harel mallac

for the better

Annual Report 2024

Dear Shareholder,

The Board of Directors of Harel Mallac & Co. Ltd ('Harel Mallac' or 'the Company') is pleased to present the Company's annual report for the year ended 31 December 2024.

This report was approved by the Board of Directors on 5 May 2025.

Antoine L. Harel	**Charles Harel**
Chairman	Chief Executive Officer

Harel Mallac has been a part of Mauritian life for decades—often unseen, yet essential.

From the technology that powers businesses to the chemicals that drive industries, from everyday tools to strategic investments, we are woven into the fabric of progress.

This year, we kept the momentum going, remaining steadfast in our commitment to unlock our full potential.

Corporate Information

REGISTERED OFFICE
18, Edith Cavell Street,
Port Louis

WEBSITE
harelmallac.com

BUSINESS REGISTRATION NUMBER
C07000952

SECRETARY
HM Secretaries Ltd
18, Edith Cavell Street,
Port Louis

AUDITORS
Nexia Baker & Arenson

MAIN BANKERS
ABC Banking Corporation Ltd
ABSA Bank (Mauritius) Limited
The Mauritius Commercial Bank Limited
SBM Bank (Mauritius) Ltd

REGISTRY
DTOS Registry Services Ltd
3rd Floor, Eagle House,
15A Wall Street,
Ebène

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IMPROVING PRODUCTIVITY, RESPONSIBLY

Harel Mallac at a Glance

harel mallac for the better

More than
100 Brands

Countries
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Great Place to Work® awarded to EO Solutions

Great Place To Work.

Companies
21

Employees
967

Our Guiding Principles

These principles form the cornerstone of our daily actions and behaviours, shaping how we interact with and serve our diverse stakeholders. They serve as a vital compass, guiding us to always stay true to our strong principles and values, and ensuring that we move forward as a cohesive, united team.

OUR PURPOSE

Our purpose drives us in our everyday actions, as we believe that a business conducted with passion is the most powerful model for meaningful change.

“Committed to making a difference for the better of our people, our performance, our consumers and our planet.”

We believe that continuing our development with this purpose as a compass is the only way to leave a strong legacy for the future generations of Mauritians.

OUR VALUES

Agility

AGILITY AND DETERMINATION IN ACHIEVING

Our agility enables us to seize and create the opportunities. We believe in the power of ambition and it is only by taking determined initiatives and by moving quickly that we can serve our clients with excellence, and generate sustainable value for everyone.

Care

CARE AND ENGAGEMENT IN WHAT WE DO

We believe that one has to care for what they do to do it well, fuelled by the passion and enthusiasm we put in every action. We operate in a spirit of cooperation and respect, embracing each individual’s talents and creating a forward-thinking environment.

Trust

TRUST AND RESPONSIBILITY IN OUR RELATIONSHIPS

We lead by example and take ownership of our individual responsibility. This means doing the right thing at all times, and conducting our business with the highest standards of professional behaviour and ethics.

Group Structure

as at 31 December 2024

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for the better

Technology

Harel Mallac Technologies Ltd
Harel Mallac Technologies Burundi
Harel Mallac Technologies Madagascar
Harel Mallac Technologies Rwanda Ltd
Activeline Ltd

Chemicals

The Mauritius Chemical and Fertilizer Industry Limited
MCFI International (Zambia) Ltd
MCFI International (Tanzania) Limited
MCFI International & Co. Ltd
Chemco Limited
Bychemex Limited
Suchem Limited
Archemics Ltd

Equipment & Systems

EO Solutions Ltd
Linxia Ltd
Novengi Ltd
Aerolik Ltd
Aerolik. OI

Investment

Emineo Holding Limited
Maritim (Mauritius) Ltd
TotalEnergies Marketing Mauritius Ltd
Touristic United Enterprise Ltd
Rehm Grinaker Construction Co Ltd
Biofert Co. Ltd
Solar Field Ltd
Sealife Organics Co. Ltd

Corporate

Harel Mallac Aviation Ltd
Itineris Ltd
NeXEnergy Partners Ltd

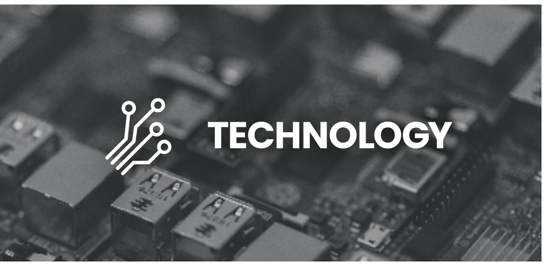
Our Activities

Improving Efficiency, Responsibly

This division manufactures and distributes a wide range of chemicals for the agricultural sector, industrial needs and Fast Moving Consumer Goods (FMCGs). Its mission is to offer solutions that increase the competitiveness of companies, and bolster local and foreign industries, all while preserving the environment and the future of communities they serve.

Engineering Solutions for the 21st Century

This division supplies, installs and services equipment and industrial systems for the modern business and home. Whether it's equipping Mauritians with the latest consumer electronics and office equipment, supporting companies in their transition towards Industry 4.0, or improving their energy efficiency, our portfolio of services and products were designed to future-proof Mauritius.



Empowering Digital Transformation

This division empowers Mauritian and African businesses to harness the countless possibilities in the realm of Information Technology, and embark on a digital transformation journey that will help them remain relevant, build a competitive edge, and thrive like never before in today's ever-evolving landscape.

Shaping a Secure Future

This division holds the Group's travel companies and holdings in businesses operating in the tourism, hospitality, engineering, construction and energy sectors. Its mission is to add value to these promising ventures by lending its decades-long experience and network in the business community.

CHEMICALS

	ARCHEMICS	ingenia by MCFI
Main Activities	Produces, markets, sells, and distributes a diverse range of products in Hygiene & Industrial Cleaning, Laundry & Homecare, Beauty Care, Adhesive and Cementitious Technologies, and Textile Auxiliaries. Serving both B2B and B2C customers, it supports industries such as hospitality, automotive, textile, and construction, with products available online and in retail stores.	Group of companies harnessing engineering expertise, technology and circularity to provide chemical products and solutions for businesses in Mauritius, sub-Saharan Africa, and the Indian Ocean. Operating across three key sectors and complemented with its laboratory services, Ingenia focuses on sustainable solutions that tackle both present and future industry challenges: **Aqua:** Total water management (potable water, process water, wastewater management, pool treatment, desalination, amongst others) and laboratory services (Tests of soil and plant nutrients, food and feed, water amongst others.) **Agri:** Soil and plant nutrients, crop protection, equipment, precision agriculture, supply and apply services. **Industry:** Basic chemicals, specialty chemicals, paints & coatings, plastic converters, fiberglass & resins.
At a Glance	- 238 team members - 200+ customers - 60 brands - Holds 'Made in Moris' label for 4 brands - Exclusive franchisee of Henkel and Les Laboratoires Rochex - Certified ISO 9001, ISO 45001, ISO 14001 - Verified ISO 22716 - United Nations Global Compact Participant member - Signatory to United Nations CEO Water Mandate - 57,175 kWh renewable energy generation (2024)	- 201 team members (including MCFI Zambia & Tanzania) - 8 companies - Serves 14 countries - Listed on the Stock Exchange of Mauritius - 21 brands - ISO 9001, ISO 45001, ISO IEC 17025 accreditation - Made in Moris Label - Ecocert Certification, United Nations Global Compact Participant Member, Signatory of the UN CEO Water Mandate
Brands	- Le Chat - Schwarzkopf - Pattex - Xtra - Le Petit Olivier - Supercroix - Gliss - Fa - Mir - Eclat Douceur (Made In Moris, Own Brand) - Tylon - Clearshield - K2R - Palette - Impec (Made in Moris, Own Brand) - Lirene - Spaanjard	- Fertifort (own brand, certified Made in Moris) - Biophoska (own brand) - Evergreen (own brand) - Klorman - Purepro - Jacto - Buckman - Kemira - Kurita - Tradecorp - Forward Chemicals - Red Roo - Silvan - Fineotex - Jintex - Eternal - NCS - EMEX - Flygt - Kool Air (Own Brand) - AUX

EQUIPMENT & SYSTEMS

	AEROLIK	NOVENGI	EO	Linxia
Main Activities	Supplies architects, contractors and building professionals with state-of-the art and leading brands of air control, ductwork and fire safety solutions for their projects and properties. Backed by the latest technology, Aerolik's products are tailor-made, energy efficient, cost effective and compliant with the highest industry standards to create smarter, safer buildings in Mauritius, Reunion, and across the Indian Ocean.	A pioneer in the supply of engineering solutions in Mauritius, including compressed air, refrigeration and material handling solutions, among others. Driven by the philosophy that all companies need to consciously operate in a more sustainable manner, Novengi not only integrates social and environmental objectives into its own operational processes, but it also offers Industry 4.0, smart building solutions designed to improve the sustainable and economic performance of companies it serves, as well as the communities they form part of.	One-stop solutions provider committed to delivering efficient, agile and high-performing workplaces that reverberate with positivity. As architects of transformation, EO Solutions combines expert knowledge and systems & solutions from the world's leading brands to uncover efficiencies and accompany businesses on the path to more productivity and growth. From printing and mailing, to cash-handling solutions, it provides reliable implementation and support services to customers in Mauritius, the Indian Ocean and Africa, always driven by an ethos of environmental responsibility.	A leading value-added distributor of world-renowned brands in the IT, smartphones, consumer electronics and domestic appliances markets. Leveraging its network of 300+ resellers across Mauritius and the Indian Ocean islands, along with decades of industry knowledge and longstanding partnerships with industry experts, Linxia meets the evolving needs of its customers by bringing the latest technologies at competitive rates, underpinned by the best possible customer support and efficient logistics.
At a Glance	- 30 team members - 200+ customers - 4 brands - Partnership with leading international brands - Best-in-class HVAC systems, complete with technical support	- 118 team members - 38 brands - 1,500+ customers - Exclusive partner of Kaeser in the region since 2004 - Exclusive partner of Toyota material handling since 2000 - Partner of Victa since 1949 - Sole distributor of Terberg trucks in the region	- 88 team members - 1,500 customers - 30+ brands - 60 years of robust partnership as the sole distributor of Xerox - 25 years of distributorship with Printronix - 14 years of partnership with Glory and CPS - Innovative introduction of Glory Teller Cash Recycler for Retail Banking Sectors - 13 years of strong distributorship of Roland - 12 years of partnership with Quadient (Neopost) - Pioneer in inserter folder and franking machine at the Mauritius Post - Ambition to be a regional player for Xerox and Cash Handling solutions	- 54 team members - 9 brands - A homegrown brand, Myros
Brands	- Aldes - Hunter - Sikla - Dynair - York	- Kaeser - Abac - BT Toyota Godrej - Doosan/Bobcat - Terberg - Victa - Active - Cub Cadet - Wayne Gree - Sri	- Xerox - Roland - Quadient - Fujifilm - Glory - G+D - CPS - Dors - CTcoin - Printronix - Fellowes - HSM - EBA - Heidi - KAL - Acrelec	- Candy - D-Link - Dell - Gree - Myros - Xiaomi - TP-Link - Blackview (new brand)

TECHNOLOGY

harel mallac technologies

Main Activities

A premier technology integrator, empowering businesses across Education, Healthcare, Government, Finance, Manufacturing, Real Estate, Hospitality, and Retail. With 30+ years of expertise, HMT delivers secure and scalable solutions in Modern Infrastructure & Network Security, Modern Workplace, Cybersecurity, Managed Services, and Building Technologies. Backed by strategic global partnerships, it drives efficiency, automation, and innovation through AI, RPA, and data analytics, ensuring organisations thrive in the digital era. HMT—shaping the future of technology in Africa and beyond.

At a Glance

- 200+ team members dedicated to driving digital success
- 36+ years of industry expertise in delivering transformative solutions
- 4 strategically located offices in Mauritius, Rwanda, Burundi and Madagascar
- 900+ customers across various industries
- 1,500+ projects delivering innovation and impact
- 50+ strategic partnerships with leading global technology providers

Brands

- Dell
- Microsoft
- Huawei
- VMware Broadcom
- Oracle
- Thales
- Veritas
- Veeam
- Nutanix
- Kemp
- Fortinet
- Kaspersky
- Trend Micro
- Proofpoint
- Arcon
- Nozomi Networks
- Wallix
- Palo Alto
- Darktrace
- Cisco
- Checkpoint
- Manage Engine
- Odoo
- Laserfiche

INVESTMENT & CORPORATE

	harel mallac aviation	ITINERIS	neXEnergy
Main Activities	The General Sales Agent (GSA) for the German airline, Condor, Harel Mallac Aviation operates passenger services. With a dedicated team of aviation experts and a commitment to excellence, it ensures that every aspect of the travel process is seamless, broadening horizons and opportunities for both leisure and business travellers.	Travel designer serving as a getaway to a world of exploration. With expertise in travel planning and deep destination knowledge, it serves as a trusted advisor and reliable travel partner, offering tailored solutions that exceed expectations and create memorable experiences for every type of traveller.	NeXEnergy empowers Mauritian businesses to decarbonize and integrate ESG through tailor-made energy solutions. Its services—ranging from renewable energy systems to energy audits and management—are delivered by a skilled team, including a Certified Energy Auditor (AEE). NeXEnergy proves that sustainability drives both operational efficiency and long-term profitability.
At a Glance	- 2 team members - Supervision of Condor flights at Mauritius International airport	- 4 team members - Member of the International Air Travel Association (IATA) and the Mauritius Association of IATA Travel Agents (MAITA) - Exclusive partner of Carlson WagonLit Travel (CWT), the world's leading business travel agency - Exclusive partner of Intrepid Travel, a small group adventure travel company - Representative of rail Europe in Mauritius - Representative of Norwegian cruise lines, MSC, Royal Caribbean, and Costa Croisières	- 3 team members
Brands	- Condor (since 1992)		

Chemicals

IMPROVING EFFICIENCY, RESPONSIBLY

Chairman's Message

Dear Shareholders,

I am pleased to share an overview of Harel Mallac Group's performance for the financial year ended December 2024. In the face of economic volatility, inflationary pressures, and supply chain disruptions, we have taken decisive actions to fortify our foundations, refine our focus on our core activities, and ensure sustainable and responsible growth.

Financial performance in a complex business environment

In 2024, subdued global economic growth—marked by persistent inflation, trade disruptions, and geopolitical instability—created a challenging environment for businesses worldwide. Economic slowdowns in major economies have had ripple effects in Mauritius, particularly impacting companies reliant on international trade.

Domestically, inflation, currency volatility, and salary adjustments have collectively significantly increased our cost base and disrupted some operations. While signs of recovery are emerging in some sectors, we remain prudent given the ongoing international uncertainties and local economic challenges.

Strategic framework for long-term shareholder value

These challenges have provided a unique opportunity to recalibrate our priorities. We remained focused on restructuring our operations and enhancing efficiency at all levels, guided by our three-year ***"Unlocking Potentials"*** (UP) strategy:

- We successfully completed Phase I of our debt restructuring, aligning our liabilities with operational needs and long-term objectives. Our focus has now shifted to optimising cash flow and achieving financial agility to support future growth.

- A thorough review of our operations led to a more streamlined organisational structure and sharper focus on high-potential areas.
- We adopted a proactive approach to managing our investments, resulting in improved returns across our property portfolio.
- Amid an increasingly competitive talent landscape, we intensified our efforts to cultivate a high-performance, inclusive culture, engaging talent and aligning teams with our strategic objectives.

These ongoing initiatives are laying the groundwork for a more agile and competitive Harel Mallac, positioning us to navigate market challenges effectively and seize emerging opportunities.

Making sustainability a cornerstone of our business

Our commitment to responsible practices and oversight also extends to our environmental initiatives. Over the past year, we have shifted to a more science-based, data-driven approach, using insights from our carbon footprint assessment and double materiality analysis to refine our path forward.

A major step in this journey has been the creation of NeXEnergy Partners Ltd, a company dedicated to advancing renewable energy adoption in Mauritius. In addition to supporting Harel Mallac's energy transition, NeXEnergy Partners Ltd is expanding its services to local businesses, partnering with them to decarbonise operations through tailored energy solutions, ESG digital tools, and specialised training.

Looking ahead with purpose

As we step into the new year with enhanced operational capabilities, the Group is well positioned to accelerate its transformation. Building on the progress we have made; our immediate priorities are to:

- Strategically rationalise our product portfolio;
- Invest in innovation and digital transformation;
- Expand our presence in high-growth markets; and
- Embed ESG practices deeper into our operations.

I extend my sincere gratitude to our Board of Directors and leadership team, led by our CEO Charles Harel, for steering us through this difficult year. To our shareholders, thank you for your support and trust. I would also like to express our appreciation to our loyal customers, whose continued partnership inspires us to strive for excellence and innovation in all that we do.

Our strength lies in our people—the 967 dedicated individuals who drive our businesses across Mauritius and beyond. I would like to recognise every member of the Harel Mallac team for their hard work and commitment.

Beyond strategy and numbers, the Group is advancing with a clear vision for the future and an unwavering commitment to the values that have guided us for generations—***Agility, Care, and Trust.***

Antoine L. Harel
Chairman

> "Our strength lies in our people—the 967 dedicated individuals who drive our businesses across Mauritius and beyond. I would like to recognise every member of the Harel Mallac team for their hard work and commitment."

Leadership Insights → Interview with the Group CEO

Interview with the Group CEO

Harel Mallac faced a particularly tough environment in FY 2024. Could you share insights into the key challenges encountered during the year?

2024 proved to be an undeniably challenging and disappointing year for the Group, with external pressures leading to unsatisfactory results. Turnover for the year declined from MUR 4.3 billion to MUR 3.8 billion, reversing the Group's Profit After Tax from a positive MUR 156m achieved in 2023 (restated), to a Loss After Tax of MUR 183 million in 2024.

The consecutive unexpected increases in statutory employee remuneration, including minimum wage adjustments, significantly raised our people-related costs. This impact was felt most acutely in the Chemicals segment, our most labour-intensive activity. Absorbing such sharp cost escalations, with no time or the flexibility to adjust our pricing and operational strategies, proved especially challenging, reminding us that resilience requires tough trade-offs to protect long-term goals.

Additionally, the Group's trading activities make it sensitive to market fluctuations. Ongoing currency and supply chain pressures continued to affect our operations, impacting sales and project timelines, and further straining our financial performance.

How did the Group respond to these challenges?

As a responsible employer, we recognise the importance of balancing the short-term business needs with sustainable long-term solutions. We are currently undertaking a deeper restructuring of our processes and business lines to better accommodate these new dynamics, while staying true to our commitment to our people. Over the shorter term, however, we had no choice but to swiftly revise our pricing structure to provide immediate relief.

And while it is true that the financial year 2024 tested our resilience, it also confirmed the urgency and relevance of our strategic direction. Our path forward is guided by our ***Unlocking Potentials*** strategy, designed to build a more resilient, agile Harel Mallac. In particular, our focus on marketing excellence is key to strengthening customer confidence in our ability to meet—and exceed—their expectations, enhancing brand loyalty and sharpening our agility.

What notable achievements stood out during the year?

Despite the year's setbacks, we saw several bright spots that underscore the resilience of our diversified business model and our ability to adapt.

One of the highlights was a project that reaffirmed our role as a longstanding contributor to the Mauritian economy and a pioneer across many sectors. Harel Mallac Technologies delivered the Mauritius New Identity Card project ("MNIC") in collaboration with our consortium partner Thales, marking a leap forward in the Digital Mauritius 2030 strategy. Aligned with international ISO standards, this initiative places Mauritius as the first African nation to launch a fully interoperable digital ID wallet, on par with the world's most advanced economies. We take pride in contributing our decades of tech expertise to this transformative project, and playing our part in shaping a more secure, efficient, and connected future for all Mauritians.

Our People strategy gained momentum in 2024, with significant progress in leadership, culture, and long-term capability building. We strengthened our leadership in key business areas, while improving our employer brand. EO Solutions became our first subsidiary to be certified as a Great Place to Work, a recognition we intend to extend to other entities across the Group.

We were also encouraged by the consistent performance of EO Solutions and the increasing profitability at Archemics, which supported its continued market expansion. Our associates and joint ventures—particularly in the construction and energy sectors—also contributed positively to our bottom line.

But our focus goes beyond immediate needs. In a context of severe labour shortages in Mauritius, we have continued to invest in career development, training and employee welfare programmes to create a workplace where people can thrive and grow. Our approach is to improve the overall employee experience, making sure we stay competitive in attracting and retaining talent, while fostering a future-ready culture. For further details, please refer to the ***People & Culture*** section of this report.

How did the other pillars of the Unlocking Potentials strategy unfold during the year?

While our People strategy was key to our progress, we also advanced across the other pillars of our ***Unlocking Potentials*** agenda. This framework, now embedded as a mindset, was designed to build up our agility and resilience.

> "Despite the year's setbacks, we saw several bright spots that underscore the resilience of our diversified business model and our ability to adapt."

Operational efficiency remained a core priority as we worked to consistently meet customer expectations, while reducing costs across the Group. We are also entering a new phase in our marketing excellence journey, which involves improving our commercial strategies to better meet customer needs and strengthen our market presence.

In parallel, we continued to explore regional and international growth opportunities, with the dual aim of diversifying our revenue base and reducing our dependence on the domestic market.

How is the Group advancing its sustainability initiatives?

A milestone this year was the creation of an ESG and Sustainability Committee, tasked with embedding sustainability at the highest level of decision-making. By advising the Board and setting measurable targets, the Committee ensures our approach is strategic, accountable, and responsive to evolving reporting standards. Its formation marks a key step in making ESG a tool for long-term value creation.

We are now set to use the insights from our carbon footprint and materiality assessments, to make better, data-led decisions in strategic areas such as decarbonisation, energy transition, and circularity. Several projects have started, or gained momentum, across the Group—ranging from local sourcing and waste management, to renewable energy investments and the shift to electric mobility—actively tackling the sectors responsible for 96% of our emissions. For a closer look at entity-level projects and progress, refer to the ***Sustainability*** section of this report.

Looking at 2025 and beyond, how will Harel Mallac continue to build momentum?

The business climate is likely to remain challenging in the foreseeable future. As we absorb the full-year impact of statutory salary adjustments and minimum wage revisions, we are focused on cost control and improving internal efficiencies. We are approaching these transitions thoughtfully and responsibly, with a clear focus on keeping service quality high and protecting shareholder value.

Looking beyond local dynamics, we are entering a year of increased global uncertainty. Ongoing geopolitical tensions involving key trading partners like China, the United States, and the European Union are expected to impact on a small, open economy like Mauritius — and by extension, on Harel Mallac.

In this context, the need for transformation through our ***Unlocking Potentials*** plan becomes even greater. Building flexibility into our structures and resilience into our teams – through discipline, focus and care – will be essential for creating a more agile, efficient, and forward-looking business.

Do you have any closing message for the Group's stakeholders?

To the Group's Board members, I extend my sincere appreciation for your guidance and foresight. I would also like to thank our Executive Team; this year has required courage, creativity and agility, and you met the challenge.

This year, we have seen new leaders, fresh ideas, and a stronger sense of purpose take shape across our entities. I am grateful to every member of the Harel Mallac family for your energy and contributions.

To our valued customers and partners, we are thankful for your loyalty and continued collaboration, which inspire us to improve and keep delivering impactful solutions.

As we look back on this particularly difficult year, we are reminded that resilience is in our DNA. Since its founding in 1830, Harel Mallac has created a legacy of strong human values, and constant drive to act with agility, confidence, and respect for our planet and its people. Today, having expanded to 24 companies and over 100 brands, this commitment remains strong.

More than just a collection of businesses, Harel Mallac is a living network of long-term partnerships, strengthened every day by the dedication of our people. Our progress will remain rooted in the trust, collaboration, and shared values that bind us — both within our teams, and with our external partners.

Charles Harel
Chief Executive Officer

Equipment & Systems

ENGINEERING SOLUTIONS FOR THE 21ST CENTURY

Our Strategy

Unlocking Potentials

Our three-year strategy sets a focused direction for Harel Mallac, capitalising on the Group's inherent strengths whilst unlocking the full potential of our diverse businesses. Unlocking Potentials (UP) is anchored in five key areas driving our trajectory, and setting the stage for sustainable, robust growth and improved shareholder value.

Unlocking Potentials

Operational Efficiency	Financial Re-Engineering	Marketing Excellence	International-isation	Innovation
Achieve greater profitability and customer satisfaction by streamlining our processes, optimising our resources and capabilities, and enhancing productivity.	**Strengthen our financial position and improve cash flow management** by restructuring our financial strategies, optimising our resource allocation, improving our reporting systems, and setting up prudent financial controls.	**Expand market share, earn customer loyalty and drive growth** through a comprehensive marketing and sales strategy, exceptional customer support, and data-driven analytics.	**Diversify our revenue streams and grow our customer base regionally** by targeting promising international markets that align with our investment objectives and through strategic partnerships.	**Build a sustainable competitive advantage** by fostering a culture of creativity, cross-functional collaboration and continuous improvement, and allocating resources to sustainable innovation.

INVESTING IN PEOPLE AND TALENT

Our entire strategy hinges on attracting, developing, and retaining high-performing individuals by fostering a culture in which they can excel, cultivate new skills, thrive in their careers, and effectively contribute to achieving the Group's strategic objectives.

CFO's Message

In line with the ethos of ***"Keep Moving Forward"***, the financial year 2024 has been one of the most challenging yet pivotal periods for Harel Mallac Group. The Group has been adversely impacted by a highly competitive business environment, regulatory cost burdens, and a volatile international trade environment. However, we remain deeply anchored in our five strategic pillars and continue to make meaningful progress ***For The Better.***

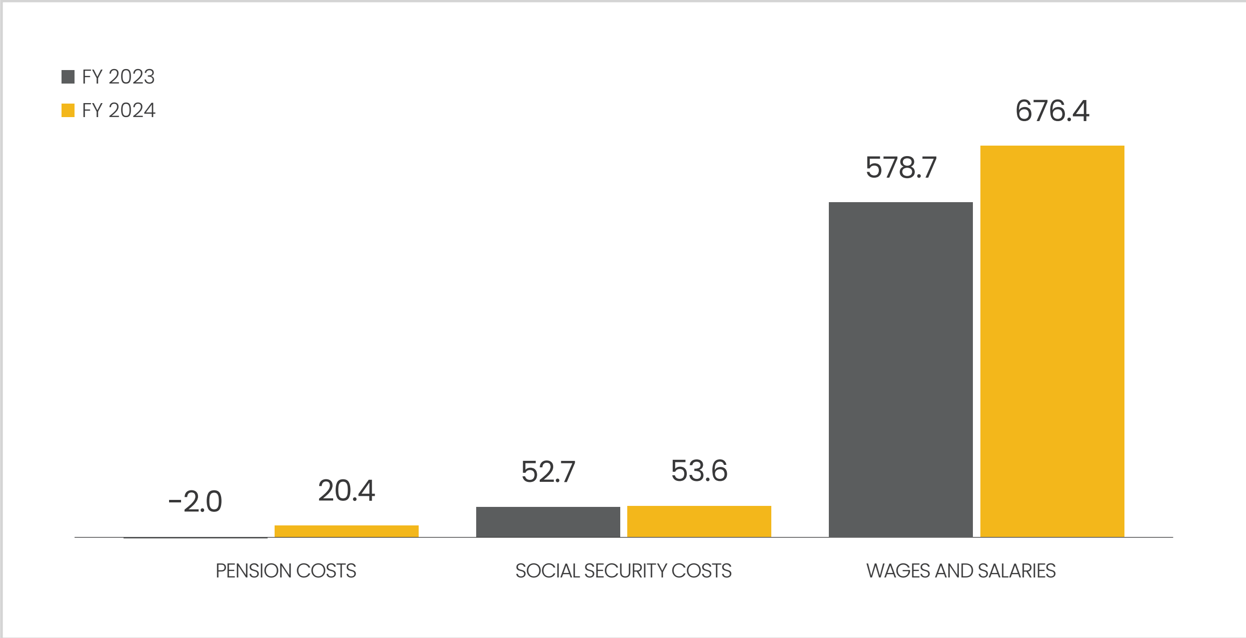
This report outlines the Group's financial and strategic performance across its four key business Segments —Chemicals, Equipment & Systems, Technology, and Investments—and presents a comprehensive outlook for 2025. In particular, we have highlighted strong measures that will be implemented to restore balance sheet strength, improve operational excellence, and realign our capital structure with long-term growth targets.

Macroeconomic and Operating Context

Several macroeconomic factors converged in 2024, putting pressure on our working capital, price making power, and cost predictability. The Group absorbed the following adverse impacts:

- Increased statutory salary obligations which has raised our operational costs significantly across Mauritius and our regional operations.
- Persistent foreign currency shortages disrupted procurement processes, resulting in liquidity constraints and increased operational delays, especially impacting the Group due to its core operations as a trading entity.
- Escalating energy, freight, and raw material costs compressed gross profit margins.
- Global geopolitical tensions between Ukraine and Russia contributed to supply chain disruptions and price volatility in essential raw materials.
- Intense competition within the Technology sector resulted in price pressures and delayed contract closures.

Employee benefit expenses in Rs million



Comprehensive Financial Review (2024 vs. 2023)

The consolidated revenue for 2024 saw a decline of approximately 13%, recording MUR 3.79 billion. This decline was predominantly driven by lower performance in the Equipment & Systems Segment and a slower-than-anticipated recovery within the Technology Segment.

Overall overhead expenses rose significantly, driven primarily by higher sales & marketing costs and the full effect of statutory salary increases. Additionally, the Group faced additional costs due to project delays, resulting in increased storage and demurrage charges.

Write-offs in respect of certain contract assets and work-in-progress balances in Novengi Ltd were necessary following detailed external audits findings, ensuring alignment with prudent accounting practices.

Other key factors influencing these results included:

- Increased net finance costs owing to higher reliance on overdraft facilities to cover working capital deficits.
- Negative cash flows from operations of MUR 117 million caused by prolonged receivable collections and elevated inventory holdings, emphasising the need for improved cash flow management and tighter credit terms.

At the close of 2024, total assets stood at MUR 5.47 billion, while equity contracted to MUR 2.15 billion. The Group incurred a pre-tax loss of MUR 175 million, a reversal from the previous year's profit of MUR 171 million.

The overall financial metrics for 2024 weakened compared to 2023:

- EBITDA Margin declined due to unabsorbed fixed costs and write-offs as explained above in the Engineering and Technology segments.
- Net Profit Margin turned negative, reflecting overall strain on profitability.
- Current Ratio was pressured by tight liquidity conditions.
- Operating Cash Flow Ratio reflects the lower revenue generation, increasing operational costs and longer sales cycle...

These metrics reinforce the urgency of executing Phase 2 of our financial re-engineering plan as detailed below.

Three Year Summary - The Group

	2024	2023	2022
	Rs M	Rs M	Rs M
STATEMENTS OF PROFIT OR LOSS		Restated	Restated
Revenue	**3,789**	4,333	4,194
(Loss)/profit after finance costs	**(185)**	137	36
Net share of result of associates and joint ventures	**54**	40	145
	(131)	177	181
Impairment of assets	**(27)**	-	-
(Impairment)/reversal of impairment of receivables	**(17)**	(6)	(3)
(Loss)/profit before taxation	**(175)**	171	178
Taxation	**(8)**	(37)	(16)
(Loss)/profit for the year from continuing operations	**(183)**	134	161
Post tax profit for the year from discontinued operations	**-**	22	17
(Loss)/profit for the year	**(183)**	156	178
Attributable to:			
Owners of the parent	**(173)**	148	156
Non-controlling interests	**(10)**	9	22
	(183)	156	178
Other comprehensive (loss)/income	**(19)**	(41)	1,212
Total comprehensive (loss)/income for the year	**(201)**	116	1,390
STATEMENTS OF FINANCIAL POSITION			
Non-current assets	**3,362**	3,330	3,662
Current assets	**2,108**	2,027	2,236
Total assets	**5,471**	5,356	5,898
Capital and reserves	**2,008**	2,187	2,597
Non-controlling interests	**145**	173	201
Non-current liabilities	**1,155**	1,051	1,001
Current liabilities	**2,163**	1,945	2,099
Total equity and liabilities	**5,471**	5,356	5,898

Detailed Segmental Analysis and Strategic Insights

Chemicals

The MCFI Group faced notable headwinds in 2024, with consolidated revenue declining by 7% to MUR 1.3 billion from MUR 1.4 billion in the prior year.

At subsidiary level, Chemco experienced a 15.7% revenue decline, impacted by the non-renewal of key tenders and stock availability issues. Suchem registered a 12.9% drop in sales due to subdued agrochemical demand and supply constraints in resin inputs. MCFI International posted a 20.5% revenue decrease under sustained pricing pressures, while Bychemex managed a modest 1.9% revenue growth, and MCFI Zambia maintained stable sales performance increase of 6.0%.

Across the MCFI Group, operating costs rose notably, driven primarily by payroll expenses, rental charges, and IT-related investments; MCFI's (the company) was not spared as reflected by its performance.

In contrast, Archemics delivered a strong performance. Its turnover rose by 10%, primarily driven by increased export activity in cosmetics and household segments. Strategic pricing actions and reduced trade discounts, combined with enhanced production planning and effective cost control, supported a solid improvement in operating profitability.

Equipment & Systems

The Equipment & Systems Segment experienced the most significant operational setbacks within the Group in 2024, driven by structural operational

challenges and execution delays. Performance deterioration was recorded on Novengi and Linxia , while Aerolik (Mauritius and O.I (Reunion)) faced site-specific production and logistics issues.

Novengi grappled with severe execution delays, lost maintenance contracts and hence caused a reduced turnover from its project division. Harel Mallac & Co. Ltd (the "holding company") undertook the recapitalisation of Novengi to ensure business continuity and to provide the company with the necessary means to achieve sustainable success in the future. Restoring client service standards and delivery reliability remains a strategic priority.

Linxia reported a year-on-year revenue decline, coupled with lower gross profit margins. Key challenges included weakened market access among resellers (who shifted focus to private labels and parallel imports), and internal management transitions. Additional headwinds in Q4 included the cancellation of credit insurance for one of our key clients, election-related disruptions, and delayed corporate orders. Rising average staff costs continue to pressure margins.

Aerolik Mauritius encountered substantial operational downtime from February to September 2024, prompting a reorganisation of the sales team to improve commercial effectiveness.

Aerolik O.I (Réunion) experienced reduced turnover owing to market softening and project deferrals. Nevertheless, the business maintained a robust gross margin profile, attributable to tight cost control and proactive pricing strategies.

EO Solutions contributed positively to the Segment's performance. The company delivered strong operational results in 2024, further enhancing the overall profitability of the cluster. In recognition of its progressive workplace culture and employee engagement practices, EO Solutions was awarded the ***"Great Place to Work"*** certification, reflecting its strong commitment to innovation, active listening, and professional development.

Technology

The Technology Segment faced a challenging year in 2024, with turnover impacted by a confluence of operational disruptions and shifting market conditions. Foreign currency shortages across key territories, extended sales cycles and constrained purchasing power, while increased statutory wages and rising talent retention costs compressed margins.

Harel Mallac Technologies Mauritius operated in a highly competitive landscape, with prolonged sales cycle. The bottom-line profitability declined as cost structures remained rigid. Project revenue from the MNIC project did not recur in 2024.

Harel Mallac Technologies Madagascar saw activity slow during the first two quarters due to national elections. However, performance was partially stabilised through growth in the fintech sector (accounting for 35% of banking clients) and cybersecurity (contributing 20% to revenue).

Harel Mallac Technologies Burundi delivered on major infrastructure contracts and expanded its customer base. However, operations were challenged by recurring fuel shortages and limited access to foreign currency.

Harel Mallac Technologies Rwanda registered marginal revenue growth and faced challenges related to high service pricing versus local competitors and a portfolio that required further alignment with market demand.

