THE FUTURE OF DEVELOPMENT

# Happiness inspires the lifestyles we create.

ANNUAL REPORT **2022**

## DEAR SHAREHOLDER,

The Board of Directors of BlueLife Limited is pleased to present its Annual Report for the year ended 30 June 2022. This report was approved by the Board of Directors on 28 September 2022.

On behalf of the Board of Directors of BlueLife Limited, we would like to invite you to go through the Annual Report and to attend the Annual Meeting of the Company which will be held on:

Date: Thursday, 15 December 2022

Time: 13.30 hours

Venue: The Gallery, Radisson Blu Azuri Resort & Spa,
Azuri Ocean & Golf Village,
Roches Noires

We look forward to seeing you.

Yours sincerely,

Jean-Claude Béga
Chairman

Hugues Lagesse
Chief Executive Officer

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# Tee off at 'The Nine – Azuri Golf'. Mauritius' first par-three, nine-hole course is designed to international standards by renowned course architects IMG.

With a round time of only 90 minutes for nine holes, golf needn't be just for the weekend!


Titleist

**Only excellence**
is good enough.

1.

WE interact with
integrity and respect.

2.

WE embrace challenge and never
give up.

3.

WE succeed through teamwork and
collaboration.

# Place making

> Placemaking is going beyond simply developing a location to create an environment in which residents can do more than just live: in this healthy, vibrant, seaside yet-urban environment, they can thrive.

Happiness, health, well-being… these are words every person aspires to associate with the place they make their home. BlueLife has adopted these inspiring words as its credo and goal for the company's flagship project: Azuri. This ocean-side village combines gems of contemporary style with the best features of Mauritius' carefree way of life to create a new community; no easy task, perhaps, but an opportunity to build something special – a place made with conscious thought and creativity, designing the lifestyle patterns of tomorrow

'Placemaking' means more than just identifying a location and building on it; the local community's input is sought out and valued, and its' needs and aspirations considered from the beginning of the development process. In practice, this means the creation of safe neighbourhoods and pleasant outdoor areas with distinct characters, of communal spaces and leisure facilities that cater to the needs of a broad range of users, and of mixed, diverse housing, vibrant services, and business opportunities that energise both the village itself and the surrounding region.

Azuri caters to year-round and part-time residents, to multiple generations, to professionals and those who have stepped back from business to pursue a more leisurely life, to Mauritians and non-natives from all backgrounds and walks of life. Only 20% of the site has been developed so far, and the future holds exciting prospects for growth, but with 400 residences, housing 600 residents with 15 different nationalities, including 250 families, and a 100-room four-star hotel to accommodate visitors who want to experience the creative buzz of urban living in the carefree ambience of a beachside village for themselves, Azuri is already a vibrant and cosmopolitan community!

Placemaking focuses on lifestyle and ease of daily living. Ocean-side living also brings with it a host of natural advantages – what could provide better stress-relief than watching the sun rise over Mauritius' east coast, or a walk on the beach at any time of the day, in all seasons of the year, with ocean breezes to clear the mind and reinvigorate the body?

# Place
## making (cont'd)

Planning that centres around creating a community promotes social interaction, supporting equality, and a melting pot of residents that reflects Mauritius' proud history as a "Rainbow Nation". Azuri offers central meeting places to appeal to all ages and paces of life: Café Gioia sits at the heart of village life, with three distinct offerings daily, from the first morning coffee to the last digestif. The Oxygen Racket and Fitness Club caters to all ages and fitness levels, with exercise classes ranging from CrossFit to yoga, padel and tennis courts, and a 25-metre pool. Young residents with dreams of sporting stardom can apply to the club's MTA Tennis Academy, while the Montessori Playhouse offers a supportive and stimulating learning environment that draws on children's natural curiosity to support the all-round well-being and development of the village's youngest residents.

Azuri's signature nine-hole golf course, 'The Nine: Azuri Golf' makes the game accessible to new and non-traditional players while also challenging dedicated golfers with dramatic elevation shifts and unexpected bunkers. The first par-3, nine-hole course on Mauritius, the course is designed by globally renowned firm IMG to the same standards as an 18-hole international golf course. With two flags on each green, the course can also be played as an 18-hole round before enjoying a delicious meal made from local ingredients - or a restorative cocktail - in the clubhouse's bistro-style restaurant.

In the 21st Century, a renewed focus on sustainability informs environmentally-conscious infrastructure, which naturally leads towards the 'Smart City' concept that is rapidly gaining adherents all over the world. The most efficient and effective solutions for eco-friendly and sustainable systems are intrinsic to Azuri's design – giving something back to Mother Earth through day-to-day living. BlueLife is committed to creating a space that embodies the priorities of investors looking to the future, with sensitive use of the land and local materials, as well as initiatives such as grey-water re-use for landscaping and waste sorting in residential areas. These initiatives will soon be joined by an electric-powered shuttle within the Azuri village, further reducing overall emissions.

What distinguishes 'home' from any other place? Its' energy, spirit, comfort, and community. BlueLife's Azuri Village brings together all these factors in an idyllic location, with a form consciously designed to meet residents' needs and aspirations, and to create the optimum combination of vibrant, creative urban environment and healthy, relaxed island lifestyle.



# Group structure

IBL LTD

**57.41%**

OTHER SHAREHOLDERS

**28.4%**

GML INEO LTEE

**8.32%**

MCB EQUITY FUND LTD

**5.87%**

BlueLife
THE FUTURE OF DEVELOPMENT

## Property

Azuri Smart City Company Ltd

**100%**

Haute Rive Holdings Limited

**100%**

Haute Rive IRS Company Limited

**100%**

Haute Rive Ocean Front Living Ltd

**100%**

Haute Rive PDS Company Limited

**100%**

Circle Square Holding Company Ltd

**100%**

## Hospitality & Leisure

**Haute Rive Azuri Hotel Ltd**

# 90.2%

**Azuri Golf Management Ltd**

# 100%

## Service

**Life in Blue Ltd**

# 100%

**Azuri Services Ltd**

# 100%

**Ocean Edge Property Management Company Ltd**

# 100%

**Azuri Estate Management Ltd**

# 100%

**Azuri Suites Ltd**

# 100%

# Financial
## Indicators

BlueLife Limited (BLL) is the holding company, active in 3 segments in the real estate business: Property investment and development, Hospitality & Leisure as well as Service inherent to the industry.

**TOTAL ASSETS**

**Rs 3.4 bn**
2021: Rs 3.6 bn

**TOTAL EQUITY**

**Rs 2.2 bn**
2021: Rs 2.1 bn

**DEBT-TO-EQUITY**

**40%**
2021: 55%

**TURNOVER**

**Rs 354 m**
2021: Rs 106 m

**OPERATING PROFIT/(LOSS)**

**Rs 107 m**
2021: (Rs 208 m)

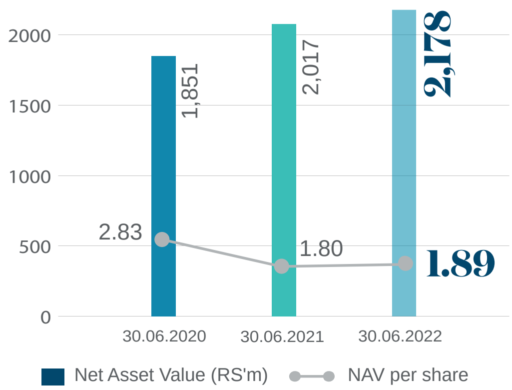
**PROFIT/(LOSS) AFTER TAX**

**Rs 119 m**
2021: (Rs 203 m)

Our financial year 2021-2022 demonstrated resilience when our property sale and hotel activities remained impacted in the first semester with travel bans or barriers. Fortunately, the second semester was more favourable. Our hotel registered occupancy rate of 49% in the first semester and a rebound to 75% for the second semester, most encouraging if compared to pre-covid period (January-June 2019 with 86% occupancy). Our property segment contributed to the Group results with its IRS development and the sale of the serviced lands on the golf. The Smart City certification for the next development phase has been obtained only in June 2022, we reached an overwhelming 97% level of reservations on 5 residential projects launched this year, revenue of which will be recognised in Group results in the next financial year.

At the time of reporting, we had received the Smart City Certificate, the EIA permit and expect to obtain Building and Land Use Permit imminently, that will allow reservation agreements to be signed, building construction to start, and revenues to be recognised for this segment.

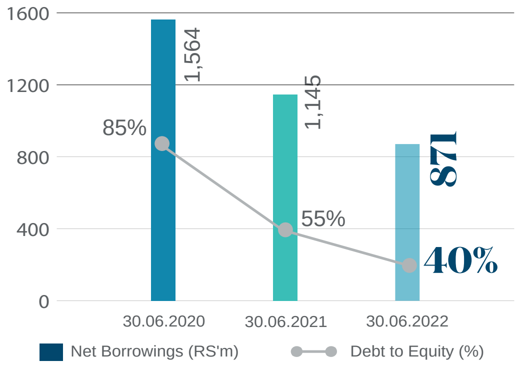
**Net Asset Value (Rs ‘m)**




The Net Asset Value as at June 2022 stood at Rs 2,178 million, with an NAV per share of Rs 1.89 (2021 Rs 1.80)

During this financial year, the Group recorded profit of Rs 120 million, disposed investment with the sale of its stake in PL Resort Ltd and increased its percentage holding in Haute Rive Azuri Hotel Ltd by capitalising its shareholders loans.

Net Borrowings and Debt-to-Equity (Rs 'm)

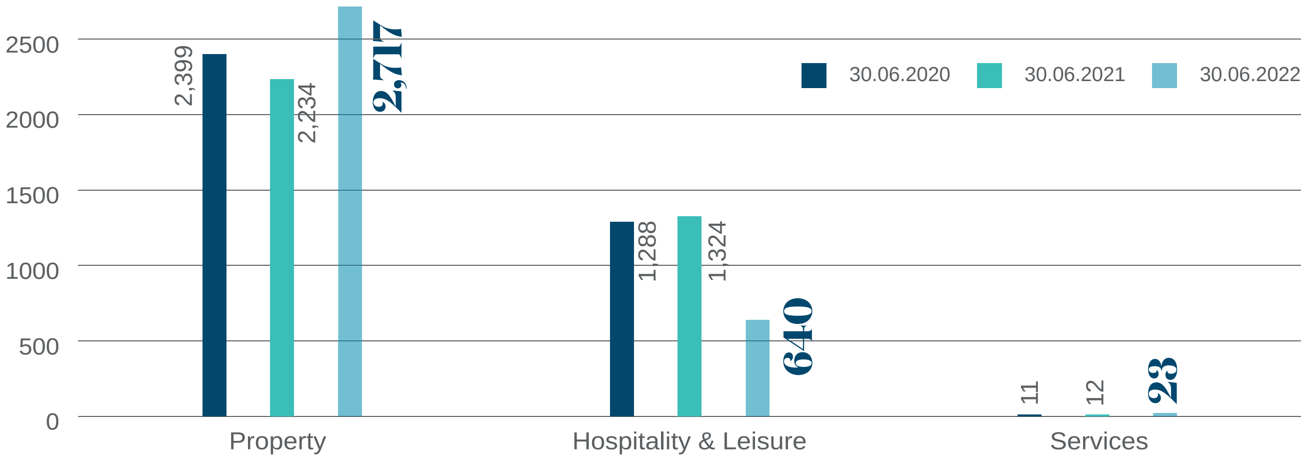



Total Borrowings as per the Statements of Financial Position and detailed in Note 16 amounted to Rs 980 million. We report here these borrowings to which we have deducted cash and cash equivalent of Rs 109 million.

The effective reduction in Net Borrowings is the result of the sale of PL Resort Ltd in March 2022 which related debt is now deconsolidated, compared to FY2021. The Debt-to-Equity ratio now stands at 40% compared to an 55% mark a year ago.

We have paid finance costs of Rs 50.0 million for financial year under review compared to Rs 74.3 million for the year ended 30 June 2021 (representing Rs 55.3 million in finance costs and Rs 19 million in discontinued activities).

Asset under Management (Rs 'm)



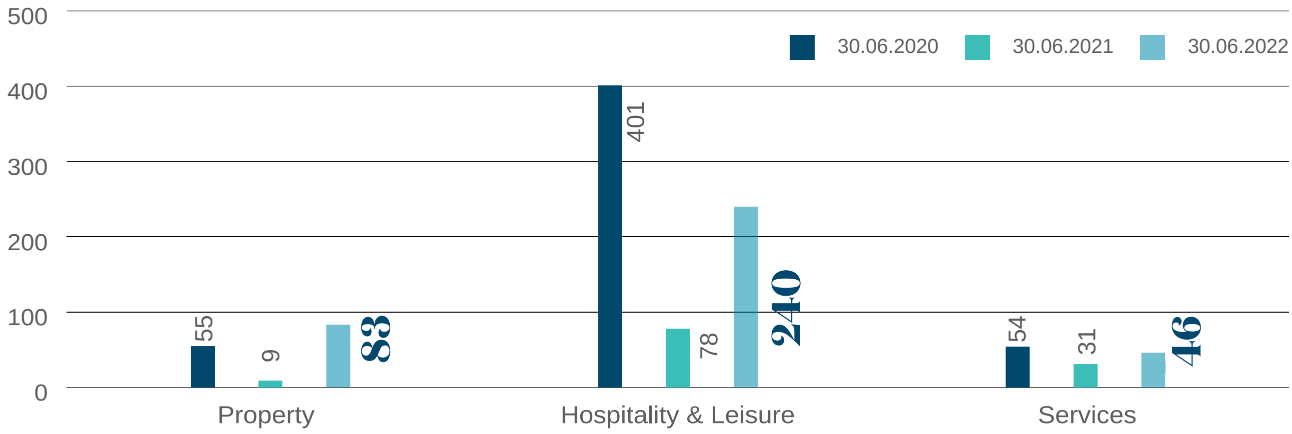

For this Annual Report, we opted to simplify and harmonise our segmental reporting to better represent the operations of the Group:

Property regroups retail assets (Investment Properties), carried cost for properties available for sale, preliminary project planning and design expenses relating to on-going projects and the value of 403 arpents of freehold land available for future development. The asset under management for the Property segment amounted to R 2.7 billion (2021 Rs 2.3 billion), the build-up of Rs 400 million being the combined result of gain arisen from land and IP revaluation as well construction works-in-progress on our various projects.

In our role as place maker, we are continuously investing in the improvement of facilities and during this financial year we have renovated and extended the Café Gioia and the Gym/Pool area in Azuri. At the time of reporting, we would also have completed renovation works to accommodate a new operator for the beach restaurant and expansion of our Nursery School. For legacy to the future generations, we have invested in the rehabilitation of an old lime kiln located on our land.

The diminution of asset under management in our Hospitality & Leisure segment is the result of the disposal of our stake in PL Resort Ltd, owner of a 100 rooms hotel in Poste Lafayette. As such, the segment reported only the asset value for our hotel property in Azuri. During the year under review, following a capital restructuring exercise, the Group increased its shareholding in Haute rive Azuri Hotel Ltd from 62.9% to 90.2%.

Turnover per Asset Segment (Rs 'm)



# Financial
## Indicators (cont'd)

In this financial year, our Property segment recognised revenue from the sale of some IRS units. The last remaining IRS units are reserved, and revenue shall be recognised in 2022-2023 financial period.

We unfortunately experienced delay in obtaining the Smart City Certificate for our new master plan in Azuri which was received on 3 June 2022. At the time of reporting, we have started construction works for four of our projects namely 'Les Hautes Rives' (45 units), 'Halona' (22 units), 'Ennea North' (8 units) and 'Amara Fairviews' (9 units) which are 100% sold. Revenue is to be recognised in the 2022-2023 financial period. Additionally, we are completing the sale of two new projects 'Ennea Golf View' (22 units) and 'Palméa I & II' (8 units) and are confident that construction will start in 2022-2023 but revenue will be recognised over two financial years.

A lot has been said already on the unprecedented level of disruption caused by the COVID-19 pandemic, which materialised as a steep drop in revenue for the Group last year. Furthermore, in the financial year under review, the turnover of our Hospitality & Leisure segment is only the revenue generated by our hotel Radisson Blu Azuri. In FY2020, it included the turnover from the Radisson Blu Poste Lafayette, disposed of this year.

Revenue generated from our facilities management and other services segment continued to grow. This Service segment revenue will remain marginal in a Group perspective but we consider the services provided to our guests, owners and residents as key for a stress-free ownership or residency and crucial to support the sale of our properties.

### PROPERTY

**REVENUE**

Rs **82.9 m**
2021: Rs 9.5 m

**OPERATING PROFIT/(LOSS)**

Rs **12.9 m**
2021: (Rs 108.6 m)

**TEAM MEMBERS**

**41**
2021: 36

**PORTFOLIO VALUE**

Rs **2.7 bn**
2021: Rs 2.2 bn

### Azuri Village

For more than a decade, the Group has been developing a new sea front village from sugar fields, designing the lifestyle patterns of tomorrow. As at date, the Azuri village comprises 400 residential units, a 100-room hotel, 3,000 m² of retail, leisure and sport facilities and a nursery school.

We operated in a more favourable environment than the previous year, after several months under the Covid-19 outbreak, thanks to the reopening of borders, which allowed for prospective foreign buyers to resume their visits. This resulted in the dynamism of the rental, resale and sale of properties at Azuri, with an exceptional number of rented properties and resales in FY2022, and 97% reservation contracts on the sale of new projects.

### Azuri Smart City

The Group is now embarking into a new phase of development with the Azuri Smart City where well-being and healthy lifestyle will be in the heart of our strategy and planning. The Azuri Smart City will cover some 377 Arpents as a continuation of the existing village and will comprise residential, office, commercial and leisure developments. Ultimately some 2,000 additional residential units will form part of the Azuri Village.

### Retail / IP

The retail portfolio remains marginal in our property segment, currently valued at Rs 197 million. Its purpose is to provide a safe, comfortable, and accessible retail facility to the Azuri community and to the close vicinity. It will expand alongside with the development of the Azuri Smart City.

### HOSPITALITY & LEISURE

**REVENUE**

Rs **240.0 m**
2021: Rs 78.4 m

**OPERATING PROFIT/(LOSS)**

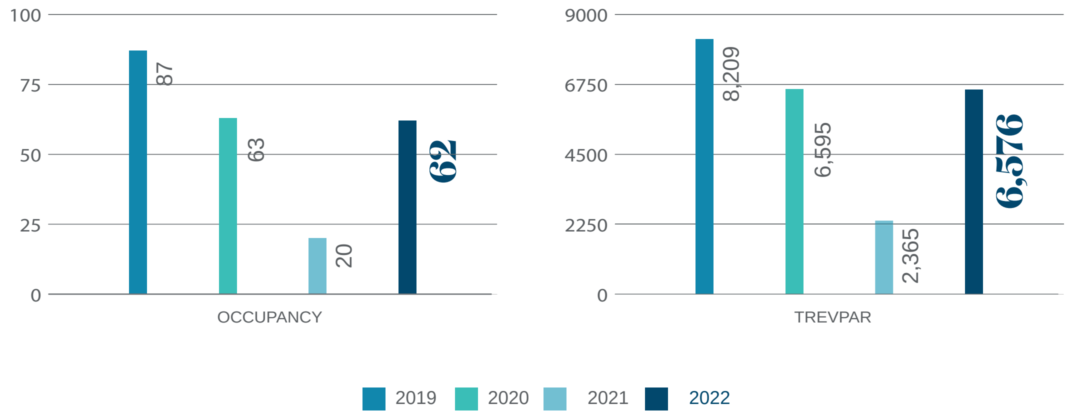
Rs **20.6 m**
2021: (Rs 30.5 m)

**TEAM MEMBERS**

**196**
2021: 164* *excluding PL*

**GUEST NIGHTS**

**53,030**
2021: Rs 15,180* *Covid-19*




Travel has resumed, and tourists are back to our shores. After the lifting of all travel restrictions in December 2021, Haute Rive Azuri Hotel Ltd registered a spike in occupancy rate which reached 62% (2021 – 20%). This increase in occupancy resulted in a turnover growth 207% for the year. It is to be noted that the losses of our hospitality cluster have been contained, reporting operating profit of Rs 20.6 million for the year (2021 operating losses of Rs 30.5 million).

## SERVICES

### REVENUE

**Rs 46.4 m**

2021: Rs 31.2 m

### OPERATING LOSSES

**Rs 4.5 m**

2021: Rs 6.5 m

### TEAM MEMBERS

**102**

2021: 97

The revenues generated by the Service segment continue to grow although they remain marginal for the Group. We consider however the segment as crucial to favour the stress-free ownership and lifestyle in Azuri and to contribute strongly to faster sales.

As part of our operational excellence drive, we are embarking on service excellence journey with Ron Kaufman's Uplifting Service programme. Four of our operations managers will initially be trained as service excellence leaders before embedding in the rest of the organisation.

## Azuri Village offers a safe and inspiring home for families of all ages and sizes.

The village's youngest residents get the best possible start at the Montessori Playhouse. Focusing on each child's all-round well-being, the Montessori philosophy is a perfect match for the Azuri ethos.

# Board of Directors

## Jean-Claude Béga

**Non-Executive Director & Chairman**
*Citizen and Resident of Mauritius*

**Appointed:**
- 14/10/2020 (Board) & 11/01/2021 (Chairman of the Board)

**Skills & Experience**
- Born in 1963, Jean-Claude started his career in 1980, spending seven years as external auditor before moving to a sugar group to perform various functions within accounting and finance. He joined GML in 1997 as Finance Manager and is currently the Group Head of Financial Services and Business Development and Executive Director of IBL Ltd.

**Qualifications**
- Fellow of the Association of Chartered Certified Accountants.

**Core competencies**
- Finance, Mergers and Acquisitions, Strategic Development

**External appointments include**
- IBL Ltd
- Phoenix Beverages Limited
- Lux Island Resorts Ltd
- The United Basalt Products Ltd
- The Bee Equity Partners Ltd
- EKADA Capital Ltd

## Jan Boullé

**Non-Executive Director**
*Citizen and resident of Mauritius*

**Appointed:**
- 23/02/2018 (Board)

**Skills and experience**
- Jan Boullé worked for The Constance Group from 1984 to 2016 and occupied various executive positions and directorships. He has a particular expertise in hospitality and real estate development.

**Qualifications**
- "Ingenieur Statisticien Economiste" France
- Post Graduate studies in Economics – Université Laval- Canada

**Core competencies**
- Strategic Development, Hospitality, Real Estate Development.

**External appointments**
- IBL Ltd
- Lux Island Resorts Ltd
- Phoenix Beverages Limited
- The United Basalt Products Limited
- Phoenix Investment Company Limited
- Camp Investment Company Limited
- AfrAsia Bank Ltd

## Michele Anne Espitalier Noel

**Executive Director**
*Citizen and resident of Mauritius*

**Appointed:**
- 11/02/2020 (Board)

**Skills & Experience**
- Joined IOREC as Corporate Finance Executive to provide direction to the financial function of the company, including corporate finance, project finance, risk management, planning and administration.
- Appointed CFO of BlueLife Limited upon the amalgamation of IOREC with BlueLife.

**Qualifications & Professional Development**
- Graduate from Ecole Supérieure de Commerce (E.S.C.A.E), Clermont Ferrand, France with specialization in audit, accounting and finance management.
- Passed the "Stockbrokers' Examination organised by the Stock Exchange Commission and the Mauritius Examination Syndicate.
- Completed the One-Year ESSEC General Management Program.

**Core Competencies**
- Project and Corporate Finance, Corporate structuring and planning, Real estate development and operations

## Ravi Prakash (Robin) Hardin

**Non-Executive Director**
*Citizen and resident of Mauritius*

**Appointed:**
- 23/02/2018 (Board)
- 23/03/2018 (Member: Audit and Risk Committee)

**Skills & Experience**
- Is the current Chief Executive Officer of Bloomage Ltd, a property fund fully owned by IBL Ltd.
- Has more than 20 years' experience at senior level in multiple geographies, working for Shell, Rogers and ENL.
- Has spent the last 15 years focusing on the real estate sector.

**Qualifications & Professional Development**
- B-Tech in Chemical Engineering, Indian Institute of Technology.
- MBA from the University of Surrey.
- Leadership development programmes from London Business School and Witts Business School.
- Property Development programme from the Graduate Business School of University of Cape Town.
- Real Estate Development, Investment and Finance programme from the International Faculty of Finance.

**Core Competencies**
- Strategic business development, real estate finance and investment, real estate asset management and real estate development

## Richard Koenig

**Independent Non-Executive Director**
*Citizen and resident of Mauritius*

**Appointed:**
- 13/08/2021 (Board)
- 24/09/2021 (Chairperson: Corporate Governance Committee)
- 19/01/2022 (Member: Audit and Risk Committee)

**Skills and experience**
- Over 25 years experience in the fields of agriculture, leisure and property as Project Manager & Corporate Executive at Espitalier Noel Ltd (ENL), CEO of Compagnie Sucriere de Bel Ombre Ltd & Case Noyale Ltd and Chief Projects & Development Executive (Real Estate) at Rogers & Co Ltd
- He has strong expertise in project management, business development and process optimisation and property development

**Qualifications**
- BSc Electronic Engineering – University of Cape Town
- Master in Business Administration – University of Cape Town

**Core competencies**
- Agri-business, real estate, business strategy

**External appointments**
- None

## Thierry Labat

**Non-Executive Director**
*Citizen and resident of Mauritius*

**Appointed:**
- 01/07/2020 (Board)

**Skills & Experience**
- Was appointed Company Secretary of GML in 2001, then Group Company Secretary & Head of the Corporate Secretarial team of IBL Ltd in 2016.
- Played a role in the successful closing of significant mergers and acquisitions of listed companies.
- Was appointed Group Head of Corporate Services of IBL Ltd in 2017, now leading the following Group functions: Corporate Affairs, Legal Affairs, Human Capital, Communications, Risk Management & Compliance, Internal Audit and Trademarks & Consulates.

**Qualifications & Professional Development**
- Chartered Secretary and Fellow of the Institute of Chartered Secretaries and Administrators (ICSA), South Africa and United Kingdom respectively.
- Executive Management Programme – ESSEC Business School

**Core Competencies**
- Governance, Compliance, Management

**External appointments**
- Is a member of the Board of Directors of several non-listed companies

# Board of **Directors** (cont'd)

## Hugues Lagesse

**Executive Director**
*Citizen and resident of Mauritius*

**Appointed:**
- 29/07/2020 (Board)

**Skills & Experience**
- Hugues Lagesse currently CEO of Bluelife Limited (BLL), was formerly Head of Projects and Strategic Property Development at BLL, a real estate company that develops property in Mauritius. He has acquired considerable experience and competence in high-end residential and mixed-use real estate.

**Qualifications & Professional Development**
- Diploma in Administration and Finance – Ecole Supérieure de Gestion – Paris
- Management Program INSEAD - France
- Real Estate Program – Harvard Business School – United States
- General Management Program for Mauritius and South East Africa – ESSEC

**Core Competencies**
- Real Estate, Property development, Management.

**External appointments**
- IBL Ltd
- Phoenix Beverages Limited
- Phoenix Investment Company Limited
- Camp Investment Company Limited

## Doreen Lam

**Independent Non-Executive Director**
*Citizen and resident of Mauritius*

**Appointed:**
- 13/08/2021 (Board)
- 24/09/2021 (Chairperson: Audit and Risk Committee)

**Skills and experience**
- Over 20 years' experience in the UK and Mauritius in various sectors and Chief Manager – Finance at ABC Motors from 2021
- Focus on real estate in Mauritius for the past 12 years as Executive Director and CFO of Lavastone Properties from 2018 to 2021 and Financial Controller of the Property division at Medine from 2009 to 2018.
- UK experience includes audit experience at Ernst & Young and controller position at Shell

**Qualifications & Professional Development**
- Executive Management Programme – ESSEC Business School
- Fellow Chartered Accountant - Institute of Chartered Accountants of England and Wales
- Bsc Management Sciences - London School of Economics and Political Science

**Core competencies**
- Finance and strategy, risk management, real estate development and management, audit and assurance

**External appointments**
- None

# Chairman's Message

**Dear Shareholder,**

After the global challenges of 2020-2021, and despite a difficult market environment, particularly in the early part of the financial year under review, 2021-2022 has been a positive year for BlueLife Limited. The resilience of our teams, and the optimisation of processes initiated during the enforced lull of pandemic restrictions led to valuable internal adjustments that have started producing noteworthy results. As international borders re-opened and travel once again became broadly possible, both the hospitality and property segments bounced back swiftly and experienced a positive second half of the year.

In the financial year under review, BlueLife reported a Group profit of Rs 119.2 million, in contrast to the previous year's loss, and the group's debt to equity ratio has been reduced to 40% (2021 - 55%) through restructuring and divestment from non-core assets. The Group's total assets at year-end stand at Rs 3.4 billion, with a net asset value per share of Rs 1.89 (2021 Rs 1.80).

A milestone achievement for 2021-2022 is the certification of our flagship project, Azuri Ocean & Golf Village as a 'Smart City', recognising the strong intent and extensive efforts made to give a direction in the form of a 10–15-year masterplan for our 377 Arpents land bank as a smart and vibrant place to live by the sea with peace of mind and wellbeing at its heart. This certification positions us to move forward on a reenergised foundation, increasing inward investment to the region from local and international businesses in a wide range of sectors, and expanding the village's scope and facilities, whilst remaining mindful of both the people-focused nature of the development and our ecological footprint. Our property development and sales teams have made good use of the enforced slow-down of COVID-19 and launched a new portfolio of five residential projects under the Smart City scheme within Azuri that were marketed in the year under review.

In line with our strategy of seeking to reduce the group's indebtedness and to generate cash through the sale of non-core assets, we sold the last units at MotorCity in Forbach. In addition, BlueLife has recently divested from its shares in PL Resort Ltd, the operating company for the Radisson Blu Poste Lafayette Resort & Spa. This frees us to focus more intently on implementing our masterplan for Azuri, and to move forward with future development projects under the 'Smart City' banner.

Still within the hospitality sector, a capital restructuring of Haute Rive Azuri Hotel Limited has produced positive outcomes in relation to financial indicators. An influx of business as lockdowns lifted and the world returned to travel saw an outstanding effort by our hospitality teams rewarded with 75% occupancy rates in the second half of the year. It is also to be noted that the losses of our hospitality cluster have been contained, reporting operating profit of Rs 20.6 million for the year (2021 operating losses of Rs 30.5 million).

Our reputation as a principled, responsible, and legacy driven developer is of key importance to our business model; it is a value proposition that distinguishes us within the industry and increases our appeal in a market increasingly concerned with ethical consumption. During the financial year 2021-2022 we commissioned Kantar Analysis to conduct a survey of Azuri residents and locals from the wider region to ensure that BlueLife is meeting its goals in this regard.

Several eco-friendly initiatives have been introduced at Azuri over the course of the year in review, notably the installation of smart water metering system that will assist the estate to monitor the water distribution in the village and reduce water wastage. A waste sorting process was also implemented in the Azuri village. This initiative, named #Prankont, has been expanded to include nearby villages, with regular beach clean ups and trash sorting educational actions. Socially, BlueLife has collaborated with a number of NGOs and local organisations that support vulnerable groups within the wider community – we are particularly proud of our work with the Anou Grandi School.

Regionally, we are an engaged employer, with 338 employees at present count, and the surge of economic activity on the east coast created by Azuri's appeal to local and international businesses benefits the wider area in a range of ways. With more families making Azuri their home - there are now 600 year-round residents from 15 nations, including 250 family groups – the educational needs of the region are high on our future priorities, as are the ecological challenges of the future. Thorough processes in each BlueLife development ensure not only optimum liveability and broad aspirational accessibility, but also high levels of sustainability and low ecological impact in line with the 'Smart City' ethos. With certification now achieved, we can move forward, capitalising on the solid groundwork that has already been laid over the last 10 years.

It has been my honour to serve as Chairman in this challenging, but rewarding, year. I would like to extend my thanks to my fellow board members - particularly to former chairman, Kishore Sunil Banymandhub, and Roshan Ramoly, both of whom stepped down from the board over the course of the year. I am grateful to our CEO Hugues Lagesse for his continued dedication to BlueLife, and finally, to our team of employees, whose tenacity and inventiveness have been of great value over the last two years.

**Jean-Claude Béga**
*Chairman*

**Our reputation as a principled, responsible, and legacy driven developer is of key importance to our business model; it is a value proposition that distinguishes us within the industry and increases our appeal in a market increasingly concerned with ethical consumption.**

# CEO's Report

What a year of turnaround it has been! From coming out from a global pandemic to giving a new impulse to our three core segments, Property development, Hospitality and Services, 2021-2022 has been a good year for the company. The outlook is pleasingly healthy as we have received our Smart City certification, EIA and building permits for our residential projects to break ground..

