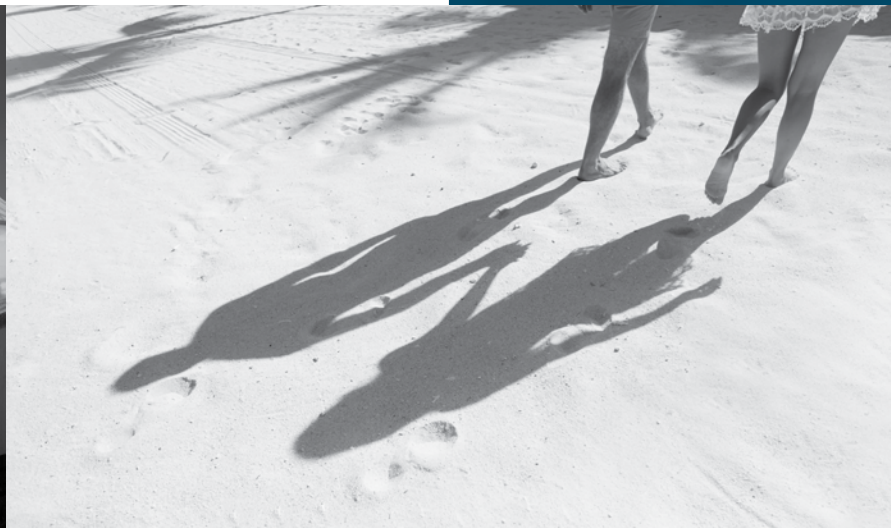


SUN

Hotels | Properties | Services

ANNUAL REPORT 2017



Striving for Operational Excellence

This year has seen the completion of our transition phase with the reopening of our luxury resort Kanuhura, Maldives and the redefinition of our Mission, Vision and Values, as well as the activation of our brand strategy.

SUN is now embarking on its growth phase and we remain of the view that the Group is now well positioned to fully benefit from its revamped asset base and as a result, to progressively improve its profitability.

