-certified and part of the Positive Impact movement. It is a reference in Mauritius when it comes to sustainable tourism and is well-regarded with a 4.5 score (out of 5) from Tripadvisor.

In terms of size, it has 214 hotel rooms, divided in six categories able to accommodate couples and families. Zilwa Attitude is known for its Mauritian 'identity', affordability and level of service.

Financial forecasts of ZRL

Based on ZRL management's forecasts, we have calculated the following profitability ratios.

Forecast Income Statement of Zilwa Resort Ltd

MUR'000s	FY 24	FY 25	FY 26
Revenue	838,525	869,633	517,433
Total depreciation	(58,680)	(60,420)	(73,455)
EBITDA	298,964	307,605	73,579

Zilwa Resort Ltd

Key assumptions	FY 24	FY 25	FY 26
Year-on-year increase in revenue	9%	4%	-41%
Depreciation-to-revenue ratio	7%	7%	14%
EBITDA margin	36%	35%	14%

Source: *Financial forecasts prepared by ZRL*

Key performance indicators

The key drivers of the forecasts include the occupancy rate of the hotels and the average daily rate.

In 2019, the last 'normal' year pre-Covid-19 disruptions, the level of occupancy rate was at 88% while the level has been estimated at about 85% for the financial year ended 30 June 2023. ZRL management has applied an occupancy rate of 81%, 82% and 62% for the next three financial years respectively. Management of ZRL has determined the forecasts based on a yearly increase of 12% in average daily rate in FY 2024 before narrowing to 3% in FY 2025 and 2026.

Of note, Zilwa Attitude hotel is expected to be non-operational for three months during the financial year 2026, thus explaining the forecast decline in the occupancy rate.

Other key assumptions

Capital expenditure for ZRL is anticipated to average around MUR 162.27 million in FY 2024 and MUR 43.48 million in FY 2025 while for the year ending June 2026, an amount of circa MUR 325.87 million is believed to be required in view of the major renovation works.

2.3 Water Sports Village Limited

Overview

WSVL owns the 5-star Paradise Cove Boutique Hotel and is also part of the Positive Impact movement, created by Attitude Hotels. The hotel is built on leased land for 30,305 square metres at Anse La Raie, with a lease agreement for the period 2008 to 2068. Paradise Cove Boutique Hotel is Travelife Gold certified and part of the Small Luxury Hotels Considerate Collection, a community of actively sustainable luxury hotels.

Paradise Cove Boutique Hotel is a reference in Mauritius for the adults-only hotel segment, offering beach and cove facilities as well as all the associated comforts. It is similarly highly rated on Tripadvisor, scoring the highest rating of 5.

It is a few minutes' walk from Anse La Raie Beach on the north-east coast of the island, offering a private peninsula, secluded hangout spots, a stunning infinity pool, among others. The hotel premises is known for its exceptional architecture and has been renovated recently in 2019.

In terms of capacity, it boasts 75 hotel rooms.

Financial forecasts of WSVL

WSVL management forecasts based on their assessment of the future performance of Paradise Cove Boutique Hotel yield the following profitability ratios.

Forecast Income Statement of Water Sports Village Limited

MUR'000s	FY 24	FY 25	FY 26
Revenue	507,978	513,400	537,399
Total depreciation	(39,966)	(41,403)	(42,908)
EBITDA	174,725	170,994	180,079

Water Sports Village Limited

Key assumptions	FY 24	FY 25	FY 26
Year-on-year increase in revenue	10%	1%	5%
Depreciation-to-revenue ratio	8%	8%	8%
EBITDA margin	34%	33%	34%

Source: *Financial forecasts prepared by WSVL*

Key performance indicators

As indicated previously, two key drivers of the forecasts are the occupancy rate and the average daily rate.

The forecasts are based on an average occupancy rate of 83% for the FY 2024-2026 which compares to a reported occupancy rate of 76% in 2019 (pre-pandemic) and an expected 88% for the year ended 30 June 2023. WSVL management believes a 13% increase is achievable in the average daily rate for the financial year to June 2024 as part of the repositioning of the Paradise Cove Boutique Hotel in the 5* segment post-renovation before moderating to a 5% yearly increase for the last two remaining forecast years. The increase in revenue reflects the continued benefit of the recent renovation and the strong positioning of WSVL in the market.

Other key assumptions

Investment in property, plant and equipment is expected to average about MUR 33.01 million yearly for the next three years.

3. Business model of Cavell Touristic Investments Ltd

CTIL will be managed by a board with participative decision-making in the affairs of the Associates and will derive income from the Associates to fund its activities and distribute dividends to its own shareholders.

Being an investment-holding company, recurring expenses of the Company comprise principally of remuneration to directors, administrative expenses and professional fees. The day-to-day operations of CTIL will be outsourced to professional service providers under the supervision of its experienced directors in order to ensure best-in-class service and provide maximum operational flexibility by minimising the level of fixed overheads.

CTIL aims to hold a portfolio of sustainable hospitality investments, while functioning with low operational and financial gearing. As a non-controlling shareholder, the Company will earn passive income in the form of a proportionate share of the profits earned and dividends declared by the Associates, depending on their underlying profitability.

The Board believes that the current underlying investments of CTIL are robust well-established businesses: profitability expected at circa MUR 346.81 million for the year ending June 2024 and gross assets worth MUR 3.03 billion should be on their balance sheets as at that same year-end based on the Associates' forecasts. Based on CTIL forecasts in section 7, the Board is satisfied of the business model's feasibility.

3.1 Objectives of the Company

The business model of CTIL is to create value for its stakeholders by being a long-term investor in the hospitality sector, which is a key pillar of the Mauritian economy.

In this respect, with its supportive shareholders and potential opportunities to invest in future projects of its investment partners, CTIL intends to participate in projects offering capital growth and investment income, while maintaining an ethical and responsible investment practice.

The objectives of CTIL are outlined below.

Short-term goals

- Remunerate shareholders through investment income and capital appreciation
- Create shareholder value through a new liquid asset, the CTIL share, that better reflects the current strong performance of the existing Associates

Medium-term goals

- Create reserves and provide steady income (dividends) on existing hospitality investments
- Generate added value for shareholders through a more focused monitoring of the performance of the Associates (its sole assets) and identifying potential opportunities for capital growth.

Long-term goals

- Investing in new opportunities to create new income and capital growth streams.
- Sustainable long-term value for all stakeholders
- Environmental, social and governance (ESG) considerations
- Improved ratings in terms of sustainability factors

3.2 Competitive environment

As indicated above, the hotels owned and/or managed by the Associates of CTIL have an established track-record in the Mauritian tourism industry, operating mostly under the Attitude brand. The partnership with its fellow investors in the Associates provides CTIL with an 'inside' edge with regards to additional investments in the hospitality sector by such experienced industry veterans.

There are no specific licences required to operate as an investment-holding company in the hospitality sector so that the potential pool of competitors would be significant, with capital availability and business and operation know-how in the hospitality industry likely to be the main entry requirements. Thus, competitors could include venture capital funds, private equity operators, conglomerates and even existing hospitality firms.

3.3 Listing plan

The ordinary shares of CTIL will be listed on the Development and Enterprise Market (the "DEM") of the Stock Exchange of Mauritius Ltd (the "SEM") and the Company does not anticipate any other listing.

The listing on the DEM will enable CTIL to:

- Provide its shareholders with a liquid asset, the CTIL share;
- Offer direct exposure as well as a better visibility of the performance of the Associates in the midst of a strong recovery of the hospitality sector to unlock value for the shareholders of CTIL; and
- Provide the ability to raise funds as required in the future to enable the Company to further grow its investments in the hospitality sector.

4. Overview of the Mauritian tourism industry

The financial performance of CTIL is dependent on the revenue earned by the Associates from their operations in Mauritius. Thus, key performance indicators for the Mauritian tourism industry are important metrics in our assessment of the forecast performance of CTIL.

