BlueLife
THE FUTURE OF DEVELOPMENT

On track to creating homes &
connecting people

ANNUAL REPORT 2016

As part of its ongoing programme to help protect the environment, BlueLife Limited has chosen to use Lenza Green paper for its Annual Reports.

Lenza Green paper is made from 100% recycled pulp, certified FSC(Forest Stewardship Council).

FSC is an international, non-governmental, non-profit making organisation created in 1993.

It encourages socially, ecologically and economically responsible forestry management initiatives.

Detailed Environmental Profile

Fibre source:	40 / 40
Fossil CO2 emissions from manufacturing:	18 / 20
Waste to landfill:	10 / 10
Water pollution from bleaching:	10 / 10
Organic water pollution:	9 / 10
Environmental management systems:	10 / 10

DEAR SHAREHOLDER,

The Board of Directors is pleased to present the Integrated Annual Report of BlueLife Limited for the year ended December 31, 2016. This report was approved by the Board of Directors on March 31, 2017.

On behalf of the Board of Directors we invite you to glance through the Integrated Annual Report and to attend the Annual Meeting of the Company, which will be held on:

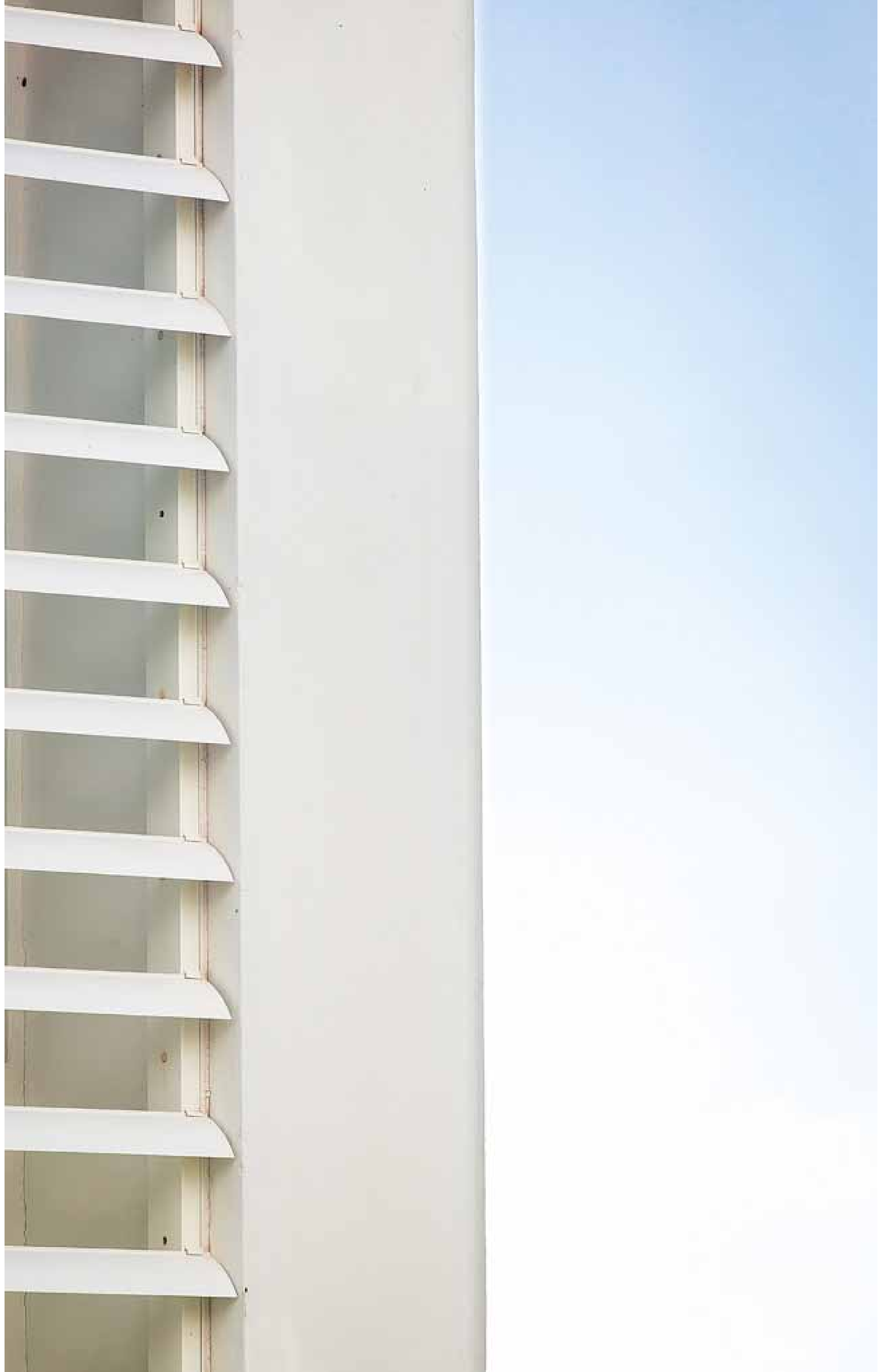
Date: Wednesday, June 28, 2017
Time: 15 hours 00
Venue: Crepuscule Conference Room,
Radisson Blu Azuri Resort & Spa,
Riviere du Rempart

We look forward to seeing you.

Yours sincerely

Arnaud Lagesse,
Chairman

Christine Marot
Chief Executive Officer



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OUR VISION

“WE ARE DESIGNING AND CONCEIVING THE LIFESTYLE PATTERNS OF TOMORROW.”

GROUP STRUCTURE

32.43%
ACTIS PARADISE JERSEY LIMITED

29.48%
GML INEO LTEE

8.46%
IBL LTD

29.63%
OTHER SHAREHOLDERS

BLUELIFE LIMITED

BRC C07050411

60%
PL RESORT LTD
BRC C10096705

100%
CIRCLE SQUARE HOLDING COMPANY LTD
BRC C11100310

100%
HAUTE RIVE HOLDINGS LTD
BRC C10099434

100%
OCEAN EDGE PROPERTY MANAGEMENT COMPANY LTD
BRC 12113801

100%
RIVERSIDE CENTRE HOLDING CO LTD
BRC 16141563

100%
AZURI SERVICES LTD
BRC C16136977

100%
AZURI WATCH LTD
BRC C16137037

100%
AZURI ESTATE MANAGEMENT LTD
BRC C16136978

100%
HR EDUCATIONAL HOLDING LTD
BRC C11105796

100%
HAUTE RIVE OCEAN FRONT LIVING LTD
BRC C11104732

100%
HAUTE RIVE IRS COMPANY LTD
BRC C100995454

100%
AZURI SUITES LTD
BRC C13115934

62.9%
HAUTE RIVE AZURI HOTEL LTD
BRC C11102577

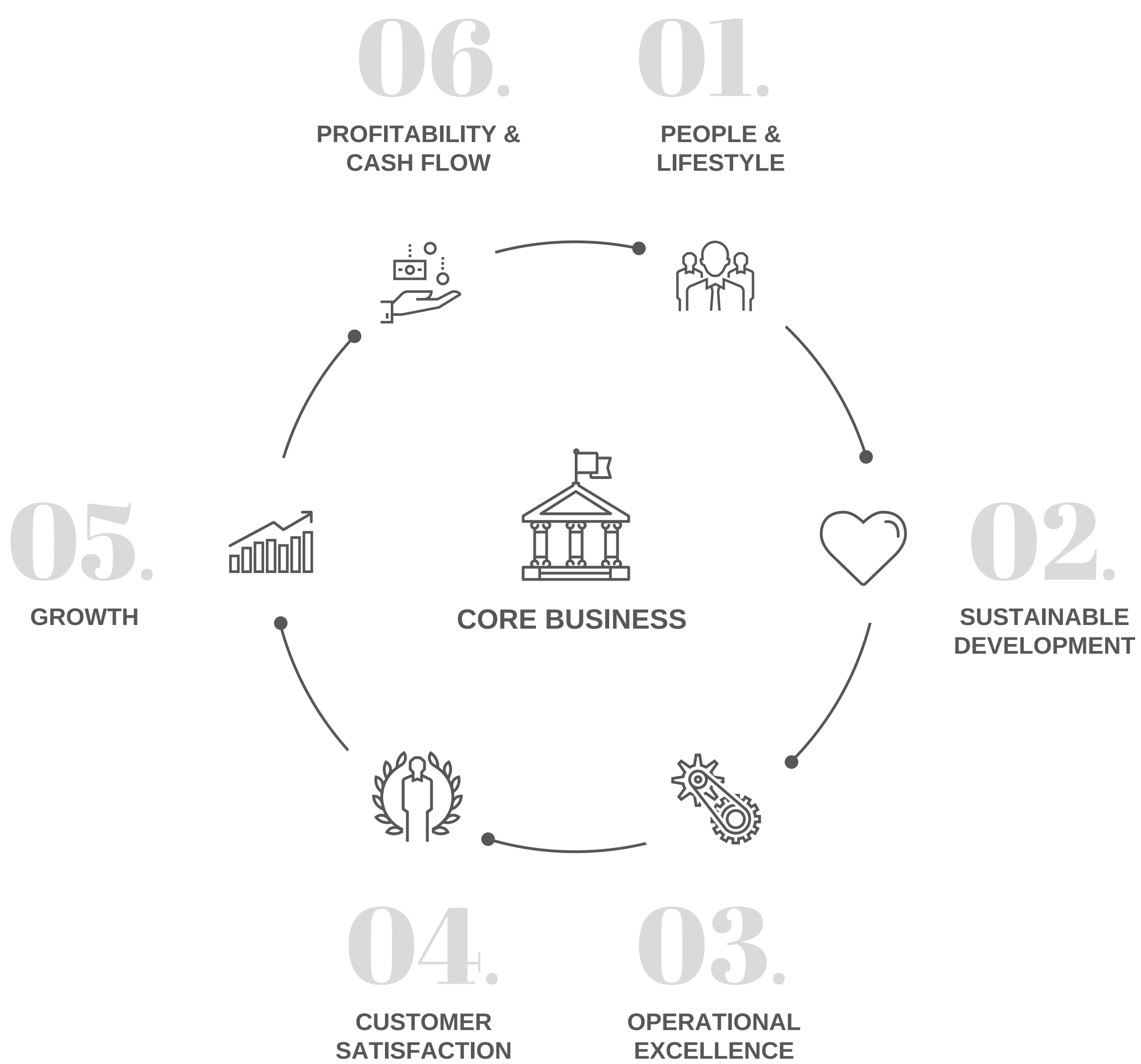
100%
HR EDUCATIONAL PROPERTIES LTD
BRC C11105880

BLUELIFE LIMITED

ANNUAL REPORT 2016

OUR PROPERTY CYCLE

FROM DEVELOPMENT TO VALUE CREATION



01.

PEOPLE & LIFESTYLE

How you live today and tomorrow matters to us. We enhance your lifestyle, infusing the Mauritian way of life to your cosmopolitan aspirations.

02.

SUSTAINABLE DEVELOPMENT

We seek to align sustainability with our overall business goals, and make a positive contribution to our company's short- and long-term value.

03.

OPERATIONAL EXCELLENCE

Our partnerships and joint ventures enable us to solve complex operational challenges and achieve world-class operations.

04.

CUSTOMER SATISFACTION

Beyond bricks and mortar, we offer a vibrant tight-knit community and day-to-day management of our homeowners and tenants' properties.

05.

GROWTH

We have taken quantum leaps in maintaining a portfolio of recurrent buyers, who remain the key to organic growth.

06.

PROFITABILITY & CASH FLOW

We have developed a deep understanding of how to create value and generate profit throughout the life cycle of a real estate project.

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OUR "BRINGING VALUE" DRIVING CRITERIA

LAND & INFRASTRUCTURE
We are building vibrant places where communities can live, work and play.

COSMOPOLITAN PEOPLE
We firmly believe that life is enhanced by human interaction, knowledge and fulfilling experiences.

SUSTAINABLE UTILITIES
We are responsible for leaving a positive legacy for generations to come.

CONNECTIVITY
Intuitive technology makes for a seamless experience, and brings us closer.

QUALITY OF LIFE
We believe that living by the sea brings peace of mind.

LEARN AND WORK
We help people reach their full potential.

OUR HISTORY

2012
2013

- Completion and delivery of Les Hauts Champs
- Opening of our two hotels in Poste Lafayette and Azuri Village
- Opening of Circle Square Retail Park

2014

- Completion and delivery of 236 residential units at Azuri for local and foreign buyers
- Opening of retail zone at Azuri with shops and restaurants
- Launch of construction of Phase II for local buyers (114 units) at Azuri

2015

- Signing of new hotel management agreement with Rezidor Hotels ApS Danmark
- Launch of construction of local residences of Alezan Phase II at Azuri
- Start of infrastructure work for the Ocean River Villas project

2016

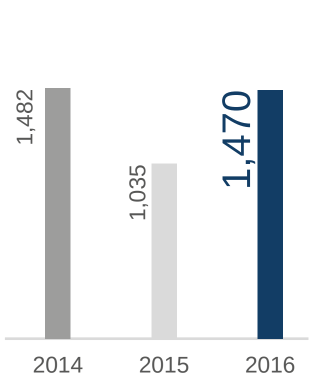
- Signing of 1st DOS of Ocean River Villas project
- Phase I (236 units) SOLD OUT
- Phase II (114 units) SOLD OUT
- Launch of construction of 16 Riviera Villas
- Sales launch of Golf View Villas
- Delivery of Phase II at Azuri

2017

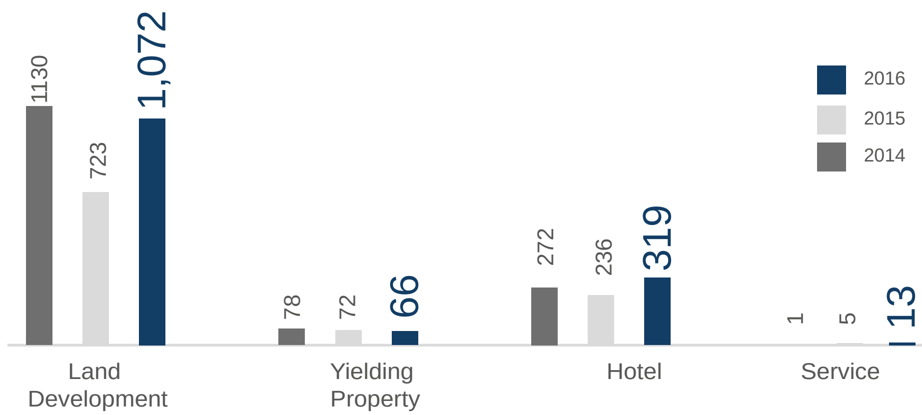
- Delivery of 5 premium villas on the river at Azuri
- Sales launch of Ennéa Villas
- Sales launch of Les Hauts Champs Phase II
- Completion of construction of Riviera Villas project

FINANCIAL INDICATORS

TURNOVER (Rs'M)



TURNOVER PER ASSETS SEGMENT (Rs'M)



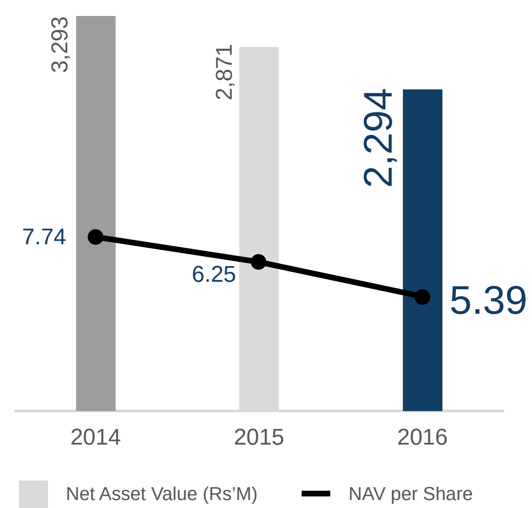
Total revenue for the year under review reached MUR 1.47 billion, an improvement of 42% on the year 2015 (MUR 1.01 billion). The increase is attributed to:

- The inherently cyclical nature of the Property Development market, meaning that projects are subject to variations, from the conception stage to the sale of the unit, and from the construction phases to delivery. Sales of residential units in our IRS developments, namely to foreign buyers, substantially contributed to this revenue growth by MUR 349 million.
- A significant performance-enhancing change in our hospitality segment, following a difficult year in 2015 due to a change in operators.
- A challenging trading year for our yielding assets with tough market conditions and downward pressure on rent prices. Occupancy levels have stabilised but have not reached our level of expectation

MUR 5.39

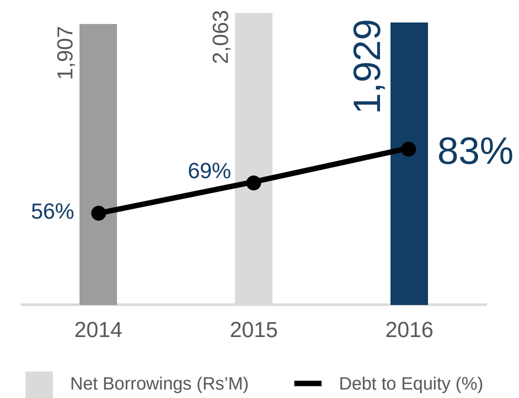
NET ASSET VALUE PER SHARE
(MUR 6.75 in 2015)

NET ASSET VALUE (Rs'M)



The Net Asset Value has decreased by MUR 577 million, due to a conjunction of operating losses, predominantly from our hospitality segment, significant fair value losses and the impairment that we identified during the course of the year.

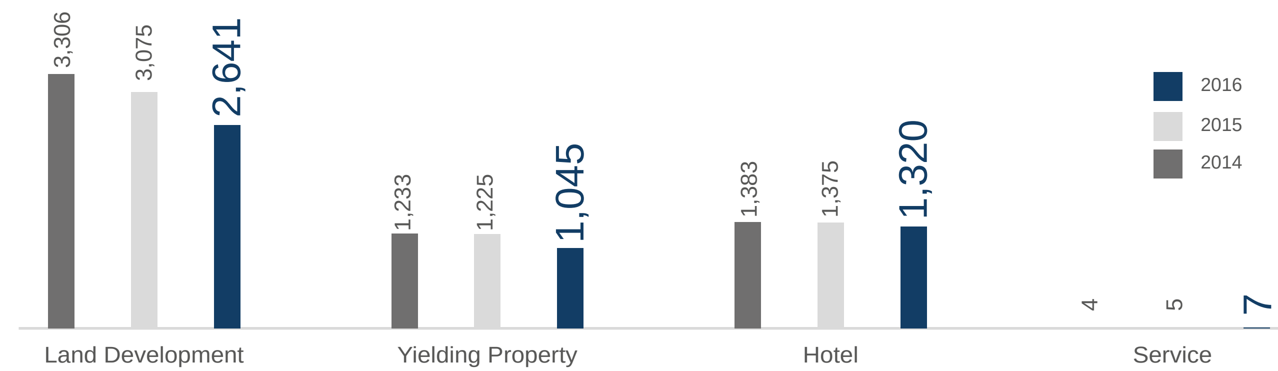
BORROWINGS AND DEBT-TO-EQUITY (Rs'M)



Our borrowings were reduced by 134 million during the year. A drop in our Net Asset Value prompted an increase of the gearing ratio to an uncomfortable level of 83%. We have disbursed MUR 177 million in interests to our debt providers, compared to MUR 184 million in 2015.

Our short-term strategy is to substantially reduce the gearing level of BlueLife Limited - neglecting to do so would limit our ability to seize investment opportunities.

ASSET UNDER MANGEMENT (Rs'M)



BlueLife's Total Assets Value dropped from MUR 5.68 billion to MUR 5.01 billion during the year. The decrease is due to the combined effect of the following components of the Group's Income Statement:

- The fair value losses and impairment, on both investment properties and assets held for sale
- The reduction in inventory value and land development cost on completion of residential development

The land development segment continues to carry a work-in-progress status regarding our project under construction, with 437 acres of freehold land available for future development, of which 75 acres have been allocated to the development of Azuri Golf - Northern Precinct.

MUR 5.01 BN

TOTAL ASSETS VALUE
(MUR 5.68 billion in 2015)

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“

WE ARE INSPIRED TO CONTINUE DELIVERING EXCELLENCE IN OUR PRODUCTS AND SERVICES.

”

DIRECTORS' PROFILE

1 ARNAUD LAGESSE
Chairman and Non-Executive Director

2 KEVINDRA TEEROOVENGADUM
Non-Executive Director

3 LOUIS MYNHARDT
Non-Executive Director

4 KISHORE SUNIL BANYMANDHUB
Non-Executive Director

5 CHRISTOPHE BARGE
Independent Non-Executive Director

6 CHRISTINE MAROT
Chief Executive Officer and Executive Director

7 MICHELE ANNE ESPITALIER NOEL
Chief Finance Officer and Executive Director

DIRECTORS' PROFILE

01.

ARNAUD LAGESSE

Chairman and Non-Executive Director

Arnaud Lagesse was appointed Non-Executive Director and Chairman of BlueLife Limited on December 31, 2013. He holds a 'Maitrise de Gestion' from the University of Aix-Marseille III, France and is a graduate of the 'Institut Supérieur de Gestion', in France. He also completed an Executive Education Program at INSEAD, Fontainebleau, France, and an Advanced Management Program (AMP180) at Harvard Business School, Boston, USA. He joined GML in 1993 as Finance and Administrative Director before becoming its Chief Executive Officer in August 2005. On July 01, 2016, after the amalgamation of GML Investissement Ltée and its main subsidiary company, Ireland Blyth Ltd, he was appointed as Group CEO of the newly formed entity now known as IBL Ltd. Mr. Lagesse participated in the first National Corporate Governance Committee as a member of the Board in 2004 and was recently appointed Chairman of the new committee, set up with the aim of updating the Code after ten years of existence. Arnaud Lagesse is also a member of the National Integrity Advisory Committee and an ex-president of the Mauritius Chamber of Agriculture, the Mauritius Sugar Producers Association and the Sugar Industry Pension Fund. Mr. Lagesse is a member of the Board of Directors of several of the country's major companies and is the Chairman of BlueLife Limited, Lux Island Resorts Ltd, inter alia. He is also the Chairman of Fondation Joseph Lagesse since July 2012.

Directorships of companies listed on the Stock Exchange of Mauritius Ltd:

- Alteo Limited
- IBL Ltd
- Lux* Island Resorts Ltd
- Phoenix Beverages Limited
- Phoenix Investment Company Limited
- The United Basalt Products Ltd

02.

KEVINDRA TEEROOVENGADUM

Non-Executive Director

Kevin has spent his career working in partnership with African companies to help them build their respective countries. After obtaining his BSc in Economics, an MBA and a MSc in Finance from Leicester, England, he moved back to Mauritius and worked for KPMG, Deloitte and EY in corporate finance and business consultancy before the pan-African advisory and investment banking boutique, Loita Capital Partners Group in Johannesburg, where he assisted clients with fundraising activities in numerous African countries and covered multiple sectors including banking, telecoms, commodities and logistics. In 2007, Kevin joined the Pan Emerging Market Private Equity Firm Actis as a director and was part of the 1st African Real Estate Fund for Sub-Saharan Africa focused in investing equity in new developments across a number of African jurisdictions. Mid-2013, Kevin left Actis to become the Founder Chief Executive Officer of African Land Investments focused on buying out properties from Private Equity firms and developers in key markets in Sub-Saharan Africa. In September 2014, African Land Investments was merged with Atterbury Africa, and rebranded AttAfrica, of which Kevin is the CEO of AttAfrica. It is the biggest shopping centre property fund in Sub-Saharan Africa excluding South Africa. He sits on various boards of companies in Mauritius and Africa and is a frequent speaker at international conferences.

03.

LOUIS MYNHARDT

Non-Executive Director

Louis Mynhardt is a Chartered Accountant and a member of the Actis Real Estate team. Louis joined Actis in 2009 with a focus on sub-Saharan investments. He has worked across multiple asset classes and transaction types including LBO's, growth capital deals and restructurings. Louis has previously served on the Boards and associated subcommittees of Tracker Technology Holdings (Pty) Ltd, RTT Holdings (Pty) Ltd, Paycorp Holdings (Pty) Ltd and Savcio Holdings (Pty) Ltd. Louis is also associated with the CBH Group which comprises multiple companies across various sectors including real estate, tourism, and retail. Prior to Actis, Louis completed his articles in Ernst and Young's private equity transaction support group in London and Johannesburg.

04.

CHRISTOPHE BARGE

Independent Non-Executive Director

An expert in new information technologies, Christophe Barge is the CEO of a Smart City Group, a company specialized in Smart Cities. He is a graduate of Sciences Po, Aix en Provence and holds a Master of Information Systems from Paris 8. Christophe Barge worked for 20 years in public affairs, for a ministry and private companies. Christophe Barge is an expert in the field of smart cities and digital business transformation. He accompanies many cities in France on these subjects and collaborates with Fnac, the Caisse des Dépôts et Consignations and Roland Berger strategy firm on these issues. He is the author of several books on these subjects, including Smart Cities for Dummies, which will be published in March 2017.

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DIRECTORS' PROFILE

05.

KISHORE SUNIL BANYMANDHUB
Non-Executive Director

Kishore Sunil Banymandhub, born in August 1949, graduated from UMIST (UK) with a B.Sc. Honours First Class in Civil Engineering, and completed his Master's Degree in Business Studies at London Business School in 1977. He is also an Associate of the Institute of Chartered Accountants of England and Wales. He has occupied senior positions in the private sector in Mauritius, and in 1990 he launched a transport company which he oversees. Between 2001 and 2008, he was CEO of the Cim Group, which was engaged in financial and international services. He currently acts as independent Director of a number of domestic and offshore entities. He is Head of Mauritius Operations for Actis, a leading emerging markets Private Equity fund manager. He is the Non-Executive Chairman of Omnicane Ltd, a listed group engaged in the production of refined sugar, energy, ethanol, as well as the development of property in Mauritius with a regional expansion strategy. He is a Director, and Chairman of the Audit Committee, of MCB Group Ltd, which owns the largest bank in the country. He is also a Director, and Chairman of the Risk and Audit Committee of New Mauritius Hotels, the largest hotel group on the island. He is Chairman of the Risk and Audit Committee of the Select Group, part of the African Alliance Group, engaged in micro finance and investment banking in Africa. He has been Chairman of two para-statal bodies, a member of various private sector institutions, including President of the Mauritius Employers Federation in 1987. He was Member of the Presidential Commission on Judicial Reform (1996), headed by Lord Mackay of Clashfern, previously UK Lord Chancellor.

Directorships of companies listed on the Stock Exchange of Mauritius Ltd:

- Omnicane Ltd
- New Mauritius Hotels Ltd
- The MCB Group Ltd
- Fincorp Investments Ltd

06.

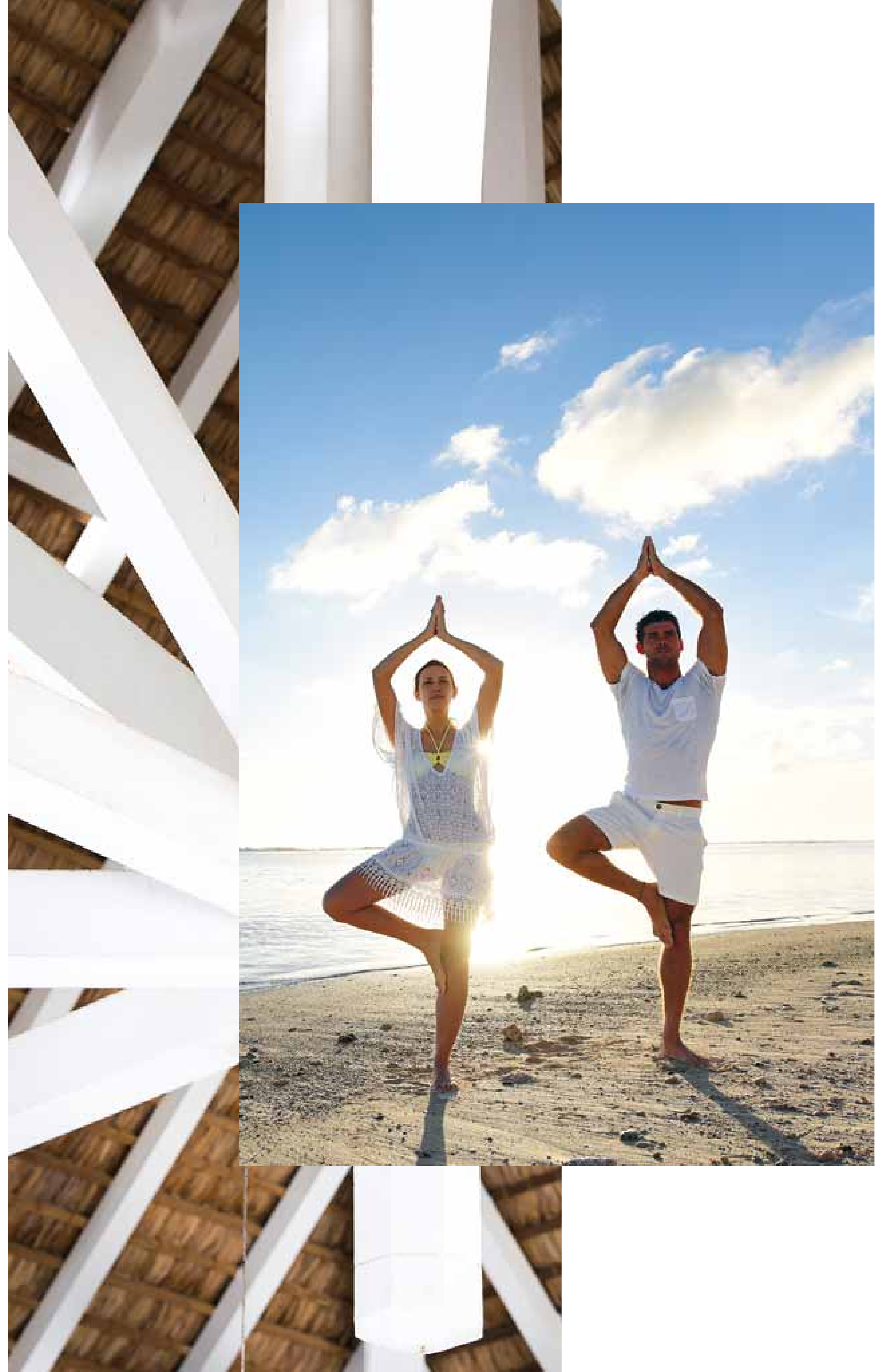
CHRISTINE MAROT
Chief Executive Officer and Executive Director

Christine Marot, an accountant by profession, joined BlueLife Limited in May 2015. She started her career at De Chazal Du Mée & Co, Chartered Accountants in Mauritius before joining GML. She acquired vast experience working at GML Management Ltée (now IBL Management Ltd), where she acted as Finance Executive – Corporate and Accounting, until April 2015. She has been a member of the Board of Directors and has served on Committees of the Board of several listed as well as unlisted companies involved in the financial services industry, human capital management, telecommunication and property management. Christine Marot remains a member of the governing committees of the IBL Pension Fund (formerly GML Pension Fund).

07.

MICHELE ANNE ESPITALIER NOEL
Chief Finance Officer and Executive Director

Michele Anne is currently the Chief Finance Officer of BlueLife Limited. She joined IOREC in January 2010 as Corporate Finance Executive to provide financial direction to the company, including corporate finance, planning and administration and took on the role of CFO upon the amalgamation of IOREC with BlueLife. She is a graduate from Ecole Supérieure de Commerce (E.S.C.A.E) of Clermont Ferrand, France with a specialization in Audit, Accounting and Finance Management and passed the Mauritius Stockbrokers Examination organised by the Stock Exchange Commission (now the Financial Services Commission) and the Mauritius Examination Syndicate. She recently completed the One-Year ESSEC General Management Program designed for GML Executives.



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CHAIRMAN'S MESSAGE

ARNAUD LAGESSE
Chairman

We have developed a deep understanding of how to create value throughout the life-cycle of a real estate project, and have established ourselves as pioneers in the community building aspect of the land development sector.

To the Shareholders of BlueLife Limited,

I would like to begin by thanking our highly talented teams for their tireless endeavours, and our boardroom of wise and experienced directors for their counsel.

Regardless of the ups and downs, we have come out the other side with a clear sense of purpose and the opportunity to be successful in pursuit of that purpose. That is, to imagine and conceive the lifestyle patterns of tomorrow. How can we, BlueLife Limited, build vibrant communities enhanced by human interaction, intuitive technology and fulfilling experiences?

