

SUN LIMITED ABRIDGED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2021 (UNAUDITED)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (ABRIDGED)	QUARTER ENDED 30 SEPTEMBER (UNAUDITED)	
	2021 Rs'000	2020 Rs'000
Continuing operations		
Revenue	280,342	244,048
Operating expenses	(547,177)	(453,954)
Loss before interest, tax, depreciation and amortisation and impairment charges	(266,835)	(209,906)
Impairment of financial assets	728	(9,525)
Loss before interest, tax, depreciation and amortisation	(266,107)	(219,431)
Depreciation and amortisation	(140,936)	(141,837)
Operating loss	(407,043)	(361,268)
Net finance costs	(120,098)	(261,500)
Share of result of joint venture	(3,717)	(7,887)
Loss before tax	(530,858)	(630,655)
Income tax credit	74,744	71,769
Loss for the period from continuing operations	(456,114)	(558,886)
Loss from discontinued operation	-	(67,770)
Loss for the period	(456,114)	(626,656)
Other comprehensive income, net of tax	127,676	(128,041)
Total comprehensive income for the period	(328,438)	(754,697)
Loss attributable to:		
Owners of the Company	(434,623)	(599,419)
Non-controlling interests	(21,491)	(27,237)
	(456,114)	(626,656)
Total comprehensive income attributable to:		
Owners of the Company	(313,737)	(720,194)
Non-controlling interests	(14,701)	(34,503)
	(328,438)	(754,697)
Basic and diluted loss per share (Rs)	(2.49)	(3.44)

CONSOLIDATED GEOGRAPHICAL AND SEGMENTAL INFORMATION	QUARTER ENDED 30 SEPTEMBER (UNAUDITED)	
	2021 Rs'000	2020 Rs'000
Geographical revenue:		
Continuing operations		
Mauritius	278,021	240,702
Others	2,321	3,346
	280,342	244,048
Discontinued operation		
Maldives	-	705
Revenue	280,342	244,753
Segment revenue:		
Hotel operations - External sales	278,021	241,407
Hotel operations - Inter-segment sales	1,365	2
	279,386	241,409
Others - External sales	2,321	3,346
Elimination of inter-segment sales	(1,365)	(2)
Revenue	280,342	244,753
Geographical results:		
Continuing operations		
Mauritius	(449,905)	(554,036)
Others	(6,209)	(4,850)
Loss for the period from continuing operations	(456,114)	(558,886)
Discontinued operation		
Maldives	-	(67,770)
Loss for the period	(456,114)	(626,656)
Segment results:		
Hotel operations	(449,905)	(621,806)
Others	(6,209)	(4,850)
Loss for the period	(456,114)	(626,656)

CONSOLIDATED STATEMENT OF CASH FLOWS (ABRIDGED)	QUARTER ENDED 30 SEPTEMBER (UNAUDITED)	
	2021 Rs'000	2020 Rs'000
Operating loss before working capital changes	(254,565)	(264,765)
Movement in working capital	152,610	(164,223)
Cash used in operations	(101,955)	(428,988)
Income taxes paid	-	(1,049)
Net cash flows used in operating activities	(101,955)	(430,037)
Net cash flows used in investing activities	(54,477)	(65,680)
Net cash flows (used in)/from financing activities	(64,521)	282,837
Net decrease in cash and cash equivalents	(220,953)	(212,880)
Net foreign exchange differences	(10,127)	7,626
Cash and cash equivalents at 1 July	1,547,858	587,041
Cash and cash equivalents at 30 September	1,316,778	381,787

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (ABRIDGED)	30 SEPTEMBER (UNAUDITED)	30 JUNE (AUDITED)
	2021 Rs'000	2021 Rs'000
ASSETS		
Non-current assets		
Property, plant and equipment	15,270,878	15,321,636
Right-of-use assets	1,617,545	1,518,315
Intangible assets	266,628	269,394
Investments in associates and joint ventures	412,119	441,922
Other non-current assets	387,196	368,850
	17,954,366	17,920,117
Current assets	2,075,628	2,088,235
Total assets	20,029,994	20,008,352
EQUITY AND LIABILITIES		
Shareholders' equity	5,928,291	6,242,028
Non-controlling interests	662,310	677,011
Total equity	6,590,601	6,919,039
Loans and other borrowings	6,884,805	6,686,989
Lease liabilities	1,836,991	1,648,043
Deferred tax liability	891,289	946,728
Provision	9,913	9,913
Contract liabilities	89,394	90,503
Employee benefit liability	283,916	266,752
	9,996,308	9,648,928
Non-current liabilities	3,443,085	3,440,385
Current liabilities	13,439,393	13,089,313
Total liabilities	20,029,994	20,008,352
Total equity and liabilities	20,029,994	20,008,352
Net debt	7,185,544	7,087,513
Gearing ratio	52.2%	50.6%

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (ABRIDGED)	THE GROUP		
	Attributable to owners of the Company Rs'000	Non-controlling interests Rs'000	Total equity Rs'000
At 30 June 2020 (audited) - restated	5,341,637	765,561	6,107,198
Total comprehensive income for the period	(720,194)	(34,503)	(754,697)
At 30 September 2020 (unaudited)	4,621,443	731,058	5,352,501
At 30 June 2021	6,242,028	677,011	6,919,039
Total comprehensive income for the period	(313,737)	(14,701)	(328,438)
At 30 September 2021 (unaudited)	5,928,291	662,310	6,590,601

COMMENTS ON THE RESULTS

Results for Quarter ended 30 September 2021

With the partial opening of the borders as from 15 July 2021, Sugar Beach and Shangri-La's Le Touessrok resorts were opened for fully vaccinated guests. The other resorts remained either closed or operated as quarantine centres.

Revenues generated from incoming travellers and quarantine business amounted to Rs 150 million. EBITDA loss of Rs 266 million was higher than the same period last year (Rs 210 million) mainly due to pre-opening costs and sales and marketing relaunch incurred for the resorts in preparation for full border opening in October 2021.

However, with lower finance costs, the post-tax loss of Rs 456 million for the quarter was better than the Rs 627 million loss incurred in the same quarter last year.

Net debt was Rs 7.2 billion, with a gearing of 52.2% (30 June 2021: 50.6%).

Bonds

On 3 November 2021, the Group repaid Rs 1.2 billion of its listed bonds which came to maturity.

Outlook

With the country's full border reopening as from 1 October 2021, the pick-up in bookings for the second quarter has been very encouraging as the trade and travellers' confidence resumes. The Group is on track for a profitable second quarter subject to sanitary conditions not deteriorating and air seat capacity being at the adequate level.

By Order of the Board

CIEL Corporate Services Ltd
Company Secretary

10 November 2021

Notes to the above:

- The abridged financial statements for the quarter ended 30 September 2021 have been prepared using the same accounting policies and methods adopted in the financial statements for the year ended 30 June 2021, audited by Messrs. PricewaterhouseCoopers, Chartered Accountants, except for the adoption of new and amended IFRS in the year commencing 1 July 2021.
- The interim financial statements have been prepared in accordance with IAS 34 Interim Financial Statements.
- This announcement is issued pursuant to Listing Rule 12.20 and the Securities Act 2005.
- The Board of Directors of Sun Limited accepts full responsibility for the accuracy of the information contained in this report.
- The statement of direct and indirect interests of officers of the Company required under rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available upon request from the Secretary, free of charge at CIEL Corporate Services Ltd, Ebene Skies, Ebene, Mauritius. Copies of this report are available to the public, free of charge, at the Registered Office of the Company.