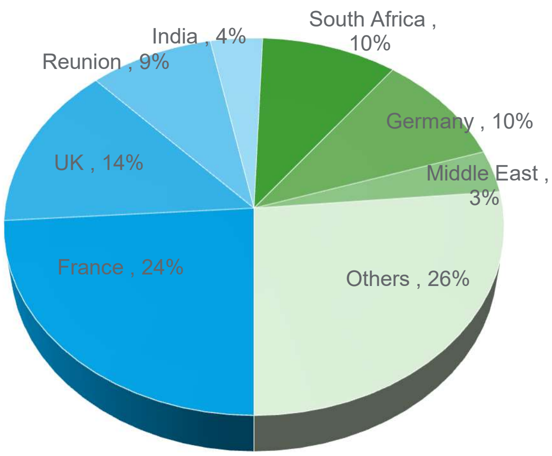
International tourism is expected to pick up as per the predictions of the United Nations World Tourism Organisation (*UNWTO, 2022*).

The tourism sector in Mauritius is one of the main pillars of the economy, contributing 14% of GDP and generating 7% of direct employment (*AHRIM, 2022*).

Mauritian tourism is highly reliant on the European market. The proportionate share of the main markets for tourism in Mauritius is described below.

Markets	Tourist Arrivals, 2022
France	238,864
UK	140,847
Reunion	88,096
India	36,956
South Africa	96,316
Germany	96,767
Middle East	36,033
Others	263,411
Total	**997,290**

Tourist Arrivals in Mauritius in terms of main markets, 2022



Source: Statistics Mauritius, Tourism Data – 2022

The Mauritian authorities typically ensure that policies are aligned with the interests of the hotel operators, the industry and the economy as a whole. For example,

- The Mauritius Tourism Promotion Authority (the "MTPA") is publicly funded and mandated to encourage further development of the tourism sector in Mauritius.
- Policies on air travel also tend to be line with the interests of the tourism industry.

The real growth in the tourism sector has generally trended above the national average during the past decade, as indicated below.

Source*: Annual report 2021-2022 of the Association des Hoteliers et Restaurateurs de l'Ile Maurice (AHRIM)*

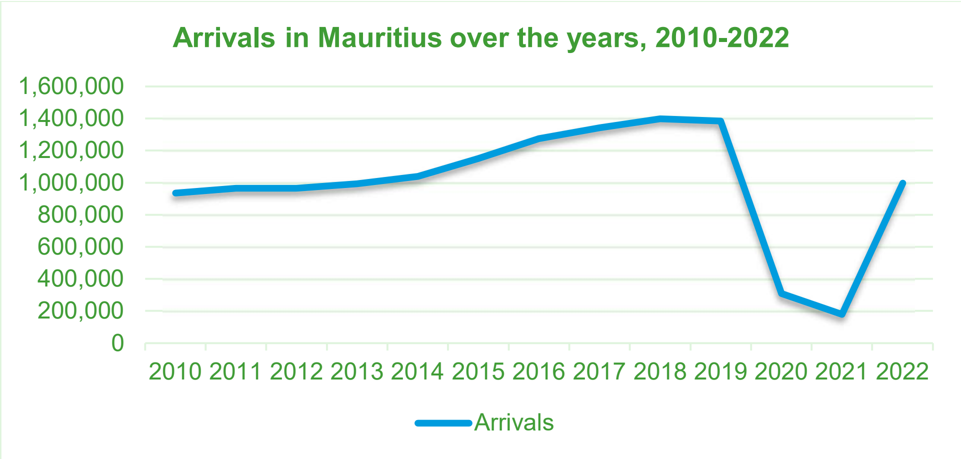
We would therefore expect that an investment in the tourism sector in Mauritius would outperform the rate of return in the general economy as per historical data.

4.1. Trends and outlook for the tourism industry in Mauritius

4.1.1 International tourist arrival in Mauritius

We have outlined the growth its tourist arrivals in Mauritius over the past decade.

Year	Arrivals	Growth %
2010	934,827	7.3%
2011	964,642	3.2%
2012	965,441	0.1%
2013	993,106	2.9%
2014	1,038,960	4.6%
2015	1,151,720	10.9%
2016	1,275,220	10.7%
2017	1,341,860	5.2%
2018	1,399,400	4.3%
2019	1,383,488	-1.1%
2020	308,980	-77.7%
2021	179,790	-41.8%
2022	997,290	454.7%



Source: Statistics Mauritius, Tourism Data – 2022

In 2022, Mauritius has recorded 72% of the number of its tourist arrivals recorded in 2019 (pre-pandemic level), indicating that there is further scope for recovery to the country's pre-pandemic performance or even exceed this level (*AHRIM, 2022*).

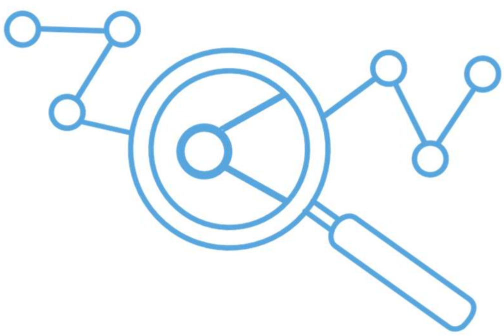
4.1.2 International air seats for Mauritius

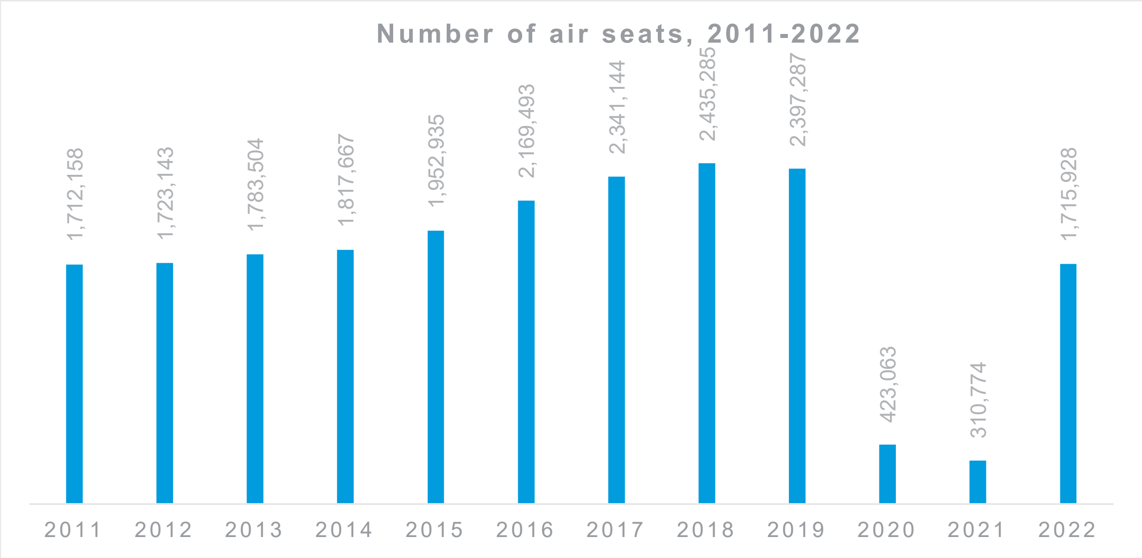
Air transportation metrics is an important factor when studying the performance of the tourism industry. Over 95% of tourists use airplanes to travel to Mauritius (*AHRIM, 2022*).

The national air carrier, Air Mauritius, serves 35% of the total seats into Mauritius, followed by Emirates at a proportion of 19% (*AHRIM, 2022*).

Based on the figures presented below, the 1.7 million air seats in 2022 is at approximately 77% of the pre-pandemic level. On average, of these passengers, tourists account for 75% (*AHRIM, 2022*).

