

# BLUELIFE LIMITED

Business Registration Number: C07050411

## ABRIDGED AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

### ABRIDGED STATEMENTS OF FINANCIAL POSITION

	THE GROUP		THE COMPANY	
	Audited as at December 31, 2015	Audited as at December 31, 2014	Audited as at December 31, 2015	Audited as at December 31, 2014
	Rs'000	Rs'000	Rs'000	Rs'000
<b>ASSETS</b>				
<b>Non-current assets</b>	4,980,366	5,024,083	2,957,612	3,057,202
<b>Current Assets</b>	669,638	901,545	328,676	300,507
<b>Non-current assets classified as held for sale</b>	29,199	-	29,199	-
<b>Total Assets</b>	5,679,203	5,925,628	3,315,487	3,357,709
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves (attributable to owners of the patent)</b>				
Owners' interest	2,871,455	3,292,851	2,605,769	2,814,704
Non-controlling interests	101,485	142,072	-	-
<b>Total equity</b>	2,972,940	3,434,923	2,605,769	2,814,704
<b>Non-current liabilities</b>	1,362,763	1,217,808	194,127	134,457
<b>Current liabilities</b>	1,343,500	1,272,897	515,591	408,548
<b>Total equity and liabilities</b>	5,679,203	5,925,628	3,315,487	3,357,709

### ABRIDGED STATEMENTS OF CHANGES IN EQUITY

THE GROUP	Share capital	Other reserves	Actuarial reserves	(Revenue deficit) / Retained earnings	Total	Non-controlling interests	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<b>Balance at January 1, 2015</b>	3,027,298	26,080	(577)	240,050	3,292,851	142,072	3,434,923
Loss for the year	-	-	-	(415,797)	(415,797)	(68,484)	(484,281)
Other comprehensive income for the year	-	-	(202)	-	(202)	-	(202)
Total Comprehensive income for the year	-	-	(202)	(415,797)	(415,999)	(68,484)	(484,483)
Issue of share capital	-	-	-	-	-	22,500	22,500
Changes in ownership interest in subsidiaries that do not result in a loss of control	-	-	-	(5,397)	(5,397)	5,397	-
<b>Balance at December 31, 2015</b>	3,027,298	26,080	(779)	(181,144)	2,871,455	101,485	2,972,940
<b>Balance at January 1, 2014</b>	3,027,298	-	-	730,849	3,758,147	227,788	3,985,935
Loss for the year	-	-	-	(490,799)	(490,799)	(59,636)	(550,435)
Other comprehensive income for the year	-	-	(577)	-	(577)	-	(577)
Total Comprehensive income for the year	-	-	(577)	(490,799)	(491,376)	(59,636)	(551,012)
Movement in other reserves	-	26,080	-	-	26,080	(26,080)	-
<b>Balance at December 31, 2014</b>	3,027,298	26,080	(577)	240,050	3,292,851	142,072	3,434,923

THE COMPANY	Stated capital	Actuarial reserves	(Revenue deficit) / Retained earnings	Total
	Rs'000	Rs'000	Rs'000	Rs'000
<b>Balance at January 1, 2015</b>	3,027,298	(577)	(212,017)	2,814,704
Loss for the year	-	-	(208,733)	(208,733)
Other comprehensive income for the year	-	(202)	-	(202)
Total Comprehensive income for the year	-	(202)	(208,733)	(208,935)
<b>Balance at December 31, 2015</b>	3,027,298	(779)	(420,750)	2,605,769
<b>Balance at January 1, 2014</b>	3,027,298	-	2,293	3,029,591
Loss for the year	-	-	(214,310)	(214,310)
Other comprehensive income for the year	-	(577)	-	(577)
Total Comprehensive income for the year	-	(577)	(214,310)	(214,887)
<b>Balance at December 31, 2014</b>	3,027,298	(577)	(212,017)	2,814,704

