Annual Report
2020

terra

Our Annual Integrated Report

Presenting our strategic framework for long-term value creation

Terra is a conglomerate, established in Mauritius and operating locally and regionally. Formerly known as Harel Frères, it started out as a small sugar factory in 1838. Today, Terra is one of the major players in the sugar cane sector in Mauritius, managing some 6,600 hectares of land in the northern part of the island, out of which some 6,000 are under agricultural use, the remaining area being the real estate portfolio. The Group has diversified its activities, from an essentially sugar-based company to one with interests in energy production, alcohol production and commercial distribution, and property development, along with investments in construction and financial services.

Dear Shareholder,

The Board of Directors of Terra Mauricia Ltd ('Terra' or 'the Company') is pleased to present this fourth annual Integrated Report. The aim of this report is to provide Terra's shareholders, and other interested stakeholders, with a concise review of the Group's performance and governance practices for the financial year ended 31 December 2020, and to outline the Company's strategic framework for long-term value creation.

While Terra's executive management team was responsible for preparing this report, the Board has reviewed the report and believes that it provides a balanced and appropriate presentation of those factors that have, or could have, a material effect on Terra's ability to create value over time. These factors were identified through a structured process involving Terra's executive management team and other senior managers, in which they reviewed the business model and operating context relating to each of Terra's four clusters: Cane, Power, Brands, and Property and Leisure.

We encourage you, as one of Terra's stakeholders, to read this report and to give us your feedback, both on Terra's disclosure and its performance, as this will help us in our efforts to drive continuous improvement in our governance practices and the Company's performance.

The Board has applied its collective mind to the preparation and presentation of information in this report, which has been guided by the International Integrated Reporting Council (IIRC)'s recently revised International <IR> Framework. The Board approved this report on 13 September 2021.

On behalf of the Board of Directors, we invite you to join us at the Annual Meeting of Terra to be held at Auditorium Paul Eynaud, *L'Aventure du Sucre*, Beau Plan, Pamplemousses, at 2:00 pm on 11 November 2021.

Yours faithfully,

Alain Rey
Chairman

Nicolas Maigrot
Managing Director

Our Values

RESPECT
Defines the way we relate to people in our Group and community.

TENACITY
Encourages us to strive towards excellence through every professional endeavour.

INTEGRITY
Guides our every action.

PASSION
Gives us the strength and enthusiasm to always contribute with commitment.

INNOVATION
Inspires us to advance by taking the initiative.

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Delivering sustainable value

Through our core business and Group functions we are making a significant contribution to national and global developmental objectives. The United Nations Sustainable Development Goals (UN SDGs) provide the best articulation of what sustainable value should look like, setting a clear long-term agenda to end poverty, protect the planet and ensure prosperity for all by 2030. Alongside Terra's values – *respect, tenacity, integrity, passion* and *innovation* – we are committed to playing our role, as a private sector company, in the attainment of these SDGs, working with Government, civil society, communities and other businesses. We have identified and prioritised the following six SDGs, where we believe we can have the most meaningful impact, both directly and indirectly. Our approach on delivering on these goals is reviewed in detail in our Sustainability Report 2020.

6 CLEAN WATER AND SANITATION – Ensure access to water and sanitation for all.

7 AFFORDABLE AND CLEAN ENERGY – Ensure access to affordable, reliable, sustainable and modern energy for all.

8 DECENT WORK AND ECONOMIC GROWTH – Promote inclusive and sustainable economic growth, employment and decent work for all.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE – Build resilient infrastructure, promote sustainable industrialisation and foster innovation.

11 SUSTAINABLE CITIES AND COMMUNITIES – Make cities inclusive, safe, resilient and sustainable.

13 CLIMATE ACTION – Take urgent action to combat climate change and its impacts.

Overview

Impact of Covid-19 and our response

The global lockdowns triggered by the Covid-19 pandemic, as from February 2020, have had a devastating impact on the world economy.

Mauritius went into lockdown in March 2020 until 01 June 2020, with severe restrictions in public spaces, including food stores and supermarkets. Borders remained closed, but the Government of Mauritius announced the phased easing of travel restrictions from 01 October 2020, with borders opening to Mauritian nationals, residents and to tourists travelling for long stays, subject to a 14-day quarantine before entering the territory. Mauritius had been considered 'Covid-19 safe' since 26 April 2020, where there have been no locally transmitted cases. This was achieved in part by the necessary and restrictive measures taken by the Government, including limiting international travel and enforcing public health and social distancing measures. The impact on the economy has been significant, with Mauritius experiencing a 14% decline in GDP in 2020, alongside a rise in unemployment and a depreciation of the MUR against main currencies. The tourism sector was particularly impacted, with international arrivals down 78%. The low level of savings in Mauritius, in a context of rising unemployment, has had a considerable negative impact on demand. Despite all restrictive measures taken by the Government, a local case was detected on 05 March 2021, followed by an increase in cases. This has led to a second national lockdown as of 10 March up to 30 April 2021. A vaccination programme, which started in the first quarter of 2021, is on-going and at least half of the population is now fully vaccinated, while the first phase of the reopening of borders has started on 15 July 2021.

IMPLICATIONS FOR VALUE

The move to a lockdown at the start of the Covid-19 crisis essentially happened overnight and our workforce had to adapt to the new situation rapidly. Production, activities and sales were initially halted across our operational and agricultural sites. Over time we applied for and received work access permits for those parts of the business considered essential services. This included: agricultural activities and sugar milling in our Cane cluster; distribution of pharmaceutical products, detergents, food and, at a later stage, alcohol-based gels, in our Brands cluster; electricity generation and distribution in our Power cluster; and asset management in our Property and Leisure cluster. While the performance of our Property and Leisure and Brands segments, as well as some of our Associate investment portfolio, has been challenged by internal borders closures and quarantine measures, other parts of our business remained resilient. We report on these impacts at the cluster level in our Operational Review section.

MOST AFFECTED

- Property Division
- *L'Aventure du Sucre* Museum
- Grays Inc. (25% of sales to hotels)
- Investment - UIL / PEX

LEAST AFFECTED

- Sugar in Mauritius
- Sugar in Côte d'Ivoire
- Energy
- Grays Distilling / New Goodwill
- Terrarock
- Investments: SWAN, Terravest

OUR STRATEGIC RESPONSE

Our primary focus has been on the health, safety and wellness of our staff, alongside the continuous and uninterrupted provision of products and services to our customers, while meeting the needs of communities impacted by the crisis.

- **We established a Covid-19 committee**, comprising of General Managers, communications, HR and IT teams, to prepare for the lockdown measures; daily operational management meetings ensured strategic decisions and response action plans were aligned.
- **We were agile** in accommodating our administrative and office-based staff to work from home through technology enablement and virtual private networks (VPN), which included the provision of laptops and PCs. New and innovative ways of working emerged, combined with regular communications with teams via these technologies, leading to a more resilient workforce.
- **We took all precautions** in alignment with Government protocols and regulations. We implemented stringent health and safety standards across all our operations, including the development of a stage 1-4 protocol for preparedness planning; multiple training sessions, posters and videos; the distribution of personal protective equipment (PPE), the introduction of social distancing requirements and organisation of the workforce into separate teams; and sanitisation of the working environment. This ensured no Covid-19 infections were recorded within our activities in 2020.
- **We secured isolation rooms** in each cluster for any potential cases and launched internal communication campaigns to clarify Terra's measures and protocol and to keep the morale of employees high.
- **We built on our existing digital platforms** by identifying gaps in processes and continuing to roll out wide-scale digitalisation. Cyber-security measures ensured adequate controls in place.
- **We identified efficiencies** in our local supplier engagement through better use of technology, and we established newsletters for our customers and employees. We are currently developing an SMS system for all employees with no email addresses.
- **We adapted strategies** to continue with sales and deliveries with a limited workforce during the lockdown period, including the rapid deployment of an e-commerce website in our Brands cluster.
- **We supported our partner NGOs** and communities through a Terra Covid Solidarity Fund and through the provision of essential food packs and PPE.

Value we created in 2020

CUSTOMERS

CANE

74,541 T -15%
Specialty sugars in 8 varieties

POWER

376 GWh -12%
Supplied to the national grid

13.1 % -1%
National energy mix

12.2 % -28%
Share on national renewable energy production

93.3 % +1%
Plant availability on CEB network

BRANDS

6,106 +4%
Direct B2B customers (Mauritius)

13,487 +11%
Regular B2C customers (Mauritius)

PROPERTY AND LEISURE

13.30 Ha
Land developed this year

16,911 -82%
Visitors to *L'Aventure du Sucre*

EMPLOYEES

MUR 3.6 M -54%
Invested on employee training and development

MUR 965.4 M -6%
Paid in salaries, wages and other benefits

12
Additional jobs provided

GOVERNMENT

MUR 22.3 M -67%
Paid in taxes in Mauritius

MUR 564.3 M -13%
Paid in customs and excise duty in Mauritius

COMMUNITIES

MUR 2.9 M +21%
CSR sponsorship channelled through Terra Foundation

32 -6%
Projects sponsored

SUPPLIERS

MUR 2,566.6 M -5%
Procurement spend

PROVIDERS OF FINANCIAL CAPITAL

MUR 173.0 M +41%
Paid to banks and other lenders

MUR 76.8 M -33%
Paid in dividends to outside shareholders of subsidiaries

MUR 129.7 M -33%
Paid in dividends to Terra shareholders

MUR 1.18 -182%
Losses per share (from earnings of MUR 1.44 restated)

Our business at a glance

OUR ORGANISATIONAL STRUCTURE

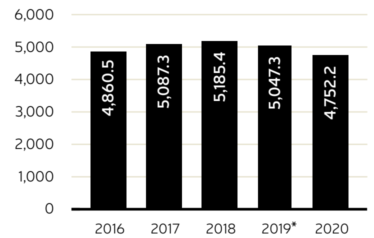
The Group consists of four autonomous clusters: Cane, Power, Brands, and Property and Leisure. Each cluster offers unique business know-how that sets it apart from its competitors and that provides a strong platform for value growth.

These clusters are autonomous in their decision-making processes, budgeting and reporting, as well as in the day-to-day running of their operations. The leadership team of each cluster is fully accountable for their cluster's respective performance, and is empowered to develop their own businesses and to realise international growth opportunities in line with proposals and plans approved by Terra's Board of Directors.

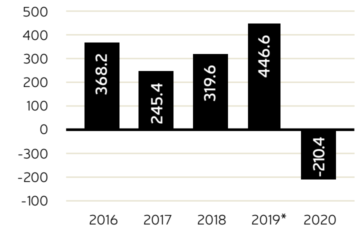
The clusters are supported by specific centralised functions aimed at developing a shared performance-based culture, and at driving operational excellence and efficiencies across the Group.

TERRA MAURICIA LTD

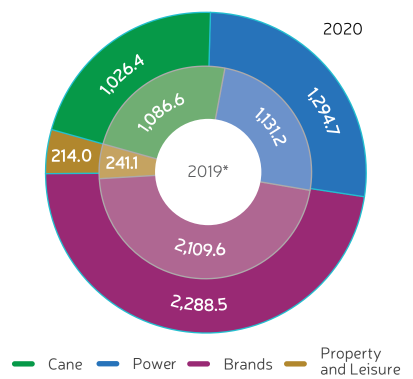
Group Turnover (MUR'M)



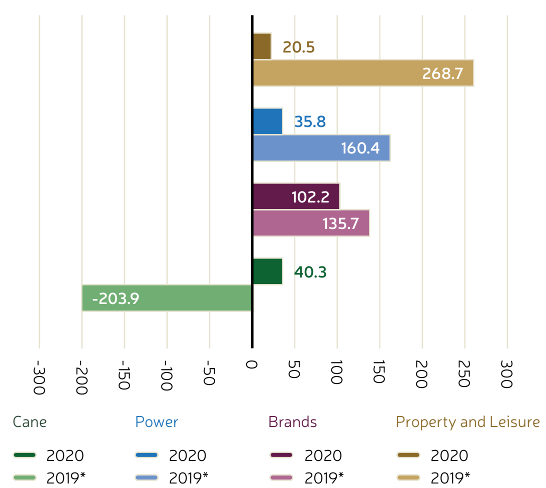
Group Profit/Loss after Tax (MUR'M)



Turnover - Contribution of each Cluster (MUR'M)



Profit after Tax - Contribution of each Cluster (MUR'M)



*The 2019 figures have been restated.

CANE

201 Employees at Terragri (Agriculture)

105 Employees at Terra Milling

12% Employee turnover rate

5,340 Ha Land under cane cultivation -3%

704,629 T Sugar cane milled -23%

74,541 T Sugar produced -15%

POWER

48 Employees at Terragen

0% Employee turnover rate

12.2% Renewable energy share -28%

376 GWh Sold to CEB -12%

93.3% Availability on CEB network +1%

BRANDS

490 Employees at Grays Inc.

43 Employees at Grays Distilling

18.3% Employee turnover rate

24 Own brands =

46% Sales from spirits

14% Sales from wines

5.4 million L Alcohol produced -9%

PROPERTY AND LEISURE

73 Employees at Novaterra

65 Employees at *L'Aventure du Sucre*

4% Employee turnover rate

13.30 Ha Land developed

67,554 m² Under rent +8%

Our business model

As a Group, our business model hinges on our ability to secure a competitive advantage and create stakeholder value across our four clusters, each of which seeks to optimise value from the Group's core assets and activities across the different stages of the sugar value chain.

CAPITAL INPUTS

NATURAL CAPITAL

CANE
5,340 ha sugar cane fields
704,629 tonnes sugar cane milled

POWER
259,850 tonnes of *bagasse*
180,883 tonnes of coal
4,171 tonnes of cane straw
11,305 tonnes of *bagasse* ash

BRANDS
24,412 tonnes of molasses
3,186 tonnes of coal
746 m^3 of alcohol

PROPERTY AND LEISURE
714 ha of land

TOPTERRA
40,927 tonnes of *vinasse*

TERRAROCK
303,217 tonnes of boulders

THERMAL VALORISATION CO. LTD
7,140 tonnes of coal ash

MANUFACTURED CAPITAL

Agricultural equipment
1 sugar milling factory
1 bottling plant
1 distillery
1 co-generation power plant
1 thermal valorisation plant

FINANCIAL CAPITAL

Debt and equity financing
Reinvestment

HUMAN CAPITAL

1,144 employees
Strong leadership team

INTELLECTUAL CAPITAL

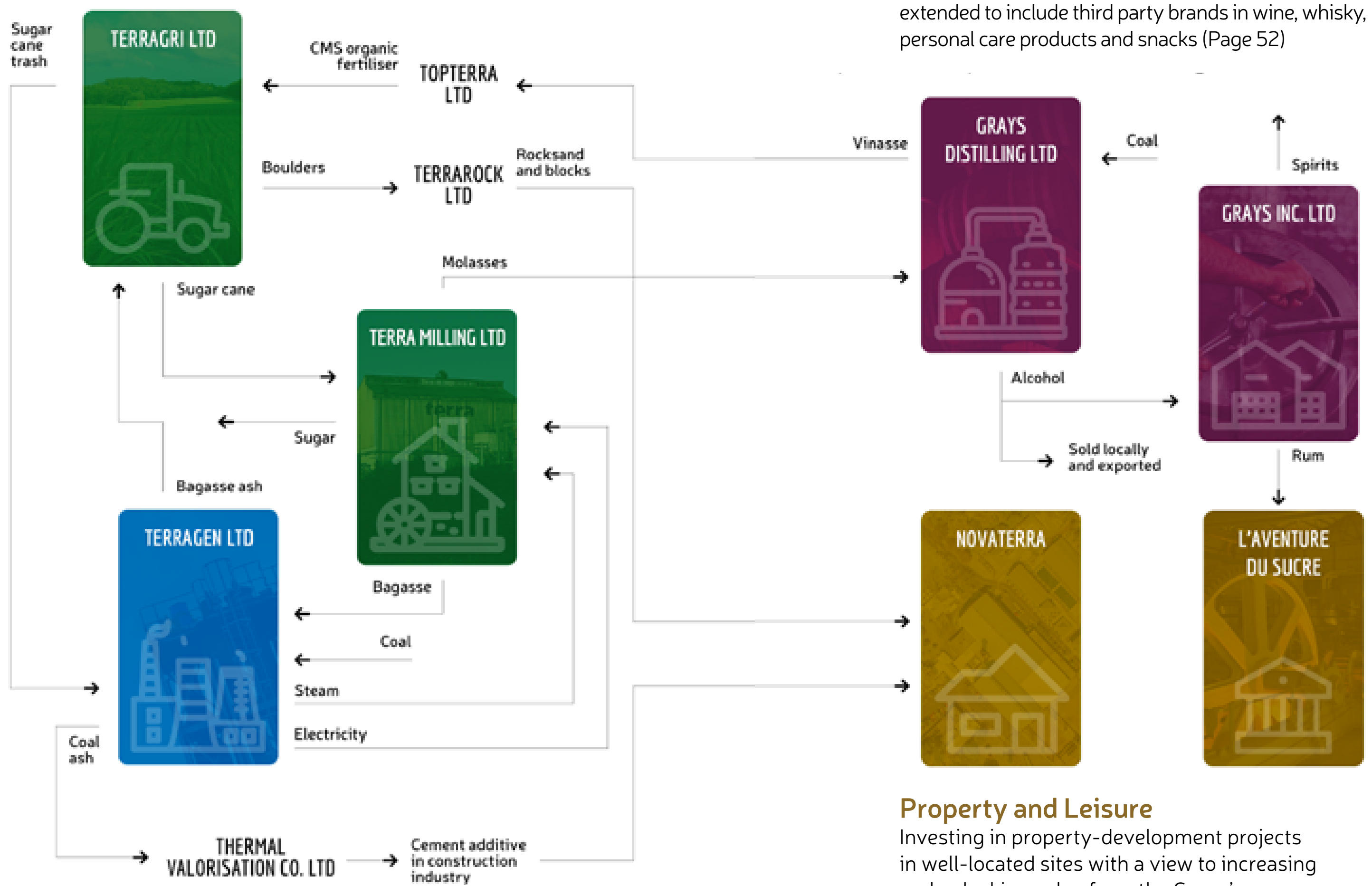
Robust governance systems
Knowledge and skills
Sophisticated closed loop model, optimising value from core assets and activities across the sugar value chain
Robust safety and quality management systems
Reliable and cost-effective electricity production
Service providers delivering on agreed terms
Building leading brands

SOCIAL AND RELATIONSHIP CAPITAL

Positive customer and tenant relationships
Positive employee relations
Constructive engagement with Government
Investor confidence
Positive supplier and partner relations
Community trust and partnerships

Cane

Transforming sugar cane into raw sugar and specialty sugar to sell through the Mauritius Sugar Syndicate, with certain by-products used as inputs into the Power and Brands cluster (Page 32)



Power

Using *bagasse* and cane straw from the Cane cluster as inputs (together with imported coal) into the co-generation power plant to sell to the Central Electricity Board (CEB), and to provide electricity and steam to Terra Milling (Page 42)

OUR MATERIAL RISKS

- Economic downturn
- Not securing an adequate price for *bagasse*
- Decrease in supply of cane and by-products
- Oversupply of properties on the market

A more detailed overview of each cluster's business model and operating context is provided in the Operational Review section of this report.

Brands

Transforming by-products of the sugar production into value-added dark and white spirits through the distillery process, and realising added value through our bottling, distribution and marketing activities, which have been extended to include third party brands in wine, whisky, personal care products and snacks (Page 52)

Property and Leisure

Investing in property-development projects in well-located sites with a view to increasing and unlocking value from the Group's longstanding land holdings, and managing *L'Aventure du Sucre*, a museum showcasing the history of sugar operations in Mauritius (Page 62)

PRODUCTS AND OUTPUTS

- 74,541 tonnes of specialty sugars
- 376 GWh of electricity sold to CEB grid
- 838,519 GJ of steam to Terra Milling
- 5.4 million litres alcohol and 24 own brands
- 13.30 ha of land developed
- 67,554 m^2 available space for rent
- 16,911 visitors at *L'Aventure du Sucre*
- 18,738 tonnes of CMS organic fertiliser
- Cement additive for construction industry
- Rocksand and blocks

CAPITAL OUTCOMES

NATURAL CAPITAL

Total energy consumed: 1,195,106 GJ
Total CO_2 emissions (scope 1): 646,563 tonnes
Total water consumed: 3,123,961 m^3
Total fertilisers consumed: 21,185 tonnes
Total glass bottles recycled: 1.6 million units

MANUFACTURED CAPITAL

MUR 242.9 M investment in property, plant and equipment

FINANCIAL CAPITAL

MUR 4,752.2 M turnover
MUR 210.4 M losses after taxation
MUR 129.7 M paid in dividends
MUR 268.9 M retained losses in the Group

HUMAN CAPITAL

1,144 employees
MUR 965.4 M paid in salaries, wages and other benefits
MUR 3.64 M in employee training and development
12 additional jobs provided

INTELLECTUAL CAPITAL

Digital transformation expenditure
Brand development expenditure
Certifications on quality, food safety, environmental and OHS management (see Operational Review section)
93% plant availability on CEB network

SOCIAL AND RELATIONSHIP CAPITAL

MUR 22.3 M paid in taxes in Mauritius
MUR 564.3 M paid in customs and excise duty in Mauritius
MUR 2,566.6 M paid to suppliers
MUR 173.0 M paid to banks and other lenders
MUR 76.8 M paid in dividends to subsidiary shareholders
Two percent of profits directed to CSR work
MUR 2.9 M spent by Terra Foundation
32 CSR projects sponsored

Chairman's message

At the end of Terra's 2020 financial year, we were all left with a sense of relief and of recognition – the relief that there has not been a more significant negative impact locally on human health from the Covid-19 pandemic, and recognition that the swift and effective measures the Mauritian Government had implemented at the outset had successfully contained the spread of the virus.

Our national policy in handling the pandemic since March 2020 has been very effective and should, this year and in 2022, enable the Mauritian population and the Mauritian economy to bounce back fairly quickly. The gradual reopening of the borders this year and the positive impact of the vaccine rollout worldwide and in particular in the countries of our traditional economic partners should gradually accelerate the recovery of the Mauritian economy.

2020 was a very challenging year for Terra, with some issues specific to the Group (such as the expiry of vital contracts) and an economic and social environment significantly affected by the ravaging effects of a pandemic of global proportions, which no one saw coming in its scale and impact. The effects of the virus extended beyond human health considerations to fundamentally impact our local economy, as well as those of our main trading partners. The unfortunate loss of life of millions across the world has been as devastating as the crippling effects that government-imposed lockdown measures have had on world economies. The pandemic stole lives and livelihoods. Mental health has also become a major concern in many countries. The fear factor is not just the fear of catching the virus, but also fear of what tomorrow brings in terms of job security and way of life. There have been significant worries about joblessness and the negative impact on society as a whole, including an increase in inequality.

At the outset of the pandemic, our main concern was to protect our workforce and their families. Terra's own Covid-19 protocol was developed to ensure that no employee was in danger of catching the virus at work. Management took decisive and immediate protective measures wherever necessary, more specifically when providing various essential services which, by their very nature, needed to continue operating for the national good. Terragen remained in operation 24 hours a day 7 days a week, to continue to supply electricity to the grid. We responded with determination and calm to protect our employees and our companies, and to adjust our strategies to face these unprecedented challenges. I wish to convey a very special thank you to all our employees, and in particular those involved in providing such essential services for their commitment, dedication and motivation during these challenging moments.

Unfortunately, our country and its economy have not, and will not be immune to the significant impact and fallouts of a very deep global recession in 2020 which is the most widespread and material economic downturn that I have witnessed in my lifetime.

Despite the best efforts of the Government to prevent the massive negative economic impact through stimulus and social protection measures, such as the wage assistance scheme, one cannot replace a market economy by Government funding alone, and certainly not overnight. The Mauritian economy has contracted by some 14% in 2020 and the respective lockdowns in Europe, our key markets, will continue to impact us. The pace of recovery of Mauritius will be highly dependent on the success of the Covid-19 vaccine worldwide roll-out and the recovery in our traditional markets.

Our diversification enabled us to remain resilient

This is the fifth consecutive year in which Terra has been executing its strategy of optimising value from the Group's core assets across the sugar value-chain, and delivering value through its four clusters: Cane, Power, Brands, and Property and Leisure. The onset of the pandemic and lockdown measures had a more marked negative financial impact on our Brands and Property and Leisure clusters, while other sectors of the Group showed resilience. Our diversified operations have enabled us to withstand the economic shocks, with improved financial results generated in the Cane cluster and, overall, operations have remained profitable in all of our four clusters.

While activities in the **Cane** cluster were impacted by workers not being able to be working our fields for more than a month, and the subsequent late start to harvest, the more significant impact was the lower volume of sugar cane produced linked to the ongoing drought. Nonetheless, our reduced operating costs, improved sugar prices and our strategy to produce specialty sugars that continue to receive a price premium have meant that this cluster was one of the least affected by the pandemic. The recent announcement by the Mauritius Government of *bagasse* remuneration is a welcome step to create conditions for a sustainable local sugar industry. We also await Government announcements on the conclusions of the World Bank report on the future of the sugar industry and are hopeful that they will lead to the implementation of necessary policy and regulatory changes that would allow the local sugar industry to compete on equal terms with its global competitors.

In the **Power** cluster, the extension of our contract in June 2020 with the Central Electricity Board (CEB) for the next five years is testimony to Terragen's efficient and reliable energy supply to the grid. Terragen also remains one of the most price competitive suppliers to the CEB. The shorter contract period, however, presents a missed opportunity to export greener energy to the grid, as transforming our existing plant into a one-of-a-kind hybrid power production facility requires significant investments and consequently longer-term certainty. We will continue constructive discussions with CEB and the Government to embrace this energy transition.

Our **Brands** cluster was directly affected by the fallout of the pandemic, with the hospitality sector closed for nine months of the year. In response to lower levels of demand for our products from this sector, we placed more emphasis on traditional trade (boutiques), which proved successful. Our brands have done well given the circumstances, and the cluster will continue to adjust and align to the demands of the market. We were exceptionally pleased to see the Grays Inc. rum brand, New Grove Emotion 1969, winning the best rum in the world award "*Canne d'or*" for 2020.

The **Property and Leisure** cluster has also been severely affected by the lockdown and closing of borders, with Mauritian buyers also showing caution during the year and foreign buyers unable to visit the island. With delays experienced in construction activities, the opening of our retail centre, Mahogany Shopping Promenade was postponed to June 2021. The exceptionally beautiful development around our lake at Beau Plan and its array of attractive and varied shops have already established the Mahogany shopping Promenade as a very popular shopping centre. Towards the end of the year, we witnessed a resurgence in property purchases nationally, indicating a resilient local clientele, and this has given us confidence to continue our investments in our Beau Plan Smart City development. We still anticipate Beau Plan to be a growingly important economic hub on the island, providing an appealing commercial, residential, education and leisure environment, and a significant source of long-term value growth for the Group.

Some of the Group's **Associates** had improved performances in 2020, as in the case of Sucrivoire, our associate in Côte d'Ivoire, which returned to profitability during the year, thanks to the crucial technical support from Terra's pool of expertise. Our investment in the Swan Group has also been very resilient with the insurance sector performing very well nationally. We unfortunately also suffered significant unrealised impairments from our other investments, in particular in those investees which were directly exposed to the tourism and hospitality sector, as well as our across-border investments.

Overall and in particular because of the excellence of the operations we control, Terra Group has proven to be quite resilient. We expect a much improved overall financial performance in 2021.

We continue to care for our fellow Mauritians, while still pursuing our growth areas. Terra Foundation celebrated its 10th year anniversary in 2020 and has positively impacted the lives of some 33, 220 children and youth, and 60,131 adults, directly and indirectly, over this period. During 2020, we helped our NGO partners as much as we could to remain resilient, and their work has become even more critical since the impact of the virus. I was particularly impressed with Terra's rapid response to the MV Wakashio oil spill mid-2020, which leaked tonnes of oil into the ocean. Terra actively assisted in organising a community response to the crisis, using the Foundation's stakeholder network, making the Creative Park of the Beau Plan Smart City fully available as the base of operations, and donating 32 tonnes of cane straw to manufacture floating booms to help contain the oil spill.

Another key achievement this year was an important restructuring of our balance sheet, securing long-term finance needs at competitive rates for long-term projects. This will put us on a very solid financial footing to achieve our growth targets.

Chairman's message (cont'd)

Maintaining oversight through a diverse Board

Despite the lockdown and the challenges faced, there have been many achievements at Board level in our 2020 financial year. We reviewed our Board Charter to bring it further in line with the National Code of Corporate Governance (2016).
The Code provides useful guidance and we have come closer to meeting it in its entirety.

Our main responsibility as a Board is to ensure that our executive team fulfils its fiduciary and societal responsibilities, while maintaining the highest levels of corporate governance. In fulfilling this task, we are fortunate to have a Board that brings valuable diversity in skills, experience and perspective.

Our Board evaluation, which takes place every two years, showed very positive results in 2020, where we moved from a performance level of 82% to 85%. Our external consultants, Ernst and Young, commended us on our performance and commitment, and for our efficiency in the way we run the Board.

With the retirement of Maurice de Marassé Enouf, as non-executive Director, effective from 01 January 2021, we have taken this opportunity to increase the number of women on our Board.

Appreciation

One of the notable highlights of 2020 was how well our executive and management teams managed the unprecedented challenges of operating in the context of Covid-19 fallouts.
We progressed through the stages of our purposely designed protocol measures exceptionally well, working hard to ensure our employees felt safe at all times. On behalf of the Board, I wish to send my warmest thanks to our Managing Director, Nicolas Maigrot, and his management team for their endless resilience during a very challenging 2020. They have managed with great efficiency the operations with a sense of calm and composure during such uncertain times, supported and helped our subsidiaries who had challenges of their own, and, above all, shown compassion for our employees going through difficult times in their lives.

Terra's employees have, once again, continued to make an invaluable contribution to the Group's performance under sometimes very difficult conditions. Many stepped up to help voluntarily on certain initiatives, and on behalf of the Board I would like to convey our sincere appreciation for their loyalty, devotion, commitment and dedication.

I wish to thank all members of the Board of Directors for their continuous support over 2020, their availability and reactiveness in decision-making since the Covid-19 outbreak. I wish to give a special thank you (both personally and on behalf of Terra) to Maurice de Marassé Enouf, who has made a huge Board contribution over the last 10 years and has retired at the end of 2020. His wisdom, experience, expertise and passion will be sorely missed.

We are glad and extend a special welcome to Anna Mallac-Sim who has joined our Board of Directors as from April 2021. Anna has brought a new set of skills, passionate dedication and competence and a youthful perspective on the Board.

I also wish to extend my deep appreciation to all Terra's business partners and stakeholders, including especially those within the Government of Mauritius, for their collaboration throughout the year.

With our diversified clusters and experienced team, I have no doubt that the Group has the right strategy, systems and talent to deliver substantial value into the future. We will nonetheless need to continually adjust our strategies to uphold the new challenges facing all the economic sectors we are operating in. At Terra, we are more than ever willing to work with the Government and other stakeholders, both locally and abroad, to carve out a sustainable future.

Alain Rey
Chairman of the Board
13 September 2021

Managing Director's message

The Group's response to the Covid-19 pandemic has highlighted the resilience of the Group. We posted at Group level a Net Loss after tax of MUR 210.4 million in 2020, against a restated Net Profit after tax of MUR 446.6 million in 2019. Despite this, the Company posted a profit after tax of MUR 131.5 million in 2020 against MUR 178.7 million in 2019. Most of the losses recorded in 2020 by the Group were due to the fair valuation of our investment portfolio.

The activities managed by the Group have been resilient, with a marked improvement observed in our cane activities. Our Cane cluster has shown a positive turnaround due to a return to profitability in our Côte d'Ivoire operations, accompanied by more efficient operations in Mauritius, backed up with better sugar prices.

As announced in the National Budget Speech in June 2021, the long-awaited pricing for *bagasse* will be effective as from the 2021 crop season. This will give a new boost to an industry that continues to contribute positively to the national economy.

The closure of borders, accompanied with a delay in obtaining permits, substantially impacted the profits of our Property and Leisure cluster.

The lower profits of our Power cluster were expected, given the fundamental changes in the newly negotiated Power Purchase Agreement.

Our Brands cluster performed well in the current circumstances.

In my message to shareholders last year, I highlighted that our strategy would need to be constantly reviewed as we navigate in such unpredictable times. Our compelling three-year strategic plans that provide a clear vision for the Group to deliver long-term value, were adapted to the prevailing Covid-19 context. The agility of each of our clusters, enabled by the restructuring that took place a few years ago and supported by the strong teams in place, showed the alignment across the executive team and Directors during this very turbulent year, and how well these structures continued to work.

CANE | Improved efficiencies starting to pay off

We had a very good year in our cane activities, where we managed to reduce losses as a result of better cost monitoring and containment measures. Overall, the strategy that we started five years ago to create an efficient Cane cluster for the future has started to pay off.

We saw improved sugar prices in 2020, helped by improved sugar prices in our export markets and a strong Euro. The price of sugar ex-Syndicate increased from MUR 11.4 K per tonne in 2019 to MUR 14.0 K per tonne in 2020. While additional revenues for by-products, such as molasses, contributed an additional MUR 1.5 K per tonne to reach an overall sugar price of MUR 15.5 K per tonne, this remains below the break-even cost of MUR 17.0 K per tonne, as recognised by the industry.

In our milling operations, the ongoing drought in Mauritius has posed some serious challenges, with our production of sugar down by 16%, in line with the rest of the industry in Mauritius. Our investments in automation, digitalisation and lean management structures have, nevertheless, helped the cluster to become more efficient, and with a lower cost of production we can better compete into the future. Terra now has the ability to convert 100% of its cane into specialty sugar, a strategy set three years ago to achieve premiums in a commodity environment. While we were expecting this year to produce 85,000 tonnes of specialty sugar, we only managed to produce 74,541 tonnes, due to insufficient cane production.

With regard to our Côte d'Ivoire operations, we have seen a good turnaround at Sucrivoire, which posted a profit in 2020. Terra has been the technical advisor to the operation and has placed on secondment several new operations managers with a view to improving yields and production. To satisfy local demand, the focus has been on increasing production capacity as from 2022. Knowing that consumption is increasing year-after-year in Côte d'Ivoire, this increase in production will also help to reduce our cost of production.

POWER | Extension agreement signed with CEB

Our Power Purchase Agreement with the CEB came to an end mid-2020, at the expiry of a 20-year contract, and we signed an extension agreement for the next five years. Unfortunately, this new contract does not value electricity produced from *bagasse* more favourably than coal. This has had a major impact on our results in 2020, as in the past most of our profits were made from electricity production of *bagasse*. The operation generated 376 GWh of electricity with 93.3% availability and an after-tax profit of MUR 35.8 million (MUR 160.4 million in 2019). Regrettably, we had a major breakdown in our power station in the last weeks of 2020, which also negatively impacted results. Despite this, our Terragen plant remains amongst the world's 'best in class' power plants, both in terms of reliability and cost of production and is, by far, the cheapest electricity provider in the country. We should see better results in the future, although comparatively lower to the past, due to the renegotiated tariff structure.

Terragen has always worked to be at the forefront of technology innovations to manage the transition towards renewable energy. It currently produces 13% of Mauritius' renewable energy, using a combination of cane straw and *bagasse*. Along with our partner Albioma, we have presented to the Government an ambitious plan to modernise our existing power plant into the first hybrid power plant in the world, a major leap forward to reduce emissions. Our strategy remains to increase our share of renewable energy contribution in our own generation to 40% (currently at 27%), using a combination of *bagasse*, cane straw and solar energy. To achieve this, we will need significant investments, for which longer-term certainty is needed. We ultimately need a new framework from the Government, to be able to bring this project to life. Terragen will continue to engage with the Government to help Mauritius decarbonise its energy mix, in line with the roadmap towards a greener Mauritius.

BRANDS | Resilience within a tough operating environment

We had anticipated valuable growth in the retail business and luxury hospitality sector, had it not been for the adverse impact of Covid-19. While we saw overall resilience in our Brands sector during 2020, there were major drawbacks from not being able to sell to the hotel industry for nine months of the year. Revenue for the year was down at MUR 2,109.6 million (MUR 2,288.5 million in 2019) and profit after tax at MUR 102.2 million (MUR 135.7 million in 2019). While profit in our operations went down, we nevertheless did well, given the tough operating context. We saw a good performance in our distillery, boosted by the strong demand for alcohol; with 80% of what we produce being exported, the erosion of the Mauritian Rupee bodes well for pricing.

I am very pleased to report that Grays Inc.'s latest addition to its already well-rounded collection, New Grove Emotion 1969, recently won the '*Canne d'or*' award in an international competition amongst traditional producers for being considered the best rum in the world. This achievement at the International Sugarcane Spirits Awards, set to be the new gold standard for spirits, puts the island and category on the world map as being a premium producer, and we will use this to boost our sales globally.

Our subsidiary company in the Seychelles showed a fair performance given the prevailing circumstances, with products mostly aimed at the local Seychelles market. Looking ahead, we believe 2021 will be a more difficult year for Mauritius and predict a tougher year for our brands, and we will be putting more emphasis on locally manufactured products.

PROPERTY AND LEISURE | We continue to develop and invest for the future

Our Property and Leisure cluster was particularly impacted by Covid-19, with the closure of our borders resulting in very few international buyers, and the depressed state of our local economy limiting land sales and negatively impacting our ability to generate cash. Some of our permits to develop land for resale also came in late in the year. We reviewed our plan, taking into consideration the new environment, and our development team has been extremely motivated to find 'out of the box' solutions to address the situation. We met our adjusted budget for the year, delivering profit after tax of MUR 20.5 million (MUR 268.7 million in 2019) and achieving MUR 125.6 million in rental income, management, development fees and other services for the period, a 41.3% decrease on last year.

