CEIBA INVESTMENTS Ltd

Annual Report & Consolidated Financial Statements
For the Year Ended 31 December 2019

Aberdeen Standard Investments

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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
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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 SECRETARY

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Guernsey GY1 2HT

REGISTRAR

Link Market Services (Guernsey) Limited
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AUDITOR

Grant Thornton Limited (appointed 3 December 2019)
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St Peter Port, Guernsey GY1 3TF

Ernst & Young LLP (resigned 3 December 2019)
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FINANCIAL ADVISER & BROKER

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TRANSFER AGENT

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DEPOSITARY

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Guernsey GY1 2HT

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 2019 IN £ AND US$ (FOREX: £/US$ = 1.3113)

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 2019.

£

Total Net Assets	NAV per share[1]	Net Gain to shareholders
£157.7m 2018: £162.0m	114.5p 2018: 117.7p	£5.8m 2018: £1.4m
£160.6m[2] 2018: £165.8m	116.6p[2] 2018: 120.5p[2]	£5.0m[2] 2018: £5.2m[2]

Earnings per share	NAV Total Return[1, 3]	Number of shares in issue
4.2p 2018: 1.2p	0.8% 2018: 1.6%	137,671,576 Ordinary Shares
3.6p[2] 2018: 4.6p[2]	0.3%[2] 2018: 3.9%[2]	2018: 137,671,576 Ordinary Shares

Share price	Market Capitalisation	Premium (Discount) to NAV[1]
71.0p 2018: 101.5p	£97.7m 2018: £139.7m	(38.0%)[4] 2018: (13.8%)[4]
		(39.1%)[2] 2018: (15.7%)[2]

US$

Total Net Assets	NAV per share[1]	Net Gain to shareholders
US$206.7m	US$1.50	US$7.6m
2018: US$205.6m	2018: US$1.49	2018: US$1.8m
US$210.6m[2]	US$1.53[2]	US$6.6m[2]
2018: US$210.5m[2]	2018: US$1.53[2]	2018: US$6.6m[2]

Earnings per share	NAV Total Return[1, 3]	Number of shares in issue
US$0.06	4.9%	137,671,576 Ordinary Shares
2018: US$0.02	2018: (4.4%)	
US$0.05[2]	4.3%[2]	
2018: US$0.06[2]	2018: (2.1%)[2]	2018: 137,671,576 Ordinary Shares

Share price	Market Capitalisation	Premium (Discount) to NAV[1]
US$0.93	US$128.2m	(38.0%)[4]
		2018: (13.8%)[4]
		(39.1%)[2]
2018: US$1.29	2018: US$177.3m	2018: (15.7%)[2]

1 These are considered Alternative Performance Measures. See glossary on page 84 for more information.

2 These figures differ from the figures derived from the audited Consolidated Financial Statements beginning on page 46. The figures are calculated in full accordance with International Financial Reporting Standards ("**IFRS**"), except that they include an adjustment recognising the full amount of US$5.0m / £3.9m received from Aberdeen Standard Fund Managers Limited on 23 November 2018 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 resulted in the increase of the net income attributable to the shareholders of the Company for the year ended 31 December 2018 by US$4.8m / £3.8m, to be followed by a US$1.0m / £0.8m decrease in the net income attributable to the shareholders of the Company in each subsequent year for the remainder of the five year term of the Management Agreement. Consequently, for the year ended 31 December 2019 the adjustment resulted in a decrease in the net income attributable to the shareholders of the Company in the amount of US$1.0m / £0.8m.

3 The comparative 2018 NAV Total Return figures have been restated from the prior year due to a change in the methodology of their calculation. In 2018, the calculations accounted for the reinvestment of the dividend at the year end, not when the dividends went ex-dividend. To be in line with industry practice, the figures above have been calculated on the basis that dividends declared during the period are reinvested on the day that the shares traded ex-dividend.

4 The rationale for the movement is discussed within the Chairman's Statement.

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

19 June 2020	Annual General Meeting 2020
30 September 2020	Announcement of half-yearly results for the six months ending 30 June 2020
31 December 2020	Financial year end

CHAIRMAN'S STATEMENT

OVERVIEW

As I write these words, the entire world is battling the COVID-19 pandemic. Nearly all countries are presently facing an unprecedented public health crisis as well as an as-yet undefined, but surely profound, disruption to their national economies and international trade. On the investment front, this crisis will affect corporate revenues and investment valuations in a myriad of ways, and I do not expect the full implications of the present disruption to become apparent for some time.

Consequently, both I and the Investment Manager have attempted to describe in our respective reports the operations, developments and results of the Company and its investments during the year recently ended, as well as the initial effects of the crisis on the operations and assets of the Group and our first responses. However, we believe it is impossible at this point in time to make accurate judgements about the duration of the crisis and the expected return to normal operations, nor to make coherent statements about the outlook for the future, other than the obvious.

As this crisis has unfolded in recent weeks, our first concern was to protect our people and our assets. The Investment Manager, the Havana team, the Administrator and other service providers have adopted all reasonable measures, to the best of their abilities, to protect the safety of all of the people working to advance the affairs of the Company. Regarding the assets and operations of the Group, in a trading note dated 3 April 2020 the Board withdrew all prior guidance on the expected performance of the Company for the current year 2020 and described the initial measures taken by the Board to mitigate the impact of the pandemic on the operations and assets of the Company. As its first response, the Board has taken the following decisions:

- to support the decision of Miramar to close its hotels in Havana and Varadero and substantially reduce its workforce;
- to support the decision of TosCuba to lower capital expenditure substantially on the construction of the new hotel, and to agree on a revised time-line and disbursement schedule until such time as there is greater certainty around the economic and financial viability of the hotel development;
- to discuss and agree with Casa Financiera FINTUR S.A. ("**FINTUR**") a new payment schedule for the €24 million and €12 million tranches of the credit facility granted to FINTUR, under which the aggregate present exposure of the Company is €1,716,667;
- to suspend the existing dividend policy of the Company and to cancel the dividend scheduled to be paid by the Company in June 2020;
- to restrict discretionary spending and uncommitted capital expenditure in Miramar and Monte Barreto for the present time;
- to carry out a detailed review of the costs and expenditures of the Company and its subsidiaries with a view to limiting unnecessary spending.

The Board will re-evaluate and refine these measures as the situation evolves further.

In addition to the above, in order to alleviate the working capital requirements of the Company during the present difficult circumstances, the Investment Manager has agreed to defer the management fee payable in respect of the second and third quarters of 2020 until 31 December 2022 (or sooner if the operational results of the Company permit). The Board is very grateful for the support of the Investment Manager in these unprecedented times.

2019 REVIEW

General

While 2019 was a difficult year for Cuba and the Company alike, and the overall performance of the Company's hotel interests was disappointing, the results of the Miramar Trade Center and the progress in construction of the TosCuba Project near Trinidad were very encouraging.

The political backdrop with regard to U.S. – Cuba relations, and in particular the introduction of a number of increasingly tough new measures by the Trump administration over the past year, has naturally provided Cuba and the Company with some significant challenges. Inevitably, the Company's hotel assets were adversely affected by a significant drop in U.S. travel to Cuba, with the Havana-based Meliã Habana Hotel suffering more than the Varadero Hotels. Occupancy levels were generally maintained at all of the hotels, although average room rates were materially reduced as a result of these market conditions.

Set against this, the Company's investment in the Miramar Trade Center, the Havana office complex, recorded its best year ever. In addition, the construction of the new 400 room Meliã Trinidad Playa Hotel development project located near the historic town of Trinidad, in the south of Cuba, was on budget at the end of the year and has exciting potential once tourism operations return back to normal.

Cuban Economic Backdrop

As described in the Investment Manager's Review on pages 19 to 26, the past year has witnessed numerous further measures taken by the U.S. Government which have had an adverse impact upon the Cuban economy. These include the coming into force of Title III of the Helms-Burton Act; new restrictions on the amount of family remittances that can be sent from the U.S. to family members in Cuba; further restrictions aimed at limiting the amount of U.S. travel to Cuba; the prohibition of U.S. flights to Cuba (other than to Havana); the elimination of all U.S. cruise ship visits to Cuba; and certain banking restrictions that make it increasingly difficult for banks to process Cuba-related funds transfers. These measures have had an overall adverse impact on the country and have led to shortages of fuel and basic food supplies as well as a deterioration in the country's liquidity position. Although the Company has not been affected by any Helms-Burton (Title III) litigation, the decline in U.S. travel to Cuba that has resulted from these new measures, as well as numerous banking and other restrictions, have had and are expected to continue to have a negative impact on the operations of the Company.

With the upcoming U.S. Presidential election in November 2020, it is difficult to envisage any immediate easing of the adverse headwinds which Cuba and the Company will face in the coming period. However, once the election is out of the way it is possible that we may see a hoped-for new situation emerge.

At the outset of 2019, the number of tourists travelling to Cuba was predicted at 5.1m – an expected increase of 7% over 2018. In the event, only 4.3m tourists visited Cuba in 2019, a 16% decrease against the forecast. While this fall in tourist arrivals did not result in significant declines in occupancy rates at the Company's hotels, room rates were affected, most keenly at the Meliã Habana Hotel.

Results and Dividend

The trading results of the Company for the year ended 31 December 2019 benefited from the Monte Baretto office complex recording its best year but this excellent performance was offset by a drop in the income generated by the Company's hotel interests. In particular, the Havana based Meliã Habana hotel was adversely impacted by the significant drop in U.S. tourism. The dividends received from the joint venture companies which manage the office complex and hotel interests amounted to US$20.7m/£15.8m (2018: US$16.2m/£12.7m) and provided a healthy cash flow to the Company. The valuations of the Company's interests in the joint venture companies recorded an aggregate drop in value of US$14.2m. This fall was largely driven by a reduction in the value of the underlying hotel assets, with the write down of the Meliã Habana being the largest, offset to some degree by an increase in the value of the Monte Barreto office complex.

After careful consideration, the Board took the decision to cancel the dividend which was scheduled to be paid in June 2020. This decision was taken against the backdrop of the significant impact that the COVID-19 pandemic is expected to have on the Cuban tourism sector in the present year, as well as the planned investment programme of the Group. The Board is conscious that this changes the dividend policy set out in the Company's prospectus in 2018, which stated that the Company intended to pay an annual dividend targeting a yield of 4%, and the Board intends to reinstate the dividend at the indicated rate as soon as possible.

Board

I am grateful to the Board for their commitment and input during the year. In last year's Annual Report, I indicated that I intended to step down as Chairman, however the independent directors have requested that I remain as Chairman for the present time, given the very challenging environment in which the Company is currently operating. It is the Board's policy to undertake a regular review of its performance and skills to ensure that it has the appropriate mix of relevant experience and skills to ensure the effective overall operation of the Company.

The Manager

Aberdeen Standard Fund Managers Limited ("**ASFML**"), a wholly owned subsidiary of Standard Life Aberdeen plc, has acted as manager of the Group's portfolio of assets throughout the year. There has been no change in the underlying key operational management of the Company and this team continues to be headed up by Sebastiaan Berger, who is exclusively focused on the Company's assets and business and has acted in this role for a number of years. The Board reviewed the work of the Manager during the year and concluded that it was satisfied with the performance of the Manager and that it was in the best interests of shareholders that ASFML remain as Manager of the portfolio.

Auditor

During the year, in an effort to improve the efficiency and cost-effectiveness of the Company's operations, the Board sought offers from numerous audit firms. As a result of this process, the Board has appointed Grant Thornton Limited as the auditor of the Company on 3 December 2019. The appointment of Grant Thornton Limited will be subject to approval by shareholders at the Company's Annual General Meeting.

Discount

As at 31 December 2019, the audited NAV of the Company stood at US$1.50 or 114.5p. At 31 December 2019, the shares traded at 71p per share and therefore at a 38% discount to their underlying NAV. The Board is acutely aware of the present lack of connection between the share price and the underlying net asset value and will look at all ways to narrow the discount to the NAV. With the continuous negative news concerning the U.S. – Cuba relationship and the ongoing worldwide public health crisis that is having a major impact on the travel and tourism industries on a global scale, it is understandably difficult to generate investor interest and the liquidity in the shares is also limited. In conjunction with Aberdeen Standard Investments and the Company's brokers N+1 Singer, there will be an ongoing drive to increase investor awareness of the Company and its long-term potential.

Outlook

In light of the high degree of uncertainty regarding the depth and duration of the COVID-19 pandemic and the resulting economic disruption, it is not possible at the present time to comment on the outlook of the Company in the coming years. The Board has taken sensible mitigation steps to safeguard the assets and cash position of the Company in the present circumstances and the Board believes that the Company has adequate resources to sustain the immediate period of uncertainty. The Board, in consultation with the Investment Manager, will adjust its views and its actions as new developments occur.

In addition, the Board remains convinced of the long-term investment case for its investment strategy regarding Cuba. The country is resilient and has long experience in dealing with difficult circumstances. We are hopeful that Cuba and its people will weather the present storm as effectively as they have traversed past challenges, and are confident that as this crisis subsides foreign investment will play an even more central role in Cuba's development strategy and that the Company will be able to continue contributing in a positive and profitable manner to this strategy.

John Herring
Chairman
27 April 2020

GENERAL INFORMATION ON THE COMPANY & ITS INVESTMENTS STRATEGY

BACKGROUND / HISTORY

The Company was incorporated in 1995 in Guernsey as a closed-ended investment company for 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 US$19 million in 2001 to US$256 million as at 31 December 2019. During the 2019 accounting period the Company paid approximately US$8.6 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 is regulated 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.

MANAGEMENT CONTRACT AND SPECIALIST FUND SEGMENT LISTING

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 trades under the symbol CBA. 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.

As at 31 December 2019, the issued share capital of the Company consisted of 137,671,576 fully paid Ordinary Shares (2018: 137,671,576).

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 seeks 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 and commercial property sectors. Cuban real estate assets may also include infrastructure, industrial, retail, logistics, residential and mixed-use assets (including development projects).

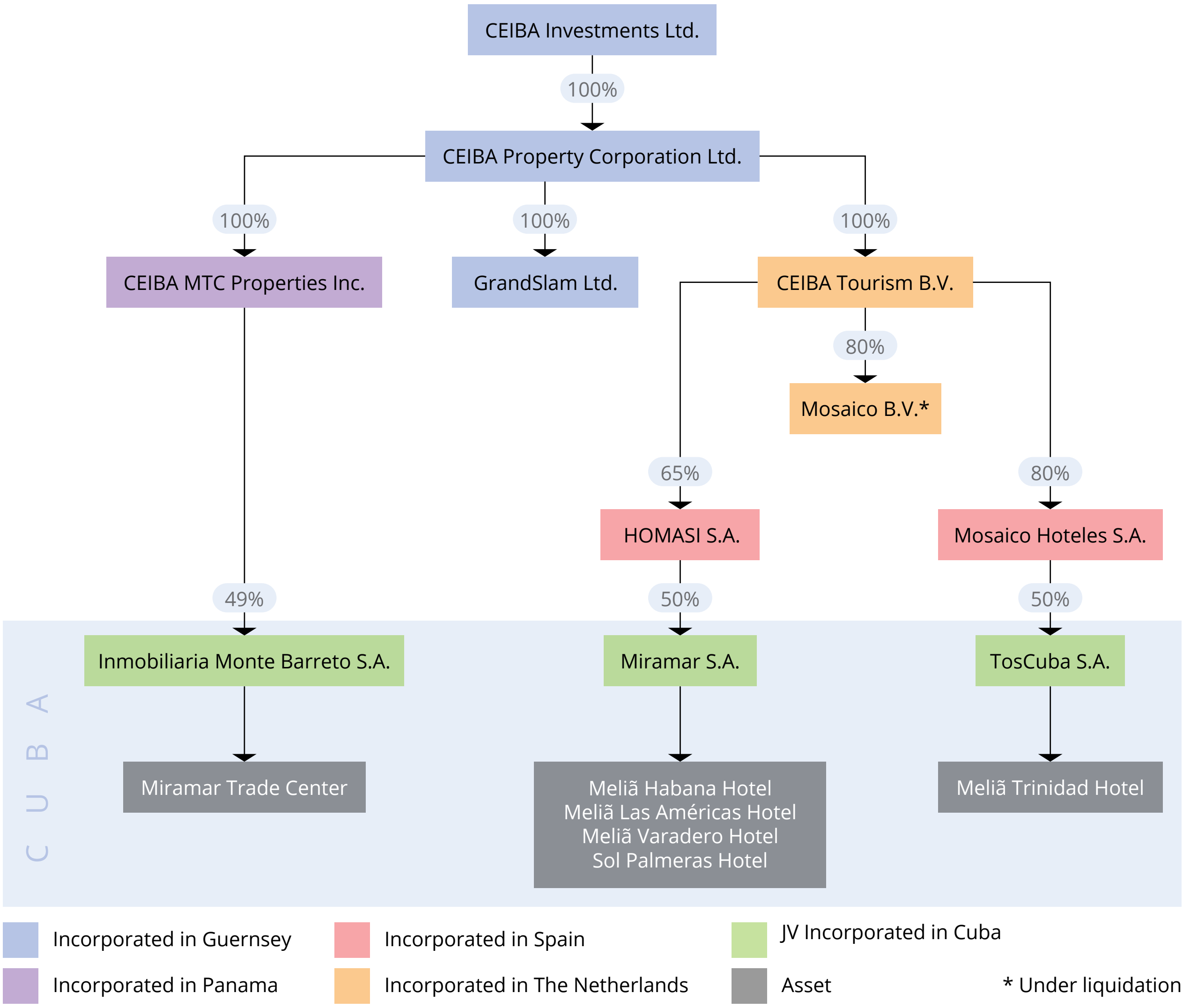
The Company may also invest in any type of financial instrument or credit facility secured by Cuba-related cash flows.