### ABRIDGED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	THE GROUP		THE COMPANY	
	Audited year ended December 31, 2015	Audited year ended December 31, 2014	Audited year ended December 31, 2015	Audited year ended December 31, 2014
	Rs'000	Rs'000	Rs'000	Rs'000
Revenue	1,035,252	1,481,500	36,933	71,900
(Loss)/profit before finance costs	(249,286)	(206,626)	(51,991)	13,148
Net decrease in fair value of investment properties	(21,344)	(31,467)	(6,745)	(7,255)
Impairment charges	(47,499)	(184,968)	(93,287)	(184,162)
Finance costs	(183,569)	(148,484)	(48,719)	(36,902)
Share of (loss)/profit of associate	(1,823)	7,791	-	-
Loss on disposal of associate	(6,785)	-	(6,305)	-
Loss before taxation	(510,306)	(563,754)	(207,047)	(215,171)
Income tax credit/(charge)	26,025	13,319	(1,686)	861
<b>Loss for the year</b>	(484,281)	(550,435)	(208,733)	(214,310)
Other comprehensive income for the year net of tax	(202)	(577)	(202)	(577)
<b>Total comprehensive income for the year</b>	(484,483)	(551,012)	(208,935)	(214,887)
<b>Loss attributable to:</b>				
Owners of the parent	(415,797)	(490,799)	(208,733)	(214,310)
Non-controlling interests	(68,484)	(59,636)	-	-
	(484,281)	(550,435)	(208,733)	(214,310)
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	(415,999)	(491,376)	(208,935)	(214,887)
Non-controlling interests	(68,484)	(59,636)	-	-
	(484,483)	(551,012)	(208,935)	(214,887)
<b>(Loss)/earnings per share (Rs/c)</b>				
-basic	(0.976)	(1.154)	(0.491)	(0.504)

### ABRIDGED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	THE GROUP		THE COMPANY	
	Audited year ended December 31, 2015	Audited year ended December 31, 2014	Audited year ended December 31, 2015	Audited year ended December 31, 2014
	Rs'000	Rs'000	Rs'000	Rs'000
<b>Continuing operations</b>				
Basic earnings per share (Rupees & cents)	(0.976)	(1.154)	(0.491)	(0.504)
Net Assets per share (Rupees & cents)	6.751	7.742	6.126	6.618
Number of ordinary shares	425,342,317	425,342,317	425,342,317	425,342,317

### ABRIDGED STATEMENTS OF CASH FLOW

	THE GROUP		THE COMPANY	
	Audited year ended December 31, 2015	Audited year ended December 31, 2014	Audited year ended December 31, 2015	Audited year ended December 31, 2014
	Rs'000	Rs'000	Rs'000	Rs'000
<b>Operating activities</b>				
Net cash used in operating activities	(169,131)	(192,008)	(151,825)	(89,550)
<b>Investing activities</b>				
Net cash (used in)/from investing activities	(19,683)	(6,640)	596	30,561
<b>Financing activities</b>				
Net cash from financing activities	221,633	123,299	66,224	18,264
<b>Increase/(decrease) in cash and cash equivalents</b>	32,819	(75,349)	(85,005)	(40,725)
<b>Movement in cash and cash equivalents</b>				
At January 1	(424,974)	(349,857)	(164,914)	(124,246)
Effect of foreign exchange difference	4,881	232	97	57
Increase/(decrease)	32,819	(75,349)	(85,005)	(40,725)
At December 31,	(387,274)	(424,974)	(249,822)	(164,914)

### NOTES TO THE ABRIDGED AUDITED ANNUAL FINANCIAL STATEMENTS

1. The abridged annual financial statements have been prepared in accordance with International Financial Reporting Standards and audited by Messrs BDO & Co Ltd.

#### 2. ACTIVITY

2015 has been a year of consolidation for the BlueLife Group. Under the leadership of Mrs Christine Marot, and bolstered by the appointment of Mr Brent Harris as the Head of Development and Construction, a new and energized management team has repositioned the Group for future growth. Some of the major positive steps taken during the year include:

- The launch of Phase 2 IRS comprising 34 Ocean River Villas and 16 Riviera Villas developments due for delivery over 2016-2017
- The continued construction of 114 Phase 2 local residences which are due for delivery in 2016
- A financial restructuring with the support of financial institutions and main shareholders
- The appointment of Rezidor Hotels APS to manage the hotels and rental pool from 1 September 2015 under the Radisson Blu brand

The full financial impact of these actions is only expected to reflect in the Group's financial performance from 2016 onwards as in accordance with international financial practices, revenue from new developments can only be recognized on a % completion basis meaning that only the revenue from the local Phase 2 development is reflected in the 2015 results. In addition, the two hotels are expected to take time to establish themselves and mature under Rezidor's new management.