We unfortunately had to temporarily close *L'Aventure du Sucre* from March 2020, with the museum principally being a tourist attraction. This activity has incurred losses for the year, despite receiving support from the wage assistance scheme for some of the staff. It is difficult to predict the timing and conditions of the complete reopening of our borders, and we will have to structure accordingly. We also experienced delays in the development and launch of our retail park. We were expecting this to be open by November 2020, in time for the Christmas festive season, but due to Covid-19 delays, the opening finally took place on 24 June 2021. It was nevertheless successfully received by the public, with commendable affluence.

On another positive note, all land put on sale in the Smart City has been sold in record time and the demand for the activities is still high. Given these positive signs, our Board has decided to go ahead with the construction of a 10,000 square meter business park to continue to create a vibrant Smart City in Beau Plan. Covid-19 will induce a tougher year ahead, but we continue to develop and invest for our future.

Managing Director's message (cont'd)

INVESTMENTS

Our associate in the insurance industry, Swan General Ltd, was very resilient during the year and net profits attributable to Terra amounted to MUR 213.1 million. We unfortunately had impairments related to our share in United Investments Ltd (UIL), which is very much geared towards the tourism sector. In line with our strategy of divesting our non-core assets and activities, we sold our share in Commada Ltd, which also attracted losses. We recently acquired part of the shares of Grinaker LTA in Rehm-Grinaker Construction Ltd, and the latter is considered as a subsidiary since July 2021. Overall, our profit or loss statements show that we achieved MUR 306.7 million in operational profit, net of fair value and impairment losses amounting to MUR 582.3 million, which were primarily from our investments. We will continue to divest from our non-core assets and activities.

OUTLOOK

The ongoing Covid-19 crisis will continue to negatively impact the activities of the Property and Leisure and Brands segments, as well as our associate investment portfolio. Given the persisting poor visibility as to when the pandemic will subside worldwide, with quarantine measures still in place, and when economic activities will return to normal, all Group clusters are proactively pursuing cost-containment measures and closely monitoring their respective cash flows. Once border controls are relaxed, we believe there will be an opportunity to attract investors and foreigners in a country that has effectively managed the Covid-19 pandemic. The crisis is likely to enter a recovery stage at some point in 2021, with some sectors, such as property, recovering faster than others, such as tourism.

The pandemic has had a devastating impact on the communities we work in, making it more important than ever for Terra to support our fellow citizens. The creation of new jobs through our retail park will help meet employment needs and grow the local economy. We will integrate with local villages to be inclusive and create value for the Mauritian community in general. Our Smart City will enable people to send their children to international schools and create an environment to attract foreign professionals to live, work, and play in Mauritius.

The bold decision from the Government to remunerate *bagasse*, an important cane by-product, with its fair price, will certainly contribute to the sustainability of the industry. This measure will not only help the cane industry to be sustainable but will also help the country in achieving its ambitious goal of producing 60% of its energy from renewable sources by 2030. We are obviously waiting for the biomass framework to be enacted to better understand how all renewable sources will be remunerated in the future. Indeed, this new environment has the capacity to trigger major investments in the sugar industry.

The year ahead will be a crucial one for Terra. Many important decisions by authorities will have a significant impact on the future of the Group, in particular for the cane industry. We now have clarity on our contract with CEB for the next five years and we will work closely with the Government and the CEB to create an environment whereby we will be able to increase our share of renewable energy, in order to achieve the above-mentioned Government's energy-mix decarbonisation objective.

Our role as operators is to continue to be more competitive, to invest in technology, to improve our yields and reduce our costs, and to develop products with increased added value. I am more confident than ever that we have the right structure, people, know-how and business plans in place to capitalise on our expertise and create long-term value for our shareholders and other stakeholders.

ACKNOWLEDGEMENTS

I wish to express my appreciation and gratitude to my colleagues on the executive and the management teams in each of the clusters, as well as to Terra's employees at all levels in the Group, for their resilience and unflinching commitment in these difficult and unusual times. I would also like to thank my colleagues on the Board for providing valuable advice and oversight, and for taking important decisions on investments for the future. The Board members have provided incredible support amidst the Covid-19 crisis and shown us that they are confident in what we are doing.

The fact that we have been able to generate operational profits during this tough period is commendable.

We will continue to adapt, to be agile and to ride the storm!

Nicolas Maigrot
Managing Director
13 September 2021

Financial review

Group turnover for 2020 was MUR 4.8 billion, down 5.8% from MUR 5.1 billion in 2019. Despite the impact of the Covid-19 pandemic, all the Group clusters, except for the cluster 'Others', remained profitable and resilient. While the pandemic impacted all our operations to varying extents, it had a particularly significant impact on the Brands and Property and Leisure clusters, both of which were affected by the closure of our borders. The Group's overall financial performance has been substantially impacted by impairments, which was the main cause of the Group losses of MUR 210.4 million for the year, as compared with a restated profit of MUR 446.6 million in 2019.

The Group's net assets for 2019 have been restated favourably by MUR 130.6 million to reflect our share of adjustment arising from the Sucrivoire S.A. (Sucrivoire) 2019 audited results that were communicated to us after the approval of Terra's 2019 audited financial statements.

Net Asset per share as at 31 December 2020 was MUR 59.7 (2019 restated is MUR 62.2). The Group's balance sheet remains strong with owners' interest at MUR 13.6 billion and Group gearing remaining low at 22.3%. This situation allows us to remain resilient and to face the difficult economic conditions that prevail locally and abroad.

Audit opinion

The "except for" qualification in the audit opinion relates to our investment in Sucrivoire, an associate company in Côte d'Ivoire, in which Terra's shareholding is 25.5%.

Sucrivoire's financial statements for the period under review are audited by qualified auditors in Côte d'Ivoire. Our Group auditor, BDO, did not consider having received sufficient comfort in time from the auditors of Sucrivoire and accordingly deemed it appropriate to qualify our 2020 audit report.

Sucrivoire's share of net assets as at 31 December 2020 was MUR 452.3 million. The net asset value of Sucrivoire represents only 2.2% of Terra's total assets which are worth MUR 20.8 billion.

Group profitability impacted by impairment losses on other investments

Gross profit for the Group decreased by 7.6% to MUR 1.1 billion, while Group normalised EBIT decreased by MUR 297.2 million to MUR 306.7 million. This reduction is mainly attributable to fewer land sales and no SIFB compensation received in 2020. The Group's financial performance includes unrealised fair value and impairment losses of MUR 582.3 million. These impairments had a severe impact on overall profitability, contributing to Group losses for the year.

Most clusters, including our main associates, were profitable, as these impairments concerned investments under the cluster "Others".

Our local sugar operations almost managed to break even, due to continuous improvements in operational efficiency and cost of production, coupled with an increase in sugar price of MUR 2,616 per tonne for the 2020 crop. Our associate in Côte d'Ivoire had a better crop in 2020, resulting in a profit of MUR 46.4 million (restated 2019: losses stood at MUR 63.1 million). This contributed to the Cane cluster posting an overall profit of MUR 40.3 million, as compared to the restated losses of MUR 203.9 million in 2019. The Power cluster contributed lower profits of MUR 35.8 million, mainly due to revised tariffs following a new offtake agreement with the CEB, and to losses incurred by its associate. Brands' profitability decreased by MUR 33.5 million to MUR 102.2 million, following lower sales to the hospitality sector, which was closed for most of the trading period in 2020 due to the Covid-19 pandemic. The Property and Leisure cluster was also impacted by the pandemic, recording reduced revenues from land sales, property rentals, consultancy fees, and from the leisure division whose activities were significantly impacted by the drastic fall in tourist arrivals. The cluster managed to record an after-tax profit of MUR 20.5 million.

At Group level, the 4.6 % year-on-year increase in depreciation and amortisation of MUR 17.2 million is aligned with capital expenditure incurred. Finance costs for the year stood at MUR 173.0 million, up from MUR 122.8 million, mainly because of increased borrowings to finance capital expenditure and investments. The share of profits from associates increased by MUR 12.4 million.

Out of Group loss of MUR 210.4 million for the year, loss attributable to equity holders of the Company amounted to MUR 268.9 million in 2020, as compared to a restated profit of MUR 328.7 million in 2019. Consequently, a loss per share of MUR 1.18 was recorded compared to a restated earnings per share of MUR 1.44, last year.

	2020 MUR'M	RESTATED 2019 MUR'M	CHANGE %
Revenue	**4,752.2**	5,047.3	(5.8)%
Profit / (loss) before finance costs (EBIT)	**(93.8)**	515.0	(118.2)%
Add back:			
Fair value loss on Non-Current Asset held-for-sale	**314.0**	(77.1)	(507.3%)
Impairment loss on financial assets	**64.2**	43.4	47.9%
Impairment loss on non-financial assets	**22.3**	122.6	(81.8)%
Normalised EBIT	**306.7**	603.9	(49.2)%
Profit / (loss) after tax	**(210.4)**	446.6	(147.1)%
Earnings / (loss) per share (EPS) *	**(1.18)**	1.44	(181.9)%
Net asset value per share (NAV) *	**59.7**	62.2	(4.0)%
Gearing **	**0.223 : 1**	0.201 : 1	
Dividend per share *	**0.57**	0.85	(32.9)%

** Values are shown in MUR | ** Debt / (Debt + Equity)*

Strong balance sheet maintained, and dividends paid

The Group invested an additional MUR 242.9 million in property, plant, and equipment to maintain and improve plant operational efficiencies. Our investments in associates and financial assets are fair valued using the mark-to-market method for all quoted investments, and discounted cash flow (DCF) valuation principles where appropriate.

Our investment portfolio increased by MUR 81.5 million to MUR 3.7 billion, and our total assets reached MUR 20.8 billion, almost on par with last year.

Owners' interest decreased by MUR 570.8 million to MUR 13.6 billion, mainly due to unrealised impairment losses of MUR 495.8 million on investments, and MUR 22.3 million on goodwill of certain investments.

Group net debt amounted to MUR 3.5 billion, an increase of 13.4 % over last year. Net debt to equity is at 24.0% and remains low in terms of the overall Group's borrowing capacity.

Net asset value decreased by MUR 2.50 per share to MUR 59.7 per share. Market capitalisation of the Group was at MUR 4.5 billion as at 31 December 2020. Terra paid a dividend of MUR 57 cents per share to its shareholders.

Salient cash flow movements

Cash from operating activities including dividends received from associates and working capital movements amounted to MUR 840.0 million, while net cash used in investing activities stood at MUR 1 billion. The investments were mainly in property, plant, and equipment (MUR 242.9 million), purchase of investments properties (MUR 717.9 million), and intangible assets acquired (MUR 10.2 million).

Terra also applied funds towards equity investments in Inside Equity Fund (MUR 69.4 million), Swan Life (MUR 22.8 million), made a deposit on investments (MUR 71.8 million), and other minor investments (MUR 4.2 million).

Cash inflows were mainly derived from proceeds realised on the sale of land (MUR 127.4 million) and fixed assets (MUR 3.1 million). Other cash inflows consisted of investment income and interest received (MUR 3.8 million).

The net cash from financing activities amounted to MUR 146.2 million; this consisted mainly of funds raised from financial institutions (MUR 352.7 million net of repayments), which were used to finance investment projects and acquire investments. Overall dividends to Terra and the minority shareholders of its subsidiary companies amounted to MUR 206.5 million, compared to MUR 308.7 million last year.

After taking into consideration the above transactions, overall cash and cash equivalents decreased by MUR 18.7 million and stood at MUR 432.9 million.

Outlook for 2021

Following the outbreak of the Covid-19 pandemic in 2020, global growth has contracted by 3.5 % in 2020 and is projected to rebound by 5.5 % this year according to the IMF. Locally, assuming some recovery in the tourism sector, the Mauritian economy GDP is forecasted to grow by 5% this year.

The real challenge going forward remains in the country's ability to adapt to the evolution of the new Covid variants that are still emerging. The vaccination programme locally and abroad is progressing and hopefully we will soon attain an acceptable level of collective immunity.

Most clusters, including our main associates, are expected to post improved results for the financial year 2021. We are experiencing good demand for the property projects that we are launching at Beau Plan and on other sites. The opening of the Mahogany Shopping Promenade has been successful, and we are starting the construction of a 10,000 square meter Office Park next to the Mahogany Shopping Promenade. As announced in the National Budget speech in June 2021, a biomass framework will be set up to enable the remuneration of *bagasse* which will improve the sugar price for crop 2021 and contribute towards the sustainability of the sugar cane industry. Sugar operations in Côte d'Ivoire resumed with profitability in 2020 and an increase of 30% in production over the next five years is planned to cater for local demand. Terragen finalised its offtake agreement with the CEB last year to pursue its operations over the next five years and is working on a hybrid power plant project to produce more energy from renewable sources.

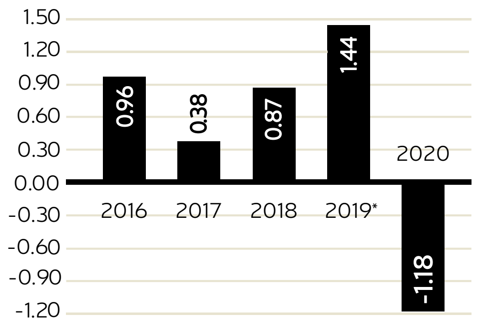
Terra remains focused on pursuing its strategy of investing in, and improving the efficiency of, its core activities including built up projects and the relating infrastructure of the zones under development. Our efforts and attention remain dedicated to improving our EBITDA margin and the overall Group return on equity, and to closely monitoring our free cash flow from operations.

I wish to thank the Board and my colleagues on the Executive and Finance teams for their dedication and guidance throughout the year, and I look forward to addressing the ongoing challenge to meet our objectives.

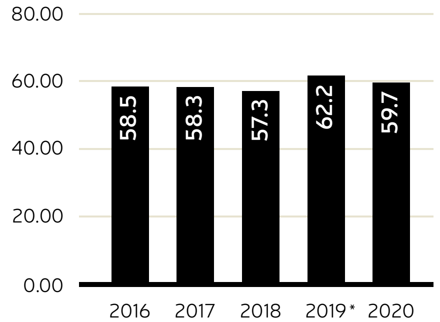
Henri Harel
Group Chief Finance Officer
13 September 2021

Financial review (cont'd)

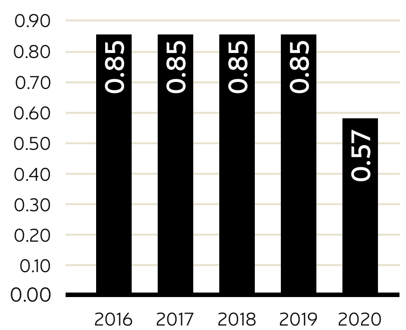
Earnings per share (MUR)



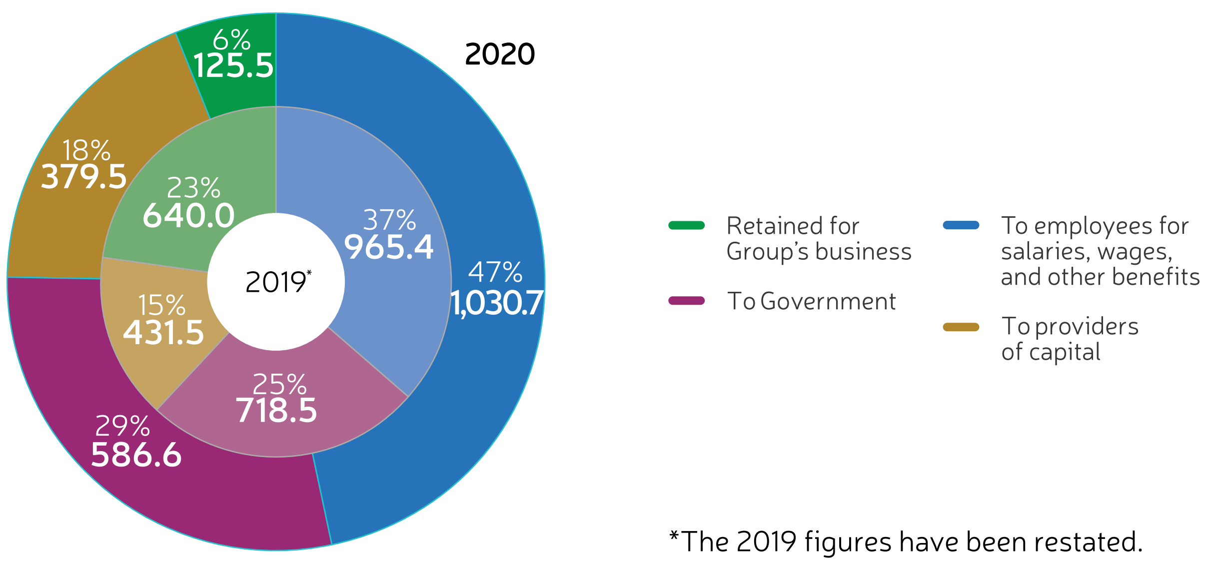
Net Assets per share (MUR)



Dividend per share (MUR)



Total Wealth Distribution (MUR million)



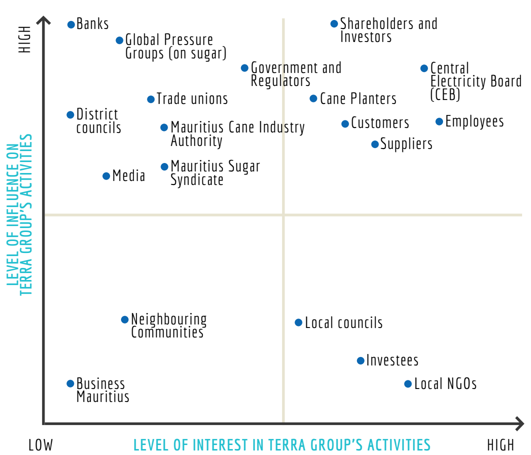
*The 2019 figures have been restated.

Our stakeholder relationships

Our ability to deliver value ultimately depends on the contribution and activities of a range of different stakeholders, and on the nature and quality of the relationship that we have with these stakeholders at both a Group and individual cluster level. There are many various stakeholders who have an interest in, and who can exert some influence over our decisions and activities. The nature and impact of these different stakeholder relationships vary significantly between each of our clusters.

In the diagram below, we briefly outline those stakeholder groups that we believe have the most substantive impact on the ability of Terra as a whole to create value over the short, medium and long-term. We have prioritised these stakeholders, informed by our assessment of their level of interest and dependency on our activities, and by the extent to which they can influence the development and execution of our strategy.

In the accompanying tables, we briefly review the 'value contribution' of each stakeholder group to Terra, summarise how we engage with that group, identify their priority interests relating to our activities, and provide our assessment of the quality of our current engagement activities with that stakeholder group. Additional context on these stakeholder relations is provided in each cluster review.



	VALUE CONTRIBUTION	HOW WE ENGAGE	KEY STAKEHOLDER INTERESTS	QUALITY OF CURRENT ENGAGEMENT
EMPLOYEES	The skills, experience, productivity and enthusiasm of our employees is the foundation of Terra's ability to deliver value.	In addition to internal newsletters and website, we have periodic management / employee meetings, individual personal interactions and training. We run surveys every two years with our employees to assess the levels of employee engagement and remuneration. No surveys were undertaken in 2020 due to Covid-19 but are planned for 2021. In two clusters (Property and Leisure and Cane) we have continued to embed culture engagement journeys, instilling certain values into their operations to co-create a working culture. In our Cane cluster, we negotiate with trade unions upon expiry of the collective agreements in place, generally every three years.	• Competitive remuneration • Opportunities for personal development and upskilling • Clear career paths • Safe and healthy working conditions • Clear communication and engagement across the Group • Employee morale and corporate culture	★★★★ Embedded | Structured engagement processes are in place that inform operational decision-making and are properly embedded in management processes, with clear follow-up actions.
SHAREHOLDERS AND INVESTORS	Shareholders and investors provide the financial capital needed to sustain and grow the business. An overview of the shareholding ownership structure is provided on page 101.	We communicate through our website, annual integrated report and annual general meeting regarding our performance and strategy. Announcements and communiqués are regularly issued through the Stock Exchange. Certain members of the executive team also meet personally with key investors. The Chairman and four other members of the Board are also members of the Board of the main shareholder.	• Delivery of dividends • Strategy to ensure continued growth, and to responsibly manage the risks and opportunities in our markets • Responsible allocation of capital • Sound corporate governance • Climate change and greening investments	★★★ Developing | Generally good engagement with some thought applied in developing an effective engagement process, but it is not structured; no clear performance objectives.
GOVERNMENT AND REGULATORS	Government and regulators provide us with necessary operating licences, and with the regulatory and policy framework that is critical to value creation. They inform what we can do, how we do it, and where we can operate.	We seek to maintain positive relationships with Government through: • Direct personal engagement on specific issues; • Mauritius Cane Industry Authority (MCIA) representative (Control Board) permanently on site (in sugar factory); • Participation in public forums; • Submissions on draft regulations; • Engagement through industry bodies; and • Collaboration on national development plans.	• Ensuring regulatory compliance • Protecting consumer interests • Contribution to the tax base • Promoting opportunities for job creation and economic development • Corporate Social Responsibility • Climate change mitigation / green energy • Flood mitigation • Independent sources of electricity and water (property development)	★★★ Developing | Generally good engagement with some thought applied in developing an effective engagement process, but it is not structured; no clear performance objectives.
INDUSTRY ORGANISATIONS	Engaging with these organisations is key to driving business best practice, identifying new opportunities, and creating a conducive long-term business environment.	We are active participants in numerous industry associations, including (but not limited to): the Mauritius Sugar Syndicate (MSS), the Mauritius Chamber of Agriculture and Business Mauritius. In 2019 our Managing Director became President of the MSS for two years and we engage with the MSS on a weekly basis.	• Provision of leadership • Collaboration • Contributing to the collective business voice • Structural reform	★★★★★ Strategic | High quality engagement mechanisms in place, embedded in governance processes with links to strategic objectives; in depth response mechanism implemented.
SUPPLIERS AND SERVICE PROVIDERS	Maintaining positive supplier relationships, based on mutual respect, enables us to provide our products, and deliver our customer value proposition efficiently and effectively.	We engage regularly with key suppliers and service providers across our clusters to ensure a mutually beneficial relationship, particularly in relation to the provision of critical products, raw materials and services.	• Timely payment and fair terms • Realising joint opportunities for growth	★★★★ Embedded | Structured engagement processes are in place that inform operational decision-making and are properly embedded in management processes, with clear follow-up actions.
CUSTOMERS	Meeting the needs of our customers - through the specific 'customer value proposition' for each cluster - is the basis for all other values we create. We have a diversity of customers, from wholesale and retail operations to individual consumers across a range of income groups and countries.	The nature of our engagement varies across clusters and customer type. We strive to engage regularly and be responsive to customer interests across our value chain, seeking feedback through individual engagements, as well as broader customer surveys and research. In-house communication and other strategic teams ensure we remain connected to customers and are quick to respond.	• Quality product and service • Appropriate price • Continuity of supply • Relevant product information • Partner relationships (tenants) • Better rates per square meter (tenants) • Multiple internet providers (Smart City)	★★★★ Embedded | Structured engagement processes are in place that inform operational decision-making and are properly embedded in management processes, with clear follow-up actions.
CENTRAL ELECTRICITY BOARD (CEB)	The CEB is our principal client for energy generated at Terragen; we strive to maintain this relationship on a long-term basis by providing a reliable and cost-effective supply of energy, and supporting the Government in its commitment for greener energy.	We maintain a strong and transparent relationship with our client through various communication channels: telephone, meetings, satisfaction survey.	• The reliable and cost-effective supply of energy • Open communication on plant performance • Increase the share of renewable energy in the energy mix of the country	★★★★ Embedded | Structured engagement processes are in place that inform operational decision-making and are properly embedded in management processes, with clear follow-up actions.
CANE PLANTERS	We rely on a regular supply of cane from independent small-scale cane producers to maintain the productivity of our mill and produce our premium specialty sugars. Due to current price challenges, farmers are leaving the sector, and there is low interest in the younger generation.	We communicate directly with planters through various channels, including regular meetings before and during harvest, one-to-one in fields, monthly liaison meeting with Farmers Service Centre. Our small planter advisors work with them to be more efficient and help with their harvesting and transport. We also engage regularly with authorities to identify opportunities to appropriately motivate the next generation of planters.	• Open and effective communication • Assurance that the mill will crush the canes in a timely and efficient manner and deliver the sugar produced to the MSS • Access to finance and labour • Structural reform • Support in regard to efficiency, harvesting and transport	★★★★ Embedded | Structured engagement processes are in place that inform operational decision-making and are properly embedded in management processes, with clear follow-up actions.
LOCAL COMMUNITIES	These stakeholders provide us with our reputation and societal legitimacy, and are often very valuable partners in highlighting challenges to be addressed and finding solutions, including investments in projects.	We communicate and engage directly with neighbouring communities through Terra Foundation and our individual business units to promote community development at both a regional and national level and ensure good communications regarding environmental issues.	• Transparency and accountability • Corporate Social Responsibility and NGO partnerships • Investment in community infrastructure • Access to job and supplier opportunities • Good environmental practices	★★★★ Embedded | Structured engagement processes are in place that inform operational decision-making and are properly embedded in management processes, with clear follow-up actions.

Managing our material risks

RISK MANAGEMENT

Terra has a structured and systematic process of identifying and managing all material risks across the Group. At the end of 2020, Ernst & Young (EY) was appointed to review the Risk Management Framework and the Group Risk Policy. During this exercise, the risks of each cluster and those relating to the Group were reassessed. The principal risks that have a material impact on Terra's ability to create value at Group level are outlined in the list below. Cluster-level risks are shown in their respective operational review on pages 32 to 71.

ROLE OF THE BOARD AND AUDIT AND RISK COMMITTEE

The Board provides oversight over Terra's risk framework, policies and processes. While it delegates these matters to the Audit and Risk Committee and a newly designated Group Risk Management Committee, composed of the Managing Director, the Group Chief Finance Officer and the Administrative Executive, it remains ultimately responsible for the development and implementation of the risk management strategy and plan. The Board is satisfied that the Group's risk management processes are effective and details of the internal controls, audit and risk-management framework are shown on pages 103 to 105.

The main residual risks at group level as at 31 December 2020 are summarised in the following list. Residual risks relate to risks that remain after risk mitigating activities have taken place.

	RISK	CONTRIBUTING FACTORS	RISK MITIGATING ACTIVITIES	YEAR ON YEAR TREND
R1	The risk that the Group is exposed to the consequences of an economic downturn and decline in consumer spending.	• Erosion of purchasing power of local buyers. • Lack of visibility over timing and speed of recovery from pandemic. • Disruption in the supply of imported items. • Loss of sales from the depressed tourism sector. • Loss of tenants due to the impact of the recession. • Increased construction costs.	• Diversified business portfolio helps cushion the impact of a downturn. • Containing capital investment and operational expenses to what is essential. • Some of our businesses like sugar and energy are not directly impacted by the pandemic.	New
R2	The risk that an adequate price for *bagasse* is not secured, leading to a drop in cane supply.	• A drop in sugar cane supply is detrimental to the milling activities. • Knock-on effect on the supply of *bagasse*, impacting on our ability to shift to renewable energy sources for power generation.	Terra participated in an industry initiative to submit proposals for reform of the sector, driven by the Mauritius Sugar Syndicate and Business Mauritius. The Government established a committee to work on the subject, involving the relevant Ministries.	Unchanged
R3	The risk that the continued decrease in the supply of cane and its by-products curtails the milling, distilling and power generation activities.	• Drop in cane supply is accelerated by the following: - Current low price of *bagasse*. - Decline in number of small and medium planters. - Drop in area available for cultivation as a result of real estate developments by planters. - Urbanisation resulting in challenges to cultivate next to residential areas. • The supply of molasses follows the downward trend in the overall supply of cane.	• Advocate to receive the adequate price for *bagasse*/biomass to encourage planters to continue cultivating canes. • Supporting small planters: - Taking initiatives to motivate the next generation of farmers. - Advising small farmers on harvesting, weeding and transporting the cane.	Unchanged
R4	The risk of oversupply of properties on the market results in loss of revenue.	• Demand for property may drop due to the pandemic. • Cane planters are switching into property as a result of the drop in sugar prices.	• Property projects are attractively located (in close proximity to sought after locations in the North).	Increased

Operational Review

Cane

Terra has been growing sugar cane and producing sugar since 1838, when the Harel brothers acquired the Belle Vue sugar estate in the north of Mauritius.

Today we have around 6,000 hectares of agricultural land, and we operate one of the most modern sugar producing factories on the island. We also jointly manage two sugar estates and factories in Côte d'Ivoire.

Our purpose is to be a global player in growing cane and manufacturing sugar, with a particular focus on specialty sugars.

CANE BUSINESS MODEL

VALUE DRIVERS	CONTEXT AND OUTLOOK
REVENUE DRIVER (PRICE) **Market demand and pricing**	
Commodity business shaped by supply and demand dynamics in the global sugar market, as well as local pricing determined by the Mauritius Sugar Syndicate (MSS).	• With volatile global sugar prices below profitability levels, an adjustment of the supply and demand dynamics through Government policy support is vital for industry survival; Mauritius as a relatively small global producer continues to face a number of market obstacles with little structural reform. • The sugar price has levelled out with slight recovery, yet still remains a risk of not reaching break-even point; the Government in Mauritius has shown positive signs of engagement with the industry and has announced a better remuneration for *bagasse*. We await the outcomes of the other aspects of the World Bank report.
Securing a price premium through distinct offering of specialty sugars.	• Mauritius has specialised in the manufacture of a wide range of specialty sugars, appealing to discerning customers and many agro-industrial ventures as healthier ingredients for finished food products; products are all marketed by the MSS which has become a reference for these unrefined specialty sugars. With the renewed focus by the MSS in targeting households and chefs as potential buyers for our specialty sugars, we have a more direct and active engagement with buyers.
COST DRIVER (PRICE) **Material cost efficiencies**	
Efficiency gains in our growing and milling activities.	• We have adopted a predominantly defensive strategy aimed at driving operational efficiencies in both our Belle Vue and Côte d'Ivoire operations. • We benefit from our state-of-the-art technology and skills in the mechanisation of cane growing and harvesting. Digital farming enables us to increase efficiencies in the face of a reduced workforce. • Our most significant costs relate to labour, followed by repairs and maintenance, fuel and fertilisers; activity-based costing exercises undertaken in our fields, mills and garage enable further optimisation. • We foresee significant cost increases with the newly introduced Workers' Rights Act 2019 in Mauritius. • We continue to review possible growth opportunities internationally that harness our recognised technological and process skills.

Cane (cont'd)

RESIDUAL RISKS

The main residual risks for the Cane cluster as at 31 December 2020 are summarised in the list below.

	RISK	CONTRIBUTING FACTORS	RISK MITIGATING ACTIVITIES	YEAR ON YEAR TREND
R1	Not securing an adequate price for *bagasse*, leading to a drop in cane supply.	• A drop in sugar cane supply is detrimental to the milling activities. • Knock-on effect on the supply of *bagasse*, impacting our ability to shift to renewable energy sources for power generation.	• Terra participated in an industry initiative to submit proposals for reform of the sector, driven by the MSS and Business Mauritius. • The Government established a committee to work on the subject, involving the relevant Ministries.	Unchanged
R2	Volatile global sugar price, below the break-even point for Mauritius.	• Impact of the pandemic on demand and production of beet sugar in our principal markets in Europe. • Impact of the pandemic on supply of sugars from competing countries such as Brazil and India.	• Shifting towards specialty sugars that command a superior margin. • Working with the MSS to market the Mauritian brand, our specialty sugars, and gain access to new markets.	Unchanged
R3	Continued decrease in the supply of cane combined with high costs of production resulting in reductions in productivity.	• Drop in cane supply is accelerated by the following: - Current low price of *bagasse*. - Decline in number of small and medium planters. - Drop in area available for cultivation as a result of real estate developments by planters. - Urbanisation resulting in challenges to cultivate next to residential areas.	• Supporting small planters: - Taking initiatives to motivate the next generation of farmers. - Advising small farmers on harvesting, weeding and transporting the cane. • Optimising efficiency: - Adopting new technologies for digital farming. - Adopting lean management principles. - Investing in automation of processes.	Unchanged
R4	Changing climatic conditions adversely impacting cane yield, resulting in losses.	• Increasing demand for water from other users in the water-scarce North of Mauritius. • Certain competing countries are inherently more conducive to sugar cultivation in terms of soil structure, climate and water availability.	• Optimising water consumption and improving use of effluents for irrigation. • Securing insurance cover (through the Sugar Insurance Fund Board). • Adopting more resistant and higher yielding strains of cane. • Working with local authorities to increase the capacity of Nicolière dam.	Unchanged
R5	Plant and equipment failure, resulting in disruption to operations.	• Breakdown of major equipment within the mill. • Breakdown at Terragen operations impacting the supply of electricity and steam. • Impact of pandemic on timely supply of imported parts, and ability of specialist consultants to travel to Mauritius to perform maintenance and repairs.	• Investing in modern plant and equipment and replacing old items as and when needed. • Performing regular preventive maintenance and inspection of plant and equipment by specialist consultants. • Maintaining a stock of critical spares on site. • Coordination and planning of operations with Terragen.	Unchanged

CAPITAL	MATERIAL INPUTS (2020)	ACTIVITIES TO SUSTAIN VALUE	MATERIAL OUTCOMES (2020)
PEOPLE	TERRA MILLING EMPLOYEES **105** permanent and **234** temporary TERRAGRI EMPLOYEES **201** permanent and **60** temporary	• Appointed a dedicated Health and Safety Officer at Terra Milling and made good progress in implementing the ISO 45001 health and safety management system. Certification is targeted for 2021. • Installed safety modifications to the Over-Head Travelling Crane (OHTC) platform, set-up a gas-metering system for working safely in confined spaces, and conducted eye check-ups for all workshop employees. • Fire in fields remained a key safety risk at Terragri (Agriculture) and we reaffirmed efforts to train employees and develop a safe system for firefighting. • Defensive driving training was conducted with all drivers and operators to refresh safety practices, and a safety checklist was introduced for Bell Loaders. Electrical safety in the workshop was also upgraded. • Safety measures and procedures in place in response to Covid-19. • Executive and leadership development coaching programmes ongoing.	TOTAL RECORDABLE INJURY RATE (TRIR) **19.5** (-53%) LOST TIME INCIDENT RATE (LTIR) **17.1** (-59%) SEVERITY RATE **32.7** (-42%)
MANUFACTURED	Agricultural and milling equipment	• Annual maintenance and critical spares kept in stock. • Regular inspection by consultants and monitoring of equipment during operation through computerised system (SCADA). • Fire safety and protection procedures in place. • User access rights on operator terminals and regular server backups; access to USB ports disabled to enhance cyber-security.	
NATURAL	LAND UNDER CANE CULTIVATION (INCLUDING AREA BEING PREPARED FOR PLANTATION) **5,340 Ha** (+3%) WATER CONSUMED **1,622,443 M m^3** (-68%) LIQUID MINERAL FERTILISERS **2,082 T** (+35%) DIESEL **898 m^3** (-17%) SUGAR CANE MILLED **704,629 T** (-23%) ORGANIC FERTILISERS **18,738 T** (+34%) SOLID FERTILISERS **365 T** (-20%) STEAM FROM TERRAGEN **838,519 Gj** (-10%)	• Small planter advisors in place to motivate small-scale farmers in implementing efficiency measures and assisting with their harvesting and transport. • Measures to optimise water consumption and better utilisation of effluents for irrigation. • Organic cane production trial started.	OWN CANE HARVESTED **302,291 T** (-22%) SPECIALTY SUGAR PRODUCED **74,541 T** (-16%) ORGANIC CANE AREA PLANTED **50 Ha** OIL USED **15.3 m^3** (+13%) VEHICLE TYRES USED **8.3 T** (-55%)

Cane (cont'd)

CAPITAL	MATERIAL INPUTS (2020)	ACTIVITIES TO SUSTAIN VALUE	MATERIAL OUTCOMES (2020)
SOCIAL AND RELATIONSHIP	Quality relationships with key stakeholders including: MCIA, MSS, Terragen, planters, employees and trade union representatives, and service providers.	• Embedded our Culture and Engagement Journey for employees creating a culture of care and learning. • Workers' council meets twice a year. For Terra Milling Ltd 85% of workers remain unionized, while for Terragri Ltd 81% within its agricultural unit and 68% within the non-agricultural unit are unionised. • Clear communication and collaboration with Terragen to maintain electricity and steam supply; vertical integration enables stability and growth. • Active chairing of the MSS by the Managing Director of Terra; active engagement with Government stakeholders and assisting MSS to strengthen the branding and marketing of Mauritius' premium specialty sugars and exploring new market opportunities.	EMPLOYEE TURNOVER RATE **12%** (*2019: 24%*) DAYS LOST TO STRIKE ACTION **0** PAYMENT IN TAXES **MUR 3.0 M**
INTELLECTUAL	• International certifications, including BRC, GMP, Halal and C-TPAT. • Application of HACCP Codex Alimentarius. • A registered SEDEX B member and subject to annual third-party audit on local and international labour laws; health, safety and environmental regulations; and business ethics.	• Renewal of certificates and customer second party audits to ensure safety of product and system, social and environmental compliance. • Improving efficiencies across our growing and milling operations. • New technologies and software (CanePro) adopted for precision farming. • Embedding 'lean management' principles and continuing with KAIZEN process.	Continuous improvement in farming and manufacturing techniques. PRODUCTION COST (AGRICULTURE) **MUR 14,000/T** (*-2%*) PRODUCTION COST (MILLING) **MUR 6,900/T** (*+30%*) CANE PROCESSING **281 T/hr** (*-8%*)
FINANCIAL	CANE CLUSTER TOTAL EQUITY (JAN 2020) **MUR 6,688.3 M** TOTAL BORROWINGS **MUR 743.7 M** CAPITAL EXPENDITURE **MUR 116.0 M**	• Actively managed the financial performance through weekly executive meetings, monthly management meetings and regular Board meetings.	TURNOVER **MUR 1,086.6 M** (*+6%*) PROFIT **MUR 40.3 M** (*+120%*) CANE CLUSTER TOTAL EQUITY (DEC 2020) **MUR 6,778.2 M**

THE OPERATING CONTEXT

MATERIAL ISSUE IMPACTING VALUE CREATION	OUR RESPONSE
Sustaining supply from small-scale cane producers – Around 42% of our cane is produced by Terragri, the remaining is produced by large (38%) and small (20%) growers, thus making us reliant on a regular supply of cane from independent small-scale cane producers. With the price of sugar remaining low and the difficulty in securing labour, some farmers are leaving the sector and there is generally low interest in the younger generation to work in the fields. This year, the volume of cane secured from planters was 406,000 tonnes compared to 531,000 tonnes last year.	To ensure a regular flow of cane to our mill, we are placing a strong focus on reviving the interest of existing and prospective independent cane planters. We have a team that works with and advises small farmers on harvesting, weeding and transporting the cane. We continue to work with authorities to identify opportunities to appropriately motivate the next generation of planters. Long-term we will need to mechanise; digital farming is an important part of this transition.
Water availability – 60% of our fields are directly dependent on local rainfall, and thus susceptible to the uncertainties of changing weather and climate. In 2020 we faced below-average rainfall due to the ongoing national drought, which impacted on cane yields Mauritius-wide. In terms of irrigation for the remaining 40% of our fields, we face increasing competition from other users as the economy grows in the water-scarce north of Mauritius.	We continue to implement measures to optimise our water consumption and ensure better utilisation of effluents for irrigation.
Continuing volatility in global sugar prices – In 2020 the price of sugar remained low despite a slight recovery, continuing to negatively impact on global sugar producers outside tariff-protected countries. In Mauritius, the price of sugar ex-MSS increased from MUR 11,383 per tonne in 2019 to MUR 14,000 per tonne in 2020. This remains considerably lower than the price of MUR17,000 per tonne required to sustain operations.	Discussions are continuing between growers, millers, the MSS and Government; the outcome of these negotiations remains to be seen. With low sugar prices anticipated at least for the short term, we have maintained a strong focus on enhancing efficiencies across our growing and milling operations and have made significant progress in reducing the cost of production.
Challenging sugar trade dynamics – The global sugar market was profoundly affected by the European Union's abolition of sugar quotas in October 2017, which contributed to a global supply surplus and resulting lower sugar prices. The global sugar market is also impacted by strong protectionist measures in many sugar-producing countries, such as in Europe and India where producers are given subsidies, and the fact that Brazil, historically the largest sugar producer, mainly produces for its own internal use and for the production of ethanol for energy, with surplus being sold onto the global market. This results in very different pricing competitors to Mauritius.	With high competition for specialty sugars in European markets, greater focus will be placed on emerging markets such as China and India. The Mauritian government has signed an agreement with China to start exporting sugar there in 2021. We are working actively with the MSS to assist them in strengthening the branding and marketing of Mauritian sugar, and to identify new market opportunities, particularly in our distinctive specialty sugars. Significant progress was made in 2020 with the targeting of households and chefs, which helped to ensure high demand, even during lockdown periods. We believe that the longer-term fundamentals for sugar remain strong, particularly given growing consumer demand in emerging markets and for healthier, unrefined sugars that command a price premium.
Structural challenges in the Mauritian sugar sector – The Mauritian sugar sector has some unique features, including a highly-regulated labour environment and a centralised organisation, the MSS, responsible for the marketing and sale of all locally-produced sugar. With revenue being centrally controlled, we can only focus on new products and reducing our cost of production. Given that it is very difficult to mechanise on mountain flanks or on small fields, our industry remains very labour intensive. In the context of a sector that has already comparatively high labour costs, the Worker's Rights Act, which came into force in Mauritius in October 2019, further negatively impacts the sector's global competitiveness. We foresee significant costs increases in relation to the remuneration orders. The World Bank report, commissioned by Government in 2019 to make recommendations for the sustainability of the sugar cane industry, has been completed and we await propositions from the Government based on the report findings.	Given the cross-roads that the industry finds itself at – with the challenging trade and price dynamics in the global sugar market, and with the substantial contribution of sugar to the Mauritian economy – the industry has submitted a proposal for structural reform, driven by the MSS and Business Mauritius. Suggested measures to enhance local competitiveness include: reviewing the current regulatory context for labour; providing better reward for the sector's renewable energy sources (*bagasse*); and ensuring that millers receive fair return from the Sugar Insurance Fund Board (SIFB). In terms of *bagasse*, the Government has, in the last Budget, announced the remuneration of *bagasse* at the rate of MUR3,300 per tonne of sugar. This will add up value to the cane producers as sugar is sold today at MUR 14,750 per tonne.

