

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2022 Rs'000	2021 Rs'000
Revenue	4,194,331	3,634,553
Profit before finance costs	113,783	133,163
Finance costs	(77,979)	(80,467)
Share of results of associates & joint ventures	125,952	(66,069)
Impairment of receivables	(3,192)	(14,715)
Profit on disposal of subsidiaries	-	24,609
Profit/(Loss) before tax	158,564	(3,479)
Income tax	(16,285)	(11,603)
Post tax profit from discontinued operations	16,480	-
Profit/(Loss) for the year	158,759	(15,082)
Attributable to:		
Owners of the parent	137,064	(24,289)
Non controlling interests	21,695	9,207
Profit/(loss) for the year	158,759	(15,082)
Other comprehensive income/(loss) for the period net of tax	337,263	(673)
Total comprehensive income/(loss) for the period	496,022	(15,755)
Other comprehensive income/(loss) attributable to:		
Owners of the parent	319,787	7,159
Non controlling interests	17,476	(7,832)
	337,263	(673)
Earnings/(loss) per share from continuing operations(Rs/cents)	10.71	(2.16)
Earnings per share from discontinued operations(Rs/cents)	1.46	-

NOTES TO THE AUDITED CONDENSED FINANCIAL STATEMENTS

The reportable segments are strategic business units that offer different products and services.

Year ended 31 December	Revenue		Profit/(Loss) after tax	
	2022 Rs'000	2021 Rs'000	2022 Rs'000	2021 Rs'000
Chemicals	2,122,412	1,712,850	56,617	(3,814)
Equipment & Systems	1,357,105	1,249,675	(776)	24,487
Technology	769,980	772,170	(2,151)	3,551
Investments & Corporate (Note 1)	194,505	166,776	151,978	(54,821)
Non-recurring items (Note 2)	-	-	16,480	24,609
Consolidation adjustments	(249,671)	(266,918)	(63,389)	(9,094)
Group Revenue	4,194,331	3,634,553	158,759	(15,082)

Note 1: The Profit/(Loss) after tax for segment 'Investments and Corporate' includes the share of results of most associates and joint ventures.

Note 2: Non-recurring items are attributable to 'Investments and Corporate' segment for 2022 and to 'Equipment and Systems' for 2021.

Restatement for the year 2021 refers to the reclassification of Rs445M from Retained earnings to Revaluation reserve without changing the total Equity of the Group, in relation to the revaluation of Land and Buildings.

STATEMENT OF FINANCIAL POSITION

	GROUP	
	2022 Rs'000	Restated 2021 Rs'000
ASSETS		
Non-current assets	2,768,783	2,302,569
Current assets	2,235,596	2,006,361
Total assets	5,004,379	4,308,930
EQUITY AND LIABILITIES		
Capital and reserves		
Owners' interest	1,703,602	1,246,736
Non controlling interests	201,378	182,015
Total equity	1,904,980	1,428,751
Non-current liabilities	1,000,686	958,148
Current liabilities	2,098,713	1,922,031
Total equity and liabilities	5,004,379	4,308,930
Net assets per share (Rs)	151.31	110.73
Number of ordinary shares	11,259,388	11,259,388

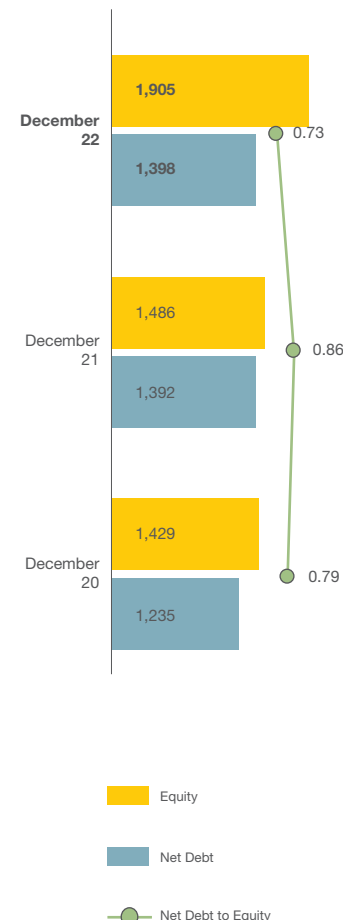
STATEMENT OF CHANGES IN EQUITY

	Owner of the Parent Rs'000	Non-controlling interests Rs'000	Total Rs'000
GROUP			
Balance at 1 January 2022 - restated	1,246,736	182,015	1,428,751
Profit for the year	137,064	21,695	158,759
Acquisition of additional interests in subsidiary	15	(19,808)	(19,793)
Other comprehensive income	319,787	17,476	337,263
Balance at 31 December 2022	1,703,602	201,378	1,904,980
Balance at 1 January 2021 - restated	1,263,866	150,755	1,414,621
Loss for the year	(24,289)	9,207	(15,082)
Other comprehensive income/(loss)	7,159	(7,832)	(673)
Acquisition of subsidiary	-	27,379	27,379
Disposal of subsidiary	-	2,506	2,506
Balance at 31 December 2021 - restated	1,246,736	182,015	1,428,751

