



## **PARADISE HOSPITALITY GROUP LIMITED**

(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"**)

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### **UNAUDITED ABRIDGED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2020**

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#### **DIRECTORS' COMMENTARY**

Paradise Hospitality Group Limited presents its results for the financial period from 01 July 2020 to 30 September 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 by 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 are of the opinion that the Company has adequate resources to continue operating for the foreseeable future and that it is appropriate to adopt the going concern basis in preparing the Company’s financial statements. The directors have satisfied themselves that the Company 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 Company. 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 Company.

#### **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.

<b>STATEMENT OF FINANCIAL POSITION</b>	<b>Unaudited as at 30-Sep-2020</b>	<b>Audited as at 30-Jun-2020</b>
	<b>EUR</b>	<b>EUR</b>
<b>Assets</b>		
<b>Non-current asset</b>		
Amount receivable from related company	<b>2,408,953</b>	2,377,282
Property, plant and equipment	<b>35,755</b>	40,645
Investment property	<b>15,580,000</b>	15,580,000
<b>Total non-current asset</b>	<b>18,024,708</b>	17,997,927
<b>Current asset</b>		
Prepayments and other receivables	<b>388,662</b>	729,294
Cash and cash equivalents	<b>6,965</b>	36,185
<b>Total current asset</b>	<b>395,627</b>	765,479
<b>Total assets</b>	<b>18,420,335</b>	18,763,406
<b>Equity and liabilities</b>		
<b>Total equity attributable to equity holders</b>		
Stated capital: Class A shares	<b>10,469,705</b>	10,469,705
Stated capital: Class B shares	<b>700,000</b>	700,000
Accumulated losses	<b>(1,256,056)</b>	(1,486,985)
<b>Total equity attributable to equity holders</b>	<b>9,913,649</b>	9,682,720
<b>Current liability</b>		
Bank overdraft	<b>6,399,095</b>	6,420,653
Tax payable	<b>602,339</b>	604,077
Trade and other payables	<b>1,505,252</b>	2,055,956
<b>Total current liability</b>	<b>8,506,686</b>	9,080,686
<b>Total liability</b>	<b>8,506,686</b>	9,080,686
<b>Total equity and liability</b>	<b>18,420,335</b>	18,763,406
Net asset value per Class A share (cents)	<b>88.75</b>	86.69
Net asset value per Class B share (cents)	<b>88.75</b>	86.69

CONDENSED STATEMENT OF COMPREHENSIVE INCOME	Unaudited for the period ended 30 September 2020 EUR	Audited for the year ended 30 June 2020 EUR
Rental income	329,982	564,396
Interest income	31,674	126,008
Gain from bargain purchase	-	57,223
Administration expenses	(45,561)	(1,917,143)
Finance cost	(86,904)	(215,725)
<b>Profit/loss before taxation</b>	<b>229,191</b>	<b>(1,385,241)</b>
Taxation expense	1,738	(1,344)
<b>Profit/loss for the period/year</b>	<b>230,929</b>	<b>(1,386,585)</b>

STATEMENT OF CHANGES IN EQUITY	Stated Capital: Class A	Stated Capital: Class B	Accumulated losses	Total equity
	EUR	EUR	EUR	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 <sup>1</sup>	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	<b>10,469,705</b>	<b>700,000</b>	<b>(1,486,985)</b>	<b>9,682,720</b>
Loss and total comprehensive income for the period	-	-	<b>230,929</b>	<b>230,929</b>
Balance at 30 September 2020	<b>10,469,705</b>	<b>700,000</b>	<b>(1,256,056)</b>	<b>9,913,649</b>

<sup>1</sup> **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	Unaudited for the period ended 30 September 2020 EUR	Audited for the year ended 30 June 2020 EUR
Net cash (used in)/from operating activities	(7,662)	1,734,550
Net cash from financing activities	-	9,015,690
Cash used in investing activities	-	(17,139,591)
<b>Net movement in cash and cash equivalents</b>	<b>(7,662)</b>	<b>(6,389,351)</b>
Cash at beginning of the year	(6,384,468)	4,883
<b>Total cash at the end of the year</b>	<b>(6,392,130)</b>	<b>(6,384,468)</b>

## NOTES

The Company is required to publish financial results for the three months ended 30 September 2020 in terms of SEM Listing Rule 12.19 and the Mauritian Securities Act 2005. Accordingly, this announcement presents the financial results of the Company in respect of the period from 01 July 2020 to 30 September 2020. The Limited Voting Class B shares were issued and listed on the Official Market of the SEM on 10 July 2017.

The unaudited abridged financial statements for the three months ended 30 September 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 Mauritian Companies Act 2001, the Mauritian Financial Reporting Act 2004, the Mauritian Securities Act 2005, the requirements of IAS 34: Interim Financial Reporting and the SEM Listing Rules.

These abridged financial statements have not been reviewed or reported on by the Company’s external auditors. These abridged financial statements were approved by the Board on 22 December 2020. These abridged financial statements have been derived from the Company’s unaudited financial statements for the three months ended 30 September 2020. Copies of the abridged financial statements 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 of Mauritius, 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 September 2020 that require any additional disclosure or adjustment to the financial statements.

By order of the Board

22 December 2020

**SEM authorised representative & sponsor**



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**Company Secretary**



+230 466 3999

**Directors:** David Love (Independent Chairman), Greg Pearson (Non-Executive director), Catherine McIlraith (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.