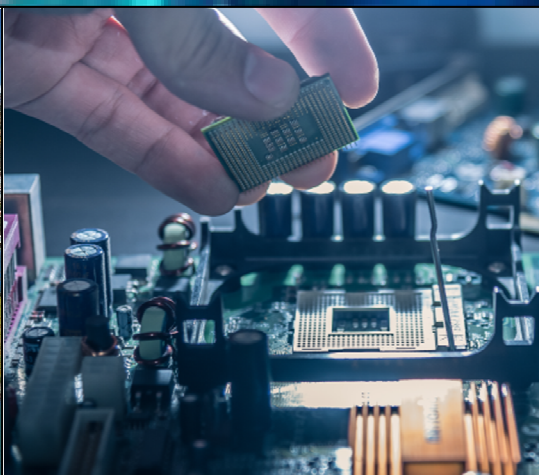


Stock Exchange of Mauritius: Newsletter

December 2019



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1. EXCHANGE INSIGHT:



SEM interviews Stéphane Poupinel de Valencé, Managing Director for Semaris Ltd as well as Gilbert Espitalier-Noël, CEO of Beachcomber Resorts & Hotel, in the context of the recent listing of Semaris Ltd on the Exchange

1. Stéphane Poupinel de Valencé, you are the Managing Director for Semaris. The listing of a company on the Stock Exchange of Mauritius (SEM) constitutes a pivotal stage in the life cycle of a company. On 11 October 2019, dealings in the 548,982,130 ordinary shares of Semaris Ltd started on the Development & Enterprise Market of the SEM. What is the vision of Semaris Limited behind the recent listing, Stéphane?

The Listing proposal will empower Semaris to act as a fully independent company, with a dedicated Board of Directors formulating a targeted strategy for the Company. Semaris will thus be subject to its own internal controls and standards, which are quite distinct from those implemented in the hospitality sector.



The corporate objective of Semaris is to solely concentrate on the development of the non-hotel real estate assets formerly owned by NMH, with the principal objective of unlocking value from the available land bank located in Seychelles, Morocco and Mauritius. Semaris will essentially develop luxury



residential real estate projects on this land bank, which will, after completion, be sold to generate returns for its shareholders.

Moreover, the Listing accordingly provides current and future shareholders with a unique opportunity to hold securities most suited to their respective risk and reward profiles.

2. Equity Carve-Outs / Spin-Offs are divisions of companies that then become independent businesses. Shareholders of the parent company receive equivalent shares in the new company in order to compensate for the loss of equity in the original stocks. In this particular case, NMH has chosen to split its business through a reduction in capital, as provided for under the Companies Act. Why has the option of a full equity carve-out/spin-off of Semaris via a reduction in capital, been chosen?

The core businesses of Semaris and NMH are completely different. The property development industry and the hospitality industry do not have the same cash flow management and financial structure. We believed it was essential to split these two activities through this spin off. In so doing, the reporting of these two entities will be completely independent and the respective shareholders will be able to assess easily the performance of the each company when analyzing the financial reporting.

Also, by holding specific stocks in each entity, our shareholders may then buy and sell stocks from either company independently; this potentially makes investment in the companies more attractive, as potential share purchasers can invest narrowly in the portion of the business they think will have the most growth or which respond the most to their risk profile.

3. Stéphane, you are the CEO of Semaris in the real estate sector. In light of the prevailing global economic outlook, what are the challenges you believe Mauritius will have to face looking forward in the real estate sector, and how can these be addressed?

On average, Mauritius has seen some 250 residences sold to foreigners per year during the last 10 years with excellent marketing efforts from the EDB and the different promoters. The main challenges in order to increase these numbers and the general attractiveness of Mauritius as a high-end property destination in a challenging economic environment are two-fold: firstly, it concerns the product itself. The quality of the construction, the product design, the trustworthiness of the promoter and the level of pricing are crucial elements for buyers. It is essential that Mauritius be positioned as a destination of choice for high quality residential properties. Semaris evolves essentially in the high-end luxury segment not only in Mauritius but also in Morocco and soon in Seychelles. Clients purchasing expensive luxury residential properties are very demanding and expect excellent quality. They are also very aware of competing destinations and we must ensure that they get the right value for the money they pay.

The second challenge relates to the regulatory, economic and social environment of our country. Even more than for the tourism industry, the economic and social environment play a key role in attracting foreigners to purchase property in Mauritius and proper management of our ecology, our security, our urban planning, our fiscal policy and our ease of doing business are critical aspects when assessing a destination. The administrative process when purchasing property also needs to be improved not only at permit delivery level but also with the banks to ease on cash flow pressures.