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. is in the process of being liquidated.

INVESTMENT RESTRICTIONS

The following investment limits and restrictions 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

* 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, other 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 KPIs 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.

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. As part of its risk process, the Board seeks to identify emerging risks to ensure that they are effectively managed as they develop. 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
Emerging Risk			
Global Pandemic Risk	The emergence of the global COVID-19 pandemic post-year end may, as is the case in many places around the world and in many economic sectors, have a profound and as yet unquantifiable negative impact on the operations and performance of the assets of the Company, and may directly or indirectly affect all other risk categories mentioned in this matrix. More information on COVID-19 is set out in the Chairman's Statement and Manager's Review on pages 6 and 19.	The Board, the Investment Manager, the local team in Havana, the joint venture companies in which the Company has participations, the Administrator and other service providers have all acted to the best of their abilities and in a coordinated fashion in the best interests of stakeholders (i) to protect the welfare of the various teams involved in the affairs of the Company, (ii) to ensure operations are maintained to the extent possible and to protect and support the assets of the Company for the duration of the present crisis, and (iii) to mitigate insofar as possible the longer-term negative impact of economic and operational disruption caused by the pandemic. Given the unknown duration of the crisis, all of the above actors will communicate regularly in order to properly adapt and coordinate the response of the Company to changing circumstances.	↑

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 or significant disruptions to 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.	↑

DESCRIPTION OF RISK	POSSIBLE IMPACT	MITIGATING ACTION	CHANGE DURING YEAR
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 valuer 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 page 33.	→
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 18 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 24 years and has been lead investment manager of the Company since 2001, utilising 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 tradability of its shares, or its access to international capital and financial markets.	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.	↑

DESCRIPTION OF RISK	POSSIBLE IMPACT	MITIGATING ACTION	CHANGE DURING YEAR
Helms-Burton Risk	On 2 May 2019, Title III of the Helms-Burton Act was brought fully into force following 23 years of successive uninterrupted suspensions. Canada, the European Union and other governments have strongly objected to the move and have stated that they are prepared to defend their companies' interests in Cuba before the World Trade Organization. A number of legal claims were subsequently launched before U.S. courts against U.S. and foreign investors in Cuba, which has had and could have a further 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 of the Act, 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 verify beyond doubt 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 continued 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 it 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 17 to the Consolidated Financial Statements.

Following the ongoing assessment of the principal and emerging 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.

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. 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 12 to 15;
- 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.

The COVID-19 pandemic has created a high level of uncertainty regarding the future income and commitments of the Group. Factors that the Board have considered in relation to the current crisis when assessing the viability of the Company include:

- The impact on the general liquidity position of Cuba and the ability of Miramar and Monte Barreto to distribute dividends to their shareholders, including the Group.
- The impact on the Cuban tourism industry and the financial results of Miramar.
- The impact on the timing of construction of the TosCuba Project due in part to delays in the receipt of construction imports from Europe.

Although the Board believes that the Company and the Group currently have sufficient cash resources to meet their commitments during the next twelve months, the Board recognises that short-term financing or the syndication to other lenders of existing finance facilities extended to the joint venture companies may be required during the latter part of the review period. The amount and timing of any required financing would be dependent on several factors, including the length and depth of the current crisis and its effect on the economy and liquidity position of Cuba, the amount of time required for Cuba and its tourism industry to recover from the current crisis, the impact of the current crisis on the timing and rate of construction of the TosCuba Project, and the results of the upcoming U.S. Presidential election and its impact on Cuba, if any. The Board is confident that any required short-term financing can be obtained.

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 also considered the fact that potential developments such as the current COVID-19 crisis continuing for a prolonged period of time, a substantial adverse change in the outlook for Cuba and the U.S. embargo, or changes in investor sentiment could have an impact on the accuracy 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 12 to 15 and the Viability Statement on page 16. The Company does not have any external debt obligations and does not anticipate the need for external finance over the next 12 months.

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.

SECTION 172 STATEMENT

Stakeholder Engagement

The Board wishes to describe to the Company's shareholders how the Directors have discharged their duties and responsibilities over the course of the financial year. This section, which serves as the Company's section 172 statement as required by the AIC Code on Corporate Governance 2019, explains how the Directors have promoted the success of the Company for the benefit of its stakeholders as a whole during the financial year to 31 December 2019, taking into account the likely long-term consequences of decisions, the need to foster relationships with all stakeholders and the impact of the Company's operations on the environment.

The Role of the Directors

The Company is a closed-ended investment company, has no executive directors or direct employees and is governed by the Board of Directors. Its main stakeholders are shareholders, the Investment Manager, investee companies, service providers, and the environment and community.

As set out in the Corporate Governance Report, the Board has delegated day-to-day management of the assets to the Investment Manager and either directly or through the Investment Manager, the Company employs key suppliers to provide services in relation to valuation, legal and tax requirements, auditing, company secretarial, depositary obligations and share registration, amongst others. All decisions relating to the Company's investment policy, investment objective, dividend policy, gearing, corporate governance and strategy in general are reserved for the Board. The Board meets quarterly and receives full information on the Company's performance, financial position and any other relevant information. At least once a year, the Board also holds a meeting specifically to review the Group's strategy.

The Board regularly reviews the performance of the Investment Manager, and its other service providers, to ensure they manage the Company, and its relations with its stakeholders, effectively and that their continued appointment is in the best long-term interests of the stakeholders as a whole.

Shareholders

The Board's primary focus is to promote the long-term success of the Company for the benefit of its stakeholders as a whole. The Board oversees the delivery of the investment objective, policy and strategy, as agreed by the Company's shareholders.

Shareholders are key stakeholders and the Board places great importance on communication with them. The Board welcomes all shareholder views and aims to act fairly on them. Through investment into the Company, the Board believes that the Company's shareholders seek exposure to Cuban real estate assets, a regular level of income and substantial capital growth, a well-executed sustainable investment policy, responsible capital allocation and value for money.

The Investment Manager and the Company's broker regularly meet with shareholders, and prospective shareholders, to discuss Company initiatives and seek feedback. The views of shareholders are discussed by the Board at every Board meeting, and action is taken to address any shareholder concerns. The Board and Investment Manager provides regular updates to shareholders and the market through the Annual Report, Half-Yearly Report, quarterly Net Asset Value announcements, and its website.

In the event of any changes to strategy, the Board will proactively engage with major shareholders to determine their appetite for any such change. The Chairman offers to meet with key shareholders at least annually, and other Directors are available to meet shareholders as required. This allows the Board to hear feedback directly from shareholders. During the financial year to 31 December 2019, the Board members, and the Investment Manager, participated in several meetings with large shareholders to provide reports on the progress of the Company and receive feedback, which was then provided to the full Board.

The Company's AGM provides a forum, both formal and informal, for shareholders to meet and discuss issues with the Directors and Investment Manager of the Company. The Board normally encourages as many shareholders as possible to attend the Company's AGM and to provide feedback on the Company. However, due to social distancing and "stay at home" measures implemented by the States of Guernsey in response to the COVID-19 outbreak, public gatherings of more than two people are prohibited in Guernsey. Accordingly, Members will be restricted from attending the Company's AGM in person or by attorney or by corporate representative this year. Members are encouraged to vote by proxy as detailed in the Notice of AGM contained in this Annual Report. In the event that the situation surrounding COVID-19 should change the Company will update shareholders through an announcement to the London Stock Exchange and will provide further details on the Company's website.

Investee Companies

Another key stakeholder group is that of the special purpose vehicles, joint venture vehicles, partnerships, trusts and other structures through which the Company invests. Representatives of the Company are appointed to the boards of the underlying investment vehicles and, acting in the best interests of the Company's stakeholders, influence management decisions to ensure that the investee companies are run in accordance with the Company's expectations.

The Board believes that the companies in which the Company invests would like a positive and trusting working relationship with the Investment Manager and the Board, sustainable and long-term investment, positive governance practices, and value creation for all stakeholders.

In addition to engagement with the investee companies, the Investment Manager works closely with the external hotel managers and managers of office complexes who are responsible for running the Company's properties. This allows the Investment Manager to fully understand the operational risks associated with the management of the Company's underlying assets. The Board oversees the Investment Manager's interactions with the investee companies and receives reports on engagement, interaction and revenue streams at every Board meeting.

Investment Manager

The Investment Manager's Report on pages 19 to 26 details the key investment decisions taken during the year and subsequently. The Investment Manager has continued to manage the Company's assets in accordance with the mandate provided by shareholders, with the oversight of the Board. The Board receives presentations from the Investment Manager at every Board meeting to help it to exercise effective oversight of the Investment Manager and the Company's strategy. The Board formally reviews the performance of the Investment Manager, and the fees it receives, at least annually. More details on the conclusions from the Board's review are set out on page 30.

Other Service Providers

The Board seeks to maintain constructive relationships with the Company's suppliers either directly or through the Investment Manager with regular communications and meetings. The Board via the Management Engagement Committee also ensures that the views of its service providers are considered and at least annually reviews these relationships in detail. The aim is to ensure that contractual arrangements remain in line with best practice, services being offered meet the requirements and needs of the Company and performance is in line with the expectations of the Board, Investment Manager and other relevant stakeholders. Reviews will include those of the company secretary, broker, share registrar and auditor.

The Community and the Environment

The Board and the Investment Manager are committed to investing in a responsible manner. There are a number of geopolitical, technological, social and demographic trends underway that can, and do, influence real estate investments – many of these changes fall under the umbrella of the Environment and Community, or Environmental, Social and Governance ("**ESG**"), considerations. As a result, the Investment Manager fully integrates ESG factors into its investment decision making and governance process.

The Board has adopted the Investment Manager's ESG Policy and associated operational procedures and is committed to environmental management in all phases of the investment process. The Company aims to invest responsibly, to achieve environmental and social benefits alongside returns.

Strategic Activity during the Year

The Chairman's Statement and Investment Manager's Report on pages 6 to 8 and pages 19 to 26 detail the key decisions taken during the year and subsequently. Notable actions where the interests of stakeholders were actively considered include:

- the Board's decision to change auditor; and
- the Board's decision to cancel the dividend for the year ended 31 December 2019 in light of the difficult and unpredictable economic conditions created by the COVID-19 public health crisis worldwide as well as the investment programme of the Company.

As set out above, the Board considers the long-term consequences of its decisions on its stakeholders to ensure the long-term sustainability of the Company.

INVESTMENT MANAGER'S REVIEW

Trinidad hotel construction in progress. Panoramic photos of December 2018 (above) and January 2020 (below).

INTRODUCTION

While uncertainty is inevitable in the business of the Company, at present the social, economic and political landscapes in which we operate all seem to be in major turmoil. With the entire world struggling to cope with the COVID-19 pandemic and governments everywhere making valiant efforts to deal with this new reality to the best of their ability, it seems inevitable that we will all be affected by this crisis, although its medium and long-term impact on economic and social patterns, and the operations and assets of the Company are as yet uncertain. In addition to this new global phenomenon, Cuba's economy continues to be particularly affected by the ongoing U.S. Cuban embargo regulations which may be subject to change following the outcome of the U.S. Presidential election in November 2020.

COVID-19

The outbreak of the Novel Coronavirus (COVID-19) pandemic in 2020 has resulted in numerous deaths, adversely impacted global commercial activity and contributed to significant volatility in certain equity and debt markets. The global impact of the outbreak is rapidly evolving and on 11 March 2020, the World Health Organization declared the crisis a pandemic. Many countries have reacted by instituting quarantines, prohibitions on travel and the closure of offices, businesses, schools, retail stores and other public venues. Businesses are also implementing similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are creating significant disruption in supply chains and economic activity and are having a particularly adverse impact on transportation, hospitality, tourism, entertainment and other industries.

The impact of COVID-19 has led to significant volatility and declines in the global public equity markets and it is uncertain how long this volatility will continue. As COVID-19 continues to spread, the potential impacts, including the possibility of a global, regional or other economic recession, are increasingly uncertain and difficult to assess. The Investment Manager considers the emergence of the COVID-19 pandemic to be a non-adjusting post balance sheet event. Further details can be found in Note 24 to the financial statements.

U.S.-CUBAN EMBARGO

For Cuba, the arrival of the COVID-19 pandemic immediately followed a year during which the Trump administration implemented an almost constant stream of harsh new measures against the country. These new embargo restrictions have strongly negatively impacted its tourism sector, the export of medical and other services, family remittances and other parts of the Cuban economy. With respect to the deteriorating relationship between the United States and Cuba, perhaps the most difficult questions to answer are: Where this will all end? And what can Cuba do to reverse the gradual deterioration of its relationship with the U.S.?

In early January 2020, Cuba's President Miguel Díaz-Canel stated that he did not believe that the Trump administration would drop sanctions against the island in exchange for concessions from his government. And he may be right. Ongoing Cuban government efforts to open the national economy, extend internet access to the population, adopt a new Constitution, appoint a new president and rejuvenate government, as most recently demonstrated by the appointment of Tourism Minister Manuel Marrero Cruz (56) as Prime Minister (officially "President of the Council of Ministers") and adding Cuba's Minister of Economy and Planning, Alejandro Gil Fernández (55), as Deputy Prime Minister (officially "Vice-President of the Council of Ministers") are not even mentioned by the U.S. administration. An often expressed explanation is that, although the recent strengthening of U.S. sanctions against Cuba has as its primary purpose to punish Cuba for its ongoing support for Venezuela's President Maduro, it also serves President Trump's 2020 re-election strategy which is based on the assumption that in order to win the State of Florida he needs the support of hard-line Cuban American and Venezuelan voters. The election of former Vice-President Joe Biden as President of the United States would likely trigger a renewed rapprochement between the countries and easing of the U.S.-Cuban embargo regulations, but even a re-elected President Trump could change his tune, especially since in April 2021 Raul Castro (who will then be 89 years old) will step down as First Secretary of Cuba's Communist Party.

PERFORMANCE

The Net Asset Value of the Company as at 31 December 2019 amounted to US$206,734,334 / £157,656,016 (2018: US$205,641,346 / £162,037,149), of which approximately 87% was indirectly invested in income-generating Cuban commercial and tourism related real estate assets and 10% represented finance facilities and cash. The total dividend income from the Cuban joint venture companies during the year ended 31 December 2019 was US$20,670,560 / £15,763,410 (2018: US$16,158,458 / £12,732,218).

During the 2019 financial year, the operational results of the joint ventures in which CEIBA has an interest were mixed. Inmobiliaria Monte Barreto S.A. ("**Monte Barreto**") had its best performance ever with a net income of US$13.5 million / £10.3 million (2018: US$12.7 million / £10.0 million). However, the performance of the Meliã Habana and the Varadero Hotels were below expectations. Taking into account the receipt by Miramar S.A. ("**Miramar**") of a tax credit described below, the net income after tax of Miramar was US$17.9 million / £13.6 million (2018: US$21.7 million / £17.1 million – includes net income of Cubacan S.A. that was merged with Miramar in September 2018).

The net income of the Company for the year ended 31 December 2019 attributable to the shareholders was US$7,579,514 / £5,780,152 (2018: US$1,775,926 / £1,399,359), and NAV per share at 31 December 2019 was US$1.50 / £1.14 (2018: US$1.49 / £1.18). The principal factor that contributed negatively to the results was the decrease in the fair value of Miramar, the joint venture company that owns the hotel investments. This was partially offset by an increase in the fair value of Monte Barreto, the joint venture company that owns the Miramar Trade Center, and an increase in dividend income compared to the prior year.

As noted above, the loss on the change in the fair value of the equity investments of US$14,658,562 / £11,178,649 (2018: loss of US$4,483,525 / £3,532,838) was primarily due to the decrease in the fair value of Miramar, which was a result of lower room rates and income levels compared to the prior year. The decrease of the Group's share in the fair value of Miramar was US$26,742,193 / £20,393,650.

CUBA – ECONOMIC BACKDROP

In January 2020, before the COVID-19 pandemic, Deputy Prime Minister and Minister of Economy and Planning Alejandro Gil Fernández highlighted that over the last 12 months, Cuba's economy saw growth of around 0.5%, and that despite the economic blockade and increased political pressure from the U.S., Cuba's economy was on course to show 1% growth in 2020. Gil stated that it was a testament to Cuba's resilience that Cuba managed to pass through an "extremely tense year" without entering into economic decline. In addition, he asserted that Cuba was prepared for an anticipated tightening of the U.S. blockade in the coming year and that the National Assembly had identified 12 priorities for the Cuban economy in 2020, including diversification and "serious action around exports." The Economic Commission for Latin America and the Caribbean (CEPAL) had estimated average 2019 economic growth for the region of 0.1% and projected growth for 2020 of around 0.3%. However, in a special COVID-19 report published by CEPAL on 3 April 2020, it stated that as a result of the COVID-19 pandemic its original projections should be adjusted downwards by some three, four or even more percentage points. So far, no estimates are available on the effect COVID-19 will have on Gil's original growth projections for the Cuban economy.