Cane (cont'd)

OUR 2020 PERFORMANCE

The Cane cluster was classified as an essential service during the Covid-19 outbreak in the country and business ran largely as usual.

Aside from the delay to the start of our harvest season due to the lockdown, the major impact on operations in 2020 was the ongoing national drought in Mauritius. The below-average rainfall this year impacted on cane yields across the country, and we lost 23% of cane volume and 16% in sugar volume. While we were expecting this year to produce 85,000 tonnes of specialty sugar to meet demand, we were only able to produce 74,541 tonnes. Fortunately, due to our previous cost cutting efforts, we faced a smaller loss locally this year. In the context of low sugar prices, we saw some improvements in 2020, helped by the depreciation of the MUR. The Cane cluster therefore posted profits of MUR 40.3 million, compared to restated losses of MUR 203.9 million in 2019.

We incurred losses only in our Mauritian operations (MUR 6.1 million) this year. Our associate company in Côte d'Ivoire, Sucrivoire, in which Terra holds a 25.5% stake, posted profit in 2020. The contribution of Sucrivoire to the cluster, excluding fees received for our management services, amounted to MUR 6.4 million (against restated losses of MUR 63.1 million in 2019).

For the 2020 crop, Terra Milling processed 704,629 tonnes of cane, impacted by the reduced throughput. This resulted in 44,114 tonnes of sugar accruing to the Group (2019: 52,563), with 16,762 tonnes attributable to milling operations (2019: 20,586) and 27,352 tonnes to growing operations (2019: 31,977). Terra Milling produced 78,978 tonnes *tel quel* of raw sugar (2019: 94,711), and therefrom 74,541 tonnes of specialty sugars (2019: 88,095). The average sucrose content stood at 13.16% (2019: 11.85%). On the growing operations side, the extraction rate improved to 11.43% (2019: 10.43%) with an average yield of 7.45 tonnes of sugar per hectare (2019: 8.37 tonnes).

Mauritius: Driving efficiency and innovation

Our investments in digitalisation, automation, and lean management structures continue to help the cluster to become more efficient and, as far as possible, to reduce our break-even cost. We made further advancements towards digital / precision agriculture with the support of our comprehensive operation management software, CanePro, and digital tools such as mobile phones and tablets. Together, these enable precise application of chemicals, testing the fertility of soils, and yield monitoring in real time. Our cost reductions through these field innovations and the application of more efficient machinery remain in place, and we are on track to reaching our 2021 target to save up to 10% in fertilisation volume.

In 2020, we invested a further MUR 15.0 million in automation projects (as part of an investment plan of MUR 60.0 million to 2022), and this has yielded further positive changes in the mill performance and improvement in efficiencies. Given that we operate a volumes business with 80% of our costs being fixed, the reduction in cane volume by 25% this year resulted in an increase in cost per tonne. In 2020, the mill operated on average 18.7 hours per day and crushed an average of 5,258 tonnes of cane (2019: 19.4 hours and 5,929 tonnes). The extraction rate of the mill was 96.73 (2019: 97.41), while the milling rate was 280.9 tonnes per hour (2019: 305.8). Through our efficiency initiatives, our cost of production at the mill for the 2020 crop amounted to MUR 6,900 tonne (2019: MUR 5,300 per tonne), a 30% increase due to the significant drop in cane volume. On the growing side, we had targeted MUR 13,100 per tonne of sugar, and achieved MUR 14,000 per tonne.
This was the first year of our organic sugar trials, in which we produced 50 hectares of organic cane using non-chemical herbicides in the field and chemical substitutes in the factory cooking process. Results have shown a 35% drop in yield, as expected. We will increase organic production to 70 hectares in 2021; it remains a three-to-five-year project to achieve certification. Organic sugar will, in the medium-term, remain a percentage of our overall production, only reaching an industrial scale of production in the long-term. This testing phase is in line with the Mauritius Chamber of Agriculture's vision for 1,500 hectares of land to be converted to organic.

The undervaluation of *bagasse*, the main by-product left after cane has been processed for sugar and used to produce renewable energy in Mauritius, was a major challenge for us. The World Bank report, commissioned by Government in 2019 to make recommendations for the sustainability of the sugar cane industry, has been completed and Government announced the remuneration of *bagasse* at the rate of MUR 3,300 per tonne of sugar. This will greatly help to reverse the downward trend in sugar revenue from cane, an urgent challenge facing the sustainability of the industry.

Vegetable production remained a small portion of our business and we will be reducing the scope even further, as this remained loss-making in 2020. This was essentially a side-business to grow potatoes, onions, and carrots, but ultimately needs to break-even to be viable.

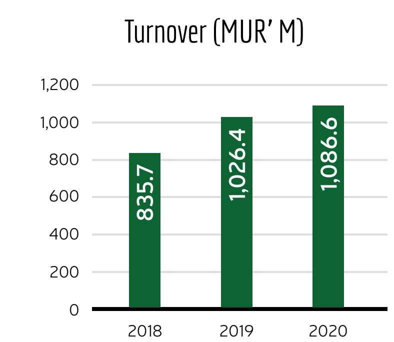
We suffered a record number of 175 accidental fires in our fields in 2020, with more than 1,000 hectares, close to 25% of our cane land surface, being burnt. Aside from the human risk of stopping these fires, and the downwind impacts on households, the major impact is the need to harvest immature canes. With no rainfall, the roots tend to die and the cane does not grow back, affecting the following year's harvest.

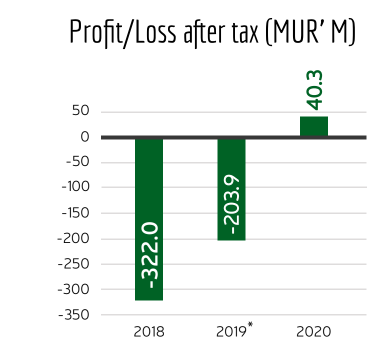
On a more positive note, we have seen significant benefits from our Culture and Engagement Journey, which we started towards the end of 2019 and continued across the Cane cluster into 2020.
We embedded the values defined in the previous year, and we continued to co-create the desired working culture. For Terragri (Agriculture) this has meant moving from a purely results and efficiency focused culture with traditional approaches to agriculture, towards becoming a more caring and learning organisation.
We have seen improvements in interactions between colleagues from Terragri (Agriculture) and Terra Milling, as well as more meaningful conversations during the employee performance appraisal process.

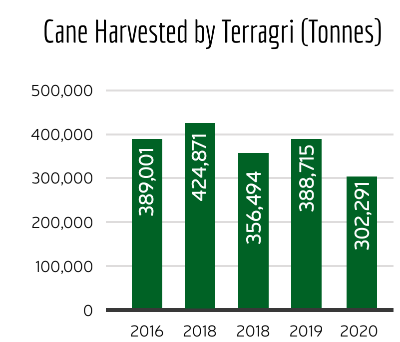
Côte d'Ivoire: Good turnaround and profitable in 2020

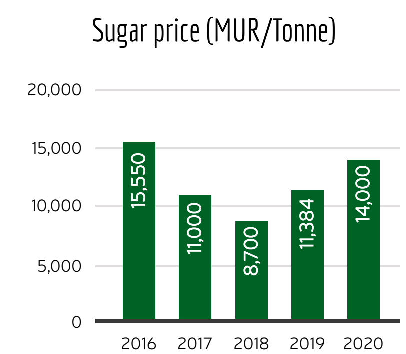
This has been a pleasing year for the two sugar estates and factories in Côte d'Ivoire that we manage together with SIFCA, our Ivoirian partner. We have seen a good turnaround at Sucrivoire, with the appointment of four permanent Mauritian staff including a factory manager, field manager, chief operating manager and mechanical harvest manager. Terra has been the technical advisor to the operation and with these new appointments, some of which were previously Terra employees, this had resulted in improved yields and production. Sucrivoire sold 124,014 tonnes of sugar (comprising 104,348 tonnes of own production and 19,666 tonnes imported), compared to 110,190 tonnes in 2019. This year, production from our factories in Borotou and Zuenoula, which collectively supply half of the sugar consumed in the country, amounted to 102,902 tonnes, up from 84,110 tonnes in 2019.
The revenue for 2020 was up 11.8% compared to 2019.

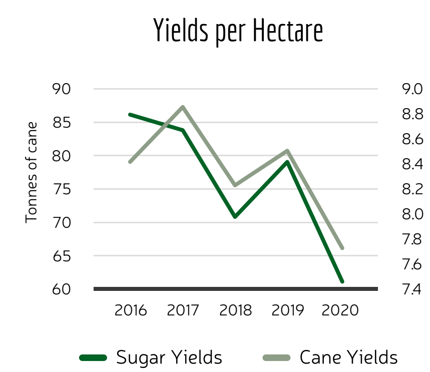
To satisfy local demand, the focus has been on increasing production capacity. Knowing that consumption is increasing year-after-year in Côte d'Ivoire, this increase in production will help to reduce our cost of production in the country. We will do this through upscaling the factories, targeting to produce 97,000 tonnes in 2021, increasing to 120,000 tonnes by 2024 and 160,000 tonnes by 2030.
Our 2020 results show that we are on track to achieving this.

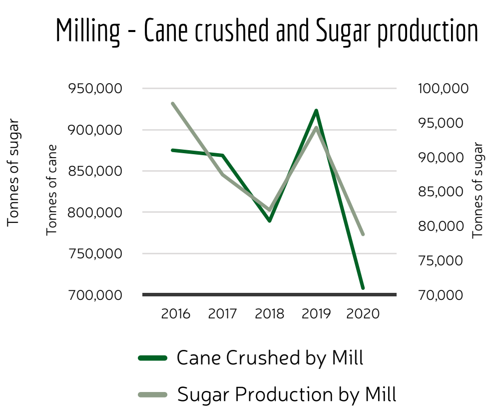












*The 2019 figures have been restated.

Cane (cont'd)

OUR STRATEGIC OUTLOOK

Our 2022 Vision for the cluster aims to ensure our continued resilience and growth in the current challenging environment. Our 2021 OKRs (objectives and key results) will be more people-oriented, maintaining a strong culture of engagement with our staff, while we continue to focus on improving efficiencies and further optimising production.

We have prioritised the following areas:

- Maintaining a strong focus on embedding a change of culture across the operation and building staff morale through being a caring, learning, and trusted organisation;
- Implementing a new performance management system and platform, renumerating staff on performance in more modern and innovative ways;
- Completing collective bargaining agreement negotiations with the various trade unions, which takes place every three years;
- Further developing our health and safety culture, introducing reporting at the Board level, and instilling a health and safety culture among contractors through education and monitoring;
- Further embedding our decentralised risk management framework through ownership and reporting;
- Driving further efficiency and productivity gains across our operations and workforce;
- Optimising the production of our specialty sugars, and continuing to collaborate with MSS to enhance the global marketing, pricing and volumes of Mauritian specialty sugars;
- Working with small-scale farmers through our small planter advisors in implementing efficiency measures and assisting with their harvesting and transport;
- Further improving our water consumption and ensuring better utilisation of effluents for irrigation; and
- Investing in organic sugar production on a further 70 hectares of land.

On the back of these initiatives, we are confident that we will become more competitive, hopefully also supported by Government policy changes that will assist the local sugar sector to be able to play in a more level playing field. We will continue to engage with the Government through the MSS and Business Mauritius.

Labour availability will remain a major challenge. With an aging labour force and no interest amongst the youth to work in the fields, our only option is to mechanise and our emphasis on digital farming will remain a key focus. By the end of 2020, we received a compulsory request, now allowed with the revised Employment Relations Act 2019, to start anew collective bargaining processes. Negotiations with relevant trade unions began in February 2021.

We will continue to be more directly involved in our Côte d'Ivoire's operations and take the steps needed to improve our competitiveness and efficiency.

Our outlook for 2021 remains cautiously positive. Because of the impact of the drought and a second lockdown, we do not expect good yields and we will be unable to meet the demand for specialty sugar. The impact of the fires in 2020 will also likely result in a lower harvest for the year ahead.

IMPACT OF COVID-19

- During the initial two months of lockdown, we were not able to irrigate the fields and apply herbicide for weed control. Access to supplier spare parts to complete the maintenance of the mill and the harvesting equipment was also delayed. This resulted in a delay to the start of the harvest season (mid-July instead of end of June).
- As technical managers for our associate company in Côte d'Ivoire, Sucrivoire, this requires monthly visits to the operation; with the onset of Covid-19, we have not been on site in over a year.
- We saw positive impacts on the demand side, with our brand partners in the UK, such as Silver Spoon, running excellent social media campaigns for promoting sugar in baking. Despite the lockdowns in our respective markets, we managed to sell directly to households and chefs through the MSS, who are placing more emphasis on direct and active engagement with buyers.
- We learnt how to be innovative in ways of working, relying on new technologies for office-based staff to work remotely. Resilience was a big part of our focus.

Power

Terragen is a power producer that supplies electricity to the Central Electricity Board (CEB), as well as electricity and steam to Terra's sugar mill, through two 35 MW thermal power plants.

Operating in a joint venture partnership with French company Albioma, we generate electricity and steam by burning *bagasse* and cane straw during the crop season (from July to December), and imported coal, mainly from South Africa, during the intercrop season.

Our purpose is to supply reliable and low-cost electricity to the country, be available on the CEB grid, and consolidate our position as a major player in the production of renewable energy.

POWER BUSINESS MODEL

VALUE DRIVERS	CONTEXT AND OUTLOOK
REVENUE DRIVER (VOLUME) **Regular and reliable supply of electricity** Energy available on demand, responding quickly and efficiently to calls for production and maintaining a reliable supply by avoiding breakdown incidents.	• Supply to one major client, CEB, and also to Terra's sugar mill. • With the 20th anniversary of our Power Purchase Agreement (PPA) with the CEB in June 2020, we signed an agreement for the extension of our PPA, as amended, for five more years. • Terragen runs an efficient and reliable plant and produces power for the country at a very competitive rate.
COST DRIVER (PRICE) **Raw material cost** Increasing the renewable energy portion of electricity production to meet Government's decarbonisation plan, while maintaining cost competitiveness.	• The current energy mix in Mauritius is 76% fossil fuel and 24% renewable energy and we produce around 12% of the country's renewable energy supply. We are continually looking for opportunities to increase energy efficiency and substitute coal with *bagasse*, cane straw and other renewable energy sources, such as wood biomass and solar, while recognising that the costs of production will be slightly higher. With the increase in the price of coal, stress on raw material supply chains during pandemic periods such as the Covid-19 crisis, and the move toward energy autonomy in Mauritius, we foresee more opportunities for local biomass. • We remain fully aligned with Government's roadmap to a greener Mauritius and its commitment to reduce its carbon emissions, while maintaining our competitive rate. A biomass / renewable energy framework is pending agreement by authorities. This will determine which of our projects get delivered.
Material cost efficiencies Efficiency gains and safe and clean production processes.	• We remain the most efficient, reliable and cost-effective operator in Mauritius, with a strong focus on safety and health; continually identify opportunities to improve our environmental management, particularly water consumption and ash management.

Power (cont'd)

RESIDUAL RISKS

The main residual risks for the Power cluster as at 31 December 2020 are summarised in the list below.

	RISK	CONTRIBUTING FACTORS	RISK MITIGATING ACTIVITIES	YEAR ON YEAR TREND
R1	Disruption in the supply of raw materials and/or spare parts.	• Labour strikes in coal producing countries. • Disruption to the sugar mill activities leading to non-availability of *bagasse* or cane straw for power generation. • Pandemic disrupts supply and availability of spare parts and foreign consultants for timely completion of plant maintenance.	• Terragen has a buffer stock of 12,000 tonnes of coal on site, corresponding to 15 days of production. • The Coal Terminal (Management) Co Ltd sources coal from several suppliers who can in turn source their needs in other countries. • Using local biomass (cane trash) as alternative sources of fuel to *bagasse*. • Ongoing discussions with authorities to secure a sustainable biomass price for producers.	Increased
R2	Unplanned and prolonged disruption to production of electricity.	• Unexpected breakdown of a critical item of equipment. • A fire outbreak due to the presence of important amounts of combustible material.	• Performing regular preventive maintenance and inspection of plant and equipment by specialist consultants. • Experience and expertise of Albioma (shareholder and operator of Terragen) in managing numerous power plants around the world. • Investing in plant upgrades and the procurement of critical equipment items.	Unchanged
	Changes to the terms of the Power Purchase Agreement (PPA) resulting in difficult operating and financial conditions.	• Lack of visibility on the terms that will apply to the next PPA (July 2025). • Reduction or stoppage of coal importation, resulting in the power plant not operating at full capacity.	• Engaging closely with the authorities and the CEB. • A new energy business model has been presented to the Government and the CEB that incorporates a higher share of renewable energy. • Continue to be a reliable and very competitive supplier of electricity to CEB.	Unchanged
R4	Severe climatic conditions adversely impacting power production.	• Located in a tropical cyclone prone region. • A thunderstorm strike leading to the destruction of electrical and automation systems. • Severe and prolonged drought resulting in interruptions in water supply.	• The power plant is designed to withstand cyclonic gusts of 260 km/h. • Protocols are in place to cater for emergency situations like cyclones. • Terragen can store 900 m³ of spare water, and measures are taken to optimise water consumption. • The Central Water Authority prioritizes water supply to the power plant as electricity production is essential to the country.	Unchanged

CAPITAL	MATERIAL INPUTS (2020)	ACTIVITIES TO SUSTAIN VALUE	MATERIAL OUTCOMES (2020)
PEOPLE	EMPLOYEES WITH THE APPROPRIATE TECHNICAL SKILLS AND MOTIVATION 48	• Safety risk assessments and site visits conducted with the management team on a weekly basis. • Refresher training conducted throughout the year to reinforce health and safety practices. • Near-miss reporting rolled out. • Key safety protections installed for roads, the perimeter walkway and *bagasse* conveyer-belt. • The health and safety management system successfully transitioned from ILO OSH 2001 to ISO 45001. • We conducted psychology stress tests to ensure employees were not close to burnout.	TOTAL RECORDABLE INJURY RATE (TRIR) 19.9 (*-101%*) LOST TIME INCIDENT RATE (LTIR) 19.9 (*+101%*) SEVERITY RATE 55.6 (*-101%*) TRAINING HOURS 58 / Person / Year (*24 in 2019*)
MANUFACTURED	One generation plant of 450 GWh capacity. Two units of 35MW operating on three types of fuel: Coal, *bagasse*, cane straw.	• Safety measures and procedures in place in response to Covid-19. • Annual shut-down for maintenance despite Covid-19 constraints.	ENERGY PRODUCED 376 GWh SHARE OF NATIONAL ENERGY MIX 12%
NATURAL	COAL 180,883 T (*-4%*) SUGAR CANE STRAW 4,171 T (*-57%*) BAGASSE 259,850 T (*-17%*) WATER 1,494,788 m³ (*-2%*)	• Implemented better controls on water leakages. • Usage of alternative water-treatment chemicals. • Maintained high recycling rate of coal fly ash.	CO_2 (COAL) 421,714 T (*-3%*) BIOGENIC CO_2 (BAGASSE) 218,575 T (*-17%*) BIOGENIC CO_2 (CANE STRAW) 6,274 T (*-56%*) ENVIRONMENTAL EMERGENCY SITUATIONS 0

Power (cont'd)

CAPITAL	MATERIAL INPUTS (2020)	ACTIVITIES TO SUSTAIN VALUE	MATERIAL OUTCOMES (2020)
SOCIAL AND RELATIONSHIP	Our business model depends on maintaining quality relationships with key stakeholders including: CEB, Terra Milling, regulatory authorities, small-scale planters, suppliers and employees.	• Partnership with Terragri for the plantation of eucalyptus on marginal land. • Renewal of our Power Purchase Agreement with the CEB. • Outlined an energy transition strategy, introduced it to CEB and involved various ministries.	EMPLOYEE TURNOVER RATE **0%** (*2019: 13%*) PAYMENT IN TAXES **MUR 34.5 M** CSR CONTRIBUTION **MUR 4.4 M**
INTELLECTUAL	First Mauritian firm to be granted in 2014 an AFNOR certified integrated management system certificate based on ISO 9001, ISO 14001 and ISO 45001.	• External Quality, Health and Safety, and Environment (QSE) audit successfully performed without any non-conformities.	AVAILABILITY ON CEB NETWORK **93%** RELIABILITY **4 plant trips** SPECIFIC COAL CONSUMPTION **612g/kWh**
FINANCIAL	TERRAGEN TOTAL EQUITY (JAN 2020) **MUR 1,440.8 M** TOTAL BORROWINGS **Nil** CAPITAL EXPENDITURE **MUR 43.3 M**	• Actively managed the financial performance through weekly executive meetings, monthly management meetings and regular Board meetings.	TURNOVER **MUR 1,131.2 M** (*-13%*) PROFIT **MUR 35.8 M** (*-78%*) TERRAGEN TOTAL EQUITY (DEC 2020) **MUR 1,335.6 M**

THE OPERATING CONTEXT

MATERIAL ISSUE IMPACTING VALUE CREATION	OUR RESPONSE
Dependency on a primary client – Being heavily dependent on a single client, it is critical to maintain a strong relationship based on mutually beneficial outcomes.	We continue to invest in maintaining our ability to provide a regular and reliable supply of energy. This has been another pleasing year, with exemplary availability levels and competitive pricing contributing to a sustained positive client relationship.
Potential regulatory changes – Changes in environmental regulation could require significant investment in new equipment and possible changes to current processes.	We engage regularly with authorities to keep abreast of potential regulatory changes and ensure that appropriate measures are taken. We are identifying opportunities to minimise our emissions, increase our energy efficiency and reduce the use of coal by increasing the use of cane straw, *bagasse* and other biomass sources in the energy mix. Our energy transition strategy sets out our plan to increase the share of renewable energy in our production while maintaining a competitive price per kWh, including energy efficiency improvement and solar energy as a possible investment.
Unplanned disruption to generation or transmission activities – Unplanned outages, associated for example with a fire, mechanical breakdown, cyclone occurrence or disruption in the coal and biomass supply chain, could impact the ability to deliver energy.	We have a preventative maintenance programme and clear risk management processes and response measures in place. We have a safety bulk storage of coal onsite and have diversified to two coal suppliers. The power plant is designed to withstand cyclonic gusts of up to 260 km/h and we have a cyclone emergency plan in place.

OUR 2020 PERFORMANCE

This year we generated 376 GWh of electricity, at 93.3% availability, contributing to profitability of MUR 35.3 million, down from MUR 160.4 million as restated in 2019.

Terragen was considered an essential service at the start of the Covid-19 pandemic and we ensured continuity of production throughout the lockdown period. Due to the reduction in the electricity demand in Mauritius for approximately six months of the year, we reduced production from our plant by 30%. We had one major incident during the year where half of the power plant had to be shut down for the month of December due to a problem with a steam turbine. This had a significant impact on our production during the sugar cane harvest. On identifying a solution to produce steam with a boiler only, we were able to ensure continuity of steam supply for the sugar milling operation, but electricity production for the CEB was reduced by 50% during this period. Despite this breakdown, our overall availability improved from the year before, due to a reduced annual maintenance period, with a works programme mitigation plan in place taking into account the Covid-19 restrictions. This was essential given the borders of the country remained closed, excluding foreign experts for major works.

Our Power Purchase Agreement with the CEB

We signed an agreement to extend our Power Purchase Agreement (PPA) with the CEB for five years, with revised conditions, including an official integration of our cane straw energy and a slight reduction in tariff. While our original proposal to the CEB included a significant increase in the renewable energy share in our production, this would ultimately require a higher tariff. To switch our current plant to a state-of-the-art hybrid power plant using several types of renewable energy sources, including *bagasse*, cane straw, and solar, requires substantial investment. We have certainly seen interest from the authorities, on our energy transition strategy and we remain committed to meeting the Government's roadmap towards a greener Mauritius and to reducing its carbon emissions. The ability to do so is contingent on ensuring a competitive cost and price structure, and on maintaining the sustainability of the cane industry, including the effective participation of small planters. We will continue discussions with the CEB and Government stakeholders on our energy transition strategy, which sets out our plan to increase as a first step the share of renewable energy in our production from 27% to 40%, with a competitive price per kWh. The Government has shown some initial positive signs to support the cane sector and remains committed to the development of cleaner and more sustainable energy sources.

Power (cont'd)

OUR 2020 PERFORMANCE (CONT'D)

Increasing our production of renewable energy

We have maintained a strong focus on delivering on our commitment to decarbonise our energy mix by shifting from coal to renewable sources, in particular biomass, with continued emphasis on further increasing the use of *bagasse*, cane straw and other renewable energy technologies. With the reduced crop season in the North due to drought conditions this year, the combustion of *bagasse* declined to 259,850 tonnes (311,544 in 2019), producing 79.6 GWh for export on the grid. We also had a reduction in our cane straw electricity production, mainly due to major breakdowns with our balers, which are used to collect cane straw in Terragri's fields, and also to the decrease of cane yields and the marked increase in the sugar cane fire outbreaks. As a result, we generated 4.1 GWh using 4,171 tonnes of cane straw, down from 9,639 tonnes in 2019. This was partially offset, however, by lower overall energy demand locally.

We progressed with our exploration on growing and burning eucalyptus as an additional source of biomass, in partnership with Terragri, and planted 7.5 hectares of eucalyptus on marginal land. Our drive to increase the use of *bagasse*, cane straw and other biomass provides a valuable opportunity to enhance the 'greening' of energy generation in Mauritius, and to reduce the island's coal imports. This became a critical concern during the lockdown in Mauritius, with disturbances to the import of coal from South Africa. Utilising local biomass enhances energy security and also helps to develop the local economy, but this requires a fair value for *bagasse* and other biomass sources. A biomass renewable energy framework, officially presented to the Government in July 2020, is pending agreement by the authorities and this will determine which of our projects get delivered.

We achieved similar performance in our carbon burn-out (CBO) project this year, a joint venture between Terragen and Omnicane aimed at collecting ash, a by-product of coal combustion, and passing this through a re-burning process that transforms it into raw material for the production of cement. This year, 62.81% of our coal fly ash (7,140 tonnes) was sent to the CBO plant, a slight improvement from the previous year (6,241 tonnes). Through this process, we can reduce the carbon content from around 20% to less than 5% and reuse the energy released to produce electricity.

Reinforcing the health and safety culture and environmental performance

During the year we updated our integrated management policy on Quality, Health and Safety, and Environment (QSE) and conducted a management review of our integrated management system. While our strong culture on safety has resulted in a high level of awareness and low injury rate over the last three years, we had to reinforce our safety action plan this year. We unfortunately had three employee accidents and minor injuries during 2020, including back pain from an employee lifting a 40kg can of sulphuric acid and an employee falling from a fixed ladder causing injuries to the knee. We took steps to continue to drive improved safety performance, reinforcing our safety culture at all levels. This involved safety risk assessments and site visits with the management team on a weekly basis, as well as refresher training, near-miss reporting being rolled out, and key safety protections installed. Following an external audit in December 2020, the health and safety management system has successfully transitioned from ILO OSH 2001 to ISO 45001. We also conducted psychology stress tests in our cluster this year to ensure employees were not close to burnout.

On the environmental front, during 2020, Terragen maintained high performance in terms of water quality discharges into the environment, despite five cases of non-compliance with legal requirements. Management is investigating the non-conformities in accordance with the Group's QSE policy, with action and surveillance in progress.

Terragen demonstrated satisfactory performance on air emissions with respect to the national air emission standards.
Previous projects, such as the installation of a dust suppression system and covering the *bagasse* conveyor belts, have considerably reduced the dust emission levels. No exceedances were noted in 2020. The PM_{10} for Terragen was at its lowest compared to previous years and there were also no exceedances in parameters such as NOx, CO and SO_2 in stack emissions for both units.

OUR STRATEGIC OUTLOOK

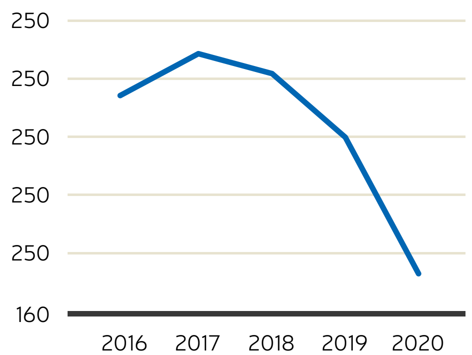
Our strategic focus is to maintain our high levels of availability, reliability and cost effectiveness. In line with this focus, we will continue discussions with the CEB and Government stakeholders to extend the share of renewable energy in Terragen's production mix from 27% to 40%, with a competitive price per kWh. We will make improvements to the cane straw supply chain at the field level, ensuring baler reliability, and plant a further 15-20 hectares of eucalyptus in 2021, as an alternative source of renewable biomass, which will be ready for harvesting in 2023. We also plan a trial on wood chip production from local wood waste. Planned initiatives in safety and health include continuing to strengthen the safety culture in the company and enhancing reporting to return accident rates to zero. Planned initiatives in environmental performance include continuing the optimisation of our water consumption, reduction of chemical treatment costs and improvements in our water discharge quality.

IMPACT OF COVID-19

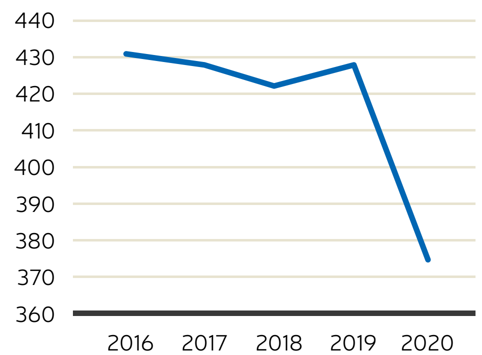
- We defined procedures very quickly to ensure a safe working environment to protect our employees and reorganised our teams to reduce employees on site.
- Our annual maintenance shutdown was reduced from 1.5 months to 15 days due to Covid-19, which led to a better availability rate of 93.3%.
- While we had planned to plant 30 hectares of eucalyptus in 2020, given that these can only be planted during the rainy season (Nov – May) which was during the lockdown period, we could only plant 7.5 hectares.
- We had disturbances in the supply of coal from South Africa during the lockdown. With the increase in the price of coal and stress on raw material supply chains during pandemic periods such as the Covid-19 crisis, we foresee more opportunities for biomass going forward.
- We also saw disruptions in our maintenance work as experts from Europe and South Africa could not travel. We are reintegrating parts of previously sub-contracted work internally, while we had to postpone scheduled major overhaul works to the time when borders will be reopened.

Power (cont'd)

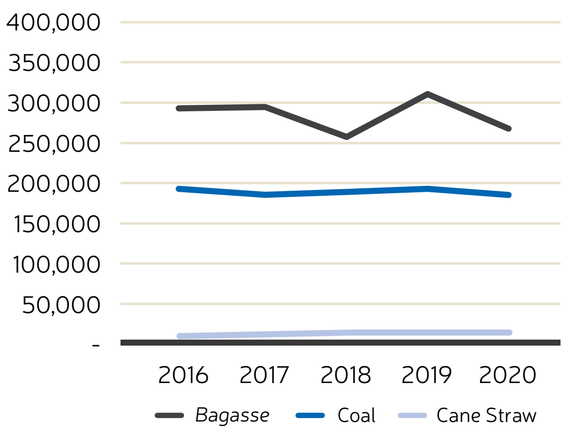
Profit/Loss after tax (MUR' M)



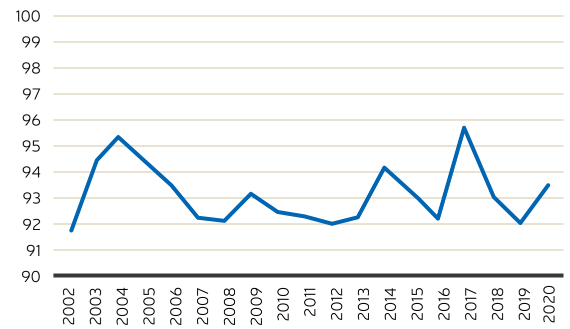
Energy Produced (GWh)



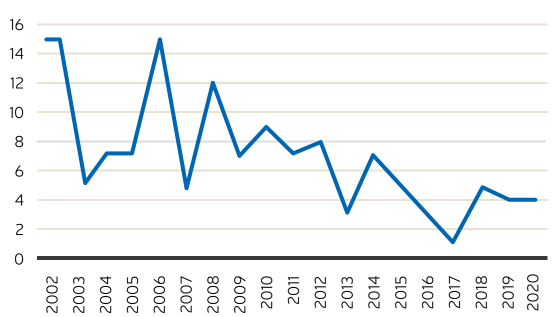
Fuel consumption (Tonnes)



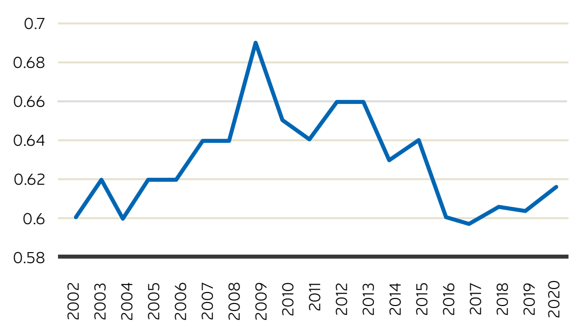
Availability (%)



Reliability (Number of Plant Trips)



Efficiency - Coal Ratio (Kg/kWh)



OPERATIONAL REVIEW | POWER

Brands

Terra Brands Ltd, the holding company of the Grays cluster, is one of the pioneers in the Mauritian distillation sector.