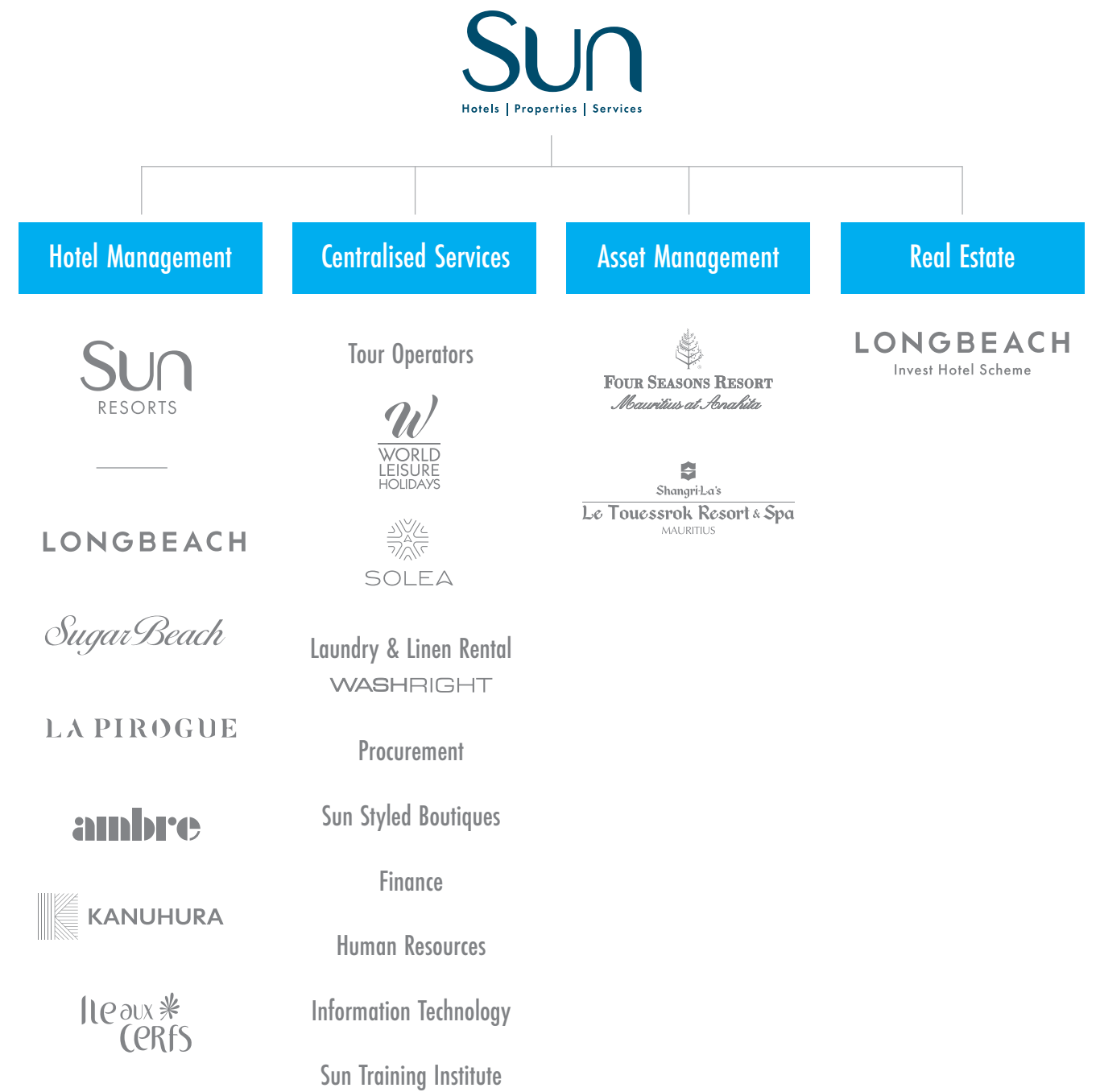
David J. Anderson
CEO of Sun Limited





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8

OWNED AND MANAGED
PROPERTIES IN THE
INDIAN OCEAN

2

TOUR OPERATORS
IN FRANCE AND
SOUTH AFRICA

3,700
ASSOCIATES

1,498
ROOMS

2

INTERNATIONAL LUXURY
MANAGEMENT PARTNERS:
SHANGRI-LA AND
FOUR SEASONS

2

WORLD CLASS
CHAMPIONSHIP
GOLF COURSES

SUN was incorporated on 10 February 1983 and is one of the leading hotel groups that currently owns and/or manages six resorts in the Republic of Mauritius: Shangri-La's Le Touessrok Resort & Spa, Four Seasons Resort Mauritius at Anahita, Long Beach, Sugar Beach, La Pirogue, Ambre and Kanuhura, our island resort in the Republic of Maldives.

Since 1992, the Company has been listed on the Mauritian Stock Exchange and has a shareholder base of approximately 12,300. SUN has sales and marketing offices based in London, Paris, Frankfurt and representations in Milan, Madrid, Lisbon, Beijing, Mumbai and Moscow. In addition, the Company also owns two Tour Operators based in France (Solea) and in South Africa (World Leisure Holidays).

David J. Anderson, the Chief Executive Officer, has over 20 years experience in the hospitality industry and is assisted 21 September 2017. As of the 1 January 2017, Jean-Pierre Dalais was appointed as Chairman of the Board of SUN and previously was a Director of SUN since 2010 where he played a key role in the development of the overall Group's operations both in Mauritius and internationally.

The Company is well-embarked on its 2014/2019 strategic plan. SUN is organised in four clusters namely: Hotel Management, Centralised Services, Asset Management and Real Estate for optimum growth as an owner and operator.