THE U.S. CUBAN EMBARGO

In any case, 2019 proved to be a very challenging one for the Cuban economy. The re-strengthening of the U.S. economic blockade against Cuba and the constant onslaught of negative U.S. rhetoric have hurt Cuba's tourism sector, family remittances to the island, the availability of subsidized Venezuelan oil and the export of medical and other services. The Manager believes that the negative impact of the further tightening of U.S. travel restrictions will continue to be felt in 2020. Against the backdrop of the upcoming U.S. Presidential election and the ongoing efforts made by the U.S. administration to force Cuba to withdraw its support for Venezuela, there is little hope that relations between the U.S. and Cuba will improve this year.

The new economic measures adopted by the Trump administration during 2019 include:

- The restriction of family remittances (through the imposition of a cap of US$1,000 per quarter and the elimination of the donation category of "remittance"), although the U.S. Treasury subsequently confirmed an exemption from the new limits on remittances that "support the operation of economic activity in the non-state sector" (in other words: private sector enterprise);

- The adoption of new restrictions aimed at limiting U.S. travel to Cuba (the removal of the "people-to-people" category of approved travel and the cancellation of U.S. cruise ship travel to the island);

- The coming into force of Title III of the Helms-Burton Act (see below);

- The prohibition of U.S. flights to Cuba, except Havana; and
- The announcement of further rollbacks of Obama-era normalisation measures in the banking and other areas, including the elimination of the "U-turn transactions", which allowed banking institutions to process certain Cuba-related funds transfers originating and terminating outside the United States, provided neither the originator nor the recipient was a U.S. person.

The coming into force of Title III of the Helms-Burton Act in May 2019 (a contentious law previously suspended by all U.S. presidents since it was adopted in 1996) has resulted in the launch by Cuban American plaintiffs of a number of lawsuits in U.S. courts against certain Cuban as well as U.S. and foreign companies doing business in Cuba, who are accused of "trafficking in confiscated property".

These lawsuits will take some time to work their way through the court process, although a number of them have already been withdrawn or dismissed. The law remains highly controversial and its coming into force has been strongly condemned by the European Union, Canada, Mexico and other allies of the United States who trade with and invest in Cuba. In a departure from past policy towards U.S. legal actions against it, the Cuban government has hired U.S. lawyers to defend the interests of Cuban state companies in at least one of the Title III lawsuits. The Cuban government also appears to be cooperating with foreign defendants in their efforts to defeat the Title III lawsuits. While this is frustrating for all those concerned, it is important to stress that none of the properties in which the Company has an investment are subject to a Title III action.

This renewed hostility towards Cuba on the part of the United States would seem to form part of the more general U.S. policy of pressuring the Maduro government in Venezuela with a view to encouraging regime-change there. The actions specifically target some of the leading sources of Cuban hard currency income: tourism revenues relating to U.S. travel to Cuba; subsidised oil imports from Venezuela; service income relating to medical services abroad and new foreign investment transactions. The new travel measures have already had a negative impact on U.S. travel to the island, with a corresponding fall in tourism arrivals and receipts, down from an original projection of 5.1 million arrivals at the beginning of the year to an actual number of 4.3 million at the end of 2019, and the initiation of lawsuits against foreign companies under Title III of the Helms-Burton Act has begun to have the clearly-intended chilling effect on the foreign investment climate more generally, as well as on the willingness of international banks and other financial institutions to deal with Cuba.

The recent political developments are being monitored closely, but we do not believe that they undermine the long-term investment case or value of the Company's assets, although it is expected that the short-term operational context will remain very challenging for at least the remainder of the year and it is unclear when the general situation will start to improve.

PORTFOLIO ACTIVITY

Overall the performance of the Miramar Trade Centre, the office complex of Monte Barreto, in which the Company has a 49% stake, had its most profitable year ever – occupancy rates remained at 100% throughout the year and revenues and gross profit were up 2.0% and 6.5% respectively. The hotel assets faced the challenging political and economic backdrop referred to above and the results reflect this. While the resort hotels in Varadero generally saw occupancy remain strong, room rates declined. The Meliã Habana Hotel was particularly affected by the tightened embargo on U.S. visitors and consequently saw a more pronounced decline in room rates.

From a development perspective, as can be seen from the photos above, construction of the Meliã Trinidad Playa Hotel development project located near Trinidad, Cuba was progressing steadily and was on budget until the COVID-19 crisis in Italy in March 2020 began affecting the Italian partner in the construction joint venture that is constructing the hotel. Structural works are now approximately 90% complete and the hotel has a sealed roof on most structures. Progress is now being made on internal works, including doors, windows, flooring and other installations, although at a slower pace as a result of the pandemic.

During 2020, construction works relating to planned improvements were also scheduled at the Company's hotels in Havana and Varadero. At the December board meeting of Miramar, it was agreed to approve a 2020 CAPEX and investment programme of US$21 million that will be funded by Miramar out of existing cash resources held by the joint venture company at its Cuban bank accounts, without jeopardizing dividend distributions. Due to the recent COVID-19 pandemic the timing of these investments will now be re-evaluated.

In mid-January 2019, the Cuban Ministry of Finance and Prices granted a request made by Miramar and awarded a US$2.5 million tax credit, which partially alleviates the disappointing result of the hotel assets in 2019. The tax credit results from the re-investment of profits by Miramar in 2018 at the time of the Cubacan S.A. – Miramar merger and subsequent capitalization. As well, HOMASI S.A., the foreign shareholder of Miramar has been successful in obtaining a credit-line (initially in the principal amount of €3.5 million) in order to fund its confirming and discounting activities with the hotel suppliers.

PORTFOLIO UPDATE

The Miramar Trade Centre / Monte Barreto

Miramar Trade Center view from 3rd Avenue.

During 2018 and 2019, the Miramar Trade Center has effectively maintained a 100% occupancy rate. The average monthly rent per square meter rose from US$25.22 in 2018 to US$26.28 in 2019. As a result, Monte Barreto continued its strong performance, with an EBITDA of US$18.1 million / £13.8 million (2018: US$17.3 million/ £13.2 million) and net income after tax of US$13.5 million / £10.3 million (2018: US$12.7 million/ £10.0 million) for the year. The increase is due to Monte Barreto continuing to raise rental rates as tenant leases are renewed.

The valuation of Monte Barreto, in which the Company has a 49% interest, has been adjusted upward by some US$25.5 million. The principal factor for the increased valuation is the inclusion of a residual value for the property in order to align with the valuation methodology used for establishing the values of the hotel assets.

Demand, predominantly from multi-national companies, NGOs and foreign diplomatic missions for international-standard office accommodation in Havana currently exceeds supply. Monte Barreto remains the dominant option in this market segment. As a consequence, and notwithstanding the COVID-19 pandemic, the outlook for Monte Barreto in 2020 remains encouraging, as we expect occupancy levels to remain in the high nineties and loss of rental income as a result of concessions to travel and tourism companies to be modest. However, the tense general liquidity situation in Cuba in the coming year may have a negative effect on the ability of Monte Barreto to distribute dividends to its shareholders, including CEIBA.

The Hotels of Miramar

Through its indirect ownership of a 32.5% interest in Miramar, the Group has interests in the following hotels (the "**Hotels**"):

- the Meliã Habana Hotel, a 397-room international-category 5-star business hotel located on prime ocean-front property in Havana (directly opposite the Miramar Trade Center);
- the Meliã Las Américas Hotel, a 340-room international-category 5-star beach resort hotel located in Varadero;
- the Meliã Varadero Hotel, a 490-room international-category 5-star beach resort hotel located in Varadero; and
- the Sol Palmeras Hotel, a 607-room international-category 4-star beach resort hotel located in Varadero.

All of the Hotels are operated by Meliã Hotels International S.A. ("**Meliã Hotels International**"), which also has a 17.5% equity interest in Miramar (and a 10% equity interest in TosCuba).

Performance of the Hotels

During 2019, the Hotels continued to suffer from various negative external factors, including the strengthening of the U.S. embargo (as described elsewhere in this report), the bankruptcy of travel company Thomas Cook, a decrease in the number of international flights to Varadero and Havana, financial turmoil in Argentina, and fierce competition between numerous Caribbean countries and the Yucatan peninsula in Mexico to capture Canadian tourists as well as longer distance tourists from Europe and Asia. Taking into account the receipt by Miramar of a tax credit described below, the net income after tax of Miramar S.A. was US$17.9 million / £13.6 million (2018: US$21.7 million / £17.1 million – includes net income of Cubacan S.A. that was merged with Miramar in September 2018).

Financial information of the Hotels is as follows:

	2019	2018
Meliã Habana Hotel		
EBITDA	US$6,120,591 / £4,667,575	US$7,686,699 / £6,056,811
Occupancy Rate	66%	65%
ADR	US$142 / £108	US$146 / £111
RevPAR	US$94 / £72	US$112 / £88
Meliã Las Américas Hotel		
EBITDA	US$5,378,939 / £4,101,990	US$7,639,134 / £6,019,332
Occupancy Rate	76%	81%
ADR	US$129 / £98	US$141 / £108
RevPAR	US$98 / £75	US$114 / £91
Meliã Varadero Hotel		
EBITDA	US$7,013,618 / £5,348,599	US$8,262,384 / £6,510,428
Occupancy Rate	80%	79%
ADR	US$103 / £79	US$112 / £85
RevPAR	US$82 / £63	US$88 / £71
Sol Palmeras Hotel		
EBITDA	US$6,965,194 / £5,311,671	US$8,862,908 / £6,983,617
Occupancy Rate	82%	82%
ADR	US$90 / £69	US$100 / £76
RevPAR	US$74 / £56	US$82 / £65

During the year, the Hotels were able to maintain their average occupancy rates as compared to the prior year, with the exception of the Meliã Las Américas Hotel, which saw a 5% decline. All of the Hotels suffered a significant decrease in average room rates, resulting in lower income and EBITDA compared to the prior year.

The decrease in the 2019 operational results of Miramar were partially compensated by a tax credit it received in the amount of US$2.5 million. In December 2019, the Cuban Ministry of Finance and Prices granted Miramar this tax credit relating to the re-investment of profits by Miramar at the time of completion of the 2018 merger between Miramar and Cubacan S.A. (at the time the joint venture company that owned the Varadero Hotels), and will be applied against the tax payable of the joint venture company for the 2019 and 2020 tax years.

Miramar Hotels views (Clockwise from top left: Meliã Habana, Meliã Las Américas, Sol Palmeras and Meliã Varadero Hotels)

Confirming and Discounting Facility

In December 2019, HOMASI (the foreign shareholder of Miramar) executed a US$7 million confirming and discounting facility with Miramar for the purpose of confirming and discounting supplier invoices relating to the operations of the four hotels owned by the joint venture company. The facility will be financed in part by a €3.5 million credit line received by HOMASI from a Spanish bank for this purpose, thus alleviating the present cash flow position of the Company. The facility has attractive economic terms (finance cost below 5%), and the facility will be secured by the offshore cash flows generated by the hotels. Management expects that the execution of this facility will assist in stabilising the operations relating to supply of the Hotels and minimizing the impact of the current liquidity difficulties that Cuba is experiencing.

Planned Investments

In December 2019, the joint venture agreed that a four year refurbishment and development plan will be carried out, which includes all of the Miramar hotels and which will see a total of 187 new rooms and new facilities added and 512 rooms and 57 bungalows refurbished across the whole estate.

The planning and permission process for the expansion of the Meliã Habana Hotel is well underway. These involve improvements to existing rooms, public areas and restaurants, the construction of an additional 163 new rooms and the construction of a large modern ballroom and conference centre. This investment is scheduled to be carried out in phases but only when it is economically justified.

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

In the case of the Varadero Hotels, planned investments include the modernisation and upgrade of existing rooms and bungalows and, in the case of the Meliã Las Américas Hotel, the renovation of common areas.

At the December board meeting of Miramar, an investment programme in the amount of US$21 million was approved for 2020, to be funded by Miramar out of existing cash resources held by the joint venture in its Cuban bank accounts. This investment programme is deemed essential to enable the Hotels to remain competitive in the face of new hotel inventory that has recently become or will soon be operational in Havana and Varadero.

The 2020 investment programme includes:

- Meliã Habana Hotel: modernisation and upgrade of common areas and 68 existing rooms, as well as the construction of 24 new rooms within the existing structure of the Hotel.
- Sol Palmeras Hotel: modernisation and upgrade of 50 bungalows and 63 rooms.
- Meliã Las Américas Hotel: modernisation and upgrade of common areas, 144 rooms and 7 bungalows.
- Meliã Varadero Hotel: modernisation and upgrade of 238 rooms.

Whether the 2020 investment programme will be carried out partially or in full will, amongst others, depend on the impact of the COVID-19 pandemic and the timing of the re-opening of the Hotels.

2020 Outlook

In mid March 2020, Cuba adopted a range of measures to confront the COVID-19 pandemic, which included the closing of almost all hotels in Cuba, including the four hotels owned and operated by Miramar. Although Miramar has no third party finance and a healthy cash balance which will allow it to operate without receiving any income for a period in excess of 12 months, it is inevitable that the real income levels for 2020 and possibly beyond will fall below the projections that were used by Abacus, the independent valuer of the Company, at the time of calculating the fair values of the Company's operating hotel assets as at 31 December 2019. It is therefore likely that the fair values of the Hotels will be adjusted downwards as at 30 June 2020 to reflect the temporary loss of income and the present uncertainty surrounding the effects of the COVID-19 pandemic.

The TosCuba Project

Construction of the Meliã Trinidad Playa Hotel near Trinidad, Cuba was started in December 2018 and was advancing on budget. Although the project had been progressing steadily, the operations of the Italian-Cuban construction partnership and the flow of imported materials and equipment have been severely impacted by the COVID-19 pandemic.

At present, major structural works are approximately 90% complete and significant internal works are already underway, including electrical, plumbing, doors and windows, flooring, internal structures and drywall installation.

The total capital of TosCuba is US$16 million. The capital has been spent on the surface rights over the property, pre-construction planning and development costs and the payment of part of the required deposit under the turnkey construction contract executed with a Cuban-Italian construction joint venture in 2018, which provides for a total construction cost of approximately US$60 million. During 2019, additional investments to include elevators, roadworks (entrance, parking, etc.), beach improvements, and other costs were identified that will be added to the investment budget once the costs thereof have been approved.

In April 2018, the Company arranged and presently participates in a US$45 million construction finance facility to be disbursed under two tranches of US$22.5 million / £17.2 million each. The amount disbursed under the Company's participation in the first tranche (A) as at 31 December 2019 amounted to US$9.9 million / £7.5 million. The second tranche (B) will begin disbursement once the first tranche is fully disbursed. Repayment of the facility is secured by the future income of the hotel, and Tranche B has received further security over additional tourism cash flows granted by the Cuban shareholder in the joint venture company.

TosCuba received a grant in the amount of US$10 million / £7.6 million under the Spanish Cuban Debt Conversion Programme. In accordance with the terms of the grant, these funds were used by the joint venture company to fund local purchases of goods and services delivered under the construction contract by Cuban suppliers, thereby reducing the external funding that the Company would otherwise have needed to provide.

Views of Trinidad hotel construction site (April 2020).

In March 2020, the Italian-Cuban partnership that is constructing the hotel informed TosCuba that the construction would likely be affected by the COVID-19 pandemic and would suffer delays. In parallel, CEIBA is presently in discussions with TosCuba to substantially lower the rate of capital expenditure on the TosCuba Project until there is greater certainty around the repatriation of dividends from the Cuban joint venture companies Miramar and Monte Barreto. This will inevitably extend the time-line for construction of the TosCuba Project as well as the disbursement schedule under the facility. Further information will be provided when there is greater clarity on the development.

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. ("**FINTUR**"), the Cuban government financial institution for the tourism sector. These facilities act as a medium-term investment and treasury management tool for the Group. The facilities are fully secured by offshore tourism proceeds from numerous internationally managed hotels. The Group has a successful 18 year track record in arranging and participating in over €150 million of facilities extended to FINTUR, with no defaults occurring during this period.

Under the most recent facility, originally executed in 2016 in the principal amount of €24 million and subsequently amended in 2019 through the addition of a second tranche in the principal amount of €12 million, the Company has a €4 million participation under Tranche A and a €2 million participation under Tranche B. This facility has an 8.00% interest rate and has historically operated successfully without delay or default. As at 31 December 2019, the principal amount of US$1,213,648 / £925,530 was outstanding under the Company's participation in Tranche A, and the principal amount of US$2,016,523 / £1,537,804 was outstanding under the Company's participation in Tranche B.

As a result of the COVID-19 pandemic, the income from the hotels that serve as the basis for payments under the FINTUR facility are expected to abruptly stop as of April 2020 and to resume only after Cuba's tourism sector restarts and the hotels re-open during the second half of the year. Negotiations with FINTUR to re-schedule payments are presently underway.

TosCuba – Construction Facility

As explained above, in April 2018 CEIBA 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 8.00% interest rate. The first disbursement under the facility was made in November 2018 in the lead-up period to the formal construction start of the project in December 2018, and as at 31 December 2019 the principal amount of US$9,915,552 / £7,561,619 had been disbursed under the Company's participation. The remainder of the facility will be disbursed over the remaining construction period, followed by a nine-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.