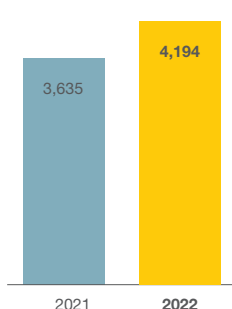
STATEMENT OF CASH FLOWS

	GROUP	
	2022 Rs'000	2021 Rs'000
Operating activities		
Net cash (absorbed in) / generated from operating activities from continuing operations	(61,040)	58,449
Investing activities		
Net cash (absorbed in) / generated from investing activities	(74,719)	(11,018)
Financing activities		
Net cash generated from financing activities	116,427	159,462
(Decrease)/Increase in cash and cash equivalents	(19,332)	206,893
Movement in cash and cash equivalents		
At 1 January	28,604	(167,273)
Net (decrease) / increase in cash and cash equivalents	(19,332)	206,893
Effect of foreign exchange difference	(2,302)	(11,016)
At 31 December	6,970	28,604

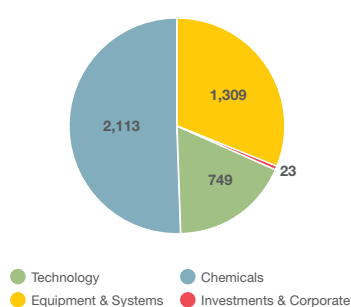
NET DEBT TO EQUITY (Rs M)



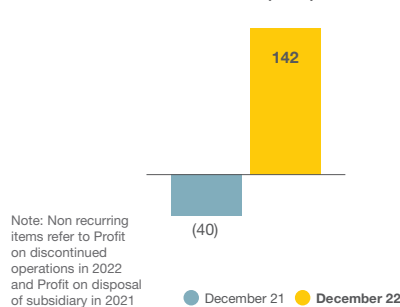
REVENUE (Rs M)



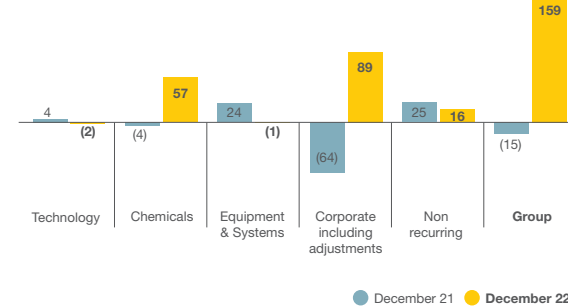
GROUP REVENUE BY SEGMENT (Rs M)



NORMALISED PAT AFTER ADJUSTING NON-RECURRING ITEMS (Rs M)



SEGMENT PAT (Rs M)



PROFILE

Based in Mauritius, Harel Mallac & Co. Ltd (the Group) also operates in six other countries across Africa and the Indian Ocean, employing over 860 people. The Group comprises four segments: Chemicals, Equipment & Systems, Investments & Corporate and Technology.

OVERALL PERFORMANCE

In 2022, the Group achieved a consolidated revenue from continuing operations of Rs 4.2 billion, an overall 15% increase from the previous year's Rs 3.6 billion. The full-year revenue included the consolidated revenue from Aerolik Ltd and its subsidiary in Reunion Island, which were acquired in May 2021. This growth was sustained by all divisions, with the Chemicals business segment achieving a 19% increase in revenue as compared to last year.

Despite higher inventory and operating costs in a context of soaring inflation and exchange rate fluctuations, the Group generated operational profits of Rs 113 million. The Profit after tax stood at Rs 159 million, representing a significant improvement from a loss of Rs 15 million in

2021. This performance is principally driven by the improved results of the Chemicals business segment and the Group's associate undertakings.

The Group's total assets increased by Rs 695 million to Rs 5 billion, principally driven by higher working capital to achieve higher sales, and the surplus arising from its triennial revaluation policy of its land and buildings of Rs 237 million. As a result, the net asset per share increased from Rs 110.73 as at 31 December 2021 to Rs 151.31 at 31 December 2022.

The negative cash flows from operating activities of Rs 61 million for the year reflect higher working capital needs.

BUSINESS SEGMENT PERFORMANCE

Chemicals achieved a turnaround in results following the pick-up of sectors in which its main clients operate, and the benefits of the internal restructuring initiated in 2021. The segment recorded a profit of Rs 57 million compared to a net loss of Rs 4 million last year.

Equipment & Systems' results were negatively affected by one-off provisions and higher import costs, resulting in a loss of Rs 0.8 million for the year compared to a net profit of Rs 24 million last year.

Investments & Corporate showed a significant improvement in results as the share of results of Associates and joint ventures recorded a profit of Rs 126 million compared to a loss of Rs 66 million last year, as most of the Group's Associates performed better than the previous year.

Technology segment was negatively impacted by compressed margins and longer lead times, recording a net loss of Rs 2 million compared to a profit of Rs 4 million last year.

OUTLOOK

The conflict between Russia and Ukraine and the global economic uncertainty are expected to continue to adversely affect commodity prices and the general economic environment.

Higher interest rates, combined with inflationary trends, will negatively impact the cost of borrowing and customer spending. The Board will continue to monitor developments and adapt its strategy to pursue the Group's long-term objectives.

The Board of Directors of Harel Mallac & Co. Ltd accepts full responsibility for the accuracy of the information contained in this report. The abridged

financial statements have been audited by Nexia Baker & Arenson and have been prepared using same accounting policies as the audited financial statements for the year ended 31 December 2021. Copies of this report are available free of charge and upon request from the Company Secretary at the registered office of Harel Mallac & Co. Ltd. The abridged audited financial statements are issued pursuant to Listing Rule 12.14.