4. Gilbert Espitalier-Noël, you are the CEO of Beachcomber Resorts & Hotel. Gilbert, what would be your main message to the stakeholders of the Mauritius business community, both local operators and international investors?

New Mauritius Hotels Ltd (NMH) has faced some challenging years. Counter - performance of our hotel operations in Seychelles and Morocco, and loss-making operations in a number of our tour operating activities, negatively impacted the Group's financial results over the past few years. We have taken strong measures to address these. I am very pleased to report that these measures have resulted in a turnaround in these operations, which are today all profitable.

Fairmont Royal Palm Marrakech is posting significantly improved results. We have signed a lease agreement with Club Med for the redevelopment of Ste Anne Resort. Construction works are well under way and as from October 2020, it is expected to contribute positively to the Group's PAT.

Moreover, we have succeeded in reducing the Company's indebtedness, which has been one of our major challenges. The Company's debt which stood at Rs 16 billion in 2012, has been reduced to Rs 11 billion. I believe that NMH is now well positioned to improve its financial performance by taking advantage of new technologies, both in operations and marketing.



2. SEM TRADING DASHBOARD:



The local stock market ended the week under review on a positive note. The total return index, SEMTRI grew by 21.10 points in one week closing the session of Friday 6 December 2019 at 8122.31 points. The SEMDEX closed the same session at 2128.95 points. The SEM-10 Index, which comprises the ten largest and liquid stocks, closed at 417.26 points. The SEM sustainability index, SEMSI, ended the same day at 121.06 points. At market close of Friday, the total market capitalization of the SEM-ASI constituents stood at Rs 346.97 billion.

Total transactions during the week amounted to Rs 124.3 million. The top five trading securities were: MCB Group Ltd (MCBG), SBM Holdings Ltd (SBMH), IBL Ltd, Promotion and Development Ltd (PAD) and POLICY Ltd (POL). They were exchanged for a total value of Rs 55.5 million, Rs 8.9 million, Rs 5 million, Rs 4.8 million and Rs 4.2 million respectively. The shares of MCBG, SBMH, IBL, PAD and POL closed at Rs 309, Rs 5.80, Rs 54.50, Rs 120.75 and Rs 5.60 respectively on Friday 6 December 2019.

An analysis of the evolution of the prices of listed stocks indicates that out of the 68 stocks figuring on the Official List, 13 moved up during the week, 38 remained stable and 17 went down. The best performing stocks for the week were: Alteo Ltd (+2.72%), Automatic Systems Ltd (+2.55%), SBM Holdings Ltd (+2.11%), BlueLife Ltd (+1.96%) and New Mauritius Hotels Ltd (+1.66%). The worst performers were : Terra Mauricia Ltd (-4.55%), Grit Real Estate Income Group Ltd (-3.39%), Omnicane Ltd (-3.20%), Eagle Insurance Co. Ltd (-2.52%) and BMH Ltd (-2.30%).

The ten best performing stocks in terms annualized total return since their listing on the stock exchange are: IBL Ltd, MCB Group Limited, Vivo Energy Mauritius Ltd, Rogers & Co. Ltd, MUA Ltd, United Basalt Products Ltd, Mauritius Oil Refineries Ltd, Gamma Civic Ltd, Phoenix Beverages Ltd and MDIT Ltd. The annualised return varies from 15.82% to 23.51%.

On the Development & Enterprise Market (DEM), the two indices DEMEX and the DEMTRI closed the session of Friday at 230.10 points and 331.11 points respectively. Market capitalization of the DEM stood at Rs 48.47 billion. A total volume of 2.3 million shares for a total value of Rs 232.8 million has been traded during the week. The ten best performers in terms of annualized total return are Kolos Cement Ltd, Livestock Feed Ltd, Phoenix Investment Co Ltd, ABC Motors Co. Ltd, United Bus Service Ltd, Associated Commercial Ltd, The Bee Equity Partners Ltd, Swan Life Ltd, Compagnie Immobilière Ltée and Les Moulins de la Concorde Ltée. The total return varies from 16.59% to 29.91%.

On the international front, the Dow Jones Industrial Average and the NASDAQ went down 1.73% and 1.54% respectively during the week. In Europe, DAX, the CAC-40 and the FTSE-100 lost 1.44%, 1.88% and 3.76% respectively during the same period.