The Property Development market is a complex market to navigate because of periodic weaknesses in the economy, a workforce whose skills do not always match industry benchmarks, and the rather lengthy life cycle of a single development project. Yet, on an island delineated by its shores, land is particularly invaluable. The development of this very land has the potential to fundamentally transform our landscape and ways of living. It is our job to deliver over time significant growth and fulfil our vision.

THE YEAR IN REVIEW

Several key happenings - some negative, others positive - set us firmly on our present course. The unfortunate termination of our contract with Super Construction, on the construction of the second phase of local units at Azuri, was a serious setback, having taken a toll on our financial results due to the additional costs that impacted the project throughout the process. However, this did not affect our promise to our buyers, and we successfully delivered the 114 residences to our homeowners.

The hospitality cluster has faced yet again a difficult year. The sector is nevertheless showing signs of a positive pick up with a new dynamic commercial team and Cluster General Manager, Mehdi Morad, who joined us recently. His insight and vision will revitalise our Hospitality cluster and build capability. Under his guidance, the Radisson Blu Azuri has repositioned itself as a family-oriented resort, whilst the Radisson Blu Poste Lafayette will target adults essentially. The strategic repositioning is put to execution by expanding our offering to include creative concepts that attract new clients and secure the loyalty of our regular guests.

Furthermore, we have taken the decision to divest from our Yielding Asset segment, beginning with the sale of Riverside Commercial Centre, and the reconfiguration of Circle Square Retail Park.

PROPERTY DELIVERY

We have successfully delivered five premium villas on the river height, one of which is a 1600m^2 luxurious residence purchased by a private buyer, representing our largest individual villa handover to date. This has contributed to our positioning in a new upmarket segment, which sets the tone for future endeavours.

Our property sales have performed exceptionally well at Azuri; we sold 42 units (8 of Phase I, 9 of Phase II Local Residences, 10 plots of serviced land, 5 villas on the river and 10 Riviera Villas.) These encouraging figures are a reminder that we have only just begun to realise our full potential and purpose, and drive us to refocus on our core activity.

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> *On an island delineated by its shores, land is particularly invaluable. The development of this very land has the potential to fundamentally transform our landscape and ways of living. It is our job to over time deliver significant growth and fulfil our vision.*

PROPERTY DEVELOPMENT

We have developed a deep understanding of how to create value throughout the life cycle of a real estate project, and have established ourselves as pioneers in the community-building aspect of the land development sector.

Our unique position provides increased leverage to generate profit. Demand for long-term rentals is on the rise, and according to our data, the number of people who live at Azuri year-round is notable: 63 foreign and 40 local homeowners and their respective families, and up to 85 tenants and their families believe Azuri to be the quintessential "seaside living" opportunity, a figure that sets forth a consistent and positive Work & Live experience.

We firmly believe in the intuitiveness of technology, in its capacity to connect people with opportunities. Our Riviera Villas are the first of their kind: the innovative SMART homes offer an exciting array of connected devices to ensure security and efficiency.

We have initiated the Phase II of the Les Hauts Champs project - 17 remaining residences - which is scheduled for construction in the first quarter of 2018, with a delivery date set for the third quarter of 2019.

Our desire to integrate our developments to their surroundings is reason enough to demonstrate pro-activeness, reach out and support our neighbouring communities. Accordingly, we plan on opening a convenience store at the heart of Azuri that is readily accessible to our homeowners, tenants and locals.

Creating intrinsic value is an investment we deem necessary in the long run. Our team of highly-talented managers and employees work enthusiastically to build a sustained community, which sets us apart from other PDS and IRS developers, and enables us to cultivate customer loyalty and drive up our occupancy rate.

WHAT WE HOPE TO ACCOMPLISH

This year's setbacks serve as a reminder of the construction productivity imperative we face. A staggering ninety-eight percent of megaprojects face cost overruns or delays; construction productivity has been flat for decades according to McKinsey research. Flawed performance management, insufficient risk management, poor short-term planning and limited talent management contribute to the stagnancy.

BlueLife's design-to-value approach and its careful consideration of the full life-cycle costs of construction and operations help to minimize costs. Ultimately different teams bring different expertise to the table - this is how the Azuri Golf Course came to be. In conceiving a state-of-the art course, BlueLife Limited builds an offering that adds immense value to our company and enforces Azuri's "Live-Work-Play" community. It further sustains growth with regard to our homeowners.

Our achievements depend on consolidating our alignment with our esteemed stakeholders. As we weather this storm, I encourage you to measure our success with a broader and longer-term view of creating sustainable stakeholder value. And let us not forget that culture and values provide the foundation upon which everything else is built.

On behalf of the Board of Directors, I would like to thank all our stakeholders for their unwavering support and counsel. I am grateful to Christine Marot, our Chief Executive Officer, Management, and all our team members for their sturdy commitment, creativity and expertise.

I would like to conclude by thanking once again my collaborators on the Board, particularly those who have left us - Thank you for contributing to the writing of BlueLife's story. To those who have come on-board - We look forward to joining forces in the pursuit of BlueLife's quest to bring value to its stakeholders.

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CEO'S REPORT

CHRISTINE MAROT
CEO

Our team members are driven, inspired, skilled, compassionate and ambitious; in other words, everything it takes to achieve goals. We aspire to grow and to pursue the creation of long-term value for our stakeholders, employees and clients.

Dear Stakeholders,

I am pleased to present our Executive's Report for the financial year ended 31 December 2016, which despite the challenges, presented the opportunity to balance long-term value-creation and the appropriate risk considerations, vital to success. Now is a good time to reflect back on the past year's achievements and drawbacks, before we step up the pace to achieving sustainable and profitable growth.

Last year at BlueLife Limited we set a strategic direction for the next decade, guided by the following core dimensions:

- People and Lifestyles
- Smart Development
- Operational Excellence
- Growth

With this in mind, we kick-started the strategy-defining process by focusing on three driving forces: our people, our land for development and our customers.

CREATING AND BOOSTING LONG-TERM VALUE

Our active approach to creating and boosting value included assessing BlueLife's past records, which show that we experienced, at a micro level, what is customarily experienced at a macro level in the real estate sector in developing countries.

Brisk growth propelled emerging regions such as the Middle-East to prioritise speed and scale in the construction sector, leading to opaque market strategies, the neglect of value creation through a focus on fast delivery, volatile revenue streams and insufficient risk management. A pattern involving a growth of the value chain devoid of adequate abilities or aims emerged in the process. Multi-segment development is rather unfavourable to skilling the workforce, which is vital in achieving competitive advantage and healthy margins.

Faced with delivery and profitability issues, developers of emerging markets tend to forgo the design phase in favour of the delivery phase. The shift from a design-centric approach to a delivery-centric one must be tackled with caution, as neglecting value engineering can prompt a first-class developer to downgrade.

Gauging shareholder value, we considered the ways in which to drive revenue growth and operating margins, all while tackling asset efficiency, improving board governance and fostering company culture. The highly cyclical nature of Property Development accounts for the challenges we face. In comparison to Retail and Consumer-related industries, our cycles are relatively lengthy, meaning value creation can only be considered as a medium to long term objective.

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> *Our fundamental goal is the enhancement of people's lives - where and how they live.*

The property market is impacted by entrenched competitive local players but also global contenders, including emerging destinations, and necessitates the development of new attractive products and the ability to adapt to evolving needs.

In devising a strategy aimed at creating lasting value, we uphold the company's vision to develop land and bring on-board employees, newly recruited talents and long-term partners, whose combined competences contribute to BlueLife meeting global benchmarks in the Property Development industry. Our fundamental goal is the enhancement of people's lives - where and how they live.

We aim to:

- enhance and improve the lives of people
- build places where people can meet, share and evolve, and live, work and play
- create fulfilling and enriching experiences
- move beyond "bricks and mortar" to better understand how we humans, live, socialise and dream

We have successfully redefined lifestyles and delivered unique living concepts that have become an integral part of Mauritians' lives. Our "Live, Work, Play" philosophy is instilled in every project we undertake.

Putting people first is a predictor of success in any company, particularly in real estate. We understand that excellent customer service and creating value for our clients is paramount to our future success. We are committed to constantly outdoing ourselves and going the extra mile for our clients.

In light of soaring construction costs, we have steered our strategy toward the planning and programming phases. A targeted approach in the early stages rather than later on in the process can substantially reduce costs. Evidently, the strategy calls for changes in policy, as cost reduction comes with its fair share of challenges. A multi-phasing approach will be favoured in future developments. Projects with a shorter time-frame warrant a more targeted approach, consequently capping potential costs increases, which are undoubtedly more difficult to gauge in large-scale projects with a prolonged time-frame.

We have successfully built the capabilities that add the most value to our company's performance. In order to adequately monitor quality and efficiency, and manage risks throughout all phases, we have developed project milestones. The new policy requires the unwavering support of our Project and Finance teams throughout the project, as well as the endeavour of our Sales and Marketing teams at specific stages.

A dedicated line of communication was set up between Azuri and our Head Office as a means to increase efficiency in sharing information. Furthermore, we rethought our CRM so as to upgrade the overall process, from the initial sales stage to the delivery point, while simultaneously integrating the interim project-related phases. Relying on innovative Information Technology, we strive to optimise all project management processes and building information management.

As a listed company, we are responsible for creating value for our investors and stakeholders. That being said, we firmly believe that financial growth should not be to the detriment of our communities and environment. It is our duty to bring on-board our employees, who are driven and invested in successfully developing and delivering prime properties.

RESULTS AND OUTLOOK

Despite our suffering from the slow start of our Hospitality cluster, we remain optimistic about the upcoming year's rewards. Our new operator and our asset management team have worked tirelessly to turn the business unit around.

We have begun our cost reduction enterprise, as well as the debt restructuring process, which will considerably reduce debt exposure all while ensuring we have the secured funding to undertake development.

We are pleased to report that our Property Development cluster engendered positive results in 2016. The launch of the first component of the new master plan of Azuri at the end of 2016 leads us to feeling confident that we are on the right track to the successful delivery of projects in the upcoming years, and a recovery stronger than before.

To conclude, I would like to thank my fellow colleagues on the Board for their wise counsel. I also seize this opportunity to thank our business partners for their unwavering support, and our team for its loyalty and tireless effort. Our team members are driven, inspired, skilled, compassionate and ambitious; in other words, everything it takes to achieve goals. We aspire to grow and to pursue the creation of long-term value for our stakeholders, employees and clients.

CHRISTINE MAROT

Chief Executive Officer

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MANAGEMENT PROFILE

01.

CHRISTINE MAROT
Chief Executive Officer and Executive Director

Christine Marot, an accountant by profession, joined BlueLife Limited in May 2015. She started her career at De Chazal Du Mée & Co, Chartered Accountants in Mauritius before joining GML. She acquired vast experience working at GML Management Ltée (now IBL Management Ltd), where she acted as Finance Executive – Corporate and Accounting, until April 2015. She has been a member of the Board of Directors and has served on Committees of the Board of several listed as well as unlisted companies involved in the financial services industry, human capital management, telecommunication and property management. Christine Marot remains a member of the governing committees of the IBL Pension Fund (formerly GML Pension Fund).

02.

NICOLAS REY
Financial Controller

Nicolas holds a BCom (double major in accounting and finance) from Curtin University in Australia and qualified with the Association of Chartered Certified Accountants (ACCA) in 2014. He started his career at Ernst & Young in the audit department before moving into the offshore sector in Mauritius. Nicolas joined Bluelife Limited in 2013 as a financial analyst. In this role, he has been involved in the Group's project finance, corporate finance and treasury functions. Nicolas is notably responsible for monitoring the financial performance of various departments and contributing to the Company's overall financial strategy.

03.

MAXIME HARDY
Asset Executive

Maxime is a Fellow of the Association of Accounting Technicians. He joined GML Management's Accounting & Finance department in 2001, after having worked in various sectors. In 2009, he integrated the newly founded real estate development, known as BlueLife Limited today. He is responsible for overseeing the residential, industrial and commercial properties. In particular, he is in charge of asset management and facilities management for the Group's commercial assets (excluding hotels). He also oversees the operations of Ocean Edge Property Management Ltd.

04.

MICHELE ANNE ESPITALIER NOEL
Chief Finance Officer and Executive Director

Michele Anne is BlueLife Limited's Chief Finance Officer. She joined IOREC in January 2010 as Corporate Finance Executive to provide direction to the Company's financial function, including corporate finance, planning and administration, then was appointed CFO upon the amalgamation of IOREC with BlueLife. She is a graduate of École Supérieure de Commerce (E.S.C.A.E) of Clermont Ferrand in France, where she specialised in audit, accounting and finance management. She has also passed the Mauritius Stockbrokers Examination organised by the Stock Exchange Commission (now the Financial Services Commission) and the Mauritius Examination Syndicate. She recently completed a one-year general management programme offered by ESSEC and specifically designed for GML Executives.

05.

HUGUES LAGESSE
Senior Development Executive

Hugues holds a diploma in administration and finance from the École Supérieure de Gestion et Finance in Paris, France. In September 2007, he followed a management course at INSEAD in Fontainebleau, France as well as a course in real estate development in Paris and at Harvard Business School in Boston, USA. He recently completed a one-year general management programme offered by ESSEC and specifically designed for GML Executives. At BlueLife, he participates in strategy and planning and is responsible for identifying potential areas for future development and growth. He is also in charge of managing projects' through their life cycle, from conceptualisation and design to completion.

06.

ISABELLE JACQUES
Office and ICT Manager

Isabelle joined BlueLife Limited in July 2015 as Office and ICT Manager. Isabelle studied economics at the University of Cape Town and worked in the IT sector in South Africa and the UK. In 2002 she moved back to Mauritius where she worked in the insurance sector as an IT / HR / Admin Manager. She is now responsible for BlueLife's IT infrastructure, software and support. She also heads up the Group's HR function and its office management.

MANAGEMENT PROFILE

07.

BRENT HARRIS
Head of Development & Construction

Brent joined BlueLife Limited in September 2015 as Head of Development and Construction. He holds a BSc degree in Civil Engineering and a diploma in project management. Brent has 20 years of experience in the construction, Project Management and real estate sectors, having delivered various large-scale infrastructure projects and residential developments across a number of African countries as well as in the UK. His responsibilities at BlueLife mainly include preparing detailed project strategies and developing and implementing master plans. He also manages project-related activities, ensuring risks are mitigated throughout the life cycle of the project, from early stages to delivery and until delivery.

08.

ANAND CYPARSADE
Project Executive

Anand joined Bluelife Limited in 2010 and currently heads the Phase II of the Azuri development. He holds an MSc in Project Management and a degree in Economics, and has over 14 years of experience in real estate and business development, in both the public and private sectors of Mauritius as well as internationally. He is in charge ofimplementing projects and monitoring the involvement of stakeholders in the project's delivery phase.

09.

CHRISTOPHE DE FROBERVILLE
Sales Manager

Christophe holds a Bachelor's degree in Management Accounting and Marketing from the University of Western Australia (UWA) in Perth and a Masters in International Business from INSEEC Business School in Paris. He started his career in product management in Paris, working for France's largest online wine retailer. Back in Mauritius, Christophe spent three years in the sales and marketing department of Constance Hotels & Resorts, both at corporate and operational level, between Mauritius and Seychelles. He joined BlueLife Limited in February 2016 as Sales Manager and is now responsible for business development, focusing on lead generation and the optimisation of the group's market intelligence and CRM (customer relationship management) tools.

“It is people - not machines - who take quantum leaps in performance, who achieve.”

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"EVERY IDEA WE HAVE, DECISION WE MAKE AND ACTION WE TAKE IS DRIVEN BY A DESIRE TO ENRICH THE LIVES OF PEOPLE."

OUR BUSINESS

	STRATEGIC OBJECTIVES	ACHIEVEMENTS IN 2016	PRIORITIES FOR 2017
FINANCE	• Restore profitability in loss making subsidiaries • Maintain conservative loan-to-value ratios and terms of indebteness within sustainable limits, to maintain our ability to seize investment opportunities	• Managed the cash flow and restructured borrowings	• Reduce borrowings • Restore cash flow surplus
PROPERTY DEVELOPMENT	• Continue to promote Azuri as the grandest lifestyle destination in Mauritius • Develop Azuri promoting the Live, Work and Play concept • Ensure profitability and sustainability in all our projects	• Signature of Deeds of Sale and start of construction work for Riviera • Despite the difficulties linked to the termination of the contract with Super Construction, on our Phase II Local development, we succeeded in the handover of Ilea, Nariyal, Solifiore and Alezan units to their buyers • Completion of infrastructure works for the Ocean River Villas project and handing over of the serviced lands to buyers • Started re-masterplanning of Azuri and initiated a new concept for the Northern Precinct with golf, residential and commercial components	• Finalise Azuri masterplan in order to implement the agreed strategic vision and next steps for the project • Decide on the detailed road map for Azuri 2017 – 2020 and launch first phase of the agreed road map • Achieve minimum sales level on Golf villas to start construction by mid 2018 • Launch Les Hauts Champs Phase II PDS and achieve minimum sales level to start construction
YIELDING ASSETS	• Master our asset portfolio to increase our assets' value and assess maturity profile of assets in view of sales options • Adjust the positioning of Circle Square as a residential, leisure and retail destination	• Faced with inability to restore occupancy and rents at comfortable level, we decided it is preferable to sell certain non-core assets	• Sell assets which are non performing or which reached maturity • Work on creative alternative options for Circle Square reconversion
HOTELS	• Return to profitability for the hotel cluster	• Strategic recruitment of a Regional Director of Sales – Leisure & MICE • Changed the corporate image • Through enhancement of guest experience, improved ranking on TripAdvisor. Global Review Index exceeding 91% for both hotels	• Further develop new experiences and offerings to increase occupancy and pricing
FACILITIES MANAGEMENT & SERVICES	• Be smart in our service proposals to stakeholders • Promote the use of the latest technology and systems for improved efficiency	• Set up Azuri Estate Management to monitor and maintain common technical equipment and shared facilities • Established Standard Operating Procedures for our staff members routine operations	• Set up a help desk at Azuri to promote the concept of hassle-free ownership • Implement professional system in Syndic Management
HUMAN CAPITAL	• Recruit, Reward, Retain • Talent management • Effective Performance Management System (PMS)	• Restructured team • Updated job descriptions and working contracts	• Produce a robust Employee Handbook to inform and guide staff members on BLL's HR policies and embed its ethics and values • Develop PMS • Manage talent
RISK	• Establish a governance structure (board, board sub-committees, executive responsibilities, risk management functions) • Consistently manage so as to integrate risk information into decision-making process. Accept, transfer or mitigate identified risks	• Setting up of committees as 1st line of defence with the senior management with cross-fertilisation between the various departments and activities so that any risk related occurrence can be addressed immediately • Risk register used as managerial tool and risk culture is spread and adhered to by senior management	• Set the risk appetite within which management is expected to operate and approve risk appetite statement • Disseminate risk awareness culture at operational level • Training of key employees on risk awareness and reporting • Continue implementation of decision making processes and relevant committees and sub-committees • Formalise Crisis Management protocol

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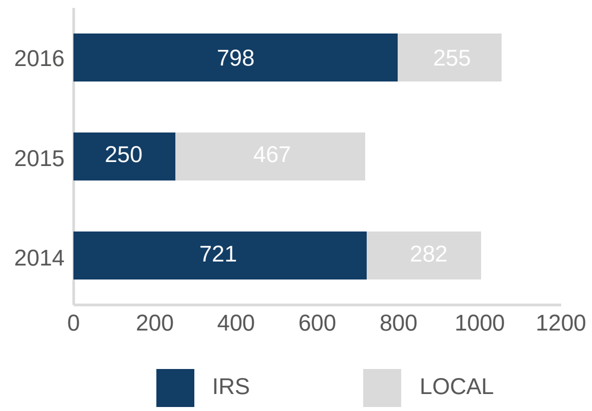
OPERATIONS

PROPERTY DEVELOPMENT

**TURNOVER
SALE OF RESIDENCES RS'M**



Since reported in last Annual Report, we sold out and handed over our inventory of residences from Azuri Phase I (local & IRS) and Phase II (local) as well as plots of serviced lands at the Ocean River Villas. They have been fully reflected into the Company's Income Statement on a completion basis to date.

The construction of the Riviera development was launched in the last quarter of 2016 but no revenue from this project has been recognised as revenue in the financial year under review. Revenue from this development will be reflected on a percentage completion basis throughout 2017. At the date of this report 10 Deeds of Sale had been signed while 3 units were under funded reservations leaving an inventory of 3 units.

We have also completed the master plan of Les Hauts Champs - Phase II project with 17 new residential villas which are intended to be developed under PDS scheme to be launched in the third quarter of the year.

Through the launch of 16 Golf View Villas, in December 2016, the creation of the Azuri Golf Estate in the Northern Precinct of Azuri was also announced. We are finalising our master plan of the Northern Precinct anticipate commercialisation of approximately 120 residential units on the market within the next 2 years. After the launch of the first residential component of this new phase of development we will progressively bring to market products including residential villas and apartments.

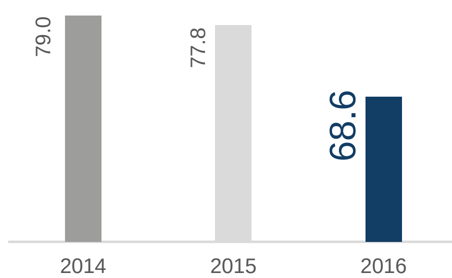
YIELDING ASSETS

There has been continued pressure from the yielding assets segment as a result of difficult market conditions which did not allow us to restore the occupancy and rentals of our centres to the expected level.

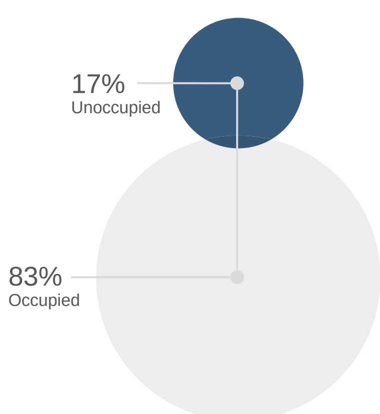
Despite an increase in occupancy rate by 3%, rental income dropped by 12% to MUR 68.6m mainly due to the delay in filling vacant spaces, rent graces offered to new tenants and a decreasing rent price per square meter.

Our short term strategy in respect of yielding assets is to disinvest from commercial centres and offices. Accordingly we are actively looking to sell some of assets in this segment. On 31 March 2017, we have sold the Riverside Shopping Centre.

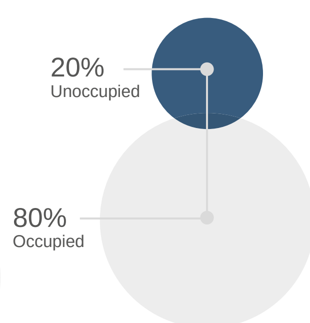
RENTAL INCOME RS'M



2016



2015



HOSPITALITY

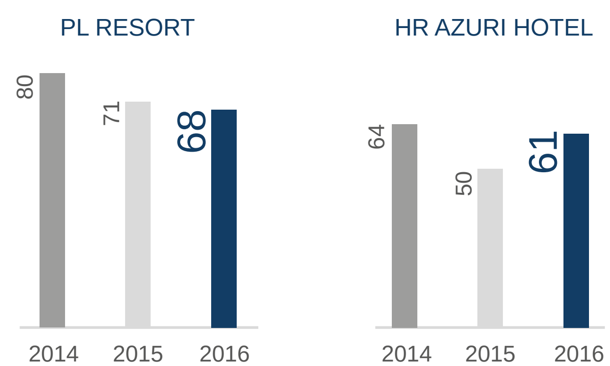
The nomination of Rezidor APS Hotels in September 2015 has not triggered the expected results in 2016. The Operator has taken more time to overcome the situation resulting in continued losses for the hotel segment in 2016. The underperformance of the operator during its first year was stringently addressed.

The Operator hired new high calibre resources as from the second half of 2016 and a re-positioning of the resorts has been ben undertaken. The impact in the last quarter 2016 was positive, and prospects for 2017 are already promising.

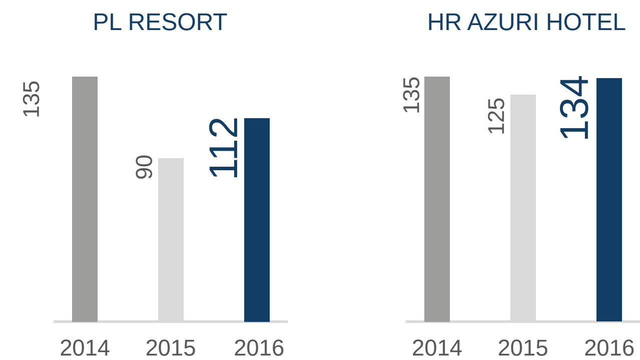
Rental management of residences has been separated from hotel operations as from the last quarter of 2016. A joint venture with a rental pool operator, with proven track record, is expected to start generating positive results as from end of 2017. In addition, a substantial number of contracts, providing a three year rental guarantee period to owners matured in February 2017. A significant reduction of the annual costs, which stood at Rs 68.6m in 2016 (2015: Rs 68.5m), is expected as from 2017.

With the re positioning of the hotels and in conjunction with the increase in occupancy, the number of positive online feedbacks increased. On Tripadvisor, the world's largest travel site, out of 178 hotels in Mauritius, the Radisson Blu Poste Lafayette went from 72nd position to 28th since May 1st and is now featured on the 1st page. This is due to an increase of Global Review Index from 84.40 to 92.90%. Although on a slower pace, the Radisson Blu Azuri went from 57th position to 51st since May 1st. Global Review Index increased from 89.9 to 91.1%.

OCCUPANCY IN %



TREVPAR $



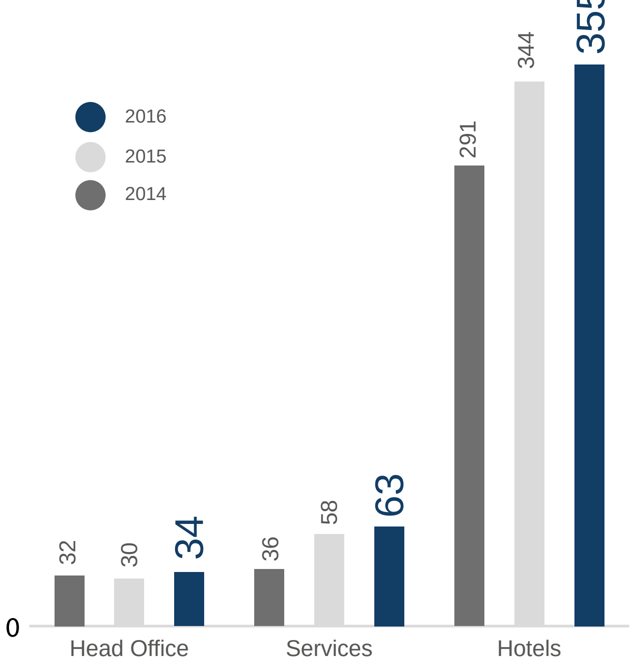
FACILITIES & SERVICES

Facilities management and services relate mainly to the operational support to our commercial and residential developments. Their value and contribution to the Group results are marginal but we consider these services to be essential for our operations. These services range from hands on technical teams for the repairs and maintenance needs for our own assets as well as utilities management. Utilities maintenance involve maintenance and upgrade of technical equipment and common facilities in Azuri to the syndic management services we offer to various residential co-ownerships of our residential developments.

HUMAN RESOURCES

As of December 31, 2016, BlueLife's workforce tallied a stabilised number of 452 employees, representing a 4% increase in comparison to 2015. While the employees of our Head Office and our Services segment report to the Human Resource Department at BlueLife, our Hospitality segment, managed by Radisson Blu, has its separate HR division.

EMPLOYMENT BY SEGMENT

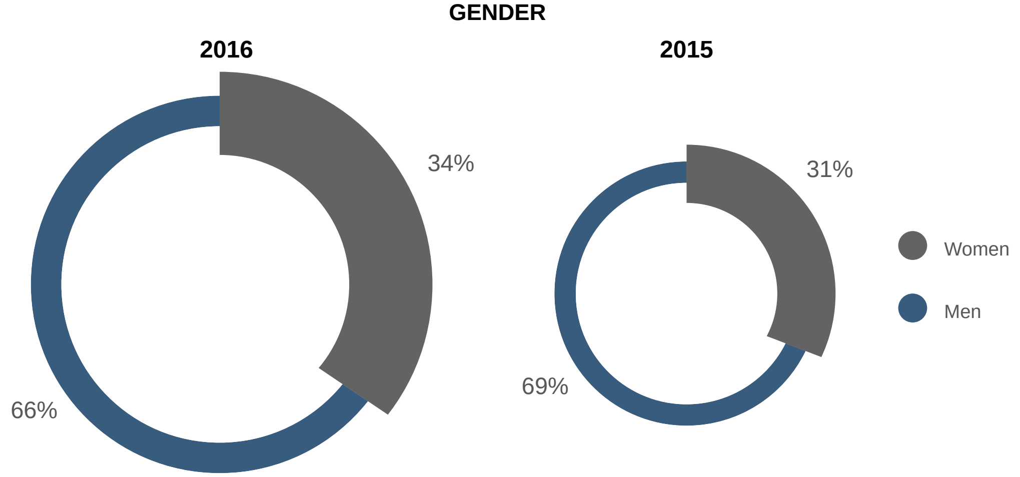


We do not envision any major changes in the workforce composition in the near future. However, we endeavour to consolidate our organization around persuasive and meaningful work culture and clearly defined organisational structures.

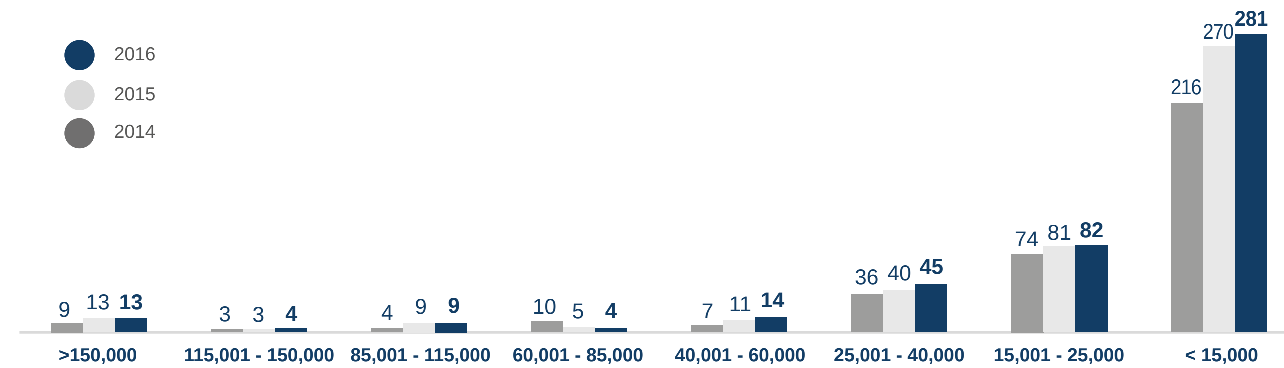
The major changes that have occurred since our last report are the following:

- After ensuring the smooth running of our services and activities at Azuri and overseeing the hotel activities for two years, Mr Pascal Bertrand is ready to move on and is gradually handing over his duties to competent new employees, ready to take on the challenge.
- Mr Guy Fanchette integrated our team in March 2016. As the newly appointed Estate Manager, he is in charge of the maintenance of technical equipment and common facilities at Azuri, as well as the oversight of all syndicate-related services offered to our residential co-ownerships at Ocean Edge Property Management Ltd.
- Mr Mehdi Morad filled the position of Cluster General Manager of the two Radisson Blu hotels in January 2016, following Mr Alfio Bernardini's departure. Mrs Yudishi Mahadea was promoted to Cluster Financial Controller after Mr Denis Dobre's departure. Lastly, Mr Patrick Lan - whose years of experience in the hospitality sector has proven to be a real asset for the Group - was appointed Regional Director of Sales – Leisure & MICE by Carlson Rezidor Hotel Group. He is currently on secondment, with the aim of promoting our hotels abroad.