While the first six months of the financial year were affected by ongoing travel restrictions, a rapid pick-up in business was seen once international travel was able to resume, particularly in the hospitality sector. It is so good to see that our hotel is back to a 75% occupancy rate in the second half of the financial year and that our village outlets and facilities are thriving.

The Group reported a profit of Rs 119.2 million (2021 – loss Rs 203.1 million) for the year ended 30 June 2022. This performance is mainly driven by improved performance of our hotel segment at the back of a recovery of the sector with revenue increasing to Rs 240 million (2021 – Rs 78 million), our property segment reported higher revenues from the sale of serviced lands in our IRS development amounting to Rs 83 million (2021 – Rs 9.5 million) and a fair value gain on the revaluation of investment properties amounting to Rs 242.4 million (2021 – loss Rs 1.6 million).

In the course of this financial year, we completed the sale of our stake in PL Resort Ltd (owner of the Radisson Blu Poste Lafayette) as well as the capital restructuring of Haute Rive Azuri Hotel Ltd (owner of Radisson Blu Azuri). These have contributed to reducing further the Group's indebtedness with Net Borrowings of Rs 871 million(2021 Rs 1.15 billion) and Debt-to-equity of 40% (2021 55%)

The total assets of the Group as at 30 June 2022 stood at Rs 3.4 billion out of which Rs 2.7 billion are in our Property Segment representing carried cost for properties available for sale, preliminary project planning and design expenses relating to on-going projects and the value of 403 arpents of freehold land available for future development.

This is a year of celebration for BlueLife, marking the 10th anniversary of the start of the adventure that has become our flagship project: Azuri Ocean & Golf Village. Part of that adventure has been the pursuit of 'Smart City' certification for the village (although we prefer to think of it as a 'Smart Destination'), and I'm delighted to report that this status was conferred on 3rd June 2022. The certification process has been a lengthy and frustrating one, at times, that has been subject to administrative delays beyond our control. While it is rewarding to finally receive this acknowledgement, several permits for further development have been held in suspension for some months, and it must be hoped that future applications will be moved through the various external processes with more alacrity, recognising the broader potential benefits of such accreditations.

Achieving 'Smart City' designation indicates that our destination has optimised its services and infrastructure, using cutting-edge processes, infrastructure, and technology to benefit inhabitants and businesses alike. Our vison for Azuri goes beyond that, as we focus our purpose on Health, Happiness, and Well-being for all, with three pillars:

- Connection with the Earth, through infrastructure, forward planning, and personal lifestyle engagement,

- Health and Wellbeing, through a community-focused approach that adopts the benefits of traditional Mauritian living allied with the best of new technologies; and

- Industry Creation that brings entrepreneurial, creative, and high-tech businesses to Azuri alongside small and developing enterprises in a "blue economy" that creates prosperity while respecting the oceanic environment and promoting civic engagement.

With initiatives relating to all three pillars already underway, Azuri is well on its journey to becoming a 'place to be', for would-be residents and visitors alike.

The positive lifestyle patterns of the village are designed to facilitate and also to contribute significantly to its' success. New sustainability initiatives, such as residential waste sorting and grey water re-use as well as increased on-site provision for the needs of families (the Montessori Playhouse now welcomes 22 children) attract residents looking to establish a home that is actively providing for and adapting to the future. Investment in leisure and social facilities and events has increased footfall and created an ambiance that combines carefree island living with

# CEO's Report (cont'd)

sophisticated urban environment. The expanded and refurbished Oxygen Racket and Fitness Club, the newly-renovated Café Gioia – an Italian-inspired café –, and soon-to-be Le Poivrier beach restaurant – an already well-known brand on the island - provide social centre points for village life for all ages, from early-morning to late at night.

The biggest event in the final quarter of 2022 will be the opening of The Nine - Azuri Golf Course. Mauritius' one of the kind signature par-3, nine-hole course, designed by acclaimed course architects IMG to international standards – adds another dimension to the village. Its signature 9th hole replicates the famous 17th hole at Florida's TPS Sawgrass course, and the clubhouse – family-friendly, with a 50-seat bistro-style restaurant – will add another social hub to village life. The surrounding residential areas are already in high demand, with 10 of the 22 course-adjacent villas at Ennea Golf Villas – our sixth new project to market this year - already sold.

The vibrant and healthy lifestyle on offer at Azuri and the village's beautiful location by the sea, have certainly contributed to the attractiveness for our residential projects launched in the course of this financial year, with 97% of properties in five new residential launches already reserved. It should be noted that Revenue from these sales will first be reflected in the next financial year due to the time lapse between reservation and the completion of construction. The dynamism of our resale and rental markets – 73 new rentals and resales in the financial year - also inspires confidence as we open new plots of land for development and commercialisation.

The boom in business following the re-opening of international borders has put service in the spotlight, and BlueLife has restructured its teams in rental and sales administration, as well as property management and home maintenance. Service is key to BlueLife's legacy as a developer, and although investment in this area creates only marginal direct gains, the support systems we create around our development model offer buyers stress-free home ownership - an essential added-value that sets us apart from other developers. It is also critical that the excellence of our service matches the material quality of our developments. The company has launched a service excellence initiative with that in mind.

It is my pleasure and privilege to conclude by expressing my thanks to the Board of Directors for their trust and confidence over the past year, and as we move forward, and to the teams whose energy and day-to-day efforts have made such an enormous contribution to the many positive and exciting outcomes this report reflects.

**Hugues Lagesse**
*Chief Executive Officer*

**"This is a year of celebration for BlueLife, marking the 10th anniversary of the start of the adventure that has become our flagship project: Azuri Ocean & Golf Village. Part of that adventure has been the pursuit of 'Smart City' certification for the village (although we prefer to think of it as a 'Smart Destination'), and I'm delighted to report that this status was conferred on 3rd June 2022.**

# Management
Team

**From left to right**

Guy Regis Fanchette (*Head of Estate Services / General Manager*), Elodie Rey (*Sales Manager*), Hugues Lagesse *(Executive Director & Chief Executive Officer)*, Vinesh Sewraz *(Operations Manager)*, Paula Danjoux *(Office Manager & PA to CEO)*, Nicolas Rey *(Head of Projects)*, Isabelle Jacques *(HR & IT Manager)*, Niresh Buton *(Head of Finance)*, Jerome Ritter *(Senior Project Executive)*, Nervin Maurimootoo *(Resident Manager)*, Michele Anne Espitalier Noel *(Executive Director and Chief Finance Officer)*

# Management
## Team (cont'd)

### Hugues Lagesse
**Chief Executive Officer & Executive Director**

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 completed a one-year general management programme offered by ESSEC and specifically designed for GML Executives. After joining BlueLife in 2007 as Project Executive, Hugues was actively involved in the conception and deployment of projects which came to define BlueLife's prestige and identity. He is driven by his perseverance and dedication to making a difference. He believes in the power of people's brilliant minds coming together to create a better future, as a legacy for future generations.

### Isabelle Jacques
**HR and IT Manager**

Isabelle joined BlueLife Limited in July 2015 as Office and IT 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.

### Guy Regis Fanchette
**Head of Estate Services / General Manager**

After graduating from the University of Mauritius in Physics, Guy-Regis has started his working career as a secondary school teacher. During this time he completed an MSc in Environmental Engineering from the same university. Moving into the business environment, he joined a young technico-commercial company and was instrumental to its development. Building up his skills he completed an MBA from University of Surrey. He then joined EnATT, and ENL group company managing retail and commercial assets. In March 2016, Guy-Regis joined BlueLife as the Manager for Azuri Estate Management Ltd, set up as the "private municipality" of Azuri and General Manager of Ocean Edge Property Management Ltd, the syndic management company of BlueLife. He is also in charge of Azuri Services which provides technical, maintenance & housekeeping services to the residents of Azuri.

### 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 completed the One-Year ESSEC General Management Program designed for GML Executives.

### Nicolas Rey
**Head of Projects**

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. In 2019, Nicolas was responsible for monitoring various operational departments and contributing to the Company's overall financial strategy. In 2021, Nicolas took the responsibility of heading the Projects department and bringing his expertise to the development of the Azuri Smart City.

**“Happiness, Health, and Wellbeing” is the goal at Azuri Village; the newly-renovated Oxygen Racket and Fitness Club provides a wealth of opportunities to be active.**

Tennis fan or swimmer, committed to CrossFit or seeking better alignment through Pilates or yoga, the club has something that’s just your speed.

# Sustainability &
## Community Engagement

The UN's 2030 Agenda for Sustainable Development includes several specific goals; the third focuses on ensuring access to the resources needed to live healthy lives, as well as promoting well-being for all. BlueLife's flagship project, the Azuri Ocean Village, is wholeheartedly aligned with this goal; the raison d'être behind the village's development - "Happiness, health, and well-being" – reflects the company's commitment to creating an environment that supports lifestyle patterns that will produce optimum physical and mental health. The guiding ethos behind Azuri also aligns with additional UN Sustainable Development Goals – on sustainability, clean energy, and social investment that supports local communities.

This consideration of our resources and how they can best serve those who live in a particular environment is also an important feature of the Smart City movement to which we subscribe. It is also essential that we are conscious of our potential impact on the environment and the wider region, seeking always to find ways to minimise our ecological footprint and enhance the positives of our presence.

A materiality study carried out in 2021 showed that while Azuri is already undertaking many positive steps and initiatives, there is more still to do. With that idea firmly in sight, we have defined our objectives for the future under three headings:

### Connect to the Environment

All over the world, communities and businesses are working to reduce their carbon footprint. Azuri's goal is a 30% reduction in overall carbon emissions by 2030, focusing on waste, water, and energy. Simple, but effective measures such as eliminating single-use plastics and residential waste sorting take us a long way toward this target. A new initiative for Mauritius, waste sorting bins in residential areas allow rubbish to be effectively recycled, while landfill or incineration is minimised. This strategy extends to the wider region, supported by our social engagement program, with sorting bins also placed in other nearby villages.

Azuri already conserves water by treating and re-using grey water to irrigate the village's green zones. The introduction of a smart metering system will help monitor water consumption in the village and reduce water wastage. Changing our energy usage presents more challenges to change, but by increasing the use of renewable energy sources and adopting new, energy-efficient technologies, savings can be made here too – keep an eye out for the electric shuttle bus that will soon provide transport around the Azuri village!

People power plays an important role in creating change and environmental connection. The 'Prankont' (Creole for "be aware") campaign brings together a wide segment of Azuri employees and residents to make a difference close to home, and further afield. Clean ups of local public beaches have collected up to two tons of rubbish on each occasion, improving the regional environment and contributing to combatting the massive global problem of ocean pollution which poses such a threat to marine nations like Mauritius.

#Prankont also plays a major role in efforts to raise environmental awareness in the region. Bringing together a diverse group of people in pursuit of a shared goal, it also promotes the second of our key objectives:

### COMMUNITY ENGAGEMENT

As a Mauritian company, BlueLife is committed to investing in the island's future and to creating opportunities in all segments of our society. Internship programs within the Group's various subsidiaries offer young Mauritians stepping-stones into careers, but grass-roots organisations do valuable work that also benefits from our support. Alongside sponsorship and subsidies offered to youth-focused activities such as football clubs, BlueLife has played its part in the renovation of the Anou Grandi school for developmentally disabled children. Working in partnership with local NGOs, we strive to be aware of the needs of other vulnerable groups, including the elderly and those dealing with physical disabilities.

Regular blood donation drives contribute to the nation's health on a broader level, but care begins closer to home, with twice-yearly medical check-ups available for employees and Azuri residents alike, including diagnostic testing and education about health risks. Health and well-being stand at the centre of the Azuri ethos, so it makes sense that our third objective is framed in those terms.

"Happiness inspires the lifestyles we create." Whether through eco-friendly initiatives, giving back to the community, or simply making it easier to live a long and healthy life, BlueLife and Azuri are actively engaged in creating the lifestyle patterns that will give us a thriving community, a healthy planet, and happy individuals.

# Human
Capital

## FOSTERING HEALTH, SAFETY AND WELL-BEING AS WORKPLACE IDEALS

After the complicated times of the Covid pandemic, our operations are now back to working at full capacity. We are particularly focused this year on health and safety, training and employee wellbeing. We have also embarked on a service excellence journey which will be rolled out on an ongoing basis.

### Health and Safety

BlueLife 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.

In order to minimise accidents and reduce risk, during the last year, we have concentrated on ensuring that our staff are briefed and trained on the hazards inherent to their specific tasks. An induction health & safety program has been put in place with refresher courses and reminders at morning briefings. We have also ensured that adequate PPE is available and supplied to staff, and that they wear the appropriate equipment.

We have also improved the mess and rest room facilities on site. The store is also in process of being re-organised to ensure segregation of hazardous materials.

An extensive survey has been carried out to ensure that all our commercial buildings are correctly protected in case of fire, and remedial action is being carried out where necessary. Furthermore, we have established an ongoing fire training schedule for a number of our staff.

### Training and development

We are very aware that to deliver a good service in a safe environment, our staff needs ongoing training.

- Our Security and CCTV team underwent extensive training in September and October 2021 and internal sessions are being carried out to train newcomers.
- Fire awareness and basic firefighting training was given to 20 staff members and a Fire Warden course is scheduled for September 2022.
- Health & Safety at Work training is given by our health and safety officer to all new staff members and refresher courses are given to existing staff on an ongoing basis
- In line with our commitment to promoting sustainable developments and operations, 20 staff members attended a workshop on “La fresque du climat”
- We upgraded our accounting software and the accounting team all underwent extensive training on the new software.
- We have moved our filing system to SharePoint and trained the IT manager on the management of Cloud filing

### Well-being

BlueLife takes to heart the wellbeing of its staff and has embarked on a journey of ongoing campaigns to promote staff wellbeing.

- Gym memberships are sponsored by the company to encourage staff to exercise at the gym. A group of staff is doing power walks around the village once a week.
- Bi-annual medical check-ups and talks on relevant topics are being organised.
- With the dramatic increase in the cost of living in the last year, in line with IBL, BlueLife has given supermarket vouchers to vulnerable staff to help them make both ends meet.

### Striving for Excellence in Service

Our goal is to make Azuri an exceptional brand. To help us achieve this, we have embarked on a Service Excellence journey with “Ron Kaufman’s Uplifting Service” programme.

Four of our managers are being trained as service excellence leaders. During the coming months, they will in turn train all our staff to become service excellence champions. We are integrating this with the process of defining values for Azuri; every staff member at Azuri will be given the opportunity to live and breathe these values through the excellence program. This will be extended to other stakeholders at Azuri during the months to come and will become part of the induction process of all staff and stakeholders.

### Leavers and New staff

The major changes at head and management level that have occurred since our last report are as follows:

Niresh Buton joined in December 2021 as Head of Finance. His past experience provides strong added value to BlueLife’s financial department reorganisation.

Elodie Rey joined the sales department and was promoted to Sales Manager at the beginning of January 2022.

Jerome Ritter joined the Project team as Senior Project Executive in February 2022. He previously worked for a Smart City property developer and his valuable expertise in real estate will be of great benefit to the management of new projects within the Group. The project team is also being reinforced at staff level.

Vinesh Sewraz joined the Operations cluster as Operations Manager for Azuri Services Ltd, to take on the challenge of bringing the facilities management services to the service excellence level we aim to achieve.

Aurelie Pitot, our Head of Commercial, left us in July 2022 after 1.5 years with us to take on new challenges. Aurelie was key to getting our rental and property management operations on track and structuring our retail assets department.

# Human Capital (cont'd)

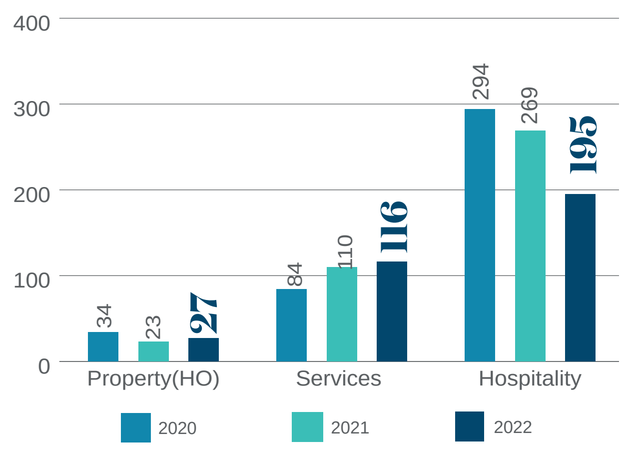
### HR at a glance…

## 338 EMPLOYEES

2021 : 402 employees

The reduction in employees is the result of the sale of PL Resort Ltd, owner of the Radisson Blu Poste Lafayette.

### Employees by segment

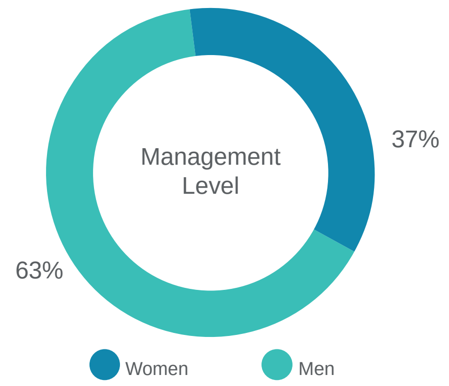



## 35% WOMEN 65% MEN

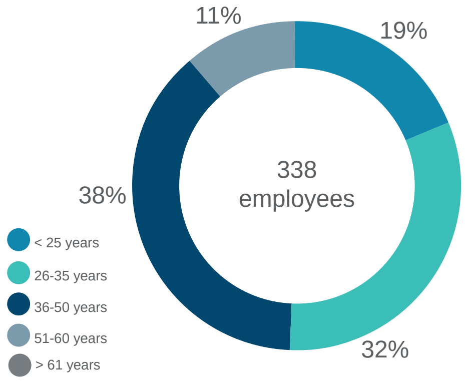
2021 : 34 % 66%

Gender diversity has remained stable for several years as the particular nature of our activities favours male personnel (hotels and services tend to employ 7 men in every 10 employees).

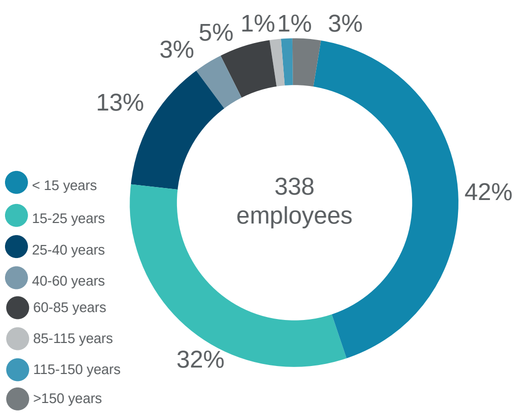
Female empowerment is important to the social fabric of the workforce, and society as a whole. BLL policy remains that selection is based on finding the best person for the role; in so choosing, we recognise the benefits to our business of having a gender-diverse team.




### Employees : age profile




### Employees by salary range




Our workforce demographics have not changed much from last year, with 50% of our staff under 35 years of age. We value the dynamic of a young workforce as a source of new ideas and perspectives.

We are committed to encouraging our staff to grow within the Group, and with this endeavour in mind we provide training and mentoring at various levels to promote job satisfaction and self-confidence.

# Out with the old, in with the new? Not quite! Azuri connects the past with the present, incorporating elements of Mauritius' history into its masterplan.

These coastal lime kilns are a village landmark, preserving vestiges of the region's story and offering stunning views over the lagoon.

# Risk
Management

BlueLife faces the risks and uncertainties inherent to the property development sector as well as those associated with the economic situation and the financial world. The 2021/2022 financial period post COVID-19 has presented a number of uncertainties, challenges and associated risks for the Group and has set priorities mainly in our Property development segment.

The successful management of risk is critical for the Group to deliver its strategic priorities. Whilst the ultimate responsibility for risk management rests with the board, the effective day to day management of risk is integral in the way we do business and the culture of our team. We consider that risk management and mitigation is of collective responsibility within our organisation and we promote the risk awareness culture within the team.

## OUR RISK CULTURE AND OUR MANAGEMENT OF RISKS

The conduct of our businesses and activities inherently exposes our organisation to risks. This is why it is essential that the whole organisation is made aware of the risks involved, and of the need to install a proper Risk Management System to identify, monitor, and control risk. We:

- Ensure that the Management Team in all divisions develop a risk awareness culture and that all procedures are in place to identify, assess, report and monitor the major risks in our day-to-day operations.
- Structure the reporting and decision-making processes, adopting collegial decision making with respect to some critical areas.
- Promote increased exchange of relevant information between the various clusters in the Group, particularly with formalised structured meetings where risks can be anticipated at early stages and mitigating actions taken

## Our focus during the year

**Monitoring real estate transactions in line with the Financial Intelligence Anti-Money Laundering Act**. In the course of the year, and in line with protocols established and approved by the Board, we systematically performed due diligence checks on prospective buyers of our new projects as well as property resales in Azuri, in specific cases enhanced due diligences were carried out.

During the year, our Policies, Controls and Procedures (PCPs) have been audited by the Government Authorities and by our internal auditors. Proposed amendments as suggested by the latter have been taken on board. A revised version of the PCPs has been issued in September 2022 and approved by the Board of Directors.

Five boards members, the Chairman, the two executive directors, the Chairman of the Audit and Risk Committee and one independent director, followed an AML/CFT training. Training was also cascaded down to our concerned employees who are on the front line.

**Planning Permits.** Our businesses are highly dependent on receiving relevant planning permits on time, delay in approvals will cause sales and construction programmes to be deferred and will affect revenue and profit. This year, our Project team has extensively dealt with all relevant Authorities to secure the permits needed for our projects to be commercialised. We obtained the Smart City Certificate on 3 June 2022, the Environment Impact Assessment (EIA) for all projects on 18 August 2022 and Building and Land Use Permits (BLUP) on 3 June 2022 for Smart City Infrastructure works and 27 September 2022 for construction of various projects.

**Promoting the selling of residential properties in Azuri.** One of our strategic priorities in this financial year was to secure and convert leads into effective reservations agreements with deposits. Our new projects, namely Les Hautes Rives, Ennea North and Amara serviced lands as well as Halona townhouses (84 lots) are to date fully reserved. As we have received BLUP, construction of these projects is to start shortly and revenue and profit shall be accounted in the 2022/2023 financial year. We continue the commercialisation of two additional projects, the 8 Palmea villas  and the 22 Ennea Golf Villas in two phases with already 50% reservations received and look forward to also break ground later in this financial year.

## Developing a risk appetite statement for BlueLife

Context:

- We are focusing more and more only on Azuri development in the short to medium term;
- We operate only in Mauritius although a major part of our on-going development projects is focussing on attracting foreigners to acquire a property in Azuri;
- We manage our operational risk, in particular with respect to our property development, in tune with market conditions;
- We are always looking to restore low financial risk through conservative financial leverage.

In the coming weeks with the guidance of a risk consultant expert, we are embarking on the exercise of clarifying, developing, and implementing a risk appetite statement for the Group to better align on the current strategic direction, risk profile and culture.

We shall frame our risk appetite around the Group's main risk areas as follows:

| | | |
|---|---|---|
| Business | Reputation | Financial |
| Compliance | People | Environment |

## How the Board monitors the Group's principal risks

The Group's principal risks and the processes through which we aim to manage these risks are outlined in the following pages. We favour regular overseeing by the relevant Committees and the board. On-going monitoring of our principal risks and controls by the Board is undertaken by:

- The CEO reporting on the market conditions dashboards, operational parameters and people as appropriate at each of the scheduled Board or Board Committee Meetings;
- The CEO, as Executive Director, communicate with the Board on any significant market and operational matters between Board meetings;
- The CFO reporting on the Group's results, forecasts, cash-flows and gearing ratios;
- The CEO and CFO attending the Audit and Risk Committee to present a comprehensive review of the risk framework and risk management plan once a year and at every meeting a follow up on risks highlighted and actions enforced;
- Senior executives attending, on request, the Audit and Risk Committee and/or the Strategic Committee as appropriate to discuss specific risks either across the business such as project development risks, construction and health & safety risks etc.;
- Internal auditors attending the Audit and Risk Committee meeting, as appropriate, for comprehensive presentation of the conducted reviews and discuss the earmarked issues as well as agreeing on planning and receiving comfort that the management has taken on board recommendations.

## Risk management framework

Risk is managed at various levels in our organisation and our risk framework is being set on the 3 lines of defence approach moving up to the Board of Directors acting as overseeing body. The Board establishes a governance structure as defined in the table below, identifying any desirable changes to the risk culture into the organisation and ensuring that management takes all steps required to address those changes. The framework is illustrated below:

**Board**

| | |
|---|---|
| • Establish a governance structure (board sub-committees, executives responsibilities and risk management and assurance functions)<br>• Is ultimately responsible for the risk management framework and oversses its operations by the management<br>• Sets the risks appetite within which it expects management to operate and approves the risk appetite statement | • Approves the Group's risk management strategy<br>• Forms a view of the risk culture in the Group and the extent to which that culture supports the ability of the Group to operate consistently within its risks appetite, identifies any desirable changes to risk culture and ensures the Group takes steps to address those changes |

**Audit & Risk Commitee**

| 1st Line of defence<br>Risk owners | 2nd Line of defence<br>Risk owners | 1rd Line of defence<br>Risk owners |
|---|---|---|
| **Business management** | **Risk management and compliance functions** | **Internal audit function other assurance providers** |
| Implementation, ongoing maintenance and enhancement of the risk management framework, including:<br>• identification and effective management / mitigiation of risks; and<br>• issues identificaiton, recording escalation and management | Independant oversight of the risk profile and risk managment framework, including:<br>• effective challenge to activities and decisions that materially affect the Group's risk profile;<br>• assistance in developng, maintaining and enhancing the risk management framework;<br>• independent reporting line to appropriately escalate issues. | • At least annually, indenpendent assurance that the risk managment framework has been complied with and is operating effectively.<br>• At least every three years, a comprehensive review of the appropraiteness, effectiveness and adequacy of the risk management framework |

**Business risks**

# Risk Management (cont'd)

## Top Group Risks

The principal risks of the Group are explained in the below table. These risks could materially affect the Group's performance, revenue and profits.

| Risk description | Risk description | Trigger event / indicator | Main BU concerned | |
|---|---|---|---|---|
| Macro-Economic uncertainties | • An economic downturn or recession that results in customers freezing new spending.<br>• Financial turmoil in our traditional market feeders leading to continued low occupier demand and pricing correction.<br>• A decline in the attractiveness of Mauritius to international visitors | • Pandemic outbreak in our main source markets | • Property Development<br>• Hotels | |
| Increases in construction costs | • Construction cost is a key factor in property development and is more critical for projects sold off plans with sales price already fixed. Any increase in construction cost when construction start several months after sales will affect profitability. | • Increase in world price of fuel and key construction products<br>• Increase in labour cost<br>• Depreciation of local currency | • Property Development | |
| Liquidity & gearing risks | • The risk that the company's available cash will not be sufficient will impact the ability to make full and timely payments. There is a need for operating capital to keep the company in business and to avoid disruption of operations. It is also essential that the company meets its financial obligations to avoid any case of insolvency and bankruptcy.<br>• The bank facilities are subject to some restrictions and covenants that may limit our flexibility in business operations. | • Unavailability of cash to fund the business and meet our obligations<br>• OD limits reached<br>• Limitation in our ability to access, engage into transactions or projects<br>• Deterioration of the covenant ratios<br>• Financial institutions exposure to real estate or to the majority shareholder's group, limiting lending capacity of some institutions | • The Company<br>• Hotels<br>• Property development | |
| Planning & permits | Our businesses are highly dependent on receiving relevant planning permits; delay in approval of permits will cause sales and construction programmes to be deferred and will affect revenue and profit. | • Failure to gain viable planning consents<br>• Failure or delay to gain relevant permits or application rejected | • Property Development | |
| Legal & Regulatory risks | • Failure to comply to laws and regulations can result in significant costs and penalties, revocation of licence or Stop Orders / suspension of operations<br>• Introduction or changes in legislations resulting in increased compliance costs<br>• Inclusion of Mauritius on EU blacklist damaging the country's reputation and attractiveness causing clients exodus to competing destination impact on our Property development segment<br>• Government policy decisions may impact performance | • Health and safety or environmental issues found by authorities on a project<br>• Being made aware of failures to comply with the law/regulations through Criminal / Civil prosecution<br>• Enactment of Real Estate Authority Act, Anti Money Laundering and Combatting the Financing of Terrorism and Proliferation (Miscellaneous Provisions) Act 2019<br>• Changes in Workers' Right Act | • Property Development<br>• Operations and services<br>• Hotels | |

| | Present Risk Rating after mitigation | Likelihood change from LY | Impact change from LY | Control process to mitigate risk |
|---|---|---|---|---|
| | HIGH | ↑ | — | • Build attractive residences on prime sites to enhance demand<br>• Look at new markets [Africa, Far East]<br>• Favour agility in our product offerings at various price levels |
| | HIGH | ↑ | ↑ | • Favour a detailed design - Built methodology to ensure costing are made on detailed designs<br>• Treat the general contractor as a trusted adviser or partner, leverage to ensure proper costing at start<br>• Use controlled pricing mechanisms when entering into construction contracts<br>• Change in construction management model |
| | HIGH | ↑ | — | • Maintaining a sufficiently large liquidity buffer or alternatively adequate contingency funding plans<br>• Maintaining conservative loan to value ratios and spread the maturity profile of debt evenly<br>• Work on immediate solutions to raise cash particularly through the sale of assets<br>• Diversification of funding providers<br>• Regular liquidity stress testing and scenario analysis<br>• Rights and Bond issues arranged to restructure group debt and to make available appropriate funds for development |
| | HIGH | ↓ | — | • Keep abreast with changes in legislation in relation to planning and development<br>• Select competent professionals to ensure that all planning guidelines are followed in project development<br>• Submit complete files to relevant authorities in order to avoid delays which are linked to incomplete files<br>• Early engagement with planning authorities to ease the process as well as nurturing of strong ongoing relationships throughout the process |
| | HIGH | — | — | • Assess, on a regular basis, the legal and regulatory framework in relation to the industry<br>• Keep abreast with changes in the legal framework though relationships with other industry players (forum, formal or informal meetings)<br>• Establish internal procedures and controls to comply with prevalent legislations<br>• Appointment of a Compliance Officer and of a Money Laundering Reporting Officer<br>• AML/CFT Policies and Procedures have been written and approved by the Board<br>• Training of employees in concerned BU<br>• Ensure close communication and relationship with clients |