To continue to support its growth strategy, during the financial year 2016/2017, Sun Limited has successfully issued a Rs 5.0 billion multi-currency note programme, which was recognised as a tremendous success with the investors at large. In addition, the Board of Directors decided to raise Rs 1.865 billion through a Rights Issue and a private placement in order to strengthen the capital base of the Company. The Company also welcomed a new strategic investor in Dentressangle Initiatives ("DI"), which injected around Rs 1.2 billion through the private placement and unsubscribed rights.

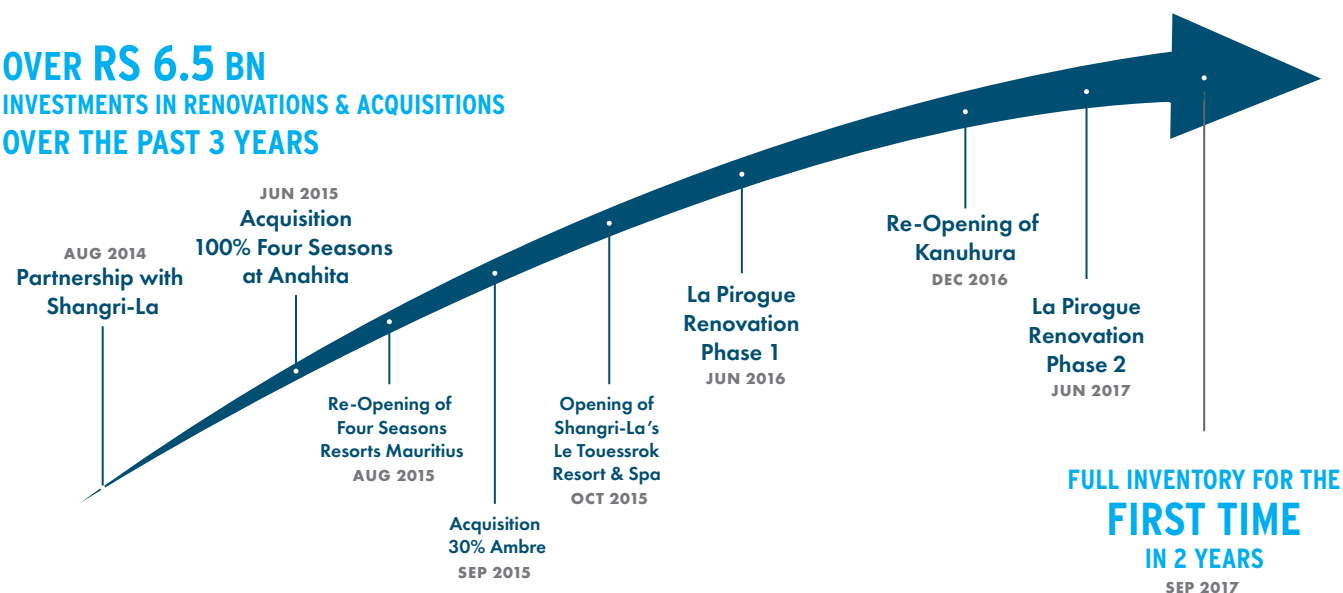
During the same year, Kanuhura Maldives reopened after an extensive renovation as a five-star luxury hideaway, and received a number of awards and excellent guest feedback. Equally the renowned La Pirogue in Mauritius completed its final renovation phase in August 2017.

Welcome note from the Chairman



“ I am confident that our strategy to achieve best in class in each segment we operate, coupled with our recently renovated asset base, will drive us towards optimal profitability in the medium-term. ”

OVER RS 6.5 BN INVESTMENTS IN RENOVATIONS & ACQUISITIONS OVER THE PAST 3 YEARS



Dear Shareholder,

It is an honour for me to address you since my appointment as Chairman of Sun Limited at the beginning of the year.

Progress on 2014-2019

Overall, I am pleased to report that the Group has made progress towards its 2014-2019 strategic plan, with the completion of all major investments set out since 2014. We have now completed the renovations of three luxury resorts initiated since 2015 and La Pirogue was closed in June 2017 to undertake its second and final phase of its refurbishment.