The COVID-19 pandemic has had a material adverse effect on the development of this investment. As a result of the expected temporary loss of dividend income from Miramar and the uncertainty with respect to the receipt of dividend income from Monte Barreto the timing of construction and of the disbursements to be made under the facility are presently being discussed between the constructor, TosCuba and its shareholders. In addition, it is likely that at some point in time, in the future the Company may be forced to attract funding from its shareholders or third parties in order to continue providing the amounts committed under the facility. The Investment Manager is currently envisaging debt rather than equity funding for this purpose.

OUTLOOK

Management expects that, as a result of the COVID-19 pandemic, the very difficult economic and political circumstances faced by Cuba during 2019 will continue into 2020, and that the local market conditions in which the Group operates will remain very challenging throughout the year. The further accentuation of the liquidity challenges faced by the Cuban economy as a result of the pandemic and the U.S. Cuban embargo are expected to negatively impact the timing of dividend and other payments to the Company, as well as the timing of the ongoing development of the TosCuba Project.

However, we do expect that all of the Miramar hotels will re-open in 2020 and 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 return to generating positive operational results. In addition, with numerous construction projects under development and in execution, we are investing today to ensure and safeguard growth in the future. We also anticipate that we will be able to leverage our long-standing experience in the marketplace to continue investing in the country despite the challenging environment, as well as to negotiate and execute attractive new long-term investment opportunities.

Sebastiaan A.C. Berger
Aberdeen Asset Investments Limited
27 April 2020

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: 10 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: 18 June 2019
Committee membership: Management Engagement Committee (Chairman)
Remuneration: £40,000 (US$52,452) 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 37,854,018 Ordinary Shares representing 27.50 per cent. of the existing issued share capital of the Company.

TREVOR BOWEN

Status: Independent Non-Executive Director
Length of service: one year and 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 as a partner of Principle Management 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.
Last re-elected to the Board: 18 June 2019
Committee membership: Management Engagement Committee, Nomination Committee and Audit Committee (Chairman)
Remuneration: £40,000 (US$52,452) 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: one year and 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).
Last re-elected to the Board: 18 June 2019
Committee membership: Management Engagement Committee, Nomination Committee (Chairman) and Audit Committee
Remuneration: £35,000 (US$45,896) 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: None

PETER CORNELL

Status: Senior Independent Director – Non-Executive
Length of service: one year and 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 a number of companies including PA Digital, Schroders (C.I.) Limited and Grant Thornton (C.I.) 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.
Last re-elected to the Board: 18 June 2019
Committee membership: Management Engagement Committee and Nomination Committee
Remuneration: £35,000 (US$45,896) 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: 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: 18 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 Charterholder.
Last re-elected to the Board: 18 June 2019
Committee membership: Management Engagement Committee
Remuneration: £35,000 (US$45,896) 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: 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 2019.

The principal activity, and purpose, of the Company is to provide a regular level of income and substantial capital growth. The Company is a country fund with a primary focus on Cuban real estate assets. The Company seeks 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. A description of the activities for the Company for the year under review is provided in the Chairman's Statement on pages 6 to 8.

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 invests either directly or through holdings in special purpose vehicles, joint venture vehicles, partnerships, trusts or other structures. As at 31 December 2019, the Group held the following interests in joint venture companies 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 1 January 2019 to 31 December 2019 as a registered collective investment scheme, so as to comply with the Registered Collective Investment Scheme Rules 2015.

The Directors, having considered the Group's objectives and available resources along with its projected income and expenditure, are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future. The Directors are closely monitoring the latest market developments relating to COVID-19, and possible future impact on the Company in particular on the Group's investment portfolio and financing arrangements and following enquiries with the Group's property advisors, the Directors remain confident that the going concern basis remains appropriate in preparing the consolidated financial statements.

RESULTS

Details of the consolidated results are shown on page 47 of this Report.

CAPITAL STRUCTURE AND ISSUANCE

The Company's capital structure is summarised in note 11 to the financial statements.

At 31 December 2019, there were 137,671,576 fully paid Ordinary Shares (2018 – 137,671,576) in issue.

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.

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.

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

MANAGEMENT FEE

Under the terms of the Management Agreement, ASFML is entitled to receive an annual management fee at the rate of 1.5 per cent. of Total Assets. For this purpose, the term Total Assets means the aggregate of the assets of the Company less liabilities on the last business day of the period to which the fee relates (excluding from liabilities any proportion of principal borrowed for investment and treated in the accounts of the Company as current liabilities).

The annual management fee payable by the Company to the AIFM will be reduced by 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.

In connection with execution of the Management Agreement, ASFML paid the Company US$5,000,000 to compensate 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 pro-rated 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. The Management Engagement Committee is 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 and has not made any charitable donations during 2019 (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 17 to the financial statements.

THE BOARD

The names and short biographies of the directors of the Company, all of whom are non-executive, at the date of this report are shown on pages 27 and 28. John Herring is the Chairman and Peter Cornell is the Senior Independent Director. Trevor Bowen, Keith Corbin and Peter Cornell are considered independent non-executive Directors.

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 AIC Code of Corporate Governance (published in February 2019) (the "**AIC Code**").

In addition, Colin Kingsnorth, having served on the Board for an extended period of time and as a representative of Laxey Partners Limited, and the investment manager of The Value Catalyst Fund Ltd, both major shareholders in the Company, is also not considered independent for the purposes of the AIC Code.

The Board, which comprises five male directors, regularly reviews composition of the Board and succession planning. Given the length of service of the independent non-executive directors and the interests being represented by the other non-executive directors, as well as the current position of the Company, the Board believes that the Board composition continues to be appropriate.

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 leads 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. All Directors will stand for re-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 and provisions of the AIC Code for the year ended 31 December 2019.

The AIC Code addresses all the principles and provisions set out in the UK Corporate Governance Code, as well as setting out additional principles and provisions on issues that are of specific relevance to investment companies. The Board considers that reporting in accordance with the principles and provisions of the AIC Code provides more relevant and comprehensive information to shareholders. The AIC Code is available on the AIC website at www.theaic.co.uk.

The Company has compiled throughout the accounting period with the relevant provisions contained within the AIC Code except provisions relating to:

- the independence and tenure of the chairman (provisions 11 and 13);
- the role and responsibility of the chief executive (provisions 9 and 14); and
- executive directors' remuneration (provisions 33 and 36 to 40).

The Board considers that provisions 9, 14, 33 and 36 to 40 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, the Board has not complied with provisions 11 and 13 and has resolved that, given the projects currently underway at the Company, and the present economic disruption caused by the COVID-19 pandemic, John's continued appointment as Chairman is in the best interests of the Company and shareholders as a whole. The Board evaluates appointments, including the Chairman, on an annual basis.

Directors have attended the following scheduled Board meetings during the year ended 31 December 2019.

DIRECTOR	NUMBER OF MEETINGS ATTENDED	MEETINGS DURING PERIOD ON THE BOARD
John Herring	4	4
Keith Corbin	4	4
Trevor Bowen	3	4
Peter Cornell	4	4
Colin Kingsnorth	3	4

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 provisions of the AIC Code 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 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.

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 2019. In February 2020, the Board considered an externally facilitated Board evaluation but concluded that, as the composition of the Board was still relatively new, this should be deferred until 2021, at which time it will be considered again. Instead the Board decided that the process for 2020 would consist of a Chairman-led questionnaire-based evaluation.

However, the Board has no hesitation in recommending to shareholders the 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 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 are reviewed and re-assessed by the Board for their adequacy on an annual basis.

The Board has not appointed a separate remuneration committee but, as set out below, delegates the consideration of the remuneration of the Directors to the Nomination Committee.

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

Audit Committee

Information regarding the composition, responsibilities and activities of the Audit Committee is detailed in the Report of the Audit Committee on pages 37 to 39 of this Annual Report.

Nomination Committee

All appointments to the Board are considered by the Nomination Committee which is chaired by Keith Corbin and is made up of all of the independent non-executive Directors. 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 is 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 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 35 to 36.

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

During the year the Nomination Committee met once to consider succession planning for the current Chairman. The Nomination Committee agreed that, given the projects currently underway at the Company, and the present climate, Mr Herring's continued appointment was in the best interests of the Company and shareholders as a whole but the position of Chairman would be kept under regular review.

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, are reviewed by the Management Engagement 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 meets at least once per year and otherwise as required.

During the year, the Management Engagement Committee met once to consider the performance of, and the contractual arrangements with, the key service providers of the Company, including the Investment Manager, the AIFM and the Administrator.

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 in place during the year under review and up to the date of approval of this Annual Report. 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 focussing in particular on 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 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 Investment Manager's 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 12 to 15.

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 reports 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

- the Audit Committee carried out an annual assessment of internal controls for the year ended 31 December 2019 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 2019. 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 misstatement 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's 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 13 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 5% or more of the issued Ordinary share capital of the Company at 31 December 2019:

SHAREHOLDER	NUMBER OF SHARES HELD	% HELD
Northview Investment Fund Ltd	37,854,018	27.5
Laxey Partners Limited	23,736,481	17.2
Aberdeen Standard Investments	9,747,852	7.1
Citco Global Custody NV Ref Ifoghas Investments Ltd	7,477,144	5.4
The Value Catalyst Fund Ltd	7,242,835	5.3

There have been no significant changes notified in respect of shareholdings between 31 December 2019 and 27 April 2020.

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 registered office of the Company, Dorey Court, Admiral Park, St. Peter Port, Guernsey, GY1 2HT Channel Islands on 19 June 2020 at 2.00 p.m. All shareholders will have the opportunity to put questions to the Board or the Investment Manager at the Company's AGM. Please note that the Company's Secretary is available to answer general shareholder queries at any time throughout the year. Due to social distancing and "stay at home" measures implemented by the States of Guernsey in response to the COVID-19 outbreak, public gatherings of more than two people are prohibited in Guernsey. Accordingly, Members will be restricted from attending the Meeting in person or by attorney or by corporate representative this year. Members are encouraged to vote by proxy as detailed in the Notice of AGM contained in this Annual Report. In the event that the situation surrounding COVID-19 should change the Company will update shareholders through an announcement to the London Stock Exchange and will provide further details on the Company's website. The Board would encourage all shareholders to exercise their votes, and submit any questions, in respect of the meeting in advance. This should ensure that your votes are registered in the event that attendance at the AGM might not be possible.

RELATIONS WITH STAKEHOLDERS

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

27 April 2020

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

DIRECTORS' REMUNERATION REPORT

As the Company is listed on the SFS, the Board has prepared this remuneration report on a voluntary basis.

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$560,150) 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. There were no changes to the Directors' Remuneration Policy during the year nor are there any proposals for changes in the foreseeable future. In the past year, aggregate fees of £185,000 were paid to the Directors. The table below shows the fees agreed per annum.

	31 Dec 2019 (£)	31 Dec 2019 (US$)	31 Dec 2018 (£)	31 Dec 2018 (US$)
Chairman	40,000	52,452	40,000	50,764
Chairman of Audit Committee	40,000	52,452	40,000	50,764
Director	35,000	45,896	35,000	44,419

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 annual general meeting.
- 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 were a reflection of the Company becoming a listed Company and served to bring the Company closer to the median level for fees payable to the wider peer group. The increase was also a reflection of the increased work load and general responsibilities expected from directors of listed companies. In June 2019 the Nomination Committee reviewed the director's fees and agreed that no revisions were required for the financial year ended 31 December 2019 but will keep this under review. There are no further fees to disclose as the Company has no direct employees, chief executive or executive directors.

The total fees paid to, and received by, the Directors for the financial years to 31 December 2018 and 31 December 2019 are shown below.

Director	2019 (£)	2019 (US$)	2018 (£)	2018 (US$)
John Herring	40,000	52,452	31,345	39,780
Keith Corbin	35,000	45,896	18,795	23,852
Peter Cornell	35,000	45,896	18,795	23,852
Trevor Bowen	40,000	52,452	18,795	23,852
Colin Kingsnorth	35,000	45,896	22,059	27,995
Total	**185,000**	**242,592**	**109,789**	**139,331**

Sums Paid to Third Parties

No fees were paid to third 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 13 to the financial statements. The Directors (including connected persons) at 31 December 2019 are shown in the table below.

Director	31 December 2019 Ordinary Shares	31 December 2018 Ordinary Shares
John Herring	40,000	40,000
Keith Corbin	-	-
Peter Cornell	100,000	100,000
Trevor Bowen	43,600	43,600
Colin Kingsnorth[1]	30,979,316	30,979,316

1 Includes Ordinary Shares held by Laxey Partners Limited and Value Catalyst Fund Ltd.

The above interests are unchanged at 27 April 2020, 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 2019:

- 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,

John Herring
Chairman
27 April 2020

REPORT OF THE AUDIT COMMITTEE

COMMITTEE COMPOSITION

In accordance with the AIC Code, an Audit Committee (the "**Committee**") has been established.

During the financial year under review both Peter Cornell and Colin Kingsnorth resigned as members of the Committee. Mr Cornell is a non-executive director of Grant Thornton (C.I.) ("**Grant Thornton**") which was appointed as Auditor to the Company on 3 December 2019 and he is therefore not considered independent for the purposes of the Committee. Colin Kingsnorth is a partner and director of Laxey Partners Limited and is therefore also not considered independent for the purposes of this Committee.

At the financial year end the Committee was comprised of Trevor Bowen as Chairman and Keith Corbin.

The 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 Committee is also considered, as a whole, to have competence relevant to this sector. The 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 to ensure 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 develop and implement policy on the engagement of the auditor to supply non-audit services. No non-audit fees were paid to the auditor during the year under review;
- 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 meets at least twice per year at appropriate times in the Company's reporting and audit cycle and otherwise as required. During 2019, the Committee met on a further two occasions to consider its audit arrangements.

ACTIVITIES DURING THE YEAR

The Committee met four times during the last year and reported to the Board on its activities and on matters of particular relevance to the Board.

The Committee also undertook a review of the Company's Auditor during the year. More details on this are set out in the Tenure of the Auditor section.

The Committee also assisted the Board in carrying out its responsibilities in relation to financial reporting requirements.

REVIEW OF INTERNAL CONTROL SYSTEMS AND RISK

At its meeting on 27 April 2020, the Committee reviewed the internal control systems and considered the Company's principal and emerging risks. 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 2019, the 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 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 Committee.

Revenue Recognition

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 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 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, and emerging risks, facing the Company, particularly in light of the volatility impacting the economy and tourism industry in Cuba, as well as the ongoing U.S. Sanctions. The Audit Committee considered the risk relating to the Company and its investment strategy at a corporate level, as well as the portfolio, operational and reputational 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 12 to 15. The Committee will review the matrix of risks at each committee meeting.

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's 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 40.

REVIEW OF AUDITOR

The Committee has reviewed the effectiveness of the auditor including:

- Independence: the Committee ensures that 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 Committee is confident that identified issues are satisfactorily and promptly resolved; (ii) its communications/presentation of outputs – the 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 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 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

Ernst & Young LLP, Guernsey provided audit services to the Company until 3 December 2019. During the financial year under review the Committee undertook a review of the audit function, undertaking the tender process with a number of Audit firms, resulting in the recommendation to the Board to appoint Grant Thornton as auditor for the financial year ended 31 December 2019, which the Board accepted. Ernst & Young LLP, Guernsey resigned and Grant Thornton, was appointed as external auditor to the Company on 3 December 2019.

As Grant Thornton was only appointed with effect from 3 December 2019 its tenure is not currently an area of consideration for the Committee.

The Committee considers Grant Thornton, the Company's auditor, to be independent of the Company. As set out above, the Committee is satisfied with the performance of Grant Thornton and therefore supports the recommendation to the Board that the ratification of the appointment of the Auditor be put to shareholders for approval at the forthcoming annual general meeting.

ACCOUNTABILITY AND AUDIT

Each member of the Committee confirms that, so far as he is aware, there is no relevant audit information of which the Company's Auditor is unaware, and that he has taken all the steps that he ought to have taken as a Director in order to make himself 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 Committee has reviewed the level of non-audit services provided by the Company's Auditor during the year, and remains satisfied that the Auditor's objectivity and independence is being safeguarded.

Trevor Bowen
Audit Committee Chairman
27 April 2020

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, as amended (the "**Law**") requires the Directors to prepare financial statements for each financial year. Under the Law, the Directors have elected to prepare the Consolidated Financial Statements in accordance with IFRS. Under the 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 it's Consolidated Financial Statements comply with the Law. 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 27 and 28, 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 position and 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
27 April 2020

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

Opinion

We have audited the consolidated financial statements of CEIBA Investments Limited (the 'Parent Company') and its subsidiaries (collectively, the 'Group') for the year ended 31 December 2019 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 notes to the consolidated financial statements, 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 (IFRSs) as issued by the International Accounting Standards Board (IASB).

In our opinion, the consolidated financial statements:

– give a true and fair view of the state of the Group's affairs as at 31 December 2019 and of the Group's profit for the year then ended;
– are in accordance with IFRSs as issued by the IASB; and
– comply with 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 consolidated financial statements' section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Guernsey, including the Financial Reporting Council's (FRC) 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 12 to 15 that describe the principal risks and explain how they are being managed or mitigated;

– the directors' confirmation, set out on page 38 of the annual report, that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity;

– the directors' statement, set out on page 16 of the consolidated financial statements, about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the consolidated financial statements and the directors' identification of any material uncertainties to the Group's ability to continue to do so over a period of at least twelve months from the date of approval of the consolidated financial statements;

– whether the directors' statement relating to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or

– the directors' explanation, set out on page 16 of the annual report, as to how they have assessed the prospects of the Group, 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 Group 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.