Terra Brands Ltd is the leading Mauritian producer of premium alcoholic drinks derived from sugar cane, and a top importer and distributer of quality spirits and wines. Established in 1931, we have diversified our activities to include the distribution and sale of personal and homecare products, pharmaceuticals, snacks and non-alcoholic beverages.

Our purpose is to be the most trusted and sustainable Brand Builder.

BRANDS BUSINESS MODEL

VALUE DRIVERS	CONTEXT AND OUTLOOK
REVENUE DRIVER (PRICE) **Creating brand equity**	
Managing our own brands	• Our value proposition focuses on our strong brands and our ability to drive efficiencies through a structured route to market, with an emphasis on local products.
Adding value to third party brands	• Our core competencies lie in brand building, spirit production, distribution and premium retail. • In addition to our well-recognised brand offering in dark spirits (aged, spiced and flavoured rums and Scotch whisky) and white spirits (cane spirit, white rum, vodka, gin and others), we offer global third-party brands in wine, whisky, personal and homecare, pharmaceuticals and food.
Distribution services	• We market our brands through all retailers and hotels, and premium wines and spirits through our own 20/Vin outlets, across Mauritius.
COST DRIVER (PRICE) **Material cost efficiencies**	
Integrated and sustainable production	• We bring synergy to the Group's sugar operations by transforming by-products of the sugar production process into value-added spirits; we invest in energy- saving equipment to optimise production. • Distillation effluents are evaporated and turned into renewable bio fertiliser used on Terra's and third-party cane fields. • As a vertically integrated cluster we manage all stages of production onsite, from refining to bottling and packaging, ensuring guaranteed quality for the finished product; we export our expertise through premium rums and bulk spirits to deliver further value from this vertical integration. • Activity based costing enables us to derive more profits from our key brands rather than losing focus in being too diversified. • We place particular emphasis on nurturing strong relationships with our employees, and on maintaining our position as a recognised employer of choice in the north of Mauritius.
Supply chain	• Given the labour-intensive nature of our production and distribution activities, we are currently reviewing internal processes to become a leaner cluster. Digitalisation is at every step of our operations and services. • Expanding our portfolio with third-party brands and management of an import supply chain provides Grays with scope, expertise and volume.

Brands (cont'd)

RESIDUAL RISKS

The main residual risks for the Power cluster as at 31 December 2020 are summarised in the list below.

	RISK	CONTRIBUTING FACTORS	RISK MITIGATING ACTIVITIES	YEAR ON YEAR TREND
R1	Borders remain closed due to the pandemic, resulting in loss of revenue from tourism and related activities.	• Erosion of purchasing power of local buyers. • Lack of visibility over timing and speed of recovery from pandemic. • Disruption in the supply of imported items. • Loss of sales from the depressed tourism sector.	Offering online customer and home delivery services.	New
R2	The scarcity of molasses disrupts the distillery operations leading to loss of profit and failure to meet client needs.	The supply of molasses will follow the downward trend in the overall supply of cane.	The Mauritius Cane Industry Authority ensures an equitable sharing of molasses produced amongst the distilling companies on the island.	Unchanged
R3	The representation of brands is lost due to mergers and/or acquisitions.	None	• Of the 20 best performing brands, eight are developed in-house. • Grays is constantly looking for new product opportunities.	Unchanged

CAPITAL	MATERIAL INPUTS (2020)		ACTIVITIES TO SUSTAIN VALUE	MATERIAL OUTCOMES (2020)
PEOPLE	EMPLOYEES 573 OUTSIDE MAURITIUS (INCLUDED IN ABOVE) 40		• Training sessions on first aid, emergency procedures, boiler operation, firefighting protocols, manual handling, chemical safety, food handling, road safety, and hearing protection. • A system for proper maintenance of First-Aid kits established. • Fire safety maintained through the renewal of fire certificates, maintenance of firefighting equipment and installation of new signage. • Safety measures and procedures in place in response to Covid-19. • Executive and leadership development coaching programmes ongoing.	TOTAL RECORDABLE INJURY RATE (TRIR) 21.8 (*-16%*) LOST TIME INCIDENT RATE (LTIR) 29 (*-8%*) SEVERITY RATE 22.2 (*-23%*)
MANUFACTURED	DISTILLERY 1 EXISTING RETAIL STORES (20/VIN) 10	BOTTLING PLANT 1 WAREHOUSE SPACE 8,500 m³ DEDICATED AGEING CELLARS 1,600 m³	• Energy saving equipment and new, more efficient boiler. • Molasses storage tank.	
NATURAL	MOLASSES 24,412 T (*+1%*) WATER 6,730 m³ (*-10%*)	ALCOHOL (100%) 61 m³ (*-90%*)	• 75% of distilling effluents transformed into renewable fertiliser. • Converted burner in bottling plant to run on non-potable alcohol (a by-product of the distillation process). • Extending the range of spirits bottles for recycling.	ALCOHOL 5.4 M L GLASS BOTTLES RECOVERED AND REUSED 1.6 M units (*-5%*) PLASTIC WASTE RECYCLED 5.7 T (*+21%*)

Brands (cont'd)

CAPITAL	MATERIAL INPUTS (2020)	ACTIVITIES TO SUSTAIN VALUE	MATERIAL OUTCOMES (2020)
SOCIAL AND RELATIONSHIP	Our business model depends on quality relationships in particular with employees, MRA, Government, brand owners, suppliers and customers.	• Dedicated teams working from home and regular engagement with the workforce.	EMPLOYEE TURNOVER RATE **18%** (*2019: 21%*) Recognised as employer of choice. PAYMENT IN TAXES (MAURITIUS) **MUR 659 M** CSR CONTRIBUTION **MUR 1.1 M**
INTELLECTUAL	OWN BRANDS **24** Integrated management system underway (ISO 9001, ISO 14001 and ISO 45001)	• Transitioned ERP to the cloud and further digitalised our services. • Further consolidated brand offerings, while actively seeking new opportunities to sustain growth in revenue, with a particular emphasis on locally produced products.	Progress in securing QSE certification; Fairtrade and Kosher capability.
FINANCIAL	TERRA BRANDS TOTAL EQUITY (JAN 2020) **MUR 726.1 M** TOTAL BORROWINGS **MUR 352.8 M** CAPITAL EXPENDITURE (SUBSIDIARIES) **MUR 52.8 M**	• Actively managed the financial performance through weekly executive meetings, monthly management meetings and regular Board meetings.	TURNOVER **MUR 2,109 M** (*-8%*) PROFIT **MUR 102.2 M** (*-25%*) TERRA BRANDS TOTAL EQUITY (DEC 2020) **MUR 712.1 M**

THE OPERATING CONTEXT

MATERIAL ISSUE IMPACTING VALUE CREATION	OUR RESPONSE
Covid-19 – Our wines category was the main sector hampered by the closed borders and the resulting drop in tourism, as we were unable to sell to the hotel industry for nine months of the year. We also faced significant supply chain issues in our ports, causing our service level to drop to 94%. The depreciation of the MUR against main currencies also led to increases in supply chain costs.	With the lockdown and limited mobility, we focused on the largest orders, cash sales and traditional trade in our Brands sector, which paid off, given cane spirit volumes sold. This helped to compensate partially for lost revenues in wine and cosmetics. Within a period of one week, we started a limited portfolio online delivery service for 20/Vin club and VIP members, while we re-developed our ecommerce website: www.grayshomedeliveries.com. We are placing more emphasis on locally manufactured products and encouraging consumers to buy 'made in Mauritius'. Having moved to a cloud-based ERP system in early 2019, our processes are fully digitalised, which proved essential during the lockdown. Our teams worked exceptionally hard to maintain smooth supplies. In our distillery operations, 80% of alcohol produced is exported, and with the depreciation of the MUR this bodes well for pricing.
Changing regulations and excise taxes – Increases in the already significant excise duty on alcoholic drinks reduce the affordability of products locally. Although there was no increase in excise duty in 2020, this remains a material issue. Stricter regulations on the consumption and advertising of alcohol can also impact demand.	To mitigate these risks, which affect the Mauritian market for alcoholic beverages, we have diversified our product offerings to include both luxurious and more affordable alcoholic beverages, as well as expanding into non-alcoholic wines, ciders and beers, foods and personal care products.
Increasing health consciousness and regulations – The growing awareness of health-related issues among consumers and regulators, presents both risks and opportunities for our business.	We continually monitor changing consumer tastes and behaviour and strive to refine our product portfolio accordingly. Through our diversification strategy we have identified new opportunities for revenue growth, including specifically in the healthy foods, non-alcoholic drinks and personal care products sectors. We have increased our non-alcoholic offering including non-alcoholic cider and extended our range of alcohol-free wines. We are also placing more emphasis on organic and biodynamic wines.
Global mergers and acquisitions – Mergers and acquisitions among global brand owners can potentially impact the availability of our existing offerings.	We have complemented our offering with our own brands, which make up eight of our 20 best performing brands, building long term equity. Our strategy going forward is to place more emphasis on 'made in Mauritius' and local products.

OUR 2020 PERFORMANCE

Performance in our Brands sector was substantially impacted this year by the closure of borders, resulting in reduced local consumption.

The distillery however continued to show good performance, and the Brands' revenue for the year ended at MUR 2,109.6 million, down 7.8% on MUR 2,288.5 million in 2019. Profit after tax was MUR 102.2 million, down on MUR 135.7 million in 2019. The drop in profit reflects the reduced sales to hotels, as well as the indirect impacts of a reduced tourism industry in Mauritius.

Production: The distillery continued to have a normal year

We saw excellent performance in the distilling operation this year, boosted by the strong demand for alcohol; with 80% of what we produce being exported, the depreciation of the MUR bodes well for pricing. Unfortunately, the lower alcohol yields from molasses and bacterial contamination meant we had some fall back from the previous year. We achieved yields of 230 litres of alcohol per tonne of molasses, down 4% on 2019, but overall performance has been good. Our distillery produced 5.4 million litres of rum and spirit, down by 9% year-on-year. While investments in new equipment in our fermentation section of the distillery were delayed by six months, this should be fully operational by June 2021. This new section will be automated to improve efficiency and work safety, completing the upscaling work of the distillery over the past three years.

Brands (cont'd)

OUR 2020 PERFORMANCE (CONT'D)

We continue to sell alcohol from Fairtrade raw material sources and await confirmed orders from customers to get the certification processes started. We achieved Kosher certification in 2020 and have seen uptake. We are continuing to work on securing QSE certification of our distillery and brand activities. Water scarcity and potable water supply remain key concerns for Mauritius and we implemented measures to optimise the use of water in processes and reduce the volume of wastewater discharged. We managed to dispose 75% of our distilling effluents in 2020, which were converted into 17,000 tonnes of renewable fertiliser for use on Terragri (Agriculture) and third-party cane fields.

The Competition Commission has instructed New Goodwill Investment, our partner in Grays Distilling, to disinvest following their intention to acquire a majority stake in Medine Distillery. We intend to become the sole shareholder of Grays Distilling and the timing of the transaction will depend on the actual date of the acquisition.

Brands: Sales hampered by closed borders and associated economic contraction

Despite fairly poor performance given the Covid-19 challenges in 2020, we were still able to generate profit, which was comforting. With the closure of the tourism industry in Mauritius from March 2020, we redeployed a number of employees into traditional trade (corner stores), alongside the appointment of four new (self-employed) staff to work exclusively in this trade, improving route to market. We also took bold steps in our cane spirits business and these new strategies, complemented by the great commitment from our team, paid off. We had a 9% growth in sales in our cane spirit brands (Seven Seas and De Luxe) and 6% growth in our snacking business (Lays and Doritos). Following a few years of declined volumes in cane spirits, this was very encouraging. This growth in volumes compensated partially for lost revenues in wine and cosmetics, hampered by closed borders and associated economic contraction. We confronted a 25% loss in sales revenue from tourism, comprising mainly of sales to hotels, as well as from perfumes and cosmetics stores targeting primarily Chinese tourists, and sales of products in supermarkets geared for tourism and duty free. This resulted in a drop of profitability from MUR 59 million to MUR 15 million, with only a 9% drop in turnover, which, given the circumstances, was quite encouraging.

We saw significant volume growth in our whisky brands, Cambridge and Grants, as well as with all of our health-related brands, such as Dettol. We launched two coffee brands in 2020, L'OR (which is very popular in Europe) and Jacobs. We also started packaging 4th Street wine, the fasted growing sweet wine brand in the world, for export into Africa, and we launched a sweet wine brand for the local market, Big 5, which was well received and shows potential. We withdrew from the typical price wars and volume promotions, which tend to erode brand value in the long term, and this was one of the reasons for our growth in volumes in 2020.

Our rum brand, New Grove, recently won the best rum in the world award '*Canne d'or*', the highest distinction at the International Sugarcane Spirits (ISS) Awards, with its New Grove Emotion 1969. Given that this is an international competition amongst traditional producers, this achievement puts the island, the category and Grays on the world map as being a premium producer and we will use this award to boost our sales globally.

Having moved to a cloud-based Enterprise Resource Planning (ERP) system in early 2019, our processes are fully digitalised, which proved to be essential during the lockdown. All operations that did not need physical human intervention were managed remotely. In terms of reducing our environmental impact, further investments in the boiler in our bottling plant enabled a shift away from heavy fuel oil to using non-potable alcohol obtained as a by-product of the distillation process. We continue to address the full lifecycle of the spirit bottle and recycle all plastic crates, cardboard boxes and aluminium caps.

International operations: Fair performance and a profitable year in Seychelles

Our subsidiary company in the Seychelles, which focuses on wines and spirits, showed fair performance, with products mostly aimed at the local Seychelles market, and we had a profitable year. We also received some financial assistance from the Government to cover part of salaries. With the appointment of a new CEO in March 2021 and a Financial Controller late in 2020, we believe that there is valuable growth potential in the retail business and luxury hospitality sector, but prospects for 2021 will be dependent on the impact of Covid-19.

OUR STRATEGIC OUTLOOK

We would not have achieved such good performance in 2020, had it not been for the hard work of the team. Our employees worked long hours with a high level of collaboration between departments, showing great resilience and a strong sense of belonging in what was a really tough year. They remained extremely supportive and engaged and we are grateful to every single one of them.

Long-term growth has been hindered by the step back in 2020 and markets will likely not reach 2019-levels again until 2025. Looking to the year ahead, visibility remains a problem as we do not know precisely when the borders will open. The actual scenario suggests October 2021. As a country, we will need to vaccinate at least 60% of the population before borders are reopened and we do not foresee significant growth coming back before then. We had a significant Excise Duty increase (10%) on alcoholic drinks in 2021, which, coupled with erosion of disposable income, will put heavy strain on consumption in general.

The latest Public Health Act Regulations, promulgated on 06 July 2021, are overwhelmingly restrictive, and we are seeking clarifications from authorities with regards to corporate and BtoB communication, which are seemingly banned. The new regulations will hamper competition and lead to consumption of cheaper products, categories in which we do not compete, and will not affect overall market volumes.

Our long-term plans, however, remain valid and we are working on achieving them. We have merged three departments (accounts, sales and stores) to offer a better service to our clientele, and with this improvement team in place, we aim to reach a 95% service level in 2021. We are also aiming to make our distribution more efficient, serving more clients with less people.

Margin erosion due to the decline of the MUR will need close monitoring and we foresee significant increases in supply chain costs for consumers in 2021, resulting in lost sales. We will continue devoting energies to build efficiencies at all levels of the business. We are putting emphasis on 'made in Mauritius' and the importance of buying locally manufactured products, almost a duty in such challenging times. Our best rum in the world award helps illustrate that we are a premium producer and we will work through organisations, such as Made in Moris (Mauritius), to encourage this.

The key today is digitalisation. We were fairly well digitalised prior to Covid-19, but we identified a number of gaps in processes and we are in the process of improving on this. Covid-19 has served to demystify conference calls; having more of these with our suppliers in Mauritius has enhanced our efficiency, and we strongly encourage staff to continue to work from home.

Following a strategic business decision, PepsiCo has decided to consolidate all its business with one distributor in Mauritius. As a result, they have signified their intention not to renew our Distribution Agreement, namely for Lays, Doritos and Quaker, with no sales post 15 October 2021. Snacks was one of the few business units which grew during Covid and accounts for 12% of our sales in the first semester 2021. The real impact of this decision will be felt in 2022 and we have substitute products already lined up for replacement.

The challenge in 2021 will be to reach 2019 performance in the Brands sector, while the distillery will face extended shortages of molasses directly impacting its profitability. Our investments in 2020 in the total automation of the fermentation section should bring savings and we will continue running tests on continuous fermentation, with a view for improving performance. Given the very short sugar cane crop in 2020 because of the drought, with 25% less sugar and 25% less molasses, this will constrain the distillery from producing at full capacity and affect 2021 performance. We are investigating alternative sources, but we have yet to identify a feasible solution. Our outlook for 2021 remains very cautious.

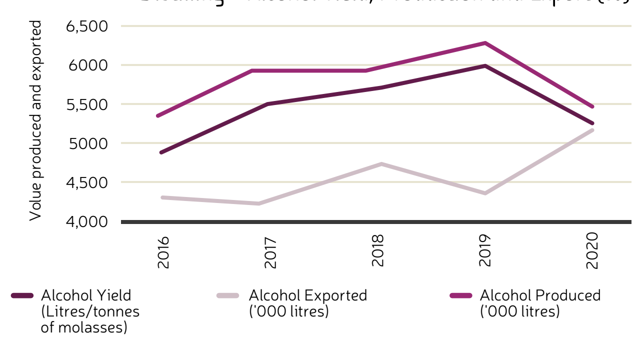
The crux in the year ahead will be to stay agile. The health and safety of our staff remains a priority and we have appointed a dedicated manager to support us on this going forward.

Brands (cont'd)

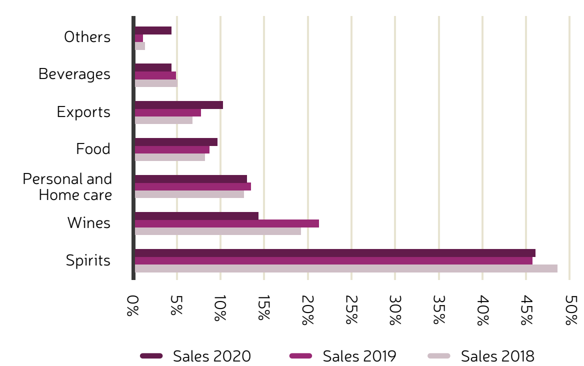
IMPACT OF COVID-19

- Being a distributor of pharmaceuticals, we received a first batch of work access permits (WAPs) on 23 March 2020. Our permits for food distribution came on 02 April and slowly we built back distribution. On 04 May we received another batch of WAPs, enabling 50% of our employees onsite and operations resumed almost back to normal. Alcohol was declared "essential" late April, which helped us start our production units for hydro-alcoholic gels.
- Our major challenge was to have security measures in place and adhered to by workers. One "in-house" contamination would have led to two weeks of total shut down, a situation which we avoided, putting safety first.
- All our health-related brands did well because of the prevailing circumstances, and we produced hand sanitizers that were mostly given to institutions and people in the area. We continued to provide an acceptable level of services to our clients, delivering only pharmaceuticals, detergents and food during the lockdown.
- We had heavy disruptions in our supply chain with ships skipping Mauritius and issues at source, but our team worked hard to maintain smooth supplies.
- Investments in new equipment in our fermentation section of the distillery were delayed by six months, but are now operational.
- Our subsidiary company in the Seychelles was disrupted by two Covid-19 cases, but this did not impact our performance and we are working on getting all staff vaccinated.

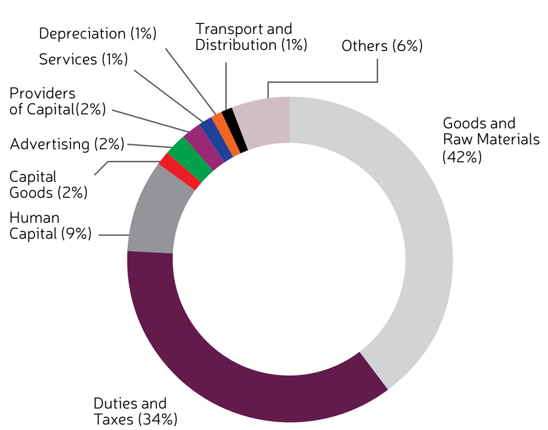
Distilling - Alcohol Yield, Production and Export (%)



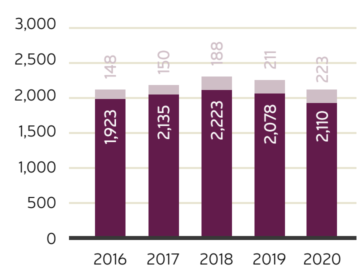
Sales by Brand (%)



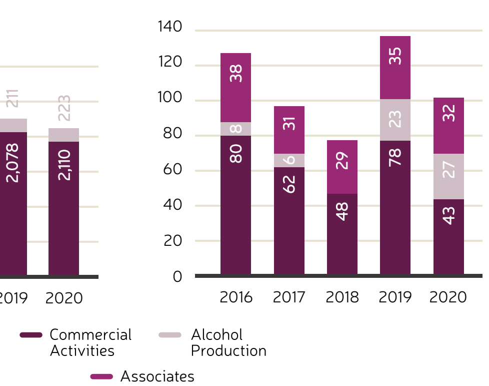
Use of Funds by category



Turnover (MUR' M)



Profit after Tax (MUR' M)



Property and Leisure

Established in January 2016, our Property and Leisure business (Novaterra) focuses on utilising Terra's land assets to establish an innovative property-development cluster in the north of Mauritius.

The cornerstones of this development will be the Beau Plan Smart City and the Balaclava Golf and Lifestyle Estate, both of which aim to positively transform the region.

Our purpose is to create and unlock the value of the Group's land holdings for all its stakeholders.

PROPERTY AND LEISURE MODEL

VALUE DRIVERS	CONTEXT AND OUTLOOK
REVENUE DRIVER (RENTAL AND SALE) **Property development cluster**	
Long-term value from the Group's existing land ownership in the north of Mauritius.	• Targeted sale of 'non-strategic' land generates cash flow for investment. • Development of a mix of real estate projects over a five-year cycle sets the base to grow the portfolio of yielding assets.
Beau Plan Smart City project, a mixed activities development covering 228 hectares in the Pamplemousses region, one of the most populated districts in the North.	• Two priority zones for development include the Beau Plan Smart City development (already started and major projects well under way) and the neighbouring Balaclava Golf and Lifestyle Estate (development rights granted), enhancing the value of the broader property portfolio. • A key differentiator to other business destinations in the north of Mauritius is that we are offering a mixed activities development within an exceptional urban design framework. Substantial investment has been made in the infrastructure of the area, including new roads to improve accessibility to our projects and enhance access to public transport services. The Beau Plan Smart City will be inclusive of the adjoining villages of Pamplemousses and Bois Rouge, sites already recognised as a rural regeneration zone in the Government's National Development Strategy. • The Smart City will be an important economic hub, providing an appealing commercial, residential, education and leisure environment; the Mahogany Shopping promenade, amongst others, will be a key employer to the surrounding villages.
COST DRIVER (MANAGING ASSETS) **Property management**	
Tenant relationships	• We have significantly improved the performance of our existing yielding assets, and currently own 284 properties rented out. Our costs are well under control to manage these assets. During 2020, additional measures were taken to rationalise costs for the long term. • A key challenge is to ensure a minimum vacancy period once a tenant has left. Ensuring quality tenant relationships will be critical to our success and we are committed to maintaining customer satisfaction.
Integrated and sustainable development	• We have integrated green design principles by working with professionals that have sustainability expertise; we have also invested substantially in the stormwater drainage network to mitigate potential effects of flash floods. • The Smart City will integrate multiple digital connectivity solutions, encouraging the uptake of renewable energy sources and facilitating a healthier lifestyle through the provision of quality recreational spaces and non-motorised transport infrastructure.

Property and Leisure (cont'd)

DELIVERING BROADER SOCIETAL VALUE

The Beau Plan Smart City development is anticipated to create at least 8,400 new and direct jobs in the Smart City itself, with an additional 500 construction jobs during the initial construction phase, and another 5,000 indirect jobs for the suppliers of associated goods and services. We will be providing training to develop the skills of people in the region, including small business management, organic farming and ICT. In addition to boosting job creation opportunities, our development will have a positive impact on the value of Terragri's existing land, as well as on the property of our neighbours, contributing positively to the general enhancement of the region.

RESIDUAL RISKS

The main residual risks for the Power cluster as at 31 December 2020 are summarised in the list below.

	RISK	CONTRIBUTING FACTORS	RISK MITIGATING ACTIVITIES	YEAR ON YEAR TREND
R1	The activities are exposed to the consequences of an economic downturn and decline in consumer spending.	• Loss of tenants due to the impact of the recession. • Increased construction costs. • Delayed re-opening of *L'Aventure du Sucre*. • Impact of economic recession reduces the purchasing power of local buyers and the propensity of foreigners to invest in Mauritius.	• Containing capital investment and operational expenses to what is essential. • Containing annual rental increases on a case-to-case basis.	New
R2	Oversupply of properties on the market resulting in loss of revenue.	• Demand for property may drop due to the pandemic. • Cane planters and millers are switching into property as a result of the drop in sugar prices and the supply of cane.	• Renewed emphasis on strong marketing and communication. • Property projects are attractively located (in close proximity to sought after locations in the North). • The commitment of some anchor tenants has been secured. • Timely implementation of a mix of facilities to entice entrepreneurs to relocate.	Increased

CAPITAL	MATERIAL INPUTS (2020)	ACTIVITIES TO SUSTAIN VALUE	MATERIAL OUTCOMES (2020)
PEOPLE	EMPLOYEES (NOVATERRA) **73** EMPLOYEES (L'AVENTURE DU SUCRE) **65**	• Work at height and fire safety remained the key health and safety risks, mitigated through training and supervision. • Both Novaterra and Sugarworld have strengthened their fire prevention and protection readiness, obtained fire certificates and ensured compliance with the Fire and Rescue Service Act (2018). • Safety measures and procedures in place in response to Covid-19. • Executive and leadership development coaching programmes are ongoing.	TOTAL RECORDABLE INJURY RATE (TRIR) **6.4%** (*-65%*) LOST TIME INCIDENT RATE (LTIR) **6.5%** (*-65%*) SEVERITY RATE **15.6** (*-13%*)
MANUFACTURED	AVAILABLE SPACE FOR RENT INDUSTRIAL AND COMMERCIAL **33,959 m²** OFFICE **8,617 m²** RESIDENTIAL **24,978 m²**	• Substantial drainage works to mitigate the impact of flash floods, including safety barriers installed during the construction of stormwater drains. • The traffic circle in Beau Plan has been redesigned to better ensure driver safety.	OCCUPANCY RATE **88.5%** (*-5%*)
NATURAL	LAND AVAILABLE FOR DEVELOPMENT AND REGENERATION **714 Ha**	• Waste segregation. • Optimising energy use. • Sewerage treatment plant constructed within the Smart City. • Greencoast International School and the African Leadership Campus designed and constructed with no air-conditioning. • Pedestrian access to Beau Plan enabled through non-motorised transport, including walking, cycling, and electric scooters. • Internet of Things (IoT), intelligent sensors, and cloud-based software applications are being considered to monitor and manage natural resource impacts. • Discussions ongoing with the CEB to construct a 1.6 MW photovoltaic solar farm to supply renewable energy power to the Smart City.	

Property and Leisure (cont'd)

CAPITAL	MATERIAL INPUTS (2020)	ACTIVITIES TO SUSTAIN VALUE	MATERIAL OUTCOMES (2020)
SOCIAL AND RELATIONSHIP	Our business model depends on maintaining quality relationships with key stakeholders including: Government, tenants, project developers, financiers, neighbouring communities, and the media.	• Embedded our Culture and Engagement Journey for employees creating a culture of learning and results. • Dedicated teams for effective relationship management with relevant stakeholders.	EMPLOYEE TURNOVER RATE **4%** (*2019: 14%*) PAYMENT IN TAXES **MUR 0.7 M** VISITORS TO L'AVENTURE DU SUCRE **16,732 people** PARTICIPATING IN EVENTS AND FESTIVALS **8,500 people**
INTELLECTUAL	Project timelines include adequate buffer time for obtaining permits.	• Land Management Department works full time on the following up of applications submitted to various ministries and authorities in view of obtaining necessary development permits. • Audits of *L'Aventure du Sucre* from external tour operators.	Some permits delayed, but these have been addressed. Audits on *L'Aventure du Sucre* on hold for 2020.
FINANCIAL	PROPERTY AND LEISURE TOTAL EQUITY (JAN 2020) **MUR 4,844.1 M** TOTAL BORROWINGS **MUR 544.1 M** CAPITAL EXPENDITURE **MUR 741.6 M**	• Actively managed the financial performance through weekly meetings with head of department, monthly senior management meetings and quarterly Board meetings.	TURNOVER **MUR 241.1 M** (*+13%*) PROFIT (INCLUDING PROFITS ON LAND SALES) **MUR 20.5 M** (*-92%*) PROPERTY AND LEISURE TOTAL EQUITY (DEC 2020) **MUR 4,451.2 M**

THE OPERATING CONTEXT

MATERIAL ISSUE IMPACTING VALUE CREATION	OUR RESPONSE
Covid-19 – The lockdown period and the closing of borders resulted in delays to our projects, as well as a massive drop in revenue from our museum activities, *L'Aventure du Sucre*. We anticipate an increase in construction costs due to the rising cost in building materials, as well as an impact on sales from the loss of income for the population at large.	We were agile during the lockdown period; decisions were taken quickly to revisit our budgets with a special focus on cash flow. We made progress on all stages of our development programme including architectural drawings and plans while working remotely, and maintained close communication with all our staff. We own a lot of land and buildings that had to be managed and maintained during the lockdown. We managed repairs and maintenance work with a minimum workforce on site and successfully addressed problems faced by our tenants. With no Covid-19 cases, we were able to return to the office soon after the lockdown period, in order to resume building works on our ongoing projects, to get new ones off the ground and to engage fully with our customers. Given the tough commercial climate for the opening of our shopping mall, we accommodated better rates per square meter in our tenant's favour. This has minimised business risk and instilled confidence. Our 1.6 MW photovoltaic (PV) solar farm to supply renewable energy power to the Smart City still awaits the go-ahead from the authorities. With the rise in the cost of PV panels, the predefined tariff proposed by CEB compromises the viability of the project. We have earmarked a place for this and remain ready to start development, as soon as confirmation is provided by CEB on more preferential tariffs.
Regulatory and policy framework – Changes in government policy and regulation relating to property development, as well as any delays in obtaining approvals and other Government permits, could impact on the nature, cost and timing of proposed developments.	We keep a very close watch on current and proposed regulatory and policy developments, and we place a high priority on building and maintaining strong relations with Government and regulatory authorities. We have developed diversified service offerings to minimise any negative impact resulting from changes in Government strategy. We have efficient land management tools in place enabling us to adapt quickly to the continuously changing legislative environment. In 2020, we incurred delays on some projects due to the delay in decisions from some authorities regarding permits, but we are now on track to accelerate our land sales programme. Our Land Management Department works full time on the following up of applications submitted to various ministries and authorities in view of obtaining necessary development permits, which remain key to our development. With the implementation of the Financial Intelligence and Anti Money Laundering Act this year, every tenant or buyer is now subject to a full KYC, which lengthens the on-boarding process. A compliance officer has been hired (since May 2021) to ensure capacity to do full checks on all clients and to ensure efficiency in the process. A compliance manual has also been prepared and has been approved by the Board.
The changing competitive and business environment – A potential oversupply of properties on the market, and other changing market dynamics, could result in low occupancy rates, a loss of revenue and reduced return on investment.	We are ensuring the timely implementation of a mix of facilities, to provide a compelling proposition for entrepreneurs to develop or relocate their business. We have established a strong marketing and communications team and we have secured the commitment of key anchor tenants in the retail and boutique leisure sectors.
Non-delivery by service providers – The failure of any service provider to complete their commitments on time and within budget reduces our ability to deliver the full potential of our developments in a timely and cost-efficient manner.	Our experienced team conducts rigorous screening prior to contracting third party service providers, with provision for appropriate contractual remedies should the service provider underperform. We undertake regular quality controls during the construction phase to track delivery against the approved programme of works, and we ensure service providers are properly insured. We experienced no major concerns in 2020.

Property and Leisure (cont'd)

OUR 2020 PERFORMANCE

We were caught off balance by the unprecedented Covid-19 pandemic, with 2020 proving to be a disruptive year for our operations.

With the lockdown and closure of borders and the associated downturn in the economy, we saw projects and some sales being delayed, a drop in revenue from Sugarworld Ltd and the loss of a few tenants. Having reached an important milestone with the launch of the Beau Plan Smart City in May 2019, with plans in place to develop several projects in 2020, we had to revisit our initial budget and readjust our plans. We were able to meet the revised milestones on project delivery, which we exceeded in some areas, particularly on sales performance.

The situation in terms of our human capital proved to be fantastic. Our team was fully mobilised, while working remotely during the lockdown period, to focus on recovery and minimise the impact of the shutdown on the timing of our different projects. There was a great sense of solidarity in our team; everyone remained extremely focused and motivated, and this will impact positively on performance in the coming year.

Delays in the Beau Plan Smart City projects

The opening of our 12,500 square meter retail centre, Mahogany shopping promenade, in the heart of the Smart City, planned for November 2020, had to be rescheduled. While the delay in construction of the retail centre had an initial impact on the 2020 budget in terms of the loss in development fees, we will make this up in the coming year's budget. We have secured 82% of the leasing with potential to reach the 90% mark shortly, attracting two more French brands in 2020, exclusive to the north of Mauritius for two years, and we have opened in June 2021 with a good mix of reputable tenants. We also planned to start the construction of a new office building, The Strand, bringing additional vibrancy to Beau Plan. The building works have started in July this year.

We had a delay in the development of the first phase of Mango Village duplex and apartments (26 units), our first built-up residential project in Beau Plan, and construction started in February 2021. The sales of phases two and three of *Les Muguets* residential serviced plots were also delayed. The EIA application has been submitted early this year and is well under process. Sales will start as soon as the certificate is obtained.

The Beau Plan Smart City now offers educational, leisure, office, cultural, residential and shopping opportunities. We are also investing substantially in the infrastructure to make Beau Plan more accessible to the public. Circulation within the Smart City will also be possible through non-motorised transport, including walking, cycling, and electric scooters. In 2020, significant effort was dedicated to integrate sustainability practices into the design process of the Smart City. Internet of Things (IoT), intelligent sensors, and cloud-based software applications are all being considered to monitor traffic flows, water consumption, flood levels, energy consumption in public areas, energy efficiency, air quality, solid waste management, and wastewater management. We engaged in discussions with the CEB to construct a 1.6 MW photovoltaic solar farm to supply renewable energy power to the Smart City. This awaits clearances and licencing from the CEB on acceptable terms. The second phase of the Greencoast International School, has also been designed to operate with no air-conditioning.

The Mahogany shopping promenade will also be a key employer to the surrounding villages, helping us to fully integrate them in the development of the region. As a business that relies on a number of different contractors, we ensure everybody is on the same level-playing field and has the chance to benefit from the Beau Plan developments.

Over 90% of our rentals have been received during this challenging year and most of the unpaid amount will be in 2021, which was better than expected. Some tenants were impacted by the lockdown and left, while others could perform as usual. We remained in close communication with them during that period. While the revision of the Landlord and Tenant Act of 1999 allowed for delays in rental until 2021, only a few of our tenants opted for that option. Tenant satisfaction remains on top of our priority list. As such, we maintain close relationships and engage with them to understand their needs and treat their requests within the minimum delay. We remain committed to the best level of service, as we feel that our clients are our best ambassadors. This will be particularly relevant within our shopping mall.

We have placed a strong emphasis on rationalising costs and improving efficiency at all levels across our activities this year.

Our subsidiary, Sugarworld Ltd, which operates under the brand name *L'Aventure du Sucre*, is principally a tourist attraction and was totally impacted by the closure of borders in 2020. It incurred a loss of MUR 20.3 million this year, compared to profitability of MUR 7.6 million in 2019. To keep some momentum at the museum, we maintained the restaurant operations to a small degree, and implemented strict cost-controls due to the impact on cash flow.

OUR STRATEGIC OUTLOOK

The key components of the Beau Plan Smart City development have been put in place, including the foundational infrastructure, with MUR 600 million invested to date, thus unlocking substantial areas for further developments, and providing us the capacity to trigger new projects quickly. Our primary focus for the year ahead will be to build on this momentum to increase the attractiveness of Beau Plan and to launch new projects.

This year we went public with the opening of the Mahogany shopping promenade on 24 June, in the heart of the Smart City. As to date we have 48 tenants who are operating and 8 more completing their fitting-out works. Going forward, we aim to reach full occupancy by the end of 2021. A strong communication campaign has been held and the opening has been very successful. The maintenance and safety of the Beau Plan area will be key to this. Flash floods triggered by cyclone or heavy rain events remain one of the biggest safety risks and, to mitigate this, we have invested significantly to safeguard against future flooding events, with safety barriers installed during the construction of stormwater drains, some of which will become permanent. We have been working with the National Development Unit on land-drainage to support the Government's master plan on solving flooding problems in the north of the island. The traffic circle in Beau Plan has also been redesigned to better ensure driver safety. Trees on the site of the Mahogany shopping promenade are being inspected and trimmed, and the terrain surrounding the on-site lake will be assessed to identify any potential safety risks. Our sewerage treatment plant will be operational in the coming year and the shopping mall will be connected to this, enabling greywater to be used in nearby fields for irrigation purposes.

