

SUN LIMITED ABRIDGED FINANCIAL STATEMENTS

The Group's unaudited results for the guarter and half year ended 31 December 2017 are as follows:

ADR			Rev	RevPAR TRevPAR		TRevPAR		Total Reven	ue
Q2	HY1		Q2	HY1	Q2	HY1	Q	2	HY1
Rs 11,491	Rs 9,058		Rs 9,754	Rs 7,012	Rs 15,315	Rs 11,710	Rs 2,2	296m	Rs 3,520i
▲ 24% vs LY	▲ 19% vs LY		🔺 20% vs LY	▲ 16% vs LY	▲ 14% vs LY	▲ 11% vs LY	▲ 22%	vs LY	21% vs
							THE GR	OUP	
2017 Rs'000 2,296,485	2016 Rs'000 1,874,891	Rs'000	Rs'000			Attributable to owners of the Company	Treasury shares	Non- controlling interests	Tot equ
iation 719 564	546 444	668 866	518 892			Rs'000	Rs'000	Rs'000	Rs'
				At 1 July 2016		9,281,633	(1,432,030)	796,489	8,646
				Total comprehensiv	e income for the period	(8,616)	-	4,813	(3,
(110,767)	(119,640)			At 31 December 20	16	9,273,017	(1,432,030)	801,302	8,642
2,567	3,429	5,215		At 1 July 2017		8,968,497	(1.451.389)	792.992	8,310
482 200		184 559		, ,	of issue costs				1,834
· · · · ·	,	104,333				, ,	_	12 275	25
-	(71,833)	-	(124,138)			,	(1 451 389)		10,171
482,200	246,942			At Di December 20		10,017,145	(1,-101,000)		10,171
		, ,							
	219,449	150,027	(44,230)		D STATEMENT OF CA	ASH FLOWS			
(11,245)	43,395			(ABRIDGED)					IBER
386,377	262,840	25,930	(3,803)				_		Rs'
				Operating profit be	fore working capital ch	anges	_		427
371,122	197,162	126,352	(49,043)	01	0 1	idi ibeo			33
26,500	22,283	· · · ·		Cash generated fro	om operations			459,037	460
	219,445	138,627	(44,230)					(3,758)	(25,0
	240,557	13,655	(8,616)					455,279	435
26,500	22,283	12,275		Net cash flows use	d in investing activities			(284, 289)	(1,084
	02 Rs 11,491 ≥ 24% vs LY DFIT QUARTER 31 DECEM ation 2,296,485 719,564 (129,164) 590,400 (110,767) 0.(10,767) 2,567	02 HY1 Rs 11,491 Rs 9,058 24% vs LY 19% vs LY DFIT QUARTER ENDED SIVE QUARTER ENDED 1 DECENSER 2016 Rs'000 2,296,485 719,564 546,444 (129,164) (106,587) (129,164) (106,587) (110,767) 3439,857 (110,767) (119,640) 2,567 (119,640) 482,200 318,775 1,937,622 219,445 397,622 219,445 386,377 262,840 337,122 197,162 22,6500 22,283 397,622 219,445 397,622 219,445 397,622 219,445 397,622 219,445 397,622 219,445 397,622 219,445	02 HY1 Rs 11,491 Rs 9,058 24% vs LY 19% vs LY DEFIT QUARTER ENDED HALF YEA SiVE QUARTER ENDED 1,874,891 3,520,389 1,874,891 3,520,389 (129,164) (106,587) (254,859) (10,677) (110,677) (119,640) (10,677) 3,429 5,215 - (4,871) - (110,677) (119,640) (234,632) (110,677) 318,775 184,559 A82,200 318,775 184,559 (48,578) (27,497) (45,932) 397,622 219,445 138,627 337,122 197,162 126,352 226,500 22,283 12,275 397,622 219,445 138,627 337,122 197,162 126,352	02 HY1 02 Rs 11,491 Rs 9,058 Rs 9,754 $24%$ vs LY $19%$ vs LY $20%$ vs LY DEFIT QUARTER ENDED 31 DECEMBER HALF YEAR ENDED 31 DECEMBER Rs'000 Rs'000 2,296,485 1,874,891 1,874,891 3,520,389 2,916,081 (129,164) (106,587) (254,859) (213,094) (129,164) (106,587) (234,663) (234,067) (10,767) (119,640) (234,663) (234,067) (10,767) (119,640) (24,871) - - (4,871) - (124,138) 482,200 318,775 184,559 69,886 nding - (71,833) - (124,138) 482,200 246,942 184,559 69,886 (11,245) 43,395 (112,697) 40,427 397,622 219,445 138,627 (44,230) 331,122 197,162 126,352 (49,043) 3371,122 197,162 126,352 (49,043) 3371,122 197,162	02 HY1 02 HY1 Rs 11,491 Rs 9,058 Rs 9,754 Rs 7,012 $▲$ 24% vs LY $▲$ 19% vs LY $▲$ 20% vs LY $▲$ 16% vs LY OFFT Sive QUARTER ENDED 31 DECEMBER HALF YEAR ENDED 31 DECEMBER CONSOLIDATED CHANGES IN EC Rs '000 Rs'000 Rs'000 <th< td=""><td>02 HY1 02 HY1 02 Rs 11,491 Rs 9,058 Rs 9,754 Rs 7,012 Rs 15,315 24% vs LY 19% vs LY 20% vs LY 16% vs LY 14% vs LY DEFIT SWE QUARTER ENDED 31 DECEMBER HALF YEAR ENDED 31 DECEMBER CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (ABRIDGED) ation 2017 Rs'000 2,296,485 2016 Rs'000 3,520,389 2,916,081 2,916,081 590,400 1,874,891 2(21,094) 305,798 Total comprehensive income for the period At 31 December 2016 At 1 July 2017 At 1 July 2016 100,7677 (110,6767) (124,663) (234,067) 6,648 (129,164) (106,587) (254,859) (213,094) At 1 July 2016 101,7677 (119,640) (234,663) (234,067) 6,648 (10,767) (119,640) (246,592) 10,022 10,022 482,200 318,775 184,559 69,886 Total comprehensive income for the period At 31 December 2017 482,200 246,942 184,559 (44,230) (44,230) (44,230) 11,22</td><td>02 HY1 02 HY1 02 HY1 Rs 11,491 Rs 9,058 Rs 9,754 Rs 7,012 Rs 15,315 Rs 11,710 24% vs LY 19% vs LY 20% vs LY 20% vs LY 16% vs LY 16% vs LY 11% vs LY CFIT QUARTER ENDED HALF YEAR ENDED CONSOLIDATED STATEMENT OF CHANCES IN EQUITY (ABRIDGED) OFFT QUARTER ENDED 31 DECEMBER 2017 2016 Rs'000 Rs'000 3,520,339 2,916,081 CONSOLIDATED STATEMENT OF CHANCES IN EQUITY (ABRIDGED) Attributable to owners of the Company ation 719,564 546,444 668,866 518,892 Att 1 July 2016 9,281,633 (10,767) (10,65,87) (254,859) (213,094) 30,5278 At 1 July 2016 9,281,633 (11,245) 43,9,837 414,007 305,798 (234,067) At 1 July 2016 9,281,633 (11,245) 43,395 (124,979) (245,922) (10,022) At 31 December 2017 8,968,497 Issue of shares net of issue costs 1,834,597 138,627 (44,23</td><td>02 HY1 02 HY1 02 HY1 02 HY1 00 Rs 11,491 Rs 9,058 Rs 9,058 Rs 9,754 Rs 7,012 Rs 15,315 Rs 11,710 Rs 2,7 24% vs LY A 19% vs LY A 20% vs LY A 16% vs LY A 16% vs LY A 14% vs LY A 11% vs LY A 22% OFIT QUARTER ENDED HALF YEAR ENDED BLOECEMBER CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (ABRIDGED) The GR SWE 2017 2016 