Completion of two major financial transactions

In the year under review, the Company successfully carried out two major financial transactions: the raising of Rs 5 billion multicurrency notes to private investors in November 2016 as part of our debt restructuring plan; and the finalisation of the rights issue and private placement documentation. The latter was completed at the end of August 2017 and raised around Rs 1.9 billion. The multicurrency notes with longer tenors coupled with the capital injection, primarily used to repay existing bank loans, will significantly strengthen our balance sheet and should bring down our gearing ratio to a level slightly above 40% by the end of the next financial year. These actions should accelerate our return to profitability, paving our way for a growth journey in the medium-term.

Strategic partner

The Company also welcomed a strategic investor in Dentressangle Initiatives ("DI"), which injected around Rs 1.2 billion through the private placement and unsubscribed rights. DI is a strong international investment company with a wide range global portfolio in various business sectors, particularly in industry, services and real estate. The Board believes that as a 17.52% shareholder, DI can support Sun Limited in its future investments and growth opportunities and leverage on DI's expertise in the real estate sector.

Progress on operations

With the CEO, David J. Anderson, now in place with his full team, the focus is to reposition all our managed resorts in their correct competitive set to ensure yield maximisation. In parallel, the Company has been investing in its brand identity, digital, social media and customer relationship strategy. The Company will also continue to invest in operational excellence, which remains at the heart of our future success. Increased focus will be given to our Group Learning and Development Programme to ensure that every associate is fully engaged in providing a quality of service that defines genuine hospitality.

We also believe in good corporate citizenship and our sustainability commitment is crucial to the Group's development.

During the year, we finalised our SUNCARE programme, which focuses on three pillars: environment, community engagement and business ethics. Recognition of our work towards an improved environment was recently celebrated with all our hotels obtaining the Silver EarthCheck certification, a first for Mauritius.

Financial performance

Our financial performance is still in a transition year with the re-opening of Kanuhura Maldives in December 2016 and the refurbishment of La Pirogue during the financial year.

Total revenue for the Group exceeded Rs 6 billion, representing a 20% growth over prior year and Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) increased by 23% to Rs 959 million. Despite the challenges referred to previously and although it is still early days as we get back our inventory, we managed to achieve a profit before tax and non-recurring items of Rs 30 million reversing the negative loss of Rs 33 million in financial year. 2016. Taking into account the closure cost associated with Kanuhura, the net loss for the year was Rs 104 million.

Moving forward

With the re-opening of La Pirogue in August 2017, the Group should benefit from having all its seven resorts in operation for the current financial year 2017-18, after almost 3 years of closures and renovations. I am confident that our strategy to achieve best in class in each segment we operate, coupled with our renovated asset base, will drive us towards optimal profitability in the medium-term.

Appreciation

On behalf of the Board of Directors, I would like to thank P. Arnaud Dalais for his contribution and inspiring chairmanship over the years. With the participation of DI in the equity of the Company, the composition of the Board has been reviewed: G. Christian Dalais, M. A. Louis Guimbeau and Thierry Hugnin resigned as Directors during the year while Hélène Echevin, Thierry Dalais, Olivier Riché and Jean-Louis Savoye were appointed on the Board. I would like to place on record my sincere appreciation for the outgoing Directors and welcome the new ones on the Board. A special word of thank to our valued shareholders for their unflinching support, my fellow Directors for their guidance and advice and to the management and associates for their commitment and dedication throughout the financial year 2017.

I would like to end by saying that we are on the right track to achieve new heights.