GENDER



EMPLOYEES BY SALARY RANGE



EMPLOYEE REMUNERATION

We are committed to providing adequate remuneration to our employees and executives, in an effort to retain our valuable talent and attract high-calibre resources, while also taking into account short-term and long-term goals. The graph above illustrates our remuneration trends in 2016:

RS 198.1M

TOTAL STAFF COST

2015 Rs 164M

SKILLS DEVELOPMENT

We have started the process in view of implementing an adequate performance management system and ensure that remuneration is in line with competition. We did not manage to complete the performance management implementation as anticipated in 2016

Though we have initiated the process of implementing an adequate Performance Management System that ensure remuneration is in line with market benchmarks, the project could not be carried out in its entirety. We aim to enforce a sustainable framework that will boost performances and promote the continual personal development of all our employees. A successful Training Needs Analysis will help us reach our goal.

Job descriptions and work contracts have been reviewed and updated in order to accurately depict the duties and functions carried out by our current employees. This year, our Staff Handbook will also be revised and enforced throughout the organisation with respect to company standards, our code of ethics and corporate culture.

Our executives, senior-level and mid-level management employees underwent a thorough training session led by Mr Patrick Dutartre, former leader of the "Patrouille de France," on how to boost performance and foster a team-driven culture that drives transformational change.

INTERACTION WITH OUR LOCAL COMMUNITY

PASTRY COURSES LEAD TO NEW JOBS

We aim to provide members of our communities with empowerment tools that help their careers take off. We contributed to two new batches of pastry courses as part of an ongoing initiative (over the last 2 years we have contributed to 5 series of courses). Christabelle Toinette was promoted to Shift Leader at Winners after taking a pastry course paid for by our Social Contributions.

AZURI MARKET

Our markets support local artisans and vendors, while gathering neighbouring communities around a marketplace. The joy, the sharing and encouragement of local craftsmanship and entrepreneurs is invaluable to the life of our community.

RENOVATION OF ESPERANCE TREBUCHET PRIMARY SCHOOL

We believe that every child of this nation deserves a good education, which in turn leads to a promising bright future. We contributed to refurbishing the Esperance Trebuchet Primary School, located near our residential developments, by building adequate infrastructure and landscaping their gardens.

FIGHT AGAINST CHILDREN'S DIABETES

Lilian Eymeric, sponsored by BlueLife Limited, swam 230km in 55 hours from Mauritius to Reunion, to raise awareness on children's Type I diabetes. The funds raised were given to T1Diams, an association that advocates for children affected by Diabetes.

TENNIS OPEN

Azuri Tennis Club in partnership with the Mauritius Tennis Federation organised an open tennis tournament over two weeks, in which members of the community of all ages participated. Winners took home great prizes and the ambiance was fun and convivial, with a dash of competition.

IBL ON THE MOVE

We are partners of the annual IBL On The Move charity sports event held at Azuri and in the surrounding nature. The last edition raised awareness on breast cancer and the funds and donations were given to the association, Breast Cancer Care.

WORLD'S LEADING YOUTH ACHIEVEMENT AWARD

We are fervent supporters of the Duke of Edinburgh's International Award, which empowers our youth to develop skills outside the classroom and their leadership potential, by providing a wealth of opportunities, including travel.

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RISK MANAGEMENT

Integrated risk management is implemented at various levels of our company within a three-lines-of-defense framework, with the Board of Directors acting as a supervisory body. The Board's governance structure (illustrated below) serves to identify changes necessary to a well structured risk-culture and to ensure that Management takes a proactive stance in implementing these changes. The framework is illustrated below:

BOARD

AUDIT AND RISK COMMITTEE

SENIOR MANAGEMENT & EXECUTIVES

	1st Line of defence Risk owners Take and manage risk	2nd Line of defence Review and challenge Set risk policy and monitor	3rd Line of defence Independant assurance Validate
Roles	**Business Management**	**Risk Management and compliance functions/ Department specialists**	**Internal audit function / Other assurance providers**
Ownership & Responsibilities	Responsible and accountable for identifying and managing risk & control	Support Management in identifying and managing risk & control	• Internal independent from operations and finance • Report control weaknesses and inefficiencies to Management
Activities	**Own and Operate** • Identify, manage, mitigate and report various risks • Ensure operations are carried out within agreed policies and risk limits • Report and heighten risk limit breaches	**Design, support & challenge** • Design the overall RM framework • Develop risk policies and procedures • Monitor adherence to framework and strategy	**Assurance** • Provide independant testing & verification of efficiency of corporate standards and business line compliance • Ensure risk management process is functioning as designed

In 2016, Management designed a more effective Risk Management control environment. The measures taken serve to:

- Ensure that all management-level employees across the board are acutely aware of potential risks and spread a risk-awareness culture with strict protocols that serve to identify, assess, report and monitor risks in our day-to-day operations
- Restructure the reporting and decision-making processes, including adopting a cross-disciplinary approach concerning areas more prone to risks
- Incite a frequent and seamless flow of relevant information between the various clusters of the group, including implementing meetings to discuss potential risks to be tackled in the early stages of the project.

Various first-line-of-defense committees were set up in 2016, with close ties to the Senior Management, enabling different departments to cross-fertilize ideas and information so that even a minor risk can be immediately addressed and steered toward the second line of defense. Periodic discussions have been conducive to raising risk awareness culture at management level. The challenge for this year is to instill this culture at an operational level as well.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Risk description	Change from LY	Trigger event / indicator	Control process to mitigate risk
All of our investment properties are located in Mauritius and our financial performance is almost entirely dependent upon trading in Mauritius	◀ ▶	• Any event that negatively affects the occupancy rate, rental yields or the performance of these centres • Any financial, economic and political developments in or affecting Mauritius resulting in decreased consumer spending	• Keeping informed of key challenges and changes in the economic and business environments enabling a proactive stance • Regular monitoring of our tenants' performance, our centres' shopping traffic and other key performance indicators to determine future actions plans
Our Operations results depend upon tourism in Mauritius	◀ ▶	A decline in the attractiveness of Mauritius to international visitors, and a decline in tourism generally, would have a material adverse effect on our hotel revenue levels	• Maintaining Mauritius' attractiveness as a tourist destination • Monitoring and ensuring the continued attractiveness of our hotels as compared to competing hotels in Mauritius; • Monitoring the effectiveness of our marketing campaigns and initiatives
We face competition from other residential development projects	▲	Any oversupply of residential development in the same market segment may adversely affect our sales program, price targets and sales revenue Our inventory is currently limited to one type of villa	• Ensuring a robust development project screening process in place • Adopting competitive pricing strategies • Ensuring our offerings consistently meet customers' needs • Favour the proper diversification of the Group's activities by having a blend of property, office and retail development

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Risk description	Change from LY	Trigger event / indicator	Control process to mitigate risk
We face competition from other retail real estate assets in Mauritius.	◀ ▶	Any oversupply of competing shopping centres in Mauritius may adversely affect our rental income • Footfall may decline • Tension on rental rates • Increased bargaining power of potential tenants • Our tenants' trading performance may be adversely affected	• Ensuring a robust development project screening process in place • Emphasis on right design decision in terms of suitability for shopping purposes with modern outfitting, appropriate access and visibility and sufficient parking space • Favour the proper diversification of the Group's activities by having a blend of property, office and retail development
We may be unable to lease or re-lease space in our properties and terms might not be as favourable if let.	▲	• Demand for our properties remaining low • Limit the optimisation of our tenant mix • Limit our ability to retain tenants at expiry • Our tenants seeking to renegotiate the terms of their leases in their favour • Our ability to raise the rent may be constrained	• Ensuring leases contain automatic renewal • Emphasis on retention of tenants on lease expiry • Continued engagement with tenants • Willingness to negotiate lease terms to retain/sign tenants • Ensuring well maintained buildings to attract prospective tenants • Providing quality, yet affordable space
Our results of operations and cash flows are dependent on our tenants' ability to meet their financial obligations.	◀ ▶	• Tenants' insolvency / bankruptcy • Growing delinquencies in payment of rent and other charges due from our tenants	• Credit control to assess and regularly monitor tenants' risk profile and engagement • Systematic risk assessment profile of tenants prior lease agreement signature • Tenants' arrears closely monitored and termination of non performing tenants' leases • Credit control measures to curb bad debt
Real estate valuation is inherently subjective and uncertain	◀ ▶	Our judgement and the judgement of the independent appraisers who perform valuations on our behalf significantly affect the determination of the market value of our properties.	• Benchmarking undertaken, as much as possible, with comparative properties and known transaction to establish reasonableness of value • Ensuring the valuers are of good standards and have experience in the location and category of the property being valued

RISKS RELATING TO OUR OPERATIONS

Risk description	Change from LY	Trigger event / indicator	Control process to mitigate risk
Our operating expenses and maintenance capital expenditures may be higher than expected, and all of these costs may not be recoverable	◀ ▶	• Increase in subcontracted costs, labour costs, repair and maintenance costs, insurance premiums and/ or utility costs • Not all of these expenses are or can be recouped from our tenants	• Improving facilities management to reduce operational expenses
We are exposed to development / revenue risks	▲	• Lower than expected yields, rent levels, sales price levels, sales levels • Delay in the sales/ rent programmes • Currently reaching end of project cycle on most developments and there is a low level of inventory • Delay in putting new residential project to market and launching construction will impact revenue	• Implementing strong research in assessing forecast of yield development, allocation strategy, investor demand and occupiers and consumer demand • Ensuring a robust development project screening process in place • Phasing strategy: By adequately phasing projects, the steps to be taken are smaller, with possible exits / remedies following each phase • Systematically demonstrate the market appetite by pre-selling and pre-letting phases • Flexibility might be needed to achieve the best price possible or to allow for tenant demands, design changes • Launch new phases at earliest without compromising on milestones procedures to ensure that risks are contained

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RISKS RELATING TO OUR OPERATIONS

Risk description	Change from LY	Trigger event / indicator	Control process to mitigate risk
We are exposed to construction risks	▼	• Reliable contractors working at full capacity • Upward pressure on cost of construction and building materials, equipment or labour as a result of rising commodity prices or inflation or otherwise • Unforeseen engineering problems • Default by or financial difficulties faced by contractors and other third party service and goods providers	• Careful meticulous calculations in the development and design processes • Using controlled pricing mechanisms when entering into construction contracts • Ensuring a robust screening of the quality of partners • Careful drawn up of contracts and agreements (clauses on the decision process and exit possibilities) • Ensuring financial situation of contactors and professionals before allotment of contract
We are not attracting new customers or are not able to retain our existing customers	◀ ▶	• Declining sales performance • Increasing tenants departure	• Improving responsiveness to our customers' requests • Nurturing relationships with existing customer network
Our properties and assets could be exposed to damages	◀ ▶	• Deterioration in the buildings' quality as a result of incidents or due to construction defects	• Regular monitoring, sites visits and inspection • Ensuring continual interaction with tenants/ residents • Increasing vigilance and security at properties • Claiming impact of structural defects to contractors/ professionals • Insuring against insurable hazards

RISKS RELATING TO OUR OPERATIONS

Risk description	Change from LY	Trigger event / indicator	Control process to mitigate risk
The terms of our indebtedness contain restrictions that may limit our flexibility in operating our business	▲	• Limitation in our ability to access, engage into transactions or projects • Increase in required covenant ratios • Financial institutions exposure to real estate limiting potential to lending	• Maintaining conservative loan to value ratios • Manage cash position and available funding headroom • Spread of funding providers /diversified funding base • Maturity profile of debt evenly spread • Maintaining a sufficiently large liquidity buffer • Regular liquidity stress testing and scenario analysis • Maintain adequate contingency funding plans
Our properties and operations could be exposed to external events, catastrophic events or acts of terrorism	◀ ▶	• Inability to recover operations in the event in unexpected disruptions and disasters outside our control • Loss of critical management information and delays in billing and collection of revenues, • Risks related to failure of these IT systems (in terms of hardware and software), cyber-crimes like hacking and phishing leading to data thefts	• Implementation of strong response action plan • Contingency and recovery plans for core services, key systems and priority business processes have been developed and are revisited as part of existing management processes to ensure that continuity strategies and plans remain relevant • Back Ups and complete redundancy of the IT environment being built at an offsite location
We may not have adequate insurance	▼	Losses not fully compensated by insurance	• Maintaining insurance policies where practicable, covering both our assets and employees • Permanent control of policy specifications and insured limits • In 2015, detailed and full review of risks and insurance cover

RISKS RELATING TO OUR PEOPLE AND SYSTEMS

Risk description	Change from LY	Trigger event / indicator	Control process to mitigate risk
We rely on certain key personnel	◀ ▶	• We face risks related to our ability to continue to attract, retain and motivate our senior management and other skilled personnel in our company	• Succession planning and staff retention plans introduced across the group • Offering market-related salaries and benefits • Motivating key persons on the Long Term Incentive Plan • Keep database of interesting CVs & contacts
Our employees do not embrace our ethical value and behaviour	◀ ▶	• Internal dysfunctional behaviours of employees such as, withholding information, under delivering and overpromising, misrepresenting results, use of company data for personal use, etc... • Whistleblowing with respect to unethical behaviours by employees involved in bribery, misrepresentation, side businesses, etc…	• Ensure the strict adherence to the Code of Ethics embracing the Group's values, ethical considerations and principles

RISKS RELATING TO ECONOMY AND LEGISLATION

Risk description	Change from LY	Trigger event / indicator	Control process to mitigate risk
Inflation may adversely affect our financial condition and results of operations	◀ ▶	• Inflation increase in the future	• Establishing fixed contracts with suppliers or with capped increases particularly for long term contracts • Providing for indexation clauses in contracts with tenants/clients particularly for long term contracts
Interest rate movement volatility in interest rates may adversely affect our cost of borrowings	◀ ▶	• Significant upward changes in interest	• Using fixed interest instruments • Provide for interest rate buffer in all commercial appraisals • Maintaining loan to value ratios as low as possible • Accessing new sources of funding at lower cost

RISKS RELATING TO ECONOMY AND LEGISLATION

Risk description	Change from LY	Trigger event / indicator	Control process to mitigate risk
Future changes in the Rupee exchange rate against main currencies	◀ ▶	• Significant currency fluctuations in major currencies	• Developing markets based on several currencies for sale of properties, hotel operations and for sourcing of material
We may incur unplanned costs related to compliance with health and safety and environmental laws	◀ ▶	• Failure of our contractors to comply with the relevant standards make us liable for penalties and our business or reputation could be materially and adversely affected • Criminal / Civil prosecution • Arising of an health and safety or environmental liability in relation to any of our properties • Amendments to existing laws and regulations relating to safety standards and the environment imposing more onerous requirements on us and necessitating further capital expenditure	• Observe high standards • Changing the Group's safety culture by focusing on behaviour observation, reward and communication • Zero tolerance for non-compliance to safety rules
We are required to comply with applicable laws and regulations and to maintain licences and permits to operate our businesses, and our failure to do so could adversely affect our results of operations and prospects	◀ ▶	• Objections or delays in obtaining and maintaining requisite approvals, certifications, permits and licences • Revocation of our licence • Stop orders / suspension of operations	• Establishing internal procedures and controls to comply with prevalent legislations • Keeping informed of changes in legislation governing our business activities

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LOOKING AHEAD

RIVIERA OCEANFRONT VILLAS

Our Riviera Villas draw inspiration from the freshness and elegance of Azuri's collection of experiences. These villas, which seamlessly blend contemporary grace and tropical serenity with the natural surroundings, invite you to immerse yourself in the sweet island life, where family, work and leisure bring balance to your daily life. Two distinct styles of villas have been conceived to respond to the demand of savvy, enthusiastic buyers, seeking the harmony of the Mauritian lifestyle. The construction of the Riviera Oceanfront Villas is nearing 50% completion. Roofs have been installed on 7 of the homes, while building is coming along nicely for 7 others and 2 are in the structure stage. The delivery of these 16 elegant villas is scheduled for early 2018.

GOLF VIEW VILLAS

The exclusive Golf View Villas at Azuri are designed with spaciousness and beauty in mind. Nestled amidst the natural verdant beauty of your own tropical garden, the villa offers panoramic views of the state-of-the art golf course set against a backdrop of mountains. Set along a 2.5 hectare stretch near the heights of the river to the north of the domain, these 17 villas with their breathtaking views of the South of the island, combine contemporary living with the island lifestyle.

NEW – ENNÉA VILLAS ON THE GOLF

A new range of villas is being conceived to meet the sustained demand Azuri receives from dynamic and active people seeking a sophisticated island living experience. Christened Ennéa, the 16 contemporary homes designed by Jean-François Adam are set in an ideal beach setting near the seaside, with views of the manicured verdant fairways. Each 3-bedroom villa has an area of 230m2 spread on two levels, with the option of having a 4th bedroom. Wide open living spaces with high ceilings give onto a splendid outdoor terrace, swimming pool and gazebo in a tropical garden which extends to the golf course. The sales launch is scheduled for June 2017.

AZURI GOLF COURSE

An exceptional Golf Course is being added to Azuri's portfolio. The 9-hole course is designed for players of all handicaps and ages who feel they "don't have the time to play golf."

Golfers can tee off at 7 in the morning and still be at work at 8.30. However, the desire to create a playful, revolutionary game that can be played in less than 1.5 hours does not detract from the course itself, which matches industry benchmarks.

We have partnered with industry leaders to ensure gorgeous manicured greens, strategically-placed obstacles and the day-to-day management and maintenance of the course. IMG Prestige, a network of prestigious golf properties, will collaborate with Marc Amelot and Green Sun Management (GSM) from the early conception stages to its inauguration.

In conceiving a state-of-the art course, BlueLife Limited builds an offering that adds immense value to our company and enforces Azuri's "Live-Work-Play" community. It further sustains growth with regard to our homeowners. Families, co-workers and friends can meet up on the greens to play a round - or two - of golf of simply enjoy a walk in nature.

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LES HAUTS CHAMPS

To date, 20 of the 37 residences that constitute Les Hauts Champs development have been delivered. The foundations of the remaining 17 will be laid during the first quarter of 2018, with construction scheduled to end by the third quarter of 2019.

The Phase II residences fall under the PDS framework, meaning they can be purchased by local and foreign buyers, which all along has been BlueLife's mission - to create a close-knit community of people of all walks of life.

The Phase II residences' floor area varies from 166m^2 to 252m^2, and the homes differ slightly from Phase I in terms or terrace area and orientation.

Les Hauts Champs, a welcoming neighbourhood at the heart of Piton, a verdant and hilly landscape, occupies 8,844m^2. However, the vast majority of the land consists of a nature park with century-old trees.

Les Hauts Champs offers well-designed infrastructure, cutting-edge facilities, a carefully thought out road network and a sense of community.

RADISSON BLU

Our two Radisson Blu hotels are currently being repositioned to revitalise our Hospitality cluster. Under the guidance of the newly appointed Cluster General Manager and the new dynamic commercial team, as well as the entire staff at both hotels are reinforcing Guest Experience, Kids Experience and Culinary experiences with the aim of engaging guests and securing their loyalty (a reward point system is being implemented for that purpose as well.)

The Radisson Blu Azuri has repositioned itself as a family-oriented hotel with an array of activities for children and parents including nature trails through the mangroves, treasure hunts, bonfires by the sea, storytelling.... There is even a spa package for kids age 3-15, and all children are given a Kids' Activities Booklet upon their arrival.

The tranquil Radisson Blu Poste Lafayette is geared toward adults, with a focus on serving exquisite cuisine and provide a peaceful atmosphere. The strategic repositioning is yielding very positive results, namely on travel sites such as TripAdvisor.

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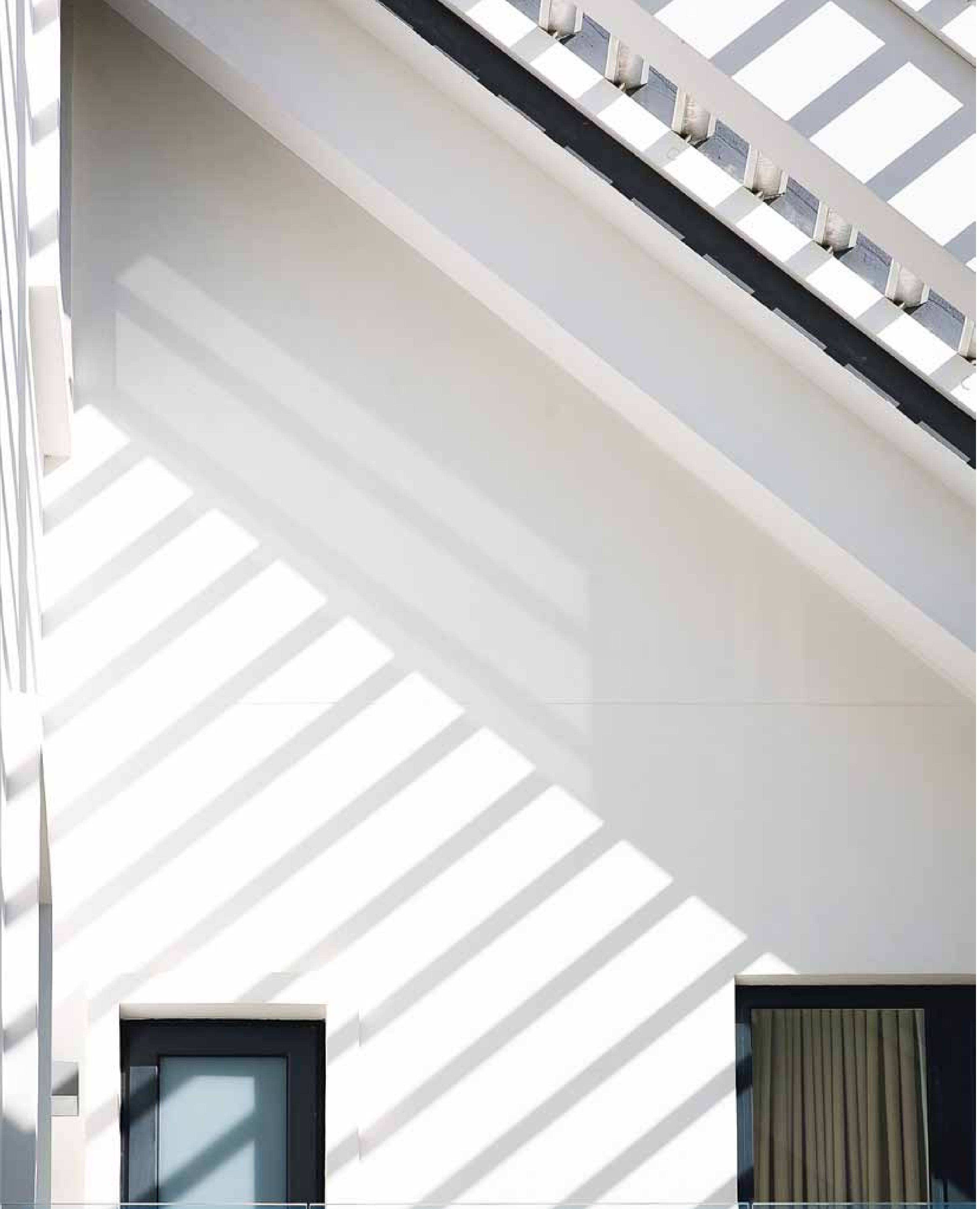
"WE ARE TRULY PASSIONATE ABOUT CREATING VALUE BY DEVELOPING PLACES WHERE PEOPLE CAN MEET, SHARE AND EVOLVE."



STATEMENT OF DIRECTORS RESPONSABILITIES

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements in accordance with International Financial Reporting Standards for each financial year. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period and the external auditors are responsible for reporting on whether the financial statements are fairly presented.
In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State that International Financial Reporting Standards have been adhered to, subject to any material departures being disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business; and
- Comply with the Code of Corporate Governance and provide reasons in case of non-compliance with any requirement of the Code.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose, with reasonable accuracy at any time, the financial position of the Company and the Group. They are responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are also responsible for maintaining an effective system of internal control and risk management.

Approved by the Board of Directors on March 31, 2017 and signed on its behalf by

Arnaud Lagesse

Christine Marot

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CORPORATE GOVERNANCE REPORT

GOVERNANCE STRUCTURE

BlueLife Limited is qualified as a public interest entity as defined under the Financial Reporting Act 2004. The Board of Directors has overall responsibility for corporate governance and is accountable to the Company's shareholders for good governance. The Board is committed to achieving high standards of corporate governance and recognizes the importance of good governance to ensure continued growth, success and to enhance investors' confidence. In line with those principles and with a view to better defining its responsibilities and governance role, a Board Charter will be drafted.

Board Responsibilities

The Board is collectively responsible for the long-term success of the Company and for its leadership, strategy, values, standards, control and management. Through sound leadership, the Board seeks to promote a culture of openness and innovation, relying upon a framework of corporate governance and internal controls which are designed to protect the Company's assets. The day-to-day management of the business is delegated to the Executive Directors and the Senior Management, apart from matters reserved for the Board as set out in the Constitution of the Company. The Board has also specific matters reserved to it for decision, such as strategic long-term objectives and delegates some of its duties and powers to Committees, each of which has clearly written terms of reference.

The Board functions independently of management and there is a clear division of responsibilities between the Chairman and the Chief Executive Officer, their roles being distinct.

Leadership: Chairman

The Chairman is responsible for: (i) the leadership of the Board, (ii) ensuring its effectiveness, (iii) setting its agenda and (iv) ensuring effective links between shareholders, the Board and management.

Leadership: Chief Executive Officer

The Chief Executive is responsible for: (i) developing the Company's strategic direction, (ii) implementing policies and strategies as decided by the Board and (iii) managing the Company's business.

Oversight: Non-Executive Directors and Independent Non-Executive Director

The Non-Executive Directors and the Independent Non-Executive Director constructively challenge the Executive Directors and monitor the delivery of the agreed strategy within the risk and control framework set by the Board.

The Company Secretary

The Company Secretary has the primary responsibility for guiding the Board as regards their duties and responsibilities. Through the Chairman, the Company Secretary is responsible for: (i) advising the Board on matters of corporate governance, (ii) ensuring good information flows with the Board and its Committees, (iii) ensuring that Board procedures are followed and that applicable laws and regulations are complied with. One of the core functions of the Company Secretary is the taking of accurate and precise Board minutes. These are subsequently submitted for approval at the following next meeting.

Board papers are typically circulated a week in advance of meetings to ensure that Directors have sufficient time to consider their content prior to the meeting and thus enabling them to fulfill their duties properly. Senior Executives are also invited to attend Board meetings to present and discuss their areas of specialty.

The Company Secretary is the primary channel of communication between the Company and its shareholders and interacts also with the relevant regulatory authorities.

THE STRUCTURE OF THE BOARD AND ITS COMMITTEES

Board Structure

The Board of BlueLife Limited is managed by a unitary Board of seven Directors. Given the size and the sector of activities of the Company, the Directors consider that the current Board is of a reasonable size and possesses the right mix of skills and experience to provide leadership, integrity and judgement in managing the affairs of the Company.

The current Board comprised the Chairman who is a Non-Executive Director, two Executive Directors, one Independent Non-Executive Director and three Non-Executive Directors. The Board is currently seeking for the right profile to fulfill the position of a second Independent Non-Executive Director.

Balance and Diversity

The Directors believe that given the size of its Board, the gender composition is adequate. The current Board comprises 2 women out of a total of 7 Directors. The Board strongly believes that its 2 non-citizens and non-resident Directors contribute further to the diversity of the Board.

Board and Committees' Membership

The table below summarises the membership of the Board and its Committees.

Name	Board	Audit and Risk Committee	Corporate Governance Committee
Arnaud Lagesse	Chairman & Non-Executive Director (*Citizen and resident of Mauritius*)	-	Member
Kishore Sunil Banymandhub	Non-Executive Director (*Citizen and resident of Mauritius*)	-	Member *
Christophe Barge	Independent Non-Executive Director (*Non-citizen and non-resident of Mauritius*)	-	Chairman *
Michele Anne Espitalier Noel	Chief Financial Officer & Executive Director (*Citizen and resident of Mauritius*)	In attendance	-
Yannick Lagesse	Non-Executive Director (*Citizen and resident of Mauritius*)	Member **	-
Christine Marot	Chief Executive Officer & Executive Director (*Citizen and resident of Mauritius*)	In attendance	In attendance
Louis Mynhardt	Non-Executive Director (*Non-citizen and non-resident of Mauritius*)	Chairman	-
Kevin Teeroovengadum	Non-Executive Director (*Citizen and non-resident of Mauritius*)	Member	-

* Appointed as member and Chairman by the Board on November 9, 2016

** Appointed as member by the Board on November 9, 2016. Resigned as Director and member of the Audit and Risk Committee on January 19, 2017.

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Directors' Profiles

The names of the Directors of BlueLife Limited, their profiles and the list of their directorships in companies listed on both the Official Market and the Development & Enterprise Market are set out in pages 20, 21 and 22 on the Annual Report.

The other Directors of BlueLife Limited do not hold any directorship in companies listed on the Stock Exchange of Mauritius Ltd.

Directorship in BlueLife and its subsidiary companies as at December 31, 2016

The table below highlights the Directors sitting on the Boards of BlueLife and its subsidiary companies as at December 31, 2016.

	BLL	HRHL	HR IRS	HR OFL	HRAH	AS	AEM	ASL	AWL	RCH	PLR	CSHCL	OEPM	HREHL	HREPL
Arnaud Lagesse	√ *	√ *	√ *	√ *							√				
Sunil Banymandhub	√														
Christophe Barge	√														
Michele Anne Espitalier Noel	√					√	√	√	√	√		√	√		
Christine Marot	√	√	√	√	√	√	√	√	√	√	√	√			
Louis Mynhardt	√	√			√						√				
Kevindra Teeroovengadum	√	√	√	√	√ *						√ *	√			
Jan Boullé		√													
Olivier Fayolle					√						√				
Dev Gopy					√										
Maxime Hardy							√		√						
Thierry Lagesse		√	√	√	√						√			√	√

*Chairman

Abbreviations:

AS	Azuri Suites Ltd
AEM	Azuri Estate Management Ltd
ASL	Azuri Services Ltd
AWL	Azuri Watch Ltd
BLL	BlueLife Limited
CSHCL	Circle Square Holding Company Ltd
HREHL	HR Educational Holding Ltd
HREPL	HR Educational Properties Ltd
HRAH	Haute Rive Azuri Hotel Ltd
HRHL	Haute Rive Holdings Ltd
HR IRS	Haute Rive IRS Company Limited
HR OFL	Haute Rive Ocean Front Living Ltd
OEPM	Ocean Edge Property Management Company Ltd
PLR	PL Resort Ltd
RCH	Riverside Centre Holding Company Ltd

Senior Management Profiles

The detailed profile of the Senior Management team of BlueLife is set out in pages 32 to 35 of the Annual Report

Board Activities in 2016

Board meetings are scheduled by all Directors in advance and are held on a quarterly basis to devise, implement, review and monitor strategies, procedures and controls for the smooth running of operations and to ensure compliance with various legislations and regulatory requirements. There were five Board meetings during the year under review.

In 2016, the Board received regular asset, financial and performance updates from the Executive Directors and reports from the Committee Chairmen. Other matters considered by the Board during the year are set out below:

- The annual audited financial statements for the period ended December 31, 2015.
- The abridged audited annual financial statements for the period ended December 31, 2015.
- The corporate governance report 2016.
- The financial statements for the first quarter ended March 31, 2016.
- Finance matters including budgets, cash and treasury management.
- Review processes and procedures to ensure the effectiveness of the Company's internal control systems.
- The financial statements for the period and half year ended June 30, 2016.
- The financial statements for the period and nine months ended September 30, 2016.
- The appointment of Messrs. Sunil Banymandhub and Christophe Barge as members of the Corporate Governance Committee.
- The appointment of Mr. Yannick Lagesse as member of the Audit and Risk Committee.

Decisions were also taken by way of written resolutions signed by all the Directors.

Board Changes

Appointments

- Christophe Barge was appointed as independent non-executive Director on March 31, 2016
- Kishore Sunil Banymandhub and Yannick Lagesse were appointed on September 5, 2016

Resignations

- Christian de Juniac resigned on April 23, 2016
- Robert John resigned on September 1, 2016
- Jean-Claude Harel resigned on September 5, 2016
- Yannick Lagesse resigned on January 19, 2017

2016 Board Attendances

Name	Number of Board Meetings attended
Arnaud Lagesse	5 out of 5
Kishore Sunil Banymandhub	1 out of 1*
Christophe Barge	3 out of 3 **
Christian de Juniac	1 out of 2***
Michele Anne Espitalier Noel	4 out of 5
Jean-Claude Harel	4 out of 4 ****
Robert John	3 out of 4 *****
Yannick Lagesse	1 out of 1*
Christine Marot	5 out of 5
Louis Mynhardt	5 out of 5
Kevin Teeroovengadum	5 out of 5

Notes:

***	Christian de Juniac resigned on April 23, 2016
**	Christophe Barge was appointed on March 31, 2016
*****	Robert John resigned on September 1, 2016
****	Jean-Claude Harel resigned on September 5, 2016
*	Kishore Sunil Banymandhub and Yannick Lagesse were appointed on September 5, 2016 and the latter resigned on January 19, 2017

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Board Committees

The Board of BlueLife Limited has established two committees, the Audit and Risk Committee and the Corporate Governance Committee which also acts as Remuneration and Nomination Committee. These Committees assist the Board in discharging its duties and in enabling it to operate effectively. However, the Board remains collectively responsible for the decisions and actions taken by the two sub-committees. These two committees operate within defined terms of reference and may not exceed the authority or powers of the Board as a whole. The sub-committees report regularly to the Board to whom they submit their recommendations. The Secretary of the Board acts also as the Secretary of the Board Committees.