2017 Rs'000 Rs'000 Rs'000 1,874,891 3,520,389 2,916,081 Rs'000 Rs'000 Rs'000 2,296,485 1,874,891 3,520,389 2,916,081 Total comprehensive income for the period (8,616) - 101,767 (119,64) (106,587) (254,859) (23,094) At 1 july 2017 8,968,497 (1,432,030) 1,2567 3,429 5,215 6,648 F4,6493) 8,968,497 (1,432,030) 101,225 39,867 (44,370) (23,633) (24,13</td><td>02 HY1 02 HY1 02 HY1 02 HY1 02 HY1 02 Rs <</td></th<>	02 HY1 02 HY1 02 Rs 11,491 Rs 9,058 Rs 9,754 Rs 7,012 Rs 15,315 24% vs LY 19% vs LY 20% vs LY 16% vs LY 14% vs LY DEFIT SWE QUARTER ENDED 31 DECEMBER HALF YEAR ENDED 31 DECEMBER CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (ABRIDGED) ation 2017 Rs'000 2,296,485 2016 Rs'000 3,520,389 2,916,081 2,916,081 590,400 1,874,891 2(21,094) 305,798 Total comprehensive income for the period At 31 December 2016 At 1 July 2017 At 1 July 2016 100,7677 (110,6767) (124,663) (234,067) 6,648 (129,164) (106,587) (254,859) (213,094) At 1 July 2016 101,7677 (119,640) (234,663) (234,067) 6,648 (10,767) (119,640) (246,592) 10,022 10,022 482,200 318,775 184,559 69,886 Total comprehensive income for the period At 31 December 2017 482,200 246,942 184,559 (44,230) (44,230) (44,230) 11,22	02 HY1 02 HY1 02 HY1 Rs 11,491 Rs 9,058 Rs 9,754 Rs 7,012 Rs 15,315 Rs 11,710 24% vs LY 19% vs LY 20% vs LY 20% vs LY 16% vs LY 16% vs LY 11% vs LY CFIT QUARTER ENDED HALF YEAR ENDED CONSOLIDATED STATEMENT OF CHANCES IN EQUITY (ABRIDGED) OFFT QUARTER ENDED 31 DECEMBER 2017 2016 Rs'000 Rs'000 3,520,339 2,916,081 CONSOLIDATED STATEMENT OF CHANCES IN EQUITY (ABRIDGED) Attributable to owners of the Company ation 719,564 546,444 668,866 518,892 Att 1 July 2016 9,281,633 (10,767) (10,65,87) (254,859) (213,094) 30,5278 At 1 July 2016 9,281,633 (11,245) 43,9,837 414,007 305,798 (234,067) At 1 July 2016 9,281,633 (11,245) 43,395 (124,979) (245,922) (10,022) At 31 December 2017 8,968,497 Issue of shares net of issue costs 1,834,597 138,627 (44,23	02 HY1 02 HY1 02 HY1 02 HY1 00 Rs 11,491 Rs 9,058 Rs 9,058 Rs 9,754 Rs 7,012 Rs 15,315 Rs 11,710 Rs 2,7 24% vs LY A 19% vs LY A 20% vs LY A 16% vs LY A 16% vs LY A 14% vs LY A 11% vs LY A 22% OFIT QUARTER ENDED HALF YEAR ENDED BLOECEMBER CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (ABRIDGED) The GR SWE 2017 2016 2017 Rs'000 Rs'000 Rs'000 1,874,891 3,520,389 2,916,081 Rs'000 Rs'000 Rs'000 2,296,485 1,874,891 3,520,389 2,916,081 Total comprehensive income for the period (8,616) - 101,767 (119,64) (106,587) (254,859) (23,094) At 1 july 2017 8,968,497 (1,432,030) 1,2567 3,429 5,215 6,648 F4,6493) 8,968,497 (1,432,030) 101,225 39,867 (44,370) (23,633) (24,13	02 HY1 02 HY1 02 HY1 02 HY1 02 HY1 02 Rs <