Jean-Pierre Dalais
Chairman of Sun Limited
21 September 2017

Where we have shined in 2016/2017

Our list of awards and accolades:

SUN RESORTS

EARTHCHECK SILVER ACCREDITATION (2017)
for La Pirogue, Sugar Beach, Ambre & Long Beach

TRIPADVISOR CERTIFICATE OF EXCELLENCE 2016
for all our hotels

VICTOIRE DU TOURISME 2017
Sun Resorts awarded best hotel chain of 2017

VICTOIRE DU TOURISME
Solea, recognised as one of the top 3 Tour Operators in France

AFRICA BEST EMPLOYER BRAND AWARD
Sun Limited

LA PIROGUE

TUI TOP QUALITY 2017

TUI ENVIRONMENTAL CHAMPION AWARD 2017

BRITISH AIRWAYS HOLIDAYS CUSTOMER EXCELLENCE AWARD 2017

HOLIDAYCHECK 2016

TUI HOLLY 2016 & TUI TOP QUALITY 2016

Sugar Beach

BRITISH AIRWAYS HOLIDAYS CUSTOMER EXCELLENCE AWARD 2017

ambre

TUI TOP QUALITY 2016

AFRICA BEST EMPLOYER BRAND AWARD 2016

TRAVELIFE GOLD CERTIFICATION

KANUHURA

ONE OF THE WORLD'S TOP RENOVATIONS - CONDE NAST TRAVELLER

WORLD'S BEST SPA - NATIONAL GEOGRAPHIC TRAVELLER

GLOBAL LUXURY ISLAND RESORT SPA - LUXURY SPA AWARDS

MALDIVES' LEADING FAMILY RESORT - WORLD TRAVEL AWARDS

OUTSTANDING ISLAND RESORT DESTINATION IN SOUTH ASIA -
ASIAN LIFESTYLE TOURISM AWARDS

ILE AUX CERFS GOLF CLUB

RANKED FIRST IN THE UK TOP 20 OF THE WORLD'S "MUST-PLAY" GOLF COURSES
According to Golf World

GOLF JOURNAL TRAVEL AWARDS 2017 :
Recognised as the world's best golf course.

Hotel Management Cluster



The organisation's Vision, Mission and Values have been redefined providing a clear direction to all associates to deliver on the brand promise.

We have now completed our brand activation to give substance to the tagline "Timeless Memories". A participative approach was adopted, involving and encouraging the input of both corporate and hotel associates to create a set of unique guest experiences that will clearly define SUN as a reference in global hospitality.

Timeless Memories

SUN BRAND ACTIVATION

12 WORKSHOPS

90 ASSOCIATES INVOLVED
(MAURITIAN AND MALDIVIAN HOTELS/CORPORATE)

1 WEEK OF WAR ROOM

5 MONTHS OF PROCESS



KANUHURA
A SUN RESORT · MALDIVES

Unfettered Paradise

This carefully curated resort of 80 luxury villas in the idyllic Maldives, which is part of SUN's portfolio of hotels since 2003, reopened in December 2016 after 17 months of renovation. The new Kanuhura Maldives offers the ultimate luxury barefoot paradise experience for families and couples.



80
Luxury Villas

8
Restaurants

2
Private Islets

Sun Kids Club (2 to 11 yrs - open from 10 am to 10 pm)
& **Teens Club**

Kokaa Spa

Seaplane Lounge
in Male

Hotel Management

Everything at Kanuhura has been designed to seamlessly harmonise the resort with the island's already perfect and beautiful natural surroundings.

Kanuhura was re-designed by world-renowned Hirsch Bedner Associates (HBA) International's European division, led by its president Inge Moore, who has won several design awards around the world. With a project cost at \$40m, Kanuhura has been re-invented to accommodate today's global luxury traveller in what is recognised as unfettered paradise.



“ Guests at Kanuhura can also explore our two neighbouring uninhabited islands – Jehunuhura and Maslegghuraa. ”



“ Great resort in a stunning island ... great for families... ”

We are a family of 6 with 4 children aged between 3 to 8 years old and we had one of the best family holidays. The service, the food, the kids club and the range of activities were excellent and children were so happy! The recently renovated resort looks stunning - the rooms are spacious, aesthetically pleasing with a soothing colour scheme and very practical giving an overall calming and relaxing feeling.