By order of the Board

HM SECRETARIES LTD
Company Secretary

27 March 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	GROUP			
	Three months to 30 September 2022 Rs'000	Three months to 30 September 2021 Rs'000	Nine months to 30 September 2022 Rs'000	Nine months to 30 September 2021 Rs'000
Revenue	1,041,953	899,145	2,952,385	2,366,906
Profit before finance costs	39,852	48,997	46,761	36,694
Finance costs	(18,096)	(17,252)	(49,501)	(49,058)
Share of results of associates & joint ventures	56,318	(55,219)	93,545	(93,773)
Impairment of receivables	2,319	-	(9,910)	(12,245)
Profit on disposal of subsidiaries	-	-	-	24,418
Profit/(loss) before tax	80,393	(23,474)	80,895	(93,964)
Income tax	(7,875)	(7,390)	(21,650)	(15,539)
Post tax profit from discontinued operations	-	-	16,417	-
Profit/(loss) for the period	72,518	(30,864)	75,662	(109,503)
Attributable to:				
Owners of the parent	66,778	(38,437)	67,035	(107,143)
Non controlling interests	5,740	7,573	8,627	(2,360)
Profit/(loss) for the period	72,518	(30,864)	75,662	(109,503)
Other comprehensive income/(loss) for the period net of tax	(4,528)	(11,663)	1,578	(24,894)
Total comprehensive income/(loss) for the period	67,990	(42,527)	77,240	(134,397)
Other comprehensive income/(loss) attributable to:				
Owners of the parent	(4,414)	(8,537)	3,683	(19,056)
Non controlling interests	(114)	(3,126)	(2,104)	(5,838)
	(4,528)	(11,663)	1,579	(24,894)
Earnings/(loss) per share from continuing operations (Rs/cents)	5.93	(3.41)	4.50	(9.52)
Earnings per share from discontinued operations (Rs/cents)	-	-	1.46	-

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

The reportable segments are strategic business units that offer different products and services.

Nine months to 30 September 2022	Revenues		Profit/(Loss) after tax	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
Investment & Corporate (Note 1)	114,117	90,000	76,419	(108,933)
Technology	531,591	489,340	(21,859)	(8,250)
Chemicals	1,441,375	1,152,643	(1,075)	(19,247)
Equipment & Systems	997,246	787,852	7,987	1,949
Non-recurring items (Note 2)	-	-	16,417	24,418
Consolidation adjustments	(131,944)	(152,929)	(2,227)	560
	2,952,385	2,366,906	75,662	(109,503)

Note 1: The Profit/(loss) after tax for segment 'Investment and Corporate' includes the share of results of associates and joint ventures.

Note 2: Non-recurring items are attributable to 'Investment and Corporate' segment for 2022 and to 'Equipment and Systems' for 2021.

STATEMENT OF FINANCIAL POSITION

	GROUP	
	30 September 2022 Rs'000	31 December 2021 Rs'000
ASSETS		
Non-current assets	2,369,359	2,302,569
Current assets	2,130,391	2,006,361
Total assets	4,499,750	4,308,930
EQUITY AND LIABILITIES		
Capital and reserves		
Owners' interest	1,317,454	1,246,736
Non controlling interests	168,728	182,015
Total equity	1,486,182	1,428,751
Non-current liabilities	1,009,580	958,148
Current liabilities	2,003,988	1,922,031
Total equity and liabilities	4,499,750	4,308,930
Net assets per share (Rs)	117.01	110.73
Number of ordinary shares	11,259,388	11,259,388

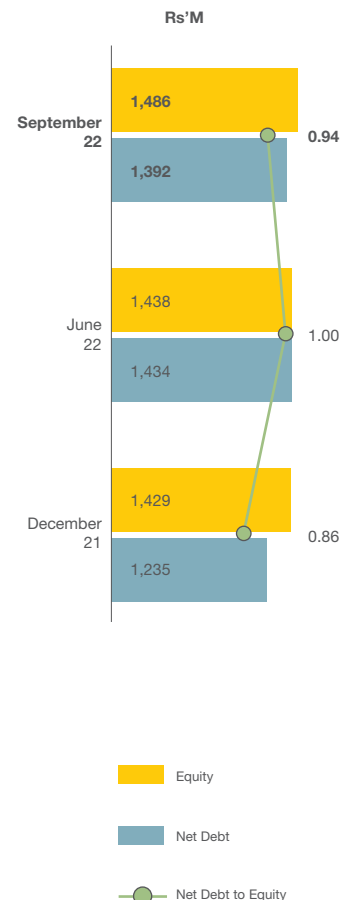
STATEMENTS OF CHANGES IN EQUITY

	Owner of the Parent Rs'000	Non-controlling interests Rs'000	Total Rs'000
GROUP			
Balance at 1 January 2022	1,246,736	182,015	1,428,751
Profit for the period	67,035	8,627	75,662
Additional acquisition of interests in subsidiary	-	(19,810)	(19,810)
Other comprehensive income/(loss)	3,683	(2,104)	1,579
Balance at 30 September 2022	1,317,454	168,728	1,486,182
Balance at 1 January 2021	1,263,866	150,755	1,414,621
Loss for the period	(107,143)	(2,360)	(109,503)
Other comprehensive loss	(19,056)	(5,838)	(24,894)
Acquisition of subsidiary	-	28,614	28,614
Balance at 30 September 2021	1,137,667	171,171	1,308,838

