CEIBA INVESTMENTS LIMITED

ANNUAL REPORT & CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the action you should take, you are recommended to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) if you are in the United Kingdom or, if not, from another appropriately authorised financial adviser. If you have sold or otherwise transferred all your Ordinary shares in CEIBA Investments Limited, please forward this document, together with the accompanying documents immediately to the purchaser or transferee, or to the stockbroker, bank or agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

DIRECTORS, MANAGEMENT AND ADVISERS

Directors (all non-executive)
John Herring *(Chairman)*
Trevor Bowen
Keith Corbin
Peter Cornell
Colin Kingsnorth
all of the registered office

Registered Office
CEIBA Investments Limited
Ground Floor, Dorey Court
Admiral Park, St Peter Port
Guernsey GY1 2HT

AIFM
Aberdeen Standard Fund Managers Limited
Bow Bells House, 1 Bread Street
London EC4M 9HH

Investment Manager
Aberdeen Asset Investments Limited
Bow Bells House
1 Bread Street
London EC4M 9HH

Administrator and Company Secretary
JTC Fund Solutions (Guernsey) Limited
Ground Floor, Dorey Court
Admiral Park, St Peter Port
Guernsey GY1 2HT

Registrar
Link Market Services (Guernsey) Limited
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St Sampson, Guernsey GY2 4LH

Auditor
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St. Peter Port, Guernsey GY1 4AF

Financial Adviser & Broker
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Advocates to the Company (as to Guernsey law)
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Solicitors to the Company (as to English law)
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Legal Advisers to the Company (as to Cuban law)
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Transfer Agent
Link Asset Services
The Registry
34 Beckenham Road
Beckenham,
Kent BR3 4TU

COMPANY OVERVIEW

GENERAL

CEIBA Investments Limited ("**CEIBA**" or the "**Company**") is a Guernsey-incorporated, closed-ended investment company, with registered number 30083. Its shares were listed (the "**Listing**") on the Specialist Fund Segment ("**SFS**") of the London Stock Exchange's Main Market on 22 October 2018, where it currently trades under the symbol CBA. The Company is governed by a Board of Directors, the majority of whom are independent. Like many other investment companies, it outsources its investment management, administration and other services to third party providers. The Company does not have a fixed life. Through its consolidated subsidiaries (together with the Company, the "**Group**"), the Company invests in Cuban real estate and other assets by acquiring shares in Cuban joint venture companies that own the underlying properties. The Company also arranges and invests in financial instruments granted in favour of Cuban borrowers.

FINANCIAL HIGHLIGHTS AS AT 31 DECEMBER 2018 IN £ AND US$ (FOREX: 1.2691)[3]

Given the fact that the Net Asset Value ("NAV") and share price of the Company are quoted in Sterling (£) and that the functional currency of the Company is the U.S. Dollar (US$), the financial highlights of the Company set out below are being provided in both currencies, applying the applicable exchange rate as at 31 December 2018.

In £

Total Net Assets **£162.0m** **£165.8m**[2]	**NAV per share**[1] **117.7p** **120.5p**[2]	**Number of shares in issue** **137,671,576 Ordinary Shares**
Market Capitalisation **£139.7m**	**Share price** **101.5p**	**Premium (Discount) to NAV**[1] **(13.8%)** **(15.7%)**[2]
Net Gain to shareholders **£1.4m** **£5.2m**[2]	**Earnings per share** **1.2p** **4.6p**[2]	**NAV Total Return**[1] **1.0%** **3.3%**[2]
Dividend per share **0.049p**	**Dividend yield**[1] **4.9%**	

In US$

Total Net Assets **US$205.6m** **US$210.5m**[2]	**NAV per share**[1] **US$1.49** **US$1.53**[2]	**Number of shares in issue** **137,671,576 Ordinary Shares**

Market Capitalisation **US$177.3m**	**Share price** **US$1.29**	**Premium (Discount) to NAV**[1] **(13.8%)** **(15.7%)**[2]
Net Gain to shareholders **US$1.8m** **US$6.6m**[2]	**Earnings per share** **US$0.02** **US$0.06**[2]	**NAV Total Return**[1] **(4.2%)** **(2.1%)**[2]
Dividend per share **US$0.0625**	**Dividend yield**[1] **4.9%**	

1 These are considered Alternative Performance Measures. See glossary on page 131 for more information.

2 These figures which are Alternative Performance Measures, differ from the figures derived from the audited Consolidated Financial Statements beginning on page 72. The figures are calculated in full accordance with IFRS, except that they include an adjustment recognising the full amount of US$5.0m / £3.9m received from Aberdeen Standard Fund Managers Limited in connection with the execution of the Management Agreement in the Statement of Comprehensive Income for the year ended 31 December 2018, rather than deferring this amount over the five-year term of the Management Agreement as required by IFRS. This adjustment results in the increase of the net income attributable to the shareholders of the Company for the year ended 31 December 2018 by US$4.9m / £3.8m. There is no impact on prior year numbers.

3 No prior year comparisons appear in the table of Financial Highlights above because the Company completed the Listing of its Ordinary Shares on the SFS during the financial year and subsequently adopted new Key Performance Indicators some of which are set out above. In the future, the Company intends to report its Financial Highlights annually, including a comparator against the previous year's performance.

MANAGEMENT

The Company has appointed Aberdeen Standard Fund Managers Limited ("**ASFML**"or the "**AIFM**") as the Company's alternative investment fund manager to provide portfolio and risk management services to the Company. The AIFM has delegated portfolio management to Aberdeen Asset Investments Limited (the "**Investment Manager**"). Both ASFML and the Investment Manager are wholly-owned subsidiaries of Standard Life Aberdeen plc, a publicly-quoted company on the London Stock Exchange. Aberdeen Standard Investments (**"ASI**") is a brand of Standard Life Aberdeen plc. References throughout this document to ASI refer to both the AIFM and the Investment Manager.

FINANCIAL CALENDAR

30 May 2019	Ex Dividend Date
31 May 2019	Record Date for determination of shareholders on register to receive dividend for year ended 31 December 2018
14 June 2019	Planned payment of dividend for year ended 31 December 2018
18 June 2019	Annual General Meeting 2019

September 2019	Announcement of half-yearly results for the six months ending 30 June 2019
31 December 2019	Financial year end

CHAIRMAN'S STATEMENT

OVERVIEW

I am pleased to report on the performance of CEIBA for the financial year ended 31 December 2018. This was a year that saw some very significant developments and progress within the Group.

A key event was the successful Initial Public Offering ("**IPO**") and Listing of all Ordinary Shares of the Company on the Specialist Fund Segment of the Main Market of the London Stock Exchange on 22 October 2018. In anticipation of the IPO, the Company carried out an 8-for-1 share split and has externalised its management by entering into a management agreement with ASI. Through the IPO, the Company raised gross proceeds of £30 million (approximately US$39 million) in new capital at an issue price of 100 pence per share (approximately US$1.30 per share).

The IPO and Listing took place against a less-than-favourable market backdrop and we are delighted to have ASI on board and are grateful for the work and efforts that it, our brokers Nplus1 Singer, and other advisers have put in to help the Company achieve this important milestone.

Following the IPO and Listing:

- we successfully concluded the merger of the two Cuban joint venture companies through which we hold our interests in four operating hotels in Cuba, with extended ground leases to 31 December 2042;
- we repaid a €30 million (approximately US$34 million) bridge loan that was outstanding; and
- the Toscuba joint venture commenced construction of a new 400 room beach resort hotel on prime beach-front property next to the historic town of Trinidad, on the southern coast of Cuba.

CUBA

During 2018 several carefully planned and directed steps were taken that are changing Cuba's internal political landscape.

- In April 2018, Raul Castro stepped down and Miguel Díaz Canel became Cuba's new President. Following his appointment, nine new cabinet ministers were named and more recently another three cabinet ministers (transport, finance and sports) have been replaced.

- In parallel, a new Constitution was drafted and subjected to extensive public consultations throughout the year and approved by the National Assembly in December 2018. It was ratified by a referendum that took place in February 2019. Among the various proposed changes is an explicit statement that foreign investment is an important element of Cuba's economic development. In addition, it contains some legal guarantees regarding personal rights, such as the right to file a petition for *habeas corpus*, as well as a declaration of respect for the "freedoms of thought, conscience and expression" that did not appear in the previous version of the Constitution passed in 1976. The board views these changes in a positive light.

In economic terms, despite increased production of nickel and sugar and a slight increase in tourist arrivals, 2018 proved to be a difficult year for Cuba, with GDP growing by just 1.2%, below the 2% figure that was originally forecast by the Cuban government. During the year, the headwinds faced by the Cuban economy included the after-effects of the extremely powerful and catastrophic Hurricane Irma in September 2017, the political turmoil and financial collapse of its strategic ally Venezuela, and the strengthening of travel restrictions and other measures by the Trump administration. The latter had a strong impact on individual travel from the U.S. to Cuba in 2018, and has discouraged business relationships that had been strengthened under the Obama administration.

GDP growth for the remainder of 2019 has been forecast by the Cuban government at 1.5%, which is only modestly stronger than the level achieved in 2018. The 2019 forecast is based on the continuation of an austerity programme introduced in 2016 and strategic economic goals to develop in areas such as infrastructure, industry, sugar production and tourism, and to reduce foreign debts.

US – CUBA RELATIONS

US relations with Cuba is a key influencing factor in determining CEIBA's trading results and the valuation of its assets. Since the end of the presidency of Barack Obama, the relationship between the U.S. administration and Cuba has unquestionably deteriorated. Within his administration, President Trump has appointed a number of individuals who may be described as "Cuba hardliners", and over the course of the Trump presidency U.S. policy towards Cuba has gradually hardened once again. This process culminated in April 2019 with the announcement of numerous further measures restricting U.S. travel and remittances to Cuba and fully bringing into force Title III of the Helms Burton Act, which previously had been suspended for successive six-month-periods by each of Presidents Clinton, Bush, Obama and Trump since the adoption of the Act in 1996. Although no information has as yet become available on the scope, timing or implementation of the regulatory changes necessary to carry out these actions, they will undoubtedly have a short term negative impact on the foreign investment climate and economy in Cuba, and therefore possibly on the Group and its operations. However, as the Company has witnessed in past periods of more aggressive U.S. policy towards Cuba, the hardened political stance of the Trump administration and the absence of U.S. investors in Cuba at the same time also offers a window of opportunity which is open to non-U.S. investors, such as the Company.

TOURISM

The number of tourist arrivals in 2018 was approximately 4.8 million, which is the highest number of visitors in Cuba's history according to Cuba government statistics, since records began. However, the record number of visitors reflects a significant decrease in U.S. individual visitors and an offsetting increase in the number of visitors from cruise ships, who spend significantly less per visit than other categories of tourists. For 2019, Cuba is projecting approximately 5.1 million visitors, an increase of over 6% compared to 2018.

EARNINGS & NAV RETURN

The table below provides information relating to the NAV of the Company on the dividend reinvestment dates during the years ended 31 December 2018 and 31 December 2017.

NAV at 31 December 2017	175,220,151
Dividends paid	(6,974,578)
Proceeds from initial public offering	37,966,014
Allocation of contribution from non-controlling interests to shareholders of the parent	2,339,374
Net comprehensive loss for the year[1]	(2,909,615)
IFRS NAV at 31 December 2018	205,641,346
Non-IFRS adjustment	4,833,333
Non-IFRS NAV at 31 December 2018	210,474,679

[1] Net comprehensive loss for the year includes a loss on changes in the fair value of equity investments of (US$4,483,525).

The net income for the year attributable to the shareholders was US$1,775,926 / £1,399,359 (9 months ending 31 December 2017: net loss of US$1,475,018 / £1,097,484), which resulted in a year end NAV per share of US$1.49 / £1.18 (2017: US$1.63 / £1.21). The principal factors that contributed negatively to the results were the loss on change in the fair value of the Meliã Habana Hotel, interest expense on the €30 million bridge loan facility, management bonuses and expenses related to the IPO on the SFS. The interest expense on the bridge loan facility, management bonuses and the expenses related to the IPO are non-recurring items.

Like many hotels in Havana, the occupancy and room rates of the Meliã Habana Hotel were impacted in 2018 by the general downturn in tourism arrivals to the city in the aftermath of the passage of Hurricane Irma in late 2017 as well as the significant decline in individual U.S. travel following the implementation of new travel restrictions by the Trump Administration.

DIVIDEND

The Board announces that the Company will pay a dividend of US$0.0625 per share on 14 June 2019 to Shareholders on the register on 31 May 2019. The ex-dividend date will be 30 May 2019. This dividend represents a yield of 4.9%, based on the Company's quoted share price as at 31 December 2018 (101.5p or US$1.2881). As set out in the Prospectus, the Company intends to pay its dividends in Sterling, although shareholders will be given the option to elect to receive their dividend in Euros (at the prevailing exchange rate at the time of payment).

THE BOARD

On 18 June 2018, and in anticipation of the Company's IPO, we welcomed Peter Cornell, Keith Corbin, and Trevor Bowen as independent non-executive Directors to the Board. Each of the new Directors brings a wealth of experience to the Board and I welcome them to the team.

At the same time, on 18 June 2018, Sebastiaan Berger and Enrique Rottenberg stepped down from the Board: Sebastiaan to assume the role of the Company's portfolio manager on behalf of ASI and Enrique to continue providing real estate development and management services to the Group.

As indicated in the Company's Prospectus issued at the time of the IPO, I shall shortly be stepping down from my role as Chairman but shall remain on the Board as a non-executive Director. Following approval of the Board, I shall be handing over the Chairman role at the conclusion of the upcoming Annual General Meeting of the Company on 18 June 2019.

THE MANAGER

As stated above, I am very pleased with the engagement of ASI as manager of the Company's portfolio of assets.

With some £34 billion in dedicated emerging markets mandates, ASI has extensive experience in investing and managing assets in emerging markets and the Board is confident that this expertise will be of very significant benefit to the overall management and operations of CEIBA. It is also important to highlight that the key operational management team of the Group has not changed and Sebastiaan Berger, who has acted as managing director of the Company for over 17 years has now joined ASI within CEIBA's portfolio management team and his work remains focused on operating and growing the Company's assets. Sebastiaan works alongside Real Estate Specialist Fund Managers at ASI, with the former management team, Cameron Young, Paul Austin, Gilberto Perez and Enrique Rottenberg continuing to provide key services to the Group.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at the offices of JTC Fund Solutions (Guernsey) Limited, Dorey Court, Admiral Park, St. Peter Port, Guernsey, GY1 2HT Channel Islands on 18 June 2019 at 2.00pm. The Notice of Annual General Meeting can be found on pages 137 to 146 of this Annual Report.

OUTLOOK

The political and economic situation in Venezuela and the renewed tensions between the US and Cuba described above have had, and will likely in the short term continue to have a negative impact on Cuba's economy and its overall liquidity position. Despite these external headwinds, there is no question that Cuba's economy has been showing positive developments. The country continues to welcome increasing numbers of tourists, and shows a stronger interest in attracting new foreign investment. In addition, Cuba maintains a very positive and productive relationship with Canada and most European nations (which presently are the main source markets for tourists visiting the island). This constructive relationship was most recently demonstrated by the productive and very warmly-received official visit to Cuba by their Royal Highnesses, the Prince of Wales and the Duchess of Cornwall in March 2019, underlining the UK's positive general approach of engagement and dialogue with Cuba.

In addition, the Board is grateful to the governments of Spain and Cuba, who have demonstrated a collaborative and practical approach to the encouragement of foreign investment in Cuba and have established a Debt Conversion Programme that will benefit two of the joint venture companies in which the Group has an equity interest. This Programme, which is described in greater detail in the

Investment Manager's Review, is a very positive step for the Cuban foreign investment market and for the projects of the Group.

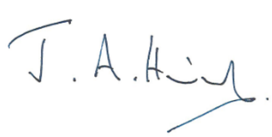
The Group has been managed by the same management team for more than 17 years and past performance (which is not a guide to future results) has shown a substantial increase in net asset value per share on an annualised basis achieved against changeable, and sometimes challenging, economic backdrops as set out in the table below:-

Net Asset Value, Annualised Return to 31 December 2018	USD Return	GBP Return
1 Year	-4.43%	1.22%
3 Year	14.37%	20.22%
5 Year	13.70%	19.92%
10 Year	4.23%	5.54%

Note: These are Alternative Performance Measures. See glossary on page 131 for more information.

The Board is encouraged overall by the investment that is underway in respect of the new hotel near Trinidad, the modernization and extension of the Meliã Habana Hotel, and the planning of new steps to redevelop and optimise the use of the 28 hectare plot upon which the Varadero Hotels are constructed. 2019 is expected to be a challenging year for Cuba, the environment in which the Group operates, but at the same time it may very well offer new opportunities that the Group may benefit from in the absence of U.S. competition and with a view to increase its long term capital growth potential.

As Havana celebrates its 500th anniversary this year, and notwithstanding short term challenges, the Board remains optimistic on the long-term opportunities and growth prospects of the Cuban tourism industry and economy, and on the outlook for the Group in the coming years.



John Herring
Chairman, 29 April 2019

GENERAL INFORMATION ON THE COMPANY & ITS INVESTMENT STRATEGY

BACKGROUND/HISTORY

The Company was incorporated in 1995 in Guernsey as a closed-ended investment company with the purpose of investing in Cuba. The Company made its first Cuban investment in 1996 and its portfolio subsequently included interests in a variety of Cuban assets and businesses, including biotechnology ventures, mining, residential real estate, consumer/industrial ventures and trade finance.

In 2002 a new external investment manager was appointed to manage the Company. The founders of this external manager included Sebastiaan A.C. Berger and Cameron Young. Paul Austin subsequently joined the Company's management team in 2005.

Under this new external investment manager, the Company began to focus its investment activities on the Cuban real estate and tourism sectors, and disposed of its interests in non-complementary assets and businesses. In repositioning the business of the Company during this period, the Company developed a new investment strategy with the following main features:

- to acquire ownership interests in Cuban joint venture companies that own high-quality Cuban commercial real estate and hotel assets;
- to pursue investments in development projects through the entering into of new joint ventures with the Cuban government or the acquisition of interests in existing joint ventures;
- to arrange secured financing for Cuban borrowers, primarily in the tourism sector;
- to establish a professional "on-the-ground" management team with experience in negotiating, managing and exiting investments in Cuba; and
- to pay a regular annual dividend to Shareholders.

The Company's total equity has grown from approximately U.S.$19 million in 2001 to U.S.$206 million as at 31 December 2018. During this period the Company has also paid approximately U.S.$80 million in cash dividends.

The Company was listed on the Irish Stock Exchange from 1996 to 2002 and subsequently on the Channel Islands Stock Exchange (now known as The International Stock Exchange) from 2004 until the end of 2010. During the period from 2011 to 2018 the Company was unlisted and internally-managed.

The Company has been accepted by the Guernsey Financial Services Commission as a Registered Closed-Ended Collective Investment Scheme with effect from 11 September 2018 under The Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended.

NEW MANAGEMENT CONTRACT AND SPECIALIST FUND SEGMENT LISTING 2018

In October 2018, the Company completed an IPO and listed its Ordinary Shares on the Specialist Fund Segment of the Main Market of the London Stock Exchange, where it presently trades under the symbol CBA. As at 31 December 2018, its issued share capital consisted of 137,671,576 fully paid Ordinary Shares (2017 – 13,458,947 Ordinary Shares prior to an 8 for 1 share split). As part of the process for listing on the SFS, the Company reconverted itself to a registered collective investment scheme regulated by the Guernsey Financial Services Commission and re-externalised management.

In addition, the Company entered into a Management Agreement under which the Company has appointed ASFML as the Company's alternative investment fund manager to provide portfolio and risk management services to the Company. ASFML has delegated portfolio management to the Investment Manager. Both ASFML and the Investment Manager are wholly-owned subsidiaries of Standard Life Aberdeen plc.

INVESTMENT OBJECTIVE

The investment objective of the Company is to provide a regular level of income and substantial capital growth.

INVESTMENT POLICY

The Company is a country fund with a primary focus on Cuban real estate assets. The Company will seek to deliver the investment objective primarily through investment in, and management of, a portfolio of Cuban real estate assets, with a focus on the tourism-related and commercial property sectors. Cuban real estate assets may also include infrastructure, industrial, retail, logistics, residential and mixed-use assets (including development projects).

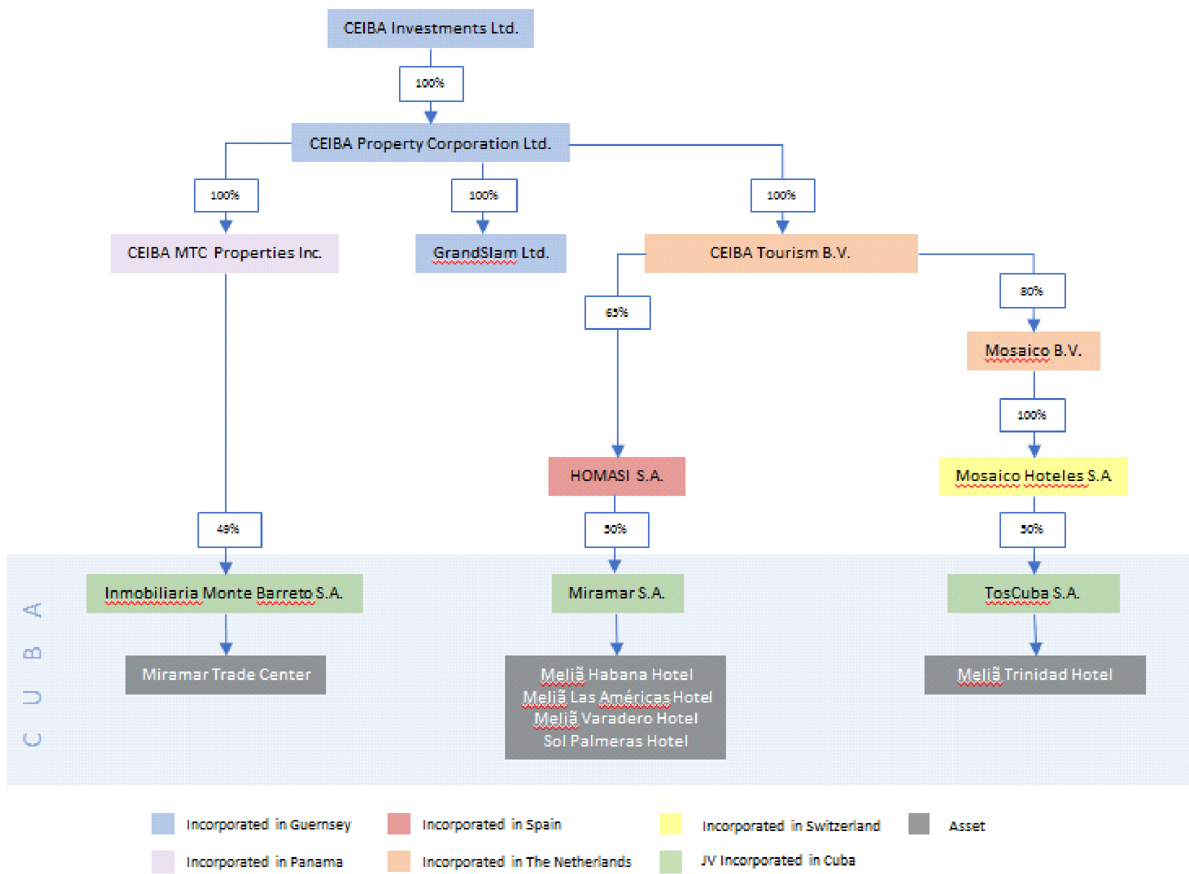
The Company may also invest in any type of financial instrument or credit facility secured by Cuba-related cash flows.

In addition, subject to the investment restrictions set out below, the Company may invest in other Cuba-related businesses, where such are considered by the Investment Manager to be complementary to the Company's core portfolio ("Other Cuban Assets"). Other Cuban Assets may include, but are not limited to, Cuba-related businesses in the construction or construction supply, logistics, energy, technology and light or heavy industrial sectors.

Investments may be made through equity, debt or a combination of both.

The Company will invest either directly or through holdings in special purpose vehicles (SPVs), joint venture vehicles, partnerships, trusts or other structures. The Cuban Foreign Investment Act guarantees that the holders of interests in Cuban joint venture companies may transfer their interests, subject always to agreement between the parties and the approval of the Cuban government.

GROUP STRUCTURE



- Mosaico B .V. was part of the Group holding structure at year-end but was subsequently removed on 11 March 2019. Mosaico B.V. will be liquidated in the near future.
- As at 31 December 2018, Mosaico Hoteles S.A. was in the process of migrating from Switzerland to Spain. In October 2018, the formal deed of migration was deposited at the Corporate Register in Madrid, but completion of registration of the company in Spain remains in process.

INVESTMENT RESTRICTIONS

The following investment limits and restrictions will apply to the Company and its business which, where appropriate, will be measured at the time of investment:

- the Company will not knowingly or intentionally use or benefit from confiscated property to which a claim is held by a Person subject to U.S. jurisdiction;

- the Company may invest in Cuban and non-Cuban companies, joint ventures and other entities that earn all or a substantial part of their revenues from activities outside Cuba, although such investments will, in aggregate, be limited to less than 10 per cent. of the Gross Asset Value;

- save for Monte Barreto (please see the Investment Manager's Review for more information on this asset), the Company's maximum exposure to any one asset will not exceed 30 per cent. of the Gross Asset Value;

- no more than 20 per cent. of the Gross Asset Value will be invested in Other Cuban Assets; and

- no more than 20 per cent. of the Gross Asset Value will be exposed to "greenfield" real estate development projects, being new-build construction projects carried out on undeveloped land.

The Company will not be required to dispose of any asset or to re-balance the Portfolio as a result of a change in the respective valuations of its assets. The investment limits detailed above will apply to the Group as a whole on a look through basis, i.e. where assets are held through subsidiaries, SPVs, or equivalent holding vehicles, the Company will look through the holding vehicle to the underlying assets when applying the investment limits.

KEY PERFORMANCE INDICATORS ("KPIs")

The KPIs by which the Company measures its economic performance include:

- Total income
- Net income
- Total net assets (NAV)
- Net asset value per share*
- Non IFRS net asset value per share*
- Net asset value total return*
- Market capitalisation
- Premium / Discount to NAV*
- Dividend yield*
- Dividend per share
- Gain/Loss per share
- Shares in issue

* These are considered Alternative Performance Measures.

In addition to the above measures, the Board also regularly monitors the following KPIs of the joint venture companies in which the Company is invested and their underlying real estate assets, all of which are Alternative Performance Measures.

In the case of commercial properties, KPIs include:

- Occupancy levels
- Average monthly rate per square meter (AMR)
- Earnings before interest, tax, depreciation and amortisation (EBITDA)
- Net income after tax

In the case of hotel properties, other key indicators include:

- Occupancy levels
- Average Daily Rate per room (ADR)
- Revenue per available room (RevPAR)
- EBITDA
- Net income after tax

The Board monitors the financial performance of the Cuban joint venture companies owning the commercial and hotel properties using these KPIs with the objective, using its best efforts to influence the management decisions of the Cuban joint venture companies through representation on their corporate bodies, of generating reliable and growing cash flow for the Cuban joint venture companies, which in turn will be reflected in reliable and growing dividend streams in favour of the Company.

The relevant information is produced by the management of the underlying Cuban joint venture companies and may not be calculated in accordance with IFRS or have any standardised meaning prescribed by IFRS, EBITDA and Net income after tax are calculated in accordance with IFRS. Consequently, comparisons to similar measures presented by other entities operating in other places should be undertaken with care.

PRINCIPAL RISKS

PRINCIPAL RISKS & UNCERTAINTIES

There are a number of risks which, if they occurred, could have a material adverse effect on the Company and its financial condition, performance and prospects.

The Company invests in Cuba, which may increase the risk as compared to investing in similar assets in other jurisdictions.

A full description of the risks faced by the Company is contained in the Company`s Prospectus and should be referred to prior to any investment decision.

Risk Management and Internal Controls

The Board is responsible for the management of risk and regularly carries out a robust assessment of the principal risks and uncertainties affecting the business, discusses how these may impact on operations, performance and solvency and what mitigating actions, if any, can be taken. The Audit Committee is responsible for ensuring that the internal control procedures are robust and that risk management processes are appropriate.

Principal Risks and Uncertainties

The most significant risks identified by the Board appear in the table below, together with a description of the possible impact thereof, mitigating actions taken by the Company and an assessment of how such risks have changed during the year.

The Board relies upon its external service providers to ensure the Company's compliance with applicable regulations and, from time to time, employs external advisers to advise on specific concerns.