The construction of the first phase of Mango Village started in February this year and is scheduled for delivery in May 2022. The construction of The Strand, with 11,000 m^2 of offices, has started in July and shall be completed during the last quarter of 2022. We will deliver the second phase of Greencoast International School and hand over *Les Muguets* serviced plots to their owners. The activities within the Creative Park zone, comprising the Patrick Mavros atelier, the dance school and the African trader, will be further expanded.

Our land sales programme remains in place, but we have revisited our plans to sell more land quicker, including future phases of residential plots within the Smart City, bringing in much needed cash flow. There are a number of factors that can influence this, such as permits, and we will ensure we have these in place, as cash management will be critical in 2021.

Our biggest challenge will be the development of the Business City, an important precinct of our Smart City. Our aim is to attract local and international entrepreneurs to develop or relocate their businesses in Beau Plan. We are confident that the urban design framework of the city, set in an exceptional landscape and controlled environment, will attract investors in search of long-term value gain.

We will maintain a strong focus on managing the development costs of our projects, targeting efficiency opportunities at all different stages, from inception to operation. We will also be integrating environmental considerations to reduce our footprint.

We will continue to monitor very closely how the market responds to the downturn in the economy. Though the re-opening of the borders is scheduled for the 1st of October, it will remain a very challenging year for *L'Aventure du Sucre*, being principally dependent on tourism, and we will continue to rationalise expenses. The northern region is highly sought after by non-citizens for investment in real estate, but with the closed borders it remained difficult to reach expatriates to buy property and encourage them to move to Beau Plan. As from now, strong marketing actions will be undertaken to reactivate this segment. On a positive note, towards the end of the year, we witnessed a resurgence in property purchases nationally, indicating a resilient local clientele, and this has given us confidence to continue our investments in our Beau Plan Smart City. Covid-19 will present a tougher year ahead, but we still continue to develop and invest for our future. While our total recovery is still highly dependent on the re-opening of our borders, our vision remains the same for Beau Plan.

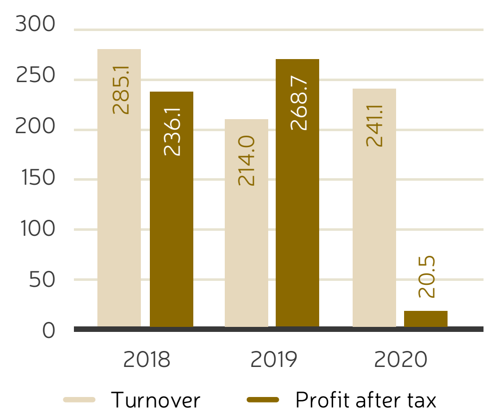
This year again, with the resurgence of Covid-19, lockdown measures were implemented. Despite the temporary shutdown of our construction sites, which will cause some delays, we reacted promptly to the situation and remain confident that all the conditions are now in place for us to meet our targets. Going forward, with the emergence of the Smart City, we are analysing our current departmental structure to ensure the needs of our stakeholders are met. The five departments currently in place: development; land management; property and assets; sales and marketing; and finance, have successfully achieved the planning and delivery phases of our development. We will need to consolidate this model and gear ourselves up to provide an excellent level of service to people coming to Beau Plan Smart City and to all the tenants occupying our shopping mall. We have done exceptionally well to date, and we will now take the necessary measures to meet our next challenges.

Property and Leisure (cont'd)

IMPACT OF COVID-19

- At Group level we mobilised very quickly with the various Covid-19 protocol stages and kept strong communications with our teams. With the deployment of PCs and telecommuting, we were still able to make progress on architectural drawings and plans while working remotely. During the lockdown, Work Access Permits were delivered by the authorities to a core team, which could ensure minimum maintenance of our assets and provide essential services to our tenants. As soon as the lockdown period was over, we returned to the office, with all of the requisite hygiene practices in place.
- We had to temporarily close *L'Aventure du Sucre* from March 2020, which has incurred losses for the year, despite receiving support from the wage assistance scheme for some of the staff.
- We incurred a substantial loss of revenue on development fees, which make up 4% of development contracts, due to the delay in construction projects. We also had delays in signing deeds of sale of certain projects as implementation of infrastructure was temporarily halted.
- Our initial opening date for our retail centre was shifted to March 2021, but with 46 different tenants in place and most of them facing procurement challenges, especially with lead times in getting materials from China, we reviewed this milestone and decided to open three months later. This was following substantial engagement with all tenants.
- We estimated that our property rentals would be impacted by some 18%, and we did better than expected, with 94% of our rentals being received.

Turnover and profit after tax (MUR' M)



Beau Plan Smart City Master Plan

Investments

FINANCE

	REVENUE (MUR'M)	PROFIT/(LOSS) (MUR'M)	% EFFECTIVE HOLDING
SWAN General Ltd	6,863.7	620.9	34.1
Terra Finance Ltd	106.7	1.1	100.0
Inside Capital Partners Ltd	30.5	1.5	36.8

SWAN General Ltd

SWAN General Ltd is the leading insurance general and life assurance company and financial solutions provider in Mauritius. It provides a range of insurance and financial solutions, from short-term and long-term insurance and retirement plans, to wealth management and stockbroking for corporate clients and individual customers.

Terra Finance Ltd

Terra Finance Ltd offers advice and assistance to Terra's subsidiaries on cash management, and on the negotiation of short and long-term funding. The company is authorised to invest liquidities among various subsidiaries, and to manage their foreign currencies and exposure to currency and interest rate risks by using hedging tools.

Inside Capital Partners Ltd

Inside Capital Partners Ltd is an independent private equity manager seeking to invest through equity in strong potential opportunities in selected Southeast African countries. It is a limited company domiciled in Mauritius and also has an office in Lusaka, Zambia.

CONSTRUCTION

	REVENUE (MUR'M)	PROFIT/(LOSS) (MUR'M)	% EFFECTIVE HOLDING
Terrarock Ltd	178.0	28.5	45.0
REHM Grinaker Construction Co. ltd	1,878.1	(73.3)	35.5

Terrarock Ltd

Terrarock Ltd, incorporated in 1990 further to Terra's policy of field de-rocking, is involved in the manufacturing and sale of hollow concrete blocks, aggregates and rock sand. Management of operations is entrusted to The United Basalt Products Ltd, the strategic partner of Terrarock.

REHM Grinaker Construction Co. ltd

REHM Grinaker Construction Co. Ltd is among the leading construction companies in Mauritius, involved in industrial, commercial, high-end hospitality and leisure projects, as well as in civil and infrastructure works. The company has gained recognition for quality-on-time on a wide range of projects in building and civil engineering, conventional contracts and design-build.

OTHER INVESTMENTS

	REVENUE (MUR'M)	PROFIT/LOSS (MUR'M)	% EFFECTIVE HOLDING
Horus Ltée	-	(0.1)	50.0
Aquasantec International Ltd	550.2	43.5	26.7
Topterra Ltd	17.8	(2.3)	33.3
AMCO Solutions Ltd	26.5	7.8	41.9

Horus Ltée

Horus Ltée has an 18% stake in United Docks Ltd, a company listed on the Stock Exchange of Mauritius and holding property in the Port Louis harbour zone.

Aquasantec International Ltd

Aquasantec International Ltd is active in development in East Africa, selling plastic equipment such as water tanks, mobile toilets, bio-digesters, septic tanks, HDPE pipe, gutters and other related plastic products using different technologies including roto, blow and injection moulding.

Topterra Ltd

Topterra Ltd is a 50:50 joint venture with Island Renewable Fertilisers Ltd, a company that produces a liquid fertiliser known as Concentrated Molasses Stillage (CMS) from *vinasse*, itself a residue from distillation.

AMCO Solutions Ltd

AMCO Solutions Ltd specialises in procurement and logistics for the sugar industry. In addition to the traditional storage and distribution of molasses, it also manages the Coal Terminal (Management) Co Ltd, whose responsibilities include the procurement, transport, storage and distribution of coal for the power plants of the sugar industry and the needs of the country. As from the beginning of 2018, the company is also driving an aggressive procurement strategy to support its shareholders in their quest to lower the cost of inputs in sugar production.

Group-level functions

Although each of Terra's clusters is completely autonomous in its decision-making processes, budgeting and reporting – with each leadership team individually accountable for its cluster's respective performance – strategic guidance and support services are provided at a Group level in relation to Terra's management of employees, environmental performance, and the community. This section briefly reviews the material performance and outlook of these Group-level activities.

HUMAN RESOURCES: INVESTING IN OUR PEOPLE

Having the right technical and leadership skills, diversity of experience, and a strong performance-oriented culture, is fundamental to Terra's ability to generate value. Terra's Corporate Human Resources (HR) Department, supported by the HR teams at Grays and Terragri, provides the Group's strategic guidance on HR issues, as well as various shared and value-added services, such as customised training and development programmes, HR efficiency matrices, and remuneration and benefit policies.

This year was very much focused on handling the Covid-19 crisis. The Group HR took the lead in creating Terra's Covid-19 protocol with the assistance of operational HR managers. A key challenge at the outset of the pandemic was the associated anxiety and stress amongst our employees. Calls from HR personnel, continuous engagement with General Managers, and regular communications from the Managing Director, provided the needed reassurance to our workforce to ensure their resilience. Effective use of technologies enabled certain teams to work from home, creating new innovative ways of working. The work we started a few years ago to improve efficiencies and strengthen teams, significantly helped us during this Covid-19 transition. Several HR projects planned for 2020 were put on hold and we will resume focus on these in 2021.

Fostering engagement to create desired working cultures

Our Culture and Engagement Journey in our agriculture and property clusters continued in 2020. We embedded in the respective operations the values defined for each cluster in the previous year, and we continued to co-create the desired working cultures. For Terragri (Agriculture) this has meant moving from a purely results and efficiency focused culture with traditional approaches to agriculture, towards becoming a more caring and learning organisation. For Novaterra, as a new and fast-growing cluster, the corporate culture journey is more focused on learning and results. We will also be rolling this out in our Brands cluster in 2021, starting with several coaching sessions with leadership teams.

We have seen improvements in interactions between colleagues from Terragri (Agriculture) and Terra Milling, as well as improvements in communication within clusters. In 2020, we developed a culture index to track and measure the cultural behaviours, both enabling and disabling, and we will continue to monitor this every four to six months. This year, we conducted a trust survey in the Cane cluster, using the Lencioni model, and observed overall increased levels of trust amongst colleagues. In our Power cluster, we delivered training on performance management, moving towards a coaching approach. We will continue to develop the corporate culture around trust through training and development in 2021. We will also be rolling out our employee survey, conducted every two years, to assess levels of employee engagement.

To further support performance in 2021, we plan to progress towards more continuous performance management processes rather than one-off assessments. We will also be participating in a remuneration survey, as we do every two years, for both executives and staff. Our objective is to use the survey results to monitor and strengthen our remuneration policies and ensure they are aligned with market ranges.

Learning and development

We formulate our annual training plan by conducting a training needs analysis in each cluster; economies of scale are achieved by running some Group learning programmes for all clusters with similar requirements. We continued our collaboration this year with the African Leadership College (ALC) on co-creating a Leadership Programme that focuses on 'intrapreneurship' and innovation, and we ran follow up coaching workshops for 19 employees at the supervisory level. We will be maintaining our efforts to build a strong leadership bench by identifying key needs for our executive and leadership teams, and develop appropriate programmes. As part of our focus on becoming more efficient, we continued with our KAIZEN process in the Cane cluster and continued to improve on our performance management initiatives. 2021 will see a new performance management system rolled out in the cluster, with all staff trained on coaching skills to run an effective performance conversation. We will also roll out a new service through our Training Centre, which aims to provide excellent training services, optimising the Human Resource Development Council (HRDC) refunds and delivering improved return on investment for all trainings undertaken. Investing in the learning and development of our employees will remain a key strategic focus.

Health and Safety

The Group has a continual improvement approach to providing a healthy and safe working environment for all its employees, sub-contractors and visitors. In 2020, Covid-19 was the dominant health and safety concern. The top priority across all clusters was to protect employees and their families from infection, and to learn from the crisis to strengthen the health and safety culture across Terra. The Group Covid-19 response strategy is detailed on page 6, with the impact on each cluster outlined in the Operational Review (page 30). Our focus was to ensure we did not put any of our employees at risk; wherever possible we had dedicated teams working from home.

Cane | Terra Milling remained compliant with the Occupational Health and Safety Act (2005) and successfully completed the scheduled health and safety risk assessment. With the addition of a dedicated Health and Safety Officer, good progress was made in implementing the ISO 45001 health and safety management system. With slight delays this year due to Covid-19, certification to the standard is now targeted for 2021. Other key actions included the installation of safety modifications to the Over-Head Travelling Crane (OHTC) platform, setting-up a gas-metering system for working safely in confined spaces, and conducting eye check-ups for all workshop employees. No injuries or severe incidents were reported at the sugar mill during the year. In Agriculture, fire in fields remained a key safety risk, reaffirming efforts made in 2019 to train employees and develop a safe system for firefighting. Two injuries were reported in the year. One employee was admitted to hospital following a wasp bite, and another employee sustained a femur fracture in a road accident alongside the cane fields. Following the road accident, defensive driving training was conducted with all drivers and operators to refresh safety practices, and a safety checklist was introduced for Bell Loaders. Electrical safety in the workshop was also upgraded.

Power | The key focus at Terragen has been to reinforce the health and safety culture at all levels, and to improve the effectiveness of fire prevention and protection. Refresher training was conducted throughout the year to reinforce health and safety practices, near-miss reporting was rolled out, and key safety protections were installed for roads, the perimeter walkway and *bagasse* conveyer-belt. The construction of a new water tank, pump and network is underway to bolster fire protection. Following an external audit in December 2020, the health and safety management system has successfully transitioned from ILO OSH 2001 to ISO 45001. The year saw an increase in accidents and minor injuries, currently being mitigated through refresher training, new safety installations, emergency testing and learning from the near-miss reporting. We also conducted psychology stress tests in our cluster to ensure employees were not close to burnout.

Brands | At Grays Inc. and Grays Distilling, the focus remained on risk prevention through employee awareness and training. Training sessions were held on first aid, emergency procedures, boiler operation, firefighting protocols, manual handling, chemical safety, food handling, road safety, and hearing protection. A system for proper maintenance of First-Aid kits was established, and fire safety was maintained through the renewal of fire certificates, maintenance of firefighting equipment and installation of new signage. Two accidents occurred during the year, relating to chemical burn and back pain. Refresher training in handling chemicals and manual handling was organised in response.

Property and Leisure | Novaterra ensures a safe working environment for all its stakeholders including employees, contractors, tenants and visitors. A health and safety risk assessment is conducted every two years, with regular inspections carried out and corrective measures implemented. Work at height and fire safety remained the key health and safety risks, mitigated through training and supervision. Both Novaterra and Sugarworld have strengthened their fire prevention and protection readiness, obtained fire certificates and ensured compliance with the Fire and Rescue Service Act (2018). In preparation for the opening of our retail centre in Beau Plan Smart City in 2021, safety barriers were installed during the construction of stormwater drains and the traffic circle in Beau Plan has been redesigned to better ensure driver safety. Trees on the site of the Mahogany shopping promenade are being inspected and trimmed, and the terrain surrounding the on-site lake is being assessed to identify any potential safety risks.

Group-level functions (cont'd)

Health and safety (Cont'd)

Total recordable injury rate

COMMENTS

Incidents were not recorded in previous annual reports as same was not required. Same shall be recorded as from July 2021. Thus, to calculate some data, accident data used to calculate Lost Time Incident rate was taken.

FORMULA

TNI*1,000,000/THW

BRANDS				PROPERTY AND LEISURE				CANE				POWER			
2020	2019	2018	2017	2020	2019*	2018	2017	2020	2019	2018	2017	2020	2019	2018	2017
21.8	25.8	21.0	21.1	6.4	18.3	29.6	10.1	19.5	41.5	30.2	27.0	19.9	9.9	0.0	9.6

Lost time incident rate

COMMENTS

Number of injuries with lost day > 24h recorded in previous reports was used as TNA.

FORMULA

TNA*1,000,000/THW

BRANDS				PROPERTY AND LEISURE				CANE				POWER			
2020	2019	2018	2017	2020	2019*	2018	2017	2020	2019	2018	2017	2020	2019	2018	2017
29.0	31.4	21.0	21.1	6.5	18.3	29.6	10.1	17.1	41.5	30.2	27.0	19.9	9.9	0.0	9.6

Severity rate

COMMENTS

Data has been taken from previous annual reports as same calculations used to be made. Only exception was that coefficient used to be 1,000 instead of 200,000. So Lost Day Rate calculated previously was multiplied by 200 (Lost Day rate x 200).

FORMULA

WDL*200,000/THW

BRANDS				PROPERTY AND LEISURE				CANE				POWER			
2020	2019	2018	2017	2020	2019*	2018	2017	2020	2019	2018	2017	2020	2019	2018	2017
22.2	28.9	26.0	32.0	15.6	18.0	6.0	4.0	32.7	56.8	49.7	65.1	55.6	27.6	0.0	76.6

* Inclusive of temporary employees

TNI: Total number of incidents. | **THW**: Total hours worked. | **TNA**: Total number of accidents. | **WDL**: Workdays lost.

Further details on our health and safety performance are provided in our online Sustainability Report.

Protecting labour rights

Terra continues to ensure that all our employees are adequately remunerated and provided with a respectful working environment free from inappropriate or unprofessional behaviour, including any form of harassment or discrimination. We recognise the right of every employee to freedom of association. In the Cane cluster, 96% of workers are unionised across six different unions; sector workers are also regulated by sugar industry remuneration orders that set the minimum wages and conditions of employment for various categories of workers. The collective bargaining process takes place every three years, and we hope that a satisfactory outcome will be reached in 2021.

Outlook

In 2021, our focus will be on the following priority areas:

- In the Cane cluster, we will develop OKR's (Objectives & Key Results) to be more people-oriented in line with our culture of being a caring and learning organisation, and we will continue our journey of being a trusted organisation. We will complete collective bargaining agreement negotiations with the various unions. We will further develop our health and safety culture, introducing reporting at the Board level, and instil a health and safety culture among contractors through education and monitoring.
- In our Brands cluster, we will continue to identify more opportunities to optimise manpower structures and processes in order to further improve cost efficiencies. We will place more emphasis on health and safety, with an additional employee appointed to oversee this.
- In our Power cluster, we will implement further measures to improve the health and safety performance for our employees and contractors, and we will adopt a more coaching type of approach to performance review.
- In our Property cluster and in the opening of our retail centre, Mahogany shopping promenade, we will place attention on any new health and safety risks, bringing in experts where needed to support our Health and Safety Officer.
- At a Group level we plan on continuing on our culture and engagement work in specific clusters and strengthening our performance management by moving more towards a performance-oriented culture and mindset. We will be launching a new e-learning platform to implement a learning culture and continue to strengthen our teams.

ENVIRONMENTAL PERFORMANCE: INTEGRATING SUSTAINABILITY THROUGHOUT THE BUSINESS

Sustainability performance at each of our entities is managed through dedicated HSEQ employees at the cluster level. At Group level, the sustainability platform and five-year sustainability framework has traditionally provided the overarching support and guidance needed to ensure that best practice was followed at the operational level. With the onset of Covid-19 and the movement of the Group towards leaner operating models, this has necessitated a reconfiguration of how sustainability is approached at Terra. Towards the end of the year, the Group Sustainability function was brought under the HR team, with a new approach to drive sustainability performance at a cluster-level by identifying key objectives specific to each cluster. This requires us to critically look at all aspects of our operations across the business units and to engage with our internal stakeholders, including at the executive level, to identify highly-material sustainability projects to be rolled out in 2021. We will reinforce the HSEQ positions at cluster level, engage with the General Managers to identify a few targeted sustainability projects, and ensure better alignment with the Sustainable Development Goals (SDGs).

SEMSI Listing

Since 2015, Terra has been listed on the Stock Exchange of Mauritius' Sustainability Index (SEMSI). Following Terra's excellent performance in a review exercise undertaken in August 2019 by the SEMSI Supervisory Committee, the Company remained on the Index.

Group-level functions (cont'd)

Protecting our environment

Terra has deep roots in the land of Mauritius. Harnessing the productive qualities of landholdings on the island is what enables the Group to create value for stakeholders. Protecting the ecological functioning of the island is central to this value proposition, and thus 'caring for the environment' is one of our strategic imperatives. With agricultural activity at the core of our business model, all our activities across the Group's clusters depend ultimately on the availability and quality of natural resources, including land, water, soil, sugar cane, biomass and coal.

Terra has channelled this understanding into growing the business as a leading example of closed-loop resource flows in sugar production. The Group's business model reflects the principles of a circular economy as an implicit aspect of the business (see page 12). Looking ahead, as the HR department works to redefine the Group's sustainability approach and objectives, a key imperative will be to refine sustainability oversight at cluster-level to further champion operational efficiency and to ensure the effective monitoring of our environmental impact and performance.

Our environmental footprint and circular economy

We have taken leadership in implementing a circular economy, with many of the by-products of one of our operations serving as a raw material input for another. Climate change and water scarcity are the key emerging sustainability risks for Terra, while water pollution and waste production remain other key concerns.

Cane | Terragri (Agriculture) complies with the water-use restrictions established by the Irrigation Authority and is developing the capability for precision irrigation through the use of a digital software, CanePro. In 2020, due to ongoing drought conditions and a reduction in water allocations from 20,000 to 3,000 m^3/day, significantly less water was used for irrigation. Terra Milling separates the wastewater it produces, reusing clean water internally and treating contaminated effluent for reuse as irrigation water by Terragri on sugar cane fields. In 2020, all effluent from Terra Milling and Terragen was used by Terragri for irrigation (526,430 m^3 this year, up from 509,400 m^3 in 2019). We are currently extending our irrigation network to expand capacity for the use of effluent. Water consumption at Terra Milling was slightly higher this year, due to the higher proportion of specialty sugars produced, which require a longer liquidation process.

Power | Terragen maintained the production of renewable energy using cane straw and *bagasse* sourced from Terragri and Terra Milling, and made progress on developing eucalyptus as an additional source of renewable biomass. While continuing to pursue decarbonisation through the gradual replacement of coal with renewable biomass, the combustion of cane straw and *bagasse* declined this year due to lower levels of cane production. The combustion of cane straw declined to 4,171 tonnes (9,639 in 2019), producing 4.1 GWh for export on the grid, while the combustion of *bagasse* declined to 259,850 tonnes (311,544 in 2019), producing 83,7 GWh for export on the grid. This was partially offset, however, by lower overall energy demand locally and an unplanned shutdown. Overall 35% of Terragen's greenhouse gas emissions are accounted as biogenic, which means that the gases are absorbed by the sugar cane plants in the closed carbon cycle. During 2020, Terragen recorded five cases of non-compliance with legal requirements for the quality of effluent discharged into the environment. Management is investigating the non-conformity in accordance with the Group's QSE policy, with action and surveillance in progress.

Brands | At Grays, water is needed for boiler operations, running of the bottle washer, and blending alcoholic beverages. Water used for cooling purposes is returned to the source, while *vinasse* (liquid waste) is sent to Topterra for treatment and used as fertiliser. Water scarcity and potable water supply remain key concerns for Mauritius and measures continued to be implemented to optimise the use of water in processes and reduce the volume of wastewater discharged. In 2020, further investments in the boiler enabled a shift away from heavy fuel oil to a renewable energy source with the replacement of the heavy fuel oil burner with an alcohol burner. Non-potable alcohol obtained as a by-product of the distillation process is being used, reducing overall emissions. Another key focus area was ensuring segregation and recycling of both hazardous and non-hazardous waste as per environmental regulations, in line with the cluster's strategy to reduce the amount of waste going to landfill.

Property and Leisure | During the construction phase of development projects, contractors are obliged to follow environmental protection rules, as set out by the Ministry of Environment, taking into account air quality monitoring and disposal of construction waste. In 2020, significant effort was dedicated to integrating sustainability practices into the design process of the Beau Plan Smart City and to carrying out strategic planning to achieve sustainability goals. Internet of Things (IoT), intelligent sensors, and cloud-based software applications are all being considered to monitor traffic flows, water consumption, flood levels, energy consumption in public areas, energy efficiency, air quality, solid waste management, and wastewater management. Novaterra continued discussions with the local authority to identify best practice in the disposal, recycling and adding of value to the waste that will be produced within the Beau Plan Smart City, and also engaged in discussions with CEB to construct a 1.6 MW photovoltaic solar farm to supply renewable energy to the Smart City.

Outlook

In 2021, our focus will be on:

- Continuing the extension of the irrigation network for Terragri to expand the use of treated effluent for irrigation and implement a new process for treated effluent at Terra Milling;
- Continuing discussions with the CEB and other involved ministries to extend the share of renewable energy in Terragen's production mix from 27% to 40%, with a competitive price per kWh, and progressing with the planting of eucalyptus as an alternative source of renewable biomass;
- Securing QSE certification of Grays Inc. and Grays Distilling and continuing efforts to reduce water and energy consumption;
- Ensuring effective implementation of environmental measures in the Beau Plan Smart City development utilising IoT and other smart city technologies; and
- Maintaining discussions with the local authority to establish a long-term relationship for integrated waste management and continue engagements with CEB and CWA to optimise resource use.

More detailed information on our sustainability commitments and the environmental and social performance of our business units is provided in Terra's separate online Sustainability Report.

CORPORATE SOCIAL RESPONSIBILITY: SUPPORTING OUR COMMUNITIES

In addition to the significant social value created through the Group's core business activities by providing direct and indirect employment and upskilling of its workforce, Terra also provides focused support to neighbouring communities. Our Corporate Social Responsibility (CSR) programme, coordinated through Terra Foundation, is in line with Government's CSR guidelines promoting community development at both a regional and national level. The foundation's primary focus remained centred on the geographical areas around Terra's Beau Plan and Belle Vue operations, with 88% of our funds being allocated to projects in the region. Going forward, we aim to allocate more resources to ensure that the local communities fully tap the potential benefits associated with the development of our Smart City in Beau Plan.

Terra Foundation celebrated 10 years in 2020

Terra Foundation celebrated its 10th year in 2020, achieving significant impact through its NGO partners over the years. We have donated MUR 79 million to 263 projects over this period, with MUR 41 million allocated to 133 projects in the North. Through these projects we were able to reach 33,220 children and youth, and 60,131 adults, as direct and indirect beneficiaries.

Our contribution to construction and social housing projects over this period included MUR 15.6 million being allocated to 15 projects in Mauritius. We also enabled 240 employees to volunteer their time to support various projects in the community.

Rodrigues Island has always been an important part of the work of the foundation. During the past 10 years, we have allocated MUR 7.9 million to the Island to support 19 projects reaching more than 4,000 children and 1,368 adults. The annual educational tour of Rodriguan students in Mauritius has been a focal point, with 65 educational visits in total from 14 schools and NGOs.

Support during the Covid-19 pandemic

Following the implementation of the lockdown in Mauritius in March 2020, the suddenness of the confinement led to critical situations for many vulnerable families, with many losing their jobs, particularly in the hotel industry. The Group responded by creating a special emergency fund to support the neediest in the northern region. In addition to distributing 206 emergency food packs, the foundation also organised a 'Terra Stay Safe Operation' by donating foot-pedal sanitising stations to two NGOs caring for beneficiaries requiring medical assistance.

A further five sanitising stations were donated to the SSRN Hospital (one of the biggest hospitals in Mauritius) and 7,000 masks and 16 gallons of sanitizing solution were distributed to 11 NGOs. With many NGOs not able to afford to offer the usual Christmas parties and activities for their significantly impacted beneficiaries, Terra Foundation sponsored tickets for a Christmas show including food and beverages for 245 children and 28 adults connected to these NGOs.

Group-level functions (cont'd)

OUR 2020 PERFORMANCE

In 2020, the facility offered by the Mauritius Revenue Authority (MRA) was maintained and companies of the Group were able to retain 25% out of the 75% CSR contribution to be made to the MRA for passing on to the National Social Inclusion Foundation (NSIF) for redistribution to NGOs. Approval was thus obtained, following submission of our long-term NGO projects to the NSIF, enabling 25% to be added to the earmarked remaining 25% share for the foundation, with a total of 50% of the CSR funds secured for our community projects.

We maintained partnerships with 16 NGOs, sponsoring a total of 32 projects in 2020, with 28 projects representing 88% of our funding being delivered in the northern region. Our key focus remained in education and training, poverty alleviation, health care, sports and heritage and culture.

Further details on the above intervention areas can be found in our online Sustainability Report.

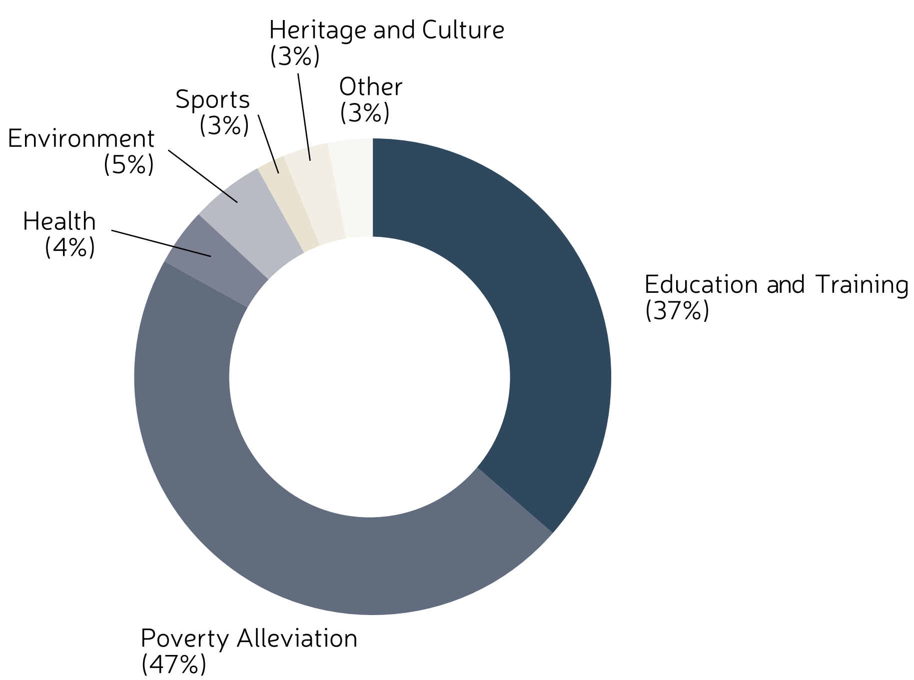
MEASURING IMPACT

Our budget of MUR 2.9 million (net of administrative expenses) supported 1,452 beneficiaries in total. We conduct evaluation reports every year to assess the work of the various NGOs that we partner with. For the 10-year anniversary of the foundation, a review of the major projects was completed through short presentations from NGOs and testimonials from beneficiaries. We produced short films for six major NGOs to illustrate how our sponsorship and support over the years has helped our NGO partners.

OUTLOOK

Our focus will remain on our immediate neighbourhoods to increase interaction with our community stakeholders and to further promote the integration of the community in Beau Plan Smart City. The social survey planned in 2020 to identify community needs was postponed due to the lockdown and sanitary reasons and should be carried out in 2021. A new focus going forward is to place more emphasis on our employee volunteering initiatives. We plan to provide in-kind support to our NGO partners through matching employee skills to NGO needs, as well as continued support as volunteers in project delivery. Post Covid-19 we will stay committed to helping NGOs to remain resilient, which has become even more critical since the impact of the virus.

Sponsorship by areas of intervention



Corporate Governance

Our Leadership

BOARD OF DIRECTORS

LEGEND

- Board meetings
- Strategy and Investment Committee
- Audit and Risk Committee
- Ethics Committee
- Corporate Governance Committee
- Annual Meeting
- Chairperson
- Secretary

ALAIN REY

Non-Executive Chairman

First appointed to the Board in 2016

BSc (Hons) in Economics (London)
Member of the Institute of Chartered Accountants in England and Wales

8/8 4/4 5/5 2/2 ✓

61

MAURICE DE MARASSÉ ENOUF

Non-Executive Director

First appointed to the Board in 2011

Former member of the Association of Chartered Certified Accountants (UK)
Former member of the Mauritius Institute of Professional Accountants

6/8 6/7 2/2 –

75

DOMINIQUE DE FROBERVILLE

Non-Executive Director

First appointed to the Board in 2011

Maîtrise en Chimie Industrielle (France);
MBA (England)

8/8 5/5 ✓

61

ALEXIS HAREL

Executive Director

First appointed to the Board in 2011

BSc, Business Administration (USA)

8/8 4/5 ✓

58

DIDIER HAREL

Independent Non-Executive Director

First appointed to the Board in 2016

MBA, INSEAD (*Institut Européen d'Administration des Affaires*) (France)
BSc. Eng. (Hons) in Chemical Engineering and Chemical Technology (UK)

8/8 4/4 5/5 ✓

68

HENRI HAREL

Executive Director

First appointed to the Board in 2011

ACIS (South Africa)

8/8 5/5 ✓

60

NICOLAS MAIGROT

Managing Director

First appointed to the Board in 2016

BSc Management Sciences (London)

8/8 4/4 5/5 ✓

52

PASCAL RAFFRAY

Non-Executive Director

First appointed to the Board in 2019

BA in Economics and Finance, INSEEC (France)

8/8 –

45

NIKHIL TREEBHOOHUN

Independent Non-Executive Director

First appointed to the Board in 2014

BSc (Hons) Economics, Industry and Trade (UK)
Postgraduate Diplomas in Financial Management (Australia) and in Development Planning Techniques (Netherlands)
Fellow of the World Academy of Productivity Science

8/8 7/7 2/2 ✓

66

ALAIN VALLET

Non-executive Director

First appointed to the Board in 2011

Advanced Certificate in Business Studies (London)

8/8 ✓

66

MARGARET WONG PING LUN

Independent Non-Executive Director

First appointed to the Board in 2012

Fellow of the Institute of Chartered Accountants in England and Wales
BA Honours in Business Studies (London)

8/8 7/7 4/4 ✓

67

ANNA MALLAC-SIM

New appointment

Master d'Architecture – ESA (Paris)
Diplôme d'Habilitation à la Maîtrise d'œuvre en son Nom Propre (HMONP) – ESA (Paris)

33

Our Leadership (cont'd)

BOARD OF DIRECTORS (*CONT'D*)

ALAIN REY

- Manager at Citibank NA (Paris): 1986-1988
- Financial Director and General Manager in the Mauritian textile industry: 1988-2005
- Regional Corporate Director at Barclays Bank in Mauritius: 2005-2006
- Chief Executive Officer of Compagnie Sucrière de Mont Choisy: 2007-2015
- Board member at Afrasia Bank: 2006-2009 and The State Bank of Mauritius: 2009-2015

Current outside directorships of companies:

Listed	***Quoted/non-listed***
MCB Group Limited	CIEL Textile Ltd
New Mauritius Hotels Ltd	Quantum Ltd
	Precigraph Ltée
	MCB Microfinance Ltd

MAURICE DE MARASSÉ ENOUF

- Senior Audit Clerk at De Chazal Du Mée (Chartered Accountants): 1963-1972
- Group Internal Audit Manager at Flacq United Estates: 1973-1982
- Group Accountant for Medine S.E: 1983-1984
- Chief Accountant and Finance Manager of the WEAL Group: 1984-2001
- Self-employed since 2002

Current outside directorships of listed companies:

Innodis Ltd
Mauritius Oil Refineries Ltd

DOMINIQUE DE FROBERVILLE

- Production Manager in the paint and optical industries: 1985-1988
- Manager of two textile groups: 1988-2000
- Director of Operations and then Chief Executive Officer at Mauritius Freeport Development: 2001 to date.
- Former council member of the Mauritius Employers Federation and member of the Mauritius Exporters Association.

