CareEdge RATINGS AFRICA
A subsidiary of CARE Ratings Limited, India

Hermes Developments Ltd

29 September 2025

Ratings

Facilities/Instruments	Amount (MUR Million)	Rating[1]	Rating Action
Long Term Bond	**3,300**	**CARE MAU A; Stable**	Revised from CARE MAU A-; Stable
Bank facility – Short Term	**100**	**CARE MAU A2**	Reaffirmed
Term Loans	**0 (Reduced from 2,400)**	**-**	Withdrawn

Rating Rationale

The revision in the ratings of the bond issue and bank facility of Hermes Developments Ltd ("HDL") was primarily driven by the continuous improvement in occupancy levels resulting in higher revenue and profitability for FY24.

The ratings continue to derive strength from the mall's central and strategic location with world class amenities providing a competitive edge over other malls, the presence of high-profile and key tenants that enhance its attractiveness, a diversified tenant profile that mitigates risks associated with individual tenant businesses, thereby contributing to the resilience of HDL's cash flows and comfortable Weighted Average Lease Expiry over 6 years. The ratings further derive strength from the additional revenue sharing agreements which enhance the cash flow generating ability and upside potential of HDL, the comfortable tenure of most lease agreements with lock-in clause and financial position characterized by comfortable gearing level and coverage parameters.

The ratings are however constrained by the limited experience of the majority shareholders in the mall industry, the Weighted Average Lease Expiry (WALE) being shorter as compared to repayment obligation, risk of non-renewal of lease agreement, refinancing risk associated with the debt repayment and stiff competitive environment with the presence of long-established malls in the vicinity.

Rating Sensitivities

Positive Factors - Factors that could lead to positive rating action/upgrade:

- Ability to maintain occupancy rate above 95% mark.
- Significant reduction in debt with improvement in overall gearing to below 0.3x, and
- Improvement in Total Debt to GCA to below 5x.
- Healthy improvement in interest coverage

Negative Factors - Factors that could lead to negative rating action/downgrade:

- Decline in occupancy rate to below 85% impacting profitability and cash-generating ability of HDL.
- Additional debt funded capex increasing the overall gearing and LTV ratios beyond 1x and 0.75x, respectively.
- Interest coverage declining below 1.5x

BACKGROUND

Incorporated in April 2018, Hermes Developments Ltd ("HDL") is the developer and operator of Tribeca Mall, one of the largest shopping malls in Mauritius which was built over an area of 30.5 arpents (128,736 m2) of land in Trianon, opposite to Ebene Cybercity, and has 71,924 m^2 in Gross Leasable Area (GLA) as of June 2025. Following a soft opening in late December 2022, the Tribeca mall has rapidly emerged as one of the main attractions in Mauritius, boosted by its occupancy level which went from 46% as on 31 March 2023 to 91% as on June 1, 2025, with another 6% signed and currently

[1]Complete definitions of the ratings assigned are available at www.careratingsafrica.com.

undertaking interior fit-out. Tribeca Mall is a contemporary double-level shopping, dining and entertainment destination which houses over 250 stores, restaurants and other amenities such as leisure facilities. In addition to its excellent accessibility and transport links to every part of the island, the mall has the benefit of being highly accommodative with its 3,500 parking spaces. The tenant profile of the Tribeca Mall includes top retail brands, food chains and theatres. HDL is governed by a 3-member board of directors with Mr. Cyril How Kin Sang being both the Chairman & CEO of the Company.

Summary of financial performance of HDL during FY24

While Tribeca mall was launched in late December 2022, FY24 marks the first time, where the mall had an occupancy rate of 80% or higher throughout the year. In line with the increase in average occupancy from 65% for FY23 to 89% for FY24, the rental income also increased by 30% to reach MUR 588 million for FY24 (MUR 453 million for FY23). Total income rose from MUR 591 million for FY23 to MUR 822 million for FY24, which represents a growth of 39%. Profit margin for FY24 remains strong, with improvements in the ROCE and RONW, which were at 4.05% and 6.34%, respectively. The Company is also in a comfortable leverage position, as indicated by its loan-to-value ratio, which stood at 0.41x as of 31 December 2024. The debt-to-rental income of 5.66x for FY24 is deemed to be satisfactory with the interest coverage remaining at comfortable level for the year at 2.72x.