Emphasis of matter – Subsequent events relating to COVID-19 outbreak

We draw attention to note 24, Events after the reporting period, of the consolidated financial statements, which describes that while the Board of Directors considers COVID-19 to be a non-adjusting event and no adjustment has been made to the consolidated financial statements as at 31 December 2019, the Board believes that the coronavirus situation may have an impact on the locations and industries in which the Group invests and operates; however, given the uncertainty involved and the unprecedented nature of the challenges posed, it is not possible to estimate the financial effect on the Group at this time. As stated by the Board in its Viability statement, set out on pages 16 to 17, the Board remains of the opinion that the going concern basis remains appropriate in preparing the consolidated financial statements. Our opinion is not modified in this respect.

Overview of our audit approach

- Key audit matters: fair value of equity investments and revenue recognition of dividend income received
- Materiality: overall materiality of US$3.10 million, which represents 1.5% of the equity attributable to the shareholders of the Parent Company
- Audit scope: we performed an audit of the complete consolidated financial statements of the Group for the year ended 31 December 2019

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated 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 that 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 consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in the audit
Fair value of equity investments (2019: US$227.3 million, 2018: US$238.8 million) As at 31 December 2019, the Group had equity investments in joint venture companies comprising 87% (2018: 89%) of the Group's total assets. The valuation of the equity investments comprises the value of the underlying Cuban real estate assets valued by a third party valuer and the working capital in excess of operating requirements (excess cash) held within the joint ventures. The equity investments are measured at fair value, which involved use of valuation techniques as disclosed in note 7 to the consolidated financial statements. The valuaton of the underlying Cuban real estate assets involves high degree of management judgements and estimates. There is a risk that the fair value of these financial assets may be materially misstated due to use of incorrect or inappropriate judgements, estimates and assumptions in determining the fair value of the underlying real estate assets. Incorrect valuation could have a significant impact on the Company's net asset value and net income, which are key performance indicators used by management and on the actual return generated for the shareholders. *Refer to the Audit Committee Report (page 38); Accounting policies in Note 2.5 to the Consolidated Financial Statements (page 51)*	Our audit work included, but was not restricted to the following: • Obtained an understanding of the valuation process and performed walkthroughs and discussions with the external valuation expert and management to confirm our understanding of the systems to test the design and implementation of relevant controls; • Assessed the competence, objectivity and independence of the external valuation expert; • Used our internal real estate valuation specialist to evaluate the appropriateness of the valuation in the circumstance, test the significant inputs to the valuation, challenge cash flow forecasts and assumptions involved, and verify the mathematical accuracy of the calculation; • Reviewed the reasonableness of the excess cash calculation and the assumptions used; • Assessed the Group's disclosures (see note 2.3) in relation to the use of estimates and judgements regarding the valuation of the equity investments, and the valuation policies adopted (see note 3.9) and fair value disclosures for compliance with IFRS (see note 7). **Key observations** Based on our work, we found the valuation and fair value of the equity investments, including the assumptions and estimates used, reasonable in the circumstance and the Group's disclosures adequate. We confirmed that there were no material matters identified during our audit work on the valuation and fair value of the equity investments that we wanted to bring to the attention of the audit committee of the board.

Key Audit Matter	How the matter was addressed in the audit
Revenue recognition of dividend received (2019: US$20.7 million, 2018: US$16.2 million) The Group's revenue for the year ended 31 December 2019 was mainly dividend income received. There is a risk that the revenue may be materially misstated due to improper revenue recognition or fraud, which would have significant impact on the Group's total income, which is a key performance indicator used by management. *Refer to the Audit Committee Report (page 38); Accounting policies in Note 3.4 to the Consolidated Financial Statements (page 53)*	Our audit work included, but was not restricted to the following: • Obtained an understanding of the Group's revenue recognition process and assessed the adequacy of the relevant controls in place to prevent and detect fraud and errors in revenue recognition; • Assessed whether the Group's revenue recognition policy (see note 3) is appropriate, in accordance with IFRS and applied consistently; • Selected a sample of dividend transactions, reviewed the supporting documentation and approval documents, and verififed the transactions were recorded properly; • Held fraud discussions with management to identify any evidence of fraud or fraud related matters and reviewed revenue journal entries to address the risk of management override. **Key observations** Based on our work, we found the Group's revenue recognition policy appropriate. We confirmed that there were no material matters identified during our audit work on dividend income that we wanted to bring to the attention of the audit committee of the board.

Our application of materiality

We define materiality as the magnitude of misstatement in the consolidated financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our audit work and in evaluating the results of that work.

Materiality was determined as follows:

Materiality measure	
Financial statements as a whole	US$3.10 million which is 1.5% of the equity attributable to the shareholders of the Parent Company. This benchmark is considered the most appropriate benchmark based on the entity's nature of being an investment holding and asset-based group whereby the net equity attributable to the shareholders of the Parent Company is considered a Key Performance Indicator.
Performance materiality used to drive the extent of our testing	60% of financial statement materiality
Communication of misstatements to the audit committee	US$155,000 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds

An overview of the scope of our audit

Our audit approach was based on a thorough understanding of the Group's business and is risk based, and in particular included:

- Evaluation by the group audit team of identified components to assess the significance of that component and to determine the planned audit response based on a measure of materiality;
- Understanding and evaluation of the Group's internal controls environment including its IT systems and controls;
- Assessment of the key transaction cycles and identifying related risks;
- Substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the Group's control environment and the management of specific risks;
- The following components were determined to be significant; hence, a full scope audit was taken based on their relative materiality to the Group and assessment of audit risk:
  - CEIBA Property Corporation Limited
  - CEIBA MTC Properties, Inc.
  - CEIBA Tourism B.V.
  - HOMASI S.A.
  - Mosaico Hoteles S.A.
- A full scope audit was performed in relation to the Parent Company.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 of the consolidated 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 this 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 40, the statement given by the directors that they consider the annual report and consolidated financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- Audit committee reporting, set out on pages 37 to 39, is materially consistent with our knowledge obtained in the audit ; or
- Directors' statement of compliance with the UK Corporate Governance Code, set out on page 31, the parts of the directors' statement required under the Listing Rules relating to the Parent 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 under The Listing Rules

In the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in:

- the Directors' statement in relation to going concern and longer-term viability; and
- the part of the Corporate Governnance Statement relating to the Parent Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

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 Parent Company; or
- the financial statements are not in agreement with the accounting records; or
- we have not obtained all the information and explanations, which to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of directors for the consolidated financial statements

As explained more fully in the directors' responsibilities statement, set out on page 40, the directors are responsible for the preparation of the consolidated financial statements which give a true and fair view in accordance with IFRSs, and for such internal control as the directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements is located on the Financial Reporting Council's website at: 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 Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Cyril Swale
For and on behalf of Grant Thornton Limited
Chartered Accountants
St Peter Port, Guernsey
27 April 2020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2019

	Note	31 Dec 2019 US$	31 Dec 2018 US$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	13,102,578	19,814,790
Accounts receivable and accrued income	5	2,211,832	1,558,288
Loans and lending facilities	6	2,558,018	1,811,257
Total current assets		**17,872,428**	**23,184,335**
NON-CURRENT ASSETS			
Accounts receivable and accrued income	5	5,646,484	131,664
Loans and lending facilities	6	10,587,702	5,703,057
Equity investments	7	227,340,559	238,795,681
Property, plant and equipment	8	568,346	537,265
Total non-current assets		**244,143,091**	**245,167,667**
TOTAL ASSETS		**262,015,519**	**268,352,002**
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued expenses	9	2,066,213	2,202,953
Deferred liabilities	15	1,000,000	1,000,000
Total current liabilities		**3,066,213**	**3,202,953**
Non-current liabilities			
Deferred liabilities	15	2,833,333	3,833,333
Total non-current liabilities		**2,833,333**	**3,833,333**
TOTAL LIABILITIES		**5,899,546**	**7,036,286**
EQUITY			
Stated capital	11	106,638,023	106,638,023
Revaluation surplus		319,699	298,449
Retained earnings		95,422,003	96,403,178
Accumulated other comprehensive income		4,354,609	2,301,696
Equity attributable to the shareholders of the parent		**206,734,334**	**205,641,346**
Non-controlling interest	11	49,381,639	55,674,370
TOTAL EQUITY		**256,115,973**	**261,315,716**
TOTAL LIABILITIES AND EQUITY		**262,015,519**	**268,352,002**
NAV	11	206,734,334	205,641,346
NAV per share	11	1.50	1.49

See accompanying notes 1 to 24, which are an integral part of these consolidated financial statements.

These audited Financial Statements on pages 46 to 81 were approved by the board of Directors and authorised for issue on 27 April 2020. They were signed on the Company's behalf:

Keith Corbin, Director

Peter Cornell, Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2019

	Note	31 Dec 2019 US$	31 Dec 2018 US$
INCOME			
Dividend income	7	20,670,560	16,158,458
Interest income		820,588	321,323
Travel agency commissions		15,426	89,264
Gain on settlement of financial liabilities at fair value	10	-	1,625,406
Foreign exchange gain		-	787,662
		21,506,574	**18,982,113**
EXPENSES			
Foreign exchange loss		(383,162)	-
Loss on change in fair value of equity investments	7	(14,658,562)	(4,483,525)
Management salaries	20	-	(2,672,549)
Management fees	15	(1,985,429)	(358,557)
Other staff costs		(73,080)	(214,638)
Travel		(82,055)	(212,415)
Operational costs		(144,783)	(214,578)
Legal and professional fees	21	(1,028,242)	(2,353,365)
Administration fees and expenses		(266,250)	(278,348)
Finance cost	10	-	(3,560,772)
Audit fees	23	(465,514)	(392,508)
Miscellaneous expenses		(196,509)	(139,840)
Directors' fees and expenses	13	(239,085)	(146,246)
Depreciation	8	(38,062)	(37,693)
		(19,560,733)	**(15,065,034)**
NET INCOME BEFORE TAXATION		**1,945,841**	**3,917,079**
Income taxes	3.8	-	-
NET INCOME FOR THE YEAR		**1,945,841**	**3,917,079**
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS			
Gain/(loss) on exchange differences of translation of foreign operations		3,158,328	(7,285,831)
OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS			
Revaluation reserve movements		21,250	50,250
TOTAL COMPREHENSIVE INCOME/(LOSS)		**5,125,419**	**(3,318,502)**
NET INCOME/(LOSS) FOR THE YEAR ATTRIBUTABLE TO:			
Shareholders of the parent		7,579,514	1,775,926
Non-controlling interest		(5,633,673)	2,141,153
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:			
Shareholders of the parent		9,653,677	(2,909,615)
Non-controlling interest		(4,528,258)	(408,887)
Basic and diluted earnings per share	14	0.06	0.02

See accompanying notes 1 to 24, which are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2019

	Note	31 Dec 2019 US$	31 Dec 2018 US$
OPERATING ACTIVITIES			
Net income for the year		1,945,841	3,917,079
Items not effecting cash:			
Depreciation	8	38,062	37,693
Change in fair value of equity investments	7	14,658,562	4,483,525
Change in fair value of financial liabilities	10	-	(1,625,406)
Non-cash dividend income		-	(6,725,092)
Loss on property, plant & equipment disposal		-	1,650
Dividend income received (ii)		(20,670,560)	(16,158,458)
Interest income		(820,588)	(321,323)
Interest expense		-	3,560,772
Foreign exchange loss/(gain)		383,162	(787,662)
		(4,465,521)	(13,617,222)
Increase/(decrease) in accounts receivable and accrued income		98,064	(89,191)
Decrease in accounts payable and accrued expenses		(136,740)	(2,546,093)
Non-cash movement in amortisation of deferred liability	15	(1,000,000)	(166,667)
Dividend income		14,997,092	14,908,958
Interest income received (ii)		227,628	281,213
Interest paid (ii)		-	(3,560,772)
NET CASH FLOWS FROM OPERATING ACTIVITIES		**9,720,523**	**(4,789,774)**
INVESTING ACTIVITIES			
Purchase of equity investments	7	-	(12,169,002)
Purchase of property, plant & equipment	8	(47,893)	(30,688)
Loans and lending facilities disbursed		(7,408,813)	(4,749,764)
Loans and lending facilities recovered		1,777,407	1,713,062
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(5,679,299)**	**(15,236,392)**
FINANCING ACTIVITIES			
Short-term borrowings paid (i)	10	-	(34,195,489)
Net proceeds from share issuance	11	-	37,966,014
Proceeds of sale of non-controlling interest		-	20,500,000
Cash payment received from investment manager	15	-	5,000,000
Cash distribution to non-controlling interest	11	(1,786,874)	-
Receipt of past dividends not settled with shareholder	9	-	1,305,982
Payment of cash dividends		(8,560,689)	(6,974,578)
Contribution received from non-controlling interest		22,401	4,531,109
NET CASH FLOWS FROM FINANCING ACTIVITIES		**(10,325,162)**	**28,133,038**
CHANGE IN CASH AND CASH EQUIVALENTS		**(6,283,938)**	**8,106,872**
Cash and cash equivalents at beginning of the year		19,814,790	11,630,102
Foreign exchange on cash		(428,274)	77,816
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**13,102,578**	**19,814,790**

(i) The Northview loans of US$35,820,895 were settled in 2018 at US$34,195,489 cash, or at a gain of US$1,625,406 and there are no further external loans raised in 2019.
(ii) Dividends received, income received and interest paid for 2018 has been presented in accordance with the 2019 presentation, shown separately within the cashflow.

See accompanying notes 1 to 24, which are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2019

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	7,11	-	50,250	-	(4,735,791)	(4,685,541)	(2,550,040)	(7,235,581)
Net income for the year	11	-	-	1,775,926	-	1,775,926	2,141,153	3,917,079
Capital increase/contributions during the year	11	-	-	2,339,374	-	2,339,374	2,191,735	4,531,109
Dividend declared during the year	22	-	-	(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**

FOR THE YEAR ENDED 31 DECEMBER 2019	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		106,638,023	298,449	96,403,178	2,301,696	205,641,346	55,674,370	261,315,716
Revaluation of assets / Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	7,11	-	21,250	-	(2,052,913)	2,074,163	1,105,415	3,179,578
Net income/(loss) for the year	11	-	-	7,579,514	-	7,579,514	(5,633,673)	1,945,841
Capital increase/contributions during the year	11	-	-	-	-	-	22,401	22,401
Cash distribution to non-controlling interest	11	-	-	-	-	-	(1,841,703)	(1,841,703)
Payable transferred to non-controlling interest	11	-	-	-	-	-	54,829	54,829
Dividend declared during the year	22	-	-	(8,560,689)	-	(8,560,689)	-	(8,560,689)
BALANCE AT 31 DECEMBER 2019		**106,638,023**	**319,699**	**95,422,003**	**4,354,609**	**206,734,334**	**49,381,639**	**256,115,973**

See accompanying notes 1 to 24, which are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. CORPORATE INFORMATION

These consolidated financial statements for the year ended 31 December 2019 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 11) 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 15).

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$**"), which is also the Company's functional currency. The majority of the Group's income, equity investments and transactions are denominated in US$, subsidiaries are re-translated to US$ to be aligned with the reporting 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 (see note 3.15);
b) That the Group is a Venture Capital Organisation (see note 3.16).
c) That the functional currency of the parent company (Ceiba Investments Limited) is US$ (see note 3.18)

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, and 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 7).

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.

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 joint venture companies hold any excess cash that should be added as a component of the fair value of the equity investments.

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). The primary segment reporting format of the Group is determined to be business segments as the Group's business segments are distinguishable by distinct financial information provided to and reviewed by the chief operating decision maker in allocating resources arising from the products or services engaged by the Group.

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 New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2019 and not early adopted that are relevant to the Group

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.

2.7 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 except for the adoption of new standards effective as of 1 January 2019.

During the fiscal year the Group applied the following standard applicable for reporting periods beginning on or after 1 January 2019:

- IFRS 16 Leases: (Full or partial) application with retrospective effect for reporting periods beginning on or after 1 January 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 asset. The Group has elected to use the recognition exemption for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option. The Group has assessed that there is not a material impact to the consolidated financial statements as a result of the adoption of IFRS 16.

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 2019. 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.

The Group had direct and indirect equity interests in the following entities as at 31 December 2019 and 31 December 2018:

Entity Name	Country of Incorporation	Equity interest held indirectly by the Group or holding entity	
		31 Dec 2019	31 Dec 2018
1. CEIBA Property Corporation Limited (a) (i)	Guernsey	100%	100%
1.1. GrandSlam Limited (a) (ii)	Guernsey	100%	100%
1.2. CEIBA MTC Properties Inc. (a) (iii)	Panama	100%	100%
1.2.1. Inmobiliaria Monte Barreto S.A. (b) (iv)	Cuba	49%	49%
1.3. CEIBA Tourism B.V. (a) (viii)	Netherlands	100%	100%
1.3.1. HOMASI S.A. (a) (iii)	Spain	65%	65%
1.3.1.1. Miramar S.A. (b) (vi)	Cuba	50%	50%
1.3.2. Mosaico Hoteles S.A. (a) (iii)	Switzerland	80%	-
1.3.2.1. TosCuba S.A. (b) (vii)	Cuba	50%	-
1.3.3. Mosaico B.V. (a) (v)	Netherlands	80%	80%
1.3.3.1. Mosaico Hoteles S.A. (a) (iii)	Switzerland	-	100%
1.3.3.1.1. TosCuba S.A. (b) (vii)	Cuba	-	50%

(a) Company consolidated at 31 December 2019 and 31 December 2018.
(b) Company accounted at fair value at 31 December 2019 and 31 December 2018.