ALEXIS HAREL

- Auditor and Trainer at De Chazal Du Mée (Chartered Accountants): 1985-1986
- General Manager at Elastico Ltd: 1986-1988
- Director at Dataphon (Mtius) Ltd: 1988-1992
- Commercial Executive and then Managing Director at Grays: 1992 to date.
- Member of Terra's Executive Committee

Current outside directorships of listed companies:

United Docks Ltd

DIDIER HAREL

- From Sales Engineer at Esso in Mauritius to General Manager of Esso in Reunion and to International Sales and Supply Coordinator at Esso Africa Head Office in the UK: 1974-1988
- Managing Director of downstream subsidiaries of Total in Zambia and Zimbabwe, Executive Vice-President in charge of Total's downstream operations in East Africa, Indian and Pacific Oceans at Africa-Middle East Head Office in Paris, Managing Director and CEO of Total South Africa Pty Ltd in Johannesburg, Executive Director of Logistics of Total France in Paris and Managing Director and CEO of Total UK Ltd in Watford: 1989-2012
- Chairman and CEO of Société Anonyme de Gestion des Stocks Stratégiques (SAGESS): 2012-2015

Current outside directorships of listed companies:

MCB Group Limited
Sun Limited

HENRI HAREL

- Auditor at De Ravel, Boulle, Saad & Wyman (Chartered Accountants): 1981-1984
- Internal Auditor at Toyota SA Manufacturing: 1984-1988
- Financial Accountant at Amalgamated Beverage Industries (Coca-Cola South Africa): 1988-1990
- Financial Controller at Société de Gérance de Mon Loisir: 1991-1996
- Financial Controller and then Group Chief Finance Officer and Executive Committee member at Terra: 1997 to date

Current outside directorships of listed companies:

Swan General Ltd

NICOLAS MAIGROT

- From Management Controller to Chief Executive Officer at Floreal Knitwear and Ciel Textile: 1989-2010
- Chief Executive Officer of Ireland Blyth: 2010-2015
- Managing Director of Terra: 2016 to date
- Chairman of Terra's Executive Committee

Current outside directorships of listed companies:

Swan General Ltd
United Docks Ltd

PASCAL RAFFRAY

- Sales Assistant at Donaldson Lufkin & Jenrette (Paris): 1999-2000
- Trader on US equities at Credit Suisse (Paris): 2000-2007
- Trader on International equities at Neuflize OBC (ABN AMRO Group) (Paris): 2007-2013
- Dealing services – global products at BNP Paribas (Paris): 2013 to date

NIKHIL TREEBHOOHUN

- Teacher in Economics at secondary level: 1978-1981
- Senior positions at Ministry of Economic Planning and Development and Ministry of Industry: 1981-1987
- Lecturer in Economics at the University of Mauritius: 1987-1989
- Projects Manager at the Industrial and Vocational Training Board: 1989-1992
- Director of the Export Processing Zone Development Authority: 1992-2000
- Executive Director of the National Productivity and Competitiveness Council (NPCC): 2000-2005
- Adviser and Head of the Trade Section of the Commonwealth Secretariat: 2005-2011
- Chairman of Oxford International Consultants (Mauritius): 2011
- Chief Executive Officer of Global Finance Mauritius: 2011-2014

ALAIN VALLET

- Manager at Hamarel Distribution Ltd: 1979-1982
- From Marketing Executive for wine and spirits to Chief Executive Officer at Grays: 1982-1992
- Managing Director at Grays and member of the Executive Committee of Terra: 1993-2016
- Served with a number of private sector institutions, such as the Mauritius Chamber of Commerce and Industry, the Association of Mauritian Manufacturers and the Mauritius Employers Federation

MARGARET WONG PING LUN

- Manager of the Consultancy Department of De Chazal Du Mée, Chartered Accountants: 1985-1990
- Lecturer in Accounting and Finance at the University of Mauritius: 1991 to her retirement in August 2019
- She was a member of the Listing Executive Committee of the Stock Exchange of Mauritius

Current outside directorships of listed companies:

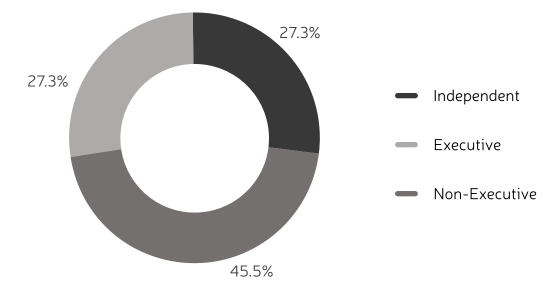
Fincorp Investment Ltd

NEW APPOINTMENT

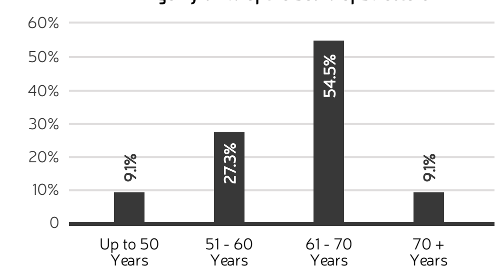
ANNA MALLAC-SIM

Mrs Mallac-Sim started her career in 2011 in Paris, where she worked with several architectural firms and was an associate of LPB Architectes. Since her return to Mauritius in 2016 she collaborated with several local architectural firms and is, since 2018, a teacher at École Nationale d'Architecture de Nantes on its Mauritian campus.

Composition of the Board of Directors



Age Pyramid of the Board of Directors



SECRETARY TO THE BOARD

LOUIS DENIS KOENIG

Administrative Executive and Managing Director of Terra Services Ltd, Company Secretary

Maîtrise ès Sciences Économiques (Économie d'Entreprise)
Diplôme d'Études Supérieures Spécialisées en Finance (France)

- Statistician at the Anglo-Mauritius Assurance Society: 1989-1990
- Assistant Secretary and then Administrative Executive at Terra: 1990 to date
- Dealer's Representative at Cavell Securities Ltd and member of The Stock Exchange of Mauritius instances: 1992-2006
- Fellow of the Mauritius Institute of Directors and director of a number of subsidiaries of Terra
- Member of Terra's Executive Committee

8/8 7/7 4/4 5/5 2/2 ✓

Our Leadership (cont'd)

MANAGEMENT TEAM

MARIE-ANNICK AUGUSTE

CSR MANAGER
(TERRA FOUNDATION)

BA in Psychology and Communication (South Africa)

50

NICOLAS EYNAUD

GENERAL MANAGER
(NOVATERRA)

National Diploma in Land Surveying (South Africa)

53

EDWIGE GUFFLET

MANAGING DIRECTOR
(L'AVENTURE DU SUCRE)

Maîtrise ès Sciences Économiques (France) | MBA (USA)

52

JEAN-MARC WEINS

PLANT MANAGER
(TERRAGEN)

Diplôme d'Ingénieur Généraliste de l'ICAM Lille (France)

40

STEEVE LAREINE

GROUP FINANCE MANAGER

Fellow of the Association of Chartered Certified Accountants (UK)
Member of the Mauritius Institute of Professional Accountants

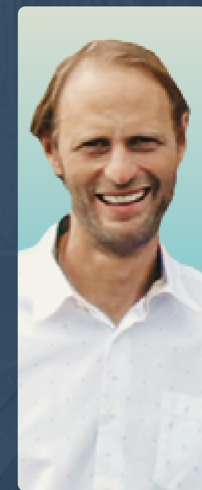
56

CINDY LEUNG

DISTILLERY MANAGER
(GRAYS DISTILLING)

BSc (Hons) Biology with Environmental Sciences

42



SÉBASTIEN MAMET

GENERAL MANAGER
(AGRICULTURE)

Chartered Accountant (UK)

45

IQRA MOSAHEB

GROUP LEGAL ADVISOR

LLB (Hons) (Mauritius)
LLM (Bristol, UK)
MBA (Paris-Dauphine, France)
Barrister at Law

44

CHRISTOPHER PARK

GROUP HUMAN RESOURCE MANAGER

BCom HRM, Management and Business Law (Australia)
MCom Human Resources and Marketing (Australia)

38

JULIEN ROUSSET

SENIOR MANAGER
(PROJECT DEVELOPMENT)

MSc in Management (France)

39

ASHWAN SEEPARSAD

GROUP IT MANAGER

BSc (Hons) in Business Information Technology (UK)

38

JOËLLE WONG HING NANG

HEAD OF TREASURY
(TERRA FINANCE)

Fellow Member of the Association of Chartered Certified Accountants (UK)
Member of the Mauritius Institute of Professional Accountants
BSc (Hons) Management with specialisation in Marketing (University of Mauritius)

39

Our Leadership (cont'd)

MANAGEMENT TEAM (CONT'D)

MARIE-ANNICK AUGUSTE

Marie-Annick Auguste started her career at the South African High Commission in 1991, working as Confidential Secretary in the political section. From 2001 to mid-2002, she worked at Desbro International, part of the Rogers Group. From 2002 to 2009, she was Head of the Sponsorship, Fundraising & Public Relations Department of SOS Children's Villages Mauritius. She was appointed as Terra Foundation's CSR Officer in May 2010 and is now its CSR Manager.

NICOLAS EYNAUD

Nicolas Eynaud started his career in 1991 at SDDSR (Land Surveyors), where he became a partner in 1995. There, he was involved in an extensive range of projects for the island's major estates and corporate bodies, in the fields of building, engineering and cadastral surveying. In 2001 he joined Espral, a service company providing full land management and commercial support to all land-based assets owned by the ENL Group. He was appointed General Manager of Espral in 2009, a position which he held until 2013. After spending some two years as Group Property Manager at Compagnie de Beau Vallon, Nicolas Eynaud joined the Group in January 2016.

EDWIGE GUFFLET

Edwige Gufflet started her career in the banking sector in 1993 and worked there until 1998. She then moved on to project management at CIEL Textile until 2003. The same year, she joined *L'Aventure du Sucre* as General Manager and was promoted Managing Director in December 2012.

JEAN-MARC IWEINS

After working ten years as Account Manager for water treatment activities in the French West Indies and in the Indian Ocean islands, Jean-Marc Iweins joined Albioma in 2014 as Deputy Power Plant Manager of Albioma Bois-Rouge in Reunion Island. He held this function from 2014 to 2018. He has been managing the Terragen power plant since July 2018.

STEEVE LAREINE

Steeve Lareine started his professional career with De Chazal du Mée & Co (Chartered Accountants) in the Auditing and subsequently in the Consulting Department. Before joining the Group in 1999, he was employed as Divisional Accountant at Rey & Lenferna.

CINDY LEUNG

Cindy Leung started her career as Head of the Quality department of Innodis Ltd in 2000, before being appointed Production Manager and subsequently Manager – Procurement & Quality in 2012, where she embraced new responsibilities in the commercial and logistics arms of Innodis Ltd. She joined Grays Inc. Ltd in 2015 as Supply Chain Manager, and since January 2019, she has been entrusted the additional task of managing Grays Distilling Ltd.

SÉBASTIEN MAMET

After working in the Audit Department of Ernst & Young in London and in Mauritius for eight years, Sébastien Mamet joined the Corporate Finance Division of PricewaterhouseCoopers Mauritius in 2004. As Senior Manager of the division, he advised clients on *inter alia* mergers and acquisitions, business plans, finance raising and financial restructuring. He joined Harel Frères in 2009 to head its new strategic development function. As a member of the Management Committee, he used to advise on the Group's strategic orientation and was responsible for implementing new business developments. He was appointed as General Manager (Agriculture) in 2016.

IQRA MOSAHEB

Called to the Mauritian Bar since 2002, Iqra Mosaheb started her career in the offshore sector. She has, over the last 16 years, acquired extensive experience in corporate legal services, including in overseeing group in-house legal services, both in the financial services and in non-financial services sectors, with an enhanced focus on banking services. She has been the Legal Advisor of MauBank Ltd prior to joining Terra in 2017.

CHRISTOPHER PARK

Christopher Park started his career in Australia in 2006 where he worked for the country's largest human resource consulting and recruitment company, Chandler Macleod, as HR & Recruitment Consultant. Upon his return to Mauritius in 2009, he joined Adecco Mauritius as a Recruitment & HR consultant. He then joined Enterprise Information Solutions (part of the Cim Group) as their HR Manager in 2010. After one year, he was additionally offered the position of the group's Corporate HR Manager. He was employed by Rogers as Corporate HR Manager from October 2012, before joining Terra as Group HR Manager in December 2013.

AJAY PARSAN

After a long career in the textile sector as Production Engineer and Factory Manager, Ajay Parsan joined the group as Factory Manager of Terra Milling in June 2016 until his untimely demise on 22 August 2021.

JULIEN ROUSSET

After working in China for five years in the engineering field and setting up a wholly foreign-owned bank in Shanghai, Julien Rousset joined the sugar cane industry in Tanzania and Mauritius for four years, heading a number of strategic developments on the African continent for different Mauritian groups. He joined Terra in 2016 to head its strategic development function. As a director of some of Terra's associates and a member of a number of management committees, he advises on the strategic orientation of the Group and is responsible for following existing investments and implementing new business developments.

ASHWAN SEEPARSAD

After obtaining his IT degree from the University of Greenwich, London, in 2007, Ashwan Seeparsad acquired experience in the IT sector in the UK for two years. He then moved to Mauritius in 2009 and worked during 14 years for several companies in Mauritius, among which the Ciel Group (for 10 years), where he was the IT Lead. He joined the Group in 2019 to serve as IT Lead and was subsequently appointed Group IT Manager in 2021.

JOËLLE WONG HING NANG

Joëlle Wong started her career at Cirne Financial Services as Accounts Officer in 2004. She joined Shell Mauritius Limited in that same year as Stock Controller, before being appointed as Country Treasurer in 2008. She took on a wider role as Country Treasurer and Credit Controller in 2013. In 2016, she became part of the group credit function of Vivo Energy (a Shell and Engen Licensee in Africa) as Group Senior Credit Officer. In that role, she was responsible for managing the group credit risk and for leading several projects in 24 African markets whilst operating remotely from Mauritius. She joined Terra Finance Ltd in May 2021 and was appointed as Head of Treasury on 28 June 2021.

Management information

EXECUTIVE COMMITTEE

Nicolas Maigrot	**Managing Director**
Nicolas Eynaud	**General Manager (Novaterra)**
Alexis Harel	**Executive Director**
Henri Harel	**Group Chief Finance Officer**
Louis Denis Koenig *	**Administrative Executive**
Sébastien Mamet	**General Manager (Agriculture)**
Julien Rousset	**Senior Manager – Project Development**

* Also serves as Secretary to the Committee
Profiles of Executive Committee members are set out on pages 84 to 91.

ACCOUNTS

Steeve Lareine	**Group Finance Manager**

HUMAN RESOURCES

Christopher Park	**Group HR Manager**

INFORMATION TECHNOLOGY

John Laguette (up to 28 February 2021)	**Chief Information Officer**
Ashwan Seeparsad (as from 01 March 2021)	**Group IT Manager**

LEGAL

Iqra Mosaheb	**Group Legal Advisor**

CORPORATE SOCIAL RESPONSIBILITY

Marie-Annick Auguste	**CSR Manager**

CANE

Sébastien Mamet	**General Manager**
Ajay Parsan (up to 22 August 2021)	**Factory Manager**

POWER

Terragen Management Ltd	**Managers**
Jean-Marc Iweins	**Plant Manager**

BRANDS

BOTTLING AND DISTRIBUTION

Alexis Harel	**Managing Director**

DISTILLERY

Cindy Leung	**Distillery Manager**

PROPERTY AND LEISURE

Nicolas Eynaud	**General Manager**
Edwige Gufflet	**Managing Director (Sugarworld Ltd)**

STONE CRUSHING AND BLOCK MAKING

The United Basalt Products Limited	**Managers**

TREASURY MANAGEMENT

Joël Villeneuve Anaudin (up to 07 July 2021)	**General Manager**
Joëlle Hing Nang Wong (as from 28 June 2021)	**Head of Treasury**

Corporate governance report

TERRA Mauricia Ltd ("Terra" or "the Company") is classified as a Public Interest Entity ("PIE") according to the Financial Reporting Act 2004 and is therefore required to apply the 8 principles of the Code of Corporate Governance in accordance with The National Code of Corporate Governance for Mauritius (2016) (the "Code"). This Corporate Governance report provides adequate explanation of how these principles have been applied by the Company and its subsidiaries ("the Group").

CONSTITUTION

The constitution of Terra is in conformity with the provisions of the Companies Act 2001 and those of the Listing Rules of the Stock Exchange of Mauritius. It is available on the Group's website.

The constitution has the following salient features:

- Wide objects and powers are conferred on the Company;
- The absence of ownership restrictions or pre-emptive rights attached to shares issued by the Company;
- The ability of the Company to purchase its own shares, and to reissue and sell any of them;
- Retirement by rotation of three directors at every Annual Meeting;
- A procedure for proposing candidates for election to the office of director;
- The ability of shareholders to cast postal votes; and
- The casting vote of the Chairman.

On 28 and 30 December 2011, applications under Section 178 of the Companies Act were lodged before the Bankruptcy Division of the Supreme Court by certain dissenting shareholders of Harel Frères Ltd (now Terragri Ltd), representing some 6.4% of the share capital, alleging that they had been unfairly prejudiced by the scheme of arrangement approved by a majority of shareholders on 23 November 2011 (the Scheme), and requesting the buyback of their shares at fair value or the payment of compensation of a sum in excess of MUR 64 per share held by them. On the same day, in order to reassure the dissenting shareholders that their rights had not been affected by the Scheme, the Board of Terragri decided to amend the constitution of Terra, before the effective date of the Scheme, so that any matter that would have required the approval of the shareholders of Terragri would be submitted for the approval of those of Terra. Corresponding amendments were brought to the constitution of Terragri Ltd after the effective date of the Scheme.
The Board of Directors was advised that the above claim was misconceived. Counsel had further opined that the claim amounted to an abuse of the process of the court. The claim was resisted and the matter was heard on 25 May 2012. On 11 February 2014, a judgement was issued by the Supreme Court, dismissing the application with costs and confirming that the claim amounted to an abuse of the process of the court. Some of the dissenting shareholders appealed against the judgement and the Court of Appeal, in its judgement, delivered on 25 March 2019, dismissed the appeal with costs. The appellants have since obtained leave from the Supreme Court to submit an appeal to the Privy Council.

BOARD OF DIRECTORS

The Board as a whole is ultimately responsible and accountable for the affairs and overall performance of the Group. It must ensure that proper systems and controls are in place to protect the Group's assets and its good reputation. Having regard to recommendations made by Management, the Board makes strategic choices, decisions and identifies key risk areas, monitors and evaluates the implementation of policies and business plans, and approves major investments as well as the Company's annual capital expenditure and operating budgets. The Board has performed these responsibilities during the year.

The roles of the Chairman and Managing Director are separate and each of them has clearly defined responsibilities. The Chairman's main role is to lead and oversee the proper functioning of the Board and to ensure that it operates effectively. The Managing Director is responsible for the day-to-day management of the Group, supervising a team of executives, coordinating the elaboration and submission of development strategies to the Board and monitoring the effective implementation of operational decisions. The Board has adopted a Board Charter, available on Terra's website, which describes clearly, inter alia, the role and responsibilities of the Board and its committees, the duties and powers of the Board, the related decision-making processes, and the management of potential conflicts of interest. The charter was reviewed on 28 April 2021. The directors are aware of their legal duties.

Corporate governance report (cont'd)

BOARD OF DIRECTORS (CONT'D)

The Board has also approved formal information technology and information security policies, which are available under the Corporate Governance section of the Group's website and which describe, *inter alia*, the restrictions placed over the right of access to information. These policies are regularly reviewed by the Board, which also approve yearly, together with the annual capital expenditure budgets of the main clusters, the significant expenditures on information technology.

Directors are expected to attend, in person or by teleconference, all Board meetings and all Board Committee meetings of which they are members, except in exceptional circumstances.

Board meeting dates are generally set well in advance to enable directors to manage their other commitments. The attendance of directors at Board and Committee meetings in 2020, as well as at the Annual Meeting of shareholders, is set out on pages 84 and 85. The Board of Terra met eight times during the year, including a special full-day session dedicated to Group strategy.

Senior Group executives are invited, when appropriate, to attend Board meetings and make presentations on the strategies and projects under the custody of their business units. The profiles of the senior Group executives are set out on pages 86, 87, 90 and 91. Consultants are also invited to attend board meetings when necessary and, in 2020, several of them made presentations to the Board.

During the year under review the Board focused on the following issues:

- Ensuring that the Company acted as a socially responsible entity;
- Evaluating the impact of the Covid-19 crisis and approving revised budgets in light of the situation;
- Approving the audited consolidated annual and interim financial statements and their abridged version for publication, as well as the Annual Report;
- Recommending to the shareholders a change of external auditors;
- Overseeing performance of the main clusters against budgets;
- Ensuring balanced and constructive communications with stakeholders;
- Approving major strategic investments and credit lines with financial institutions;
- Enhancing the governance structures, frameworks, policies, processes and procedures in line with best practices and current regulations;
- Considering reports from the Board committees;
- Overseeing key risk areas and ensuring effective risk management processes;
- Declaring final dividends for the year ending on 31 December 2020;
- Providing guidance and leadership in the corporate governance arena; and
- Considering, providing input and approving the Group's strategy for the forthcoming financial year.

BOARD SIZE AND COMPOSITION

In terms of the constitution, the Board of Terra, which is a unitary one, consists of not more than eleven directors and includes five non-executive directors, three executive directors and three independent non-executive directors. This size and composition have been found appropriate to take into consideration the structure of the shareholding, while providing for an adequate number of independent and executive directors.

The directors who held office at 31 December 2020 are those listed on pages 84 to 87.

Their profiles, as well as the directorships held by them in listed companies, including the external obligations of the Chairman, as well as any change thereto and its impact, appear on the same pages. The other external directorships held by them are available on page **. The external obligations of the Chairman have not changed in 2020 and they have been found to be compatible with the discharge of his duties and responsibilities. The Board charter has capped the number of outside positions of directors (excluding the Group and its associates) to ten, but the Board has the discretion of authorising a greater number on a case by case basis. None of the directors have reached the prescribed limit. Except for Mr Pascal Raffray, who resides in Paris, all other directors ordinarily reside in Mauritius, and there are now two female members on the Board. None of the independent directors have yet served for more than nine years on the Board. If this was the case, the Board would examine regularly the situation and performance of the director to determine if he/she would still be considered as independent. Hence, Mrs Margaret Wong Ping Lun, who has served for nine years as independent director in June 2021, will nevertheless be proposed for re-election at the next Annual Meeting. Given the exceptional circumstances which the Company and the country have faced for more than one year now, in the wake of the Covid-19 pandemic, it has not been possible to find the required and appropriate profile to fill her position. The Board has carefully considered and resolved, in the light of the above mentioned circumstances, that there is, in its perception, no reason why Mrs Margaret Wong Ping Lun ought not continue to serve on the Board as an independent director for the coming year.

The Code of Corporate Governance, as well as the Board charter, enumerates a set of criteria determining the status of independence, from a director's standpoint. One of these criteria states that cross directorships or significant links with other directors through involvement in other companies or bodies, could result in the director being defined as non-independent. The Board charter also gives the Board the right to grant waivers to any of the above criteria so that knowledge, experience, skills and integrity are privileged in the nomination process of independent directors. Although Mr Didier Harel and the Chairman have cross directorships in one company at non-executive level only, the Board has, here again, carefully considered, and resolved that there is, in its perception, no reason why Mr Didier Harel ought not continue to be regarded as an independent director. The Board has determined that he has shown objectivity and an unfettered independent judgement, that he has performed his duties in good faith and that his independence as director has not been affected in any way whatsoever by this cross directorship.

At the Annual Meeting held in 2020, three directors retired from office, either by rotation or under Section 138 of the Companies Act. All of them were eligible for re-election and were re-elected. One non-executive director, namely Mr Dominique de Froberville, will be proposed for re-election at the next Annual Meeting. The latest Board evaluation has confirmed his performance and commitment. Mr Maurice de Marassé Enouf has retired as from 01 January 2021 and his replacement will be submitted for approval at the next Annual Meeting.

The Board is of the opinion that the rotation of three directors each year, as provided by the constitution of Terra is appropriate in the circumstances of the Group, given its complexity and the diversity of its activities.

The Board believes that the tenure of office of directors should be of a sufficient duration to allow these directors – particularly independent directors and those who are members of the committees established by the Board – to be reasonably conversant with the intricacies of the Group's operations so as to exercise the degree of leadership, skill and judgement required to ensure sound decision-making at Board level, in the best interests of the Group.

The Board is responsible for the succession planning, including senior executives and the nomination process of directors: this has been partly delegated to the Corporate Governance Committee. The latter identifies potential new directors, according to the provisions of Terra's constitution, as well as new executives and makes recommendations to the Board after considering the skills, knowledge, experience, age and gender of the candidates. Upon their appointment, the new non-executive directors receive a formal letter describing their legal responsibilities and fiduciary duties, as well as the Board's specific expectations, including the time commitment. The Board is also responsible for the induction of new directors, with the help of the Company Secretary, and for their professional development. The latest Board Effectiveness Evaluation, carried out at the end of 2019, provided the opportunity to discuss, in 2020, this specific matter with the directors and to assess their training needs.

DIRECTORS' INTERESTS IN THE SHARE CAPITAL OF TERRA MAURICIA LTD

The directors' interests in the Company's securities as at 31 December 2020 pursuant to the Listing Rules are as follows:

	ORDINARY SHARES							
	DIRECT				INDIRECT			
Directors	**Shares**	**%**	**Usufruct**	**%**	**Shares**	**%**	**Usufruct**	**%**
Maurice de Marassé Enouf	-	-	-	-	-	-	-	-
Nikhil Treebhoohun	-	-	-	-	-	-	-	-
Dominique de Froberville	-	-	-	-	266	0.00%	-	-
Alexis Harel	30,133	0.01%	-	-	74,083	0.03%	-	-
Henri Harel	413,666	0.18%	-	-	200	0.00%	-	-
Nicolas Maigrot	-	-	-	-	-	-	-	-
Didier Harel	-	-	-	-	-	-	-	-
Alain Rey	-	-	-	-	-	-	-	-
Alain Vallet	336,390	0.15%	-	-	3	0.00%	1,135,710	0.50%
Margaret Wong Ping Lun	-	-	-	-	1,333	0.00%	-	-
Pascal Raffray	-	-	-	-	-	-	-	-
Total	780,189	0.34%	-	-	75,885	0.03%	1,135,710	0.50%
Total issued shares	**227,545,624**							

Corporate governance report (cont'd)

DIRECTORS' INTERESTS IN THE SHARE CAPITAL OF TERRA MAURICIA LTD (CONT'D)

None of the directors holds any interest in subsidiaries of the Company. The directors abide by the principles enunciated in the Model Code on Securities Transactions by Directors, set out in Appendix 6 of the Mauritius Stock Exchange Listing Rules. During the year under review the following shares of Terra were traded by directors:

Name	No. of shares	Bought / Sold
Mr Alain Vallet	48,200	Bought
Mr Alexis Harel	30,000	Bought
Associate of Mr Alexis Harel	9,600	Bought

None of the other directors bought or sold shares of Terra.

GROUP COMPANY SECRETARY

Directors have direct access to the advice and services of the Secretary, Terra Services Ltd, through its representative, Mr Louis Denis Koenig, who is responsible for ensuring that Board procedures and processes are followed. He also ensures that, within one month of their appointment, newly appointed directors are made aware of their fiduciary duties and responsibilities and prepares an induction programme tailored to their individual requirements, in order for them to be immediately familiar with the Group's operations and business environment and to meet and exchange with senior management. An interest register is maintained by the Company Secretary and is available for inspection by shareholders upon written request to the Company as provided by law.

GOVERNANCE FRAMEWORK AND DELEGATION OF AUTHORITY

Terra's governance structure provides for delegation of authority while enabling the Board to retain effective control. The Board delegates specific responsibilities to the Managing Director, as well as to Board committees with clearly defined mandates. Their terms of reference, which have been approved by the Board, were reviewed in 2020 and will be reviewed every three years. They are posted on Terra's website, as well as the position statement of each senior governance position within the Company as well as an organisational structure of the Group. While an independent director assumes the chairmanship of the Audit and Risk Committee, the Chairman of the Board chairs the three other committees in order to ensure a smooth and proper coordination between these committees and the Board.

BOARD COMMITTEES

AUDIT AND RISK COMMITTEE

COMPOSITION

MEMBERS

Margaret Wong Ping Lun	**Chairperson: Independent non-executive**
Maurice de Marassé Enouf (up to 31 December 2020)	**Member: Non-executive**
Pascal Raffray (as from 01 January 2021)	**Member: Non-executive**
Nikhil Treebhoohun	**Member: Independent Non-executive**

OTHER REGULAR ATTENDEES

Managing Director
Group Chief Finance Officer
External auditors
Internal auditors
Group Finance Manager

TERMS OF REFERENCE

The Committee operates under formal terms of reference modelled closely on the Code's provisions. It is primarily responsible for maintaining an appropriate relationship with the Group's external auditors, reviewing the effectiveness of the systems of internal control, including internal financial control and business risk management and the audit process. Its main objective is to provide the directors with additional assurance regarding the quality and reliability of financial information used by them and to assist them in properly discharging their duties. The Committee reviews the objectivity and independence of the external auditors and also considers the scope of their work and fees paid for audit and non-audit work. External and internal auditors have unrestricted access to the Committee. The Committee's terms of reference also encompass the responsibilities to oversee the Group's risk management framework. The Board reviewed these terms of reference in November 2020.

EXTERNAL AUDITORS

At the Annual Meeting held in November 2020 the shareholders approved the appointment of BDO & Co, in replacement of KPMG and in conformity with the prevailing legislation. Details of audit and non-audit fees are disclosed on page 113.

MEETING SCHEDULE

The Audit and Risk Committee met seven times in 2020 and satisfied its responsibilities for the year in compliance with its terms of reference. Individual attendance by directors is set out on page 84 and 85. When the Committee met with the external auditors to review the financial statements, critical policies, judgements and estimates were discussed. As from 2018 the Committee has, on that occasion, met the auditors outside the presence of management.

COMMITTEE FOCUS IN 2020

- Monitoring of the external audit process.
- Consolidated and abridged audited financial statements for approval by the Board and publication.
- Review of Annual Report and management letters for the Group.
- External and internal audit planning for 2020.
- Review of internal audit reports.
- Appointment of external auditors.
- Meeting with the Financial Controllers of the main clusters.
- Regular review of the effectiveness of the implementation of the Risk Management Framework, as described in the Group's Enterprise Risk Management (ERM).

GRAYS' AUDIT AND RISK COMMITTEE

Given that 26% of Grays Inc. Ltd is owned by Distell Group, a strategic partner, and taking into account the complexity of its activities, Grays Inc. Ltd has a separate Audit and Risk Committee. This committee was under the chairmanship of Leonard Volschenk, a representative of the strategic partner, with Henri Harel and Dominique de Froberville as members. Leonard Volschenk subsequently retired from the committee and was replaced as Chairman by another representative of the strategic partner, Deon Louw. The committee reports to the Board of Grays. The minutes of its proceedings are circulated to Terra's Audit and Risk Committee and Board. Grays' Audit and Risk Committee met on three occasions during the year: the first meeting focused mainly on the management letter from the external auditors, the review of four internal audit reports and the internal audit planning for the year; the second one focused on three other internal audit reports and the third one, which was a continuation of the second one, focused on the planning of the external and internal audit work for 2021, on risk management and the review of one more internal audit report.

Corporate governance report (cont'd)

BOARD COMMITTEES (CONT'D)

CORPORATE GOVERNANCE COMMITTEE

COMPOSITION

MEMBERS THROUGHOUT THE YEAR

Alain Rey	**Chairman: Non-executive**
Didier Harel	**Member: Independent Non-executive**
Margaret Wong Ping Lun	**Member: Independent Non-executive**

IN ATTENDANCE:

Nicolas Maigrot	**Executive**

TERMS OF REFERENCE

The Committee's role encompasses the functions of both the Remuneration and the Nomination Committees.
Its terms of reference include *inter alia* the development of Group general policy on executive and senior management remuneration, as well as the determination of both specific remuneration packages and performance measurement criteria for executive directors. It also makes recommendations concerning the level of directors' fees. It regularly reviews the Board's structure, size and composition and makes recommendations to the Board on directors' appointments. The Committee has the further responsibility of implementing the Code throughout the Group and of ensuring that the reporting requirements on corporate governance are made in accordance with the principles enunciated in it. The Board reviewed the terms of reference of the Committee in November 2020.

MEETING SCHEDULE

The Corporate Governance Committee met four times during the year and the attendance of individual directors at these meetings is detailed on pages 84 and 85.

COMMITTEE FOCUS IN 2020

- Corporate Governance Report and Annual Report for the year ended 31 December 2019.
- Appointment and re-appointment of directors.
- Preparation of Annual Meeting held on 10 November 2020.
- Composition of boards of directors of subsidiaries and associated companies.
- Board self-evaluation.
- Review and approval of the remuneration of senior executives.
- Determination of the variable portion of senior executives' remuneration.
- Renewal of the Directors and Officers Liability insurance policy.

BOARD EVALUATION

A Board Effectiveness Evaluation exercise, which also reviewed the performance of the Board committees and the individual directors, was initiated during the last quarter of 2019 and was held in the first quarter of 2020 with the help of Ernst & Young (EY). The report was subsequently submitted to the Committee and to the Board during the year. The appropriate measures are being considered regarding the improvement areas identified by the report and pertaining mainly to the professional development of the non-executive directors, the remuneration policies, the individual appraisal of the directors' performance and the succession planning for the Board and senior executives. The next evaluation exercise will be proposed in 2022.

STRATEGY AND INVESTMENT COMMITTEE

COMPOSITION

MEMBERS THROUGHOUT THE YEAR

Alain Rey	**Chairman: Non-executive**
Dominique de Froberville	**Member: Non-executive**
Nicolas Maigrot	**Member: Executive**
Alexis Harel	**Member: Executive**
Didier Harel	**Member: Independent Non-executive**
Henri Harel	**Member: Executive**

IN ATTENDANCE:

Julien Rousset	**Executive**

TERMS OF REFERENCE

The aim of the Strategy and Investment Committee is to assist the Board in discharging its duties relating to strategic investment or disinvestment decisions. The Committee reviews and recommends to the Board significant investment or disinvestment choices based on input provided by the management team. It has neither managerial nor decisional powers. The Committee consists of a minimum of three and a maximum of six directors appointed by the Board, at least half of whom should be non-executive directors and preferably independent. The Board appoints a chairman from amongst the non-executive members of the Committee. The Board reviewed the terms of reference of the Committee in November 2020.

MEETING SCHEDULE AND COMMITTEE FOCUS IN 2020

The Strategy and Investment Committee met five times in 2020. It reviewed the Group's investment portfolio as well as investment or disinvestment opportunities, including new projects for the property cluster, the financing requirements of the Group and made a number of recommendations to the Board. The attendance of individual directors at these meetings is detailed on pages 84 and 85.

ETHICS COMMITTEE

COMPOSITION

MEMBERS THROUGHOUT THE YEAR

Alain Rey	**Chairman: Non-executive**
Maurice de Marassé Enouf (up to 31 December 2020)	**Member: Non-executive**
Christopher Park	**Member: Human Resources Manager**
Nikhil Treebhoohun	**Member: Independent Non-executive**
Louis Denis Koenig	**Member: Executive**

IN ATTENDANCE:

Gilbert Bouic (Group Ethics Officer)	**Consultant**

TERMS OF REFERENCE

The Group is fully committed to its Code of Ethics covering ethical standards. The Group's Code of Ethics is monitored by the Ethics Committee, which has the mandate to receive and deal with any complaint relating to same and to ensure that it is regularly updated.

The Group's updated Code of Ethics, which includes a whistle-blowing policy monitored by Transparency Mauritius, was officially launched in 2014. All Board members, senior executives, staff and employees were invited to renew their commitment to abide by the Code of Ethics. One whistle-blowing case was reported at the end of 2020 and is under investigation. During the year the Group Ethics Officer continued to devote time to encouraging the Group's stakeholders, such as contractors and suppliers, to follow the Code of Ethics so as to ensure its successful implementation. The latter has been recently reviewed and the new version will be issued and communicated to all stakeholders in the coming months.

The Board reviewed the terms of reference of the Committee in November 2020.

MEETING SCHEDULE

The Committee met twice in 2020 and the attendance of individual directors at meetings is detailed in the table on pages 84 and 85.

COMMITTEE FOCUS IN 2020

- Report of the Ethics Officer on its activities.
- Renewed the agreement with Transparency Mauritius for the whistle-blowing services.
- Dissemination of information on ethics within the Group.
- Review of the Code of Ethics.
- Action plan of the Ethics Officer for 2021.

Corporate governance report (cont'd)

REMUNERATION OF DIRECTORS AND REMUNERATION POLICY

DIRECTORS

All Board directors are remunerated according to a fixed fee, as well as an additional fee for each Board and committee meeting attended. The Chairman is remunerated in a similar manner, but at a higher rate. The Board's remuneration is recommended by the Corporate Governance Committee and is submitted to the Annual Meeting for approval. The Board approves the committee fees.

The remuneration received by directors from the Company varied according to the number of meetings held and attended in 2020 and the number of committees on which they sat. The non-executive directors do not receive any remuneration in the form of share options or in relation to the Company's or the Group's performance.

The individual remuneration received from the Company by the directors in office on 31 December 2020 is as follows:

Directors	2020 (MUR'000)	2019 (MUR'000)
Maurice de M. Enouf	745	779
Dominique de Froberville	709	689
Alexis Harel	686	778
Didier Harel	839	787
Henri Harel	546	527
Nicolas Maigrot	546	527
Pascal Raffray	546	254
Alain Rey (Chairman)	1,664	1,573
Nikhil Treebhoohun	853	676
Alain Vallet	546	527
Margaret Wong Ping Lun	1,068	960

EXECUTIVES

As regards executive directors, the remuneration policy, which is determined by the Corporate Governance Committee, aims at:

- Aligning executive remuneration with the Group's business objectives and shareholder value;
- Attracting, retaining and motivating high-calibre executives capable of achieving the Group's objectives;
- Motivating executives to achieve ambitious performance levels; and
- Recognising performance at both individual and corporate level.

The overall remuneration of executive directors includes a basic salary, pension and other benefits, as well as a variable annual performance bonus, in addition to the fixed and per meeting directors' fees. The variable performance bonus is in line with the above-mentioned policy objectives and is based on a percentage of the Group or relevant company's profit after tax, after deduction of any item of exceptional or non-operational nature, as well as on the achievement of agreed Key Result Areas.

The variable annual performance bonus represents a significant percentage of the total remuneration of the executive directors. This aims at better aligning the objectives set for these directors with those of the Group and provides an added incentive to respond to the challenges which the Group faces.

The Corporate Governance Committee has retained outside consultants to provide independent market information and advice relating to the regular review of executive performance and remuneration.

The executive directors do not receive any fees in their capacity of directors of subsidiaries. They may however receive a remuneration from the subsidiary which is their employer.

The remuneration and benefits received by the directors from the Company and its subsidiaries as at 31 December 2020 are disclosed in the Statutory Disclosures on page 112.

RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST

Related party transactions are disclosed in aggregate in Note 40 to the Financial Statements. During the year, there were no material transactions between Terra or any of its subsidiaries or associates and a director, chief executive, controlling shareholder or companies owned or controlled by a director, chief executive or controlling shareholder. Conflicts of interest, if any, have been properly declared by interested directors and were properly managed according to the Conflict of Interest policy of the Group.

SHARE OPTION PLAN

The Group has no share option plan.

MANAGEMENT AGREEMENTS

Except for the management contracts between Ivoirel Limitée and Sucrivoire, between Terrarock Ltd and The United Basalt Products Ltd, and the management agreement between Terragri Ltd and Beau Plan Campus Ltd, there are no management agreements with third parties to which Terra or a subsidiary is a party.