Description of Risk	Possible Impact	Mitigating Action	Change during Year
Risks Relating to the Company and its Investment Strategy			
Investment Strategy and Objective	The setting of an unattractive strategic proposition to the market and the failure to adapt to changes in investor demand may lead to the Company becoming unattractive to investors, a decreased demand for shares and a widening discount.	The Company's investment strategy and objective is subject to regular review to ensure that it remains attractive to investors. The Board considers strategy regularly and receives strategic updates from the Investment Manager, investor relations reports and updates on the market from the Company's Broker. At each Board meeting, the Board reviews the shareholder register and any significant movements. The Board considers shareholder sentiment towards the Company with the Investment Manager and Broker, and the level of discount at which the Company's shares trade.	→

Investment Restrictions	Investing outside of the investment restrictions and guidelines set by the Board could result in poor performance and inability to meet the Company's objectives, as well as a discount.	The Board sets, and monitors, its investment restrictions and guidelines, and receives regular reports which include performance reporting on the implementation of the investment policy, the investment process and application of the guidelines. The Investment Manager attends all Board meetings. The Board monitors the share price relative to the NAV.	→
Portfolio and Operational Risks			
Joint Venture Risk	The investments of the Group in Cuban real estate assets are made through Cuban joint venture companies in which Cuban government entities hold an equity interest, giving rise to risks relating to the liquidity of investments, government approval and deadlock.	Prior to entering into any agreement to acquire an investment, the Investment Manager will perform or procure the performance of due diligence on the proposed acquisition target. The Group tries to structure its equity investments in Cuban joint venture companies so as to include a viable exit strategy. The Investment Manager, or the members of the on-the-ground team, regularly attend the Board meetings of the joint venture companies through which its interests are held.	→
Real Estate Risk	As an indirect investor in real estate assets, the Company is subject to risks relating to property investments, including access to capital and global capital market conditions, acquisition and development risk, competition, tenant risk, environmental risk and others, and the materialisation of these risks could have a negative effect on specific properties or the Group generally.	The Investment Manager regularly monitors the level of real estate risk in the Cuban market and reports to the Board at each meeting regarding recent developments. The Investment Manager works closely with the on-the-ground team, the external hotel managers and the joint venture managers to identify, monitor and actively manage local real estate risk.	→
Tourism Risk	As an indirect investor in hotel assets, the Company is subject to numerous risks relating to the tourism sector, both in outbound and inbound markets, including the cost and availability of air travel, seasonal variations in cash flow, demand variations, changes in travel patterns, risk related to the manager of the hotel properties, and the materialisation of these risks could have a negative impact on specific properties or the Company generally.	The Investment Manager regularly monitors the local and regional tourism markets and meets regularly with the external hotel management to identify, monitor and manage global and local tourism risk and to develop appropriate strategies for dealing with changing conditions. The Company aims to maintain a diversified portfolio of tourism assets spanning various hotel categories (city hotel/beach resort, business/leisure travel, luxury/family) in numerous locations across the island.	→
Valuation Risk	Asset valuations may fluctuate materially between periods due to changes in market conditions.	As part of the valuation process, the Investment Manager engages an independent third party valuator to provide an independent valuation report on each of the indirectly owned real estate assets of the Group. The valuations are also subject to review by the Investment Manager's Alternatives Pricing Committee.	→

Dependence on Third Party Service Providers	The Company is dependent on the Investment Manager and other third parties for the provision of all systems and services relating to its operations and investments, and any inadequacies in design or execution thereof, control failures or other gaps in these systems and services could result in a loss or damage to the Company.	The Board receives reports from its service providers on internal controls and risk management at each Board meeting. It receives assurance from all its significant service providers as well as back to back assurances where activities are themselves sub-delegated to other third party providers with which the Company has no direct contractual relationship. Further details of the internal controls which are in place are set out in the Directors' Report on pages 46 and 47.	→
Loss of Key Fund Personnel	The loss of key managers contracted by the Investment Manager to manage the portfolio of investments of the Group could impact performance of the Company.	Sebastiaan Berger, a key member of the CEIBA management team, became an employee of the Investment Manager on 1 January 2019. Sebastiaan continues to be supported by the long-standing foreign and local management team that has successfully managed the Company and its portfolio for the last 17 years. Under the Management Agreement, the Investment Manager has the obligation to at all times provide personnel with adequate knowledge, experience and contacts in the Cuban market.	→
Risks Relating to Investment in Cuba and the U.S. Embargo			
General Economic, Political, Legal and Financial Environment within Cuba	The Group's underlying investments are situated and operate within a unique economic and legal market, with a comparatively high level of uncertainty, and a sensitive political environment.	Mr Berger has lived and worked in Cuba for 23 years and has been lead investment manager of the Company since 2001, utilizing his extensive experience in the market in selecting top-performing investments. The Company benefits from the services of its highly experienced on-the-ground team consisting of nine members and being one of the most practised investment teams focused exclusively on investment in the Cuban market, which constantly monitors the economic, political and financial environment within Cuba. Mr Berger regularly visits Cuba and the Board undertakes an overseas trip to Cuba at least annually. The subsidiaries of the Company have been structured to benefit from existing investment protection and tax treaties to which Cuba is a party.	↑
U.S. government restrictions relating to Cuba	Tensions remain high between the governments of the United States and Cuba and the U.S. government maintains numerous legal restrictions aimed at Cuba. The Trump administration continues to adopt new restrictions. The rise of further tensions with the United States or the adoption by the U.S. government of further restrictions against Cuba could negatively impact the operations of the Company, the value of its investments, the liquidity or tradeability of its shares, or its access to international capital and financial	The Investment Manager closely follows developments relating to the relationship between the United States and Cuba and monitors all new restrictions adopted by the United States to measure their possible impact on the assets of the Group. The Group has adapted its investment model to the existing sanctions, but the risk remains of further sanctions being adopted in the future.	↑

	markets.		
Helms-Burton Risk	On 17 April 2019 the Trump administration announced that Title III of the Helms-Burton Act will be brought fully into force on 2 May 2019, after 23 years of successive uninterrupted suspensions. Canada, the European Union and other governments have strongly objected to the announced move and have stated that they are prepared to defend their companies' interests in Cuba before the World Trade Organization. Should Title III come into force, this may result in the launch of legal claims before US courts against foreign investors in Cuba, which could have a negative impact on the foreign investment climate in Cuba and may hinder the ability of the Company to access international capital and financial markets in the future. In light of the political nature of the Helms-Burton Act and the fact that under Title III Cuban persons who were not U.S. Persons at the time their property was expropriated but subsequently became U.S. Persons have the right to make claims, there is also a risk that legal claims might be initiated against the Company or its subsidiaries before U.S. courts.	At the time of acquiring each of its interests in Cuban joint venture companies, the Company carried out extensive due diligence investigations in order to ensure that no claims existed under applicable U.S. legislation, and in particular that there were no claims certified by the U.S. Foreign Claims Settlement Commission under its Cuba claims program with respect to any of the properties in which the Company acquired an interest. However, given the broad definitions and terms of the Helms-Burton Act and its purpose of creating uncertainty on the part of investors, as well as the absence of any register of uncertified claims or case law, there is no certain way for the Company to have diligently verified whether or not a Helms-Burton action under Title III could be brought in respect to a particular property, or whether the Company may be deemed to indirectly profit or benefit from certain activities carried out by other parties. The Company does not have any property or assets in the United States that could be subject to seizure.	↑
Liquidity Risk	The rise in regional tensions between the United States and Venezuela may impact the economic and liquidity position in Cuba, which may in turn have a negative impact on the position of the Company.	The Investment Manager actively manages the liquidity position of the Company, its subsidiaries and the joint ventures in which it invests so that cashflows are transferred to bank accounts outside of Cuba. In addition, financial facilities in which the Company participates are structured so that secured cash flows and debt service payments originate and remain outside Cuba.	↑
Risks relating to Regulatory and Tax framework			
Tax Risk	Changes in the Group's tax status or tax treatment in any of the jurisdictions where is has a presence may adversely affect the Company or its shareholders.	The Investment Manager regularly reviews the tax rules that may affect the operations or investments of the Company and seeks to structure the activities of the Company in the most tax efficient manner possible. However the Company holds investment structures in numerous jurisdictions arising from past acquisitions, and the general direction of change in many jurisdictions is not favourable.	↑

The financial risks associated with the Company include market risk, liquidity risk and credit risk, all of which are described in greater detail in note 18 to the Consolidated Financial Statements.

Following the ongoing assessment of the principal risks facing the Company, and its current position, the Board is confident that the Company will be able to continue in operation and meet its liabilities as they fall due.

VIABILITY STATEMENT

VIABILITY STATEMENT

The Board considers the Company, with no fixed life, to be a long-term investment vehicle.

The Board continually considers the prospects for the Company over the longer term. Based on the Company's current financial position, its operating model and track record, as well as the experience of the Investment Manager from both a Cuban investment and closed-end investment company perspective, the Board believes that the Company has a sound basis upon which to continue to deliver capital growth and returns over the long term.

However, for the purposes of this viability statement, the Board has decided that a period of three years is an appropriate period over which to report. All significant commitments of the Company fall within the next two years and the Company will have sufficient resources to fund them based on current levels of cash flow. Thereafter, the net income of the Company will be sufficient to fund its ongoing operations, but the Board believes that additional sources of capital or finance, or the syndication to other lenders of existing finance facilities extended to the joint venture companies, will be required prior to any significant new commitments being entered into in connection with the further development of its investment plans.

In assessing the viability of the Company over the review period, the Directors have conducted a robust review of the principal risks focusing upon the following factors:

- The principal risks as detailed in the Principal Risks reported on pages 17 to 20;
- The ongoing relevance of the Company's investment objective in the current environment;
- The level of income generated by the Company and forecast income;
- The absence or level of debt available to the Company on attractive terms;
- The valuation of the Company's property portfolio, the Investment Manager's portfolio strategy for the future and the market outlook; and
- The liquidity and cash position of the Company over the next 36 months, including the Toscuba loan commitment and the payment of dividends.

Accordingly, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due for the period of assessment, which is three years from the date of this Annual Report. In making this assessment, the Board has considered the fact that matters such as significant economic volatility, a substantial change in the outlook for Cuba, or changes in investor sentiment could have an impact on the correctness of its assessment of the Company's prospects and viability in the future.

GOING CONCERN

In accordance with the guidance of the Financial Reporting Council, the Directors have undertaken to review the Company's ability to continue as a going concern.

The Directors are mindful of the principal risks and uncertainties disclosed on pages 17 to 20 and the Viability Statement on page 22. Following the full repayment of the Company's bridge loan following Listing, the Company does not have any external finance. In the event that gearing becomes available in the future on attractive terms, the Board would establish gearing guidelines for the AIFM in order to maintain an appropriate level and structure of gearing.

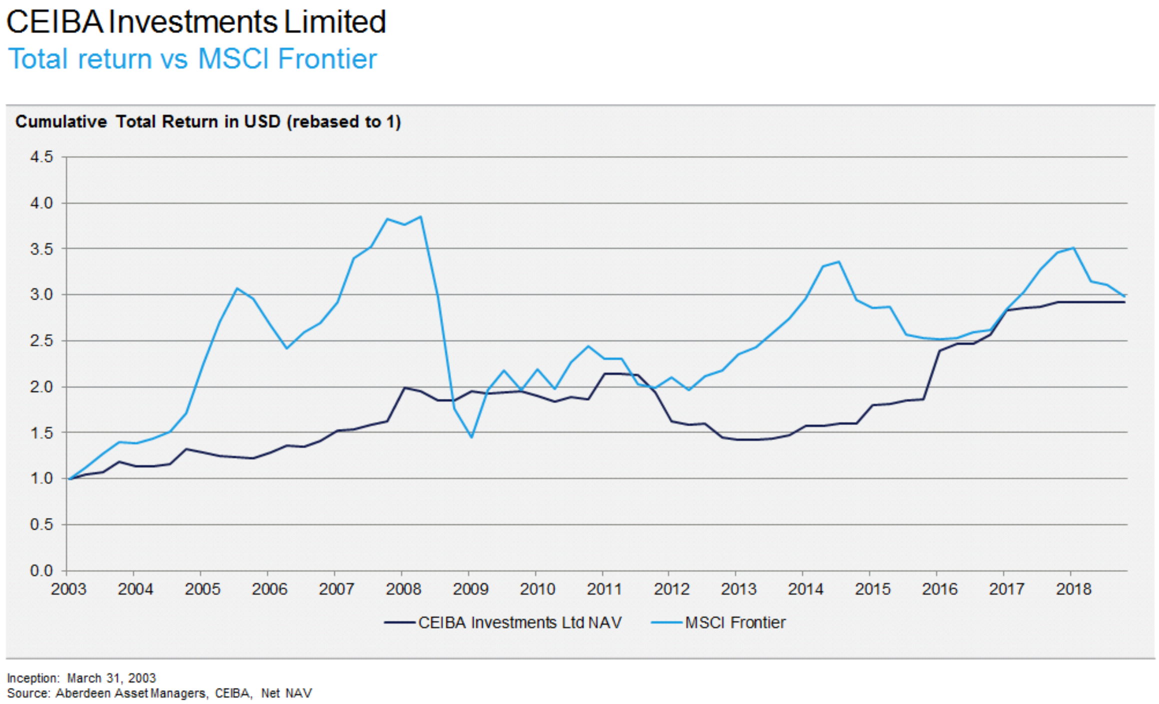
The Directors have reviewed cash flow projections that detail revenue and liabilities and will continue to receive cashflow projections as part of the full year reporting and monitoring processes. After reviewing the cashflow projections and the significant capital commitments, the Directors believe that the Company has adequate financial resources to continue its operational existence for the foreseeable future and at least 12 months from the date of this Annual Report.

Accordingly, the Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the Financial Statements.

INVESTMENT MANAGER'S REVIEW

INTRODUCTION

During the 17 years since the investment team were appointed as managers of the Company's portfolio, the Net Asset Value ("NAV") accretion of CEIBA has clearly moved independently from the performance of the MSCI Frontier Index, which supports our view that the assets of the Company show little correlation generally with global events and crises, but are sensitive and responsive to changes in the relationship between the US and Cuba. The general strategy of the Company is to combine income generated by operational assets with the development, expansion and growth of its investments.



2018

The principal focus of the management team during the year has been to supervise and manage the operations, upkeep and development of the assets of the Group, but also to successfully extend the land leases of the indirectly owned operational hotels of the Group, to re-organise and simplify CEIBA's corporate and shareholder structure, to externalise CEIBA's management with the appointment of ASI as investment manager, and to assist the Company in carrying out its successful £30 million (US$39 million) IPO and Listing on the Specialist Fund Segment of the London Stock Exchange.

In line with the Prospectus published by the Company in advance of its IPO on 22 October 2018, CEIBA deployed the proceeds of the IPO during 2018 by repaying a €30 million bridge loan (US$34,195,489) provided by the Company's largest shareholder in 2017 to enable the Group to increase its interests in the operational hotel portfolio, and fund the start of construction of the 400 room hotel development in Trinidad, Cuba. The remaining funding for construction of the hotel will amongst others come from loan facilities provided by the Group using existing cash reserves and future earnings of the Group.

Total assets of the Company as at 31 December 2018 was US$268,352,002 / £211,450,636 (2017: US$268,375,632 / £211,469,255) and was approximately 88% indirectly invested in income generating Cuban commercial and tourism related real estate assets and 12% in finance facilities and cash. The total dividend income from the Cuban joint venture companies during the year 2018 was US$16.2 million (9 months ending 31 December 2017: US$8.4 million).

As mentioned in the Chairman's Statement, the net income for the year attributable to the shareholders was US$1,775,926, which resulted in a year end NAV per share of US$1.49 / £118p (2017: US$1.63/ £121p). The principal factors that contributed negatively to the results were the loss on change in the fair value of the equity investments, interest expense on the bridge loan facility, management bonuses and expenses related to the listing of the Company's shares on the SFS.

The loss on change in the fair value of the equity investments of US$4,483,525 / £3,532,838 (2017: loss of US$6,929,045 / £5,155,539) was primarily due to the decrease in the fair value of the Meliã Habana Hotel caused by lower occupancy rates and income levels compared to the prior year. The decrease of the Company's share in the fair value of the Hotel Meliã Habana, prior to excess cash adjustments at the joint venture level, was US$11,900,000 / £9,376,723.

In November 2017, the Company entered into a bridge loan agreement to borrow €30,000,000 (US$35,374,619) to finance the increase of the Company's interest in the Varadero Hotels. The bridge loan was repaid in full on 25 October 2018. During the year, the bridge loan accrued interest of €3,000,000 (US$3,560,772).

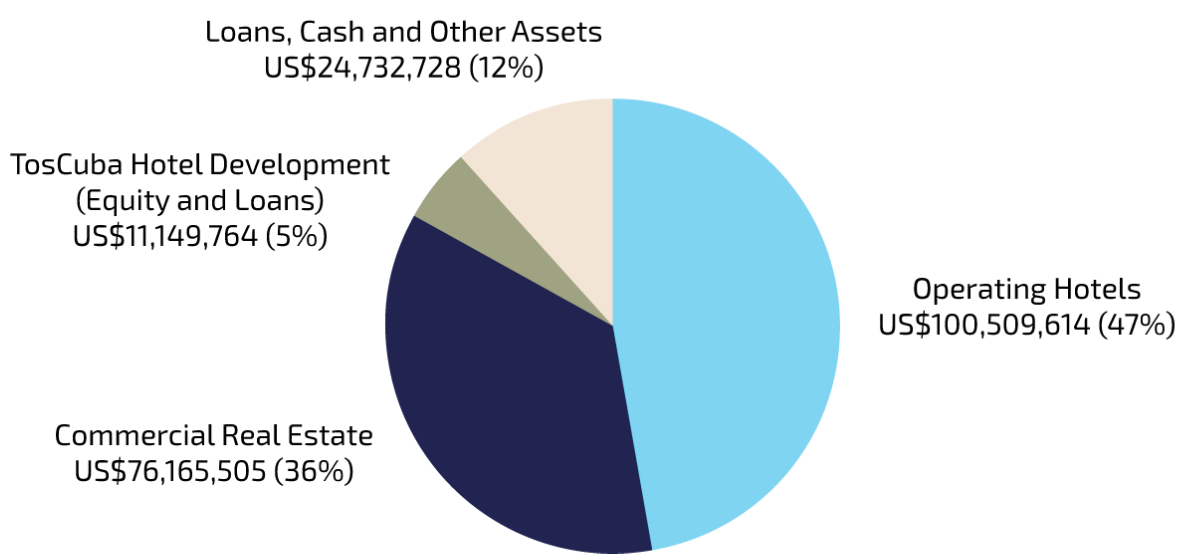
Included within the legal and professional fees of 2018 is US$912,588 attributable to the listing of the Company's Ordinary Shares on the SFS.

In addition to the above items, the NAV per share was also adversely affected by the issuance of the new IPO shares at a discount to NAV per share at the time of the listing. As a result, the negative dilution effect to the value of the shares was approximately US$0.08 (£0.06p) per share.

PORTFOLIO SUMMARY

The following chart summarises the Group's principal investments and assets as at 31 December 2018 (excluding liabilities):

ASSETS (CEIBA INTEREST ONLY – EXCLUDES NON-CONTROLLING INTERESTS)



OPERATIONAL ASSETS

The Miramar Trade Centre - 28% of Total Assets (including non-controlling interests)

The Group is the largest foreign investor in Cuba's commercial real estate sector through its interest in the Miramar Trade Center, Havana's leading commercial real estate complex. The Group's interest in the Miramar Trade Center is held through Inmobiliaria Monte Barreto S.A. ("**Monte Barreto**"), the Cuban joint venture company that owns and operates the Miramar Trade Center. The Group has a 49 per cent ownership interest in Monte Barreto, with the remaining 51 per cent ownership interest indirectly held by the Cuban joint venture partner. The Miramar Trade Center is a six building complex comprising approximately 56,000 square metres (approximately 600,000 square feet) of net rentable area that constitutes the core of the Miramar business district in Havana. It has 100 per cent occupancy rates, over 250 tenants, and has very limited competition in the modern segment of the Cuban office property market.

During 2018, Monte Barreto maintained its full occupancy and experienced its strongest financial year to date with total comprehensive income of US$12.7 million / £10 million. In the prior year, Monte Barreto had total comprehensive income of US$11.5 million/ £9.1 million. The modest increase is due to Monte Barreto continuing to raise rental rates as tenant leases are renewed. The outlook for 2019 continues to be encouraging, with Monte Barreto expected to continue improving its results.

The Hotels of Miramar S.A. - 58% of Total Assets (including non-controlling interests)

CEIBA has interests in the Meliã Habana Hotel, an international category 5-star hotel in Havana, and the Meliã Las Americas Hotel and Meliã Varadero Hotel, two international category 5-star hotels in Varadero with a total of 1,227 rooms, and the Sol Palmeras Hotel, an international category 4-star hotel in Varadero with 607 rooms. All four hotels are managed and operated by Meliã Hotels International S.A. ("**Meliã Hotels International**").

The Company owns a 65 per cent interest in HOMASI S.A. ("**HOMASI**"), which in turn owns a 50 per cent interest in Miramar S.A. ("**Miramar**"), the Cuban joint venture company that owns the Meliã Habana Hotel and the three operating hotels in Varadero (the "**Varadero Hotels**" and together with the Meliã Habana Hotel the "**Hotel Assets**"). The other 50 per cent interest in Miramar S.A. is owned by the Cuban joint venture partner.

The balance of the share capital of HOMASI (being 35 per cent. of its share capital) is held by Meliã Hotels International (also the manager of the hotels). Through this structure the Company has an ultimate economic interest of 32.5 per cent in the Hotel Assets. As part of the restructuring carried out in conjunction with the IPO in 2018, Miramar was merged with Cuba-Canarias S.A. ("**Cubacan**") the Cuban joint venture company that owned the Varadero Hotels previously, with the result that all four hotels are presently owned by Miramar. The merger, together with the accompanying extension and granting of the surface rights for the four hotels to 31 December 2042, received the required Cuban government approval in September 2018, and was completed shortly following the IPO.

OPERATIONAL INVESTMENTS – RESULTS

Operational Investment	Equity Interest of Company	Fair value of Company interest as at 31 December 2018 (US$)[1]	Interest of the Company in 2018 net income (US$)[1]	Interest of the Company in 2017 net income (US$)[1]	Percentage of Gross Asset Value (%)[1]
Monte Barreto	49%	76,165,505	6,230,038	5,639,310	36%
Miramar[2]	32.5%	100,509,614	7,040,800	8,719,750	47%
TOTAL	**N.A.**	**176,675,119**	**13,270,838**	**14,359,060**	**83%**

[1] Figures represent the Company's indirect interest and does not include non-controlling interests of the hotel interests.
[2] Net income figures of Miramar include the results of Cubacan S.A. that was merged into Miramar in November 2018.

The Meliã Habana Hotel

The Meliã Habana Hotel is a 5-star business hotel located on prime ocean-front property in the Miramar business district of Havana, directly facing the Miramar Trade Center. The Meliã Habana Hotel has 397 rooms, including 16 suites, and is one of only seven 5-star hotels presently operating in Havana, and one of only two business hotels. The hotel offers conference facilities, numerous meeting rooms, a business centre and three executive floors and is rated "Superior First Class" by OHG International. The majority of rooms have direct ocean views, and the site has extensive gardens and the largest swimming pool of all Cuban city hotels. The hotel has been managed by Meliã Hotels International since commencing operations in September 1998.

The shareholders of Miramar have agreed, and government approval has been obtained, to proceed with an extension of the Meliã Habana Hotel, which is expected to involve, amongst other things, upgrading the existing rooms and restaurants, the construction of a further 168 new rooms and the construction of a large modern ballroom and conference centre. The surface rights over the property have been extended to 31 December 2042.

The planning and permitting process has begun and the aggregate cost of the extension is expected to be approximately U.S$35 million, of which HOMASI is expected to arrange funding of US$28 million by way of a finance facility. This investment is scheduled to be carried out within the next four years with limited disruption to the existing operations of the hotel. The first phase of construction is expected to start during the second half of 2019 and will include the addition of new rooms within the existing structure and the upgrade of all existing rooms and public areas. The remaining new rooms will be constructed in a new tower at a later stage.

As a result of the new measures adopted by the Trump administration, which greatly restricts individual U.S. travel to Cuba, and a decrease in foreign business delegations and international tourists - other than cruise ship passengers - visiting Havana, Havana's hotel segment suffered through a difficult year in 2018 and will likely have an equally challenging 2019. Although this has had a negative impact on the results of the Meliã Habana hotel, Miramar is using this period to carry out its investment program to refurbish and expand this asset. The EBITDA of the hotel in 2018 was US$7,686,699 / £6,056,811 (2017: US$13,248,588 / £10,439,357) based on a 65% room occupancy rate (2017: 74%) and revenue per available room ("**RevPAR**") of $112 / £88 (2017: US$164 / £129).

Artist's renderings of the refurbishment and expansion of the Meliã Habana Hotel

The Varadero Hotels

The Varadero Hotels together operate 1,437 4-star and 5-star hotel rooms, located on 28 hectares of prime beach-front property in Varadero, adjacent to the Varadero Golf Course, which is currently Cuba's only 18 hole golf course and there are no new courses currently under construction. As part of the government approval of the merger, new surface rights over the properties were granted to 31 December 2042.

The Meliã Las Americas Hotel is a 5-star luxury beach resort hotel located next to the famous Dupont House and the Varadero Golf Course. It has 340 rooms, including 90 bungalows and 14 suites, and is presently one of only four 5-star hotels in Varadero having a foreign ownership interest. Foreign ownership enables the hotel operator to maintain international standards of capital expenditure and import food rather than having to purchase exclusively from local sources. It is located on 400 metres of beachfront and operates as an all-inclusive beach resort. The hotel has been managed by Meliã Hotels International since commencing operations in 1994.

The 5-star Meliã Varadero Hotel is located next to the Meliã Las Americas Hotel and is also adjacent to the Varadero Golf Course. It has 490 rooms, including seven suites, and is another one of only four 5-star hotels in Varadero having a foreign ownership interest. It is located on 300 metres of beachfront and operates as an all-inclusive beach resort. The hotel has been managed by Meliã Hotels International since commencing operations in 1992.

The 4-star Sol Palmeras Hotel is located next to the Meliã Varadero Hotel and also borders on the Varadero Golf Course. It has 607 rooms, including 200 bungalows, of which 90 are of suite or deluxe standard. It is located on 500 metres of beachfront and operates as an all-inclusive beach resort. The hotel has been managed by Meliã Hotels International since commencing operations in 1990.

The board of directors of Miramar has agreed to proceed, subject to budget approvals, with a refurbishment and upgrade of the Varadero Hotels. Detailed plans and budgets for the upgrade and modernisation are in development. The Company estimates that the works would have a target execution phase of three to five years.

Financial information of the Varadero Hotels is as follows:

	2018	2017
Meliã Las Americas Hotel		
EBITDA	US$7,639,134 / £6,019,332	US$7,698,787 / £6,066,336
Occupancy Rate	80%	81%
RevPAR	US$115 / £91	US$126 / £99
Meliã Varadero Hotel		
EBITDA	US$8,262,384 / £6,510,428	US$7,929,626 / £6,248,228
Occupancy Rate	80%	75%
RevPAR	US$90 / £71	US$86 / £68
Sol Palmeras Hotel		
EBITDA	US$8,862,908 / £6,983,617	US$8,538,102 / £6,727,683
Occupancy Rate	83%	79%
RevPAR	US$83 / £65	US$84 / £66

The Company's interest in Miramar is accounted for at fair value. Under this accounting treatment, dividends declared by Miramar that are attributable to the Company are recorded as dividend income in the Statement of Comprehensive Income of the Company in the period the right to receive payment is established or cash amounts have been received.

Management of Hotels

All of the operational Hotel Assets are managed externally by Meliã Hotels International, the largest international hotel operator in Cuba. The hotel management contracts pursuant to which Meliã Hotels International manages the Hotel Assets in Havana and Varadero expire in 2022. All management contracts are based on a five-year management term in line with the standard Meliã Hotels International contract terms in Cuba. The Company expects that all management contracts will be renewed in the ordinary course prior to their expiry. In addition to the management contracts, Meliã Hotels International has minority equity interests in all the Company's current Hotel Assets, including the Meliã Trinidad Playa Hotel development project.

THE MELIÃ TRINIDAD PLAYA HOTEL DEVELOPMENT PROJECT

The Company has an 80 per cent indirect interest in Mosaico Hoteles S.A. ("**Mosaico Hoteles**"), which in turn holds a 50 per cent interest in TosCuba S.A. ("**TosCuba**"), a Cuban joint venture company. TosCuba holds the surface rights (expiring in 2048) relating to a 400 room 4-star hotel development project on a prime six hectare beachfront plot at Playa Maria Aguilar, near the City of Trinidad, a UNESCO World Heritage Site located in central Cuba. Trinidad represents a significant opportunity as its UNESCO World Heritage Site status encourages high visitor numbers and currently has only seven hotels (of which two are 4 or 5- star) in the city and surrounding area. Construction was started in December 2018 and is currently ongoing. Following completion, it is intended that the new hotel will also be managed by Meliã Hotels International and will be named the Meliã Trinidad Playa Hotel. Meliã Hotels International is the minority co-investor in this project.

The Company has made capital contributions to TosCuba in the amount of US$8 million representing its 50% equity interest in the joint venture. The overall project budget is approximately US$60 million. In April 2018 the Company arranged and presently participates in a US$45 million construction finance facility (amount disbursed as at 31 December 2018: US$4,749,764 / £3,742,624) secured by the future income of the hotel and additional tourism cash flows. The turnkey construction contract executed with a Cuba-Italian construction joint venture provides for construction to be completed at the end of 2020.

The Spanish Cuban Debt Conversion Programme

On 2 November 2015 and 4 May 2016, the governments of Spain and Cuba executed agreements regarding the creation of a debt conversion programme (the "**Debt Conversion Programme**") under which outstanding bilateral debts in excess of US$400 million owed to Spain by Cuba could be settled through a debt conversion programme aimed at promoting Spanish private sector investments in Cuba. For this purpose, the parties established a special fund (the "**Countervalue Fund**") to finance the grants extended under the Debt Conversion Program.

Under the Debt Conversion Programme, investment projects in Cuba in which Spanish parties have an interest can apply to receive funding from the Countervalue Fund. Amounts granted under the Debt Conversion Programme must be used to pay local invoices relating to goods and services received from Cuban suppliers (including private sector business and cooperatives) in local currencies (Cuban Convertible Pesos and Cuban Pesos), with no obligation to repay such amounts.

During 2018, TosCuba (the Cuban joint venture company that is constructing the 400 room Meliã Trinidad Playa Hotel near Trinidad, Cuba) and Miramar (the joint venture company that owns and plans to refurbish and expand the Meliã Habana Hotel in Havana) applied to the Debt Conversion Programme. On 9 April 2019 it was announced that TosCuba was awarded US$10 million and that Miramar was awarded US$8.25 million under the Debt Conversion Program. Under these awards, invoices relating to local services and materials received in Cuba in the course of constructing the projects will be paid from the Countervalue Fund on behalf of the joint ventures. It is expected that these awards will have the effect of reducing the future financing requirements of the joint ventures in relation to their projects, thereby reducing in part the finance that the Group may otherwise have needed to provide.

THE FINTUR AND TOSCUBA FINANCE FACILITIES

FINTUR Facility

Since 2002, the Company has arranged and participated in numerous secured finance facilities extended to Casa Financiera FINTUR S.A., the financing entity of Cuba's tourism sector. These facilities act as a medium term investment and treasury management tool. The facilities are fully secured by offshore tourism proceeds from numerous internationally-managed hotels and selected tour operators. The Company has a successful 17 year track record of participating in over €140 million of facilities with FINTUR, with no defaults.

The Company has a €4 million participation in the most recent facility executed in March 2016 (a €24 million four year facility with an 8 per cent. interest rate), which is operating successfully without delay or default. As at 31 December 2018 the principal amount of €2,416,667 (US$2,764,550) was outstanding under the Company's participation.

TOSCUBA - Construction Facility

In April 2018 the Company arranged and executed a secured construction finance facility in favour of TosCuba in order to provide funding for the construction of the Meliã Trinidad Playa Hotel. The facility is in the maximum principal amount of up to US$45 million, to be disbursed in two tranches, with an 8 per cent. interest rate. The first disbursement under the facility was made in November 2018 in the lead-up to construction starting in December 2018 and as at 31 December 2018 the principal amount of US$4,749,764 was outstanding under the Company's participation. The remainder of the facility will be disbursed over the 22 month construction period, followed by an eight year repayment period. This facility may be syndicated and is secured by future income of the hotel under construction and 50% of the principal amount is further secured by a guarantee given by Cubanacán S.A., Corporación de Turismo y Comercio Internacional ("**Cubanacán**"), the Cuban shareholder of TosCuba, backed by income from another hotel in Cuba.