In response to these cumulative pressures, the Technology Segment is launching a comprehensive restructuring plan centered on shifting towards services solution, improving recurring revenue streams, and streamlining internal operations. These strategic pivots are expected to support improved profitability and market competitiveness beginning in 2025.

Investments and Corporate

The Group's share of profit from Associates and Joint Ventures amounted to MUR 54.15 million, higher than the MUR 39.6 million reported in 2023 (restated). This increase reflects mixed performance across the portfolio. Touristic United Enterprise Ltd and Rehm Grinaker Construction Co Ltd posted robust profit growth, whereas Solar Field Ltd incurred losses, predominantly due to adverse foreign exchange movements. Maritim (Mauritius) Ltd significantly reduced its loss position following prior year adjustments, while TotalEnergies Marketing Mauritius Limited contributed lower earnings, impacted by subdued market conditions. Emineo Holding Limited reported a loss attributable to operational adjustment in its subsidiaries.

SEGMENTAL INFORMATION (MUR' M)

		Chemicals	Equipment And Systems	Technology	Investments And Corporate	Non-Recurring Items	Consolidation Adjustments	Total
REVENUE	**DEC 2024**	**1,943**	**1,255**	**672**	**254**	**-**	**(334)**	**3,789**
	DEC 2023	2,001	1,665	742	229	-	(304)	4,333
(LOSS)/ PROFIT AFTER TAX	**DEC 2024**	**(6)**	**(168)**	**(30)**	**87**	**-**	**(66)**	**(183)**
	Restated DEC 2023*	50	59	4	46	22	(25)	156

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

5. Audit Clarifications and Compliance

(a) ISA 600

The ISA 600 audit qualification arose exclusively due to delays in obtaining audited financial statements from significant associates, namely TotalEnergies Marketing Mauritius and Maritim (Mauritius) Ltd. This qualification does not reflect broader financial health concerns or non-compliance with regulatory requirements. The Group continues to uphold full compliance with all other IFRS standards and regulatory reporting frameworks.

(b) Restatement of 2023

Maritim (Mauritius) Ltd also amended its accounting policy relating to Property, Plant and Equipment, which led to prior-period restatements for FY 2018 and FY 2019. These revisions, embedded in their financial statements for FY 2020, materially affected HMCO's share of results, compelling the Group to restate its own FY 2022 and FY 2023 financial statements upon receipt of Maritim's signed accounts covering FY 2020 through FY 2022.

Company Shareholder Information

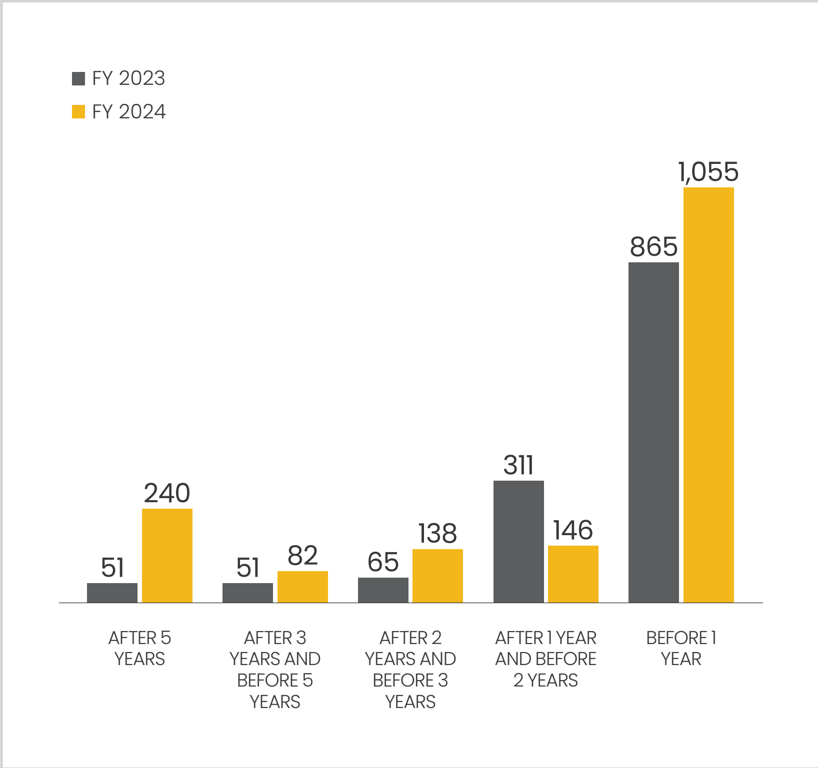
PER SHARE IN RUPEES	FY 2024	FY 2023
Earnings	(15.32)	13.11
Net asset value	178.31	194.27
Dividend	-	36.50

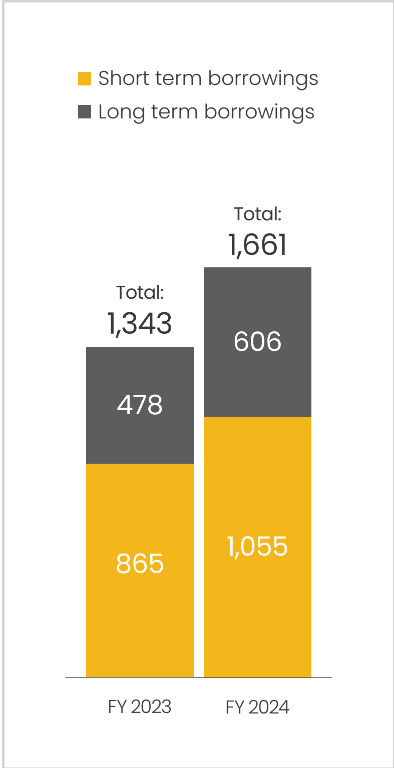
Financial Re-engineering and Capital Management Initiatives

The Group's structured financial re-engineering plan is being executed in two key phases:

- Phase 1 (2024) focused on stabilisation, during which the Group successfully renegotiated the terms of its COVID-related financial obligations and restructured short-term debt facilities. These efforts were instrumental in easing immediate cash flow pressures and improving operational liquidity.
- Phase 2 (2025) will prioritise longer-term financial realignment, including the recapitalisation of selected underperforming entities and the divestment of non-core assets. Additionally, the Group will continue discussions with its principal banking partners to restructure and consolidate existing debt lines, ensuring improved maturity profiles and alignment with forecasted cash flows.

Figures in Rs million





Outlook

Across the Group, strategic restructuring and operational turnaround measures remain top priorities, with a focus on enhancing execution capabilities, project governance, and cost discipline to restore financial performance.

- The execution of turnaround plans in underperforming businesses.
- Implementing a comprehensive shared-services model across finance, treasury, human resources, and procurement functions to drive efficiency and cost savings;
- Refocusing our portfolio strategically on high-margin, growth-oriented business units;
- Advancing digital transformation initiatives to modernise financial management practices;
- Enhancing Board-level governance to support disciplined capital allocation and improved liquidity management.

Appreciation

In closing, I extend my sincere appreciation to the Board, our business leaders and heads of departments, as well as my finance, legal & compliance team for their dedication and unwavering support throughout this challenging year. To our clients, your trust remains the foundation of our commitment to innovation and service excellence.

I also express our gratitude to our esteemed banking partners and stakeholders for their ongoing support along our journey. As we ***Keep Moving Forward***, we look ahead with optimism to achieving new milestones together.

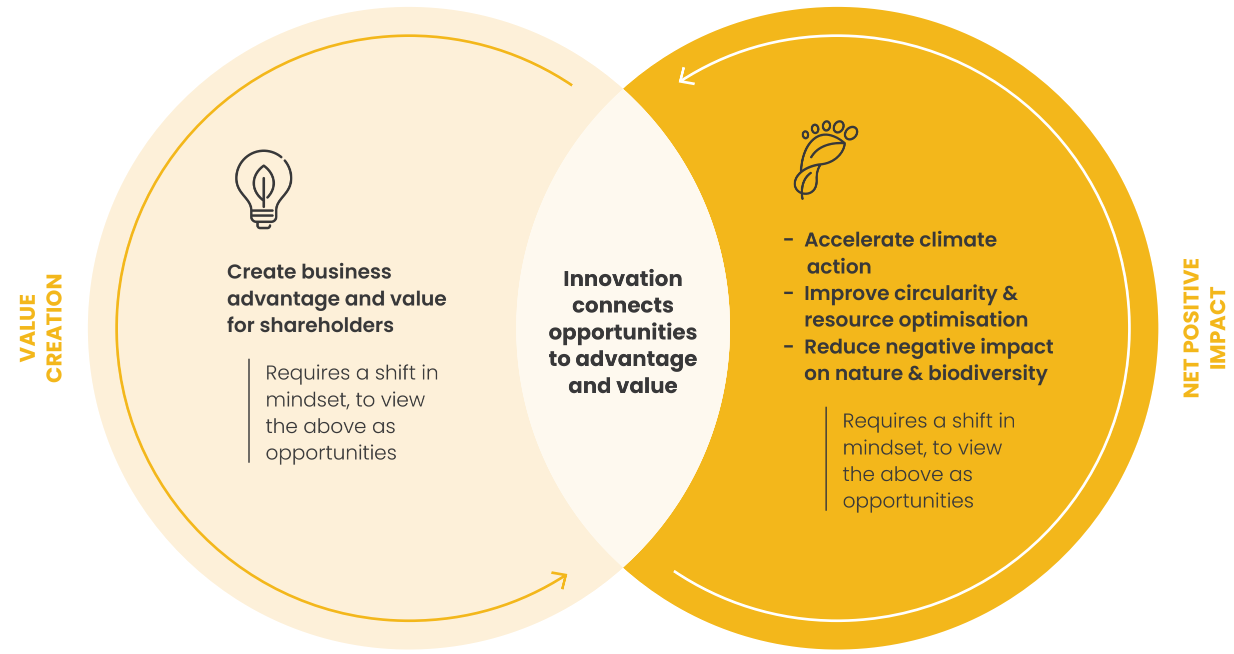
Belinda Vacher
Chief Financial Officer

Our ESG & Sustainability Report

A REFINED, INTEGRATED ESG & SUSTAINABILITY APPROACH

Last year marked a pivotal shift for Harel Mallac as we moved beyond the Planet Goals framework to embrace a more integrated, evidence-based sustainability strategy. Recognising that business value, environmental impact and societal wellbeing are deeply intertwined, we embarked on a journey to better understand both our footprint on the world, and how global changes affect us in return.

To achieve this, we conducted a carbon footprint assessment and a double materiality assessment, providing us with critical insights into our environmental and social impact, as well as the risks and opportunities shaping our future. These assessments are guiding our transition towards a targeted sustainability strategy that not only creates value for our shareholders, but also generates a net positive impact through innovation. By aligning sustainability with business strategy, we ensure that profit, people, and the planet are not competing priorities but interdependent pillars of long-term resilience and growth. This refined approach also positions us for the evolving regulatory landscape, including the transition to IFRS S1 and S2, reinforcing our commitment to transparency and accountability in our ESG performance.



We remain guided by both local and global frameworks, recognising that collaboration, ongoing learning, and sharing best practices are fundamental to creating shared value.

OUR ESG & SUSTAINABILITY STRATEGY ROADMAP

2023 Laying the foundation

Step 1 Alignment & Commitment – Secured leadership commitment on ESG.

Step 2 Stakeholder Mapping & Engagement – Identified, mapped, and prioritised key stakeholders, as well as their primary concerns

Step 3 Sustainability Assessments – Conducted ESG materiality and risk assessments (using SASB, GRI, EU CSRD, TCFD, TNFD, amongst others)

2024 Implementing the strategy

Step 4 Sustainability & Engagement Strategy – In the process of developing ESG strategies for business units, including a climate transition plan and internal engagement plan.

Step 5 Sustainability Communication – Working on a clear reporting strategy, with well-defined KPIs, to better track our progress, drive improvement, and communicate our efforts transparently with stakeholders.

OUR ESG & SUSTAINABILITY GOVERNANCE

Effective governance is the cornerstone of our ESG strategy, serving as the foundation upon which all of Harel Mallac's sustainability efforts are built. It provides the structures and mechanisms for establishing accountability at all levels of the organisation—across the Board, executives, management and frontline employees,—and cultivating a sustainability-driven culture throughout the business. This approach makes ESG integral to our core mission, rather than being treated as a separate or secondary concern, while garnering the necessary support from our employees to drive change internally.

In 2024, we strengthened this commitment by establishing an ESG and Sustainability Committee. Tasked with advising the Board on key ESG matters, the committee ensures that sustainability is seamlessly integrated into high-level decision-making processes, aligned with the Group's business objectives, and backed by measurable targets to track progress and flexibly adjust our strategies.

To formalise this structure, the Board approved a Terms of Reference, clearly defining the committee's roles, responsibilities, and governance framework through which our sustainability initiatives will be executed. By doing so, we aim to enhance transparency and provide our stakeholders with the information needed to make well-informed decisions—upholding our duty as a responsible corporate entity.

STRATEGIC FOCUS AREAS

The double materiality assessment conducted in 2024 provided deep insights into the areas where we can drive meaningful change. The most material topics across our businesses include Talent, Decarbonization & Energy, Climate Change Adaptation, Circular Economy, Biodiversity & Regenerative Agriculture, and Digital Technologies.

The carbon footprint assessment, which forms part of our focus on Decarbonization & Energy, revealed that Scope 3 emissions account for the largest share of our carbon footprint. This data has been instrumental in shaping our approach to emissions reduction, ensuring our actions target areas with the potential to create the greatest financial, environmental, and societal value. Our initiatives and projects are strategically aligned with these priority areas, ensuring that resources are directed where they will have the most significant impact on both our business and sustainability goals.

PEOPLE	PLANET	PROFIT
Health & Safety Keeping all our employees, contractors, and neighboring communities safe and minimally exposed to risks.	**Climate Change Adaptation** Adapting to climate change by increasing our businesses' resilience across our value chains.	**Profitability** Sustaining profitability in our business and delivering acceptable shareholder returns based on efficient operations, capital optimisation.
Talent Developing and retaining the skills, talent, and instilling a corporate culture that will sustain the Group's strategy and realize our vision.	**Decarbonisation & Energy** Improving energy efficiency, product energy efficiency, and working on transition to renewable energy to reduce Greenhouse Gas (GHG) emissions.	**Sustainable Supply Chains** Understanding, managing, and improving positive environmental, social, and economic impacts along the value chain.
Diversity, Equity, and Inclusion Developing a diverse and inclusive working environment promoting fairness and equity for all employees.	**Circular Economy (including materials, waste & water)** Working towards zero harm to the environment by protecting fresh air and clean water, adopting the waste hierarchy, and moving towards a circular economy.	**Innovation** Creating new innovative offerings, products, and services that meet customer needs while generating social and/or environmental benefits.

PEOPLE	PLANET	PROFIT
Product and Process Safety Taking proper care of our products' compliance, quality, safety, and environmental footprint throughout the entire value chain.	**Biodiversity & Regenerative Agriculture** Promoting and aiding in the adoption of sustainable agricultural techniques, our focus is on enhancing crop quality, reducing greenhouse gas emissions, and improving biodiversity, soil health, and water efficiency.	**Sustainable Finance & Investment** Promoting renewable energy, waste reduction, water conservation, and other environmental benefits, helping to mitigate the impact of climate change and environmental degradation while enhancing the bottom line.
	Digital Technologies Implementing digital technologies and solutions to help shape a sustainable future within and outside the organisation.	

GOVERNANCE		
Business Integrity Honoring ethical and responsible business conduct and promoting accountability by maintaining proper policies and practices, upholding a culture of respect, honesty and fairness, and contributing to transparency.	**Regulatory Changes and Compliance** Conforming to all applicable laws, regulations, standards, and voluntary commitments while keeping abreast of and prepared for new regulatory changes.	

CARBON FOOTPRINT ASSESSMENT

Addressing the three major sectors contributing to 96% (expenditures, waste and energy) of the Group's emissions through the following actions:

01

SOURCING
(Scope 3)

- Prioritise local and regional sourcing where possible

02

CIRCULAR ECONOMY
(Scope 3)

- Implement a Waste Management Programme

03

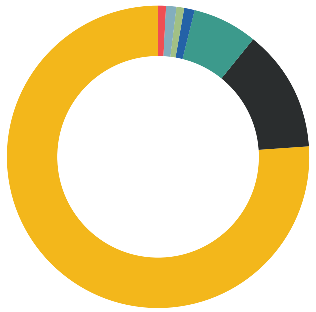
ENERGY TRANSITION
(Scope 1 & 2)

Through NeXEnergy:

- Conduct Energy Audits
- Implement Renewable Energy facilities
- Promote Energy Management
- Catalyse shift to Electric Mobility

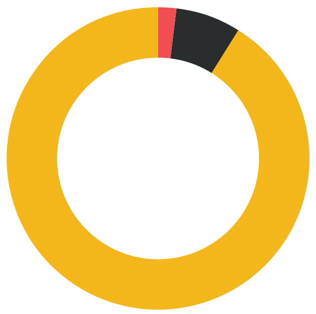
% Carbon emission per sector

1% Procurement
1% Commuting to work
1% Fugitive emissions
1% Transport
7% Energy
13% Waste
76% Expenditures



% Carbon emission per scope

2% Scope 1
7% Scope 2
91% Scope 3



Group Total Emissions
(in tonnes of carbon dioxide equivalent)

102,400 tC02e

2024 PROGRESS ON STRATEGIC FOCUS AREAS

Below is an overview of the key initiatives and projects launched across our entities. A more detailed list of initiatives across all areas will be available on each BU's website and/or sustainability report.

MATERIAL MATTER AND FOCUS AREA	PROJECTS AND INITIATIVES	PROGRESS AND OUTCOMES
Decarbonisation & Energy	**NeXEnergy** - Incorporation of NeXEnergy Partners Ltd to help the Group make progress in energy management and energy transition, along with the implementation of renewable power production facilities and an Operation and Maintenance (O&M) programme.	- NeXEnergy completed its first year of O&M for the 2 MW photovoltaic farm in Mont Choisy and other existing micro solar facilities within the Group. We are currently piloting a Proof of Concept for solar lighting in Pailles to reduce electricity costs, and we have begun energy management initiatives to further enhance efficiency. Additionally, NeXEnergy is working on expanding PV installations in Pailles.
	Ingenia - Launch of a project under the CEB Carbon Neutral Industrial Scheme (CNIS), allowing Ingenia to engage in clean, renewable electricity production.	- NeXEnergy is currently reviewing this project to align with the current and future energy requirements of Ingenia. - Actively participated in the "Accelerating the Transition to a Net-Zero Nature-Positive Economy in Mauritius" (NZNPA) project, focusing on training, building capacity and engaging stakeholders to drive the shift towards a sustainable, net-zero economy.
	Archemics - Launch of energy audit of Archemics.	- NeXEnergy has initiated an energy audit with a local partner to improve energy efficiency, identify initiatives/ opportunities to reduce energy costs, and determine future renewable energy needs. - Provided employee training in energy conservation to further reduce energy bills. - Replaced external lighting with fog lights, powered by renewable energy.
Circular Economy	**Group-level** - Conducted a waste quantification across all BUs to drive circularity, with the goal of transforming waste into a valuable resource.	- Identified reliable suppliers and conducted audit to ensure traceability of waste.

MATERIAL MATTER AND FOCUS AREA	PROJECTS AND INITIATIVES	PROGRESS AND OUTCOMES
Circular Economy	**EO** - Implementation of the waste management programme.	- Developed innovative products through vertical integration, partnering with renown recyclers and environmentally recognised companies like HSM Germany for the implementation of recycling baling systems. - Continued working closely with BEM Recycling to manage IT waste responsibly, in line with zero-landfill policy.
	Archemics - Implementation of action plans for water and wastewater, along with materials & waste, aimed at reducing both CO2 emissions per MT produced and diverting waste from landfills. - Implementation of waste management programme. - Launch of employee engagement initiatives in collaboration with NGOs to give a second life to books, clothes and shoes. - Conducted annual environmental safety checks for industrial detergents in line with AISE's (International Association for Soaps, Detergents and Maintenance Products) requirements. - Continuous R&D and innovation to substitute ingredients of concern with more sustainable alternatives. - Ongoing efforts to raise awareness of water stewardship through the WASH (Water, Sanitation & Hand Washing) pledge campaign.	- Reused 0.2 m3/t production of water in operations. - Diverted 76.9 % of total solid waste generated from landfills, including cartons, pallets, plastic, electronic waste, and batteries, amongst others. - 19.5 % plastic recycled and/or reused. - Implemented actions on water plans to reduce water use and wastewater emissions. - Stakeholder engagement with AMM and Mautopia on Circular Economy, Industrial Symbiosis, REP and upcoming laws on solid waste. - Conducted ESG-related training, including sustainability for local brands, and Industry 4.0 and Circular Economy training with AMM. - New brand developed for the commercialisation of products.
	Ingenia **> Agro:** - Launched distribution of Sealife Organics products. - Implementation of waste management programme. **> Aqua:** - Implementation of new technology for the manufacturing of sodium hypochlorite to improve product quality and reduce waste generation.	- Continued to divert solid waste, such as pallets, electronic waste, plastics, cartons, and paper from landfill. - Management of hazardous waste on site. - Launched a collection programme for empty pesticide containers, ensuring responsible disposal by customers. - Stakeholder engagement with AMM & Mautopia on Circular economy, Industrial Symbiosis, REP and upcoming laws on solid waste. - Conducted ESG-related training, including sustainability for local brands, and Industry 4.0 and Circular Economy training with AMM.

MATERIAL MATTER AND FOCUS AREA	PROJECTS AND INITIATIVES	PROGRESS AND OUTCOMES
Biodiversity & Regenerative Agriculture	**Ingenia** - Implementation of workstream on products that are detrimental to biodiversity and human health within its portfolio of existing products. - Participation in a study of the impact of its industry on the Mauritian economy, and the readiness of the stakeholders to align with the EU Green Deal requirements. This study was led by Business Mauritius and financed by AFD and the EU delegation in Mauritius.	- Continued efforts by the sales team to transition to safer products. - Deployed a training programme on the implication of the EU Green Deal for the local manufacturing sector and set up an action plan based on recommendations.
Digital Technologies	**NeXEnergy** - Launch of a Proof of Concept for a digital SaaS-based ESG solution to help organisations to manage their ESG journey, data and reporting effectively.	- Digitalised sustainability and ESG management to drive data-backed actions and initiatives. - Fostered synergies with HMT to promote energy transition in Mauritius and beyond.
Talent	**EO** - Obtained the Great Place to Work Certification™.	- BU Sustainability Champion achieved a significant milestone under the "Talent" focus area through investing time and effort in earning the Great Place to Work Certification™. This alignment encouraged greater gender equality, with women now making up 38% of EO's workforce and 50% of leadership positions at the management level.
Diversity, Equity, and Inclusion	**Group-level** - Implemented a DEI & Corporate volunteering programme across various BUs.	- Led the DEI & Corporate volunteering programme through designated BU Sustainability Champions, focused on collaborating with NGOs to drive impact in line with the Group's material topics.

People and Culture

BUILDING A WORKFORCE FOR TOMORROW

Harel Mallac's People strategy remains a cornerstone of the Group's success, more critical than ever in a rapidly evolving labour landscape. Globally, businesses are navigating talent shortages, shifting workforce expectations, and the growing impact of automation and AI on job structures. In Mauritius, these challenges are compounded by a shortage of domestic labour, a widening skills gap in key sectors, and heightened mobility of local professionals seeking better opportunities abroad. Tougher competition for foreign expertise, alongside rising labour costs, has added further pressure, making it critical to effectively attract, develop, and retain top talent.

Recognising the need for a long-term approach to talent development and retention, we embarked on Unlocking Potentials in 2024—an ambitious strategy designed to place our people at the heart of our transformation. To achieve this, we continue to anchor our efforts around three key pillars, ensuring that we cultivate a high-performing, engaged, and future-ready workforce. Building on the foundations laid in the previous year, including strengthening our leadership team, we remained focused on aligning our talent pool with our business priorities, driving initiatives that empower our people to reach their full potential.

Talent transformation and adaptability

Adapting our work model to boost operational efficiency, drive continuous improvement, and strengthen our ability to navigate market shifts with agility.

Reinforcing the talent ecosystem

Building a diverse and robust talent pipeline by refining our recruitment and retention strategies, investing in our people, rewarding performance, and offering meaningful opportunities for career growth.

Employer brand and Employee Value Proposition (EVP)

Shaping a compelling work culture and EVP that attract, engage, and retain top talent, positioning Harel Mallac as an employer of choice and a great place to work.

2024 STRATEGIC PROGRESS AND PERFORMANCE HIGHLIGHTS

Talent transformation and adaptability

Continuity of the Group's succession plan

To maintain long-term stability at both the strategic and operational levels, the Group's succession plan remains a key priority. This plan is regularly reviewed and updated, with successors identified for key positions across the Group to support smooth leadership transitions and business continuity.

Third Edition of the Group Induction Programme

In September 2024, the Group hosted its third Induction Programme, welcoming 75 new recruits across all business units. This session provided a comprehensive overview of the Group's operations and encouraged newcomers to engage with colleagues from different units and departments. This session included interactive activities, such as 'Act the ACT,' to deepen participants' understanding of the Group's core values of **Agility, Care, and Trust**.

Reinforcing the talent ecosystem

Strengthening of executive and senior leadership teams

During the year, we continued to fill business-critical roles, strategically aligning our leadership and executive team with our growth objectives:

- **General Manager of Novengi Ltd:** Kevin Kisto, brings a robust background in engineering and business, complemented by certifications in energy auditing and Lean Six Sigma. His people-first approach and proven leadership will be pivotal in driving Novengi and Aerolik toward impactful growth and operational excellence
- **Group Chief Information Officer:** Armed with a Master's degree in engineering science from Oxford University, Antoine Victor Harel's background in Information Technology is key in driving technological innovation and aligning IT strategies with the Group's business goals.
- **Group Senior Executive – Strategy and Projects:** Arthur Archaud has extensive international experience in investment, equity and strategy consultancy in Europe, the United States and Asia. He now oversees the management of high-priority projects, spearheading the Group's investment strategies and ensuring successful project delivery.

Reinforcing the talent ecosystem

- **Head of Operations - Archemics Ltd :** Salim Sulliman has a long flourishing career of more than 35 years in the Currimjee Group where he was the General Manager for Margarine Industries Ltd. His focus is on optimising Archemics's efficiency in the production, logistics, operational and store departments.
- **Team Lead Partner – Technology Operations and Solutions, Harel Mallac Technologies :** Dharma Basgeet holds a strong academic background from Mauritius and the United Kingdom, earning a PhD in Mobile Cmomunications. After his experience in the UK, Dharma worked at Ceridian, Mauritius Telecom and BDO before joining the Group and leading the operations of Harel Mallac Technologies.

Targeted training and upskilling programmes

To support this growth, we trained and developed half of the Group employees in various topics throughout the year, reinforcing our commitment to unlocking their full potential, and ensuring their readiness for the future.

Employer brand and Employee Value Proposition (EVP)

EO Solutions - GREAT Place to Work Certification

EO Solutions earned the prestigious "Great Place to Work" certification, reflecting its strong leadership, values, and work culture. This achievement highlights its commitment to fostering a healthy work-life balance, continuous staff development, and a supportive, inspiring environment for its employees.

Employee Welfare Programme

We remain committed to equipping our people with the tools and resources to support their physical, mental, and emotional wellbeing. In 2024, we launched a range of initiatives under our Employee Welfare Programme, including a Health & Wellness session for women at the Head Office, a blood donation drive and eye-screening tests at Harel Mallac Technologies Ltd, and a collaborative clean-up day with EO Solutions Ltd, Linxia Ltd, and Harel Mallac Technologies Ltd in partnership with Mission Verte.

As part of our ongoing focus on mental wellbeing, we held a dedicated workshop in October, providing employees with practical strategies for stress management, cultivating gratitude, and setting meaningful intentions. The session explored the eight dimensions of wellness, offering valuable insights into how to maintain balance and recognise early signs of mental health challenges in the workplace.

Fun Day at Archemics

Archemics hosted a day of fun and excitement on 06 September 2024, allowing employees to take a break from work to enjoy some well-deserved relaxation and team bonding. Team members actively participated in activities, from outdoor games to creative challenges, leaving them with great memories and a stronger team spirit.

Chill Party at Technology Division

Harel Mallac's Technology division organised a Chill party on a Friday for its employees, aimed at bringing the teams together to unwind, connect and form stronger bonds. The event featured live music, a variety of food and a relaxed atmosphere.

Pink October Month at Ingenia

Ingenia organised an awareness session on breast cancer in the Pink October month, where female employees came together to learn about prevention, early detection, and the vital role of self-examinations. Through expert advice and inspiring stories, the session offered valuable insights and created a supportive space for open conversation. It was a powerful reminder of how awareness and knowledge can make a real difference in the fight against breast cancer, encouraging everyone to prioritise their health and support those affected.

Technology

EMPOWERING DIGITAL TRANSFORMATION

Corporate Governance Report

INTRODUCTION

Harel Mallac & Co. Ltd ('Harel Mallac' or 'the Company') is a public company incorporated in 1952 and is listed on the Official Market of the Stock Exchange of Mauritius ('SEM'). Harel Mallac is a Public Interest Entity (PIE) as defined by the Financial Reporting Act 2004.

CORPORATE GOVERNANCE

Harel Mallac and its subsidiaries ('the Group') are committed to maintaining high standards of corporate governance and acknowledge their responsibility in following the principles contained in the National Code of Corporate Governance for Mauritius (the 'Code').

This Corporate Governance Report endeavours to demonstrate the application, within the Group, of the eight principles comprising the Code.

PRINCIPLE 1: OUR GOVERNANCE STRUCTURE

Harel Mallac is led by its Board of Directors ('the Board').

THE CONSTITUTION

The Board derives its authority to act from the Company's constitution ('the Constitution'). There are no clauses of the Constitution deemed material enough for special disclosures. The Constitution is available on the Company's website.

BOARD CHARTER

A Board Charter was approved by the Board. It details, amongst others, the objectives of the Board, as well as the roles of the Chairman, Non-Executive Directors and the Company Secretary. A copy of the Board Charter is available on the Company's website.

BOARD COMMITTEES

The Board is assisted in its functions by three Board Committees, namely: the Audit and Risk Committee, the Corporate Governance Committee (which also covers the key areas within the remit of a Nomination and Remuneration Committee) and the Strategic Committee. Each of our committees is governed by and operates within the Terms of Reference approved by the Board.

These Terms of Reference are reviewed periodically.

DELEGATION OF AUTHORITY ACROSS THE GROUP

The Board has approved a comprehensive Delegation of Authority Matrix that clearly defines the decision process across the Group. The Delegation of Authority Matrix is reviewed by the Board whenever required.

THE ROLE OF THE BOARD

The Board is led by the Board Chairman. The roles of the Board Chairman and that of the Chief Executive Officer are separate. The Board exercises leadership, entrepreneurship, integrity and sound judgement in directing the Company so as to achieve continuing prosperity for the organisation, while embracing both performance and compliance. The Board also ensures that the activities of the Company comply with all legal and regulatory requirements, as well as with its Constitution.

The Board, inter alia:

- oversees the development and implementation of the Company's corporate strategy
- reviews performance objectives
- oversees financial management and capital management
- oversees compliance and risk management
- ensures that sound corporate governance practices are in place
- ensures effective communication with the Company's stakeholders
- provides for succession plans for key individuals
- promotes the Company's Code of Ethics

CODE OF ETHICS

The Board approved the Code of Ethics ('COE') which is applicable across the Group. Its application is periodically monitored. Our COE sets out the framework for and advocates for:

- honest communication
- confidentiality
- financial integrity
- business ethics including commercial ethics
- corporate citizenship

Our COE, which is available on our website, also addresses insider dealing, conflicts of interest and political involvement, as well as the exercise of public duties.

All the employees of the Group have had the opportunity to fully familiarise themselves with our COE through our e-learning platform.

RESPONSIBILITIES AND ACCOUNTABILITY

The Group operates within a clear governance framework that enables the Board to exercise effective control and supervision.

The day-to-day management is delegated to the Chief Executive Officer and his senior executives, who have clear job descriptions that form the basis for a clear understanding of their roles and responsibilities. The job descriptions of key senior executives are reviewed by the Corporate Governance Committee and submitted thereafter to the Board for approval.

ORGANISATIONAL STRUCTURE

(AS AT 31 DECEMBER 2024)

Charles Harel
Chief Executive Officer

Operations

Kevin Kisto
General Manager - Novengi and Aerolik

Charles Dufourcq
Chief Operations Officer - Harel Mallac Technologies, Linxia, EO Solutions and Activeline

Yanis Fayd'herbe
Managing Director - MCFI Group and Archemics

Head Office

Candice Couacaud
Group Head of Communications

Laurent Gordon Gentil
Group Head of Human Capital

Patricia Grenouille
Manager HM Secretaries Ltd

Christian Nanon
Group Head of Sustainability and Innovation

Bhavish Sewraz
Group Head of Legal Affairs & Compliance

Belinda Vacher
Chief Finance Officer

Christian Yong Kiang Young
General Manager Projects & Investments

Our Leadership

Charles Harel

Belinda Vacher

Kevin Kisto

Charles Dufourcq

Yanis Fayd'herbe

Team

Laurent Gordon Gentil

Bhavish Sewraz

Christian Yong Kiang Young

Patricia Grenouille

Candice Couacaud

Christian Nanon

Good Governance → Corporate Governance Report

LEADERSHIP TEAM AS AT 31 DECEMBER 2024

Charles Harel
Chief Executive Officer

Charles Harel holds a National Diploma in Management and Finance from the Cape Technikon, South Africa, as well as an MBA from the University of Birmingham, UK. He joined the Harel Mallac Group in 1993 as the General Manager of the Tourism and Retail Cluster. He was then nominated as CEO of the Harel Mallac Group as of 1 January 2014, and appointed to the Board of Directors in June 2006.

Belinda Vacher
Chief Finance Officer

Belinda Vacher holds various finance degrees/certifications: a Master's degree in Business Administration (University of Mauritius), a certificate in Business Strategy for leaders (INSEAD), as well as a Master's degree of Laws (Université Panthéon Assas). Belinda spent most of her career working for the Rogers Group in various departments, including investment, property asset management, corporate advisory, sustainability and fund management. Until recently, she served as the Chief Fund Management Executive with directorship roles for Ascencia and Velogic. She joined the Harel Mallac Group in April 2023.

Kevin Kisto
General Manager – Novengi & Aerolik

Kevin holds a Bachelor in Chemical Engineering, a diploma in health and safety, a Master's in Business Administration, a certification in professional energy auditing as well as a license in lean six sigma. Kevin is an Operations and Management professional with over 14 years' experience in fast-paced, sugar and cement complex facilities.

Charles Dufourcq
Chief Operations Officer Technology Division – Harel Mallac Technologies, Linxia, EO Solutions and Activeline

Charles Dufourcq holds an MSc in International Management and Finance from NEOMA Business School in France and is an alumnus of the INSEAD executive program in Singapore. From 2000, he held various positions in the technology industry: first in sales and marketing, then in Singapore in 2008 as General Manager for BT Global Services, where he was responsible for Sales and Marketing for the South East Asia Region. In the 10 years he spent in Asia, he also served as Managing Director for Blackberry Singapore and Microsoft Director for the Professional Services division in Singapore. In 2018, Charles relocated back to France as an entrepreneur and investor, becoming the CEO of CETRAFACT, a specialised SaaS company, and CEO of Palo IT for the EMEA region. He joined Harel Mallac in November 2022.

Yanis Fayd'herbe
Managing Director – MCFI Group and Archemics Ltd

Yanis Fayd'herbe has a degree with majors in Economics and Industrial Psychology, and a Post Graduate Diploma in Organisation & Management from the University of Cape Town. He is also an alumnus of the ESSEC General Management Program. Between 1999 and 2019, he held various positions in the textile industry, first in sales and marketing, then as CEO of N. Bellstedt & Co (Pty) Ltd (South Africa), Managing Director of KASA Textile & Co Ltd (2012-2017) and of Labelling Industries Ltd, Berque Ltee, Narrow Fabrics Ltd in Mauritius and of Labeltex SARL and LabelMada Ltee in Madagascar (2013-2019). Yanis joined MCFI Group in June 2019.