Performance during Q1 25

Compared to the first quarter of FY24, total income during the first quarter of FY25 increased by 19.4%, rising from MUR 133 million to MUR 159 million, driven by an increase in the occupancy rate from 87% to 95% as of 31 March 2025. Gross profit increased by 36.5%, reaching MUR 184 million for Q1 FY25, compared to MUR 117 million for the same period last year. The profit margin improved from 41% in Q1 FY24 to 55% in Q1 FY25, as PAT increased from MUR 71 million to MUR 136 million for the first quarter of FY25.

Annexure I

Rating Symbols
Long /Medium-term Instruments

Symbols	***Rating Definition***
CARE MAU AAA	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry lowest credit risk.
CARE MAU AA	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry very low credit risk.
CARE MAU A	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry low credit risk.
CARE MAU BBB	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry moderate credit risk.
CARE MAU BB	Instruments with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations, in Mauritius.
CARE MAU B	Instruments with this rating are considered to have high risk of default regarding timely servicing of financial obligations, in Mauritius.
CARE MAU C	Instruments with this rating are considered to have very high risk of default regarding timely servicing of financial obligations, in Mauritius.
CARE MAU D	Instruments with this rating are in default or are expected to be in default soon.

Modifiers {"+" (plus) / "-"(minus)} can be used with the rating symbols for the categories CARE MAU AA to CARE MAU C. The modifiers reflect the comparative standing within the category.

Rating Outlook
The rating outlook can be 'Positive', 'Stable' or 'Negative'.
A 'Positive' outlook indicates an expected upgrade in the credit ratings in the medium term on account of expected positive impact on the credit risk profile of the entity in the medium term.
A 'Negative' outlook would indicate an expected downgrade in the credit ratings in the medium term on account of expected negative impact on the credit risk profile of the entity in the medium term.
A 'Stable' outlook would indicate expected stability (or retention) of the credit ratings in the medium term on account of stable credit risk profile of the entity in the medium term.

Short term Instruments

Symbols	**Rating Definition**
CARE MAU A1	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations, in Mauritius. Such instruments carry lowest credit risk.
CARE MAU A2	Instruments with this rating are considered to have strong degree of safety regarding timely payment of financial obligations, in Mauritius. Such instruments carry low credit risk.
CARE MAU A3	Instruments with this rating are considered to have moderate degree of safety regarding timely payment of financial obligations, in Mauritius. Such instruments carry higher credit risk as compared to instruments rated in
CARE MAU A4	Instruments with this rating are considered to have minimal degree of safety regarding timely payment of financial obligations, in Mauritius. Such instruments carry very high credit risk and are susceptible to default.
CARE MAU D	Instruments with this rating are in default or expected to be in default on maturity.

Modifier {"+" (plus)} can be used with the rating symbols for the categories CARE MAU A1 to CARE MAU A4. The modifier reflects the comparative standing within the category.

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About CARE Ratings (Africa) Private Limited:

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CRAF's shareholders are CARE Ratings Limited, African Development Bank, MCB Equity Fund and SBM (NFC) Holdings Limited. CRAF gets its technical support in the areas such as rating systems and procedures, methodologies, etc. from CARE Ratings Limited on an ongoing basis. CARE Ratings Limited, with an established track record of rating companies over almost three decades, follows a robust and transparent rating process that leverages its domain and analytical expertise backed by the methodologies congruent with the international best practices.

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CRAF has had a pivotal role to play in developing bank debt and capital market instruments including MMIs, corporate bonds and structured credit.