Number of air seats, 2011-2022		
Year	Number of air seats	Yearly increase (%)
2011	1,712,158	-
2012	1,723,143	1%
2013	1,783,504	4%
2014	1,817,667	2%
2015	1,952,935	7%
2016	2,169,493	11%
2017	2,341,144	8%
2018	2,435,285	4%
2019	2,397,287	-2%
2020	423,063	-82%
2021	310,774	-27%
2022	1,715,928	452%





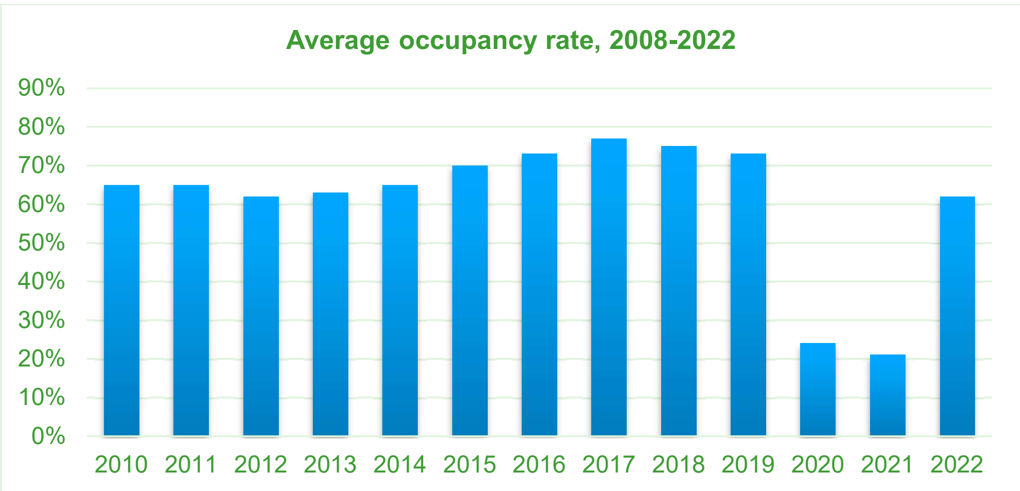
Source: Statistics Mauritius, Tourism Data – 2022

The air seats per passenger ratio shows air travel capacity and the ratio has oscillated between 1.30 and 1.35 from 2011 to 2019 (pre-pandemic level) while this ratio actually increased to 1.44 during 2022 (*AHRIM, 2022*), providing positive signs that there is clear capacity to accommodate further growth in tourists travelling to Mauritius on top of the current travel recovery being experienced.

4.1.3 Hotel accommodation in Mauritius

The principal share of revenue of the Associates is derived from accommodation revenue in the hotels operating underneath them.

As per Statistics Mauritius, the hotel occupancy rate has remained at a stable level over the past decades (discounting the Covid-19 exceptional impact).



Source: Statistics Mauritius, Tourism, Year 2022

Note: For the year 2022, there were some hotels that were used as quarantine centres for Covid-19 isolation measures and these hotels have not been accounted for in the figure for 2022.

As per Statistics Mauritius, the average length of stay of tourists has been at 10.6 nights in 2019 (pre-pandemic level) and the figure for 2022 is 11.8 nights (*Tourism Data, 2022*) so that the trend is positive for hospitality revenues if extrapolated into the coming years.

4.1.4 Tourism earnings

As per data from Statistics Mauritius, earnings from tourism for the year 2019 has been in the region of MUR 63 billion while for the year 2022, the figure is at MUR 65 billion (*Tourism Data, 2022*).

According to a Survey of Outbound Tourism reported in the 2022 tourism outlook by AHRIM, the overall expenses per capita is at MUR 46,500. The highest expenses per tourist stand at MUR 66,900 for tourists from the United Arab Emirates (*AHRIM, 2022*).

Reports from independent observers of the industry indicate increase in revenue from tourists' accommodation is expected to be in the region of 5.5% per annum onwards, if supported by airline capacity and routes *(Source: PWC Mauritius Hotels Outlook 2019-2023)*.

The average room revenue increased by 12.1% in 2018 due to primarily an increase in the average daily rate (*Source: PWC Mauritius Hotels Outlook 2019-2023)*.

Overall, the Mauritius market data and industry trends lead us to be confident on the future performance of the Associates and hence that of CTIL.

4.2. Key Performance Indicators for the Mauritian tourism industry

Based on our analysis of the industry in the previous sub-sections, we have outlined what we believe to be key performance indicators for the tourism industry. These KPIs help in assessing the prospects for the hotel industry as a whole and provide guidance to assess the forecast financial performance of the Associates.

Average expenditure per tourist per international trip	MUR 46,500
Increase in revenue from tourists accommodation	5.5%
Percentage of tourists going for hotel accommodation	78%
Tourism repeat rate in Mauritius - percentage of tourists that revisit the island	30%
Average number of nights spent by tourists in Mauritian hotels (pre-pandemic level)	10.6 nights
Air seat per passenger ratio in Mauritius (measure of air connectivity in Mauritius)	1.35

Source: Annual report 2021-2022 of the Association des Hoteliers et Restaurateurs de l'Ile Maurice (AHRIM)

4.3 Competitors of Mauritius in the Indian Ocean

Typically, the main competitors of Mauritius are the Maldives, the Seychelles and Sri Lanka by virtue of the geographical proximity and the target markets served.

Based on figures for tourist arrivals in 2022 in section 4 above, we can say that Mauritius remains a destination concentrated on sourcing tourists from the European market (with tourists arriving from France, UK and Germany accounting for 48% of the market). As a comparison, around 35% of the Seychelles tourism is derived from France, UK and Germany (*AHRIM, 2022*).

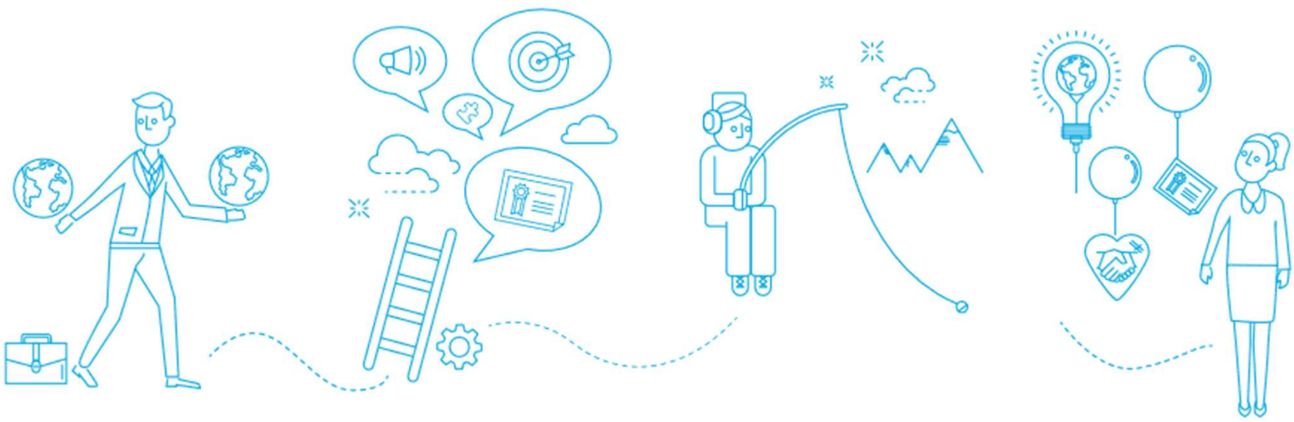
However, growth in tourist arrivals for these main competitors remain higher than for Mauritius (*AHRIM, 2022*). This trend is partly explained by the efforts of these main competitors to tap into new markets with competitive rates and services on offer. In terms of the numbers for the Asian markets, Sri Lanka and the Maldives receive a share of around 15% of their respective tourists from India while China represents a further 15% of the market for tourism in the Maldives (*AHRIM, 2022*).

The Mauritian authorities are accordingly pursuing conducive policies to further promote tourism on the Mauritian shore.

Several measures are being taken to increase the competitiveness of Mauritius to tap into these markets, including increased air connectivity with China and the UAE (Dubai). For example, Emirates will be operating twice daily flights on its flagship A380 aircraft from Dubai to Mauritius from 1 July 2022 to meet the increase in demand for travel to the island nation (*Emirates, 2022*). Tourists from UAE are among those tourists that spend the highest on our shore and this concerted move of the authorities towards this market has the potential to generate significant value for the local tourism industry.

The national budget 2023-2024 provided several measures for the tourism sector in Mauritius. The Promotion and Destination Marketing Budget of the MTPA is being increased from MUR 400 million to MUR 500 million for the financial year ending 2024. The MTPA will be reformed with a focus on fostering sustainable tourism development, in line with the vision of transforming Mauritius into a Green-Certified Destination by 2030. The budgeted number of tourist arrivals for 2024 would be 1.4 million and tourism earnings for the year is expected to be 20% higher to reach MUR 80 billion (*National Budget Speech 2023-2024*).