Laurent Gordon Gentil
Group Head of Human Capital

Laurent Gordon-Gentil holds a BSc in Management and Human Resource (HR) Management from Curtin University (Australia), as well as an MSc in Professional Human Resources from BPP University (London). After working in various sectors, namely BPO, engineering and manufacturing, Laurent worked for the Terra group as HR Manager - Projects and Services (2011-2015) before moving to the Medine Group in 2015 as Group HR Manager. He joined Harel Mallac in January 2021.

Bhavish Sewraz
Group Head of Legal Affairs and Compliance

Bhavish is a qualified Barrister-at-Law and brings rich experience from his roles at Absa Bank and Juristconsult Chambers – DLA Piper Africa. He holds a 'Licence en Droit' from the University of Capitole, Toulouse, and postgraduate degrees from the University of the West of England, Bristol, and the University of Greenwich, London.

Christian Yong Kiang Young
General Manager – Projects And Investment

Christian Yong Kiang Young is a member of the Institute of Chartered Accountants in England and Wales (ICAEW) and holds a Bachelor of Science degree from the London School of Economics (LSE), UK. He was Director – International Accounting & Reporting at MoneyGram from September 2009 to September 2015 and Audit Manager at KPMG from September 2002 to July 2009. In October 2015, he joined Harel Mallac as Group Financial Controller, before accepting the challenge of managing the Group's projects and investments portfolio in August 2016.

Patricia Grenouille
Manager – HM Secretaries Ltd

Patricia Grenouille is a member of the Institute of Chartered Secretaries UK (now The Chartered Governance Institute, UK) and holds a Licence en Lettres Modernes from Université de la Réunion. She joined Harel Mallac & Co. Ltd in 1988 and holds, since 2008, the position of Manager - HM Secretaries Ltd which acts as the Company Secretary for Harel Mallac & Co. Ltd, and its domestic subsidiaries, and some other legal entities.

Candice Couacaud
Group Head of Communications

Candice is a seasoned professional with extensive experience in marketing communications and holds a Master's Degree in Information and Communications from Université Sorbonne Paris Nord. She was a Project Manager in the tourism industry for more than 10 years in Paris, before heading into branding and marketing for property development projects in Mauritius. She served as Group Communication and Media Relations Manager for Rogers Hospitality (2016-2021) and teamed up with NGO Reef Conservation to spearhead the organisation's communication on funded projects. She joined Harel Mallac in July 2023.

Christian Nanon
Group Head of Sustainability and Innovation

Christian Nanon holds a Master's degree in Chemical Engineering from ENS Paris - Chimie ParisTech (France) and a Master of Science in Strategy and Organisation Consulting from ESCP Europe (France). He has also completed a Certificate in Sustainability Leadership and Corporate Responsibility from London Business School (UK) and a Certificate in Sustainable Investing from Harvard University (USA). In addition, he is a Certified Sustainability (ESG) Practitioner and a Certified Energy Auditor (CEA), accredited by the Association of Energy Engineers (USA). With over 14 years of experience, Christian has been actively involved in major energy projects and strategic business initiatives both locally and internationally. He previously held the roles of Product Development Engineer at Omnicane Group, Corporate Manager – Sustainability at Rogers Group, and Director of Rogers Foundation. Christian joined the Harel Mallac Group in June 2023.

PRINCIPLE 2: THE STRUCTURE OF OUR BOARD AND ITS COMMITTEES

BOARD SIZE AND STRUCTURE

Harel Mallac is headed by a committed unitary Board ('the Board') comprising nine Directors. The Board is confident that it possesses the right mix of independence, professional experience, skills, expertise and background to lead the Company and the Group efficiently. The Board is of the view that the presence of the Executive Director and Chief Finance Officer at Board meetings is in line with the recommendations of the Code for executive presence on the Board.

DIRECTORS' INDEPENDENCE REVIEW

The Board is of the view that a Director's independence is not reliant on his term of office. The Board believes that a Director's independence is measured by the latter's ability to think, analyse and decide independently, and by the person's capacity to stand up to contrary views and opposing arguments.

BOARD COMPOSITION DURING 2024

Directors	Gender	Age	Country of Residence	Category
HAREL Antoine L. (Chairman)	Male	67	Mauritius	Non-Executive Director
AH-CHUEN Dean	Male	60	Mauritius	Non-Executive Director
BORIS Pascal C.B.E	Male	74	UK	Independent Director
DE CHASTEAUNEUF Jérôme	Male	58	Mauritius	Non-Executive Director
DE JUNIAC Christian	Male	71	UK	Non-Executive Director
GIRAUD Daniel G.O.S.K.	Male	72	Mauritius	Independent Director
HAREL Charles	Male	57	Mauritius	Executive Director
LEVIGNE-FLETCHER Anne Christine C.S.K.	Female	70	Mauritius	Non-Executive Director
MOOLLAN Anwar S.C.	Male	57	Mauritius	Non-Executive Director

Male Female

MEETINGS' PROCESS

Calendar of meetings	Agenda setting	Circularisation of Board/Committee papers	Attendance at meetings	Minutes of meetings
A calendar of meetings for the year is set at the beginning of the year.	The agenda of the meeting is finalised by the Chairman and the Company Secretary after consultation with the CEO.	Detailed and comprehensive board papers are circularised to the Directors with a view of enabling the Directors to take learned decions.	With a view to enhancing attendance, Directors can assist by audio or video conferencing.	Minutes of meetings are approved by the Board/ Committee and signed by the Chairman and the Company Secretary.

BOARD MEETINGS

During the year under review, the Board met six times.

ATTENDANCE AT BOARD MEETINGS

Director	Attendance
HAREL Antoine L. (Chairman)	■■■■■■
AH-CHUEN Dean	■■■■■□
BORIS Pascal C.B.E	■■■■■□
DE CHASTEAUNEUF Jérôme	■■■■■■
DE JUNIAC Christian	■■■■■■
GIRAUD Daniel G.O.S.K.	■■■■■■
HAREL Charles	■■■■■■
LEVIGNE-FLETCHER Anne Christine C.S.K.	■■■■■■
MOOLLAN Anwar SC	■□□□□□

BOARD'S FOCUS AREAS DURING THE YEAR

- Risk identification and mitigation strategy
- Group restructuring
- Strategic plan for the Company and the Group
- Annual and quarterly financial statements
- Investment and divestment decisions
- Annual budget for Company and Group
- Board Committees' focus areas
- Remuneration and talent management

BOARD EVALUATION

A Board evaluation exercise is carried out yearly by the Company Secretary. The Directors are invited to rate various areas of the Board's governance, such as the preparation and effectiveness of meetings, performance of the Chair and of the Board Committees. It also provides for each Director's self-evaluation. Directors are invited to comment on each area being evaluated. The Company Secretary may interview the Directors to collect more information on comments made. A detailed report is presented to the Corporate Governance Committee, which in turn makes its recommendations to the Board on ways and means to improve on the lowest-rated areas.

BOARD COMMITTEES

Audit & Risk Committee ('ARC') Meetings

During the year under review, the ARC met five times. The Board is satisfied that the members of the ARC have the right mix of skills, knowledge, financial literacy and expertise to fulfil their duties, and that they have effectively discharged their responsibilities during the year under review according to the Committee's terms of reference.

Attendance at ARC Meetings

Director	Attendance
DE CHASTEAUNEUF Jérôme (Chairman)	■■■■■
LEVIGNE-FLETCHER Anne Christine C.S.K.	■■■■□
MOOLLAN Anwar S.C.	■□□□□
GIRAUD Daniel G.O.S.K.	■■■■■

ARC's Focus Areas During the Year

- Annual and quarterly financial statements
- Internal audit reports
- External audit reports
- Risk Management Framework
- Ethics
- Accounting procedures and processes
- Delegation of authority matrix

Corporate Governance Committee ('CGC')

During the year under review, the CGC met twice.

Attendance at CGC Meetings

Director	Attendance
HAREL Antoine L. (Chairman)	■ ■
MOOLLAN Anwar S.C.	■ □
AH-CHUEN Dean	■ ■

CGC's Focus Areas During the Year

- Remuneration
- Remuneration, pay and benefits framework
- Board appraisal
- Board composition
- Employee engagement
- Talent Management framework
- Succession planning
- Recruitment of senior executives
- Directors' remuneration

Strategic Committee Meetings

During the year under review, the Strategic Committee held two meetings.

Attendance at Strategic Committee Meetings

Director	Attendance
HAREL Antoine L.	■ ■
HAREL Charles	■ ■

Strategic Committee's Focus Areas During the Year

- Investment projects
- Divestments
- Performance rating of investments
- Group's strategic plan

THE ROLE OF THE COMPANY SECRETARY

The Company Secretary's function is performed by HM Secretaries Ltd. HM Secretaries Ltd is a wholly-owned subsidiary of Harel Mallac & Co. Ltd offering secretarial services to Harel Mallac & Co. Ltd and to its local subsidiaries. HM Secretaries Ltd is headed by an ICSA chartered secretary. All Directors have access to the advice and services of the Company Secretary for the purposes of the Board's affairs.

PRINCIPLE 3: DIRECTORS' APPOINTMENT AND PROCEDURES

APPOINTMENT, ELECTION AND RE-ELECTION OF DIRECTORS

The Corporate Governance Committee reviews new appointments to the Board, Board Committees, the Boards of 100% owned subsidiaries, and makes its recommendations thereon to the Board. Skills, expertise, knowledge, experience, diversity and independence are factors that are considered. Directors shall be "a natural person, not under the age of 18, not be an undischarged bankrupt and shall not be prohibited from being a director under sections 337 and 338 of the Companies Act 2001".

The Directors are re-elected upon the recommendation of the Corporate Governance Committee that considers, amongst others, the Board's evaluation, which is carried out by the Company Secretary. The Constitution provides that the Directors of the Company shall hold office for one year but shall be eligible for reappointment.

INDUCTION OF DIRECTORS

Upon their appointment, Directors follow an induction course, which is facilitated by the Chairman and the Company Secretary. The induction pack, remitted prior to the induction course, consists of recent minutes of Board and Committee meetings, recent unaudited and audited financial statements, the Company's Constitution, Listing Rules, and the Company's

annual report. The newly appointed Directors have one-to-one meetings with the CEO and members of the Leadership Team as part of the induction process. The newly appointed Directors also proceed with the visit of local-based operational sites.

DIRECTORS' PROFILES

Anne Christine Levigne-Fletcher C.S.K. (70)
Chevalier de l'Ordre National du Mérite
Non-Executive Director

Anne Christine Levigne-Fletcher C.S.K. holds a Diplôme de l'Institut d'Etudes Politiques de Paris/Sciences Po, a Licence en Droit from Assas University and a Licence en Littérature Anglaise from Université de Nanterre. She was from 1976 to 1981, the Managing Director/Designer of Mistra, an international company based in Paris operating in the design industry. She has been the Managing Director of Caleage Ltd-Hemisphere Sud since 1981. Anne Christine Levigne-Fletcher C.S.K. was appointed to the Board of Directors of Harel Mallac & Co. Ltd in May 2011.

Other Directorships (listed Companies): None.

Antoine L. Harel (67)
Chairman - Non-Executive Director

Antoine L. Harel is a Fellow Member of the Institute of Chartered Accountants in England and Wales. He holds a BA (Hons) degree in Accounting and Computing. He joined Harel Mallac & Co. Ltd in 1987 and launched the Company's Information Technology Division. On joining the Board in 1990, he was appointed Executive Director with responsibility for the Information and Communication Technology division and the Distribution and Retail division. In 1997, he was appointed Group CEO and has been the Chairman of the Board since April 2005. He was President of the Mauritius Chamber of Commerce & Industry from 1992 to 1993.

Other Directorships (listed Companies): The Mauritius Chemical and Fertilizer Industry Limited (Chairman)

Anwar Moollan S.C. (57)
Non-Executive Director

After his first degree in Mechanical Engineering in France, Anwar Moollan S.C. read Law at Downing College, Cambridge. He joined the Chambers of Sir Hamid Moollan K.C. in 1995, and practices as a barrister. Mr. Moollan is the current Chairman of the Mauritius Bar Association. He joined the Board of Directors of Harel Mallac & Co. Ltd. as an Independent Director in June 2003.

Other Directorships (listed Companies): None.

Charles Harel (57)
Chief Executive Officer

Charles Harel holds a National Diploma in Management and Finance from the Cape Technikon, South Africa, as well as an MBA from the University of Birmingham, UK.

He joined Harel Mallac Group in 1993 and held the following various positions, namely Assistant to Commercial Director at Compagnie des Magasins Populaires, General Manager of the Tourism and Retail Cluster in 1998, Managing Director of Harel Bureautique Ltd in 2005 and Executive Director in charge of Property and new projects in 2011.

He was appointed to the Board of Directors in 2006 and nominated as CEO of Harel Mallac Group on 1 January 2014.

He is the Honorary Consul of the Federative Republic of Brazil in Mauritius since February 2004 and the President of the Mauritius Chamber of Commerce and Industry since 2024.

Other Directorships (listed Companies): The Mauritius Chemical and Fertilizer Industry Limited

Christian De Juniac (71)
Non-Executive Director

Christian de Juniac is a graduate of Cambridge University and holds an MBA from Harvard University. He trained as a barrister-at-law and was with Boston Consulting Group for 28 years, based mostly in the United States, UK, Holland and Switzerland. During his career at Boston Consulting Group, Christian de Juniac specialised in financial services and mass distribution. He was appointed to the Board of Harel Mallac & Co. Ltd on 16 May 2018.

Other Directorships (listed Companies): None.

Daniel Giraud G.O.S.K. (72)
Independent Director

Daniel Giraud G.O.S.K. holds a master's in management sciences (Paris Dauphine). He spent 23 years in the textile Industry as CEO of the Floréal Group (CIEL Textiles), the largest textile manufacturer, before joining Médine Limited as Chief Executive Officer in 2002. He sat on the Board of Médine Limited and EUDCOS and their subsidiaries from 2003 until his retirement from Médine Limited in 2017. He was appointed to the Board of Harel Mallac & Co. Ltd on 27 June 2018.

Other Directorships (listed Companies): None.

Dean Ah-Chuen (60)
Non-Executive Director

Mr. Dean Ah-Chuen holds a BA degree in computer science from the University of Sydney (Australia) and holds an MBA in International Business from the University of Western Sydney. Dean Ah-Chuen worked for Westpac Banking Corporation (Australia) in the IT Division and for Clinton's Toyota before returning to Mauritius in 1994, where he joined ABC Motors Company Limited as Business Development Manager. Today, he is the Managing Director of ABC Motors Company Limited, now listed on DEM, with the overall responsibility for the Automobile Cluster. He also serves as Managing Director of the Shipping & Logistics, Property and Insurance Clusters of ABC Group of Companies. He is a Non-Executive Director of ABC Banking Corporation Ltd, listed on the DEM, and also a Benefactor of the Court of the University of Mauritius since May 2019. He is currently a Board member of Lovebridge Ltd (a joint private/public project to assist poor income families). Previously, he was a director of the Mauritius Post & Co-operative Bank Ltd. He was first appointed to the Board of Harel Mallac & Co. Ltd. on 8 June 2012.

Other Directorships (listed Company): ABC Motors Co Ltd., ABC Banking Corporation Ltd.

Jérôme De Chasteauneuf (58)
Non-Executive Director

Jérôme de Chasteauneuf (Non-Executive Director) qualified as Chartered Accountant of England and Wales in 1992 and holds a BSc Honours in Economics from the London School of Economics and Political Science. He joined the CIEL group in 1993, taking on additional responsibilities over the years. He was nominated Group Finance Director of CIEL as of January 2017. Jérôme de Chasteauneuf was appointed to the Board of Directors of Harel Mallac & Co. Ltd. in May 2010. He is also the Chairman of the Audit Committee. Jérôme de Chasteauneuf is also an Independent Director of the Stock Exchange of Mauritius.

Other Directorships (listed Companies): Alteo Limited (Chairman), CIEL Limited, Miwa Sugar Limited, Sun Limited, Riveo Ltd.

Pascal Boris C.B.E. (74)
Independent Director

Pascal Boris C.B.E. graduated from Ecole des Hautes Etudes Commerciales (HEC), Paris, from the New York University Stem Institute and from the London Business School. He had a rich 40-year career in international banking with The Chase Manhattan Bank and Paribas (later BNP Paribas) in Paris, New York, London and Geneva. He is now an active business angel with a portfolio of early-stage companies in France, the USA, the UK and Israel. Pascal Boris C.B.E. is the joint founding President of Le Cercle d'Outre-Manche and the honorary President of the French Chamber of Great Britain. He was first appointed to the Board of Directors of Harel Mallac & Co. Ltd on 4 October 2017.

Other Directorships (listed Companies): None.

PROFESSIONAL DEVELOPMENT

The Directors are encouraged to participate in workshops and training sessions organised by the MIoD and other training bodies. The Board facilitates such participation.

SUCCESSION PLANNING

The Board ensures that a comprehensive succession planning mechanism is in place within the Company. The objective of succession planning is to ensure that the Company continues to operate efficiently when individuals occupying key positions leave the Company.

PRINCIPLE 4: DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE

DIRECTORS' DUTIES AND RESPONSIBILITIES

The Directors are aware of their legal duties and responsibilities. Policies are in place to assist the Directors in fulfilling their duties, such as the Code of Ethics, the Conflict of Interest/related party transactions policy and the Board Charter.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE POLICY

A Directors' and officers' liability insurance policy has been subscribed covering the Company, its subsidiaries and the Company's Directors. It offers coverage when they sit on the Boards of outside companies at the behest of the Company.

CONFLICT OF INTEREST/RELATED PARTY TRANSACTIONS

Transactions with related parties are disclosed in the financial statements and declarations of interest are registered by the Company Secretary.

INFORMATION ALLOWING DIRECTORS TO MAKE LEARNED DECISIONS

Detailed information is provided in writing to the Directors prior to Board and Committee meetings, as well as in the case of resolutions to allow them to make informed decisions. Directors are also encouraged to contact the CEO, the Chairman or the Company Secretary in case they need any further information or clarification.

SUPPORT OF EXTERNAL EXPERTS

The Board is encouraged to seek external expert advice whenever required.

DIRECTORS' REMUNERATION

Non-Executive Directors and Independent Directors are paid Directors' fees commensurate with their responsibilities on the Board. Directors are paid fixed fees. A benchmarking exercise is carried out regularly by the Corporate Governance Committee to ensure that the Directors' fees are market and industry-related. The Company's Non-Executive Directors and Independent Directors sitting on the Boards of subsidiary companies may also receive Directors' fees from such subsidiaries. None of the Non-Executive Directors or the Independent Directors are entitled to remuneration in the form of share options or bonuses associated with the Company's or the Group's performance.
Details of Directors' remuneration are given on pages 76 and 77.

REMUNERATION POLICY

The Company's remuneration policy recommends that the Company provides competitive rewards for its senior executives and other senior management staff, taking into account the Company's performance and external market data from independent sources and in particular, regarding the latter, salary levels for similar positions in comparable companies. The remuneration package consists of a base salary, fringe benefits, and individual and collective performance bonuses. The remuneration package is determined by the Board of Directors upon recommendations from the Corporate Governance Committee. Executive Directors and senior management may

also be entitled to performance bonus schemes linked to personal objectives as well as to the Company's and/or the Group's performance. Such schemes are reviewed by the Corporate Governance Committee and thereafter submitted to the Board for decision.

INFORMATION TECHNOLOGY POLICY

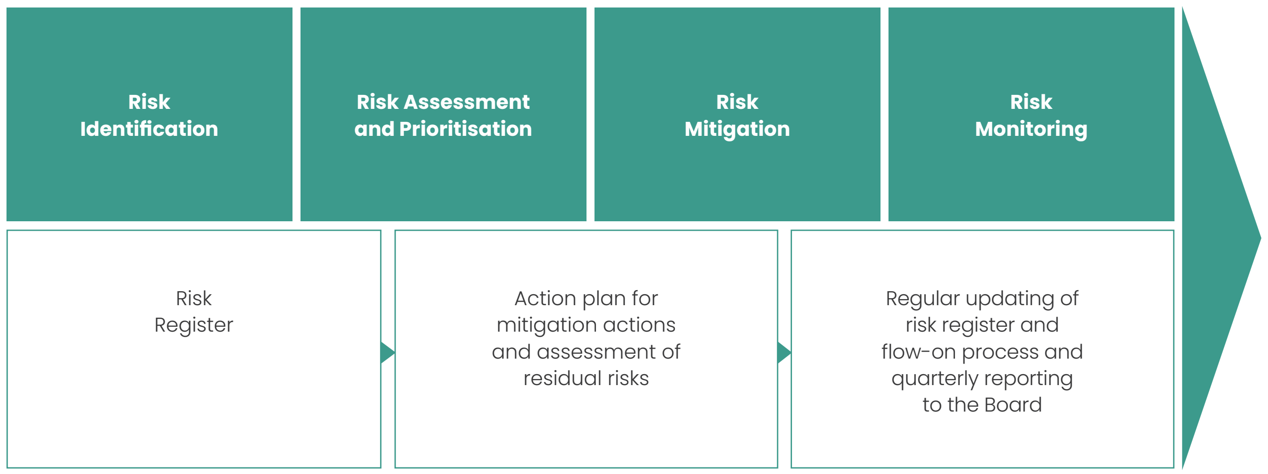
An Information Technology ('IT') Policy was approved by the Board and is applicable to all subsidiaries in the Manufacturing and Trading, Business Services and Asset Management clusters of the Group. A budget for IT is allocated annually, based on respective needs for the financial year. The IT policy covers, amongst others:

- security standards, including control and access rights (including physical access)
- process for acquisition of information systems, their development and maintenance
- back-up of information
- malicious software protection
- Internet and Intranet security
- Bring Your Own Device

EU GENERAL DATA PROTECTION REGULATION

The Group and its Board of Directors are committed to ensuring the safe and lawful processing of all personal data that the Group collects, in a fair and transparent manner, in accordance with applicable data protection laws in force, namely the Data Protection Act 2017 (Act No. 20 of 2017) (DPA) and the European General Data Protection Regulation (GDPR). The Policy sets out how personal data must be collected, processed and safeguarded in accordance with these laws. All the employees within the Group have been trained with regard to the Group's Data Protection Policy.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL



RISK MANAGEMENT

The Board is ultimately responsible for the process of risk management. The Company's Management is accountable to the Board for the design, implementation and detailed monitoring of the Risk Management Framework. The Risk Management Framework ('RMF') refers to the process used by the Company to monitor and mitigate its exposure to risk. The RMF is not intended to eliminate all risks but to provide a mitigating mechanism to limit risk exposure and potential loss. The Board has delegated to the ARC the responsibility to supervise the monitoring and mitigation of risk exposure. The ARC has overseen a risk review in collaboration with Management and the Group Risk Officer. Internal and external risks facing the organisation (including but not limited to strategic, financial, operational and compliance risks) have thus been identified and the Management has been implementing mitigating actions, as well as control systems, including compliance checks. The Board regularly receives reports from the Management and from the ARC on risk management. The risk register is reviewed and updated quarterly at both Company and Group levels. Amongst the risks areas identified and control procedure put in place are the following:

Physical Risks

Among the physical risks identified are unavoidable events such as riots, cyclones and other natural calamities such as pandemics. Mitigating actions such as the adoption of cyclone and fire procedures, subscription to a relevant insurance cover, and the identification of a business continuity plan and disaster recovery plan, have been taken. To limit the occurrence of on-site accidents, health and safety, as well as security procedures have been implemented. The Company's control procedures ensure mitigation of risks relating to fraud and theft.

People Risk

People risk is increasingly recognised globally as a key area that needs to be carefully monitored. The scarcity of skilled human resources in some specific industries such as the IT industry is a major challenge facing our local economy. The loss of key personnel has also been identified as a major risk factor. In view of mitigating these risks, retention policies have been adopted, and a formal performance assessment and reward system have been implemented within the Company.

A Code of Ethics has been adopted so as to limit reputational risks.

Health surveillance is performed at regular intervals on employees in high-risk jobs, in line with the Company's health and safety policy.

Technology Risks

The Group's IT governance is regularly assessed. Cyber-attacks are rampant and pose a real threat to digital business processes and data. To mitigate those risks, end-user cybersecurity awareness is raised through regular communication about handling of suspicious emails and attachments as well as about password management. Vulnerability assessments are run on publicly exposed interfaces such as firewalls and those are reviewed to address any identified issues. The Group IT policies have been reviewed and are being enforced through action plans and end-user training to ensure proper IT governance.

Financial Risks

The financial risks are detailed in the notes to the audited financial statements.

INTERNAL CONTROL

Internal control is a process designed to provide reasonable assurance regarding the achievement of the Group's objectives in respect of effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. It is carried out by the Board of Directors, the management and other personnel. It is applicable to and is built into the various business processes so as to cover all significant enterprise areas. Systems and processes have been implemented within the Group and are regularly controlled by the Internal Audit function to ensure that they are being adhered to and that they are effective. Internal control is a dynamic process which, in turn, leads to the regular improvement of internal controls in place. Our internal control system covers the Company, as well as its local and foreign subsidiaries. It does not cover our associate companies.

OUR GROUP POLICIES

The following policies are applicable across the Group:

- Equal Opportunity Policy
- Data Protection Policy and Data Privacy Rights Management Policy
- Policy on conflicts of interest and related party transactions
- Information Technology Policy
- Ancillary Policy on post contractual obligations
- Gift Policy
- Ethics
- Whistle-Blowing Policy

The policy on conflicts of interest and related party transactions, as well as the details of the Group's IT governance, are available on the Company's website.

PRINCIPLE 6: REPORTING WITH INTEGRITY

SUSTAINABILITY REPORTING AND INTEGRATED REPORTING

The Company firmly believes in transitioning towards sustainability. In line with this, the Company has conducted its double materiality assessment and its first carbon footprint calculation.

REPORTING WITH INTEGRITY

The Board recognises its responsibility in ensuring that the Company reports with integrity. It thus ensures that the financial reports, annual reports and other regulatory communiqués that may from time to time be issued, are compliant with prevailing standards, rules, legislation and regulations.

PRINCIPLE 7: AUDIT

EXTERNAL AUDITORS

The ARC has the primary responsibility for making recommendations with regard to the appointment/ reappointment and removal of the external auditors. The ARC ensures that the external auditors observe the highest standards of business and professional ethics and that their independence is in no way impaired. The ARC makes recommendations to the Board on external auditors' appointment and fees.

The ARC encourages consultation between the internal and the external auditors to discuss matters of mutual interest, the management letters, as well as the Internal Auditors' report. The ARC regularly meets with the external auditors during ARC meetings and reports from the external auditors are extensively discussed. Whenever the need arises, the ARC meets the external auditors, without Management being present. The fees paid to the auditors for audit and non-audit services for the financial year are disclosed in the Statutory Disclosures section of the annual report.

The ARC received from the external auditors their report following the 2024 audit exercise. The issues reported were discussed and recommendations made.

INTERNAL AUDITORS

Internal Audit is a function responsible for providing assurance to the Board regarding the implementation, operation and effectiveness of internal control and risk management systems within the Group. KPMG has been serving as the Group's Internal Auditor since January 2019, with a scope covering the Group's subsidiaries except for some of our foreign entities. The Internal Audit function reports to the ARC and to the Board of Directors. It assists in the maintenance and improvement of processes by which risks are identified and managed, and in the strengthening of the internal control framework. The Internal Audit function has examined the current control systems to check their suitability and ensure that they are being adhered to.

The Internal Audit function conducts its assignments based on a yearly plan that is validated by the ARC. The Group Internal Audit has unrestricted access to the Company's records, management and employees. Systems reviewed in 2024 at the Company and subsidiary levels (along with follow-up audits) include data protection compliance, internal financial close, treasury management and investment and valuation, as well as the internal audit plan implementation. The review also covers all significant areas of the Company's and its subsidiaries' internal control. The reports produced by the Internal Audit function were regularly submitted to the ARC for discussion and for follow-up on the implementation of recommended actions. The ARC periodically assesses the independence and objectivity of the Internal Audit function and is satisfied with its independence.

PRINCIPLE 8: RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

OUR KEY STAKEHOLDERS

Harel Mallac endeavours to maintain clear communication channels with all its key stakeholders and believes it is the founding stone of good governance.

Who? Shareholders	Who? Employees	Who? Customers	Who? Government & Regulatory Bodies	Who? The Community
How?	How?	How?	How?	How?
Annual Meetings ↓ Quarterly financial reporting ↓ Comprehensive annual report	Intranet & emails ↓ Regular meetings with CEO and Head Office Team ↓ Semi-annual management meetings ↓ Social events & volunteering	Website & social platform ↓ Public relations ↓ Customer satisfaction surveys	Regular exchanges with regulatory bodies' representatives ↓ Quarterly financial reporting ↓ Comprehensive annual report	Public & media relations ↓ Social media ↓ Sponsorships & CSR

SHAREHOLDERS

Shareholders Holding More Than 5%

Société de Lerca, holder of 78.54% of the Company's shares is the only shareholder holding more than 5% interest in the Company.

Shareholding Structure at 31 December 2024

The Directors recognise that, at 31 December 2024, the parent entity is Société de Lerca, which holds 78.54% of the voting rights of Harel Mallac & Co. Ltd, and that the ultimate parent entity is Société Pronema. The Director common to the above entities is Mr. Antoine L. Harel, who is Gérant of Société de Lerca and of Société Pronema.

Profile of Company's Shareholders as at 31 December 2024

Size of shareholding	Number of shareholders	Number of shares owned	% holding
1-500	462	40,148	0.35
501-1,000	47	36,771	0.33
1,001-5,000	39	82,803	0.74
5,001-10,000	17	124,002	1.10
10,001-50,000	19	460,501	4.09
50,001-100,000	4	246,619	2.19
100,001-250,000	4	553,576	4.92
250,001-500,000	2	871,637	7.74
Above 500,000	1	8,843,331	78.54
Total	595	11,259,388	100.0000

Profile of Company's Shareholders as at 31 December 2024

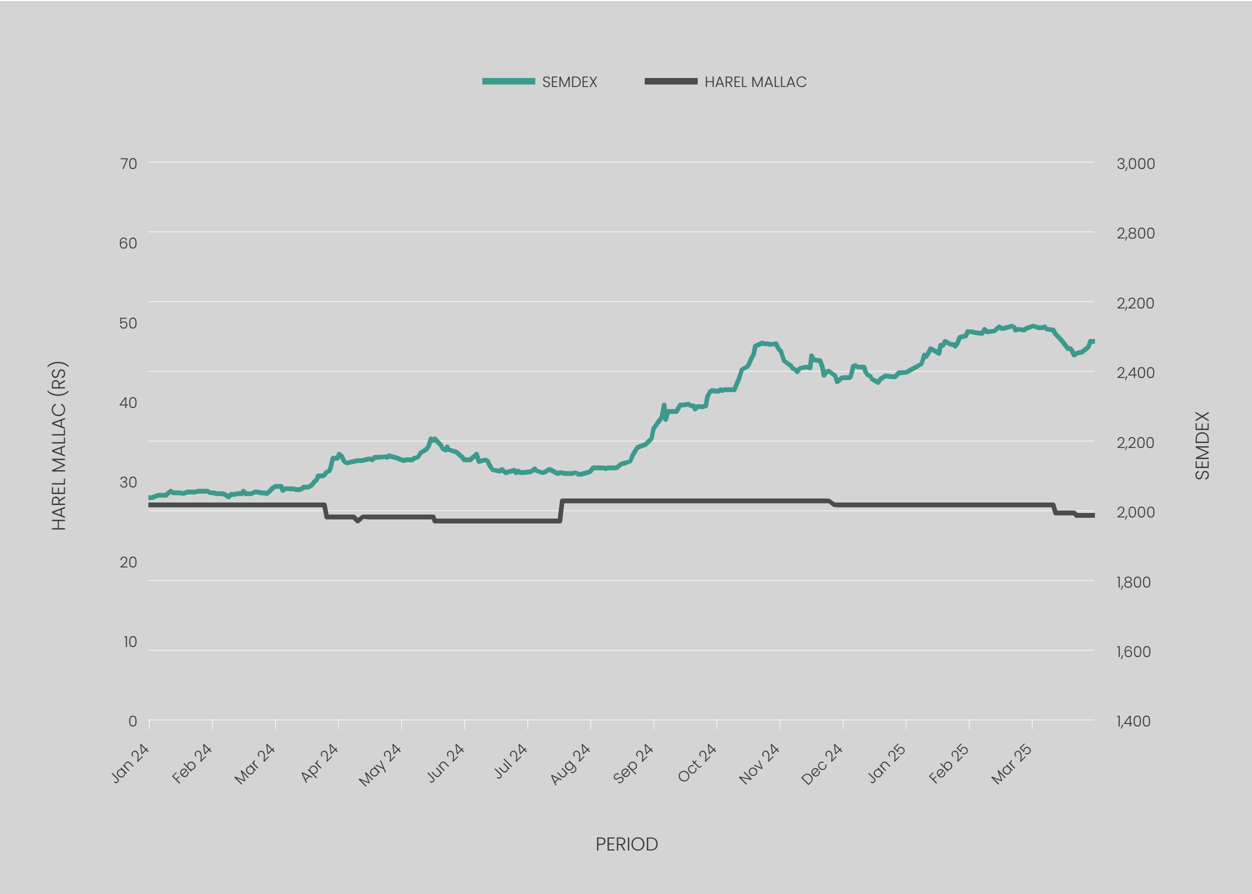
Category of shareholders	Number of shareholders	Number of shares owned	% holding
Individual	526	482,033	4.28
Insurance & Assurance Companies	2	17,000	0.15
Investment & Trust Companies	3	604	0.01
Other Corporate Bodies	49	10,467,658	92.96
Pension & Provident Funds	15	292,093	2.60
Total	595	11,259,388	100.00

DIVIDEND POLICY

The Company's dividend policy provides that the dividend payable to the Company's shareholders would represent some 50 percent of the after-tax profit for the relevant period before exceptional items. However, due consideration is given by the Board to the need to avoid major fluctuations from one year to the next.

SHARE PRICE INFORMATION

Daily Share Price From January 2024 to March 2025



EMPLOYEE SHARE OPTION PLAN

No employee share option plan is available.

FORTHCOMING ANNUAL MEETING

Shareholders attending the annual meeting are requested to bring their National Identity Card or passport to the meeting for registration purposes.

SCHEDULE OF EVENTS

Publication of condensed results for first quarter	May 2025
*Annual meeting	May 2025/June 2025
Publication of condensed results for second quarter	August 2025
Publication of condensed results for third quarter	November 2025
*Dividend declaration and payment if applicable	Quarter 4 of 2025 / Quarter 1 of 2026
Publication of condensed audited results for 2025	March 2026

*DATES ARE INDICATIVE

SHAREHOLDER'S PRACTICAL GUIDE

Change of address/name	Contact the Company Secretary and ask for relevant form
Acquisition or disposal of shares	Contact broker
Lost share certificates	Contact the Company Secretary
Direct dividend credit	Contact the Company Secretary and ask for relevant form
Shareholders' loan to company	Terms and conditions as well as application forms are available from the Company Secretary

DIRECTORS

Directors' and Officers' Interests in Shares

The direct and indirect interests of Directors and officers in the ordinary shares of the Company and its subsidiaries are to be found on page 77.

Directors' Dealings in the Shares of the Company

The Directors follow the Model Code for Securities Transactions, as detailed in Appendix 6 of the Stock Exchange of Mauritius Listing Rules, whenever they deal in the shares of the Company.

SOCIAL, HEALTH AND SAFETY

Employees are connected and informed in real time via "Edith" - our private social media community page - and "Let's LEARN" - our e-learning platform. These tools keep them up to date with the developments and news in the Group, while regularly instilling our guiding principles of Agility, Care and Trust.