INTERNAL CONTROLS AND RISK MANAGEMENT

The Board has overall ultimate responsibility for the system of internal control and risk management. Details on the way the Board delivered its duties in that respect, with the help of the Audit and Risk Committee, are provided on pages 103 to 105 of this report.

HEALTH, SAFETY AND ENVIRONMENT

An overview of the Group's Health and Safety activities and of environmental performance is provided on pages 75 to 79 of this report.

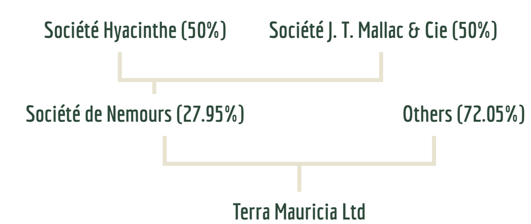
DONATIONS AND CORPORATE SOCIAL RESPONSIBILITY

Political and other donations made during the year are shown on page 113. Until further notice the Board has decided to maintain the current practice of disclosing in aggregate the political contributions.

The Group's policies and practices in relation to corporate social responsibility are detailed on pages 79 to 81.

HOLDING STRUCTURE

As at 31 December 2020, the holding structure of Terra Mauricia Ltd (Terra) was as follows:



GROUP STRUCTURE

The Group structure is provided on page **. The creation of new structures within the Group is generally discussed at the level of the Executive Committee (as defined on page 92) and the Strategy and Investment Committee, before being submitted to the relevant Board's approval. Information is exchanged within the Group through the Executive Committee, as well as the various management committees that have been set up for each cluster. The Group's risks are managed at the cluster level by each General Manager, each of whom has signed an acknowledgement in that respect. These risks are monitored at Group level by a Group Risk Management Committee through a risk management framework and a risk register, under the supervision of the Audit and Risk Committee.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2021, the following shareholders were directly or indirectly beneficially interested in 5% or more in the share capital of Terra:

Name	Direct	Indirect
Mallac Sim Armelle	0.69%	5.57%
Moulin Cassé Ltée	1.09%	9.52%
Société de Nemours	27.95%	-
Société Hyacinthe	-	13.98%
Société J.T. Mallac & Cie	1.09%	13.98%

It should be noted that Moulin Cassé Ltée holds its indirect interest through Société Hyacinthe, which is a member of Société de Nemours. Mrs Armelle Mallac Sim holds her indirect interests through Société J.T. Mallac & Cie and through Sociétés Adamal, Albamal, Amal and Aramal, which are members of Société J.T. Mallac & Cie and also hold shares directly in the Company. To date, no other entity or individual has reported an interest of 5% or more in the share capital of Terra.

COMMON DIRECTORS

As at 31 December 2020, the following directors were common to Terra and the Group's holding entities:

	DIRECTORS OF HOLDING ENTITIES		
Directors of the company	Société de Nemours	Société Hyacinthe	Société J.T. Mallac & Cie
Maurice de Marassé Enouf	x		x
Dominique de Froberville	x		x*
Alexis Harel	x	x	
Henri Harel	x	x	
Alain Rey	x*		
Alain Vallet	x	x*	

*: *Chairman*

While there is no formal meeting between the Board and the main shareholders of Terra other than the Annual Meeting, these common directors allow the Board to remain aware of the concerns of the major shareholders.

Corporate governance report (cont'd)

SHAREHOLDERS' AGREEMENT

Terra is not a party to any shareholders' agreement and, to the best of its knowledge, there is no shareholders' agreement between its direct shareholders.

DIVIDEND POLICY

The Board has no formal dividend policy. Having regard *inter alia* to Group performance, capital expenditure, debt servicing requirements and investment needs, as well as any uncertainties facing the Group, the Board nevertheless aims to distribute a yearly dividend that is considered sustainable in the medium to long-term, under normal circumstances.

SHAREHOLDERS' AND STAKEHOLDERS' RELATIONS AND COMMUNICATION

The Group understands the importance of communicating with its shareholders and ensures that they are kept informed on matters affecting Terra. An overview of the relationships with the main stakeholders is provided on pages 26 and 27. Communication is effected via the Annual Report, the Sustainability Report, circulars issued in compliance with the Listing Rules of the Stock Exchange of Mauritius, press announcements, the publication of Group unaudited quarterly and audited abridged financial statements, dividend declarations, Terra's website and social media, where visitors can leave questions or comments, and the Annual Meeting, to which all shareholders are invited.

Moreover, all directors are invited and encouraged, save for exceptional circumstances, to attend the Annual Meeting and to be available to answer shareholders' questions. In 2019, all directors attended the meeting while eight out of eleven directors attended the meeting in 2020. Since 2003, it has been the practice to allow for the postal vote of shareholders at the Annual Meeting of Harel Frères and subsequently of Terra.

The main institutional investors and investment managers are invited each year to attend a presentation on the published audited results and to put questions to Management. This exercise is well attended and welcomed by the investing community.

In addition to the institutional or official forums such as the Mauritius Chamber of Agriculture, Business Mauritius, the Mauritius Chamber of Commerce and Industry, the Mauritius Sugar Syndicate or the Mauritius Cane Industry Authority, through which the Group is able to engage with its stakeholders, there are regular contacts established with the local communities. Those contacts are made, either directly or via the local authorities, on a frequent or ad-hoc basis, to remain appraised of the concerns and expectations of the stakeholders.
There has been a number of social impact surveys conducted in the neighbouring regions, including in the context of the future Beau Plan Smart City, to help the Group engaging with the local *forces vives* and communities. Forums are also regularly organised by Terra Foundation with NGOs to assess their work, needs or expectations, and also to find ways of going beyond the strictly financial aspect of corporate social responsibility (CSR).

SHARE INFORMATION

Information relating to share distribution and Stock Exchange performance is set out on pages 106 to 109. Dates of important events are also noted.

Terra Services Ltd
Secretary
14 July 2021

Internal controls and risk management

Terra's success as an organisation depends on its ability to identify and manage risks that can prevent it from achieving its objectives, including both downside risks as well as upside risks related to opportunities generated by its business and the markets it operates in. While ultimate responsibility for risk management rests with the Board, the effective day-to-day management of risk is in the way Terra conducts its business and the culture of its team. Terra takes an embedded approach to risk management that puts risk assessment at the core of the leadership team agenda.

RISK MANAGEMENT FRAMEWORK

The Group's risk management framework (RMF) is the management structure and set of procedures by which the Group enacts its Risk Policy and ensures that the Board of Terra Mauricia Ltd is able to discharge its responsibility for the governance of risk for the Group in accordance with the Companies Act and the Code of Corporate Governance for Mauritius.

In 2020, the Board, through the Audit and Risk Committee, decided to review the RMF with the assistance of Ernst & Young (EY), following the departure of the Group Risk Champion. Following the review, a Group Risk Management Committee was set-up at managerial level to monitor the risk management of the Group's clusters.

The revised RMF illustrated below is designed to enable a continual process for identifying, evaluating, managing and reporting significant risks identified across the components of the Group.

ORGANISATION

BOARD OF DIRECTORS
↑
AUDIT AND RISK COMMITTEE
↑
GROUP RISK MANAGEMENT COMMITTEE
↑
CLUSTER RISK CHAMPION AND BU GENERAL MANAGERS

OUTCOMES

- Clear guidance on risk management methodology
- Greater Likelyhood of achieving business objectives
- Fewer sudden shocks and unwelcome surprises
- Reduction in Management time spent "firefighting"
- Achievement of competitive advantage
- Increased likelihood of change initiatives being achieved

ASSURANCE AND GUIDANCE

Internal audit

POLICY AND PROCEDURES

RISK POLICY

- Policy around risk management to drive consistent interpretation and management of risks throughout Terra Mauricia Ltd and its subsidiaries

RISK PROCEDURES

- Processes to identify risks, prioritise them, develop mitigating strategies and report to the Audit and Risk Committee
- Reporting tools and templates that underpin the monitoring and management of risks
- Processes to track progress in the implementation of remediation strategies; and
- Processes to measure and report on the effectiveness of these remediation strategies

LEGEND

Organisation
Policy and Procedures
Deliverables
Assurance and guidance

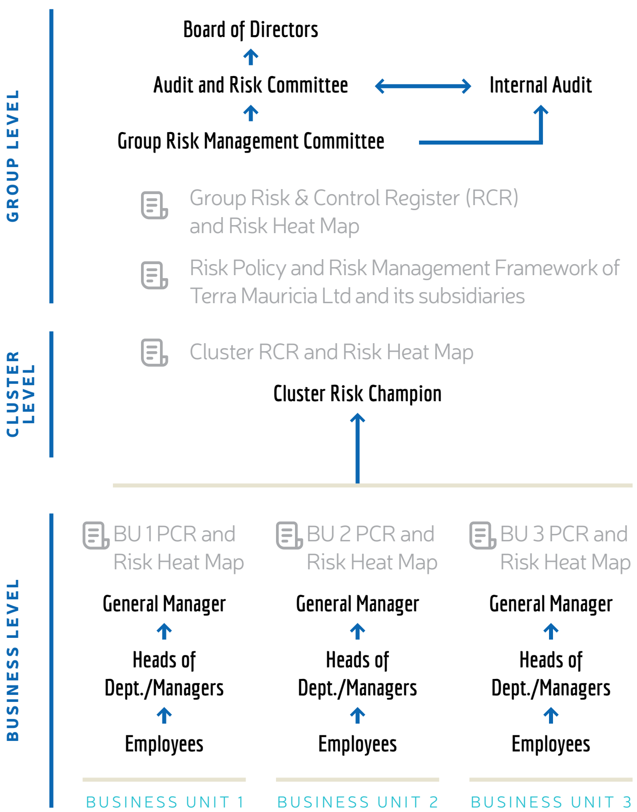
BU: Business Unit

The Board, advised by the Audit and Risk Committee where appropriate, reviews the significant risks when taking decisions that could have a material impact on Terra. The role and responsibilities of the Audit and Risk Committee regarding risk management include carrying out a robust assessment of the main risks facing Terra, including those that would threaten its business models, future performance, solvency and liquidity. The Committee also has the task of reviewing the Group's capability to identify and manage new types of risk and the effectiveness of internal controls and risk management. It also evaluates the level of risk that Terra is prepared to take in pursuit of the business strategy.

Internal controls and risk management (cont'd)

RISK MANAGEMENT ORGANISATION

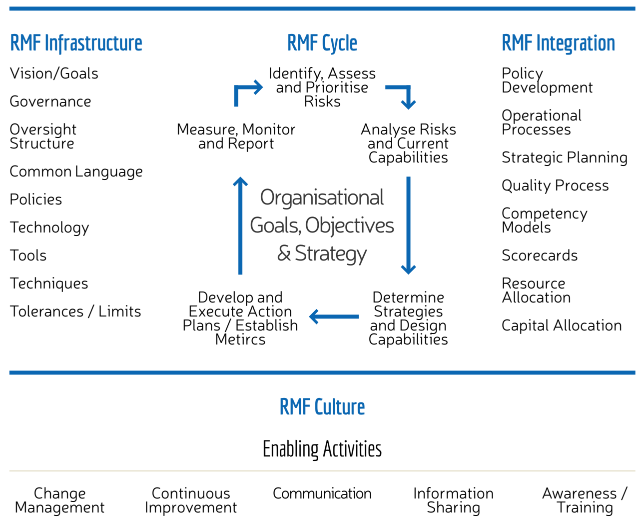
The governance structure and associated lines of communication that apply to the Group's RMF are illustrated below. There is a two-way relationship between the risk owners (employees) at business unit (BU) level and the Board of Directors (the Board) at Group level, whereby the guidance from the Board will be cascaded down to the risk owners through established lines of communication. Risk registers and risk heat maps are established at business unit level, consolidated at cluster level and elevated at Group level for reporting purposes to the Board. This model allows for a top-down and bottom-up approach to risk management to operate.



The above model is replicated across the clusters of the Group.

RISK MANAGEMENT CYCLES

The graphic below illustrates the risk management cycles including the main activities associated with risk management, the way risk management integrates with the core processes and activities of Terra Mauricia Ltd and its subsidiaries, the infrastructure that enables risk management (in terms of policies, guidance and tools) and the activities needed to establish and sustain a risk management culture.



REPORTING ON RISKS

Our risk reporting process involves risk classification into four main categories that take into account the external and internal environment of all the business units in the Group. It also includes environmental, social and governance related risks.

- Strategic – strategic risks are risks that arise from failure to achieve business strategy and objectives;
- Financial – financial risks include areas such as financial sustainability, financial resources, market, foreign exchange, liquidity and credit risk;
- Operational – operational risks are risks related to internal practices, processes and systems that are adequate to achieve the associated operational strategic plan. They include human capital, environment, stakeholder relations, technology, information system, data and cyber security, health and safety; and
- Legal and regulatory compliance.

Some 18 main risks were identified and validated by management for the Group, together with their mitigating measures and controls. These risks cannot be completely eliminated and controls and mitigating measures cannot provide absolute protection against factors such as unexpected events, errors or fraud.

INTERNAL CONTROLS AND AUDIT

To ensure the effectiveness of the Group's RMF, the Board and senior management rely on a number of line functions – including monitoring and assurance functions – within the organisation. Terra adopts the 'Three Lines of Defence' model as illustrated below:

FIRST LINE OF DEFENCE

Under the first line of defence, operational management has ownership, responsibility and accountability for directly assessing, controlling and mitigating risks.

SECOND LINE OF DEFENCE

The second line of defence consists of activities covered by several components of internal governance (compliance, risk management, quality, IT and other control departments). This line of defence monitors and facilitates the implementation of effective risk management practices by operational management and assists the risk owners in reporting adequate risk related information up and down the organisation.

THIRD LINE OF DEFENCE

Internal audit forms the organisation's third line of defence. The internal audit function of the Group is outsourced to EY, except in the case of Grays, which has its own in-house internal auditor, as well as Terrarock, which has retained the services of UHY & Co. The internal auditors have a direct reporting line to the Audit and Risk Committees and maintain an open and constructive communication channel with the executive management team. They also have direct access to the chairpersons of the Committees and the Board. This reporting structure allows the internal auditors to remain independent and to report all items of significance to the Board and the Audit and Risk Committees. As the internal audit function is outsourced, it is therefore not possible to list on the website the structure, organisation and qualifications of this function.

A risk-based methodology is applied, where the internal auditors first establish a preliminary understanding of the business, operations and key risks through discussion with the Audit and Risk Committees, directors and management, and review of the risk register to identify high risk areas. A three-year plan is then established and rolled out with internal audit visits conducted at the business units. Internal audit reports are communicated and discussed at the Audit and Risk Committees. Follow-up visits are conducted where significant high-risk issues have been reported in prior internal audit reports.

During 2020, EY performed four internal audit visits, which were in line with the audit plan approved by the Audit and Risk Committee. UHY & Co performed one visit at Terrarock Ltd, while Grays' internal auditor completed four new assignments and submitted one investigative and four follow-up reports. EY also performed a review at Grays on the implementation of Oracle/Fusion applications. Findings and observations were discussed with management at the respective business units; action plans to address internal control gaps were agreed and incorporated in the internal audit reports and reported to the Audit and Risk Committees.

We are continually reinforcing our risk management practices so that we move up the maturity curve for achieving a robust ERM system.

Margaret Wong Ping Lun
Chairperson of the Audit and Risk Committee
14 July 2021

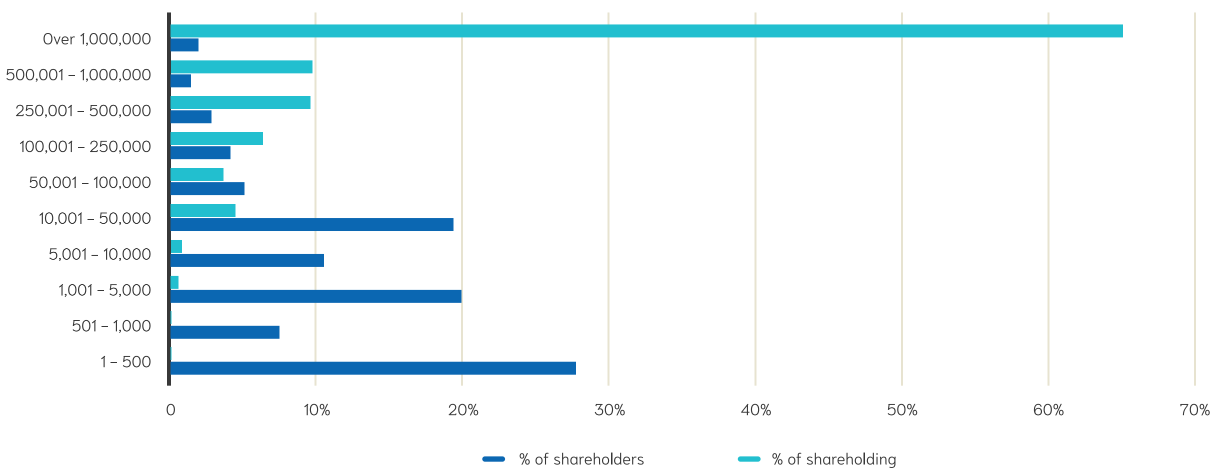
Share analysis and Stock Exchange performance

DISTRIBUTION OF SHAREHOLDERS OF TERRA MAURICIA LTD AT 31 DECEMBER 2020

RANGE OF SHAREHOLDING

Range of Shareholders	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 - 500	627	28.34%	100,465	0.04%
501 - 1,000	169	7.64%	146,916	0.07%
1,001 - 5,000	430	19.44%	1,174,140	0.52%
5,001 - 10,000	213	9.63%	1,563,855	0.69%
10,001 - 50,000	417	18.85%	9,795,184	4.30%
50,001 - 100,000	119	5.38%	8,649,871	3.80%
100,001 - 250,000	105	4.75%	16,593,639	7.29%
250,001 - 500,000	61	2.76%	21,696,351	9.54%
500,001 - 1,000,000	31	1.40%	22,235,023	9.77%
Over 1,000,000	40	1.81%	145,590,180	63.98%
Total	**2,212**	**100%**	**227,545,624**	**100%**

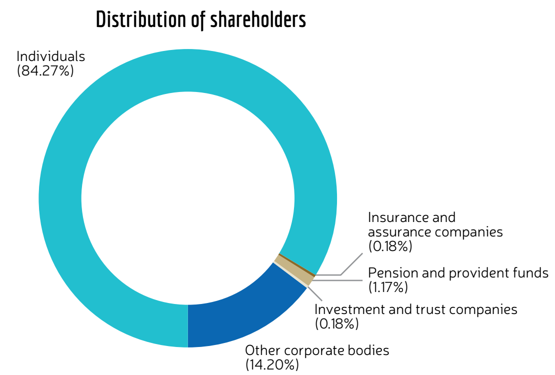
RELATIVE COMPARISON BETWEEN RANGE OF SHAREHOLDERS AND SHAREHOLDING

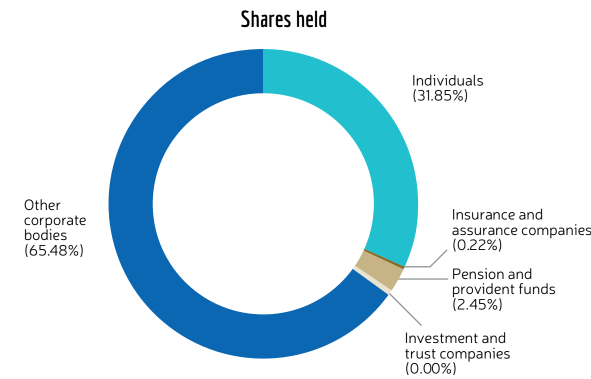


SHAREHOLDER SPREAD

To the best knowledge of the directors, the spread of shareholders at 31 December 2020 was as follows:

	SHAREHOLDERS		SHARES HELD	
	Number	%	Number	%
Individuals	1,864	84.27	72,480,251	31.85
Insurance and assurance companies	4	0.18	494,858	0.22
Pension and provident funds	26	1.17	5,576,633	2.45
Investment and trust companies	4	0.18	7,839	0.00
Other corporate bodies	314	14.20	148,986,043	65.48
Total	**2,212**	**100%**	**227,545,624**	**100%**

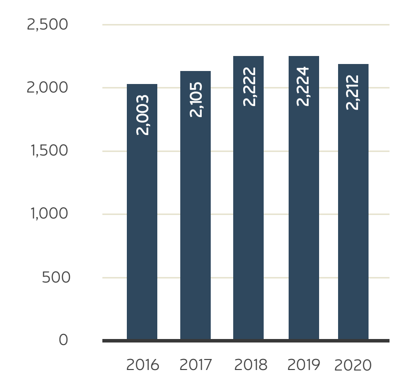




NUMBER OF SHAREHOLDERS

Year	Number of shareholders as at 31 December
2016	2,003
2017	2,105
2018	2,222
2019	2,224
2020	2,212

The number of shareholders of Terra was 2,246 as at 30 June 2021.

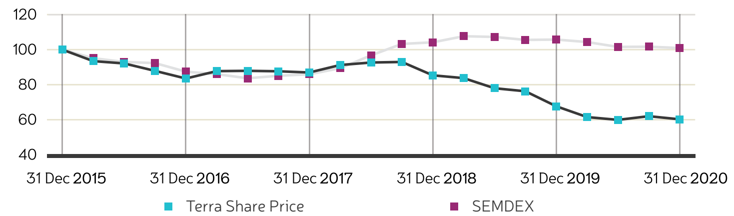


Share analysis and Stock Exchange performance (cont'd)

STOCK EXCHANGE PERFORMANCE

Terra witnessed a fall of 1.0% (2019: -9.1%) in its share price to close at MUR 19.80 at the end of December 2020, and the price swung between MUR 16.50 and MUR 21.00 during the course of the year under review. Total volume traded on the Stock Exchange stood at 5.2 million shares (8.2 million in 2019) for a share turnover ratio of 2.31% (Market average: 3.41%). Total value traded amounted to MUR 101.5 million (Volume Weighted Average Price: MUR 19.33). Foreigners were net sellers to the tune of MUR 13.2 million (2019: MUR 4.4 million).

Relative Quarterly Movement of SEMDEX and Terra Share Price



SEMDEX (Points)	2016	2017	2018	2019	2020
Year End Closing	1,808.37	2,202.14	2,220.76	2,177.09	1,648.39
Share price (MUR)					
Year End Closing Price	30.00	27.95	22.00	20.00	19.80
High	32.05	33.80	29.40	23.20	21.00
Low	28.50	27.95	21.05	19.50	16.50

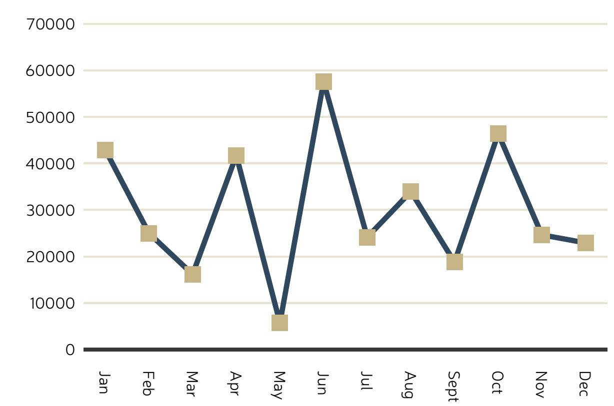
The Terra share price was MUR 24.50 on 14 July 2021.

Yields					
Earnings Yield %	3.2	1.36	2.41	5.8	-*
Dividend Yield %	2.83	3.04	3.86	4.25	2.88
Price earnings ratio	31.25	73.55	41.51	17.24	-*

*: For the year ended 31 December 2020, Terra Mauricia Ltd recorded a loss per share.

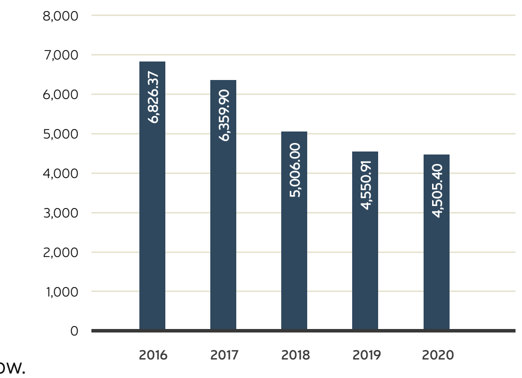
AVERAGE VOLUME TRADED MONTHLY ON THE STOCK EXCHANGE IN 2020

Month	Volume	Month	Volume	Month	Volume
Jan	42,034	Feb	25,800	Mar	17,775
Apr	41,398	May	5,785	Jun	59,104
July	24,315	Aug	33,022	Sept	19,860
Oct	47,652	Nov	24,596	Dec	23,065



MARKET CAPITALISATION

Year	MUR'M	EUR*	USD*
2016	6,826.37	139.16	171.28
2017	6,359.90	129.65	159.58
2018	5,006.00	102.05	125.61
2019	4,550.91	92.78	114.19
2020	4,505.40	91.85	113.04



*: The exchange rates used are those for the year 2020 as displayed below.

The market capitalisation of Terra on 14 July 2021 was MUR 5,574.96 million.

MAIN EXCHANGE RATES TO THE RUPEE

CONSOLIDATED INDICATIVE SELLING RATES

(Source: Bank of Mauritius on http://bom.intnet.mu)

Currency	31 December 2019	31 December 2020
Euro	41.2681	49.0541
US Dollar	36.8279	39.8550
GB Pound	48.2965	54.3643
SA Rand	2.6570	2.7729

SHAREHOLDERS' CALENDAR AND RELATIONS

Event	Period
Financial year-end	31 December
Publication of yearly group abridged financial statements (audited)	Late March
Group audited annual financial statements available	Late March
Quarterly financial report - Q1 (unaudited)	Mid May
Annual Report issued	Mid June
Annual Meeting of shareholders	Late June
Quarterly financial report - Q2 (unaudited)	Mid August
Quarterly financial report - Q3 (unaudited)	Mid November
Dividend - Declaration	Late November
- Payment	Late December

This calendar has been disturbed this year again by the Covid-19 pandemic.
Website: www.terra.co.mu
For more details on shareholders' relations and communication please refer to page 102.

Secretary's certificate

(PURSUANT TO SECTION 166(D) OF THE COMPANIES ACT 2001)

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

Terra Services Ltd
Secretary
14 July 2021

Statement of compliance

(PURSUANT TO SECTION 75(3) OF THE FINANCIAL REPORTING ACT)

Name of Public Interest Entity: TERRA Mauricia Ltd (The Company)
Reporting period: 1 January to 31 December 2020
We, the directors of TERRA Mauricia Ltd, confirm that, to the best of our knowledge, the Company has complied with all of its obligations and requirements under the Code of Corporate Governance.

Alain Rey
Chairman
14 July 2021

Nicolas Maigrot
Managing Director

Statement of Directors' responsibilities

IN RESPECT OF CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Directors acknowledge their responsibilities for:
i. adequate accounting records and maintenance of effective internal control systems;
ii. the preparation of consolidated and separate financial statements which fairly present the state of affairs of the Company as at the end of the financial year and the results of its operations and cash flows for that period and which comply with the International Financial Reporting Standards (IFRS), the Companies Act and the Financial Reporting Act;
iii. the selection of appropriate accounting policies supported by reasonable and prudent judgements and estimates.

On 11 March 2020, the World Health Organisation declared the Covid-19 outbreak to be a pandemic. The situation remains uncertain with various cities and countries around the world responding in different ways to address the outbreak. There have been significant direct and indirect impacts on companies across multiple industries and the world. The Group and the Company will continue to monitor the impact Covid-19 has on them and reflect the consequences as appropriate in their accounting and reporting. The directors have made an assessment of the Group's and the Company's ability to continue as going concerns, taking into account all available information about the future including the analysis of the possible impacts in relation to Covid-19, which is at least, but is not limited to, twelve months from the end of the reporting period and from the date of signature of these consolidated and separate financial statements. Based on information on hand, there is no reason to believe that the Group and the Company will not qualify as going concerns in the year ahead.

The external auditors are responsible for reporting on whether the financial statements are fairly presented. The report of the external auditors on the financial statements is on pages 116 to 122.

The Directors report that:
i. adequate accounting records and an effective system of internal controls and risk management have been maintained;
ii. appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;
iii. IFRS, the Companies Act and the Financial Reporting Act have been adhered to. Any departure in the interest of fair presentation has been disclosed, explained and quantified;
iv. the Code of Corporate Governance has been adhered to. Reasons have been provided where there has been non-compliance; and
v. The full Annual Report is published on the Company's website.

Signed on behalf of the Board of Directors by

Alain Rey
Chairman
14 July 2021

Nicolas Maigrot
Managing Director

Statistical disclosures

(PURSUANT TO SECTION 121 OF THE COMPANIES ACT 2001 AND THE SECURITIES ACT 2005)

DIRECTORS

NAMES

The names of the directors of Terra Mauricia Ltd at 31 December 2020 are given on pages 84 and 85 of this report. In addition, a list of directors of subsidiary companies at the same date appears on page 240.

SERVICE CONTRACTS

Three executive directors, namely Messrs Nicolas Maigrot, Alexis Harel and Henri Harel have at present service contracts without expiry dates with group companies. Other than for the above-mentioned executive directors, none of the directors proposed for election or re-election at the forthcoming Annual Meeting of shareholders have service contracts with the Company or the Group.

REMUNERATION AND BENEFITS

	THE COMPANY		SUBSIDIARIES	
Emoluments paid by the Company and its subsidiaries to:	2020 (MUR'M)	2019 (MUR'M)	2020 (MUR'M)	2019 (MUR'M)
Directors of Terra Mauricia Ltd:				
Executive				
Full-time	**1.2**	1.1	**28.6**	28.0
Part-time	**0.7**	0.8	**9.3**	8.6
Non-executive	**7.9**	6.2	**0.7**	0.7
	9.8	8.1	**38.6**	37.3

Directors of subsidiary companies (other than those of Terra Mauricia Ltd):	2020 (MUR'M)	2019 (MUR'M)
10 Executive (13 in 2018)		
Full-time	**58.2**	60.2
19 Non-executive (19 in 2018)	**0.5**	0.6
	58.7	60.8

CONTRACTS OF SIGNIFICANCE

During the year under review, there were no contracts of significance to which Terra Mauricia Ltd, or one of its subsidiaries, was a party and in which a director of Terra Mauricia Ltd was personally and materially interested, either directly or indirectly.

AUDITORS' REMUNERATION

	THE GROUP		THE COMPANY	
Audit fees paid to:	2020 (MUR'M)	2019 (MUR'M)	2020 (MUR'M)	2019 (MUR'M)
BDO & Co	**5.4**	-	**1.5**	-
KPMG	**-**	5.6	**-**	1.5

BDO & Co received MUR 0.6 million in relation to non-audit services provided during the year (2019: KPMG received MUR 0.5 million).

DONATIONS

	THE GROUP	
	2020 (MUR'M)	2019 (MUR'M)
Contributions towards Corporate Social Responsibility	**7.1**	7.9
Amount distributed by Terra Foundation *Number of projects funded: 34 (2018: 33)*	**2.9**	2.4
Other donations	**1.8**	0.5
Political	**-**	4.0

SENIOR OFFICERS' INTERESTS

The Group's senior officers' interests in the Company as declared under the Securities Act 2005 as at 31 December 2020 were as follows:

	ORDINARY SHARES							
	DIRECT				INDIRECT			
Senior officers of the company	**Beneficial**	**%**	**Non-Beneficial**	**%**	**Beneficial**	**%**	**Non-Beneficial**	**%**
Dominique de Froberville	-	-	-	-	266	0.00%	-	-
Alexis Harel	30,133	0.01%	-	-	74,083	0.03%	-	-
Henri Harel	413,666	0.18%	-	-	436,310	0.19%	4,541,285	2.00%
Alain Vallet	336,390	0.15%	-	-	227,143	0.10%	-	-
Jean Marc Jauffret	4,000	0.00%	-	-	-	-	-	-
Sébastien Mamet	300	0.00%	-	-	-	-	-	-
Bernard Desvaux de Marigny	1,925	0.00%	-	-	-	-	-	-
Christopher Park	3,000	0.00%	-	-	-	-	-	-
Other insiders								
Olivier Prod'hon	800	0.00%	-	-	-	-	-	-
Anna Mallac-Sim	-	-	-	-	1,500,087	0.66%	2,064,007	0.91%
Patrick Raffray	133	0.00%	-	-	-	-	-	-
Total	790,347	0.35%	-	-	2,237,889	0.98%	6,605,292	2.90%
Total issued shares	227,545,624							

The above-mentioned senior officers have not declared any interest in the subsidiaries.

Financial Statements

Independent Auditor's Report

TO THE MEMBERS OF TERRA MAURICIA LTD

Report on the Audit of the Consolidated and Separate Financial Statements

Qualified Opinion

We have audited the consolidated and separate financial statements of TERRA Mauricia Ltd and its subsidiaries (the Group and Company), on pages 124 to 237, which comprise the consolidated and separate statements of financial position at December 31, 2020, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and the notes to consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, the consolidated and separate financial statements give a true and fair view of the financial position of the Group and the Company as at December 31, 2020, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001 and Financial Reporting Act.

Basis for Qualified Opinion

Consolidated financial statements

As disclosed in note 9 - Investment in Associates and note 37 - Associates, the Group has an associate, Sucrivoire S.A. ("the Associate"), whose operations are in Côte d'Ivoire. The Associate is accounted for using the equity method. For the year ended December 31, 2020, the share of the net assets of the Associate was MUR 861.4 Million (representing 27.9% of total Investment in Associates and 4.1% of Total Assets), and the share of profit from this Associate was MUR 46.4 Million.

Due to a lack of supporting evidence, we were unable to obtain sufficient appropriate audit evidence regarding the financial information of the Associate.

This matter was similarly qualified for the year ended December 31, 2019. For this reason, our opinion for the current year financial statements is also modified as a result of the possible effects of this matter on the comparability of the current period's figures and the corresponding figures.

In addition, as disclosed in note 44 - Prior Period Adjustments - the reported prior year share of the net assets and share of profits were restated. We were unable to obtain sufficient audit evidence on the adjustment of the share of net assets of the Associate, for the same reasons set out above.

Separate financial statements

In the separate financial statements, investment in subsidiaries are carried at fair value. As disclosed in note 8 - Investment in Subsidiaries and note 36 - Subsidiaries, the investment in Ivoirel Limitée (a subsidiary having Sucrivoire S.A. as an associate), has a carrying value of MUR 452.3 Milllion (representing 3.4% of total Investment in Subsidiaries and 3.1% of total assets) recorded at fair value in the statement of financial position with a decrease in fair value of the investment of MUR 129.2 Million, recorded in the statement of other comprehensive income from MUR 581.5 Million to MUR 452.3 Million.

The investment in Ivoirel Limitée has been classified as a level 3 investment in the fair value hierarchy, as management has used discounted cash flow techniques to arrive at the fair value of Ivoirel Limitée, which is based on unobservable inputs which include discount rates, management's cash flow forecasts and growth rates. Although the Company has prepared a discounted cash flow, we were unable to obtain sufficient and appropriate audit evidence over the reasonableness of the unobservable inputs in the discounted cash flow models used to determine the fair value. It was also impracticable to perform alternative audit procedures over the fair value as the required information was not made available to us.

This matter was similarly qualified for the year ended December 31, 2019. For this reason, our opinion for the current year financial statements is also modified as a result of the possible effects of this matter on the comparability of the current period's figures and the corresponding figures.

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

Separate financial statements *(Cont'd)*

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of 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. In addition to the matters described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Valuation of land and buildings (applicable to the consolidated financial statements)

Refer to the significant accounting policies note 2.2 and note 4.1 and 5 to the financial statements

KEY AUDIT MATTER	AUDIT RESPONSE
The Group carries its land and building at revalued amount under the revaluation model in terms of IAS 16 Property, plant and equipment. Land and building, which consists mainly of agricultural land and is included under property, plant and equipment, with a combined carrying value of MUR'M 9,249.4, as at December 31, 2020. Land and building are revalued every 3 years, unless there is evidence that the fair value of an asset differs materially from the carrying amount. The fair value of land and buildings is determined by an independent external valuer. The last valuation was carried out at December 31, 2019. The valuation process involves significant judgement in determining the valuation methodology to be used and in estimating the underlying assumptions to be applied. The recent valuation was based on recent market transaction on arm's length terms for similar properties determined based on market comparable approach or on depreciated replacement cost when appropriate market value cannot be established. This matter was considered to be one of most significance in the audit of the Group financial statements due to the material balance of land and buildings in the Group's financial statements and significant judgements and estimates involved in arriving at their fair values.	Our audit procedures in respect of this key audit matter included, amongst other: - Assessing the design and implementation of the key controls relating to the valuation of land and buildings. -Confirming the independence of management's expert (the external valuer) including their experience and qualifications. - Obtaining the valuation reports prepared by the external valuer and assessing for reasonability by assessing key assumptions used and comparing with available market data. - Testing the mathematical accuracy of the underlying conditions used in the valuation models. -Ensuring that the measurement basis for the valuation and valuation methods used were in accordance with International Financial Reporting Standards. - Satisfying ourselves that the techniques used in the open market value models by the external valuers are appropriate in the circumstances and have been applied consistently. - Making enquiries with management with regards to the input to the valuation and requested management representation. - Comparing the actual sales of land realised during the year with valuation report to confirm that there is no major difference in the value. -Reviewing the completeness and adequacy of the disclosure in the financial statements for compliance with International Financial Reporting Standards, including disclosure on significant inputs and sensitivity analysis.