(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) Joint venture company that holds the Miramar Trade Center as its principal asset.
(v) On 11 March 2019, 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.
(vi) Joint venture that holds the Meliã Habana Hotel, Meliã Las Américas Hotel, Meliã Varadero Hotel and Sol Palmeras Hotel as its principal assets.
(vii) Joint venture company incorporated to build a beach hotel in Trinidad, Cuba.
(viii) 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.).

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.

3.2 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 2019 were gains of US$3,158,328 (2018: loss of US$7,285,831).

The exchange rate used in these consolidated financial statements at 31 December 2019 is 1 Euro = US$1.2030 (2018: 1 Euro = US$1.1440).

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. Commission is recognised when the respective bookings have been made.

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 2019 and 31 December 2018 the Group has not established any deferred tax assets or liabilities.

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

Guernsey	Exempt
The Netherlands	Exempt
Panama	Exempt
Spain	Exempt
Cuba (i)	15%

(i) The Cuban tax rate does not apply to the Group itself, but is rather the tax rate of the underlying Cuban joint venture companies of the equity investments and is taken into account when determining their fair value (see note 7).

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,
- 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 10).

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 statement of financial position with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest and similar income in the income statement.

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

(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. The Group was required to revise its impairment methodology under IFRS 9 for each class of financial asset.

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.

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.

(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.

3.10 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 debt 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.

3.15 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 all the characteristics 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 venture companies 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 venture companies at fair value through profit or loss.

3.17 Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and has significant liquid funds to do so. Accordingly, the Directors have adopted the going concern basis in preparing the financial statements.

3.18 Assessment of functional currency of parent company

An entity's functional currency is the currency of the primary economic environment in which the entity operates (i.e. the environment in which it primarily generates and expends cash). Any other currency is considered a foreign currency. Management has made an assessment of the primary economic environment of the parent company, CEIBA Investments Limited, and the currency of its principal income and expenses. Based on this assessment, Management has determined that the functional currency of the parent is US$.

4. CASH AND CASH EQUIVALENTS

	31 Dec 2019 US$	31 Dec 2018 US$
Cash on hand	16,183	17,480
Bank current accounts (i)	13,086,395	19,797,310
	13,102,578	**19,814,790**

(i) Balance without restriction. Included within the balance as at 31 December 2018 are amounts held on behalf of shareholders amounting to $1,305,982 (see note 9). The amount was subsequently paid to Shareholders in July 2019.

5. ACCOUNTS RECEIVABLE AND ACCRUED INCOME

	31 Dec 2019 US$	31 Dec 2018 US$
Dividends receivable from Inmobiliaria Monte Barreto S.A.	6,922,968	1,249,500
Loan interest receivable from TosCuba S.A.	633,070	40,109
Other accounts receivable and deposits	302,278	400,342
	7,858,316	**1,689,952**
Current portion	**2,211,832**	**1,558,288**
Non-current portion	**5,646,484**	**131,664**

(ii) Presented below is the ageing of receivables and accrued income based on their contractual terms of repayment.

	31 Dec 2019 US$	31 Dec 2018 US$
Up to 30 days	120,898	1,359,642
Between 31 and 90 days	66,335	116,124
Between 91 and 180 days	2,010,678	45,603
Between 181 and 365 days	13,921	36,919
Over 365 days	5,646,484	131,664
	7,858,316	**1,689,952**

Trade receivables are assessed in terms of the simplified approach for expected credit losses per IFRS 9 due to the trade receivables not containing a significant financing component and that the majority of the balance consists of dividends receivable, prepayments and an insignificant amount of receivables of the travel agency activities of GrandSlam, a wholly owned subsidiary of the Group. As a result of the composition of the trade receivables balance, the credit risk has been assessed to be low as the majority of the composition is comprised of prepayments and dividends receivable. Potential impairment loss has been estimated to be immaterial.

6. LOANS AND LENDING FACILITIES

	31 Dec 2019 US$	31 Dec 2018 US$
TosCuba S.A. (i)	9,915,549	4,749,764
Casa Financiera FINTUR S.A. (ii)	3,230,171	2,764,550
	13,145,720	**7,514,314**
CURRENT PORTION	**2,558,018**	**1,811,257**
NON-CURRENT PORTION	**10,587,702**	**5,703,057**

(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 an 80% participation in Tranche A of the Construction Facility and a 100% participation in Tranche B. 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, (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. 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 grace period during the construction period of the hotel 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 arranged and participated in a €24,000,000 syndicated facility provided to Casa Financiera FINTUR S.A. ("**FINTUR**"). The facility was subsequently amended through the addition of a second tranche in the principal amount of €12,000,000. The Group has a €4,000,000 participation under Tranche A of the facility and a €2,000,000 participation under Tranche B. The facility has a term that expires in June 2020 in the case of Tranche A and in June 2021 in the case of Tranche B, a fixed interest rate of 8%, and quarterly payments principal and interest. This facility is secured by Euro-denominated 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 loans and lending facilities portfolio according based on contractual terms:

	31 Dec 2019 US$	31 Dec 2018 US$
Up to 30 days	504,135	285,988
Between 31 and 90 days	802,882	476,647
Between 91 and 180 days	802,882	476,647
Between 181 and 365 days	448,119	571,975
Over 365 days	10,587,702	5,703,057
	13,145,720	**7,514,314**

7. EQUITY INVESTMENTS

	31 Dec 2019 US$	31 Dec 2018 US$
Miramar S.A.	127,887,983	154,630,176
Inmobiliaria Monte Barreto S.A.	86,702,576	76,165,505
TosCuba S.A.	12,750,000	8,000,000
	227,340,559	**238,795,681**

	Miramar (i) US$	Monte Barreto US$	TosCuba (ii) US$	Cubacan US$	Total US$
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**	**-**	**283,795,681**
Foreign currency translation reserve	3,203,440	-	-	-	3,203,440
Change in fair value of equity investments	(29,945,633)	10,537,071	4,750,000	-	(14,658,562)
BALANCE AT 31 DECEMBER 2019	**127,887,983**	**86,702,576**	**12,750,000**	**-**	**227,340,559**

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 2019, the amount of Excess Cash that is included in the fair value of Monte Barreto stated in these financial statements is US$1,197,575 (2018: US$2,959,505).

At 31 December 2019, 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. At 31 December 2018, cash flows were estimated until 2046 when the joint venture expires. The key assumptions used in the discounted cash flow model are the following:

	31 Dec 2019	31 Dec 2018
Discount rate (after tax) (i)	9.75%	9.5%
Occupancy year 1	100%	100%
Average occupancy year 2 to 8	98.9%	98%
Occupancy year 8 and subsequent periods	97.5%	95%
Average rental rates per square meter per month – year 1 to 6	US$28.28	US$26.93
Annual increase in rental rates subsequent to year 7 (ii)	3.0%	2.5%
Capital investments as percentage of rental revenue	2%	2%

(i) The effective tax rate is estimated to be 18% (2018: 19%).

(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 Américas, Meliã Varadero and Sol Palmeras Hotels having an aggregate total of 1,437 rooms (the "**Varadero Hotels**"). The Meliã Las Américas 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 Américas Hotel and has 490 rooms, including 7 suites and began operations in 1992. The 4-star 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 surface rights for the four hotels which have been extended / granted to 2042.

At 31 December 2019 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.

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 2019, the amount of Excess Cash that is included in the fair value of Miramar stated in these financial statements is US$20,187,983 (2018: US$21,680,176). 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:

Meliã Habana	31 Dec 2019	31 Dec 2018
Discount rate (after tax) (i)	12.5%	12.7%
Average occupancy years 1 to 10	70.8%	72%
Average daily rate per guest – year 1	US$137.75	US$165.95
Average increase in average daily rate per guest – year 2 to 6	7.5%	10%
Increase in average daily rate per guest subsequent to year 6 (ii)	3%	2.5%
Capital investments as percentage of total revenue	7%	7%

Meliã Las Américas	31 Dec 2019	31 Dec 2018
Discount rate (after tax) (iii)	12.25%	12.2%
Average occupancy years 1 to 3	78%	82%
Occupancy year 4 and subsequent periods	79.5%	83%
Average daily rate per guest – year 1	US$145.48	US$148.37
Average increase in average daily rate per guest – year 2 to 6	3.8%	3%
Increase in average daily rate per guest subsequent to year 6 (ii)	3%	2.5%
Capital investments as percentage of total revenue	7%	7%

Meliã Varadero	31 Dec 2019	31 Dec 2018
Discount rate (after tax) (iii)	12.25%	12.2%
Average occupancy years 1 to 5	80.2%	81%
Occupancy year 6 and subsequent periods	80.4%	81%
Average daily rate per guest – year 1	US$104.57	US$118.13
Average increase in average daily rate per guest – year 2 to 6	4%	3%
Increase in average daily rate per guest subsequent to year 6 (ii)	3%	2.5%
Capital investments as percentage of total revenue	7%	7%

Sol Palmeras	31 Dec 2019	31 Dec 2018
Discount rate (after tax) (iii)	12.25%	12.2%
Average occupancy years 1 to 5	79%	84%
Occupancy year 6 and subsequent periods	80%	84%
Average daily rate per guest – year 1	US$95.12	US$103.01
Increase in average daily rate per guest – year 2	5%	5%
Average increase in average daily rate per guest – year 3 to 6	4%	3%
Increase in average daily rate per guest subsequent to year 6 (ii)	3%	2.5%
Capital investments as percentage of total revenue	7%	7%

(i) The effective tax rate is estimated to be 19% (2018: 19%).

(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% (2018: 21%).

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

The discounted cash flow models include estimates of the future rental rates / average daily rates of the joint venture companies. Actual rental rates / average daily rates may differ from these estimates due to several factors including the general business climate and economic conditions, the strength of the overall tourism market and the influence of competitors. Therefore, the following tables detail the change in fair values of the equity investments, when applying what Management considers to be the reasonable possible spread in rental rates / average daily rates of between 15% lower and 15% higher compared to the rates used in these consolidated financial statements.

The following table details the fair values of the equity investments at 31 December 2019 when applying lower rental rates / average daily rates:

	Financial statements US$	-5% US$	-10% US$	-15% US$
Monte Barreto	86,702,576	82,380,413	78,058,250	73,736,088
Miramar	127,887,983	124,636,618	121,384,942	118,096,999

The following table details the fair values of the equity investments at 31 December 2019 when applying higher rental rates / average daily rates:

	Financial statements US$	+5% US$	+10% US$	+15% US$
Monte Barreto	86,702,576	91,328,282	95,346,901	99,669,063
Miramar	127,887,983	131,139,349	134,390,715	137,642,082

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

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

Sensitivity to changes in the occupancy rates

The discounted cash flow models include estimates of the future occupancy rates of the joint venture companies. Actual occupancy rates may differ from these estimates due to several factors including the general business climate and economic conditions, the strength of the overall tourism market and the influence of competitors. Therefore, the following tables detail the change in fair values of the equity investments, when applying what Management considers to be the reasonable possible spread in occupancy rates of between 15% lower and 15% higher compared to the rates used in these consolidated financial statements.

The following table details the fair values of the equity investments at 31 December 2019 when applying lower occupancy rates:

	Financial statements US$	-5% US$	-10% US$	-15% US$
Monte Barreto	86,702,576	82,279,267	77,852,944	73,423,072
Miramar	127,887,983	121,797,791	115,682,917	109,515,239

The following table details the fair values of the equity investments at 31 December 2019 when applying higher occupancy rates:

	Financial statements US$	+5% US$	+10% US$	+15% US$
Monte Barreto (i)	86,702,576	91,123,299	n/a	n/a
Miramar	127,887,983	133,978,176	140,068,370	146,158,565

(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 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%.

Sensitivity to changes in the discount and capitalisation rates

The discount and capitalisation rates used in the discounted cash flow models have been estimated taking into various factors including the current risk-free interest rate, country risk rate and other industry factors. Different methodologies or assumptions may lead to an increase or decrease in the discount and capitalisation rates. Therefore, the following tables detail the change in fair values of the equity investments when applying what Management considers to be the reasonable possible spread in the discount and capitalisation rates of between 3% lower and 3% higher compared to the rates used in these consolidated financial statements.

The following table details the fair values of the equity investments at 31 December 2019 when applying lower discount and capitalization rates:

	Financial statements US$	-1% US$	-2% US$	-3% US$
Monte Barreto	86,702,576	98,365,774	114,227,257	137,096,450
Miramar	127,887,983	139,993,689	155,101,777	174,476,187

The following table details the fair values of the equity investments at 31 December 2019 when applying higher discount and capitalization rates:

	Financial statements US$	+1% US$	+2% US$	+3% US$
Monte Barreto	86,702,576	77,753,412	70,660,355	65,941,079
Miramar	127,887,983	117,974,292	109,709,199	102,714,755

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

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 amount of cash on hand required for working capital purposes may fluctuate due to a change in the aging of receivables and payables of the joint venture companies. Management believes that the maximum amount of cash that would be required to be kept on hand would not exceed three months of operating expenses. Therefore the following table details the changes in fair values of the equity investments at 31 December 2019 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	86,702,576	86,464,354	86,226,132	85,987,911
Miramar	127,887,983	125,617,753	123,347,522	121,077,292

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

A reduction in the number of months of operating expenses used in the calculation would increase the changes in fair values of the equity investments at 31 December 2019 and 2018, however this is considered unlikely and therefore the related sensitivities have not been shown.

TosCuba

At 31 December 2019 and 2018 the Group owned an indirect 80% interest in Mosaico Hoteles S.A., which in turn has a 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. The Group has made capital contributions of US$8,000,000 (2018: US$8,000,000) to TosCuba which is the estimated fair value of the investment.

On 9 April 2019 it was announced that TosCuba was awarded a US$10 million grant 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. As of 31 December 2019, TosCuba has received cash grants under the programme totalling US$9,500,000. The 50% interest of the Group in amounts received under the programme by TosCuba have been recorded as a change in the fair value in the investment in TosCuba.

Dividend income from equity investments

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

	31 Dec 2019 US$	31 Dec 2018 US$
Monte Barreto	9,133,233	7,583,366
Miramar	11,537,327	8,575,092
	20,670,560	**16,158,458**

Financial information of joint venture companies

The principal financial information of the joint venture companies for the years ended 31 December 2019 and 2018 is as follows:

	Monte Barreto (i) US$		Miramar (i) US$		Cubacan US$		TosCuba (iv) US$	
	2019 US$ 000's	2018 US$ 000's	2019 US$ 000's	2018 (ii) US$ 000's	2019 US$ 000's	2018 (iii) US$ 000's	2019 US$ 000's	2018 US$ 000's
Cash and equivalents	19,141	7,191	56,399	66,352	-	48,336	2,407	3,184
Other current assets	2,206	5,670	21,434	19,213	-	13,025	5,483	8,586
Non-current assets	48,507	50,006	138,054	136,973	-	74,823	32,828	10,196
Current financial liabilities	18,389	6,286	20,099	23,624	-	36,365	2,554	1,217
Other current liabilities	-	-	-	-	-	-	-	-
Non-current financial liabilities	3,687	3,675	1,055	1,041	-	-	12,164	4,750
Other non-current liabilities	-	-	-	-	-	-	-	-
Revenue	23,867	23,396	85,759	38,138	-	56,064	-	-
Interest income	31	31	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-
Depreciation and amortisation	1,658	1,606	6,831	2,623	-	3,973	-	-
Taxation	2,919	3,038	263	1,998	-	1,559	-	-
Profit (loss) from continuing operations	13,536	12,714	17,872	8,486	-	13,178	-	-
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income (loss)	13,536	12,714	17,872	8,486	-	13,178	-	-

(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.

8. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles US$	Office furniture and equipment US$	Works of art US$	Total US$
Cost:				
At 1 January 2018	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**
Additions	44,330	3,563	-	**47,893**
Revaluation (i)	-	-	21,250	**21,250**
At 31 December 2019	374,502	185,887	463,300	**1,023,689**
Accumulated Depreciation:				
At 1 January 2018	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**
Charge	20,155	17,907	-	**38,062**
At 31 December 2019	319,938	135,405	-	**455,343**
Net book value:				
At 31 December 2018	30,389	64,826	442,050	**537,265**
At 31 December 2019	54,564	50,482	463,300	**568,346**

(i) A valuation was performed by an independent valuer dated 20 December 2019. The cost value of the art work is $143,601.

9. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

	31 Dec 2019 US$	31 Dec 2018 US$
Due to shareholders (i)	5,399	1,305,982
Due to Meliã Hotels International SA (ii)	354,581	-
Accrued professional fees	586,981	374,250
Management fees payable (see note 15)	1,041,950	288,269
Due to Enrique Rottenberg	-	57,809
Accrued Directors' fees	1,617	57,579
Due to Intercan Inc.	-	2,865
Other accrued expenses	57,116	51,764
Other accounts payable	18,569	64,435
	2,066,213	**2,202,953**

(i) Due to shareholders represents past dividends declared that the Group has been unable to settle due to reasons internal to the relevant shareholders. The majority of these amounts were subsequently paid to shareholders in July 2019.

(ii) Amounts due to Meliã Hotels International S.A. represent funds held for disbursement under the TosCuba Construction Facility, scheduled to be disbursed to the constructor in January 2020.