In a nutshell, we can reasonably expect hotel performance in Mauritius to be stable or higher in the near future, given that the policies of the relevant authorities tend to be aligned with the interests of the hotel industry as a whole.



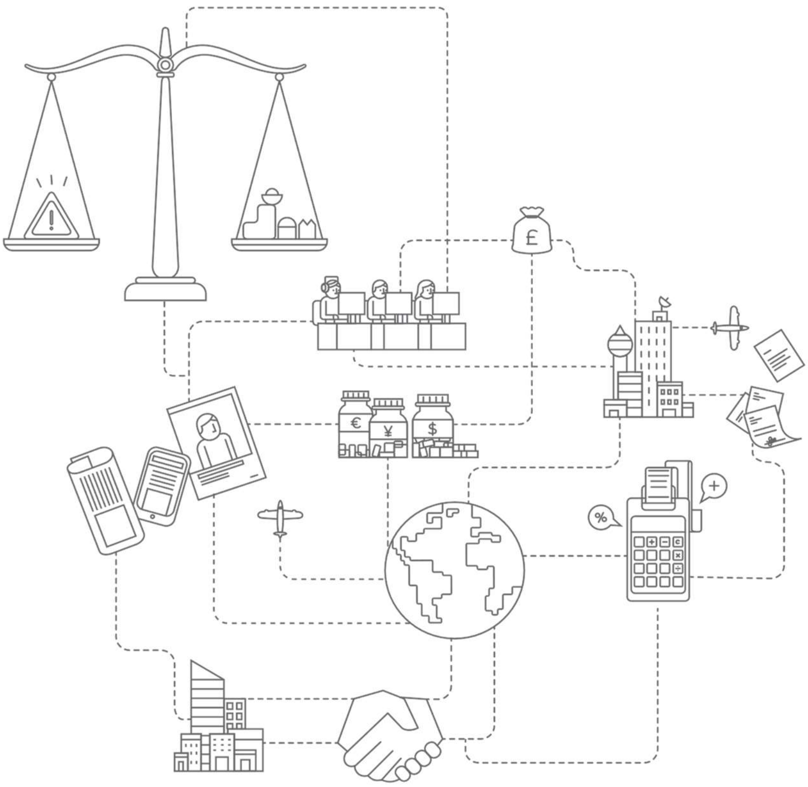
5. Risk analysis of Cavell Touristic Investments Ltd

The key points to note are:

- CTIL has the right to participate in, but has no control over, the strategic decisions of the Associates.
- As a minority shareholder, CTIL will, both be bound by and benefit from, the strategic decisions of the management of the Associates to drive the successful performance of the Associates and the hotels operating underneath them.
- It is an investment-holding company with no direct access to the cash flow of the underlying investments and generates only dividends as passive income.
- AHML's profitability is heavily dependent on the robustness of the management contracts with the individual hotels.

The following risks must be taken into consideration when assessing the successful performance of CTIL. The forecast earnings from the Associates are based on specific assumptions and significant short-term to medium-term factors can potentially cause deviations from the forecasts. Accordingly, prospective investors must exercise due diligence in assessing the specific risks identified below, in line with their risk appetite and tolerance levels.

The risks identified below are non-exhaustive and the Company may be subjected to other risks. The risks disclosed are those which the Board could reasonably foresee at the time of preparing the Business Plan and which would have a material impact on the Company if they occur. Moreover, the order in which the risks are stated is not indicative of the extent of the probability of occurrence of the risks, their significance or the impact on the Company.



Risks	Description	Mitigating factors
Global and local economic and political risks	▪ Risks associated with the ongoing geopolitical issues (e.g. 'flygskam' or flight shame movement, safety fears from spreading conflict worldwide or law and order issues locally, 'friendshoring') may reduce willingness to travel to Mauritius, with resulting loss of business in the Associates. ▪ Disruptions in global supply chains and inflationary environment may impact the operations of the Hotels and in consequence, the profitability of CTIL. ▪ Ability to travel to Mauritius may be threatened by global factors like the Covid-19 virus (which is still considered by the World Health Organisation as a pandemic though it no longer constitutes a public health emergency) and by local issues such as risks of the national carrier not being able to sustain the rising demand for travel to Mauritius or if national policies are too restrictive on airline access rights. ▪ As a service industry, the hospitality sector is vulnerable to skills and labour shortages which directly impacts hotel operations (e.g. guest experience/customer service).	▪ Developments in the international and local environment are assessed on a quarterly basis by the Board to ensure prompt decisions are taken to safeguard the value of the Company's investments. ▪ A conservative business structure to minimise operational and financial gearing has been implemented to maximise the flexibility of the Company in responding to such external shocks. ▪ Regular discussions are engaged with the boards of the Associates on the measures put into place to monitor and address the risks associated with the international and local context.
Financial and regulatory compliance	▪ Penalties apply for non-compliance and this may also entail reputational damage to the image of the Company.	▪ The accounting and tax functions are being outsourced to reputable providers and will be subject to the scrutiny of an independent external audit function to ensure adherence to financial and regulatory requirements. ▪ The directors and Company Secretary are experienced officers operating within listed companies and have responsibilities for ensuring the proper functioning of compliance controls and monitoring in line with their duties, powers and functions under the Companies Act and relevant laws and the National Code of Corporate Governance 2016.

Strategy	▪ With a significant influence but no control over the Associates, CTIL will be bound by the strategic decisions taken by the boards of the Associates in line with the wishes of the main shareholders of the Associates. ▪ High dependency on the performance of the Associates, with its only investments concentrated in both sectoral and geographical terms.	▪ The Board intends to rely on participative decision-making and engage in discussions with the board of each Associate.
Financial management	▪ CTIL is mainly exposed to market risk (e.g., interest rate) and liquidity risk. ▪ CTIL's profitability and treasury management are dependent on the profitability of the Associates and the distributions made by them to CTIL.	▪ Sound management of costs and liquidity facilities with shareholders and other financiers. ▪ The Board sets the appropriate risk appetite for an investment-holding company and ensures that projects undertaken are within tolerable level of risks while retaining an appropriate level of reserves.
Climate change	▪ Risk that potential adverse impacts of climate change compromise the sustainability of the investments held by CTIL.	▪ The Board will monitor the impact of climate change (e.g., rising sea level) on the Associates on an annual basis. ▪ Should the risk increase materially, the Board will opt to mitigate the risks by diversifying its portfolio to include higher sustainability investments in the hospitality sector.

6. Forecast capital structure and distributions of the Company

Considering current plans and conditions, CTIL shall not be raising capital on the DEM at present. The share capital of the company at listing was raised via the following steps:

- CTIL was incorporated on 15 March 2023 with 1 ordinary share of no-par value, for an amount of MUR 100, issued to HM;
- On 15 May 2023, CTIL issued 11,259,387 additional ordinary shares to HM worth MUR 410.98 million as part payment for the transfers of the Associates to the Company at the book values of these investments in the books of HM.

Post-acquisition of the Associates, CTIL capital structure is based on 11,259,388 ordinary shares held by HM amounting to a stated share capital of MUR 410.98 million and a shareholder loan facility of MUR 36.94 million.

No capital is forecast to be raised over the short or medium term. The distributable reserves of the Company are expected to increase over the next 3 years as indicated in section 7.

Given that CTIL funding is dependent on the profitability and dividends of the Associates, the Company has entered into loan agreements with shareholders for an amount up to MUR 50.00 million, as bridging finance, in order to enable CTIL to meet its forecast obligations on time.

6.1 Details of the shareholder loan agreements

As indicated above, the Company will be funded by its supportive shareholders with a loan facility of up to MUR 50.00 million, with a maximum gearing ratio estimated in the forecast period of 10.01% in FY 2024 prior to receipt of dividends from Associates allowing loan repayment, to cater for its set-up, listing and operational expenses which should then decline based on the profitability and cash flow forecasts as detailed in section 7.

The shareholder loan facility is expected to peak at an amount of MUR 49.04 million which has been arrived at based on the following amount payable by CTIL in the first financial year:

- the unfunded cash consideration of MUR 36.94 million for the carve-out of the investments in the Associates as part of the Restructuring; and,
- forecast expenses of MUR 12.10 million of CTIL during the first financial period of operation prior to first dividends from Associates.