OUTLOOK

Notwithstanding the fact that 2019 will likely prove to be a challenging year, we expect that all of our underlying Cuban real estate assets, the Cuban joint ventures in which we are invested and the loan facilities in which we participate will have positive operational results and that notwithstanding Cuba's actual challenging economic environment we will continue to receive ongoing dividends and payments.

Miramar Trade Centre

As stated before, the Miramar Trade Centre is expected to continue performing well in comparison to previous years.

Meliã Habana Hotel

In line with the decrease in the fair value of the Meliã Habana Hotel reflected in the financial statements, it is expected that the tourism sector in Havana will continue to suffer from the existing and potentially strengthened US Cuban Embargo legislation. As mentioned above, the hotel will nevertheless continue to show positive results (similar to the results achieved during the first half of the second term of the Obama Presidency where the hotel delivered steady operational performance). Meanwhile, Miramar will start construction of additional rooms and will modernise existing rooms, thereby ensuring that the hotel remains an attractive destination in the face of increased competition from new hotels in Havana.

The Varadero Hotels

The Varadero Hotels are expected to generate income levels similar to the levels of 2018 assuming that the availability of scheduled flights direct to Varadero will continue at levels similar to 2018. During the year, Miramar is expected to finalise the development of plans to modernise and re-orientate the Meliã Las Americas and Meliã Varadero Hotels.

Meliã Trinidad Playa Hotel

The construction of the Meliã Trinidad Playa Hotel is underway and progress is being monitored by all parties.

Sebastiaan A.C. Berger
Aberdeen Asset Investments Limited, 29 April 2019

THE BOARD OF DIRECTORS

The current Directors' details, all of whom are non-executive and are considered by the Board to be independent of the Investment Manager, are set out below. The Directors supervise the management of CEIBA Investments Limited and represent the interests of shareholders.

JOHN HERRING

Status: Non-Executive Chairman

Length of service: 9 years, appointed on 12 November 2009

Experience: John qualified as a Chartered Accountant in 1982. In 1986, John joined the corporate finance department of Kleinwort Benson, where he was involved in the IPOs on the LSE for several companies. In 1996 he established his own private equity advisory business and joined the boards of a number of public and private companies including JD Wetherspoon plc where he became deputy chairman and served as a non-executive director for 14 years. He is currently the non-executive chairman of the Edinburgh Woollen Mill Group Limited.

Last re-elected to the Board: 27 December 2017

Committee membership: Management Engagement Committee (Chairman)

Remuneration: £40,000 (US$50,764) per annum

All other public company directorships: None

Employment by the Investment Manager: None

Other connections with Investment Manager: None

Shared Directorships with any other Directors: None

Shareholding in Company: 40,000 Ordinary Shares held indirectly representing 0.03 per cent. of the existing issued share capital of the Company. John acts as a Consultant to Northview Investment Fund Limited which currently owns 37,764,018 Ordinary Shares representing 27.43 per cent. of the existing issued share capital of the Company.

TREVOR BOWEN

Status: Independent Non-Executive Director

Length of service: 10 months, appointed on 18 June 2018

Experience: Trevor has over 30 years' experience spanning across a variety of industries. Trevor spent 11 years as a partner of KPMG and 17 years managing artists in the music industry. Trevor has acted as a non-executive director on a number of boards, most notably as a director on the board of Ulster Bank for nine years, which included six years as the Chairman of its Audit Committee. He is an Irish national and a Chartered Accountant.

Appointed to the Board: 18 June 2018

Committee membership: Management Engagement Committee, Nomination Committee and Audit Committee (Chairman)

Remuneration: £40,000 (US$50,764) per annum

All other public company directorships: Cavalli Investments ICAV, KW Investment Funds ICAV & KW Real Estate ICAV; Kennedy Wilson Inc.

Employment by the Investment Manager: None

Other connections with Investment Manager: None

Shared Directorships with any other Directors: None

Shareholding in Company: 43,600 Ordinary Shares held indirectly representing 0.03 per cent. of the existing issued share capital of the Company.

KEITH CORBIN

Status: Independent Non-Executive Director

Length of service: 10 months, appointed on 18 June 2018

Experience: Keith is Executive Chairman of Nerine International Holdings Limited, a network of trust and fiduciary services companies which is a wholly owned subsidiary of PraxisIFM Group Limited, and serves as a director of a number of regulated financial services companies. Keith is an Associate of the Chartered Institute of Bankers (ACIB) and a Member of the Society of Trust and Estate Practitioners (STEP).

Appointed to the Board: 18 June 2018

Committee membership: Management Engagement Committee, Nomination Committee (Chairman) and Audit Committee

Remuneration: £35,000 (US$44,419) per annum

All other public company directorships: HarbourVest Global Private Equity Limited

Employment by the Investment Manager: None

Other connections with Investment Manager: None

Shared Directorships with any other Directors: None

Shareholding in Company: None

PETER CORNELL

Status: Senior Independent Director – Non-Executive

Length of service: 10 months, appointed on 18 June 2018

Experience: Peter is a founding partner of Metric Capital, a pan-European special situations fund. He is a Non-Executive Director of F&C Commercial Property Trust Limited and a member of the International Advisory Board of the Madrid Business School. Previously he was Global Managing Partner of Clifford Chance until 2006. During his tenure with Clifford Chance his roles included managing partner for Spain and Continental Europe. He then became managing director of Terra Firma, a European private equity firm until 2011.

Appointed to the Board: 18 June 2018

Committee membership: Management Engagement Committee, Nomination Committee and Audit Committee

Remuneration: £35,000 (US$44,419) per annum

All other public company directorships: Breedon Group Plc, F&C Commercial Property Trust Limited

Employment by the Investment Manager: None

Other connections with Investment Manager: None

Shared Directorships with any other Directors: None

Shareholding in Company: 100,000 Ordinary Shares held indirectly representing 0.07 per cent of the existing issued share capital of the Company.

COLIN KINGSNORTH

Status: Non-Executive Director

Length of service: 17 years, appointed on 10 October 2001

Experience: Colin is a partner and director of Laxey Partners Limited, a UK-based active value investment firm focusing on closed-end funds and property investments. Colin previously worked for Robert Fleming Asset Management, headed the investment trust research at Olliff & Partners and managed the emerging markets fund of Buchanan Partners Limited. In 1995, Colin co-founded Regent Kingpin Capital Management. In 1997, he founded Laxey Partners Ltd with Andrew Pegge. Since then Laxey Partners Ltd has become a prominent active value investor focusing on closed-ended funds and property investments. Colin holds a BSc in Economics and is a CFA.

Last re-elected to the Board: 27 December 2017

Committee membership: Management Engagement Committee, Nomination Committee and Audit Committee

Remuneration: £35,000 (US$44,419) per annum

All other public company directorships: Eddie Stobarts Logistics Plc

Employment by the Investment Manager: None

Other connections with Investment Manager: None

Shared Directorships with any other Directors: None

Shareholding in Company: Colin is a partner and director of Laxey Partners Limited. Laxey Partners Limited and Value Catalyst Fund Limited (a fund managed by Laxey Partners Limited) together currently own, in aggregate, 30,979,316 Ordinary Shares representing 22.50 per cent of the issued share capital of the Company.

DIRECTORS' REPORT

The Directors present their Report and the audited Consolidated Financial Statements for the year ended 31 December 2018.

A key event during the financial year was the successful IPO and Listing of all Ordinary Shares of the Company on the Specialist Fund Segment of the Main Market of the London Stock Exchange on 22 October 2018. Through the IPO, the Company raised gross proceeds of £30 million (approximately US$39 million) in new capital at an issue price per share of 100p (approximately US$1.30). The Company also externalised its management by entering into a management agreement with Aberdeen Standard Fund Managers Limited ("**ASFML**").

STATUS

The Company is a Guernsey company which was incorporated on 10 October 1995. With effect from 11 September 2018, the Company became a Registered Closed-ended Collective Investment Scheme pursuant to The Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and the Registered Collective Investment Schemes Rules 2015 issued by the Guernsey Financial Services Commission.

The Company will invest either directly or through holdings in special purpose vehicles, joint venture vehicles, partnerships, trusts or other structures. As at 31 December 2018, the Group held the following interests in joint venture properties in Cuba:

- An indirect 49 per.cent interest in Inmobiliaria Monte Barreto S.A., which is the Cuban joint venture company that owns and operates the Miramar Trade Centre, a 56,000m^2 mixed-use office and retail complex in Havana;
- An indirect 32.5 per.cent interest in Miramar S.A., which is the Cuban joint venture company that owns the Meliã Habana Hotel and the Varadero Hotels; and
- An indirect 40 per cent. interest in TosCuba S.A., which is the Cuban joint venture company that owns and is constructing the Meliã Trinidad Playa Hotel.

The Directors are of the opinion that the Company has conducted its affairs from 11 September 2018 to 31 December 2018 as a registered collective investment scheme, so as to comply with the Registered Collective Investment Scheme Rules 2015.

RESULTS AND DIVIDENDS

Details of the Company's results and proposed dividends are shown on pages 73 and 127 of this Report.

CAPITAL STRUCTURE AND ISSUANCE

The Company's capital structure is summarised in note 12 to the financial statements. At 31 December 2018, there were 137,671,576 fully paid Ordinary Shares (2017 – 13,458,947 Ordinary Shares) in issue. On 14 September 2018 there was an 8-for-1 stock split for existing shareholders.

On 22 October 2018 the Company successfully raised gross proceeds of £30 million (approximately US$39 million) through the initial issue of 30,000,000 new Shares at a price of 100 pence per Share, capitalising the Company at approximately £137million.

VOTING RIGHTS

Ordinary Shareholders are entitled to vote on all resolutions which are proposed at general meetings of the Company. The Ordinary Shares carry a right to receive dividends. On a winding up, after meeting the liabilities of the Company, the surplus assets will be paid to Shareholders in proportion to their shareholdings.

BORROWINGS

The Company does not have any borrowings as at 31 December 2018 (31 December 2017 US$35,820,895 / €30,000,000). As set out in the Chairman's Statement on pages 7, immediately following the Listing, the Company repaid the outstanding €30million (US$34,195,489) bridge loan that was previously provided by one of the Company's largest shareholders.

MANAGEMENT AGREEMENT

On 31 May 2018, the Company entered into the Management Agreement under which ASFML was appointed as the Company's alternative investment fund manager to provide portfolio and risk management services to the Company. The Management Agreement took effect on 1 November 2018. ASFML has delegated portfolio management to the Investment Manager. Both AFSML and the Investment Manager are wholly-owned subsidiaries of Standard Life Aberdeen plc.

Pursuant to the terms of the Management Agreement, ASFML is responsible for portfolio and risk management on behalf of the Company and will carry out the on-going oversight functions and supervision and ensure compliance with the applicable requirements of the AIFMD.

MANAGEMENT FEE

Under the terms of the Management Agreement, ASFML is entitled, with effect from 1 November 2018, to receive an annual management fee equivalent to 1.5 per cent of net asset value. The annual management fee payable by the Company to the AIFM will be reduced by the deduction of the (annual) running costs of the Havana operations of CEIBA Property Corporation Limited, a subsidiary of the Company.

In addition, the AIFM is entitled to reimbursement for all costs and expenses properly incurred by the AIFM and/or the Investment Manager in the performance of its duties under the Management Agreement.

There are no performance, acquisition, exit or property management fees payable to the AIFM and/or the Investment Manager.

In connection with the Management Agreement, ASFML paid the Company US$5,000,000 for the purpose of compensating the Company for the costs relating to the IPO and Listing as well as for releasing and making available the Company's internal management team to ASFML. In the event that the Management Agreement is terminated prior to the fifth anniversary of its coming into effect, the

Company must pay ASFML a prorated amount of the US$5,000,000 payment based on the amount of time remaining in the five year period. As such, this payment has been recorded as a deferred liability and is being amortised over the five year period. The amount amortised each period is accounted for as a reduction of the management fee.

The Directors reviewed the terms of the Management Agreement and management fees during the year and have confirmed that, due to the investment skills, experience and commitment of the Investment Manager, the appointment of ASFML, on the terms agreed, is in the interests of Shareholders as a whole. In the future, the Management Engagement Committee will be responsible for undertaking a review of the Management Agreement on a regular basis and providing a recommendation on the continued appointment of the AIFM to the Board.

POLITICAL AND CHARITABLE DONATIONS

The Company does not make political donations (2018 - nil) and has not made any charitable donations during the year (2018 – nil).

RISK MANAGEMENT

Details of the financial risk management policies and objectives relative to the use of financial instruments by the Company are set out in note 18 to the financial statements.

THE BOARD

The Directors of the Company are John Herring, Keith Corbin, Peter Cornell, Trevor Bowen and Colin Kingsnorth. John Herring is the Chairman and Peter Cornell is the Senior Independent Director. On 18 June 2018, Sebastiaan Berger and Enrique Rottenberg resigned as Directors of the Company in anticipation of the Company's Listing and appointment of ASFML as AIFM. Sebastiaan Berger became an employee of ASFML on 1 January 2019 and Enrique Rottenberg continues to act as the Vice Chairman and General Manager of Inmobiliaria Monte Barreto S.A.. Keith Corbin, Peter Cornell and Trevor Bowen were appointed to the Board as independent non-executive Directors on 18 June 2018 in anticipation of the Listing. John Herring and Colin Kingsnorth have both served on the Board for more than nine years. Following the appointment of the Investment Manager all of the non-executive Directors participated in induction sessions hosted by the Investment Manager.

The Board considers that John Herring and Colin Kingsnorth continue to be independent in character and judgement and bring a wealth of experience. However, due to John's historical connection with Northview Investment Fund Limited (the Company's largest shareholder), and his length of service on the Board, John is not considered independent for the purposes of the UK Corporate Governance Code (published in 2016) (the "**UK Code**"). As set out in the Chairman's Statement on pages 10, John Herring will hand over the Chairman role at the conclusion of the next Annual General Meeting. In addition, Colin Kingsnorth, having served on the Board for an extended period of time and as a representative of Laxey Partners, and the investment manager of Value Catalyst Fund, both major shareholders in the Company, is also not considered independent for the purposes of the UK Code.

ROLE OF THE CHAIRMAN

The Chairman is responsible for providing effective leadership to the Board, demonstrating objective judgement and promoting a culture of openness and debate. The Chairman facilitates the effective contribution, and encourages active engagement, by each Director. In conjunction with the Company Secretary, the Chairman ensures that Directors receive accurate, timely and clear information to assist them with effective decision-making. The Chairman will lead the evaluation of the Board and individual Directors, and acts upon the results of the evaluation process by recognising strengths and addressing any weaknesses. The Chairman also engages with major shareholders and ensures that all Directors understand shareholder reviews.

ELECTION OF THE BOARD

In accordance with corporate governance best practice, the Board has agreed that all Directors will retire annually and, if appropriate, will seek re-election at the Annual General Meeting of the Company. John Herring and Colin Kingsnorth will stand for re-election, and, Trevor Bowen, Keith Corbin, and Peter Cornell will stand for election at the forthcoming Annual General Meeting. The Board has reviewed the skills and experience of each Director and believes that each contributes to the long-term sustainable success of the Company. The Board has no hesitation in recommending their election or re-election to shareholders.

In common with most Registered Closed Ended Collective Investment Schemes, the Company has no direct employees. Directors' & Officers' liability insurance cover has been maintained throughout the year at the expense of the Company.

CORPORATE GOVERNANCE

The Company is committed to high standards of corporate governance. As the Company is listed on the SFS, the Company has undertaken to voluntarily comply with provision 9.8 of Chapter 9 of the Listing Rules regarding corporate governance and the principles identified in the UK Code for the year ended 31 December 2018.

The UK Code is available on the Financial Reporting Council's website: www.frc.org.uk.

The Board confirms that, since Listing on 22 October 2018, the Company has complied with the relevant provisions contained within the UK Code, except as set out below.

The UK Code includes provisions relating to:

- the independence of the chairman;
- the role of the chief executive;
- executive directors' remuneration;
- and the need for an internal audit function.

The Board considers that the role of the chief executive, executive directors' remuneration and the need for an internal audit function are not relevant to the position of the Company, being an externally-managed investment company. In particular, all of the Company's day to day management and administrative functions are outsourced to third parties. And, as set out above, a new Chairman will be appointed, in the place of John Herring, with effect from 18 June 2019.

During the year ended 31 December 2018, the Board had 5 scheduled meetings and a further 3 Board meetings to consider and approve the Listing on the SFS. Directors have attended the following scheduled Board meetings during the year ended 31 December 2018.

Director	No of Meetings Attended	Meetings during period on the Board
John Herring	7	8
Keith Corbin*	3	3
Trevor Bowen*	2	3
Peter Cornell*	3	3
Colin Kingsnorth	5	8
Sebastiaan A.C. Berger**	4	4
Enrique Rottenberg**	4	4

*Joined the Board on 18 June 2018

** Resigned from the Board on 18 June 2018.

In anticipation of Listing, the Board has established an Audit Committee, a Management Engagement Committee and a Nomination Committee, none of which met during the year. The Audit Committee has met twice since 31 December 2018.

Policy on Tenure

The Board's policy on tenure is that Directors need not serve on the Board for a limited period of time only. The Board does not consider that the length of service of a Director is as important as the contribution he or she has to make, and therefore the length of service will be determined on a case-by-case basis. The Board believes that changes to its composition, including succession planning for Directors, can be managed without undue disruption to the Company's operations. Directors are able and encouraged to provide statements to the Board of their concerns and ensure that any items of concern are recorded in the Board minutes and the Chairman encourages all Directors to present their views on matters in an open forum.

The Board notes that some Shareholders may see longevity on the Board as a negative. The Board is compliant with the terms of the UK Code rules relating to corporate governance and time served on boards and will continue to ensure that it meets these rules in the future. The Board has a mix of longer serving and more recently appointed Directors and the Board believes that the experience of the longer serving Directors has served the Company very well through numerous investment cycles and is valued by the Board as a whole.

The Board has a schedule of matters reserved to it for decision and the requirement for Board approval on these matters is communicated directly to the senior staff at the Investment Manager. Such matters include strategy, gearing, treasury and dividend policy. Full and timely information is provided to the

Board to enable the Directors to function effectively and to discharge their responsibilities. The Board also reviews the financial statements, performance and revenue budgets.

In future, the Board intends to conduct, on an annual basis, an appraisal of the Chairman of the Board, Directors' individual self-evaluation and a performance evaluation of the Board and its committees as a whole. The Board has not undertaken a formal performance evaluation during the year to 31 December 2018 in light of the Listing in October 2018. However, the Board has no hesitation in recommending to Shareholders the election or re-election of all Directors.

There is an agreed procedure for Directors to take independent professional advice if necessary and at the Company's expense. This is in addition to the access which every Director has to the advice and services of the Company Secretary, which is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

Board Committees

The Board has established an Audit Committee, a Management Engagement Committee and a Nomination Committee. These committees undertake specific activities through delegated authority from the Board. Terms of reference for each committee have been adopted and will be reviewed on a regular basis by the Board.

Where an investment company has only non-executive directors, the UK Code principles relating to directors' remuneration do not apply, therefore the Board has not appointed a separate remuneration committee. The remuneration of the Directors has been set in order to attract individuals of a calibre appropriate to the future development of the Company. The Company's policy on Directors' remuneration, together with details of the remuneration of each Director, is detailed in the Directors' Remuneration Report on pages 50 to 53.

Details of the activities of each of the committees are set out below.

Audit Committee

In accordance with the UK Code, an Audit Committee was established on 14 September 2018. Save for John Herring, all Board members are members of the Audit Committee and the committee is chaired by Trevor Bowen. In the opinion of the Board, the constitution, terms of reference and activities of the Audit Committee fulfil all the relevant requirements of the UK Code, save that the Company does not maintain an internal audit function.

The Board continues to seek to ensure that all areas of risk and control are addressed by the Audit Committee. The Audit Committee is responsible for monitoring the effectiveness of the controls and systems in place to address, inter alia, the risks of loss or misappropriation of assets, misstatement of liabilities or failure of financial reporting systems or processes, including valuation reporting and processes.

The Audit Committee monitors the performance of the auditor, and also examines the remuneration and engagement of the auditor, as well as its independence and any non-audit services provided by it. EY Caribbean Professional Services Limited provided audit services to the Company until 22 October 2018. The Company's current auditor, Ernst & Young LLP, Guernsey, was appointed with effect from

Listing on 22 October 2018 so its tenure is not currently an area of consideration for the Audit Committee.

Each year the Board will examine the Audit Committee's performance and effectiveness, and ensure that its tasks and processes remain appropriate. The chairmanship of the Audit Committee will be reviewed by the Nomination Committee on an annual basis. Key areas to be covered will include the clarity of the Audit Committee's role and responsibilities, the balance of skills among its members and the effectiveness of reporting of its work to the Board. The Board is currently satisfied that all members of the Audit Committee have relevant financial experience and knowledge and ensure that such knowledge remains up to date.

The Audit Committee shall meet at least twice per year and otherwise as required.

The Audit Committee Report is on pages 54 to 59 of this Annual Report.

Nomination Committee

All appointments to the Board are considered by the Nomination Committee which is chaired by Keith Corbin and comprises all of the Directors except John Herring. The Board's overriding priority in appointing new directors to the Board is to identify the candidate with the best range of skills and experience to complement existing Directors. The function of the Nomination Committee is to ensure that the Company goes through a formal process of reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board, identifying the experience and skills which may be needed and those individuals who might best provide them and to ensure that the individual has sufficient available time to undertake the tasks required. When considering the composition of the Board, members will be mindful of diversity, inclusiveness and meritocracy. The outside directorships and broader commitments of Directors are also monitored by the Nomination Committee.

The Company's aim as regards the composition of the Board is that it should have a balance of experience, skills and knowledge to enable each Director and the Board as a whole to discharge their duties effectively. Whilst the Board agrees that it is entirely appropriate that it should seek diversity, it does not consider that this can be best achieved by establishing specific quotas and targets and appointments will continue to be made based wholly on merit. Accordingly, when changes to the Board are required, the Nomination Committee will have regard to diversity and to a comparative analysis of candidates' qualifications and experience. A pre-established, clear, neutrally formulated and unambiguous set of criteria will be utilised to determine the most suitable candidate for the specific position sought. Once appointed, the successful candidate will receive a formal and tailored induction.

The remuneration of the Directors will be reviewed on an annual basis by the Nomination Committee and compared with the level of remuneration for directorships of other similar companies. All Directors receive an annual fee and there are no share options or other performance related benefits available to them.

The Nomination Committee shall meet at least once per year and otherwise as required.

Management Engagement Committee

The Management Engagement Committee comprises the entire Board of Directors and is chaired by John Herring. The principal duties of the Management Engagement Committee are to review the performance of the Investment Manager and its compliance with the terms of the Management Agreement. The terms and conditions of the Investment Manager's appointment, including an evaluation of fees, will be reviewed by the Committee on an annual basis.

The Management Engagement Committee shall also review the terms of appointment of other key service providers to the Company.

The Management Engagement Committee shall meet at least once per year and otherwise as required.

Terms of Reference

The terms of reference of all the Board Committees may be found on the Company's website (www.ceibalimited.co.uk) and copies are available from the Company Secretary upon request. The terms of reference will be reviewed and re-assessed by the Board for their adequacy on an annual basis.

INTERNAL CONTROL & RISK MANAGEMENT

The Board is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness and confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. This process has been put in place during the year under review and up to the date of approval of this Annual Report and Accounts. It is regularly reviewed by the Board and accords with the Financial Reporting Council Guidance.

The Board has reviewed the effectiveness of the system of internal control. In particular, it has reviewed and updated the process for identifying and evaluating the principal risks affecting the Company and policies by which these risks are managed.

The Directors have delegated the investment management of the Company's assets to the ASFML within overall guidelines, and this embraces implementation of the system of internal control, including financial, operational and compliance controls and risk management. Internal control systems are monitored and supported by the ASFML internal audit function which undertakes periodic examination of business processes, including compliance with the terms of the management agreement, and ensures that recommendations to improve controls are implemented.

Risks are identified and documented through a risk management framework by each function within the Investment Manager's group activities. Risk includes financial, regulatory, market, operational and reputational risk. This helps the internal audit risk assessment model identify those functions for review. Any weaknesses identified are reported to the Board, and timetables are agreed for implementing improvements to systems. The implementation of any remedial action required is monitored and feedback provided to the Board.

The principal risks and uncertainties faced by the Company are detailed on pages 17 to 20.

The key components of the process designed by the Directors to provide effective internal control are outlined below:

- the Investment Manager prepares forecasts and management accounts which allow the Board to assess the Company's activities and review its performance;

- the Board and Investment Manager have agreed clearly defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are regularly submitted to the Board and there are meetings with the Investment Manager as appropriate;

- as a matter of course the Investment Manager's compliance department continually reviews the Investment Manager's operations and will report to the Audit Committee on a six monthly basis;

- written agreements are in place which specifically define the roles and responsibilities of the Investment Manager and other third party service providers and, where relevant, ISAE3402 Reports, a global assurance standard for reporting on internal controls for service organisations, or their equivalents are reviewed;

- the Board has considered the need for an internal audit function but, because of the compliance and internal control systems in place within the Investment Manager, has decided to place reliance on the Investment Manager's systems and internal audit procedures; and

- at its 23 April 2019 meeting, the Audit Committee carried out an annual assessment of internal controls for the year ended 31 December 2018 by considering documentation from the Investment Manager, and the Depositary, including their internal audit and compliance functions and taking account of events since 31 December 2018. The results of the assessment, that internal controls are satisfactory, will be reported to the Board at the next Board meeting.

Internal control systems are designed to meet the Company's particular needs and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and by their nature can only provide reasonable and not absolute assurance against mis-statement and loss.

MANAGEMENT OF CONFLICTS OF INTEREST

The Board has a procedure in place to deal with a situation where a Director has a conflict of interest. As part of this process, the Directors prepare a list of other positions held and all other conflict situations that may need to be authorised either in relation to the Director concerned or his connected persons. The Board considers each Director's situation and decides whether to approve any conflict, taking into consideration what is in the best interests of the Company and whether the Director's ability to act in accordance with his or her wider duties is affected. Each Director is required to notify the Company Secretary of any potential, or actual, conflict situations that will need authorising by the Board. Authorisations given by the Board are reviewed at each Board meeting. No Director has a service contract with the Company although Directors are issued with letters of appointment upon appointment. The Directors' interests in contractual arrangements with the Company are as shown in note 14 to the financial statements. No other Directors had any interest in contracts with the Company during the period or subsequently. The conflicts of the non independent directors are well known to the Board and reviewed regularly.

The Board has adopted appropriate procedures designed to prevent bribery. The Company receives periodic reports from its service providers on the anti-bribery policies of these third parties. It also receives regular compliance reports from the Investment Manager and the Administrator.

The Criminal Finances Act 2017 has introduced a new corporate criminal offence of "failing to take reasonable steps to prevent the facilitation of tax evasion". The Board has confirmed that it is the Company's policy to conduct all of its business in an honest and ethical manner. The Board takes a zero-tolerance approach to facilitation of tax evasion, whether under Guernsey law or under the law of any foreign country.

SUBSTANTIAL INTERESTS

The Company has been advised that the following shareholders owned 3% or more of the issued Ordinary share capital of the Company at 31 December 2018:

Shareholder	Number of shares held	% held
Northview Investment Fund Ltd	37,764,018	27.43
Laxey Partners Limited	17,303,252	12.56
The Value Catalyst Fund Ltd	13,676,064	9.93
Aberdeen Standard Investments	9,747,852	7.08
Henderson Alternative Strategies Trust Plc	7,791,528	5.66
Citco Global Custody N.V Ref Ifoghas Investments Ltd	7,477,144	5.43
Mr Cameron Young / CAYO Matena Ltd	4,129,672	3.00

There have been no significant changes notified in respect of shareholdings between 31 December 2018 and 29 April 2019.

ANNUAL GENERAL MEETING

The Notice of the Annual General Meeting ("AGM") is included within this Annual Report and Consolidated Financial Statements. The AGM will take place at the offices of JTC Fund Solutions (Guernsey) Limited, Dorey Court, Admiral Park, St. Peter Port, Guernsey, GY1 2HT Channel Islands on 18 June 2019 at 2.00pm. All shareholders have the opportunity to put questions to the Board or the Investment Manager at the Company's AGM. Please note that the Company Secretary is available to answer general Shareholder queries at any time throughout the year.

RELATIONS WITH SHAREHOLDERS

The Directors place a great deal of importance on communication with Shareholders. The Board welcomes feedback from all Shareholders. The Chairman meets periodically with the largest Shareholders to discuss the Company. The Annual Report and Consolidated Financial Statements are widely distributed to other parties who have an interest in the Company's performance. Shareholders may obtain up to date information on the Company through the Company's website www.ceibalimited.co.uk

The Board's policy is to communicate directly with Shareholders and their representative bodies without the involvement of the Investment Manager in situations where direct communication is required and usually a representative from the Board is available to meet with major Shareholders on an annual basis in order to gauge their views.

By order of the Board

29 April 2019

JTC Fund Solutions (Guernsey) Limited
Company Secretary
Ground Floor
Dorey Court
Admiral Park
St Peter Port
Guernsey GY1 2HT

DIRECTORS' REMUNERATION REPORT

The Board has prepared this report on a voluntary basis in accordance with the UK regulations governing the disclosure and approval of Directors' remuneration.

The Company's auditor has not audited any of the disclosures provided in this Directors' Remuneration Report.

REMUNERATION POLICY

This part of the Remuneration Report provides details of the Company's Remuneration Policy for Directors of the Company. As the Board is comprised wholly of non-executive Directors and given the size and nature of the Company, the Board has not established a separate Remuneration Committee. Directors' remuneration is determined by the Board as a whole.

The Directors are non-executive and the Company's Articles of Association limit the annual aggregate fees payable to the Board of Directors to no more than £500,000 (US$634,550) per annum. The aggregate level of the fees payable to the Directors may only be increased subject to Shareholder Resolution. Subject to this overall limit, the Board's policy is that the remuneration of non-executive Directors should reflect the nature of their duties, responsibilities and the value of their time spent and be fair and comparable to that of other investment companies that are similar in size, have a similar capital structure and have a similar investment objective. Fees are reviewed annually against the Company's peer group and increased accordingly if considered appropriate. In the past year, aggregate fees of £117,000 were paid to the Directors. The table below shows the fees agreed per annum.

	31 Dec 2018 (£)	31 Dec 2018 (US$)	31 Dec 2017 (£)	31 Dec 2017 (US$)
Chairman	40,000	50,764	28,134	37,812
Chairman of Audit Committee	40,000	50,764	N/A	N/A
Director	35,000	44,419	10,128	13,612

The directors fees were increased with effect 18 June 2018 in anticipation of Listing.

APPOINTMENT

- The Company only intends to appoint non-executive Directors.
- All the Directors are non-executive appointed under the terms of Letters of Appointment.
- Directors must retire and be subject to re-election at each AGM.
- New appointments to the Board will be placed on the fee applicable to all Directors at the time of appointment (currently £35,000 per annum).
- No incentive or introductory fees will be paid to encourage a Directorship.

