

## ENDEAVOUR HOLDINGS LIMITED

### Chairman's Report

I am pleased to report on financial performance of Endeavour Holdings Limited (EHL) for the half year ended October 31, 2019.

During the first half period May 1, 2019 to October 31, 2019 of the financial year May 2019 to April 2020, the economic climate in the country remained fairly flat.

For the first half period May 1, 2019 to October 31, 2019, EHL's profit after tax decreased by \$1.3M from \$18.0M in 2018 to \$16.7M in 2019.

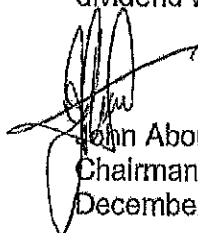
This was attributable to a decrease in EHL's revenue in the sum of \$0.5M which was primarily due to adjustments made by EHL to certain existing rental terms and arrangements. Additionally, rental expenses increased by \$1.8M. This increase was due to non-recurrent type maintenance expenses incurred during the period for painting, landscaping, air-conditioning and security camera systems. Administrative and operating expenses decreased marginally by \$0.1M and finance costs decreased by \$0.8M due to the reduction on the principal of EHL's existing loan arrangements.

EHL adopted IFRS 9 – Financial Instruments and IFRS 15 – Revenue from Contracts with Customers as of May 1, 2018 and there continues to be no impact to the results of the company up to the half year ended October 31, 2019.

EHL's total asset base remained stable at \$904M (which comprises mainly of the properties valued at \$864 million) as at October 31, 2019 as compared to \$901M at October 31, 2018. There were no acquisitions or disposals of properties during the period. EHL continues to enjoy very high occupancy levels and a stabilized tenant base.

EHL's borrowings decreased by \$28 million from \$283.0M at October 31, 2018 to \$255.0M as at October 31, 2019 as a result of the repayment of principal. EHL expects that there will continue to be a reduction in finance costs and increase in equity as the principal on the existing loan arrangements is paid down.

EHL continues to show stable performance towards the financial year ending April 30, 2020 and the Board has accordingly declared an interim dividend of \$0.12 per Ordinary Share to all shareholders of record as of December 23, 2019. It is expected that the dividend will be paid on January 22, 2019.



John Aboud  
Chairman  
December 11, 2019