The loan facility of MUR 49.04 million for the first financial period of operation is expected be fully repaid by the next year following distributions from the Associates based on forecasts in section 7.

As per the terms of the HM shareholder loan agreement, the finance cost is determined by the prevailing Prime Lending Rate of the Mauritius Commercial Bank Ltd (currently 6.75%) and computed on a monthly basis. The effective date of the loan agreement is the date on which the Associates have been transferred.

The HM shareholder loan is then to be refinanced by a shareholder loan from Terra (the largest individual shareholder of CTIL post-listing) one business day prior to the first day of trading of CTIL shares on the DEM at an interest cost set at the prevailing Prime Lending Rate of the Mauritius Commercial Bank Ltd. The Terra shareholder loan is repayable on demand of the lender with notice of at least three business days. The Board believes the shareholder/lender, as the largest shareholder of the Company, will be supportive and provide the loan financing until CTIL has the liquidity to repay.

6.2 Distributions

There is no formal dividend policy which has been determined by the Board. In determining the dividend to be declared, the Board considers a number of factors, which include but are not limited to:

- the level of available distributable reserves in CTIL;
- potential growth and strategic opportunities; and
- the liquidity position of the Company.

Future dividends from CTIL will critically depend on the distribution made by its Associates, with the expected dividends from the Associates based on their forecasts as follows:

Proposed distributions by the Associates to CTIL

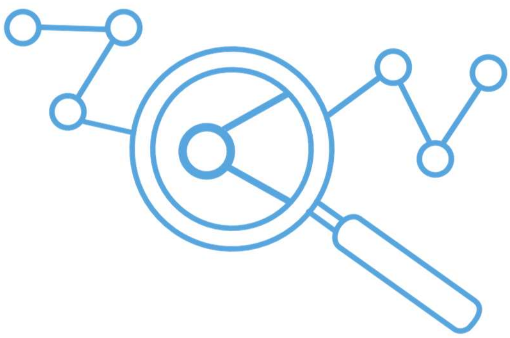
MUR'000s	FY 24	FY 25	FY 26
Attitude Hospitality Management Ltd (AHML)	40,000	50,000	50,000
Zilwa Resorts Ltd (ZRL)	60,000	61,635	-
Water Sports Village Ltd (WSVL)	-	40,000	40,000
Share of dividends of AHML	8,031	10,038	10,038
Share of dividends of ZRL	14,400	14,792	-
Share of dividends of WSVL	-	9,800	9,800
Total share of dividends from the Associates	**22,431**	**34,630**	**19,838**

Source: Financial forecasts prepared by AHML, WSVL and ZRL

Management of the Associates are forecasting relatively stable dividends, except for ZRL in FY 2026 which will be impacted by both the capital expenditure required and closure of the hotel for the major renovation works planned.

The recurring yearly expenses of CTIL, excluding financing costs, are estimated at an average of circa MUR 3.27 million. A breakdown of the yearly expenses of CTIL is provided in the next section.

Taking into consideration the cost structure of CTIL (outlined in section 7.2.1) comprising principally of costs that should not vary with the share of profits and dividends received from the Associates, we expect better profitability margin to be realised going forward based on the upward trend in forecast share of profits, allowing reserves to be built for the directors to be satisfied that CTIL fulfils the solvency test for any declaration of dividend.



7. Financial forecasts of Cavell Touristic Investments Ltd

CTIL has been set up as a vehicle to hold the investments in AHML (20.08% ownership interest), WSVL (24.50% ownership interest) and ZRL (24.00% ownership interest).

Those investments are being accounted for as associates under IAS 28 *Investments in Associates and Joint Ventures* in the books of CTIL. As a result, the principal source of revenue for CTIL is the share of profit anticipated each year from the Associates. CTIL has based its forecasts on the forecasts provided by the Associates from May 2023 to September 2023 (as approved by the majority shareholders) which were themselves derived on the basis of historical performance of the underlying assets.

Given that CTIL is a new holding company which will operate as a standalone entity, Management has assumed a number of recurring costs expected to be incurred for the functioning of CTIL as well as one-off set-up and listing costs.

Note that FY 2024, being the first financial period, runs from incorporation on 15 March 2023 to 30 June 2024.

The underlying key assumptions to these forecasts, representing the best estimates of the Board, are discussed further below. In section 9, we have outlined a summary of the key accounting policies adopted.

Basis of preparation

The CTIL forecast statements of financial position as at 30 June 2024, 30 June 2025 and 30 June 2026, and income statements and statements of cash flows for the period from 15 March 2023 (date of incorporation) to 30 June 2024, for the year ending 30 June 2025 and year ending 30 June 2026 (together, the “Forecast Financial Information”) are set out in the tables below and should be read in conjunction with the Independent Financial Advisor’s Report thereon (which is included in section 8 of this Business Plan).

The directors of CTIL are responsible for the Forecast Financial Information including the assumptions on which it has been based, and for the financial information from which it has been prepared. The Forecast Financial Information has been prepared on a basis consistent with the accounting policies of CTIL (set out in Section 9) and in compliance with the International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”).

The forecast period from 15 March 2023 (date of incorporation) to 30 June 2024 is the first financial period of CTIL.

EY’s Independent Financial Advisor’s Report on the Forecast Financial Information is set out in section 8 of this Business Plan.

Forecast Statement of Financial Position of Cavell Touristic Investments Ltd

MUR'000s	Notes	FY 24	FY 25	FY 26
Assets				
Non current assets				
Investments in Associates	7.1.1	516,354	564,375	575,800
Current assets				
Cash and cash equivalents		6,500	2,571	18,953
Total assets		**522,854**	**566,946**	**594,753**
Equity and liabilities				
Equity				
Share capital		410,980	410,980	410,980
Retained earnings		78,765	155,966	183,773
Shareholders equity		**489,745**	**566,946**	**594,753**
Current liabilities				
Shareholders' loan facility	7.1.2	33,109	-	-
Total liabilities		**33,109**	**-**	**-**
Total equity and liabilities		**522,854**	**566,946**	**594,753**

7.1 Notes to the Forecast Statement of Financial Position

7.1.1 Investment in the Associates

In terms of the accounting treatment, the carrying amount of the investment in Associates in the balance sheet of CTIL reflects the acquisition cost from HM grossed up for the share of profits of the Associates that is attributable to CTIL and after deducting the dividends already received by CTIL from the share of the profits.

The forecasts from the Associates highlight comfortable reserves and liquidity and therefore, no additional capital is expected to be required from CTIL.

Based on our assessment of the Associates and their expected performance, nothing has come to our knowledge that would indicate any factors that may impair the value of the investments in the Associates. The Company will review at every year-end whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

7.1.2 Shareholders' loan

CTIL will require drawdowns from the shareholders' loan facilities during the first financial period of 15 March 2023 to 30 June 2024 to settle its expenses payable prior to the receipt of any dividends from the Associates before being able to clear the debt as funds become available (receipt of dividends). The Board believes the shareholder/lender, as the largest shareholder of the Company, will be supportive and provide the loan financing until CTIL has the liquidity to repay.

It has been forecast that the first MUR 15.93 million of dividends received would be applied towards repayment of the loan for the financial period ending June 2024. In other words, out of the expected dividends receipt of MUR 22.43 million (see note 7.3), there would be MUR 6.50 million retained as precautionary cash holdings (representing approximately a 19% margin of safety over next year's expected expenses).

At the end of the first period of operation, the shareholders' loan amount would thus be expected to amount to MUR 33.11 million: this is composed of the initial amount of MUR 36.94 million (that is due to HM from the purchase of the Associates) and the expected expenses of MUR 12.10 million for the first year of operation (see also note 7.2.2 Interest on shareholders' loans below) less the repayment expected to be made from the cash dividends received to June 2024.

As from the second financial year, the interest payable would thus be on the reduced opening loan balance of MUR 33.11 million at the estimated coupon rate of 6.75% (MCB Prime Lending Rate) per annum.

The loan is expected to be fully repaid at the end of the financial year ending June 2025. From that point onwards, all expenses of the Company should be met out of its accumulated cash reserves which would, by then, more than cover normal expenses.