- The Directors are not eligible for bonuses, pension benefits, share options, long term incentive schemes or other benefits.

- Directors are entitled to re-imbursement of out-of-pocket expenses incurred in connection with the performance of their duties, including travel expenses.

- The Company indemnifies its Directors for all costs, charges, losses, expenses and liabilities which may be incurred in the discharge of duties, as a Director of the Company.

PERFORMANCE AND SERVICE CONTRACTS

- The Directors' remuneration is not subject to any performance-related fee.

- No Director has a service contract.

- Although John Herring and Colin Kingsnorth are linked to large shareholders of the Company, no Director has an interest in any contracts with the Company during the period or subsequently.

- The terms of appointment provide that a Director may be removed subject to three months' notice.

- Compensation will not be due upon leaving office.

- No Director is entitled to any other monetary payment or to any assets of the Company.

Directors' and Officers' liability insurance cover is maintained by the Company on behalf of the Directors. Under the Articles, the Company indemnifies each of the Directors out of the assets of the Company against any liability incurred by them as a Director in defending proceedings or in connection with any application to the Court in which relief is granted and separate deeds of indemnity exist in this regard between the Company and each Director.

IMPLEMENTATION REPORT

Directors' Fees

On 15 June 2018, the Board reviewed the fees applicable for non-executive directors of listed companies domiciled in Guernsey, and increased the level of the Chairman and Directors fees accordingly with effect from 18 June 2018. The increased fees are a reflection of the Company becoming a listed Company and serves to bring the Company closer to the median level for fees payable to the wider peer group. The increase is also a reflection of the increased work load and general responsibilities expected from directors of listed companies. There are no further fees to disclose as the Company has no direct employees, chief executive or executive directors.

Spend on Pay

As the Company has no direct employees, the Board does not consider it appropriate to present a table comparing remuneration paid to Directors with distributions to shareholders. Fees are pro-rated where a change takes place during a financial year.

The total fees paid to Directors for the calendar years 2017 and 2018 are shown below.

Fees Payable

The Directors received the following fees for the year ended 31 December:

Director	2018 £	2018 US$	2017 £	2017 (US$)
J Herring	31,345	39,176	21,859	29,378
Keith Corbin*	18,795	23,491	-	-
Peter Cornell*	18,795	23,491	-	-
Trevor Bowen*	18,795	23,491	-	-
Colin Kingsnorth	22,059	27,570	9,524	12,800
Sebastiaan Berger**	4,245	5,306	9,524	12,800
Enrique Rottenberg**	2,977	3,721	9,524	12,800
Total	117,011	146,246	50,431	67,778

*Appointed to the Board on 18 June 2018.
**Resigned from the Board on 18 June 2018.

Sums Paid to Third Parties

No fees were paid to thirds parties for services as non-executive Directors.

Directors' Interests in the Company

The Directors are not required to have a shareholding in the Company. The Directors' interests in contractual arrangements with the Company are as shown in note 14 to the financial statements. The Directors (including connected persons) at 31 December 2018 are shown in the table below.

Director	31 December 2018 Ordinary Shares	31 December 2017 Ordinary Shares
J Herring	40,000	-
Keith Corbin*	-	-
Peter Cornell*	100,000	-

Trevor Bowen*	43,600	-
Colin Kingsnorth[1]	30,979,316	3,343,349
Sebastiaan Berger**	3,273,081	253,433
Enrique Rottenberg**	-	470,155

[1] Includes Ordinary Shares held by Laxey Partners Limited and Value Catalyst Fund Ltd.
* Appointed to the Board on 18 June 2018.
** Resigned from the Board on 18 June 2018.

The above interests are unchanged at 26 April 2019, being the nearest practicable date prior to the signing of this Report.

ANNUAL STATEMENT

On behalf of the Board I confirm that the above Report on Remuneration Policy and Remuneration Implementation summarises, as applicable, for the year ended 31 December 2018:

- the major decisions on Directors' remuneration;
- any substantial changes relating to Directors' remuneration made during the year; and
- the context in which the changes occurred and in which decisions have been taken.

For and on behalf of the Board,

J. A. H

John Herring
Chairman, 29 April 2019

REPORT OF THE AUDIT COMMITTEE

COMMITTEE COMPOSITION

In accordance with the UK Code, an Audit Committee (the "**Committee**") has been established. At the year end the Audit Committee comprised of Trevor Bowen as Chairman, Keith Corbin, Peter Cornell and Colin Kingsnorth.

In accordance with the terms of reference, appointments to the Committee are for a period up to three years, which may be extended for further periods of up to three years, provided the Director still meets the criteria for membership of the Committee.

The Audit Committee have satisfied themselves that at least one of the Committee's members has recent and relevant financial experience. Trevor Bowen is a Chartered Accountant and previously spent 11 years as a partner at KPMG and has recent and relevant financial experience. The Audit Committee is also considered, as a whole, to have competence relevant to this sector. The Audit Committee continues to believe that the Company does not require an internal audit function of its own as it delegates its day to day operations to third parties from whom it receives regular internal controls reports.

FUNCTIONS OF THE COMMITTEE

The principal function of the Committee is to assist the Board in relation to the reporting of financial information, and ensuring that the internal control procedures are robust and that risk management processes are appropriate.

The Committee has defined terms of reference which will be reviewed and re-assessed for their adequacy on an annual basis. Copies of the terms of reference are published on the Company's website.

The Committee's main audit review functions are;

- to monitor the integrity of the financial statements of the Company, including its annual and half-yearly reports and any other formal announcement relating to its financial performance, reviewing significant financial reporting issues and judgments which they contain;

- to review the content of the annual financial report and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy;

- to review the adequacy and effectiveness of the Company's internal financial controls and risk management systems, for example including the risks of misappropriation or loss of assets, of misstatement of accounting records or of non-compliance with accounting standards, and monitor the proposed implementation of such controls;

- to review the Company's procedures for detecting fraud, the systems and controls in place for prevention of bribery, the adequacy of the Company's anti-money laundering systems and controls and the Company's compliance function;

- monitor and review whether an internal audit function is required;

- to oversee the relationship with the external auditor and review the effectiveness of the external audit process; including the remuneration of the auditor as well as their independence and any non-audit services provided by them. The Committee will monitor the performance of the auditor with the aim of ensuring a high quality and effective audit;

- to make recommendations to the Board, to be put to shareholders for approval in general meeting, in relation to the appointment, re-appointment and removal of the Company's external auditor;

- to develop and oversee the selection process for new external auditors and if an external auditor resigns, investigate the issues leading to this and decide whether any action is required; and

- to ensure that at least once every ten years the audit services contract is put out to tender to enable the Committee to compare the quality and effectiveness of the services provided by the incumbent auditor with those of other audit firms and, in respect of such tender, oversee the selection process and ensure that all tendering firms have such access as is necessary to information and individuals during the tendering process.

FREQUENCY OF MEETINGS DURING THE YEAR

The Committee will meet at least twice a year at appropriate times in the Company's reporting and audit cycle and otherwise as required.

ACTIVITIES DURING THE YEAR

The Audit Committee did not meet during the last year due to the Committee being constituted on 14 September 2018 ahead of the Listing on the Specialist Fund Segment of the London Stock Exchange's Main Market on 22 October 2018. The Board appointed the Company's auditor which was subsequently ratified by the Audit Committee. Subsequent to the financial year end, the Audit Committee has met twice, and the Chairman of the Audit Committee has maintained regular contact with the auditors throughout the course of the audit.

REVIEW OF INTERNAL CONTROL SYSTEMS AND RISK

At its Committee meeting on 23 April 2019, the Committee reviewed the internal control systems and considered the Company's principal risks. It is intended that the Committee will consider the internal control systems and a matrix of risks at each of its meetings.

FINANCIAL STATEMENTS AND SIGNIFICANT ISSUES

During its review of the Company's financial statements for the year ended 31 December 2018, the Audit Committee considered the following significant issues, including, in particular, those communicated by the Auditor as key areas of audit emphasis during their planning and reporting of the year end audit.

Valuation of Investments

The fair value of the equity investments, driven by underlying investment property valuations, are the most substantial figures on the Consolidated Statement of Financial Position. The underlying valuations of the investment properties and investment properties under construction require significant judgements and estimates to be made. This is a key risk that requires the attention of the Audit Committee.

The fair values of the equity investments of the Company are determined by the Investment Manager and the Board primarily on the basis of the valuation reports prepared by Arlington Consulting – Consultadoria Imobiliaria Limitada, trading as "Abacus", and subsequently reviewed in detail and challenged by the Audit Committee. The valuation reports were prepared in accordance with RICS Valuation – Global Standards 2017, and, in future, will be reviewed by the Audit Committee on a six monthly basis and by the Auditor at least annually.

In determining the fair value of each equity investment, the Investment Manager and the Directors may also take into account additional relevant information that impacts the fair value of the relevant joint venture company that has not been considered in the valuation report of the underlying property of the joint venture. One such fair value consideration is cash held by the joint venture in excess of its working capital needs ("Excess Cash"). As the valuation of the underlying property only assumes a level of working capital to allow for day to day operations of the property, the existence of any Excess Cash needs to be included as an additional component of the fair value of the joint venture company. To determine the amount of Excess Cash, the Investment Manager and the Board estimate the amount of cash required by the property for working capital needs and deduct this amount from the cash and cash equivalents held by the joint venture. The above estimates are also reviewed by the Audit Committee.

Dividend Income

As dividend income is the Company's major source of income and a significant item on the Consolidated Statement of Comprehensive Income, the recognition of dividend income from the underlying equity investments is another key risk considered by the Audit Committee. The Company's policy is that dividends from equity investments are recognised when the Company's right to receive payment of the dividend is established. The Audit Committee reviewed the controls in place at the Investment Manager in respect of recognition of dividend income and intends to do so at least every six months.

Consideration and Approval of Principal Risks & Uncertainties

The Audit Committee considered, in detail, the principal risks & uncertainties facing the Company, particularly in light of the volatility impacting the economy and tourism industry in Cuba, as well as the ongoing US Sanctions. The Audit Committee considered the risk relating to the Company and its investment strategy at a corporate level, as well as the portfolio and operational risks, risks relating to investment in Cuba and the U.S. Embargo and the Company's regulatory and tax framework, and its disclosure in the Annual Report. The output from the risk assessment is set out in the Principal Risks & Uncertainties on pages 17 to 20. It is intended that the Committee will review a matrix of its risk at each committee meeting.

Key Performance Indicators and the use of Alternative Performance Measures

Performance Measures used in the Annual Report and Consolidated Financial Statements are recognised as important for shareholders and the users of accounts to determine how the Company is doing over time, and relative to other companies or an index.

As described in the section entitled "Key Performance Indicators" appearing on page 15 of this document, the Company measures its economic performance using a number of KPIs, some of which are derived directly from the Consolidated Financial Statements and some of which are Alternative Performance Measures. As part of its review of the Annual Report and Consolidated Financial Statements, the Audit Committee must ensure that where Alternative Performance Measures are used, there is clarity and transparency as to how these relate to the numbers reported under International Financial Reporting Standards as presented in the Consolidated Financial Statements. This is done by way of explanation in the text where the APM appears, footnotes and a glossary of terms which defines the meanings of terms used.

Normally, the Company presents information regarding its assets and income derived directly from the Consolidated Financial Statements, as well as information regarding share price and market capitalisation derived from the London Stock Exchange. Other measures such as discount/premium to NAV represent the difference between the two.

However, there are particular circumstances that affect the presentation of KPIs for the 2018 financial year end. As is explained elsewhere in this document, a number of important changes were implemented during the year, including the IPO and Listing of the Ordinary Shares of the Company on the SFS and the contracting of ASFML, a third party investment manager, to manage the portfolio of investments of the Company, which previously was managed internally. In negotiating the Management Agreement, it was agreed with ASFML that, as part of the terms and conditions upon which they would assume the task of portfolio management, ASFML would pay to the Company consideration in the amount of US$5 million for the purpose of (i) paying the listing costs associated with the IPO, and (ii) compensating the Company for the release of its internal management team, which was subsequently contracted by ASFML. This payment was conditional upon a successful listing on a recognised stock exchange and a minimum capital raise in the amount of £30 million (approximately US$39 million), and was paid to the Company in November 2018 following completion of the IPO and Listing.

Given that the payment of this amount is linked to execution of the Management Agreement, the proper accounting treatment to be given to this payment under International Financial Reporting Standards is to recognise it evenly over the five year term of the Management Agreement. This results in a NAV per share of US$1.49 / £1.18, which is the figure that appears in the Statement of Financial Position on page 72.

However, since the parties intended that this payment be recognised in full upon successful completion of the IPO as indicated in the Prospectus, the Audit Committee believes that the immediate recognition of this amount provides more relevant information to shareholders. This would result in a non-IFRS year-end NAV per share of US$1.53 / £1.20.

Whilst the difference between the NAV derived from the two methodologies is not significant in the context of the Company as a whole, it was deemed relevant information to present to shareholders. In addition, the two figures will converge over the five year term of the Management Agreement.

The Audit Committee sought guidance from its auditor, the Investment Manager and others, and decided to implement the following steps:

- To accrue the ASFML payment evenly over the five year term of the Management Agreement.
- To include a non-IFRS NAV and NAV per share (and all related measures) in the Financial Highlights appearing on page 4, together with an explanation of the adjustment made.
- To continue to include the non-IFRS NAV and NAV per share (and all related performance measures) until convergence of the two figures is completed after five years.
- To ensure that there is clarity and transparency in how these measures are calculated and presented in the Annual Report and Consolidated Financial Statements.

Having reviewed the reports from the Investment Manager and having considered the significant issues or judgements, the Audit Committee is satisfied that the key areas of risk and judgement have been appropriately addressed in the Consolidated Financial Statements and that the significant assumptions used in determining the value of assets and liabilities have been properly appraised and are sufficiently robust.

REVIEW OF FINANCIAL STATEMENTS

The Committee is responsible for the preparation of the Company's Annual Report. The process is extensive, requiring input from a number of different third party service providers. The Committee reports to the Board on whether, taken as a whole, the Annual Report and Consolidated Financial Statements are fair, balanced and understandable. In so doing, the Committee has considered the following matters:

- the existence of a comprehensive control framework surrounding the production of the Annual Report and Consolidated Financial Statements which includes a number of different checking processes;

- the existence of extensive levels of reviews as part of the production process involving the Administrator, the Investment Manager, the Company Secretary and the auditor as well as the Committee's own expertise;

- the controls in place within the various third party service providers to ensure the completeness and accuracy of the financial records and the security of the Company's assets;

- the externally audited internal control reports of the Investment Manager, Administrator and any other related service providers.

The Committee has reviewed the Annual Report and the work undertaken by the third party service providers and is satisfied that, taken as a whole, the Annual Report and Consolidated Financial Statements is fair balanced and understandable. In reaching this conclusion, the Committee has assumed that the reader of the Annual Report would have a reasonable level of knowledge of the investment industry in general. The Committee has reported its findings to the Board which in turn has made its own statement in this regard in the Directors' Responsibility Statement on page 60.

REVIEW OF AUDITOR

The Audit Committee has reviewed the effectiveness of the Auditor including:

- Independence: the Audit Committee will ensure there is a discussion with the Auditor, at least annually, in regards to the steps it takes to ensure its independence and objectivity and to make the Committee aware of any potential issues, explaining all relevant safeguards;

- Quality of audit work (i) the ability to resolve issues in a timely manner – the Audit Committee is confident that identified issues are satisfactorily and promptly resolved; (ii) its communications/presentation of outputs – the Audit Committee is satisfied that the explanation of the audit plan, any deviations from it and the subsequent audit findings are comprehensive and comprehensible; and (iii) working relationship with management – the Audit Committee is satisfied that the Auditor has a constructive working relationship with the Manager; and,

- Quality of people and service including continuity and succession plans: the Audit Committee is satisfied that the audit team is made up of sufficient, suitably experienced staff with provision made for knowledge of the investment trust sector and retention on rotation of the partner.

TENURE OF THE AUDITOR

EY Caribbean Professional Services Limited has previously provided audit services to the Company. The Company appointed Ernst & Young LLP (“EY”) to act as auditor for the financial year ended 31 December 2018. The Committee considers EY, the Company's auditor, to be independent of the Company. As set out above, the Committee is satisfied with the performance of EY and therefore supports the recommendation to the Board that the reappointment of the Auditor be put to shareholders for approval at the AGM.

ACCOUNTABILITY AND AUDIT

The responsibility of the Audit Committee in connection with the financial statements is set out above.

Each member of the Audit Committee confirms that, so far as he or she is aware, there is no relevant audit information of which the Company’s auditor is unaware, and he or she has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company’s auditor is aware of that information. Additionally there are no important events since the period end other than as disclosed in the notes to the financial statements.

The Audit Committee have reviewed the level of non-audit services provided by EY during the year, and are comfortable that EY was best placed to provide the particular services required and remain satisfied that the auditor’s objectivity and independence is being safeguarded. EY were engaged by the Company during the financial year but prior to the Listing to provide assistance with the review of documentation required for the Listing. These additional fees amounted to US$316,706 (£ 249,552) for these non-audit services.

Trevor Bowen
Audit Committee Chairman, 29 April 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and Consolidated Financial Statements, in accordance with applicable law and regulations.

The Companies (Guernsey) law, 2008 requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the Consolidated Financial Statements in accordance with International Financial Reporting Standards (IFRS). Under Company law the Directors must not approve the Consolidated Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these Consolidated Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the Consolidated Financial Statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- state whether all applicable IFRS standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its Consolidated Financial Statements comply with the Companies (Guernsey) Law, 2008. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors listed on page 35 to 38, being the persons responsible, hereby confirm to the best of their knowledge that:

- the Consolidated Financial Statements, prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and all the undertakings included in the consolidation taken as a whole;
- that in the opinion of the Directors, the Annual Report and Consolidated Financial Statements taken as a whole, is fair, balanced and understandable and it provides the information necessary to assess the Company's performance, business model and strategy; and

- the General Information section and Directors' Report include a fair review of the development and performance of the business and the position of the Company and all the undertakings included in the consolidation taken as a whole, and the Principal Risks section provides a description of the principal risks and uncertainties that they face.

- there is no additional information of which the Company's auditor is not aware.

For Ceiba Investments Limited
John Herring
Chairman, 29 April 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CEIBA INVESTMENTS LIMITED

Opinion

We have audited the consolidated financial statements of CEIBA Investments Limited (the 'Company') and its subsidiaries (together the "Group") for the year ended 31 December 2018, which comprise the Consolidated Statement of Financial Position, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity and the related notes 1 to 25, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ('IFRS').

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRS; and
- have been properly prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to principal risks, going concern and viability statement

We have nothing to report in respect of the following information in the annual report, in relation to which the ISAs(UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the annual report set out on pages 17 to 20 that describe the principal risks and explain how they are being managed or mitigated;
- the directors' confirmation set out on page 46 in the annual report that they have carried out a robust assessment of the principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity;
- the directors' statement set out on page 23 in the annual report about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the entity's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;

- whether the directors' statement in relation to going concern is materially inconsistent with our knowledge obtained in the audit; or
- the directors' explanation set out on page 22 in the annual report as to how they have assessed the prospects of the entity, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the entity will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Overview of our audit approach

Key audit matters	• Fair value of equity instruments • Revenue recognition of dividend income earned from underlying equity investments • Economic, political and financial uncertainties in Cuba
Audit scope	• We performed an audit of the complete financial statements of the Company for the year ended 31 December 2018.
Materiality	• Overall materiality of $4.11 million which represents 2% of equity attributable to the shareholders of the parent.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Fair value of equity investments (2018: $238.8 million, 2017: $217.1 million) The equity investments valuation is comprised of underlying Cuban real estate assets valued independently and management’s adjustment for working capital in excess of operating requirements (“excess cash”) held within the joint ventures. 89% (2017:81%) of the total assets of the company are invested into equity investments. The equity investments are held at fair value using valuation techniques, as described in note 8 of the financial statements The underlying valuation of the Cuban real estate assets is subjective, with a high degree of judgement and estimation linked to the determination of the values with limited comparable market transactions available. The excess cash calculated by management is on the basis of the liquid assets in excess of the normal working capital requirements to operate each Cuban real estate asset. There is a risk that the fair value may be materially misstated due to incorrect or inappropriate estimates,	We performed audit procedures over the valuation of the equity investments including review of the underlying real estate valuations held within the Cuban joint ventures. Please see below for the procedures performed: ➢ We documented our understanding of the valuation processes and performed walkthrough tests to confirm our understanding of the systems and controls implemented; ➢ We agreed the equity valuation recorded in the financial statements to calculations based on the real estate values reported by Abacus, the independent valuation specialists; ➢ We tested all significant inputs to the valuation for consistency with market data and underlying tenancy agreements and agreed material transactions to supporting documentation; ➢ We tested the calculation of unrealised loss on revaluation and verified the appropriateness of the recording and reporting of these amounts; ➢ We reviewed the change in estimation basis over the calculation of excess cash used	We confirmed that there were no material matters identified during our audit work on the fair value of equity investments driven by the underlying valuation in real estate valuations and management’s adjustment for working capital in excess of operating requirements held within the joint ventures that we wanted to bring to the attention of the audit committee.

judgements and assumptions being used to derive them. The valuation of underlying Cuban real estate assets is a key driver of the company's net asset value and total return. Incorrect valuation could have a significant impact on the net asset value of the company and the return generated for shareholders. *Refer to the Audit Committee Report (page 56); Accounting policies in Note 2.3 of the Financial Statements (page 78)*	in the equity investment valuations and engaged our London valuation and business modelling team to review the assumptions used in the new calculation and to benchmark the level of excess cash against comparable companies within the hotel and office segments; ➢ We engaged our London and Cuban real estate valuation specialists to: • Verify whether the valuation methodology used by Abacus is consistent with valuation best practice and appropriate under the circumstances by ensuring that the recorded fair value of the underlying real estate assets is within the acceptable range of values calculated by our real estate specialists; • Use their knowledge of the market to compare and corroborate the market related judgements and valuation inputs (including discount rates, rental growth assumptions and exit yields) used by Abacus; and • Assist us in determining whether the valuers at Abacus were appropriately qualified and independent.	

Revenue recognition of dividend income earned from underlying equity investments (2018: $16.2 million, 2017: $8.4 million) The Group receives dividend income from the underlying equity investments. Management may seek to overstate revenue generated from dividend income as it is a significant component of the Group's total income, which is a key performance indicator used by management, giving rise to a higher risk of misstatement. *Refer to the Audit Committee Report (page 56); Accounting policies in Note 3.4 of the Financial Statements (page 84)*	► We confirmed our understanding of CEIBA's dividend income recognition process and assessed the adequacy of the controls in place to prevent and detect fraud and errors in revenue recognition; ► Enquired of management about the financial statement close process, including the procedures around cut off for revenue recognition; ► Performed analytical procedures on dividend income to identify any inconsistencies in dividend income patterns based on understanding of the cash requirements in the equity investments; ► Determined whether the accounting policy for dividend income was in compliance with IFRS; ► We tested the dividend income recognised in the year to supporting documentation and Government approval of cash payments. We noted one dividend receipt not formally approved at the equity investment level but agreed with management's assessment over recognition due to cash receipt of the amount; ► Held fraud discussions with management throughout the audit. Asking if they have identified any evidence of fraud, whistle blowing or other fraud related matters; ► Gained understanding of	We confirmed that there were no material matters identified during the course of our audit work on dividend income that we want to bring to the attention of the audit committee.

	the oversight given by those charged with governance of management's processes over fraud; ► Performed journal entry testing to identify any adjustments to revenue to address the risk of management override.	

Economic, political and financial uncertainties in Cuba The underlying real estate assets held operate within a market with a comparatively high level of uncertainty. Foreign investment into real estate is only available through joint venture entities with the Cuban Government and can only obtain surface rights for finite periods of time to develop and operate real estate investments. The risk therefore primarily affects the equity investment balance at year end and the going concern of CEIBA as a result of US sanctions, such as the Helms Burton Act, and the political, economic and financial uncertainty. *Refer to the Chairman Statement (page 8);*	We updated our understanding of the current economic, political and environment in Cuba through review of press searches in Cuba to understand the economic situation and outlook for 2019 We reviewed relevant analyst reports and economic forecasts to validate the assumptions used by management in their cash flow forecasts and sensitivity analysis which support the going concern assessment, with consideration of uncertainties over the current economic and financial environment in Cuba; We undertook searches for any sanctions imposed on the Group and its underlying equity investments and any other major stakeholders; We evaluated whether the estimates and assumptions underpinning the Groups indirectly owned underlying property valuations are consistent with our understanding; and We involved audit team members from EY Cuba in the underlying audit work for entities operating in Cuba, with their professional knowledge of business practices and the economic situation in Cuba, to identify potential misstatements arising from the country risk.	We have completed the procedures we designed in order to respond to the heightened political, financial and economic uncertainty in Cuba. We have no significant findings to report from the completion of these procedures. We conclude that the balances in the financial statements and the specific disclosures included within the Chairman's Statement on pages 7 and 9, the Principal Risks on pages 18 and 19 and the Report of the Audit Committee on page 55 appropriately reflect the risk factors identified. As a result we have confirmed that there were no matters identified during the course of our audit work on the economic, political and financial uncertainties in Cuba that we want to bring to the attention of the audit committee.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope. Taken together, this enables us to form an opinion on the financial statements.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

Materiality is the magnitude of omissions or misstatements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be $4.11 million, which is 2% of equity attributable to the shareholders of the parent. We believe that equity attributable to the shareholders of the parent provides us with an appropriate basis for audit materiality as it is a key published performance measure and is a key metric used by management in assessing and reporting on overall performance.

During the course of our audit, we reassessed initial materiality and noted no matters leading us to amend the basis of materiality (2% of equity attributable to the shareholders of the parent). However, the materiality amount was adjusted to reflect equity attributable to the shareholders of the parent at year end rather than equity attributable to the shareholders of the parent at the audit planning stage.

Performance materiality

Performance materiality is the application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company’s overall control environment, our judgement was that performance materiality was 50% of our planning materiality, namely $2.06 million. We have set performance materiality at this percentage because we have considered the likelihood of misstatements to be moderate. We have considered both quantitative and qualitative factors when determining the expected level of detected misstatements and setting the performance materiality at this level.

Reporting threshold

The reporting threshold is an amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of $0.21 million, which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- **Fair, balanced and understandable set out on page 60 –** the statement given by the directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- **Audit committee reporting set out on pages 54 to 59 –** the section describing the work of the audit committee does not appropriately address matters communicated by us to the audit committee is materially inconsistent with our knowledge obtained in the audit; or
- **Directors' statement of compliance with the UK Corporate Governance Code set out on page 42 –** the parts of the directors' statement relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Company; or
- the financial statements are not in agreement with the Company's accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 60, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Dann FCA

for and on behalf of Ernst & Young LLP
Guernsey, Channel Islands
29 April 2019

Notes:

1. The maintenance and integrity of the Company's web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CEIBA Investments Limited

Consolidated Statement of Financial Position

As at 31 December 2018

	Note	31 Dec 2018 US$	31 Dec 2017 US$
Assets			
Current assets			
Cash and cash equivalents	4	**19,814,790**	11,630,102
Accounts receivable and accrued income	5	**1,558,288**	34,587,361
Loans and lending facilities	6	**1,811,257**	1,890,547
Total current assets		**23,184,335**	48,108,010
Non-current assets			
Accounts receivable and accrued income	5	**131,664**	98,850
Loans and lending facilities	6	**5,703,057**	2,587,065
Equity investments	8	**238,795,681**	217,086,037
Property, plant and equipment	9	**537,265**	495,670
Total non-current assets		**245,167,667**	220,267,622
Total assets		**268,352,002**	268,375,632
Liabilities			
Current liabilities			
Accounts payable and accrued expenses	10	**2,202,953**	3,443,064
Deferred liabilities	16	**1,000,000**	-
Short-term borrowings	11	**-**	35,820,895
Total current liabilities		**3,202,953**	39,263,959
Non-current liabilities			
Deferred liabilities	16	**3,833,333**	-
Total non-current liabilities		**3,833,333**	-
Total liabilities		**7,036,286**	39,263,959
Equity			
Stated capital	12	**106,638,023**	68,672,009
Revaluation surplus		**298,449**	248,199
Retained earnings		**96,403,178**	99,262,456*
Accumulated other comprehensive income		**2,301,696**	7,037,487*
Equity attributable to the shareholders of the parent		**205,641,346**	175,220,151
Non-controlling interest	12	**55,674,370**	53,891,522
Total equity		**261,315,716**	229,111,673
Total liabilities and equity		**268,352,002**	**268,375,632**
NAV	12	**205,641,346**	175,220,151
NAV per share	12	**1.49**	1.63

See accompanying notes 1 to 25, which are an integral part of these consolidated financial statements.

* Certain figures of 2017 have been reclassified to match the 2018 presentation, with no impact to total equity.
These audited Financial Statements on pages 72 to 128 were approved by the board of Directors and authorised for issue on 29 April 2019.
They were signed on the Company’s behalf;

Keith Corbin, Director

Peter Cornell, Director

CEIBA Investments Limited

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2018

	Note	12 months 31 Dec 2018 US$	9 months 31 Dec 2017 US$
Income			
Dividend income	8	**16,158,458**	8,431,257
Interest income		**321,323**	279,080
Travel agency commissions		**89,264**	132,742
Gain on settlement of financial liabilities at fair value	11	**1,625,406**	-
Gain on sale of investments		**-**	218,300
Foreign exchange gain		**787,662**	823,384
		18,982,113	9,884,763
Expenses			
Loss on change in fair value of equity investments	8	**(4,483,525)**	(6,929,045)*
Loss on change in fair value of financial liabilities	11	**-**	(446,276)
Management salaries	21	**(2,672,549)**	(1,027,290)
Management fees	16	**(358,557)**	-
Other staff costs		**(214,638)**	(237,867)
Travel		**(212,415)**	(235,114)
Participation agreement payments to 3rd parties		**-**	(369,575)
Operational costs		**(214,578)**	(158,333)
Legal and professional fees	22	**(2,353,365)**	(391,244)
Administration fees and expenses		**(278,348)**	(297,743)
Interest expense	11	**(3,560,772)**	(877,789)
Audit fees	24	**(392,508)**	(258,525)
Miscellaneous expenses		**(139,840)**	(81,088)
Director fees and expenses	14	**(146,246)**	(56,031)
Depreciation	9	**(37,693)**	(33,917)
		(15,065,034)	(11,399,837)
Net income/(loss) before taxation		**3,917,079**	(1,515,074)
Income taxes	3.8	**-**	-
Net income for the year/period		**3,917,079**	(1,515,074)
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
(Loss)/gain on exchange differences of translation of foreign operations		**(7,285,831)**	7,131,689*
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods			
Revaluation reserve movements		**50,250**	-
Total comprehensive (loss)/income		**(3,318,502)**	5,616,615*
Net income/(loss) for the year/period attributable to:			
Shareholders of the parent		**1,775,926**	(1,475,018)*
Non-controlling interest		**2,141,153**	(40,056)
Total comprehensive (loss)/income attributable to:			
Shareholders of the parent		**(2,909,615)**	5,587,347
Non-controlling interest		**(408,887)**	29,268
Basic and diluted earnings/(loss) per share	15	0.02	(0.01)

* Certain figures of 2017 have been reclassified to match the 2018 presentation, with no impact to total comprehensive income.