Health and Safety has been integrated into the Group's Risk Management Framework since 2019.

CORPORATE, SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

The Group's business units entrust their CSR fund to Fondation Harel Mallac (FHM). Focusing on Education through Sports and Arts, and Support to vulnerable communities, funds have been channelled for the year under review to support projects benefiting Mauritian Youth, with a focus on the Port Louis region:

- Flamboyant Education Centre, an early childhood education shelter, benefits 60 young children (2-5 years) in 4 classes, instilling positive education and care, enabling young children to grow in a safe and respectful environment, and preparing them to integrate primary schooling with the necessary life skills (curiosity, respect, autonomy).
- The Atelier Mo'zar, social integration and education through music, benefiting the 60 promising young musicians attending the school thanks to the creation of an outdoor covered teaching area, which is also positively impacting the immediate neighbourhood with music.
- The Port Louis Sailors Rugby Club, created in 2018 in partnership with Rugby Union Mauritius, is composed today of 17 players from a vulnerable area of the Capital City. The Committee voluntarily running the Club decided to end this pilot project in December 2024, after trying to channel the remaining players to other local rugby teams.

Good Governance → Corporate Governance Report

DIRECTORS OF SUBSIDIARY COMPANIES

	ACTIVELINE LTD	AEROLIK LTD	AEROLIK .OI	ARCHEMICS LTD	BIOGEN LTD	BYCHEMEX LIMITED	CHEMCO LIMITED	COOLKOTE LTD	ECAVEL LTD.	EO SOLUTIONS LTD.	FONDATION HAREL MALLAC LTD	HAREL MALLAC AVIATION LTD	HAREL MALLAC DISTRIBUTION SARL	HAREL MALLAC HEALTHCARE LTD	HAREL MALLAC INTERNATIONAL LTD	HAREL MALLAC TECHNOLOGIES BURUNDI	HAREL MALLAC TECHNOLOGIES LTD
APPLASAMY Yannick		○															
BISSOONAUTH Sunil Kumar																	
BOULLÉ François Louis																	
CRAMBADE Olivier Philippe																	
CYAGA Eric																	
ECHEVIN Hélène																	
ESPOSITO ERDOZAIN Phillipe Michel																	
FAYD'HERBE Yanis				●	●	●	●	●									
FRANCIS Alfred L																	
HAREL Antoine L		●		●	●	●	●		●		●						●
HAREL Charles	●	●	■	●	●	●	●	●	●	●	●	●		●	●	●	●
HAREL Guy				●													
HAREL MALLAC & CO. LTD																	
JODHUN Hurrydeosingh													■				
LABAT Vincent																	
NG KWING KING Harold																	
RIVALLAND Patrick																	
SEWPAUL Shateeaum																○	
VACHER Belinda	●	●		●				●		●		●		●	●		●
VERIEN Philippe																	●
YONG KIANG YOUNG Christian Pierre		●							●	●	●					●	●

	HAREL MALLAC TECHNOLOGIES MADAGASCAR	HAREL MALLAC TECHNOLOGIES RWANDA LTD	HAREL MALLAC TREASURY LTD	HAREL MALLAC TRADING LTD	HM SECRETARIES LTD	INFORMATICS BUSINESS SOLUTIONS LTD	ITINERIS LTD	LINXIA LTD	LOGIMA LTEE	LOGIMA REUNION SAS **	MCFI EXPORT LTD	MCFI INTERNATIONAL & CO. LTD	MCFI INTERNATIONAL (TANZANIA) LIMITED	MCFI INTERNATIONAL (ZAMBIA) LTD	NOVENGI LTD	PHARMALLAC SARL *	NEXENERGY PARTNERS LTD	PORTUS LTD	REUNIFERT SAS	SOCIETE GARE DU NORD	SOCIETE SICAREX	SOLAR FIELD LTD	SUCHEM LTD	THE MAURITIUS CHEMICAL AND FERTILIZER INDUSTRY LIMITED
APPLASAMY Yannick																								
BISSOONAUTH Sunil Kumar																■								
BOULLÉ François Louis																								●
CRAMBADE Olivier Philippe																						●		
CYAGA Eric		●																						
ECHEVIN Hélène																								●
ESPOSITO ERDOZAIN Phillipe Michel																						●		
FAYD'HERBE Yanis											●	●	●										●	●
FRANCIS Alfred L														●										
HAREL Antoine L			●	○								●			●		●						●	●
HAREL Charles		●	●	○	●	●	●	●	●	■	●	●	●	●	●		●	●	■			●	●	●
HAREL Guy																								●
HAREL MALLAC & CO. LTD																				■	■			
JODHUN Hurrydeosingh	■																							
LABAT Vincent																								●
NG KWING KING Harold																								●
RIVALLAND Patrick																								●
SEWPAUL Shateeaum		○																						
VACHER Belinda			●	●	●	●	●	●	●		●				●		●	●					●	
VERIEN Philippe				●											●									
YONG KIANG YOUNG Christian Pierre		●	●	●				●							●		●					●		

○ Resigned during the year ended 31 December 2024
● Director during the year ended 31 December 2024
■ Gérant Statutaire

* Entity removed during the year ended 31 December 2024
** Dormant

Statutory Disclosures

PRINCIPAL ACTIVITIES

Following Harel Mallac's strategic repositioning exercise, the Group's activities have been organised into four divisions: Technology, Chemical, Equipment & Systems and Investment & Corporate.

DIRECTORS OF THE COMPANY AND DIRECTORS OF SUBSIDIARY COMPANIES

The Directors of the Company are listed on pages 63 to 65. In addition, a list of the Directors of subsidiary companies is found on pages 74 and 75.

DIRECTORS' SERVICE CONTRACTS

None of the Directors of the Company and its subsidiaries have service contracts that need to be disclosed under Section 221 (2) of the Companies Act 2001.

DIRECTORS' REMUNERATION AND BENEFITS

Remuneration and benefits received, or due and receivable from Harel Mallac & Co. Ltd and its subsidiaries were as follows:

	THE COMPANY		THE SUBSIDIARIES	
	2024	2023	**2024**	2023
	Rs '000	Rs '000	**Rs '000**	Rs '000
Executive Directors				
Full-time	**10,446**	11,634	**-**	-
Part-time	**-**	-	**-**	-
Non-Executive Directors	**6,392**	5,706	**1,761**	1,563
	16,838	17,340	**1,761**	1,563

One director has waived emoluments received by him from the Company since his nomination in 2003.

	2024	2023
DIRECTORS OF SUBSIDIARY COMPANIES	**Rs '000**	Rs '000
Executive Directors		
Full-time	**35,622**	30,951
Part-time	**-**	-
Non-Executive Directors	**2,203**	1,981
	37,825	32,932

Remuneration and benefits paid by the Company and its subsidiaries to the Directors during the year under review were as follows:

Remuneration and Benefits Received (Rs'000)	Corporate Governance Committee	Audit Committee	Strategic Committee	From the Company
Non-Executive/Independent				
Antoine L. Harel	Chairman		Chairman	1,682
Dean Ah-Chuen	Member			496
Pascal Boris C.B.E				1,324
Jérôme de Chasteauneuf		Chairman		574
Christian de Juniac				1,324
Daniel Giraud G.O.S.K.		Member		496
Anne Christine Levigne-Fletcher C.S.K.		Member		496
Anwar Moollan S.C. *	Member	Member		-
SUB TOTAL				**6,392**
Executive				
Executive Director			Member	10,446
SUB TOTAL				**10,446**
GRAND TOTAL				**16,838**

* One Director has waived emoluments received by him from the Company since his nomination in 2003.

None of the Directors received remuneration from the subsidiaries, except for the Board Chairman who received Rs 1.8m.

DIRECTORS' AND SENIOR OFFICERS' INTERESTS IN SHARES

The interests of the Directors and senior officers in the securities of the Company and of the Group as at 31 December 2024 are as follows:

	THE COMPANY		THE SUBSIDIARIES	
Directors	**Direct**	**Indirect**	**Direct**	**Indirect**
HAREL Antoine L	-	557,347	-	1,496,284
HAREL Charles	10	544,390	-	1,238,695
Senior Officers	**Direct**	**Indirect**	**Direct**	**Indirect**
GRENOUILLE Patricia	40	-	-	-

None of other Directors hold direct or indirect interest in the shares of the Company or its subsidiaries.

None of the other senior officers of the Company has direct or indirect holding in the shares of the Company or its subsidiaries.

CONTRACTS OF SIGNIFICANCE

There was no contract of significance to which the Company or any of its subsidiaries have been a party and in which a Director of the Company was materially interested, be it directly or indirectly.

SHAREHOLDERS

MAJOR SHAREHOLDERS

At 31 December 2024, the only shareholder directly or indirectly interested in more than 5% of the ordinary share capital of the Company was Société de Lerca, with a 78.54% interest.

Except for the above, no person has reported any material interest of 5 percent or more of the equity share capital of the Company.

CORPORATE SOCIAL RESPONSIBILITY

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
Donations made during the year:				
Political	**3,052**	Nil	**500**	Nil
Others	**38**	435	**30**	174

AUDITORS' FEES

The fees payable to the auditors, for audit and other services, were:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
Audit fees payable to:	**Rs'000**	Rs'000	**Rs'000**	Rs'000
- Nexia Baker & Arenson	**5,232**	5,135	**850**	775
- BDO & Co	**79**	-	**-**	-
- Other firms	**2,482**	840	**-**	-
Fees paid for other services provided by:				
- Nexia Baker & Arenson	**141**	105	**141**	105
- Other firms	**296**	-	**-**	-

Other services provided by Nexia Baker & Arenson in 2024 and 2023 relate to review of quarterly consolidated abridged financial statements.

Statement of Directors' Responsibilities

The Directors acknowledge their responsibilities for:

1. adequate accounting records and the maintenance of effective internal control systems;
2. the preparation of financial statements which fairly present the state of affairs of the Group and the Company as at the end of the financial year, and the results of its operations and cash flows for that year which comply with International Financial Reporting Standards (IFRS); and
3. the selection of appropriate accounting policies supported by reasonable and prudent judgement. The external auditors are responsible for reporting on whether the financial statements are fairly presented.

The Directors report that:

1. adequate accounting records and an effective system of internal controls and risk management have been maintained;
2. appropriate accounting policies supported by reasonable and prudent judgments and estimates have been used consistently;
3. applicable accounting standards have been adhered to. Any departure in the interest of fair presentation has been disclosed, explained and quantified; and
4. the Code of Corporate Governance has been adhered to. Reasons have been provided where there has been non compliance.

Signed on behalf of the Board of Directors on 31 March 2025.

Antoine L. Harel
Chairman

Charles Harel
Chief Executive Officer

Secretary's Certificate

For the year ended 31 December 2024

CERTIFICATE BY SECRETARY REQUIRED BY SECTION 166(D) OF THE COMPANIES ACT 2001

We certify that, to the best of our knowledge and belief, Harel Mallac & Co. Ltd (the Company) has filed with the Registrar of Companies all such returns as are required of the Company under the Companies Act 2001.

FOR HM SECRETARIES LTD
Secretary

31 March 2025

Statement of Compliance

(Section 75(3) of the Financial Reporting Act)

Name of Public Interest Entity (PIE): Harel Mallac & Co. Ltd
Reporting period: 31 December 2024

We, the Directors of Harel Mallac & Co. Ltd, confirm that to the best of our knowledge, the PIE has not fully complied with the principles of the Code of Corporate Governance for the reasons stated below:

Principle	Area of non-application of the Code	Explanation for non-application
Principle 2	Board composition – having a strong executive management presence with at least two executives as members.	The CEO being a Board Member, is present at Board meetings. In addition, the Chief Finance Officer attends Board meetings. The Board is of the view that the above is in line with the Code's spirit for executive presence on the Board.

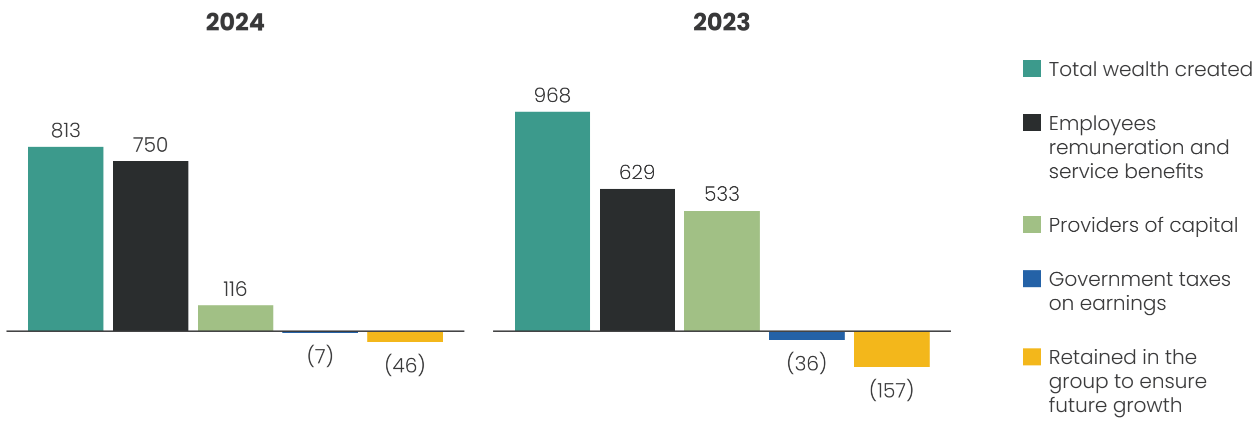
Antoine L. Harel
Chairman

Charles Harel
Chief Executive Officer

31 March 2025

Value Added Statement

	2024 Rs'000s		2023 Rs'000s Restated		2022 Rs'000s Restated	
Revenue	**3,789,324**		4,333,058		4,194,331	
Paid to suppliers for materials and services	**2,986,173**		3,420,173		3,403,241	
Value added	**803,151**		912,885		791,090	
Net share of results of associates and joint ventures	**54,151**		39,550		145,043	
Profit on disposal of investments	**-**		22,114		16,480	
Net impairment of investment, receivables & goodwill	**(44,289)**		(6,066)		(3,192)	
Total wealth created	**813,013**	**100%**	968,483	100%	949,421	100%
Distributed as follows:						
Employees Remuneration and service benefits	**750,468**	**92%**	629,312	65%	617,595	65%
Providers of capital						
Dividends to shareholders	**-**		410,980		-	
Interest paid on borrowings	**126,370**		113,845		76,653	
Minority interests	**(10,080)**		8,625		21,695	
	116,290	**15%**	533,450	55%	98,348	11%
Government taxes on earnings						
Taxation	**(7,593)**	**-1%**	(36,465)	-4%	(16,285)	-2%
Retained in the group to ensure future growth						
Depreciation and amortisation	**126,332**		105,468		93,608	
Retained (loss)/profit	**(172,484)**		(263,282)		156,155	
	(46,152)	**-6%**	(157,814)	-16%	249,763	26%
Total wealth distributed and retained	**813,013**	**100%**	968,483	100%	949,421	100%



Investment & Corporate

SHAPING A SECURE FUTURE

Independent Auditor's Report

to the Shareholders of Harel Mallac & Co. Ltd

Report on the Audit of the Consolidated and Separate Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of Harel Mallac & Co. Ltd (the "Company") and its subsidiaries (the "Group") and the Company's separate financial statements set out on pages 90 to 209 which comprise the statements of financial position as at 31 December 2024, and the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the consolidated and separate financial statements give a true and fair view of the financial position of the Group and Company as at 31 December 2024, and of their financial performance and their cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and comply with the Mauritius Companies Act 2001.

Basis for Qualified Opinion

Investments in associates

As disclosed in **Note 9**, two material associates of the Group, accounted under equity method and included in investments in associates on the consolidated statement of financial position as at 31 December 2024 are carried at **Rs.1.33billion**. The Group's net share of profits of the two associated companies, included in net share of results of associates and joint ventures, is **Rs.27.9million**, and the share of other comprehensive income is **Rs.14.7million**.

The equity accounting of the two associates was based on unaudited financial information for the financial year ended 31 December 2024. The audits of the associates for the financial year ended 31 December 2024 were not finalised which caused the component auditors not being able to report to us on the associated companies' financial information for the year then ended. We were thus unable to obtain sufficient appropriate audit evidence regarding the carrying amount of the Group's investments in the associates as at 31 December 2024 and its share of results and other comprehensive income for the year then ended. Consequently, we were unable to determine whether any adjustments to these amounts would have been necessary.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Report on the Audit of the Consolidated and Separate Financial Statements (cont'd)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report. These matters were addressed in the context of our audit of the consolidated and separate financial statements, and in forming our qualified opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

The Key Audit Matter for the Company is as follows:

Key audit matter	How the matter was addressed in the audit
1. Valuation of investments in subsidiaries, associates, joint ventures and others	
The Company carries its investments in subsidiaries, associates, joint ventures and other investments in financial assets at fair value. At 31 December 2024, total investments amounted to **Rs.1.36billion**. The amount is significant to the financial statements and the determination of fair value involves judgement and estimates. We, therefore, consider the valuation of investments to be a significant key audit matter. Refer to notes 2(f), (g) and (n) (ii) (material accounting policy note) and notes 8, 9, 10A and 11 (financial statement disclosures).	We adopted the following audit procedures, among others, with respect to valuation of investments in subsidiaries and associates: • Reviewed the valuation methods used; • Discussed with management regarding the reasonableness of the underlying bases and assumptions; • Verified the main inputs used in the fair value computation and its accuracy; and • Discussed with management on the assumptions behind the forecasted results of the subsidiaries to determine the fair value calculation.

Report on the Audit of the Consolidated and Separate Financial Statements (cont'd)

Key Audit Matters (cont'd)

The Key Audit Matters for the Group and the Company are as follows:

Key audit matter	How the matter was addressed in the audit
1. Valuation of investment properties	
The Group and the Company revalue their investment properties annually and carry them at fair value. Valuations are performed by independent professional valuers. The valuation exercise involves significant accounting estimates and a range of assumptions and, therefore, valuation of investment properties is considered as a key audit matter. Refer to note 2(d) (material accounting policy note) and note 6 (financial statement disclosures).	Our audit procedures for valuation of investment properties include the following: • Reviewed the Independent Professional Valuer's Report; • Discussed with the independent valuer regarding the valuation methods and selection therefrom; and • Challenged the key assumptions used in the valuation process.
2. Revenue recognition	
Revenue is an important measure used to evaluate the performance of the Group and the Company. There is a risk that the revenue is presented for amounts higher than what has been actually generated by the Group and the Company. Consequently, we considered revenue recognition to be a significant key audit matter. The Group's and the Company's revenue is recognised at a point in time when control of the goods has been transferred to the customer, except for some of its subsidiaries for which revenue is recognised over time on the basis of direct measurement of the value of work performed to date. Refer to note 2(s) (accounting policy note) and note 22 (financial statement disclosures).	Our audit procedures with respect to revenue included the following: • Reviewed management's documentation with respect to identification of revenue to be recognised under IFRS 15; • Ensured that the five-step model of the standard has been appropriately applied by management with respect to revenue recognition; • Ensured the completeness and accuracy of disclosures relating to IFRS 15, including significant judgements; • Tested the effectiveness of revenue internal control procedures implemented by management, as well as test of details to ensure correct processing of revenue transactions; • Performed other substantive tests to determine both reasonableness and completeness of revenue; and • Ensured all inter-group revenue is eliminated.

Report on the Audit of the Consolidated and Separate Financial Statements (cont'd)

Key Audit Matters (cont'd)

The Key Audit Matters for the Group are as follows:

Key audit matter	How the matter was addressed in the audit
1. Assessment of net realisable value of inventories	
Inventories are carried in the financial statements at the lower of cost and net realisable value. The net carrying value of inventories at 31 December 2024 was **Rs.751.8m**. The exercise for the assessment of the net realisable value involves the use of judgement and assumptions. In view of the significance of the amount, inventories are considered as a key audit matter. Refer to note 2(j) (accounting policy note) and note 12 (financial statement disclosures).	Our audit procedures were designed to test the basis used for assessing the net realisable value of inventories and included: • Examining the subsidiaries' historical trading patterns of inventories sold at full price and inventories sold below full price, together with the related margins achieved for each product line in order to gain comfort that stock has not been sold below cost; • Assessing the appropriateness of the percentages applied to arrive at the net realisable value; and • Challenging the assumptions made by the directors on the extent to which older inventories can be sold.
2. Recoverability of receivable balances	
The recoverability of trade receivables and the level of provision Expected Credit Loss (ECL) are considered to be a significant risk due to the pervasive nature of these balances to the financial statements, and the importance of cash collection with reference to the working capital management of the business. At 31 December 2024 trade receivables, net of provision amounted to **Rs.857m**. Refer to note 2(n)(i) (accounting policy note) and note 13 (financial statement disclosures).	Among our audit procedures, we have tested management's simplified impairment Expected Credit Loss (ECL) model by: • Evaluating the relevance of the factors used (type of customer, payment terms, payment ratio, credit insurance); • Understanding basic assumptions used in the ECL model specifications, and determining its relevance and correlation with the risk of default; • Verifying that the probability of default and default rates are being applied appropriately; • Reperforming calculations by applying the probability of default and loss rates to each group of assets; • Investigating any difference(s) between ECL calculated and ECL reported in the financial statements; • Comparing actual ECL with prior period results to determine reasonableness; and • Examining events occurring after the reporting date and before the issuance of the financial statements to verify if evidence supports or contradicts assumptions and judgements used in the ECL model.

Report on the Audit of the Consolidated and Separate Financial Statements (cont'd)

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Corporate Governance Report, the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate 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 and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. 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.

Directors' Responsibilities for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the IASB and in compliance with the requirements of the Mauritius Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 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 consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

Report on the Audit of the Consolidated and Separate Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements (cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of this report

This report is made solely to the Company's shareholders, as a body, in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholders, those matters that we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

Report on other legal and other regulatory requirements

Mauritius Companies Act 2001

We have no relationship with, or interests in, the Company or any of its subsidiaries other than in our capacity as auditors.

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Financial Reporting Act 2004 - Corporate Governance Report

The directors are responsible for preparing the Corporate Governance Report. Our responsibility under the Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance (the "Code") disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the annual report, the Company has, pursuant to Section 75 of the Finance Reporting Act 2004, complied with the requirements of the Code.

Nexia Baker & Arenson

Nexia Baker & Arenson
Chartered Accountants

Kian-Fah K.T. Chung Chun Lam FCCA
Licensed by FRC

31 March 2025

Statements of Financial Position

at 31 December 2024

	Notes	THE GROUP 2024 Rs'000	2023 Rs'000 Restated	2022 Rs'000 Restated	THE COMPANY 2024 Rs'000	2023 Rs'000
ASSETS						
Non current assets						
Property, plant and equipment	5	**956,776**	946,482	860,033	**127,288**	127,846
Right-of-use assets	5A	**310,201**	319,912	231,469	**6,726**	8,386
Investment properties	6	**498,941**	473,722	439,397	**648,582**	631,025
Intangible assets	7	**61,283**	88,853	80,124	**130**	-
Investments in subsidiaries	8	**-**	-	-	**586,048**	616,067
Investments in associates	9	**1,452,604**	1,434,012	1,984,402	**736,468**	741,749
Financial assets at fair value through other comprehensive income	10A	**38,206**	26,768	28,639	**27,767**	21,276
Financial assets at amortised cost	10B	**186**	1,197	279	**53,721**	-
Investments in joint ventures	11	**2,549**	4,854	4,311	**12,217**	12,217
Deferred tax assets	17	**41,533**	33,840	33,704	**-**	-
		3,362,279	3,329,640	3,662,358	**2,198,947**	2,158,566
Current assets						
Inventories	12	**751,804**	604,843	717,576	**-**	-
Contract assets	22(c)	**20,795**	116,673	88,059	**-**	-
Trade receivables	13	**857,039**	924,362	970,984	**41,066**	27,574
Financial assets at amortised cost	10B	**250,342**	216,171	182,245	**42,097**	66,256
Prepayments		**26,025**	33,499	20,960	**2,736**	3,464
Current tax assets		**6,876**	6,561	5,087	**-**	-
Cash and cash equivalents	30(b)	**195,438**	124,555	250,685	**41,253**	55,047
		2,108,319	2,026,664	2,235,596	**127,152**	152,341
TOTAL ASSETS		**5,470,598**	5,356,304	5,897,954	**2,326,099**	2,310,907

The notes on pages 97 to 209 form an integral part of these financial statements.
Independent auditor's report on pages 84 to 89.

	Notes	THE GROUP 2024 Rs'000	2023 Rs'000 Restated	2022 Rs'000 Restated	THE COMPANY 2024 Rs'000	2023 Rs'000
EQUITY AND LIABILITIES						
Capital and reserves						
Share capital	14	**112,594**	112,594	112,594	**112,594**	112,594
Revaluation and other reserves	15	**1,415,830**	1,396,559	1,527,347	**487,980**	487,980
Fair value reserves		**(2,575)**	(9,042)	(7,171)	**544,791**	578,683
Actuarial reserves		**(140,983)**	(97,663)	(82,250)	**(55,256)**	(52,395)
Retained earnings		**622,813**	784,918	1,046,657	**477,792**	411,075
Owners' interests		**2,007,679**	2,187,366	2,597,177	**1,567,901**	1,537,937
Non-controlling interests		**144,477**	173,386	201,378	**-**	-
Total equity		**2,152,156**	2,360,752	2,798,555	**1,567,901**	1,537,937
Non current liabilities						
Borrowings	16	**605,951**	477,745	512,592	**549,818**	316,757
Deferred tax liabilities	17	**62,371**	80,857	66,557	**50,476**	46,799
Retirement benefit obligations	18	**176,337**	172,397	182,759	**26,749**	40,220
Lease liabilities	5B	**310,548**	319,811	238,778	**5,605**	6,899
		1,155,207	1,050,810	1,000,686	**632,648**	410,675
Current liabilities						
Trade and other payables	19	**1,042,448**	1,013,970	1,152,069	**27,521**	39,032
Contract liabilities	22(c)	**12,067**	23,452	40,414	**-**	-
Borrowings	16	**1,055,235**	864,992	876,487	**96,412**	321,795
Lease liabilities	5B	**43,666**	35,645	20,407	**1,617**	1,468
Current tax liabilities		**9,819**	822	9,336	**-**	-
Dividend payable	8(c)(i)	**-**	5,861	-	**-**	-
		2,163,235	1,944,742	2,098,713	**125,550**	362,295
TOTAL EQUITY & LIABILITIES		**5,470,598**	5,356,304	5,897,954	**2,326,099**	2,310,907

These financial statements have been approved for issue by the Board of Directors on 31 March 2025.

Antoine L. Harel
Chairman

Charles Harel
Chief Executive Officer

The notes on pages 97 to 209 form an integral part of these financial statements.
Independent auditor's report on pages 84 to 89.

Statements of Profit or Loss

for the year ended 31 December 2024

		THE GROUP		THE COMPANY	
	Notes	**2024**	2023	**2024**	2023
		Rs'000	Rs'000	**Rs'000**	Rs'000
			Restated		
Revenue	22	**3,789,324**	4,333,058	**230,849**	205,694
Continuing operations					
(Loss) / Profit before finance costs	23	**(66,449)**	249,705	**107,760**	113,695
Finance costs	24	**(118,384)**	(112,515)	**(34,494)**	(37,125)
		(184,833)	137,190	**73,266**	76,570
Net share of results of associates and joint ventures		**54,151**	39,550	**-**	-
		(130,682)	176,740	**73,266**	76,570
Impairment of assets	7	**(27,490)**	-	**-**	-
(Impairment) / reversal of impairment of receivables	13 (i)	**(16,799)**	(6,066)	**(2,430)**	13,911
		(44,289)	(6,066)	**(2,430)**	13,911
(Loss) / Profit before taxation		**(174,971)**	170,674	**70,836**	90,481
Income tax expense	20	**(7,593)**	(36,465)	**(4,119)**	(7,526)
(Loss) / profit for the year from continuing operations		**(182,564)**	134,209	**66,717**	82,955
Discontinued operations					
Post tax profit from discontinued operations	21	**-**	22,114	**-**	-
(Loss) / Profit for the year		**(182,564)**	156,323	**66,717**	82,955
Attributable to:					
Owners of the parent		**(172,484)**	147,698	**66,717**	82,955
Non-controlling interests		**(10,080)**	8,625	**-**	-
		(182,564)	156,323	**66,717**	82,955
(Loss) / earnings per share from continuing operations (Rs/cents)	29(a)	**(15.32)**	11.15	**5.93**	7.37
Earnings per share from discontinued operations (Rs/cents)	29(b)	**-**	1.96	**-**	-
Total earnings per share		**(15.32)**	13.11	**5.93**	7.37

The notes on pages 97 to 209 form an integral part of these financial statements.
Independent auditor's report on pages 84 to 89.

Statements of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2024

		THE GROUP		THE COMPANY	
	Notes	**2024**	2023	**2024**	2023
		Rs'000	Rs'000	**Rs'000**	Rs'000
			Restated		
(Loss) / Profit for the year		**(182,564)**	156,323	**66,717**	82,955
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Changes in fair value of equity instruments at fair value through other comprehensive income		**6,467**	(1,871)	**(33,892)**	154,729
Movement in actuarial reserve, net of deferred tax		**(44,034)**	(14,068)	**(2,861)**	(982)
Movement in associate reserves		**17,815**	(9,614)	**-**	-
Changes in fair value of land & buildings, net of deferred tax		**-**	19,913	**-**	-
Items that may be reclassified subsequently to profit or loss					
Currency translation differences		**1,066**	(34,993)	**-**	-
Other comprehensive (loss)/income for the year, net of tax	27	**(18,686)**	(40,633)	**(36,753)**	153,747
Total comprehensive (loss)/income for the year		**(201,250)**	115,690	**29,964**	236,702
Other comprehensive (loss)/income					
Owners of the parent		**(17,582)**	(30,112)	**(36,753)**	153,747
Non-controlling interests		**(1,104)**	(10,521)	**-**	-
		(18,686)	(40,633)	**(36,753)**	153,747
Total comprehensive (loss)/income attributable to:					
Owners of the parent		**(190,066)**	117,586	**29,964**	236,702
Non-controlling interests		**(11,184)**	(1,896)	**-**	-
		(201,250)	115,690	**29,964**	236,702

The notes on pages 97 to 209 form an integral part of these financial statements.
Independent auditor's report on pages 84 to 89.

Statements of Changes in Equity

for the year ended 31 December 2024

THE GROUP	*(Attributable to owners of the parent)* Share Capital	Revaluation and Other Reserves	Fair Value Reserves	Actuarial Reserves	Retained Earnings	Total	Non controlling Interests	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance at 1 January 2024 - as previously stated	**112,594**	**526,553**	**(9,042)**	**(97,663)**	**794,289**	**1,326,731**	**173,386**	**1,500,117**
Effects of prior year adjustments (Note 38)	**-**	**870,006**	**-**	**-**	**(9,371)**	**860,635**	**-**	**860,635**
Balance at 1 January 2024 - restated	**112,594**	**1,396,559**	**(9,042)**	**(97,663)**	**784,918**	**2,187,366**	**173,386**	**2,360,752**
Loss for the year	**-**	**-**	**-**	**-**	**(172,484)**	**(172,484)**	**(10,080)**	**(182,564)**
Other comprehensive income/(loss) for the year	**-**	**19,271**	**6,467**	**(43,320)**	**-**	**(17,582)**	**(1,104)**	**(18,686)**
Total comprehensive income/(loss) for the year	**-**	**19,271**	**6,467**	**(43,320)**	**(172,484)**	**(190,066)**	**(11,184)**	**(201,250)**
Acquisition of subsidiaries with non-controlling interest (Note 35(a))	**-**				**10,379**	**10,379**	**(17,725)**	**(7,346)**
Balance at 31 December 2024	**112,594**	**1,415,830**	**(2,575)**	**(140,983)**	**622,813**	**2,007,679**	**144,477**	**2,152,156**
Balance at 1 January 2023 - as previously stated	112,594	652,863	(7,171)	(82,250)	1,027,566	1,703,602	201,378	1,904,980
Effects of prior year adjustments (Note 38)	-	874,484	-	-	19,091	893,575	-	893,575
Balance at 1 January 2023 - restated	112,594	1,527,347	(7,171)	(82,250)	1,046,657	2,597,177	201,378	2,798,555
Profit for the year	-	-	-	-	147,698	147,698	8,625	156,323
Other comprehensive loss for the year	-	(12,828)	(1,871)	(15,413)	-	(30,112)	(10,521)	(40,633)
Total comprehensive (loss)/income for the year	-	(12,828)	(1,871)	(15,413)	147,698	117,586	(1,896)	115,690
Transfer between reserves	-	(117,960)	-	-	117,960	-	-	-
Effect of restructuring (Note 37)	-	-	-	-	(117,112)	(117,112)	-	(117,112)
Dividend declared to Owners of the Parent (Note 28)	-	-	-	-	(410,980)	(410,980)	-	(410,980)
Dividend declared to Non-controlling interests	-	-	-	-	-	-	(5,861)	(5,861)
Acquisition of subsidiaries with non-controlling interest (Note 35(b))	-	-	-	-	695	695	(20,235)	(19,540)
Balance at 31 December 2023	112,594	1,396,559	(9,042)	(97,663)	784,918	2,187,366	173,386	2,360,752

The notes on pages 97 to 209 form an integral part of these financial statements.
Independent auditor's report on pages 84 to 89.

THE COMPANY	Share Capital	Revaluation and Other Reserves	Fair Value Reserves	Actuarial Reserves	Retained Earnings	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance at 1 January 2024	**112,594**	**487,980**	**578,683**	**(52,395)**	**411,075**	**1,537,937**
Profit for the year	**-**	**-**	**-**	**-**	**66,717**	**66,717**
Other comprehensive loss for the year	**-**	**-**	**(33,892)**	**(2,861)**		**(36,753)**
Total comprehensive (loss)/income for the year	**-**	**-**	**(33,892)**	**(2,861)**	**66,717**	**29,964**
Balance at 31 December 2024	**112,594**	**487,980**	**544,791**	**(55,256)**	**477,792**	**1,567,901**
Balance at 1 January 2023	112,594	487,980	423,954	(51,413)	739,100	1,712,215
Profit for the year	-	-	-	-	82,955	82,955
Other comprehensive income/(loss) for the year	-	-	154,729	(982)	-	153,747
Total comprehensive income/(loss) for the year	-	-	154,729	(982)	82,955	236,702
Dividend declared (Note 28)	-	-	-	-	(410,980)	(410,980)
Balance at 31 December 2023	112,594	487,980	578,683	(52,395)	411,075	1,537,937

The notes on pages 97 to 209 form an integral part of these financial statements.
Independent auditor's report on pages 84 to 89.