Audit and Risk Committee

The Audit and Risk Committee assists the Board in fulfilling its oversight responsibilities and is responsible for any other functions as may be designated by the Board. The Committee has been entrusted with the responsibility of reviewing the financial reporting process, the system of internal control and management of financial risks, the audit process, the ethical behaviour of the Company, its executives and senior officials, and the Company's process for monitoring compliance with laws and regulations and its own code of business conduct.

The Audit and Risk Committee is, inter alia, responsible for:

- Implementing and monitoring a sound system of internal control.
- Reviewing significant accounting and reporting issues or any legal matters which may materially impact on the financial statements.
- Reviewing annual and quarterly financial statements, prior to submission to and approval by the Board.
- Liaising with the external auditors.
- Reviewing the effectiveness of the risk strategy of the Company.
- Establishing and maintaining a strong risk control environment and the monitoring of the risk management process.
- Monitoring the ethical conduct of the Company, its executives and senior officials.
- Conducting an appropriate review, on an ongoing basis, of all related party transactions for potential conflict of interest situations and review and monitor all related party transactions in accordance with the Company's policy.

The composition of the Audit and Risk Committee has been detailed in the paragraph "*Board and Committees' Membership*". The Audit and Risk Committee is chaired by Mr. Louis Mynhardt who is a non-executive Director. The Board considers that the latter has substantial accounting and financial experience to chair the Committee.

Audit and Risk Committee meetings in 2016

The Audit and Risk Committee met five times during the year and the attendance at these meetings are set out in the table below. Below is a list of issues considered by the Committee in 2016:

Regular matters considered	Other matters considered
The interim financial statements for the three months and quarter ended March 31, 2016, the half-year ended June 30, 2016 and the nine months and third quarter ended September 30, 2016	
The full set audited financial statements for the year ended December 31, 2015 and the abridged version thereof	
Risk register	Internal audit reports from Messrs. PwC
	External audit report from Messrs. BDO & Co

2016 Audit and Risk Committee Attendances

Name	Number of Committee Meetings attended
Louis Mynhardt, Chairman	5 out of 5
Kevin Teeroovengadum, Member	5 out of 5

The meetings during the year were attended by the Chief Executive, Chief Financial Officer and the Company Secretary. The internal and external auditors were also invited to attend and report on matters relevant to their scope of work.

Corporate Governance Committee

The Corporate Governance Committee was set up by the Board of Directors to determine, agree and develop the Company's general policy on corporate governance in accordance with the provisions of the Code of Corporate Governance. The Corporate Governance Committee has the mandate of ensuring that disclosures on corporate governance are made in accordance with the principles of the Code.

The Corporate Governance Committee also acts as Remuneration Committee and Nomination Committee as and when required. The Corporate Governance Committee is responsible for making recommendations to the Board of Directors on the following:

- all corporate governance provisions to be adopted by the Board so that it remains effective and complies with prevailing corporate governance principles.
- all the essential components of remuneration; and
- all new Board and senior executive nominations.

The composition of the Corporate Governance Committee has been detailed in the paragraph "*Board and Committees*' Membership". The Committee was previously chaired by Mr. Christian de Juniac. Following his resignation in April 2016, Mr. Christophe Barge, independent non-executive Director, has been appointed by the Board as the new Chairman.

Corporate Governance Committee meetings in 2016

The Corporate Governance Committee met once during the year and the attendance at these meetings are set out in the table below. Below is a list of issues considered by the Committee in 2016:

Matters considered
Approval of the corporate governance report 2015
Senior management & staff salary review
Appointment of a second independent non-executive director

2016 Corporate Governance Committee Attendances

Name	Number of Committee Meetings attended
Christian de Juniac, Chairman	1 out of 1
Arnaud Lagesse, Member	1 out of 1
Robert John, Member	1 out of 1

The meetings during the year were attended by the Chief Executive and the Company Secretary. The Corporate Governance Committee confirms that, in accordance with its terms of reference, it has fulfilled its responsibilities for the year under review.

DIRECTOR APPOINTMENT PROCEDURES

Appointment Process, Selection and Re-election

In line with its terms of reference, the Corporate Governance Committee, in its capacity as Nomination Committee, makes recommendations to the Board on all new Board and Senior Executive Nominations.

According to the clause 19 of the Constitution of the Company, the Directors have power, at any time and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors but the total number of Directors shall not at any time exceed the number fixed in accordance with the Constitution. The Director appointed to fill up the vacancy shall hold office only until the next following Annual Meeting and shall then be eligible for re-election.

Induction, Orientation and Training

Directors newly appointed to the Board and/or its Committees receive a complete induction pack from the Company Secretary. A leaflet detailing the duties and responsibilities of new Directors under the respective legislations is also provided upon appointment.

Onsite visits are organized for newly appointed Directors so that they may familiarize themselves with the operations of the Company and the Group. During the year under review, 2 new Directors were appointed and onsite visits have been accordingly organized for them.

All Directors are also offered the opportunity to update their skills and knowledge in order to fulfill their role on the Board.

Succession Planning

One of the responsibilities of the Board is to ensure that there exists a succession plan for appointments to the Board and senior management positions within the Company.

DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE

Directors are aware of their legal duties. Once appointed on the Board, a leaflet detailing the duties and responsibilities is provided to them.

Conflicts of Interest and Related Party Transactions

A document setting out the salient points of what is a conflict of interest and how to identify and disclose any potential conflict of interest is available to the Directors of BLL. The proper procedure for declaring a conflict of interest is set out in the document. As per the procedures, when a Director is conflicted, the latter does not participate in Board discussions and does not vote on the matter. Any declaration of interest is formally minuted.

The Directors of BLL have agreed to disclose any potential conflict of interest in accordance with law in the event that companies in which they are Directors are engaged or may become engaged in real estate developments substantially of the same nature as the Company. Such disclosure is recorded in an interests' register maintained by the Company Secretary, which is available for consultation to shareholders upon written request made.

The Directors confirm that there exists no conflict between their duty to act in the best interests of the Company and their own personal interest.

Directors are aware of situations which may trigger related party transactions. A document identifying related parties and related party transactions has been made available to the Directors.

Information, Information Technology and Information Security Governance

IT Policies and procedures are handled by the management and overseen by the Audit and Risk Committee.

Board Information

Board information are sent to the Directors at least one week before each Board meeting. Information are sent by the Management who remained at the disposal of the Board members should they wish to obtain further clarification and the Company Secretary acts as a liaison between the Management and the Board.

Directors' and Officers' Insurance and Indemnification

The Company has a Directors' and Officers' indemnity insurance cover for its Directors and Officers.

Board Evaluation and Development

The Board of BlueLife continually seeks to ensure that it provides appropriate leadership and direction to the Company. As such, it strongly believes that an evaluation of its own performance, its Committees and its individual Directors will help in its objective to build an effective and high performing Board. In line with good governance practices, the Board of BlueLife has conducted its first Board and Directors' appraisal. This exercise was in a form of a questionnaire and the results of this exercise were currently being finalized by the Company Secretary following which, these would be communicated to the Corporate Governance Committee for necessary actions and recommendations to the Board.

Remuneration

The Board has entrusted the Corporate Governance Committee which also acts as Remuneration Committee with the responsibility of determining the remuneration of the Directors whilst taking into consideration prevailing market conditions, benchmarking within the industry and the Company's results.

No pre-determined criteria have been set up for remunerating Executive Directors approaching retirement. This will be determined by the Board as and when required.

The table below depicts the remuneration received by the Board members for the year ended December 31, 2016.

Directors	Attendance at Board Meetings	Attendance Fees Per Meeting (MUR)	Annual Chairman's Fees (MUR)	Annual Fixed Directors' Fees (MUR)	Annual Attendance Directors' Fees (MUR)	Total Fees per Director (MUR)
Arnaud Lagesse [1]	5 out of 5	25,000	300,000		125,000	425,000
Christian de Juniac [2]	1 out of 5	25,000	-	30,000	25,000	55,000
Christophe Barge [3]	3 out of 5	25,000	-	90,000	75,000	165,000
Michele Anne Espitalier Noel [4]	4 out of 5	-	-		-	-
Jean Claude Harel [2]	4 out of 5	25,000	-	120,000	100,000	220,000
Robert John [2]	3 out of 5	25,000	-	90,000	75,000	165,000
Christine Marot [4]	5 out of 5	-	-		-	-
Louis Mynhardt [5]	5 out of 5	25,000	-	150,000	125,000	275,000
Kevindra Teeroovengadum	5 out of 5	25,000	-	150,000	125,000	275,000
Sunil Banymandhub [3]	1 out of 5	25,000	-	30,000	25,000	55,000
Yannick Lagesse [3]	1 out of 5	25,000	-	30,000	25,000	55,000

Note:

1 Fees were paid to IBL Management Ltd

2 Christian de Juniac resigned on April 23, 2016
Jean Claude Harel resigned on September 5, 2016
Robert John resigned on September 1, 2016

3 Christophe Barge was appointed on March 31, 2016
Sunil Banymandhub was appointed on September 5, 2016
Yannick Lagesse was appointed on September 5, 2016

4 No fees were paid to the Executive Directors for attending Board meetings

5 Fees were paid to ACTIS

Fees are not paid to the Chairman and the members of the Audit and Risk Committee and the Corporate Governance Committee.

Directors' remuneration and benefits are disclosed under statutory disclosures on pages 81 to 84.

RISK GOVERNANCE AND INTERNAL CONTROL

The Board of Directors is responsible in ensuring that:

- Adequate accounting records are kept and effective internal control systems are maintained.
- Accounts are prepared in order to fairly present the state of affairs of the company and the results of its operations and that those accounts comply with International Financial Reporting Standards (IFRS).
- Appropriate accounting policies are applied, supported by reasonable and prudent judgements.

While it is not possible to identify or anticipate every risk due to the changing business environment, the Company has an established risk management process to manage and mitigate those key risks which it believes could have an impact on its activities. The Company's process for identifying and managing risks is set by the Board and delegated to the Audit and Risk Committee. Risks are managed and reviewed on a quarterly basis by the members of the Audit and Risk Committee and reported accordingly to the Board.

A detailed report on the key risks facing the Company, the potential impact of these risks and the mitigating actions and controls in place are set out in pages 46 to 53 of the Annual Report.

Internal controls and procedures are in place to mitigate the risks in relation to the various operations in which we are involved. The culture of risk awareness is gradually wide spreading within the company and improved reporting process is promoting better anticipation of risks in order to device corrective measures. While the group suffered from a media campaign which had important reputational consequences, attention was devoted to the establishment of protocols to mitigate reputational and communication risk issues.

Whistleblowing

BLL is committed to the highest possible standards of openness, probity, accountability and ethics. In line with that commitment, employees and business partners, who have serious concerns about any aspect of the Company's affairs, are strongly recommended to report any suspected or presumed incidents of illegal behaviour in the activities of the Company or of serious misconduct or serious infringement of the rules, policies or guidelines to which the Company must adhere, or any action that is or could be harmful to the mission or reputation of the Company.

Political and Charitable Donations

BLL did not make any political or charitable donations during the year under review.

REPORTING WITH INTEGRITY

Financial and operational performance

A detailed report on the operations of the Company is presented in the "Financial and Operational Performance" pages of the Annual Report

Environment

BLL is committed to sustainability and protecting the environment for future generations. As such, the Company ensures that it adheres to environmental regulations regarding emissions into the atmosphere as well as the quality of liquid industrial effluents disposed of through water courses.

Code of Ethics

BLL has no specific Code of Ethics but is committed to the highest standards of integrity and ethical conduct when dealing with all its stakeholders. The value system presently in place dictates that all employees maintain high standards of integrity and ethics when dealing with suppliers, tenants, business partners, government, other stakeholders and society at large. A whistleblowing policy has been put in place and employees and business partners of the Group are encouraged to report any instances of unethical behaviour using the Whistleblowing Policy.

Social Responsibility

Internally

BLL believes in the welfare of its employees. The Company endeavours in maintaining a high standard of professionalism and its employees are thus encouraged to regularly attend training and refresher courses.

Externally

BLL is always working towards the advancement of the socio-economic development of the island. In line with the CSR Policy of the Company to help those who are less privileged, numerous activities have been organized and the personnel of BlueLife has been encouraged to participate in those events.

BLL believes that the Company should provide an effective leadership based on ethical foundations and taking into account its stakeholders and the society as a whole. As such, it conducts its business activities in a responsible manner with due consideration to all its stakeholders including but not limited to its shareholders, employees, contractors, suppliers and the local community so as ensure the sustainability of the environment for the future.

Health and Safety

BlueLife forms part of the GML Group of Companies which believes in providing and maintaining a safe and healthy work environment for all its employees. The Group through its established policies encourages the enhancement of safety and health standards in the workplace.

AUDIT

Internal Audit Function

The Board recognizes its ultimate responsibility for the Group's system of internal control, which is designed to provide reasonable assurance against material misstatement and loss. The Company maintains a system of financial control that is designed to provide assurance regarding the keeping of proper accounting records and the reliability of financial information used within the business and for publication. It also ensures compliance with internal procedures, statutory guidelines and regulations, accounting and financial reporting standards.

The internal audit function has been outsourced to Messrs. PwC and the audit plan covers the areas of risks that may arise in the business activities of the Group. Audit reports submitted by Messrs. PwC are circulated to the management and members of the Audit and Risk Committee. These reports are thereafter submitted to the Board for analysis and discussions. During the review 2016, the scope of work of the internal audit covered the following areas:

- Optimising security and integrity of IT systems
  - Adequacy of internal controls implemented for the security, availability and monitoring of the systems.
  - Effectiveness and efficiency of IT processes and operations.
  - Relevance and completeness of policies and procedures for IT, and human resource procedures
  - relevant to new users and termination of user accounts.
  - Roles and responsibilities for management of IT within the cluster's organisational structure.
- Effective administration of personnel
  - Adequacy of internal controls around the human resource management.
  - Effectiveness and efficiency of the processes by comparing existing processes and operations to good practices.
  - Relevance and completeness of policies and procedures.
  - Roles and responsibilities assigned to process owners and other relevant staff.

No restrictions have been placed on the right of access to the records, management and employees. The audit activities have been designed in accordance with International Standards of Auditing and the audit process involves the following:

- A pre-audit phase, which comprises the audit notification and the audit preparation;
- Fieldwork where audit tests target risk areas; and
- Reporting phase.

External Auditors

The Committee is responsible for reviewing, with the external auditors, before the audit commences, the auditors' letter of engagement, the terms, nature and audit scope and approach and ensure no unjustified restrictions or limitations have been placed on the scope. The Committee is also responsible for monitoring the auditors' independence, objectivity and compliance with ethical, professional and regulatory requirements. The external auditors have direct access to the Committee should they wish to discuss any matters privately.

Non-Audit Fees

The fees for non-audit services provided to the Company as disclosed on page 85 of the Annual Report relate to the review of abridged unaudited financial statements.

Auditors' Independence

The Board is responsible for the appointment and the removal of the external auditors. Audit fees are set in a manner that enables an effective external audit on behalf of shareholders. Auditors should ensure that they observe the highest standards of business and professional ethics and, in particular, that their independence is not impaired in any manner.

RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

Shareholding Structure

The shareholding structure of BlueLife as at December 31, 2016 is set in pages 6 and 7 of the Annual Report

Substantial Shareholders

A substantial shareholder is defined as a person, in Mauritius or elsewhere, who holds by himself or by his nominee, a share or an interest in a share which entitles him to exercise not less than five per cent (5 %) of the aggregate voting power exercisable at the meeting of shareholders.

The substantial shareholders of BlueLife as at December 31, 2016 were:

Name of Shareholder	Percentage Held (%)
Actis Paradise Jersey Limited	32.429
GML Ineo Ltée	29.4754
IBL Ltd	8.4577

Shares in Public Hands

In accordance with the Listing Rules of the Stock Exchange of Mauritius Ltd, the percentage shareholding of BlueLife in public hands as at December 31, 2016 stood at 37.16 %.

Common Directors

The names of the common Directors of BlueLife and its holding companies are as follows:

Directors	BlueLife	GML Ineo Ltée	Actis Paradise Jersey Limited
Arnaud Lagesse	√ **		
Michele Anne Espitalier Noel	√		
Sunil Banymandhub	√		*
Christophe Barge	√		
Christine Marot	√		
Louis Mynhardt	√		*
Kevindra Teeroovengadum	√		

* Nominees of Actis Paradise Jersey Limited
** Chairman

Directors' Dealing in shares

The Directors are aware of Appendix 6 of the Listing Rules of the Stock Exchange of Mauritius Ltd which provides for restrictions on dealing during a close period as well as sections 156 and 157 of the Companies Act 2001, which require appropriate disclosure and restrictions on share dealings by Directors. All the disclosures made by the Directors are entered into an Interest Register by the Company Secretary.

The Directors of the Company did not deal in the shares of the Company during the year 2016.

Moreover, given that BlueLife Limited is a Reporting Issuer, the Directors are also required under section 90 of the Securities Act 2005 to give proper notification when dealing in the securities of the Company. A register of Insiders is kept by the Company at its registered office, 4th Floor, IBL House, Caudan Waterfront, Port Louis and is available for consultation free of charge, upon request made to the Company Secretary.

Main Shareholders

The number of shareholders recorded in the share register of the Company as at December 31, 2016, was 2,909 and the 10 largest shareholders as at that period are set out below:

Main Shareholders	Number of shares owned	% Holding
Actis Paradise Jersey Limited	137,934,082	32.429
GML Ineo Ltée	125,371,230	29.4754
IBL Ltd	35,974,333	8.4577
The Bee Equity Partners Ltd	7,306,390	1.7178
Stam Investment Limited	5,240,291	1.232
Mon Désir Limited	4,642,432	1.0915
Compagnie du Vas Limitée	4,521,774	1.0631
Mon Souci Ltée	4,082,140	0.9597
Esperance Holding Ltd	2,962,011	0.6964
Marie Joseph Jean Lagesse	2,906,568	0.6833

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Shareholding Profile

The share ownership and categories of shareholders as at December 31, 2016 are set out below:

Number of Shareholders	Size of Shareholding	Number of Shares Owned	% of Total Issued Shares
503	1 - 500 shares	124,701	0.029
295	501 - 1,000 shares	241,725	0.057
769	1,001 - 5,000 shares	2,072,017	0.487
358	5,001 - 10,000 shares	2,653,673	0.624
643	10,001 - 50,000 shares	14,374,386	3.379
144	50,001 - 100,000 shares	9,884,060	2.324
123	100,001 - 250,000 shares	19,591,677	4.606
35	250,001 - 500,000 shares	12,373,772	2.909
39	Over 500,000 shares	364,026,306	85.584
2,909		425,342,317	100
Number of Shareholders	**Size of Shareholding**	**Number of Shares Owned**	**% of Total Issued Shares**
2,668	Individuals	72,873,354	17.132
8	Insurance and Assurance Companies	2,271,796	0.534
62	Pension and Provident Funds	4,448,177	1.046
28	Investment and Trust Companies	8,872,214	2.086
143	Other Corporate Bodies	336,876,776	72.201
2,909		425,342,317	100
Number of Shareholders	**Size of Shareholding**	**Number of Shares Owned**	**% of Total Issued Shares**
2,827	Local	422,473,315	99.325
82	Foreign	2,869,002	0.675
2,909		425,342,317	100

Communication with shareholders

The Company recognizes that good communication with its shareholders is core to any good governance platform and is committed to regular and proactive communications with its shareholders. The Company also ensures that the highest degree of transparency is maintained throughout the year. The Board thus ascertains that, at all times, there is sufficient disclosure of information to its shareholders so that they are kept fully informed of any information relating to the Company which is necessary to enable them to be appraised of the position of the Company. As such, the Company ensures that any major announcement in relation to the activities of the Company, interim quarterly financial statements or abridged audited annual financial statements, as required by the Listing Rules and the Securities Act are disclosed to the shareholders in a timely manner.

Share Registry and Transfer Office

Abax Corporate Administrators Ltd is the Share Registry and Transfer Office of the Company and is responsible for maintaining the Company's register of shareholders.

Any enquiries regarding the shareholding of the Company can be addressed, in writing, to Abax Corporate Administrators Ltd, 6th Floor, Tower A, 1 Cyber City, Ebène, Mauritius or alternatively, by telephone on (230) 403 6000.

Calendar of forthcoming events

The calendar of important shareholders' events during the year are set out below:

Financial year end	December 31
Publication of Q1 results for the period ended March 31, 2017	May 2017
Sending of Annual Report	June 2017
Annual Meeting	June 2017
Publication of Q2 results for the period ended June 30, 2017	August 2017
Publication of Q3 results for the period ended September 30, 2017	November 2017

One of the most important shareholders' related events of the year is the Annual Meeting. This meeting allows the Board of Directors to communicate to the shareholders up-to-date and detailed information on the activities of the Company for the year under review and future projects or developments for the year ahead. The shareholders are therefore encouraged to attend the Annual Meeting and discuss with the Directors.

The external auditors also attend the Annual Meeting and are available to respond to queries which the shareholders may have with regard to their scope of work. Over and above the information on the Company's business activities provided in the Annual Report, information are also communicated, as and when required, to the shareholders during the Annual Meeting.

The shareholders entitled to receive the notice of meeting are those registered at close of business on June 2, 2017.

If a shareholder is unable to attend, in person, the Annual Meeting to be held on June 28, 2017, he may vote by proxy through an authorised person of his choice. The Proxy Form should be then deposited with the Share Registry and Transfer Office of the Company at least 24 hours before the holding of the meeting.

Salient Points of BLL's Constitution

The Constitution of BLL is in conformity with Appendix 4 of the Listing Rules and the provisions of the Companies Act 2001. It comprises the following main clauses:

- The Board shall consist of a minimum of 3 and a maximum of 12 Directors.
- The Directors have the power at any time, and from time to time, to appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors but so that the total number of Directors shall not at any time exceed the number fixed in accordance with the Constitution.
- A Director who has declared his interest in accordance with the Constitution shall vote on any matter relating to the transaction or proposed transaction in which he is interested.
- The Chairperson shall not have a casting vote.
- The Board may cause the Company to effect insurance for Directors and employees of the Company or a related company.

- The Company may purchase or acquire its own shares.
- There shall be no restrictions on the transfer of shares.
- The quorum for holding a Meeting of Shareholders, should there be more than one shareholder, shall be at least two (2) members present in person or by proxy together holding shares representing at least 35 % of the total voting rights.
- A Special Meeting may be called at any time by the Board and shall be so called on the written request of shareholders holding shares carrying together not less than five per cent (5%) of the voting rights entitled to be exercised on the issue.

A copy of the Constitution is available upon request, in writing, to the Company Secretary at the Registered Office of BlueLife Limited, 4th Floor, IBL House, Caudan Waterfront, Port Louis.

Share Price Information

425,342,317 ordinary shares of BlueLife are listed on the Official Market of the SEM. Some key share price figures are highlighted below:

	Rs.
Share price at market close of December 30, 2016	2.30
Market Capitalisation on December 31, 2016	978,287,329.10
Share Price on March 30, 2017	2.37
Market Capitalisation on March 30, 2017	1,008,061,291.29
Highest Share Price in 2016 (January 21, 2016)	4.68
Lowest Share Price in 2016 (June 3, 2016)	1.99

Dividend Policy

The Company does not have any predetermined dividend policy and the dividend payout is subject to the performance of the Company.

The Company did not declare any dividend for the year under review.

Related Party Transactions

Please refer to pages 149 and 150 – Notes to the Financial Statements.

Shareholders' Agreement

There exists no Shareholders' Agreement to the knowledge of the Company.

Management Agreement

No major agreements, other than those in the ordinary course of business, were contracted by BlueLife during the year under review.

Third Party Agreement

Please refer to page 150 – Notes to the Financial Statements.

Approved by the Board of Directors on March 31, 2017 and signed on its behalf by

Arnaud Lagesse

Christine Marot

STATEMENT OF COMPLIANCE

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

Name of PIE: BlueLife Limited

Reporting Period: December 31, 2016

We, the Directors of BlueLife Limited, confirm that to the best of our knowledge, that the Company has complied with most of its obligations and requirements under the Code of Corporate Governance except for the following sections:

Section 2.2.2: Composition

The Code requires that a company should have at least two independent non-executive Directors on its Board with a view to protect the interests of its shareholders. As at the end of the reporting period, there was only one independent non-executive Director on the Board of BlueLife. The Board of Directors confirms that the interests of all its shareholders are protected and that no shareholder exercises control on the Board.

The Board is actively looking for the right profile to fulfill the position of a second independent non-executive director.

Section 2.8: Remuneration of Directors

Section 2.8.2 of the Code requires that a detailed remuneration paid to each director on an individual basis be disclosed in the Annual Report. However, due to commercial sensitivity of the information, the remuneration of the Directors has been disclosed globally.

Section 3.9.1(b): Composition of the Audit Committee

The Board of Directors recognizes that, in accordance with the Code, it is recommended that a majority of the audit committee members should be independent non-executive Directors. However, the Board believes that the current members, who are non-executive Directors, have substantial accounting and financial experience to carry out their duties.

Even though it is a requirement of the Code that the Chairman of the Audit Committee should be an independent non-executive Director, the Board believes that Mr. Louis Mynhardt has the requisite qualifications, experience and knowledge to fulfill this position.

Arnaud Lagesse

Christine Marot

COMPANY SECRETARY'S CERTIFICATE

In accordance with Section 166(d) of the Companies Act 2001, we certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, for the financial period ended December 31, 2016, all such returns as required under the Companies Act 2001.

Thierry Labat, FCIS
Per IBL Management Ltd
Company Secretary

STATUTORY DISCLOSURES

(Pursuant to Section 221 of the Companies Act 2001 and Section 88 of the Securities Act 2005)

Principal Activities

The principal activities of BlueLife Limited are land promotion, property development and hotel and leisure.

Directors

The name of the Directors of the Company and its subsidiaries as at December 31, 2016 were as follows:

	BLL	HRHL	HR IRS	HR OFL	HRAH	AS	AEM	ASL	AWL	RCH	PLR	CSHCL	OEPM	HREHL	HREPL
Arnaud Lagesse	√ *	√ *	√ *	√ *							√				
Sunil Banymandhub	√														
Christophe Barge	√														
Michele Anne Espitalier Noel	√					√	√	√	√	√		√	√		
Yannick Lagesse	√														
Christine Marot	√	√	√	√	√	√	√	√	√	√	√	√			
Louis Mynhardt	√	√			√						√				
Kevindra Teeroovengadum	√	√	√	√	√ *						√ *	√			
Jan Boullé		√													
Olivier Fayolle					√						√				
Dev Gopy					√										
Maxime Hardy							√		√						
Thierry Lagesse		√	√	√	√						√			√	√

*Chairman

Abbreviations:

AS	Azuri Suites Ltd
AEM	Azuri Estate Management Ltd
ASL	Azuri Services Ltd
AWL	Azuri Watch Ltd
BLL	BlueLife Limited
CSHCL	Circle Square Holding Company Ltd
HREHL	HR Educational Holding Ltd
HREPL	HR Educational Properties Ltd
HRAH	Haute Rive Azuri Hotel Ltd
HRHL	Haute Rive Holdings Ltd
HR IRS	Haute Rive IRS Company Limited
HR OFL	Haute Rive Ocean Front Living Ltd
OEPM	Ocean Edge Property Management Company Ltd
PLR	PL Resort Ltd
RCH	Riverside Centre Holding Company Ltd

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STATUTORY DISCLOSURES

Directors' and Senior Officers' Interests in Shares

No debt securities are issued by the Company. The direct and indirect interests of the Directors and the Senior Officers in the equity securities of the Company as at December 31, 2016 were as follows:

Directors	Direct Interest		Indirect Interest
	Shares	%	%
Arnaud Lagesse	-	-	0.7032
Christophe Barge	-	-	-
Sunil Banymandhub	-	-	-
Christian de Juniac	-	-	-
Michele Anne Espitalier Noel	500	0.0001	-
Jean Claude Harel	858,967	0.2019	-
Robert John	-	-	-
Yannick Lagesse	-	-	-
Christine Marot	-	-	-
Louis Mynhardt	-	-	-
Kevindra Teeroovengadum	-	-	-
Senior Officers			
IBL Management Ltd (*formerly GML Management Ltée*)	-	-	-
Hugues Lagesse	-	-	-
Anand Cyparsade	-	-	-
Maxime Hardy	-	-	-
Brent Harris	-	-	-

Directors' fees

Directors	Attendance at Board Meetings	Attendance Fees Per Meeting (MUR)	Annual Chairman's Fees (MUR)	Annual Fixed Directors' Fees (MUR)	Annual Attendance Directors' Fees (MUR)	Total Fees per Director (MUR)
Arnaud Lagesse [1]	5 out of 5	25,000	300,000		125,000	425,000
Christian de Juniac [2]	1 out of 2	25,000	-	30,000	25,000	55,000
Christophe Barge [3]	3 out of 3	25,000	-	90,000	75,000	165,000
Michele Anne Espitalier Noel [4]	4 out of 5	-	-		-	-
Jean Claude Harel [2]	4 out of 4	25,000	-	120,000	100,000	220,000
Robert John [2]	3 out of 4	25,000	-	90,000	75,000	165,000
Christine Marot [4]	5 out of 5	-	-		-	-
Louis Mynhardt [5]	5 out of 5	25,000	-	150,000	125,000	275,000
Kevindra Teeroovengadum	5 out of 5	25,000	-	150,000	125,000	275,000
Sunil Banymandhub [3]	1 out of 1	25,000	-	30,000	25,000	55,000
Yannick Lagesse [3]	1 out of 1	25,000	-	30,000	25,000	55,000

Note:

1 Fees were paid to IBL Management Ltd

2 Christian de Juniac resigned on April 23, 2016
Jean Claude Harel resigned on September 5, 2016
Robert John resigned on September 1, 2016

3 Christophe Barge was appointed on March 31, 2016
Sunil Banymandhub was appointed on September 5, 2016
Yannick Lagesse was appointed on September 5, 2016

4 No fees were paid to the Executive Directors for attending Board meetings

5 Fees were paid to ACTIS

STATUTORY DISCLOSURES

Directors' Remuneration and Benefits

Remuneration and benefits received, or due and receivable from the Company and its subsidiaries were:

	From the Company		From Subsidiaries	
	2016	2015	2016	2015
- Directors of BlueLife Limited	Rs'000	Rs'000	Rs'000	Rs'000
Executive Directors				
Full-time	**12,399,218**	10,694,050	**-**	175,000
Non-executive Directors	**1,690,000**	1,650,000	**800,000**	725,000
	13,999,218	12,344,050	**1,050,000**	900,000

	From respective Subsidiaries	
	Rs'000	Rs'000
- Directors of subsidiary companies	Rs	Rs
Non-executive Directors	**250,000**	250,000

Directors' service contracts

None of the Directors of the Company and of its subsidiary companies have service contracts that need to be disclosed under section 221 of the Companies Act.

Contract of significance

There exists no contract of significance, save as disclosed above, between the Company and its Directors.

Political and Charitable Donations

BLL did not make any political or charitable donations during the year under review.

Auditors' remuneration

For the year under review, the fees paid to the Auditors for audit services and non-audit services are detailed hereunder:

	Audit	Non-Audit	Audit	Non-Audit
	2016		2015	
BDO & Co	Rs'000	Rs'000	Rs'000	Rs'000
The Company				
• BlueLife Limited	**780,000**	**150,000**	760,000	150,000
Subsidiaries of the Company				
• PL Resort Ltd	**225,000**		225,000	-
• Circle Square Holding Company Ltd	**85,000**		85,000	-
• Haute Rive Holdings Ltd	**105,000**		100,000	-
• Haute Rive Azuri Hotel Ltd	**225,000**		225,000	-
• Haute Rive IRS Company Limited	**105,000**		105,000	-
• Haute Rive Ocean Front Living Ltd	**105,000**		105,000	-
• Ocean Edge Property Management Company Ltd	**75,000**		75,000	-
• Azuri Suites Ltd				
• Azuri Services Ltd	**67,500**		65,000	
• Azuri Estate Management Ltd	**60,000**			
	75,000			

Non-audit fees relate to the review of abridged annual audited financial statements for the year ended December 31, 2016 and other advisory services.