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

	31 Dec 2019 US$	31 Dec 2018 US$
Up to 30 days	409,709	134,777
Between 31 and 90 days	1,115,552	762,194
Between 91 and 180 days	535,553	1,305,982
Between 181 and 365 days	5,399	-
	2,066,213	**2,202,953**

10. SHORT-TERM BORROWINGS

	31 Dec 2019 US$	31 Dec 2018 US$
Northview Investment Fund Ltd. (i)	-	-
	-	**-**

(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$35,374,619) with an annual interest rate of 12.0% which amounted to interest incurred for the year ended 31 December 2019 of US$Nil (2018: US$3,560,772). 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 25 October 2018.

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

	31 Dec 2019 US$	31 Dec 2018 US$
Initial balance	-	35,820,895
Gain on settlement of financial liabilities	-	(1,625,406)
Cash paid	-	(34,195,489)
Final balance	**-**	**-**

11. 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 year:

	Number of ordinary shares	Stated capital US$
STATED CAPITAL		
Stated capital at 1 January 2018	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**
Stated capital at 31 December 2019	**137,671,576**	**106,638,023**

(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 way of an Initial Public Offering with an issue price of £1.00 per share. The net proceeds of the Initial Public Offering has been calculated as follows:

	US$
Gross proceeds (£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.

Net asset value

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

	31 Dec 2019 US$	31 Dec 2018 US$
Total assets	262,015,519	268,352,002
Total liabilities	(5,899,546)	(7,036,286)
Less: non-controlling interests	(49,381,639)	(55,674,370)
NAV	**206,734,334**	**205,641,346**
Number of ordinary shares issued	137,671,576	137,671,576
NAV per share	**1.50**	**1.49**

Non-controlling interest

At 31 December 2019, 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 Hoteles S.A.

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

	31 Dec 2019 US$	31 Dec 2018 US$
Non-controlling interest of HOMASI	46,878,858	54,161,837
Non-controlling interest of Mosaico Hoteles S.A.	2,502,781	-
Non-controlling interest of Mosaico B.V.	-	1,512,533
Total non-controlling interests	**49,381,639**	**55,674,370**

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

	31 Dec 2019 US$	31 Dec 2018 US$
Initial balance	55,674,370	53,891,522
Interest of non-controlling interest in net (loss)/income	(5,633,673)	2,141,153
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	1,105,415	(2,550,040)
Cash distribution to non-controlling interest	(1,786,874)	-
Capital contributions from non-controlling interest	22,401	2,191,735
Final balance	**49,381,639**	**55,674,370**

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

	31 Dec 2019 US$	31 Dec 2018 US$
Initial balance	54,161,837	53,201,995
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	1,105,415	(2,550,040)
Interest of non-controlling interest in net (loss)/income	(6,546,691)	2,178,147
Cash distribution to non-controlling interest	(1,841,703)	-
Capital contributions attributable to non-controlling interest (i)	-	1,331,735
Final balance	**46,878,858**	**54,161,837**

(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 movement of the non-controlling interests of Mosaico Hoteles S.A. is as follows:

	31 Dec 2019 US$	31 Dec 2018 US$
Initial balance	-	-
Non-controlling interest transferred from Mosaico B.V.	1,567,361	-
Interest of non-controlling interest in net income	913,019	-
Capital contributions from non-controlling interest	22,401	-
Final balance	**2,502,781**	**-**

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

	31 Dec 2019 US$	31 Dec 2018 US$
Initial balance	1,512,533	689,527
Interest of non-controlling interest in net loss	(1)	(36,994)
Capital contributions from non-controlling interest	-	860,000
Non-controlling interest transferred to Mosaico Hoteles S.A.	(1,512,532)	-
Final balance	**-**	**1,512,533**

The principal financial information of HOMASI, Mosaico Hoteles S.A. and Mosaico B.V. for the years ended 31 December 2019 and 2018 is as follows:

	HOMASI		Mosaico Hoteles S.A.	Mosaico B.V.	
	2019 US$ 000's	2018 US$ 000's	2019 US$ 000's	2019 US$ 000's	2018 US$ 000's
Current assets	6,316	211	104	-	-
Non-current assets	127,888	154,630	12,750	-	8,000
Current liabilities	(264)	(291)	(340)	-	(437)
Equity	(133,940)	(154,550)	(12,514)	-	(7,563)
Income	11,615	7,406	4,751	-	-
Expenses	(30,320)	(1,183)	(186)	-	(185)
Depreciation	-	-	-	-	-
Taxation	-	-	-	-	-
Net income/(loss) for the year	(18,705)	6,223	4,565	(7)	(185)
Other comprehensive (loss)/income	3,158	(7,286)	-	-	-
Total comprehensive loss	(15,547)	(1,063)	4,565	(7)	(185)

12. 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. The primary segment reporting format of the Group is determined to be business segments as the Group's business segments are distinguishable by distinct financial information provided to and reviewed by the chief operating decision maker in allocating resources arising from the products or services engaged by the Group. 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 the 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 and also includes a facility provided to FINTUR (see note 6).

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.

	31 December 2019 US$			
	Commercial property	Tourism / Leisure	Other	Total
Total assets	91,969,762	149,273,530	20,772,227	**262,015,519**
Total liabilities	(2,345,827)	(3,553,719)	-	**(5,899,546)**
Total net assets	**89,623,935**	**145,719,811**	**20,772,227**	**256,115,973**
Dividend income	9,133,233	11,537,327	-	**20,670,560**
Other income	-	15,426	820,588	**836,014**
Change in fair value of equity investments	10,537,071	(25,195,633)	-	**(14,658,562)**
Allocated expenses	(2,525,970)	(1,913,614)	(79,425)	**(4,519,009)**
Foreign exchange loss	-	-	(383,162)	**(383,162)**
Net income	**17,144,334**	**(15,556,494)**	**358,001**	**1,945,841**
Other comprehensive income	**-**	**3,158,328**	**21,250**	**3,179,578**
Total comprehensive income/(loss)	**17,144,334**	**(12,398,166)**	**379,251**	**5,125,419**
Other segment information:				
Property, plant and equipment additions	47,893	-	-	**47,893**
Depreciation	32,416	5,646	-	**38,062**

	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**

13. RELATED PARTIES DISCLOSURES

Compensation of Directors

As of 15 June 2018, each Director receives a fee of £35,000 (US$45,896) per annum with the Chairman receiving £40,000 (US$52,452). The Director who is also Chairman of the Audit Committee receives an annual fee of £40,000 (US$52,452). 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 Directors' fees including the fees of the Chairman, for the year ended 31 December 2019 were US$239,085 (year ended 31 December 2018: US$139,331).

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 and 8.

CPC 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 year ended 31 December 2019 amounted to US$24,500 (2018: US$143,788) with an average rental charge per square meter at 31 December 2019 of US$37.64 (2018: US$26.79) plus an administration fee of US$9.75 per square meter.

Transactions with Investment Manager

Under the terms of the Management Agreement, ASFML is entitled, with effect from 1 November 2018, to receive an annual management fee at the rate of 1.5 per cent of Total Assets. For this purpose, the term Total Assets means the aggregate of the assets of the Company less liabilities on the last business day of the period to which the fee relates (excluding from liabilities any proportion of principal borrowed for investment and treated in the accounts of the Company as current liabilities). 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 ASFML for the year ended 31 December 2019 were US$2,985,429 (2018: US$525,224) (see note 15). In connection with the Management Agreement, ASFML paid the Group US$5,000,000 for 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 to 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 a deferred liability and is being amortised over the five year period. The amount amortised in each period is accounted for as a reduction of the management fee. At 31 December 2019, the amount of the payment recorded as a deferred liability is US$3,833,333 (2018: US$4,833,333): with US$1,000,000 (2018: US$1,000,000) being the current portion and US$2,833,333 (2018: US$3,833,333) being the non-current portion. ASFML is a wholly-owned subsidiary of Standard Life Aberdeen plc which has an interest at 31 December 2019 in 9,747,852 shares of the stated capital (2018: 9,747,852).

Interests of Directors and Executives in the stated capital

At 31 December 2019 John Herring, a Director of CEIBA, had an indirect interest in 40,000 shares (2018: 40,000 shares).

At 31 December 2019 Peter Cornell, a Director of CEIBA, has an indirect interest in 100,000 shares (2018: 100,000 shares).

At 31 December 2019 Trevor Bowen a Director of CEIBA, has an indirect interest in 43,600 shares (2018: 43,600 shares).

At 31 December 2019 Colin Kingsnorth, a Director of CEIBA, is a director and shareholder of Laxey Partners Limited ("**Laxey**"). Laxey holds 23,736,481 shares (2018: 17,303,252 shares). Funds managed by Laxey hold 7,242,835 shares (2018: 13,676,064 shares).

At 31 December 2019 Sebastiaan A.C. Berger, Portfolio manager and Chief Executive Officer of CEIBA, has an interest in 3,273,081 shares (2018: 3,273,081 shares).

At 31 December 2019 Cameron Young, Chief Operating Officer of CEIBA, has an indirect interest in 4,129,672 shares (2018: 4,129,672 shares).

At 31 December 2019 Paul S. Austin, Chief Financial Officer of CEIBA, has an interest in 144,000 shares (2018: 144,000).

14. BASIC AND DILUTED EARNINGS PER SHARE

The earnings per share have been calculated on a weighted-average basis and are arrived at by dividing the net income for the year 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:

	31 Dec 2019 US$	31 Dec 2018 US$
Weighted average of ordinary shares in issue	137,671,576	113,425,001
Net income for the year attributable to the shareholders	7,579,514	1,775,926
Basic and diluted earnings per share	0.06	0.02

15. INVESTMENT MANAGER

On 31 May 2018, the Group entered into a Management Agreement under which 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 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 at the rate of 1.5 per cent of Total Assets. For this purpose, the term Total Assets means the aggregate of the assets of the Company less liabilities on the last business day of the period to which the fee relates (excluding from liabilities any proportion of principal borrowed for investment and treated in the accounts of the Company as current liabilities). 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 2019 were US$2,985,429 (2018: US$525,224).

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

In connection with the Management Agreement, ASFML paid the Group US$5,000,000 for 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 to 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 2019, the amount of the payment recorded as a deferred liability is US$3,833,333 (2018: US$4,833,333) with US$1,000,000 (2018: US$1,000,000) being the current portion and US$2,833,333 (2018: US$3,833,333) being the non-current portion.

For the year ended 31 December 2019, the amount of the payment amortised and recorded as a reduction of the management fee expense in the consolidated statement of comprehensive income was US$1,000,000 (2018: US$166,667):

	2018 US$	2018 US$
Management fees earned	2,985,429	525,224
Amortisation of deferred liability	(1,000,000)	(166,667)
Management fee expense	**1,985,429**	**358,557**

16. COMMITMENTS AND CONTINGENCIES

Operating lease commitments

The Group has operating leases for office building space. These have a contractual life of one year with mutual acceptance required through issuing a notice of extension in order for lease renewal to be undertaken annually. There are no restrictions placed upon the lessee by entering into these leases. The annual lease payments in place at 31 December 2019 were US$24,500 (2018: US$146,469).

The rental charges paid under operating leases accounted for in operational costs of the statement of comprehensive income for the year ended 31 December 2019 amounted to US$24,500 (2018: US$143,788).

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$9,915,549 (2018: US$4,749,764) of which has been advanced as at 31 December 2019. The Group has the right to syndicate Tranche B of the Construction Facility to other lenders (see note 6).

FINTUR Facility

Since 2002, the Company has arranged and participated in numerous secured finance facilities extended to FINTUR, the Cuban government financial institution for Cuba's tourism sector. These facilities act as a medium-term investment and treasury management tool for the Group. The facilities are fully secured by offshore tourism proceeds from numerous internationally managed hotels.

The Group has a successful 18-year track record of arranging and participating in over €150 million of facilities extended to FINTUR, with no defaults occurring during this period.

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 2019 the principal amount of €2,883,333 (US$3,230,171) (2018: €2,416,667 (US$2,764,550)) was outstanding under the Company's participation.

The transaction documents were amended in May 2019 in order to create a new second tranche of the 2016 FINTUR facility in the principal amount of €12 million (US$13,644,294), of which the Company agreed to assume a lender participation in the principal amount of €2 million (US$2,274,049), which was disbursed in July 2019.

17. 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.

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 2019 US$	Income (loss) 31 Dec 2018 US$
+15	1,882,162	2,613,683
+20	2,509,549	3,484,911
-15	(1,882,162)	(2,613,683)
-20	(2,509,549)	(3,484,911)

(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.

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 2019				
Equity investments (US$)	227,340,559	-	-	227,340,559
Loans and lending facilities (€)	3,230,171	3,230,171	-	-
Loans and lending facilities (US$)	9,915,549	9,915,549	-	-
Accounts receivable and accrued income (US$)	7,736,695	-	-	7,736,695
Accounts receivable and accrued income (€)	121,621	-	-	121,621
Cash at bank (€)	11,230,891	-	-	11,230,891
Cash at bank (US$)	1,191,898	-	-	1,191,898
Cash at bank (£)	663,606	-	-	663,606
Cash on hand (€)	996	-	-	996
Cash on hand (US$)	1,724	-	-	1,724
Cash on hand (CUC)	13,463	-	-	13,463
31 DECEMBER 2018				
Equity investments (US$)	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$)	117,073	-	-	117,073
Cash at bank (£)	865,614	-	-	865,614
Cash on hand (€)	583	-	-	583
Cash on hand (US$)	8,545	-	-	8,545
Cash on hand (CUC)	8,352	-	-	8,352

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 2019 US$	31 Dec 2018 US$
Loans and lending facilities	13,145,720	7,514,314
Future loan commitments (TosCuba Construction Facility) (i)	30,584,451	40,250,236
Accounts receivable and accrued income	2,142,673	1,689,952
Cash and cash equivalents	13,102,578	19,814,790
Total maximum exposure to credit risk	**58,975,422**	**69,269,292**

(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 2019 US$	31 Dec 2018 US$
Cash at bank			
Cuba	Caa2	1,083,763	112,661
Guernsey	A2	725,110	3,760,419
Spain	Ba3	2,678,694	13,877,600
Spain	A2	18,913	19,328
Spain	Baa2	8,579,915	2,027,302
		13,086,395	**19,797,310**
Cash on hand			
Spain		100	-
Cuba		16,083	16,897
The Netherlands		-	583
		16,183	**17,480**
Total cash and cash equivalents		**13,102,578**	**19,814,790**

At 31 December 2019 and 31 December 2018, 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 9).

Although the Group has a number of liabilities (see note 9 – Accounts payable and accrued expenses, note 10 – Short-term borrowings and note 16 – 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$9,915,549 was disbursed as at 31 December 2019 (31 December 2018: US$4,749,764) under the Company's participation. 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. Prior to the COVID-19 pandemic, it was anticipated that the full amount of the Construction Facility would be disbursed by the end of 2020. However, the timing of construction will be affected by the pandemic and consequently the disbursement of the principal under the Construction Facility will also be delayed. 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.

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

	31 Dec 2019 US$	31 Dec 2018 US$
Between 31 and 90 days	1,151,827	600,154
Between 91 and 180 days	1,317,800	4,647,659
Between 181 and 365 days	2,400,000	10,724,063
Over 365 days	25,714,823	24,278,360
	30,584,450	**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 2019 and 2018 to a total of US$256,115,973 and US$261,315,716, respectively. The Group is not subject to external capital requirements.

18. 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 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.

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 2019 US$			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Equity investments	-	-	227,340,559	227,340,559
	-	**-**	**227,340,559**	**227,340,559**

	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**

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:

	31 Dec 2019 US$	31 Dec 2018 US$
Unlisted private equity investments		
Initial balance	238,795,681	217,086,037
Total gains recognised in income or loss	(14,658,562)	(4,483,525)
Foreign currency translation reserve	3,203,440	(6,575,985)
Acquisitions and capital contributions	-	32,769,154
Final balance	**227,340,559**	**238,795,681**
Total losses for the year included in income or loss relating to assets and liabilities held at the end of the reporting year	(14,658,562)	(4,483,525)
	(14,658,562)	**(4,483,525)**

The fair value of short-term borrowing (see note 10) 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:

	31 Dec 2019 US$	31 Dec 2018 US$
Short-term borrowings		
Initial balance	-	35,820,895
Cash paid	-	(34,195,489)
Gain on settlement of financial liabilities	-	(1,625,406)
Final balance	**-**	**-**
Total gains for the year included in income or loss relating to assets and liabilities held at the end of the reporting period	-	(1,625,406)
	-	**(1,625,406)**

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.

19. 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 2019 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	-	13,102,578	-	13,102,578
Accounts receivable and accrued income	5	-	7,858,316	-	7,858,316
Loans and lending facilities	6	-	13,145,720	-	13,145,720
Equity investments	7	227,340,559	-	-	227,340,559
		227,340,559	**34,106,614**	**-**	**261,447,173**
Accounts payable and accrued expenses	9	-	-	2,066,213	2,066,213
		-	**-**	**2,066,213**	**2,066,213**

		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	7	238,795,681	-	-	238,795,681
		238,795,681	**29,019,056**	**-**	**267,814,737**
Accounts payable and accrued expenses	9	-	-	2,202,953	2,202,953
		-	**-**	**2,202,953**	**2,202,953**

There were no reclassifications of financial assets during the year ended 31 December 2019 (year ended 31 December 2018: nil).