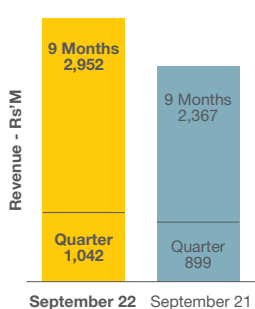
STATEMENTS OF CASH FLOWS

	GROUP	
	Nine months 30 September 2022 Rs'000	Nine months 30 September 2021 Rs'000
Operating activities		
Net cash (absorbed in)/generated from operating activities from continuing operations	(106,747)	122,616
Investing activities		
Net cash absorbed in investing activities	(45,962)	(1,141)
Financing activities		
Net cash generated from financing activities	98,834	98,560
Net (decrease)/increase in cash and cash equivalents	(53,875)	220,035
Movement in cash and cash equivalents		
At 1 January	28,604	(167,273)
Net (decrease)/increase in cash and cash equivalents	(53,875)	220,035
Effect of foreign exchange difference	(5,022)	(967)
At 30 September	(30,293)	51,795

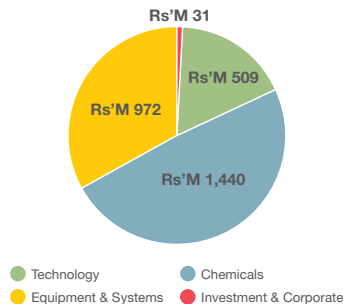
NET DEBT TO EQUITY



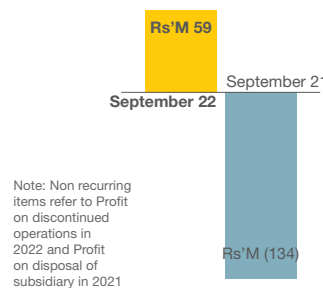
REVENUE



9 MONTHS SEGMENT REVENUE

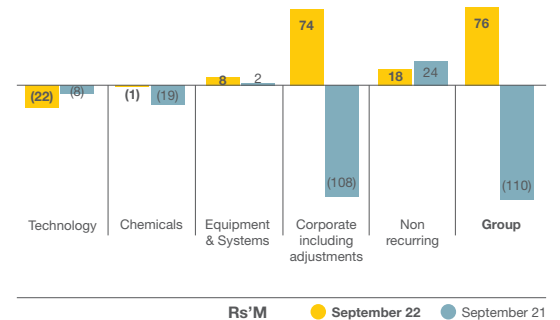


9 MONTHS NORMALISED PAT AFTER ADJUSTING NON-RECURRING ITEMS



Note: Non recurring items refer to Profit on discontinued operations in 2022 and Profit on disposal of subsidiary in 2021

9 MONTHS SEGMENT RESULTS



PROFILE

Harel Mallac (the Group) operates mainly in Mauritius, and additionally in six countries in Africa and the Indian Ocean. Strong with some 860 employees, it comprises of four divisions: Investments & Corporate, Technology, Chemicals and Equipment & Systems.

OVERALL PERFORMANCE

For the nine months ended 30 September 2022, the Group's consolidated revenue from continuing operations increased by 25% to Rs 2,952 million compared to the same period last year. Nine months' revenue have been consolidated for Aerolik Ltd and its subsidiary based in Reunion Island, which were acquired in May 2021.

Even though margin remains under pressure due to increased cost of inventories, the Group generated Profit Before Finance Costs (PBFC) of Rs 47 million for the period under review compared to Rs 37 million for the same period in 2021 following improved performance of our Chemicals division and the Aerolik entities.

The Group's negative cash flows from operating activities of Rs107 million for the nine months were due to the proactive

measures taken by some divisions to have buffer stock for the last quarter. This reflects a higher working capital requirement linked to the additional sales and increase in inventory to cater for longer lead times and mitigate disruptions in supply to better service the market.

DIVISION OVERVIEW

Technology posted higher revenues than last year despite longer product delivery lead time. These delays, together with the effect of compressed margins, impacted the results of the division which recorded a net loss of Rs 22 million for the period compared to a Rs 8 million net loss last year.

Chemicals achieved better results compared to the previous year as a result of pick-up of business sectors in which its main clients operate. The division recorded a net loss of Rs 1 million for the period, compared to a net loss of Rs 19 million last year. Given the cyclical nature of its business, the division's peak period is generally the final quarter of the year.

Results for **Equipment & Systems** improved as a direct consequence of the addition of the Aerolik entities. The division was negatively affected by higher import costs and higher supply chain lead time. The division recorded a net profit of Rs 8 million for the period compared to a net profit of Rs 2 million last year.

Investments & Corporate shows a major improvement in results, as the share of results of Associates and joint ventures recorded a profit of Rs 93 million during the period, compared to a loss of Rs 94 million last year. This increase was driven by the Group's investments in the hospitality sector which benefited from the re-opening of borders in October 2021, as well as our associate operating in the energy sector.

OUTLOOK

Although we are starting to see signs of improvements in the costs of logistics, the prevailing international uncertainties will however continue to impact the availability and the costs of inventories. Locally, higher interest rates combined with current inflationary trend will negatively impact the cost of borrowing and, by ripple effect, customer spending; the potential impact on the Group's performance is being monitored. The last quarter of the year is traditionally an important one for the Group.

These quarterly condensed financial statements have been prepared using the same accounting policies as for the statutory financial statements for the year ended 31 December 2021, except for the adoption of published Standards that are now effective.

The statement of direct and indirect interests of officers of the Company required under the rule 8(2)m of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available upon request from the Company Secretary, HM Secretaries Ltd, 18 Edith Cavell street, Port-Louis.

Copies of the abridged unaudited financial statements are available free of charge upon request at the Company's registered office, 18 Edith Cavell street, Port-Louis.