See accompanying notes 1 to 25, which are an integral part of these consolidated financial statements.

CEIBA Investments Limited

Consolidated Statement of Cash Flows
For the year ended 31 December 2018

	Note	12 months 31 Dec 2018 US$	9 months 31 Dec 2017 US$
Operating activities			
Net income/(loss) for the year/period		**3,917,079**	(1,515,074)*
Items not effecting cash:			
Depreciation	9	**37,693**	33,917
Change in fair value of equity investments	8	**4,483,525**	6,929,045*
Change in fair value of financial liabilities	11	**(1,625,406)**	446,276
Gain on sale of investment		**-**	(218,300)
Non-cash dividend income	7	**(6,725,092)**	-
Loss on property, plant & equipment disposal		**1,650**	-
Foreign exchange gain		**(787,662)**	(823,384)
		(698,213)	4,852,480
(Increase) decrease in accounts receivable and accrued income		**(1,378,801)**	2,007,320
Decrease in accounts payable and accrued expenses		**(2,546,093)**	(1,684,355)
Amortisation of deferred liability	16	**(166,667)**	-
Net cash flows from operating activities		**(4,789,774)**	5,175,445
Investing activities			
Acquisition of subsidiary (net of cash)		**-**	(32,887,180)
Purchase of equity investments	8	**(12,169,002)**	(406,724)
Disposal of equity investments	8	**-**	1,189,993
Purchase of property, plant & equipment	9	**(30,688)**	(10,531)
Loans and lending facilities disbursed		**(4,749,764)**	-
Loans and lending facilities recovered		**1,713,062**	298,500
Net cash flows from investing activities		**(15,236,392)**	(31,815,942)
Financing activities			
Short-term borrowings (paid)/received	11	**(34,195,489)**	35,374,619
Net proceeds from share issuance	12	**37,966,014**	-
Proceeds of sale of non-controlling interest	5	**20,500,000**	-
Cash payment received from investment manager	16	**5,000,000**	-
Receipt of past dividends not settled with shareholder	10	**1,305,982**	-
Payment of cash dividends		**(6,974,578)**	-
Contributions received from non-controlling interest		**4,531,109**	221,177
Net cash flows from financing activities		**28,133,038**	35,595,796
Change in cash and cash equivalents		**8,106,872**	8,955,299
Cash and cash equivalents at beginning of the period		11,630,102	2,154,710
Foreign exchange on cash		**77,816**	520,093
Cash and cash equivalents at end of the period		**19,814,790**	11,630,102
Dividends received		8,183,866	10,584,761
Interest received		316,506	187,538
Interest paid		(3,560,772)	(877,789)

* Certain figures of 2017 have been reclassified to match the 2018 presentation, with no impact to the cash flows from operating, investing and financing activities.

See accompanying notes 1 to 25, which are an integral part of these consolidated financial statements.

For the year ended 31 December 2017

	Notes	Stated Capital US$	Revaluation Surplus US$	Retained Earnings US$	Other comprehensive income US$	Total Equity attributable to the parent US$	Non-controlling interest US$	Total Equity US$
Opening Balance		68,672,009	248,199	100,737,474	(24,878)	169,632,804	659,583	170,292,387
Net loss for the period		-	-	(1,475,018)*	-	(1,475,018)*	(40,056)	(1,515,074)*
Capital contributions from non-controlling interest	12	-	-	-	-	-	53,202,671	53,202,671
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-	-	7,062,365*	7,062,365*	69,324	7,131,689*
Balance at 31 December 2017		**68,672,009**	**248,199**	**99,262,456***	**7,037,487***	**175,220,151***	**53,891,522**	**229,111,673***

* Certain figures of 2017 have been reclassified to match the 2018 presentation, with no impact to total equity.

See accompanying notes 1 to 25, which are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2018

For the year ended 31 December 2018

	Notes	Stated Capital US$	Revaluation Surplus US$	Retained Earnings US$	Other comprehensive income US$	Total Equity attributable to the parent US$	Non-controlling interest US$	Total Equity US$
Opening Balance		68,672,009	248,199	99,262,456	7,037,487	175,220,151	53,891,522	229,111,673
Share issuance		37,966,014	-	-	-	37,966,014	-	37,966,014
Revaluation of assets / Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	9, 12	-	50,250	-	(4,735,791)	(4,685,541)	(2,550,040)	(7,235,581)
Net income for the year	12	-	-	1,775,926	-	1,775,926	2,141,153	3,917,079
Capital increase/ contributions during the period	12	-	-	2,339,374	-	2,339,374	2,191,735	4,531,109
Dividend declared during the year	23	-	-	(6,974,578)	-	(6,974,578)	-	(6,974,578)
Balance at 31 December 2018		**106,638,023**	**298,449**	**96,403,178**	**2,301,696**	**205,641,346**	**55,674,370**	**261,315,716**

See accompanying notes 1 to 25, which are an integral part of these consolidated financial statements.

1. Corporate information

These consolidated financial statements for the year ended 31 December 2018 include the accounts of CEIBA Investments Limited and its subsidiaries, which are collectively referred to as the "Group" or "CEIBA".

CEIBA was incorporated in 1995 in Guernsey, Channel Islands as a registered closed-ended collective investment scheme with registered number 30083. In May 2013, the status of CEIBA changed to an unregulated investment company rather than a regulated investment fund. The status of CEIBA was changed back to a registered closed-ended collective investment scheme on 11 September 2018 under The Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended. The registered office of CEIBA is located at Dorey Court, Admiral Park, St. Peter Port, Guernsey, Channel Islands GY1 2HT.

The principal holding and operating subsidiary of the Group is CEIBA Property Corporation Limited ("CPC") which holds a license issued by the Cuban Chamber of Commerce and has offices in Cuba located at the Miramar Trade Center, Edificio Barcelona, Suite 401, 5ta Avenida, esq. a 76, Miramar, Playa, La Habana, Cuba.

The principal investment objective of CEIBA is to achieve capital growth and dividend income from direct and indirect investment in or with Cuban businesses, primarily in the tourism and commercial real estate sectors, and other revenue-generating investments primarily related to Cuba.

The Group currently invests in Cuban joint venture companies that are active in two major segments of Cuba's real estate industry: (i) the development, ownership and management of revenue-producing commercial properties, and (ii) the development, ownership and management of hotel properties. In addition, the Group occasionally arranges and participates in secured finance facilities and other interest-bearing financial instruments granted in favour of Cuban borrowers, primarily in the tourism sector. The Group's asset base is primarily made up of equity investments in Cuban joint venture companies that operate in the real estate segments mentioned above.

The officers are contracted through third party entities or consultancy agreements. CEIBA and its subsidiaries do not have any obligations in relation to other future employee benefits.

On 22 October 2018, CEIBA completed an initial public offering and listed its ordinary shares on the Specialist Fund Segment of the London Stock Exchange ("LSE-SFS"), where it trades under the symbol "CBA" (see note 12) The Group also entered into a management agreement, with effect from 1 November 2018, under which the Group has appointed Aberdeen Standard Fund Managers Limited ("ASFML" or the "AIFM") as the Group's alternative investment fund manager to provide portfolio and risk management services to the Group. The AIFM has delegated portfolio management to Aberdeen Asset Investments Limited (the "Investment Manager"). Both the AIFM and the Investment Manager are wholly-owned subsidiaries of Standard Life Aberdeen plc (see note 16).

2. Basis of preparation

2.1 Statement of compliance and basis of measurement

These consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments as disclosed in note 3.9 and certain property, plant and equipment as disclosed in note 3.12 which are measured at fair value, in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

2.2 Functional and presentation currency

These consolidated financial statements are presented in United States Dollars ("US$"), which is the Group's functional currency. The majority of the Group's income, equity investments and transactions are denominated in US$, subsidiaries are re-translated to US$ to be aligned with the functional currency of the Group.

2.3 Use of estimates and judgments

The preparation of the Group's consolidated financial statements, in conformity with IFRS, requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period.

Management judgements

The key management judgements made by management in relation to the financial statements are:

a) That the Group is not an Investment Entity (refer note 3.15);

b) That the Group is a Venture Capital Organisation (refer note 3.16).

Management estimates – valuation of equity investments

Significant areas requiring the use of estimates also include the valuation of equity investments. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected.

In determining estimates of recoverable amounts and fair values for its equity investments, the Group relies on independent valuations, historical experience, assumptions regarding applicable industry performance and prospects, as well as general business and economic conditions that prevail and are expected to prevail. Assumptions underlying asset valuations are limited by the availability of reliable comparable data and the uncertainty of predictions concerning future events (see note 8).

By their nature, asset valuations are subjective and do not necessarily result in precise determinations. Should the underlying assumptions change, the carrying amounts could change and, potentially, by a material amount.

2. Basis of preparation (continued)

2.3 Use of estimates and judgments (continued)

Change in Management estimates – valuation of equity investments

The determination of the fair values of the equity investments may include independent valuations of the underlying properties owned by the joint venture companies. These valuations assume a level of working capital required for day to day operations of the properties. Management estimates the amount of cash required for these working capital needs to determine if the the joint venture companies hold any excess cash that should be added as a component of the fair value of the equity investments. Subsequent to the review by the Investment Manager of the prior year's estimate of cash required for the working capital needs (including consultation with the management of the joint venture companies), the calculation at 31 December 2018 was adjusted to a greater level of detail to ensure a more accurate estimate (see note 8).

2.4 Reportable operating segments

An operating segment is a distinguishable component of the Group that is engaged in the provision of products or services (business segment), which is subject to risks and rewards that are different from those of other segments. The primary segment reporting format of the Group is determined to be business segments as the Group's risks and returns are affected by the differences in investment activities.

2.5 Equity investments

Equity investments include the direct and indirect interests of the Group in Cuban joint venture companies, which in turn hold commercial properties, hotel properties and hotel properties under development. Cuban joint venture companies are incorporated under Cuban law and have both Cuban and foreign shareholders.

Equity investments of the Group are measured at fair value through profit or loss in accordance with IFRS 9, *Financial Instruments: Recognition and Measurement* ("IFRS 9"), on the basis of the exception provided for per IAS 28. Changes in fair value are recognised in the statement of comprehensive income in the period of the change.

2.6 Change in accounting period

On 11 December 2017, the Board of Directors resolved to change the financial year end of CEIBA to 31 December from 31 March; in order to harmonise CEIBA's accounting period with the joint venture companies of its equity investments. The current financial year end as at 31 December 2018 is a 12 month period with comparative figures for the 9 month period ended 31 December 2017.

2. Basis of preparation (continued)

2.7 New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2018 and not early adopted that are relevant to the Group

The IASB and the IFRIC have published the following standards and interpretations, which are not yet effective. The standards, amendments and interpretations are not expected to significantly impact the Group's operations:

- IFRS 16 Leases: (Full or partial) application with retrospective effect for reporting periods beginning on or after January 1, 2019 is required.

IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The Group assesses new lease contracts to determine the right of use liability. The Group has assessed that there is not a material impact to the financial statements as a result of the adoption of IFRS 16.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the Group.

2.8 Changes in accounting policies

Standards and interpretations applicable this period

The accounting policies applied during this year are fully consistent with those applied in the previous period.

During the fiscal year the Group applied the following standard applicable for reporting periods beginning on or after 1 January 2018:

(i) IFRS 9 'Financial Instruments'

IFRS 9 'Financial Instruments' became effective for annual periods beginning on or after 1 January 2018. It addresses the classification, measurement and derecognition of financial assets and liabilities and replaces the multiple classification and measurement models in IAS 39.

Classification and measurement

Classification and measurement of debt assets is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. (A debt instrument is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument solely represent payments of principal and interest (SPPI)). A debt instrument is measured at fair value through other comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell.

2. Basis of preparation (continued)

2.8 Changes in accounting policies (continued)

(i) IFRS 9 ‘Financial Instruments’ (continued)

Classification and measurement (continued)

All other debt instruments must be recognised at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income. IFRS 9 also introduces a new expected credit loss (ECL) impairment model.

Application to the Group

IFRS 9 has been applied retrospectively by the Group and did not result in a change to the classification or measurement of financial instruments as outlined in note 3.9 (Detailed retrospective application of the classification and measurement of financial assets and liabilities in accordance with IFRS 9 was outlined). As permitted by IFRS 9 comparatives were restated. The Group’s investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost. There was no material impact on adoption from the application of the new impairment model.

(ii) IFRS 15 ‘Revenue from Contracts with Customers’

IFRS 15 is effective for accounting periods beginning on or after 1 January 2018. The objective of IFRS 15 is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. A five step model framework is adopted to recognise revenue based on the amount of consideration to which the entity expects to be entitled to in exchange for goods or services promised to customers.

Scope

IFRS 15 applies to all contracts with customers except those within the scope of IAS 17 ‘Leases’, IFRS 9 ‘Financial Instruments’, IFRS 10 ‘Consolidated Financial Statements’, IFRS 11 ‘Joint Arrangements’, IAS 27 ‘Separate Financial Statements’, IAS 28 ‘Investments in Associates and Joint Ventures’, IFRS 4 ‘Insurance Contracts’ and non-monetary exchanges between entities in the same line of business to facilitate sales to customers.

Application to the Group

Revenue from commissions received falls within IFRS 15.

Revenue is obtained from acting as an intermediary between the customer and airlines, tour operators and hotels. The Group facilitates transactions and earns a commission in return for its service. This commission may take the form of a fixed fee per transaction or a stated percentage of the customer billing, depending on the transaction and the related vendor as outlined in 3.6. Revenue is recognised on booking on the respective hotel accommodation or tour. Therefore the adoption of IFRS 15 has no material impact on the Group.

3. Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

3.1 Consolidation

The consolidated financial statements comprise the financial statements of CEIBA and its subsidiaries as at 31 December 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Where there is a loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the Group has control.

3. Summary of significant accounting policies (continued)

3.1 Consolidation (continued)

The Group had direct and indirect equity interests in the following entities as at 31 December 2018 and 31 December 2017:

Entity Name	Country of Incorporation	Equity interest held indirectly by the Group or holding entity	
		31 Dec 2018	**31 Dec 2017**
1. CEIBA Property Corporation Limited (a) (i)	Guernsey	100%	100%
1.1. GrandSlam Limited (a) (ii)	Guernsey	100%	100%
1.2. Antilles Property Limited (b)(iv)	Guernsey	-	100%
1.3. CEIBA MTC Properties Inc.(a) (iii)	Panama	100%	100%
1.3.1 Inmobiliaria Monte Barreto S.A. (c) (v)	Cuba	49%	49%
1.4. CEIBA Tourism B.V. (a) (vi)	Netherlands	100%	100%
1.4.1. HOMASI S.A. (a) (iii)	Spain	65%	65%
1.4.1.1. Miramar S.A. (c) (vii)	Cuba	50%	50%
1.4.1.2. Cuba Canarias S.A. (d) (viii)	Cuba	-	50%
1.4.2. Mosaico B.V. (a) (iii)	Netherlands	80%	80%
1.4.2.1. Mosaico Hoteles S.A. (a) (iii)	Switzerland	100%	100%
1.4.2.1.1. TosCuba S.A. (c) (ix)	Cuba	50%	50%

a) Company consolidated at 31 December 2018 and 31 December 2017.
b) Company consolidated at 31 December 2017.
c) Company accounted at fair value at 31 December 2018 and 31 December 2017.
d) Company accounted at fair value at 31 December 2017.

(i) Holding company for the Group's interests in real estate investments in Cuba that are facilitated by a representative office in Havana.
(ii) Operates a travel agency that provides services to international clients for travel to Cuba.
(iii) Holding company for underlying investments with no other significant assets.
(iv) Company which is in the process of being liquidated.
(v) Joint venture company that holds the Miramar Trade Center as its principal asset.
(vi) Dutch company responsible for the holding and management of the Group's investments in tourism. In December 2017 it was converted from a cooperative to a limited liability company (B.V.).
(vii) Joint venture company that holds the Meliã Habana Hotel, Meliã Las Americas Hotel, Meliã Varadero Hotel and Sol Palmeras Hotel as its principal assets
(viii) Joint venture company that previously held as its principal assets the Meliã Las Americas Hotel, Meliã Varadero Hotel and Sol Palmeras Hotel and was merged with Miramar S.A in November 2018 (see note 7).
(ix) Joint venture company incorporated to build a beach hotel in Trinidad, Cuba.

All inter-company transactions, balances, income, expenses and unrealised surpluses and deficits on transactions between CEIBA Investments Limited and its subsidiaries have been eliminated on consolidation. Non-controlling interest represent the interests in the operating results and net assets of subsidiaries attributable to minority shareholders.

3. Summary of significant accounting policies (continued)

3.2 Foreign currency translation

Transactions denominated in foreign currencies during the period are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the reporting date into functional currency at the exchange rate at that date. Foreign currency differences arising on translation are recognised in the consolidated statement of comprehensive income as foreign exchange income (loss).

The financial statements of foreign subsidiaries included in the consolidation are translated into the reporting currency in accordance with the method established by IAS 21, *The Effects of Changes in Foreign Exchange Rates*. Assets and liabilities are translated at the closing rates at the statement of financial position date, and income and expense items at the average rates for the period. Translation differences are taken to other comprehensive income and shown separately as foreign exchange reserves on consolidation without affecting income. Translation differences during the year ended 31 December 2018 were loss of US$7,285,831 (nine months ended 31 December 2017 period: gain of US$7,131,689).

The exchange rate used in these consolidated financial statements at 31 December 2018 is 1 Euro = US$1.1440 (31 December 2017: 1 Euro = 1.1940 US$).

3.3 Change in fair value from equity investments and short term borrowings at fair value through profit or loss

Changes in fair value from equity investments and short term borrowings at fair value through profit or loss includes all realised and unrealised fair value changes, but excludes interest and dividend income.

3.4 Dividend income

Dividend income arising from the Group's equity investments is recognised in the consolidated statement of comprehensive income when the Group's right to receive payment is established or cash amounts have been received.

3.5 Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Interest income is recognised in the consolidated statement of comprehensive income.

3.6 Travel agency commissions

GrandSlam, a wholly-owned subsidiary of the Group, is a travel agency that acts as an intermediary between the customer and airlines, tour operators and hotels. GrandSlam facilitates transactions and earns a commission in return for its service. This commission may take the form of a fixed fee per transaction or a stated percentage of the customer billing, depending on the transaction and the related vendor. Consequently, in accordance with IFRS 15 *Revenue recognition*: "The amounts collected on behalf of the principal are not revenue; instead, revenue is the amount of commission when performance obligations are met can be recognised."

3. Summary of significant accounting policies (continued)

3.7 Fees and expenses

Fees and expenses are recognised in the statement of comprehensive income on the accrual basis as the related services are performed. Transaction costs incurred during the acquisition of an investment are recognised within the expenses in the consolidated statement of comprehensive income and transactions costs incurred on share issues or placements are included within consolidated statement of changes in equity in respect of stated capital.

Transaction costs incurred on the disposal of investments are deducted from the proceeds of sale and transactions costs incurred on shares are deducted from the share issue proceeds.

3.8 Taxation

Deferred taxes are provided for the expected future tax consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities using current corporation tax rate.

Deferred tax liabilities are recognized for temporary differences that will result in taxable amounts in future years. Deferred tax assets are recognised for temporary differences that will result in deductible amounts in future years. Where it is not certain that the temporary difference will be reversed no deferred taxation asset is established. At 31 December 2018 and 31 December 2017 the Group has not established any deferred tax assets or liabilities.

The average tax rates applicable to the income of the Group and its subsidiaries in their respective jurisdictions are as follows:

Guernsey	0%
The Netherlands	0%
Panama	0%
Spain	0%
Cuba	15%

3.9 Financial assets and financial liabilities

(a) Recognition and initial measurement

Financial assets and financial liabilities at fair value through profit or loss are measured initially at fair value.

(b) Classification

The Group has classified financial assets and financial liabilities into the following categories:

Financial assets and financial liabilities classified at fair value through profit or loss:

Financial assets and financial liabilities classified in this category are those that have been designated by management upon initial recognition. Management may only classify an instrument at fair value through profit or loss upon initial recognition when one of the following criteria are met, and designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis or,

3. Summary of significant accounting policies (continued)

3.9 Financial assets and financial liabilities (continued)

(b) Classification (continued)

- For financial liabilities that are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy or,
- For financial liabilities that contain one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited in relation to financial liabilities.

Financial assets and financial liabilities at fair value through profit or loss are carried in the consolidated statement of financial position at fair value. Changes in fair value are recognised in the statement of comprehensive income.

Financial assets and financial liabilities measured at fair value through profit or loss are the following:

- Equity Investments are classified at fair value through profit or loss, with changes in fair value recognised in the statement of comprehensive income for the period.
- Short-term Borrowings that include an equity conversion feature are designated at fair value through profit or loss. (see note 11)

Financial assets and financial liabilities measured at amortised cost:

Financial assets and financial liabilities measured at amortised cost are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest rate methodology, in respect of financial assets less allowance for impairment. A debt instrument is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument solely represent payments of principal and interest (SPPI). Amortised cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the effective interest rate. Therefore, the Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of the loan, hence, recognising the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (prepayments, penalty interest and charges). If expectations are revised the adjustment is booked a positive or negative adjustment to the carrying amount in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest and similar income in the income statement.

3. Summary of significant accounting policies (continued)

3.9 Financial assets and financial liabilities (continued)

Classification (continued)

Financial assets and financial liabilities measured at amortised cost are the following:

- Cash and cash equivalents,
- Accounts receivable and accrued income,
- Loan and advances,
- Accounts payable and accrued expenses

Retrospective application of IFRS 9 to financial assets and liabilities below:

Investments held at fair value through profit or loss

The Group's investments were previously held at fair value through profit or loss under IAS 39. In terms of IFRS 9, the investment in its entirety continues to be held at fair value through profit or loss as the investment is not held for trading nor will the fair value through other comprehensive income option be elected.

Therefore there is no change in the recognition or measurement of investments held at fair value through profit or loss.

Trade and other receivables and cash and cash equivalents

Trade and other receivables and cash and cash equivalents were previously measured at amortised cost under IAS 39. Under IFRS 9 assets can be classified under amortised cost under the following conditions:

- the assets must be held in a business model whose objective is to collect contractual cash flows, i.e. "held to collect"; and

- the contractual cash flows must represent solely payment of principal and interest on the principal amount outstanding.

These assets by virtue of their nature meet the above conditions and will therefore continue to be held at amortised cost under IFRS 9. Therefore there is no change in the recognition or measurement of trade and other receivables and cash and cash equivalents.

Trade and other payables

Under IAS 39, trade and other payables were measured at amortised cost. This does not change with the application of IFRS 9.

IFRS 9 has been applied retrospectively by the Group and did not result in a change to the classification or measurement of financial instruments as outlined.

3. Summary of significant accounting policies (continued)

3.9 Financial assets and financial liabilities (continued)

(c) Fair value measurement

Fair value is the amount for which an asset can be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's-length transaction on the measurement date.

The Group does not have any instruments quoted in an active market. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

As the financial instruments of the Group are not quoted in an active market, the Group establishes their fair values using valuation techniques. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, estimated replacement costs and discounted cash flow analyses. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Group, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument. The Group calibrates valuation techniques and tests them for validity using prices from observable current market transactions of similar instruments or based on other available observable market data.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e. the fair value of the consideration given or received, unless the fair value of the instrument is evidenced by comparison with other observable current market transactions in the other instruments that are substantially the same or based on a valuation technique whose variables include only data from observable markets.

All changes in fair value of financial assets, other than interest and dividend income, are recognised in the consolidated statement of comprehensive income as change in fair value of financial instruments at fair value through profit or loss.

(d) Identification and measurement of impairment

IFRS 9 Financial Instruments requires the Group to measure and recognise impairment on financial assets at amortised cost based on Expected Credit Losses, replacing IAS 39's incurred loss model. The Group was required to revise its impairment methodology under IFRS 9 for each class of financial asset.

3. Summary of significant accounting policies (continued)

3.9 Financial assets and financial liabilities (continued)

(d) Identification and measurement of impairment (continued)

From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses ("ECL") associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial. Investments held at fair value through profit or loss are not subject to IFRS 9 impairment requirements.

Loans receivable measured at amortised cost fall within the scope of ECL impairment under IFRS 9. As per IFRS 9, a loan has a low credit risk if the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and adverse changes in economic and business conditions in the longer term might, but will not necessarily reduce the ability of the borrower to fulfil its obligations. For loans that are low credit risk, IFRS 9 allows a 12-month expected credit loss to be recognised. Based on the net asset positions of the subsidiaries, the Group has determined that the loans to the subsidiaries have low credit risks and very low risk of default. Therefore, management has concluded that any impairment would be immaterial.

The Group's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Instruments: Recognition and Measurements. All changes to the accounting policies applicable before 1 January 2018 are explained in detail in note 2.8.

(e) Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability in the consolidated statement of financial position.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the consolidated statement of comprehensive income.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

3. Summary of significant accounting policies (continued)

3.10 Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand and short-term deposits and other short-term highly liquid investments with remaining maturities at the time of acquisition of three months or less.

3.11 Loans and lending facilities

Loans and lending facilities comprise investments in unquoted interest-bearing financial instruments. They are carried at amortised cost. Interest receivable is included in accrued income.

3.12 Property, plant and equipment

Property, plant and equipment, with the exception of works of art, held by the Group and its subsidiaries are stated at cost less accumulated depreciation and impairment. Depreciation is calculated at rates to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Office furniture and equipment	4 to 7 years
Motor vehicles	5 years

The carrying amounts are reviewed at each statement of financial position date to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount. Works of art are carried at their revalued amount, which is the fair value at the date of revaluation. Increases in the net carrying amount are recognised in the related revaluation surplus in shareholders' equity. Valuations of works of art are conducted with sufficient regularity to ensure the value correctly reflects the fair value at the statement of financial position date. Valuations are mostly based on active market prices, adjusted for any difference in the nature or condition of the specific asset.

3.13 Stated capital

Ordinary shares are classified as equity if they are non-redeemable, or redeemable only at CEIBA's option.

3.14 Acquisitions of subsidiary that is not a business

Where a subsidiary is acquired, via corporate acquisitions or otherwise, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business.

Where such acquisitions are not judged to be an acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity or assets and liabilities is allocated between the identifiable assets and liabilities (of the entity) based on their relative values at the acquisition date. Accordingly, no goodwill or deferred taxation arises.

3. Summary of significant accounting policies (continued)

3.15 Assessment of investment entity status

Entities that meet the definition of an investment entity within IFRS 10 "Consolidated Financial Statements" are required to measure their subsidiaries at fair value through profit and loss rather than consolidate them. The criteria which define an investment entity are, as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment management services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Group's objective includes providing investment management services to investors to achieve capital growth and dividend income from direct and indirect investment in or with Cuban businesses, primarily in the tourism and commercial real estate sectors, and other revenue-generating investments primarily related to Cuba.

However in addition to reviewing fair values, the Group also reports to its Directors, via internal management reports, various other performance indicators in relation to the operating performance of the investments. Therefore Management is not measuring and evaluating the performance of the investments solely on a fair value basis.

Accordingly Management has concluded that the Group does not meet the definition of an investment entity. These conclusions will be reassessed on a continuous basis, if any of these criteria or characteristics change.

3.16 Assessment of venture capital organisation

There is no specific definition of a "venture capital organisation". However, venture capital organisations will commonly invest in start-up ventures or investments with long term growth potential.

Venture capital organisations will also frequently obtain board representation for the investments that it has acquired an equity interest. The Group has representation on all of the Board of Directors of the Joint Ventures in which it has an interest and participates in strategic policy decisions of its investments, but does not exercise management control.

Accordingly Management has concluded that the Group is a venture capital organisation and has applied the exemption in IAS 28 "Investments in Associates and Joint Ventures" to measures it investments in joint ventures at fair value through profit or loss.

4. Cash and cash equivalents

	31 Dec 2018 US$	31 Dec 2017 US$
Cash on hand	17,480	11,929
Bank current accounts (i)	19,797,310	11,618,173
	19,814,790	**11,630,102**

(i) Balance without restriction. Included within the balance are amounts held on behalf of shareholders amounting to $1,305,982 (see note 10).

5. Accounts receivable and accrued income

	31 Dec 2018 US$	31 Dec 2017 US$
Receivable from Cubacan S.A. (i)	-	13,875,060
Receivable from Meliã Hotels International S.A. (ii)	-	20,500,000
Dividends receivable from Inmobiliaria Monte Barreto S.A.	1,249,500	-
Other accounts receivable and deposits	440,452	311,151
	1,689,952	**34,686,211**
Current portion	**1,558,288**	**34,587,361**
Non-current portion	**131,664**	**98,850**

(i) This amount was settled against a capital contribution to Miramar S.A. subsequent to its merger with Cubacan S.A. (see note 7).

(ii) This amount relates to the sale of a non-controlling interest to Meliã Hotels International S.A. and was settled in January 2018.

	31 Dec 2018 US$	31 Dec 2017 US$
Up to 30 days	1,359,642	20,667,190
Between 31 and 90 days	116,124	33,419
Between 91 and 180 days	45,603	13,881,989
Between 181 and 365 days	36,919	4,763
Over 365 days	131,664	98,850
	1,689,952	**34,686,211**

Trade receivables are assessed in terms of the simplified approach for expected credit losses per IFRS 9 due to trade receivables not containing a significant financing component and majority consisting of prepayments and an insignificant portion of accounts receivable from travel agency activities in GrandSlam, a wholly owned subsidiary of the Group. As a result of the composition of the receivables balance we assess the credit risk to be low since the nature of the receivables and composition of the balance been majority prepayments and impairment loss to be immaterial.

6. Loans and lending facilities

	31 Dec 2018	31 Dec 2017
	US$	US$
TosCuba S.A. (i)	4,749,764	-
Casa Financiera FINTUR S.A. (ii)	2,764,550	4,477,612
	7,514,314	**4,477,612**
Current portion	**1,811,257**	**1,890,547**
Non-current portion	**5,703,057**	**2,587,065**

(i) In April 2018, the Group entered into a construction finance agreement (the "Construction Facility") with TosCuba S.A. ("TosCuba") for the purpose of extending to TosCuba part of the funding necessary for the construction of the Meliã Trinidad Playa Hotel. The Construction Facility is in the maximum principal amount of US$45,000,000, divided into two separate tranches of US$22,500,000 each. The Group has the right to syndicate Tranche B of the Construction Facility to other lenders.