# Risk Management (cont'd)

| Risk description | Risk description | Trigger event / indicator | Main BU concerned | |
|---|---|---|---|---|
| Project Finance Cost containment and control | • The absence of the right project finance structure and the mismatch of inflows v/s outflows will increase duration or will require the abandon of project<br>• The absence of cost control measures may result in unplanned cost overruns and reduction in profit | • Projects cost report presenting variance from budget / from contracts<br>• Unmonitored calls of funds and cash inflow from buyers causing mismatch with payment to suppliers | • Property Development | |
| Business disruption risk | • Global pandemics such as COVID-19, viral outbreaks and natural catastrophes could have an adverse effect on our business, financial condition and results of operations. Threats on closure of businesses, forced redundancies.<br>• Public perception about the safety of travel and adverse publicity related to tourists, such as incidents of viral illnesses or other contagious diseases, may impact international tourism vacations and result in cancellations.<br>• Inability to be back in operations in the event of unexpected disruptions and disasters as well as loss of critical management information and delays in billing and collection of revenues | • Travel ban, closure of borders, quarantine measures<br>• Natural disaster impacting our sites, buildings and operations<br>• Theft, destruction of information and breaching the system security like hacking<br>• Lockdowns, staff absenteeism<br>• COVID-19 positive cases in workforce, in the Azuri Village | • Hotels<br>• Property Development<br>• Operations and services<br>• Administration & Management | |
| Health & Safety risks | • Unguarded machinery & Improper use of equipment causing accident and injuries<br>• Working at heights in maintenance operations causing accident and injuries<br>• Staff transportation<br>• Chemical exposure for employees causing, by inhalation, ingestion, and skin contact, irritation or even serious injury or disease | • Accident / Fatal Accident on & off Site<br>• Injuries<br>• Poisoning on site<br>• Unexpected dissemination or contamination in specific areas<br>• Enforced health checks resulting in non-compliance to regulations levels. | • Operations and services<br>• Hotels | |
| Technology efficiency | • Increased cyber threats and IT security breaches resulting in loss of critical and confidential data<br>• Data production failures having legal and reputational implications<br>• Loss of competitive advantage due to delay to respond to rapid changes in technology or to adopt new technology | • Major breakdown of cloud servers causing loss of critical data or inability to operate<br>• Increasing number of emails containing malwares | • Operations and services<br>• Administration | |

| | Present Risk Rating after mitigation | Likelihood change from LY | Impact change from LY | Control process to mitigate risk |
|---|---|---|---|---|
| | **MEDIUM (NEW)** | — | ↑ | • Share on a regular basis to the Project Management Committee the state of the cash-flow<br>• Follow the sales operations to prevent issue (price reductions to sell earlier for example…)<br>• Have an alert system in case of possible issue - don't wait for the problem...<br>• Rigorous Prog. and PM meetings to ensure the construction period is maintained<br>• Focus on cost efficiencies / cost saving factors<br>• Initiatives to reduce procurement costs<br>• Review of recoveries from contractors |
| | **MEDIUM** | ↓ | ↓ | • Procedures in place for crisis management in case of incident<br>• Ensure that all staff conversant with procedures in case of hazardous situations<br>• Establish communication protocols which favour recovery after hazardous situations<br>• Cloud based solutions hosted by reliable service providers for key databases and mails<br>• Daily backups of information<br>• Moved to a virtualised server environment<br>• Guaranteed uptime in terms of service level agreements<br>• Protocol for WFH for business continuity<br>• Insurance cover<br>• 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<br>• Vaccination of staff against COVID-19 |
| | **MEDIUM** | ↓ | — | • Abide to occupational health and safety regulations<br>• Set up safe work procedures on how work is to be carried out safely.<br>• Ensure that workers receive H&S education, training and adequate supervision.<br>• Set aside time for regular workplace safety inspections.<br>• Incident investigations to ensure that the same incident will not happen again.<br>• Read the labels and the safety data sheets (SDSs) that accompany chemicals.<br>• When handling chemicals, use personal protective equipment as recommended by the manufacturers and required by the employer.<br>• Store chemicals in a properly ventilated, locked area and post warning signs.<br>• Select trustworthy companies to ensure transport of staff/clients<br>• Control and monitor performance and adherence to safety measures<br>• Follow up on Internal Audit 2019 on Health & Safety performed in 2021 |
| | **MEDIUM** | — | — | • Moved to virtualised server environment<br>• 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<br>• IT policies in place / IT General Controls Internal Audit performed in 2021<br>• Tested Business Continuity Plan or reviewed the disaster recovery plans (DRP) for cloud based applications<br>• Continue digital transformation with implementation of Community Connected management system and computerised maintenance management system. |

# Risk Management (cont'd)

## Top direct markets' risks for our Business Units and departments

The principal risks of the Group are explained in the below table. These risks could materially affect the Group's performance, revenue and profits.

| | Property development & construction | Property sales |
|---|---|---|
| | Managing project management risks such as delays to receive permits, construction budgeting, cost overruns in terms of time, cost and quality are the highest challenges for our BU. | Decline in demand as a result of economic context and competition with other real estate developers may impact revenue and performance. |
| | *At the current stage of development of our projects under the Smart City Scheme, contracts are currently being negotiated with contractors/suppliers where selling prices are fixed as units are sold out., As such there is a risk of construction costs increasing beyond contingencies and duration exceeding current planification. Those two risks associated with property development could impact our capacity to meet targets in terms of profit and timing of cash flows and our ability to generate cash for our businesses as initially planned.* | *One of our strategic priorities in the financial year 21/22 was to secure and convert leads on our off-plan projects into effective reservations agreements with deposits. Our new projects, namely Les Hautes Rives, Ennea North and Amara serviced lands as well as Halona townhouses (84 lots) targeted mainly to the local market, are to date fully reserved.*<br>*We continuously rely largely on the ability of design and concepts to be attractive, on the right pricing and products mix as well as performing sales team and channels as we derive future cash flow* |
| BU MARKETS' RISKS AND THEIR IMPACT | • As we are highly dependent on the Property Development segment for future results, unexpected delays in obtaining relevant permits will exposure the Group to revenue being deferred and cash flows to deteriorate.<br>• Selecting the wrong professionals and contractors may lead to inefficient building designs, budgeting errors, disruption in the construction programmes. Impact is financial with cost increases and benefits shortfalls, reputational with damage to developer image and potential dispute and claims from buyers.<br>• Poorly written contracts may lead to interminable, costly disputes. Legal documentation and contracts in the construction sphere are key to avoid financial losses in case of disputes. | • Due to global unfavourable economic conditions with the loss in confidence, the fall in purchasing power due to high inflation, the fear of future may cause a decline in demand for residential products as we proposed in Azuri. Impact would be on revenue and cash flow.<br>• Increasing competition from other local and foreign residential development is putting additional pressure on sale capabilities, revenue and cash flow.<br>• Wrong assessment of customer needs or expectations so that developed projects are out of market price ranges or do not reply to market demand. This would result in less demand for our products, abortive costs and decline in revenue. |
| ACTIONS TAKEN | • Effective stakeholder management with the Economic Development Board as centralised point for project permit application.<br>• Improved the internal validation processes to ensure completeness of applications before submission to avoid back and forth<br>• Formalised the selection of projects partners by internal committee<br>• We use controlled pricing mechanisms when entering into construction contracts<br>• Formalised the writing and/or vetting of contracts by our legal advisors<br>• Rigorous progress and PM meetings to ensure the construction programme is on time and costs are contained.<br>• Continue regularly audit controls on our tendering procedures and selection processes for project partners, professionals and contractors | • Developing attractive projects on prime sites to enhance demand, ensuring permanent adequacy of offer relative to customers' needs and adopting competitive pricing strategies while capitalising on the USP and offerings of the Azuri Ocean & Golf Village.<br>• Ensure robust market analysis process internally and externally with specialised service providers and estate agencies.<br>• Nurture relationships with our sales channels.<br>• Reinforced sales force with recruitment of qualified salespersons. Motivate salesforce with appropriate benefits. |

| Hotel | Asset management, operations & services | Human resources |
|---|---|---|
| The hotel industry is recovering from the COVID-19 pandemic and tourists are back to our shores. although at lower levels than before the pandemic. Uncertainties on full recovery time make the budgeting and financial projections a complex exercise. | Any damages or deterioration to our own or managed properties and assets will lead to business interruptions, operating losses and impairment of the assets' value. | Our people are a key asset for unlocking value. Departure of key staff members, unsafety of the work environment but also internal dysfunctional behaviours of employees and underperformance mayw impact the full organisation, revenue and performance. |
| *In Mauritius post pandemic, travel restrictions remained till December 2021. Since January 2022, our hotel occupancy rate is peaking up but remains lower than the pre-Covid period.*<br>*Additional we noted a shift in guest behaviour with last minute bookings being the new norm.*<br>*We also noted a lack of skilled local labour due to decline in interest for jobs in the hospitality sector.*<br>*The outlook for recovery remains quite uncertain, and the making of projections and scenario planning a challenging exercise.* | *As a property developer, we own a certain number of physical assets and we need to ensure that they are properly built and maintained.*<br>*Access as well as readiness of information and data are key for the running of operations and we have enforced security and backup procedures.* | *Our people are a key asset and we permanently invest in the training of our staff, in the recognition of their individual and collective talents, ensuring to develop a safe, pleasant and inspiring work environment.* |
| • Delay in seeing the number of tourists visiting Mauritius back to 2019 levels because of a structural shift in clients' preferences with the fear to travel long distance, potential price war between local hoteliers. Leading to Revenue as low as we experienced until December 2021 while being confronted to rising cost of operations.<br>• Reputational risks such as a hotel that receives bad publicity due to a guest service or injury incident. With reviews on the internet becoming the norm for rating guests' satisfaction, the high impact of trusted guests' reviews can rapidly and significantly affect the bookings. | • Accidental or malicious damages caused to physical assets and critical infrastructure (water, power or sewerage networks for example) due to natural disasters or other events like terrorism and vandalism or due to vacancies, lack of assets' supervision & maintenance may lead to business interruptions, financial loss etc.. | • People resource risk: the risk of losing key skills in case of employee resignation will impact the smooth running of operations and could lead to reduction in results.<br>• Internal fraud: intent to defraud, tax non-compliance, misappropriation of assets, forgery, bribes, deliberate mismarking of positions and theft can cause serious damages to the reputational, operational and financial aspects of the Company. |
| • Act agilely and communicate to address health and safety concerns of our guests with the SGS Certification on safety measures as outlined in the Radisson Hotels Safety Protocol.<br>• Engage with our sales channels as well as Radisson network to promote the destination<br>• Maintain continuous stringent cost control and management of working capital needs.<br>• Social media monitoring to quickly address negative reviews and encourage happy guests to write positive reviews<br>• Keep and test a Crisis Management procedure | • Maintain an up-to-date list of all equipment, including serial numbers and cost. This should also be duplicated and backed up, as it will prove very useful if it becomes necessary to make an insurance claim.<br>• Ensure that the adequate insurance cover is in place and renewed on time.<br>• Install and monitor CCTV cameras and implement other security measures.<br>• Limit access to valuable resources. Only necessary staff members should have access to supplies, merchandise or key technical sites or equipment.<br>• Regular site visits and inspection.<br>• Maintenance contracts with service providers on expiry of guarantee period.<br>• Backup plans for utilities and engagement with local authorities | • Succession planning and staff retention plans introduced across the group<br>• Offering market-related salaries and benefits<br>• Performance appraisal system with performance related incentives.<br>• Keep database of interesting CVs & contacts<br>• Establish a Group's Code of Ethics and ensure all employees from top to bottom levels are made aware of the corporate culture<br>• Ensure the strict adherence to the Code of Ethics embracing the Group's values, ethical considerations and principles.<br>• Create procurement norms and rules and ensure controls are in place and signatories of authority established. |

# Gioia' is the Italian word for 'joy', and Café Gioia - the beating social heart of Azuri village - gives tastebuds cause to rejoice!

The perfect place to grab that essential morning coffee, enjoy lunch with colleagues, or relax over an Italian-inspired dinner with friends.

# Statement
## of Directors' Responsibilities

### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable laws 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 the Group and of the profit or loss of the Company and the Group 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 confirm that they have:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and accounting estimates that are reasonable and prudent;
- Stated that International Financial Reporting Standards have been adhered to, subject to any material departures being disclosed and explained in the financial statements;
- Prepared the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business; and
- Ensured application of the Code of Corporate Governance and provided reasons in case of non-application with the Code.

The Directors are responsible for keeping proper accounting records, which disclose reasonable accuracy at any time, the financial position of the Company and the Group to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001. The Directors have the duty to safeguard the assets of the Company and the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible for maintaining an effective system of internal control and risk management.

The Directors hereby confirm that they have complied with the above requirements.

Approved by the Board of Directors on 28 September 2022 and signed on its behalf by

Jean-Claude Béga
Chairman

Doreen Lam
Independent Non-Executive Director

# Corporate
## Governance Report

### INTRODUCTION

BlueLife Limited (BLL) is qualified as a public interest entity as per the Financial Reporting Act 2004. BLL has applied the principles of the National Code of Corporate Governance and this report sets out how the Code's principles have been applied and reflected throughout BLL. The Board of BlueLife Limited ("BLL") is committed to high standards of corporate governance and recognises that good governance is vital for the long-term success and sustainability of BLL's business. The key corporate governance practices and activities during the year ended 30 June 2022 are highlighted in this report, as well as in other sections of the Annual Report. A full copy of this Annual Report is available on the website of the Company on www.bluelife.mu.

BLL has applied the principles of the National Code of Corporate Governance to its corporate governance structure and practices in the manner as described in this report.

### GOVERNANCE STRUCTURE

#### Corporate governance framework

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.

A Board Charter setting out the governance structure has been adopted by the Board in October 2018. This Charter may be amended at the Board's sole discretion as and when required. A copy of this Charter is available on the website of the Company on www.bluelife.mu.

The Board functions independently of management, with a clear division of responsibilities between the Chairperson and the Chief Executive Officer. The day-to-day management of the business is delegated to the Chief Executive Officer and Senior Management. The Board has also specific matters reserved to it for decision, such as strategic long-term objectives and it delegates some of its duties to Committees, each of which has clearly written terms of reference. The relevant Committee Charters, approved by the Board in October 2018, may be amended at the Board's discretion as and when required. A copy of each Charter is available on BLL's website.

#### Constitution

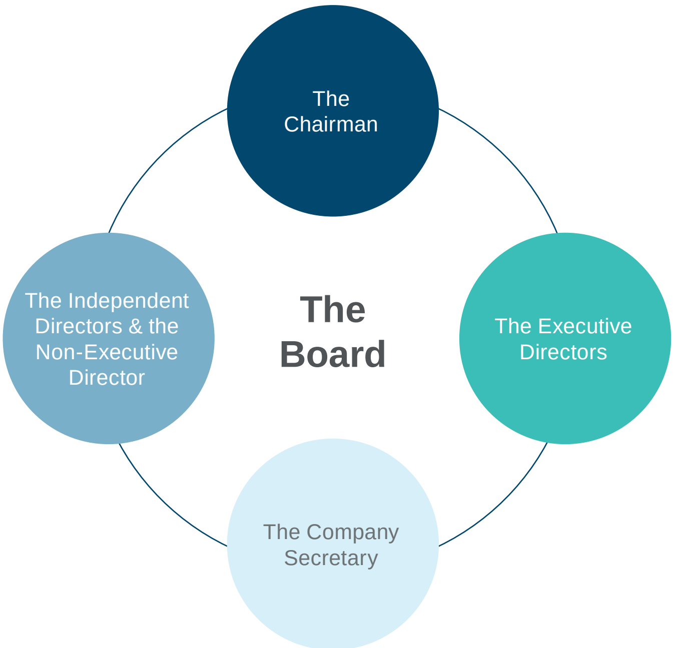
The Constitution of BLL complies with the provisions of the Mauritian Companies Act 2001 and the Listing Rules of the SEM. There are no clauses of the Constitution deemed material enough and which require special disclosure. A copy of BLL's Constitution is available on its website.

#### Organisational chart and Accountability Statement

The organisational chart for BLL setting out the key senior positions and the reporting lines within the Group is set out in the section "MANGEMENT TEAM" of the Annual Report.

### THE STRUCTURE OF THE BOARD

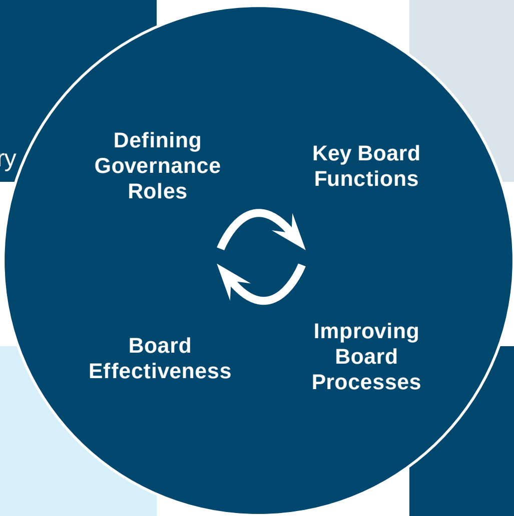
The Board of BLL currently comprised 8 Directors (two Independent Non-Executive Director, two Executive Directors and four Non-Executive Directors). Out of the 8 Directors, 4 have been nominated by IBL Ltd, the major shareholder of the Company.



# Corporate
## Governance Report (cont'd)

### The Board's mandate

- Role of the Board
- Board structure
- Role of the Chairman
- Role of the CEO
- Role of the Directors
- Role of the Company Secretary




- Definiton of strategy
- Monitoring compliance
- Risk mangement
- Decision-making
- Policy framework
- Stakeholder communication

- Director selection
- Director induction
- Director development
- Director remuneration
- Board evaluation

- Board meeting agenda
- Board papers
- Board minutes
- Board calendar
- Board sub-committees

### Key roles and responsibilities of the Board

| **Chairman (Jean-Claude Béga)** | **Executive Directors (Michele Anne Espitalier Noel & Hugues Lagesse)** |
|---|---|
| Key responsibilities<br>(i) Providing leadership to the Board<br>(ii) Ensuring its effectiveness<br>(iii) Setting its agenda<br>(iv) Ensuring effective links between shareholders, the Board and management | Key responsibilities<br>(i) Developing the Company's strategic direction<br>(ii) Implementing policies and strategies as decided by the Board<br>(iii) Managing the Company's business |
| **Independent Directors (Doreen Lam & Richard Koenig) & Non-Executive Directors (Sunil Banymandhub, Jan Boullé, Ravi Prakash Hardin, Thierry Labat & Roshan Ramoly)** | **Company Secretary (IBL Management Ltd)** |
| Key responsibilities<br>(i) Constructively challenge the Executive Director and the Senior Management<br>(ii) Monitor the delivery of the agreed strategy within the risk and control framework set by the Board. | Key responsibilities<br>(i) Guiding the Board as regards their duties and responsibilities<br>(ii) Advising the Board on matters of corporate governance<br>(iii) Ensuring good information flows with the Board and its Committees<br>(iv) Ensuring that Board procedures are followed, and that applicable laws and regulations are complied with<br>(v) Primary channel of communication between the Company and its shareholders and interacts also with the relevant regulatory authorities. |

## Balance and Gender Diversity

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 Company Secretary

IBL Management Ltd comprises a team of experienced company secretaries providing support and services to the companies of the Group. As governance professional, the company secretary guides the Boards on corporate governance principles and on their statutory duties and responsibilities. In its advisory role, the Company Secretary provides support and advice to companies of the Group on corporate transactions/projects. The Company Secretary is responsible for the efficient administration of a company, particularly with regard to ensuring compliance with statutory and regulatory requirements.

| | |
|---|---|
| **START OF THE YEAR** | • Yearly planning is prepared by the Company Secretary. |
| **SETTING OF AGENDA** | • Draft agendas for the Board are sent to the CEO and Chairman prior each meeting.<br>• Agendas are finalised at least one week before the scheduled meeting. |
| **PAPERS COMPILED AND DISTRIBUTED** | • Board packs are sent to all Directors one week in advance of the meeting to ensure sufficient time to review matters which shall be subject to discussions/approval. |
| **BEFORE THE MEETING** | • Committee meetings are held prior to Board meetings. The respective Chairmen then report matters discussed at Committee level to the Board.<br>• Necessary arrangements (video conferencing, etc) are made for those Directors who are not able to be physically present. |
| **BOARD MEETING** | • Regular agenda items such as reports from the Committee Chairmen and CEO are discussed. Any other additional items requiring Board endorsements are also discussed/approved. |
| **AFTER THE MEETING** | • Minutes are drafted and sent to the CEO and Chairman for review prior to circularising to the Board.<br>• Follow-up of certain Board decisions (update of bank signatories, for e.g.) are ensured by the Company Secretary. |

# Corporate Governance Report (cont'd)

## Board Changes in 2021-2022

| Name of Director | Date of Appointment during the financial year 2021-2022 | Date of Resignation during the financial year 2021-2022 |
|---|---|---|
| Doreen Lam Hau Ching | 13/08/2021 | |
| Richard Koenig | 13/08/2021 | |
| Thierry Sauzier | | 08/09/2021 |
| Sunil Banymandhub | | 13/12/2021 |
| Roshan Ramoly | | 13/12/2021 |

**Note: As of date of signature of this report, Gaetan Siew has been appointed as Independent Director and he shall be subject to election at the Annual Meeting of Shareholders scheduled on 15 December 2022.*

## Board meetings in 2021-2022

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.

For the year under review, there were four Board meetings. Decisions were also taken by way of written resolutions signed by all the Directors.

Below are the key focus areas as discussed by the Board during the year.

**Financial Matters**
- 2022-2023 Budget
- Quarterly financial statements
- Half-year results
- Year-end results

**Corporate Governance Matters**
- Review and approval of the Corporate Governance Report
- Review the salaries and performance bonus

**Regular Agenda Items**
- CEO's report
- Report of each Committee Chairperson

**Strategic Matters**
- Review of the Golf Project
- Approve the sale of earmarked assets
- Smart City Project

**Risk Management Matters**
- Review of internal control systems
- Review and approval of the Anti-Money Laundering and Combatting Terrorism Financing Policies and Procedures

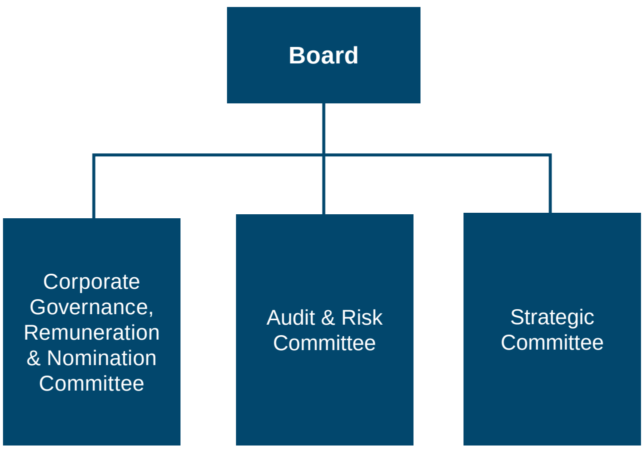
### The Board's attendance in 2021/2022

| Directors | 24/09/2021 | 10/11/2021 | 09/02/2022 | 12/05/2022 | Total number of meetings attended |
|---|---|---|---|---|---|
| **Chairperson** | | | | | |
| Jean-Claude BEGA | • | • | • | • | 4 |
| **Executive Directors** | | | | | |
| Michele Anne ESPITALIER NOEL | • | • | • | • | 4 |
| Hugues LAGESSE | • | • | • | • | 4 |
| **Non-Executive Directors** | | | | | |
| Jan BOULLE | • | • | • | x | 3 |
| Ravi Prakash HARDIN | • | • | • | x | 3 |
| Thierry LABAT | • | • | • | • | 4 |
| Sunil BANYMANDHUB | • | • | | | 2 |
| Roshan RAMOLY | • | • | | | 2 |
| **Independent Non-Executive Directors** | | | | | |
| Doreen LAM | • | • | • | • | 4 |
| Richard KOENIG | • | • | • | • | 4 |

*Notes:*

1. *Sunil Banymandhub resigned as Non-Executive Director on 13 December 2021.*
2. *Roshan Ramoly resigned as Non-Executive Director on 13 December 2021.*

## THE STRUCTURE OF THE BOARD'S COMMITTEES




The Board is assisted in its functions by three sub-Committees: (a) an Audit & Risk Committee, (b) a Corporate Governance Committee, which also acts as the Remuneration and Nomination Committee, and (c) a Strategic Committee. These three Committees operate within defined terms of reference and may not exceed the authority delegated by the Board. Two sub-Committees are chaired by Independent Non-Executive Directors and the Strategic Committee is chaired by the Chairperson of the Board. The Committee Chairpersons then report to the Board on the issues discussed at each of their meetings. The Secretary of the Board acts also as the Secretary of these Board Committees. Each member of the Board has access to the minutes of the Committees regardless of whether the Director is a member of the Committee or not.

# Corporate Governance Report (cont'd)

## THE AUDIT & RISK COMMITTEE IN 2021-2022

| | |
|---|---|
| **Committee purpose & responsibilities** | • The main purpose and responsibilites of the Committe are: to review the financial reporting process, the system of internal control and management of financial risks and other risks linked to the operations of the business, the audit process and the ethical behaviour of the Company, its executives and senior officials. |
| **Committee composition** | • Doreen Lam - Chairperson (Independent Non-Executive Director)<br>• Ravi Prakash Hardin - Member (Non-Executive Director)<br>• Richard Koenig - Member (Independent Non-Executive Director) |

### The Committee's attendance in 2021/2022

| | 22/09/2021 | 08/11/2021 | 04/02/2022 | 25/04/2022 | 06/05/2022 | Total number of meetings attended |
|---|---|---|---|---|---|---|
| **Chairperson** | | | | | | |
| Doreen Lam | • | • | • | • | • | 5 |
| **Members** | | | | | | |
| Ravi Prakash Hardin | • | • | • | • | • | 5 |
| Roshan Ramoly | • | • | | | | 2 |
| Richard Koenig | | | • | • | • | 3 |
| **In attendance** | | | | | | |
| Hugues Lagesse | • | • | • | • | • | 5 |
| Michele Anne Espitalier Noel | • | • | • | • | • | 5 |

*Note: Roshan Ramoly resigned as member on 13 December 2021 and Richard Koenig was appointed as member on 19 January 2022.*

### Key focus areas in 2021/2022

| | |
|---|---|
| **Regular Financial Matters** | • Abridged audited annual financial statements and full audited financial statements<br>• Abridged financial statements for the first, second and third quarters<br>• Consider and recommend to the Board for approval the budget 2022-2023 |
| **Internal Audit Matters** | • Procurement, Tendering and Approval Processes<br>• AML/CFT and Compliance Framework |
| **Other Matters** | • Approval of the Internal Audit Plan for the year 2021/2022<br>• Follow-up on internal audit reports & implementation of recommendations<br>• Review of the Risk register |

### The Corporate Governance, Remuneration & Nomination Committee in 2021-2022

| | |
|---|---|
| **Committee purpose & responsibilities** | • In relation to Corporate Governance: to ensure that the reporting requirements of corporate governance are in accordance with the Code.<br>• In relation to Remuneration: determine, agree and develop the Company's general policy on executive and senior management remuneration; recommend to the Board the level of fees of Non-Executive and Independent Non-Executive Directors to be recommended to the Shareholders at the Meeting of Shareholders.<br>• In relation to Nomination: identify and nominate candidates for the approval of the Board to fill board vacancies as and when they arise. |
| **Committee composition** | • Richard Koenig - Chairperson *(Independent Non-Executive Director)*<br>• Jean-Claude Bega - Member *(Non-Executive Director)*<br>• Hugues Lagesse - Member *(Executive Director)* |

### The Committee's attendance in 2021/2022

| | 24/09/2021 | 12/05/2022 | 03/06/2022 | Total number of meetings attended |
|---|---|---|---|---|
| **Chairperson** | | | | |
| Richard Koenig | • | • | • | 3 |
| **Members** | | | | |
| Jean-Claude Béga | • | • | • | 3 |
| Hugues Lagesse | • | • | • | 3 |
| Sunil Banymandhub | • | | | 1 |

*Notes: Richard Koenig was appointed as member on 24 September 2021 and as Chairperson after that meeting.*
*Sunil Banymandhub resigned as member on 13 December 2021.*

## Key focus areas in 2021/2022

The Corporate Governance Committee members met three times during the year 2021/2022 and matters discussed included:

| | |
|---|---|
| **Corporate Governance Matters** | • Reviewed and recommended to the Board for approval, the Corporate Governance Report.<br>• Reviewed Consultants' contracts<br>• Considered and recommended to the Board for approval, the Board Appraisal Exercise |
| **Remuneration Matters** | • Reviewed salaries and performance bonus |
| **Nomination Matters** | • Considered the appointment of a Senior Officer |

## The Strategic Committee

| | |
|---|---|
| **Committee purpose & responsibilities** | • Providing oversight, guidance and strategic input to the management primarily for the developement of the Group.<br>• Analysing and making reports and recommendations to the Board regarding potential strategic transactions.<br>• Evaluating the progress of ongoing real estate projects in terms of program, financial performance and other KPIs as approved by the Board of Directors. |
| **Committee composition** | • Jean-Claude Béga - Chairperson *(Non-Executive Director)*<br>• Jan Boullé - Member *(Non-Executive Director)* |

*Note: As of date of signature of this report, Gaetan Siew has been appointed as Member of the Strategic Committee.*

## The Committee's attendance in 2021/2022

| Members | 10/08/2021 | 29/10/2021 | 14/12/2021 | 02/05/2022 | Total number of meetings attended |
|---|---|---|---|---|---|
| Jean-Claude Béga | • | • | • | • | 4 |
| Jan Boullé | • | • | • | • | 4 |

## Key focus areas in 2021/2022

The Strategic Committee members met four times during the year 2021/2022 and matters discussed included:

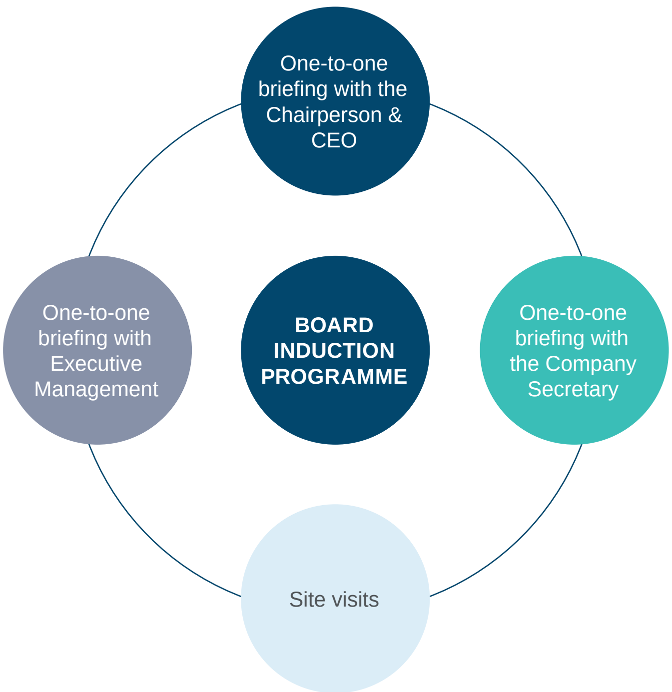
- Amara Phase 1
- Ennea Golf Villas Project
- Morcellement Les Hautes Rives
- Halona Project
- Palmea Project
- The renovation and upgrading of The Café
- The new restaurant of the Golf Club House

## DIRECTOR APPOINTMENT PROCEDURES

### Appointment and re-election

Potential candidates are identified and selected by the Nomination Committee → Recommendation by the Nomination Committee to the Board → Appointment of new Director approved by the Board → Newly appointed Director is then subject to election in the first year of appointment at the Annual Meeting

### Board induction




### Professional development and training

Directors are encouraged to keep themselves up to date with latest professional practices. They are also encouraged to participate in various workshops organised by the holding Company, IBL Ltd. For the year under review, some of the directors attended AML-CFT training.

### Time Commitments

Directors are expected to dedicate such time as is necessary for them to effectively discharge their duties. Each Board member is expected to act in the best interests of the Company and is expected to ensure that his or her other responsibilities do not impinge on his or her responsibilities as a Director of BLL.

### Succession plan

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.

In order to avoid the risk of a company suffering from an unplanned vacancy in leadership, processes are in place to ensure the best mix of directors and executive officers so as to address the company's goals which are subject to a changing environment. Processes have also been established to ensure that there is business continuity with respect to key aspects dealt by key management personnel.

### Directors' Duties

Directors are aware of their legal duties. Once appointed on the Board, a leaflet detailing his duties and responsibilities is provided to the Director. In addition, a newly appointed Director receives the following documents:

a) The Board Charter

b) The Board sub-committees' Charters

c) BLL's Constitution

d) Salient features of the Listing Rules and the Securities Act

### Interests' Register, conflicts of interest and related party transactions policy

The Directors of BLL have the obligation to disclose any potential conflict of interest in accordance with the 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. The interests' register is available for inspection by any shareholder of the Company upon written request made to the Company Secretary.

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 has been made available to the Directors of BLL. The proper procedure for declaring a conflict of interest is set out in the document and in the Board Charter. 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 confirm that there exists no conflict between their duty to act in the best interests of the Company and their own personal interest.

The Directors also confirm that they have followed the principles of the Model Code for Securities Transactions as detailed in Appendix

# Corporate Governance Report (cont'd)

6 of the Mauritius Stock Exchange Listing Rules. For the financial year under review, the Directors did not deal in the shares of the Company.

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.

## Code of Ethics

BLL's Code of Ethics is integrated in the Employee Handbook. BLL 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.

## Information, information technology and information security governance

## Board Information

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

## Information to Shareholders and Investors

Information to external parties is communicated regularly on BLL's website, which contains news and press releases. Quarterly interim reports are published in the press and are supplemented by investor meetings attended by the Group Executive Management. In addition, there is an established agenda for communicating information to shareholders/investors.

## Information Technology and Information Security Governance

The Board is responsible for information governance within BLL. Treatment and keeping information rely substantially on information and communication technology ('ICT'). The management of information technology and information security governance falls under the responsibility of the Office and ICT Manager. Financial and other company data is an asset of the BLL Group. As such the asset is preserved through policies and procedures to ensure that the information is properly updated, monitored and safeguarded.