The choices of restaurants were amazing plus the fabulous picnic and lunch on the two desert islands nearby that made our holiday so special! The diving centre offers a great variety of dive sites and they are very flexible and professional. A must try on the island is the dinner at the Chef Garden restaurant and also a sandwich or muffin from the island's deli found in heart of the island. We will be definitely be back! ”

Maurizio V

★★★★★ Reviewed August 30, 2017

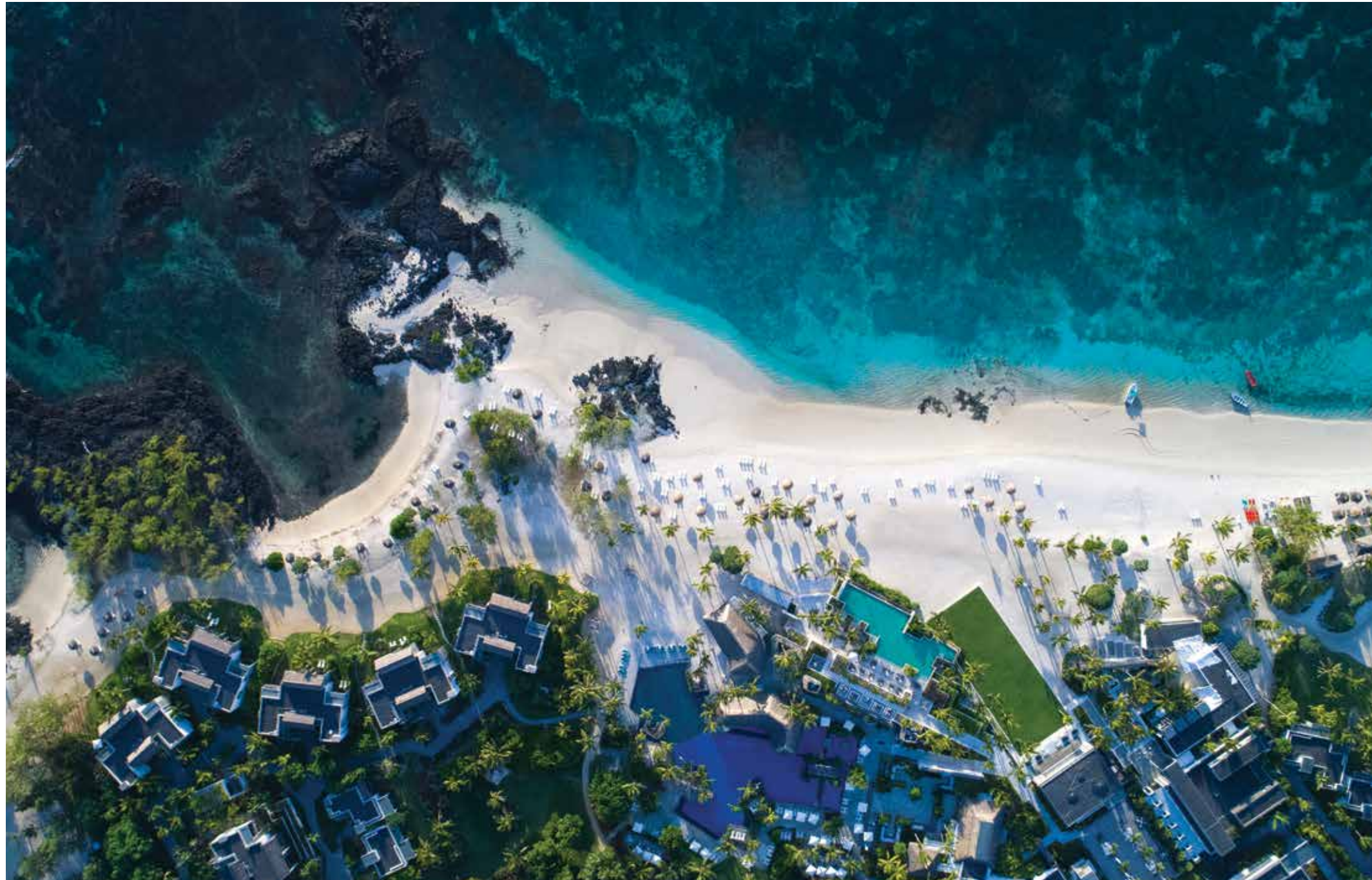




Feel the energy

With its bold island chic and vibrant offer, Long Beach calls out to highspirited families and couples with a passion for the now, seeking energetic times or relaxation.