Statements of Cash Flows

for the year ended 31 December 2024

		THE GROUP		THE COMPANY	
	Notes	**2024**	2023	**2024**	2023
		Rs'000	Rs'000	**Rs'000**	Rs'000
			Restated		
Cash flows from operating activities					
Cash (absorbed in)/generated from operations	30(a)	**(9,618)**	208,522	**(50,502)**	(29,596)
Interest paid		**(88,818)**	(88,682)	**(33,729)**	(36,729)
Income tax paid		**(18,513)**	(34,981)	**-**	-
Net cash (absorbed in)/generated from operating activities		**(116,949)**	84,859	**(84,231)**	(66,325)
Cash flows from investing activities					
Purchase of property, plant and equipment		**(109,617)**	(150,678)	**(2,829)**	(3,559)
Net expenditure on intangible assets		**(1,435)**	(15,810)	**(138)**	(14)
Net expenditure on investment properties		**(3,169)**	(1,548)	**(3,169)**	(1,549)
Payments made on acquisition of right-of-use assets		**-**	(2,373)	**-**	-
Acquisition of business assets		**-**	(5,528)	**-**	-
Investment in subsidiaries	35(a)	**(7,846)**	(19,540)	**(7,846)**	-
Financial assets at fair value through other comprehensive income		**(4,971)**	-	**-**	-
Proceeds on sale of investments in associates		**-**	36,943	**-**	36,943
Interest received		**-**	1,606	**5,707**	2,022
Dividend paid		**(5,861)**	-	**-**	-
Dividends received		**55,677**	36,154	**72,613**	51,381
Net cash (absorbed in)/generated from investing activities		**(77,222)**	(120,774)	**64,338**	85,224
Cash flows from financing activities					
Proceeds from borrowings		**438,499**	122,681	**350,000**	48,952
Payments on borrowings		**(224,257)**	(186,214)	**(295,349)**	(83,305)
Principal paid on lease liabilities		**(26,801)**	(19,028)	**(1,145)**	(1,182)
Interest paid on lease liabilities		**(27,154)**	(25,163)	**(765)**	(396)
Net cash generated from/(absorbed in) financing activities		**160,287**	(107,724)	**52,741**	(35,931)
Net decrease in cash and cash equivalents		**(33,884)**	(143,639)	**32,848**	(17,032)
Movement in cash and cash equivalents					
At 1 January		**(136,351)**	6,970	**(13,338)**	1,885
Decrease in cash and cash equivalents		**(33,884)**	(143,639)	**32,848**	(17,032)
Effect of foreign exchange rate changes		**560**	318	**331**	1,809
At 31 December	30(b)	**(169,675)**	(136,351)	**19,841**	(13,338)

The notes on pages 97 to 209 form an integral part of these financial statements.
Independent auditor's report on pages 84 to 89.

Notes to the Financial Statements

for the year ended 31 December 2024

1. CORPORATE INFORMATION

Harel Mallac & Co. Ltd (" the Company") is a limited liability company incorporated and domiciled in Mauritius. The address of its registered office is 18, Edith Cavell Street, Port Louis, Mauritius. The directors consider that the parent entity is Société de Lerca and the ultimate parent entity is Société Pronema, both registered in Mauritius.

These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of shareholders of the Company.

2. MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. Amounts in the financial statements are stated in Mauritian Rupees, which is the Company's functional and presentation currency. All values are rounded to the nearest thousand (Rs 000) except where otherwise indicated.

(a) Basis of preparation

The financial statements of Harel Mallac & Co. Ltd comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements are prepared on a going concern basis and include the consolidated financial statements of the holding company and its subsidiaries (The Group) and the separate financial statements of the holding company (The Company).

At 31 December 2024 The Group's current liabilities exceeded its current assets by Rs 55 million. However, The Group does not foresee any material uncertainty around the going concern as they have financial capacities in terms of credit lines and financing facilities in order to meet any forthcoming obligation. In addition, the management is actively working on the restructuring of its short-term trade finance facilities into long term debt facilities and the turnaround of several of its business activities namely Novengi Ltd, Harel Mallac Technologies (Mauritius) Ltd and Mauritius Chemical Fertilisers Ltd.

Based on this evaluation, the directors have made an assessment of the Group's ability to continue as a going concern taking into account all available information about the future, which is at least, but not limited to, twelve months from the date of approval of these financial statements and confirm that they have not identified events or conditions that may cast significant doubt in the Group's ability to continue as a going concern.

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities and disclosures at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

The Group's critical accounting estimates and judgements in the preparation of financial statements in confirmity with IFRS as determined by management, are detailed in note 4. These involve a higher degree of judgement or complexity and are areas where assumptions and estimates are significant to the financial statements. Actual results could differ from those estimates. The 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 if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(a) Basis of preparation (cont'd)

Where necessary, comparative figures have been amended to conform to change in presentation in the current year. The financial statements are prepared under the historical cost convention, except that:

(i) land and buildings are carried at revalued amounts;
(ii) investment properties are stated at fair value;
(iii) investments in financial assets are stated at fair value; and
(iv) relevant financial assets and financial liabilities are carried at amortised cost.

(b) Adoption of new and revised international financial reporting standards ("IFRS")

(i) New standards and amendments to existing standards effective 1 January 2024

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2024 that have a material effect on the financial statements of the Group.

(ii) New standards, amendments and interpretations effective after 1 January 2024 and that have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2024, and have not been early adopted in preparing these financial statements. The Group's assessment of the impact of these new standards and amendments is set out below:

i) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026).

The IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. Among other amendments, the IASB clarified the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system.

ii) IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

The IASB issued the new standard on presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of profit or loss.

The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss with defined subtotals;
- the requirement to determine the most useful structured summary for presenting expenses in the statement of profit or loss;
- required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(b) Adoption of new and revised international financial reporting standards ("IFRS") (cont'd)

The Group is currently still assessing the effect of the forthcoming standard and amendments. No other new standards or amendments to standards are expected to have a material effect on the financial statements of the Group.

Climate-Related and Sustainability-Related Financial Disclosures

The International Sustainability Standards Board (ISSB) has issued IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, effective for annual reporting periods beginning on or after 1 January 2024. These standards establish a framework for the disclosure of sustainability-related risks and opportunities, including climate-related financial impacts.

As at 31 December 2024, the Group has not yet implemented IFRS S1 and IFRS S2 disclosures in its financial statements. The Company has not yet conducted an assessment of the applicability of IFRS Sustainability Disclosures Standards. Management plans to evaluate this in the upcoming reporting period to ensure alignment with emerging global sustainability practices.

(c) Property, plant and equipment

Land and buildings were previously stated at fair value based on the revaluation which was carried out in December 2016. The Group then elected to account for its land and buildings at deemed cost as from December 2019 due to the uncertainty relative to the outbreak of Covid-19 on the revaluation model. The deemed cost showed a more realistic fair value and avoided temporary disruptions in values. In view of the prevailing improved sanitary and economic conditions, the directors have used the independent valuer's reports during the current financial year. Consequently, the transfer from Revaluation Reserve to Retained Earnings in 2019, which referred to the net cummulative revaluation gain amounting to Rs 445m and Rs 331.9m for the Group and the Company respectively, has been reversed without changing the total equity. All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets' carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Increase in the carrying amount arising on revaluation are credited to revaluation reserves in the statement of other comprehensive income and shown in revaluation and other reserves in equity. Decreases that offset previous increases of the same asset are charged against revaluation reserve in other comprehensive income; all other decreases are charged to profit or loss.

Depreciation is calculated on a straight line method to write off the cost or the revalued amounts of the assets to their residual values over their estimated useful lives as follows:

	Years
Freehold Buildings	22.2 - 50
Buildings on leasehold land	5 - 50
Plant and Machinery	5 - 10
Motor Vehicles	5 - 7
Furniture, Fittings and Office Equipment	3 -15
Rental Equipment	3 -5
Other Tools and Equipment	5

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(c) Property, plant and equipment (cont'd)

No depreciation is charged on freehold land.

The assets' residual values and useful lives are reviewed and adjusted prospectively, if appropriate, at the end of each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in profit or loss.

(d) Investment properties

Investment properties held to earn rentals or for capital appreciation or both and not occupied by the Group, are carried at fair value, representing open-market value determined by external valuers. Changes in fair values are included in profit or loss.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the valuation for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

(e) Intangible assets

Intangible assets include goodwill on consolidation, operating licences and computer software. Intangible assets, other than goodwill on consolidation, are initially recorded at cost and amortised using the straight-line method over their estimated useful lives.

The estimated useful lives of the intangible assets are:

	Years
Operating licences	5
Computer software	3-5

(i) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree. Goodwill on acquisitions of subsidiaries is included in intangible assets.

Goodwill is tested annually for impairment and carried at cost as established at the date of acquisition less accumulated impairment losses. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gains and losses on disposal.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(e) Intangible assets (cont'd)

(i) Goodwill (cont'd)

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. Client portfolio on acquisition of a subsidiary is amortised over 5 years.

(ii) Operating licences

Operating licences are shown at historical cost, have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight line method over their estimated useful lives (5 years).

(iii) Computer software

Computer software is capitalised on the basis of costs incurred to acquire and bring to use the specific software and is amortised using the straight-line method over its estimated useful life (3 - 5 years).

(f) Investments in subsidiaries

Separate financial statements

In the separate financial statements of the investor, investments in subsidiary companies are carried at fair value and are classified as financial assets at Fair Value Through the Statement of Other Comprehensive Income (FVTOCI). The gains and losses in fair value are recognised in Other Comprehensive Income and accounted under fair value reserves.

Consolidated financial statements

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interests in the acquiree at the non-controlling interests' proportionate share of the acquiree's net assets.

Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interest at initial recognition plus the non-controlling interests' share of subsequent change in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(f) Investments in subsidiaries (cont'd)

Consolidated financial statements (cont'd)

The excess of, the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree, over the fair value of the identifiable net assets acquired, is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss as a bargain purchase gain.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the equity is remeasured to its fair value, with the change in the carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amount previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(g) Investments in associates and joint ventures

Separate financial statements

Investments in associates and joint ventures are carried at fair value and are classified as financial assets at Fair Value Through the Statement of Other Comprehensive Income (FVTOCI). The gains and losses in fair value are recognised in Other Comprehensive Income and accounted under fair value reserves.

Consolidated financial statements

An associate is an entity over which the Group has significant influence but not control. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when the decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in associates and joint ventures are accounted for using the equity method. Investments in associates and joint ventures are initially recognised at cost as adjusted by post acquisition changes in the Group's share of the net assets of the associate and joint venture.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(g) Investments in associates and joint ventures (cont'd)

Consolidated financial statements (cont'd)

Any excess of the cost of acquisition and the Group's share of the net fair value of the associate's and joint venture's identifiable assets and liabilities recognised at the date of acquisition is recognised as goodwill which is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of identifiable assets and liabilities over the cost of acquisition, after assessment, is included as income in the determination of the Group's share of the associate's and joint venture's profit or loss.

When the Group's share of losses exceeds its interest in an associate or joint venture, the Group discontinues recognising further losses, unless it has incurred legal or constructive obligation or made payments on behalf of the associate or joint venture.

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate and joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, appropriate adjustments are made to the financial statements of associates and joint ventures to bring the accounting policies used in line with those adopted by the Group.

If the ownership interest in an associate and joint venture is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in the other comprehensive income are reclassified to profit or loss where appropriate.

Dilution gains and losses in investments in associates and joint ventures are recognised in profit or loss.

(h) Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current income tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred income tax is provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. If the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates that have been enacted or substantially enacted at the reporting date and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(h) Current and deferred income tax (cont'd)

Deferred tax (cont'd)

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences can be utilised.

For the purpose of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

(i) Retirement benefit obligations

(i) Defined benefit plans

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised on the statement of financial position in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The defined benefit obligation is calculated annually by independant actuaries using the projected unit credit method.

Remeasurement of the net benefit liability, which comprise actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on the plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), is recognised immediately in other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income shall not be reclassified to profit or loss in subsequent period.

The Group determines the net interest expense/(income) on the net defined benefit liability/(assets) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(assets), taking into account any changes in the net defined liability/(assets) during the period as a result of contributions and benefit payment. Net interest expense/(income) is recognised in profit or loss.

Service costs comprising current service cost, past service cost, as well as gains and losses on curtailments and settlement are recognised immediately in profit or loss.

(ii) Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group operates a defined contribution retirement benefit plan for all qualifying employees (and their dependents). Payments to defined contribution retirement plans are charged as an expense when employees have rendered services that entitle them to the contribution.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(i) Retirement benefit obligations (cont'd)

(iii) Retirement gratuity

For certain employees where the statutory gratuity is insufficiently covered or who are not covered by the above pension plans, the net present value of retirement gratuity payable under the Workers' Rights Act 2019 is calculated by a qualified actuary and provided for. The obligations arising under this item are not funded.

(iv) Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration profitability of the Group after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(v) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis. The cost of finished goods and work in progress comprises of purchase cost of raw materials, direct labour, other direct costs and related production overheads, but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

(k) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements are measured using Mauritian rupees, the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Mauritian rupees, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(k) Foreign currencies (cont'd)

(ii) Transactions and balances (cont'd)

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

Translation differences on non-monetary items are included in the fair value reserve in equity.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within finance income or costs. Foreign exchange gains and losses that relate to purchases and trade payables are presented in profit or loss within 'cost of sales'. All other foreign exchange gains and losses are presented in profit or loss within other gains/(losses) net.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated in the presentation currency as follows:

(1) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(2) income and expenses for each statement representing profit or loss and other comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(3) all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(l) Impairment of non-financial assets

At the end of each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash generating units).

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(m) Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Identifying Leases

The Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

(a) There is an identified asset;

(b) The Group obtains substantially all the economic benefits from use of the asset; and

(c) The Group has the right to direct use of the asset.

The Group considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the Group obtains substantially all the economic benefits from use of the asset, the Group considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Group has the right to direct use of the asset, the Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Group considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Group applies other applicable IFRS rather than IFRS 16.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonable certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(m) Leases (cont'd)

Identifying Leases (cont'd)

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the Group to use an identified asset and require services to be provided to the Group by the lessor, the Group has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(m) Leases (cont'd)

Accounting for leases - where Company is the lessor

Lease income from leases where the Group is a lessor is recognised in income on a straight line basis over the lease term. Initial direct costs incurred in obtaining the lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

(n) Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. Other than financial assets in a qualifying hedging relationship, the Group's accounting policy for each category is as follows:

(i) Amortised cost

These assets arise principally from the provision of goods and services to customers (eg trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process,the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within other operating expenses in the statements of profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

From time to time, the Group may elect to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the statement of profit or loss (operating profit).

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(n) Financial assets (cont'd)

(i) Amortised cost (cont'd)

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents on the statement of financial position.

Cash and cash equivalents include cash in hand, loans at call receivable, cash at banks and - for the purpose of the statement of cash flows - bank overdrafts and cash at call payable. Bank overdrafts and loans at call payable are shown within borrowings in current liabilities on the statement of financial position.

(ii) Fair value through other comprehensive income

The Group has a number of strategic investments in listed and unlisted entities which are not accounted for as subsidiaries, associates or joint ventures. For those investments, the Group has made an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as the Group considers this measurement to be the most representative of the business model for these assets. They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve (fair value reserve). Upon disposal any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

Dividends are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investments' carrying amount.

Purchases and sales of financial assets measured at fair value through other comprehensive income are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the fair value through other comprehensive income reserve.

(o) Financial liabilities

The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired.

The Group's accounting policy for each category is as follows:

(i) Fair value through profit or loss

This category comprises only out-of-the-money derivatives (see "Financial assets" for in the money derivatives). They are carried in the statement of financial position at fair value with changes in fair value recognised in the statement of comprehensive income. The Group does not hold or issue derivative instruments for speculative purposes, but for hedging purposes. Other than these derivative financial instruments, the Group does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(o) Financial liabilities (cont'd)

(ii) Other financial liabilities

Other financial liabilities include the following items:

Bank borrowings are initially recognised at fair value. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried on the statement of financial position.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

Trade payables and other short-term monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

(p) Hedge accounting

Certain subsidiaries enter into derivative financial instruments to manage their exposure to foreign exchange rate risk, including foreign exchange forward contracts and cross currency swaps.

Hedge accounting is applied to financial assets and financial liabilities only where all of the following criteria are met:

- At the inception of the hedge there is formal designation and documentation of the hedging relationship and the Group's risk management objective and strategy for undertaking the hedge;

- The hedge relationship meets all of the hedge effectiveness requirements including that an economic relationship exists between the hedged item and the hedging instrument, the credit risk effect does not dominate the value changes, and the hedge ratio is designated based on actual quantities of the hedged item and hedging instrument.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured at their fair value at the end of each reporting period. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Trading derivatives are classified as a current asset or liability.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within twelve months. Other derivatives are presented as current assets or current liabilities.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(p) Hedge accounting (cont'd)

Fair value hedges

Where derivatives are used to hedge the Group's exposure to fair value interest rate risk (such as fixed to floating rate swaps), the hedged item is remeasured to take into account the gain or loss attributable to the hedged risk (in the case of a fixed rate loan, the hedged risk is changes in the fair value of interest rates) with the gains or losses arising recognised in profit or loss. This offsets the gain or loss arising on the hedging instrument which is measured at fair value through profit or loss.

(q) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as deduction, net of tax, from proceeds.

(r) Borrowing costs

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised until such time as the assets are substantially ready for their intended use or sale. Other borrowing costs are expensed.

(s) Revenue recognition

(i) Revenue from contracts with customers

Performance obligations and timing of revenue recognition

The majority of revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has been transferred to the customer. This is generally when the goods are delivered to the customer. However, for export sales, control might also be transferred when delivered either to the port of departure or port of arrival, depending on the specific terms of the contract with a customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the Group no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question.

A small minority of contracts are negotiated on a bill and hold basis. In such arrangements revenue is recognised even though the subsidiary company still has physical possession only if:

- the arrangement is substantive (i.e. requested by the customer);
- the finished goods have been identified separately as belonging to the customer;
- the product is ready for physical transfer to the customer; and
- the subsidiary does not have the ability to use the product to direct it to another customer.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(s) Revenue recognition (cont'd)

(i) Revenue from contracts with customers (cont'd)

Some goods sold include warranties which require the subsidiaries involved to either replace or mend a defective product during the warranty period if the goods fail to comply with agreed-upon specifications. In accordance with IFRS 15, such warranties are not accounted for as separate performance obligations and hence no revenue is allocated to them. Instead, a provision is made for the costs of satisfying the warranties in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. If a customer is able to take out extended warranties, these are accounted for as separate performance obligations, with the revenue earned recognised on a straight-line basis over the term of the warranty.

One of the subsidiaries provides design and installation services for clients, with revenue recognised typically on an over time basis. This is because the designs created and installation services have no alternative use for the subsidiary and the contracts would require payment to be received for the time and effort spent by the subsidiary on progressing the contracts in the event of the customer cancelling the contract prior to completion for any reason other than the subsidiary's failure to perform its obligations under the contract. On partially completed design and installation contracts, the subsidiary recognises revenue based on stage of completion of the project as determined by the subsidiary's engineers.

Determining the transaction price

Most of the revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

Allocating amounts to performance obligations

For most contracts, there is a fixed unit price for each product sold, with reductions given for bulk orders placed at a specific time. Therefore, there is no judgement involved in allocating the contract price to each unit ordered in such contracts (it is the total contract price divided by the number of units ordered). Where a customer orders more than one product line, the Group is able to determine the split of the total contract price between each product line by reference to each product's standalone selling prices (all product lines are capable of being, and are, sold separately).

Costs of fulfilling contracts

The costs of fulfilling contracts do not result in the recognition of a separate asset because:

- such costs are included in the carrying amount of inventory for contracts involving the sale of goods; and
- for service contracts, revenue is recognised over time by reference to the stage of completion meaning that control of the asset (the design and installation service) is transferred to the customer on a continuous basis as work is carried out. Consequently, no asset for work in progress is recognised.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(s) Revenue recognition (cont'd)

(ii) Other revenues earned by the Group are recognised as follows:

- Rental income - on an accrual basis in accordance with the substance of the relevant agreement;
- Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance);
- Dividend income - when the shareholder's right to receive payment is established;
- Commission - on an accrual basis.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

(t) Deferred income

Gain on sale and leaseback of equipment is not immediately recognised. The gain is deferred and amortised over the lease period. Gain amortised during the year is shown net against depreciation charge.

(u) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events which will probably result in an outflow of economic benefits that can be reasonably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risk and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligations, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Provision for restructuring costs are recognised when the Group has a detailed formal plan for the restructuring which has been notified to affected parties.

A provision for warranties is recognised upon the sale of a product or the rendering of a service based on historical experience or directors' best estimate of the expenditure required to settle the obligation.

(v) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are declared.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

(w) Segment reporting

Segment information presented relate to operating segments that engage in business activities for which revenues are earned and expenses incurred.

(x) Non-current assets classified as held for sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through a continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks, as follows:

- Market risk (including currency risk, price risk and cash flow and fair value interest risk);
- Credit risk; and
- Liquidity risk

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposure.

A description of the significant risk factors is given below together with the risk management policies applicable.

(a) Market risk

(i) Currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to Euro, Ariary, South African Rand, Tanzanian Shilling, Zambian Kwacha and US Dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The foreign exchange risk is managed based on a defined policy whereby fluctuation in exchange rates are monitored and best rates are negotiated with banking institutions. Some of the Group's subsidiaries use forward contracts to hedge their exposure to foreign currency risk when recorded liabilities are denominated in a currency that is not the subsidiaries' functional currency. External foreign exchange contracts are designed as hedges of foreign exchange risk on specific liabilities.

3. FINANCIAL RISK MANAGEMENT (cont'd)

3.1 Financial risk factors (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

The Group has a number of investments in foreign subsidiaries, whose net assets are exposed to currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

At 31 December 2024, if the Rupee had weakened/strengthened by 5% against the Euro/Malagasy Ariary/Tanzanian Shilling/ Zambian Kwacha and US Dollar with all other variables held constant, group post-tax profit for the year would have been **Rs1.2m** (2023: Rs 2.2m) higher/lower, mainly as a result of foreign exchange gains/losses on translation of US dollar/Euro denominated trade receivables, trade payables, borrowings and cash balances.

(ii) Price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated statement of financial position as financial assets at fair value through other comprehensive income and which are valued at current bid prices.

Sensitivity analysis

The table below summarises the impact of increases/decreases in the fair value of the investments on the Group's equity. The analysis is based on the assumption that the fair value had increased/decreased by 5%.

	Impact on Equity			
	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
Categories of investments:				
Financial assets at fair value through other comprehensive income	**606**	557	**606**	557

To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

(iii) Cash flow interest risk

The Group's interest rate risk arises from its borrowings. Borrowings issued at variable rates exposes the Group to cash flow interest rate risk. The Group's policy is to maintain borrowings, other than finance lease obligations, at floating rate.

3. FINANCIAL RISK MANAGEMENT (cont'd)

3.1 Financial risk factors (cont'd)

(a) Market risk (cont'd)

(iii) Cash flow interest risk (cont'd)

Cash flow interest risk

At 31 December 2024, if interest rates on borrowings had been 50 basis points higher/lower with all other variables held constant post-tax profit for the year would have been lower/higher as shown in the table below, mainly as a result of higher/lower interest expense on floating rate borrowings as shown below:

Effect higher/lower interest rate on post tax profit

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
Rupee denominated borrowings	**6,113**	5,950	**3,212**	3,210
USD denominated borrowings	**1,264**	663	**-**	-

The risk is managed by maintaining an appropriate mix between fixed and floating interest charges on borrowings.

(b) Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of equity investments carried at fair value through other comprehensive income, as well as credit exposures to customers, including outstanding receivables.

Credit risk is managed on a company basis. Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The compliance with credit limits by customers is regularly monitored by line management.

Sales to retail customers are required to be settled in cash or using major credit cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and regions except for some subsidiaries where credit risk is concentrated within some clients. The Group has policies in place to ensure that sales of products and services are made to customers within an appropriate credit history.

3. FINANCIAL RISK MANAGEMENT (cont'd)

3.1 Financial risk factors (cont'd)

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligation associated with its financial liabilities that are settled by delivery of cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. The Group aims at maintaining flexibility in funding by keeping committed credit lines available.

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flow.

Management also considers external opportunities for growth and appropriate funding is reviewed.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date.

THE GROUP	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 31 December 2024						
Lease liabilities	**50,100**	**47,869**	**44,666**	**65,646**	**163,302**	**371,583**
Bank overdraft	**365,113**	**-**	**-**	**-**	**-**	**365,113**
Bank loans	**292,455**	**186,699**	**168,375**	**103,952**	**282,657**	**1,034,138**
Unsecured & Other loans	**484,504**	**-**	**-**	**-**	**-**	**484,504**
Trade and other payables	**1,042,448**	**-**	**-**	**-**	**-**	**1,042,448**
	2,234,620	**234,568**	**213,041**	**169,598**	**445,959**	**3,297,786**

	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 31 December 2023						
Lease liabilities	35,645	33,877	39,620	63,878	182,436	355,456
Bank overdraft	260,906	-	-	-	-	260,906
Bank loans	286,325	271,593	58,301	44,757	50,531	711,507
Unsecured & Other loans	317,761	39,000	7,000	6,563	-	370,324
Trade and other payables	1,013,970	-	-	-	-	1,013,970
	1,914,607	344,470	104,921	115,198	232,967	2,712,163

3. FINANCIAL RISK MANAGEMENT (cont'd)

3.1 Financial risk factors (cont'd)

(c) Liquidity risk (cont'd)

THE COMPANY	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 31 December 2024						
Lease liabilities	**1,718**	**1,718**	**1,718**	**2,519**	**-**	**7,673**
Bank overdraft	**-**	**-**	**-**	**-**	**-**	**-**
Bank loans	**102,430**	**23,275**	**56,533**	**113,066**	**282,657**	**577,961**
Loan at call	**21,250**	**-**	**-**	**-**	**-**	**21,250**
Unsecured & Other loans	**213,807**	**-**	**-**	**-**	**-**	**213,807**
Trade and other payables	**27,521**	**-**	**-**	**-**	**-**	**27,521**
	366,726	**24,993**	**58,251**	**115,585**	**282,657**	**848,212**

	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 31 December 2023						
Lease liabilities	1,468	1,551	1,638	2,750	960	8,367
Bank overdraft	28,111	-	-	-	-	28,111
Bank loans	132,000	57,000	35,083	-	-	224,083
Loan at call	40,274	-	-	-	-	40,274
Unsecured & Other loans	121,410	211,111	7,000	6,563	-	346,084
Trade and other payables	39,032	-	-	-	-	39,032
	362,295	269,662	43,721	9,313	960	685,951

3.2 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions at an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily of quoted equity investments classified as financial assets at fair value through other comprehensive income.

3. FINANCIAL RISK MANAGEMENT (cont'd)

3.2 Fair value estimation (cont'd)

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments; and
- Other techniques such as capitalised earnings method, dividend yield method, discounted cash flow and net asset basis are used to determine fair value for the remaining financial instruments.

The carrying amount of the Group's financial assets would be an estimated **Rs 3.3m** (2023: Rs 2.6m) and **Rs 2.3m** (2023: Rs 2.1m) lower/higher for the Group and the Company respectively if the fair value differed by 10% from management estimates.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values.

3.3 Capital risk management

The Group's objectives when managing capital are:

- to safeguard the entities' ability to continue as going concerns, so that they can continue to provide returns for shareholders and benefits for the other stakeholders.
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt to adjusted capital. Net debt is calculated as total debt (as shown on the statement of financial position) less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e. share capital, non-controlling interests, retained earnings, revaluation and other reserves, fair value reserves and actuarial reserves).

3. FINANCIAL RISK MANAGEMENT (cont'd)

3.3 Capital risk management (cont'd)

The debt-to-adjusted capital ratios at 31 December 2024 and at 31 December 2023 were as follows:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
Total debt	**2,015,400**	1,698,193	**653,452**	646,919
Less: cash and cash equivalents	**(195,438)**	(124,555)	**(41,253)**	(55,047)
Net debt	**1,819,962**	1,573,638	**612,199**	591,872
Total equity	**2,152,156**	2,360,752	**1,567,901**	1,537,937
Debt-to-adjusted capital ratio	**0.85**	0.67	**0.39**	0.38

There were no changes in the Group's approach to capital risk management during the year.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2(e)(i). These calculations require the use of estimates (note 7).

(b) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

(c) Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on past and current market conditions. Additional information is disclosed in note 18.

(d) Revaluation of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engages independent valuation specialists to determine fair value of investment properties as disclosed in the notes to the financial statements.

The fair value estimates have been based on the market data regarding current yield on similar properties. The actual amounts of revaluation could therefore differ significantly from the estimates in the future.

(e) Depreciation policies - Asset lives and residual values

Property, plant and equipment are depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation,and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

The directors make estimates based on historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

(f) Fair value of securities not quoted in an active market

The fair value of securities not quoted in an active market may be determined by the Group using valuation techniques including third party transaction values, earnings, net asset value or discounted cash flows, whichever is considered to be appropriate. The Group would execise judgement and estimates on the quantity and quality of pricing sources used. Changes in assumption about these factors could affect the reported fair value of financial instruments.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

(g) Limitation of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remains unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Group assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Group view of possible near term market changes that cannot be predicted with any certainty.

(h) Deferred tax on investment properties

For the purpose of measuring deferred tax liabilities or deferred tax assets arising from investment properties,the directors believe that investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. As a result, the Group has recognised deferred tax on changes in fair value of investment properties.

(i) Impairment of assets

Goodwill is considered for impairment at least annually. Property, plant and equipment and intangible assets are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself.

Future cash flows expected to be generated by the assets or cash-generating units are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using the appropriate discount rate, is compared to the current net asset value and, if lower, the assets are impaired to the present value. The impairment loss is first allocated to goodwill and then to the other assets of a cash-generating units.

Cash flows which are utilised in these assessments are extracted from the latest management forecasts. The Group utilises the valuation model to determine asset and cash-generating unit values supplemented, where appropriate, by discounted cash flow and other valuation techniques.

(j) Measurement of the expected credit loss (ECL) allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of debtor segment and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

When using the simplified approach for measurement of expected credit loss for trade receivables, an ECL Model is adopted which requires significant assumptions and judgements, such as:

- Determining the appropriate groupings of receivables into categories of shared credit risk characteristics;
- Determining the probability of default based on the credit risk characteristics of each receivable;
- Considering macro-economic factors and adjust the probability of default accordingly, to reflect relevant future economic conditions and its impact on ECL; and
- Calculating the expected credit losses.

5. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	Freehold Land and Buildings	Buildings on Lease-hold Land	Improve-ment to buildings	Plant and Machinery	Motor Vehicles	Furniture, Fittings and Office Equipment	Rental Equip-ment	Other Tools and Equipment	Assets in Progress	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(a) 2024										
COST AND VALUATION										
At 1 January 2024	478,156	211,375	38,992	415,157	89,050	271,746	200,011	21,893	34,979	1,761,359
Additions	6,998	-	1,959	56,739	8,055	28,525	-	-	7,341	109,617
Disposals	-	-	-	(3,270)	(3,735)	(267)	(1,362)	-	-	(8,634)
Reclassification*	-	465	298	2,092	(3,959)	9,583	-	(6,731)	(1,748)	-
Transfer from Right-of-use Assets (Note 5A)	-	-	-	-	712	-	-	-	-	712
Transfer to Investment Property (Note 6)	(8,017)	-	-	-	-	-	-	-	-	(8,017)
Transfer to Intangible Assets (Note 7)	-	-	-	-	-	-	-	-	(2,990)	(2,990)
Transfer to Inventories	-	-	-	-	-	-	-	-	(627)	(627)
Assets written off	(493)	-	-	(33,699)	-	-	-	-	(1,339)	(35,531)
Translation difference	-	-	-	-	(82)	(73)	-	-	-	(155)
At 31 December 2024	**476,644**	**211,840**	**41,249**	**437,019**	**90,041**	**309,514**	**198,649**	**15,162**	**35,616**	**1,815,734**
DEPRECIATION										
At 1 January 2024	614	4,228	13,581	304,712	71,951	223,389	192,058	4,344	-	814,877
Charge for the year	7,228	4,237	4,104	35,855	8,444	22,823	-	1,163	-	83,854
Disposals	-	-	-	(401)	(3,735)	(267)	(1,362)	-	-	(5,765)
Reclassification*	-	272	-	4,091	(2,108)	3,252	-	(5,507)	-	-
Transfer from Right-of-use Assets (Note 5A)	-	-	-	-	475	-	-	-	-	475
Assets written off	(493)	-	-	(33,699)	-	-	-	-	-	(34,192)
Translation difference	-	-	-	-	(359)	68	-	-	-	(291)
At 31 December 2024	**7,349**	**8,737**	**17,685**	**310,558**	**74,668**	**249,265**	**190,696**	**-**	**-**	**858,958**
NET BOOK VALUES										
At 31 December 2024	**469,295**	**203,103**	**23,564**	**126,461**	**15,373**	**60,249**	**7,953**	**15,162**	**35,616**	**956,776**

* During the finanical year ended 31 December 2024, the Group made some reclassifications between class of assets of Property, Plant and Equipment.

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

THE GROUP	Freehold Land and Buildings	Buildings on Leasehold Land	Improve-ment to buildings	Plant and Machinery	Motor Vehicles	Furniture, Fittings and Office Equipment	Rental Equip-ment	Other Tools and Equipment	Assets in Progress	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(b) 2023										
COST AND VALUATION										
At 1 January 2023	471,094	211,375	34,723	409,934	84,416	251,319	200,011	15,793	8,703	1,687,368
Additions	7,506	-	4,269	56,072	9,313	41,142	-	6,100	26,276	150,678
Disposals	(6,752)	-	-	(1,498)	(3,280)	(8,535)	-	-	-	(20,065)
Reclassification*	-	-	-	(444)	(80)	524	-	-	-	-
Transfer from Investment Property (Note 6)	6,308	-	-	-	-	-	-	-	-	6,308
Transfer from Intangible Assets (Note 7)	-	-	-	-	-	171	-	-	-	171
Assets written off	-	-	-	(49,033)	(1,319)	(12,401)	-	-	-	(62,753)
Translation difference	-	-	-	126	-	(474)	-	-	-	(348)
At 31 December 2023	478,156	211,375	38,992	415,157	89,050	271,746	200,011	21,893	34,979	1,761,359
DEPRECIATION										
At 1 January 2023	-	-	9,971	323,792	70,127	228,233	192,058	3,154	-	827,335
Charge for the year	7,366	4,228	3,610	31,414	6,375	15,751	-	1,190	-	69,934
Disposal adjustments	(6,752)	-	-	(1,498)	(3,232)	(8,340)	-	-	-	(19,822)
Assets written off	-	-	-	(48,996)	(1,319)	(12,025)	-	-	-	(62,340)
Translation difference	-	-	-	-	-	(230)	-	-	-	(230)
At 31 December 2023	614	4,228	13,581	304,712	71,951	223,389	192,058	4,344	-	814,877
NET BOOK VALUES										
At 31 December 2023	477,542	207,147	25,411	110,445	17,099	48,357	7,953	17,549	34,979	946,482

* During the finanical year ended 31 December 2023, the Group made some reclassifications between class of assets of Property, Plant and Equipment.

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

THE COMPANY	Freehold Land and Buildings	Plant and Machinery	Motor Vehicles	Furniture, Fittings and Office Equipment	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(c) 2024					
COST AND VALUATION					
At 1 January 2024	125,299	13,389	3,377	40,678	182,743
Additions	297	72	1,482	978	2,829
At 31 December 2024	**125,596**	**13,461**	**4,859**	**41,656**	**185,572**
DEPRECIATION					
At 1 January 2024	4,773	12,805	3,377	33,942	54,897
Charge for the year	858	299	159	2,071	3,387
At 31 December 2024	**5,631**	**13,104**	**3,536**	**36,013**	**58,284**
NET BOOK VALUES					
At 31 December 2024	**119,965**	**357**	**1,323**	**5,643**	**127,288**

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

THE COMPANY	Freehold Land and Buildings	Plant and Machinery	Motor Vehicles	Furniture, Fittings and Office Equipment	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(d) 2023					
COST AND VALUATION					
At 1 January 2023	292,619	13,412	3,457	45,178	354,666
Additions	1,102	421	-	2,036	3,559
Reclassification*	-	(444)	(80)	524	-
Transfer from intangible assets (Note 7)	-	-	-	171	171
Transfer to investment property (Note 6)	(168,422)	-	-	-	(168,422)
Assets written off	-	-	-	(7,231)	(7,231)
At 31 December 2023	125,299	13,389	3,377	40,678	182,743
DEPRECIATION					
At 1 January 2023	-	12,420	3,302	39,328	55,050
Charge for the year	4,773	385	75	1,845	7,078
Assets written off	-	-	-	(7,231)	(7,231)
At 31 December 2023	4,773	12,805	3,377	33,942	54,897
NET BOOK VALUES					
At 31 December 2023	120,526	584	-	6,736	127,846

* During the finanical year ended 31 December 2023, the Company made some reclassifications between class of assets of Property, Plant and Equipment.