This report is issued pursuant to Listing Rule 12.14 and the Securities Act 2005. The Board of Directors of Harel Mallac & Co. Ltd accepts full responsibility for the accuracy of the information contained therein.

By order of the Board

HM Secretaries Ltd
Company Secretary

11 November 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	GROUP			
	Three months to 30 June 2022 Rs'000	Three months to 30 June 2021 Rs'000	Six months to 30 June 2022 Rs'000	Six months to 30 June 2021 Rs'000
Revenue	1,016,684	775,463	1,910,419	1,467,761
Profit/(loss) before finance costs	4,006	13,528	6,908	(1,698)
Finance costs	(10,028)	(16,263)	(31,405)	(31,806)
Share of results of associates & joint ventures	22,594	(26,630)	37,227	(38,554)
Impairment of receivables	(5,588)	(12,258)	(12,229)	(22,850)
Profit on disposal of subsidiaries	-	-	-	24,418
Profit/(Loss) before tax	10,984	(41,623)	501	(70,490)
Income tax	(8,064)	(6,710)	(13,775)	(8,149)
Post tax profit from discontinued operations	-	-	16,417	-
Profit/(loss) for the period	2,920	(48,333)	3,143	(78,639)
Attributable to:				
Owners of the parent	1,433	(40,643)	256	(68,706)
Non controlling interests	1,487	(7,690)	2,887	(9,933)
Profit/(loss) for the period	2,920	(48,333)	3,143	(78,639)
Other comprehensive income/(loss) for the period net of tax	1,021	(11,333)	6,106	(13,231)
Total comprehensive income/(loss) for the period	3,941	(59,666)	9,249	(91,870)
Other comprehensive income/(loss) attributable to:				
Owners of the parent	3,011	(7,911)	8,096	(10,519)
Non controlling interests	(1,990)	(3,422)	(1,990)	(2,712)
Profit/(loss) per share from continuing operations (Rs/cents)	0.13	(3.61)	(1.44)	(6.10)
Profit per share from discontinued operations (Rs/cents)	-	-	1.46	-

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

The reportable segments are strategic business units that offer different products and services.

Six months to 30 June 2022

	Revenue		Profit/(Loss) after tax	
	2022 Rs'000	2021 Rs'000	2022 Rs'000	2021 Rs'000
Investment & Corporate (Note 1)	78,929	60,174	19,872	(50,809)
Technology	352,269	332,064	(18,560)	(387)
Chemicals	898,096	694,468	(12,131)	(35,145)
Equipment & Systems	680,333	466,339	(1,882)	(17,102)
Non recurring items (Note 2)	-	-	16,417	24,418
Consolidation adjustments	(99,208)	(85,284)	(573)	386
	1,910,419	1,467,761	3,143	(78,639)

Note 1: The Profit/(Loss) after tax for segment 'Investment & Corporate' includes the Share of results of associates and joint ventures.

Note 2: Non recurring items are attributable to 'Investment & Corporate' segment for 2022 and to 'Equipment & Systems' segment for 2021.

STATEMENT OF FINANCIAL POSITION

	GROUP	
	30 June 2022 Rs'000	31 December 2021 Rs'000
ASSETS		
Non-current assets	2,322,767	2,302,569
Current assets	2,065,585	2,006,361
Total assets	4,388,352	4,308,930
EQUITY AND LIABILITIES		
Capital and reserves		
Owners' interest	1,255,088	1,246,736
Non controlling interests	182,912	182,015
Total equity	1,438,000	1,428,751
Non-current liabilities	1,010,470	958,148
Current liabilities	1,939,882	1,922,031
Total equity and liabilities	4,388,352	4,308,930
Net assets per share (Rs)	111.47	110.73
Number of ordinary shares	11,259,388	11,259,388

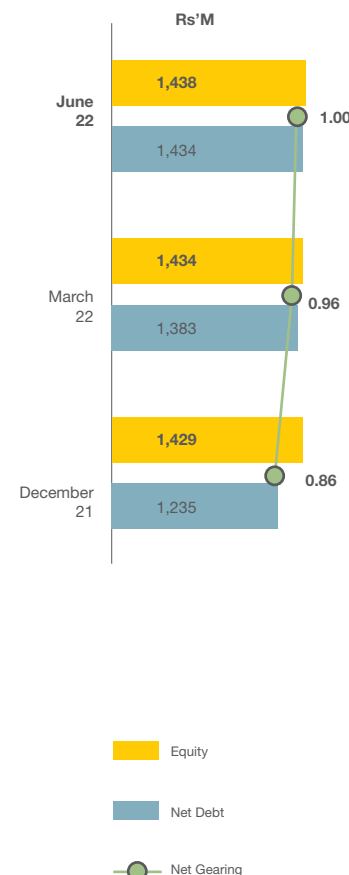
STATEMENTS OF CHANGES IN EQUITY

	Owner of the Parent Rs'000	Non-controlling interests Rs'000	Total Rs'000
GROUP			
Balance at 1 January 2022	1,246,736	182,015	1,428,751
Profit for the period	256	2,887	3,143
Other comprehensive income/(loss)	8,096	(1,990)	6,106
Balance at 30 June 2022	1,255,088	182,912	1,438,000
Balance at 1 January 2021	1,263,866	150,755	1,414,621
Loss for the period	(68,706)	(9,933)	(78,639)
Other comprehensive loss	(10,519)	(2,712)	(13,231)
Acquisition of subsidiary	-	28,614	28,614
Balance at 30 June 2021	1,184,641	166,724	1,351,365