The resort faces an extensive seafront along the famous Belle Mare beach on the natural eastern coast and offers a wealth of facilities and activities strewn across the property, allowing guests a real sense of exploration.



+1.3 km
of white sandy beach

255
Rooms

5
Restaurants

3
Bars

Free Shuttle and access to Ile aux Cerfs Golf Club and Anahita Golf course.

Sun Kids Club (2 to 11 yrs - open from 10 am to 10 pm) & Teens Club

Cinq Mondes Spa
Exclusive Spa & Wellness Retreat

Fully equipped conference rooms

4
Pools

Sugar Beach

A SUN RESORT • MAURITIUS

The day is made

Discover an accommodation experience at its best with rooms and suites in the plantation styled iconic "Manor House" or widely spread out in separate luxurious Creole-styled "Villa houses" across the delightfully landscaped gardens and along the beach.

Soft colours and natural material used in the rooms combined with tropical elegant designs enhance the harmony of plantation elegance and timeless chic.



+1.5 km
of Beach

258
Rooms

5
Restaurants including 2 restaurants at La Piroque

7
Bars including 3 bars at La Piroque

Free access to #Tamarina Golf Club

Sun Kids Club (3 to 11 yrs - open from 10 am to 10 pm)
& Teens Club

Cinq Mondes Spa

Fully equipped conference rooms

2
Pools

LA PIROGUE
A SUN RESORT · MAURITIUS

The genuine spirit

After 40 years of Genuine Spirit, La Pirogue reveals its new rooms, maintaining the DNA of the hotel with a "boho chic style". It combines organic, colourful, detailed folk-inspired pieces with modern design using sustainable materials.

The hotel boasts a perfect location on the west coast of Mauritius: one of the longest beaches of the Indian Ocean. It has picturesque views on the World Heritage mountain, Le Morne.