The 2015 Group results reflect a loss of Rs 484m for the year (compared to a loss of Rs 550m in 2014) as a result of operational losses, finance charges, the revaluation of properties and the impairment of assets. Operational losses included residual costs associated with the Phase 1 development, but were mainly driven by the hospitality cluster which generated losses of Rs 218m, reflecting the impact of the changes in operator and the time taken for Rezidor to settle in. Profits from other activities including the Phase 2 local residences at Azuri (recognized on a percentage completion basis) were not sufficient to offset these losses.

The Company made a loss of Rs 209 m for the year (Rs 214m in 2014) which is attributable to higher finance charges and administrative expenses which were not offset by revenues. The reduction in development revenues is directly related to the reduced number of projects in 2015. In addition, the Company's profits were adversely impacted by an impairment charge of Rs 93m in relation to tangible and intangible assets.

At year end, the Group total assets and net assets stood at Rs 5.7Bn and Rs 3.0 Bn respectively (2014: 5.9Bn and Rs 3.4Bn). As a result, net assets per share dropped from Rs 7.74 to Rs 6.75.

#### 3. POST BALANCE SHEET EVENTS

On 19 February 2016, Haute Rive Ocean Front Living Ltd ("HROFL"), the promoter of the local residences of Azuri and a wholly owned subsidiary of BlueLife Limited, terminated its contract with Super Construction Co Ltd ("SCC"), the building contractor for the 114 Phase 2 local residences of the Azuri development.

This decision was taken as a result of SCC's repeated and material breaches of its contract of construction and the termination was effected in accordance with the terms and conditions of the contract.

SCC entered in administration on 21 February 2016. HROFL has submitted claims to the Administrator for amounts due under the construction contract and additional claims were submitted under the performance bond and the advance payment guarantee provided in respect of the Azuri project.

On 22 March 2016, a counter claim was received from the Administrator of SCC. HROFL is currently contesting the basis of this claim.

Manser Saxon Contracting Ltd ("MS"), the largest sub-contractor on this project, is fully conversant with the site and has already commenced the completion of the remaining work. MS expects to complete the project with minimum delays and in accordance with contractual delivery periods for handing over to owners.

#### 4. PROSPECTS

The transition to a new management team and the protracted completion of Phase 1 of the Azuri development resulted in a delayed start of Azuri's Phase 2 IRS developments. This in turn reduced development revenues and profit in 2015. However, the positive financial contribution from the completion of the Phase 2 local units (96% sold) and successful launch of the Ocean River Villas and Riviera development are expected to be reflected from the first quarter 2016 onwards.

The Ocean River Villas comprises sale of serviced land as well as residential units. Infrastructure works are expected to be completed in June 2016 and the first villas will be handed over in the last quarter of 2016. In addition, the construction of the 16 Riviera Villas is anticipated to start in third quarter of 2016 since with good sales performance the break-even point has nearly been achieved. Both developments will positively impact 2016 results as the completion of the projects progresses. Moreover, a pipeline of new projects is under development to ensure that development momentum is maintained going forward.

The hospitality cluster has negatively impacted the Group results over the past 2 years. Rezidor's international network and deep hotel experience is expected to gradually improve the results for the hospitality cluster as the two hotels continue to mature in 2016.

**By Order of the Board**  
GML Management Ltee  
Company Secretary

March 31, 2016

Copies of the statement of direct and indirect interests of Officers pursuant to Rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 and of these abridged audited annual financial statements are available, free of charge, upon request made to the Company Secretary, at the registered office of the Company, 4<sup>th</sup> Floor, IBL House, Caudan Waterfront, Port Louis.

The above abridged audited annual financial statements are issued pursuant to Listing 12.14 and the Securities Act 2005.

The Board of Directors of BlueLife Limited accepts full responsibility for the accuracy of the information contained in these abridged audited annual financial statements.