	THE GROUP	
	2024	2023
	Rs'000	Rs'000
(e) Depreciation charge is analysed as follows:		
Cost of sales	**23,479**	42,872
Marketing and selling expenses	**6,917**	10,059
Administrative expenses	**53,458**	17,003
	83,854	69,934

Depreciation charge for the Company is recorded in administrative expenses.

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(f) Land and buildings were revalued on 31 December 2022 on the basis of revaluation exercise carried out by Professional Valuers Co. Ltd, Chartered Valuation Surveyors. Valuation was made on a depreciated replacement cost approach and a sales comparison approach. The revaluation surplus net of applicable deferred income taxes was credited to revaluation surplus in shareholders' equity. It is the Group policy to revalue land and buildings classified under property, plant and equipment every three years.

(g) Details of the Group's and the Company's freehold land and buildings and Buildings on leasehold land and information about the fair value hierarchy as at 31 December 2024 and 2023 are as follows:

	THE GROUP			THE COMPANY	
	Land	Buildings on freehold land	Buildings on leasehold land	Land	Buildings on freehold land
Reconciliation of Carrying amount:	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Carrying amount as at 1 January 2024	**181,456**	**296,086**	**207,147**	**101,450**	**19,076**
Additions	**-**	**6,998**	**-**	**-**	**297**
Depreciation	**-**	**(7,228)**	**(4,237)**	**-**	**(858)**
Transfer from other class of assets	**-**	**-**	**193**	**-**	**-**
Transfer to Investment Property (Note 6)	**-**	**(8,017)**	**-**	**-**	**-**
	181,456	**287,839**	**203,103**	**101,450**	**18,515**
Revaluation gain for the year	**-**	**-**	**-**	**-**	**-**
Carrying amount as at 31 December 2024	**181,456**	**287,839**	**203,103**	**101,450**	**18,515**

	THE GROUP			THE COMPANY	
	Land	Buildings on freehold land	Buildings on leasehold land	Land	Buildings on freehold land
Reconciliation of Carrying amount:	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Carrying amount as at 1 January 2023	181,456	289,638	211,375	100,156	192,463
Additions	-	7,506	-	-	1,102
Depreciation	-	(7,366)	(4,228)	-	(4,773)
Transfer to Investment Property (Note 6)	-	6,308	-	1,294	(169,716)
	181,456	296,086	207,147	101,450	19,076
Revaluation gain for the year	-	-	-	-	-
Carrying amount as at 31 December 2023	181,456	296,086	207,147	101,450	19,076

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(h) Part of Land & Buildings have been transferred to Investment Property during the year ended 31 December 2023 at Company level, as the property is occupied by companies within the Group and rental income earned by the Company.

(i) Part of Land & Buildings have been transferred to Investment Property during the year ended 31 December 2024 at Group level, as the property is occupied by companies outside the Group and rental income earned by the Group.

(j) Bank borrowings are secured by floating charges on the assets of the Group, including property, plant and equipment.

5A. RIGHT-OF-USE-ASSETS

	THE GROUP		
	Land and buildings	Plant, machinery and motor vehicles	Total
	Rs'000	Rs'000	Rs'000
At 1 January 2024	285,971	33,941	319,912
Additions	13,061	15,528	28,589
Amortisation	(22,770)	(15,203)	(37,973)
Transfer to property, plant and equipment (Note 5)	-	(237)	(237)
Translation difference	(90)	-	(90)
At 31 December 2024	**276,172**	**34,029**	**310,201**

	THE GROUP		
	Land and buildings	Plant, machinery and motor vehicles	Total
	Rs'000	Rs'000	Rs'000
At 1 January 2023	206,576	24,893	231,469
Additions	103,776	16,855	120,631
Amortisation	(21,296)	(7,807)	(29,103)
Modification to lease terms	(5,535)	-	(5,535)
Translation difference	2,450	-	2,450
At 31 December 2023	285,971	33,941	319,912

5A. RIGHT-OF-USE-ASSETS (cont'd)

	THE COMPANY	
	Motor Vehicles	
	2024	2023
	Rs'000	Rs'000
At 1 January	**8,386**	4,052
Additions	**-**	5,761
Amortisation	**(1,660)**	(1,427)
At 31 December	**6,726**	8,386

5B. LEASE LIABILITIES

	THE GROUP		
	Land and buildings	Plant, machinery and motor vehicles	Total
	Rs'000	Rs'000	Rs'000
At 1 January 2024	323,880	31,576	355,456
Additions	13,061	13,454	26,515
Interest expense	24,681	2,473	27,154
Lease payments	(42,836)	(11,119)	(53,955)
Translation difference	(941)	(15)	(956)
At 31 December 2024	**317,845**	**36,369**	**354,214**

Current	43,666
Non current	310,548
	354,214

5B. LEASE LIABILITIES (cont'd)

	THE GROUP		
	Land and buildings	Plant, machinery and motor vehicles	Total
	Rs'000	Rs'000	Rs'000
At 1 January 2023	236,179	23,006	259,185
Additions	103,776	15,568	119,344
Interest expense	23,425	1,738	25,163
Lease payments	(35,455)	(8,736)	(44,191)
Lease modifications	(6,059)	-	(6,059)
Translation difference	2,014	-	2,014
At 31 December 2023	323,880	31,576	355,456
Current			35,645
Non current			319,811
			355,456

	THE COMPANY	
	Motor Vehicles	
	2024	2023
	Rs'000	Rs'000
At 1 January 2024	8,367	3,640
Additions	-	5,908
Interest expense	765	396
Lease payments	(1,910)	(1,577)
At 31 December 2024	7,222	8,367
Current	1,617	1,468
Non current	5,605	6,899
	7,222	8,367

5B. LEASE LIABILITIES (cont'd)

(a) Nature of leasing activities (in the capacity as lessee)

One of the subsidiaries leases land from the Mauritius Ports Authority for a period of 51 years with increase in rental occurring every five years as stipulated in the agreement.

Another subsidiary leases several equipment for use in its operations. The lease contracts provide for periodic fixed payments over the lease term.

The Group also leases plant, machinery and motor vehicles where the leases comprise only of fixed payments over the lease terms.

(b) Variable lease payments

The percentages in the table below reflect the current proportions of lease payments that are either fixed or variable. The sensitivity reflects the impact on the carrying amount of lease liabilities and right-of-use assets if there was an uplift of 5% on the balance sheet date to lease payments that are variable.

31 December 2024	Lease Contracts	Fixed payments	Variable payments	Sensitivity
	Number	%	%	Rs.
Property leases with payments linked to inflation	1	-	3%	122,208
Property leases with periodic uplifts to market rentals	2	6%	-	-
Property leases with fixed payments	3	9%	-	-
Leases of plant and equipment	13	38%	-	-
Vehicle leases	15	44%	-	-
	34	97%	3%	122,208

31 December 2023	Lease Contracts	Fixed payments	Variable payments	Sensitivity
	Number	%	%	Rs.
Property leases with payments linked to inflation	1	-	3%	127,562
Property leases with periodic uplifts to market rentals	2	5%	-	-
Property leases with fixed payments	3	9%	-	-
Leases of plant and equipment	15	40%	-	-
Vehicle leases	16	43%	-	-
	37	97%	3%	127,562

5B. LEASE LIABILITIES (cont'd)

(c) Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the group. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

(d) Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(e) The total cash outflow for leases in 2024 is Rs **54m** (2023: Rs.44.2m) and **Rs1.9m** (2023: Rs1.6m) for the Group and the Company respectively.

6. INVESTMENT PROPERTIES

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 January	**473,722**	439,397	**631,025**	436,606
Additions	**3,169**	1,548	**3,169**	1,548
Disposals	**(500)**	-	**-**	-
Transfer from/(to) property, plant and equipment (Note 5)	**8,017**	(6,308)	**-**	168,422
Translation difference	**(326)**	(2,307)	**-**	-
Increase in fair value	**14,859**	41,392	**14,388**	24,449
At 31 December	**498,941**	473,722	**648,582**	631,025

Investment Properties are revalued annually on the basis of revaluation exercise carried out by Professional Valuers Co. Ltd, Chartered Valuation Surveyors and one of the properties of the Group's subsidiary in Zambia was valued by Knight Frank. Valuation was made on a depreciated replacement cost approach and a sales comparison approach. The revaluation surplus is credited to the Statement of Profit or Loss.

6. INVESTMENT PROPERTIES (cont'd)

Details of the investment properties and information about fair value hierachy as at 31 December 2024 are as follows:

	THE GROUP	
	2024	2023
	Rs'000	Rs'000
Buildings - level 3	**234,924**	216,752
Land - level 2	**264,017**	256,970
Total	**498,941**	473,722

	THE COMPANY	
	2024	2023
	Rs'000	Rs'000
Buildings - level 3	**384,565**	374,055
Land - level 2	**264,017**	256,970
Total	**648,582**	631,025

The following information is relevant:

	Valuation techniques	**Significant observable inputs**
Land	Sales Comparison approach	Price per square metre
Buildings	Depreciated replacement cost	Depreciation rate

Bank borrowings are secured by floating charges on the assets of the Group, including investment properties.

6. INVESTMENT PROPERTIES (cont'd)

The following amounts have been recognised in profit or loss:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
Rental income	**19,993**	18,753	**47,361**	46,886
Direct operating expenses arising on investment properties that generated investment income	**7,075**	9,882	**16,760**	24,708
Direct operating expenses arising on investment properties that did not generate investment income	**-**	-	**-**	-

7. INTANGIBLE ASSETS

	Goodwill	Computer Software	Operating Licence	Total
	Rs'000	Rs'000	Rs'000	Rs'000
(a) THE GROUP				
COST				
At 1 January 2024	**167,706**	**86,527**	**5,244**	**259,477**
Additions	**-**	**1,435**	**-**	**1,435**
Transfer from property, plant and equipment (Note 5)	**-**	**2,990**	**-**	**2,990**
Impairment loss	**(27,490)**	**-**	**-**	**(27,490)**
At 31 December 2024	**140,216**	**90,952**	**5,244**	**236,412**
AMORTISATION				
At 1 January 2024	**101,143**	**64,526**	**4,955**	**170,624**
Charge for the year	**-**	**4,505**	**-**	**4,505**
At 31 December 2024	**101,143**	**69,031**	**4,955**	**175,129**
NET BOOK VALUE				
At 31 December 2024	**39,073**	**21,921**	**289**	**61,283**

7. INTANGIBLE ASSETS (cont'd)

	Goodwill	Computer Software	Operating Licence	Total
	Rs'000	Rs'000	Rs'000	Rs'000
(b) THE GROUP				
COST				
At 1 January 2023	161,206	78,266	5,244	244,716
Additions	6,500	9,310	-	15,810
Transfer to property, plant and equipment (Note 5)	-	(171)	-	(171)
Assets written off	-	(401)	-	(401)
Translation difference	-	(477)	-	(477)
At 31 December 2023	167,706	86,527	5,244	259,477
AMORTISATION				
At 1 January 2023	101,143	58,494	4,955	164,592
Charge for the year	-	6,431	-	6,431
Assets written off	-	(399)	-	(399)
At 31 December 2023	101,143	64,526	4,955	170,624
NET BOOK VALUE				
At 31 December 2023	66,563	22,001	289	88,853

Amortisation charge has been accounted for in administrative expenses.

7. INTANGIBLE ASSETS (cont'd)

(c) THE COMPANY

	Computer Software Rs'000
COST	
At 1 January 2024	**7,850**
Additions	**138**
At 31 December 2024	**7,988**
AMORTISATION	
At 1 January 2024	**7,850**
Charge for the year	**8**
At 31 December 2024	**7,858**
NET BOOK VALUE	
At 31 December 2024	**130**

(d) THE COMPANY

	Computer Software Rs'000
COST	
At 1 January 2023	8,007
Additions	14
Transfer to property, plant and equipment (Note 5)	(171)
At 31 December 2023	7,850
AMORTISATION	
At 1 January 2023	7,836
Charge for the year	14
At 31 December 2023	7,850
NET BOOK VALUE	
At 31 December 2023	-

7. INTANGIBLE ASSETS (cont'd)

(e) Goodwill acquired through business combinations and arising on acquisition of product brands have indefinite useful lives. For the purposes of goodwill impairment testing, goodwill has been allocated to the group's cash generating units as follows:

	THE GROUP 2024 Rs'000	THE GROUP 2023 Rs'000
Manufacturing & Trading	**36,125**	63,615
Business Services	**2,948**	2,948
	39,073	66,563

	THE GROUP 2024 Rs'000	THE GROUP 2023 Rs'000
At beginning of the year	**66,563**	66,563
Impairment during the year	**(27,490)**	-
At end of the year	**39,073**	66,563

The recoverable amounts of these cash-generating units have been determined based on their value in use calculation using cash flow projections derived from financial budgets established by managements covering a ten-year period and also on market conditions prevailing. The pre-tax discount rates (WACC) applied to cash flow projections vary between 13.5% to 15.6%. Impairment loss is accounted to adjust the carrying value of the goodwill to reflect the net present value of the future cash flows.

Following this exercise, an impairment amounting to **Rs.27.5M** (2023: Rs.nil) was recognised during the year allocated to the Manufacturing & Trading cash generating unit. The key assumptions used in the estimation of value in use and recoverable amounts are based on management's past experience of the served markets in which the group operates with a view to maintain market share.

8. INVESTMENTS IN SUBSIDIARIES

	2024 Rs'000	2023 Rs'000
THE COMPANY		
At 1 January	**616,067**	555,291
Additions	**7,846**	-
Fair value (loss)/ gain	**(37,865)**	60,776
At 31 December	**586,048**	616,067

Investments in subsidiaries comprises of listed and unquoted securities.

8. INVESTMENTS IN SUBSIDIARIES (cont'd)

(a) The financial statements of the following subsidiaries have been included in the consolidated financial statements:

Name of Company	Class of shares held	Year ended	Stated capital	Effective percentage holding and voting power % 2024	% 2023	Country of operation & incorporation	Main business
Activeline Ltd	Ordinary	31 December	Rs23,179,245	**100.00**	100.00	Mauritius	Business process outsourcing
Archemics Ltd	Ordinary	31 December	Rs400,000	**100.00**	100.00	Mauritius	Chemicals
Bychemex Limited *	Ordinary	31 December	Rs5,000,000	**74.48**	70.41	Mauritius	Chemicals
Chemco Limited *	Ordinary	31 December	Rs6,208,722	**74.48**	70.41	Mauritius	Trading of chemicals, fertilizers and general goods
Coolkote Ltd *	Ordinary	31 December	Rs21,605,272	**74.48**	70.41	Mauritius	Waterproofing activities
EO Solutions Ltd	Ordinary	31 December	Rs39,338,997	**100.00**	100.00	Mauritius	Office equipment products
Harel Mallac Aviation Ltd	Ordinary	31 December	Rs4,814,930	**100.00**	100.00	Mauritius	General sale agent
Harel Mallac Distribution SARL	Ordinary	31 December	MGA1,821,940,000	**99.00**	99.00	Madagascar	Distributor of consumer goods and IT products
MCFI Export Ltd *	Ordinary	31 December	Rs25,025,000	**74.48**	70.41	Mauritius	Trading of chemicals
Harel Mallac Healthcare Ltd	Ordinary	31 December	Rs1,000,000	**100.00**	100.00	Mauritius	Retail sale of medical and orthopaedic goods in stores
Harel Mallac International Ltd	Ordinary	31 December	Rs124,870,862	**100.00**	100.00	Mauritius	Investment company
Harel Mallac Technologies Ltd	Ordinary	31 December	Rs40,603,659	**100.00**	100.00	Mauritius	Markets computer hardware and IT solutions
MCFI International (Tanzania) Limited*	Ordinary	31 December	TZS6,525,230,000	**74.48**	70.41	Tanzania	Trading of chemicals and general goods
Ecavel Ltd (formerly HM Corporate Services Ltd)	Ordinary	31 December	Rs500,000	**100.00**	100.00	Mauritius	Share registry
HM Secretaries Ltd	Ordinary	31 December	Rs2,500,000	**100.00**	100.00	Mauritius	Professional consultancy services
Harel Mallac Trading Ltd	Ordinary	31 December	Rs136,348,488	**100.00**	100.00	Mauritius	Investment holding
Aerolik Mauritius Ltd	Ordinary	31 December	Rs4,000,000	**100.00**	100.00	Mauritius	Production and distribution of aeraulic products
Aerolik.IO SAS**	Ordinary	31 December	EUR80,000	**100.00**	100.00	Reunion	Production and distribution of aeraulic products
Harel Mallac Treasury Ltd	Ordinary	31 December	Rs500,000	**100.00**	100.00	Mauritius	Treasury Activities

* During the financial year ended 31 December 2024, the Company has acquired additional equity shares in The Mauritius Chemical and Fertilizer Industry Limited (MCFI), for a consideration paid in cash amounting to Rs.7,345,495, thereby increasing its shareholding from 70.14% to 74.48%. Henceforth, the effective percentage holding for Bychemex Limited, Chemco Limited, Coolkote Ltd, MCFI Export Ltd, MCFI International (Tanzania) Limited, Logima Reunion SAS, MCFI Int. & Co Ltd, MCFI International (Zambia) Pty Ltd and Suchem Ltd have increased to 74.48% accordingly.

**During the financial year ended 31 December 2023, the Group through its wholly owned subsidiary, Aerolik Mauritius Ltd, acquired the remaining 19% shareholding in Aerolik.IO SAS for an amount of Rs.20,904,567.

8. INVESTMENTS IN SUBSIDIARIES (cont'd)

(a) The financial statements of the following subsidiaries have been included in the consolidated financial statements (cont'd):

Name of Company	Class of shares held	Year ended	Stated capital	Effective percentage holding and voting power % 2024	% 2023	Country of operation & incorporation	Main business
Informatics Business Solutions Ltd	Ordinary	31 December	Rs 19,525,000	**100.00**	100.00	Mauritius	Markets computer hardware and IT solutions
Harel Mallac Technologies Madagascar	Ordinary	31 December	MGA299,740,000	**100.00**	100.00	Madagascar	Markets computer hardware and IT solutions
Itineris Ltd	Ordinary	31 December	Rs10,000,000	**100.00**	100.00	Mauritius	Travel agent
Linxia Ltd	Ordinary	31 December	Rs62,160,000	**100.00**	100.00	Mauritius	Markets computer hardware and IT solutions
Logima Ltée	Ordinary	31 December	Rs55,050,000	**100.00**	100.00	Mauritius	Trading in Fast Moving Consumer Goods (FMCG)
Logima Reunion SAS*	Ordinary	31 December	EUR1,000	**74.48**	70.41	Reunion Island	Trading company
MCFI International & Co Ltd *	Ordinary	31 December	USD565,179	**74.48**	70.41	Mauritius	Trading of chemicals
MCFI International (Zambia) Pty Ltd*	Ordinary	31 December	ZMK5,000	**74.48**	70.41	Zambia	Trading of chemicals and general goods
Novengi Ltd	Ordinary	31 December	Rs75,110,494	**100.00**	100.00	Mauritius	Agro industrial, engineering, refrigeration and electrical products
Harel Mallac Technologies Rwanda	Ordinary	31 December	RWF479,400,000	**100.00**	100.00	Rwanda	Audit Software Development, Administration and Maintenance
Harel Mallac Technologies Burundi	Ordinary	31 December	BIF24,190,200	**100.00**	100.00	Burundi	Audit Software Development, Administration and Maintenance
Pharmallac SARL***	Ordinary	31 December	MGA140,220,000	**-**	-	Madagascar	Sales and distribution of pharmaceutical products
NexEnergy Partners Ltd (FKA Photovoltaic Farm Ltd)	Ordinary	31 December	Rs11,000	**100.00**	100.00	Mauritius	Investment company
Portus Ltd	Ordinary	31 December	Rs2,000,000	**100.00**	100.00	Mauritius	Dormant
Société Gare du Nord	Ordinary	31 December	Rs14,999,900	**100.00**	100.00	Mauritius	Investment company
Société Sicarex	Ordinary	31 December	Rs14,999,900	**100.00**	100.00	Mauritius	Property company
Standard Continuous Stationery Limited	Ordinary	31 December	Rs10,000	**100.00**	100.00	Mauritius	Investment company
Solar PV Farm	Ordinary	31 December	Rs1,000	**100.00**	100.00	Mauritius	Manufacture of electricity, distribution and control apparatus
Suchem Ltd *	Ordinary	31 December	Rs17,725,000	**74.48**	70.41	Mauritius	Sales of chemical products
The Mauritius Chemical and Fertilizer Industry Limited (MCFI)*	Ordinary	31 December	Rs220,064,180	**74.48**	70.41	Mauritius	Blending and trading of fertilizers

* During the financial year ended 31 December 2024, the Company has acquired additional equity shares in The Mauritius Chemical and Fertilizer Industry Limited (MCFI), for a consideration paid in cash amounting to Rs.7,345,495, thereby increasing its shareholding from 70.14% to 74.48%. Henceforth, the effective percentage holding for Bychemex Limited, Chemco Limited, Coolkote Ltd, MCFI Export Ltd, MCFI International (Tanzania) Limited, Logima Reunion SAS, MCFI Int. & Co Ltd, MCFI International (Zambia) Pty Ltd and Suchem Ltd have increased to 74.48% accordingly.

**During the financial year ended 31 December 2023, the Group through its wholly owned subsidiary, Aerolik Mauritius Ltd, acquired the remaining 19% shareholding in Aerolik.IO SAS for an amount of Rs.20,904,567.

***Pharmallac SARL was wound up during the finanical year ended 31 December 2023.

8. INVESTMENTS IN SUBSIDIARIES (cont'd)

(b) Subsidiaries with material non-controlling interests

Details for subsidiaries that have non-controlling interests that are material to the entity:

Name	Profit allocated to non-controlling interests during the period	Accumulated non-controlling interests at 31 December 2024
	Rs'000	Rs'000
2024		
The Mauritius Chemical and Fertilizer Industry Limited	**(10,080)**	**144,477**

Name	Profit allocated to non-controlling interests during the period	Accumulated non-controlling interests at 31 December 2023
	Rs'000	Rs'000
2023		
The Mauritius Chemical and Fertilizer Industry Limited	8,625	173,386

(c) Summarised financial information on subsidiaries with material non-controlling interests

(i) Summarised statement of financial position and statement of profit or loss and other comprehensive income:

Name	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit/(loss) for the year	Other Compre-hensive Income	Dividend payable to non-controlling shareholders
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2024								
The Mauritius Chemical and Fertilizers Industry Limited	**795,270**	**745,374**	**797,614**	**348,826**	**1,253,060**	**(41,585)**	**(41,722)**	**-**
2023								
The Mauritius Chemical and Fertilizers Industry Limited	756,656	689,143	622,360	387,513	1,349,226	23,706	(42,739)	5,861

8. INVESTMENTS IN SUBSIDIARIES (cont'd)

(c) Summarised financial information on subsidiaries with material non-controlling interests (cont'd)

(ii) Summarised cash flow information:

Name	Operating activities	Investing activities	Financing activities	Net decrease in cash and cash equivalents
	Rs'000	Rs'000	Rs'000	Rs'000
2024				
The Mauritius Chemical and Fertilizers Industry Limited	**(55,233)**	**(58,953)**	**56,646**	**(57,540)**
2023				
The Mauritius Chemical and Fertilizer	(22,686)	(73,944)	(10,294)	(106,924)

The summarised financial information disclosed above is before intra-group eliminations.

	THE COMPANY	
	2024	2023
	Rs'000	Rs'000
(d)(i) Investments in subsidiaries include the following:		
Equity securities at fair value:		
- Official market	**131,116**	143,793
- Unquoted	**454,932**	472,274
	586,048	616,067

(ii)

THE COMPANY	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At 31 December 2024				
Investment in subsidiaries	**131,116**	**-**	**454,932**	**586,048**
At 31 December 2023				
Investment in subsidiaries	143,793	-	472,274	616,067

Instruments included in level 1 comprise primarily of quoted equity investments and other investments valued at available market price.

If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

8. INVESTMENTS IN SUBSIDIARIES (cont'd)

If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

Valuation of investments classified in level 3, has been based on the marketable earnings, discounted cash flow and net asset basis.

(iii) The table below shows the changes in level 3 instruments.

	THE COMPANY Level 3	
	2024	2023
	Rs'000	Rs'000
At 1 January	**472,274**	404,990
Additions	**500**	-
Fair value (loss)/ gain	**(17,842)**	67,284
At 31 December	**454,932**	472,274

9. INVESTMENTS IN ASSOCIATES

	2024	2023
	Rs'000	Rs'000
		Restated
(a) THE GROUP		
At 1 January		
- as previously reported	**573,377**	1,090,827
- effect of prior year adjustments (Note 38)	**860,635**	893,575
As restated	**1,434,012**	1,984,402
Share of profit	**56,455**	85,720
Dividends	**(55,677)**	(36,000)
Disposal *	**-**	(565,035)
Movements in other reserves	**17,814**	(35,075)
At 31 December	**1,452,604**	1,434,012
Made up as follows:		
Share of net assets	**1,343,812**	1,325,220
Goodwill on acquisition	**108,792**	108,792
	1,452,604	1,434,012

9. INVESTMENTS IN ASSOCIATES (cont'd)

Two material associates of the Group, accounted using equity method and included in investments in associates on the consolidated statement of financial position as at 31 December 2024 are carried at Rs.1.33billion. The Group's net share of profits of the two associated companies, included in net share of results of associates and joint ventures, is Rs.27.9million, and the share of other comprehensive income is Rs.14.7million.

The equity accounting of the two material associates has been prepared using finanical information covering the period from January 1, 2024 to December 31, 2024. As the statutory audits of these associates for the financial year ended December 31, 2024 have not yet been finalised, our auditors were unable to verify the underlying financial data. Consequently, they could not obtain sufficient and appropriate audit evidence to confirm the carrying value of the Group's investment in the associated companies as at December 31, 2024, nor its share of results and other comprehensive income for the reporting period.

* Disposal relates to disposal of associated companies namely, Attitude Hospitality Management Ltd, Water Sport Village Limited and Zilwa Resort Ltd during the year ended 31 December 2023. Refer to note 37 for more details.

Impairment

Assessment for impairment of carrying amount of associates was based on the fair value of the underlying investments. The fair value was determined on a mix of capitalisation of earnings, use of recent transaction value and net assets.

(b) THE COMPANY	**2024**	2023
	Rs'000	Rs'000
At 1 January	**741,749**	1,093,811
Disposal *	**-**	(447,923)
Fair value (loss)/ gain	**(5,281)**	95,861
At 31 December	**736,468**	741,749

Investments in associated companies comprise unquoted securities. The fair value of unquoted securities are based on capitalisation of maintainable earnings and cost as appropriate.

Investments in associated companies are classified in level 3 in the fair value hierarchy.

* Disposal relates to disposal of associated companies namely, Attitude Hospitality Management Ltd, Water Sport Village Limited and Zilwa Resort Ltd during the year ended 31 December 2023. Refer to note 37 for more details.

9. INVESTMENTS IN ASSOCIATES (cont'd)

(c) The Group's interest in its principal associates are:

Name of Company	Country of incorporation and operation	Year ended	Nature of business	Effective % holding 2024	Effective % holding 2023
2024					
Attitude Hospitality Management Ltd*	Mauritius	30 June	Hotel management	**0.00**	0.00
Biofert Co. Ltd**	Mauritius	30 June	Trading	**24.82**	23.47
Emineo Holding Limited	Mauritius	30 June	Investment holding company	**25.00**	25.00
Maritim (Mauritius) Ltd	Mauritius	31 December	Hotel operation	**22.86**	22.86
Rehm Grinaker Construction Co Ltd **	Mauritius	31 December	Building and civil engineering contractor	**28.11**	26.54
Total Energies Marketing Mauritius Ltd	Mauritius	31 December	Storage and wholesaling of petroleum products	**20.00**	20.00
Touristic United Enterprise Ltd	Mauritius	30 June	Investment holding company	**22.50**	22.50
Water Sport Village Limited *	Mauritius	30 September	Hotel operation	**0.00**	0.00
Zilwa Resort Ltd *	Mauritius	30 June	Hotel management	**0.00**	0.00

* Attitude Hospitality Management Ltd, Water Sport Village Limited and Zilwa Resort Ltd was disposed during the financial year ended 31 December 2023. Refer to note 37 for more details.

** During the financial year ended 31 December 2024, the Company has acquired additional equity shares in The Mauritius Chemical and Fertilizer Industry Limited (MCFI), for a consideration paid in cash amounting to Rs.7,345,495, increasing its shareholding in MCFI from 70.14% to 74.48%. Henceforth, the effective percentage holding in Biofert Ltd and Rehm Grinaker Construction Co Ltd has increased accordingly.

9. INVESTMENTS IN ASSOCIATES (cont'd)

(d) Summarised financial information

Summarised financial information in respect of each associate is set out below.

Name	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit/(loss) for the year	Other comprehensive income / (loss) for the year	Total comprehensive income/(loss) for the year	Dividends declared during the year
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2024									
Biofert Co Ltd	**7,883**	**517**	**8,042**	**-**	**226**	**(530)**	**30**	**(500)**	**-**
Emineo Holding Limited	**358,683**	**159,047**	**380,304**	**3,707**	**332,209**	**(18,795)**	**(135)**	**(18,930)**	**(6,000)**
Maritim (Mauritius) Ltd	**494,647**	**6,064,781**	**299,638**	**1,970,695**	**858,084**	**(53,685)**	**68,345**	**14,660**	**-**
Rehm Grinaker Construction Co Ltd	**910,882**	**215,781**	**846,499**	**136,785**	**1,366,641**	**57,194**	**6,699**	**63,893**	**-**
Total Energies Marketing Mauritius Ltd	**1,966,785**	**1,998,004**	**2,396,814**	**367,447**	**11,588,492**	**200,693**	**(4,489)**	**196,204**	**(270,887)**
Touristic United Enterprise Ltd	**290,288**	**79,288**	**81,841**	**81,841**	**-**	**73,988**	**-**	**73,988**	**-**
2023									
Biofert Co Ltd	7,883	517	8,042	-	226	(530)	30	(500)	-
Emineo Holding Limited	135,035	65,254	37,281	4,359	236,997	31,220	18	31,238	-
Maritim (Mauritius) Ltd (Restated)	211,041	6,365,145	2,122,909	190,010	867,297	(187,808)	(6,035)	(193,843)	-
Rehm Grinaker Construction Co Ltd	782,327	240,778	815,315	128,303	1,553,065	38,043	(7,953)	30,090	-
Total Energies Marketing Mauritius Ltd	2,770,137	1,857,342	3,085,864	269,224	11,843,424	286,052	-	286,052	180,000
Touristic United Enterprise Ltd	1,619	218,550	4,926	53,928	-	21,162	-	21,162	-

9. INVESTMENTS IN ASSOCIATES (cont'd)

(e) Reconciliation of summarised financial information

Reconciliation of the above summarised financial information to the carrying amount recognised in the financial statements:

Name	Opening net assets											
	As previously reported 1 January 2024	Effects of prior year adjustments 2024	As restated 1 January 2024	Profit/ (loss) for the year	Other comprehensive income/ (loss) the year	Other movements	Dividend	Closing net assets	Ownership interest	Interest in associates	Goodwill	Carrying value
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	%	Rs'000	Rs'000	Rs'000
2024												
Biofert Co Ltd	(1,983)	-	(1,983)	(530)	30	555	-	(1,928)	33.33	(643)	-	(643)
Emineo Holding Limited	158,647	-	158,647	(18,795)	(135)	-	(6,000)	133,717	25.00	33,429	-	33,429
Maritim (Mauritius) Ltd	498,459	3,764,808	4,263,267	(53,685)	68,345	(101)	-	4,277,826	22.86	977,911	35,413	1,013,324
Rehm Grinaker Construction Co Ltd	78,691	-	78,691	57,194	6,699	(50)	-	142,534	28.11	40,066	-	40,066
Total Energies Marketing Mauritius Ltd	1,272,388	-	1,272,388	200,693	(4,489)	2,815	(270,887)	1,200,520	20.00	240,104	73,380	313,484
Touristic United Enterprise Ltd	161,316	-	161,316	73,988	-	4	-	235,308	22.50	52,944	-	52,944
Total	2,167,518	3,764,808	5,932,326	258,865	70,450	3,223	(276,887)	5,987,977		1,343,811	108,793	1,452,604

For associates with non coterminous year end, management accounts for the year ended 31 December 2024 have been included in the consolidated financial statements.

9. INVESTMENTS IN ASSOCIATES (cont'd)

(e) Reconciliation of summarised financial information (cont'd)

Reconciliation of the above summarised financial information to the carrying amount recognised in the financial statements:

Name	Opening net assets											
	As previously reported 1 January 2023	Effects of prior year adjustments 2023	As restated 1 January 2023	Profit/ (loss) for the year	Other comprehensive income/ (loss) the year	Other movements	Dividend	Closing net assets	Ownership interest	Interest in associates	Goodwill	Carrying value
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	%	Rs'000	Rs'000	Rs'000
2023												
Biofert Co Ltd	(1,984)	-	(1,984)	(530)	30	501	-	(1,983)	33.33	(661)	-	(661)
Emineo Holding Limited	129,629	-	129,629	31,220	18	(2,220)	-	158,647	25.00	39,662	-	39,662
Maritim (Mauritius) Ltd	550,366	3,908,903	4,459,269	(176,511)	(19,589)	-	-	4,263,169	22.86	974,560	35,413	1,009,973
Rehm Grinaker Construction Co Ltd	48,563	-	48,563	38,043	(7,953)	38	-	78,691	26.54	20,885	-	20,885
Total Energies Marketing Mauritius Ltd	1,166,336	-	1,166,336	286,052	-	-	(180,000)	1,272,388	20.00	254,478	73,379	327,857
Touristic United Enterprise Ltd	140,154	-	140,154	21,162	-	-	-	161,316	22.50	36,296	-	36,296
Total	2,033,064	3,908,903	5,941,967	199,436	(27,494)	(1,681)	(180,000)	5,932,228		1,325,220	108,792	1,434,012

(f) For associates with non coterminous year end, management accounts for the year ended 31 December 2023 have been included in the consolidated financial statements.

10A FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(i) Equity investments at fair value through other comprehensive income

	THE GROUP	
	2024	2023
	Rs'000	Rs'000
At 1 January	**26,768**	28,639
Additions	**4,971**	-
Change in fair value recognised in other comprehensive income	**6,467**	(1,871)
At 31 December	**38,206**	26,768

	THE COMPANY	
	2024	2023
	Rs'000	Rs'000
At 1 January	**21,276**	23,194
Change in fair value recognised in other comprehensive income	**6,491**	(1,918)
At 31 December	**27,767**	21,276

(ii) Fair value through other comprehensive income financial assets include the following:

	THE GROUP	
	2024	2023
	Rs'000	Rs'000
Quoted- Mauritius		
Banking	**3,856**	3,942
Sugar Industry	**8,257**	7,206
Unquoted- Mauritius		
Investment fund	**9,392**	8,391
Leisure	**1,023**	1,104
Others	**15,678**	6,125
	38,206	26,768

10A FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (cont'd)

(ii) Fair value through other comprehensive income financial assets include the following (cont'd) :

	THE COMPANY	
	2024	2023
	Rs'000	Rs'000
Quoted- Mauritius		
Banking	**3,856**	3,942
Sugar Industry	**8,257**	7,206
Unquoted- Mauritius		
Investment fund	**9,392**	8,391
Leisure	**1,023**	1,104
Others	**5,239**	633
	27,767	21,276

(iii) Fair values

	THE GROUP			
	Level 1	**level 2**	**Level 3**	**Total**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
At 31 December 2024				
Financial assets at fair value through other comprehensive income	12,113	-	26,093	38,206
At 31 December 2023				
Financial assets at fair value through other comprehensive income	11,148	-	15,620	26,768

10A FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (cont'd)

(iii) Fair values (cont'd)

	THE COMPANY			
	Level 1	**level 2**	**Level 3**	**Total**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
At 31 December 2024				
Financial assets at fair value through other comprehensive income	12,113	-	15,654	27,767
At 31 December 2023				
Financial assets at fair value through other comprehensive income	11,148	-	10,128	21,276

(iv) Financial assets measured at fair value through other comprehensive income include the Group's strategic equity investments not held for trading. The Group has made an irrevocable election to classify the equity investments at fair value through other comprehensive income rather than through profit or loss because this is considered to be more appropriate for these strategic investments.