The principal terms of the Construction Facility include, (i) a grace period for principal and interest during the construction period of the hotel (expected to be completed by 31 December 2020), (ii) upon expiry of the grace period, accumulated interest will be repaid, followed by a repayment period of eight years during which blended payments of principal and interest will be made, (iii) interest will accrue on amounts outstanding under the Construction Facility at the rate of 8 per cent.

The first disbursement under the Construction Facility was made on 23 November 2018. Repayment of the Construction Facility is secured by an assignment in favour of the lenders of all of the future income of the Meliã Trinidad Playa Hotel following start-up of operations. In addition, Tranche B of the Construction Facility is also secured by a guarantee provided by Cubanacán S.A., Corporaciön de Turismo y Comercio Internacional (the Cuban shareholder of TosCuba) as well as by an assignment in favour of the Group (in its capacity as Tranche B lender) of all international tourism proceeds generated by the Meliã Santiago de Cuba Hotel. Loan to Toscuba (The construction facility) represents a financial asset, based on the terms of the loan the loan is not repayable on demand and there is no expectation to be repaid within 12 months since there is a 2 year grace period and a further 8 year payment period, therefore we have assessed the immediate expected credit loss to be immaterial to the Group.

(ii) In July 2016, the Group participated in a €24,000,000 syndicated facility provided to Casa Financiera FINTUR S.A. ("FINTUR"). The facility has a term of 48 months, a fixed interest rate of 8%, quarterly payments of interest only for the first 12 months, and twelve quarterly principal and interest payments beginning 30 September 2017. This facility was secured by Euro-denominated

6. Loans and lending facilities (continued)

off-shore tourism proceeds payable to FINTUR by certain international hotel operators managing hotels in Cuba. The loan to FINTUR represents a financial asset. Based on historical analysis FINTUR has made all payments on time with no defaults since the inception of this facility as well with previous loan facilities. The loan is not repayable on demand. It has been determined that there is no significant risk of default over the next 12 months, therefore the expected credit loss is assessed to be immaterial to the Group.

The following table details the expected maturities of the the loans and lending facilities portfolio:

	31 Dec 2018	**31 Dec 2017**
	US$	US$
Up to 30 days	285,988	298,508
Between 31 and 90 days	476,647	497,512
Between 91 and 180 days	476,647	497,512
Between 181 and 365 days	571,975	597,015
Over 365 days	5,703,057	2,587,065
	7,514,314	**4,477,612**

7. Changes in equity investments during the year

Miramar and Cubacan

In November 2018, Miramar S.A. ("Miramar"), which owns the Meliã Habana Hotel, was merged with Cuba-Canarias S.A. ("Cubacan"), the Cuban joint venture company that owned three beach resort hotels in Varadero known as the Meliã Las Americas, Meliã Varadero and Sol Palmeras Hotels. As a result of the merger, the four hotels are now owned by Miramar as the remaining joint venture company.

In November 2018 the Cuban shareholder, Corporación de Turismo y Comercio Internacional Cubanacán S.A. ("CUBANACAN"), contributed to Miramar for a deemed value of US$28,381,566 the extension and granting of the surface rights for the four hotels to 2042. The Group, through its subsidiary HOMASI, made a matching contribution comprised of dividends owing by Miramar to the Group as well as a cash payment:

	US$
Dividend receivable from Cubacan at 31 December 2017 (note 5)	13,875,060
Dividend income earned in 2018 from Miramar (note 8)	6,725,092
Cash contribution	7,781,444
	28,381,566

8. Equity investments

	31 Dec 2018 US$	**31 Dec 2017** US$
Cubacan S.A.	-	78,750,010
Miramar S.A.	154,630,176	57,014,708
Inmobiliaria Monte Barreto S.A.	76,165,505	77,708,907
TosCuba S.A.	8,000,000	3,612,412
	238,795,681	**217,086,037**

8. Equity investments (continued)

	Miramar (i) US$	Monte Barreto US$	TosCuba (ii) US$	Cubacan US$	CIHSA US$	Womy US$	Caricel US$	Total US$
Balance at 31 March 2017	**59,131,372**	**80,961,787**	**3,205,688**	**-**	**19,469,763**	**780,343**	**225,000**	**163,773,953**
Acquisition of subsidiary	-	-	-	65,928,294	(22,187,322)	-	-	43,740,972
Acquisitions and capital contributions	-	-	406,724	-	-	-	-	406,724
Proceeds from sale of investments	-	-	-	-	-	(964,993)	(225,000)	(1,189,993)
Realised gains	-	-	-	-	-	184,650	-	184,650
Shares issued to non-controlling interest for cancellation of participation agreement	10,165,156	-	-	-	-	-	-	10,165,156
Foreign currency translation reserve	6,933,620*	-	-	-	-	-	-	6,933,620
Change in fair value of equity investments	(19,215,440)*	(3,252,880)	-	12,821,716	2,717,559	-	-	(6,929,045)
Balance at 31 December 2017	**57,014,708**	**77,708,907**	**3,612,412**	**78,750,010**	**-**	**-**	**-**	**217,086,037**
Merger of Miramar and Cubacan	78,750,010	-	-	(78,750,010)	-	-	-	-
Capital contributions	28,381,566	-	4,387,588	-	-	-	-	32,769,154
Foreign currency translation reserve	(6,575,985)	-	-	-	-	-	-	(6,575,985)
Change in fair value of equity investments	(2,940,123)	(1,543,402)	-	-	-	-	-	(4,483,525)
Balance at 31 December 2018	**154,630,176**	**76,165,505**	**8,000,000**	**-**	**-**	**-**	**-**	**238,795,681**

The movements and changes in the fair value of the equity investments are as follows:

(i) The value of Miramar at 31 December 2018 and 2017 represents the 50% foreign equity interest in Miramar including non-controlling interests.

(ii) The Group owns an 80% interest in Mosaico B.V., which in turn has an indirect 50% share equity interest in TosCuba, a Cuban joint venture company that is developing a 400 room 4-star hotel at Playa Maria Aguilar near the city of Trinidad, Cuba. Construction of the hotel began in December 2018 and is expected to be completed at the end of 2020. The Group has made capital contributions of US$8,000,000 (31 December 2017: US$3,612,412) which is the estimated fair value of the investment. The Group has also entered into a Construction Facility with TosCuba for the purpose of extending to TosCuba part of the funding necessary for the construction of the Meliã Trinidad Playa Hotel (see note 6). The 20% interest in Mosaico B.V. held by a third party has been accounted for as a non-controlling interest in these consolidated financial statements.

* Certain figures of 2017 have been reclassified to match the 2018 presentation, with no impact to total equity.

8. Equity investments (continued)

Below is a description of the equity investments of the Group and the key assumptions used to estimate their fair values.

Monte Barreto

The Group holds the full foreign equity interest of 49% in the Cuban joint venture company Monte Barreto, incorporated in 1996 for the construction and subsequent operation of the Miramar Trade Center. The Miramar Trade Center is a six-building complex comprising approximately 80,000 square meters of constructed area of which approximately 56,000 square meters is net rentable area.

The Group is the sole foreign investor in Monte Barreto and holds its 49% interest in the joint venture company through its wholly-owned subsidiary CEIBA MTC Properties Inc. ("CEIBA MTC"), incorporated in Panama. The remaining 51% interest in Monte Barreto is held by the Cuban partner in the joint venture company.

The incorporation and operations of Monte Barreto are governed by a deed of incorporation (including an association agreement and corporate by-laws) dated 7 March 1996 between CEIBA MTC and the Cuban shareholder. Under the Monte Barreto deed of incorporation, Monte Barreto was incorporated for an initial term of 50 years expiring in 2046. All decisions at shareholder meetings require the unanimous agreement of the Cuban and foreign shareholders.

Key assumptions used in the estimated fair value of Monte Barreto:

The fair value of the equity investment in Monte Barreto is determined by the Investment Manager and the Directors of CEIBA taking into consideration various factors, including estimated future cash flows from the investment, estimated replacement costs, transactions in the private market and other available market evidence to arrive at an appropriate value. The Group also engages an independent valuation firm to perform an independent valuation of the property owned by the joint venture.

The Investment Manager and the Directors may also take into account additional relevant information that impacts the fair value of the equity investment that has not been considered in the valuation of the underlying property of the joint venture. One such fair value consideration is cash held by the joint venture in excess of its working capital needs ("Excess Cash"). As the valuation of the underlying property only assumes a level of working capital to allow for day to day operations, the existence of any Excess Cash needs to be included as an additional component of the fair value of the joint venture company.

In the case of Monte Barreto, the amount of cash required for working capital needs is estimated as the sum of: (i) 30% of tenant deposits, (ii) taxes payable, (iii) dividends declared and payable, (iv) a reserve for employee bonuses, and (v) 2 months of estimated operating expenses. The sum of these amounts are deducted from the balance of cash and cash equivalents of the joint venture with the remaining balance, if any, being considered Excess Cash. At 31 December 2018, the amount of Excess Cash that is included in the fair value of Monte Barreto stated in theses financial statements is US$2,959,505 (2017: US$3,326,889). At 31 December 2017, the amount of cash required for working capital needs was estimated as the sum of: (i) dividends declared and payable, and (ii) 6 months of estimated operating expenses. Subsequent to the review by the Investment Manager of the prior year's estimate (including consultation with the management of Monte Barreto), the calculation was adjusted to a greater level of detail to ensure a more accurate estimation of Excess Cash.

8. Equity investments (continued)

Monte Barreto (continued)

Cash flows have been estimated until 2046 when the joint venture expires. The key assumptions used in the discounted cash flow model are the following:

	31 Dec 2018	31 Dec 2017
Discount rate (after tax) (i)	9.5%	9.9%
Occupancy year 1	100%	99%
Average occupancy year 2 to 8	98%	97%
Occupancy year 8 and subsequent periods	95%	95%
Average rental rates per square meter per month - year 1 to 6	US$26.93	US$25.97
Annual increase in rental rates subsequent to year 6 (ii)	2.5%	2%
Capital investments as percentage of rental revenue	2%	2%

(i) The effective tax rate is estimated to be 19% (2017: 20%).

(ii) The increase in rental rates in subsequent periods is in-line with the estimated rate of long-term inflation.

Miramar

HOMASI is the foreign shareholder (incorporated in Spain) that owns a 50% share equity interest in the Cuban joint venture company Miramar, which owns the Meliã Habana Hotel, a 5-star hotel that has 397 rooms, including 16 suites. Miramar also owns three beach resort hotels in Varadero known as the Meliã Las Americas, Meliã Varadero and Sol Palmeras Hotels having an aggregate total of 1,437 rooms (the "Varadero Hotels"). The Meliã Las Americas Hotel and Bungalows is a 5-star luxury beach resort hotel with 340 rooms, including 90 bungalows and 14 suites and began operations in 1994. The 5-star Meliã Varadero Hotel is located next to the Meliã Las Americas Hotel and has 490 rooms, including 7 suites and began operations in 1992. The Sol Palmeras Hotel is located next to the Meliã Varadero Hotel and has 607 rooms, including 200 bungalows, of which 90 are of suite or deluxe standard and began operations 1990. The remaining share equity interest in Miramar is held by CUBANACAN (as to 50%). All decisions at shareholder meetings require the unanimous agreement of the Cuban and foreign shareholders.

In November 2018, Miramar was merged with Cubacan, the Cuban joint venture company that previously owned the Varadero Hotels. As a result of the merger, the four hotels are now owned by Miramar as the remaining joint venture company. Subsequent to the merger CUBANACAN contributed to Miramar the extension and granting of the surface rights for the four hotels to 2042.

At 31 December 2018 the Group holds 65% of the share equity of HOMASI, representing a 32.5% interest in Miramar. The remaining 35% interest in HOMASI is held by Meliã Hotels International, representing a 17.5% interest in Miramar, and has been accounted for as a non-controlling interest in these consolidated financial statements.

Key assumptions used in the estimated fair value of Miramar:

The fair value of the equity investment in Miramar is determined by the Investment Manager and the Directors of CEIBA taking into consideration various factors, including estimated future cash flows from the investment, estimated replacement costs, transactions in the private market and other available market evidence to arrive at an appropriate value. The Group also engages an independent valuation firm to perform independent valuations of the properties held by the joint venture.

8. Equity investments (continued)

Miramar (continued)

Key assumptions used in the estimated fair value of Miramar (continued):

The Investment Manager and the Directors may also take into account additional relevant information that impacts the fair value of the equity investment that has not been considered in the valuations of the underlying properties of the joint venture. One such fair value consideration is cash held by the joint venture in excess of its working capital needs. As the valuations of the underlying properties only assume a level of working capital to allow for day to day operations, the existence of any Excess Cash needs to be included as an additional component of the fair value of the joint venture company.

In the case of Miramar, the amount of cash required for working capital needs is estimated as the sum of: (i) taxes payable, (ii) dividends declared and payable, (iii) trade payables greater than 90 days outstanding, and (iv) 2 months of estimated operating expenses. The sum of these amounts are deducted from the balance of cash and cash equivalents of the joint venture with the remaining balance, if any, being considered Excess Cash. At 31 December 2018, the amount of Excess Cash that is included in the fair value of Miramar stated in these financial statements is US$21,680,176 (2017: US$2,014,704). At 31 December 2017, the amount of cash required for working capital needs was estimated as the sum of: (i) dividends declared and payable, (ii) an estimate of trade payables above normal working capital levels, and (ii) 6 months of estimated operating expenses. Subsequent to the review by the Investment Manager of the prior year's estimate (including consultation with the hotel operator of the joint venture's hotels – the largest hotel manager in Cuba), the calculation was adjusted to a greater level of detail to ensure a more accurate estimation of Excess Cash.

Cash flows have been estimated for a ten year period. Cash flows from year 11 onward are equal to the capitalised amount of the cash flows at year 10. The key assumptions used in the discounted cash flow model are the following:

	31 Dec 2018	31 Dec 2017
Meliã Habana		
Discount rate (after tax) (i)	12.7%	12.6%
Average occupancy years 1 to 10	72%	78%
Average daily rate per guest - year 1	US$165.95	US$216.00
Average increase in average daily rate per guest - year 2 to 6	10%	6%
Increase in average daily rate per guest subsequent to year 6 (ii)	2.5%	3%
Capital investments as percentage of total revenue	7%	7%

	31 Dec 2018	31 Dec 2017
Meliã Las Americas		
Discount rate (after tax) (iii)	12.2%	12.1%
Average occupancy year 1 to 3	82%	83%
Occupancy year 4 and subsequent periods	83%	84%
Average daily rate per guest - year 1	US$148.37	US$167.75
Average increase in average daily rate per guest - year 2 to 6	3%	3%
Increase in average daily rate per guest subsequent to year 6 (ii)	2.5%	2%
Capital investments as percentage of total revenue	7%	7%

8. Equity investments (continued)

Miramar (continued)
Key assumptions used in the estimated fair value of Miramar (continued):

Meliã Varadero		
Discount rate (after tax) (iii)	12.2%	12.1%
Average occupancy year 1 to 5	81%	80%
Occupancy year 6 and subsequent periods	81%	81%
Average daily rate per guest – year 1	US$118.13	US$124.81
Average increase in average daily rate per guest – year 2 to 6	3%	3%
Increase in average daily rate per guest subsequent to year 6 (ii)	2.5%	2%
Capital investments as percentage of total revenue	7%	7%

Sol Palmeras		
Discount rate (after tax) (iii)	12.2%	12.1%
Average occupancy year 1 to 5	84%	84%
Occupancy year 6 and subsequent periods	84%	85%
Average daily rate per guest - year 1	US$103.01	US$104.49
Increase in average daily rate per guest – year 2	5%	3%
Average increase in average daily rate per guest – year 3 to 6	3%	3%
Increase in average daily rate per guest subsequent to year 6 (ii)	2.5%	2%
Capital investments as percentage of total revenue	7%	7%

(i) The effective tax rate is estimated to be 19% (2017: 22%).
(ii) The increase in the average daily rate per guest in subsequent periods is in-line with the estimated rate of long-term inflation.
(iii) The effective tax rate is estimated to be 21% (2017: 24%).

Sensitivity to changes in the estimated rental rates / average daily rates

The following tables detail the change in fair values of the equity investments, which have been estimated under the discounted cash flow method, when applying rental rates / average daily rates between 15% lower and 15% higher than the rates used in these consolidated financial statements.

The following table details the fair values of the equity investments at 31 December 2018 when applying lower rental rates / average daily rates:

	Financial statements US$	**-5%** US$	**-10%** US$	**-15%** US$
Monte Barreto	76,165,505	72,395,925	68,626,345	64,856,765
Miramar	154,630,176	148,425,688	142,213,285	135,998,848

8. Equity investments (continued)

Sensitivity to changes in the estimated rental rates / average daily rates (continued)

The following table details the fair values of the equity investments at 31 December 2018 when applying higher rental rates / average daily rates:

	Financial statements US$	+5% US$	+10% US$	+15% US$
Monte Barreto	76,165,505	79,935,085	83,704,665	87,474,245
Miramar	154,630,176	160,834,665	167,039,155	173,243,646

The following table details the fair values of the equity investments at 31 December 2017 when applying lower rental rates / average daily rates:

	Financial statements US$	-5% US$	-10% US$	-15% US$
Monte Barreto	77,708,907	74,081,168	70,453,429	66,825,690
Miramar	57,014,708	54,295,459	51,576,211	48,856,964
Cubacan	78,750,010	74,818,587	70,887,165	66,955,744

The following table details the fair values of the equity investments at 31 December 2017 when applying higher rental rates / average daily rates:

	Financial statements US$	+5% US$	+10% US$	+15% US$
Monte Barreto	77,708,907	81,336,647	84,964,386	88,592,125
Miramar	57,014,708	59,692,125	62,348,347	64,998,478
Cubacan	78,750,010	82,681,432	86,612,855	90,544,279

8. Equity investments (continued)

Sensitivity to changes in the occupancy rates

The following tables detail the change in fair values of the equity investments, which have been estimated under the discounted cash flow method, when applying occupancy rates between 15% lower and 15% higher than the rates used in these consolidated financial statements.

The following table details the fair values of the equity investments at 31 December 2018 when applying lower occupancy rates:

	Financial statements US$	**-5%** US$	**-10%** US$	**-15%** US$
Monte Barreto	76,165,505	72,230,239	68,289,794	64,343,255
Miramar	154,630,176	146,970,365	139,298,568	131,614,024

The following table details the fair values of the equity investments at 31 December 2018 when applying higher occupancy rates:

	Financial statements US$	**+5%** US$	**+10%** US$	**+15%** US$
Monte Barreto (i)	76,165,505	79,432,599	n/a	n/a
Miramar	154,630,176	162,286,229	169,942,284	177,592,705

(i) In the case of Monte Barreto, only a constant occupancy rate of 100% is shown under the increase of 5% as projected occupancy is already above or equal to 95%.

The following table details the fair values of the equity investments at 31 December 2017 when applying lower occupancy rates:

	Financial statements US$	**-5%** US$	**-10%** US$	**-15%** US$
Monte Barreto	77,708,907	73,922,313	70,130,357	66,332,083
Miramar	57,014,708	53,552,446	50,090,186	46,620,660
Cubacan	78,750,010	74,018,212	69,286,415	64,554,619

8. Equity investments (continued)

Sensitivity to changes in the occupancy rates (continued)

The following table details the fair values of the equity investments at 31 December 2017 when applying higher occupancy rates:

	Financial statements US$	+5% US$	+10% US$	+15% US$
Monte Barreto (i)	77,708,907	81,490,913	-	-
Miramar	57,014,708	60,410,407	63,783,611	67,065,994
Cubacan	78,750,010	83,481,808	88,213,607	92,945,406

(ii) In the case of Monte Barreto, only a constant occupancy rate of 100% is shown under the increase of 5% as projected occupancy is already above or equal to 95%.

Sensitivity to changes in the discount and capitalisation rates

The following tables detail the change in fair values of the equity investments, which have been estimated under the discounted cash flow method, when applying both discount and capitalisation rates between 3% lower and 3% higher than the rates used in these consolidated financial statements.

The following table details the fair values of the equity investments at 31 December 2018 when applying lower discount and capitalization rates:

	Financial statements US$	-1% US$	-2% US$	-3% US$
Monte Barreto	76,165,505	82,383,213	89,565,609	97,908,076
Miramar	154,630,176	170,289,179	189,951,563	215,364,775

The following table details the fair values of the equity investments at 31 December 2018 when applying higher discount and capitalization rates:

	Financial statements US$	+1% US$	+2% US$	+3% US$
Monte Barreto	76,165,505	70,753,968	66,019,424	61,856,143
Miramar	154,630,176	141,869,178	131,272,828	122,335,494

8. Equity investments (continued)

Sensitivity to changes in the discount and capitalisation rates (continued)

The following table details the fair values of the equity investments at 31 December 2017 when applying lower discount and capitalization rates:

	Financial statements US$	-1% US$	-2% US$	-3% US$
Monte Barreto	77,708,907	84,943,551	93,389,812	103,309,937
Miramar	57,014,708	63,400,510	71,302,115	81,320,665
Cubacan	78,750,010	88,238,473	100,084,625	115,284,461

The following table details the fair values of the equity investments at 31 December 2017 when applying higher discount and capitalization rates:

	Financial statements US$	+1% US$	+2% US$	+3% US$
Monte Barreto	77,708,907	71,475,593	66,074,183	61,367,533
Miramar	57,014,708	51,751,107	47,341,229	43,595,686
Cubacan	78,750,010	70,981,953	64,507,593	59,030,462

Sensitivity to changes in the estimation of Excess Cash

The fair values of the equity investments have been estimated using the discounted cash flow method and adjusted for the Excess Cash held by the joint venture companies. Within the calculation of Excess Cash, it is estimated that the joint ventures will maintain a sufficient cash balance for working capital purposes equal to the equivalent of two months' operating expenses.

The following table details the changes in fair values of the equity investments at 31 December 2018 if the number of months of operating expenses used in the calculation is increased by an additional 1 to 3 months in comparison to the calculation used in these consolidated financial statements.

	Financial statements US$	+ 1 month US$	+ 2 months US$	+ 3 months US$
Monte Barreto	76,165,505	75,925,078	75,684,651	75,444,225
Miramar	154,630,176	152,001,858	149,373,541	146,745,223

8. Equity investments (continued)

Sensitivity to changes in the estimation of Excess Cash (continued)

The following table details the changes in fair values of the equity investments at 31 December 2017 if the number of months of operating expenses used in the calculation is increased by an additional 1 to 3 months in comparison to the calculation used in these consolidated financial statements.

	Financial statements	**+ 1 month**	**+ 2 months**	**+ 3 months**
	US$	US$	US$	US$
Monte Barreto	77,708,907	77,463,907	77,218,907	76,973,907
Miramar	57,014,708	56,264,708	55,514,708	54,764,708
Cubacan	78,750,010	78,750,010	78,750,010	78,750,010

A reduction in the number of months of operating expenses used in the calculation would increase the the changes in fair values of the equity investments at 31 December 2018 and 2017, however this is considered unlikely and therefore the related sensitivities have not been shown.

TosCuba

At 31 December 2018 the Group owned an 80% interest in Mosaico B.V., which in turn had an indirect 50% share equity interest in TosCuba, a Cuban joint venture company that is developing a 400 room 4-star hotel at Playa Maria Aguilar near the city of Trinidad, Cuba. Construction of the hotel began in December 2018 and is expected to be completed at the end of 2020. The Group has made capital contributions of US$8,000,000 (31 December 2017: US$3,612,412) which is the estimated fair value of the investment.

Dividend income from equity investments

Dividend income (including participation payments) from the equity investments above during the period is as follows:

	12 months 31 Dec 2018	**9 months 31 Dec 2017**
	US$	US$
Monte Barreto	7,583,366	5,003,341
Miramar	8,575,092	2,799,066
Corporación Interinsular Hispana S.A. (i)	-	628,850
	16,158,458	**8,431,257**

(i) Corporación Interinsular Hispana S.A. ("CIHSA") was the Spanish holding company that owned a 50% equity interest in Cubacan which previously owned the three hotels located in Varadero (Meliã las Americas, Meliã Varadero and Sol Palmeras Hotels) prior to its merger with Miramar in November 2018. In November 2017, the Group acquired a controlling interest in CIHSA which was subsequently merged into HOMASI. These dividends represent amounts received at the time the Group held a minority interest in CIHSA.

8. Equity investments (continued)

Financial information of joint venture companies

The principal financial information of the joint venture companies for the years ended 31 December 2018 and 2017 is as follows:

	Monte Barreto (i)		Miramar (i)		Cubacan		TosCuba (iv)	
	2018 US$ 000's	2017 US$ 000's	2018(ii) US$ 000's	2017 US$ 000's	2018(iii) US$ 000's	2017(i) US$ 000's	2018 US$ 000's	2017 US$ 000's
Cash and equivalents	7,191	5,790	66,352	15,249	48,336	35,786	3,184	446
Other current assets	5,670	5,411	19,213	4,886	13,025	18,532	8,586	49
Non-current assets	50,006	51,257	136,973	28,603	74,823	79,104	10,196	6,713
Current financial liabilities	6,286	3,326	23,624	5,871	36,365	41,072	1,217	191
Other current liabilities	-	-	-	-	-	-	-	-
Non-current financial liabilities	3,675	3,438	1,041	29	-	655	4,750	-
Other non-current liabilities	-	-	-	-	-	-	-	-
Revenue	23,396	23,072	38,138	28,367	56,064	73,624	-	-
Interest income	31	26	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-
Depreciation and amortisation	1,606	1,528	2,623	1,499	3,973	4,132	-	-
Taxation	3,038	3,884	1,998	1,773	1,559	1,999	-	-
Profit (loss) from continuing operations	12,714	11,509	8,486	9,634	13,178	17,196	-	-
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income (loss)	12,714	11,509	8,486	9,634	13,178	17,196	-	-

(i) Figures obtained from financial statements prepared under IFRS.

(ii) Cubacan was merged with Miramar in November 2018. As such, amounts recorded in the statement of comprehensive income of Cubacan prior to 30 September 2018 have not been included in the 2018 figures of Miramar.

(iii) Figures of 2018 of Cubacan are from its final financial statements for the nine months ended 30 September 2018 prior to its merger with Miramar (see note 7). Figures of 2018 have been obtained from financial statements prepared under Cuban GAAP.

(iv) Figures obtained from financial statements prepared under Cuban GAAP.

9. Property, plant and equipment

	Motor vehicles US$	**Office furniture and equipment** US$	**Works of art** US$	**Total** US$
Cost:				
At 1 April 2017	335,672	148,105	384,800	**868,577**
Charge	-	10,531	-	**10,531**
At 31 December 2017	335,672	158,636	384,800	**879,108**
Additions	-	23,688	7,000	**30,688**
Revaluation	-	-	50,250	**50,250**
Disposals	(5,500)	-	-	**(5,500)**
At 31 December 2018	330,172	182,324	442,050	**954,546**
Accumulated Depreciation:				
At 1 April 2017	258,549	90,972	-	**349,521**
Charge	23,419	10,498	-	**33,917**
At 31 December 2017	281,968	101,470	-	**383,438**
Charge	21,665	16,028	-	**37,693**
Disposals	(3,850)	-	-	**(3,850)**
At 31 December 2018	299,783	117,498	-	**417,281**
Net book value:				
At 31 December 2017	53,704	57,166	384,800	**495,670**
At 31 December 2018	30,389	64,826	442,050	**537,265**

10. Accounts payable and accrued expenses

	31 Dec 2018 US$	31 Dec 2017 US$
Due to Miramar (i)	-	1,350,177
Participation payments payable (ii)	-	313,373
Due to shareholders (iii)	1,305,982	-
Accrued professional fees	374,250	285,500
Management fees payable (see note 16)	288,269	-
Due to Enrique Rottenberg	57,809	179,735
Accrued Directors fees	57,579	28,353
Due to Intercan Inc.	2,865	213,845
Due to Joss Ebbers	-	672,683
Other accrued expenses	51,764	124,995
Other accounts payable	64,435	274,403
	2,202,953	**3,443,064**

(i) Due to Miramar relates to advances received by HOMASI. The amount was settled in connection with the capital contribution made to Miramar during 2018.

(ii) Participation payments payable relate to amounts earned by third parties under participation agreements with HOMASI, a subsidiary of the Group, and were pending distribution at the end of the prior period. These amounts were paid in January 2018.

(iii) Due to shareholders represents past dividends declared that the Group has been unable to settle due to reasons internal to the relevant shareholders. It is anticipated that the Group will be able to settle this amount within the first half of 2019.

The future maturity profile of accounts payable and accrued expenses based on contractual undiscounted payments:

	31 Dec 2018 US$	31 Dec 2017 US$
Up to 30 days	134,777	1,448,760
Between 31 and 90 days	762,194	464,127
Between 91 and 180 days	1,305,982	1,530,177
	2,202,953	**3,443,064**

11. Short-term borrowings

	31 Dec 2018 US$	31 Dec 2017 US$
Northview Investment Fund Ltd. (i)	-	35,820,895
	-	**35,820,895**

(i) On 8 November 2017 the Group entered into a bridge loan agreement (as amended on 3 April 2018 and 30 July 2018) with Northview Investment Fund Ltd., a shareholder of the Group, to borrow €30,000,000 (US$35,374,619) with an annual interest rate of 12.0% which amounted to interest incurred for the year ended 31 December 2018 of US$3,560,772 (2017: US$ 877,789). The principal was due in full on or before 1 April 2020 with accrued interest payments made quarterly until the final principal payment date. Short-term borrowings were secured by a conversion right which allowed the lender to convert outstanding amounts to shares of CEIBA and a security interest in the shares of CEIBA Property Corporation Ltd. The principal and outstanding interest under the bridge loan was paid in full on on 25 October 2018.

The movement of the short-term borrowings is as follows:

	31 Dec 2018 US$	31 Dec 2017 US$
Initial balance	35,820,895	**-**
Gain on settlement of financial liabilities	(1,625,406)	-
Change in fair value of financial liabilities	-	446,276
Cash (paid) / received	(34,195,489)	35,374,619
Final balance	**-**	**35,820,895**

The future maturity profile of the principal payments of short-term borrowings based on contractual undiscounted payments was as follows:

	31 Dec 2018 US$	31 Dec 2017 US$
Between 181 and 365 days	-	35,820,895
	-	**35,820,895**

The future maturity profile of the interest payments related to short-term borrowings based on contractual undiscounted payments was as follows:

	31 Dec 2018 US$	31 Dec 2017 US$
Between 31 and 90 days	-	1,074,600
Between 91 and 180 days	-	1,098,480
Between 181 and 365 days	-	561,180
	-	**2,734,260**

12. Stated capital and net asset value

Authorised
The Group has the power to issue an unlimited number of shares. The issued shares of the Group are ordinary shares of no par value.

