PARADISE HOSPITALITY GROUP LIMITED

(formerly Paradise Property Investments Ltd)
(Incorporated in the Republic of Mauritius)
(Registration number: C144808 C1/GBL)
Having its address at c/o Intercontinental Fund Services Limited,
Level 5, Alexander House,
35 Cybercity, Ebene, 72201, Mauritius
("**Paradise Hospitality**" or "**the Company**")

AUDITED ABRIDGED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

DIRECTORS' COMMENTARY

Paradise Hospitality Group Limited presents its results for the financial year ended 30 June 2020.

NATURE OF THE BUSINESS

Paradise Hospitality was established to acquire hospitality properties with fixed leases from renowned operators within the sub-tropical region (including, amongst others, countries such as Madagascar, Seychelles, Mauritius and Senegal) thereby providing shareholders with the opportunity to benefit from the buoyant hospitality market, without taking direct hospitality operating risk. By securing long term triple net leases (i.e. leases where the tenant is responsible for all property costs), the Company will generate consistent and sustainable hard currency returns to its shareholders.

The Company's capital structure comprises unlisted Class A Ordinary Shares ("**Class A shares**") and Limited Voting Class B Preference Shares ("**Class B shares**") listed on the Official Market of the Stock Exchange of Mauritius Ltd ("**SEM**"). The terms of the Class B shares are as follows:

- Target dividend yield of 6.25% (which rank above Class A shares);
- Hold voting rights of 1 vote for every two Class B shares held; and
- Rank equally in all other respects.

DIVIDENDS

No dividends were declared or paid during the period under review.

OVERVIEW

On 27 January 2020, Paradise Hospitality acquired the Club Med Cap Skirring Hotel located in Casamance, Senegal. The 4 trident resort consists of 205 rooms, 2 restaurants, 3 bars, 9-hole golf course, 6 tennis courts, 1 nautical center and 1 pool (the "**Resort**").

Paradise Hospitality acquired 100% of the equity of Société Immobilière et de Gestion Hôtelière du Cap Skirring ("**SIGHC**") for EUR16.2 million ("**Provisional Purchase Price**"), subject to an adjustment based on the final balance sheet and the related profit and loss accounts of SIGHC. On 27 January 2020, Casamance Limited ("**Casamance**"), a wholly owned subsidiary of the Company paid EUR 15.5 million being 96% of the Provisional Purchase Price. As at 30 June 2020 the final purchase consideration had not been agreed.

EUR 6.4 million of the Provisional Purchase Price was funded through a debt facility from ABC Banking Corporation Ltd. The loan was initially availed Paradise Hospitality (100% shareholder of Casamance) and injected into Casamance through a EUR 6.4 million shareholder loan. On 19 June 2020, the debt facility was reset and made available to Casamance.

Due to the Covid-19 pandemic, the Company is expecting to provide up to nine months (from 1 April 2020) of rent deferral support to Club Med at the Resort. Offsetting this impact, the parties have agreed to a reduced development programme in 2020, undertaking only key refurbishment works on the property with the bulk of the programme taking place in 2021, once the hospitality market has stabilised.

DEBT FUNDING

Casamance secured debt funding from ABC Banking Corporation Ltd to repay Paradise Hospitality's shareholder loan, which was initially used to fund the acquisition of the Resort. The debt facility of EUR 6.4 million provided by ABC Banking Corporation Ltd to Casamance attracts interest at 3-month Euribor plus 4.25%, and is repayable over a 5-year term with a capital repayment moratorium of 1.5 years.

GOING CONCERN

Due to the Covid-19 pandemic, the Company is expecting to provide up to nine months (from 1 April 2020) of rent deferral support to Club Med.

The Company has the financial support of its current ultimate holding company (Grit Real Estate Income Group Limited) and the latter will provide financial support to the Company for the next 12 months.

Together with the above, having considered the Company's pipeline assets, budget and cash flow, the directors believe that the Group will have adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the Group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the Group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Group. The Group and Company have adequate financing facilities and monitors its covenants throughout the going concern period, the inherent uncertainty in future property valuations as a result of the COVID-19 pandemic are such that, in the event that property valuations across the portfolio decrease more severely or quickly than expected, then it may indicate a material uncertainty that may cast significant doubt on the Group's and Company's ability to continue as a going concern and are referenced in the external auditors' Independent Audit Opinion. The Company and Group financial statements do not include the adjustments that would result if they were unable to continue as a going concern.

COMPARATIVES

The Company did not present consolidated financial statements last year as it did not consider the impact of the consolidated numbers to be materially different from the separate financial statements. Comparatives have been updated to reflect group numbers during the current year.