The Company's gearing ratio would thus be expected to fall to nil in FY 2025, down from 6.76% for the financial period ending June 2024.

Forecast Statement of Changes in Equity of Cavell Touristic Investments Ltd

MUR'000s	Share capital	Revaluation and other reserves	Retained earnings / accumulated losses	Total equity
At 15 May 2023	410,980	-		410,980
Profit for the year	-	-	78,765	78,765
At 30 June 2024	**410,980**	**-**	**78,765**	**489,745**
At 1 July 2024	410,980	-	78,765	489,745
Profit for the year	-	-	77,201	77,201
At 30 June 2025	**410,980**	**-**	**155,966**	**566,946**
				-
At 1 July 2025	410,980	-	155,966	566,946
Profit for the year	-	-	27,807	27,807
At 30 June 2026	**410,980**	**-**	**183,773**	**594,753**

Forecast Income Statement of Cavell Touristic Investments Ltd

MUR'000s	Notes	FY 24	FY 25	FY 26
Revenue		-	-	-
Administrative expenses				
Accounting and auditing fees	7.2.1	(998)	(852)	(916)
Directors remuneration	7.2.1	(1,002)	(1,247)	(1,340)
Secretarial fees	7.2.1	(299)	(321)	(346)
Licences and fees	7.2.1	(130)	(140)	(151)
Other professional expenses - Registry	7.2.1	(149)	(160)	(172)
Sundry expenses	7.2.1	(574)	(495)	(531)
Expenses - incorporation and listing	7.2.1	(5,453)	-	-
		(8,605)	**(3,215)**	**(3,456)**
Finance cost	7.2.2	(3,492)	(2,235)	-
Net gross loss		**(12,097)**	**(5,450)**	**(3,456)**
Share of profit from Associates	7.2.3	90,862	82,651	31,263
Profit for the year		**78,765**	**77,201**	**27,807**

7.2 Notes to the Forecast Income Statement

7.2.1 Administrative Expenses

We have assumed that the expenses increase at the rate of 7.50% per annum. This is in line with the long-term average inflation rate for Mauritius as estimated by the World Bank for the period 1964 to 2022 of 7.14% (*Source: World Data, 2001-2022*) plus a premium of 36 basis points.

Incorporation and listing expenses

CTIL is expected to incur MUR 5.45 million in one-off costs relating primarily to professional fees with respect to the incorporation and listing process.

We have assumed that all of the one-off costs of MUR 5.45 million incurred on professional expenses relating to the incorporation and listing process is payable in the month of June 2023.

Other expenses

Besides the incorporation and listing costs, the following costs are expected to be incurred annually:

- Directors' remuneration, other professional fees (relating to Registry of the Company) and sundry costs assumed to be incurred and paid monthly as from March 2023;
- Accounting and tax fees have been modelled as paid quarterly in arrears as from June 2023;
- Recurring secretarial fees have been anticipated to start and require settlement monthly from July 2023;
- Licences and fees have been input as paid annually from June 2024.

Accounting, audit and other professional fees have been estimated by Management of CTIL based on agreements with and proposals from the respective service providers.

Directors may be paid directors' fees – such fees will be determined by the Board and the forecasts represent the best estimate made by the Board based on the structure, size and composition of the Board as at date. A benchmarking exercise will be carried out regularly to ensure directors' fees are market and industry-related.

7.2.2 Interest on shareholders' loan

To account for the shareholders' loan and interest payable thereupon, the following key assumptions have been made:

- Dividends that CTIL expects to earn are assumed to be paid at the end of their relevant financial years by the Associates;
- Loan interest is constant throughout the forecast period at the current rate of 6.75% per annum; and
- CTIL will prioritise the repayment of the shareholder loan to further reduce its financial risk but retain sufficient cash to cover at least one year's worth of forecast expenses.

Therefore, all expenses incurred by CTIL before the first dividend payment (during the first financial period of operation to June 2024) will be met through the shareholders' loan facility to enable CTIL to settle its running costs in a timely manner.

The total expenses for the first year of operation, including shareholder loan interest as well as the one-off incorporation and listing expenses, are estimated at MUR 12.10 million.

At the end of the first period of operation, the shareholders' loan amount would thus be expected to amount to MUR 33.11 million (see also note 7.1.2 Shareholders' loan above).

Interest is then calculated monthly on the opening balance of the loan.

Given the irregular timing of the cash outflows during the first year and the absence of available cash reserves so that each payment requires new loan drawdowns, interest payable on the shareholder loan has been calculated on a monthly basis as each opening balance is determined based on the amount of expenses incurred during the previous month for the first financial period. Based on this approach, we have arrived at a finance cost of MUR 3.49 million for the financial period ending June 2024.

7.2.3 Share of profit from Associates

The forecast results are based on the proportionate share of profit of the Associates that is attributable to CTIL by virtue of its ownership interests in the respective Associates.

In order to forecast the anticipated share of profits that would be attributed to CTIL over the next few years, we have analysed the individual financial forecasts of the underlying investments prepared by the management of the investees.

The forecast share of dividend and share of profits from the Associates have been estimated based on the Associates' own forecasts – dividends are detailed in note 7.3 below and the share of profits have been calculated as follows.

Expected share of profit/loss from the Associates

MUR'000s	FY 24	FY 25	FY 26
Attitude Hospitality Management Ltd (AHML)	62,226	54,367	33,173
Zilwa Resorts Ltd (ZRL)	190,965	197,569	(7,492)
Water Sports Village Ltd (WSVL)	93,623	99,261	107,761
Share of profit/loss of the Associates:			
Attitude Hospitality Management Ltd (AHML)	12,493	10,915	6,660
Zilwa Resorts Ltd (ZRL)	45,832	47,417	(1,798)
Water Sports Village Ltd (WSVL)	22,937	24,319	26,401
Share of profit earned for FY 23 (apportioned)	9,600	-	-
Total share of profits of the Associates	**90,862**	**82,651**	**31,263**

Source: Financial forecasts prepared by AHML, ZRL and WSVL

Note: The share of profit earned for FY 23 relates to the share of the forecast profits of the Associates for the months of May (pro-rated) and June 2023 estimated to arise to CTIL based on the transfer of the investments in the Associates from HM to the Company on the 15 May 2023.

Overall, CTIL is expected to have high profitability and solvency ratios, given the forecast revenue and dividend payments of the Associates.

Forecast Statement of Cash Flows of Cavell Touristic Investments Ltd

MUR'000s	Notes	FY 24	FY 25	FY 26
Net profit		78,765	77,201	27,807
Adjustments to reconcile net profit to net cash flows				
Share of profit from Associates	7.2.3	(90,862)	(82,651)	(31,263)
Finance cost	7.2.2	3,492	2,235	-
Cash flows from operating activities		**(8,605)**	**(3,215)**	**(3,456)**
Dividends received from Associates	7.3	22,431	34,630	19,838
Net cash flows from operating activities		**13,826**	**31,415**	**16,382**
Cash flows used in financing activities				
Shareholders' loan facility	7.1.2	49,040	-	-
Repayment of shareholders' loan facility	7.1.2	(15,931)	(33,109)	-
Finance costs	7.2.2	(3,492)	(2,235)	-
Net cash flows used in financing activities		**29,617**	**(35,344)**	**-**
Cash flows used in investing activities				
Investment in Associates		(36,943)	-	-
Net cash flows from investing activities		**(36,943)**	-	-
Net increase/decrease in cash		**6,500**	**(3,929)**	**16,382**
Cash and cash equivalents- opening balance		-	6,500	2,571
Cash and cash equivalents- closing balance		**6,500**	**2,571**	**18,953**

7.3 Notes to the Forecast Statement of Cash Flows

The dividends from the Associates are assumed to be received at the end of the relevant financial years of the Associates and are estimated based on forecasts received from the Associates. The amounts expected are summarised as follows:

Proposed distributions by the Associates to CTIL

MUR'000s	FY 24	FY 25	FY 26
Attitude Hospitality Management Ltd (AHML)	40,000	50,000	50,000
Zilwa Resorts Ltd (ZRL)	60,000	61,635	-
Water Sports Village Ltd (WSVL)	-	40,000	40,000
Share of dividends of AHML	8,031	10,038	10,038
Share of dividends of ZRL	14,400	14,792	-
Share of dividends of WSVL	-	9,800	9,800
Total share of dividends from the Associates	**22,431**	**34,630**	**19,838**

Source: Financial forecasts prepared by AHML, WSVL and ZRL

7.4. Notes summarising assumptions relating to the Forecast Financial Information of Cavell Touristic Investments Ltd

The Forecast Financial Information presented in Section 7: Financial forecasts of Cavell Touristic Investments Ltd contains assumptions, which are discussed below.