Issued
The following table shows the movement of the issued shares during the period/year:

	Number of ordinary shares	Stated capital US$
Stated capital		
Stated capital at 1 April 2017	13,458,947	68,672,009
Stated capital at 31 December 2017	**13,458,947**	**68,672,009**
Split of shares at 12 September 2018 (i)	107,671,576	68,672,009
Issuance of shares (ii)	30,000,000	37,966,014
Stated capital at 31 December 2018	**137,671,576**	**106,638,023**

* Figures representing ordinary shares prior to 12 September 2018 are presented on a pre-share split basis.

(i) On 12 September 2018, the 13,458,947 issued ordinary shares of CEIBA were split on an 8-for-1 basis, and consequently each shareholder of the CEIBA received 8 new ordinary shares of no par value for each ordinary share held. All existing pre-split ordinary shares were automatically cancelled upon issuance of the 107,671,576 new post-split ordinary shares

(ii) On 22 October 2018, CEIBA listed all its existing ordinary shares on the Specialist Fund Segment of the Main Market of the London Stock Exchange. In connection with the Listing, CEIBA also issued 30,000,000 new ordinary shares by an Initial Public Offering with an issue price of GBP 1.00 per share. The net proceeds of the share issuance has been calculated as follows:

	US$
Gross proceeds (GBP 30,000,000)	39,114,000
Share issue costs	(1,147,986)
Net proceeds of initial public offering	**37,966,014**

Rights, preferences and restrictions attaching to shares
The holder of each share is entitled to one vote at any Shareholders' meeting, to receive a share of any dividends declared by the Directors and to a share of the residual net assets upon winding up of CEIBA.

12. Stated capital and net asset value (continued)

Net asset value

The net asset value attributable to the shareholders of the Group ("NAV") is calculated as follows:

	31 Dec 2018 US$	31 Dec 2017 US$
Total assets	268,352,002	268,375,632
Total liabilities	(7,036,286)	(39,263,959)
Less: non-controlling interests	(55,674,370)	(53,891,522)
NAV	**205,641,346**	**175,220,151**
Number of ordinary shares issued (i)	137,671,576	107,671,576
NAV per share	**1.49**	**1.63**

(i) Ordinary shares at 31 December 2017 are presented on a post-share split basis.

Non-controlling interest

At 31 December 2018, the non-controlling interest corresponds to the 35% participation of Meliã Hotels International, in the equity of HOMASI and the 20% participation of Meliã Hotels International, in the equity of Mosaico B.V.

The non-controlling interests in the above companies are as follows:

	31 Dec 2018 US$	31 Dec 2017 US$
Non-controlling interest of HOMASI	54,161,837	53,201,995
Non-controlling interest of Mosaico B.V.	1,512,533	689,527
Total non-controlling interests	**55,674,370**	**53,891,522**

The movement of the non-controlling interests is as follows:

	31 Dec 2018 US$	31 Dec 2017 US$
Initial balance	53,891,522	659,583
Interest of non-controlling interest in net income/(loss)	2,141,153	(40,056)
Non-controlling interest generated during period	-	53,132,671
Net other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods	(2,550,040)	69,324
Capital contributions from non-controlling interest	2,191,735	70,000
Final balance	**55,674,370**	**53,891,522**

12. Stated capital and net asset value (continued)

Non-controlling interest (continued)

The movement of the non-controlling interests of Mosaico B.V. is as follows:

	31 Dec 2018 US$	31 Dec 2017 US$
Initial balance	689,527	659,583
Interest of non-controlling interest in net loss	(36,994)	(40,056)
Capital contributions from non-controlling interest	860,000	70,000
Final balance	**1,512,533**	**689,527**

The movement of the non-controlling interests HOMASI is as follows:

	31 Dec 2018 US$	31 Dec 2017 US$
Initial balance	53,201,995	-
Non-controlling interest generated during period	-	53,132,671
Net other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods	(2,550,040)	69,324
Interest of non-controlling interest in net income	2,178,147	-
Capital contributions attributable to non-controlling interest (i)	1,331,735	-
Final balance	**54,161,837**	**53,201,995**

(i) During 2018, the non-controlling interest of HOMASI made capital contributions in excess of its equity interest totalling US$3,671,109 of which US$2,339,374 was attributable to the Group and US$1,331,735 to the non-controlling interest.

The principal financial information of HOMASI and Mosaico B.V. for the years ended 31 December 2018 and 2017 is as follows:

	HOMASI		Mosaico BV.	
	2018 US$ 000's	**2017** US$ 000's	**2018** US$ 000's	**2017** US$ 000's
Current assets	211	18,719	-	340
Non-current assets	154,630	135,765	8,000	3,612
Current liabilities	(291)	(2,676)	(437)	(505)
Equity	(154,550)	(151,808)	(7,563)	(3,448)
Income	7,406	358	-	-
Expenses	(1,183)	(8,264)	(185)	(200)
Depreciation	-	-	-	-
Taxation	-	-	-	-
Net income/(loss) for the year	6,223	(7,906)	(185)	(200)
Other comprehensive (loss)/income	(7,286)	7,132	-	-
Total comprehensive loss	(1,063)	(774)	(185)	(200)

13. Reportable operating segments

IFRS 8 requires the Group to report on where primary business activities are engaged and where the Group earns revenue, incurs expenses and where operating results are reviewed by chief operating decision maker about resources allocated to the segment and assess its performance and for which discrete financial information is available. As a result the primary segment reporting format is determined to be business segments as the Group's risks and returns are affected by the differences in investment activities. No geographical information is reported since all investment activities are located in Cuba. The operating businesses are organised and managed separately through different companies. For management purposes, the Group is currently organised into three business segments:

- *Commercial property:* Activities concerning the Group's interests in commercial real estate investments in Cuba.
- *Tourism / Leisure:* Activities concerning the Group's interests in hotel investments in Cuba and operations of a travel agency that provides services to international clients for travel to Cuba.
- *Other:* Includes interest from loans and lending facilities, the Group entered into a construction finance agreement (the "Construction Facility") with TosCuba S.A. ("TosCuba") for the purpose of extending to TosCuba part of the funding necessary for the construction of the Meliã Trinidad Playa Hotel and also includes a facility provided to Casa Financiera FINTUR S.A. ("FINTUR"). (see note 6 for further details)

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating income or loss and is measured consistently with operating income or loss in the consolidated financial statements. The Group has applied judgment by aggregating its operating segments according to the nature of the underlying investments. Such judgment considers the nature of operations, types of customers and an expectation that operating segments within a reportable segment have similar long-term economic characteristics.

13. Reportable operating segments (continued)

	31 December 2018 US$			
	Commercial property	**Tourism / Leisure**	**Other**	**Total**
Total assets	85,548,677	179,942,146	2,861,179	**268,352,002**
Total liabilities	(764,593)	(6,271,693)	-	**(7,036,286)**
Total net assets	**84,784,084**	**173,670,453**	**2,861,179**	**261,315,716**
Dividend income	7,583,366	8,575,092	-	**16,158,458**
Other income	-	89,264	1,946,729	**2,035,993**
Change in fair value of equity investments	(1,543,402)	(2,940,123)	-	**(4,483,525)**
Allocated expenses	(4,369,969)	(5,543,096)	(668,444)	**(10,581,509)**
Foreign exchange gain	-	-	787,662	**787,662**
Net income	**1,669,995**	**181,137**	**2,065,947**	**3,917,079**
Other comprehensive loss	-	-	(7,235,581)	**(7,235,581)**
Total comprehensive income/(loss)	**1,669,995**	**181,137**	**(5,169,634)**	**(3,318,502)**
Other segment information:				
Property, plant and equipment additions	10,922	19,766	-	**30,688**
Depreciation	35,187	2,506	-	**37,693**

	31 December 2017 US$			
	Commercial property	**Tourism / Leisure**	**Other**	**Total**
Total assets	83,350,106	180,456,372	4,569,154	**268,375,632**
Total liabilities	(757,238)	(38,506,721)	-	**(39,263,959)**
Total net assets	**82,592,868**	**141,949,651**	**4,569,154**	**229,111,673**
Change in fair value of equity investments	(3,252,880)	(3,676,165)	-	**(6,929,045)**
Dividend income	5,003,341	3,427,916	-	**8,431,257**
Other income	-	132,127	497,995	**630,122**
Allocated expenses	(1,430,465)	(2,547,218)	(46,833)	**(4,024,516)**
Foreign exchange gain	-	-	377,108	**377,108**
Net income/(loss)	**319,996**	**(2,663,340)**	**828,270**	**(1,515,074)**
Other comprehensive income	-	-	7,131,689	**7,131,689**
Total comprehensive income	**319,996**	**(2,663,340)**	**7,959,959**	**5,616,615**
Other segment information:				
Property, plant and equipment additions	10,531	-	-	**10,531**
Depreciation	31,468	2,449	-	**33,917**

14. Related parties disclosures

Compensation of Directors

As of 15 June 2018, each Director receives a fee of £35,000 (US$44,419) per annum with the Chairman receiving £40,000 (US$50,754). The Chairman of the Audit Committee also receives an annual fee of £40,000 (US$50,764). Prior to 15 June 2018, each Director received a fee of €9,000 (US$10,296) per annum and the Chairman received €25,000 (US$28,600). The Chairman and Directors also received €1,700 (US$2,030) in attendance fees per quarterly meeting. The Chairman and Directors are also reimbursed for other expenses properly incurred by them in attending meetings and other business of the Group. No other compensation or post-employment benefits are provided to Directors. Total Director fees, including the fees of the Chairman, for the year ended 31 December 2018 were US$146,246 (nine months ended 31 December 2017: US$56,031).

Transactions with other related parties

Transactions and balances between the Group and the joint venture companies included within the equity investments of the Group are detailed in notes 5, 6, 7, 8 and 10.

CPC and and GrandSlam Limited, wholly-owned subsidiaries of the Group, lease office space totalling 319 square meters from Monte Barreto, a commercial property investment in which the Group holds a 49% interest. The rental charges paid under these leases are accounted for in operational costs and for the twelve months ended 31 December 2018 amounted to US$143,788 (nine months ended 31 December 2017: US$106,835) with an average rental charge per square meter at 31 December 2018 of US$26.79 (2017: US$25.74) plus an administration fee of US$9.75 per square meter.

Transactions with Investment Manager

Under the terms of the Management Agreement, Aberdeen Standard Fund Managers Limited is entitled, with effect from 1 November 2018, to receive an annual management fee equivalent to 1.5 per cent. of net asset value. The annual management fee payable by the Group to ASFML will be lowered by the (annual) running costs of the Havana operations of CEIBA Property Corporation Limited, a subsidiary of the Group. The management fees earned by the Investment Manager for the year ended 31 December 2018 were US$525,224 (see note 16). In connection with the Management Agreement, ASFML paid the Group US$5,000,000 of which US$4,833,333 has been included in deferred liabilities (see note 16). Aberdeen Standard Fund Managers Limited is a wholly-owned subsidiary of Standard Life Aberdeen plc which has an interest in 9,747,852 shares of the stated capital (2017: nil).

Interests of Directors and Executives in the stated capital

At 31 December 2018 John Herring, a Director of CEIBA, had an indirect interest of 40,000 shares (2017: nil).

At 31 December 2018 Peter Cornell, a Director of CEIBA, has an indirect interest of 100,000 shares (2017: nil).

At 31 December 2018 Trevor Bowen a Director of CEIBA, has an indirect interest of 43,600 shares (2017: nil).

At 31 December 2018 Colin Kingsnorth, a Director of the CEIBA, is a director and shareholder of Laxey Partners Limited (“Laxey”). Laxey holds 17,303,252 shares (2017: 13,070,728 shares). Funds managed by Laxey hold 13,676,064 shares (2017: 13,676,064 shares).

14. Related parties disclosures (continued)

Interests of Directors and Executives in the stated capital (continued)

At 31 December 2018 Sebastiaan A.C. Berger, Portfolio manager and Chief Executive Officer of CEIBA, has an interest of 3,273,081 shares (2017: 2,302,464 shares).

At 31 December 2018 Cameron Young, Chief Operating Officer of CEIBA, has an interest of 4,129,672 shares (2017: 3,979,672 shares).

At 31 December 2018 Paul S. Austin, Chief Financial Officer of CEIBA, has an interest of 144,000 shares (2017: 144,000).

Included within the management salaries expense of US$2,672,549 (nine months ended 31 December 2017: US$1,027,290) are costs related to the executives of CEIBA totalling US$1,824,549 (nine months ended 31 December 2017: US$669,590).

15. Basic and diluted earnings per share

The earnings per share has been calculated on a weighted-average basis and is arrived at by dividing the net income for the year/period attributable to shareholders by the weighted-average number of shares in issue. The weighted-average number of shares in issue has been updated to take into account the share split for current and comparative figures below:

	12 Months **31 Dec 2018** US$	**9 months** **31 Dec 2017** US$
Weighted average of ordinary shares in issue	113,425,001	107,671,576
Net income/loss for the year/period attributable to the shareholders	1,775,926	(1,475,018)
Basic and diluted earnings/(loss) per share	0.02	(0.01)

16. Investment Manager

On 31 May 2018, the Group entered into a Management Agreement under which Aberdeen Standard Fund Managers Limited ("ASFML") was appointed as the Group's alternative investment fund manager to provide portfolio and risk management services to the Group. The Management Agreement took effect on 1 November 2018. ASFML has delegated portfolio management to Aberdeen Asset Investments Limited (the "Investment Manager"). Both ASFML and the Investment Manager are wholly-owned subsidiaries of Standard Life Aberdeen plc.

Pursuant to the terms of the Management Agreement, ASFML is responsible for portfolio and risk management on behalf of the Group and will carry out the on-going oversight functions and supervision and ensure compliance with the applicable requirements of the AIFM Rules. Under the terms of the Management Agreement, ASFML is entitled, with effect from 1 November 2018, to receive an annual management fee equivalent to 1.5 per cent. of net asset value. The annual management fee payable by the Group to ASFML will be lowered by the (annual) running costs of the Havana operations of CEIBA Property Corporation Limited, a subsidiary of the Group. The management fees earned by the Investment Manager for the year ended 31 December 2018 were US$525,224.

There are no performance, acquisition, exit or property management fees payable to ASFML or the Investment Manager.

16. Investment Manager (continued)

In connection with the Management Agreement, ASFML paid the Group US$5,000,000 with the purpose of compensating the Group for the costs related to the initial public offering and the listing of its shares on the SFS as well as for releasing and making available the Group's internal management team to ASFML. In the event that the Management Agreement is terminated prior to the fifth anniversary of its coming into effect, the Group must pay ASFML a prorated amount of the US$5,000,000 based on the amount of time remaining in the five year period. As such, this payment has been recorded as deferred liability and is being amortised over the five year period. The amount amortised each period is accounted for as a reduction of the management fee. At 31 December 2018, the amount of the payment recorded as a deferred liability is US$4,833,333 with US$1,000,000 being the current portion and US$3,833,33 being the non-current portion.

For the year ended 31 December 2018, the amount of the payment amortised and recorded as a reduction of the management fee was US$166,667:

	2018
	US$
Management fees earned	525,224
Amortisation of deferred liability	(166,667)
Management fee expense	**358,557**

17. Commitments and contingencies

Operating lease commitments
The Group has operating leases for office building space. These have a contractual life of one year with automatic renewal of one year after each maturity. There are no restrictions placed upon the lessee by entering into these leases. The annual lease payments in place at 31 December 2018 were US$146,469 (31 December 2017: US$142,447).

The rental charges paid under operating leases accounted for in operational costs of the statement of comprehensive income for the year ended 31 December 2018 amounted to US$143,788 (nine months ended 31 December 2017: US$106,835).

TosCuba Construction Facility
In April 2018, the Group entered into the TosCuba Construction Facility for the purpose of extending to TosCuba part of the funding necessary for the construction of the Meliã Trinidad Playa Hotel. The Construction Facility is in the maximum principal amount of US$45,000,000, divided into two separate tranches of US$22,500,000 each, US$4,749,764 of which has been advanced as at 31 December 2018. The Group has the right to syndicate Tranche B of the Construction Facility to other lenders (see note 6).

18. Financial risk management

Introduction
The Group is exposed to financial risks that are managed through a process of identification, measurement and monitoring and subject to risk limits and other controls. The objective of the Group is, consequently, to achieve an appropriate balance between risk and benefits, and to minimise potential adverse effects arising from its financial activity.

18. Financial risk management (continued)

Introduction (continued)
The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risks. Management reviews policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the period to which these consolidated financial statements relate.

Market risk
Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in market variables. Market price risk comprises two types of risks: foreign currency risk and interest rate risk. The Group is not materially exposed to market price risk.

(i) Foreign currency risk
Currency risk is the risk that the value of a financial instrument denominated in a currency other than the functional currency will fluctuate due to changes in foreign exchange rates.

The statement of comprehensive income and the net value of assets can be affected by currency translation movements as certain assets and income are denominated in currencies other than US$.

Management has identified the following three main areas of foreign currency risk:

- Movements in rates affecting the value of loans and advances denominated in Euros;
- Movements in rates affecting the value of cash and cash equivalents denominated in Euros; and
- Movements in rates affecting any interest income received from loans and advances denominated in Euros.

The sensitivity of the income (loss) to a variation of the exchange rate (EUR/US$) in relation to Euro denominated assets is the following:

Effect of the variation in the foreign exchange rate %	Income (loss) **31 Dec 2018** US$	Income (loss) **31 Dec 2017** US$
+15	2,613,683	4,129,187
+20	3,484,911	5,505,582
-15	(2,613,683)	(4,129,187)
-20	(3,484,911)	(5,505,582)

(ii) Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows may fluctuate due to changes in market interest rates.

At any time that it is not fully invested in equities, surplus funds may be invested in fixed-rate and floating-rate securities both in Euro and in currencies other than Euro. Although these are generally short-term in nature, any change to the interest rates relevant for particular securities may result in either income increasing or decreasing, or management being unable to secure similar returns on the expiry of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of securities held. In general, if interest rates rise, income potential also rises but the value of fixed rate securities may decline. A decline in interest rates will in general have the opposite effect.

18. Financial risk management (continued)

Market price risk (continued)

(ii) Interest rate risk (continued)

As the only interest-bearing financial instruments held by the Group are fixed rate assets measured at amortised cost, the Group has no material interest rate risk and therefore no sensitivity analysis has been presented.

The interest rate risk profile of the Group's consolidated financial assets was as follows:

	Total US$	Fixed rate US$	Floating rate US$	Non-interest bearing US$
31 December 2018				
Equity investments (US$)	238,795,681	-	-	238,795,681
Loans and lending facilities (€)	2,764,550	2,764,550	-	-
Loans and lending facilities (US$)	4,749,764	4,749,764	-	-
Accounts receivable and accrued income (US$)	1,431,484	-	-	1,431,484
Accounts receivable and accrued income (€)	258,468	-	-	258,468
Cash at bank (€)	18,814,623	2,027,302	-	16,787,321
Cash at bank (US$)	117,073	-	-	117,073
Cash at bank (AED)	-	-	-	-
Cash at bank (GBP)	865,614	-	-	865,614
Cash on hand (€)	583	-	-	583
Cash on hand (US$)	8,545	-	-	8,545
Cash on hand (CUC)	8,352	-	-	8,352

	Total US$	Fixed rate US$	Floating rate US$	Non-interest bearing US$
31 December 2017				
Equity investments (US$)	217,086,037	-	-	217,086,037
Loans and lending facilities (€)	4,477,612	4,477,612	-	-
Accounts receivable and accrued income (US$)	34,558,689	-	-	34,558,689
Accounts receivable and accrued income (€)	127,522	-	-	127,522
Cash at bank (€)	9,448,097	5,615,880	-	3,832,217
Cash at bank (US$)	216,868	-	-	216,868
Cash at bank (GBP)	73	-	-	73
Cash at bank (AED)	1,953,135	-	-	1,953,135
Cash on hand (€)	1,604	-	-	1,604
Cash on hand (US$)	7,079	-	-	7,079
Cash on hand (CUC)	3,246			3,246

18. Financial risk management (continued)

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation, expected credit losses are measured using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining an expected credit loss. Refer to note 6 for the assessment expected credit loss for loans and lending facilities.

Maximum exposure to credit risk
The table below shows the maximum exposure to credit risk for each component of the consolidated statement of financial position as well as future loan commitments, irrespective of guarantees received:

	31 Dec 2018	**31 Dec 2017**
	US$	US$
Loans and lending facilities	7,514,314	4,477,612
Future loan commitments (TosCuba Construction Facility) (i)	40,250,236	-
Accounts receivable and accrued income	1,689,952	34,686,211
Cash and cash equivalents	19,814,790	11,630,102
Total maximum exposure to credit risk	**69,269,292**	**50,793,925**

(i) The TosCuba Construction Facility is secured by future income of the hotel under construction and 50% of the principal construction amount is further secured by a guarantee given by Cubanacán S.A., Corporación de Turismo y Comercio Internacional, the Cuban shareholder of TosCuba S.A., backed by income from another hotel in Cuba.

The Group holds its cash and cash equivalents at financial institutions located in the countries listed below. Also included in the following table are the credit ratings of the corresponding financial institutions, as determined by Moody's:

	Credit Rating	**31 Dec 2018**	**31 Dec 2017**
		US$	US$
Cash at bank			
Cuba	Caa2	112,661	212,199
Guernsey	A2	3,760,419	2,722,601
The Netherlands	A2	-	375,531
Spain	Ba3	13,877,600	2,077,184
Spain	A2	19,328	604,596
Spain	Baa2	2,027,302	5,626,062
		19,797,310	**11,618,173**
Cash on hand			
Cuba		16,897	10,325
The Netherlands		583	1,604
		17,480	**11,929**
Total cash and cash equivalents		**19,814,790**	**11,630,102**

18. Financial risk management (continued)

Credit risk (continued)

At 31 December 2018 and 31 December 2017, all cash and short-term deposits that are held with counter-parties have been assessed for probability of default, as a result no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Group.

Guarantees received

The amount and type of guarantees required depends on an assessment of the credit risk of the counter-party. The Group has neither financial nor non-financial assets obtained as property on executed guarantees. See note 6 regarding guarantees obtained for loans and lending facilities.

Liquidity risk

Liquidity risk is the risk that the Group will encounter in realising its non-cash assets or otherwise raising funds to meet financial commitments. Assets principally consist of unlisted securities and loans, which are not readily realisable. If the Group, for whatever reason, wished to dispose of these assets quickly, the realisation values may be lower than those at which the relevant assets are held in the consolidated statement of financial position. (For maturities of financial assets and liabilities refer to note 5, 6 and 10).

Although the Group has a number of liabilities (see note 10 - Accounts payable and accrued expenses, note 11 - Short-term borrowings and note 17 - commitments and contingencies), Management assesses the liquidity risk of the Group to be low because the Group has a sufficient amount of cash and cash equivalents.

The Group also has entered into the Construction Facility for the purpose of extending to TosCuba part of the funding necessary for the construction of the Meliã Trinidad Playa Hotel (see note 6). The Construction Facility is in the maximum principal amount of US$45,000,000 of which US$4,749,764 was disbursed as at 31 December 2018. The Group has the right to syndicate Tranche B of the Construction Facility to other lenders.

The principal of the Construction Facility is to be disbursed on a monthly basis on the percentage of construction completed in each preceding month. It is anticipated that the full amount of the Construction Facility will be disbursed by the end of 2020. The Group currently does not have sufficient cash and cash equivalents to cover the full disbursement of the Construction Facility. Therefore, the disbursement of the Construction Facility will be financed in part by the future operating income of the Group. If future operating income is not sufficient to allow for the disbursement of the Construction Facility, the Group may syndicate a portion of the facility to other lenders or seek short-term financing to cover any shortfall.

18. Financial risk management (continued)

Liquidity risk (continued)
The estimated timing of cash outflows under the TosCuba Construction Facility entered into in April 2018 are as follows:

	31 Dec 2018 US$
Between 31 and 90 days	600,154
Between 91 and 180 days	4,647,659
Between 181 and 1 year	10,724,063
Between 1 and 2 years	24,278,360
	40,250,236

Capital management
The Group maintains an actively managed capital base to cover risks inherent in the business. The Group manages its capital structure and makes adjustments in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders. No changes were made in the objectives, policies, and processes from the previous period.

The capital base managed by the Group is composed of stated capital, reserves and retained profits that amount at 31 December 2018 and 2017 to a total of US$260,455,716 and US$229,111,673, respectively. The Group is not subject to external capital requirements.

19. Fair value disclosures

Key sources of estimation uncertainty
Determining fair values
The determination of fair values for investment and financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in note 3.9 (c). For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Critical accounting judgements in applying the Group's accounting estimates
Valuation of financial instruments
The Group's accounting policy on fair value measurements is discussed in note 3.9 (c).

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that

19. Fair value disclosures (continued)

Critical accounting judgements in applying the Group's accounting estimates (continued)
Valuation of financial instruments (continued)
are considered less than active; or other valuation techniques for which all significant inputs are directly or indirectly observable from market data.

- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted prices or dealer price quotations. The Group does not currently have any financial assets or financial liabilities trading in active markets.

For all other financial instruments, the Group determines fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates and foreign currency exchange rates. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

For certain instruments, the Group uses proprietary valuation models, which usually are developed from recognised valuation models. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Examples of instruments involving significant unobservable inputs include the equity investments of the Group in Cuban joint venture companies. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, selection of appropriate discount rates and an estimate of the amount of cash required for working capital needs of the joint ventures in order to determine if they hold any Excess Cash.

19. Fair value disclosures (continued)

The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	31 December 2018 US$			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss				
Equity investments	-	-	238,795,681	238,795,681
	-	**-**	**238,795,681**	**238,795,681**
Financial liabilities at fair value through profit or loss				
Short-term borrowings	-	-	-	-
	-	**-**	**-**	**-**

	31 December 2017 US$			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss				
Equity investments	-	-	217,086,037	217,086,037
	-	**-**	**217,086,037**	**217,086,037**
Financial liabilities at fair value through profit or loss				
Short-term borrowings	-	35,820,895	-	35,820,895
	-	**35,820,895**	**-**	**35,820,895**

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

Unlisted private equity investments	**31 Dec 2018** US$	**31 Dec 2017** US$
Initial balance	217,086,037	163,773,953
Total gains recognised in income or loss	(4,483,525)	(6,929,045)
Foreign currency translation reserve	(6,575,985)	6,933,620
Acquisitions and capital contributions	32,769,154	43,740,972
Acquisition of subsidiary	-	406,724
Shares issued to non-controlling interest for cancellation of participation agreement	-	10,165,156
Realised gains	-	184,650
Disposals	-	(1,189,993)
Final balance	**238,795,681**	**217,086,037**
Total losses for the year/period included in income or loss relating to assets and liabilities held at the end of the reporting year/period	(4,483,525)	(6,929,045)
	(4,483,525)	**(6,929,045)**

19. Fair value disclosures (continued)

The fair value of short-term borrowing (see note 11) was measured using valuation techniques based on observable inputs such as interest rates, foreign exchange rates as well as the estimated probability of conversion. There were no significant changes in these inputs between the date in which the loan was entered into and when the loan was repaid on 25 October 2018.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 2 of the fair value hierarchy:

Short-term borrowings	31 Dec 2018 US$	31 Dec 2017 US$
Initial balance	35,820,895	-
Cash (paid)/received	(34,195,489)	35,374,619
Gain on settlement of financial liabilities	(1,625,406)	-
Fair value movement on financial liabilities	-	446,276
Final balance	**-**	**35,820,895**
Total (gains)/losses for the year/period included in income or loss relating to assets and liabilities held at the end of the reporting period	(1,625,406)	446,276
	(1,625,406)	**446,276**

Gains/losses related to unlisted private equity investments are recognised as change in fair value of equity investments in the consolidated statement of comprehensive income. The accounting value of the remaining financial assets and liabilities (cash and cash equivalents, accounts receivable/payable, loans receivable/payable) approximate their fair values due to their short-term maturities.

20. Classifications of financial assets and liabilities

The table below provides a reconciliation of the line items in the Group's consolidated statement of financial position to the categories of financial instruments.

		31 December 2018 US$			
	Note	**Fair value through profit or loss**	**Cash and Financial assets at amortised cost**	**Financial liabilities at amortised cost**	**Total carrying amount**
Cash and cash equivalents	4	-	19,814,790	-	19,814,790
Accounts receivable and accrued income	5	-	1,689,952	-	1,689,952
Loans and lending facilities	6	-	7,514,314	-	7,514,314
Equity investments	8	238,795,681	-	-	238,795,681
		238,795,681	**29,019,056**	**-**	**267,814,737**
Accounts payable and accrued expenses	10	-	-	3,062,953	3,062,953
		-	**-**	**3,062,953**	**3,062,953**

		31 December 2017 US$			
	Note	**Fair value through profit or loss**	**Cash and Financial assets at amortised cost**	**Financial liabilities at amortised cost**	**Total carrying amount**
Cash and cash equivalents	4	-	11,630,102	-	11,630,102
Accounts receivable and accrued income	5	-	34,686,211	-	34,686,211
Loans and lending facilities	6	-	4,477,612	-	4,477,612
Equity investments	8	217,086,037	-	-	217,086,037
		217,086,037	**50,793,925**	**-**	**267,879,962**
Accounts payable and accrued expenses	10	-	-	3,443,064	3,443,064
Short-term borrowings	11	35,820,895	-	-	35,820,895
		35,820,895	**-**	**3,443,064**	**39,263,959**

There were no reclassifications of financial assets during the year ended 31 December 2018 (nine months ended 31 December 2017: nil).

21. Management salaries

	12 months 31 Dec 2018 US$	9 months 31 Dec 2017 US$
Management salaries (i)	2,672,549	1,027,290

(i) Management salaries increased in 2018 as a result of management bonuses paid due to successful listing of the Group on the SFS.

22. Legal and professional fees

	12 months 31 Dec 2018 US$	9 months 31 Dec 2017 US$
Legal and professional fees (i)	2,353,365	391,244

(i) Included within the legal and professional fees of 2018 is US$912,588 attributable to the listing of the Group's Ordinary Shares on the SFS and also incurred additional legal fees due to corporate restructuring.

23. Dividend per share

The dividend per share has been calculated on a weighted-average basis and is arrived at by dividing the dividend paid for the year by the weighted-average number of shares in issue. On 6 April 2018, CEIBA distributed a dividend of US$6,974,578 or US$0.065 per share (on a post 8-for-1 share split basis). On 30 April 2019, the Board of Directors declared a dividend of US$8,604,474 or US$0.0625 per share which will be distributed on 14 June 2019 to the shareholders on the share register as at 31 May 2019.