(3,803)

(0.38)

Basic Earnings/(loss) per share (Rs)

CONSOLIDATED GEOGRAPHICAL AND SEGMENTAL INFORMATION	QUARTER ENDED 31 DECEMBER		HALF YEAR ENDED 31 DECEMBER	
	2017 Rs'000	2016 Rs'000	2017 Rs'000	2016 Rs'000
Geographical revenue: Mauritius Maldives Others Total revenue including other operating income	2,018,611 119,044 158,830 2,296,485	1,673,418 34,206 167,267 1,874,891	3,126,792 162,281 231,316 3,520,389	2,646,210 35,382 234,489 2,916,081
Geographical results: Mauritius Maldives Others Profit/(loss) for the period	426,574 (39,639) 10,687 397,622	266,130 (58,034) 11,349 219,445	273,990 (127,968) (7,395) 138,627	61,524 (102,438) (3,316) (44,230)
Segment revenue: Hotel operations - External sales Hotel operations - Inter-segment sales	2,059,253 110,710 2,169,963	1,707,624 117,313 1,824,937	3,163,988 165,408 3,329,396	2,681,592 163,855 2,845,447
Real estate Others - External sales Elimination of inter-segment sales Total revenue including other operating income	78,402 158,830 (110,710) 2,296,485	167,267 (117,313) 1,874,891	125,085 231,316 (165,408) 3,520,389	234,489 (163,855) 2,916,081
Segment results: Hotel operations Real estate Others Profit/(loss) for the period	357,998 28,937 10,687 397,622	207,787 309 <u>11,349</u> 219,445	104,244 41,778 (7,395) 138,627	(41,008) 94 (3,316) (44,230)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (ABRIDGED)	31 DEC 2017	30 JUN 2017
ASSETS	Unaudited Rs'000	Audited Rs'000
Non-current assets Property, plant and equipment Operating equipment Intangible assets	16,710,973 102,485 1,973,493	16,692,148 122,575 2,014,746
Investments in associates Other investments Leasehold rights and leasehold land prepayments Other financial assets	702,445 75,182 375,095 17,318	702,445 75,182 382,473 16,920
Current assets Total assets	19,956,991 2,314,368 22,271,359	20,006,489 1,509,981 21,516,470
EQUITY AND LIABILITIES Shareholders' equity Non-controlling interests	9,365,760 805,267	7,517,108 792,992
Total equity Borrowings Deferred tax liability Employee benefit liability	10,171,027 8,219,778 663,307 333,221	8,310,100 9,175,791 628,075 306,568
Non-current liabilities Current liabilities Total liabilities Total equity and liabilities	9,216,306 2,884,026 12,100,332 22,271,359	10,110,434 3,095,936 13,206,370 21,516,470
Total net interest-bearing loans and borrowings Gearing	8,406,922 45.3%	10,175,221 55.0%

	Attributable to owners of the Company	Treasury shares	Non- controlling interests	Total equity	
	Rs'000	Rs'000	Rs'000	Rs'000	
At 1 July 2016	9,281,633	(1,432,030)	796,489	8,646,092	
Total comprehensive income for the period	(8,616)	-	4,813	(3,803)	
At 31 December 2016	9,273,017	(1,432,030)	801,302	8,642,289	
At 1 July 2017	8,968,497	(1,451,389)	792,992	8,310,100	
Issue of shares net of issue costs	1,834,997	-	-	1,834,997	
Total comprehensive income for the period	13,655	-	12,275	25,930	
At 31 December 2017	10,817,149	(1,451,389)	805,267	10,171,027	
CONSOLIDATED STATEMENT OF CA	SH FLOWS	l	HALF YEAR E	ENDED	
(ABRIDGED)		31 DECEMBER			
			2017	2016	
			Rs'000	Rs'000	