ICT Policies and Procedures are handled by the management and overseen by the Audit and Risk Committee.

Through policies, including internet and computer usage policy as well as social media policy included in the staff handbook, principles are established for the management of information technology. BLL has designed a policy to ensure that its operations can run smoothly. The policy document is designed to create employee awareness of aspects which impact the smooth running of ICT operations to promote easy adherence by its employees. It includes:

- Computer and Internet Usage Policy
- Mobile Usage Policy
- BYOD Policy
- Social Media & Data Privacy Policy

Information Security Governance has the objective to minimize the risk of damage by preventing security incidents whether internal or external, deliberate or accidental and to enable BLL to recover as quickly and as efficiently as possible. Information security governance lies in:

- the obligations set on employees for usage and access
- the determination of access rights and relevant login and passwords
- the Password Protection Enforcement Policy
- internal IT procedures for backups
- an IT Business Continuity Policy

Over the last years, the Group required and implemented robust Computer Maintenance Management Systems which centralizes maintenance information and facilitates the processes of maintenance operations. The emphasis was made on the requirement of an IT strategy, adequate service agreements with IT providers to ensure continuity and access to key information and efficient record and management of IT incidents.

## Remuneration policy

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

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

The schedule of fees paid to the Directors remains unchanged. At the forthcoming Annual Meeting of shareholders, the following fees shall be submitted to the shareholders for approval.

| Directors | Board Fees (MUR) | | Audit & Risk Committee Fees (MUR) | | Corporate Governance Fees (MUR) | | Strategic Committee Fees (MUR) | | Total Fees (MUR) |
|---|---|---|---|---|---|---|---|---|---|
| | Fixed[1] | Variable[1] | Fixed[1] | Variable[1] | Fixed[1] | Variable[1] | Fixed[1] | Variable[1] | |
| Jean Claude Bega[2] | 500,000 | 100,000 | - | - | 25,000 | - | | 100,000 | 725,000 |
| Sunil Banymandhub | 75,000 | 50,000 | - | - | 25,000 | - | | | 150,000 |
| Jan Boullé[2] | 150,000 | 75,000 | - | - | - | - | | 100,000 | 325,000 |
| Ravi Prakash Hardin[2] | 150,000 | 75,000 | 25,000 | - | - | - | | | 250,000 |
| Richard Koenig | 150,000 | 100,000 | 12,500 | - | 25,000 | - | | | 287,500 |
| Thierry Labat[2] | 150,000 | 100,000 | - | - | - | - | | | 250,000 |
| Doreen Lam | 150,000 | 100,000 | 50,000 | - | - | - | | | 300,000 |
| Roshan Ramoly | 75,000 | 50,000 | 12,500 | - | - | - | | | 137,500 |
| Hugues Lagesse | - | - | - | - | - | - | | | - |
| Michele Anne Espitalier Noel | - | - | - | - | - | - | | | - |

*Notes:*

*1.Fixed fees refer to annual fees and variable fees to attendance fees.*

*2.Fees paid to IBL Ltd*

Attendance fees are not paid to the Chairperson and the members of the Audit and Risk Committee and the Corporate Governance Committee.

The Non-Executive Directors have not received remuneration in the form of share option or bonuses associated with the organisational performance.

## Remuneration and benefits paid to the Executive Directors under employment contract

| | Total Fees (MUR) |
|---|---|
| Hugues Lagesse | 7,283,393 |
| Michele Anne Espitalier Noel | 6,856,729 |

## Long term incentive plan

BLL does not have a long-term incentive plan.

## Board evaluation

The Board approved the launching of a Board Appraisal exercise in May 2022 and at the time of writing, this exercise was still being finalised.

# Corporate Governance Report (cont'd)

## RISK GOVERNANCE AND INTERNAL CONTROL

The Directors are responsible for maintaining an effective system of internal control and risk management (including financial and compliance risk). Whilst these two functions are delegated to the Audit and Risk Committee, the governance of risk, the nature and risk appetite of the Company remain the ultimate responsibility of the Board. The Directors are also 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.
- Appropriate whistle-blowing rules and procedures are in place.

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 under the Section "Risk Management" of the Annual Report.

Internal controls and procedures are in place to mitigate the risks in relation to the various operations in which BLL is involved.

### 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 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 misconduct or 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.

Procedures relevant to whistleblowing are set out in the Employee Handbook. A copy of the whistleblowing procedures is available on the website of the Company.

## REPORTING WITH INTEGRITY

### Financial and operational performance

The financial and operational performance of the Company is detailed in the sections "Financial Indicators" 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.

### Social Responsibility

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. The section "Sustainability & Community Engagement" details further the steps taken by BLL to a more liveable future.

### Health and Safety

BLL 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. BLL has a part time Health & Safety officer who ensures that its policies are followed.

During the last year, we have concentrated on ensuring that our staff are briefed and trained on the hazards inherent to their respective tasks. An induction health & safety program has been put in place with refresher courses and reminders at morning briefings. We have also ensured that adequate PPE are available and supplied to staff and that they wear the appropriate equipment.

We have also improved the mess and rest rooms facilities on site. The store is also in process of being re-organised to separate chemicals from the other materials.

An extensive survey has been carried out to ensure that all our commercial buildings are correctly protected in case of fire, and remedial action is being carried out where necessary. Furthermore, we have established an ongoing fire training schedule for our staff.

## AUDIT

### Internal Audit

The Board recognises 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. An internal audit plan for the year 2022 was approved by the Audit and Risk Committee in February 2022. 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.

No restrictions are 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.

During the period under consideration, two assignments have been duly completed and submitted: (1) Audit on Procurement, Tendering and Approval Processes and (2) AML/CFT and Compliance Framework.

### External Auditors

The Audit and Risk 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. At least once a year, the external auditors meet the members of the Committee and have direct access to the members should they wish to discuss any matters privately.

With regard to external audit, the Audit and Risk Committee is responsible for, inter-alia:

- reviewing the auditors' letter of engagement;
- reviewing the terms, nature and scope of the audit; and its approach;
- ensuring that no unjustified restrictions or limitations have been placed on its scope;
- assessing the effectiveness of the audit process.

The Committee is also responsible for monitoring the auditors' independence, objectivity and compliance with ethical, professional and regulatory requirements and also for maintaining control over the provision of non-audit services, where applicable. The external auditors are prohibited from providing non-audit services where their independence might be compromised by later auditing their own work. Any other non-audit services provided by the external auditors are required to be specifically approved by the Audit and Risk Committee.

At the last Annual Meeting of Shareholders, Messrs. RSM Mauritius have been appointed as external auditors for the year ending 30 June 2022.

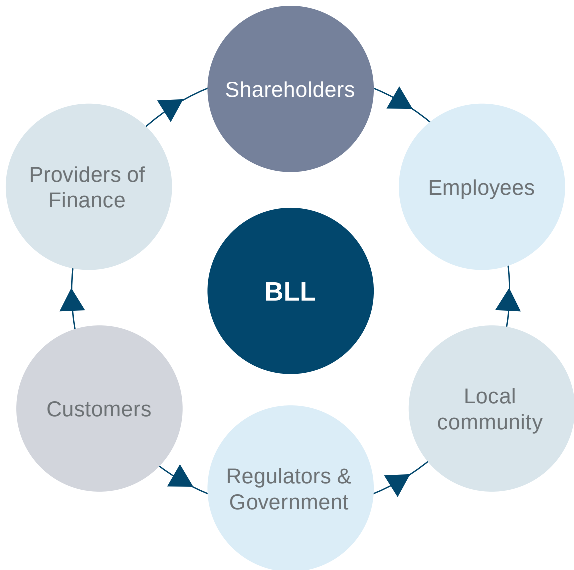
### Auditors' Independence

The Board is responsible for the appointment and the removal of the external auditors, whilst the Audit and Risk Committee is responsible for monitoring the auditors' independence and objectivity. 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

The Board recognises and values greatly the need to deliver a programme of engagement that offers all shareholders the opportunity to receive Company communications and to share their views with the Board. The Group has a diverse range of shareholders and investors and its website enables access to documents and communications as soon as they are published.

### BLL's key stakeholders



# Corporate Governance Report (cont'd)

## Reflecting our engagement towards our stakeholders

BLL views its stakeholders as fundamental in the way it conducts its business. It firmly believes that engaging with its stakeholders through regular communication is vital in ensuring the long-term success of the Group. The table below outlines BLL's principal stakeholders and how the Company interact with them.

| Employees | Shareholders | Local Community |
|---|---|---|
| BLL believes in the welfare of its employees. The Company strives to maintain a high standard of professionalism and its employees are thus encouraged to attend regular training and refresher courses. Further details are set out in the section "Human Capital" of the Annual Report. | The Company Secretary is the focal point of communication between the Company and its shareholders.<br><br>Queries/views from shareholders when received are communicated to the management/Board. | One of the pillars of BlueLife Limited's social responsibility strategy is to contribute to the development of young people in the northeast regions who are in vulnerable situations, and to give them the opportunity to acquire skills to enter the workforce, with the goal of strengthening and supporting their aptitude for thriving in professional endeavours. |
| | Any major announcement relating to the activities of the Company are disclosed in a timely manner and posted on the website of the Company. | A second pillar of our community engagement is dedicated to protecting the environment. Our community actions have focused, since Mid-2019, on engaging in several environment campaigns with our #Prankont brand, in order to raise the awareness on the responsibility we each have to keeping our island clean, not littering and sorting trash for recycling purposes. These actions aim to encourage respect for the environment in the local community. As an organisation, we strongly believe that caring for our environment is part of who we are. We organised and sponsored several site clean- ups, installed dedicated bins for plastic, glass and metal collection in the regions of Riviere du Rempart, Poudre d'Or and Roches Noires. |
| | The Annual Meeting of shareholders provides the opportunity to the shareholders to be apprised of the Group's performance and strategic direction. Shareholders are also encouraged to attend this meeting and to question the Directors thereon. | The social contribution from the IRS projects and the time of the CSR coordinator have also been devoted to assist families in need especially in the lockdown period, attend to the welfare of senior citizens, disabled and social organisations in the region and strive to improve the quality of life of the less privileged. |

| Regulators & Government | Customers | Providers of Finance |
|---|---|---|
| Meetings as and when required are held with the relevant regulatory authorities. | In the challenging times that the world is going through, our strategy of always putting our customers at the heart of our actions and priorities has made us stand apart. The privileged and close relations we maintain, with every one of the communities we manage, allows us to meet their long-term needs that we have promised to deliver against, by inspiring happiness and security. | We regularly interact with banks who are also invited to visit our operations for increased transparency and understanding of the businesses we are in.<br><br>We are finalising the Bank Guarantees and *"Garantie Financiere d'Achèvement"* as imposed by regulations for our residential projects prior to the signature of deeds and to the start of construction works. |
| BLL conducts its business ethically and in accordance with national regulations. | We are promoting interactions between team members and customers to ensure increased satisfaction with product and services as well as the general customer journey. | |

## Main shareholders

As at June 30, 2022, there were 2,883 shareholders recorded in the share register of the Company and the main shareholders were:

| Name of Shareholder | Percentage Held ( % ) |
|---|---|
| IBL Ltd | 57.4113 |
| GML Ineo Ltée | 8.3207 |
| MCB Equity Fund | 5.8672 |

## Shareholders' agreement

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

## Dividend Policy

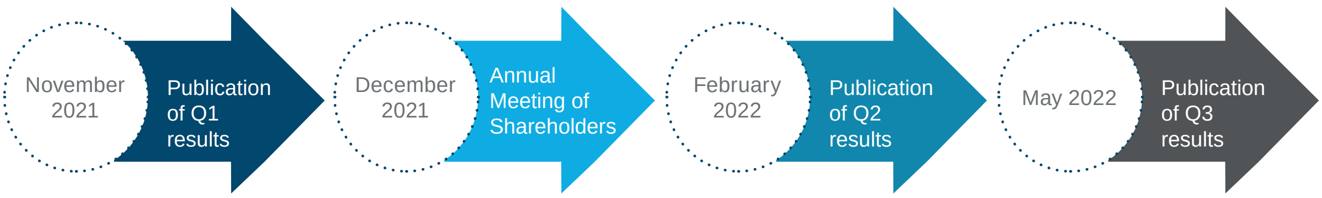
The Company does not have any predetermined dividend policy and the dividend payout is subject to the performance of the Company. BLL did not declare any dividend for the year under review.

## Calendar of forthcoming shareholders' events

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.

The Annual Meeting of shareholders has been scheduled for 15 December 2022 and shareholders entitled to receive notice of the meeting are those registered at close of business on 16 November 2022.




Approved by the Board of Directors on 28 September 2022 and signed on its behalf by

Jean-Claude Béga
Chairman

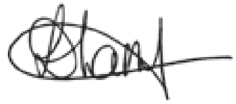
Doreen Lam
Independent Non-Executive Director

# Statement
## of Compliance

*(Section 75 (3) of the Financial Reporting Act 2004)*

| | |
|---|---|
| Name of Public Interest Entity ("PIE"): | BlueLife Limited |
| Reporting Period: | 30 June 2022 |

Throughout the year ended 30 June 2022 to the best of the Board's knowledge, BlueLife Limited Ltd has complied with the Corporate Governance Code for Mauritius (2016). BlueLife Limited has applied all the principles set out in the Code and explained how these principles have been applied.



Jean-Claude Béga
Chairman

Doreen Lam
Independent Non-Executive Director

28 September 2022

# Secretary
## Certificate

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

Sandra Pompusa

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' and Senior Officers' Interests in Shares

The direct and indirect interests of the Directors and the Senior Officers in the equity securities of the Company as at 30 June 2022 were as follows:

| | Direct Interest | Indirect Interest |
|---|---|---|
| **Directors** | **%** | **%** |
| Jean-Claude Béga | | 0.0009 |
| Michele Anne Espitalier Noel | 0.0001 | 0.0002 |
| Doreen Lam Hau Ching | - | - |
| Jan Boullé | - | 0.013 |
| Ravi Prakash Hardin | - | - |
| Richard Koenig | - | - |
| Thierry Labat | - | - |
| Hugues Lagesse | | 0.020 |
| **Senior Officers** | **%** | **%** |
| IBL Management Ltd | - | - |

## Directors' Remuneration and Benefits

Total remuneration and benefits received by the Directors from the Company and its subsidiaries were:

| | From the Company | | From Subsidiaries | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| Hugues Lagesse | 7,283,393 | 4,496,993 | - | - |
| Michele Anne Espitalier Noel | 6,856,729 | 4,701,119 | - | - |
| Jean-François de Comarmond * | - | 21,439,821 | - | - |
| Non-executive Directors | 2,425,000 | 1,387,500 | 800,000 | 487,500 |

** Including severance allowance paid to former CEO*

## 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.

## Directors’ Insurance

The Directors benefit from an indemnity insurance to cover the liabilities which may be incurred while performing their duties to the extent permitted by law.

## 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 were as follows:

| | 2022 | 2021 |
|---|---|---|
| | Rs. | Rs. |
| Ernst & Young | | 1,820,000 |
| RSM (Mauritius) | 1,700,000 | |

| | Non-Audit Services | | | |
|---|---|---|---|---|
| | Details of Services | Audit Firm | 2022 | 2021 |
| | | | Rs. | Rs. |
| The Company | Internal audit | PwC | 662,900 | 10,000 |
| | Transaction Adviser for Rights & Bond Issue | PwC | - | 2,250,000 |
| | Preparing corporate tax return | EY | - | 50,000 |
| | Interim audit / review of FS for Rights & Bond Issue | EY | - | 1,000,000 |
| | Preparation of Corporate Tax | RSM | 55,000 | - |
| | Closing Accounts Review - Sale of PL Resort Ltd | RSM | 285,000 | - |
| | Vendors Due Diligence - Sale of PL Resort Ltd | KPMG | - | 425,000 |

Approved by the Board on 28 September 2022 and signed on its behalf by

Jean-Claude Béga
Chairman

Doreen Lam
Independent Non-Executive Director

# Independent
## Auditor’s Report

*To the shareholders of bluelife limited*

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

### Opinion

We have audited the consolidated and separate financial statements of BlueLufe Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 74 to 143, which comprise the consolidated and separate statement of financial position of the Group and Company as at 30 June 2022, and the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and the Company as at 30 June 2022, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies Act 2001 and the Financial Reporting Act 2004.

### 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 Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of financial statements of the Group and Company and in Mauritius. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits of the Group and Company and in Mauritius. 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 judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the consolidated and separate financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

| Key Audit Matter | How the matter was addressed in the audit |
|---|---|
| **Fair valuation of investment properties**<br><br>At 30 June 2022, the Group has investment properties amounting to Rs. 1,666 million.<br><br>Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value as determined annually subsequent to the valuation carried out by external valuers.<br><br>The valuation of investment properties is considered to be a key audit matter due to the significance of the balance to the financial statements as a whole and the level of judgment involved. | Our audit procedures included test of detail to ensure completeness and accuracy of investment properties through the following:<br>• Obtained, read and understood the 2022 report from the independent valuation specialist.<br>• Tested the mathematical accuracy of the report and evaluated the valuation methodology used by the external property valuer.<br>• Assessed the competence, capabilities and objectivity of management's independent valuer, and verified the credentials of the valuer.<br>• Reviewed the scope of work with management to ensure that there were no matters affecting the valuer's objectivity and scope of work.<br>• Evaluated management's/the independent valuer' s judgements, in particular:<br>- The models used by management/the independent valuer and its appropriateness; and<br>- The significant assumptions used, including discount rates and capitalisation rates.<br>• Tested a selection of data inputs against supporting documentation to ensure it is accurate, reliable and reasonable. This includes the verification of the size of the properties against title deeds and quantity surveyor's report |
| | • We reviewed the disclosures about significant estimates and critical judgments made by management in the financial statements in respect of valuation of investment properties. We have also ensured adequate disclosures as per IAS 40 Investment Property and other sensitivity disclosures in respect of the effects on fair value to changes in the assumptions and valuation techniques under IFRS 13 Fair Value Measurements have been made in the consolidated financial statements. |
| **Impairment of investment in subsidiaries**<br><br>In the Company's separate financial statements, investment in subsidiaries is carried at cost less impairment. At 30 June 2022, the Company has an investment of Rs 1,756 million in its subsidiaries.<br><br>At the end of each reporting date, management makes an assessment whether there is an indication that investment in subsidiaries may be impaired. Various models are used for testing of impairment of investment in subsidiaries and involve complex judgments and estimates. Accordingly, it has been considered as a key audit matter. | We have performed the following substantive procedures:<br>• We discussed with management the Group and the Company's assessment of whether there is objective evidence of whether investment is impaired<br>• Assessed appropriateness of the valuation methodology.<br>• Evaluated the methodology applied in the Company's annual impairment assessment.<br>• Assessed reasonableness of the cash flow forecast/business plans and related key financial assumptions.<br>• Where the recoverable amount is based on NAV, we have ensured that the NAV agrees to the audited financial statements of the investee entity. |

# Independent
## Auditor's Report (cont'd)

*To the shareholders of bluelife limited*

| Key Audit Matter | How the matter was addressed in the audit |
|---|---|
| **Recoverability of intercompany receivables**<br><br>The Company has short-term receivables from its subsidiaries amounting to Rs 854 million as at June 30, 2022 as detailed in Note 13. These receivables have been assessed as credit impaired for the purpose of assessment of expected credit losses. The related expected credit loss amounts to Rs. 6 million as at the end of the reporting period.<br><br>We focused on this area given the significance of the receivables and the economic conditions prevailing | We have assessed the reasonableness of the cash flow projections of operating companies to determine the ability and timing of estimated receipts of receivables from related parties. For non-operating companies, we have verified if these companies have sufficient assets that would enable them to repay their dues. We also discussed with management on their knowledge of future conditions that may affect expected receipts from these related companies. |

### Other matter

The consolidated and separate financial statements of the Group and Company for the year ended 30 June 2021 were audited by a predecessor auditor who expressed an unmodified opinion dated 28 September 2021 on these consolidated and separate financial statements.

### Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "BlueLife Limited, Annual Report, Year ended June 30, 2022'', which includes the Directors' Report, Statement of Directors' Responsibilities, Corporate Governance Report, Statement of Compliance, Statutory disclosures and the Company Secretary's Certificate as required by the Companies Act 2001. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Else, we have nothing to report in this regard.

*Corporate Governance Report*

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

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

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004, and for such internal control as the directors determine is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group 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.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit
- evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the directors 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate 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

The Mauritius Companies Act 2001 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- We have no relationship with, or interests in, the Company, other than in our capacity as auditors, tax consultants, tax advisors and dealings in the ordinary course of business
- We have obtained all information and explanations we have required; and
- In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

RSM (Mauritius) LLP

**RSM (Mauritius) LLP**
Chartered Accountants
Moka, Mauritius

Date: 28 September 2022

**Ravi R Kowlessur, FCCA**
Licensed by FRC

# Traditional meets contemporary in our villas, melding stunning modern design with the best of a Mauritian lifestyle.

Spacious outdoor areas complement airy, open rooms, offering families the relaxed, healthy indoor/outdoor life the island is famous for.

Statements of

# Financial Position

## JUNE 30, 2022

| | Notes | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|---|
| | | **2022** | 2021 | **2022** | 2021 |
| **ASSETS** | | **Rs.** | Rs. | **Rs.** | Rs. |
| **Non-current assets** | | | | | |
| Property, plant and equipment | 5 | **954,261,982** | 1,011,695,065 | **1,085,449** | 1,326,064 |
| Investment properties | 6 | **1,665,729,078** | 1,310,517,832 | **-** | 16,000,000 |
| Intangible assets | 7 | **608,038** | 1,251,902 | **238,198** | 23,447 |
| Right of use assets | 8 | **9,749,905** | 4,386,286 | **224,156** | 108,343 |
| Investment in subsidiaries | 10 | **-** | - | **1,756,380,775** | 1,994,381,775 |
| Deferred tax assets | 17 | **9,316,927** | 18,441,106 | **565,381** | 566,257 |
| | | **2,639,665,930** | 2,346,292,191 | **1,758,493,959** | 2,012,405,886 |
| **Current assets** | | | | | |
| Inventories | 9 | **502,543,990** | 499,253,581 | **42,604,538** | 25,866,350 |
| Trade and other receivables | 12 | **97,946,468** | 49,535,200 | **16,658,846** | 13,387,160 |
| Other financial assets at amortised cost | 13 | **-** | - | **854,175,047** | 711,366,507 |
| Cash and cash equivalents | 29(b) | **109,233,735** | 94,975,896 | **62,857,666** | 61,050,728 |
| | | **709,724,193** | 643,764,677 | **976,296,097** | 811,670,745 |
| Assets classified as held for sale | 11 | **31,055,287** | 579,954,866 | **-** | - |
| **Total assets** | | **3,380,445,410** | 3,570,011,734 | **2,734,790,056** | 2,824,076,631 |
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity** | | | | | |
| Stated capital | 15 | **3,770,370,310** | 3,770,370,310 | **3,770,370,310** | 3,770,370,310 |
| Actuarial reserves | | **2,917,310** | 2,014,987 | **2,022,371** | 2,156,629 |
| Revaluation reserves | | **152,145,124** | 95,699,283 | **-** | - |
| Accumulated losses | | **(1,747,496,151)** | (1,790,942,621) | **(1,610,878,558)** | (1,520,744,290) |
| Owners' interests | | **2,177,936,593** | 2,077,141,959 | **2,161,514,123** | 2,251,782,649 |
| Non-controlling interests | 10 | **23,591,824** | 11,354,121 | **-** | - |
| **Total equity** | | **2,201,528,417** | 2,088,496,080 | **2,161,514,123** | 2,251,782,649 |
| **LIABILITIES** | | | | | |
| **Non-current liabilities** | | | | | |
| Interest bearing loans and borrowings | 16 | **609,429,931** | 314,864,311 | **300,139,275** | 40,739 |
| Employee benefits liability | 14 | **13,817,552** | 10,046,884 | **1,925,798** | 1,655,368 |
| Deferred tax liabilities | 17 | **2,597,579** | 927,169 | **-** | - |
| | | **625,845,062** | 325,838,364 | **302,065,073** | 1,696,107 |
| **Current liabilities** | | | | | |
| Trade and other payables | 18 | **182,399,984** | 223,061,499 | **20,922,390** | 258,011,192 |
| Interest bearing loans and borrowings | 16 | **370,671,947** | 552,690,581 | **250,288,470** | 312,586,683 |
| | | **553,071,931** | 775,752,080 | **271,210,860** | 570,597,875 |
| Liabilities directly associated with assets classified as held for sale | 11 | **-** | 379,925,210 | **-** | - |
| **Total liabilities** | | **1,178,916,993** | 1,481,515,654 | **573,275,933** | 572,293,982 |
| **Total equity and liabilities** | | **3,380,445,410** | 3,570,011,734 | **2,734,790,056** | 2,824,076,631 |

These financial statements have been approved for issue by the Board of Directors on 28 September 2022

**Jean-Claude Bega** **Doreen Lam**

The notes on pages 79 to 143 form an integral part of these financial statements.

Statements of

# Profit or Loss and other Comprehensive Income

FOR THE YEAR ENDED JUNE 30, 2022

| | Notes | THE GROUP 2022 Rs. | THE GROUP 2021 Rs. | THE COMPANY 2022 Rs. | THE COMPANY 2021 Rs. |
|---|---|---|---|---|---|
| **Continuing operations** | | | | | |
| Revenue | 19 | **354,336,833** | 106,125,839 | **-** | - |
| Cost of sales | 20 | **(156,724,625)** | (76,487,751) | **-** | - |
| Gross profit | | **197,612,208** | 29,638,088 | **-** | - |
| Other income | 21 | **75,175,525** | 93,636,078 | **15,018,935** | 70,801,831 |
| Interest income at EIR | 21 | **-** | - | **6,550,974** | 10,945,614 |
| Other (losses)/gains - net | 23 | **45,832,281** | (15,821,643) | **(4,972,352)** | (15,017,378) |
| Selling and marketing expenses | 20 | **(18,314,100)** | (13,915,176) | **-** | - |
| Administrative expenses | 20 | **(347,348,447)** | (254,059,385) | **(107,095,084)** | (80,156,238) |
| Expected credit losses | 20 | **(4,102,075)** | 19,543,096 | **27,661,879** | (7,681,786) |
| Other operating expenses | 20 | **(22,819,585)** | (13,714,037) | **(794,076)** | (2,042,190) |
| | | **(73,964,193)** | (154,692,979) | **(63,629,724)** | (23,150,147) |
| Fair value gain of investment properties | 6(i) | **242,338,740** | (1,562,675) | **-** | - |
| Impairment charges | 25 | **-** | - | **-** | (74,356,413) |
| Finance costs | 22 | **(50,042,063)** | (55,304,317) | **(26,476,169)** | (27,263,397) |
| **Profit/ (Loss) before taxation** | 24 | **118,332,484** | (211,559,971) | **(90,105,893)** | (124,769,957) |
| Income tax credit/(charge) | 26 | **(10,996,181)** | 3,592,377 | **(28,375)** | (275,924) |
| **Profit/ (Loss) for the year from continuing operations** | | **107,336,303** | (207,967,594) | **(90,134,268)** | (125,045,881) |
| **Discontinued operations** | | | | | |
| Profit/(loss) from discontinued operations, net of tax | 11 | **11,870,431** | 4,886,367 | **-** | - |
| **Profit/ (Loss) for the year** | | **119,206,734** | (203,081,227) | **(90,134,268)** | (125,045,881) |
| **Other comprehensive income/(loss) for the year, net of tax** | | | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | | | |
| Remeasurements of employee benefits liability, net of deferred tax | 27 | **953,485** | 6,630,225 | **(134,258)** | 1,884,437 |
| Revaluation of land and buildings, net of deferred tax | 27 | **-** | 152,145,124 | **-** | - |
| **Discontinued operations** | | | | | |
| Remeasurements of employee benefits liability, net of deferred tax | 27 | **-** | 1,689,407 | **-** | - |
| **Total comprehensive income/(loss) for the year** | | **120,160,219** | (42,616,471) | **(90,268,526)** | (123,161,444) |
| **Profit/(Loss) attributable to:** | | | | | |
| Owners of the parent | | **123,514,113** | (173,679,826) | **(90,134,268)** | (125,045,881) |
| Non-controlling interests | | **(4,307,379)** | (29,401,401) | **-** | - |
| | | **119,206,734** | (203,081,227) | **(90,134,268)** | (125,045,881) |
| **Total comprehensive income/(loss) attributable to:** | | | | | |
| Owners of the parent | | **124,416,436** | (71,935,604) | **(90,268,526)** | (123,161,444) |
| Non-controlling interests | | **(4,256,217)** | 29,319,133 | **-** | - |
| | | **120,160,219** | (42,616,471) | **(90,268,526)** | (123,161,444) |
| **Profit/(Loss) per share (Rs/cs)** | | | | | |
| - From continuing and discontinued operations | 28 | **0.107** | (0.150) | **(0.078)** | (0.108) |
| - From continuing operations | 28 | **0.097** | (0.155) | **(0.078)** | (0.108) |

The notes on pages 79 to 143 form an integral part of these financial statements.

Statements of

# Changes in equity

## FOR THE YEAR ENDED JUNE 30, 2022

**THE GROUP**

| | Notes | Stated capital | Actuarial reserves | Revaluation reserves | Accumulated losses | Total | Non-controlling interests | Total Equity |
|---|---|---|---|---|---|---|---|---|
| | | Attributable to owners of the parent | | | | | | |
| | | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| At July 1, 2021 | | 3,770,370,310 | 2,014,987 | 95,699,283 | (1,790,942,621) | 2,077,141,959 | 11,354,121 | 2,088,496,080 |
| Profit for the year | | - | - | - | 123,514,113 | 123,514,113 | (4,307,379) | 119,206,734 |
| Other comprehensive income for the year | 27 | - | 902,323 | - | - | 902,323 | 51,162 | 953,485 |
| Total comprehensive income/(loss) for the year | | - | 902,323 | - | 123,514,113 | 124,416,436 | (4,256,217) | 120,160,219 |
| Disposal of Subsidiary | | - | - | - | (29,730,165) | (29,730,165) | (4,755,528) | (34,485,693) |
| Change in % Shareholdings in Subsidiary | | - | - | - | (18,349,024) | (18,349,024) | 18,349,024 | - |
| Other movements | | - | - | 56,445,841 | (31,988,454) | 24,457,387 | 2,900,424 | 27,357,811 |
| **At June 30, 2022** | | **3,770,370,310** | **2,917,310** | **152,145,124** | **(1,747,496,151)** | **2,177,936,593** | **23,591,824** | **2,201,528,417** |
| At July 1, 2020 | | 3,472,320,310 | (4,029,952) | - | (1,617,262,795) | 1,851,027,563 | (17,965,012) | 1,833,062,551 |
| Profit/(Loss) for the year | | - | - | - | (173,679,826) | (173,679,826) | (29,401,401) | (203,081,227) |
| Other comprehensive income for the year | 27 | - | 6,044,939 | 95,699,283 | - | 101,744,222 | 58,720,534 | 160,464,756 |
| Total comprehensive income/(loss) for the year | | - | 6,044,939 | 95,699,283 | (173,679,826) | (71,935,604) | 29,319,133 | (42,616,471) |
| Issue of shares | | 300,000,000 | - | - | - | 300,000,000 | - | 300,000,000 |
| Share issue costs | | (1,950,000) | - | - | - | (1,950,000) | - | (1,950,000) |
| **At June 30, 2021** | | **3,770,370,310** | **2,014,987** | **95,699,283** | **(1,790,942,621)** | **2,077,141,959** | **11,354,121** | **2,088,496,080** |

The consolidation adjustment of Mur 56,445,841 relates to the recognition of fair value gain on Land of Haute Rive Azuri Hotel Ltd at group level which arose from previous years.

As from financial year 2020-2021, the group decided to recognise land at a fair value basis. An omission occurred in financial year 2020-2021, where the fair value gain was not recognised, amended in financial year 2021-2022.

The notes on pages 79 to 143 form an integral part of these financial statements.

