



DIRECTORS' COMMENTARY

Paradise Hospitality Group Limited presents its results for the financial year ended 30 June 2022.

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 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 for 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:

- The holders of limited voting Class B shares shall be entitled to the first right to dividend of up to 6.25% of the net asset value per limited voting Class B 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 year under review.

OVERVIEW

Paradise Hospitality owns 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").

The Group and Company have recovered post the COVID-19 pandemic, no further lease concessions were granted, and the fair value of the assets have increased due to the removal of COVID-19 restrictions in Senegal and significant increase in tourist arrivals.

DEBT FUNDING

The debt from ABC Banking Corporation Ltd amounting of **USD 4,450,000** was fully settled after year end.

GOING CONCERN

The Group and Company have recovered post the COVID-19 pandemic, no further lease concessions were granted and the fair value of the assets have increased due to the removal of COVID-19 restrictions in Senegal and significant increase in tourist arrivals.

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.



	Audited as at 30-Jun-2022 EUR	Audited as at 30-Jun-2021 EUR
CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
Assets		
Non-current asset		
Amount receivable from related company	2,627,432	2,502,425
Property, plant and equipment	6,586	20,498
Investment property	18,580,416	16,618,571
Total non-current asset	21,214,434	19,141,494
Current asset		
Prepayments and other receivables	1,471,817	1,134,753
Cash and cash equivalents	84,494	230,001
Total current asset	1,556,311	1,364,754
Total assets	22,770,745	20,506,248
Equity and liabilities		
Total equity attributable to equity holders		
Stated capital: Class A shares	10,469,705	10,469,705
Stated capital: Class B shares	700,000	700,000
Accumulated losses	(763,215)	(2,522,838)
Total equity attributable to equity holders	10,406,490	8,646,867
Non-current liabilities		
Long term borrowings	-	5,600,000
Loan from related companies	7,381,758	3,662,766
Total current liability	7,381,758	9,262,766
Current liability		
Short term borrowings	4,450,000	800,000
Tax payable	-	265,608
Trade and other payables	532,497	1,531,007
Total current liability	4,982,497	2,596,615
Total liability	12,364,255	11,859,381
Total equity and liability	22,770,745	20,506,248
Net asset value per Class A share (cents)	93.17	77.41
Net asset value per Class B share (cents)	93.17	77.41

NOTES

The Company is required to publish its audited consolidated financial statements for the year ended 30 June 2022 in terms of SEM Listing Rule 12.14 and Section 88 of the Securities Act 2005. Accordingly, this announcement presents the audited abridged consolidated financial statements of the Company in respect of the year ended 30 June 2022, i.e. from 01 July 2021 to 30 June 2022.

The audited abridged consolidated financial statements for the year ended 30 June 2022 ("abridged consolidated 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 consolidated financial statements were approved by the Board on 31 October 2022. PricewaterhouseCoopers Mauritius have issued their unmodified audit opinion on the Group's financial statements. These abridged consolidated financial statements have been derived from the Company's audited consolidated financial statements for the year ended 30 June 2022 ("audited consolidated financial statements"). Copies of the audited consolidated 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 year ended 30 June 2022 that require any additional disclosure or adjustment to the financial statements.

	Audited for the year ended 30 June 2022 EUR	Audited for the year ended 30 June 2021 EUR		
CONDENSED STATEMENT OF COMPREHENSIVE INCOME				
Rental income	1,335,093	1,384,587		
Straight lining rental income	61,759	115,836		
Interest income	125,664	125,664		
Other income	5,508	10,250		
Fair value gain/(loss) on investment property	1,295,489	(1,961,079)		
Administration expenses	(819,435)	(282,818)		
Finance cost	(467,306)	(422,409)		
Profit/(Loss) before taxation	1,536,772	(1,029,969)		
Taxation expense	222,851	(5,884)		
Profit/(Loss) for the year	1,759,623	(1,035,853)		
CONDENSED STATEMENT OF CHANGES IN EQUITY				
	Share Capital: Class A EUR	Share Capital: Class B EUR	Accumulated losses EUR	Total equity EUR
Balance at 1 July 2020	10,469,705	700,000	(1,486,985)	9,682,720
Loss and total comprehensive income for the year	-	-	(1,035,853)	(1,035,853)
Balance at 30 June 2021	10,469,705	700,000	(2,522,838)	8,646,867
Balance at 1 July 2021	10,469,705	700,000	(2,522,838)	8,646,867
Loss and total comprehensive income for the year	-	-	1,759,623	1,759,623
Balance at 30 June 2022	10,469,705	700,000	(763,215)	10,406,490
CONDENSED STATEMENT OF CASH FLOWS				
Net cash from operating activities	(496,553)	(671,223)		
Net cash from financing activities	955,643	10,169,506		
Net cash used in investing activities	(604,597)	(2,883,814)		
Net movement in cash and cash equivalents	(145,507)	6,614,469		
Cash at beginning of the year	230,001	(6,384,468)		
Total cash at the end of the year	84,494	230,001		

By order of the Board

31 October 2022

SEM Authorised Representative & Sponsor



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Company Secretary



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Directors: David Love (Independent Chairman), 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, Ebene, 72201, Mauritius

Registrar and transfer agent (Mauritius): Intercontinental Secretarial Services Limited

SEM authorised representative & sponsor: Perigeum Capital Ltd