(v) The fair value of quoted securities is based on published market prices. In assessing the fair value of unquoted securities, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at end of each reporting date.

(vi) Financial assets at fair value through other comprehensive income are denominated in Mauritian Rupees.

(vii) Impairment and risk exposure

All of the entity's investments at fair value through other comprehensive income are considered to have low credit risk. None of the assets are impaired.

10B FINANCIAL ASSETS AT AMORTISED COST

(a)

	THE GROUP			
	2024		2023	
	Rs'000	**Rs'000**	Rs'000	Rs'000
	Current	**Non-current**	Current	Non-current
Amount receivable from related parties	**13,981**	**-**	17,342	-
Other receivables (see Note b)	**238,054**	**186**	242,361	1,197
	252,035	**186**	259,703	1,197
Less: Loss allowance for financial assets amortised cost (see Note (c)(i))	**(1,693)**	**-**	(43,532)	-
	250,342	**186**	216,171	1,197

	THE COMPANY			
	2024		2023	
	Rs'000	**Rs'000**	Rs'000	Rs'000
	Current	**Non-current**	Current	Non-current
Amount receivable from associates (see Note 33(b)(i))	**13,981**	**-**	10,645	-
Other receivables (see Note b)	**28,116**	**53,721**	62,012	-
	42,097	**53,721**	72,657	-
Less: Loss allowance for financial assets at amortised cost (see Note (c)(i))	**-**	**-**	(6,401)	-
	42,097	**53,721**	66,256	-

(b) Other receivables

These amounts generally arise from transactions outside the usual operating activities of the Group and the Company. Collateral is not normally obtained. The non-current other receivables have no fixed terms of repayments.

Due to the short-term nature of the other current receivables, their carrying amount is considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different from their carrying amounts.

10B FINANCIAL ASSETS AT AMORTISED COST (cont'd)

(c) Impairment and risk exposure

(i) The loss allowance for financial assets at amortised cost as at 1 January 2023 reconciles to the closing loss allowance on 31 December 2023 and to the closing loss allowance as at 31 December 2024 as follows:

THE GROUP	Loss allowance
Other receivables and amount receivable from related parties	**Rs'000**
Loss allowance at 1 January 2023	43,532
Allowance recognised in profit or loss during the year	-
Loss allowance at 31 December 2023	43,532
Allowance recognised in profit or loss during the year	-
Receivables write-off during the year	(41,839)
Loss allowance at 31 December 2024	**1,693**

THE COMPANY	Loss allowance
	Rs'000
Amount receivable from related parties	
Loss allowance at 1 January and 31 December 2023	6,401
Allowance recognised in profit or loss during the year	-
Receivables written off during the year as uncollectible	(6,401)
Loss allowance at 31 December 2024	-

(ii) The financial assets at amortised cost are denominated in the following currencies:

	THE GROUP	
	2024	2023
	Rs'000	Rs'000
Mauritian rupee	**235,635**	202,475
US Dollar	**6,304**	6,304
Other	**8,589**	8,589
	250,528	217,368

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10B FINANCIAL ASSETS AT AMORTISED COST (cont'd)

(ii) The financial assets at amortised cost are denominated in the following currencies (cont'd):

	THE COMPANY	
	2024	2023
	Rs'000	Rs'000
Mauritian rupee	**95,818**	66,256

11. INVESTMENTS IN JOINT VENTURES

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 January	**4,854**	4,311	**12,217**	12,217
Share of (loss)/profit	**(2,305)**	543	**-**	-
At 31 December	**2,549**	4,854	**12,217**	12,217

(a) Information in respect of the joint ventures is as follows:

Name of company	Country of incorporation and operation	Year end	Proportion of interest and voting rights 2024 & 2023	Principal acticvity
Solar Field Ltd	Mauritius	December 31,	**51%**	Manufacture of electricity, distribution and control apparatus
Compostage Du Sud Ltée	Mauritius	December 31,	**35%**	Manufacture of mineral organic fertilisers

11. INVESTMENTS IN JOINT VENTURES (cont'd)

(b) Summarised financial information in respect of the Group's material joint venture is set out below.

The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with IFRS.

Summarised statement of financial position of Solar Field Ltd

	2024 Rs'000	2023 Rs'000
Current assets	**14,414**	15,679
Non-current assets	**126,697**	135,606
Current liabilities	**54,608**	51,246
Non-current liabilities	**81,504**	90,523
The above amounts of assets include the following:		
Cash and cash equivalents	**1,510**	2,300

(c) Summarised statement of profit or loss and other comprehensive income of Solar Field Ltd

	2024 Rs'000	2023 Rs'000
Revenue	**21,359**	24,563
Profit before finance cost	**660**	9,270
Finance cost	**(8,844)**	(8,206)
(Loss) / profit before tax	**(4,958)**	1,064
Income tax	**-**	-
(Loss) / profit for the year	**(4,958)**	1,064
Other comprehensive income	**-**	-
Total comprehensive (loss) / profit for the year	**(4,958)**	1,064

12. INVENTORIES

	THE GROUP 2024 Rs'000	THE GROUP 2023 Rs'000
Raw materials	**88,889**	130,066
Finished goods	**603,116**	456,027
Goods in transit	**59,663**	15,157
Consumables	**136**	3,593
	751,804	604,843

Bank borrowings are secured by floating charges on the assets of the Group including inventories. The cost of inventories recognised as expense and included in cost of sales amounted to **Rs.2.8 billion** (2023: Rs.3.02 billion).

13. TRADE RECEIVABLES

	THE GROUP		THE COMPANY	
	2024 Rs'000	2023 Rs'000	2024 Rs'000	2023 Rs'000
Trade receivables	**1,072,321**	1,125,886	**52,138**	36,216
Less: loss allowances	**(215,282)**	(201,524)	**(11,072)**	(8,642)
	857,039	924,362	**41,066**	27,574

(i) ***Impairment of trade receivables***

The Group applies the IFRS 9 simplified approach to measure ECL which uses a lifetime expected loss allowance for all trade receivables. The trade receivables have been divided into uninsured and insured and its impact on impairment. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics which considers the credit rating and scoring based on the days past due of each receivable. The longer the days past due the lower the credit rating and scoring, hence the higher the probability of default. The probability of default is adjusted to reflect current and forward-looking information on macroeconomic factors impacting the ability of the customers to settle the receivables. The Group has identified the gross domestic product ("GDP"), unemployment rate ("unem") and inflation ("inf") as the key macroeconomic factors in the countries where the Group operates.

13. TRADE RECEIVABLES (cont'd)

(i) ***Impairment of trade receivables*** (cont'd)

On that basis, the loss allowance as at 31 December 2024 was determined as follows for trade receivables:

THE GROUP	**Current**	**More than 30 days past due**	**More than 60 days past due**	**More than 120 days past due**	**Total**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
At 31 December 2024					
Expected loss rate	**0%**	**0%**	**1%**	**63%**	**20%**
Gross carrying amount - trade receivable	**341,176**	**246,658**	**148,219**	**336,268**	**1,072,321**
Loss allowance	**145**	**779**	**1,931**	**212,427**	**215,282**

THE GROUP	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 31 December 2023					
Expected loss rate	0%	0%	6%	65%	18%
Gross carrying amount - trade receivable	489,361	210,330	130,476	295,719	1,125,886
Loss allowance	-	27	8,297	193,200	201,524

13. TRADE RECEIVABLES (cont'd)

(i) ***Impairment of trade receivables*** (cont'd)

THE COMPANY	**Current**	**More than 30 days past due**	**More than 60 days past due**	**More than 120 days past due**	**Total**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
At 31 December 2024					
Expected loss rate	**7%**	**9%**	**22%**	**86%**	**24%**
Gross carrying amount - trade receivable	**21,761**	**7,436**	**17,039**	**5,902**	**52,138**
Loss allowance	**1,578**	**698**	**3,741**	**5,055**	**11,072**

THE COMPANY	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 31 December 2023					
Expected loss rate	2%	5%	16%	61%	24%
Gross carrying amount -trade receivable	15,636	5,183	2,955	12,442	36,216
Loss allowance	290	259	474	7,619	8,642

The closing loss allowances for trade receivables as at 31 December 2024 reconcile to the opening loss allowances as follows:

	THE GROUP		**THE COMPANY**	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 January	**201,524**	198,560	**8,642**	19,824
Loss allowance recognised/(reversed) during the year	**16,799**	6,066	**2,430**	(13,911)
Transfer to Other Receivables (Note 10B)	**-**	-	**-**	-
Receivables written off during the year as uncollectible	**-**	(1,625)	**-**	2,729
Unused amount reversed during the year	**-**	(1,302)	**-**	-
Exchange difference	**(3,041)**	(175)	**-**	-
At 31 December	**215,282**	201,524	**11,072**	8,642

13. TRADE RECEIVABLES (cont'd)

(ii) The Group's and the Company's trade and other receivables are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
Rupee	**593,209**	576,736	**41,066**	27,574
US Dollar	**127,798**	136,013	**-**	-
Euro	**5,011**	125,334	**-**	-
Other currencies	**131,021**	86,279	**-**	-
	857,039	924,362	**41,066**	27,574

(iii) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold any collateral as security.

14. SHARE CAPITAL

	THE GROUP AND THE COMPANY	
	2024	2023
	Rs'000	Rs'000
Authorised		
12,500,000 ordinary shares of Rs10 each	**125,000**	125,000
Issued and fully paid		
11,259,388 ordinary shares of Rs10 each	**112,594**	112,594

15. REVALUATION AND OTHER RESERVES

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
		Restated		
Revaluation reserve (Note (a) below)	**692,107**	692,107	**478,283**	478,283
Translation reserve (Note (b) below)	**(55,700)**	(57,802)	**-**	-
Associate reserves (Note (c) below)	**769,726**	752,557	**-**	-
Investment reserve	**4,176**	4,176	**4,176**	4,176
General reserve	**5,521**	5,521	**5,521**	5,521
	1,415,830	1,396,559	**487,980**	487,980

(a) Revaluation reserve

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 January	**692,107**	672,194	**478,283**	478,283
Revaluation gain for the year, net of deferred tax	**-**	19,913	**-**	-
At 31 December	**692,107**	692,107	**478,283**	478,283

(b) Translation reserve

	THE GROUP	
	2024	2023
	Rs'000	Rs'000
At 1 January	**(57,802)**	(33,787)
Currency translation differences	**2,102**	(24,015)
At 31 December	**(55,700)**	(57,802)

15. REVALUATION AND OTHER RESERVES (cont'd)

(c) Associate reserves

	THE GROUP	
	2024	2023
	Rs'000	Rs'000
		Restated
At 1 January		
- as previously reported	**752,557**	4,759
- effect of prior year adjustments (Note 38)	**-**	874,484
As restated	**752,557**	879,243
Movement in associate reserves	**17,169**	(126,686)
At 31 December	**769,726**	752,557

16. BORROWINGS

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current				
Bank overdraft (Note 30(b))	**365,113**	260,906	**-**	28,111
Bank loans	**236,041**	286,325	**75,000**	132,000
Loan at call	**-**	-	**21,412**	40,274
Other loans	**454,081**	196,351	**-**	-
Unsecured loans	**-**	121,410	**-**	121,410
	1,055,235	864,992	**96,412**	321,795

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
Non-current				
Bank loans	**605,951**	425,182	**350,000**	92,083
Unsecured loans	**-**	52,563	**199,818**	224,674
	605,951	477,745	**549,818**	316,757
Total borrowings	**1,661,186**	1,342,737	**646,230**	638,552

16. BORROWINGS (cont'd)

(a) The borrowings include secured liabilities (overdrafts and loans amounting to **Rs 1,207m** (2023: Rs 972m) and **Rs 425m** (2023: Rs 252m) for the Group and the Company respectively. The bank borrowings are secured over certain land and buildings and investment properties of the Group and over inventories and current assets.

(b) The exposure of the Group's and the Company's borrowings to interest-rate changes and the contractual repricing dates are as follows:

THE GROUP	**1 year**	**1 - 5 years**	**Over 5 years**	**Total**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
At December 31, 2024				
Total borrowings	**1,055,235**	**366,013**	**239,938**	**1,661,186**
At December 31, 2023				
Total borrowings	864,992	427,214	50,531	1,342,737

THE COMPANY	**1 year**	**1 - 5 years**	**Over 5 years**	**Total**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
At December 31, 2024				
Total borrowings	**138,547**	**267,743**	**239,940**	**646,230**
At December 31, 2023				
Total borrowings	321,795	316,757	-	638,552

(c) The maturity of non-current borrowings is as follows:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
After 1 year and before 2 years	**146,091**	310,593	**62,500**	268,111
After 2 years and before 3 years	**137,564**	65,301	**171,621**	42,083
After 3 years and before 5 years	**82,358**	51,320	**75,759**	6,563
After 5 years	**239,938**	50,531	**239,938**	-
	605,951	477,745	**549,818**	316,757

16. BORROWINGS (cont'd)

(d) The effective interest rates at the end of the reporting date were as follows:

	2024		2023	
	USD	Rs	USD	Rs
THE GROUP	%	%	%	%
Bank overdrafts	**5.50**	**4.10 - 8.45**	5.50	4.10 - 8.45
Bank loans	**6.50**	**1.50 - 7.15**	6.50	1.5 - 7.65
Other loans	**N/A**	**1.50 - 7.15**	N/A	5.00 - 7.65
Unsecured loans	**N/A**	**5.75**	N/A	5.75

	2024	2023
THE COMPANY	%	%
Bank overdrafts	**6.25 - 6.75**	6.75 - 7.50
Bank loans	**6.25 - 6.75**	6.75
Loans at call	**6.25 - 6.75**	6.75
Other loans	**5.00**	5.00
Unsecured loans	**6.25 - 6.75**	5.75

(e) Borrowings are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Mauritian Rupees	**1,285,553**	1,159,540	**646,230**	638,552
US Dollar	**348,072**	157,641	**-**	-
Euro	**27,561**	25,556	**-**	-
	1,661,186	1,342,737	**646,230**	638,552

(f) The carrying amount of borrowings are not materially different from the fair value.

17. DEFERRED TAXES

Deferred tax is calculated on all temporary differences under the liability method at **19%/15%** (2023: 17%/15%).

Deferred tax assets and liabilities are offset when the deferred taxes relate to the same fiscal authority. The following amounts are shown on the statement of financial position.

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax assets	**(41,533)**	(33,840)	**-**	-
Deferred tax liabilities	**62,371**	80,857	**50,476**	46,799
	20,838	47,017	**50,476**	46,799

The movement in deferred tax is as follows:

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
At 1 January	**47,017**	32,853	**46,799**	35,609
(Credited)/charged to profit or loss (Note 20(a))	**(19,602)**	11,472	**4,119**	7,526
Charged/(credited) to other comprehensive income	**(6,577)**	2,692	**(442)**	3,664
At 31 December	**20,838**	47,017	**50,476**	46,799

Deferred tax assets are recognised for tax losses carried forward only to the extent that realisation of the related tax benefit is probable. The Group has tax losses of **Rs 505m** (2023: Rs 394m) to carry forward against future taxable income. The Company has tax losses of **Rs 80m** (2023: Rs 148m) to carry forward against future taxable income. A deferred tax asset has not been recognised in respect of **Rs 50m** (2023: Rs 16m) for the Group and **Rs 12m** (2023: Rs Nil) for the Company in respect of such losses due to uncertainty of their recoverability.

17. DEFERRED TAXES (cont'd)

Deferred tax liabilities and assets and deferred tax (credit)/charge in profit or loss and equity are attributable to the following items:

THE GROUP	At 1 January 2024	(Credited)/ charged to profit or loss	Charged/ (credited) to other comprehensive income	At 31 December 2024
	Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax liabilities				
Asset revaluations	**38,461**	**1,844**	**-**	**40,305**
Accelerated tax depreciation	**63,258**	**(10,688)**	**-**	**52,570**
Retirement benefit asset	**(10,225)**	**-**	**-**	**(10,225)**
Exchange difference	**428**	**-**	**-**	**428**
Right-of-use asset	**110,542**	**7,755**	**-**	**118,297**
Others	**12,554**	**(1,503)**	**662**	**11,713**
	215,018	**(2,592)**	**662**	**213,088**
Deferred tax assets				
Tax losses	**(16,114)**	**(7,189)**	**-**	**(23,303)**
Retirement benefit obligations	**(30,469)**	**7,868**	**(7,239)**	**(29,840)**
Accelerated tax depreciation	**(1,483)**	**(102)**	**-**	**(1,585)**
Expected credit losses	**(1,979)**	**-**	**-**	**(1,979)**
Lease liabilities	**(112,713)**	**(11,007)**	**-**	**(123,720)**
Others	**(5,243)**	**(6,580)**	**-**	**(11,823)**
	(168,001)	**(17,010)**	**(7,239)**	**(192,250)**
Net deferred income tax liabilities	**47,017**	**(19,602)**	**(6,577)**	**20,838**

17. DEFERRED TAXES (cont'd)

THE GROUP	At 1 January 2023	(Credited)/ charged to profit or loss	Charged/ (credited) to other comprehensive income	At 31 December 2023
	Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax liabilities				
Asset revaluations	27,872	6,512	4,077	38,461
Accelerated tax depreciation	63,655	(397)	-	63,258
Retirement benefit asset	(9,610)	1,362	(1,977)	(10,225)
Exchange difference	428	-	-	428
Right-of-use asset	108,426	2,116	-	110,542
Others	12,554	-	-	12,554
	203,325	9,593	2,100	215,018
Deferred tax assets				
Tax losses	(16,114)	-	-	(16,114)
Retirement benefit obligations	(30,551)	2,746	(2,664)	(30,469)
Accelerated tax depreciation	(1,816)	333	-	(1,483)
Expected credit losses	(1,979)	-	-	(1,979)
Lease liabilities	(111,513)	(1,200)	-	(112,713)
Others	(8,499)	-	3,256	(5,243)
	(170,472)	1,879	592	(168,001)
Net deferred income tax liabilities	32,853	11,472	2,692	47,017

17. DEFERRED TAXES (cont'd)

THE COMPANY	At 1 January 2024	Charged/ (credited) to profit or loss	Credited to other comprehensive income	At 31 December 2024
	Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax liabilities				
Right-of-use asset	**1,258**	**(249)**	**-**	**1,009**
Accelerated tax depreciation	**22,439**	**(294)**	**-**	**22,145**
Asset revaluations	**31,411**	**1,006**	**-**	**32,417**
	55,108	**463**	**-**	**55,571**
Deferred tax assets				
Lease liabilities	**(1,255)**	**172**	**-**	**(1,083)**
Retirement benefit obligations	**(7,054)**	**3,484**	**(442)**	**(4,012)**
	(8,309)	**3,656**	**(442)**	**(5,095)**
Net deferred income tax liabilities	**46,799**	**4,119**	**(442)**	**50,476**

THE COMPANY	At 1 January 2023	(Credited)/ charged to profit or loss	Credited to other comprehensive income	At 31 December 2023
	Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax liabilities				
Right-of-use asset	-	1,258	-	1,258
Accelerated tax depreciation	22,345	94	-	22,439
Asset revaluations	21,947	6,202	3,262	31,411
	44,292	6,296	3,262	55,108
Deferred tax assets				
Lease liabilities	-	(1,255)	-	(1,255)
Retirement benefit obligations	(8,683)	1,227	402	(7,054)
	(8,683)	1,227	402	(8,309)
Net deferred income tax liabilities	35,609	7,523	3,664	46,799

18. RETIREMENT BENEFIT OBLIGATIONS

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
Amounts recognised on the statement of financial position:				
Made up as follows:				
Retirement benefit obligation	**176,337**	172,397	**26,749**	40,220
Pension benefits (Note (a)(ii))	**68,080**	93,624	**6,128**	22,060
Other post retirement benefits:				
-Former employees (Note (b)(i))	**16,140**	18,330	**14,725**	15,548
-Retirement gratuity (Note (c)(i))	**92,117**	60,443	**5,896**	2,612
	108,257	78,773	**20,621**	18,160
	176,337	172,397	**26,749**	40,220
Analysed as follows:				
Non-current liabilities	**176,337**	172,397	**26,749**	40,220
Amount charged/ (credited) to profit or loss:				
Pension benefits (Note (a)(vi))	**6,157**	(2,452)	**1,343**	(1,195)
Other post retirement benefits:				
-Former employees (Note (b)(iv))	**775**	889	**652**	748
-Retirement gratuity (Note (c)(ii))	**11,496**	(14,945)	**1,300**	(597)
	12,271	(14,056)	**1,952**	151
	18,428	(16,508)	**3,295**	(1,044)
Amount charged/ (credited) to other comprehensive income				
Pension benefits (Note (a)(vii))	**13,335**	(8,015)	**(596)**	(6,427)
Other post retirement benefits:				
-Former employees (Note (b)(v))	**772**	2,908	**1,907**	2,656
-Retirement gratuity (Note (c)(v))	**27,620**	31,619	**1,990**	1,090
	28,392	34,527	**3,897**	3,746
	41,727	26,512	**3,301**	(2,681)

18. RETIREMENT BENEFIT OBLIGATIONS (cont'd)

(a) Pension benefits

(i) The assets of the fund are held independently and administered by an insurance company.

(ii) The amounts recognised on the statement of financial position are as follows:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
Present value of funded obligations	**278,293**	298,149	**64,890**	61,595
Fair value of plan assets	**(210,213)**	(204,525)	**(58,762)**	(39,535)
Liability on the statement of financial position	**68,080**	93,624	**6,128**	22,060

(iii) The reconciliation of the opening balances to the closing balances for the net benefit defined liability is as follows:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 January	**93,624**	117,360	**22,060**	33,435
Charged/ (credited) to profit or loss	**6,157**	(2,452)	**1,343**	(1,195)
Charged/ (credited) to other comprehensive income	**13,335**	(8,015)	**(596)**	(6,427)
Contributions paid	**(45,036)**	(13,269)	**(16,679)**	(3,753)
Balance at 31 December	**68,080**	93,624	**6,128**	22,060

(iv) The movement in the defined benefit obligation over the year is as follows:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 January	**298,149**	317,820	**61,595**	77,261
Current service cost	**2,318**	2,878	**367**	394
Interest cost	**13,020**	16,991	**2,764**	3,742
Effect of curtailments/settlements	**460**	(11,170)	**-**	(3,428)
Actuarial losses/(gains)	**15,261**	(6,368)	**581**	(5,620)
Benefit paid	**(50,915)**	(22,002)	**(417)**	(10,754)
At 31 December	**278,293**	298,149	**64,890**	61,595

18. RETIREMENT BENEFIT OBLIGATIONS (cont'd)

(a) Pension benefits (cont'd)

(v) The movement in the fair value of plan assets over the year is as follows:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 January	**(204,525)**	(200,460)	**(39,535)**	(43,826)
Interest income	**(10,455)**	(11,865)	**(2,134)**	(2,094)
Scheme expenses	**593**	326	**324**	150
Cost of insuring risk benefits	**221**	388	**22**	41
Actuarial gain	**(1,926)**	(1,647)	**(1,177)**	(807)
Employers' contributions	**(45,036)**	(13,269)	**(16,679)**	(3,753)
Benefits paid	**50,915**	22,002	**417**	10,754
At 31 December	**(210,213)**	(204,525)	**(58,762)**	(39,535)

(vi) The amounts recognised in profit or loss are as follows:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current service cost	**2,318**	2,878	**367**	394
Interest cost	**2,565**	5,126	**630**	1,648
Scheme expenses	**593**	326	**324**	150
Cost of insuring risk benefits	**221**	388	**22**	41
Effect of curtailments/settlements	**460**	(11,170)	**-**	(3,428)
Total included in employee benefit expense	**6,157**	(2,452)	**1,343**	(1,195)

The total charge of Rs.6.2M for the Group (2023: total credit of Rs.2.5M) and total charge of Rs.1.3M for the Company (2023: total credit of Rs.1.2m) are included in employee benefit expense.

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
Actual return on plan assets	**12,380**	13,512	**3,310**	2,901

18. RETIREMENT BENEFIT OBLIGATIONS (cont'd)

(a) Pension benefits (cont'd)

(vii) The amounts recognised in other comprehensive income are as follows:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
Remeasurement on the net defined benefit liability:				
Liability experience gains	**(1,926)**	(1,647)	**(1,177)**	(807)
(Gains)/ losses on pension scheme asset	**(260)**	728	**400**	1,568
Changes in assumptions underlying present value of scheme	**15,521**	(7,096)	**181**	(7,188)
Actuarial losses/(gains)	**13,335**	(8,015)	**(596)**	(6,427)

(viii) The assets of the plan are invested in the Deposit Administration Policy underwritten by Swan Life Ltd. The Deposit Administration Policy is a pooled insurance product for Group Pension Schemes. It is a long-term investment policy which aims to provide a smooth progression of returns from one year to the next without regular fluctuations associated with asset-linked investments such as Equity Funds. Moreover, the Deposit Administration Policy offers a minimum guaranteed return of 4% p.a.

(ix) The principal actuarial assumptions used for accounting purposes were:

	THE GROUP AND THE COMPANY	
	2024	2023
	%	%
Discount rate	**4.50 - 5.20**	4.5 - 5.7
Expected return on plan assets	**4.0**	4.0
Future salary increases	**1.00**	1.0 - 5.5

Note: Defined benefit assets have not been recognised for some subsidiaries on the basis that in future, contributions are not expected to be reduced.

18. RETIREMENT BENEFIT OBLIGATIONS (cont'd)

(b) Other post retirement benefits

Other post retirement benefits comprise of obligation for former employees and retirement gratuity payable under the Worker's Rights Act.

Former employees

(i) The movement in the retirement benefit obligations for former employees obligation over the year is as follows:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 January	**18,330**	18,352	**15,548**	15,526
Total expense charged in profit or loss (Note (b)(iv))	**775**	889	**652**	748
Actuarial losses recognised in other comprehensive income (Note (b)(v))	**772**	2,908	**1,907**	2,656
Benefits paid	**(3,737)**	(3,819)	**(3,382)**	(3,382)
At 31 December	**16,140**	18,330	**14,725**	15,548

(ii) The amounts recognised on the statement of financial position are as follows:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
Present value of unfunded obligations	**16,140**	18,330	**14,725**	15,548
Liability on the statement of financial position	**16,140**	18,330	**14,725**	15,548

(iii) The movement in the defined benefit obligation over the year is as follows:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 January	**18,330**	18,352	**15,548**	15,526
Interest cost	**775**	889	**652**	748
Actuarial losses	**772**	2,908	**1,907**	2,656
Benefits paid	**(3,737)**	(3,819)	**(3,382)**	(3,382)
At 31 December	**16,140**	18,330	**14,725**	15,548

18. RETIREMENT BENEFIT OBLIGATIONS (cont'd)

(b) Other post retirement benefits (cont'd)

(iv) The amounts recognised in profit or loss are as follows:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
Interest cost	**775**	889	**652**	748
Past service cost	**-**	-	**-**	-
Total included in employee benefit expense	**775**	889	**652**	748

(v) The amounts recognised in other comprehensive income are as follows:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
Remeasurement on the net defined benefit liability:				
Liability experience losses	**772**	2,410	**1,907**	2,656
Actuarial losses arising from changes in financial assumptions	**-**	498	**-**	-
Actuarial losses	**772**	2,908	**1,907**	2,656

(vi) The principal actuarial assumptions used for accounting purposes were:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	%	%	**%**	%
Discount rate	**5.2**	4.7	**4.7**	4.2
Future pension increases	**4.2**	2 .0 - 4.2	**4.2**	0.5

18. RETIREMENT BENEFIT OBLIGATIONS (cont'd)

(c) Retirement gratuity

(i) The amounts recognised on the statement of financial position are as follows:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
Present value of unfunded obligations	**92,117**	60,443	**5,896**	2,612
Liability on the statement of financial position	**92,117**	60,443	**5,896**	2,612

(ii) The amounts recognised in profit or loss are as follows:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current service cost	**8,678**	(1,542)	**1,157**	203
Interest cost	**3,099**	2,950	**143**	125
Past service cost recognised	**(281)**	(16,353)	**-**	(925)
Total included in employee benefit expense	**11,496**	(14,945)	**1,300**	(597)

-(iii) The movement in the retirement benefit obligations over the year is as follows:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 January	**60,443**	47,047	**2,612**	2,119
Actuarial losses	**27,620**	31,619	**1,990**	1,090
Total expense (Note (c)(ii))	**11,496**	(14,945)	**1,300**	(597)
Benefits paid	**(7,442)**	(3,278)	**(6)**	-
At 31 December	**92,117**	60,443	**5,896**	2,612

18. RETIREMENT BENEFIT OBLIGATIONS (cont'd)

(c) Retirement gratuity (cont'd)

(iv) The movement in the defined benefit obligation over the year is as follows:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 January	**60,443**	47,047	**2,612**	2,119
Current service cost	**8,678**	(1,542)	**1,157**	203
Interest cost	**3,099**	2,950	**143**	125
Past service cost	**-**	(16,353)	**-**	(925)
Actuarial gains (Note (c)(v))	**27,620**	31,619	**1,990**	1,090
Effect of curtailments/settlements	**(281)**	-	**-**	-
Benefits paid	**(7,442)**	(3,278)	**(6)**	-
At 31 December	**92,117**	60,443	**5,896**	2,612

(v) The amounts recognised in other comprehensive income are as follows:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
Remeasurement on the net defined benefit liability:				
Liability experience gains	**23,208**	(11,322)	**1,670**	(1,356)
Changes in assumptions underlying present value of scheme	**4,412**	42,941	**320**	2,446
Actuarial gains	**27,620**	31,619	**1,990**	1,090

18. RETIREMENT BENEFIT OBLIGATIONS (cont'd)

(d) Sensitivity analysis on defined benefit obligations at end of the reporting date:

Pension benefits

December 31, 2024	**Increase**	**Decrease**
	Rs'000	**Rs'000**
Decrease in defined benefit obligation due to 1% increase in discount rate	-	**14,222**
Increase in defined benefit obligation due to 1% increase in future long-term salary assumption	**12,465**	-

December 31, 2023	**Increase**	**Decrease**
	Rs'000	**Rs'000**
Decrease in defined benefit obligation due to 1% increase in discount rate	-	16,637
Increase in befined benefit obligation due to 1% increase in future long-term salary assumption	16,164	-

Other post retirement benefits

December 31, 2024	**Increase**	**Decrease**
	Rs'000	**Rs'000**
Decrease in defined benefit obligation due to 1% increase in discount rate	**-**	**586**

Other post retirement benefits

December 31, 2023	**Increase**	**Decrease**
	Rs'000	**Rs'000**
Decrease in defined benefit obligation due to 1% increase in discount rate	-	2,731

18. RETIREMENT BENEFIT OBLIGATIONS (cont'd)

(d) Sensitivity analysis on defined benefit obligations at end of the reporting date: (cont'd)

Retirement gratuity

December 31, 2024	Increase Rs'000	Decrease Rs'000
Decrease in defined benefit obligation due to 1% increase in discount rate	**-**	**16,744**
Increase in defined benefit obligation due to 1% increase in future long-term salary assumption	**16,433**	**-**

December 31, 2023	Increase Rs'000	Decrease Rs'000
Decrease in defined benefit obligation due to 1% increase in discount rate	8,733	-
Increase in defined benefit obligation due to 1% increase in future long-term salary assumption	-	11,446

An increase/decrease of 1% in other principal actuarial assumptions would not have a material impact on defined benefit obligations at the end of the reporting period.

The sensitivity above have been determined based on a method that extrapolates the impact on net defined obligations as a result of reasonable changes in key assumptions occuring at the end of the reporting period. The present value of the defined benefit obligation has been calculated using the projected unit credit method.

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(e) The funding requirements are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan.

(f) The weighted average duration of the defined benefit obligation is:

	Years	
	2024	2023
Pension benefits	**2-12**	4 - 9
Other post retirement benefits	**5**	5
Retirement gratuity	**7-25**	14 - 24

18. RETIREMENT BENEFIT OBLIGATIONS (cont'd)

(g) The asset of the plan are invested in Swan Life Ltd Deposit Administration Fund. The latter is expected to produce a smooth progression of return from one year to the next, the long term expected return on asset assumption has been based on historical performance of the fund. Expected return on equities has been based on equity risk premium above a risk free rate. The risk free rate has been measured in accordance to the yields on government bonds at the measurement date. The fixed interest portfolio includes government bonds, debentures, mortgages and cash. The expected return for this asset class has been based on yields of government bonds at the measurement date. There is no available benchmark for the expected return on properties. This has been based on a subjective judgement of the property market.

(h) Expected contributions to the pension plan for the year ending 31 December 2024 are **Rs 27.6m** (2023:Rs21.5m) for the Group and **Rs 8.9m** (2023:Rs 9.1m) for the Company.

(i) The pension plans expose the Group and the Company to the following risks:

(i) Longevity Risk

Pensions are bought out with an insurance company at retirement. Once bought out, the risk is therefore shifted to the insurance company. However, there is the risk that the cost of annuities increases before buying out.

(ii) Interest rate risk

If the bond interest rate decreases, the liabilities would be calculated using a lower discount rate, and would therefore increase.

(iii) Investment risk

The present value of the liabilities of the plan are calculated using a discount rate. Should the returns on the assets of the plan be lower than the discount rate, a deficit will arise.

(iv) Salary risk

If salary increases are higher than assumed in our basis, the liabilities would increase giving rise to actuarial losses.

19. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade payables	**432,341**	494,050	**7,890**	4,557
Accruals and other payables	**607,166**	515,260	**14,269**	31,505
Amounts due to related parties	**2,941**	4,660	**5,362**	2,970
	1,042,448	1,013,970	**27,521**	39,032

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20. CURRENT TAX ASSETS/ LIABILITIES

		THE GROUP		THE COMPANY	
		2024	2023	**2024**	2023
		Rs'000	Rs'000	**Rs'000**	Rs'000
(a)	**Charged to profit or loss:**				
	Current tax on the adjusted profit for the year at 17%/15% (2023: 17%/15%):				
	- Continuing operations	**24,506**	26,067	**-**	-
	(Over)/under provision in previous year	**-**	(1,074)	**-**	-
	Deferred tax (Note 17)	**(19,602)**	11,472	**4,119**	7,526
	Corporate social responsibility	**1,184**			
	Corporate climate responsibility levy	**1,505**	-	**-**	-
	Tax charge/(credit)	**7,593**	36,465	**4,119**	7,526

(b) The tax on the Group's and Company's (loss)/profit before tax differs from the theoretical amount that would arise using the basic tax rate of the Group and Company as follows:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
(Loss)/profit before taxation- attributed to continuing operations	**(174,971)**	170,674	**70,836**	90,481
Less net share of results of associates and joint ventures	**(54,151)**	(39,550)	**-**	-
	(229,122)	131,124	**70,836**	90,481
Tax calculated at a rate of 17%/15% (2023: 17%/15%)	**(34,368)**	22,291	**10,625**	15,382
Effect of different tax rate	**(904)**	1,690	**-**	-
(Over)/under provision in previous year	**(469)**	(1,074)	**-**	-
Income not subject to tax	**(13,190)**	(8,843)	**(11,631)**	(21,392)
Expenses not deductible for tax purposes	**35,784**	14,925	**3,528**	6,372
Utilisation of tax losses for which no deferred tax was recognised	**(2,053)**	(3,400)	**-**	-
Other adjustments	**(1,228)**	(566)	**(132)**	-
Corporate social responsibility	**1,184**	1,298	**-**	-
Corporate climate responsibility levy	**1,505**	-	**-**	-
Tax losses for which no deferred tax recognised	**21,332**	10,144	**1,729**	7,164
Taxation charge	**7,593**	36,465	**4,119**	7,526

Further information about deferred tax is presented in Note 17.