Statements of

# Changes in equity

FOR THE YEAR ENDED JUNE 30, 2022

| THE COMPANY | Note | Stated capital | Actuarial reserves | Accumulated losses | Total |
|---|---|---|---|---|---|
| | | Rs. | Rs. | Rs. | Rs. |
| At July 1, 2021 | | 3,770,370,310 | 2,156,629 | (1,520,744,290) | 2,251,782,649 |
| Loss for the year | | - | - | (90,134,268) | (90,134,268) |
| Other comprehensive income/(loss) for the year | 27 | - | (134,258) | - | (134,258) |
| Total comprehensive income/(loss) for the year | | - | (134,258) | (90,134,268) | (90,268,526) |
| **At June 30, 2022** | | **3,770,370,310** | **2,022,371** | **(1,610,878,558)** | **2,161,514,123** |
| At July 1, 2020 | | 3,472,320,310 | 272,192 | (1,395,698,409) | 2,076,894,093 |
| Other comprehensive income/(loss) for the year | 27 | - | 1,884,437 | - | 1,884,437 |
| Total comprehensive income/(loss) for the year | | - | 1,884,437 | - | 1,884,437 |
| Issue of shares | | 300,000,000 | - | - | 300,000,000 |
| Share issue costs | | (1,950,000) | - | - | (1,950,000) |
| Loss for the year | | - | - | (125,045,881) | (125,045,881) |
| **At June 30, 2021** | | **3,770,370,310** | **2,156,629** | **(1,520,744,290)** | **2,251,782,649** |

Statements of

# Cash flows

## FOR THE YEAR ENDED JUNE 30, 2022

| | | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|---|
| | Notes | 2022 | 2021 | 2022 | 2021 |
| | | Rs. | Rs. | Rs. | Rs. |
| **Operating activities** | | | | | |
| Cash used in operations | 29(a) | **(139,927,148)** | (119,974,140) | **(234,070,632)** | (91,709,366) |
| Tax paid | | **(6,300)** | (4,461) | **-** | - |
| Interest paid | | **(41,166,225)** | (32,038,979) | **(26,476,162)** | (10,312,027) |
| **Cash used in operating activities** | | **(181,099,673)** | (152,017,580) | **(260,546,794)** | (102,021,393) |
| **Investing activities** | | | | | |
| Purchase of property, plant and equipment | 5 | **(5,807,171)** | (5,337,904) | **(560,449)** | (951,274) |
| Purchase of right of use assets | 8 | **(8,225,688)** | (167,556) | **-** | - |
| Purchase of intangible assets | 7 | **(328,080)** | - | **(328,080)** | - |
| Expenditure incurred on investment properties | 6 | **(8,128,369)** | - | **-** | - |
| Proceeds from sale of investment properties | 6 | **86,724,834** | 343,091,575 | **8,561,597** | 60,760,000 |
| **Cash generated from investing activities** | | **64,235,526** | 337,586,115 | **7,673,068** | 59,808,726 |
| **Financing activities** | | | | | |
| Repayment on borrowings | 16(i) | **(89,091,456)** | (222,693,428) | **(12,094,214)** | - |
| Proceeds from borrowings | 16(i) | **300,000,000** | 12,500,000 | **300,000,000** | - |
| Finance lease capital repayment | | **(1,662,327)** | (2,212,376) | **(178,154)** | (548,241) |
| Issue of shares | | **-** | 27,960,580 | **-** | 27,960,580 |
| Share issue costs | | **-** | (1,950,000) | **-** | (1,950,000) |
| **Cash generated from (used in) financing activities** | | **209,246,217** | (186,395,224) | **287,727,632** | 25,462,339 |
| **Net movement in cash and cash equivalents** | | **92,382,070** | (826,689) | **34,853,906** | (16,750,328) |
| **Movement in cash and cash equivalents** | | | | | |
| At July 1, | | **(275,777,714)** | (275,665,411) | **(222,128,079)** | (205,377,751) |
| Effect of foreign exchange difference | | **(563,266)** | 714,386 | **-** | - |
| Decrease | | **92,382,070** | (826,689) | **34,853,906** | (16,750,328) |
| **At June 30,** | 29(b) | **(183,958,910)** | (275,777,714) | **(187,274,173)** | (222,128,079) |

The notes on pages 79 to 143 form an integral part of these financial statements.

## 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 Azuri Village, Haute Rive, Riviere du Rempart, Mauritius.

Bluelife Limited is a property investment and development company. Its portfolio of assets includes offices, rental units, hotels and land for mixed-used developments, mainly in Azuri Ocean & Golf Village, where there is ongoing development.

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

## 2. 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 BASICS 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) as issued by the International Accounting Standards Board (IASB).

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:

- Land and Buildings are stated at fair value;
- Investment properties are stated at fair value; and
- Relevant financial assets and liabilities are carried at amortised cost.

The Board of Directors are confident that the Group would continue as a going concern in the foreseeable future and they consider it appropriate to prepare the financial statements on a going concern basis (refer to Note 3.1 for note on Going Concern).

### 2.2 BASICS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at June 30, each year. The Company controls an entity when it has power over the investee, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to use its power to affect those returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company’s voting rights in an investee are sufficient to give it power, including:

- the size of the Company’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the company has, or does not have, the current ability to direct the relevant activities at the time that the decisions need to be made, including voting patterns at previous shareholders’ meetings.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

## 2. ACCOUNTING POLICIES (Cont.)

### 2.2 BASIS OF CONSOLIDATION (Cont.)

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other of the Group.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full. Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group’s interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the company.

### 2.2 BASIS OF CONSOLIDATION (Cont.)

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

### 2.3 CHANGES IN ACCOUNTING POLITICS AND DISCLOSURES

#### IFRS 8 - OPERATING SEGMENTS

An entity is required to disclose information to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.

During the financial year under review, the group decided to represent its activities into three segment: Property, Hospitality & Leisure and Services compared to previously four segments.

### 2.4 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following standards, amendments to existing standards and interpretations were in issue but not yet effective. They are mandatory for accounting periods beginning on the specified dates, but the Group has not early adopted them and intends to adopt those standards when they become effective.

#### EFFECTIVE DATE JANUARY 1, 2022

#### IFRS 1 FIRST-TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

Annual Improvements to IFRS Standards 2018-2020: Extension of an optional exemption permitting a subsidiary that becomes a first-time adopter after its parent to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs. A similar election is available to an associate or joint venture.

#### IFRS 3 BUSINESS COMBINATION

Reference to the Conceptual Framework: The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

### 2 ACCOUNTING POLICIES (Cont.)
### 2.4 STANDARD ISSUED BUT NOT YET EFFECTIVE (Cont.)

#### IFRS 9 FINANCIAL INSTRUMENTS

Annual Improvements to IFRS Standards 2018-2020: The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.

#### IAS 16 PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment: Proceeds before Intended Use: The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

#### IAS 37 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Onerous Contracts-Cost of Fulfilling a Contract: The amendments specify which costs should be included in an entity's assessment whether a contract will be loss-making.

#### IAS 41 AGRICULTURE

Annual Improvements to IFRS Standards 2018-2020: The amendment removes the requirement for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

#### EFFECTIVE DATE JANUARY 1, 2023

#### IFRS 17 INSURANCE CONTRACTS

IFRS 17 creates one accounting model for all insurance contracts in all jurisdictions that apply IFRS. IFRS 17 requires an entity to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and take into account any uncertainty relating to insurance contracts. The financial statements of an entity will reflect the time value of money in estimated payments required to settle incurred claims. Insurance contracts are required to be measured based only on the obligations created by the contracts. An entity will be required to recognise profits as an insurance service is delivered, rather than on receipt of premiums. This standard replaces IFRS 4-Insurance Contracts.

#### IAS 1 PRESENTATION OF FINANCIAL STATEMENTS

Classification of Liabilities as Current or Noncurrent: Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current. Disclosure of Accounting Policies: The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material.

### IAS 8 ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERRORS

Definition of Accounting Estimates: The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. The requirements for recognising the effect of change in accounting prospectively remain unchanged.

## 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) PROPERTY, PLANT AND EQUIPMENT

Land and buildings, held for use for administrative and operating 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 cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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.

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 profit or loss.

### (b) INVESTMENT PROPERTIES

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual valuation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

## 2 ACCOUNTING POLICIES (Cont.)

## 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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

### (c) INTANGIBLE ASSETS

#### (i) GOODWILL AND COMPUTER SOFTWARE

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.Goodwill arising in a business combination is recognised as an asset at cost as established at the date that control is acquired (the acquisition date) less any accumulated impairment losses, if any. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

#### (ii) OTHER INTANGIBLE ASSETS INCLUDE BOTH THE LEASEHOLD RIGHTS AND COMPUTER SOFTWARE

**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.

**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 of identifiable and unique software controlled by the Group and that will.

## 2 ACCOUNTING POLICIES (Cont.)

## 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

### (c) INTANGIBLE ASSETS (Cont.)

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.

#### (iii) IMPAIRMENT OF NON-FINANCIAL ASSETS EXCLUDING GOODWILL

Acquired The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

#### (iii) IMPAIRMENT OF NON-FINANCIAL ASSETS EXCLUDING GOODWILL (CONT.)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### (d) INVESTMENT IN SUBSIDIARIES

**Separate financial statements of the Company**

In the separate financial statements of the Company, 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.

## 2 ACCOUNTING POLICIES (Cont.)
## 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

### (d) INVESTMENT IN SUBSIDIARIES (Cont.)

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.

**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.

### (e) ASSETS CLASSIFIED AS HELD FOR SALE

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.

## (f) FINANCIAL INSTRUMENTS

### (i) FINANCIAL ASSETS

**Initial recognition and measurement**

On initial recognition, financial assets are classified as measured at amortised cost, fair value through profit or loss ("FVTPL"), and fair value through other comprehensive income ("OCI").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

• it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

• its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI").

**Business model assessment**

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

• The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;

• How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected); and

• The expected frequency, value and timing of sales are also important aspects of the Group's assessment.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

### (ii) OTHER INTANGIBLE ASSETS INCLUDE BOTH THE LEASEHOLD RIGHTS AND COMPUTER SOFTWARE

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

• Financial assets at amortised cost (debt instruments)

• Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

• Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon

• derecognition (equity instruments)

• Financial assets at fair value through profit or loss

**The solely payments of principal and interest (SPPI) test**

As a second step of its classification process the Group assesses the contractual terms of the financial asset to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

The initial recognition of financial assets is disclosed on notes 12 and 13

**Derecognition**

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

• The rights to receive cash flows from the asset have expired;

• The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

• When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

**Impairment**

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Further disclosures relating to impairment of financial assets are also provided in Notes 12 and 13.

### (ii) FINANCIAL LIABILITIES

**Initial recognition and measurement**

Financial liabilities are measured at amortised cost, fair value through profit or loss when they are held for trading, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, interest bearing loans and borrowings, retirement savings scheme and other liabilities classified as loans and borrowings.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification as follows:

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate method ("EIR") amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

## 2 ACCOUNTING POLICIES (Cont.)

### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

#### (ii) FINANCIAL LIABILITIES (Cont.)

**Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

### (g) SHARE CAPITAL

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**

The 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.

### (i) 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.

### (j) LEASES

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Group as a lessee**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### (i) RIGHT-OF-USE ASSETS

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

## 2 ACCOUNTING POLICIES (Cont.)

## 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

### (i) RIGHT-OF-USE ASSETS (Cont.)

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

### (ii) LEASE LIABILITIES

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings.

### (iii) SHORT-TERM LEASES AND LEASES OF LOW-VALUE ASSETS

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**Group as a lessor**

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## (k) EMPLOYEE BENEFITS LIABILITY

### (i) 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.

### (ii) 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.

## 2 ACCOUNTING POLICIES (Cont.)

## 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

### (k) EMPLOYEE BENEFITS LIABILITY (Cont.)

#### (ii) DEFINED BENEFIT PLANS (Cont.)

**Derecognition of financial liabilities**

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.

#### (iii) 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.

#### (iv) TERMINATION BENEFITS

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

### (l) INVENTORIES

**Inventories - Hotel Operations**

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.

**Inventory Property**

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realisable value (NRV). Principally, this is residential property that the Group develops and intends to sell before, or on completion of development.

Cost incurred in bringing each property to its present location and condition includes:

- Freehold land
- Amounts paid to contractors for development

For contracts that meet the over time revenue recognition criteria, the Group's performance is measured using an input method, by reference to cost incurred to the satisfaction of a performance obligation relative to the total expected inputs to the completion of the property. Costs incurred with respect to developing the property are capitalised. Development expenditure incurred with respect to work in progress dealt under with the percentage of completion method is recognised in profit or loss in the period incurred.

### (m) REVENUE RECOGNITION

#### (i) REVENUE DERIVED FROM HOTEL OPERATIONS

The Group has a right to payment once the performance obligation related to the services has been satisfied. Revenue is recognised at a point in time when invoices are issued to the customer, at a point when performance obligation is deemed to have been satisfied and the point at which the Group has an enforceable right to payment from the customer.

#### (ii) 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.

#### (iii) SALE OF COMPLETED PROPERTY

A sale of a completed property is generally a single performance obligation and the Group has determined that it is satisfied at a point in time when control transfers.

#### (iv) SALE OF PROPERTY UNDER DEVELOPMENT

The Group has determined that revenue from sales of property under development is to be recognised over time under IFRS 15. Control is deemed to be transferred over time as:

- The Group's performance does not create an asset with an alternative use to the Group and;
- The Group has at all times an enforceable right to payment for performance completed to date.

## 2 ACCOUNTING POLICIES (Cont.)

## 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

### (m) REVENUE RECOGNITION (Cont.)

#### (iv) SALE OF PROPERTY UNDER DEVELOPMENT (Cont.)

The Group has determined that the input method is the best method for measuring progress of these contracts because there is a direct relationship between the assets incurred by the Group and the transfer of goods and services to the customer.

### (n) BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of the assets until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are charged to profit or loss in the period in which they are incurred.

### (o) 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.

### (p) PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### (q) CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

• Expected to be realised or intended to be sold or consumed in the normal operating cycle

• Held primarily for the purpose of trading

• Expected to be realised within twelve months after the reporting period

Or

• Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

• It is expected to be settled in the normal operating cycle

• It is held primarily for the purpose of trading

• It is due to be settled within twelve months after the reporting period

Or

• There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

**2 ACCOUNTING POLICIES (Cont.)**

**2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**(r) FAIR VALUE MEASUREMENT**

The Group measures financial instruments such as derivatives, and non-financial assets such as investment properties, at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either

• In the principal market for the asset or liability

Or

• In the absence of a principal market, in the most advantageous market for the asset or liability

• The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

• Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

• Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

• Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Management determines the policies and procedures for both recurring fair value measurement, such as land, investment properties and for non-recurring measurement, such as assets held for sale in discontinued operations. Management is comprised of the Chief Executive Officer and Chief Finance Officer.

External valuers are involved for valuation of significant assets, such as properties and land conversion rights. Involvement of external valuers is determined annually by Management after discussion with and approval by the Group's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

**(s) ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS**

The Group classifies assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

## 2 ACCOUNTING POLICIES (Cont.)

## 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

### (s) ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Cont.)

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

• Represents a separate major line of business or geographical area of operations

• Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations

Or

• Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

Additional disclosures are provided in Note 11. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

### (t) CASH AND SHORT-TERM DEPOSITS

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

## 3 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.

## 3.1 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties includes risk management. In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

### (a) REVALUATION OF PROPERTIES

The Group carries its land and buildings and investment properties at fair value, with changes in fair value being recognised in other comprehensive income and profit or loss respectively. The Group engaged independent valuation specialists to confirm the fair value of its properties as at June 30, 2022. For land and building, the fair values have been determined based on open market value.

For 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. The key assumptions used to determine the fair value of the investment properties, are further explained in Note 6.

### 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont.)

### 3.1 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (Cont.)

### (b) EMPLOYEE BENEFITS LIABILITY

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

The pension plans are funded from payments from the employees and the Group, taking into account the recommendations of an independent actuary, namely SWAN Life Ltd. 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. For further details, please refer to Note 14.

### (c) 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.

### (d) IMPAIRMENT OF INVESTMENT IN SUBSIDIARIES

The group follows the guidance of IAS 36 on determining when an investment is impaired. This determination requires significant judgement. For details, please refer to Note 10.

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. Refer to note 10 for disclosure on the valuation and input used.

### (e) ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

The Group has evaluated the timing of recognition on the sale of property under development and has considered the facts contained in the contracts and concluded that control of the asset is transferred to the customer over time because:

• The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

• The Group's performance does not create an asset with alternative use to the Group. Furthermore, the Group has an enforceable right to payment for performance completed to date.

• The Group has determined that the input method is the best method for measuring progress for these contracts because there is a direct relationship between the costs incurred by the Group and the transfer of goods and services to the customer.

When the customer enters into a contract to buy a unit, the company is restricted to deliver to the customer the particular unit purchased. The customer is contracted to pay a deposit and settle the remainder of the contract price upon each stage of completion of the project as per the below table. When a customer default on payment, legal action are taken by the company.

| Contract Payment | |
|---|---|
| Signature of Deed of Sale | 35% |
| Completion of the roof | 35% |
| Completion of works | 25% |
| Delivery | 5% |

There was no sale of property for the Group and the Company for the years ended June 30, 2022 and June 30, 2021, where control passes over time.

### (f) 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 can recognise deferred taxes on changes in fair value of investment properties.

### (g) GOING CONCERN

The Group made a profit of Rs. 119,206,734 (Loss 2021: Rs. 203,081,227) and the Company incurred loss of Rs. 90,134,268 (2021: Rs. 125,045,881) respectively for the year ended June 30, 2022, and as at that date, the Group's current assets exceeded its current liabilities by Rs. 156,652,262 (2021: current liabilities exceed current assets by Rs 131,987,403). The Company has a net current asset position of Rs 705,085,237 as at June 30, 2022 (2021: net current asset of Rs 241,072,870).

We received The Smart City certification for the next development phase on 3rd June 2022. This will bring major fiscal benefits and higher rentability to Bluelife's future developments, all of which will be undertaken under the Smart City Scheme and pave the path for the next 7 to 10 years. We reached an overwhelming 97% level of reservations on 5 residential projects launched this year, but having received the certification later than expected, the deeds of sales will also be signed later, delaying the recognition of revenues from this segment to FY 2023.

At the end of 2021 travel has resumed, and tourists are back to our shores. Our hotel registered occupancy rate of 49% in the first semester and a rebound to 75% for the second semester, most encouraging if compared to pre-covid period (January-June 2019 with 86% occupancy). In this financial year, we completed the sale of our stake in PL Resort Ltd (owner of the Radisson Blu Poste Lafayette) as well as the capital restructuring of Haute Rive Azuri Hotel Ltd (owner of Radisson Blu Azuri) with an increase in our shareholding to 90.2% (was 62.9%). This has allowed to reduce further the Group indebtedness.

We are about to complete the construction of 'The Nine', a Par 3 - 9 holes golf course. This course of international standard which has been designed by IMG is due to open at the end of October 2022. We are confident that the golf course will contribute significantly to the promotion of Azuri.

Based on the business plan and budgeted cashflow forecast, management is satisfied that the Group has the resources to continue pursue its business activities for the foreseeable future and is expected to generate sufficient cash inflows to meet its financial obligation as and when they fall due with the support of overdraft facilities. The ability to generate sufficient cash flows and profits is largely dependent on the opening of the borders and the extent and duration of the global pandemic in investor-targeted countries. The approval of the projects and issuance of the Smart City certificate by the local authority is also one of the key factors which affects the timing and finality of sales in the property segment.

### (h) IMPAIRMENT OF FINANCIAL ASSETS

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. The information on the assumptions and model used is detailed in note 12 and 13 to these financial statements.

### (i) LEASES

Determining the lease term of contracts with renewal and termination options - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal period as part of the lease term for leases of plant and machinery with shorter non-cancellable period (i.e., three to five years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of plant and machinery with longer non-cancellable periods (i.e., 10 to 15 years) are not included as part of the lease term as these are not reasonably certain to be exercised. In addition, the renewal options for leases of motor vehicles are not included as part of the lease term because the Group typically leases motor vehicles for not more than five years and, hence, is not exercising any renewal options. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

**3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont.)**

**3.1 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (Cont.)**

**(h) IMPAIRMENT OF FINANCIAL ASSETS (Cont.)**

**(i) LEASES (Cont.)**

Refer to Note 8 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment. The IBR therefore reflects the rate the Group 'would be subject to', which requires either estimation when no observable rates are available or adjustments to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs which has been derived from average yield rates from Treasury Bills and Government Bonds issued by the Central Bank of Mauritius with adjustments made such as risk premium/credit spread to reflect the IBR. The IBR is derived individually for each lease based on the remaining tenure as from the assessment date namely July 1, 2019.

## 4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

### 4.1 Financial Risk Factors

The Group's activities are exposed 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:

| THE GROUP | June 30, 2022 | | June 30, 2021 | |
|---|---|---|---|---|
| | Financial assets | Financial liabilities | Financial assets | Financial liabilities |
| | Rs. | Rs. | Rs. | Rs. |
| MUR | 76,333,760 | 1,157,440,493 | 114,719,183 | 1,015,457,302 |
| USD | 62,209,667 | 1,837,748 | 567,916 | 249 |
| EURO | 22,428,454 | 55,066 | 2,041,577 | 14,744,192 |
| ZAR | 321,075 | 1,260 | 48,424 | 68,961 |
| GBP | 13,796,198 | 20,132 | 64,110 | 913 |
| | 175,089,154 | 1,159,354,699 | 117,441,210 | 1,030,271,617 |

| THE COMPANY | June 30, 2022 | | June 30, 2021 | |
|---|---|---|---|---|
| | Financial assets | Financial liabilities | Financial assets | Financial liabilities |
| | Rs. | Rs. | Rs. | Rs. |
| MUR | 869,279,928 | 571,350,134 | 782,055,227 | 568,610,191 |
| USD | 60,174,242 | - | 70,651 | - |
| EUR | - | - | 109,850 | - |
| | 929,454,170 | 571,350,134 | 782,235,728 | 568,610,191 |

**4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**4.1 Financial Risk Factors (Continued)**

**(a) Market risk (Continued)**

**(i) Currency risk (Continued)**

*Currency profile (Continued)*

Financial assets exclude prepayments and taxes amounting to Rs32.0m (2021: Rs 27.0m) for the Group and Rs 4.3m (2021: Rs 3.6m) for the Company.

Financial liabilities exclude non-financial liabilities such as taxes, advances received, deferred revenue, provisions and other non-cash obligations amounting to Rs 3.1m (2021: Rs 60.3m) for the Group and Rs 3.5m (2021: Rs 2.0m) for the Company.

*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 4.1(a)(i), mainly as a result of foreign exchange gains/losses on translation of foreign currency denominated financial assets and liabilities as detailed above.

**THE GROUP**

| | June 30, 2022 | | June 30, 2021 | |
|---|---|---|---|---|
| *Impact on post-tax results* | Financial assets | Financial liabilities | Financial assets | Financial liabilities |
| | Rs. | Rs. | Rs. | Rs. |
| | +/- | +/- | +/- | +/- |
| USD | 3,110,483 | 91,887 | 28,396 | 12 |
| EURO | 1,121,423 | 2,753 | 102,079 | 737,210 |
| ZAR | 16,054 | 63 | 2,421 | 3,448 |
| GBP | 689,810 | 1,007 | 3,205 | 46 |

**THE COMPANY**

| | June 30, 2022 | | June 30, 2021 | |
|---|---|---|---|---|
| *Impact on post-tax results* | Financial assets | Financial liabilities | Financial assets | Financial liabilities |
| | Rs. | Rs. | Rs. | Rs. |
| | + | + | + | + |
| USD | 3,008,712 | - | 3,533 | - |
| EUR | - | - | 5,492 | - |

**4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**4.1 Financial Risk Factors (Continued)**

**(a) Market risk (Continued)**

**(ii) 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. 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* | **2022** | 2021 | **2022** | 2021 |
| | **Rs.** | Rs. | **Rs.** | Rs. |
| | **+/-** | +/- | **+/-** | +/- |
| **Liabilities** | | | | |
| Interest bearing loans and borrowings | **3,345,107** | 4,251,535 | **1,251,005** | 1,562,901 |

**(b) Credit risk**

Credit risk occurs from cash and cash equivalents as well as credit exposure to customers, including outstanding receivables. Credit risk is managed on a Group basis for banks and financial institutions, only independently rated parties are accepted.

Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by management. There are no collaterals held against the financial assets of the Group and the Company.

*Tenant's receivables*

Tenants are assessed according to Group criteria prior to entering into lease agreements. Credit quality of tenant is assessed and outstanding receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major tenants.

*Revenue from hotels*

Sales to retail customers are required to be settled in cash, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to customers, specific industry sectors and/or regions.

**4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**4.1 Financial Risk Factors (Continued)**

**(b) Credit risk (Continued)**

**THE GROUP**

| At June 30, 2022 | Current | More than 30 days past due | More than 60 days past due | More than 90 days past due | Total |
|---|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. | Rs. |
| **Financial assets** | | | | | |
| **Trade and other receivables (net)** | **37,576,095** | **16,715,509** | **10,852,401** | **711,414** | **65,855,419** |
| **Cash and cash equivalents** | **109,233,735** | **-** | **-** | **-** | **109,233,735** |
| | **146,809,830** | **16,715,509** | **10,852,401** | **711,414** | **175,089,154** |

| At June 30, 2021 | Current | More than 30 days past due | More than 60 days past due | More than 90 days past due | Total |
|---|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. | Rs. |
| Financial assets | | | | | |
| Trade and other receivables (net) | 14,918,195 | 7,249,664 | 297,455 | - | 22,465,314 |
| Cash and cash equivalents | 94,975,896 | - | - | - | 94,975,896 |
| | 109,894,091 | 7,249,664 | 297,455 | - | 117,441,210 |

**THE COMPANY**

| At June 30, 2022 | Current | More than 30 days past due | More than 60 days past due | More than 90 days past due | Total |
|---|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. | Rs. |
| **Financial assets** | | | | | |
| **Trade and other receivables (net)** | **11,831,192** | **516,478** | **73,786** | **-** | **12,421,456** |
| **Other financial assets at amortised costs** | **854,175,047** | **-** | **-** | **-** | **854,175,047** |
| **Cash and cash equivalents** | **62,857,666** | **-** | **-** | **-** | **62,857,666** |
| | **928,863,905** | **516,478** | **73,786** | **-** | **929,454,169** |

| At June 30, 2021 | Current | More than 30 days past due | More than 60 days past due | More than 90 days past due | Total |
|---|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. | Rs. |
| Financial assets | | | | | |
| Trade and other receivables (net) | 698,051 | 9,090,817 | 29,625 | - | 9,818,493 |
| Other financial assets at amortised costs | 711,366,507 | - | - | - | 711,366,507 |
| Cash and cash equivalents | 61,050,728 | - | - | - | 61,050,728 |
| | 773,115,286 | 9,090,817 | 29,625 | - | 782,235,728 |

**(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.

**4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**4.1 Financial Risk Factors (Continued)**

**(c) Liquidity risk (Continued)**

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.

The Group has not breached its covenants for the year ended June 30, 2022. The covenants are constantly monitored by management. The Group and the Company are in a net liability position at year end but, however, there are incoming cash flows expected with the sale of Investment Properties which will help the Group sustain until future projects are materialised.

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 based on contractual undiscounted payments into relevant maturity groupings and 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 June 30, 2022** | | | | |
| **Interest bearing loans and borrowings** | **433,580,855** | **89,144,401** | **269,400,101** | **468,932,600** |
| **Trade and other payables** | **182,399,984** | **-** | **-** | **-** |
| *At June 30, 2021* | | | | |
| Interest bearing loans and borrowings | 587,020,403 | 56,557,429 | 173,872,000 | 142,467,533 |
| Trade and other payables | 162,716,726 | - | - | - |

| THE COMPANY | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. |
| **At June 30, 2022** | | | | |
| **Interest bearing loans and borrowings** | **284,243,776** | **22,596,000** | **67,548,000** | **345,000,000** |
| **Trade and other payables** | **20,922,390** | **-** | **-** | **-** |
| *At June 30, 2021* | | | | |
| Interest bearing loans and borrowings | 325,271,181 | 41,185 | - | - |
| Corporate guarantees | 30,000,000 | - | - | - |
| Trade and other payables | 255,982,769 | - | - | - |

## 4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### 4.2 Fair value estimation

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

### 4.3 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 June 30, 2022 and June 30, 2021 were as follows:

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **Rs.** | Rs. | **Rs.** | Rs. |
| Total debt | **980,101,878** | 867,554,892 | **550,427,745** | 312,627,422 |
| Less: cash and cash equivalents | **(109,233,735)** | (94,975,896) | **(62,857,666)** | (61,050,728) |
| Net debt | **870,868,143** | 772,578,996 | **487,570,079** | 251,576,694 |
| Total equity | **2,201,528,417** | 2,088,496,080 | **2,161,514,123** | 2,251,782,649 |
| Debt-to-adjusted capital ratio | **0.40** | 0.37:1 | **0.23** | 0.11:1 |

## 5. PROPERTY, PLANT AND EQUIPMENT

| (a) THE GROUP - 2022 | Freehold land and buildings Rs. | Plant and equipment Rs. | Motor vehicles Rs. | Furniture, Fixtures and equipment Rs. | Capital work in progress Rs. | Total Rs. |
|---|---|---|---|---|---|---|
| **COST** | | | | | | |
| At July 1, 2021 | 1,021,782,787 | 29,581,976 | 2,953,409 | 87,082,056 | 733,163 | 1,142,133,391 |
| Additions | 1,002,585 | 415,571 | - | 4,389,015 | - | 5,807,171 |
| Assets written off | (16,397,911) | (10,765,223) | (385,848) | (79,458,307) | - | (107,007,289) |
| Assets work in progress | - | - | - | - | 8,230,102 | 8,230,102 |
| Revaluation | (66,000,000) | - | - | - | - | (66,000,000) |
| Transfer from Investment properties (Note 6) | 138,764,200 | - | - | - | - | 138,764,200 |
| Transfer to assets classified as held for sale | (118,610,750) | - | - | - | - | (118,610,750) |
| **At June 30, 2022** | **960,540,911** | **19,232,324** | **2,567,561** | **12,012,764** | **8,963,265** | **1,003,316,825** |
| **DEPRECIATION** | | | | | | |
| At July 1, 2021 | 26,283,538 | 19,620,117 | 2,536,137 | 81,998,534 | - | 130,438,326 |
| Charge for the year | 9,145,279 | 1,030,780 | 175,258 | 4,289,504 | - | 14,640,821 |
| Assets written off | (5,952,773) | (10,579,471) | (370,753) | (79,121,307) | - | (96,024,304) |
| **At June 30, 2022** | **29,476,044** | **10,071,426** | **2,340,642** | **7,166,731** | **-** | **49,054,843** |
| **NET BOOK VALUE** | | | | | | |
| **At June 30, 2022** | **931,064,867** | **9,160,898** | **226,919** | **4,846,033** | **8,963,265** | **954,261,982** |

| THE GROUP - 2021 | Freehold land and buildings Rs. | Plant and equipment Rs. | Motor vehicles Rs. | Furniture, Fixtures and equipment Rs. | Capital work in progress Rs. | Total Rs. |
|---|---|---|---|---|---|---|
| **COST** | | | | | | |
| At July 1, 2020 | 1,368,570,351 | 32,081,355 | 2,953,409 | 115,478,007 | 906,600 | 1,519,989,722 |
| Additions | - | 287,120 | - | 1,379,121 | 3,671,663 | 5,337,904 |
| Assets written off | - | - | - | (557,460) | - | (557,460) |
| Assets work in progress | 3,187,200 | - | - | - | (3,187,200) | - |
| Revaluation | 62,934,719 | - | - | - | - | 62,934,719 |
| Transfer from Investment properties (Note 6) | 11,136,565 | - | - | - | - | 11,136,565 |
| Transfer to assets classified as held for sale | (424,046,048) | (2,786,499) | - | (29,217,612) | (657,900) | (456,708,059) |
| **At June 30, 2021** | **1,021,782,787** | **29,581,976** | **2,953,409** | **87,082,056** | **733,163** | **1,142,133,391** |
| **DEPRECIATION** | | | | | | |
| At July 1, 2020 | 165,448,738 | 19,937,106 | 2,331,118 | 96,086,675 | - | 283,803,637 |
| Charge for the year | 25,614,193 | 1,090,743 | 205,019 | 7,765,932 | - | 34,675,887 |
| Assets written off | - | - | - | (428,010) | - | (428,010) |
| Revaluation | (93,331,394) | - | - | - | - | (93,331,394) |
| Transfer to assets classified as held for sale | (71,447,999) | (1,407,732) | - | (21,426,063) | - | (94,281,794) |
| **At June 30, 2021** | **26,283,538** | **19,620,117** | **2,536,137** | **81,998,534** | **-** | **130,438,326** |
| **NET BOOK VALUE** | | | | | | |
| **At June 30, 2021** | **995,499,249** | **9,961,859** | **417,272** | **5,083,522** | **733,163** | **1,011,695,065** |

**5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

| | Plant and equipment | Furniture, Fixtures and equipment | Total |
|---|---|---|---|
| **(b) THE COMPANY - 2022** | Rs. | Rs. | Rs. |
| **COST** | | | |
| At July 01, 2021 | 3,179,054 | 11,297,789 | 14,476,843 |
| Additions | 486,349 | 74,100 | 560,449 |
| Assets written off | (2,525,562) | (9,698,344) | (12,223,906) |
| **At June 30, 2022** | **1,139,841** | **1,673,545** | **2,813,386** |
| **DEPRECIATION** | | | |
| At July 01, 2021 | 2,727,648 | 10,423,131 | 13,150,779 |
| Charge for the year | 435,309 | 261,543 | 696,852 |
| Assets written off | (2,393,480) | (9,726,214) | (12,119,694) |
| **At June 30, 2022** | **769,477** | **958,460** | **1,727,937** |
| **NET BOOK VALUE** | | | |
| **At June 30, 2022** | **370,364** | **715,085** | **1,085,449** |
| **THE COMPANY - 2021** | | | |
| **COST** | | | |
| At July 01, 2020 | 3,172,054 | 10,404,475 | 13,576,529 |
| Additions | 7,000 | 995,234 | 1,002,234 |
| Assets written off | - | (101,920) | (101,920) |
| **At June 30, 2021** | **3,179,054** | **11,297,789** | **14,476,843** |
| **DEPRECIATION** | | | |
| At July 01, 2020 | 2,647,636 | 10,046,551 | 12,694,187 |
| Charge for the year | 80,012 | 387,197 | 467,209 |
| Assets written off | - | (10,617) | (10,617) |
| **At June 30, 2021** | **2,727,648** | **10,423,131** | **13,150,779** |
| **NET BOOK VALUE** | | | |
| **At June 30, 2021** | **451,406** | **874,658** | **1,326,064** |

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

(d) Depreciation expense for the year ended June 30, 2022 of Rs. 14,640,821 (2021: Rs. 34,675,887) for the Group and Rs. 696,852 (2021: Rs. 467,209) for the Company have been charged in administrative expenses.