The Auditors, BDO & Co, have expressed their willingness to continue in office and a resolution proposing their re-appointment will be submitted to the approval by the shareholders of the Company at its Annual Meeting.

Approved by the Board on March 31, 2017 and signed on its behalf by

Arnaud Lagesse

Christine Marot

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of BlueLife Limited

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

Report on the audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of BlueLife Limited and its subsidiaries (the "Group"), and the Company's separate financial statements on pages pages 92 to 151 which comprise the statements of financial position as at December 31, 2016, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 92 to 151 give a true and fair view of the financial position of the Group and of the Company as at December 31, 2016, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Basis for Opinion

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 Financial Statements section of our report. We are independent of the Group and of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

The Key Audit Matters of the Group are detailed below:

	KEY AUDIT MATTER	AUDIT RESPONSE
Valuation of Goodwill Refer to note 7 of the accompanying financial statements.	Management tests goodwill for impairment annually, and assesses whether there are events or changes in circumstances indicating that the carrying value may be impaired. This test and assessment are largely based on management expectations and estimates of future results of the cash generating units of which the entities acquired in the past form part. During the year ended December 31, 2016, an impairment charge of Rs.176.4m for the Group has been accounted in the profit or loss.	In our audit approach, we reviewed the analysis of possible indications of impairment and discussed it with management. We reviewed the recoverable amount calculations and reconciled them with expected cash flows as included in the forecast. We also discussed the forecasts for the assets concerned with management, and reviewed the substantiation of the forecasts based on historical information and concluded contracts.
Fair Value of Investment Properties Refer to note 6 of the accompanying financial statements.	The Group's investment properties of Rs.1,076m, representing 46.3% of its owners' interests, have been carried at fair value, with changes in fair value being recognised in profit or loss. The Group's investment properties at Forbach and Harbour Front (Rs.727.7m) have been fair valued by independent valuation specialists and all other investment properties (Rs.348.2m) have been fair valued by Directors, as detailed in note 6. When determining the valuation of investment properties, estimates have been developed by the independent valuation specialists and Directors based on the most appropriate source data and are subject to significant judgement.	Our audit procedures included, amongst others: • Reviewing the data used by the valuer in their valuation by: Comparing the current year (2016) actual results with the figures included in the prior year (2015) forecast to consider whether any forecasts included assumptions that, with hindsight, had been optimistic. We found that actual performance was consistent with forecast performance. Challenging the assumptions used by the independent valuation specialists and Directors. • Where recent transaction price have been used for valuing remaining plot of bare land, we have recomputed the value based on latest sales price.

	KEY AUDIT MATTER	AUDIT RESPONSE
Compliance with debt covenant requirements Refer to notes 2.11 and 15 of the accompanying financial statements.	As at December 31, 2016, three of the subsidiaries of the Group were in breach of certain banking covenants and as such, bank loans amounting to Rs.524.6m for the Group were classified as current borrowings. The adequate disclosure of the amount in breach of banking covenants were considered a key audit matter. In addition, we consider compliance with debt covenant requirements a key audit matter as this is part of management's assessment of the going concern assumption as such breaches technically gave the right to the Group's lenders to accelerate repayment before scheduled maturity.	Our audit procedures included: • Discussing with management on the continued support of the lenders and the proposed rescheduling of some bank loans which were in breach of certain banking covenants as at December 31, 2016. Management confirmed that no such acceleration has taken place as of the date of authorisation of the financial statements and they are in negotiation with the banks for rescheduling of these debts. We have also obtained management representation in this regards.

The Key Audit Matters of the Company are detailed below:

	KEY AUDIT MATTER	AUDIT RESPONSE
Assessment of Impairment – Investment of Subsidiaries Refer to note 10 of the accompanying financial statements.	The Company's investment in subsidiaries amounted to Rs.2,312.8m net of impairment, representing 98.6% of net assets of the Company. We focused on this area due to the size of the investment balance and because the Company's assessment of the 'value in use' of the subsidiaries involves judgements about the future results of the business and the discount rates applied to future cash flow forecasts. The Company's management performed an assessment of impairment of the subsidiaries' investment by: • Engaging an independent valuation specialists to determine the value in use of some subsidiaries using the discounted cash flow models. • Comparing some subsidiaries' book values with their net asset values and/or value in use.	Our audit procedures included, amongst others: • Reviewing the data used by the valuer in their valuation. We evaluated the subsidiaries' cashflow forecasts and the process by which they were developed, including considering the mathematical accuracy of the underlying calculations. • Challenging management with: ▫ the key assumptions for growth rates in the forecasts by comparing them to historical results. ▫ the discount rate used in the model by assessing the cost of capital for the Company by comparing it to market data and industry research.
Recoverability of receivables from related parties Refer to note 12 of the accompanying financial statements.	The Company had receivable from related parties of Rs.254.8m as at December 31, 2016. We focused on this area since the level of provisions for bad debts 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.	Our audit procedures included, amongst others: • Assessing and challenging management's view of recoverability and questioning management's knowledge of future conditions that may impact expected receipts. • Discussed, evaluated and concluded with management that possible cash streaming will be available from the related companies to repay these debts.

Other information

The directors are responsible for the other information. The other information comprises the Corporate Governance report, Statement of Compliance and Statutory disclosures (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and other reports including Chairman's message, Group Structure, Financial Indicators, Chief Executive Officer's report, Our Operations, Profile of the Management team, Human Resources, Interaction with the local community, risk management and statement of director's responsibility (together referred to as "other statements"), which are expected to be made available to us after that date.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the Corporate Governance report, Statement of Compliance and Statutory disclosures that we obtained prior to the date of this auditor's report, 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.

When we read the other statements which will be made available to us after that date, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group and the Company's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Identify and assess the risks of material misstatement of the 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 and the Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.

Conclude on the appropriateness of 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 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 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 the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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 and dealings in the ordinary course of business.

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

The Directors are responsible for preparing the corporate governance report. Our responsibility is to report the extent of compliance with the Code of Corporate Governance as disclosed in the annual report and on whether the disclosure is consistent with the requirements of the Code.

In our opinion, the disclosure in the annual report is consistent with the requirements of the Code.

BDO & CO

Chartered Accountants

Port Louis,

Mauritius.

Rookaya Ghanty, FCCA

Licensed by FRC

31 March 2017

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2016

	Notes	THE GROUP 2016 Rs.	THE GROUP 2015 Rs.	THE COMPANY 2016 Rs.	THE COMPANY 2015 Rs.
ASSETS					
Non-current assets					
Property, plant and equipment	5	**1,181,462,950**	1,218,576,695	**3,023,166**	4,233,600
Investment properties	6	**1,075,965,159**	1,485,657,787	**142,446,219**	477,110,267
Intangible assets	7	**209,598,344**	389,832,498	**39,036,353**	51,019,392
Land and related development costs	9	**1,634,425,724**	1,819,979,741	**36,222,387**	36,222,387
Investment in subsidiaries	10	**-**	-	**2,312,079,944**	2,389,026,450
Deferred tax assets	16	**40,578,363**	49,765,123	**-**	-
Non-current receivables	32	**1,000,000**	16,554,316	**-**	-
		4,143,030,540	4,980,366,160	**2,532,808,069**	2,957,612,096
Current assets					
Inventories	8	**27,731,559**	137,672,247	**-**	-
Land and related development costs	9	**286,641,316**	213,439,590	**-**	-
Trade and other receivables	12	**121,226,433**	150,086,707	**260,812,959**	327,230,325
Cash and cash equivalents	29(c)	**158,810,968**	168,438,926	**63,425**	1,446,439
		594,410,276	669,637,470	**260,876,384**	328,676,764
Non-current assets classified as held for sale	31	**276,614,300**	29,199,165	**276,614,300**	29,199,165
Total assets	Rs.	**5,014,055,116**	5,679,202,795	**3,070,298,753**	3,315,488,025
EQUITY AND LIABILITIES					
Capital and reserves (attributable to owners of the parent)					
Stated capital	14	**3,027,298,338**	3,027,298,338	**3,027,298,338**	3,027,298,338
Other reserves		**26,080,000**	26,080,000	**-**	-
Actuarial reserves		**(2,485,539)**	(778,538)	**(1,186,976)**	(778,538)
Revenue deficit		**(757,086,172)**	(181,144,667)	**(680,663,560)**	(420,750,037)
Owners' interests		**2,293,806,627**	2,871,455,133	**2,345,447,802**	2,605,769,763
Non-controlling interests		**30,409,823**	101,484,538	**-**	-
Total equity		**2,324,216,450**	2,972,939,671	**2,345,447,802**	2,605,769,763
LIABILITIES					
Non-current liabilities					
Borrowings	15	**666,763,252**	1,349,356,911	**123,167,232**	182,544,480
Retirement benefit obligations	13	**5,994,255**	3,438,408	**1,989,818**	1,614,185
Deferred tax liabilities	16	**10,362,529**	9,967,991	**10,362,528**	9,967,991
		683,120,036	1,362,763,310	**135,519,578**	194,126,656
Current liabilities					
Trade and other payables	17	**585,396,881**	461,469,797	**52,581,162**	46,981,856
Borrowings	15	**1,421,321,749**	882,030,017	**536,750,211**	468,609,750
		2,006,718,630	1,343,499,814	**589,331,373**	515,591,606
Total liabilities		**2,689,838,666**	2,706,263,124	**724,850,951**	709,718,262
Total equity and liabilities	Rs.	**5,014,055,116**	5,679,202,795	**3,070,298,753**	3,315,488,025

These financial statements have been approved for issue by the Board of Directors on ……………………………………

Arnaud Lagesse **Christine Marot**

The notes on pages 97 to 151 form an integral part of these financial statements.
Auditors report on pages 86 to 91.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED DECEMBER 31, 2016

	Notes	THE GROUP 2016 Rs.	THE GROUP 2015 Rs.	THE COMPANY 2016 Rs.	THE COMPANY 2015 Rs.
Revenue	18	**1,470,153,597**	1,035,251,579	**53,185,235**	36,933,019
Cost of sales	19	**(1,226,697,858)**	(871,514,125)	**(16,753,917)**	-
Gross profit		**243,455,739**	163,737,454	**36,431,318**	36,933,019
Other income	20	**46,173,570**	43,211,587	**41,678,827**	40,543,161
Other gains and losses - net	26	**3,805,532**	11,821,180	**-**	-
Selling and marketing expenses	19	**(21,964,224)**	(23,673,929)	**-**	-
Administrative expenses	19	**(383,010,338)**	(359,492,673)	**(105,325,154)**	(112,939,336)
Other operating expenses	19	**(24,500,723)**	(84,889,715)	**(17,731,685)**	(16,527,825)
		(136,040,444)	(249,286,096)	**(44,946,694)**	(51,990,981)
Net decrease in fair value of investment properties	6	**(78,695,444)**	(21,343,645)	**(3,666,864)**	(6,744,700)
Impairment charges	24	**(244,169,260)**	(47,499,385)	**(156,340,366)**	(93,286,936)
Finance costs	21	**(177,281,590)**	(183,568,613)	**(54,492,985)**	(48,719,878)
Share of results of associate	11	**-**	(1,823,048)	**-**	-
Loss on disposal of associate		**-**	(6,784,905)	**-**	(6,304,953)
Loss before taxation	23	**(636,186,738)**	(510,305,692)	**(259,446,909)**	(207,047,448)
Income tax (charge)/credit	25	**(10,024,576)**	26,024,478	**(466,614)**	(1,685,444)
Loss for the year		**(646,211,314)**	(484,281,214)	**(259,913,523)**	(208,732,892)
Other comprehensive income for the year, net of tax					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements of post employment benefit obligations	27	**(2,511,907)**	(201,707)	**(408,438)**	(201,707)
Total comprehensive income for the year	Rs.	**(648,723,221)**	(484,482,921)	**(260,321,961)**	(208,934,599)
Loss attributable to:					
Owners of the parent		**(575,941,505)**	(415,797,623)	**(259,913,523)**	(208,732,892)
Non-controlling interests		**(70,269,809)**	(68,483,591)	**-**	-
	Rs.	**(646,211,314)**	(484,281,214)	**(259,913,523)**	(208,732,892)
Total comprehensive income attributable to:					
Owners of the parent		**(577,648,506)**	(415,999,330)	**(260,321,961)**	(208,934,599)
Non-controlling interests		**(71,074,715)**	(68,483,591)	**-**	-
	Rs.	**(648,723,221)**	(484,482,921)	**(260,321,961)**	(208,934,599)
Loss per share (Rs/cs)					
- basic	28	**(1.354)**	(0.976)	**(0.611)**	(0.491)

The notes on pages 97 to 151 form an integral part of these financial statements.
Auditors report on pages 86 to 91.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2016

		Attributable to owners of the parent						
THE GROUP	Notes	Stated capital	Other reserves	Actuarial reserves	(Revenue deficit/ (retained earnings)	Total	Non-controlling interests	Total Equity
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At January 1, 2016		3,027,298,338	26,080,000	(778,538)	(181,144,667)	2,871,455,133	101,484,538	2,972,939,671
Loss for the year		-	-	-	(575,941,505)	(575,941,505)	(70,269,809)	(646,211,314)
Other comprehensive income for the year	27	-	-	(1,707,001)	-	(1,707,001)	(804,906)	(2,511,907)
Total comprehensive income for the year		-	-	(1,707,001)	(575,941,505)	(577,648,506)	(71,074,715)	(648,723,221)
At December 31, 2016	Rs.	**3,027,298,338**	**26,080,000**	**(2,485,539)**	**(757,086,172)**	**2,293,806,627**	**30,409,823**	**2,324,216,450**
At January 1, 2015		3,027,298,338	26,080,000	(576,831)	240,049,355	3,292,850,862	142,071,730	3,434,922,592
Loss for the year		-	-	-	(415,797,623)	(415,797,623)	(68,483,591)	(484,281,214)
Other comprehensive income for the year	27	-	-	(201,707)	-	(201,707)	-	(201,707)
Total comprehensive income for the year		-	-	(201,707)	(415,797,623)	(415,999,330)	(68,483,591)	(484,482,921)
Issue of shares		-	-	-	-	-	22,500,000	22,500,000
Changes in ownership interest in subsidiaries that do not result in a loss of control		-	-	-	(5,396,399)	(5,396,399)	5,396,399	-
Total transactions with owners of the parent		-	-	-	(5,396,399)	(5,396,399)	27,896,399	22,500,000
At December 31, 2015	Rs.	**3,027,298,338**	**26,080,000**	**(778,538)**	**(181,144,667)**	**2,871,455,133**	**101,484,538**	**2,972,939,671**

The notes on pages 97 to 151 form an integral part of these financial statements.
Auditors report on pages 86 to 91.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2016

THE COMPANY	Notes	Stated capital	Actuarial reserves	Revenue deficit	Total
		Rs.	Rs.	Rs.	Rs.
At January 1, 2016		3,027,298,338	(778,538)	(420,750,037)	2,605,769,763
Loss for the year		-	-	(259,913,523)	(259,913,523)
Other comprehensive income for the year	27	-	(408,438)	-	(408,438)
Total comprehensive income for the year		-	(408,438)	(259,913,523)	(260,321,961)
At December 31, 2016	Rs.	**3,027,298,338**	**(1,186,976)**	**(680,663,560)**	**2,345,447,802**
At January 1, 2015		3,027,298,338	(576,831)	(212,017,145)	2,814,704,362
Loss for the year		-	-	(208,732,892)	(208,732,892)
Other comprehensive income for the year	27	-	(201,707)	-	(201,707)
Total comprehensive income for the year		-	(201,707)	(208,732,892)	(208,934,599)
At December 31, 2015	Rs.	**3,027,298,338**	**(778,538)**	**(420,750,037)**	**2,605,769,763**

The notes on pages 97 to 151 form an integral part of these financial statements.
Auditors report on pages 86 to 91.

STATEMENTS OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2016

	Notes	THE GROUP 2016 Rs.	THE GROUP 2015 Rs.	THE COMPANY 2016 Rs.	THE COMPANY 2015 Rs.
Cash flows from operating activities					
Cash generated from/ (absorbed in) operations	29(a)	**306,166,393**	17,010,159	**22,246,508**	(104,153,113)
Interest paid		**(178,882,503)**	(188,450,325)	**(51,057,352)**	(47,673,093)
Interest received		**7,223,546**	274,868	**58,511**	1,533
Tax refunded		**-**	2,034,249	**-**	-
Net cash from/(used in) operating activities		**134,507,436**	(169,131,049)	**(28,752,333)**	(151,824,673)
Cash flows from investing activities					
Purchase of property, plant and equipment, net		**(10,021,061)**	(10,966,515)	**(315,528)**	(692,631)
Purchase of intangible assets		**(876,525)**	(7,432,882)	**(80,500)**	(676,745)
Expenditure incurred for investment properties		**-**	(3,398,700)	**-**	(149,700)
Proceeds from disposal of assets classified as held for sale		**19,020,000**	-	**19,020,000**	-
Proceeds from disposal of property, plant and equipment		**24,778**	-	**-**	-
Dividend received from associate		**-**	2,115,000	**-**	2,115,000
Net cash from/(used in) investing activities		**8,147,192**	(19,683,097)	**18,623,972**	595,924
Cash flows from financing activities					
Proceeds from borrowings		**52,466,697**	329,099,307	**30,001,100**	139,750,000
Payment on borrowings		**(52,938,097)**	(105,961,706)	**(25,457,187)**	(73,526,287)
Finance lease capital repayment		**(2,050,161)**	(1,504,336)	**-**	-
Net cash (used in)/from financing activities		**(2,521,561)**	221,633,265	**4,543,913**	66,223,713
Net increase/(decrease) in cash and cash equivalents	Rs.	**140,133,067**	32,819,119	**(5,584,448)**	(85,005,036)
Movement in cash and cash equivalent					
At January 1,		**(387,273,549)**	(424,974,378)	**(249,822,963)**	(164,914,892)
Effect of foreign exchange difference		**2,746,140**	4,881,710	**(17,866)**	96,965
Increase/(decrease)		**140,133,067**	32,819,119	**(5,584,448)**	(85,005,036)
At December 31,	29(b) Rs.	**(244,394,342)**	(387,273,549)	**(255,425,277)**	(249,822,963)

The notes on pages 97 to 151 form an integral part of these financial statements.

Auditors report on pages 86 to 91.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

1. GENERAL INFORMATION

BlueLife Limited (the "Company") is a public company limited by shares, incorporated and domiciled in Mauritius. Its registered office is situated at Circle Square Retail Park, Forbach, Mauritius.

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

2. SIGNIFICANT 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.

2.1 Basis of preparation

The financial statements of BlueLife Limited comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS).

The financial statements include the consolidated financial statements of the parent company and its subsidiary companies (the "Group") and the separate financial statements of the parent company (the "Company"). The financial statements are presented in Mauritian Rupees and all values are rounded to the nearest Rupee, except when otherwise indicated.

Where necessary, comparative figures have been amended to conform with changes 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; and

(iii) relevant financial assets and liabilities are carried at amortised cost.

The Group had revenue deficit of Rs.757.1 million and net current liabilities of Rs.1,412.3 million and the Company had revenue deficit Rs.680.7 million and net current liabilities of Rs.328.5 million as at December 31, 2016. In preparing the financial statements, the Board of Directors have given careful consideration to the liquidity of the Group and the Company having regards to:

(1) Cash generation from sale The Riviera Villas Project, which will be completed at the beginning of 2018 under Haute Rive IRS Company Ltd (HRIRS), will contribute towards the cash needs of HRIRS and reduce its indebtedness. The infrastructure cost in relation to this project had been supported in Azuri Phase 1 and will be recovered. Dividends flowing from HRIRS will contribute to reduce cash and revenue deficits at company level as from 2017.

(2) Reviewed master plan implementation is under way and Golf View Villas were actively launched in the beginning of 2017. This will create value through cash and revenue generation thereby contributing in bringing the holding company back in positive retained earnings. These projects will include sale of land as well as development of a golf and new residential units.

(3) Contemplated monetization plan on disposal of non-core assets having achieved maturity level.

(4) Continued support from lenders through capital moratorium and rescheduling of repayment terms of loans of certain subsidiaries.

The Board of Directors are confident that the Group would continue as a going concern in foreseeable future and they consider it appropriate to prepare the financial statements on a going concern basis.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations effective in the reporting period

IFRS 14 Regulatory Deferral Accounts provides relief for first-adopters of IFRS in relation to accounting for certain balances that arise from rate-regulated activities ('regulatory deferral accounts'). IFRS 14 permits these entities to apply their previous accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral accounts. The standard is not expected to have any impact on the Group's financial statements.

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11). The amendments clarify the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business. Existing interests in the joint operation are not remeasured on acquisition of an additional interest, provided joint control is maintained. The amendments also apply when a joint operation is formed and an existing business is contributed. The amendment has no impact on the Group's financial statements.

Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38). The amendments clarify that a revenue-based method of depreciation or amortisation is generally not appropriate. Amendments clarify that a revenue-based method should not be used to calculate the depreciation of items of property, plant and equipment. IAS 38 now includes a rebuttable presumption that the amortisation of intangible assets based on revenue is inappropriate. This presumption can be overcome under specific conditions. The amendment has no impact on the Group's financial statements.

Equity method in separate financial statements (Amendments to IAS 27). The amendments allow entities to use the equity method in their separate financial statements to measure investments in subsidiaries, joint ventures and associates. IAS 27 currently allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value in their separate FS. The amendments introduce the equity method as a third option. The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively. The amendment has no impact on the Group's financial statements.

Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41). IAS 41 now distinguishes between bearer plants and other biological asset. Bearer plants must be accounted for as property plant and equipment and measured either at cost or revalued amounts, less accumulated depreciation and impairment losses. The amendment has no impact on the Group's financial statements.

Annual Improvements to IFRSs 2012-2014 cycle

•IFRS 5 is amended to clarify that when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution' or vice versa, this does not constitute a change to a plan of sale or distribution and does not have to be accounted for as such. The amendment has no impact on the Group's financial statements.

•IFRS 7 amendment provides specific guidance for transferred financial assets to help management determine whether the terms of a servicing arrangement constitute 'continuing involvement' and, therefore, whether the asset qualifies for derecognition. The amendment has no impact on the Group's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations effective in the reporting period (cont'd)

Annual Improvements to IFRSs 2012-2014 cycle (cont'd)

•IFRS 7 is amended to clarify that the additional disclosures relating to the offsetting of financial assets and financial liabilities only need to be included in interim reports if required by IAS 34. The amendment has no impact on the Group's financial statements.

•IAS 19 amendment clarifies that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise. The amendment has no impact on the Group's financial statements.

•IAS 34 amendment clarifies what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report' and adds a requirement to cross-reference from the interim financial statements to the location of that information. The amendment has no impact on the Group's financial statements.

Disclosure Initiative (Amendments to IAS 1). The amendments to IAS 1 provide clarifications on a number of issues. An entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance. Line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals. Confirmation that the notes do not need to be presented in a particular order. The share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

Investment entities: Applying the consolidation exception (Amendments to IFRS 10, IFRS 12 and IAS 28). The amendments clarify that the exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities. An investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities. Entities which are not investment entities but have an interest in an associate or joint venture which is an investment entity have a policy choice when applying the equity method of accounting. The fair value measurement applied by the investment entity associate or joint venture can either be retained, or a consolidation may be performed at the level of the associate or joint venture, which would then unwind the fair value measurement. The amendment has no impact on the Group's financial statements.

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2017 or later periods, but which the Group has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

IFRS 9 Financial Instruments

IFRS 15 Revenue from Contract with Customers

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

CONTENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations issued but not yet effective (cont'd)

At the reporting date of these financial statements, the following were in issue but not yet effective: (cont'd)

IFRS 16 Leases

Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)

Amendments to IAS 7 Statement of Cash Flows

Clarifications to IFRS 15 Revenue from Contracts with Customers

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)

Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)

Annual Improvements to IFRSs 2014-2016 Cycle

IFRIC 22 Foreign Currency Transactions and Advance Consideration

Transfers of Investment Property (Amendments to IAS 40)

Where relevant, the Group is still evaluating the effect of these Standards, amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

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.

2.2 Property, plant and equipment

Land and buildings, held for use in the production or supply of goods or for administrative purposes, are stated at their fair value, based on periodic valuations, by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is 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.

Increases in the carrying amount arising on revaluation are credited to other comprehensive income and shown as revaluation surplus in shareholder's equity. Decreases that offset previous increases of the same asset are charged against revaluation surplus directly in equity; all other decreases are charged to profit or loss.

Each year, the depreciation based on the revalued carrying amount of the asset charged to the profit or loss and depreciation based on the asset's original cost is transferred from revaluation surplus to retained earnings.

Properties in the course of construction for production or administrative purposes or purposes not yet determined are carried at cost less any recognised impairment loss. Cost includes professional fees and for qualifying assets, borrowing costs are capitalised. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Property, plant and equipment (cont'd)

Depreciation is calculated on the straight-line method to write off the cost of the assets to their residual values over their estimated useful lives at the following rates:

- Buildings 2%

- Plant and equipment 10% - 30%

- Furniture, Fixtures and equipment 20% - 25%

- Motor vehicles 20% - 25%

Freehold land is not depreciated.

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

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 the profit or loss.

2.3 Investment property

Investment property, held to earn rentals or for capital appreciation or both and not occupied by the Group, is carried at fair value, representing the open-market value. Changes in fair values are included in the profit or loss. The fair value of certain investment properties are determined by independent valuation specialists while that of others are determined by the directors of the Group.

Properties that are under construction or development to earn rentals or for capital appreciation or both is accounted as investment property. When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

2.4 Intangible assets

(a) Goodwill

Goodwill arising on acquisition of a business is carried at cost as established at the date of the acquisition of the business less accumulated impairment losses, if any.

Goodwill is tested annually for impairment.

Goodwill is allocated to cash generating units for the purpose of impairment testing.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gains and losses on disposal.

(b) Leasehold rights

Leasehold rights represent the amount paid to acquire the rights to the lease of land and is amortised over the period of the lease, that is, 60 years.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Intangible assets (cont'd)

(c) Computer software

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software and are amortised using straight line method over their estimated useful lives of 3 to 4 years.

Costs associated with developing and maintaining computer software are recognised as an expense as incurred. Costs that are directly associated with the production if identifiable and unique software controlled by the Group and that will generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

2.5 Investment in subsidiaries

Separate financial statements of the investor

In the separate financial statements of the investor, investments in subsidiaries are carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investments.

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 either at fair value or at the non-controlling interests' proportionate share of the acquiree's net assets.

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 (if any) over the fair value of the Group's share 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 and 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Investment in subsidiaries (cont'd)

Disposal of subsidiaries

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entities or financial asset. In addition, any amounts 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.

2.6 Investment in associates

Separate financial statements of the investor

In the separate financial statements of the investor, investments in associated companies are carried at cost.

The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements

An associate is an entity over which the Group has significant influence but not control, or joint control, generally accompanying a shareholding between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method. Investments in associates are initially recognised at cost as adjusted by post acquisition changes in the group's share of the net assets of the associate less any impairment in the value of individual investments.

Any excess of the cost of acquisition and the Group's share of the net fair value of the associate's identifiable assets and liabilities recognised at the date of acquisition is recognied 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 profit or loss.

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

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. 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 to bring the accounting policies used in line with those adopted by the Group.

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

Dilution gains or losses arising in investments in associates are recognised in profit or loss.

2.7 Non-current assets 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Financial assets

(a) Categories of financial assets

The group classifies its financial assets as loans and receivables. The classification depends on the purpose for which it was made. Management determines the classification of their financial assets at initial recognition.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

The Group's loans and receivables comprise of cash and cash equivalents, non-current receivables and trade and other receivables.

Non current receivables with fixed maturity terms are measured at amortised cost using the effective interest rate method, less provision for impairment.

Loans and receivables are carried at amortised cost using effective interest method.

(b) Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

2.9 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of provision is recognised in profit or loss.

2.10 Trade and other payables

Trade and other payables are stated at fair value and are subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Borrowings

Borrowings are recognised initially at fair value being their issue proceeds net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

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 date.

2.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statements of financial position.

2.13 Share capital

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

2.14 Current and deferred income tax

The tax expense for the period comprises of 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, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, 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 substantively 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.

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 purposes 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 embodies in the investment property over time, rather than through sale.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Foreign currencies

(a) Functional and presentation currency

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

(b) 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.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in profit or loss within 'other gains and losses - net'.

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.

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.

2.16 Leases

(a) Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(b) Accounting for leases - where Group is the lessee

Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss unless they are attributable to qualifying assets in which case, they are capitalised in accordance with the policy on borrowing costs.

(c) Accounting for leases - where Group is the lessor

Assets leased out under operating leases are included in investment property in the statements of financial position. They are carried at fair value, as determined by external valuers. Rental income is recognised in line with the relevant lease terms.

(d) Operating leases - where Group is the lessor

Payments under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

2.17 Retirement benefit obligations

(a) 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. Payments to defined contribution retirement plans are charged as an expense as they fall due.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Retirement benefit obligations (cont'd)

(b) Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define 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 in the statements of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on 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 are accumulated in a separate reserve and will not be reclassified to profit or loss in a subsequent period.

The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) 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/(asset), taking into account any changes in the net defined liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense/(income) is recognised in profit or loss.

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

(c) Retirement gratuity

For employees who are not covered (or who are insufficiently covered by the above pension plans), the net present value of gratuity on retirement payable under the Employment Rights Act 2008 is calculated and provided for. The obligations arising under this item are not funded.

(d) 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 withdrawl, 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.

2.18 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in, first out (FIFO) method. The cost of consumables comprises of purchase cost and other direct costs but excludes interest expense. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2.20 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied and services rendered, stated net of discounts, returns, value added taxes, rebates and other similar allowances and after eliminating sales within the Group.

(a) Sale of goods

Sales of goods are recognised when the goods are delivered and titles have passed, at which time all of the following conditions are satisfied:

· the Group has transferred, to the buyer the significant risks and rewards of ownership of the goods;

· the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

· the amount of revenue can be measured reliably;

· it is probable that the economic benefits associated with the transaction will flow to the Group; and

· the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(b) Rendering of services

Revenue from rendering of services are recognised in the accounting year in which the services are rendered (by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of total services to be provided).

(c) Other revenues earned by the Group are recognised on the following bases:

· Rental income from investment property - recognised in profit or loss on an accrual basis in accordance with the rental agreement.

· Interest income - recognised on a time proportion basis using the effective interest method.

· Dividend income - when the shareholder's right to receive payment is established.

(d) Sale of completed property

A property is regarded as sold when the significant risks and returns have been transferred to the buyer, which is normally on unconditional exchange of contracts. For conditional exchanges, sales are recognised only when all the significant conditions are satisfied.

(e) Sale of property under development

Where property is under development and agreement has been reached to sell such property when construction is complete, the directors consider whether the contract comprises:

· A contract to construct a property, or

· A contract for the sale of a completed property

Where a contract is judged to be for the construction of a property, revenue is recognised using the percentage of completion method as construction progresses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Revenue recognition (cont'd)

(e) Sale of property under development (cont'd)

Where the contract is judged to be for the sale of a completed property, revenue is recognised when the significant risks and rewards of ownership of the real estate have been transferred to the buyer. If, however, the legal terms of the contract are such that the construction represents the continuous transfer of work in progress to the purchaser, the percentage of completion method of revenue recognition is applied and revenue is recognised as work progresses. Continuous transfer of work in progress is applied when:

· The buyer controls the work in progress, typically when the land on which the development is taking place is owned by the final customer, and;

· All significant risks and rewards of ownership of the work in progress in its present state are transferred to the buyer as construction progresses, typically when the buyer cannot put the incomplete property back to the Group.

In such situations, the percentage of work completed is measured based on the costs incurred up until the end of the reporting period as a proportion of total costs expected to be incurred.

2.21 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction 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.

2.22 Dividend distribution

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

2.23 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources, that can be reliably estimated, will be required to settle the obligation.

2.24 Segment reporting

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

2.25 Land and related development costs

Land and related development costs consist of cost of land, infrastructural and other development expenditures. These land and related development costs are released to profit or loss as and when sale or disposal is being effected, that is, when risks and rewards pass on to buyers.