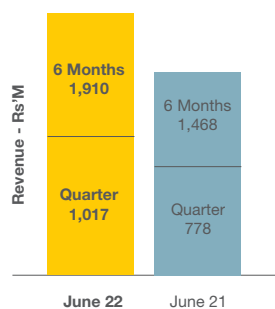
STATEMENTS OF CASH FLOWS

	GROUP	
	Six months 30 June 2022 Rs'000	Six months 30 June 2021 Rs'000
Net cash (absorbed in)/generated from operating activities from continuing operations	(170,517)	26,368
Net cash (absorbed in)/generated from investing activities	(34,436)	20,496
Net cash generated from financing activities	67,972	228,240
Net (decrease)/increase in cash and cash equivalents	(136,981)	275,104
Movement in cash and cash equivalents		
At 1 January	28,604	(167,273)
Net (decrease)/increase in cash and cash equivalents	(136,981)	275,104
Effect of foreign exchange difference	6,106	795
At 30 June	(102,270)	108,626

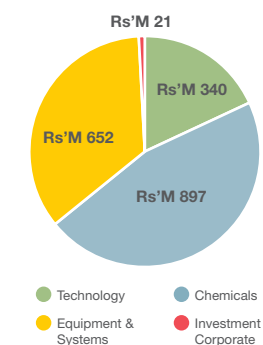
EQUITY & NET DEBT



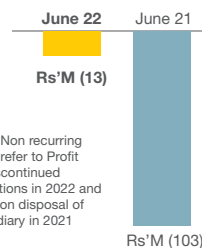
REVENUE



6 MONTHS SEGMENT REVENUE

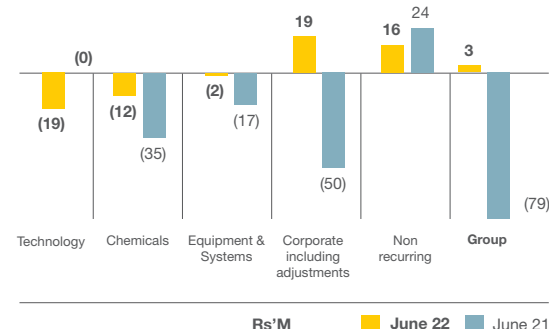


6 MONTHS NORMALISED PAT AFTER ADJUSTING NON RECURRING ITEMS



Note: Non recurring items refer to Profit on discontinued operations in 2022 and Profit on disposal of subsidiary in 2021

6 MONTHS SEGMENT RESULTS



PROFILE

Harel Mallac (the Group) operates mainly in Mauritius, and additionally in six countries in Africa and the Indian Ocean. Strong with some 860 employees, it comprises of four divisions: Investments & Corporate, Technology, Chemicals and Equipment & Systems.

OVERALL PERFORMANCE

For the six months ended 30 June 2022, the Group achieved a consolidated revenue from continuing operations of Rs 1,910 million representing a 30% growth compared to the same period last year. This increase reflects year-on-year improved sales by all of our operational divisions as well as revenue from Aerolik Ltd and its subsidiary based in Reunion Island, two entities involved in controlled mechanical ventilation systems, air distribution equipment, and manufacturing of ducting which were acquired in May 2021.

The Group generated Profit Before Finance Costs (PBFC) of Rs 7 million for the semester under review compared to a loss of Rs 2 million for the same period in 2021. However, during the quarter ended 30 June 2022 the sharp increase in cost

of imported products, raw materials and related logistics' costs impacted our margins, resulting in a drop in PBFC compared to corresponding period last year.

The Group's negative cash flows from operating activities amounted to Rs 171 million for the reporting period, compared to a cash inflow of Rs 26 million in 2021. This reflects a higher working capital requirement linked to the additional sales and increase in inventory to either cater for longer lead times or mitigate disruption in supply to better service the market.

DIVISION OVERVIEW

Technology posted higher revenues than last year. A different sales mix coupled with compressed margin impacted profitability which resulted in a net loss of Rs 19 million compared to break-even results last year.

Better results were achieved this year by **Chemicals** compared to last year on the back of a pick-up of activities in operations which helped mitigate the increase in supply-chain related costs. The net loss was Rs 12 million for the period compared to a net loss of Rs 35 million last year. It

is however important to note that the commercial activity of this sector is historically higher during the second part of the year.

The improvement in results of **Equipment & Systems** is a direct consequence of the addition of the Aerolik entities. Although most companies performed better than last year, increasing import costs and higher supply chain lead time negatively impacted results. The division ended the six months with a net loss of Rs 2 million compared with a net loss of Rs 17 million last year.

Investments & Corporate shows a major improvement in results as the share of results of Associates and joint ventures recorded a profit of Rs 37 million in the first semester of 2022, compared to a loss of Rs 39 million last year. This increase was driven by the Group's investments in the hospitality sector which benefited from the re-opening of borders in October 2021 as well as our associate operating in the energy sector.

GROUP NEWS

Our subsidiary, The Mauritius Chemical and Fertilizer Industry Limited (MCFI), completed its group reorganisation with a rebranding which

illustrates its ambitions to be the partner of choice of the industrial, agricultural and water sectors, bringing them ingenious solutions integrating technology and ecology. The MCFI Group entities now communicate and operate under the unique brand name "Ingenia by MCFI".

The Group launched its first internal competition on Sustainability, the Planet Convention 2022, which aims at accelerating the achievement of its 13 Planet Goals. Six projects covering the themes of Water, Energy, Ethical Trade and Waste which were presented in June will be implemented by year end.