**5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

**(e) Fair value hierarchy of Land and Buildings:**

The information about the fair value hierarchy of the Land and buildings as at June 30, 2022 as follows:

| | Level 3 | Total |
|---|---|---|
| | Rs. | Rs. |
| **June 30, 2022** | | |
| Land and buildings | 931,064,867 | 931,064,867 |
| Add back assets written off | 10,445,138 | 10,445,138 |
| Less additions | (1,002,585) | (1,002,585) |
| Total | 940,507,420 | 940,507,420 |

The table below shows a reconciliation of all movements in the fair value categorised within Level 3 of the fair value hierarchy between the beginning and end of the reporting year:

| | THE GROUP |
|---|---|
| | 2022 |
| | Rs. |
| At July 01, 2021 | 995,499,249 |
| Charge for the year | (9,145,279) |
| Revaluation | (66,000,000) |
| Transfer from Investment properties (Note 6) | 138,764,200 |
| Transfer to assets classified as held for sale | (118,610,750) |
| **At June 30, 2022** | 940,507,420 |

The significant unobservable inputs used in the fair value measurement categorised within level 3 of the fair value hierarchy together with a quantitative sensitivity analysis are shown below:

| | | THE GROUP |
|---|---|---|
| **Valuation techniques and key inputs** | **Significant input used** | 2022 |
| | | Rs. |
| Open-market | | (8,925,278) |
| | 10% discount rate | 8,925,278 |

| | THE GROUP |
|---|---|
| **Historical costs of revalued Land and Buildings:** | 2022 |
| Cost | 1,160,546,987 |
| Accumulated depreciation | (35,428,817) |
| Transfer to assets classified as held for sale | (118,610,750) |
| | 1,006,507,420 |

## 5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

During last quarter of the current financial year ending June 30, 2022, land and buildings were revalued by Noor Dilmahomed & Associates and Ramiah-Isabel Consultancy Ltd, both being professional independent valuers. The fair value of the land and buildings have been assessed on the basis of its open market value, being the estimated amount for which the property could be exchanged between market participants at measurement date in an orderly transaction and taking into account the current market conditions and similar transactions undertaken by the group in recent years.

The Sales comparison approach has been used. This comparative approach considers the sales of similar or subsitute properties and related market data, and establishes a value estimate by processes involving comparsion. In general, a property being valued is compared with sales of similar properties that have been transacted in the open market. Listings and offerings may also be considered. A discount of 10% was accounted under open market value pertaining to risks associated with Covid-19.

The Directors considered its impact on the recoverable amount of the plant and equipment. As at reporting date, the Directors concluded that the remaining useful lives and residual values remained unchanged.

The Group's policy is to revalue its property every 3-4 years unless there is evidence that the fair value of the assets differ materially from the carrying amount.

## 6. INVESTMENT PROPERTIES

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| *Fair value model* | **Rs.** | Rs. | **Rs.** | Rs. |
| At July 1 | **1,310,517,832** | 1,627,735,827 | **16,000,000** | 100,500,000 |
| Additions | **20,636,756** | - | **-** | - |
| Increase/(Decrease) in fair value (note 6(i)) | **242,338,740** | (1,562,675) | **-** | - |
| Straight lining adjustments | **(1,031,037)** | 1,031,037 | **-** | - |
| Disposal/Sale of land | **(63,239,391)** | (87,281,000) | **-** | (84,500,000) |
| Transfer to Property, plant and equipment (Note 5) | **(138,764,200)** | (11,136,561) | **-** | - |
| Transfer (to)/from inventories (Note 9) | **295,270,378** | (218,268,796) | **(16,000,000)** | - |
| **At June 30,** | **1,665,729,078** | 1,310,517,832 | **-** | 16,000,000 |

(i) Increase/(Decrease) in fair value of investment properties have been attributable to continuing and discontinued operations as follows:

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **Rs.** | Rs. | **Rs.** | Rs. |
| Continuing operations | **242,338,740** | (1,562,675) | **-** | - |
| Discontinued operations | **-** | - | **-** | - |
| | **242,338,740** | (1,562,675) | **-** | - |

(ii) The information about the fair value hierarchy of the investment properties as at June 30, 2022 and 2021 as follows:

| | THE GROUP | | |
|---|---|---|---|
| | Level 2 | Level 3 | Total |
| | Rs. | Rs. | Rs. |
| **June 30, 2022** | | | |
| Bare lands at Azuri, Haute Rive (Note 6 (iv)) | - | **1,473,965,110** | **1,473,965,110** |
| Commercial building - Retail (note 6 (iii)) | - | **191,763,968** | **191,763,968** |
| | **-** | **1,665,729,078** | **1,665,729,078** |

## 6. INVESTMENT PROPERTIES (CONTINUED)

| | THE GROUP | | |
|---|---|---|---|
| | Level 2 | Level 3 | Total |
| | Rs. | Rs. | Rs. |
| (ii) **June 30, 2021** | | | |
| Bare lands at Azuri, Haute Rive (Note 6 (iv) | - | 1,257,144,164 | 1,257,144,164 |
| Bare lands at Piton and Riviere du Rempart (note 6 (iv)) | - | 16,000,000 | 16,000,000 |
| Commercial building - Retail (note 6 (iii)) | - | 37,373,668 | 37,373,668 |
| | - | 1,310,517,832 | 1,310,517,832 |

| | THE COMPANY | | |
|---|---|---|---|
| | Level 2 | Level 3 | Total |
| | Rs. | Rs. | Rs. |
| **June 30, 2022** | | | |
| Bare lands - Piton and Riviere du Rempart (note 6 (ii)) | - | - | - |
| | - | - | - |
| **June 30, 2021** | | | |
| Bare lands - Piton and Riviere du Rempart (note 6 (ii)) | - | 16,000,000 | 16,000,000 |
| | - | 16,000,000 | 16,000,000 |

(iii) Commercial buildings comprise of lots at Azuri and boatyard and sports facilities. The land pertaining to the lots were valued by Ramiah-Isabel Consultancy Ltd, an independent professionally qualified valuer on June 2022 using open-market value basis. The freehold interest in the land component is valued using the direct market comparison approach and the building improvement has been valued at its fair value using the depreciated replacement cost (DRC) approach.

(iv) Bare lands at Azuri, Haute Rive have been fair valued in Dec 30, 2021 by Elevante Ltd, an independent professionally qualified valuer. The fair value was determined on a open-market value basis by reference to market evidence of transaction prices for similar properties. The fair value gain were recognised in the accounts.

Part of the bare land earmarked for projects to be developed within the next twelve months have been transferred to inventory properties.

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

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

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| **Continuing and discontinued operations** | | | | |
| Rental income (Note 19(a)) | **1,982,305** | 6,315,310 | **-** | - |
| Direct operating expenses arising from investment properties that generate rental income | **9,245,931** | 8,518,997 | **-** | 794,764 |

### 6. INVESTMENT PROPERTIES (CONTINUED)

(vii) The significant unobservable inputs used in the fair value measurement categorised within level 3 of the fair value hierarchy together with a quantitative sensitivity analysis are shown below:

| | Valuation techniques and key inputs | Significant input used | Sensitivity | Group | | Company | |
|---|---|---|---|---|---|---|---|
| | | | | Effect on fair value | | | |
| | | | | 2022 | 2021 | 2022 | 2021 |
| | | | | Rs. | Rs. | Rs. | Rs. |
| Bare lands at Azuri, Haute Rive (Note 6 (ii) | Open-market | 20% discount rate has been used | 1% increase in discount rate | (17,687,581) | (15,085,730) | - | - |
| | | | 1% decrease in discount rate | 17,687,581 | 15,085,730 | - | - |
| | | Price per square metre | 1% increase in price per square metre | 14,739,651 | 12,571,442 | - | - |
| | | | 1% decrease in price per square metre | (14,739,651) | (12,571,442) | - | - |
| Commercial building - Retail (note 6 (ii)) | Open-market | 20%-30% discount rate has been used | 1% increase in discount rate | (2,492,932) | (485,858) | - | - |
| | | | 1% decrease in discount rate | 2,492,932 | 485,858 | - | - |
| | | Price per square metre | 1% increase in price per square metre | 1,917,640 | 373,737 | - | - |
| | | | 1% decrease in price per square metre | (1,917,640) | (373,737) | - | - |

*Discount of 20-30% has been used for the size, land transfer tax and planning restrictions.*

### 7. INTANGIBLE ASSETS

### (a) THE GROUP

| | Computer software | Total |
|---|---|---|
| | Rs. | Rs. |
| **2022** | | |
| **COST** | | |
| At July 1, 2021 | 11,068,226 | 11,068,226 |
| Additions | 328,080 | 328,080 |
| Disposal | (1,498,770) | (1,498,770) |
| Write off | (628,918) | (628,918) |
| **At June 30, 2022** | **9,268,618** | **9,268,618** |
| **AMORTISATION/IMPAIRMENT** | | |
| At July 1, 2021 | 9,816,324 | 9,816,324 |
| Charge for the year | 482,049 | 482,049 |
| Disposal | (1,475,322) | (1,475,322) |
| Write off | (162,471) | (162,471) |
| **At June 30, 2022** | **8,660,580** | **8,660,580** |
| **NET BOOK VALUE** | | |
| **At June 30, 2022** | **608,038** | **608,038** |

| | Computer software | Total |
|---|---|---|
| | Rs. | Rs. |
| 2021 | | |
| **COST** | | |
| At July 1, 2020 | 15,842,460 | 15,842,460 |
| Transfer to assets classified as held for sale | (4,774,234) | (4,774,234) |
| **At June 30, 2021** | **11,068,226** | **11,068,226** |
| **AMORTISATION/IMPAIRMENT** | | |
| At July 1, 2020 | 13,754,400 | 13,754,400 |
| Charge for the year | 625,097 | 625,097 |
| Transfer to assets classified as held for sale | (4,563,173) | (4,563,173) |
| **At June 30, 2021** | **9,816,324** | **9,816,324** |
| **NET BOOK VALUE** | | |
| **At June 30, 2021** | **1,251,902** | **1,251,902** |

In FY 2019, the Group and Company had fully amortised goodwill which were generated on amalgamation of IOREC with BlueLife in 2013. The Group has now decided not to present the fully amortised goodwill in its financial reporting notes.

**7. INTANGIBLE ASSETS (CONTINUED)**

**(b) THE COMPANY**

| | Computer software | Total |
|---|---|---|
| | Rs. | Rs. |
| **COST** | | |
| At July 1, 2021 | 1,498,770 | 1,498,770 |
| Additions | 328,080 | 328,080 |
| Disposal | (1,498,770) | (1,498,770) |
| **At June 30, 2022** | **328,080** | **328,080** |
| **AMORTISATION/IMPAIRMENT** | | |
| At July 1, 2021 | 1,475,323 | 1,475,323 |
| Charge for the year | 89,882 | 89,882 |
| Disposal | (1,475,323) | (1,475,323) |
| **At June 30, 2022** | **89,882** | **89,882** |
| **NET BOOK VALUE** | | |
| **At June 30, 2022** | **238,198** | **238,198** |

| | Computer software | Total |
|---|---|---|
| | Rs. | Rs. |
| **COST** | | |
| At July 1, 2020 | 1,498,770 | 1,498,770 |
| Additions | - | - |
| **At June 30, 2021** | **1,498,770** | **1,498,770** |
| **AMORTISATION/IMPAIRMENT** | | |
| At July 1, 2020 | 1,458,224 | 1,458,224 |
| Charge for the year | 17,099 | 17,099 |
| **At June 30, 2021** | **1,475,323** | **1,475,323** |
| **NET BOOK VALUE** | | |
| **At June 30, 2021** | **23,447** | **23,447** |

(c) Amortisation charge for the year ended June 30, 2022 of Rs.482,049 (2021: Rs. 625,097) for the Group and Rs. 89,882 (2021: Rs. 17,099) for the Company have been charged in administrative expenses.

## 8. RIGHT OF USE ASSETS

| | Leasehold rights | Leasehold land | Motor vehicles | Plant and equipment | Total |
|---|---|---|---|---|---|
| **(a) THE GROUP - 2022** | Rs. | Rs. | Rs. | Rs. | Rs. |
| **COST** | | | | | |
| July 1, 2021 | - | - | 4,945,477 | 7,190,367 | 12,135,844 |
| Additions | - | - | - | 8,225,688 | 8,225,688 |
| Impairment | | | | (291,384) | (291,384) |
| **At June 30, 2022** | **-** | **-** | **4,945,477** | **15,124,671** | **20,070,148** |
| **DEPRECIATION** | | | | | |
| July 1, 2021 | - | - | 3,044,227 | 4,705,331 | 7,749,558 |
| Charge for the year | - | - | 1,101,416 | 1,469,269 | 2,570,685 |
| **At June 30, 2022** | **-** | **-** | **4,145,643** | **6,174,600** | **10,320,243** |
| **NET BOOK VALUE** | | | | | |
| **At June 30, 2022** | **-** | **-** | **799,834** | **8,950,071** | **9,749,905** |
| **THE GROUP - 2021** | | | | | |
| **COST** | | | | | |
| July 1, 2020 | 61,568,451 | 30,264,782 | 3,355,477 | 5,758,260 | 100,946,970 |
| Additions | - | - | 1,590,000 | 1,432,107 | 3,022,107 |
| Transfer to assets classified as held for sale (Note 11) | (61,568,451) | (30,264,782) | - | - | (91,833,233) |
| **At June 30, 2021** | **-** | **-** | **4,945,477** | **7,190,367** | **12,135,844** |
| **DEPRECIATION** | | | | | |
| July 1, 2020 | 10,070,790 | 571,034 | 1,890,607 | 3,415,618 | 15,948,049 |
| Charge for the year | 1,231,369 | 571,034 | 1,153,620 | 1,289,713 | 4,245,736 |
| Transfer to assets classified as held for sale (Note 11) | (11,302,159) | (1,142,068) | - | - | (12,444,227) |
| **At June 30, 2021** | **-** | **-** | **3,044,227** | **4,705,331** | **7,749,558** |
| **NET BOOK VALUE** | | | | | |
| **At June 30, 2021** | **-** | **-** | **1,901,250** | **2,485,036** | **4,386,286** |
| **THE COMPANY - 2022** | | | | | |
| **COST** | | | | | |
| July 1, 2021 | - | - | 1,765,477 | 736,461 | 2,501,938 |
| Additions | - | - | - | 268,988 | 268,988 |
| **At June 30, 2022** | **-** | **-** | **1,765,477** | **1,005,449** | **2,770,926** |
| **DEPRECIATION** | | | | | |
| July 1, 2021 | - | - | 1,700,894 | 692,701 | 2,393,595 |
| Charge for the year | - | - | 64,583 | 88,592 | 153,175 |
| **At June 30, 2022** | **-** | **-** | **1,765,477** | **781,293** | **2,546,770** |
| **NET BOOK VALUE** | | | | | |
| **At June 30, 2022** | **-** | **-** | **-** | **224,156** | **224,156** |

## 8. RIGHT OF USE ASSETS (CONTINUED)

| THE COMPANY - 2021 | Leasehold rights | Leasehold land | Motor vehicles | Plant and equipment | Total |
|---|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. | Rs. |
| **COST** | | | | | |
| July 1, 2020 | - | - | 1,765,477 | 736,461 | 2,501,938 |
| **At June 30, 2021** | **-** | **-** | **1,765,477** | **736,461** | **2,501,938** |
| **DEPRECIATION** | | | | | |
| July 1, 2020 | - | - | 1,259,525 | 531,242 | 1,790,767 |
| Charge for the year | - | - | 441,369 | 161,459 | 602,828 |
| **At June 30, 2021** | **-** | **-** | **1,700,894** | **692,701** | **2,393,595** |
| **NET BOOK VALUE** | | | | | |
| **At June 30, 2021** | **-** | **-** | **64,583** | **43,760** | **108,343** |

## 9. INVENTORIES

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| **COST** | **Rs.** | Rs. | **Rs.** | Rs. |
| Inventory property (Note 9 (c)) | **497,080,081** | 496,058,003 | **42,604,538** | 25,866,350 |
| Consumables | **5,463,909** | 3,195,578 | **-** | - |
| | **502,543,990** | 499,253,581 | **42,604,538** | 25,866,350 |

(a) Inventories recognised as expense during the year ended June 30, 2022 amounted to Rs. 41,355,150 (2021: Rs.70,414,788). There were no write offs during the year for the Group and the Company.

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

(c) The Group develops residential property which it sells in the ordinary course of business and has entered into contracts to sell these properties where control passes on to the customers as and when work progresses based on the milestones certified by the quantity surveyor. Costs incurred with respect to developing the property are accounted for in accordance with IFRS 15. 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. The construction of the inventory property is expected to occur over a period exceeding 12 months. During the year, there was no sale of inventory properties and there were no open contracts entered into with customers nor any development activity, where control passes to the customers over time (2021: same).

## 9. INVENTORIES (CONTINUED)

(d) A summary of the movement in inventory property is set out below.

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| At July 1, | 496,058,003 | 228,539,138 | 25,866,350 | 25,866,350 |
| Development costs incurred | 296,292,456 | 49,250,069 | 738,187 | - |
| Transfer to/from Investment properties (Note 6) | (295,270,378) | 218,268,796 | 16,000,000 | - |
| **At June 30,** | 497,080,081 | 496,058,003 | 42,604,537 | 25,866,350 |

## 10. INVESTMENT IN SUBSIDIARIES

| | THE COMPANY | |
|---|---|---|
| | 2022 | 2021 |
| | Rs. | Rs. |
| At July 1 | 1,994,381,775 | 2,068,738,188 |
| Impairment losses * (note 25) | - | (74,356,413) |
| Capital deduction in investment | (238,000,000) | - |
| Amalgamation | (1,000) | - |
| **At June 30** | 1,756,380,775 | 1,994,381,775 |

The directors have performed an assessment of impairment of its investment in subsidiaries by comparing the carrying amount with the recoverable amount at June 30, 2022. No impairment was recognised as a result of this exercise (2021: Rs 74.4m)

* During the year, a capital reduction exercise was done for Circle Square Holding Company Ltd which resulted in reduction of accumulated losses for an amount of Rs. 238m. A short form amalgamation for Les Hauts Champs 2 and HR Golf Holdings was done on 30th June 2022.

**Impairment**

**Key assumptions used in value in use calculations and sensitivity to changes and assumptions**

The calculation of value in use for the cash generating unit is most sensitive to the following assumptions:

- Discount rate
- Growth rate

**10. INVESTMENT IN SUBSIDIARIES (CONTINUED)**

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

**June 30, 2022**

| 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 |
|---|---|---|---|---|---|---|---|---|---|
| Circle Square Holding Ltd | Ordinary | June 30, 2022 | 34,908,830 | 100.0 | - | - | 100.0 | Mauritius | Land promoter and property developer |
| Ocean Edge Property Management Company Ltd | Ordinary | June 30, 2022 | 7,000,100 | 100.0 | - | - | 100.0 | Mauritius | Management and consultancy activities |
| Haute Rive Holdings Ltd | Ordinary | June 30, 2022 | 1,150,000,000 | 100.0 | - | - | 100.0 | Mauritius | Land promoter and property developer |
| Haute Rive IRS Company Ltd | Ordinary | June 30, 2022 | 1 | - | 100.0 | - | 100.0 | Mauritius | Land promoter and property developer |
| Haute Rive Ocean Front Living Ltd | Ordinary | June 30, 2022 | 1,000 | - | 100.0 | - | 100.0 | Mauritius | Real estate activities |
| Haute Rive Azuri Hotel Ltd | Ordinary | June 30, 2022 | 725,245,300 | - | 90.2 | 9.8 | 90.2 | Mauritius | Hotel operations |
| Azuri Suites Ltd | Ordinary | June 30, 2022 | 100 | - | 100.0 | - | 100.0 | Mauritius | Management and consultancy activities |
| Azuri Golf Management Ltd | Ordinary | June 30, 2022 | 1,000 | - | 100.0 | - | 100.0 | Mauritius | Operation of other sports facilities |
| Azuri Services Ltd | Ordinary | June 30, 2022 | 7,000,100 | - | 100.0 | - | 100.0 | Mauritius | Consultancy activities |
| Azuri Estate Management Ltd | Ordinary | June 30, 2022 | 100 | - | 100.0 | - | 100.0 | Mauritius | Consultancy activities |
| Azuri Smartcity Company Ltd | Ordinary | June 30, 2022 | 1,735,207,600 | - | 100.0 | - | 100.0 | Mauritius | Land promoter and property developer |
| Life in Blue Limited | Ordinary | June 30, 2022 | 1,000 | 100.0 | - | - | 100.0 | Mauritius | Real estate activities |
| Haute Rive PDS Ltd | Ordinary | June 30, 2022 | 1,000 | - | 100.0 | - | 100.0 | Mauritius | Real estate activities |

** Les Hauts Champs 2 and HR Golf Holding Ltd have been amalgamated during the year ended 30 June 2022.*

**10. INVESTMENT IN SUBSIDIARIES (CONTINUED)**

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

June 30, 2021

| Names | Class of shares | Year end | Stated Capital | Proportion of ownership interest | | Proportion of ownership interests held by non controlling interests | Proportion of voting power held | Place of registration and operation | Main business |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Direct | Indirect | | | | |
| | | | | % | % | | % | | |
| PL Resort Ltd | Ordinary | June 30, 2021 | 215,000,000 | 60.0 | - | 40.0 | 60.0 | Mauritius | Hotel operation |
| Circle Square Holding Ltd | Ordinary | June 30, 2021 | 450,000,000 | 100.0 | - | - | 100.0 | Mauritius | Land promoter and property developer |
| Ocean Edge Property Management Company Ltd | Ordinary | June 30, 2021 | 7,000,100 | 100.0 | - | - | 100.0 | Mauritius | Management and consultancy activities |
| Haute Rive Holdings Ltd | Ordinary | June 30, 2021 | 1,150,000,000 | 100.0 | - | - | 100.0 | Mauritius | Land promoter and property developer |
| Haute Rive IRS Company Ltd | Ordinary | June 30, 2021 | 1 | - | 100.0 | - | 100.0 | Mauritius | Land promoter and property developer |
| Haute Rive Ocean Front Living Ltd | Ordinary | June 30, 2021 | 1,000 | - | 100.0 | - | 100.0 | Mauritius | Real estate activities |
| Haute Rive Azuri Hotel Ltd | Ordinary | June 30, 2021 | 399,000,000 | - | 62.9 | 37.1 | 60.0 | Mauritius | Hotel operations |
| HR Golf Holding Ltd | Ordinary | June 30, 2021 | 1,000 | - | 100.0 | - | 100.0 | Mauritius | Development of building projects for sale |
| Azuri Suites Ltd | Ordinary | June 30, 2021 | 100 | - | 100.0 | - | 100.0 | Mauritius | Management and consultancy activities |
| Azuri Golf Management Ltd | Ordinary | June 30, 2021 | 100 | - | 100.0 | - | 100.0 | Mauritius | Development of building projects for sale |
| Azuri Services Ltd | Ordinary | June 30, 2021 | 7,000,100 | - | 100.0 | - | 100.0 | Mauritius | Consultancy activities |
| Azuri Estate Management Ltd | Ordinary | June 30, 2021 | 100 | - | 100.0 | - | 100.0 | Mauritius | Consultancy activities |
| Azuri Watch Ltd | Ordinary | June 30, 2021 | 100 | - | 100.0 | - | 100.0 | Mauritius | Consultancy activities |
| Les Hauts Champs 2 Ltd | Ordinary | June 30, 2021 | 1,000 | - | 100.0 | - | 100.0 | Mauritius | Land promoter and property developer |
| Life in Blue Limited | Ordinary | June 30, 2021 | 1,000 | 100.0 | - | - | 100.0 | Mauritius | Real estate activities |
| Haute Rive PDS Ltd | Ordinary | June 30, 2021 | 1,000 | - | 100.0 | - | 100.0 | Mauritius | Real estate activities |

** Société des Primeveres and Societe des Tigres were wound up during the year ended June 30, 2021.*

**10. INVESTMENT IN SUBSIDIARIES (CONTINUED)**

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

Details of subsidiaries that have non-controlling interests:

| | 2022 | | 2021 | |
|---|---|---|---|---|
| | Profit/(Loss) allocated to non-controlling interests during the year | Accumulated non-controlling interests at June 30, | Restated Loss allocated to non-controlling interests during the year | Restated Accumulated non-controlling interests at June 30, |
| **Name** | Rs. | Rs. | Rs. | Rs. |
| PL Resort Ltd* | **1,136,506** | **-** | (9,321,001) | (25,494,514) |
| Haute Rive Azuri Hotel Ltd | **(5,443,885)** | **23,591,824** | (20,080,400) | 36,848,635 |
| | **(4,307,379)** | **23,591,824** | (29,401,401) | 11,354,121 |

* PL Resort Ltd has reported figures for a period of 8 months ending 28 February 2022.

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

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

**June 30, 2022**

| 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. |
| Haute Rive Azuri Hotel Ltd | **63,746,514** | **857,577,651** | **321,827,112** | **334,595,326** | **240,022,218** | **(11,798,306)** | **628,987** | **(11,169,319)** |

June 30, 2021

| 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 | 17,493,404 | 484,833,025 | 281,850,609 | 263,513,108 | 47,088,553 | (30,292,933) | 1,689,407 | (28,603,526) |
| Haute Rive Azuri Hotel Ltd | 17,742,878 | 903,300,767 | 578,935,960 | 391,023,964 | 78,381,223 | (69,947,312) | 90,454,910 | 20,507,598 |

**10. INVESTMENT IN SUBSIDIARIES (CONTINUED)**

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

(ii) Summarised cash flow information:

| Name | Operating activities | Investing activities | Financing activities | Net increase in cash and cash equivalents |
|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. |
| **Year ended June 30, 2022** | | | | |
| Haute Rive Azuri Hotel Ltd | **40,327,535** | **(12,955,734)** | **(28,509,052)** | **(1,137,251)** |
| Year ended June 30, 2021 | | | | |
| PL Resort Ltd | 3,793,170 | (3,218,620) | (60,614) | 513,936 |
| Haute Rive Azuri Hotel Ltd | (3,338,389) | (761,793) | 6,351,092 | 2,250,910 |

The summarised financial information above is the amount before intra-group eliminations and PL Resort Ltd has reported figures for 8 months period ended 28 February 2022.

**11. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS**

| | | THE GROUP | |
|---|---|---|---|
| | | **2022** | **2021** |
| | | **Rs.** | Rs. |
| (a) | At July 1 | **579,954,866** | 384,294,174 |
| | Disposal | **(78,163,240)** | (275,075,647) |
| | Transfer from Property, plant and equipment (Note 5) | **(362,426,265)** | 362,426,265 |
| | Transfer from Intangible asset (Note 7) | **(211,061)** | 211,061 |
| | Transfer from Rights of use asset (Note 8) | **(79,389,006)** | 79,389,006 |
| | Transfer from Deferred tax asset (Note 17) | **(11,518,566)** | 11,518,566 |
| | Transfer from current assets | **(17,191,441)** | 17,191,441 |
| | **At June 30,** | **31,055,287** | 579,954,866 |

(b) In the year ended 30 June 2020, some assets and liabilities of Circle Square Holding Company Ltd were classified as held for sale following the approval of its sale. The operations of Circle Square Holding Company Ltd were thus disclosed as discontinued operations in the statements of profit and loss for the Group. Three remaining units are expected to be sold in the first quarter of Financial year ending 30 June 2023.

The investment properties of Circle Square Holding Company Ltd are measured at fair value.

(c) During the month of March, the sale of PL Resort was realised. Thus, eight months operations financial have been accounted in group financials for the year ended 30 June 2022. The Sale of  PL Resort Ltd was concluded in March 2022.

## 11. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (CONTINUED)

(d) Assets classified as held for sale

| | THE GROUP | |
|---|---|---|
| | 2022 | 2021 |
| | Rs. | Rs. |
| Property, plant and equipment | - | 362,426,265 |
| Intangible assets | - | 211,061 |
| Rights of use assets | - | 79,389,006 |
| Investment properties | 31,055,287 | 109,218,524 |
| Deferred tax asset | - | 11,518,566 |
| Cash and cash equivalents | - | 13,835,073 |
| Inventories | - | 2,898,124 |
| Trade and other receivables | - | 458,247 |
| | 31,055,287 | 579,954,866 |

(e) Liabilities directly associated with non-current assets classified as held for sale

| | THE GROUP | |
|---|---|---|
| | 2022 | 2021 |
| | Rs. | Rs. |
| Trade and other payables | - | 4,991,211 |
| Employee Benefit Obligations | - | 2,861,101 |
| Borrowings * | - | 372,072,898 |
| Deferred tax liabilities | - | - |
| | - | 379,925,210 |

(f) An analysis of the results of discontinued operations, and the results recognised on the re-measurement the disposal group is as follows:

| | THE GROUP | |
|---|---|---|
| | 2022 | 2021 |
| | Rs. | Rs. |
| Revenue (Note 19 (a)) | 109,121,646 | 51,222,588 |
| Cost of sales | (58,190,122) | (43,084,695) |
| Other income (Note 21) | 17,716,455 | 32,571,258 |
| Other gains/(losses) | - | 3,524,319 |
| Fair value adjustment | - | - |
| Administrative and other operating expenses (Note 20) | (46,059,905) | (51,170,642) |
| Provision for impairment of receivables(Note 20) | - | 14,271,449 |
| Finance costs (Note 22) | (10,717,643) | (19,032,278) |
| Profit/(Loss) before tax from discontinued operations | 11,870,431 | (11,698,001) |
| Income tax charge | - | 16,584,368 |
| Profit/(loss) after tax of discontinued operations | 11,870,431 | 4,886,367 |
| **Other comprehensive (loss)/ income for the year, net of tax** | | |
| Remeasurements of employee benefits liability, net of deferred tax | - | 1,689,407 |
| **Total comprehensive profit/(loss)** | 11,870,431 | 6,575,774 |

The positive amount for expected credit losses relates to major reversal from last year's provision due to collections received.