STATEMENT OF FINANCIAL POSITION	Audited as at 30-Jun-2020 EUR	Audited as at 30-Jun-2019 EUR
Assets		
Non-current asset		
Amount receivable from related company	**2,377,282**	2,247,435
Property, plant and equipment	**40,645**	-
Investment property	**15,580,000**	-
Total non-current asset	**17,997,927**	**2,247,435**
Current asset		
Prepayments and other receivables	**729,294**	22,887
Cash and cash equivalents	**36,185**	4,883
Total current asset	**765,479**	**27,770**
Total assets	**18,763,406**	**2,275,205**
Equity and liabilities		
Total equity attributable to equity holders		
Stated capital: Class A shares	**10,469,705**	1,300,003
Stated capital: Class B shares	**700,000**	700,000
Accumulated losses	**(1,486,985)**	(100,400)
Total equity attributable to equity holders	**9,682,720**	**1,899,603**
Current liability		
Bank overdraft	**6,420,653**	-
Tax payable	**604,077**	-
Trade and other payables	**2,055,956**	375,602
Total current liability	**9,080,686**	**375,602**
Total liability	**9,080,686**	**375,602**
Total equity and liability	**18,763,406**	**2,275,205**
Net asset value per Class A share (cents)	**86.69**	94.98
Net asset value per Class B share (cents)	**86.69**	94.98

CONDENSED STATEMENT OF COMPREHENSIVE INCOME	Audited for the year ended 30 June 2020 EUR	Audited for the year ended 30 June 2019 EUR
Rental income	**564,396**	-
Interest income	**126,008**	126,609
Gain from bargain purchase	**57,223**	-
Administration expenses	**(1,917,143)**	(171,834)
Finance cost	**(215,725)**	(5,945)
Loss before taxation	**(1,385,241)**	**(51,170)**
Taxation expense	**(1,344)**	-
Loss for the year	**(1,386,585)**	**(51,170)**

STATEMENT OF CHANGES IN EQUITY	Stated Capital: Class A EUR	Stated Capital: Class B EUR	Accumulated losses EUR	Total equity EUR
Balance at 1 July 2018	1,300,003	700,000	(49,230)	1,950,773
Loss and total comprehensive income for the year	-	-	(51,170)	(51,170)
Balance at 30 June 2019	1,300,003	700,000	(100,400)	1,899,603
Balance 1 July 2019	**1,300,003**	**700,000**	**(100,400)**	**1,899,603**
Share issue: Class A[1]	**9,169,702**	**-**	**-**	**9,169,702**
Loss and total comprehensive income for the year			**(1,386,585)**	**(1,386,585)**
Balance at 30 June 2020	**10,469,705**	**700,000**	**(1,486,985)**	**9,682,720**

[1] **Issue of Class A shares:** In order to finance the acquisition of Club Med Cap Skirring Hotel in Senegal, 9,169,702 Class A shares were issued to the existing Class A shareholder on 28 January 2020, at a price of EUR 1 per share.

CONDENSED STATEMENT OF CASH FLOWS	Audited for the year ended 30 June 2020 EUR	Audited for the year ended 30 June 2019 EUR
Net cash from operating activities	**1,734,550**	2,826
Net cash from financing activities	**9,015,690**	1,253
Cash used in investing activities	**(17,139,591)**	-
Net movement in cash and cash equivalents	**(6,389,351)**	4,079
Cash at beginning of the year	**4,883**	804
Total cash at the end of the year	**(6,384,468)**	4,883

NOTES

The Company is required to publish its audited financial results for the year ended 30 June 2020 in terms of SEM Listing Rule 12.14 and Section 88 of the Securities Act 2005. Accordingly, this announcement presents the audited financial results of the Company in respect of the year ended 30 June 2020, i.e. from 01 July 2019 to 30 June 2020.

The audited abridged financial statements for the year ended 30 June 2020 ("**abridged financial statements**") have been prepared in accordance with the framework concepts and measurement and recognition requirements of International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"), interpretations issued by the IFRS Interpretation Committee ("**IFRS IC**"), the Companies Act 2001 (as amended), the Financial Reporting Act 2004, the Securities Act 2005,and the SEM Listing Rules.

These abridged financial statements were approved by the Board on 15 December 2020. PricewaterhouseCoopers Mauritius have issued their unmodified audit opinion on the Group's financial statements. These abridged financial statements have been derived from the Company's audited financial statements for the year ended 30 June 2020 ("**audited financial statements**"). Copies of the audited financial statements, the unmodified audit opinion and the Statement of direct and indirect interests of each officer of the Company, pursuant to Rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007, are available free of charge, upon request at the Registered Office of the Company at c/o Intercontinental Fund Services Limited, Level 5, Alexander House, 35 Cybercity, Ebene 72201, Mauritius. Contact person: Mrs. Smitha Algoo-Bissonauth.

The Board accepts full responsibility for the accuracy of the information contained in these abridged financial statements. The directors are not aware of any matters or circumstances arising subsequent to the period ended 30 June 2020 that require any additional disclosure or adjustment to the financial statements.

By order of the Board

16 December 2020

SEM authorised representative & sponsor

Perigeum Capital

+230 402 0890

Company Secretary

itl Intercontinental Fund Services Limited

+230 466 3999

Directors: David Love (Independent Chairman), Greg Pearson (Non-Executive director), Catherine Mcllraith (Non-Executive director) and Moira van der Westhuizen (Executive director)
Company secretary: Intercontinental Fund Services Limited
Registered office address: C/o Intercontinental Fund Services Limited, Level 5, Alexander House, 35 Cybercity, Ebène, 72201, Mauritius
Registrar and transfer agent (Mauritius): Intercontinental Secretarial Services Limited
SEM authorised representative & sponsor: Perigeum Capital Ltd

This communiqué is issued pursuant to SEM Listing Rules 11.3 and 12.14 and Section 88 of the Mauritian Securities Act 2005. The Board of Paradise Hospitality accepts full responsibility for the accuracy of the information contained in these abridged financial statements.