Land and related development costs are classified under current assets when completion is imminent and the assets are likely to be disposed of within the next financial year. Otherwise, it is classified under non-current assets.

The Group uses the 'percentage of completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the costs incurred up to the end of the reporting period as a percentage of total estimated costs for each project (or by reference to surveys of work performed or completion of a physical proportion of the contract work). Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

The Group presents as an asset the gross amount due from customers for work in progress for which costs incurred plus recognised profits (less recognised losses) exceeds progress billings. Progress billings not yet paid by customers and retention are included within 'trade and other receivables'.

The Group presents as a liability the gross amount due to customers for all work in progress for which progress billings exceed costs incurred plus recognised profits/(losses).

3. FINANCIAL RISK MANAGEMENT

3.1 Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, 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.

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 is exposed to foreign exchange risk arising from currency exposures primarily with respect to the USD, EURO, ZAR and GBP. Foreign exchange risk arises from future currency exposures, commercial transactions and recognised assets and liabilities.

Management has set up a policy to require the Group to manage its foreign exchange risk exposure with treasury performed by IBL Treasury Management Ltd.

Currency profile

The currency profile of the Group and the Company's financial assets and liabilities are summarised below:

		2016		2015	
THE GROUP		**Financial assets**	**Financial liabilities**	Financial assets	Financial liabilities
		Rs.	**Rs.**	Rs.	Rs.
MUR		**183,153,389**	**2,432,882,524**	270,254,966	2,505,082,723
USD		**60,038,234**	**24,617,472**	39,617,538	41,968,350
EURO		**28,641,937**	**3,017,767**	11,601,722	47,013,274
ZAR		**96,909**	**-**	22,592	-
GBP		**822,339**	**386,000**	7,464,405	11,838,463
	Rs.	**272,752,808**	**2,460,903,763**	328,961,223	2,605,902,810

		2016		2015	
THE COMPANY		**Financial assets**	**Financial liabilities**	Financial assets	Financial liabilities
		Rs.	**Rs.**	Rs.	Rs.
MUR		**259,162,155**	**698,398,334**	325,513,232	684,855,583
USD		**44,790**	**357**	174,985	-
	Rs.	**259,206,945**	**698,398,691**	325,688,217	684,855,583

The figures above exclude prepayments and accruals.

Sensitivity analysis

At the end of reporting date, if the rupee had weakened/strengthened by 5% against the the above foreign currencies with all the variables remaining constant , the impact on post tax result for the year would have been as shown in the table 3.1(i), mainly as a result of foreign exchange gains/losses on translation of foreign currency denominated financial assets and liabilities as detailed above.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

(i) **Currency risk (cont'd)**

Currency profile (cont'd)

THE GROUP	2016		2015	
Impact on post-tax results	**Financial assets**	**Financial liabilities**	Financial assets	Financial liabilities
	Rs.	**Rs.**	Rs.	Rs.
	+	**+**	+	+
USD	**3,001,912**	**1,230,874**	1,980,877	2,098,418
EURO	**1,432,097**	**150,888**	580,086	2,350,664
ZAR	**4,845**	**-**	1,130	-
GBP	**41,117**	**19,300**	373,220	591,923

THE COMPANY	2015		2015	
Impact on post-tax results	**Financial assets**	**Financial liabilities**	Financial assets	Financial liabilities
	Rs.	**Rs.**	Rs.	Rs.
	+	**+**	+	+
USD	**2,240**	**18**	8,749	-

(ii) **Cash flow and fair value interest rate risk**

The Group's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest-rate risk. Borrowings issued at fixed rates expose the Group to fair value interest-rate risk. The group maintains its deposits held at bank and borrowings in variable rate instruments and its finance lease obligations at fixed rate.

Cash flow interest rate risk

Sensitivity analysis

At the end of the reporting period, if variable interest rates on borrowings had been 50 basis points higher/lower with all other variables held constant, post-tax result for the year would have changed as shown in the table below.

	THE GROUP		THE COMPANY	
Impact on post-tax results	**2016**	2015	**2016**	2015
	Rs.	Rs.	**Rs.**	Rs.
	+/-	+/-	**+/-**	+/-
Liabilities				
Borrowings	**10,428,687**	11,134,946	**3,299,587**	3,255,771

Fair value interest rate risk

At the end of reporting date, if interest rates on fixed rate borrowings had been 50 basis points lower/higher with all variables held constant, the impact on post-tax result for the year would not be material.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

(b) **Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade receivable. The amounts presented in the statements of financial position are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and the current economic environment. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Group has policies in place to ensure that sales of services are made to customers with an appropriate credit history.

(c) **Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations 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 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.

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

THE GROUP	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	Rs.	Rs.	Rs.	Rs.
At December 31, 2016				
Borrowings	**1,560,271,642**	**149,043,499**	**465,195,989**	**319,775,880**
Trade and other payables	**585,396,881**	**-**	**-**	**-**
At December 31, 2015				
Borrowings	1,008,660,996	307,173,753	682,560,424	669,685,493
Trade and other payables	461,469,797	-	-	-

THE COMPANY	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	Rs.	Rs.	Rs.	Rs.
At December 31, 2016				
Borrowings	**563,174,395**	**36,884,328**	**56,349,684**	**67,106,475**
Trade and other payables	**52,581,162**	**-**	**-**	**-**
At December 31, 2015				
Borrowings	490,956,060	55,075,603	92,642,059	85,457,275
Trade and other payables	46,981,856	-	-	-

3.2 Fair value estimation

The nominal value less estimated credit adjustments to trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cashflows at the current market interest rate that is available to the Group for similar financial instruments.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.3 Capital risk management

The Group's objectives when managing capital are:

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

The Group sets the amount of capital in proportion to 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, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Consistent with others in the industry, 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 in the statement of financial position) less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e, share capital, retained earnings/(revenue deficit) and non-controlling interests).

The debt-to-adjusted capital ratios at December 31, 2016 and 2015 were as follows:

		THE GROUP		THE COMPANY	
		2016	2015	**2016**	2015
		Rs.	Rs.	**Rs.**	Rs.
Total debt		**2,088,085,001**	2,231,386,928	**659,917,443**	651,154,230
Less: cash and cash equivalents		**(158,810,968)**	(168,438,926)	**(63,425)**	(1,446,439)
Net debt	Rs.	**1,929,274,033**	2,062,948,002	**659,854,018**	649,707,791
Total equity	Rs.	**2,324,216,450**	2,972,939,671	**2,345,447,802**	2,605,769,763
Debt-to-adjusted capital ratio		**0.83:1**	0.69:1	**0.28:1**	0.25:1

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.

4.1 Critical accounting estimates and assumptions

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.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

4.1 Critical accounting estimates and assumptions (cont'd)

(a) **Estimated impairment of goodwill**

The Group tests annually whether Goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.4.

(b) **Revaluation of property, plant and equipment and investment properties**

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. In addition, it measures land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. The Group engaged independent valuation specialists to determine fair value of some of its investment properties as at 31 December 2016. For these investment properties, the valuer used a valuation technique based on capitalisation of net operating income. Other investment properties comprise of bare land held for capital appreciation whose fair values have been determined based on director's valuations on an open market basis.

The determined fair value of the investment properties, with regards to rental properties, is most sensitive to the estimated yield as well as the long term vacancy rate. The key assumptions used to determine the fair value of the investment properties, are further explained in Note 6.

(c) **Limitation of sensitivity analysis**

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain 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's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Group's view of possible near-term market changes that cannot be predicted with any certainty.

(d) **Pension benefits**

The present value of the pension obligations depend 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 reporting period. 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 the related pension liability.

Other key assumptions for pension obligations are based in part on current market conditions.

(e) **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, product life cycles 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 or losses on the disposal of similar assets.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

4.1 Critical accounting estimates and assumptions (cont'd)

(f) **Depreciation policies**

Property, plant and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the company would currently obtain from disposal of the asset, if the asset was already of age and in condition expected at the end of its useful life.

The directors therefore 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.

(g) **Impairment of assets**

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 an 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 unit.

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.

(h) **Impairment of investment in subsidiaries and associate**

The group follows the guidance of IAS 39 on determining when an investment is other-than-temporarily impaired. This determination requires significant judgement. In making this judgement, the group evaluates, amongst other factors, the duration and extent to which the fair value of an investment is less than cost, the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

(i) **Revenue recognition**

The percentage of completion method is utilised to recognise revenue on long-term contracts. Management exercises judgement in calculating the deferred revenue reserve which is based on the anticipated cost of repairs over the life cycle of the equipment applied to the total expected revenue arising from maintenance and repair contracts.

In addition, management exercises judgement in assessing whether significant risks and rewards have been transferred to the customer to permit revenue to be recognised.

(j) **Deferred tax on investment property**

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment property, the directors reviewed the Group's investment property and concluded that some properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time and others are recovered through sale. Since the Company has a land promoter and property developer licence, the Group has recognised deferred taxes on changes in fair value of investment properties.

(k) **Going concern**

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements are prepared on a going concern basis.

5. PROPERTY, PLANT AND EQUIPMENT

(a)

		Freehold land and buildings	Plant and equipment	Motor vehicles	Furniture, Fixtures and equipment	Total
THE GROUP - 2016		Rs.	Rs.	Rs.	Rs.	Rs.
COST OR VALUATION						
At January 1, 2016		1,215,830,577	22,692,591	7,799,112	79,624,732	1,325,947,012
Additions		713,087	2,392,468	322,631	6,592,875	10,021,061
Disposal		-	(53,195)	-	-	(53,195)
Write off		-	(105,609)	-	(160,472)	(266,081)
At December 31, 2016		**1,216,543,664**	**24,926,255**	**8,121,743**	**86,057,135**	**1,335,648,797**
DEPRECIATION						
At January 1, 2016		58,833,006	7,802,481	4,297,482	36,437,348	107,370,317
Charge for the year		25,143,063	4,167,780	1,372,262	16,324,305	47,007,410
Disposal		-	(28,417)	-	-	(28,417)
Write off		-	(54,238)	-	(109,225)	(163,463)
At December 31, 2016		**83,976,069**	**11,887,606**	**5,669,744**	**52,652,428**	**154,185,847**
NET BOOK VALUE						
At December 31, 2016	Rs.	**1,132,567,595**	**13,038,649**	**2,451,999**	**33,404,707**	**1,181,462,950**
THE GROUP - 2015						
COST OR VALUATION						
At January 1, 2015		1,181,833,022	30,103,834	7,559,112	90,628,250	1,310,124,218
Additions		103,840	3,574,376	240,000	4,711,843	8,630,059
Transfer from investment properties (note 6)		12,597,911	-	-	-	12,597,911
Transfer between categories		26,157,429	(10,195,917)	-	(15,961,512)	-
Transfer to intangibles (note 7)		-	(3,196,296)	-	-	(3,196,296)
Adjustments		(4,861,625)	2,429,287	-	246,151	(2,186,187)
Write off		-	(22,693)	-	-	(22,693)
At December 31, 2015		1,215,830,577	22,692,591	7,799,112	79,624,732	1,325,947,012
DEPRECIATION						
At January 1, 2015		32,606,897	7,016,189	2,975,384	24,241,150	66,839,620
Charge for the year		25,133,618	3,734,736	1,322,098	14,364,342	44,554,794
Adjustments		(341,274)	(1,103,286)	-	803,500	(641,060)
Transfer between categories		1,433,765	(1,630,837)	-	(2,971,644)	(3,168,716)
Write off		-	(15,716)	-	-	(15,716)
Transfer to intangibles (note 7)		-	(198,605)	-	-	(198,605)
At December 31, 2015		58,833,006	7,802,481	4,297,482	36,437,348	107,370,317
NET BOOK VALUE						
At December 31, 2015	Rs.	1,156,997,571	14,890,110	3,501,630	43,187,384	1,218,576,695

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b)

		Plant and equipment	Motor vehicles	Furniture, Fixtures and equipment	Total
THE COMPANY-2016		Rs.	Rs.	Rs.	Rs.
COST					
At January 1, 2016		2,284,173	1,282,100	10,269,738	13,836,011
Additions		247,276	-	68,252	315,528
Write off		(23,100)	-	-	(23,100)
At December 31, 2016		**2,508,349**	**1,282,100**	**10,337,990**	**14,128,439**
DEPRECIATION					
At January 1, 2016		1,579,693	1,282,100	6,740,618	9,602,411
Charge for the year		300,276	-	1,203,766	1,504,042
Write off		(1,180)	-	-	(1,180)
At December 31, 2016		**1,878,789**	**1,282,100**	**7,944,384**	**11,105,273**
NET BOOK VALUE					
At December 31, 2016	Rs.	**629,560**	**-**	**2,393,606**	**3,023,166**
THE COMPANY-2015					
COST					
At January 1, 2015		1,867,570	1,282,100	10,016,403	13,166,073
Additions		439,296	-	253,335	692,631
Write off		(22,693)	-	-	(22,693)
At December 31, 2015		2,284,173	1,282,100	10,269,738	13,836,011
DEPRECIATION					
At January 1, 2015		1,339,365	1,282,100	5,537,405	8,158,870
Charge for the year		256,044	-	1,203,213	1,459,257
Write off		(15,716)	-	-	(15,716)
At December 31, 2015		1,579,693	1,282,100	6,740,618	9,602,411
NET BOOK VALUE					
At December 31, 2015	Rs.	704,480	-	3,529,120	4,233,600

(c) There has been no addition to assets under finance leases during the year ended 31 December 2016 for the Group and the Company (2015: Rs.Nil).

(d) Leased assets included above comprise of:

		Plant and machinery		Motor vehicles	
		2016	2015	**2016**	2015
THE GROUP		**Rs.**	Rs.	**Rs.**	Rs.
Cost - capitalised finance leases		**2,324,619**	2,324,619	**6,267,512**	6,267,512
Accumulated depreciation		**(867,570)**	(504,080)	**(4,270,356)**	(2,980,632)
Net book amount	Rs.	**1,457,049**	1,820,539	**1,997,156**	3,286,880

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(e) The Group's freehold land was last revalued on December 31, 2013 by an independent Chartered Valuer, Rhoy Ramlackhan B.Sc (Hons)., M.R.I.C.S., M.M.I.S. The fair value was determined based on open-market value basis primarily derived using the Sales Comparison Approach.

Details of the Group's freehold land measured at fair value and information about the fair value hierarchy as at December 31, 2016 are as follows:

		2016	2015
		Rs.	Rs.
Level 2			
Freehold land	Rs.	**165,200,000**	165,200,000

The buildings have not been revalued and have been based on construction cost as at December 31, 2014. Management is of the opinion that the cost of the buildings approximate their fair value as at December 31, 2016.

(f) If the land was stated on historical cost basis, the amounts would be as follows:

	THE GROUP	
	2016	2015
	Rs.	Rs.
Cost	**99,200,000**	99,200,000

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

(h) Depreciation expense of Rs.47,007,410 (2015: Rs.44,554,794) for the Group and Rs.1,504,042 (2015: Rs.1,459,257) for the Company have been charged in administrative expenses.

6. INVESTMENT PROPERTIES

		THE GROUP		THE COMPANY	
		2016	2015	2016	2015
Fair value model		Rs.	Rs.	Rs.	Rs.
At January 1		**1,485,657,787**	1,572,905,124	**477,110,267**	522,404,432
Transfer to property, plant and equipment (note 5)		**-**	(12,597,911)	**-**	-
Additions		**-**	3,398,701	**-**	149,700
Decrease in fair value		**(78,695,444)**	(21,343,645)	**(3,666,864)**	(6,744,700)
Transfer to non-current assets classified as held for sales (note 31)		**(330,997,184)**	(38,699,165)	**(330,997,184)**	(38,699,165)
Transfer to non-current receivables (note 32)		**-**	(16,554,316)	**-**	-
Write off		**-**	(1,451,001)	**-**	-
At December 31,	Rs.	**1,075,965,159**	1,485,657,787	**142,446,219**	477,110,267

6. INVESTMENT PROPERTIES (CONT'D)

(i) The information about the fair value hierarchy of the investment properties as at December 31, 2016 and 2015 are as follows:

		THE GROUP		
		Level 2	Level 3	Total
		Rs.	Rs.	Rs.
December 31, 2016				
Bare lands:				
- Forbach (note 6 (ii))		246,123,666	-	246,123,666
- Piton and Riviere du Rempart (note 6 (ii))		27,579,219	-	27,579,219
Circle Square retail park (note 6 (iii))		-	327,795,958	327,795,958
Industrial building, Riviere du Rempart (note 6 (iv))		-	114,867,000	114,867,000
Harbour Front Building, Port Louis (note 6 (iv))		-	153,805,917	153,805,917
Commercial building - Retail (note 6 (v))		-	200,651,291	200,651,291
Investment property in progress (note 6 (v))		-	5,142,108	5,142,108
	Rs.	**273,702,885**	**802,262,274**	**1,075,965,159**
December 31, 2015				
Bare lands:				
- Forbach (note 6 (ii))		184,500,000	-	184,500,000
- Piton and Riviere du Rempart (note 6 (ii))		125,838,267	-	125,838,267
Riverside shopping centre and Circle Square retail park		-	630,431,835	630,431,835
Industrial building, Riviere du Rempart (note 6 (iv))		-	114,867,000	114,867,000
Harbour Front Building, Port Louis (note 6 (iv))		-	191,430,996	191,430,996
Commercial building - Retail (note 6 (v))		-	200,651,291	200,651,291
Investment property in progress (note 6 (v))		-	37,938,398	37,938,398
	Rs.	310,338,267	1,175,319,520	1,485,657,787

		THE COMPANY		
		Level 2	Level 3	Total
		Rs.	Rs.	Rs.
December 31, 2016				
Bare lands - Piton and Riviere du Rempart (note 6 (ii))		27,579,219	-	27,579,219
Industrial building, Riviere du Rempart (note 6 (iv))		-	114,867,000	114,867,000
	Rs.	**27,579,219**	**114,867,000**	**142,446,219**
December 31, 2015				
Bare lands - Piton and Riviere du Rempart (note 6 (ii))		125,838,267	-	125,838,267
Riverside shopping centre (note 6 (iii))		-	236,405,000	236,405,000
Industrial building, Riviere du Rempart (note 6 (iv))		-	114,867,000	114,867,000
	Rs.	125,838,267	351,272,000	477,110,267

(ii) Bare land at Forbach has been valued during the financial year 2016 at fair value by Gexim Real Estate Ltd, an independent professionally qualified valuer. The fair value was determined on an open-market basis by reference to market evidence of transaction prices for similar properties.

During the year, a portion of the bare Land at Piton was disposed of and the remaining portion held by BlueLife Limited has been valued at latest transaction price, which the Directors believe represents the fair value at December 31, 2016.

Bare land at Riviere Du Rempart of Rs. 14 million were valued by Directors based on open market value basis.

6. INVESTMENT PROPERTIES (CONT'D)

(iii) Circle Square Retail Park was valued by Messrs Ernst & Young on December 31, 2016, based on capitalisation of net operating income. The rentals were calculated on a fully let basis, allowing for a long term vacancy provision. The net operating income has then been capitalised at yields representing different characteristics of the centre, including their location, age and tenant mix. Yields range from 7.5% to 9%.

(iv) The industrial building and lots in harbour front building were valued by the Directors and Messrs Ernst & Young respectively as at December 31, 2016, on capitalisation of net operating income based on a yield of 10% representing the different characteristics of the different properties.

(v) The Directors are of the opinion that the carrying amount of the commercial building - retail and investment property in progress approximates their fair value as at December 31, 2016.

(vi) Bank borrowings are secured by fixed and floating charges on the assets of the Group and the Company including investment properties.

(vii) The following have been recognised in profit or loss:

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	Rs.	Rs.	**Rs.**	Rs.
Rental income	**66,340,830**	72,081,641	**34,165,235**	36,933,019
Direct operating expenses arising from investment properties that generate rental income	**30,025,620**	22,427,026	**5,046,727**	4,875,058
Direct operating expenses arising from investment properties that do not generate rental income	**3,662,800**	2,121,866	**1,136,411**	658,827

7. INTANGIBLE ASSETS

(a) THE GROUP

	Goodwill	Leasehold rights	Computer software	Total
	Rs.	Rs.	Rs.	Rs.
COST				
At January 1, 2016	505,522,437	61,568,451	13,172,593	580,263,481
Additions	-	-	876,525	876,525
Impairment charges	(176,441,128)	-	-	(176,441,128)
Write off	-	-	(37,175)	(37,175)
At December 31, 2016	**329,081,309**	**61,568,451**	**14,011,943**	**404,661,703**
AMORTISATION				
At January 1, 2016	181,595,314	4,529,630	4,306,039	190,430,983
Charge for the year	-	1,231,369	3,411,076	4,642,445
Write off	-	-	(10,069)	(10,069)
At December 31, 2016	**181,595,314**	**5,760,999**	**7,707,046**	**195,063,359**
NET BOOK VALUE				
At December 31, 2016 Rs.	**147,485,995**	**55,807,452**	**6,304,897**	**209,598,344**

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YEAR ENDED DECEMBER 31, 2016

7. INTANGIBLE ASSETS (CONT'D)

(a) THE GROUP

	Goodwill	Leasehold rights	Computer software	Total
	Rs.	Rs.	Rs.	Rs.
COST				
At January 1, 2015	543,521,822	61,568,451	2,756,556	607,846,829
Additions	-	-	7,432,882	7,432,882
Transfer from property, plant and equipment (note 5)	-	-	3,196,296	3,196,296
Impairment charges	(37,999,385)	-	-	(37,999,385)
Write off	-	-	(213,141)	(213,141)
At December 31, 2015	505,522,437	61,568,451	13,172,593	580,263,481
AMORTISATION				
At January 1, 2015	181,595,314	4,060,780	1,363,695	187,019,789
Charge for the year	-	1,231,371	2,694,088	3,925,459
Transfer from property, plant and equipment (note 5)	-	-	198,605	198,605
Adjustment	-	(762,521)	49,651	(712,870)
At December 31, 2015	181,595,314	4,529,630	4,306,039	190,430,983
NET BOOK VALUE				
At December 31, 2015 Rs.	323,927,123	57,038,821	8,866,554	389,832,498

(b) THE COMPANY

	Goodwill	Computer software	Total
	Rs.	Rs.	Rs.
COST			
At January 1, 2016	229,712,465	2,203,690	231,916,155
Additions	-	80,500	80,500
Impairment charges	(11,664,728)	-	(11,664,728)
Write off	-	(37,175)	(37,175)
At December 31, 2016	**218,047,737**	**2,247,015**	**220,294,752**
AMORTISATION			
At January 1, 2016	179,743,850	1,152,913	180,896,763
Charge for the year	-	371,705	371,705
Write off	-	(10,069)	(10,069)
At December 31, 2016	**179,743,850**	**1,514,549**	**181,258,399**
NET BOOK VALUE			
At December 31, 2016 Rs.	**38,303,887**	**732,466**	**39,036,353**

THE COMPANY

	Goodwill	Computer software	Total
COST			
At January 1, 2015	267,711,850	1,526,945	269,238,795
Additions	-	676,745	676,745
Impairment charges	(37,999,385)	-	(37,999,385)
At December 31, 2015	229,712,465	2,203,690	231,916,155
AMORTISATION			
At January 1, 2015	179,743,850	823,940	180,567,790
Charge for the year	-	328,973	328,973
At December 31, 2015	179,743,850	1,152,913	180,896,763
NET BOOK VALUE			
At December 31, 2015 Rs.	49,968,615	1,050,777	51,019,392

7. INTANGIBLE ASSETS (CONT'D)

(c) The goodwill for the Company arose on amalgamation of BlueLife Limited with Indian Ocean Real Estate Company Ltd and is mainly attributable to the cash flows generated from the asset. Impairment charges for the Company of Rs.11,664,728 for the year ended December 31, 2016 (2015: Rs.37,999,385) have been charged to profit or loss.

Part of the goodwill for the Group arose on amalgamation of BlueLife Limited with Indian Ocean Real Estate Company Ltd and is attributable to the cash flows generated from specific project. The other goodwill has been assessed for impairment based on discounted cash flow techniques, taking into account future cash flows expected to be generated on the assets and also the market conditions prevailing. Impairment charges for the Group of Rs.176,441,128 for the year ended December 31, 2016 (2015: Rs.37,999,385) have been charged to profit or loss.

(d) Amortisation charge of Rs.4,642,445 (2015: Rs.3,925,459) for the Group and Rs.371,705 (2015: Rs.328,973) for the Company has been charged in administrative expenses.

8. INVENTORIES

		THE GROUP	
		2016	2015
COST		**Rs.**	Rs.
Stock of apartments		**15,094,747**	118,961,902
Operating equipment		**5,121,703**	10,244,054
Consumables		**7,515,109**	8,466,291
	Rs.	**27,731,559**	137,672,247

(a) Inventories recognised as expense during the year amounts to Rs.160,190,964 (2015: Rs.265,927,678).

(b) The bank borrowings are secured by floating charges on the assets of the Group, including inventory.

9. LAND AND RELATED DEVELOPMENT COSTS

		THE GROUP		
		Non-current	Current	Total
		Rs.	Rs.	Rs.
At January 1, 2016		1,819,979,741	213,439,590	2,033,419,331
Additions		-	739,398,676	739,398,676
Transfer to cost of sales		(75,015,472)	(761,640,748)	(836,656,220)
Transfer to inventories		-	(15,094,747)	(15,094,747)
Transfer		(110,538,545)	110,538,545	-
At December 31, 2016	Rs.	**1,634,425,724**	**286,641,316**	**1,921,067,040**
At January 1, 2015		1,754,288,000	239,534,529	1,993,822,529
Additions		29,469,354	476,487,394	505,956,748
Transfer to cost of sales		-	(460,324,301)	(460,324,301)
Transfer		36,222,387	(36,222,387)	-
Write off		-	(6,035,645)	(6,035,645)
At December 31, 2015	Rs.	1,819,979,741	213,439,590	2,033,419,331

9. LAND AND RELATED DEVELOPMENT COSTS (CONT'D)

		THE COMPANY		
		Non-current	Current	Total
		Rs.	Rs.	Rs.
At January 1, 2015		-	36,222,387	36,222,387
Transfer		36,222,387	(36,222,387)	-
At December 31, 2015 and December 31, 2016	Rs.	**36,222,387**	**-**	**36,222,387**

Land and related development costs comprise of land infrastructure and related development expenditures. The Group develops residential and IRS properties, which it sells in the ordinary course of business and has entered into agreement to sell these properties on completion of construction.

The Group has considered the application of IFRIC 15 to the land and related development costs. The percentage of completion method of revenue recognition has been applied and revenue recognised as work in progress. Development expenditure incurred in respect of work in progress dealt with under the percentage of completion method is recognised in profit or loss in the period incurred.

At December 31, 2016, advance received from customers for development projects is Rs.194,590,674 (2015: Rs.180,814,895) for the Group and Rs.Nil (2015: Rs.Nil) for the Company.

The amount recognised in cost of sales for the year in respect of land development projects is:

		THE GROUP	
		2016	2015
		Rs.	Rs.
In respect of sales recognised on a percentage of completion basis	Rs.	**836,656,220**	460,324,301

The following table provides information about such continuous transfer agreements that are in progress at the reporting date:

		THE GROUP	
		2016	2015
		Rs.	Rs.
Aggregate costs incurred and expensed to date		**1,593,524,070**	756,867,850
Profit before tax recognised to date on on-going projects	Rs.	**172,642,447**	24,202,191

10. INVESTMENT IN SUBSIDIARIES - COST

		THE COMPANY	
		2016	2015
		Rs.	Rs.
At January 1,		**2,389,026,450**	2,434,814,001
Additions		**1,000**	-
Impairment losses		**(76,947,506)**	(45,787,551)
December 31,	Rs.	**2,312,079,944**	2,389,026,450

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YEAR ENDED DECEMBER 31, 2016

10. INVESTMENT IN SUBSIDIARIES - COST (CONT'D)

(a) The list of the Company's significant subsidiaries is as follows:

December 31, 2016

Names	Class of shares	Year end	Stated Capital	Proportion of ownership interest Direct %	Proportion of ownership interest Indirect %	Proportion of ownership interests held by non controlling interests	Proportion of voting power held %	Place of registration and operation	Main business
Société des Primevères	Ordinary	December 31, 2016	60,000,000	100.0	-	-	100.0	Mauritius	Land promoter and property developer
Société de l'Oie	Ordinary	December 31, 2016	1,000	100.0	-	-	100.0	Mauritius	Land promoter and property developer
Société de la Perruche	Ordinary	December 31, 2016	1,000	100.0	-	-	100.0	Mauritius	Land promoter and property developer
Société du Héron	Ordinary	December 31, 2016	1,000	100.0	-	-	100.0	Mauritius	Land promoter and property developer
Société de l'Ibis	Ordinary	December 31, 2016	1,000	100.0	-	-	100.0	Mauritius	Land promoter and property developer
Société des Cocotiers	Ordinary	December 31, 2016	1,000	100.0	-	-	100.0	Mauritius	Land promoter and property developer
Société de l'Ecureuil	Ordinary	December 31, 2016	1,000	100.0	-	-	100.0	Mauritius	Land promoter and property developer
Société des Figuiers	Ordinary	December 31, 2016	1,000	100.0	-	-	100.0	Mauritius	Land promoter and property developer
Société du Tigre	Ordinary	December 31, 2016	1,000	100.0	-	-	100.0	Mauritius	Land promoter and property developer
PL Resort Ltd	Ordinary	December 31, 2016	215,000,000	60.0	-	40.0	60.0	Mauritius	Land promoter and property developer
Circle Square Holding Ltd	Ordinary	December 31, 2016	335,000,000	100.0	-	-	100.0	Mauritius	Land promoter and property developer
Ocean Edge Property Management Company Ltd	Ordinary	December 31, 2016	100	100.0	-	-	100.0	Mauritius	Management and consultancy activities
Haute Rive Holdings Ltd	Ordinary	December 31, 2016	1,150,000,000	100.0	-	-	100.0	Mauritius	Land promoter and property developer
Haute Rive IRS Company Ltd	Ordinary	December 31, 2016	1	-	100.0	-	100.0	Mauritius	Land promoter and property developer
Haute Rive Ocean Front Living Ltd	Ordinary	December 31, 2016	1,000	-	100.0	-	100.0	Mauritius	Real estate activities
Haute Rive Azuri Hotel Ltd	Ordinary	December 31, 2016	399,000,000	-	62.9	37.1	60.0	Mauritius	Land promoter and property developer
Haute Rive Educational Holdings Ltd	Ordinary	December 31, 2016	1,000	-	100.0	-	100.0	Mauritius	Development of building projects for sale
Azuri Suites Ltd	Ordinary	December 31, 2016	100	-	100.0	-	100.0	Mauritius	Management and consultancy activities
HR Educational Properties Ltd	Ordinary	December 31, 2016	1,000	-	100.0	-	100.0	Mauritius	Development of building projects for sale
Azuri Services Ltd*	Ordinary	December 31, 2016	100	-	100.0	-	100.0	Mauritius	Consultancy activities
Azuri Estate Management Ltd*	Ordinary	December 31, 2016	100	-	100.0	-	100.0	Mauritius	Consultancy activities
Azuri Watch Ltd*	Ordinary	December 31, 2016	100	-	100.0	-	100.0	Mauritius	Consultancy activities
Riverside Centre Holding Company Ltd*	Ordinary	December 31, 2016	100	-	100.0	-	100.0	Mauritius	Land promoter and property developer

* Azuri Services Ltd, Azuri Estate Management Ltd, Azuri Watch Ltd and Riverside Centre Holding Company Ltd have been incorporated during the year ended December 31, 2016.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

10. INVESTMENT IN SUBSIDIARIES - COST (CONT'D)

(a) The list of the Company's significant subsidiaries is as follows:

December 31, 2015

Names	Class of shares	Year end	Stated Capital	Proportion of ownership interest Direct %	Proportion of ownership interest Indirect %	Proportion of ownership interests held by non controlling interests	Proportion of voting power held %	Place of registration and operation	Main business
Société des Primevères	Ordinary	December 31, 2015	60,000,000	100.0	-	-	100.0	Mauritius	Land promoter and property developer
Société de l'Oie	Ordinary	December 31, 2015	1,000	100.0	-	-	100.0	Mauritius	Land promoter and property developer
Société de la Perruche	Ordinary	December 31, 2015	1,000	100.0	-	-	100.0	Mauritius	Land promoter and property developer
Société du Héron	Ordinary	December 31, 2015	1,000	100.0	-	-	100.0	Mauritius	Land promoter and property developer
Société de l'Ibis	Ordinary	December 31, 2015	1,000	100.0	-	-	100.0	Mauritius	Land promoter and property developer
Société des Cocotiers	Ordinary	December 31, 2015	1,000	100.0	-	-	100.0	Mauritius	Land promoter and property developer
Société de l'Ecureuil	Ordinary	December 31, 2015	1,000	100.0	-	-	100.0	Mauritius	Land promoter and property developer
Société des Figuiers	Ordinary	December 31, 2015	1,000	100.0	-	-	100.0	Mauritius	Land promoter and property developer
Société du Tigre	Ordinary	December 31, 2015	1,000	100.0	-	-	100.0	Mauritius	Land promoter and property developer
PL Resort Ltd	Ordinary	December 31, 2015	215,000,000	60.0	-	40.0	60.0	Mauritius	Land promoter and property developer
Circle Square Holding Ltd	Ordinary	December 31, 2015	335,000,000	100.0	-	-	100.0	Mauritius	Land promoter and property developer
Ocean Edge Property Management Company Ltd	Ordinary	December 31, 2015	100	100.0	-	-	100.0	Mauritius	Management and consultancy activities
Haute Rive Holdings Ltd	Ordinary	December 31, 2015	1,150,000,000	100.0	-	-	100.0	Mauritius	Land promoter and property developer
Haute Rive IRS Company Ltd	Ordinary	December 31, 2015	1	-	100.0	-	100.0	Mauritius	Land promoter and property developer
Haute Rive Ocean Front Living Ltd	Ordinary	December 31, 2015	1,000	-	100.0	-	100.0	Mauritius	Real estate activities
Haute Rive Azuri Hotel Ltd	Ordinary	December 31, 2015	399,000,000	-	62.9	37.1	60.0	Mauritius	Land promoter and property developer
Haute Rive Educational Holdings Ltd	Ordinary	December 31, 2015	1,000	-	100.0	-	100.0	Mauritius	Development of building projects for sale
HR Educational Properties Ltd	Ordinary	December 31, 2015	1,000	-	100.0	-	100.0	Mauritius	Development of building projects for sale
Azuri Suites Ltd	Ordinary	December 31, 2015	100	-	100.0	-	100.0	Mauritius	Management and consultancy activities

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10. INVESTMENT IN SUBSIDIARIES - COST (CONT'D)

(b) **Subsidiaries with non-controlling interests**

Details of subsidiaries that have non-controlling interests:

	2016		2015	
	Loss allocated to non-controlling interests during the year	**Accumulated non-controlling interests at December 31, 2016**	Loss allocated to non-controlling interests during the year	Accumulated non-controlling interests at December 31, 2015
Name	**Rs.**	**Rs.**	Rs.	Rs.
PL Resort Ltd	**(18,745,187)**	**3,736,995**	(20,070,722)	22,820,384
Haute Rive Azuri Hotel Ltd	**(51,524,622)**	**26,672,828**	(48,412,869)	78,664,154
Rs.	**(70,269,809)**	**30,409,823**	(68,483,591)	101,484,538

(c) **Summarised financial information of subsidiaries with non-controlling interests**

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

2016

Name	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Loss from continuing operations	Other comprehensive income for the year	Total comprehensive income for the year
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
PL Resort Ltd	28,263,242	450,025,171	181,756,194	287,189,733	128,348,254	(46,862,967)	(845,506)	(47,708,473)
Haute Rive Azuri Hotel Ltd	62,677,722	796,958,544	534,012,983	253,728,868	192,537,848	(138,880,383)	(1,257,963)	(140,138,346)

2015

Name	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Loss from continuing operations	Other comprehensive income for the year	Total comprehensive income for the year
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
PL Resort Ltd	32,585,067	461,068,438	149,872,844	286,729,702	98,070,016	(50,176,806)	-	(50,176,806)
Haute Rive Azuri Hotel Ltd	74,184,809	820,852,911	273,173,359	409,831,601	149,360,909	(125,918,799)	-	(125,918,799)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016

10. INVESTMENT IN SUBSIDIARIES - COST (CONT'D)

(ii) Summarised cash flow information:

Name	Operating activities	Investing activities	Financing activities	Net (decrease) /increase in cash and cash equivalents
	Rs.	Rs.	Rs.	Rs.
2016				
PL Resort Ltd	**(6,286,541)**	**(1,975,253)**	**5,965,780**	**(2,296,014)**
Haute Rive Azuri Hotel Ltd	**(13,130,820)**	**(2,515,261)**	**3,716,435**	**(11,929,646)**
2015				
PL Resort Ltd	8,201,310	(3,591,900)	(7,781,230)	(3,171,820)
Haute Rive Azuri Hotel Ltd	(17,596,869)	(10,490,175)	31,139,514	3,052,470

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

11. INVESTMENT IN ASSOCIATE

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	Rs.	Rs.	**Rs.**	Rs.
At January 1,	**-**	10,723,000	**-**	6,305,000
Share of results	**-**	(1,823,048)	**-**	-
Dividends	**-**	(2,115,000)	**-**	-
Disposal	**-**	(6,784,952)	**-**	(6,305,000)
At December 31, Rs.	**-**	-	**-**	-

On December 31, 2015, Bluelife Limited disposed of its 47% stake in Akwire Procurement Services Ltd, a company incorporated on November 29, 2012.

(a) Details of associated company is as follows:

	Country of operation & incorporation	Class of shares	Financial Year end	Nature of business	Direct ownership interest
2016 and 2015					
Akwire Procurement Services Ltd	Mauritius	Ordinary	December 31	Specialist procurement and sourcing company	-

(b) The investment in associate was accounted for using the equity method.

(c) Akwire Procurement Services Ltd was a private company and there was no quoted market price available for its shares.

12. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	Rs.	Rs.	**Rs.**	Rs.
Trade receivables	**91,791,167**	106,268,439	**8,087,101**	12,338,750
Less provision for impairment	**(18,255,267)**	(19,786,053)	**(7,025,579)**	(9,433,188)
Net trade receivables	**73,535,900**	86,482,386	**1,061,522**	2,905,562
Receivables from related parties, net of impairment (note 35)	**277,163**	250,858	**254,757,277**	319,776,462
Advances from suppliers	**14,145,574**	-	**-**	-
Other receivables, net of impairment	**24,983,203**	57,234,737	**3,324,721**	1,559,754
Prepayments	**8,284,593**	6,118,726	**1,669,439**	2,988,547
Rs.	**121,226,433**	150,086,707	**260,812,959**	327,230,325

As at December 31, 2016, trade and other receivables of Rs.19,355,267 (2015: Rs.19,786,053) for the Group and Rs.8,125,579 (2015: Rs.10,719,738) for the Company were impaired, detailed as follows:

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	Rs.	Rs.	**Rs.**	Rs.
Trade receivables	**18,255,267**	19,786,053	**7,025,579**	9,433,188
Other receivables	**1,100,000**	-	**1,100,000**	1,286,550
Rs.	**19,355,267**	19,786,053	**8,125,579**	10,719,738

The amount of the provision was Rs.19,355,267 (2015: Rs.19,786,053) for the Group and Rs.8,125,579 (2015: Rs.10,719,738) for the Company. The individually impaired receivables mainly relate to tenants, which are in unexpectedly difficult economic situation. The ageing of these receivables are as follows:

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	Rs.	Rs.	**Rs.**	Rs.
Less than three months	**87,922**	826,194	**87,922**	308,305
Three to six months	**4,485,351**	9,164,308	**232,780**	615,882
Over six months	**14,781,994**	9,795,551	**7,804,877**	9,795,551
Rs.	**19,355,267**	19,786,053	**8,125,579**	10,719,738

As of December 31, 2016, trade receivables of Rs.17,840,368 (2015: Rs.21,795,221) for the Group and Rs.967,484 (2015: Rs.8,844,666) for the Company were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables are as follows:

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	Rs.	Rs.	**Rs.**	Rs.
Three to six months	**13,120,687**	16,899,240	**818,882**	3,948,685
Over six months	**4,719,681**	4,895,981	**148,602**	4,895,981
Rs.	**17,840,368**	21,795,221	**967,484**	8,844,666

12. TRADE AND OTHER RECEIVABLES (CONT'D)

Movement on the provision for impairment on trade receivables are as follows:

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	Rs.	Rs.	**Rs.**	Rs.
At January 1,	**19,786,053**	13,491,438	**10,719,738**	9,957,268
Provision for receivable impairment	**3,631,945**	6,794,406	**5,012**	784,470
Receivables written off during the year as uncollectible	**(4,062,731)**	(499,791)	**(2,599,171)**	(22,000)
At December 31, Rs.	**19,355,267**	19,786,053	**8,125,579**	10,719,738

The carrying amounts of the Group's and Company's trade and other receivables approximate their fair values and are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	Rs.	Rs.	**Rs.**	Rs.
Rupee	**91,577,061**	97,427,091	**260,812,959**	327,230,325
US Dollar	**12,958,727**	39,452,009	**-**	-
UK Pound	**4,469,667**	4,480,608	**-**	-
Euro	**12,220,978**	8,726,999	**-**	-
Rs.	**121,226,433**	150,086,707	**260,812,959**	327,230,325

The maximum exposure to credit risk at the end of the reporting date is the fair value of each class of receivable mentioned above.

The other classes within trade and other receivables do not contain impaired assets.

13. RETIREMENT BENEFIT OBLIGATIONS

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	Rs.	Rs.	**Rs.**	Rs.
Amounts recognised in the statements of financial position				
Defined pension benefits (note 13 (a) (ii))	**1,864,111**	1,514,607	**1,864,111**	1,514,607
Other post retirement benefits (note 13 (b))	**4,130,144**	1,923,801	**125,707**	99,578
Rs.	**5,994,255**	3,438,408	**1,989,818**	1,614,185
Analysed as follows:				
Non-current liabilities Rs.	**5,994,255**	3,438,408	**1,989,818**	1,614,185
Amount charged/(credited) to profit or loss:				
-Defined pension benefits (note 13 (a)(iii))	**804,743**	542,223	**804,743**	542,223
-Other post retirement benefits (note 13 (b))	**(268,327)**	1,795,641	**26,129**	(28,852)
Rs.	**536,416**	2,337,864	**830,872**	513,371
Amount charged to other comprehensive income:				
-Defined pension benefits (note 13 (a)(iii))	**(480,515)**	(237,302)	**(480,515)**	(237,302)
-Other post retirement benefits (note 13 (b))	**(2,474,670)**	-	**-**	-
Rs.	**(2,955,185)**	(237,302)	**(480,515)**	(237,302)

13. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) **Defined pension benefits**

(i) The Company operates a defined benefit pension. The plan is a final salary plan, which provides benefits to members in the form of a guaranteed level of disablement in service before retirement. The level of benefits provided depends on members' length of pension payables for life and a benefit on death or service and their salary in the final years leading to retirement.

The assets of the plan are part of the IBL Pension Fund which are held independently and administered by Pension Consultants and Administrators Ltd.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligations were carried out at December 31, 2016 by Anglo Mauritius (Actuarial Valuer).

The present value of the defined benefit obligations, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(ii) The amounts recognised in the statements of financial position are as follows:

		THE GROUP AND THE COMPANY	
		2016	2015
		Rs.	Rs.
Present value of funded obligations		1,885,626	1,532,772
Present value of unfunded obligations		1,817,046	1,469,785
		3,702,672	3,002,557
Fair value of plan assets		(1,838,561)	(1,487,950)
Liability in the statements in financial position	Rs.	1,864,111	1,514,607

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

		THE GROUP AND THE COMPANY	
		2016	2015
		Rs.	Rs.
At January 1,		1,514,607	1,455,655
Charged to profit or loss		804,743	542,223
Charged to other comprehensive income		480,515	237,302
Contributions paid		(935,754)	(720,573)
At December 31,	Rs.	1,864,111	1,514,607

(iv) The movement in the defined benefit obligations over the years is as follows:

		THE GROUP AND THE COMPANY	
		2016	2015
		Rs.	Rs.
At January 1,		3,002,557	2,590,309
Current service cost		91,380	44,244
Interest expense		215,998	184,419
Remeasurements:			
Actuarial loss arising from experience adjustment		409,242	183,585
Benefit paid		(16,505)	-
At December 31,	Rs.	3,702,672	3,002,557

13. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

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

		THE GROUP AND THE COMPANY	
		2016	2015
		Rs.	Rs.
At January 1,		1,487,950	1,134,654
Interest income		114,901	90,504
Cost of insuring risk benefits		(436,477)	(290,550)
Contributions by the employer		935,754	720,573
Scheme expenses		(175,789)	(113,514)
Benefit paid		(16,505)	-
Actuarial losses		(71,273)	(53,717)
At December 31,	Rs.	1,838,561	1,487,950

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

		THE GROUP AND THE COMPANY	
		2016	2015
		Rs.	Rs.
Current service cost		91,380	44,244
Net interest cost		101,097	93,915
Cost of insuring risk benefits		436,477	290,550
Scheme expenses		175,789	113,514
Total included in employee benefit expense (note 23)	Rs.	804,743	542,223

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

		THE GROUP AND THE COMPANY	
		2016	2015
		Rs.	Rs.
Losses on pension scheme assets		(71,273)	(53,717)
Experience losses on liabilities		(1,209,549)	(183,585)
Changes in assumptions underlying the present value of the scheme		800,307	-
	Rs.	(480,515)	(237,302)

(viii) Actual return on plan assets	Rs.	44,000	37,000

(ix) Cumulative actuarial losses recognised:

		THE GROUP AND THE COMPANY	
		2016	2015
		Rs.	Rs.
At January 1,		(915,927)	(678,625)
Actuarial losses recognised for the year		(480,515)	(237,302)
At December 31,	Rs.	(1,396,442)	(915,927)

13. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(x) The fair value of the plan assets at the end of the reporting period for each category, are as follows:

		THE GROUP AND THE COMPANY	
		2016	2015
		Rs.	Rs.
Cash and cash equivalents		121,345	79,940
Equity investments categorised by industry type:			
- Banks & Insurance		220,627	211,959
- Industry		22,063	21,507
- Investment		156,278	122,887
- Leisure & Hotels		97,444	70,045
- Sugar		-	2,128
- Commerce		33,093	36,286
- Transport		-	4,336
- Others		20,224	17,620
Fixed interest instruments		549,730	335,874
Properties			
- Commercial properties in Mauritius		18,386	16,239
Investment funds - Overseas		444,932	470,949
Private equity		154,439	98,180
Total market value of assets	Rs.	1,838,561	1,487,950

The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets whereas the fair values of properties and derivatives are not based on quoted market prices in active markets.

(xi) Principal actuarial assumptions used for accounting purposes were:

	THE GROUP AND THE COMPANY	
	2016	2015
	%	%
Discount rate	6.00	7.00
Expected return on plan assets	7.00	7.00
Future long-term salary increase	4.00	5.00
Future expected pension increase	1.00	2.00

(xii) Sensitivity analysis on defined benefit obligations at end of the reporting date:

		THE GROUP AND THE COMPANY	
31 December 2016		**Increase**	**Decrease**
		Rs.	Rs.
Discount rate (1% increase)	Rs.	-	1,705,136
Future long term salary assumption (1% increase)	Rs.	1,347,827	-
31 December 2015		Increase	Decrease
		Rs.	Rs.
Discount rate (1% increase)	Rs.	-	1,485,161
Future long term salary assumption (1% increase)	Rs.	1,244,023	-

13. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(xii) 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 benefit obligation as a result of reasonable changes in key assumptions occurring 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.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The defined benefit pension plan exposes the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

The funding requirements are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan.

(xiii) The Group expects to pay Rs.300,000 in contributions to its post-employment benefit plans for the year ending December 31, 2017.

(xiv) The weighted average duration of the defined benefit obligation is 11 years at the end of the reporting period (2015: 11 years).

(b) **Other post retirement benefits**

Other post retirement benefits comprise gratuities payable under the Employment Rights Act 2008.

(i) Amounts recognised in profit or loss:

		THE GROUP		THE COMPANY	
		2016	2015	2016	2015
		Rs.	Rs.	Rs.	Rs.
Current service cost		85,520	1,795,641	26,129	(28,852)
Interest income		169,737	-	-	-
Past service cost		(523,584)	-	-	-
Total included in employee benefit expense (note 23)	Rs.	(268,327)	1,795,641	26,129	(28,852)

(ii) Movement in the liability recognised in the statements of financial position:

		THE GROUP		THE COMPANY	
		2016	2015	2016	2015
		Rs.	Rs.	Rs.	Rs.
At January 1,		1,923,801	128,160	99,578	128,160
(Credited)/charged to profit or loss		(268,327)	1,795,641	26,129	(28,582)
Actuarial losses recognised in other comprehensive income		2,474,670	-	-	-
At December 31,	Rs.	4,130,144	1,923,801	125,707	99,578

CONTENTS

13. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(iii) Amounts recognised in the statements of financial position:

		THE GROUP		THE COMPANY	
		2016	2015	**2016**	2015
		Rs.	Rs.	**Rs.**	Rs.
Present value of plan liability	Rs.	**4,130,144**	1,923,801	**125,707**	99,578

(iv) Movement in defined benefit obligations over the years is as follows:

		THE GROUP		THE COMPANY	
		2016	2015	**2016**	2015
		Rs.	Rs.	**Rs.**	Rs.
At January 1,		**1,923,801**	128,160	**99,578**	128,160
Current service cost		**85,520**	1,795,641	**26,129**	(28,582)
Interest cost		**169,737**	-	**-**	-
Past service cost		**(523,584)**	-	**-**	-
Actuarial losses		**2,474,670**	-	**-**	-
At December 31,	Rs.	**4,130,144**	1,923,801	**125,707**	99,578

(v) Analysis of amount recognised in other comprehensive income:

		THE GROUP		THE COMPANY	
		2016	2015	**2016**	2015
		Rs.	Rs.	**Rs.**	Rs.
Experience losses on liabilities	Rs.	**(2,474,670)**	-	**-**	-

(vi) Cumulative actuarial gains recognised:

		THE GROUP		THE COMPANY	
		2016	2015	**2016**	2015
		Rs.	Rs.	**Rs.**	Rs.
At January 1,		**-**	-	**-**	-
Actuarial losses recognised for the year		**(2,474,670)**	-	**-**	-
At December 31,	Rs.	**(2,474,670)**	-	**-**	-

(vii) Principal actuarial assumptions used for accounting purposes:

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	%	%	**%**	%
Discount rate	**6.00**	-	**-**	-
Future salary increases	**4.00**	-	**-**	-

(viii) Sensitivity analysis on defined benefit obligations at end of the reporting date:

		THE GROUP	
31 December 2016		**Increase**	**Decrease**
		Rs.	**Rs.**
Discount rate (1% increase)	Rs.	**-**	**812,454**
Future long term salary assumption (1% increase)	Rs.	**1,071,011**	**-**

(ix) The weighted average duration of the obligation is 21.4 years at the end of the reporting period.

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YEAR ENDED DECEMBER 31, 2016

14. STATED CAPITAL

	THE GROUP AND THE COMPANY			
	2016	2015	**2016**	2015
Issued and fully paid	**Number of shares**	Number of shares	**Rs.**	Rs.
ordinary shares at no par value				
At January 1 and December 31,	**425,342,317**	425,342,317	**3,027,298,338**	3,027,298,338

Fully paid ordinary shares carry one vote per share and carry a right to dividends.

15. BORROWINGS

		THE GROUP		THE COMPANY	
		2016	2015	**2016**	2015
		Rs.	Rs.	**Rs.**	Rs.
Non-current					
Bank and other loans (notes 15(b) & 15(g))		**649,533,553**	1,276,960,309	**106,499,465**	116,044,480
Finance lease liabilities (notes 15(b) & 15(f))		**561,932**	2,250,009	**-**	-
Loans with related parties (note 15 (g) & 35)		**16,667,767**	70,146,593	**16,667,767**	66,500,000
		666,763,252	1,349,356,911	**123,167,232**	182,544,480
Current					
Bank overdrafts		**403,205,310**	555,712,475	**255,488,702**	251,269,402
Bank and other loans (notes 15(b) & 15(g))		**733,187,237**	115,919,732	**9,844,842**	9,090,348
Short term loans		**186,726,809**	-	**175,000,000**	-
Loans with related parties (note 15 (g) & 35)		**96,416,667**	208,250,000	**96,416,667**	208,250,000
Finance lease liabilities (notes 15(b) & 15(f))		**1,785,726**	2,147,810	**-**	-
		1,421,321,749	882,030,017	**536,750,211**	468,609,750
Total	Rs.	**2,088,085,001**	2,231,386,928	**659,917,443**	651,154,230

(a) As at December 31, 2016, three of the subsidiaries of the Group were in breach of certain banking covenants and as such, bank loans amounting to Rs.524.6m for the Group were classified as current borrowings. Such breaches technically gave the right to the Group's lenders to accelerate repayment before scheduled maturity. No such acceleration has taken place as of the date of authorisation of the financial statements and management are in negotiation with the banks for rescheduling of debts.

(b) The borrowings include secured liabilities (leases and bank loans) amounting to Rs.1,343,605,862 (2015: Rs.1,377,528,552) for the Group and Rs.99,676,540 (2015: Rs.125,134,828) for the Company. The bank borrowings are secured by fixed and floating charges over the property, plant and equipment, inventories and part of the investment properties of the Group. Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

(c) The carrying amounts of the borrowings are not materially different from their fair value and are denominated in the following currencies:

		THE GROUP		THE COMPANY	
		2016	2015	**2016**	2015
		Rs.	Rs.	**Rs.**	Rs.
MUR		**1,902,636,924**	2,208,743,736	**659,917,443**	651,154,230
USD		**165,698,770**	2,893,885	**-**	-
Euro		**19,749,307**	19,749,307	**-**	-
	Rs.	**2,088,085,001**	2,231,386,928	**659,917,443**	651,154,230

15. BORROWINGS (CONT'D)

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

THE GROUP

		Six months or less	6 -12 months	1 - 5 years	Over 5 years	Total
		Rs.	Rs.	Rs.	Rs.	Rs.
At December 31, 2016						
Total borrowings	Rs.	**948,177,624**	**471,358,399**	**419,988,643**	**246,212,677**	**2,085,737,343**
At December 31, 2015						
Total borrowings	Rs.	631,721,535	248,160,672	773,919,787	573,187,115	2,226,989,109

THE COMPANY

		Six months or less	6 -12 months	1 - 5 years	Over 5 years	Total
		Rs.	Rs.	Rs.	Rs.	Rs.
At December 31, 2016						
Total borrowings	Rs.	**340,063,014**	**196,687,197**	**64,925,121**	**58,242,111**	**659,917,443**
At December 31, 2015						
Total borrowings	Rs.	255,723,986	212,885,764	111,058,980	71,485,500	651,154,230

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

		THE GROUP		THE COMPANY	
		2016	2015	**2016**	2015
		Rs.	Rs.	**Rs.**	Rs.
- after one year and before two years		**86,616,557**	231,811,721	**27,329,726**	43,094,842
- after two years and before five years		**333,934,018**	544,358,074	**37,595,395**	67,964,138
- after five years		**246,212,677**	573,187,116	**58,242,111**	71,485,500
	Rs.	**666,763,252**	1,349,356,911	**123,167,232**	182,544,480

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YEAR ENDED DECEMBER 31, 2016

15. BORROWINGS (CONT'D)

(ii) Non-current borrowings can be analysed as follows:

		THE GROUP		THE COMPANY	
		2016	2015	**2016**	2015
- After one year and before two years		**Rs.**	Rs.	**Rs.**	Rs.
- Bank loans		**69,386,858**	196,873,644	**10,661,959**	9,844,842
- Finance lease liabilities		**561,932**	1,688,078	**-**	-
- Loans with related parties		**16,667,767**	33,250,000	**16,667,767**	33,250,000
		86,616,557	231,811,722	**27,329,726**	43,094,842
- After two years and before five years					
- Bank loans		**333,934,018**	510,546,142	**37,595,395**	34,714,138
- Finance lease liabilities		**-**	561,931	**-**	-
- Loans with related parties		**-**	33,250,000	**-**	33,250,000
		333,934,018	544,358,073	**37,595,395**	67,964,138
- After five years					
- Bank and other loans		**246,212,677**	569,540,523	**58,242,111**	71,485,500
- Loans with related parties		**-**	3,646,593	**-**	-
		246,212,677	573,187,116	**58,242,111**	71,485,500
	Rs.	**666,763,252**	1,349,356,911	**123,167,232**	182,544,480

(f) Finance lease liabilities - minimum lease payments:

		THE GROUP		THE COMPANY	
		2016	2015	**2016**	2015
		Rs.	Rs.	**Rs.**	Rs.
Not later than one year		**1,881,331**	2,326,380	**-**	-
Later than one year not later than 2 years		**590,724**	1,780,980	**-**	-
Later than 2 years not later than 5 years		**-**	590,724	**-**	-
		2,472,055	4,698,084	**-**	-
Future finance charges on finance leases		**(124,397)**	(300,265)	**-**	-
Present value of finance lease liabilities	Rs.	**2,347,658**	4,397,819	**-**	-
The present value of finance lease liabilities may be analysed as follows:					
Not later than one year		**1,785,726**	2,147,810	**-**	-
Later than one year not later than 2 years		**561,932**	1,688,078	**-**	-
Later than 2 years not later than 5 years		**-**	561,931	**-**	-
	Rs.	**2,347,658**	4,397,819	**-**	-

(g) Loans with related parties are unsecured, interest bearing and repayable at call.

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

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
Bank overdrafts	**7.3% - 13.5%**	7.65% - 8.15%	**7.25% - 7.65%**	8%
Finance lease liabilities	**2.90% - 9%**	2.90% -9%	**-**	-
Short term loans	**5.4% - 10%**	-	**5.4% - 10%**	-
Loan to related parties	**8.5% - 11.3%**	5.78% - 10.5%	**8.5% - 8.6%**	5.78% - 10.5%
Bank and other loans	**7.3% - 9.1%**	8% - 8.9%	**7.3%**	8%

16. DEFERRED INCOME TAXES

Deferred income tax is calculated on all temporary differences under the liability method at 15% (2015: 15%).

(a) There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax assets and liabilities when the deferred income taxes relate to the same fiscal authority on the same entity. The following amounts are shown in the statements of financial position:

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	Rs.	Rs.	**Rs.**	Rs.
Deferred tax assets	**(40,578,363)**	(49,765,123)	**-**	-
Deferred tax liabilities	**10,362,529**	9,967,991	**10,362,528**	9,967,991
Net deferred tax (assets)/liabilities Rs.	**(30,215,834)**	(39,797,132)	**10,362,528**	9,967,991

(b) The movement on the deferred income tax account is as follows:

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	Rs.	Rs.	**Rs.**	Rs.
At January 1,	**(39,797,132)**	(14,449,216)	**9,967,991**	7,605,985
Charged/(credited) to profit or loss (note 25)	**10,024,576**	(25,312,321)	**466,614**	2,397,601
Tax credited to equity	**(443,278)**	(35,595)	**(72,077)**	(35,595)
At December 31, Rs.	**(30,215,834)**	(39,797,132)	**10,362,528**	9,967,991

(c) The movement in deferred tax assets and liablities during the year, without taking into consideration of the offsetting of balances within the same fiscal authority on the same entity is as follows:

THE GROUP

	At January 1, 2016	(Credited)/ charged to profit or loss	Credited to equity	At December 31, 2016
	Rs.	Rs.	Rs.	Rs.
Deferred tax liabilities				
Accelerated tax depreciation	11,683,731	(1,731,549)	-	9,952,182
Change in fair value of investment properties	(5,308,790)	5,308,790	-	-
	6,374,941	3,577,241	-	9,952,182
Deferred tax assets				
Retirement benefit obligations	(802,009)	346,148	(443,278)	(899,139)
Tax losses	(45,370,064)	18,441,853	-	(26,928,211)
Change in fair value of investment properties	-	(12,340,666)	-	(12,340,666)
	(46,172,073)	6,447,335	(443,278)	(40,168,016)
Rs.	**(39,797,132)**	**10,024,576**	**(443,278)**	**(30,215,834)**

	At January 1, 2015	Credited to profit or loss	Credited to equity	At December 31, 2015
	Rs.	Rs.	Rs.	Rs.
Deferred tax liabilities				
Accelerated tax depreciation	18,256,333	(6,572,602)	-	11,683,731
Change in fair value of investment properties	(1,441,869)	(3,866,921)	-	(5,308,790)
	16,814,464	(10,439,523)	-	6,374,941
Deferred tax assets				
Retirement benefit obligations	(756,612)	(9,802)	(35,595)	(802,009)
Tax losses	(30,507,068)	(14,862,996)	-	(45,370,064)
	(31,263,680)	(14,872,798)	(35,595)	(46,172,073)
Rs.	**(14,449,216)**	**(25,312,321)**	**(35,595)**	**(39,797,132)**

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YEAR ENDED DECEMBER 31, 2016

16. DEFERRED INCOME TAXES (CONT'D)

THE COMPANY

	At January 1, 2016	Charged/ (credited) to profit or loss	Credited to equity	At December 31, 2016
	Rs.	Rs.	Rs.	Rs.
Deferred tax liabilities				
Accelerated tax depreciation	9,352,338	1,308,663	-	10,661,001
Change in fair value of investment properties	857,781	(857,781)	-	-
	10,210,119	450,882	-	10,661,001
Deferred tax assets				
Retirement benefit obligations	(242,128)	15,732	(72,077)	(298,473)
	(242,128)	15,732	(72,077)	(298,473)
Rs.	**9,967,991**	**466,614**	**(72,077)**	**10,362,528**

	At January 1, 2015	Charged/ (credited) to profit or loss	Credited to equity	At December 31, 2015
	Rs.	Rs.	Rs.	Rs.
Deferred tax liabilities				
Accelerated tax depreciation	8,119,462	1,232,876	-	9,352,338
Change in fair value of investment properties	1,869,485	(1,011,704)	-	857,781
	9,988,947	221,172	-	10,210,119
Deferred tax assets				
Retirement benefit obligations	(237,571)	31,038	(35,595)	(242,128)
Tax losses	(2,145,391)	2,145,391	-	-
	(2,382,962)	2,176,429	(35,595)	(242,128)
Rs.	**7,605,985**	**2,397,601**	**(35,595)**	**9,967,991**

(d) At the end of the reporting period, the Group has unused tax losses of Rs.990,131,219 (2015: Rs.537,822,917) and the Company Rs.235,316,317 (2015: Rs.128,443,620), available for offset against future profits. A deferred tax asset has been recognised in respect of Rs.179,521,398 (2015: Rs.302,467,093) for the Group and Rs.Nil (2015: Rs.Nil) for the Company of such losses. No deferred tax asset has been recognised in respect of the remaining Rs.810,609,821 (2015: Rs.235,355,824) for the Group due to unpredictability of future profit streams. The tax losses expire on a rolling basis over 5 years.

17. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	Rs.	Rs.	**Rs.**	Rs.
Trade payables	**122,801,392**	124,010,333	**12,164,327**	806,626
Amount due to related parties (note 35)	**6,877,920**	24,901,957	**15,585,016**	25,277,761
Deposit from tenants	**7,723,236**	7,399,778	**5,577,632**	5,470,252
Deposit from buyers	**194,590,674**	180,814,895	**-**	-
Accruals	**212,578,119**	86,953,914	**14,099,914**	13,280,503
Other payables	**40,825,540**	37,388,920	**5,154,273**	2,146,714
Rs.	**585,396,881**	461,469,797	**52,581,162**	46,981,856

(a) The carrying amounts of trade and other payables approximate their fair values.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

18. REVENUE

		THE GROUP		THE COMPANY	
		2016	2015	**2016**	2015
		Rs.	Rs.	**Rs.**	Rs.
Revenue from the sale of goods		**133,561,740**	106,133,059	**-**	-
Revenue from the rendering of services		**195,632,935**	127,957,680	**-**	-
Proceeds from sale of apartments (recognised on percentage of completion basis)		**1,052,753,925**	722,511,504	**-**	-
Management fee income		**2,844,167**	6,567,695	**-**	-
Rental income		**66,340,830**	72,081,641	**34,165,235**	36,933,019
Proceeds from sale of land		**19,020,000**	-	**19,020,000**	-
	Rs.	**1,470,153,597**	1,035,251,579	**53,185,235**	36,933,019

19. EXPENSES BY NATURE

		THE GROUP		THE COMPANY	
		2016	2015	**2016**	2015
		Rs.	Rs.	**Rs.**	Rs.
Depreciation		**47,007,410**	44,554,794	**1,504,042**	1,459,257
Amortisation		**4,642,445**	3,925,459	**371,705**	328,973
Bad debts written off		**1,178,253**	2,230,845	**-**	6,982,511
Assets written off		**27,106**	-	**27,106**	-
Provision for impairment of receivables		**3,631,945**	6,794,406	**5,012**	784,470
Employee benefit expense (note 23)		**221,106,112**	201,013,093	**73,218,214**	73,106,387
Advertising costs		**13,122,605**	10,168,789	**-**	-
Business administration and professional fees		**40,861,792**	47,294,485	**15,922,533**	18,922,915
Security expenses		**9,761,568**	1,407,847	**1,452,221**	-
Syndic levies and snagging costs		**18,817,367**	25,654,852	**669,240**	-
Recharge of utilities		**23,379,020**	26,343,078	**9,311,179**	9,208,168
Cost of land disposed of		**16,753,917**	-	**16,753,917**	-
Land development costs written off		**-**	6,035,645	**-**	-
Repairs and maintenance		**24,537,727**	18,895,441	**2,589,944**	375,112
Changes in inventories of finished goods		**133,258,703**	232,617,567	**-**	-
Consumables and operating equipment		**39,733,921**	53,252,079	**-**	-
Cost of sales (recognised on percentage completion basis)		**836,656,220**	460,324,301	**-**	-
Rental expense paid to villas owners		**62,099,194**	56,517,700	**-**	-
Other expenses		**159,597,838**	142,540,061	**17,985,643**	18,299,368
Total cost of sales, selling and marketing, administrative and other operating expenses	Rs.	**1,656,173,143**	1,339,570,442	**139,810,756**	129,467,161

20. OTHER INCOME

		THE GROUP		THE COMPANY	
		2016	2015	**2016**	2015
		Rs.	Rs.	**Rs.**	Rs.
Accounting fees		**869,665**	594,000	**2,831,665**	2,994,000
Service fee income from tenants		**13,748,491**	12,975,738	**13,748,491**	13,673,156
Syndicates fee income		**5,031,107**	13,887,316	**-**	-
Interest income		**7,223,546**	274,868	**4,869,221**	2,383,780
Dividend income		**-**	-	**-**	2,115,000
Insurance reimbursement		**-**	10,183,105	**-**	-
Miscellaneous other income		**19,300,761**	5,296,560	**20,229,450**	19,377,225
	Rs.	**46,173,570**	43,211,587	**41,678,827**	40,543,161

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

21. FINANCE COSTS

		THE GROUP		THE COMPANY	
		2016	2015	**2016**	2015
		Rs.	Rs.	**Rs.**	Rs.
Interest expense:					
- Bank overdrafts		**34,175,063**	66,806,333	**18,611,514**	17,683,864
- Bank and other loans		**117,215,979**	115,313,024	**9,232,277**	10,260,776
- Short term loans		**18,164,000**	-	**16,385,844**	-
- Loan from related parties		**10,245,484**	6,107,840	**10,245,484**	20,872,203
- Finance leases		**209,338**	223,128	**-**	-
		180,009,864	188,450,325	**54,475,119**	48,816,843
Net foreign exchange financing gains on financing activities		**(2,728,274)**	(4,881,712)	**17,866**	(96,965)
	Rs.	**177,281,590**	183,568,613	**54,492,985**	48,719,878

22. NET FOREIGN EXCHANGE GAINS/(LOSSES)

		THE GROUP		THE COMPANY	
		2016	2015	**2016**	2015
The exchange differences credited/(charged)		**Rs.**	Rs.	**Rs.**	Rs.
to the profit or loss included as follows:					
Other gains and losses - net (note 26)		**3,805,532**	11,821,180	**-**	-
Finance costs (note 21)		**(2,728,274)**	(4,881,712)	**17,866**	(96,965)
	Rs.	**1,077,258**	6,939,468	**17,866**	(96,965)

23. LOSS BEFORE TAXATION

		THE GROUP		THE COMPANY	
		2016	2015	**2016**	2015
		Rs.	Rs.	**Rs.**	Rs.
Loss before taxation is arrived at after:					
and (charging):					
Depreciation of property, plant and equipment					
- owned assets		**45,354,196**	42,760,991	**1,504,042**	1,459,257
- leased assets under finance lease		**1,653,214**	1,793,803	**-**	-
Amortisation of intangible assets		**4,642,445**	3,925,459	**371,705**	328,973
Impairment charges		**244,169,260**	47,499,385	**156,340,366**	93,286,936
Write offs:					
- Non-current receivables written off		**15,554,316**	-	**-**	-
- Property, plant and equipment		**102,618**	22,693	**21,920**	22,693
- Intangible assets		**27,106**	213,141	**27,106**	-
- Bad debts written off		**2,728,253**	2,230,845	**-**	6,982,511
Employee benefit expense (note 23(a))	Rs.	**221,106,112**	201,013,093	**73,218,214**	73,106,387

(a) **Employee benefit expense**

		THE GROUP		THE COMPANY	
		2016	2015	**2016**	2015
		Rs.	Rs.	**Rs.**	Rs.
Wages and salaries, including termination benefits		**206,633,386**	187,200,346	**66,712,978**	68,624,075
Social security costs		**9,540,231**	8,687,805	**1,389,054**	1,181,593
Pension costs - defined contribution plans		**4,396,079**	2,787,078	**4,285,310**	2,787,078
Pension costs - defined benefit plans (note 13)		**804,743**	542,223	**804,743**	542,223
Other post-retirement benefits (note 13)		**(268,327)**	1,795,641	**26,129**	(28,582)
	Rs.	**221,106,112**	201,013,093	**73,218,214**	73,106,387

CONTENTS

24. IMPAIRMENT CHARGES

		THE GROUP		THE COMPANY	
		2016	2015	**2016**	2015
		Rs.	Rs.	**Rs.**	Rs.
Impairment charges on:					
Investment in subsidiary (note 10)		**-**	-	**76,947,506**	45,787,551
Impairment of intangible assets		**176,441,128**	37,999,385	**11,664,728**	37,999,385
Non-current assets held for sale (note 31)		**67,728,132**	9,500,000	**67,728,132**	9,500,000
	Rs.	**244,169,260**	47,499,385	**156,340,366**	93,286,936

25. INCOME TAX EXPENSE

(a) Statements of financial position

		THE GROUP		THE COMPANY	
		2016	2015	**2016**	2015
		Rs.	Rs.	**Rs.**	Rs.
At January 1,		**-**	(1,322,092)	**-**	712,157
Current tax on the adjusted result for the year at 15% (2015: 15%)		**-**	-	**-**	-
Refunded during the year		**-**	2,034,249	**-**	-
Overprovision in previous year		**-**	(712,157)	**-**	(712,157)
At December 31,	Rs.	**-**	-	**-**	-

(b) Statement of profit or loss

		THE GROUP		THE COMPANY	
		2016	2015	**2016**	2015
		Rs.	Rs.	**Rs.**	Rs.
Current tax on the adjusted result for the year at 15% (2015: 15%)		**-**	-	**-**	-
Overprovision in previous year		**-**	(712,157)	**-**	(712,157)
Deferred tax (note 16(b))		**10,024,576**	(25,312,321)	**466,614**	2,397,601
Income tax charge/(credit)	Rs.	**10,024,576**	(26,024,478)	**466,614**	1,685,444

(c) The tax on the Group and Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

		THE GROUP		THE COMPANY	
		2016	2015	**2016**	2015
		Rs.	Rs.	**Rs.**	Rs.
Loss before taxation		**(636,186,738)**	(510,305,692)	**(259,446,909)**	(207,047,448)
Share of results of associate		**-**	1,823,048	**-**	-
		(636,186,738)	(508,482,644)	**(259,446,909)**	(207,047,448)
Tax calculated at the rate of 15% (2015: 15%)		**(95,428,011)**	(76,272,397)	**(38,917,036)**	(31,057,117)
Expenses not deductible for tax purposes		**11,297,201**	40,912,285	**13,536,177**	16,800,484
Income not subject to tax		**(35,594)**	(2,110,866)	**-**	(785,701)
Overprovision in previous year		**-**	(712,157)	**-**	(712,157)
Utilisation of previous years' tax losses		**(206,578)**	-	**-**	-
Tax losses for which no deferred tax was recognised		**50,609,210**	43,475,447	**16,002,222**	19,266,048
Other adjustments		**357,507**	(1,744,321)	**(6,218)**	(1,826,113)
Deferred tax not recognised on fair value of investment property		**9,851,469**	-	**9,851,469**	-
Deferred tax asset previously not recognised		**-**	(6,231,076)	**-**	-
Consolidation adjustments		**33,579,372**	(23,341,393)	**-**	-
Income tax charge/(credit)	Rs.	**10,024,576**	(26,024,478)	**466,614**	1,685,444

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016

26. OTHER GAINS AND LOSSES - NET

		THE GROUP		THE COMPANY	
		2016	2015	**2016**	2015
		Rs.	Rs.	**Rs.**	Rs.
Net foreign exchange gains	Rs.	**3,805,532**	11,821,180	**-**	-

27. OTHER COMPREHENSIVE INCOME

		THE GROUP		THE COMPANY	
		2016	2015	**2016**	2015
Actuarial reserves		**Rs.**	Rs.	**Rs.**	Rs.
Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit obligations		**(2,955,185)**	(237,302)	**(480,515)**	(237,302)
Deferred tax relating to remeasurement of defined benefit obligations		**443,278**	35,595	**72,077**	35,595
	Rs.	**(2,511,907)**	(201,707)	**(408,438)**	(201,707)

Actuarial losses

The actuarial losses reserve represents the cumulative remeasurement of defined benefit obligation recognised.

28. LOSS PER SHARE

		THE GROUP		THE COMPANY	
		2016	2015	**2016**	2015
Basic loss per share					
Loss attributable to equity holders of the Company		**(575,941,505)**	(415,797,623)	**(259,913,523)**	(208,732,892)
Number of ordinary shares in issue		**425,342,317**	425,342,317	**425,342,317**	425,342,317
Basic loss per share	Rs.	**(1.354)**	(0.976)	**(0.611)**	(0.491)

29. NOTES TO THE STATEMENTS OF CASH FLOWS

(a) **Cash generated from operations**

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	Rs.	Rs.	**Rs.**	Rs.
Loss before taxation	**(636,186,738)**	(510,305,692)	**(259,446,909)**	(207,047,448)
Adjustments for:				
Depreciation	**47,007,410**	44,554,794	**1,504,042**	1,459,257
Amortisation of intangible assets	**4,642,445**	3,925,459	**371,705**	328,973
Impairment charges	**244,169,260**	47,499,385	**156,340,366**	93,286,936
Receivables written off	**2,728,253**	2,230,845	**-**	6,982,511
Write of non-current receivables	**15,554,316**	-	**-**	-
Assets written off	**129,724**	220,118	**49,026**	6,977
Dividend income	**-**	-	**-**	(2,115,000)
Profit on disposal of assets classified as held for sale	**(3,166,083)**	-	**(3,166,083)**	-
Loss on disposal of investment in associate	**-**	6,784,952	**-**	6,305,047
Net decrease in fair value of investment properties	**78,695,444**	21,343,645	**3,666,864**	6,744,700
Provision for impairment of trade and other receivables	**3,631,945**	6,294,615	**5,012**	762,470
Exchange (gains)/losses	**(3,334,325)**	(7,793,035)	**17,866**	(96,965)
Interest income	**(7,223,546)**	(274,868)	**(4,869,221)**	(2,383,780)
Interest expense	**180,009,864**	188,450,325	**54,475,119**	48,816,843
Retirement benefit obligations	**(399,338)**	1,617,291	**(104,882)**	206,932
Investment property written off	**-**	1,451,001	**-**	-
Land development costs written off	**-**	6,035,645	**-**	-
Share of results of associate	**-**	1,823,048	**-**	-
	(73,741,369)	(186,142,472)	**(51,157,095)**	(47,156,411)
Changes in working capital:				
- Inventories	**125,035,435**	233,188,516	**-**	-
- Trade and other receivables	**23,088,261**	29,643,156	**71,222,064**	(71,528,643)
- Trade and other payables	**134,526,522**	(14,046,592)	**2,181,539**	14,531,941
- Land and related development costs	**97,257,544**	(45,632,449)	**-**	-
Cash generated from/ (absorbed in) operations Rs.	**306,166,393**	17,010,159	**22,246,508**	(104,153,113)

(b) **Cash and cash equivalents**

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	Rs.	Rs.	**Rs.**	Rs.
Cash in hand and at bank Rs.	**158,810,968**	168,438,926	**63,425**	1,446,439

Cash and cash equivalents and bank overdrafts include the following for the purpose of the statements of cash flows.

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	Rs.	Rs.	**Rs.**	Rs.
Cash and cash equivalents	**158,810,968**	168,438,926	**63,425**	1,446,439
Bank overdrafts	**(403,205,310)**	(555,712,475)	**(255,488,702)**	(251,269,402)
Rs.	**(244,394,342)**	(387,273,549)	**(255,425,277)**	(249,822,963)

30. COMMITMENTS AND CONTINGENCIES

(a) **Capital commitments**

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	Rs.	Rs.	**Rs.**	Rs.
Property, plant and equipment	**2,550,000**	-	**-**	-
Land and related development costs	**284,419,607**	376,884,289	**-**	-
Rs.	**286,969,607**	376,884,289	**-**	-

(b) **Operating lease commitments - Group as lessee**

The Group has entered into operating lease commitments for some of its motor vehicles and leasehold rights on its land. The leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

Future minimum rentals payable under non-cancellable operating leases at the end of the reporting date are as follows:

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	Rs.	Rs.	**Rs.**	Rs.
Within one year	**2,763,172**	2,449,869	**475,020**	1,900,080
After one year but not more than five years	**10,030,180**	7,676,637	**-**	475,020
Over five years	**90,525,932**	83,813,975	**-**	-
Rs.	**103,319,284**	93,940,481	**475,020**	2,375,100

(c) **Operating lease commitments - Group as lessor**

The Group has also entered into commercial property leases with respect to its investment property portfolio. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

Future minimum rentals receivable under non-cancellable operating leases at the end of the reporting date are as follows:

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	Rs.	Rs.	**Rs.**	Rs.
Within one year	**47,900,153**	64,727,015	**20,332,506**	32,370,896
After one year but not more than five years	**78,643,026**	137,684,386	**24,970,477**	51,601,891
Over five years	**99,288,000**	107,562,000	**-**	-
Rs.	**225,831,179**	309,973,401	**45,302,983**	83,972,787

(d) **Contingencies**

At December 31, 2016, except as disclosed below, the Group had no contingent liabilities in respect of bank guarantees, legal claims and other matters arising in the ordinary course of business for which it is anticipated that material liabilities would arise.

Effective March 5, 2016, one of the subsidiaries of the Group, Haute Rive Ocean Front Living Ltd ("HROFL"), terminated its agreement with its building contractor for the Azuri Phase II development following breaches of the agreement by the building contractor. A claim of Rs. 95.9m was submitted by HROFL to the building contractor which was thereafter followed by a counter claim by the latter to HROFL of Rs.213.4m. As of date of authorisation of the financial statements, the outcome of these cases is not known.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

31. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

		THE GROUP AND THE COMPANY	
		2016	2015
		Rs.	Rs.
At January 1,		**29,199,165**	-
Transfer from investment property (note 6)		**330,997,184**	38,699,165
Disposal		**(15,853,917)**	-
Impairment		**(67,728,132)**	(9,500,000)
At December 31,	Rs.	**276,614,300**	29,199,165

Following board resolutions dated August 05, 2016, November 09, 2016 and February 13, 2017, the land at Beau Sejour and investment property at Riverside earmarked for disposal have been classified as non-current assets held for sale.

32. NON-CURRENT RECEIVABLES

		THE GROUP	
		2016	2015
		Rs.	Rs.
At January 1,		**16,554,316**	-
Write offs during the year		**(15,554,316)**	-
Transfer from investment property (note 6)		**-**	16,554,316
At December 31,	Rs.	**1,000,000**	16,554,316

33. EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period which the Directors consider may materially affect the financial statements for the year ended December 31, 2016.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

34. SEGMENTAL INFORMATION - THE GROUP

BlueLife Limited's reportable segments namely land development, property, hotel and service are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies. Most of the businesses were acquired as individual units, and the management at the time of the acquisition was retained.

The Group has four reportable segments : Land development, Yielding property, Hotel and Service.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. Performance is evaluated on the basis of profit or loss from operations before tax expense. Intersegment sales and transfers are accounted for as if the sales or transfers were to third parties, that is, at current market prices.

December 31, 2016	Land Development	Yielding Property	Hotel	Service	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Total segment revenues	1,071,773,925	78,152,896	320,413,725	54,783,902	1,525,124,448
Inter-segment revenues	-	(11,812,066)	(1,761,415)	(41,397,370)	(54,970,851)
Revenues from external customers	**1,071,773,925**	**66,340,830**	**318,652,310**	**13,386,532**	**1,470,153,597**
Segment loss before finance costs	**(22,963,676)**	**34,539,919**	**(60,043,537)**	**(87,573,150)**	**(136,040,444)**
Loss before finance costs	(267,132,937)	(44,155,524)	(60,043,537)	(87,573,150)	(458,905,148)
Finance costs	(69,865,714)	(37,818,166)	(69,501,676)	(96,034)	(177,281,590)
Loss before taxation	**(336,998,651)**	**(81,973,690)**	**(129,545,213)**	**(87,669,184)**	**(636,186,738)**
Income tax (charge)/credit	(19,264,518)	5,561,736	3,564,748	113,458	(10,024,576)
Loss for the year	**(356,263,169)**	**(76,411,954)**	**(125,980,465)**	**(87,555,726)**	**(646,211,314)**
Interest revenue	7,223,257	289	-	-	7,223,546
Interest expense	(67,377,750)	(28,758,224)	(83,777,865)	(96,025)	(180,009,864)
Material items of income:					
Service fee income from tenants	13,748,491	-	-	-	13,748,491
Syndicates fee income	-	-	-	5,031,107	5,031,107
Material items of expense:					
Impairment of non-current asset held for sale	67,728,132	-	-	-	67,728,132
Write of non-current receivables	15,554,316	-	-	-	15,554,316
Additions to non-current assets	5,899,656	-	4,490,514	507,416	10,897,586
Depreciation and amortisation	7,524,063	422,009	43,312,852	390,931	51,649,855
Segment assets	2,640,866,738	1,045,454,265	1,320,359,019	7,375,094	5,014,055,116
Segment liabilities	1,249,838,850	508,831,768	910,596,567	20,571,481	2,689,838,666

The Group' four business segments are managed and operated in Mauritius.

CONTENTS

34. SEGMENTAL INFORMATION - THE GROUP

	Land Development	Yielding Property	Hotel	Service	Total
December 31, 2015	Rs.	Rs.	Rs.	Rs.	Rs.
Total segment revenues	854,611,504	83,096,233	247,430,925	6,927,695	1,192,066,357
Inter-segment revenues	(132,100,000)	(11,374,592)	(11,242,183)	(2,098,003)	(156,814,778)
Revenues from external customers	**722,511,504**	**71,721,641**	**236,188,742**	**4,829,692**	**1,035,251,579**
Loss before finance costs	**(127,343,304)**	**11,440,580**	**(67,146,257)**	**(66,237,115)**	**(249,286,096)**
Loss before finance costs	(181,587,389)	(3,158,365)	(67,146,257)	(66,237,115)	(318,129,126)
Finance costs	(71,736,565)	(40,457,025)	(71,325,778)	(49,245)	(183,568,613)
Share of results of associate	(1,823,048)	-	-	-	(1,823,048)
Cost of sales	(6,784,905)	-	-	-	(6,784,905)
Loss before taxation	**(261,931,907)**	**(43,615,390)**	**(138,472,035)**	**(66,286,360)**	**(510,305,692)**
Income tax credit/(charged)	12,892,519	3,001,855	10,258,163	(128,059)	26,024,478
Loss for the year Rs.	**(249,039,388)**	**(40,613,535)**	**(128,213,872)**	**(66,414,419)**	**(484,281,214)**
Interest revenue	269,589	874	4,405	-	274,868
Interest expense	(86,418,301)	(30,196,249)	(71,786,530)	(49,245)	(188,450,325)
Material items of income:					
Service fee income from tenants	12,975,737	-	-	-	12,975,737
Syndicates fee income	-	3,393,997	-	10,493,319	13,887,316
Material items of expense:					
Impairment of intangible assets	37,999,385	-	-	-	37,999,385
Impairment of non-current asset held for sale	9,500,000	-	-	-	9,500,000
Investment property written off	1,451,001	-	-	-	1,451,001
Land development costs written off	6,035,645	-	-	-	6,035,645
Additions to non-current assets	33,974,325	749,000	14,131,727	75,944	48,930,996
Depreciation and amortisation	6,337,880	429,539	41,367,746	345,088	48,480,253
Segment assets	3,075,271,382	1,224,505,969	1,374,828,699	4,596,744	5,679,202,794
Segment liabilities	1,372,508,252	408,583,179	910,224,870	14,946,822	2,706,263,123

The Group' four business segments are managed and operated in Mauritius.

35. RELATED PARTY TRANSACTIONS

(a)

THE GROUP	Bank overdraft	Consultancy fees	Purchases of goods or services	Sale of goods or services	Interest (expense)/ income	Dividend income	Management fee income	Loan from	Amount owed to related parties	Amount owed by related parties
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(i) **December 31, 2016**										
Main shareholders	-	-	**1,313,423**	**340,477**	**(10,245,484)**	-	-	**113,084,434**	**5,187,920**	**277,163**
Directors and close family members	-	-	-	-	-	-	-	-	**1,690,000**	-
(ii) December 31, 2015										
Enterprises that have a number of directors in common	-	-	12,083,696	-	(19,662,705)	-	-	-	963,615	-
Main shareholders	-	-	-	328,713	(1,506,872)	-	-	117,396,593	8,231,673	-
Subsidiaries of significant shareholder	-	-	8,524,821	1,382,057	-	-	-	161,000,000	14,973,070	245,107
Associates of significant shareholders	(48,751,420)	-	-	-	-	-	-	493,690,960	-	-
Directors and close family members	-	144,624	-	-	-	-	-	-	-	-
Associate	-	-	-	389,400	-	2,115,000	-	-	733,599	5,751

(b)

THE COMPANY	Bank overdraft	Consultancy fees	Purchases of goods or services	Sale of goods or services	Interest (expense)/ income	Dividend income	Management fee income	Loan from	Amount owed to related parties	Amount owed by related parties
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(i) **December 31, 2016**										
Main shareholders	-	-	**1,313,423**	-	**(10,245,484)**	-	-	**113,084,434**	**5,187,921**	-
Directors	-	-	-	-	-	-	-	-	**1,690,000**	-
Subsidiaries	-	-	**2,893,678**	**2,562,000**	**4,869,221**	-	**19,446,700**	-	**8,707,095**	**254,757,277**
(ii) December 31, 2015										
Enterprises that have a number of directors in common	-	-	12,083,696	-	(19,662,705)	-	-	-	963,615	-
Main shareholders	-	-	-	328,713	-	-	-	113,750,000	1,268,750	-
Subsidiaries of significant shareholder	-	-	5,270,390	1,382,057	-	-	-	161,000,000	21,012,382	245,107
Associates of significant shareholders	(48,048,370)	-	-	-	-	-	-	-	-	-
Directors	-	144,624	-	-	-	-	-	-	-	-
Associate	-	-	-	348,000	-	2,115,000	-	-	5,959	5,751
Subsidiaries	-	-	3,640,868	11,238,699	2,382,212	-	20,882,983	-	2,027,055	319,525,604

35. RELATED PARTY TRANSACTIONS (CONT'D)

(c) The sales to and purchases from related parties are made in the normal course of business. Outstanding balances at the year end are unsecured, interest free and settlement occurs in cash.

There have been no guarantees provided or received for any related party receivables or payables.

For the period ended December 31, 2016, the Company has recorded an impairment of receivables of Rs.Nil (2015: Rs.6,982,511) relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operate.

(d) ***Chairman Support Agreement***

During the year ended December 31, 2016, an enterprise with common directors, the service provider, has entered into a chairman support agreement with the Company for the provision of consultancy, advisory and support services to the chairman and Directors of BlueLife Limited. An annual flat fee of Rs.2m shall be paid for the services provided by the service provider.

(e) **Directors and key management personnel compensation**

	THE GROUP		THE COMPANY	
	2016	2015	**2016**	2015
	Rs.	Rs.	**Rs.**	Rs.
Director fees	**2,490,000**	2,675,000	**1,690,000**	1,775,000
Salaries and short term employee benefits	**11,589,785**	7,572,221	**11,589,785**	7,572,221
Termination benefits	**-**	2,364,327	**-**	2,364,327
Post employment benefits	**810,033**	632,502	**810,033**	632,502
Rs.	**14,889,818**	13,244,050	**14,089,818**	12,344,050

36. BUSINESS COMBINATIONS

(a) **Acquisition of additional interest in a subsidiary**

On September 2, 2015, the Group acquired an additional 2.9% interest in Haute Rive Azuri Hotel Ltd for Rs.90m in cash, increasing its ownership from 60% to 62.9%. The carrying amount of Haute Rive Azuri Hotel Ltd's net assets in the consolidated financial statements on the date of the acquistion was Rs.189,434,508. The Group recognised an increase in non-controlling interest and a decrease in retained earnings of Rs.5,396,399.

The following summarises the effect of changes in the Group's ownership interest in Haute Rive Azuri Hotel Ltd:

	2015
	Rs.
Parent's ownership interest at beginning of period	148,770,935
Effect of increase in parent's ownership interest	(5,396,399)
Share of comprehensive income	(58,655,170)
Parent's ownership interest at end of period Rs.	84,719,366

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016

37. FINANCIAL SUMMARY OF PUBLISHED RESULTS AND ASSETS AND LIABILITIES

	Year ended December 31, 2016	Year ended December 31, 2015	Year ended December 31, 2014
(a) **THE GROUP**	**Rs.**	Rs.	Rs.
Statements of profit or loss and other comprehensive income			
Revenue	**1,470,153,597**	1,035,251,579	1,481,500,372
Share of results of associate	**-**	(1,823,048)	7,791,322
Loss before taxation	**(636,186,738)**	(510,305,692)	(563,755,330)
Income tax (charge)/ credit	**(10,024,576)**	26,024,478	13,319,260
Loss for the year	**(646,211,314)**	(484,281,214)	(550,436,070)
Other comprehensive income for the year, net of tax	**(2,511,907)**	(201,707)	(576,831)
Total comprehensive income for the year	**(648,723,221)**	(484,482,921)	(551,012,901)
Loss attributable to:			
- Owners of the parent	**(575,941,505)**	(415,797,623)	(490,799,465)
- Non-controlling interests	**(70,269,809)**	(68,483,591)	(59,636,605)
	(646,211,314)	(484,281,214)	(550,436,070)
Total comprehensive income attributable to:			
- Owners of the parent	**(577,648,506)**	(415,999,330)	(491,376,296)
- Non-controlling interests	**(71,074,715)**	(68,483,591)	(59,636,605)
	(648,723,221)	(484,482,921)	(551,012,901)
Loss per share - basic	**(1.354)**	(0.976)	(1.154)

	2016	2015	2014
	Rs.	Rs.	Rs.
Statements of financial position			
ASSETS			
Non current assets	**4,143,030,540**	4,980,366,160	5,024,082,962
Current assets	**594,410,276**	669,637,470	901,544,632
Non-current assets classified as held for sale	**276,614,300**	29,199,165	-
Total assets	**5,014,055,116**	5,679,202,795	5,925,627,594
EQUITY AND LIABILITIES			
Capital and reserves	**2,293,806,627**	2,871,455,133	3,292,850,862
Non-controlling interests	**30,409,823**	101,484,538	142,071,730
Total equity	**2,324,216,450**	2,972,939,671	3,434,922,592
LIABILITIES			
Non current liabilities	**683,120,036**	1,362,763,310	1,217,807,602
Current liabilities	**2,006,718,630**	1,343,499,814	1,272,897,400
Total liabilities	**2,689,838,666**	2,706,263,124	2,490,705,002
Total equity and liabilities	**5,014,055,116**	5,679,202,795	5,925,627,594

NOTICE OF ANNUAL MEETING

Notice is hereby given that the Annual Meeting of the Shareholders of the Company will be held at the Crepuscule Conference Room, Radisson Blu Azuri Resort & Spa, Riviere du Rempart on Wednesday, June 28, 2017 at 15.00 hours to transact the following business in the manner required for the passing of ORDINARY RESOLUTIONS:

AGENDA

1. To consider the Annual Report of the Company.
2. To receive the report of Messrs. BDO & Co, the Auditors of the Company.
3. To consider and adopt the Group's and Company's audited financial statements for the year ended December 31, 2016.
4. To elect as Director of the Company, Mr. Sunil Banymandhub[a] , who has been nominated by the Board and who offers himself for election.
5. To fix the remuneration of the Directors for the year to December 31, 2017 and to ratify the emoluments paid to the Directors for the year ended December 31, 2016.
6. To reappoint Messrs BDO & Co as Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration.
7. To ratify the remuneration paid to the Auditors for the financial year ended December 31, 2016.

By order of the Board

Thierry Labat, FCIS

Per IBL Management Ltd

Company Secretary

May 11, 2017

NOTES:

- A Shareholder of the Company entitled to attend and vote at this meeting may appoint a proxy of his/her own choice to attend and vote on his/her behalf.
- The instrument appointing a proxy or any general power of attorney shall be deposited at the Company's Share Registry and Transfer Office, Abax Corporate Administrators Ltd, 6th Floor, Tower A, 1 CyberCity, Ebène not less than twenty four hours before the time appointed for the holding of the meeting or adjourned meeting at which the person named on such instrument proposes to vote, and in default, the instrument of proxy shall not be treated as valid.
- A proxy form is included in this Annual Report and is also available at the Company's registered office.
- For the purpose of this Annual Meeting, the Directors have resolved, in compliance with Section 120(3) of the Companies Act 2001, that the Shareholders who are entitled to receive notice of the meeting shall be those Shareholders whose names are registered in the share register of the Company as at June 2, 2017.
- The minutes of the Annual Meeting held on 24 June 2016 are available for consultation by the shareholders during office hours at the Company's registered office.
- The minutes of the Annual Meeting to be held on 28 June 2017 will be available for consultation and comments during office hours at the registered office of the Company from 1 September to 15 September 2017.

a. The profile and category of the proposed new Director to be elected is set out on page 22 of this Annual Report.

PROXY FORM

I/We, ____________________

of ____________________, being a shareholder/shareholders

of BlueLife Limited, do hereby appoint ____________________

of ____________________ failing him/her ____________________

of ____________________ failing him/her, the Chairman, as my/our proxy to vote for me/us and on my/our behalf at the Annual Meeting of the Company to be held on Wednesday, June 28, 2017 at 15.00 hours and at any adjournment thereof.

I/We direct my/our proxy to vote in the following manner:

	FOR	AGAINST	ABSTAIN
1. To consider the Annual Report of the Company.			
2. To receive the report of Messrs. BDO & Co, the Auditors of the Company.			
3. To consider and adopt the Group's and Company's audited financial statements for the year ended December 31, 2016.			
4. To elect, as Director of the Company, Mr. Sunil Banymandhub, who has been nominated by the Board and who offers himself for election.			
5. To fix the remuneration of the Directors for the year to December 31, 2017 and to ratify the emoluments paid to the Directors for the year ended December 31 2016.			
6. To reappoint Messrs. BDO & Co as Auditors for the ensuing year and to authorise the Board of Directors to fix their remuneration.			
7. To ratify the remuneration paid to the Auditors for the financial year ended December 31, 2016.			

Signed this ____________________ day of ____________________ 2017.

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Signature(s)

Notes:

- A Shareholder of the Company entitled to attend and vote at this meeting may appoint a proxy of his/her own choice to attend and vote on his /her behalf.
- Please mark in the appropriate box how you wish to vote. If no specific direction as to voting is given, the proxy will exercise his/her discretion as to how he/she votes.
- The instrument appointing a proxy or any general power of attorney shall be deposited at the Company's Share Registry and Transfer Office, Abax Corporate Administrators Ltd, 6th Floor, Tower A, 1 CyberCity, Ebène, not less than twenty four hours before the time appointed for the holding of the meeting or adjourned meeting at which the person named on such instrument proposes to vote, and in default, the instrument of proxy shall not be treated as valid.