## 11. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (CONTINUED)

| | | THE GROUP | |
|---|---|---|---|
| | | 2022 | 2021 |
| | | Rs. | Rs. |
| (g) | Operating cash flows | (73,744,702) | (79,164,504) |
| | Investing cash flows | 78,163,237 | 271,857,030 |
| | Financing cash flows | - | (190,576,542) |
| | | 4,418,535 | 2,115,984 |

## 12. TRADE AND OTHER RECEIVABLES

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| Trade receivables | 65,918,683 | 41,398,949 | 19,769,980 | 14,715,179 |
| Less provision for impairment | (18,122,376) | (25,851,573) | (8,746,098) | (6,180,945) |
| Net trade receivables | 47,796,307 | 15,547,376 | 11,023,882 | 8,534,234 |
| Other receivables | 39,020,909 | 27,909,922 | 3,094,173 | 1,602,660 |
| Prepayments | 11,129,252 | 6,077,902 | 2,540,791 | 3,250,266 |
| Net trade and other receivables | 97,946,468 | 49,535,200 | 16,658,846 | 13,387,160 |

Other receivables include VAT, deposit paid and insurances.

*(i) Impairment of Trade receivables*

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The reflection of forward-looking information does not have a significant impact on the loss rates.

## 12. TRADE AND OTHER RECEIVABLES (CONTINUED)

*(i) Impairment of Trade receivables (Continued)*

On that basis, the loss allowance as at June 30, 2022 and July 1, 2021, was determined as follows for trade receivables.

**GROUP**

| **At June 30, 2022** | **Current** | **More than 30 days past due** | **More than 60 days past due** | **More than 90 days past due** | **Total** |
|---|---|---|---|---|---|
| | **Rs.** | **Rs.** | **Rs.** | **Rs.** | **Rs.** |
| Expected loss rate (%) | **0.00-3.54** | **0.00-4.02** | **0.00-8.13** | **100** | **%** |
| Gross carrying amount - trade receivable | **24,354,829** | **15,902,469** | **11,964,088** | **13,697,297** | **65,918,683** |
| Loss allowance | **1,353,001** | **1,382,876** | **1,689,202** | **13,697,297** | **18,122,376** |

| At June 30, 2021 | Current | More than 30 days past due | More than 60 days past due | More than 90 days past due | Total |
|---|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. | Rs. |
| Expected loss rate (%) | 0.00-12.19 | 0.00-16.81 | 0.00-29.89 | 100 | % |
| Gross carrying amount - trade receivable | 9,328,878 | 8,973,915 | 860,804 | 22,235,352 | 41,398,949 |
| Loss allowance | 1,328,621 | 1,724,251 | 563,349 | 22,235,352 | 25,851,573 |

**COMPANY**

| **At June 30, 2022** | **Current** | **More than 30 days past due** | **More than 60 days past due** | **More than 90 days past due** | **Total** |
|---|---|---|---|---|---|
| | **Rs.** | **Rs.** | **Rs.** | **Rs.** | **Rs.** |
| Expected loss rate (%) | **5.84** | **3.79** | **8.34** | **100** | **%** |
| Gross carrying amount - trade receivable | **11,080,732** | **536,824** | **80,500** | **8,071,924** | **19,769,980** |
| Loss allowance * | **647,115** | **20,346** | **6,714** | **8,071,924** | **8,746,099** |

| At June 30, 2021 | Current | More than 30 days past due | More than 60 days past due | More than 90 days past due | Total |
|---|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. | Rs. |
| Expected loss rate (%) | 3.21 | 3.89 | 7.98 | 100 | % |
| Gross carrying amount - trade receivable | 20,930 | 9,298,200 | 37,500 | 5,358,549 | 14,715,179 |
| Loss allowance | 673 | 518,729 | 2,994 | 5,658,549 | 6,180,945 |

**All receivables greater that 90 days are assessed as credit impaired and have been fully provided for after taking into consideration amounts expected to be received after year end.*

## 12. TRADE AND OTHER RECEIVABLES (CONTINUED)

*(i) Impairment of Trade receivables (Continued)*

The closing loss allowances for trade receivables as at June 30, 2022 reconcile to the opening loss allowances as follows:

| | Trade receivables | | | |
|---|---|---|---|---|
| | THE GROUP | | THE COMPANY | |
| | 2022 | 2021 | 2022 | 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| (ii) **At July 1,** | **25,851,573** | 68,351,110 | **6,180,945** | 5,807,111 |
| Loss allowance (written back)/recognised in profit or loss during the year * | **4,102,075** | (33,814,546) | **2,565,153** | 373,834 |
| Receivables written off during the year as uncollectible | **(11,831,272)** | (8,684,991) | **-** | - |
| **At June 30,** | **18,122,376** | 25,851,573 | **8,746,098** | 6,180,945 |

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| Continuing operations | **4,102,075** | (19,543,096) | **2,565,153** | 373,834 |
| Discontinued operations (note 11) | **-** | (14,271,450) | **-** | - |
| | **4,102,075** | (33,814,546) | **2,565,153** | 373,834 |

(iii) 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 | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| **MUR** | **65,603,215** | 44,883,265 | **16,658,846** | 13,387,160 |
| **USD** | **1,416,793** | 347,218 | **-** | - |
| **GBP** | **12,087,563** | 674,514 | **-** | - |
| **EUR** | **18,838,897** | 3,630,203 | **-** | - |
| | **97,946,468** | 49,535,200 | **16,658,846** | 13,387,160 |

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.

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

## 13. OTHER FINANCIAL ASSETS AT AMORTISED COST

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| (a) Receivable from related parties | **-** | - | **860,537,385** | 747,955,876 |
| Less: Loss allowance | **-** | - | **(6,362,338)** | (36,589,369) |
| | **-** | - | **854,175,047** | 711,366,507 |

Due to the short-term nature of the receivable from related parties, their carrying amount is considered to be the same as their fair value.

### 13. OTHER FINANCIAL ASSETS AT AMORTISED COST (CONTINUED)

(b) Impairment and risk exposure

(i) The loss allowance for financial assets at amortised cost as at June 30, 2022 reconciles to the opening loss allowance on July 1, 2021 and to the closing loss allowance as at June 30, 2022 as follows:

| | THE COMPANY | |
|---|---|---|
| | 2022 | 2021 |
| | Rs. | Rs. |
| Loss allowance at July 1, | 36,589,369 | 29,281,417 |
| Write offs/ (Write back) | (30,227,031) | - |
| Allowance recognised in profit or loss during the year | - | 7,307,952 |
| **Loss allowance at June 30,** | 6,362,338 | 36,589,369 |

Financial assets at amortised costs are assessed as credit impaired and judgements have been used by management to determine the expected credit loss amount. The expected credit loss of the receivables from the related parties have been assessed by reviewing their cash flow projections. The key assumptions used for preparing the cash flow forecasts are based on management's past experience of the industry and the current covid-19 implications. These assumptions include the discount rate and growth rate. The projected cash flows are then discounted using the effective interest rate. A terminal growth rate of 3% has been assumed in the calculation and is determined based on past growth rates of the business.

(ii) All of the financial assets at amortised cost are denominated in Mauritian Rupees. As a result, there is no exposure to foreign currency risk.

### 14. EMPLOYEE BENEFITS LIABILITY

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| **Amounts recognised in the statements of financial position** | | | | |
| Other post employment benefits | 13,817,552 | 10,046,884 | 1,925,798 | 1,655,368 |
| Analysed as follows: | | | | |
| Non-current liabilities | 13,817,552 | 10,046,884 | 1,925,798 | 1,655,368 |

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | Year ended June 30, 2022 | Year ended June 30, 2021 | Year ended June 30, 2022 | Year ended June 30, 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| **Amount charged to profit or loss:** | | | | |
| Other post employment benefits (Note 24(a)) | 2,621,890 | 4,583,295 | 108,671 | 324,809 |
| **Amount (credited)/charged to other comprehensive income:** | | | | |
| Other post employment benefits (Note 27) | 953,485 | (7,988,223) | 134,258 | (2,270,406) |

## 14. EMPLOYEE BENEFITS LIABILITY (CONTINUED)

### (a) Other post employment benefits

(i) The plan is a hybrid arrangement in respect of employees who were previously members of a defined benefit plan. These employees have a No Worse Off Guarantee whereby, at retirement, their pension benefits will not be less than what would have been payable under the previous Defined Benefit plan. An employee foregoes this guarantee if he leaves before normal retirement age.

The liability relates to Retirement Gratuities payable under the Employment Rights Act (ERA). The latter provides for a lump sum at retirement based on final salary and years of service. For employees who are members of the Defined Contribution plan, half of any lumpsum and five years of pension (relating to Employer's share of contributions only) payable from the pension fund have been offset from the Retirement Gratuities.

The most recent actuarial valuation of the plan assets and the present value of the other post retirement benefits were carried out at June 30, 2022 by Swan Life Ltd (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 | | THE COMPANY | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **Rs.** | Rs. | **Rs.** | Rs. |
| Present value of unfunded obligations | **13,817,552** | 10,046,884 | **1,925,798** | 1,655,368 |
| Liability in the statements of financial position | **13,817,552** | 10,046,884 | **1,925,798** | 1,655,368 |

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

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **Rs.** | Rs. | **Rs.** | Rs. |
| At July 1, | **10,046,884** | 18,348,344 | **1,655,368** | 3,600,965 |
| Charged to profit or loss | **2,621,890** | 4,583,295 | **108,672** | 324,809 |
| (Credited)/charged to other comprehensive income | **1,148,778** | (10,023,654) | **161,758** | (2,270,406) |
| Transfer to liabilities held for sale | **-** | (2,861,101) | **-** | - |
| **At June 30,** | **13,817,552** | 10,046,884 | **1,925,798** | 1,655,368 |

### 14. EMPLOYEE BENEFITS LIABILITY (CONTINUED)

**(a) Other post employment benefits (Continued)**

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

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| At July 1, | 10,046,884 | 18,348,344 | 1,655,368 | 3,600,965 |
| Current service cost | 2,197,432 | 3,896,419 | 22,592 | 187,972 |
| Interest expense | 572,640 | 710,146 | 86,080 | 136,837 |
| Settlement costs | (148,180) | (23,270) | - | - |
| Remeasurements: | | | | |
| Actuarial (gains)/losses arising from experience adjustment (Note 27) | 1,148,776 | (10,023,654) | 161,758 | (2,270,406) |
| Transfer to liabilities held for sale | - | (2,861,101) | - | - |
| **At June 30,** | 13,817,552 | 10,046,884 | 1,925,798 | 1,655,368 |

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

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | Year ended June 30, 2022 | Year ended June 30, 2021 | Year ended June 30, 2022 | Year ended June 30, 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| Current service cost | 2,197,432 | 3,896,419 | 22,592 | 187,972 |
| Net interest cost | 572,640 | 710,146 | 86,080 | 136,837 |
| Settlement costs | (148,180) | (23,270) | - | - |
| Total included in employee benefit expense (note 24) | 2,621,892 | 4,583,295 | 108,672 | 324,809 |

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

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| Experience losses /(gains) on liabilities | 953,485 | (4,022,981) | 275,467 | (1,621,525) |
| Changes in assumptions underlying the present value of the scheme | | (3,965,242) | (113,709) | (648,881) |
| | 953,485 | (7,988,223) | 161,758 | (2,270,406) |

(vii) Cumulative actuarial losses/(gains) recognised:

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| At July 1, | 561,455 | 8,549,678 | (1,695,682) | 574,724 |
| Actuarial losses/(gains) recognised for the year | 953,485 | (7,988,223) | 161,758 | (2,270,406) |
| **At June 30** | 1,514,940 | 561,455 | (1,533,924) | (1,695,682) |

## 14. EMPLOYEE BENEFITS LIABILITY (CONTINUED)

### (a) Other post employment benefits (Continued)

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

| | THE GROUP AND THE COMPANY | |
|---|---|---|
| | 2022 | 2021 |
| | % | % |
| Discount rate | **5.10** | 5.2-5.8 |
| Future long-term salary increase | **3.00** | 3.00 |
| Future expected pension increase | **0.00** | 0.00 |

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

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| **June 30, 2022** | **Increase** | **Decrease** | **Increase** | **Decrease** |
| | **Rs.** | **Rs.** | **Rs.** | **Rs.** |
| Discount rate (1% increase) | **-** | **3,050,802** | **-** | **780,243** |
| Discount rate (1% decrease) | **2,494,454** | **-** | **659,716** | **-** |
| Future long term salary assumption (1% increase) | **3,091,963** | **-** | **789,187** | **-** |
| Future long term salary assumption (1% decrease) | **-** | **2,565,329** | **-** | **677,940** |

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| June 30, 2021 | Increase | Decrease | Increase | Decrease |
| | Rs. | Rs. | Rs. | Rs. |
| Discount rate (1% increase) | - | 2,317,570 | - | 671,724 |
| Discount rate (1% decrease) | 1,888,512 | - | 562,061 | - |
| Future long term salary assumption (1% increase) | 2,355,892 | - | 680,172 | - |
| Future long term salary assumption (1% decrease) | - | 1,945,734 | - | 578,023 |

(x) 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 and the Company 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.

**14. EMPLOYEE BENEFITS LIABILITY (CONTINUED)**

**(a) Other post employment benefits (Continued)**

(xi) The weighted average duration of the obligation is 15-22 years at the end of the reporting period (2021: 15-22 years).

(xii) The methodology used is to derive the yield curve (to determine the discount rate) based on available local government bonds with terms ranging from 0.25 to 20 years from which the discount rate commensurate with the duration of liabilities. The Nelson Siegel Svensson model has been used to generate the yield curve using the latest yields as at June 30, 2022 as data source.

We have used the Nelson Siegel Svensson model to generate the yield curve using the latest yields as at 30 June 2020 as our data source.

**15. STATED CAPITAL**

| | THE GROUP AND THE COMPANY | | | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| **Issued and fully paid** | Number of shares | | **Rs.** | Rs. |
| **ordinary shares at no par value** | | | | |
| At July 1 | **1,154,942,099** | 654,942,099 | **3,770,370,310** | 3,472,320,310 |
| Additions | **-** | 500,000,000 | **-** | 298,050,000 |
| At June 30, | **1,154,942,099** | 1,154,942,099 | **3,770,370,310** | 3,770,370,310 |

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

**16. INTEREST BEARING LOANS AND BORROWINGS**

(a)

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| | **Rs.** | Rs. | **Rs.** | Rs. |
| **Non-current** | | | | |
| Bank and other loans (notes (a), (b), (g) & (h) | **301,280,055** | 312,187,500 | **-** | - |
| Finance lease liabilities (notes (b) & (f)) | **8,149,876** | 2,676,811 | **139,275** | 40,739 |
| Bonds | **300,000,000** | - | **300,000,000** | - |
| | **609,429,931** | 314,864,311 | **300,139,275** | 40,739 |
| **Current** | | | | |
| Bank overdrafts | **293,192,646** | 354,683,693 | **250,160,214** | 283,178,807 |
| Bank and other loans (notes (a), (b) & (g)) | **41,563,695** | 94,830,993 | **-** | - |
| Short term loans | **-** | 12,822,500 | **-** | - |
| Loans with related parties (notes (g)&33) | **32,985,097** | 37,202,419 | **-** | 12,094,213 |
| Finance lease liabilities (notes (b) & (f)) | **1,931,563** | 1,878,117 | **128,256** | 135,950 |
| Interest on bank and other loans (note (a)) | **998,948** | 51,272,859 | **-** | 17,177,713 |
| | **370,671,949** | 552,690,581 | **250,288,470** | 312,586,683 |
| **Total** | **980,101,880** | 867,554,892 | **550,427,745** | 312,627,422 |

The company had issued bonds for Rs 300M in June 2021 but allocated in July 2021.

### 16. INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

(b) The borrowings as at June 30, 2022 include secured liabilities (leases, bank overdraft and bank loans) amounting to Rs. 646,117,835 (2021: Rs. 766,257,114) for the Group and Rs. 250,427,744 (2021: Rs.283,355,496) 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. The value of amounts pledged as collaterals on the borrowings amount to Rs. 960.1m (2021: Rs. 1,264.0m) with an outstanding exposure of Rs.637.0m at June 30, 2022 (2021: Rs. 761.7m). 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 | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| MUR | 980,101,880 | 854,732,392 | 550,427,745 | 312,627,422 |
| EUR | - | 12,822,500 | - | - |
| | 980,101,880 | 867,554,892 | 550,427,745 | 312,627,422 |

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

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| - after one year and before two years | 42,950,395 | 41,308,155 | 91,746 | 40,739 |
| - after two years and before five years | 150,707,142 | 142,306,156 | 47,529 | - |
| - after five years | 415,772,394 | 131,250,000 | 300,000,000 | - |
| | 609,429,931 | 314,864,311 | 300,139,275 | 40,739 |

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

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| - After one year and before two years | Rs. | Rs. | Rs. | Rs. |
| - Bank and other loans | 41,219,945 | 40,187,500 | - | - |
| - Finance lease liabilities | 1,730,450 | 1,120,655 | 91,746 | 40,739 |
| | 42,950,395 | 41,308,155 | 91,746 | 40,739 |
| - After two years and before five years | | | | |
| - Bank loans and other loans | 147,909,834 | 140,750,000 | - | - |
| - Finance lease liabilities | 2,797,308 | 1,556,156 | 47,529 | - |
| | 150,707,142 | 142,306,156 | 47,529 | - |
| - After five years | | | | |
| - Bank and other loans | 112,150,274 | 131,250,000 | - | - |
| - Finance lease liabilities | 3,622,120 | - | - | - |
| -Bonds | 300,000,000 | - | 300,000,000 | - |
| | 415,772,394 | 131,250,000 | 300,000,000 | - |
| | 609,429,931 | 314,864,311 | 300,139,275 | 40,739 |

**16. INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)**

(e) 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 June 30, 2022** | | | | | |
| **Total borrowings** | **326,177,743** | **41,563,695** | **189,129,779** | **112,150,276** | **669,021,493** |
| At June 30, 2021 | | | | | |
| Total borrowings | 391,886,112 | 94,830,993 | 180,937,500 | 131,250,000 | 798,904,605 |

**THE COMPANY**

| | Six months or less | 6 -12 months | 1 - 5 years | Over 5 years | Total |
|---|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. | Rs. |
| **At June 30, 2022** | | | | | |
| **Total borrowings** | **250,160,214** | **-** | **-** | **-** | **250,160,214** |
| At June 30, 2021 | | | | | |
| Total borrowings | 283,178,807 | 12,094,213 | - | - | 295,273,020 |

(f) Finance lease liabilities - minimum lease payments:

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| Not later than one year | **2,404,980** | 2,151,726 | **137,205** | 140,373 |
| Later than one year not later than 2 years | **2,094,363** | 1,265,138 | **96,000** | 41,185 |
| Later than 2 years not later than 5 years | **3,449,376** | 1,660,361 | **48,000** | - |
| Later than 5 years not later than 60 years | **3,960,672** | - | **-** | - |
| | **11,909,391** | 5,077,225 | **281,205** | 181,558 |
| Future finance charges on finance leases | **(1,827,953)** | (522,297) | **(13,675)** | (4,869) |
| Present value of finance lease liabilities | **10,081,438** | 4,554,928 | **267,530** | 176,689 |

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

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Bank overdrafts | **4.5-6.15%** | 4.1%-5.75% | **4.5-4.8%** | 4.1-4.40% |
| Finance lease liabilities | **4.5-9.25%** | 4.1%-9.25% | **4.1-4.75%** | 4.1%-7.82% |
| Short term loans | **-** | - | **N/A** | 6.55% |
| Loan from related parties | **7.0%** | 6.60-7.50% | **N/A** | 7.50% |
| Bank and other loans | **4.5-7.14%** | 4.10-7.14% | **N/A** | N/A |

(h) Bonds Issue

During the financial year under review, the company raised Rs 300.0m cash through a 7 year bond issue.

## 16. INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

(h) Reconciliation

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| At Jul 1, | 867,554,892 | 1,414,988,253 | 312,627,422 | 491,811,117 |
| Additions | 312,407,198 | 91,815,712 | 300,268,989 | 76,452,603 |
| Repayments | (157,463,188) | (43,692,152) | (45,290,952) | (548,243) |
| Capitalisation of shareholder's loan | - | (272,039,420) | - | (272,039,420) |
| Foreign exchange differences | - | 1,445,000 | - | - |
| Interest accrued | (42,397,022) | 47,110,397 | (17,177,714) | 16,951,365 |
| Transfer to liabilities held for sale (Note 11) | - | (372,072,898) | - | - |
| At Jun 30, | 980,101,880 | 867,554,892 | 550,427,745 | 312,627,422 |

(i) **Reconciliation of liability arising from Financing activities**

The table below details changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financial activities are thise for which cash flows were, or future cash flows will be classified in the Company's statements of cash flows from financing activities.

**THE GROUP**

| | At July 1, 2021 | Financing cash flows | Transfer to liabilities held for sale | Non-cash changes | At June 30 2022 |
|---|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. | Rs. |
| Bank overdrafts | 354,683,693 | (61,491,047) | - | - | 293,192,646 |
| Bank and other loans | 407,018,493 | (64,174,743) | - | - | 342,843,750 |
| Short term loans | 12,822,500 | (12,822,500) | - | - | - |
| Loans with related parties | 37,202,419 | (12,094,213) | - | 7,876,890 | 32,985,096 |
| Finance lease liabilities | 4,554,928 | (1,662,328) | - | 7,188,839 | 10,081,439 |
| Interest on bank and other loans | 51,272,859 | - | - | (50,273,912) | 998,947 |
| Bonds | - | 300,000,000 | | | 300,000,000 |
| | 867,554,892 | 147,755,169 | - | (35,208,183) | 980,101,878 |

THE GROUP

| | At July 1, 2020 | Financing cash flows | Transfer to liabilities held for sale | Non-cash changes | At June 30 2021 |
|---|---|---|---|---|---|
| | Rs. | Rs. | | Rs. | Rs. |
| Bank overdrafts | 317,429,798 | 67,158,885 | (29,904,990) | - | 354,683,693 |
| Bank and other loans | 702,120,280 | (19,677,502) | (275,424,285) | - | 407,018,493 |
| Short term loans | 11,377,500 | - | - | 1,445,000 | 12,822,500 |
| Loans with related parties | 289,225,268 | - | (14,117,062) | (237,905,787) | 37,202,419 |
| Finance lease liabilities | 34,205,416 | (2,212,378) | (30,292,664) | 2,854,554 | 4,554,928 |
| Interest on bank and other loans | 60,629,991 | (1,826,932) | (22,333,897) | 14,803,697 | 51,272,859 |
| | 1,414,988,253 | 43,442,073 | (372,072,898) | (218,802,536) | 867,554,892 |

**THE COMPANY**

| | At July 1, 2021 | Financing cash flows | Transfer to liabilities held for sale | Non-cash changes | At June 30 2022 |
|---|---|---|---|---|---|
| | Rs. | Rs. | | Rs. | Rs. |
| Bank overdrafts | 283,178,807 | (33,018,593) | - | - | 250,160,214 |
| Loans with related parties | (22,039,422) | (12,094,213) | - | - | (34,133,635) |
| Finance lease liabilities | 176,689 | (178,147) | - | 268,989 | 267,531 |
| Interest on bank and other loans | 51,311,348 | (17,177,713) | - | - | 34,133,635 |
| Bonds | - | 300,000,000 | | | 300,000,000 |
| | 312,627,422 | 237,531,334 | - | 268,989 | 550,427,745 |

## 16. INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

THE COMPANY

| | At July 1, 2020 | Financing cash flows | Transfer to liabilities held for sale | Non-cash changes | At June 30 2021 |
|---|---|---|---|---|---|
| | Rs. | Rs. | | Rs. | Rs. |
| Bank overdrafts | 206,726,204 | 76,452,603 | - | - | 283,178,807 |
| Loans with related parties | 250,000,000 | - | - | (272,039,422) | (22,039,422) |
| Finance lease liabilities | 724,930 | (548,241) | - | - | 176,689 |
| Interest on bank and other loans | 34,359,983 | - | - | 16,951,365 | 51,311,348 |
| | 491,811,117 | 75,904,362 | - | (255,088,057) | 312,627,422 |

## 17. DEFERRED INCOME TAXES

(a) Deferred tax assets on tax losses carried forward are recognised only to the extent that realisation of the related tax benefit is probable. The recoverability of tax losses is limited to a period of five years from the relevant year of assessment except for losses attributable to annual allowances claimed in respect of capital expenditure.

(b) 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 | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **Rs.** | Rs. | **Rs.** | Rs. |
| Deferred tax assets | **9,316,927** | 18,441,106 | **565,381** | 566,257 |
| Deferred tax liabilities | **(2,597,579)** | (927,169) | **-** | - |
| Net deferred tax assets | **6,719,348** | 17,513,937 | **565,381** | 566,257 |

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

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **Rs.** | Rs. | **Rs.** | Rs. |
| At July 1, | **17,513,937** | 29,743,239 | **566,257** | 1,228,150 |
| Charged/(credited) to profit or loss (note 26) | **(10,989,868)** | 5,114,274 | **-** | (275,924) |
| (Credited)/charged to other comprehensive income | **195,293** | (5,825,010) | **(876)** | (385,969) |
| Other movements | **-** | - | **-** | - |
| Transfer to assets classified as held for sale (note 11) | **-** | (11,518,566) | **-** | - |
| **At June 30,** | **6,719,362** | 17,513,937 | **565,381** | 566,257 |

### 17. DEFERRED INCOME TAXES (CONTINUED)

(d) At June 30, 2022, the Group had unused tax losses of Rs. 652.0m (2021: Rs. 786.5m) and the Company had unused tax losses of Rs.318.7m (2021: Rs. 310.4m), available for offset against future profits. No deferred tax asset has been recognised in respect of the tax losses for the Group and the Company as at June 30, 2022 due to unpredictability of future profit streams. The tax losses expire on a rolling basis over 5 years.

At June 30, 2022, the Group and the Company had expected credit losses provision on trade receivables and current accounts recoverable amounting to Rs. 221.8m (2021 : Rs. 25.9m) for the Group and Rs.

If the Group and the Company were able to recognise the deferred tax assets arising on the tax losses and provisions, the profit for the year would have increased by Rs. 9.3m

(e) 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:

#### (i) THE GROUP

| | At July 1, 2021 | (Credited)/ charged to profit or loss | (Credited)/ charged to equity | Transfer to asset Non-current assets held for sale | **At June 30, 2022** |
|---|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. | **Rs.** |
| Deferred tax assets | | | | | |
| Employee benefits liability | 1,707,979 | - | (195,293) | - | **1,512,686** |
| Revaluation of buildings | (4,120,989) | (10,599,296) | - | - | **(14,720,285)** |
| Accelerated tax depreciation | 19,926,947 | - | - | - | **19,926,947** |
| | 17,513,937 | (10,599,296) | (195,293) | - | **6,719,348** |

| | At July 1, 2020 | (Credited)/ charged to profit or loss | (Credited)/ charged to equity | Transfer to asset Non-current assets held for sale | At June 30, 2021 |
|---|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. | Rs. |
| Deferred tax assets | | | | | |
| Employee benefits liability | 3,119,228 | 779,159 | (1,704,021) | (486,387) | 1,707,979 |
| Revaluation of buildings | - | - | (4,120,989) | - | (4,120,989) |
| Accelerated tax depreciation | 26,624,011 | 4,335,115 | - | (11,032,179) | 19,926,947 |
| | 29,743,239 | 5,114,274 | (5,825,010) | (11,518,566) | 17,513,937 |

#### (ii) THE COMPANY

| | At July 1, 2021 | Credited to profit or loss | Credited to equity | **At June 30, 2022** |
|---|---|---|---|---|
| | Rs. | Rs. | Rs. | **Rs.** |
| Deferred tax assets | | | | |
| Employee benefits liability | (176,476) | (18,478) | (27,499) | **(222,453)** |
| Accelerated tax depreciation | (389,781) | 46,853 | | **(342,928)** |
| | (566,257) | 28,375 | (27,499) | **(565,381)** |

| | At July 1, 2020 | Credited to profit or loss | Charged to equity | At June 30, 2021 |
|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. |
| Deferred tax assets | | | | |
| Employee benefits liability | (507,227) | (55,218) | 385,969 | (176,476) |
| Accelerated tax depreciation | (720,923) | 331,142 | - | (389,781) |
| | (1,228,150) | 275,924 | 385,969 | (566,257) |

## 18. TRADE AND OTHER PAYABLES

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| Trade payables | 41,668,846 | 22,652,428 | 1,242,573 | 4,505,826 |
| Amount due to related parties (Note 33) | 4,731,062 | 28,737,066 | 1,572,548 | 205,967,069 |
| Deposit from tenants | 5,254,682 | 12,029,167 | - | - |
| Accruals | 47,053,255 | 40,006,643 | 15,845,468 | 3,951,250 |
| Other payables | 83,692,139 | 89,086,195 | 2,261,801 | 13,037,047 |
| Bonds | - | 30,550,000 | - | 30,550,000 |
| | 182,399,984 | 223,061,499 | 20,922,390 | 258,011,192 |

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

Accruals and other payables relate mainly to audit and taxation fees, director fees, professional fees, project cost fees and advance payment received for sale of property.

## 19. REVENUE

| | | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|---|
| | | 2022 | 2021 | 2022 | 2021 |
| | | Rs. | Rs. | Rs. | Rs. |
| (a) | Revenue from the sale of goods* | 155,499,341 | 56,565,195 | - | - |
| | Revenue from the rendering of services** | 229,925,333 | 82,873,087 | - | - |
| | Management fee income | - | 11,594,835 | - | - |
| | Rental income (Note 6(vi)) | 1,982,305 | 6,315,310 | - | - |
| | Sale of land | 76,051,500 | - | - | - |
| | | 463,458,479 | 157,348,427 | - | - |
| | Disclosed as follows: | | | | |
| | -Continuing operations | 354,336,833 | 106,125,839 | - | - |
| | -Discontinued operations (note 11) | 109,121,646 | 51,222,588 | - | - |
| | | 463,458,479 | 157,348,427 | - | - |

*Revenue from sale of goods relate mainly to food and beverages revenue and other income generated from minor other departments from hotels' operations.

**Revenue from sale of services relate mainly to room revenue, spa revenue and other income generated from minor other departments from hotels' operations as well as fees received for cleaning and housekeeping services and syndicate fees.