+1.5 km
of Beach

248
Rooms

6
Restaurants including
3 restaurants at Sugar Beach

6
Bars including 4 bars at Sugar Beach

A Wine Bar

Sun Kids Club (3 to 11 yrs - open from 10 am to 10 pm)
& **Teens Club**

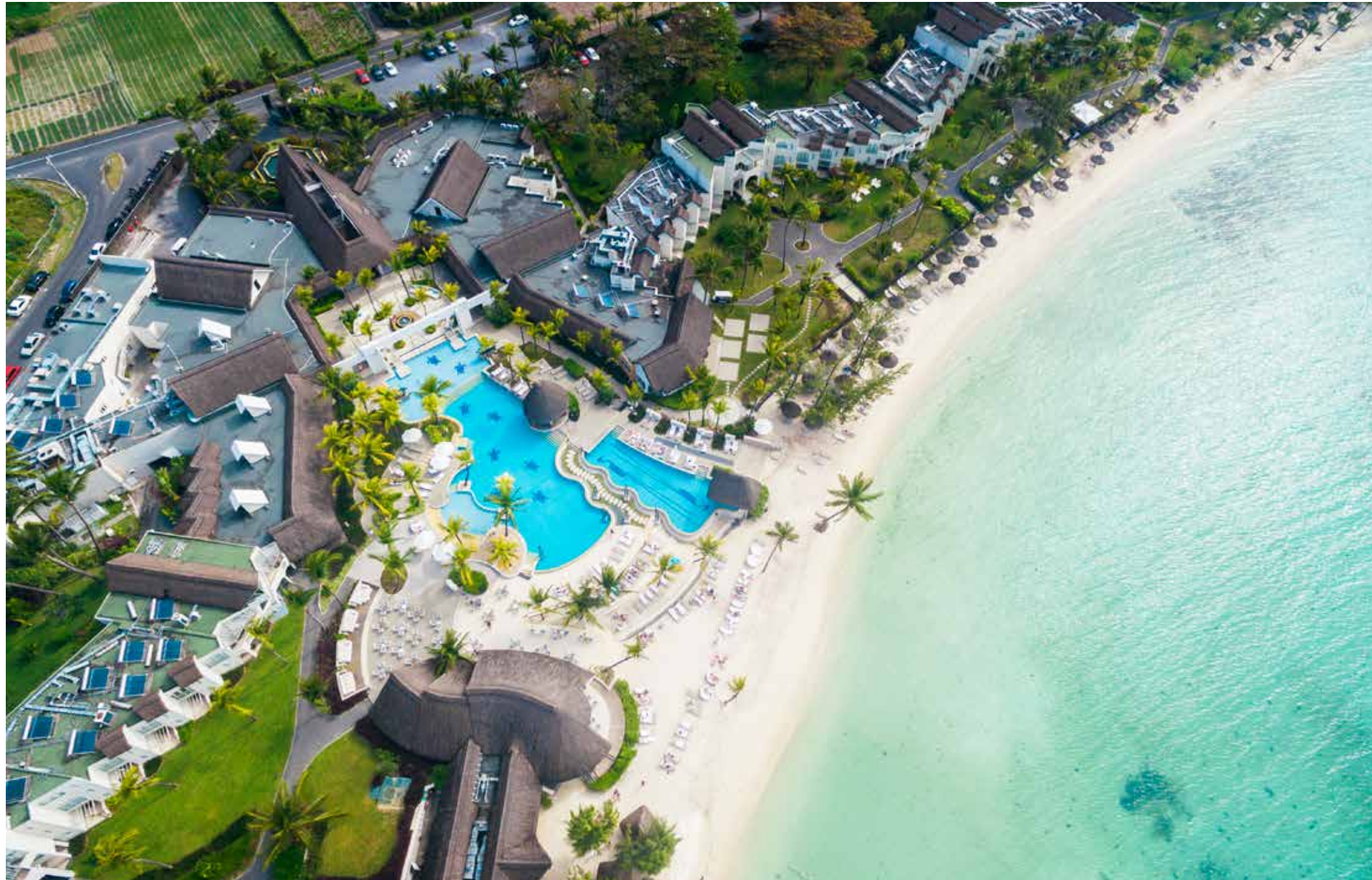
Cinq Mondes Spa

Fully equipped conference rooms



The light side of life

Your all-inclusive adult-only resort welcomes adults as from 16 years old. The resort is set along a tranquil beach between Belle-Mare and Trou d'Eau Douce on the untamed east coast of the island. It faces the widest lagoon, catches sunrise and instantly warms up guests to its light and rhythmic ambience.



+750 m
of Beach

250
Rooms

3
Restaurants

2
Bars

Spa
4 treatment rooms, 2 gazebos,
sauna and hammam

Fully equipped conference rooms

ILE AUX
CERFS 
GOLF CLUB

Spectacular Golfing

Designed by the famous golf player Bernhard Langer, the golf club is accessible to players of all levels. The course covers 38 hectares on the southern half of the island of Ile aux Cerfs with holes snaking up and down the length of the island, boasting naturally the undulating topography, volcanic rock outcrops, lakes and gullies, and a variety of tropical trees and plants overlooking the Indian Ocean.



18 Hole par 72

Course Type

6,476 M

Course Length

Full Service

Clubhouse with Proshop

68 Seater

Restaurant overlooking 18th green

Golf Academy

N°1 MUST PLAY GOLF COURSE
BY GOLF MAGAZINE



A "chic and wild" island

Ile aux Cerfs is an iconic island spread over 87 hectares of untouched land off the east coast of Mauritius. It is famous for its white sandy beaches, its turquoise lagoons and for the wide range of restaurants, water sports and land activities on offer.



3

Restaurants

Adventure Park

Tailor-made Events

Water

Activities