20. MANAGEMENT SALARIES

	31 Dec 2019 US$	31 Dec 2018 US$
Management salaries (i)	-	2,672,549

(i) Management salaries in 2018 included management bonuses paid due to the successful listing of the Group on the SFS in 2018. In 2019, Management salaries were paid by the Investment Manager (see note 15).

21. LEGAL AND PROFESSIONAL FEES

	31 Dec 2019 US$	31 Dec 2018 US$
Legal and professional fees (i)	1,028,242	2,353,365

(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.

22. DIVIDEND PER SHARE

The dividend per share has been calculated by dividing the dividend paid by the number of shares in issue at the date of the dividend distribution. On 29 April 2019, the Board of Directors declared a dividend of US$8,604,474 or US$0.0625 per share which was distributed on 14 June 2019 to the shareholders on the share register as at 31 May 2019. No dividend has been declared in 2020 in relation to the 2019 financial year.

23. AUDIT FEES

Audit fees incurred for the year are shown below:

	31 Dec 2019 US$	31 Dec 2018 US$
Audit fee expense (i)	465,514	392,508

(i) Breakdown of audit and non-audit fees for 2019 and 2018, non-audit fees classified to legal and professionals due to the fees relating to the listing on the SFS in 2018.

	31 Dec 2019 US$	31 Dec 2018 US$
Audit fee expense	465,514	392,508
Non-audit fees (2018: US$41,230 of the non-audit fees has been capitalised to stated capital)	-	316,706

24. EVENTS AFTER THE REPORTING PERIOD

Impact of COVID-19

The outbreak of the Novel Coronavirus ("**COVID-19**") in 2020 has adversely impacted global commercial activity and contributed to significant volatility in the equity and debt markets. The global impact of the outbreak is rapidly evolving and on 11 March 2020, the World Health Organization declared a pandemic. Many countries have reacted by instituting quarantines, prohibitions on travel and the closure of offices, businesses, schools, retail stores and other public venues. Businesses are also implementing similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are creating significant disruption in supply chains and economic activity and are having a particularly adverse impact on transportation, hospitality, tourism, entertainment and other industries. The impact of COVID-19 has led to significant volatility and declines in the global public equity markets and it is uncertain how long this volatility will continue. As COVID-19 continues to spread, the potential impacts, including a global, regional or other economic recession, are increasingly uncertain and difficult to assess.

The outbreak of COVID-19 and the resulting financial and economic market uncertainty could have a significant adverse impact on the Group, including the fair value of its investments. The most significant conditions relating to COVID-19 arose after the reporting period and as a result the Directors considers the emergence of the COVID-19 Coronavirus pandemic to be a non-adjusting post balance sheet event. Any future impact on the Group is likely to be in connection with the assessment of the fair value of its equity investments, the timing of the construction of TosCuba's hotel in Trinidad and the income of the Group. At the date of reporting it is not possible to quantify the future financial impact of COVID-19 on the Group's investments or income with any degree of certainty.

A description of the present situation of the principal assets of the Group and mitigating steps taken to date is set out below.

Equity Investments

Monte Barreto

The operations of Monte Barreto do not appear to be materially impacted to date. Only a limited number of tenants of Monte Barreto are airlines, travel agencies and other tourism-related companies that have suffered an instant loss of income. In addition, Monte Barreto has no debt financing and a cash balance in excess of US$10 million, which would allow Monte Barreto to operate without income for an extended period of time if it were to become necessary. However, the general liquidity situation in Cuba may have a negative effect on the ability of Monte Barreto to distribute dividends to its shareholders, including CEIBA.

Miramar

On 20 March 2020, the Cuban Government announced a set of measures aimed at controlling the spread of COVID-19 within its national territory, which included strict border restrictions and the prohibition against entry of tourists. As a direct result of these measures, Miramar is temporarily closing its hotels and substantially decreasing its workforce.

Miramar has no debt financing and a healthy cash balance in excess of US$40 million, which would allow Miramar to operate without income for an extended period of time. However, the closing of the hotels will clearly have a negative effect on the results of Miramar, which will impact its estimated fair value and its ability to distribute dividends to its shareholders, including CEIBA.

TosCuba

In March 2020, the Italian-Cuban construction partnership that is constructing TosCuba's 400-room beachfront hotel at Trinidad, Cuba informed TosCuba that the construction schedule will be affected by the COVID-19 pandemic and will suffer delays. In parallel, the Company is presently in discussions with TosCuba to substantially lower the capital expenditure on the construction until there is greater certainty around the repatriation of dividends from Miramar and Monte Barreto that will allow for the future financing and construction of the new hotel. This will inevitably extend the timeline and disbursement schedule of the project and result in a new completion date for the turn-key construction contract and subsequent start-up of operations of the hotel.

FINTUR Facility

As at 1 April 2020, the Company is owed €1,716,667 in a finance facility secured by offshore income from numerous hotels in Cuba. Payment of the outstanding amount is scheduled to take place in quarterly instalments ending on 30 June 2021, but this schedule will now likely be re-negotiated and the final payment date extended.

The Directors will continue to closely analyse and review the impact of COVID-19 on the Group and will take appropriate action as required.

Confirming and Discounting Facility

The Company's subsidiary HOMASI (the foreign shareholder of Miramar) executed a US$7 million confirming and discounting facility with Miramar for the purpose of confirming and discounting supplier invoices relating to the operations of the four Hotels owned by the joint venture company. The facility will be financed in part by a €3.5 million credit line received by HOMASI from a Spanish bank for this purpose. The facility will be secured by the offshore cash flows generated by the Hotels. In March and April 2020, a total of €1,173,750.37 was disbursed under the facility. As a result of COVID-19, it has been agreed with Miramar that no further disbursements will be made under the facility until the Hotels resume operations.

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/fund-centre#literature.

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.pimfa.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 register.fca.org.uk 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

TERMS AND DEFINITIONS

AGM	The Annual General Meeting of the Company to be held on 19 June 2020.
AIC	The Association of Investment Companies – the AIC is the trade body for closed-ended investment companies (www.theaic.co.uk).
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.
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.
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.
GT	Grant Thornton Limited, Guernsey, the auditors of the Company.
HOMASI	HOMASI S.A., a subsidiary of the Company.
Hotels or 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 has been 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 Trinidad Playa Hotel	The Meliã Trinidad Playa Hotel development project located near Trinidad, 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 a 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.
TosCuba Project	The Meliã Trinidad Playa Hotel development project located near Trinidad, Cuba, presently under construction and being carried out by TosCuba.
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.
Varadero Hotels	The Meliã Las Américas, Meliã Varadero and Sol Palmeras Hotels.

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.

The NAV per share was US$1.50 / 114.5p per share as at 31 December 2019.

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 2019 and 31 December 2018.

	US$
NAV at 31 December 2018	205,641,346
Dividends paid	(8,560,689)
Net comprehensive income for the year[1]	9,653,677
IFRS NAV at 31 December 2019	206,734,334
Non-IFRS adjustment	3,833,333
Non-IFRS NAV at 31 December 2019	210,567,667

1 Net comprehensive income for the year includes a net loss on changes in the fair value of equity investments of (US$14,658,562).

Premium (Discount) to NAV

As at 31 December 2019, the share price was 71.0p / US$0.93 and the net asset value per share was 114.5p / US$1.50, the discount was therefore (38.0%).

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 holding of ordinary shares ("**Ordinary 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 holding of Ordinary 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 19 June 2020

The Company is a registered closed-ended investment scheme pursuant to Section 8 of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, and the Registered Collective Investment Scheme Rules 2018. The Ordinary Shares of the Company are admitted for trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange.

Notice of the Annual General Meeting of Members of the Company (the "**Meeting**") to be held at Dorey Court, Admiral Park, St. Peter Port, Guernsey GY1 2HT, Channel Islands on 19 June 2020 at 2.00 p.m. 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 and a special resolution 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.

Social distancing and "stay at home" measures implemented by the States of Guernsey in response to the COVID-19 outbreak mean that public gatherings of more than two people are prohibited in Guernsey. Accordingly, Members will be restricted from attending the Meeting in person or by attorney or by corporate representative. Anyone seeking to attend the Meeting in person will be refused entry to the Meeting. Members are encouraged to vote by proxy by (in the case of certificated Ordinary Shares) registering on www.signalshares.com in accordance with the instructions contained in the letter from the Chairman attached hereto or (in the case of uncertificated Ordinary Shares) through the CREST proxy appointment service as detailed in notes 10–12 of the Notes to the Notice of the Meeting included in *Appendix 1* to this document, in either case so as to be received as soon as possible and in any event no later than 2.00 p.m. on 17 June 2020. In the event that the situation surrounding COVID-19 should affect the plans to hold the Meeting on 19 June 2020 the Company will update Members through an announcement to the London Stock Exchange and will provide further details on the Company's website. The Board would encourage all Members to exercise their votes, and submit any questions, in respect of the Meeting in advance. This should ensure that your votes are registered in the event that attendance at the Meeting might not be possible.

Alternatively, Members are requested to complete and return the Form of Proxy accompanying this document for use at the Meeting. To be valid, Forms of Proxy must be completed and returned in accordance with the instructions printed thereon to Link Asset Services at PXS1, 34 Beckenham Road, Kent BR3 4TU as soon as possible and, in any event, so as to arrive by no later than 2.00 p.m. on 17 June 2020. Members are encouraged to use the online voting facilities detailed above, rather than submitting a paper proxy card, as in the current circumstances we cannot guarantee that there will be staff at the office of the Company's Registrar to receive post.

LETTER FROM THE CHAIRMAN

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**")

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

27 April 2020

Dear Members,

The purpose of this document is to give notice of the Annual General Meeting of the Company scheduled for 19 June 2020 at 2.00 p.m. (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.

Matters to be dealt with at the Meeting

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

(a) as to ordinary business (Resolutions 1–8):

  (i) to receive and adopt the Consolidated Financial Statements and Directors' Report for the year ended 31 December 2019;

  (ii) to ratify the appointment of Grant Thornton Limited as Auditors of the Company until the next Annual General Meeting of the Company and authorise the Board to determine their remuneration;

  (iii) to propose the re-election of Messrs Bowen, Corbin, Cornell, Herring and Kingsnorth as directors of the Company until the conclusion of the next Annual General Meeting of the Company;

(b) as to special business (Resolution 9):

  (i) to authorise the Company to buy back up to 10% of Ordinary Shares in issue immediately following the passing of the resolution.

The authority conferred by Resolution 9, 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 2021.

Resolutions 1–8 will be proposed as ordinary resolutions. Resolution 9 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 Meeting is set out in *Appendix 1* of this document.

Actions to be Taken

If you hold your Ordinary Shares in certificated form, your proxy vote must be submitted at www.signalshares.com so as to have been received by the Company's registrars, not less than 48 hours (excluding weekends and public holidays) before the time appointed for the Meeting or any adjournment of it. To register you will need your Investor Code which can be found on your share certificate. By registering on the Signal shares portal at www.signalshares.com, you can manage your shareholding, including:

- cast your vote
- change your dividend payment instruction
- update your address
- select your communication preference

If you need help with voting online please contact our Registrar, Link Asset Services by email at enquiries@linkgroup.co.uk, or you may call Link on 0871 664 0391 if calling from the UK, or +44 (0) 371 664 0391 if calling from outside of the UK. They are open between 9.00 a.m.–5.30 p.m., Monday to Friday excluding public holidays in England and Wales.

Alternatively, if you hold your Ordinary Shares in uncertificated form through CREST, appoint your proxy through the CREST proxy appointment service as detailed in notes 10–12 of the Notes to the Notice of the Meeting.

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 Meeting. Should you not utilise the online voting facilities detailed above, 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 2.00 p.m. on 17 June 2020. You are encouraged to use the online voting facilities detailed above as in the current circumstances we cannot guarantee that there will be staff at the office of the Company's Registrar to receive post. You will still be welcome to attend the Meeting in person and vote if you wish, subject to the below.

To avoid the inconvenience of calling an adjourned meeting, we ask Members to submit their vote online at www.signalshares.com or 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 2.00 p.m. on 17 June 2020. This will not preclude Members from attending and voting in person at the Meeting.

Social distancing and "stay at home" measures implemented by the States of Guernsey in response to the COVID-19 outbreak mean that public gatherings of more than two people are prohibited in Guernsey. Accordingly, Members will be restricted from attending the Meeting in person or by attorney or by corporate representative. Anyone seeking to attend the Meeting in person will be refused entry to the Meeting. Members are encouraged to vote by proxy by (in the case of certificated Ordinary Shares) registering on www.signalshares.com in accordance with the instructions contained herein or (in the case of uncertificated Ordinary Shares) through the CREST proxy appointment service as detailed in notes 10–12 of the Notes to the Notice of the Meeting included in *Appendix 1* to this document, in either case so as to be received as soon as possible and in any event no later than 2.00 p.m. on 17 June 2020. In the event that the situation surrounding COVID-19 should affect the plans to hold the AGM on 19 June 2020 the Company will update Members through an announcement to the London Stock Exchange and will provide further details on the Company's website. The Board would encourage all Members to exercise their votes, and submit any questions, in respect of the Meeting in advance. This should ensure that your votes are registered in the event that attendance at the AGM might not be possible.

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

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Members of the Company will be held at Dorey Court, Admiral Park, St. Peter Port, Guernsey, GY1 2HT Channel Islands on 19 June 2020 at 2.00 p.m. 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 8) and as a special resolution of the Company (in the case of resolution 9):–

ORDINARY RESOLUTIONS

ORDINARY BUSINESS:

1. To receive and adopt the Consolidated Financial Statements of the Company and Directors' Report for the year ended 31 December 2019.
2. To ratify the appointment of Grant Thornton Limited, 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 determine the remuneration of the Company's Auditors until the next Annual General Meeting of the Company.
4. 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.
5. To re-appoint Trevor Bowen as a Director of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company.
6. To re-appoint Keith Corbin as a Director of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company.
7. To re-appoint Peter Cornell as a Director of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company.
8. 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:

9. 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 10 per cent. of the aggregate number of Ordinary Shares in issue immediately following the passing of this resolution;

    (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 at the conclusion of the next Annual General Meeting of the Company held in 2021 or 15 months from the date of this resolution, whichever is the earlier, unless such authority is varied, revoked or renewed prior to such time.

BY ORDER OF THE BOARD

JTC Fund Solutions (Guernsey) Limited
Corporate Secretary
27 April 2020

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 Ordinary 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. Your proxy vote may be submitted at www.signalshares.com, via the CREST proxy appointment service (detailed in notes 10–12 below) or by completing the form of proxy that is enclosed with this Notice of Meeting. Should you not utilise the online voting facilities mentioned above, 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 received by Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by no later than 2.00 p.m. on 17 June 2020, 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. Social distancing and "stay at home" measures implemented by the States of Guernsey in response to the COVID-19 outbreak mean that public gatherings of more than two people are prohibited in Guernsey. Accordingly, Members will be restricted from attending the Meeting in person or by attorney or by corporate representative. Anyone seeking to attend the Meeting in person will be refused entry to the Meeting. Members are encouraged to vote by proxy by (in the case of certificated Ordinary Shares) registering on www.signalshares.com in accordance with the instructions contained in the letter from the Chairman to which this Notice is attached or (in the case of uncertificated Ordinary Shares) through the CREST proxy appointment service as detailed in notes 10–12 of the Notes below, in either case so as to be received as soon as possible and in any event no later than 2.00 p.m. on 17 June 2020. In the event that the situation surrounding COVID-19 should affect the plans to hold the AGM on 19 June 2020 the Company will update Members through an announcement to the London Stock Exchange and will provide further details on the Company's website. The Board would encourage all Members to exercise their votes, and submit any questions, in respect of the Meeting in advance. This should ensure that your votes are registered in the event that attendance at the AGM might not be possible.

3. An ordinary resolution of the Members of the Company means a resolution passed by a simple majority.

4. A special resolution of the Members of the Company means a resolution passed by a majority of not less than 75%.

5. 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.**

6. Joint registered holders of Ordinary Shares shall not have the right of voting individually in respect of such Ordinary Shares 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.

7. 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 17 June 2020 (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 Ordinary 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.

8. A copy of this Notice of Meeting is available on the Company's website: www.ceibalimited.co.uk.

9. 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).

10. 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.

11. 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 (CREST ID RA:10) by 2.00 p.m. on 17 June 2020. 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.

12. 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 Members 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 19 June 2020 at 2.00 p.m.

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 19 June 2020 at 2.00 p.m. 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 and Directors' Report of the Company for the year ended 31 December 2019 be received and adopted.				
2. THAT the appointment of Grant Thornton Limited, Guernsey as Auditors of the Company be ratified, to hold office until the conclusion of the next Annual General Meeting of the Company.				
3. THAT the Directors be authorised to determine the remuneration of the Company's Auditors until the next Annual General Meeting of the Company.				
4. 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.				
5. THAT the re-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.				
6. THAT the re-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.				
7. THAT the re-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.				
8. 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
9. 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 10 per cent. of the aggregate number of Ordinary Shares in issue immediately following the passing of this resolution; (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 at the conclusion of the next Annual General Meeting of the Company held in 2020 or 15 months from the date of this resolution, whichever the earlier, unless such authority is varied, revoked or renewed prior to such time.				

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 Member 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 2.00 p.m. on 17 June 2020, 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.**

Havana skyline, Cuba