## 20. EXPENSES BY NATURE

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| Depreciation of Plant, property and Equipment (Note 5) | 14,640,821 | 34,675,887 | 696,852 | 467,209 |
| Depreciation of Right of use assets (Note 8) | 2,570,685 | 4,245,736 | 153,175 | 602,828 |
| Amortisation of intangible assets (Note 7) | 482,049 | 451,196 | 89,882 | 17,099 |
| Assets written off | 466,447 | - | - | - |
| Employee benefit expense (note 24(a)) | 218,355,680 | 135,813,978 | 50,647,045 | 60,916,802 |
| Advertising costs | 17,086,770 | 11,687,332 | 53,835 | |
| Business administration and professional fees | 23,656,600 | 23,416,697 | 9,947,824 | 14,318,540 |
| Security and cleaning expenses | 12,063,526 | 1,862,328 | 62,475 | 843,386 |
| Syndic levies and snagging costs | 4,574,456 | 5,174,501 | 611,830 | - |
| Utilities | 42,590,227 | 32,799,686 | 497,780 | 514,229 |
| Repairs and maintenance | 25,820,991 | 26,051,331 | 142,504 | 1,627,397 |
| Cost of sale F&B * | 57,122,976 | 81,785,736 | - | - |
| Cost of sales others * | 118,979,831 | 31,722,628 | - | - |
| Rental expenses | 6,848,300 | - | - | - |
| Management Fees | 8,011,250 | 10,682,705 | 5,717,900 | - |
| IT Expenses | 4,427,155 | 4,444,021 | 97,219 | 49,390 |
| Other expenses ** | 81,711,960 | 33,346,476 | 39,170,839 | 2,841,548 |
| | 639,409,724 | 438,160,238 | 107,889,160 | 82,198,428 |
| Provision for impairment of receivables (Notes 12 & 13) | 4,102,075 | (19,543,096) | (27,661,879) | 7,681,786 |
| Total cost of sales, selling and marketing, administrative and other operating expenses | 643,511,799 | 418,617,142 | 80,227,281 | 89,880,214 |
| Disclosed as follows: | | | | |
| -Continuing operations | 549,308,833 | 338,633,253 | 80,227,281 | 89,880,214 |
| -Discontinued operations (note 11) | 94,202,966 | 79,983,889 | - | - |
| | 643,511,799 | 418,617,142 | 80,227,281 | 89,880,214 |

** The line cost of sales has been disaggregated in this note for the current year and prior year.*

*** Other expenses mainly includes licences, insurance, motor vehicles expenses, bank charges, rentals, estate contracts and snagging costs.*

## 21. OTHER INCOME AND INTEREST INCOME AT EIR

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| Accounting fees | - | - | 3,117,500 | 2,907,600 |
| Management fee income | 5,764,263 | 1,127,000 | 6,000,000 | 1,610,000 |
| Syndicates fee income | 3,588 | - | - | - |
| Profit/(loss) on sale of property, plant and equipment | (291,357) | 97,840 | - | - |
| Bad debts recovered | 740,391 | 90,000 | - | - |
| Recoveries from tenants | 6,488,964 | 4,622,749 | - | - |
| Recharge estate expenses | 35,048,419 | 30,197,851 | - | - |
| Recharge of materials and labour | 336,909 | 3,272,310 | - | - |
| Forfeited deposit ** | 3,376,137 | 14,837,121 | - | - |
| Share of (profit)/loss from societies | (680,771) | - | (680,771) | 2,773,965 |
| Government wage assistance scheme * | 25,799,704 | 57,854,821 | - | 437,579 |
| Miscellaneous other income *** | 16,305,731 | 14,107,644 | 6,582,206 | 63,072,687 |
| | 92,891,978 | 126,207,336 | 15,018,935 | 70,801,831 |
| Interest income | - | - | 6,550,974 | 10,945,614 |
| | 92,891,978 | 126,207,336 | 21,569,909 | 81,747,445 |
| Disclosed as follows: | | | | |
| -Continuing operations | 75,175,525 | 93,636,078 | 21,569,909 | 81,747,445 |
| -Discontinued operations (note 11) | 17,716,455 | 32,571,258 | - | - |
| | 92,891,980 | 126,207,336 | 21,569,909 | 81,747,445 |

** The grant is in respect of Government assistance to support the Group to settle the salaries of the employees during the COVID-19 pandemic and has been accounted under the income approach. The grant is recognised directly in profit or loss upon receipt to match the salary expenses for the respective periods.*

*** Forfeited deposit relates to down payments from customers for purchase of residences who did not go forward with their sales contract.*

**** Miscellaneous other income relates mainly to gain on Forex, syndic and marketing costs. For company, relates mainly to gain on forex.*

## 22. FINANCE COSTS

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Interest expense: | Rs. | Rs. | Rs. | Rs. |
| - Bank overdrafts | 10,691,658 | 16,751,681 | 7,676,909 | 10,295,018 |
| - Bank and other loans | 27,397,850 | 35,313,094 | 347,253 | - |
| - Short term loans | 18,441,781 | 3,204,782 | 18,441,781 | 3,204,782 |
| - Loan from related parties | 2,511,685 | 16,688,257 | - | 13,746,464 |
| - Finance leases | 1,716,732 | 2,378,781 | 10,226 | 17,133 |
| | 60,759,706 | 74,336,595 | 26,476,169 | 27,263,397 |
| Disclosed as follows: | | | | |
| -Continuing operations | 50,042,063 | 55,304,317 | 26,476,169 | 27,263,397 |
| -Discontinued operations (note 11) | 10,717,643 | 19,032,278 | - | - |
| | 60,759,706 | 74,336,595 | 26,476,169 | 27,263,397 |

## 23. OTHER (LOSSES)/GAINS - NET

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| The exchange differences (charged)/credited to the profit or loss | - | (1,120,870) | - | - |
| Loss on disposal on Investment Property and winding up costs | 45,832,281 | (11,176,454) | (4,972,352) | (15,017,378) |
| | 45,832,281 | (12,297,324) | (4,972,352) | (15,017,378) |
| Disclosed as follows: | | | | |
| -Continuing operations | 45,832,281 | (15,821,643) | (4,972,352) | (15,017,378) |
| -Discontinued operations | - | 3,524,319 | - | - |
| | 45,832,281 | (12,297,324) | (4,972,352) | (15,017,378) |

## 24. PROFIT/(LOSS) BEFORE TAXATION

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| Profit/(Loss) before taxation is arrived at after charging: | | | | |
| Depreciation of property, plant and equipment | | | | |
| - owned assets | 14,465,563 | 34,470,868 | (12,119,694) | (10,617) |
| - leased assets under finance lease | 175,258 | 205,019 | - | - |
| Amortisation of intangible assets (Note 7) | 482,049 | 625,097 | 89,882 | 17,099 |
| Depreciation of Right of use assets (Note 8) | 2,570,685 | 4,245,736 | 153,175 | 602,828 |
| Impairment charges | 291,383 | - | - | 74,356,413 |
| Employee benefit expense (note 24(a)) | 218,355,680 | 135,813,978 | 50,647,046 | 60,916,802 |

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| **(a) Employee benefit expense** | Rs. | Rs. | Rs. | Rs. |
| Wages and salaries, including termination benefits | 199,033,138 | 122,271,481 | 44,877,286 | 56,186,858 |
| Social security costs | 8,651,866 | 3,615,177 | 2,228,420 | 1,537,782 |
| Pension costs - defined contribution plans | 8,048,786 | 5,344,025 | 3,432,668 | 2,867,353 |
| Other post-retirement benefits (note 14) | 2,621,890 | 4,583,295 | 108,672 | 324,809 |
| | 218,355,680 | 135,813,978 | 50,647,046 | 60,916,802 |
| Disclosed as follows: | | | | |
| -Continuing operations | 218,355,680 | 121,126,639 | 50,647,046 | 60,916,802 |
| -Discontinued operations | - | 14,687,339 | - | - |
| | 218,355,680 | 135,813,978 | 50,647,046 | 60,916,802 |

## 25. IMPAIRMENT CHARGES

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| Impairment charges on: | | | | |
| Investment in subsidiaries (note 10) | 291,383 | - | - | 74,356,413 |
| Disclosed as follows: | | | | |
| -Continuing operations | - | - | - | 74,356,413 |

## 26. INCOME TAX EXPENSE

(a) Statements of financial position

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **Rs.** | Rs. | **Rs.** | Rs. |
| At July 1, | **-** | - | **-** | - |
| Tax paid | **(6,300)** | (4,461) | **-** | - |
| Overprovision from prior year | **-** | - | **-** | - |
| Current tax on the adjusted result for | **-** | - | **-** | - |
| the year at 17% (2021: 17%) | **6,300** | 4,461 | **-** | - |
| **At June 30,** | **-** | - | **-** | - |
| Classified as: | | | | |
| Current tax liabilities | **-** | - | **-** | - |
| | **-** | - | **-** | - |

(b) Statements of profit or loss

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **Rs.** | Rs. | **Rs.** | Rs. |
| Current tax on the adjusted result for | | | | |
| the year at 17% (2021: 17%) | **6,300** | 4,461 | **-** | - |
| Deferred tax movement on discontinued operations (note 11(e)) | | (15,066,932) | **-** | - |
| Deferred tax (note 17(c)) | **10,989,881** | (5,114,274) | **28,375** | 275,924 |
| Income tax (credit)/charge | **10,996,181** | (20,176,745) | **28,375** | 275,924 |
| | | | | |
| Disclosed as follows: | | | | |
| -Continuing operations | **10,996,181** | (3,592,377) | **28,375** | 275,924 |
| -Discontinued operations (note 11) | **-** | (16,584,368) | **-** | - |
| | **10,996,181** | (20,176,745) | **28,375** | 275,924 |

(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 | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **Rs.** | Rs. | **Rs.** | Rs. |
| Profit/(Loss) before taxation from continuing activities | **118,332,484** | (211,559,971) | **(90,105,893)** | (124,769,957) |
| Profit/(Loss) before taxation from discontinued activities | **11,870,431** | (11,698,001) | **-** | - |
| | **130,202,915** | (223,257,972) | **(90,105,893)** | (124,769,957) |
| Tax calculated at the rate of 17% | | | | |
| (2020: 17%) | **20,116,522** | (37,953,855) | **(15,318,002)** | (21,210,893) |
| Expenses not deductible for tax purposes | **27,120,627** | 35,364,622 | **9,323,785** | 4,758,294 |
| Income not subject to tax | **(36,240,968)** | (28,376,690) | **(3,657,844)** | (1,920,315) |
| Deferred tax not recognised | **-** | 10,789,178 | **9,680,436** | 18,648,838 |
| fair value of investment properties | **-** | - | **-** | - |
| Income tax (credit)/charge | **10,996,181** | (20,176,745) | **28,375** | 275,924 |
| Disclosed as follows: | | | | |
| -Continuing operations | **10,996,181** | (3,592,377) | **28,375** | 275,924 |
| -Discontinued operations | **-** | (16,584,368) | **-** | - |
| | **10,996,181** | (20,176,745) | **28,375** | 275,924 |

## 27. OTHER COMPREHENSIVE INCOME

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | Rs. | Rs. | Rs. | Rs. |
| **Actuarial reserves** | | | | |
| **Items that will not be reclassified to profit or loss:** | | | | |
| **Continued** | | | | |
| Remeasurement of defined benefit obligations (Note 14) | 953,485 | 7,988,223 | 161,757 | 2,270,406 |
| Deferred tax relating to remeasurement of defined benefit obligations | - | (1,357,998) | (27,499) | (385,969) |
| | 953,485 | 6,630,225 | 134,258 | 1,884,437 |
| **Discontinued** | | | | |
| Remeasurement of defined benefit obligations (Note 14) | - | 2,035,430 | - | - |
| Deferred tax relating to remeasurement of defined benefit obligations | - | (346,023) | - | - |
| | - | 1,689,407 | - | - |
| **Revaluation reserves** | | | | |
| **Items that will not be reclassified to profit or loss:** | | | | |
| Revlauation of land and buildings (Note 5) | | 156,266,113 | - | - |
| Deferred tax relating to revaluation of land and buildings | - | (4,120,989) | - | - |
| | - | 152,145,124 | - | - |

**Actuarial reserves**

The actuarial reserves represent the cumulative remeasurement of defined benefit obligation recognised.

## 28. PROFIT/(LOSS) PER SHARE

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| **From continuing operations** | Rs. | Rs. | Rs. | Rs. |
| Basic profit/(loss) per share | | | | |
| Profit/(Loss) attributable to equity holders of the Company from continuing operations and discontinued operations | 123,514,113 | (173,679,826) | (90,134,268) | (125,045,881) |
| Profit/(Loss) attributable to equity holders of the Company from continuing operations | 111,643,682 | (178,566,193) | (90,134,268) | (125,045,881) |
| average number/weighted average number of ordinary share in issue | 1,154,942,099 | 1,154,942,099 | 1,154,942,099 | 1,154,942,099 |
| *Basic profit/(loss) per share from:* | | | | |
| Continuing and discontinued operations | 0.107 | (0.150) | (0.078) | (0.108) |
| Continuing operations | 0.097 | (0.155) | (0.078) | (0.108) |
| Discontinued operations | 0.010 | 0.005 | - | - |

## 29. NOTES TO THE STATEMENTS OF CASH FLOWS

| | Notes | THE GROUP 2022 | THE GROUP 2021 | THE COMPANY 2022 | THE COMPANY 2021 |
|---|---|---|---|---|---|
| | | Rs. | Rs. | Rs. | Rs. |
| **(a) Cash generated from operations** | | | | | |
| Profit/(Loss) before taxation from continuing operations | | **118,332,484** | (211,559,971) | **(90,105,893)** | (124,769,957) |
| Profit/(Loss) before taxation from discontinued operations | 11 | **11,870,431** | (11,698,001) | **-** | - |
| *Adjustments for:* | | | | | |
| Depreciation of property, plant and equipment | 5 | **14,640,820** | 34,675,887 | **696,851** | 467,209 |
| Depreciation of Right of use Asset | 8 | **2,570,685** | 4,245,736 | **153,175** | 602,828 |
| Amortisation of intangible assets | 7 | **482,049** | 625,097 | **100,945** | 17,099 |
| Impairment charges | 24 | **291,383** | - | | 74,356,413 |
| Straight lining adjustments | | **1,031,037** | (1,031,037) | | - |
| Assets written off | | **(466,447)** | 129,450 | **(13,606,079)** | 91,303 |
| Profit/(loss) on disposal of investment properties | | **-** | 8,630,075 | **4,972,352** | 14,440,000 |
| (Loss)/Profit on disposal of property, plant & equipment | | **(10,982,985)** | - | **-** | - |
| Net (increase)/decrease in fair value of investment properties | 6 & 11 | **(254,847,125)** | 1,562,675 | **-** | - |
| Bad debts written off | | **37,122,790** | | **35,463,411** | - |
| Provision for impairment of receivables | 12 & 13 | **4,102,075** | (33,814,546) | **(27,661,879)** | 7,681,786 |
| Exchange (gains)/losses | | **335,646** | (541,406) | **-** | - |
| Interest income | 21 | **-** | - | **(6,550,974)** | (10,945,614) |
| Interest expense | 22 | **41,166,225** | 74,336,595 | **26,476,162** | 27,263,397 |
| Employee benefits liability | | **2,621,890** | 4,583,294 | **108,671** | 324,809 |
| | | **(31,729,042)** | (129,856,152) | **(69,953,258)** | (10,470,727) |
| **Changes in working capital:** | | | | | |
| - Inventories | | **12,709,591** | (49,634,994) | **(1,771,265)** | - |
| - Land and related development | | | - | | - |
| - Trade and other receivables | | **(71,370,344)** | 49,410,563 | **119,582,281** | 200,562 |
| - Other financial assets at amortised cost | | | | | (147,838,229) |
| - Trade and other payables | | **(49,537,353)** | 10,106,443 | **(281,928,390)** | 66,399,028 |
| **Cash generated (absorbed in) operations** | | **(139,927,148)** | (119,974,140) | **(234,070,632)** | (91,709,366) |

## 29. NOTES TO THE STATEMENTS OF CASH FLOWS (CONTINUED)

### (b) Cash and cash equivalents

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

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **Rs.** | Rs. | **Rs.** | Rs. |
| Cash and cash equivalents | **109,233,735** | 94,975,896 | **62,857,666** | 61,050,728 |
| Cash and cash equivalents arising on assets classified as held for sale (note 11) | **-** | 13,835,073 | **-** | - |
| Bank overdrafts (Note 16) | **(293,192,646)** | (354,683,693) | **(250,160,214)** | (283,178,807) |
| Bank overdrafts classified as liabilities held for sale (note 11) | **-** | (29,904,990) | **-** | - |
| | **(183,958,911)** | (275,777,714) | **(187,302,548)** | (222,128,079) |

### (c) Non-cash items excluded from the statements of cash flows:

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **Rs.** | Rs. | **Rs.** | Rs. |
| Transfer from Right of use assets | **7,934,303** | (79,389,006) | **-** | - |
| Transfer (from)/ to Investment Properties | **156,506,178** | (218,268,796) | **(16,000,000)** | - |
| Transfer from Property, plant | **138,764,200** | - | **-** | - |
| and equipment | **-** | (362,426,265) | **-** | - |
| Transfer from Intangible assets | **-** | (211,061) | **-** | - |
| Transfer from deferred tax | **-** | (11,518,566) | **-** | - |
| Trnasfer from current assets | **-** | (17,191,444) | **-** | - |
| Transfer to Inventory properties | **(295,270,378)** | 218,268,796 | **16,000,000** | - |
| Transfer to/(from) Assets held for sale | **-** | 470,736,342 | **-** | - |
| Transfer (from)/to payables | **(745,465)** | (4,991,211) | **-** | - |
| Transfer from current liabilities | **(7,188,838)** | (111,420,891) | | |
| Transfer from non-current liabilities | **-** | (263,513,108) | **-** | - |
| Transfer to liabilities held for sale | **-** | 379,925,210 | **-** | - |
| Issue of shares - share capital | **-** | 272,039,422 | **-** | 272,039,422 |
| Issue of shares - borrowings | **-** | (272,039,422) | **-** | (272,039,422) |
| | **-** | - | **-** | - |

## 30. COMMITMENTS AND CONTINGENCIES (CONTINUED)

### (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 | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **Rs.** | Rs. | **Rs.** | Rs. |
| Construction contract | **25,898,000** | 61,417,162 | **-** | - |
| | **25,898,000** | 61,417,162 | **-** | - |

The group has a commitment of Rs 25m for the year ended June 30, 2022 (2021: Rs 61.4m) with its supplier pertaining to the Golf project

## 30. COMMITMENTS AND CONTINGENCIES

### (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.

In prior year, all the operating leases have been reclassified to Rights of use assets following adoption of IFRS 16 standard.

There are contingent liabilities of an amount of Rs 213m with respect to a on-going legal case for Haute Rive Ocean Front Living Company Ltd, lodged by a contractor for unfair termination of the contract.

### (c) Guarantees

At June 30, 2022, the Company had provided a corporate guarantee to one of its subsidiaries for an amount of Rs. 152m (2021: Rs. 30m). The Company, as guarantor, irrevocably and unconditionally guarantees to the lenders due and punctual repayment of the borrowings.

At June 30, 2022, the Group has also provided sponsor support to one of its subsidiaries for an amount of Rs. 390.0m (2021: Rs. 670.1m). As per the loan agreements with the banks, under the sponsor support, the Group, or any other subsidiary of the main shareholders of the Company, irrevocably and unconditionally undertakes to the banks to fund any shortfall in the cash flows of the respective subsidiaries through additional capital, either in the form of equity or loan.

## 31. COMMITMENTS FROM LEASES

### 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 | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **Rs.** | Rs. | **Rs.** | Rs. |
| Within one year | **3,320,692** | 3,366,637 | **-** | - |
| One to two years | **1,847,613** | 3,252,793 | **-** | - |
| Two to three years | **506,020** | 1,545,857 | **-** | - |
| Three to four years | **210,977** | - | **-** | - |
| Four to five years | **164,093** | - | **-** | - |
| | **6,049,395** | 8,165,287 | **-** | - |

As at June 30, 2022 and 2021, the table above for the Group excluded future minimum rentals receivables from Circle Square Holding Company Ltd as the latter has been disclosed as held for sale as at reporting date.

## 32. 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 revenue and transfers are accounted for as if the sales or transfers were to third parties, that is, at current market prices.

The operations of each segment is detailed below:

*The land development segment relates to our activities of property developers where we develop, build and sell properties to generate income.

*The yielding property segment accounts for the operations and holding a number of Investment properties.

*The service segment comprises of the facilities management and services as operational support to our commercial and residential developments. They include facilities management, cleaning, housekeeping, syndicate management, rental and re-sale service.

## 32. SEGMENTAL INFORMATION - THE GROUP (CONTINUED)
**Year ended June 30, 2022**

| Segmental Information | Total |
|---|---|
| Property | **82,985,388** |
| Hospitality & Leisure | **240,022,218** |
| Service | **46,395,082** |
| Consolidation Adjustments | **(15,065,855)** |
| **Revenue from continuing operations** | **354,336,833** |
| | |
| **Profit/(Loss) from Operations** | |
| Property | **(12,358,000)** |
| Hospitality & Leisure | **(4,546,000)** |
| Service | **20,581,000** |
| Consolidation Adjustments | **(77,641,193)** |
| **Profit (Loss) from continuing operations** | **(73,964,193)** |

**June 30, 2022**

| | Property | Hospitality & Leisure | Service | Total |
|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. |
| **Segment assets** | **2,716,857,111** | **640,466,369** | **23,121,930** | **3,380,445,410** |
| **Segment liabilities** | **689,295,988** | **456,777,472** | **32,843,532** | **1,178,916,993** |

## 32. SEGMENTAL INFORMATION - THE GROUP (CONTINUED)
**Year ended June 30, 2021**

| Segmental Information | Total |
|---|---|
| Property | 9,484,282 |
| Hospitality & Leisure | 78,381,223 |
| Service | 31,217,371 |
| Consolidation Adjustments | (12,957,037) |
| **Revenue from continuing operations** | 106,125,839 |
| | |
| **Loss from Operations** | |
| Property | (108,630,032) |
| Hospitality & Leisure | (30,527,870) |
| Service | (6,461,520) |
| Consolidation Adjustments | (9,073,557) |
| **Loss from continuing operations** | (154,692,979) |

June 30, 2021

| | Property | Hospitality & Leisure | Service | Total |
|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. |
| Segment assets | 2,234,127,947 | 1,323,549,221 | 12,334,566 | 3,570,011,734 |
| Segment liabilities | 541,384,139 | 926,203,789 | 13,927,726 | 1,481,515,654 |

## 33. RELATED PARTY DISCLOSURES

### (a) THE GROUP

| | Year ended June 30, 2022 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Purchases of goods or services** | **Sale of goods or services** | **Interest (expense)/ income** | **Bank overdraft** | **Loan from (inc. interest)** | **Amount owed to related parties** | **Amount owed by related parties** |
| | **Rs.** | **Rs.** | **Rs.** | **Rs.** | **Rs.** | **Rs.** | **Rs.** |
| **(i) June 30, 2022** | | | | | | | |
| Main shareholders | **4,705,532** | **-** | **-** | **-** | **-** | **588,371** | **-** |
| Fellow subsidiaries | **7,622,784** | **2,200,000** | **(1,699,598)** | **-** | **(32,985,097)** | **1,203,202** | **2,957,831** |
| Directors and close family members | **2,937,500** | **-** | **-** | **-** | **-** | **-** | **-** |
| Joint venture of major shareholders | **4,254,133** | **-** | **-** | **-** | **-** | **2,884,807** | **-** |
| Associates of Major Shareholder | **390,650** | **-** | **(2,721,726)** | **63,049,030** | **-** | **54,682** | **-** |

| **(ii) June 30, 2021** | Year ended June 30, 2021 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Purchases of goods or services | Sale of goods or services | Interest (expense)/ income | Bank overdraft | Loan from (inc. interest) | Amount owed to related parties | Amount owed by related parties |
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| Main shareholders | 1,035,615 | - | (26,550,194) | - | - | 24,784,589 | 136,771 |
| Fellow subsidiaries | 3,750,056 | - | (2,941,793) | - | (50,038,120) | 3,144,066 | 1,619,403 |
| Directors and close family members | 703,750 | - | - | - | - | - | - |
| Joint venture of major shareholders | 6,356,957 | - | (2,731,785) | - | - | 808,411 | - |
| Associates of Major Shareholder | 27,986 | - | (6,912,128) | 94,400,349 | (53,080,993) | - | - |

**Major shareholder of the Group is IBL Ltd (ultimate holding company) and main shareholders include, IBL Ltd, & GML Ineo Ltee & MCB Equity Fund*

*The contribution made under the Defined Contribution Plan are made to the IBL Pension Fund.*

**33. RELATED PARTY DISCLOSURES (CONTINUED)**

**(b) THE COMPANY**

| | | Year ended June 30, 2022 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | **Purchases of goods or services** | **Sale of goods or services** | **Interest (expense)/ income** | **Management fee income** | **Bank overdraft** | **Loan from (inc. interest)** | **Amount owed to related parties** | **Amount owed by related partiess** |
| | | **Rs.** | **Rs.** | **Rs.** | **Rs.** | **Rs.** | **Rs.** | **Rs.** | **Rs.** |
| **(i)** | **June 30, 2022** | | | | | | | | |
| | Main shareholders | **4,180,000** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| | Fellow subsidiaries | **685,394** | **-** | **-** | **2,200,000** | **-** | **-** | | **2,601,924** |
| | Directors | **2,425,000** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| | Joint venture of major shareholders | **305,560** | **-** | **-** | **-** | **-** | **-** | **1,560,473** | **-** |
| | Associates of major shareholders | **59,136** | **-** | **(2,593,820)** | **-** | **63,049,030** | **-** | **12,075** | **-** |
| | Subsidiaries | **5,398,848** | **3,117,500** | **6,550,974** | **6,000,000** | **-** | **-** | **223,820** | **849,705,441** |

| | | Year ended June 30, 2021 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **(ii)** | **June 30, 2021** | Purchases of goods or services | Sale of goods or services | Interest (expense)/ income | Management fee income | Bank overdraft | Loan from (inc. interest) | Amount owed to related parties | Amount owed by related partiess |
| | | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| | Main shareholders | 524,000 | - | (39,353,924) | - | - | - | 24,740,774 | 68,386 |
| | Fellow subsidiaries | 606,841 | - | - | - | - | - | 2,470 | 67,435 |
| | Directors | 253,750 | - | - | - | - | - | - | - |
| | Joint venture of major shareholders | 455,378 | - | - | - | - | - | - | - |
| | Associates of major Shareholders | 16,189 | - | (2,489,031) | - | 94,400,349 | - | - | - |
| | Subsidiaries | 2,004,099 | 3,417,600 | 10,945,614 | - | - | - | 181,223,825 | 711,366,507 |

**Major shareholder of the Group is IBL Ltd (ultimate holding company) and main shareholders include, IBL Ltd, & GML Ineo Ltee & MCB Equity Fund*

### 33. RELATED PARTY DISCLOSURES (CONTINUED)

(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.

The Company has provided a total corporate guarantee for one of its subsidiaries for an amount of Rs. 152m (2021: Rs. 30m) (note 30(c)). The Group has also provided sponsor support to one of its subsidiaries for an amount of Rs.390.0m (2021: Rs. 670.1m).

For the year ended June 30, 2022, the Company has recorded an impairment of receivables of Rs. 0.526m (2021: Rs. 7.3m) 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) Directors and key management personnel compensation

| | THE GROUP | | THE COMPANY | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **Rs.** | Rs. | **Rs.** | Rs. |
| Director fees | **-** | 2,362,500 | **-** | 1,387,501 |
| Salaries and short term employee benefits | **12,885,206** | 9,708,759 | **12,885,206** | 9,708,759 |
| Post employment benefits | **1,254,916** | 20,929,174 | **1,254,916** | 20,929,174 |
| | **14,140,122** | 33,000,433 | **14,140,122** | 32,025,434 |

### 34. FINANCIAL SUMMARY OF PUBLISHED RESULTS AND ASSETS AND LIABILITIES

(a) THE GROUP

| | **2022** | 2021 |
|---|---|---|
| | **Rs.** | Rs. |
| **Statement of profit or loss and other comprehensive income** | | |
| **Continuing operations** | | |
| Revenue | **354,336,833** | 106,125,839 |
| Profit/(Loss) before taxation | **118,332,484** | (211,559,971) |
| Income tax credit | **(10,996,181)** | 3,592,377 |
| Profit/(Loss) for the year from continuing operations | **107,336,303** | (207,967,594) |
| **Discontinued operations** | | |
| Profit from discontinued operations, net of tax | **11,870,431** | 4,886,367 |
| **Profit/(Loss) for the year** | **119,206,734** | (203,081,227) |
| Other comprehensive income for the year, net of deferred tax | **953,485** | 158,775,349 |
| **Total comprehensive loss for the year** | **120,160,219** | (44,305,878) |
| **Profit/(Loss) attributable to:** | | |
| - Owners of the parent | **123,514,113** | (173,679,826) |
| - Non-controlling interests | **(4,307,379)** | (29,401,401) |
| | **119,206,734** | (203,081,227) |
| **Total comprehensive loss attributable to:** | | |
| - Owners of the parent | **124,416,436** | (71,935,604) |
| - Non-controlling interests | **(4,256,217)** | 29,319,133 |
| | **120,160,219** | (42,616,471) |
| **Profit/(Loss) per share (Rs/cs)** | | |
| -From continuing and discontinued operations | **0.107** | (0.150) |
| -From continuing operations | **0.097** | (0.155) |

## 34. FINANCIAL SUMMARY OF PUBLISHED RESULTS AND ASSETS AND LIABILITIES (CONTINUED)

| | 2022 | 2021 |
|---|---|---|
| | Rs. | Rs. |
| **Statement of financial position** | | |
| **ASSETS** | | |
| Non current assets | **2,639,665,930** | 2,346,292,191 |
| Current assets | **709,724,193** | 643,764,677 |
| Non-current assets classified as held for sale | **31,055,287** | 579,954,866 |
| **Total assets** | **3,380,445,410** | 3,370,011,734 |
| **EQUITY AND LIABILITIES** | | |
| Equity | **2,177,936,593** | 2,077,141,959 |
| Non-controlling interests | **23,591,824** | 11,354,121 |
| Total equity | **2,201,528,417** | 2,088,496,080 |
| **LIABILITIES** | | |
| Non current liabilities | **625,845,062** | 325,838,364 |
| Current liabilities | **553,071,931** | 775,752,080 |
| Liabilities directly associated with non-current assets classified held for sale | **-** | 379,925,210 |
| Total liabilities | **1,178,916,993** | 1,481,515,654 |
| **Total equity and liabilities** | **3,380,445,410** | 3,570,011,734 |

## 35. EVENTS AFTER THE REPORTING DATE

No such event has occurred after the reporting date which needs to be reported.

# Notice
## of Annual Meeting

Notice is hereby given that the Annual Meeting of the Shareholders of the Company will be held at The Gallery, Radisson Blu Azuri Resort & Spa, Azuri Ocean & Golf Village, Roches Noires on Thursday, 15 December 2022 at 13.30 hours to transact the following business:

AGENDA

1. To receive, consider and approve the Group's and Company's audited financial statements for the year ended 30 June 2022, including the Annual Report and the Auditor's Report, in accordance with Section 115(4) of the Companies Act 2001.

   ***Ordinary Resolution***
   *"Resolved that the Group's and Company's audited financial statements for the year ended 30 June 2022, including the Annual Report and the Auditor's Report be hereby approved."*

2. To elect as Director of the Company, Mr. Gaëtan Siew Hew Sam, who has been nominated by the Board and who offers himself for election.

   ***Ordinary Resolution***
   *"Resolved that Mr. Gaëtan Siew Hew Sam be and is hereby elected as Director of BlueLife Limited."*

3. To fix the remuneration of the Directors of BlueLife Limited for the year ending 30 June 2023 and to ratify the fees paid to the Directors for the year ended 30 June 2022.

   ***Ordinary Resolution***
   *"Resolved that the remuneration of the Directors of BlueLife Limited for the year ending 30 June 2023 be fixed and the fees paid to the Directors for the year ended 30 June 2022 be hereby ratified."*

4. To take note of the automatic re-appointment of Messrs. RSM (Mauritius) LLP as Auditors of the Company for the year ending 30 June 2023 in accordance with Section 200 of the Companies Act 2001 and to authorise the Board to fix their remuneration.

5. To ratify the remuneration paid to the Auditors for the year ended 30 June 2022.

   ***Ordinary Resolution***
   *"Resolved that the remuneration paid to the Auditors for the year ended 30 June 2022 be and is hereby ratified."*

By order of the Board

IBL Management Ltd
Company Secretary
9 November 2022

**NOTES:**

1. 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. A proxy need not be a member of the Company.
2. The instrument appointing a proxy or any general power of attorney shall be deposited at the Company's Share Registry and Transfer Office, DTOS Registry Services Ltd, 10th Floor Standard Chartered Tower, 19 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.
3. 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 16 November 2022.
4. The minutes of the Annual Meeting to be held on 15 December 2022 will be available for consultation during office hours at the Registered Office of the Company, IBL House, Caudan Waterfront, Port Louis from 1 February to 15 February 2023.

# 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 at The Gallery, Radisson Blu Azuri Resort & Spa, Azuri Ocean & Golf Village, Roches Noires on Thursday, **15 December 2022** at **13.30 hours** and at any adjournment thereof.

I/We desire my/our vote(s) to be cast on the Ordinary Resolutions as follows:

| | | FOR | AGAINST | ABSTAIN |
|---|---|---|---|---|
| 1. | To receive, consider and approve the Group's and Company's audited financial statements for the year ended 30 June 2022, including the Annual Report and the Auditor's Report, in accordance with Section 115(4) of the Companies Act 2001. | | | |
| 2. | To elect as Director of the Company, Mr. Gaëtan Siew Hew Sam, who has been nominated by the Board and who offers himself for election. | | | |
| 3. | To fix the remuneration of the Directors of BlueLife Limited for the year ending 30 June 2023 and to ratify the fees paid to the Directors for the year ended 30 June 2022. | | | |
| 4. | To take note of the automatic re-appointment of Messrs. RSM (Mauritius) LLP as Auditors of the Company for the year ending 30 June 2023 in accordance with Section 200 of the Companies Act 2001 and to authorise the Board to fix their remuneration | | | |
| 5. | To ratify the remuneration paid to the Auditors for the year ended 30 June 2022. | | | |

Signed this ______________________________ day of ______________________________ 2022.

______________________________

Signature (s)

**NOTES:**

1. A member 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. A proxy need not be a member of the Company.
2. Please mark in the appropriate box how you wish to vote. If no specific direction as to voting is given, the proxy will be entitled to vote or abstain from voting as s/he thinks fit.
3. The instrument appointing a proxy or any general power of attorney, duly signed, shall be deposited at the Share Registry and Transfer Office of the Company, DTOS Registry Services Ltd, 10th Floor Standard Chartered Tower, 19 Cybercity, Ebene by Wednesday, 14 December 2022 at 13.30 hours and, in default, the instrument of proxy shall not be treated as valid.

# Notes

# Notes

# Notes

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