	Rs'000	Rs'000
Operating profit before working capital changes	688,080	427,018
Change in working capital	(229,043)	33,825
Cash generated from operations	459,037	460,843
Income taxes paid	(3,758)	(25,000)
Net cash flows from operating activities	455,279	435,843
Net cash flows used in investing activities	(284,289)	(1,084,190)
Net cash flows from financing activities	88,735	1,699,130
Net increase in cash and cash equivalents	259,725	1,050,783
Cash and cash equivalents at 1 July	171,437	(677,025)
Net cash and cash equivalents at 31 December	431,162	373,758

NOTES TO THE ABOVE:

The Group's financial statements for the guarter ended 31 December 2017 have been prepared using the same accounting policies and methods adopted in the financial Statements for year ended 30 June 2017, audited by Messrs BDO &Co., Chartered Accountants, except for changes in standards and interpretations adopted by the Group during the period. However, none of the changes have had an impact on the reported financial position or results of the Group.

The interim financial statements have been prepared in accordance with IAS 34 Interim **Financial Statements**

The Group's principal activity is in the hospitality industry. Hence, performance is subject to seasonality and varies significantly from quarter to quarter. Therefore, in respect of interim reporting, the results in the second and third quarters of our financial year are significantly higher than the other two quarters, as they relate to the high season.

COMMENTS ON THE RESULTS

Financial results

Quarter Highlights

The Group delivered a strong quarter from an operational and financial standpoint, as a result of the robust overall performance from the Mauritian resorts. The latter continue to generate encouraging growth with average daily rate (ADR) of Rs 11,098 growing by 21% year on year whilst maintaining a high occupancy of 87%. Our Kanuhura resort in the Maldives is making progress in its re-positioning in the luxury segment, with a strong ADR, although the occupancy level of 39% is still below target.

Against this background, the Group generated revenues of Rs 2.3 billion, up by 22% with all resorts achieving growth compared to last vear. Total Group Revenue increased by 22% to Rs2,296m and EBITDA increased by 32% to Rs 720 million in this quarter, representing a flow-through of 41%. Similarly, operating profit reached Rs 590 million, up 34%, as a direct consequence of an improvement in operating margin from 23% to 26%.

Finance costs were lower than last year's level at Rs 110 million (-7%) as a consequence of the reduction in borrowings following the rights issue and private placement completed in August 2017. This capital injection and the positive results ensured that the Group's gearing was significantly reduced from 55% to 45% at the end of this quarter.

With all resorts now operational, no closure costs were incurred during this quarter compared to Rs 72m in same quarter last year. SUN therefore posts a net profit of Rs 398 million, an increase of 81% over the same quarter last year.

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First Half Year Highlights

The first half results show a return to profitability with ADR and RevPAR for the six months increasing by 19% and 16% respectively compared to last year. Thus, revenues grew by 21% and Group EBITDA at Rs 669 million was up 29%. With the benefit of the capital injection and no major closure costs incurred during this period, the Group posted a profit of Rs 139 million reversing, the loss of Rs 44 million in the corresponding period of last year.

Outlook

The current quarter shows a growth in forward bookings, in spite of the fact that the latter has been affected by the January weather conditions. Nevertheless, we expect an improvement in the Group's financial performance during this guarter, compared to the prior year.

By Order of the Board

CIEL Corporate Services Ltd **Company Secretary**

14 February 2018

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, Ebène Skies, Ebène, Mauritius

Copies of this report are available to the public. free of charge, at the Registered Company.

Registered Office 5th floor, Ebène Skies Rue de L'institut, Fbène

Transfer Office MCB Registry & Securities Ltd. Sir William Newton Street, Port Louis

Sun Limited is a one of the leading hotel groups in the Indian Ocean which operates through four clusters, namely: Hotel Management, Centralised Services, Asset Management and Real Estate. It currently owns and/or manages six resorts in the Republic of Mauritius: Shangri-La Le Touessrok Resort & Spa, Four Seasons Resort Mauritius at Anahita, Long Beach, Sugar Beach, La Pirogue, Ambre and Kanuhura in the Republic of Maldives.