24. Audit fees

Audit fees incurred for the period below:

	12 Months 31 Dec 2018 US$	9 months 31 Dec 2017 US$
Audit fee expense (i)	392,508	258,525

(i) Breakdown of audit and non-audit fees for 2018, non-audit fees classified to legal and professionals due to the fees relating to the listing on the SFS.

	12 Months 31 Dec 2018 US$	9 months 31 Dec 2017 US$
Audit fee expense	392,508	258,525
Non- audit fees (USD 41,230 of the non – audit fees has been capitalised to stated capital)	316,706	-

25. Events after the reporting period

Removal of Mosaico B.V. from Corporate Structure

On 11 March 2019, Mosaico B.V. was removed from the holding structure of the Group. On that date, all of the shares in Mosaico Hoteles S.A. held by Mosaico B.V., together with (i) the full outstanding value of the shareholder loan extended by Mosaico B.V. to Mosaico Hoteles S.A., and (ii) all payables owed by Mosaico B.V., were transferred by Mosaico B.V. to CEIBA Tourism B.V. (80%) and to Meliã Hotels International (20%) in accordance with their shareholdings in Mosaico B.V., with the result that Mosaico Hoteles S.A. is now owned directly by CEIBA Tourism B.V. (80%) and Meliã Hotels International S.A. (20%) and Mosaico B.V. no longer has any assets or liabilities. It is intended that Mosaico B.V. will be liquidated in the near future.

Spanish Cuban Debt Conversion Programme

On 9 April 2019 it was announced that TosCuba was awarded US$10 million and that Miramar was awarded US$8.25 million under the Spanish Cuban Debt Conversion Programme, a Spanish-Cuba initiative aimed at promoting Spanish private sector investments in Cuba under which outstanding bilateral debts owed to Spain by Cuba may be settled through awards granted to investment projects in Cuba from a special countervalue fund created for this purpose. Under these awards, local currency invoices relating to services and materials received in Cuba in the course of constructing the projects will be paid from the countervalue fund on behalf of the joint ventures. It is expected that these awards will have the effect of reducing the future financing requirements of the joint ventures in relation to their projects, thereby reducing in part the finance that the Group may otherwise have needed to provide.

INVESTOR INFORMATION

WEBSITE

Further information on the Company can be found on its own dedicated website: www.ceibalimited.co.uk. This allows web users to access information on the Company's share price performance, capital structure, stock exchange announcements and monthly reports.

INVESTOR WARNING

The Board has been made aware by ASFML that some investors have received telephone calls from people purporting to work for ASFML, or third parties, who have offered to buy their investment company shares. These may be scams which attempt to gain personal information with which to commit identity fraud or could be 'boiler room' scams where a payment from an investor is required to release the supposed payment for their shares.

These callers do not work for ASFML and any third party making such offers has no link with ASFML. ASFML never makes these types of offers and does not 'cold-call' investors in this way. If investors have any doubt over the veracity of a caller, they should not offer any personal information, end the call and contact ASFML's investor services centre using the details provided below.

DIRECT

Investors can buy and sell shares in the Company directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser.

SHAREHOLDER ENQUIRIES

For internet users, detailed data on the Company, including price, performance information and a monthly fact sheet is available from the Company's website (www.ceibalimited.co.uk).

In the event of queries regarding their holdings of shares, lost certificates dividend payments, registered details, etc., Shareholders holding their shares in the Company directly should contact the registrars, Link Asset Services at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or Tel: 0371 664 0321 Lines are open 9.00 a.m. to 5.30 p.m. (London Time) Monday to Friday. Calls may be recorded and monitored randomly for security and training purposes. Changes of address must be notified to the registrars in writing.

Any general enquiries about the Company should be directed to the Company Secretary, JTC Fund Solutions (Guernsey) Limited or by email to fundservicesGSY@jtcgroup.com.

LITERATURE REQUEST SERVICE

For literature and application forms for the Company and the ASI range of investment trust products, please contact:

Telephone: 0808 500 4000

Email: inv.trusts@aberdeen-asset.com

KEY INFORMATION DOCUMENT ("KID")

The KID relating to the Company and published by ASFML can be found on ASFML's website:

www.invtrusts.co.uk/en/investmenttrusts/literature-library.

DISCRETIONARY PRIVATE CLIENT STOCKBROKERS

If you have a large sum to invest, you may wish to contact a discretionary private client stockbroker. They can manage your entire portfolio of shares and will advise you on your investments. To find a private client stockbroker visit the Wealth Management Association at www.thewma.co.uk.

INDEPENDENT FINANCIAL ADVISERS

To find an adviser who recommends on investment trusts, visit www.unbiased.co.uk.

REGULATION OF STOCKBROKERS

Before approaching a stockbroker, always check that they are regulated by the Financial Conduct Authority: Tel: 0800 111 6768 or at www.fca.org.uk/firms/systemsreporting/register/search or email: register@fca.org.uk

NOTE

Please remember that past performance is not a guide to the future. Stock market and currency movements may cause the value of shares and the income from them to fall as well as rise and investors may not get back the amount they originally invested.

As with all equity investments, the value of investment trusts purchased will immediately be reduced by the difference between the buying and selling prices of the shares, the market maker's spread.

Investors should further bear in mind that the value of any tax relief will depend on the individual circumstances of the investor and that tax rates and reliefs, as well as the tax treatment of ISAs may be changed by future legislation.

GLOSSARY OF TERMS AND DEFINITIONS AND ALTERNATIVE PERFORMANCE MEASURES

AGM	The Annual General Meeting of the Company to be held on 18 June 2019
AIC	The Association of Investment Companies - the AIC is the trade body for closed-ended investment companies (www.theaic.co.uk). The Group intends to become a member during 2019.
AIFMD	The Alternative Investment Fund Managers Directive - The AIFMD is European legislation which created a European-wide framework for regulating managers of ‘alternative investment funds’ (AIFs). It is designed to regulate any fund which is not a UCITS (Undertakings for Collective Investments in Transferable Securities) fund and which is managed/marketed in the EU. The Company has been designated as an AIF.
Alternative Performance Measure or APM	An alternative performance measure is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.
ASFML or the AIFM	Aberdeen Standard Fund Managers Limited is a wholly owned subsidiary of Standard Life Aberdeen plc and acts as the Alternative Investment Fund Manager for the Group. ASFML is authorised and regulated by the Financial Conduct Authority.
ASI	Aberdeen Standard Investments is a brand of Standard Life Aberdeen plc
CEIBA or the Company	CEIBA Investments Limited.
CEIBA MTC Properties	CEIBA MTC Properties Inc., a subsidiary of the Company.
CEIBA Tourism	CEIBA Tourism B.V., a subsidiary of the Company.
CIHSA	Corporación Interinsular Hispana S.A., a former subsidiary of the Company merged into HOMASI.
Construction Facility	The construction finance agreement entered into by the Group on 30 April 2018 in connection with the construction of the Meliã Trinidad Playa Hotel.
Countervalue Fund	The countervalue fund created under the Debt Conversion Programme.
CPC	CEIBA Property Corporation Limited, a subsidiary of the Company.
Cubacan	Cuba Canarias S.A., a Cuban joint venture company that was merged into Miramar.
CUBANACAN	Cubanacán S.A., Corporación de Turismo y Comercio Internacional, a Cuban company.
Debt Conversion Programme	The Spanish Cuban Debt Conversion Programme created by agreements between Spain and Cuba dated 2 November 2015 and 4 May 2016.
Depositary	JTC Global AIFM Solutions Limited, a wholly owned subsidiary of JTC Plc, is regulated by the Guernsey Financial Services Commission to provide Independent Depositary services for the Company and ASFML.
Discount	The amount by which the market price per share of an investment trust is lower than the NAV per share. The discount is normally expressed as a percentage of the NAV per share.
Dividend	Income from an investment in shares.

Dividend yield	The annual dividends expressed as a percentage of the current share price.
ECL	Expected credit loss.
Excess Cash	Cash held by a joint venture company in excess of its working capital needs.
EY	Ernst & Young LLP, Guernsey, the auditors of the Company.
Financial Conduct Authority or FCA	The FCA issues the Listing Rules and is responsible for the regulation of ASFML.
Gearing	Investment Trusts can 'gear' or borrow money to invest but unit trusts are limited in this respect. Gearing can magnify a fund’s return, however, a geared investment is riskier because of the borrowed money.
Grandslam	GrandSlam Limited, a subsidiary of the Company.
Gross Asset Value	The aggregate value of the total assets of the Company as determined in accordance with the accounting principles adopted by the Company from time to time.
Group	CEIBA and its consolidated subsidiaries.
HOMASI	HOMASI S.A., a subsidiary of the Company.
Hotel Assets	The Meliã Habana Hotel and the Varadero Hotels.
IFRS	International Financial Reporting Standards as issued by the International Accounting Standards Board.
Investment Manager or Manager	The Group’s Alternative Investment Fund Manager is Aberdeen Standard Fund Managers Limited (ASFML) which is authorised and regulated by the Financial Conduct Authority Day to day management of the portfolio is delegated to Aberdeen Asset Investments Limited. Aberdeen Asset Investments Limited and ASFML are collectively referred to as the “Investment Manager” or the “Manager”.
IPO	The initial public offering of the Company carried out simultaneously with Listing on the SFS on 22 October 2018.
Key Performance Indicator or KPI	Key Performance Indicators are factors by reference to which the development, performance or position of the business of the Company can be measured effectively.
Listing	The Company’s shares were listed on the Specialist Fund Segment of the London Stock Exchange on 22 October 2018.
Management Agreement	The management agreement executed between the Company and ASFML on 31 May 2018.
Market Capitalisation	A measure of the size of an investment Group calculated by multiplying the number of shares in issue by the price of the shares.
Meliã Habana Hotel	The Meliã Habana Hotel located in Havana, Cuba.
Meliã Hotels International	Meliã Hotels International S.A.
Meliã Las Américas Hotel	The Meliã Las Américas Hotel located in Varadero, Cuba.
Meliã Varadero Hotel	The Meliã Varadero Hotel located in Varadero, Cuba.
Miramar	Miramar S.A., a Cuban joint venture company in which the Group has an equity interest.
Monte Barreto	Inmobiliaria Monte Barreto S.A., a Cuban joint venture company in which the Group has an equity interest.
Mosaico B.V.	Mosaico B.V., a subsidiary of the Company.

Mosaico Hoteles	Mosaico Hoteles S.A., a subsidiary of the Company.
Net Asset Value or NAV	The value of total assets less liabilities attributable to the shareholders of the Company (excluding non-controlling interests). Liabilities for this purpose includes current and long term liabilities. The NAV divided by the number of shares in issue produces the NAV per share.
NAV Total Return	A measure showing how the NAV per share has performed over a period of time, taking into account both capital returns and dividends paid to shareholders. The AIC shows NAV total return as a percentage change from the start of the period. It assumes that dividends paid to shareholders are reinvested at NAV at the time the shares are quoted ex-dividend. NAV total return shows performance which is not affected by movements in discounts and premiums. It also takes into account the fact that different investment companies pay out different levels of dividends.
Ongoing Charges	Ratio of expenses as percentage of average daily shareholders' funds calculated as per the AIC's industry standard method.
Ordinary Shares or Shares	Ordinary shares of the Company.
Other Cuban Assets	Other Cuba-related businesses in which the Company may invest in accordance with its Investment Policy.
Premium	The amount by which the market price per share of an investment trust exceeds the NAV per share. The premium is normally expressed as a percentage of the NAV per share.
Prior Charges	The name given to all borrowings including debentures, long term loans and short term loans and overdrafts used for investment purposes, reciprocal foreign currency loans, currency facilities to the extent that they are drawn down, index-linked securities, and all types of preference or preferred capital and the income shares of split capital trusts, irrespective of the time until repayment.
Prospectus	A formal document that provides details about an investment offering for sale to the public. A prospectus is used to help investors make an more informed investment decision. The Company's prospectus is available on the Company's website at www.ceibalimited.co.uk
RevPAR	Revenue per available room.
SFS	The Specialist Fund Segment of the Main Market of the London Stock Exchange.
Sol Palmeras Hotel	The Sol Palmeras Hotel located in Varadero, Cuba.
TosCuba	TosCuba S.A., a Cuban joint venture company in which the Group has an equity interest.
Total assets	The total assets less current liabilities as shown on the Balance Sheet with the addition of Prior Charges (as defined above).
Total Return	Total Return involves reinvesting the net dividend in the month that the share price goes xd. The NAV Total Return involves investing the same net dividend in the NAV of the Company on the date to which that dividend was earned, eg quarter end, half year or year end date.
UK Code	The UK Corporate Governance Code (2016).
Varadero Hotels	The Meliã Las Americas, Meliã Varadero and Sol Palmeras Hotels.

Voting Rights	In accordance with the Articles of Association of the Company, on a show of hands, every member (or duly appointed proxy) present at a general meeting of the Company has one vote; and, on a poll, every member present in person or by proxy shall have one vote for every Ordinary share of no par value held.

Alternative Performance Measures

Alternative performance measures are numerical measures of the Company's current, historical or future performance, financial position or cash flows, other than financial measures defined or specified in the applicable financial framework. The Directors assess the Company's performance against a range of criteria which are viewed as particularly relevant for closed-end investment companies.

NAV Per Share

A very common measure of the underlying value of a share in an investment company.

In basic terms, the net asset value ('NAV') is the value of the investment company's assets, less any liabilities it has. The NAV per share is the NAV divided by the number of shares in issue. This will very often be different to the share price. The difference is known as the discount or premium.

As shown in note 12 the NAV per share was 118p / US$1.49 as at 31 December 2018.

NAV Total Return

NAV total return involves investing the same net dividend in the NAV of the Company with debt at fair value on the date on which that dividend was earned.

The table below provides information relating to the NAV of the Company on the dividend reinvestment dates during the years ended 31 December 2018 and 31 December 2017.

NAV at 31 December 2017	175,220,151
Dividends paid	(6,974,578)
Proceeds from initial public offering	37,966,014
Allocation of contribution from non-controlling interests to shareholders of the parent	2,339,374
Net comprehensive loss for the year[1]	(2,909,615)
IFRS NAV at 31 December 2018	205,641,346
Non-IFRS adjustment	4,833,333
Non-IFRS NAV at 31 December 2018	210,474,679

[1] Net comprehensive loss for the year includes a loss on changes in the fair value of equity investments of (US$4,483,525).

Premium (Discount) to NAV

As at 31 December 2018, the share price was 101.5p / US$1.29 and the net asset value per share was 117.7p / US$1.49, the discount was therefore (13.8)%.

Dividend Yield

The annual dividends expressed as a percentage of the share price.

As at 31 December 2018, the share price was 101.5p / US$1.29 and the dividend per share for the year ended 31 December 2018 was 0.0493p / US$0.0625. Therefore, the dividend yield is 4.9%.

NOTICE OF ANNUAL GENERAL MEETING

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek immediately your own personal financial advice from your stockbroker, bank manager, solicitor, accountant, or other independent professional adviser.

If you have sold or transferred all of your registered holding of Shares, please forward this document and the documents accompanying it to the purchaser or transferee or to the stockbroker, bank or other agent through or by whom the sale or transfer was effected for onward transmission to the purchaser or transferee. If you have sold or transferred part only of your registered holding of Shares, please contact the stockbroker, bank or other agent through whom the sale or transfer was effected.

CEIBA INVESTMENTS LIMITED

(Company Registration no. 30083)
(a non-cellular company limited by shares incorporated under the laws of the Island of Guernsey)
(the "Company")

NOTICE OF ANNUAL GENERAL MEETING OF THE COMPANY
to be held on 18 June 2019

Notice of the Annual General Meeting of Shareholders of the Company to be held at Dorey Court, Admiral Park, St. Peter Port, Guernsey, GY1 2HT Channel Islands on 18 June 2019 at 2.00pm is set out in Appendix 1 to this document.

The Notice of Annual General Meeting contained in this document sets out the business to be carried out by way of ordinary resolutions to be proposed at the Meeting. The Meeting will be chaired by the Chairman of the Board or, in his absence, by a chairman to be elected at the Meeting.

The quorum for the Meeting is a Shareholder or Shareholders, present in person or by proxy, registered as holding 10% of the total voting rights of the Company. At the Meeting, the ordinary resolutions will be decided on a show of hands (unless a poll is requested) and on a show of hands every Shareholder who is present in person or by proxy will have one vote. In order to be validly passed, the resolutions which are proposed as ordinary resolutions will need to be approved by not less than 50% of Shareholders, present in person or by proxy and entitled to vote.

If, within half an hour from the appointed time for the Meeting, a quorum is not present, then the Meeting will stand adjourned for 14 days at the same time and place. No notice of adjournment will be given.

CEIBA INVESTMENTS LIMITED

(Company registration number 30083)
(a non-cellular company limited by shares incorporated under the laws of the Island of Guernsey)
(the "Company")

Registered office:
Dorey Court, Admiral Park
St. Peter Port, Guernsey
GY1 2HT, Channel Islands

30 April 2019

Dear Shareholders,

The purpose of this document is to give notice of the Annual General Meeting of the Company scheduled for 18 June 2019 at 2.00pm (the "**Meeting**"). The formal Notice of the Meeting is set out in Appendix 1 of this document.

In addition to the ordinary business of the Meeting, a special resolution is being proposed to renew the Company's authority to buy back Ordinary Shares. Details of the ordinary and special business to be proposed at the Meeting are set out below.

Scheduling of future AGMs

In order to more closely follow market practice for publicly-listed companies, the Company intends going forward to convene and hold its AGM in the late spring or early summer each year so as to coincide more closely with the release of the annual consolidated financial statements of the Company.

Matters to be dealt with at AGM

The resolutions that will be put to Members at the Meeting are as follows:

(a) as to ordinary business (Resolutions 1-9):

(i) to receive and adopt the Consolidated Financial Statements and Directors' Report for the year ended 31 December 2018;

(ii) to ratify the cash dividend;

(iii) to propose the appointment of Ernst & Young LLP as Auditors of the Company until the next Annual General Meeting of the Company and authorise the Board to determine their remuneration; and approve the remuneration;

(iv) to propose the re-election of Messrs Herring and Kingsnorth as directors of the Company until the conclusion of the next Annual General Meeting of the Company;

(v) to propose the election of Messrs Bowen, Corbin and Cornell as directors of the Company until the conclusion of the next Annual General Meeting of the Company;

(b) as to special business (Resolution 10):

(i) to authorise the Company to buy back up to 14.99% of Ordinary Shares in issue as at the date of the resolution.

The authority conferred by Resolution 10, if passed, will lapse 15 months from the date of passing the Resolution, or the conclusion of the Annual General Meeting of the Company held in 2020.

Resolutions 1-9 will be proposed as ordinary resolutions. Resolution 10 will be proposed as a special resolution.

An ordinary resolution requires a simple majority of the votes cast by Members entitled to vote and present in person or by proxy to be cast in favour in order for it to be passed. A special resolution requires a majority of at least 75% of the votes cast by Members entitled to vote and present in person or by proxy to be cast in favour in order for it to be passed.

All Members are entitled to attend and vote at the Meeting. In accordance with the Articles, all Members entitled to vote and present in person or by proxy at the Meeting shall upon a show of hands have one vote and upon a poll shall have one vote in respect of each Ordinary Share held. In order to ensure that a quorum is present at the Meeting, it is necessary for two or more Members present in person or by proxy.

The formal notice convening the Annual General Meeting is set out in <u>Appendix 1</u> of this document.

Actions to be Taken

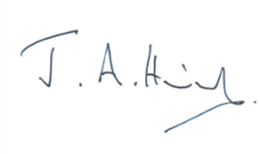
A Form of Proxy is set out in the Notice attached as Appendix 1 to this document, which contains information regarding the matters to be dealt with at the AGM. You are encouraged to complete and return the Form of Proxy in accordance with the instructions printed thereon to the Company's Registrar, Link Asset Services at PXS1, 34 Beckenham Road, Kent BR3 4TU, or deliver it by hand during office hours only to the same address so as to be received as soon as possible and in any event by no later than 2pm on 14 June 2019. You will still be welcome to attend the Meeting in person and vote if you wish.

To avoid the inconvenience of calling an adjourned meeting, we ask Members to complete the enclosed proxy form and return it to Link Asset Services at PXS1, 34 Beckenham Road, Kent BR3 4TU, or deliver it by hand during office hours only to the same address so as to be received as soon as possible and in any event by no later than 2pm on 14 June 2019. This will not preclude Members from attending and voting in person at the Meeting.

__Recommendation__

The Board considers that the above proposals are in the best interests of the Members as a whole. Accordingly the Board unanimously recommends that Members vote in favour of the resolutions to be proposed at the Meeting.

Yours faithfully,



John Herring, Chairman
For and on behalf of the Board of Directors
CEIBA Investments Limited

Encl. Appendix 1: Notice of Annual General Meeting and Form of Proxy

APPENDIX 1

CEIBA INVESTMENTS LIMITED

(the "Company")

Registered No: 30083

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders of the Company will be held at Dorey Court, Admiral Park, St. Peter Port, Guernsey, GY1 2HT Channel Islands on 18 June 2019 at 2.00pm or, if there are insufficient Shareholders present in person or by proxy to constitute a quorum, then on 2 July 2019 at 2.00pm for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions of the Company (in the case of resolutions 1 to 9) and as a special resolution of the Group (in the case of resolution 10):-

ORDINARY RESOLUTIONS

ORDINARY BUSINESS:

1. To receive and adopt the Consolidated Financial Statements of the Company for the period ended 31 December 2018.
2. To appoint Ernst & Young LLP, Guernsey as Auditors of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company.
3. To authorise the Directors to fix the remuneration of the Company's Auditors until the next Annual General Meeting of the Company.
4. To ratify the cash dividend in the amount of US$0.0625 per Share declared on 30 April 2019 (and paid to Shareholders on 14 June 2019).
5. To re-appoint John Herring as a Director of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company.
6. To elect to appoint Trevor Bowen as a Director of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company.
7. To elect to appoint Keith Corbin as a Director of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company.
8. To elect to appoint Peter Cornell as a Director of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company.
9. To re-appoint Colin Kingsnorth as a Director of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company.

SPECIAL RESOLUTION

SPECIAL BUSINESS:

10. To authorise the Company in accordance with section 315 of the Companies (Guernsey) Law, 2008 (as amended) (the "Law") to make one or more market acquisitions (as defined in the Law) of its own Ordinary Shares either for cancellation or to hold as treasury shares for future resale or transfer provided that:

    (i) the maximum number of Ordinary Shares authorised to be purchased is a number up to 14.99 per cent. of the aggregate number of Ordinary Shares in issue immediately following Admission;

    (ii) the minimum price which may be paid for an Ordinary Share is US$0.01;

    (iii) the maximum price which may be paid for an Ordinary Share must not be more than the higher of (i) an amount equal to 105 per cent. of the average of the mid-market values of an Ordinary Share taken from the London Stock Exchange Daily Official List for the five business days before the purchase is made; and (ii) the higher of the price of the last independent trade or the highest current independent bid for Ordinary Shares on the London Stock Exchange at the time the purchase is carried out; and

    (iv) such authority shall expire on the earlier of the conclusion of the next annual general meeting of the Company and the date 18 months after the date on which this resolution is passed.

BY ORDER OF THE BOARD

JTC Fund Solutions (GUERNSEY) LIMITED
Corporate Secretary
30 April 2019

Notes to the Notice of the Meeting:

1. A member is entitled to attend and vote at the meeting provided that all calls due from him/her in respect of his/her shares have been paid. A Member is also entitled to appoint one or more proxies to attend, speak and vote on his/her behalf at the meeting. The proxy need not be a Member of the Company. A form of proxy is enclosed with this Notice of Meeting. To be effective, the instrument appointing a proxy (together with any power of attorney or other authority under which it is executed or a duly certified copy of such power) must be sent to Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by no later than 2 pm on 14 June 2019, or not less than 48 hours before (excluding weekends and bank holidays) the time for holding any adjourned meeting, as the case may be. A corporation may execute a proxy under its common seal or by the hand of a duly authorised officer or other agent. Completion and return of the form of proxy will not preclude Members from attending and voting in person at the meeting.

2. An ordinary resolution of the Members of the Company means a resolution passed by a simple majority.

3. A special resolution of the Members of the Company means a resolution passed by a majority of not less than 75%.

4. The quorum for the Meeting is at least two Members present in person or by proxy. **To allow effective constitution of the Meeting, if it is apparent to the Chairman that no Members will be present in person or by proxy, other than by proxy in the Chairman's favour, then the Chairman may appoint a substitute to act as proxy in his stead for any Member, provided that such substitute proxy shall vote on the same basis as the Chairman.**

5. Joint registered holders of Ordinary Shares shall not have the right of voting individually in respect of such Ordinary Share but shall elect one of their number to represent them and to vote whether in person or by proxy in their name. In default of such election the person whose name stands first on the register of Members of the Company shall alone be entitled to vote.

6. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those Members registered on the register of Members of the Company at close of business on 14 June 2019 (or in the event that the Meeting is adjourned, only those Members registered on the register of Members of the Company as at close of business on the day which is two days prior to the adjourned Meeting) shall be entitled to attend in person or by proxy and vote at the Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of Members after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

7. A copy of this Notice of Meeting is available on the Company's website: www.ceibalimited.co.uk

8. The total issued share capital of the Company as at the date of this Notice of Meeting is 137,671,576 Ordinary Shares. Pursuant to the Articles, on a show of hands every Member (being an individual) present in person or by proxy or (being a corporation) present by a duly authorised representative shall have one vote on a show of hands, and one vote per Ordinary Share on a poll (other than the Company itself where it holds its own shares as treasury shares).

9. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

10. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a ''CREST Proxy Instruction'') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's agent Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4TU by 2pm on 14 June 2019. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the Company's agent is able to receive the message by enquiry to CREST in the manner prescribed by CREST.

11. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy.

CEIBA INVESTMENTS LIMITED

(the "Company")

Registered No: 30083

PROXY

Form of Proxy for use by Shareholders at the Annual General Meeting of the Company to be held at Dorey Court, Admiral Park, St. Peter Port, Guernsey, GY1 2HT Channel Islands on 18 June 2019 at 2.00pm.

I/We
……..
(full name(s) in block capitals)
of
……..
(address in block capitals)
hereby

1 appoint the Chairman or the Company Secretary of the meeting *(See Note 1 below)*

or

2
……

……..
(name and address of proxy in block capitals)

as my/our proxy to attend, and on a poll, vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 18 June 2019 at 2.00pm and at any adjournment thereof.

I/We wish my/our proxy to vote as indicated below in respect of the ordinary resolutions to be proposed at the Meeting. *Please indicate which way you wish your proxy to vote by ticking the appropriate box alongside* each resolution. (See Note 2 below).

ORDINARY RESOLUTIONS				
Ordinary Business	**FOR**	**AGAINST**	**VOTE WITHHELD**	**DISCRETIONARY**
1. THAT the Consolidated Financial Statements of the Company for the period ended 31 December 2018 be received and adopted.				
2. THAT Ernst & Young LLP, Guernsey be appointed as Auditors of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company.				
3. THAT the Directors be authorised to fix the remuneration of the Company's Auditors until the				

next Annual General Meeting of the Group.				
4. THAT the dividend in the amount of US$0.0625/Share declared by the Company on 30 April 2019 (and paid to Shareholders on 14 June 2019) be ratified.				
5. THAT the re-appointment of John Herring as a Director of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company, be approved.				
6. THAT the appointment of Trevor Bowen as a Director of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company, be approved.				
7. THAT the appointment of Keith Corbin as a Director of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company, be approved.				
8. THAT the appointment of Peter Cornell as a Director of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company, be approved.				
9. THAT the re-appointment of Colin Kingsnorth as a Director of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company, be approved.				
SPECIAL RESOLUTION				
Special Business	**FOR**	**AGAINST**	**VOTE WITHHELD**	**DISCRETIONARY**
10. THAT the Company be authorised in accordance with section 315 of the Companies (Guernsey) Law, 2008 (as amended) (the "Law") to make one or more market acquisitions (as defined in the Law) of its own Ordinary Shares either for cancellation or to hold as treasury shares for future resale or transfer provided that: (i) the maximum number of Ordinary Shares authorised to be purchased is a number up to 14.99 per cent. of the aggregate number of Ordinary Shares in issue immediately following Admission; (ii) the minimum price which may be paid for an Ordinary Share is US$0.01; (iii) the maximum price which may be paid for an Ordinary Share must not be more than the higher of (i) an amount equal to 105 per cent. of the average of the mid-market values of an Ordinary Share taken from the London Stock Exchange Daily Official List for the five				

business days before the purchase is made; and (ii) the higher of the price of the last independent trade or the highest current independent bid for Ordinary Shares on the London Stock Exchange at the time the purchase is carried out; and (iv) such authority shall expire on the earlier of the conclusion of the next annual general meeting of the Company and the date 18 months after the date on which this resolution is passed.				

Signature ……………………………………..………..……………*(See Note 3 below)* Date…………………………………….….

NOTES:

1. If you wish to appoint as your proxy someone other than the Chairman or the Company Secretary of the meeting, cross out the words "the Chairman or the Company Secretary of the meeting" and write on the dotted line the full name and address of your proxy. The change should be initialled.

2. In the absence of instructions, the person appointed proxy may vote or abstain from voting as he or she thinks fit on the specified resolutions and, unless instructed otherwise, the person appointed proxy may also vote or abstain from voting as he or she thinks fit on any other business (including amendments to resolutions) which may properly come before the meeting.

3. This form must be signed and dated by the Shareholder or his/her attorney duly authorised in writing. If the Member is a company, it may execute under its common seal, by the signature of a director and its secretary or two directors or other authorised signatories in the name of the company or by the signature of a duly authorised officer or attorney. In the case of joint holdings, any one holder may sign this form. The vote of the senior joint holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand in the register of members in respect of the joint holding.

4. To be effective, the instrument appointing a proxy (together with any power of attorney or other authority under which it is executed or a duly certified copy of such power) must be sent to Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by no later than 2pm on 14 June 2019, or not less than 48 hours before (excluding weekends and bank holidays) the time for holding any adjourned meeting, as the case may be. A corporation may execute a proxy under its common seal or by the hand of a duly authorised officer or other agent. Completion and return of the form of proxy will not preclude Members from attending and voting in person at the meeting.

5. The 'vote withheld' option is provided to enable you to abstain on any particular resolution; however, it should be noted that a 'vote withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'for' and 'against' a resolution. The 'discretionary' option is provided to enable you to give discretion to your proxy to vote or abstain from voting on a particular resolution as he or she thinks fit.

6. The quorum for the Meeting is at least two Members present in person or by proxy. **To allow effective constitution of the Meeting, if it is apparent to the Chairman that no Members will be present in person or by proxy, other than by proxy in the Chairman's favour, then the Chairman may appoint a substitute to act as proxy in his stead for any Member, provided that such substitute proxy shall vote on the same basis as the Chairman.**