OUTLOOK

Global and current economic challenges are unfortunately still impacting supply chains and the costs of raw materials and finished products. On the local front, the cost of doing business, the continuing inflationary trend, as well as foreign currency volatility and scarcity, are expected to prevail. In such environment it is difficult to evaluate how resilient the purchasing power of Mauritian consumers will be in the medium to long term and its ultimate impact on the Group's results.

These quarterly condensed financial statements have been prepared using the same accounting policies as for the statutory financial statements for the year ended 31 December 2021, except for the adoption of published Standards that are now effective. This interim financial statements have been prepared in accordance with IAS 34 "Interim financial Reporting."

The statement of direct and indirect interests of officers of the Company required under the rule 8(2)m of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available upon request from the Company Secretary, HM Secretaries Ltd, 18 Edith Cavell street, Port-Louis.

Copies of the abridged unaudited financial statements are available free of charge upon request at the Company's registered office, 18 Edith Cavell street, Port-Louis.

This report is issued pursuant to Listing Rule 12.20 and the Securities Act 2005. The Board of Directors of Harel Mallac & Co. Ltd accepts full responsibility for the accuracy of the information contained therein.

By order of the Board

HM Secretaries Ltd
Company Secretary

09 August 2022

STATEMENTS OF FINANCIAL POSITION

	GROUP	
	31 March 2022 Rs'000	31 December 2021 Rs'000
ASSETS		
Non-current assets	2,311,959	2,302,569
Current assets	1,860,525	2,006,361
Total assets	4,172,484	4,308,930
EQUITY AND LIABILITIES		
Capital and reserves		
Owners' interest	1,250,645	1,246,736
Non controlling interests	183,415	182,015
Total equity	1,434,060	1,428,751
Non-current liabilities	997,511	956,148
Current liabilities	1,740,913	1,922,031
Total equity and liabilities	4,172,484	4,308,930
Net assets per share (Rs)	111.08	110.73
Number of ordinary shares	11,259,388	11,259,388

STATEMENTS OF PROFIT OR LOSS

	GROUP	
	Quarter to 31 March 2022 Rs'000	Quarter to 31 March 2021 Rs'000
Revenue	893,735	689,824
Profit/(loss) before finance costs	2,903	(15,110)
Finance costs	(21,377)	(15,433)
Share of results of associates & joint ventures	14,633	(11,924)
Impairment of receivables	(6,641)	(10,592)
Profit on disposal of subsidiary	-	24,418
Loss before tax	(10,482)	(28,641)
Income tax	(5,711)	(1,439)
Post tax profit/(loss) from discontinued operations	16,417	(226)
Profit/(loss) for the period	224	(30,306)
Attributable to:		
Owners of the parent	(1,176)	(28,063)
Non controlling interests	1,400	(2,243)
Profit/(loss) for the period	224	(30,306)
Other comprehensive income for the period net of tax	5,085	(1,898)
Total comprehensive income/(loss) for the period	5,309	(32,204)
Other comprehensive income/(loss) attributable to:		
Owners of the parent	5,085	(2,608)
Non controlling interests	-	710
	5,085	(1,898)
Loss per share from continuing operations (Rs/cents)	(1.56)	(2.47)
Earnings/(loss) per share from discontinued operations (Rs/cents)	1.46	(0.02)

PROFILE

Harel Mallac (the Group) operates mainly in Mauritius, and additionally in six countries in Africa and the Indian Ocean. Strong with some 860 employees, it comprises of four divisions: Investments & Corporate, Technology, Chemicals and Equipment & Systems.

OVERALL PERFORMANCE

For the first three months of 2022, the Group achieved a consolidated revenue from continuing operations of Rs 894 million, representing a 30% increase compared to the same period last year. This rise was driven by all operational divisions of the Group and by the additional turnover generated by Aerolik Ltd (formerly known as Aldes Mauritius Ltd.) and its subsidiary in Reunion Island, two entities acquired by the Group in May 2021.

The Group posted a Profit Before Finance Costs (PBFC) of Rs 3 million for the first quarter, on the back of higher sales and enhanced margin within some of our divisions, showing an improvement against the loss of Rs 15 million recorded in 2021.

The Group experienced negative cash flows from operating activities of Rs 141 million for the first quarter of 2022, compared to a cash outflow of Rs 26 million in 2021, reflects step increases in importation costs and stock buffering strategy to mitigate risks of disruption in the global supply chain.

DIVISION OVERVIEW

Our **Investments & Corporate division** shows better results as the Group's investments in the hospitality sector moved into positive territory; the share of results of Associates and joint ventures shows a profit of Rs 15 million in the first quarter of 2022, compared to a loss of Rs 12 million in the corresponding period last year.

Our **Technology division** posted higher revenues than last year. However, its margins remained under pressure (product-mix issue) and its operational costs registered a slight increase compared to the previous year thus impacting profitability. The division ended the quarter with a segmental loss of Rs 6 million compared with a loss of Rs 0.5 million last year.

NOTES TO THE AUDITED CONDENSED FINANCIAL STATEMENTS

The reportable segments are strategic business units that offer different products and services.