Summary of key assumptions made in the preparation of the financial forecasts of Cavell Touristic Investments Ltd				
Cavell Touristic Investments Ltd MUR'000s	**FY 24**	**FY 25**	**FY 26**	**Comments**
Capital structure				
Additional transfer consideration	36,943	-	-	Consideration for investments in Associates transferred from HM actually settled by CTIL by drawing on the shareholder loan.
Bridging finance to meet expenses	12,097	-	-	First-year expenses assumed to be settled through the shareholder loan facility prior to receipt of first dividends from Associates.
Shareholders' loan facility amount	49,040	33,109	-	
Repayment of principal during the year	(15,931)	(33,109)	-	- Dividends from Associates are assumed to be paid at the end of their relevant financial years by the Associates. - First dividends received assumed to be applied towards repayment of the loan, with MUR 6.50 million retained as precautionary cash holdings.
Shareholders' loan facility amount - closing balance	33,109	-	-	
Gearing ratio (Debt/Shareholders' Equity) (%)	6.76%	0.00%	0.00%	Forecast gearing ratio at every financial period end.
Income				
Total share of profits from the Associates	90,862	82,651	31,263	CTIL expected share of profits based on forecasts of Associates - FY 24, being the first long period of accounts, includes an estimated share of the forecast profits of the Associates for the months of May (pro-rated) and June 2023.
Expenses				
Interest rate on shareholders' loan (% per annum)	6.75%	6.75%	-	Based on the MCB Prime Lending Rate as per the shareholders' loan facility agreement - assumed stable at current level and payable monthly.
Expenses indexation rate applied (%)		7.50%	7.50%	Estimated based on consumer and general price indexes relevant to CTIL.
Yearly increase in accounting and audit fees (%)		-14.62%	7.50%	Accounting and tax advisory fees for FY 24 assumed to start from March 2023 paid quarterly in arrears.
Yearly increase in directors' remuneration (%)		24.39%	7.50%	The board of CTIL is expected to be fully constituted by end of FY 24 - assumed to start and be paid monthly as from March 2023.
Yearly increase in secretarial fees (%)		7.50%	7.50%	Recurring secretarial fees are assumed to start and be paid monthly as from July 2023.
Yearly increase in licences and fees (%)		7.50%	7.50%	Licences and similar fees are assumed to be paid annually from June 2024
Yearly increase in other professional expenses (%)		7.50%	7.50%	These relate to registry expenses mainly - assumed to start and be paid monthly since March 2023
Yearly increase in sundry expenses (%)		-14.00%	7.27%	Sundry expenses is intended to cover general administrative and management expenses and assumed to start and be payable monthly as from March 2023
Yearly increase in expenses - incorporation and listing (%)		-100.00%	-	This one-off cost comprises professional fees incurred in connection with the incorporation and listing process - assumed to be settled in June 2023.

CTIL has considered the financial forecasts and assumptions of the Associates prepared by their respective management, based on historical results and their assessment of how the operations are going to perform in the future.

Being a hotel-management company, AHML derives its revenue from a share of the operating profit and revenues of hotels under its management as set out in the terms of each hotel's management contract with AHML. Based on the expected performance of each hotel, management of AHML has worked out the revenue that it stands to earn on each management contract. Thus, the revenue of AHML for each projected year represents the aggregate sums of the respective share of revenues from each hotel under its management.

On the other hand, ZRL and WSVL derive their revenues from their operations as hotel companies with the key drivers being occupancy rates and average daily rates. The management of ZRL and WSVL made the assumptions presented below to derive the financial forecasts of ZRL and WSVL.

Summary of key assumptions made in the preparation of the financial forecasts of Cavell Touristic Investments Ltd				
Associates of CTIL	**FY 24**	**FY 25**	**FY 26**	
Forecast occupancy rate (%)				
Zilwa Resort Ltd (ZRL)	81%	82%	62%	The hotel is expected to be closed for 3 months due to major renovation works in FY 2026.
Water Sports Village Limited (WSVL)	85%	82%	82%	
Yearly increase in average daily rate (%)				
Zilwa Resort Ltd (ZRL)	12%	3%	3%	
Water Sports Village Limited (WSVL)	13%	5%	5%	
Yearly increase in revenue (%)				
Attitude Hospitality Management Ltd (AHML)	10%	0%	-8%	
Zilwa Resort Ltd (ZRL)	9%	4%	-41%	
Water Sports Village Limited (WSVL)	10%	1%	5%	
Depreciation to revenue ratio (%)				
Attitude Hospitality Management Ltd (AHML)	5%	5%	6%	
Zilwa Resort Ltd (ZRL)	7%	7%	14%	
Water Sports Village Limited (WSVL)	8%	8%	8%	
EBITDA margin (%)				
Attitude Hospitality Management Ltd (AHML)	34%	31%	24%	
Zilwa Resort Ltd (ZRL)	36%	35%	14%	
Water Sports Village Limited (WSVL)	34%	33%	34%	
Projected capital expenditure				
Attitude Hospitality Management Ltd (AHML)	41,536	3,000	5,000	AHML is primarily a hotel management company and has low capital investment.
Zilwa Resort Ltd (ZRL)	162,272	43,482	325,872	
Water Sports Village Limited (WSVL)	25,475	35,938	37,618	
Net profit/loss forecasts				
Attitude Hospitality Management Ltd (AHML)	62,226	54,367	33,173	
Zilwa Resort Ltd (ZRL)	190,965	197,569	(7,492)	
Water Sports Village Limited (WSVL)	93,623	99,261	107,761	
Proposed distributions				
Attitude Hospitality Management Ltd (AHML)	40,000	50,000	50,000	
Zilwa Resort Ltd (ZRL)	60,000	61,635	-	
Water Sports Village Limited (WSVL)	-	40,000	40,000	

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8. Independent Financial Advisor's Report on the Forecast Financial Information of Cavell Touristic Investments Ltd

LAD/AR/tc/ka/159/24

The Directors
Cavell Touristic Investments Ltd
18, Edith Cavell Street,
Port Louis,
Mauritius

Report on the Forecast Financial Information of Cavell Touristic Investments Ltd

Introduction

We have undertaken a reasonable assurance engagement in respect of the Forecast Statement of Financial Position as at 30 June 2024, 30 June 2025 and 30 June 2026, and the Forecast Income Statement, Forecast Statement of Cash Flows and Forecast Statement of Changes in Equity for the period from 15 March 2023 (date of incorporation) to 30 June 2024, for the year ending 30 June 2025 and year ending 30 June 2026 of Cavell Touristic Investments Ltd ("**CTIL**" or the "**Company**") (the "**Forecast Financial Information**"), as set out in "Section 7: Financial forecasts of Cavell Touristic Investments Ltd" of the Business Plan, as required by the Guidance Note 2 Business Plan (the "**Guidance Note**") and the rules for Development & Enterprise Market companies as issued by The Stock Exchange of Mauritius Ltd (the "**SEM**") as applicable (the "**DEM Rules relating to forecast financial information**").

We have also undertaken a limited assurance engagement in respect of the directors' assumptions used to prepare and present the Forecast Financial Information, disclosed in the notes to the forecast information presented in "Section 7: Financial forecasts of Cavell Touristic Investments Ltd" of the Business Plan, as required by the Guidance Note and DEM Rules relating to forecast financial information.

Directors' responsibility for the Forecast Financial Information and for the assumptions used to prepare the Forecast Financial Information

The directors are responsible for the preparation and presentation of the Forecast Financial Information and for the reasonableness of the assumptions used to prepare the Forecast Financial Information as set out in the notes to the forecast information presented in "Section 7: Financial forecasts of Cavell Touristic Investments Ltd" of the Business Plan, in accordance with the Guidance Note and DEM Rules relating to forecast financial information. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Forecast Financial Information on the basis of those assumptions that is free from material misstatement, whether due to fraud or error.