21. DISCONTINUED OPERATIONS

	THE GROUP
	2023
	Rs'000
Disposal of business activities of Ecavel Ltd (formerly Harel Mallac Corporate Services Ltd)	-
Disposal of investment in associates of Attitude Hospitality Management Ltd (Note 37)	4,084
Disposal of investment in associates of Water Sports Village Limited (Note 37)	4,386
Disposal of investment in associates of Zilwa Resort Ltd (Note 37)	9,781
Discontinued operations of Pharmallac SARL	3,863
	22,114

(i) During the year ended 31 December 2023, the Group discontinued operations of Pharmallac SARL in Madagascar. The financial position at time of winding-up was as follows:

	THE GROUP
	2023
	Rs'000
Analysed as follows:	
Current assets	99
Current liabilities	(3,962)
Net Equity	(3,863)

22. REVENUE

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
Revenue is made up of:				
Sales of goods	**3,410,751**	3,906,924	**-**	-
Sales of services	**323,338**	366,469	**99,597**	81,460
Revenue from contracts with customers (Note (a))	**3,734,089**	4,273,393	**99,597**	81,460
Other operating income	**34,022**	37,787	**5,571**	2,502
Rent	**19,993**	18,753	**47,361**	44,384
	54,015	56,540	**52,932**	46,886
Investment income				
- Listed	**-**	534	**684**	14,479
- Unquoted	**1,220**	985	**71,929**	60,847
Interest income	**-**	1,606	**5,707**	2,022
	1,220	3,125	**78,320**	77,348
	3,789,324	4,333,058	**230,849**	205,694

(a) Disaggregation of revenue from contracts with customers betweeen different segment and geography is shown in note 31.

	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
(b) Timing of revenue recognition				
At a point in time	**3,465,986**	3,966,589	**230,849**	205,694
Over time	**323,338**	366,469	**-**	-
	3,789,324	4,333,058	**230,849**	205,694

22. REVENUE (cont'd)

(c) Assets and liabilites related to contracts with customers

	THE GROUP			
	Contract Assets		Contract Liabilities	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 January	**116,673**	88,059	**23,452**	40,414
Increase in impairment of contract assets	**(37,081)**	-	**-**	-
Transfers in the period from contract assets to trade receivables	**(82,410)**	(57,623)	**-**	-
Amounts included in contract liabilities that was recognised as revenue during the period	**-**	-	**(9,620)**	(50,144)
Transfers in the period from contract assets to raw materials, consumables and purchases of finished goods	**(583)**	(908)	**-**	-
Provision for cost not recognised as raw materials, consumables and purchases of finished goods	**-**	583	**-**	-
Excess of revenue recognised over rights to cash being recognised during the period	**24,196**	86,562	**(12,636)**	-
Cash received in advance of performance and not recognised as revenue during the period	**-**	-	**10,871**	33,182
Other movement	**-**	-	**-**	-
	20,795	116,673	**12,067**	23,452

Contract assets and contract liabilities arise from some of the subsidiaries' installation services and design division, where contracts' period can run over the next financial year, because cumulative payments received from customers at the end of each reporting date do not necessarily equal the amount of revenue recognised on the contracts.

(i) Impairment of contract assets

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all contract assets.

To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 12 months before 31 December 2024 or 1 January 2024 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

22. REVENUE (cont'd)

(c) Assets and liabilites related to contracts with customers (cont'd)

(i) Impairment of contract assets (cont'd)

THE GROUP At 31 December 2024	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Expected loss rate	0%	0%	0%	5%	4%
Gross carrying amount - trade receivable	-	-	-	63,256	63,256
Loss allowance	-	-	-	(42,461)	(42,461)
Deferred cost					-
					20,795

At 31 December 2023	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Expected loss rate	0%	0%	0%	5%	4%
Gross carrying amount - trade receivable	10,042	6,448	6,966	98,597	122,053
Loss allowance	-	-	-	(5,380)	(5,380)
Deferred cost					-
					116,673

The closing loss allowances for contract assets as at 31 December reconcile to the opening loss allowances as follows:

	THE GROUP Contract assets	
	2024	2023
	Rs'000	Rs'000
Loss allowance as at 1 January	5,380	5,380
Recognised in profit or loss during the year	37,081	-
At 31 December	42,461	5,380

22. REVENUE (cont'd)

(d) Remaining performance obligations

Certain installation contracts and contracts for the delivery of goods have been entered into for which both:

- the original contractual period extended over the next financial year; and
- the Group's right to consideration does not correspond directly with the performance.

The amount of revenue that will be recognised in future periods on these contracts when those remaining performance obligations will be satisfied is analysed as follows:

	THE GROUP	
	2025	Total
	Rs'000	Rs'000
Installation contracts	20,795	20,795
Maintenance contract	-	-
	20,795	20,795

23. (LOSS) / PROFIT BEFORE FINANCE COSTS

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Revenue	3,789,324	4,333,058	230,849	205,694
Changes in finished goods and work in progress	7,056	263,670	-	-
Raw materials, consumables and purchases of finished goods	(2,916,820)	(3,349,292)	-	-
Employee benefit expense (Note 26)	(750,468)	(629,312)	(97,912)	(75,667)
Depreciation and amortisation expense	(126,332)	(105,468)	(5,055)	(8,519)
Other gains	6,089	6,405	2,392	1,809
Net increase in fair value of investment properties	14,859	41,392	14,388	24,449
Other operating expenses	(90,157)	(310,748)	(36,902)	(34,071)
	(66,449)	249,705	107,760	113,695

24. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
Bank overdrafts	**27,014**	18,450	**4,449**	696
Bank loans repayable by instalments	**2,768**	2,837	**19,084**	12,030
Other loans not repayable by instalments	**69,434**	67,395	**10,196**	24,003
Leases	**27,154**	25,163	**765**	396
	126,370	113,845	**34,494**	37,125
Net foreign exchange transaction (gains)/ losses (Note (a))	**(7,986)**	(1,330)	**-**	-
	118,384	112,515	**34,494**	37,125

(a) Net foreign exchange (gains)/ losses

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
The exchange differences (credited)/charged to profit or loss are as follows:				
Other gains	**(6,089)**	(6,405)	**(2,392)**	(1,809)
Finance (income)/costs	**(7,986)**	(1,330)	**-**	-

25. PROFIT BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
The profit before taxation is arrived at after:				
Crediting:				
Fair value gain on investment properties	**14,859**	41,392	**14,388**	24,449
Reversal of impairment of receivables	**-**	-	**-**	13,911

25. PROFIT BEFORE TAXATION (cont'd)

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
and charging:				
Depreciation				
- owned assets	**83,854**	69,934	**3,387**	7,078
Amortisation of intangible assets	**4,505**	6,431	**8**	14
Amortisation of right of use assets	**37,973**	29,103	**1,660**	1,427
Impairment of assets	**2,869**	243	**-**	-
Asset Written-off	**1,339**	-	**-**	-
Impairment of receivables	**16,799**	6,066	**2,430**	-
Employee benefit expense (Note 26)	**750,468**	629,312	**97,912**	75,667

26. EMPLOYEE BENEFIT EXPENSE

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
Wages and salaries, including termination benefits	**676,425**	578,647	**90,450**	71,047
Social security costs	**53,642**	52,687	**4,167**	5,664
Pension costs - defined contribution plans	**1,973**	14,486	**-**	-
- defined benefit plans (Note 18)	**18,428**	(16,508)	**3,295**	(1,044)
	750,468	629,312	**97,912**	75,667

27. OTHER COMPREHENSIVE INCOME

THE GROUP	Revaluation and other reserves	Fair value reserves	Actuarial loss	Total
	Rs'000	Rs'000	Rs'000	Rs'000
2024				
Increase in fair value of equity instruments at fair value through other comprehensive income	**-**	**6,467**	**-**	**6,467**
Movement in actuarial reserve	**-**	**-**	**(44,034)**	**(44,034)**
Movement in associate reserves	**17,815**	**-**	**-**	**17,815**
Currency translation differences	**1,066**	**-**	**-**	**1,066**
Other comprehensive income/(loss) for the year	**18,881**	**6,467**	**(44,034)**	**(18,686)**

	Revaluation and other reserves	Fair value reserves	Actuarial loss	Total
	Rs'000	Rs'000	Rs'000	Rs'000
2023				
Increase in fair value of equity instruments at fair value through other comprehensive income	-	(1,871)	-	(1,871)
Movement in actuarial reserve	-	-	(14,068)	(14,068)
Revaluation gain on Land and Buildings	19,913	-	-	19,913
Movement in associate reserves	(9,614)	-	-	(9,614)
Currency translation differences	(34,993)	-	-	(34,993)
Other comprehensive loss for the year	(24,694)	(1,871)	(14,068)	(40,633)

27. OTHER COMPREHENSIVE INCOME (cont'd)

THE COMPANY	Revaluation and other reserves	Fair value reserves	Actuarial loss	Total
	Rs'000	Rs'000	Rs'000	Rs'000
2024				
Movement in actuarial reserve	**-**	**-**	**(2,861)**	**(2,861)**
Increase in fair value of equity instruments through other comprehensive income	**-**	**(33,892)**	**-**	**(33,892)**
Other comprehensive loss for the year	**-**	**(33,892)**	**(2,861)**	**(36,753)**
2023				
Movement in actuarial reserve	-	-	(982)	(982)
Increase in fair value of equity instruments at fair value through other comprehensive income	-	154,729	-	154,729
Other comprehensive income/(loss) for the year	-	154,729	(982)	153,747

28. DIVIDENDS

THE GROUP AND THE COMPANY

No dividend was declared and paid during the year ended 31 December 2024. On 28 November 2023, the Company has resolved to distribute the entire 11,259,388 ordinary shares of Cavell Touristic Investments Ltd ("CTIL") to its shareholders in the ratio of one ordinary share of CTIL for every share held in the Company at close of business on 27 April 2023 (refer to note 37). The total value of dividend distributed amounted to Rs 410,979,948 in year 2023.

29. EARNINGS PER SHARE

(a) From continuing operations

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
		Restated		
Basic earnings per share				
Net profit attributable to shareholders (Rs'000)	**(172,484)**	125,584	**66,717**	82,955
Number of ordinary shares in issue (thousands)	**11,259**	11,259	**11,259**	11,259
Basic earnings per share (Rs/cents)	**(15.32)**	11.15	**5.93**	7.37

(b) From discontinued operations

	THE GROUP	
	2024	2023
	Rs'000	Rs'000
Basic earnings per share		
Net profit attributable to shareholders (Rs'000)	**-**	22,114
Number of ordinary shares in issue (thousands)	**11,259**	11,259
Basic earnings per share (Rs/cents)	**-**	1.96

30. NOTES TO STATEMENTS OF CASH FLOWS

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
		Restated		
(a) Cash (absorbed in)/generated from operations				
(Loss)/Profit before taxation attributable to continuing operations	**(174,971)**	170,674	**70,836**	90,481
Profit before taxation attributable to discontinued operations	**-**	22,114	**-**	-
Depreciation and amortisation	**88,359**	76,365	**3,395**	7,092
Amortisation on right of use asset	**37,973**	29,103	**1,660**	1,427
Net share of results of associated companies	**(51,846)**	(39,007)	**-**	-
Net share of results of associated companies attributable to discontinued operations	**-**	(22,114)	**-**	-
Share of results of joint ventures	**(2,305)**	(543)	**-**	-
Retirement benefit obligations	**(37,787)**	(36,874)	**(16,772)**	(8,179)
Impairment of assets	**2,869**	243	**-**	-
Asset written-off	**1,339**	-	**-**	-
Impairment/ (Reversal of) of receivables	**16,799**	6,066	**2,430**	(14,997)
Loss on exchange	**(7,986)**	(1,330)	**-**	-
Investment income	**(1,220)**	(1,519)	**(72,613)**	(75,326)
Interest income	**-**	(1,606)	**(5,707)**	(2,022)
Interest expense	**126,370**	113,845	**34,494**	37,125
Increase in fair value of investment property	**(14,859)**	(41,392)	**(14,388)**	(24,449)
Changes in working capital:				
- inventories	**(146,961)**	112,733	**-**	-
- trade and other receivables and contract assets	**137,515**	(29,375)	**(42,326)**	(25,115)
- trade and other payables and contract liabilities	**17,093**	(148,861)	**(11,511)**	(15,633)
Cash (absorbed in)/generated from operations	**(9,618)**	208,522	**(50,502)**	(29,596)

30. NOTES TO STATEMENTS OF CASH FLOWS (cont'd)

(b) Cash and cash equivalents

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
Bank and cash balances	**195,438**	124,555	**31,253**	-
Loan receivable at call	**-**	-	**10,000**	55,047
Bank overdrafts (Note 16)	**(365,113)**	(260,906)	**-**	(28,111)
Loan payable at call	**-**	-	**(21,412)**	(40,274)
	(169,675)	(136,351)	**19,841**	(13,338)

(c) Non cash transactions:

The principal non cash transactions:

Acquisition of property, plant and equipment using finance leases by the Group.

During the finanical year ended 31 December 2023, the Company has declared a dividend in species amounting to Rs 410,979,948. Refer to note 28 for more details.

(d) Reconciliation of liabilities arising from financing activities

THE GROUP

	2023	Cash flows	**2024**
	Rs'000	Rs'000	**Rs'000**
Long-term borrowings	477,745	128,206	**605,951**
Short-term borrowings	604,086	86,036	**690,122**
Total	1,081,831	214,242	**1,296,073**

THE COMPANY

	2023	Cash flows	**2024**
	Rs'000	Rs'000	**Rs'000**
Long-term borrowings	316,757	233,061	**549,818**
Short-term borrowings	253,410	(178,410)	**75,000**
Total	570,167	54,651	**624,818**

31. SEGMENT INFORMATION - THE GROUP

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies. The Group's segments are: Investment & Corporate, Technology, Chemicals and Equipment & Systems.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. The Group evaluates performance on the basis of profit or loss from operations after tax expense.

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

	Investment & Corporate	Technology	Chemicals	Equipment & Systems	Consolidation adjustments	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Year ended 31 December 2024						
Total segment revenues	**253,794**	**800,428**	**1,990,611**	**1,274,278**	**-**	**4,319,111**
Inter-segment sales	**-**	**(128,518)**	**(47,445)**	**(19,594)**	**(334,230)**	**(529,787)**
Revenues from external customers	**253,794**	**671,910**	**1,943,166**	**1,254,684**	**(334,230)**	**3,789,324**
Segment profit/(loss)	**72,142**	**(25,301)**	**33,753**	**(114,877)**	**(32,166)**	**(66,449)**
Share of result of associates and joint ventures	**54,151**	**-**	**21,585**	**-**	**(21,585)**	**54,151**
Finance costs	**(34,629)**	**(6,158)**	**(51,905)**	**(43,372)**	**17,680**	**(118,384)**
Impairment of assets	**-**	**-**	**-**	**-**	**(27,490)**	**(27,490)**
Net impairment of receivables	**(916)**	**(439)**	**(1,770)**	**(3,606)**	**(10,068)**	**(16,799)**
Profit/(Loss) before tax	**90,748**	**(31,898)**	**1,663**	**(161,855)**	**(73,629)**	**(174,971)**
Income tax	**(4,119)**	**2,354**	**(7,482)**	**(6,355)**	**8,009**	**(7,593)**
Net profit/(loss) after tax	**86,629**	**(29,544)**	**(5,819)**	**(168,210)**	**(65,620)**	**(182,564)**
Total assets						
31 December 2024	**2,550,923**	**436,961**	**2,060,126**	**1,087,153**	**(664,565)**	**5,470,598**
31 December 2023	2,534,879	451,962	1,911,433	1,048,900	(590,870)	5,356,304

31. SEGMENT INFORMATION - THE GROUP (cont'd)

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

	Investment & Corporate	Technology	Chemicals	Equipment & Systems	Consolidation adjustments	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Year ended 31 December 2023						
Total segment revenues	233,622	893,891	2,027,708	1,690,707	-	4,845,928
Inter-segment sales	(4,788)	(152,230)	(27,174)	(25,562)	(303,116)	(512,870)
Revenues from external customers	228,834	741,661	2,000,534	1,665,145	(303,116)	4,333,058
Segment profit/(loss)	49,109	21,284	102,016	117,990	(40,694)	249,705
Share of result of associates and joint ventures	29,441	-	10,109	-	-	39,550
Finance costs	(37,221)	(12,099)	(41,150)	(33,535)	11,490	(112,515)
Profit after tax from discontinued operations	22,114	-	-	-	-	22,114
Net impairment of receivables	12,708	-	(13,262)	(9,413)	3,901	(6,066)
Profit/(Loss) before tax	76,151	9,185	57,713	75,042	(25,303)	192,788
Income tax	(8,002)	(4,767)	(7,720)	(15,976)	-	(36,465)
Net profit/(loss) after tax	68,149	4,418	49,993	59,066	(25,303)	156,323
Total assets						
31 December 2023	2,534,879	451,962	1,911,433	1,048,900	(590,870)	5,356,304
31 December 2022	2,720,766	412,223	2,028,975	1,287,517	(551,527)	5,897,954

31. SEGMENT INFORMATION - THE GROUP (cont'd)

Geographical information

Although the Group's three business segments are managed in Mauritius, they operate in the following main geographical areas.

	Revenue from external customers		Non-current assets	
	2024	2023	**2024**	2023 Restated
	Rs'000	Rs'000	**Rs'000**	Rs'000
Mauritius	**3,310,455**	3,813,822	**3,343,954**	3,312,162
Madagascar	**160,913**	173,299	**2,905**	1,505
Reunion	**250,081**	274,370	**14,030**	14,007
Africa	**67,875**	71,567	**1,390**	1,966
Total	**3,789,324**	4,333,058	**3,362,279**	3,329,640

The Group's customer base is highly diversified, with no individually significant customer.

32. CONTINGENT LIABILITIES

(i) During the current financial year, a litigation against the Harel Mallac HealthCare Ltd ("HMH") was referred to Arbitration, whereby the Government of Mauritius is making a claim against Harel Mallac Healthcare Ltd (""HMH"") amounting to Rs 14.3m for an alleged delivery of defective equipment. The Attorney and the Counsel of HMH consider that the proceedings of this case are still at a very early stage and are therefore unable to give further details or opinion on the outcome of the Arbitration.

(ii) At 31 December 2024, there is a claim amounting to USD 6m made by a supplier in 2012 to a subsidiary in respect of goods shipped to a company based in Reunion Island whereby the subsidiary acted as agent for the supplier. Based on a legal opinion, no provision has been made in the accounts of that subsidiary in respect of this claim. The claim is still being disputed by both parties, the outcome of which is uncertain at the date of signature of the accounts.

(iii) At 31 December 2024, the Group and the Company had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of the business from which it is anticipated that no material liabilities would arise.

(iv) At 31 December 2024, no guarantee were given by the Group and the Company other than in the normal course of business.

33. RELATED PARTY TRANSACTIONS

(a)	THE GROUP	Interest paid	Purchase of goods and services	Sales of goods and services	Management services and fees receivable	Loan from related party	Amount owed by related party	Amount owed to related party
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(i)	**Year 2024**							
	Associated companies	**312**	**30,631**	**22,372**	**863**	**-**	**14,381**	**2,941**
	Directors and key management personnel	**-**	**-**	**63**	**-**	**-**	**18**	**-**
	Enterprises in which directors/ key management personnel (and close families) have significant/ substantial interest	**-**	**4,363**	**-**	**-**	**-**	**-**	**-**
	Shareholders	**6,879**	**-**	**-**	**-**	**-**	**-**	**-**
(ii)	Year 2023							
	Associated companies	2,071	36,908	23,480	360	-	17,342	4,660
	Directors and key management personnel	-	-	80	-	-	-	-
	Enterprises in which directors/ key management personnel (and close families) have significant/ substantial interest	-	4,182	-	-	-	-	-
	Shareholders	7,684	-	-	-	173,973	-	-

33. RELATED PARTY TRANSACTIONS (cont'd)

(b)	THE COMPANY	Interest received	Interest paid	Purchase of goods and services	Management services fees (payable) / receivable	Loan due to related party	Amount owed by related party	Amount owed to related party
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(i)	**Year 2024**							
	Subsidiaries	**5,707**	**10,196**	**8,113**	**95,510**	**132,509**	**42,368**	**5,364**
	Associated companies	**-**	**-**	**-**	**863**	**-**	**13,981**	**-**
	Directors and key management personnel	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Enterprises in which directors/ key management personnel (and close families) have significant/ substantial interest	**-**	**-**	**4,363**	**-**	**-**	**-**	**-**
	Shareholders	**-**	**6,879**	**-**	**-**	**-**	**-**	**-**
(ii)	Year 2023							
	Subsidiaries	2,022	10,230	18,132	103,774	212,385	24,966	2,820
	Associated companies	-	2,071	1,482	360	-	10,645	150
	Directors and key management personnel	-	-	-	-	-	-	-
	Enterprises in which directors/ key management personnel (and close families) have significant/ substantial interest	-	-	4,182	-	-	-	-
	Shareholders	-	7,684	-	-	173,973	-	-

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33. RELATED PARTY TRANSACTIONS (cont'd)

	Remuneration and benefits	
	2024	2023
THE GROUP	**Rs'000**	Rs'000
Key management personnel compensation		
Salaries and short-term employee benefits	**53,567**	45,747
Post-employment benefits	**10,387**	2,482
	63,954	48,229

	Remuneration and benefits	
	2024	2023
THE COMPANY	**Rs'000**	Rs'000
Key management personnel compensation		
Salaries and short-term employee benefits	**18,392**	15,716
Post-employment benefits	**1,441**	874
	19,833	16,590

The sales to and purchases from related parties are made in the normal course of business. Outstanding trade balances at the year-end are unsecured, interest free (with the exception of loans and advances) and settlement occurs in cash. Rates on interest on loans and advances with related parties are disclosed in notes 10B and 16. There have been no guarantees provided or received for any related party receivables or payables. As at 31 December 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2023: Rs Nil). Assessment for impairment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

34. OPERATING LEASE COMMITMENTS

The Group leases premises under non-cancellable operating lease agreements.

The Group's lease with the MPA is for a period of 9 years and 51 years. Lease term for the motor vehicles varies between 5 to 7 years.

35. BUSINESS COMBINATIONS

THE GROUP

Summary of acquisitions

(a) Acquisition of additional interest in The Mauritius Chemical Fertilizer & Industry Limited (MCFI) by Harel Mallac & Co. Ltd

During the finanical year ended 31 December 2024, the Group acquired an additional of 4.066% interest in The Mauritius Chemical Fertilizer & Industry Limited (MCFI), increasing its ownership to 74.476%.

An analysis of assets and liabilities of MCFI at time of the additional acquisition of 4.066% in 2024 are as follows:

	Additional interests acquired
	2024
	Rs'000
Assets	
Property, plant and equipment	362,222
Rights of use of assets	195,818
Investment properties	8,003
Intangible assets	88,881
Investment in associates	29,998
Financial assets at FVOCI	4,221
Inventories	210,988
Trade receivables	459,418
Other assets	53,887
Current tax assets	2,669
Cash and cash equivalents	29,694
	1,445,799

35. BUSINESS COMBINATIONS (cont'd)

(a) Acquisition of additional interest in The Mauritius Chemical Fertilizer & Industry Limited (MCFI) by Harel Mallac & Co. Ltd (cont'd)

	Additional interests acquired 2024
	Rs'000
Liabilities	
Borrowings	(413,920)
Lease liabilities	(229,085)
Deferred tax liabilities	(15,051)
Retirement benefit obligations	(22,537)
Trade and other payables	(328,479)
Current tax liabilities	(801)
	(1,009,873)
Net identifiable assets at date of additional acquisition / Net identifiable assets acquired	435,926
Less: Share of net assets already held by the Group	(306,935)
Less: Non-controlling interests	(111,266)
Share of net assets/(liabilities)	17,725
Purchase consideration	(7,346)
	10,379
Accounted as follows:	
Movement in Equity	10,379
Gain on bargain purchase/(goodwill)	-

The Group has recognised directly in equity attributable to owners of the Company the amount of Rs 10,379,000 in the finanical year ended 31 December 2024, being the difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid.

35. BUSINESS COMBINATIONS (cont'd)

(i) Purchase consideration - cash outflow

	MCFI
	Rs'000
Cash consideration	(7,346)
Net outflow of cash - investing activities	(7,346)

(b) Acquisition of additional interest in AEROLIK.IO SAS (formerly known as Aldes Reunion SAS) by Aerolik Ltd, an indirect subsidiary

During the finanical year ended 31 December 2023, Aerolik Ltd, an indirect subsidiary, acquired the remaining 19% of the shares of AEROLIK.IO SAS (formerly known as Aldes Reunion SAS) for a consideration of Rs 20,904,567.

An analysis of assets and liabilities of AEROLIK.IO SAS at time of the additional acquisition of 19% in 2023 are as follows:

	19% interests acquired 2023
	AEROLIK.IO SAS
	Rs'000
Assets	
Plant and equipment	9,947
Right of use assets	96,401
Inventories	79,674
Trade receivables (net of provision)	55,285
Cash and cash equivalents	40,585
	281,892

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35. BUSINESS COMBINATIONS (cont'd)

	Additional interests acquired 2023
	AEROLIK.IO SAS
	Rs'000
Liabilities	
Trade and other payables	42,694
Lease liabilities	98,528
Borrowings	19,661
	160,883
Net identifiable assets at date of additional acquisition / Net identifiable assets acquired	121,009
Less: Share of net assets already held by the Group	(100,774)
Less: Non-controlling interests	-
Share of net assets/(liabilities)	20,235
Purchase consideration	(19,540)
	695
Accounted as follows:	
Movement in Equity	695

The Group has recognised directly in equity attributable to owners of the Company the amount of Rs 695,000 in the finanical year ended 31 December 2023, being the difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid.

(i) Purchase consideration - cash outflow

	AEROLIK.IO SAS
	Rs'000
Cash consideration	(19,540)
Net outflow of cash - investing activities	(19,540)

36. THREE YEAR SUMMARY - THE GROUP

	2024	2023	2022
	Rs'000	Rs'000	Rs'000
		Restated	Restated
STATEMENTS OF PROFIT OR LOSS			
Revenue	**3,789,324**	4,333,058	4,194,331
(Loss)/profit after finance costs	**(184,833)**	137,190	35,804
Net share of result of associates and joint ventures	**54,151**	39,550	145,043
	(130,682)	176,740	180,847
Impairment of assets	**(27,490)**	-	-
Impairment of receivables	**(16,799)**	(6,066)	(3,192)
(Loss)/profit before taxation	**(174,971)**	170,674	177,655
Taxation	**(7,593)**	(36,465)	(16,285)
(Loss)/profit for the year from continuing operations	**(182,564)**	134,209	161,370
Post tax profit for the year from discontinued operations	**-**	22,114	16,480
(Loss)/ profit for the year	**(182,564)**	156,323	177,850
Attributable to:			
Owners of the parent	**(172,484)**	147,698	156,155
Non controlling interests	**(10,080)**	8,625	21,695
	(182,564)	156,323	177,850
Other comprehensive (loss)/income	**(18,686)**	(40,633)	1,211,747
Total comprehensive (loss) / income for the year	**(201,250)**	115,690	1,389,597

36. THREE YEAR SUMMARY – THE GROUP (cont'd)

	2024	2023	2022
	Rs'000	Rs'000	Rs'000
		Restated	Restated
Attributable to:			
Owners of the parent	**(190,066)**	117,586	1,350,426
Non-controlling interests	**(11,184)**	(1,896)	39,171
	(201,250)	115,690	1,389,597
Dividend per share (Note 28)	**-**	36.50	-
Earnings per share from continuing operations(Rs/cents)	**(15.32)**	11.15	12.41
Earnings per share from discontinued operations (Rs/cents)	**-**	1.96	1.46
Total earnings per share	**(15.32)**	13.11	13.87

STATEMENTS OF FINANCIAL POSITION

	2024	2023	2022
	Rs'000	Rs'000	Rs'000
		Restated	Restated
Non-current assets	**3,362,279**	3,329,640	3,662,358
Current assets	**2,108,319**	2,026,664	2,235,596
Total assets	**5,470,598**	5,356,304	5,897,954
Capital and reserves	**2,007,679**	2,187,366	2,597,177
Non-controlling interests	**144,477**	173,386	201,378
Non-current liabilities	**1,155,207**	1,050,810	1,000,686
Current liabilities	**2,163,235**	1,944,742	2,098,713
Total equity and liabilities	**5,470,598**	5,356,304	5,897,954

37. RESTRUCTURING OF ACTIVITIES

During the finanical year ended 31 December 2023, the Board of Directors (the "Board") of Harel Mallac & Co. Ltd (the "Company") has resolved to proceed with a restructuring of its activities through the carve-out of its investments in Attitude Hospitality Management Ltd (20.0% ownership interest), Water Sports Village Limited (24.5% ownership interest) and Zilwa Resort Ltd (24.0% ownership interest) (together the "Hospitality Shares") from Harel Mallac Group (the "Restructuring").

As part of the Restructuring, the Company has:

- incorporated a new wholly-owned subsidiary, Cavell Touristic Investments Ltd ("CTIL"),
- transferred its investments in Hospitality Shares to CTIL through an intra-group transfer,
- caused the ordinary shares of the CTIL to be listed on the Development & Enterprise Market (the "DEM") of the Stock Exchange of Mauritius (the "SEM"), and
- distributed the ordinary shares of the CTIL to its shareholders in the ratio of one ordinary share of CTIL for every share held in the Company. The distribution related to the 11,259,388 shares constituting 100% of the share capital of CTIL (the "Distribution").

The fair value of the investments held by the Company in the Hospitality Shares at the time of the transfer, was estimated at Rs 447.9m.

The consideration for the transfer of its investments to CTIL was made partly in cash consideration amounting to Rs 36.9 M (the "refund") and the remaining was made through issue of new ordinary shares to the Company equivalent to the tune of Rs 411m.

Following the shareholders and the regulatory approval for the listing of the ordinary shares of CTIL on the DEM, the Board has declared a special dividend in specie of one ordinary share of no par value of CTIL, for every ordinary share of the Company ("Special Dividend") to its shareholders registered in the books of the Company at close of business on 27 April 2023.

Following the restructuring, the Directors of the Company are confident that this shall enable the Company to focus on its core operations and unlock value for its shareholders as the fair value of its non-core activities was previously not reflected in its share price. CTIL and the Company are managed independently.

38. EFFECT OF PRIOR YEAR ADJUSTMENTS

In preparing the financial statements for the year ended 31 December 2024, the Group identified prior year restatements and made necessary corrections. Restatements were made to the financial statements, presentation and disclosures of certain transactions and balances, in accordance with International Accounting Standard, IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. They refer to the comparatives for January 1, 2023 and December 31, 2023, unless where specified.

During the current finanical year under review, the Group obtained restated prior years' financial information for one of its associates, namely Maritim (Mauritius) Limited. The restatement primarily relates to the revaluation of Property, Plant, and Equipment (PPE) in accordance with IAS 16 – Property, Plant, and Equipment. Additional adjustments were also recorded concerning deferred tax liabilities.

38. EFFECT OF PRIOR YEAR ADJUSTMENTS (cont'd)

The key restatements impacting the associated company's financial statements include:

Revaluation of Property, Plant and Equipment (Freehold Land): Maritim (Mauritius) Limited retrospectively applied a fair value adjustment to freehold land, leading to a material increase in the carrying amount of Property, Plant and equipment.

Related deferred tax adjustments: The revaluation of Property, Plant and equipment triggered a corresponding adjustment to deferred tax liabilities, impacting the associated company's retained earnings.

These adjustments were identified following the receipt of Maritim Hotels' audited financial statements for the year ended 31 December 2020, 2021, and 2022, which contained significant prior-period restatements. The group restated its financial statements to reflect the corrected financial information of it's associated company.

THE GROUP	As at 01 January 2023 (as previously reported)	Adjustments		As at 01 January 2023 (restated)
		Change in accounting policy	Prior year Adjustments	
	Rs'000	Rs'000	Rs'000	Rs'000
Statements of financial position - Impact on assets and equity				
- Investment in associated company	1,090,827	874,484	19,091	1,984,402
Total effect on net assets	**1,090,827**	**874,484**	**19,091**	**1,984,402**
Impact on Other reserves (associate reserves)	**(4,759)**	**(874,484)**	**-**	**(879,243)**
Impact on retained earnings	**(1,027,566)**	**-**	**(19,091)**	**(1,046,657)**
Total effect on equity (attributable to owners of the parent)	**(1,703,602)**	**(874,484)**	**(19,091)**	**(2,597,177)**
Total effect on non-controlling interests	**(201,378)**	**-**	**-**	**(201,378)**

38. EFFECT OF PRIOR YEAR ADJUSTMENTS (cont'd)

THE GROUP	As at 31 December 2023 (as previously reported)	Adjustments		As at 31 December 2023 (restated)
		Change in accounting policy	Prior year Adjustments	
	Rs'000	Rs'000	Rs'000	Rs'000
Statements of financial position - Impact on assets and equity				
- Investment in associated company	573,377	870,006	(9,371)	1,434,012
Total effect on net assets	**573,377**	**870,006**	**(9,371)**	**1,434,012**
Impact on Other reserves (associate reserves)	**117,449**	**(870,006)**	**-**	**(752,557)**
Impact on retained earnings	**(794,289)**	**-**	**9,371**	**(784,918)**
Total effect on equity (attributable to owners of the parent)	**(1,326,731)**	**(870,006)**	**9,371**	**(2,187,366)**
Total effect on non-controlling interests	**(173,386)**	**-**	**-**	**(173,386)**

38. EFFECT OF PRIOR YEAR ADJUSTMENTS (cont'd)

	For the year ended 31 December 2023 (as previously reported)	Adjustments		For the year ended 31 December 2023 (restated)
		Change in accounting policy	Prior year Adjustments	
	Rs'000	Rs'000	Rs'000	Rs'000
Statements of profit or loss and other comprehensive income				
Share of results of associated companies and jointly controlled entities, net of tax	**68,012**	**-**	**(28,462)**	**39,550**

	For the year ended 31 December 2023 (as previously reported)	Adjustments		For the year ended 31 December 2023 (restated)
		Change in accounting policy	Prior year Adjustments	
	Rs'000	Rs'000	Rs'000	Rs'000
Profit attributable to :				
Owners of the Company				
- Continuing operations	**154,046**	**-**	**(28,462)**	**125,584**
- Discontinuing operations	**22,114**	**-**	**-**	**22,114**
Non-controlling interests	**8,625**	**-**	**-**	**8,625**
	184,785	**-**	**(28,462)**	**156,323**

38. EFFECT OF PRIOR YEAR ADJUSTMENTS (cont'd)

	For the year ended 31 December 2023 (as previously reported)	Adjustments		For the year ended 31 December 2023 (restated)
		Change in accounting policy	Prior year Adjustments	
	Rs'000	Rs'000	Rs'000	Rs'000
Total comprehensive income attributable to :				
Owners of the Company	**150,526**	(4,478)	(28,462)	117,586
Non-controlling interests	**(1,896)**	-	-	(1,896)
	148,630	(4,478)	**(28,462)**	115,690
Earnings per share from continuing operations	**13.68**	-	**(2.53)**	**11.15**

	For the year ended 31 December 2023 (as previously reported)	Adjustments		For the year ended 31 December 2023 (restated)
		Change in accounting policy	Prior year Adjustments	
	Rs'000	Rs'000	Rs'000	Rs'000
Statement of cashflows				
Profit before taxation from continuing operations	**199,136**	**-**	**(28,462)**	**170,674**
Share of results of associated companies andjointly controlled entities, net of dividends	**(68,012)**	**-**	**28,462**	**(39,550)**

39. EVENTS AFTER THE REPORTING PERIOD

There have been no material events after the reporting date which require disclosure or adjustment to the financial statements for the year ended 31 December 2024.

Notes

Notes

Notes

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