	Investment & Corporate Rs'000	Technology Rs'000	Chemicals Rs'000	Equipment & Systems Rs'000	Consolidation adjustments Rs'000	Total Rs'000
Period ended 31 March 2022						
Total segment revenues	31,851	188,204	425,303	339,291	-	984,649
Inter-segment sales	(344)	(24,084)	(1,240)	(8,576)	(56,670)	(90,914)
Revenues from external customers	31,507	164,120	424,063	330,715	(56,670)	893,735
Segment (loss)/profit	(2,423)	(6,017)	11,530	6,507	(6,694)	2,903
Share of result of associates and joint ventures	14,633	-	-	-	-	14,633
Impairment of receivables	-	(1,649)	(4,992)	-	-	(6,641)
Finance costs	(4,327)	(3,733)	(7,973)	(6,231)	887	(21,377)
Profit/(loss) before tax	7,883	(11,399)	(1,435)	276	(5,807)	(10,482)
Income tax	-	(738)	(3,246)	(1,727)	-	(5,711)
Post tax profit from discontinued operations	16,417	-	-	-	-	16,417
Net profit/(loss) after tax	24,300	(12,137)	(4,681)	(1,451)	(5,807)	224
Total assets						
31 March 2022	2,547,290	469,262	1,571,233	1,171,431	(1,586,732)	4,172,484
31 December 2021	2,738,214	486,774	1,657,211	1,318,775	(1,892,044)	4,308,930

Period ended 31 March 2021

	Investment & Corporate Rs'000	Technology Rs'000	Chemicals Rs'000	Equipment & Systems Rs'000	Consolidation adjustments Rs'000	Total Rs'000
Total segment revenues	25,836	160,715	354,931	184,401	-	725,883
Inter-segment sales	(673)	(8,279)	(1,418)	(6,326)	(19,363)	(36,059)
Revenues from external customers	25,163	152,436	353,513	178,075	(19,363)	689,824
Segment loss	(864)	(528)	(1,844)	(3,588)	(8,286)	(15,110)
Share of result of associates and joint ventures	(10,416)	-	(1,508)	-	-	(11,924)
Profit on disposal of Subsidiary	-	-	-	24,418	-	24,418
Impairment of receivables	(440)	(1,674)	(7,582)	(896)	-	(10,592)
Finance costs	(5,177)	(1,079)	(8,128)	(4,540)	3,491	(15,433)
(Loss)/Profit before tax	(16,897)	(3,281)	(19,062)	15,394	(4,795)	(28,641)
Income tax	-	(655)	(594)	(190)	-	(1,439)
Post tax loss from discontinued operations	(226)	-	-	-	(226)	(226)
Net (loss)/profit after tax	(17,123)	(3,936)	(19,656)	15,204	(4,795)	(30,306)
Total assets						
31 March 2021	1,597,782	323,903	1,350,090	534,363	-	3,806,138
31 December 2020	1,580,934	332,237	1,403,805	564,885	-	3,881,861

STATEMENTS OF CHANGES IN EQUITY

	Owners of the parent Rs'000	Non-controlling Interests Rs'000	Total Rs'000
GROUP			
Balance at 1 January 2022	1,246,736	182,015	1,428,751
(Loss)/profit for the period	(1,176)	1,400	224
Other comprehensive income for the period	5,085	-	5,085
Balance at 31 March 2022	1,250,645	183,415	1,434,060
Balance at 1 January 2021	1,263,866	150,755	1,414,621
Loss for the period	(28,063)	(2,243)	(30,306)
Other comprehensive (loss)/income for the period	(2,608)	710	(1,898)
Balance at 31 March 2021	1,233,195	149,222	1,382,417

STATEMENTS OF CASH FLOWS

	GROUP	
	Quarter to 31 March 2022 Rs'000	Quarter to 31 March 2021 Rs'000
Continuing operations		
Net cash absorbed in operating activities	(140,511)	(26,024)
Net cash (absorbed in)/generated from investing activities	(1,817)	45,211
Net cash generated from financing activities	41,930	46,900
Net (decrease)/increase in cash and cash equivalents	(100,398)	66,087
At 01 January	28,604	(167,273)
Effect of foreign exchange difference	-	(23)
At 31 March	(71,794)	(101,209)

statements are available free of charge upon request at the Company's registered office, 18 Edith Cavell street, Port-Louis.

This report is issued pursuant to Listing Rule 12.20 and the Securities Act 2005. The Board of Directors of Harel Mallac & Co. Ltd accepts full responsibility for the accuracy of the information contained therein.

By order of the Board

HM Secretaries Ltd
Company Secretary

12 May 2022

These quarterly condensed financial statements have been prepared using the same accounting policies as for the statutory financial statements for the year ended 31 December 2021, except for the adoption of published Standards that are now effective.

The statement of direct and indirect interests of officers of the Company required under the rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available upon request from the Company Secretary, HM Secretaries Ltd, 18 Edith Cavell street, Port-Louis.

Copies of the abridged unaudited financial

Our **Chemicals division** achieved significantly better results than last year on the back of a pick-up in activities in its local and international operations which helped mitigate the increase in supply-chain related costs. The division ended the quarter with a segmental profit of Rs 12 million compared with a loss of Rs 2 million last year.

The results of the **Equipment & Systems division** improved over the corresponding period last year, on the back of the addition of Aerolik entities. The latter complements the offering in controlled mechanical ventilation systems and air distribution equipment and in the manufacture of ducting. Despite this positive performance, the division remained under the negative impact of increasing import costs, extended lead time as well as forex losses. The division ended the quarter with a segmental profit of Rs 7 million compared with a loss of Rs 4 million last year.

OUTLOOK

The repercussions of the Russia-Ukraine conflict have compounded the already difficult economic situation post Covid-19