Inherent limitations

Actual results are likely to be different from the Forecast Financial Information since anticipated events frequently do not occur as expected and the variation may be material. Consequently, readers are cautioned that the Forecast Financial Information may not be appropriate for purposes other than described in the purpose of the report paragraph below.

Our independence and quality management

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code"), which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies the International Standard on Quality Management 1: *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including documented policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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Part A - Reasonable assurance engagement on the Forecast Financial Information

Independent Financial Advisor's responsibility

Our responsibility is to express an opinion based on the evidence we have obtained about whether the Forecast Financial Information is properly prepared and presented on the basis of the directors' assumptions disclosed in the notes to the forecast information presented in "Section 7: Financial forecasts of Cavell Touristic Investments Ltd" of the Business Plan and in accordance with the Guidance Note and DEM Rules relating to forecast financial information. We conducted our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3400, The Examination of Prospective Financial Information as issued by the International Auditing and Assurance Standards Board ("**ISAE 3400**"). That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether such Forecast Financial Information is properly prepared and presented on the basis of the directors' assumptions as presented in the notes to the forecast information presented in "Section 7: Financial forecasts of Cavell Touristic Investments Ltd" of the Business Plan and in accordance with the Guidance Note and DEM Rules relating to forecast financial information.

A reasonable assurance engagement in accordance with ISAE 3400 involves performing procedures to obtain evidence that the forecast financial information is properly prepared and presented on the basis of the assumptions and in accordance with the Guidance Note and DEM Rules relating to forecast financial information. The nature, timing and extent of procedures selected depend on the independent financial advisor's judgement, including the assessment of the risks of material misstatement, whether due to fraud or error, of the forecast information. In making those risk assessments, we considered internal control relevant to CTIL's preparation and presentation of the Forecast Financial Information.

Our procedures included:

- Inspecting whether the Forecast Financial Information is properly prepared on the basis of the directors' assumptions;
- Inspecting whether the Forecast Financial Information is properly presented, and all material assumptions are adequately disclosed, including a clear indication as to whether they are best-estimate assumptions; and
- Inspecting whether the Forecast Financial Information for the period from 15 March 2023 (date of incorporation) to 30 June 2024, for the year ending 30 June 2025 and year ending 30 June 2026 are prepared on a consistent basis with appropriate accounting policies as presented in "Section 9: Summary of key accounting policies".
- Reading the Business Plan and, in doing so, considering whether the Business Plan contains information that is materially inconsistent with the Forecast Financial Information, or our knowledge obtained from the examination of the Forecast Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion on the Forecast Financial Information

In our opinion, the Forecast Financial Information for the period from 15 March 2023 (date of incorporation) to 30 June 2024, for the year ending 30 June 2025 and year ending 30 June 2026, is properly prepared and presented on the basis of the directors' assumptions and in accordance with the Guidance Note and DEM Rules relating to forecast financial information.

Part B - Limited assurance engagement on the reasonableness of the directors' assumptions

Independent Financial Advisor's responsibility

Our responsibility is to express a limited assurance conclusion on whether anything has come to our attention that causes us to believe that the assumptions do not provide a reasonable basis for the preparation and presentation of the Forecast Financial Information in accordance with the Guidance Note and DEM Rules relating to forecast financial information, based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with ISAE 3400. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the directors' assumptions provide a reasonable basis for the preparation and presentation of the Forecast Financial Information.

A limited assurance engagement undertaken in accordance with ISAE 3400 involves assessing the source and reliability of the evidence supporting the directors' assumptions. Sufficient appropriate evidence supporting such assumptions would be obtained from internal and external sources including consideration of the assumptions in the light of historical information and an evaluation of whether they are based on plans that are within the entity's capacity. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included inquiries, observations of processes performed, inspection of documents, analytical procedures, evaluating the reasonableness of best-estimate assumptions and agreeing or reconciling with underlying records.

Our procedures included evaluating the directors' best-estimate assumptions on which the forecast financial information is based for reasonableness.

The procedures performed in a limited assurance engagement are less in extent than for, and vary in nature from, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the directors' assumptions provide a reasonable basis for the preparation and presentation of the Forecast Financial Information.

Limited assurance conclusion on the reasonableness of the directors' assumptions

Based on the procedures we have performed and evidence we have obtained, nothing has come to our attention that causes us to believe that the directors' assumptions do not provide a reasonable basis for the preparation and presentation of the Forecast Financial Information.

Purpose and use of the Report

This Report has been prepared and given solely to the addressee of this Report and solely for the purpose of satisfying the requirements of the Guidance Note and DEM Rules relating to forecast financial information and should not be used or relied upon for any other purpose, nor be copied, quoted or referred to, in whole or in part, by you or any third party without our prior written consent. Any other party other than you, who obtains or is given access to our Report or a copy and chooses to rely on our Report or any part of it, will do so at their own risk. To the fullest extent permitted by law, we will accept no responsibility or liability in respect of our opinion to any other party.

Report on other legal and regulatory requirements

In accordance with our responsibilities set out in the Guidance Note and DEM Rules relating to forecast financial information, we have performed the procedures set out therein. If, based on the procedures performed, we detect any exceptions, we are required to report those exceptions. We have nothing to report in this regard.

Ernst & Young

Anjaala Ramkhelawon

Partner

Ernst & Young Ltd

Date: 3 November 2023

9. Summary of key accounting policies

In this section, we outline the key accounting policies that served as basis for the preparation of the forecasts and provide a brief description thereof.

Caption	Key accounting policies
Investment in Associates	An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The Company's investment in its associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted by the proportionate share of profits and the proportionate share of dividends attributable to CTIL from the associate to recognise changes in the Company's share of net assets of the associate since the acquisition date. The income statement reflects the Company's share of the results of operations of the associate. Any change in other comprehensive income of those investees is presented as part of the Company's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate, which is the higher of an asset's net selling price and value in use, and its carrying value.
Cash and cash equivalents	Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.
Deferred tax	Deferred tax is provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences can be utilised.
Share capital	Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as deduction, net of tax, from proceeds.
Financial liabilities at amortised cost	Financial liabilities at amortised cost include the shareholder loan and borrowings, which are initially recognised at fair value. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the income statement. The shareholder loan and borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.
Dividend distribution	Dividend receivable from the Associates is credited to 'Investments in Associates' and recognised as an asset in the financial statements when the Company's right to receive payment is established. The Company recognises a liability to pay a dividend when the distribution is declared, and the distribution is no longer at the discretion of the Company. A corresponding amount is recognised directly in equity.

10. Strengths, weaknesses, opportunities and threats (SWOT) analysis

In this section, we present the key characteristics being displayed by CTIL as an investor holding minority stakes in hospitality shares.

The presentation is based on key findings highlighted in the previous sections.

Strengths

- A diversified investment portfolio:
  - The portfolio in which CTIL has invested, provides exposure to a variety of hotels with different standards, specific service offerings and locations around the island via AHML, the asset-light management company.
  - The portfolio also comprises of 'hard' assets: the properties of Zilwa Attitude and Paradise Cove Boutique Hotel.
- The Hotels under the management of the Associates are a reference in the Mauritian tourism industry with an established track record.

Weaknesses

- With no controlling stake in the Associates, CTIL will both be bound by and benefit from the strategic decisions of the main shareholders of the Associates.
- As a holding company with no operations, the results of CTIL are dependent on the profitability of the Associates which is exclusively dependent on Mauritius tourism, therefore having a limited geographical diversification.

Threats

- Unprecedented uncertainties relating to the ongoing geopolitical tensions and international travel as well as health challenges.
- Rising costs arising from labour and skills shortages, supply disruptions, environmental protection likely to affect underlying profitability of the Associates.

Opportunities

- Conducive policy-making aimed at promoting tourism in Mauritius, with opportunities to gain market share in relatively undeveloped Middle East and Asian markets compared to the long-standing European countries
- Potential to invest in new hospitality projects with its Attitude Partner and supportive major shareholders.