Independent Auditor's Report

TO THE MEMBERS OF TERRA MAURICIA LTD (CONT'D)

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

Key Audit Matters (Cont'd)

Impairment of cash generating units (CGU's) and non-financial assets (bearer plants and land conversion rights) (applicable to the consolidated financial statements)
Refer to the significant accounting policies note 2.17 and note 4.1, 5, 7 and 28 to the financial statements

KEY AUDIT MATTER	AUDIT RESPONSE
In line with IAS 36 Impairment of Assets requirements, an annual impairment assessment should be undertaken for goodwill and intangible assets with an indefinite useful life. In addition, an impairment assessment should be performed when there is any indicator of impairment on other non-financial assets. At December 31, 2020, an impairment assessment had been performed for the following: *Cash generating units (CGU's)* - Milling operations (Terra Milling Ltd) - Growing operations (Agricultural cluster of Terragri Ltd) *Non-financial assets* - Land conversion rights (LCR's) (included in the intangible assets and goodwill note 7) In addition, an indicator of impairment had been identified for the following: - Bearer plants (included in the Property, plant and equipment note 5) An impairment assessment has been carried out whereby the recoverable amount of the nonfinancial assets has been compared with their carrying amounts. The recoverable amount being the higher of the value in use and fair value less costs to sell. The determination of the recoverable amounts involves a high level of judgement and estimation, particularly when Discounted Cash Flow valuations are applied in estimating the recoverable amount.	Our audit procedures in respect of this key audit matter included, amongst other: -Evaluating the design and implementation of the relevant controls relating to the impairment assessment of CGUs and non-financial assets. - Evaluating management's impairment assessment to determine whether indicators of impairment exist based on our knowledge of the Group and current market information. -Evaluating the completeness and adequacy of the financial statement disclosures in accordance with the requirements of IFRS 13 Fair Value Measurement and IAS 36 Impairment of Assets. *Milling operations (Terra Milling Ltd), Growing operations (Agricultural cluster of Terragri Ltd) and bearer plants.* Obtain the impairment assessment and discuss the reasonableness of assumptions used with management to obtain a better understanding of the value in use calculations. - Inspecting management's cash flow forecasts and evaluated the appropriateness of the key assumptions used (price of raw/special sugar, discount rates and growth rates) in order to evaluate the reasonableness of forecasts where Discounted Cash Flow valuations have been applied to calculate the recoverable amount. This involved: · Testing the mathematical accuracy of the value in use/discounted cash flow calculations. · Benchmarking key assumptions with available market data, agreeing inputs used to generate the revenue forecast to underlying information or other available industry data. · Comparing current year's revenue with forecast revenue to assess reasonableness of forecasts. · Agreeing the inputs used to calculate the discount rate to market available data, taking into account the continuing impact of COVID-19.

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

Key Audit Matters (Cont'd)

Impairment of cash generating units (CGU's) and non-financial assets (bearer plants and land conversion rights) (applicable to the consolidated financial statements) (Cont'd)
Refer to the significant accounting policies note 2.17 and note 4.1, 5, 7 and 28 to the financial statements

KEY AUDIT MATTER	AUDIT RESPONSE
An impairment is recognised should the recoverable revenue to assess reasonableness of forecasts. amount of the asset or CGU be less than its carrying amount. The impairment loss is recognised in profit or loss, unless the relevant asset is carried at revalued amount, in which case the impairment loss is treated as a revaluation decrease in other comprehensive income. This matter was considered to be one of most significance in the audit of the Group financial statements, due to the significant level of judgement and level of estimation exercised by management in the impairment assessment process.	*Land Conversion Right (LCRs)* - Evaluating the competence and independence of the external valuer and the appropriateness of the valuation methodology used. - Obtaining the valuation reports prepared by the external valuer and assessing for reasonability by assessing assumptions used and comparing with available market data. - Satisfying ourselves that the techniques used in the sales comparison approach by the valuers, are appropriate in the circumstances and have been applied consistently.

Other matter relating to comparative information

The consolidated and the separate financial statements of TERRA Mauricia Ltd for the year ended December 31, 2019, were audited by another firm of auditors who expressed a qualified opinion on those statements on July 29, 2020.

We were not engaged to audit, review, or apply any procedures to the consolidated and separate financial statements for the year ended December 31, 2019. Accordingly, we do not express an opinion or any other form of assurance on those respective financial statements taken as a whole.

Other Information

The Directors are responsible for the other information. The other information comprises mainly of information contained in the Annual Report, including the Corporate Governance Report, Statement of Compliance, Statement of Directors' Responsibilities and Statutory Disclosures, but does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express 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 consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, we were unable to obtain sufficient appropriate evidence about the financial informaiton of an investment in associate and a subsidiary. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Independent Auditor's Report

TO THE MEMBERS OF TERRA MAURICIA LTD (CONT'D)

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

Other Information (Cont'd)

Corporate Governance Report

Our responsibility under the Financial Reporting Act is to report on the compliance with the Code of Corporate Governance 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 public interest entity has, pursuant to section 75 of the Financial Reporting Act, complied with the requirements of the Code.

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

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and or 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.

Auditors' 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 auditors' 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Company's internal control.

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

Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements (Cont'd)

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

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and 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 auditors' 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 auditors' 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.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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 those charged with governance, 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.

Independent Auditor's Report

TO THE MEMBERS OF TERRA MAURICIA LTD (CONT'D)

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

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with or interests in the Group and the Company other than in our capacity as auditors and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

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

Other matters

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

Port Louis,
Mauritius

BDO & CO
Chartered Accountants

July 14, 2021

Ameenah Ramdin, FCCA, ACA
Licensed by FRC

Consolidated and Separate Statements of Financial Position

DECEMBER 31, 2020

	Notes	THE GROUP 2020	THE GROUP (Restated) 2019	THE COMPANY 2020	THE COMPANY 2019
ASSETS		**MUR'M**	MUR'M	**MUR'M**	MUR'M
Non-current assets					
Property, plant and equipment	5	**11,312.3**	11,559.4	**-**	-
Right-of-use assets	5A	**37.5**	42.9	**-**	-
Investment properties	6	**1,755.8**	1,025.6	**-**	-
Intangible assets and goodwill	7	**196.1**	218.6	**-**	-
Investments in subsidiaries	8	**-**	-	**13,415.9**	13,072.3
Investments in associates	9	**3,089.9**	3,053.8	**108.2**	226.7
Financial assets at fair value through other comprehensive income	10	**557.2**	502.1	**576.6**	517.8
Other financial assets at amortised cost	11	**5.9**	15.6	**1.0**	9.1
Lease receivables	5B	**44.6**	42.4	**-**	-
Deferred tax assets	13	**253.2**	204.2	**-**	-
		17,252.5	16,664.6	**14,101.7**	13,825.9
Current assets					
Inventories	14	**1,231.3**	1,082.1	**-**	-
Consumable biological assets	15	**172.6**	137.2	**-**	-
Trade and other receivables	16	**1,332.4**	1,719.7	**278.4**	221.0
Other financial assets at amortised cost	11	**56.6**	30.0	**-**	-
Lease receivables	5B	**2.3**	2.1	**-**	-
Current tax assets	25(a)	**-**	0.4	**-**	0.4
Cash in hand and at bank	34(b)	**437.3**	491.5	**19.1**	12.2
		3,232.5	3,463.0	**297.5**	233.6
Non-current assets classified as held for sale	17	**291.5**	580.7	**331.3**	580.7
Total assets		**20,776.5**	20,708.3	**14,730.5**	14,640.2

	Notes	THE GROUP 2020	THE GROUP (Restated) 2019	THE COMPANY 2020	THE COMPANY 2019
EQUITY AND LIABILITIES		**MUR'M**	MUR'M	**MUR'M**	MUR'M
Capital and reserves					
Stated capital	18	**11,976.0**	11,976.0	**11,976.0**	11,976.0
Revaluation and other reserves	19	**1,307.8**	1,480.7	**168.1**	228.4
Retained earnings		**309.7**	707.6	**1,547.0**	1,545.2
Owners' interest of the Company		**13,593.5**	14,164.3	**13,691.1**	13,749.6
Non-controlling interests		**975.4**	1,019.9	**-**	-
Total equity		**14,568.9**	15,184.2	**13,691.1**	13,749.6
Non-current liabilities					
Borrowings	20	**2,644.6**	173.1	**851.6**	-
Lease liabilities	21	**29.5**	26.0	**-**	-
Deferred tax liabilities	13	**256.9**	269.1	**-**	-
Retirement benefit obligations	22	**865.1**	641.6	**-**	-
		3,796.1	1,109.8	**851.6**	-
Current liabilities					
Trade and other payables	23	**1,024.6**	902.9	**48.6**	30.3
Contract liabilities	26(c)	**73.4**	69.7	**-**	-
Current tax liabilities	25(a)	**26.0**	37.7	**0.5**	-
Provisions	24	**25.0**	26.0	**-**	-
Borrowings	20	**1,258.6**	3,363.7	**138.7**	860.3
Lease liabilities	21	**3.9**	14.3	**-**	-
		2,411.5	4,414.3	**187.8**	890.6
Total liabilities		**6,207.6**	5,524.1	**1,039.4**	890.6
Total equity and liabilities		**20,776.5**	20,708.3	**14,730.5**	14,640.2

These financial statements have been approved and authorised for issue by the Board of Directors on July 14, 2021.

Nicolas Maigrot
Managing Director

Margaret Wong Ping Lun
Director

The notes on pages 132 to 237 form an integral part of these consolidated and separate financial statements.
Auditors' report on pages 116 to 122.

Consolidated and Separate Statements of Profit or Loss

YEAR ENDED DECEMBER 31, 2020

	Notes	THE GROUP 2020	THE GROUP (Restated) 2019	THE COMPANY 2020	THE COMPANY 2019
		MUR'M	MUR'M	**MUR'M**	MUR'M
Revenue	26	**4,752.2**	5,047.3	**185.9**	234.3
Cost of sales	30	**(3,640.4)**	(3,843.5)	**-**	-
Gross profit		**1,111.8**	1,203.8	**185.9**	234.3
Gains arising from changes in fair value of consumable biological assets	15	**32.5**	84.3	**-**	-
Fair value (loss)/gain on non-current assets classified as held for sale	17	**(314.0)**	77.1	**-**	-
Other income	27	**152.9**	396.6	**6.9**	4.0
Impairment loss on financial assets	28	**(64.2)**	(43.4)	**(9.2)**	-
Impairment of non-financial assets	28	**(22.3)**	(122.6)	**-**	-
Administrative expenses	30	**(594.2)**	(665.6)	**(17.7)**	(22.9)
Distribution costs	30	**(131.2)**	(142.3)	**-**	-
Other expenses	30	**(265.1)**	(272.9)	**-**	-
(Loss)/profit before finance costs	29	**(93.8)**	515.0	**165.9**	215.4
Finance income		**11.3**	4.8	**0.1**	-
Finance costs		**(173.0)**	(122.8)	**(33.2)**	(36.2)
Net finance costs	31	**(161.7)**	(118.0)	**(33.1)**	(36.2)
(Loss)/profit after finance costs		**(255.5)**	397.0	**132.8**	179.2
Share of results of associates	9	**249.2**	236.8	**-**	-
Impairment of associates	9	**(181.8)**	(120.1)	**-**	-
(Loss)/profit before taxation		**(188.1)**	513.7	**132.8**	179.2
Taxation	25(b)	**(22.3)**	(67.1)	**(1.3)**	(0.5)
(Loss)/profit for the year		**(210.4)**	446.6	**131.5**	178.7
(Loss)/profit attributable to:					
Owners of the Company		**(268.9)**	328.7	**131.5**	178.7
Non-controlling interests		**58.5**	117.9	**-**	-
		(210.4)	446.6	**131.5**	178.7
Basic and diluted (loss)/earnings per share (MUR):	32	**(1.18)**	1.44	**0.58**	0.79

The notes on pages 132 to 237 form an integral part of these consolidated and separate financial statements.
Auditors' report on pages 116 to 122.

Consolidated and Separate Statements of Profit or Loss and other Comprehensive Income

YEAR ENDED DECEMBER 31, 2020

	Notes	THE GROUP 2020	THE GROUP (Restated) 2019	THE COMPANY 2020	THE COMPANY 2019
		MUR'M	MUR'M	**MUR'M**	MUR'M
(Loss)/profit for the year		**(210.4)**	446.6	**131.5**	178.7
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Revaluation adjustments of land and buildings	5(a)	**-**	1,597.2	**-**	-
Impairment of land	5(a)	**-**	(427.9)	**-**	-
Deferred tax on revaluation of buildings	13(c)	**-**	(36.3)	**-**	-
Remeasurements of post employment benefit obligations	22	**(229.8)**	(91.1)	**-**	-
Deferred tax on remeasurements of post employment benefit obligations	13(c)	**34.1**	15.5	**-**	-
Changes in fair value of equity instruments at fair value through other comprehensive income		**(37.1)**	(118.5)	**(60.3)**	(678.7)
Gain on disposal of financial assets at fair value through other comprehensive income		**-**	2.0	**-**	2.0
Items that may be reclassified subsequently to profit or loss:					
Share of other comprehensive income of associates	9(a)(ii)	**(100.9)**	101.1	**-**	-
Translation reserve movement		**142.1**	40.2	**-**	-
Other comprehensive income for the year		**(191.6)**	1,082.2	**(60.3)**	(676.7)
Total comprehensive income for the year		**(402.0)**	1,528.8	**71.2**	(498.0)
Total comprehensive income attributable to:					
Owners of the Company		**(434.5)**	1,374.7	**71.2**	(498.0)
Non-controlling interests		**32.5**	154.1	**-**	-
		(402.0)	1,528.8	**71.2**	(498.0)

The notes on pages 132 to 237 form an integral part of these consolidated and separate financial statements.
Auditors' report on pages 116 to 122.

Consolidated and Separate Statements of Changes in Equity

YEAR ENDED DECEMBER 31, 2020

THE GROUP	Notes	Share Capital	Revaluation and Other Reserves	Retained Earnings	Total	Non-Controlling Interests	Total Equity
		Attributable to owners of the Company					
		MUR'M	MUR'M	MUR'M	**MUR'M**	MUR'M	**MUR'M**
At January 1, 2020							
- As previously reported		**11,976.0**	**1,416.0**	**641.7**	**14,033.7**	**1,019.9**	**15,053.6**
- Effect of prior year adjustments	44	**-**	**64.7**	**65.9**	**130.6**	**-**	**130.6**
- As restated		**11,976.0**	**1,480.7**	**707.6**	**14,164.3**	**1,019.9**	**15,184.2**
Loss for the year		**-**	**-**	**(268.9)**	**(268.9)**	**58.5**	**(210.4)**
Other comprehensive income for the year		**-**	**(165.6)**	**-**	**(165.6)**	**(26.0)**	**(191.6)**
Release on disposal of land		**-**	**(15.0)**	**15.0**	**-**	**-**	**-**
Changes in ownership interest in subsidiaries that do not result in a loss of control		**-**	**-**	**(1.4)**	**(1.4)**	**(0.2)**	**(1.6)**
Other movements		**-**	**7.7**	**(12.9)**	**(5.2)**	**-**	**(5.2)**
Dividends	33	**-**	**-**	**(129.7)**	**(129.7)**	**(76.8)**	**(206.5)**
Balance at December 31, 2020		**11,976.0**	**1,307.8**	**309.7**	**13,593.5**	**975.4**	**14,568.9**
At January 1, 2019		11,976.0	427.4	605.3	13,008.7	983.5	13,992.2
Profit for the year-restated		-	-	328.7	328.7	117.9	446.6
Other comprehensive income for the year		-	1,046.0	-	1,046.0	36.2	1,082.2
Transfer of accumulated fair value losses upon disposal of equity investments at fair value through other comprehensive income		-	7.5	(7.5)	-	-	-
Release on disposal of land		-	(2.3)	2.3	-	-	-
Other movements		-	2.1	(27.8)	(25.7)	(2.4)	(28.1)
Dividends	33	-	-	(193.4)	(193.4)	(115.3)	(308.7)
Balance at December 31, 2019		11,976.0	1,480.7	707.6	14,164.3	1,019.9	15,184.2

THE COMPANY	Notes	Share Capital	Amalgamation Reserve	Financial Assets at Fair Value through OCI Reserve	Retained Earnings	Total
		MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
At January 1, 2020		**11,976.0**	**(43.3)**	**271.7**	**1,545.2**	**13,749.6**
Profit for the year		**-**	**-**	**-**	**131.5**	**131.5**
Other comprehensive income for the year		**-**	**-**	**(60.3)**	**-**	**(60.3)**
Dividends	33	**-**	**-**	**-**	**(129.7)**	**(129.7)**
At December 31, 2020		**11,976.0**	**(43.3)**	**211.4**	**1,547.0**	**13,691.1**
At January 1, 2019		11,976.0	(43.3)	940.9	1,567.4	14,441.0
Profit for the year		-	-	-	178.7	178.7
Other comprehensive income for the year		-	-	(676.7)	-	(676.7)
Transfer of accumulated fair value losses upon disposal of equity investments at fair value through other comprehensive income		-	-	7.5	(7.5)	-
Dividends	33	-	-	-	(193.4)	(193.4)
At December 31, 2019		11,976.0	(43.3)	271.7	1,545.2	13,749.6

The notes on pages 132 to 237 form an integral part of these consolidated and separate financial statements.
Auditors' report on pages 116 to 122.

Consolidated and Separate Statements of Cash Flows

YEAR ENDED DECEMBER 31, 2020

	Notes	THE GROUP 2020 MUR'M	THE GROUP (Restated) 2019 MUR'M	THE COMPANY 2020 MUR'M	THE COMPANY 2019 MUR'M
Operating activities					
(Loss)/profit before taxation		**(188.1)**	513.7	**132.8**	179.2
Adjustments for :					
Depreciation of property, plant and equipment	5	**361.1**	341.3	**-**	-
Depreciation of right-of-use assets	5A	**15.0**	18.6	**-**	-
Profit on sale of property, plant and equipment	27	**(78.3)**	(231.8)	**-**	-
Retirement benefit obligations	22	**65.7**	64.2	**-**	-
Amortisation of intangible assets	7	**9.8**	8.9	**-**	-
Depreciation of investment properties	6	**8.5**	8.4	**-**	-
Reversal of impairment on investment property	6	**-**	(8.1)	**-**	-
Investment income		**-**	(2.5)	**185.9**	(234.3)
Gain on bargain purchase	35(b)	**-**	(0.8)	**-**	-
Interest expense	31	**173.0**	122.8	**33.2**	36.2
Interest income		**(11.3)**	(4.8)	**(0.1)**	-
Impairment of intangible assets	7(a)	**22.3**	98.3	**-**	-
Impairment of bearer plants	5(a)	**-**	32.4	**-**	-
Share of results of associates	9	**(249.2)**	(236.8)	**-**	-
Impairment of associates	9	**181.8**	120.1	**-**	-
Impairment of other financial assets		**9.2**	-	**-**	-
Loss/(gain) on fair value measurement	17	**314.0**	(77.1)	**-**	-
Changes in working capital:					
- inventories		**(105.2)**	(11.0)	**-**	-
- financial assets at amortised cost		**(26.1)**	-	**-**	-
- consumable biological assets	15	**(32.5)**	(84.3)	**-**	-
- trade and other receivables		**453.5**	(360.5)	**14.4**	(59.8)
- lease receivables		**(2.4)**	123.9	**-**	-
- contract liabilities		**(20.4)**	43.8	**-**	-
- provisions		**(1.0)**	(28.1)	**-**	-
- trade and other payables		**145.8**	(123.4)	**18.3**	9.0
Cash generated from/(used in) operations		**1,045.2**	327.2	**384.5**	(69.7)
Interest paid		**(140.4)**	(119.6)	**(33.2)**	(36.2)
Benefits paid	22	**(72.0)**	(98.2)	**-**	-
Tax recovered	25	**0.2**	1.2	**-**	-
Tax paid	25	**(60.1)**	(58.5)	**(0.4)**	(0.7)
Dividends received from associate		**67.1**	75.2	**-**	-
Dividend received		**-**	-	**(185.9)**	234.3
Net cash generated from operating activities		**840.0**	127.3	**165.0**	127.7

	Notes	THE GROUP 2020 MUR'M	THE GROUP (Restated) 2019 MUR'M	THE COMPANY 2020 MUR'M	THE COMPANY 2019 MUR'M
Investing activities					
Purchase of property, plant and equipment		**(242.9)**	(255.8)	**-**	-
Purchase of investment properties		**(717.9)**	(301.9)	**-**	-
Intangible assets acquired	7(a)	**(10.2)**	(10.1)	**-**	-
Purchase of investment in					
- associates		**(2.6)**	-	**-**	-
- financial assets at fair value through other comprehensive income	10(i)	**(92.2)**	(173.3)	**(94.8)**	(173.3)
Acquisition of non-controlling interests in subsidiary	35(c)	**(1.6)**	-	**-**	-
Proceeds on sale of property, plant and equipment		**130.5**	275.1	**-**	-
Proceeds on sale of investment properties		**-**	20.6	**-**	-
Proceeds on sale of investments		**-**	19.1	**-**	19.5
Deposits on investments		**(71.8)**	(163.4)	**(71.8)**	(161.4)
Loans repaid		**-**	53.6	**8.1**	10.7
Interest received		**0.1**	8.7	**0.1**	-
Investment income received		**3.7**	3.7	**-**	-
Net cash used in investing activities		**(1,004.9)**	(523.7)	**(158.4)**	(304.5)
Financing activities					
Proceeds from borrowings		**436.7**	888.9	**130.0**	339.3
Repayment of bank loans		**(67.4)**	(52.3)	**-**	-
Loan repaid to related parties		**-**	(7.4)	**-**	-
Lease principal repayments		**-**	(2.1)	**-**	-
Principal paid on lease liabilities		**(14.0)**	(25.4)	**-**	-
Interest paid on lease liabilities		**(2.6)**	(3.2)	**-**	-
Redemption of preference shares		**-**	1.7	**-**	-
Dividends paid to shareholders of Terra Mauricia Ltd	33	**(129.7)**	(193.4)	**(129.7)**	(193.4)
Dividends paid to non-controlling interests	33	**(76.8)**	(115.3)	**-**	-
Net cash generated from financing activities		**146.2**	491.5	**0.3**	145.9
(Decrease)/increase in cash and cash equivalents		**(18.7)**	95.1	**6.9**	(30.9)
Movement in cash and cash equivalents					
At January 1,		**451.6**	356.5	**12.2**	43.1
(Decrease)/increase		**(18.7)**	95.1	**6.9**	(30.9)
At December 31,	34(b)	**432.9**	451.6	**19.1**	12.2

The notes on pages 132 to 237 form an integral part of these consolidated and separate financial statements.
Auditors' report on pages 116 to 122.

Notes to the Consolidated and Separate Financial Statements

YEAR ENDED DECEMBER 31, 2020

1A. GENERAL INFORMATION

TERRA Mauricia Ltd (the "Company") is a public limited company incorporated and domiciled in Mauritius and listed on the Official Market of the Stock Exchange of Mauritius Ltd since January 1, 2012. The address of its registered office is Beau Plan Business Park, Pamplemousses.

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

Principal activities

TERRA Mauricia Ltd is an investment holding company.

Details of subsidiaries' activities are disclosed in note 36.

1B. Basis of preparation

The financial statements of TERRA Mauricia Ltd comply with the Companies Act 2001 and Financial Reporting Act 2004 (FRA) and have been prepared in compliance with International Financial Reporting Standards (IFRS). The financial statements include the consolidated financial statements of the Company and its subsidiary companies (collectively "The Group") and the separate financial statements of the Company.

The financial statements are presented in Mauritian Rupees (MUR) and all values are rounded to the nearest million (MUR'M) and one decimal place, except when otherwise indicated.

The financial statements are prepared under the historical cost convention except that:
(i) Land and buildings are carried at revalued amounts;
(ii) Financial assets at fair value through other comprehensive income (FVOCI) are stated at their fair value;
(iii) Consumable biological assets are stated at their fair value less costs to sell;
(iv) Net defined benefit liability is measured at fair value of plan assets less the present value of the defined benefit obligation.
(v) Investments in subsidiaries and associates in separate financial statements of the Company are measured at their fair value.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Application of New and Revised International Financial Reporting Standards ("IFRS")

In the current year, the Group and Company have applied all the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on January 1, 2020.

New and revised Standards and Interpretations that are effective for the reporting period.

The following relevant revised standards have been applied in these financial statements. Their applications have not had any material impact on the amounts reported for current and prior years but may affect the accounting for future transactions or arrangements.

IAS 1 Presentation of Financial Statements - Amendments regarding the definition of material
IAS 8 Accounting policies, Changes in Accounting Estimates and Errors - Amendments regarding the definition of material
IAS 39 Financial Instruments: Recognition and Measurement - Amendments regarding pre-replacement issues in the context of the IBOR reform
IAS 41 Agriculture - Amendments resulting from Annual Improvements to IFRS Standards 2018-2020 (taxation in fair value measurements)
IFRS 3 Business combinations - Amendments to clarify the definition of a business
IFRS 7 Financial Instruments: Disclosures - Amendments regarding pre-replacement issues in the context of the IBOR reform
IFRS 9 Financial Instruments - Amendments regarding pre-replacement issues in the context of the IBOR reform
IFRS 16 Leases - Amendment to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Application of New and Revised International Financial Reporting Standards ("IFRS") (Cont'd)

New and revised Standards and Interpretations in issue but not yet effective

At the date of authorisation of these financial statements, the following relevant Standards and Interpretations were in issue but effective on annual period on or after the respective dates as indicated:

IAS 1 Presentation of Financial Statements - Amendments regarding classification of liabilities (effective January 1 , 2023)
IAS 1 Presentation of Financial Statements - Amendment to defer the effective date of the January 2020 amendments (effective January 1, 2023)
IAS 1 Presentation of Financial Statements - Amendment regarding the disclosure of accounting policies (effective January 1, 2023)
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Amendment regarding the definition of accounting estimates (effective January 1, 2023)
IAS 16 Property, Plant and Equipment - Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use (effective January 1, 2022)
IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding the costs to include when assessing whether a contract is onerous (effective January 1, 2022)
IAS 39 Financial Instruments: Recognition and Measurement Amendments regarding replacement issues in the context of the IBOR reform (effective January 1, 2021)
IFRS 3 Business combinations - Amendments updating a reference to the Conceptual Framework (effective January 1, 2022)
IFRS 7 Financial Instruments: Disclosures - Amendments regarding replacement issues in the context of the IBOR reform (effective January 1, 2021)
IFRS 9 Financial Instruments - Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (fees in the '10 per cent' test for derecognition of financial liabilities) (effective January 1, 2022)
IFRS 9 Financial Instruments - Amendments regarding replacement issues in the context of the IBOR reform (effective January 1, 2021)
IFRS 16 Leases - Amendments regarding replacement issues in the context of the IBOR reform (effective January 1, 2021)
IFRS 16 Leases - Amendment to extend the exemption from assessing whether a COVID-19-related rent concession is a lease modification (effective April 1, 2021)
IFRS 16 Leases - Amendment to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification (effective June 1, 2020)
IFRS 17 Insurance Contracts - Original Issue (effective January 1, 2023)
IFRS 17 Insurance Contracts - Amendments to address concerns and implementation challenges that were identified after IFRS 17 was published (effective January 1, 2023)

The Directors anticipate that these amendments will be applied in the annual financial statements for the annual periods beginning on the respective dates as indicated above. The Directors are still evaluating the application and the potential impact of these amendments.

Conceptual framework

Amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update those pronouncements with regard to references to and quotes from the framework or to indicate where they refer to a different version of the Conceptual Framework (effective January 1, 2020).

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the financial statements of the Group and the Company.

The above new standards and interpretations are not applicable to these financial statements and management does not expect these to have any significant impact on the financial performance of the Group and the Company when they become effective. No early adoption is intended by the Board of Directors.

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Property, plant and equipment

Property, plant and equipment are measured at cost at recognition. Buildings are subsequently stated at their revalued amount being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Land is subsequently stated at its reval ued amount being the fair value at the date of revaluation, less subsequent accumulated impairment losses. All other property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Subsequent costs are included in the assets' carrying amount, 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. Subsequent costs are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Land and buildings are revalued every three years, unless there is evidence that the fair value of the assets differ materially from the carrying amount. Increases in the carrying amount arising on revaluation are credited to other comprehensive income and shown as revaluation surplus in 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.

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

Buildings on Leasehold Land	2 - 10%
Buildings	1 - 20%
Power Plant	1 - 4 %
Factory Equipment	2 - 50%
Agricultural Equipment	2 - 25%
Motor Vehicles	10 - 25%
Furniture and Office Equipment	2 - 35%
Bearer plants	12.5%

Land is not depreciated.

Depreciation is charged to either cost of sales or other expenses based on the function the asset holds. For those assets which are involved in the core operations of the entity, the depreciation is charged to cost of sales. For those assets which are involved in administrative operations, the depreciation is charged to administrative expenses.

The assets' residual values, useful lives and depreciation method are reviewed, and adjusted prospectively, 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 and the impairment loss is recognised in profit or loss.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in profit or loss. On disposal of revalued assets, the amounts included in revaluation surplus are transferred to retained earnings.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Investment properties

Investment properties comprise of land and buildings. Investment properties, held to earn rentals, are initially stated at cost plus transaction costs. Subsequently buildings are stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on the straight line method to write off the cost of the investment properties to their residual values over the estimated useful life. Land is not depreciated.

The principal annual rate is as follows:

Buildings	2 - 8%

Transfers are made to investment property only when there is a change in use, evidenced by the end of owener occupation, commencement of an operating lease to another party or completion of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale.

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
- Planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, development overheads and other related cost.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs necessary to make the sale.

2.4 Intangible assets and goodwill

(a) Intangible assets consist of land conversion rights (LCRs), goodwill, brands/distribution rights and computer software.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives comprise of computer software and are amortised over the useful economic life and assessed at the end of each reporting period whether 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 is reviewed at least at each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives comprise of land conversion rights, goodwill and brands/distribution rights and are not amortised, but are tested for impairment annually and wherever there is an indication that the intangible asset may be impaired, 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.

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Intangible assets and goodwill (Cont'd)

(i) *Land conversion rights*

The reform of the Sugar Industry in the years 2000 necessitated redundancy payments in the form of cash and serviced land, as well as capital expenditure for capacity expansion and optimisation. These capital expenditure investments and expenses have been financed by debt. In order to assist the repayment of these debts, Government granted a tax exemption to the Sugar Industry when converting agricultural land into residential land in the form of Land Conversion Rights ("LCRs"). These LCRs are granted by the Mauritius Cane Industry Authority (MCIA) based on the qualifying costs incurred by an entity.

An LCR is recognised as a non-current asset and is initially measured at cost at the date on which the Group is entitled to receive those rights, that is when there is reasonable assurance that the LCR will be received and all the attached conditions will be complied with.

Land conversion rights (LCRs) are assumed to have an indefinite useful life as per the terms of the agreement entered with the Government of Mauritius.

LCRs are tested annually for impairment. When the carrying amount of the asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

LCRs are derecognised upon disposal (i.e. the date the recipient obtains control), used internally for converting agricultural land into residential land for land projects or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the LCR is included in profit or loss.

(ii) *Brands/distribution rights*

Brands/distribution rights are shown at cost and tested annually for impairment.

(iii) *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 the straight line method over their estimated useful lives (5 years).

Costs associated with upgrading or maintenance of computer software are recognised as expenses as incurred.

(b) Goodwill arising on an acquisition of a business is measured at cost less accumulated impairment losses, if any.

Goodwill is not amortised but tested annually for impairment. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

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

(d) Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Investment in subsidiaries

Separate financial statements of the Company

In the separate financial statements of the investor, investments in subsidiary companies are carried at fair value.

Consolidated financial statements

Subsidiaries are all 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 Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventories and property, plant and equipment) are eliminated in full on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Unrealised losses are also eliminated but only to the extent that there is no evidence of impairment. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions with non-controlling interests

Non-controlling interests are initially measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. Any difference between any consideration paid/received and the relevant share of the carrying value of net assets of the subsidiary is recorded within equity, separately from the equity of the owners of the Company. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Loss of control

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. 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.

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Investment in associates

Separate financial statements of the Company

In the separate financial statements of the Company, investments in associated companies are carried at fair value.

Consolidated financial statements

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

Investments in associates are accounted for using the equity method except when classified as held-for-sale. Investments in associates are initially recognised at cost as adjusted by post acquisition changes in the Group's share of the net assets of the associate.

Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the gain or loss previously recognised in other comprehensive income is reclassified to profit or loss relative to that reduction in ownership interest.

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

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

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

2.7 Financial instruments

(a) *Recognition and initial measurement*

All financial instruments are initially recognised when the Group and the Company become a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(b) *Classification and subsequent measurement*

(i) Financial assets

On initial recognition, the Group and the Company classify financial assets as subsequently measured at amortised cost or fair value through other comprehensive income based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Financial instruments (Cont'd)

(b) *Classification and subsequent measurement (Cont'd)*

(i) Financial assets (Cont'd)

Amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met:
- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method, less impairment losses which are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

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

Impairment allowance for receivables from related parties and loans to related parties is recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the impairment allowance is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve months expected credit losses along with gross interest income are recognised.

For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group and the Company determine that a financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the debtor;
- a breach of contract such as a default or being past due the agreed credit term; or
- it is probable that the debtor will enter bankruptcy or other financial reorganisation.

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

The Group's financial assets measured at amortised cost comprise trade and other receivables excluding prepayments/taxes receivable/deposits, cash in hand and at bank and other financial assets at amortised cost in the statement of financial position.

The Company's financial assets measured at amortised cost comprise trade and other receivables excluding deposits, cash in hand and at bank and other financial assets at amortised cost in the statement of financial position.

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Financial instruments (Cont'd)

(b) *Classification and subsequent measurement (Cont'd)*

(i) Financial assets (Cont'd)

Fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:
- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:
- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group and the Company consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group and the Company consider:

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Financial instruments (Cont'd)

(b) *Classification and subsequent measurement (Cont'd)*

(i) Financial assets (Cont'd)

Fair value through other comprehensive income (Cont'd)

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features, and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

The Group's financial assets at fair value through other comprehensive income comprise of equity securities.

The Company's financial assets at fair value through other comprehensive income comprise of investments in subsidiaries, investments in associates and equity securities.

(ii) Financial liabilities

Other financial liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. For the purposes of each financial liability, interest expense includes the initial transaction costs and any premium payable on redemption, as well as any interest payable while the liability is outstanding.

The Group's other financial liabilities include borrowings and trade and other payables (excluding VAT). The Company's other financial liabilities include borrowings and trade and other payables.

Derivative financial liabilities

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

(c) *Derecognition*

The Group and the Company derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group and the Company neither transfer nor retain substantially all of the risks and rewards of ownership and they do not retain control of the financial asset.

The Group and the Company enter into transactions whereby they transfer assets recognised in their statement of financial position, but retain either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

The Group and the Company derecognise a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group and the Company also derecognise a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(d) *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Biological assets

(i) Bearer Biological assets - Deer farming

Bearer biological assets, excluding bearer plants are stated at cost.

(ii) Consumable Biological assets - Sugar cane

Sugar canes are measured at their fair value less costs to sell. The fair value of sugar canes is the present value of expected net cash flows from the sugar canes discounted at the relevant market determined pre-tax rate. Changes in fair value is recognised in profit or loss.

2.9 Leases

(i) *As a lessee*

Leases are accounted for by recognising a right-of-use asset and a lease liability except for:
- Leases of low value assets; and
- Leases with a duration of 12 months or less.

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

(a) There is an identified asset;
(b) The Group obtains substantially all the economic benefits from use of the asset, and
(c) The Group has the right to direct use of the asset.

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

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Leases (Cont'd)

(i) *As a lessee (Cont'd)*

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are depreciated on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

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

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

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

Right of use assets comprise of Land, Buildings and Motor Vehicles.

(ii) *As a lessor*

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

All leases are classified as operating leases from a lessor perspective.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'Revenue'.

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Current and deferred income tax

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

Current tax

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

Deferred tax

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

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

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is not recognised for:
- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Corporate Social Responsibility (CSR)

In line with the definition within the Income Tax Act 1995, Corporate Social Responsibility (CSR) is regarded as a tax and is therefore subsumed with the income tax recognised in the profit or loss and the income tax liability on the statement of financial position.

The CSR charge for the current year is measured at the amount expected to be paid to the Mauritian tax authorities. The CSR rate and laws used to compute the amount are those charged or substantively enacted by the reporting date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Inventories

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

2.12 Non-current assets classified as held for sale

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

Events or circumstances may extend the period to complete the sale beyond one year but if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset, such extension does not preclude the asset from being classified as held for sale.

The Group

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

When the Group is committed to a sale plan involving disposal of an investment in an associate, or a portion of an investment in an associate, the investment, or the portion of the investment in associate, that will be disposed of is classified as held for sale when the criteria described above are met. The Group then ceases to apply the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in associate that has not been classified as held for sale continues to be accounted for using the equity method.

Impairment losses on initial classification as held for sale and subsequent gains or losses on measurement are recognised in profit or loss.

2.13 Stated capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

2.14 Retirement benefit obligations

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.

Payments to defined contribution plans are recognised as an expense when employees have rendered service that entitle them to the contributions.

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 statement 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.

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Retirement benefit obligations (Cont'd)

Defined benefit plans (Cont'd)

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 recognised in other comprehensive income shall not be reclassified to profit or loss in subsequent period.

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

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

Gratuity on retirement

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 Workers Rights Act 2019 is calculated by qualified actuaries and provided for. The obligations
arising under this item are not funded.

These defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

State pension plan

Contributions to the National Pension Fund are expensed in profit or loss.

Termination benefits

Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date then they are discounted to their present value.

Measurement of defined benefit obligations: Key actuarial assumptions

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

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

Other key assumptions, such as discount rate, inflation rate, future salary increase and average retirement age for pension obligations are based on current market conditions.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Provisions

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

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

2.16 Foreign currencies

(i) ***Functional and presentation currency***

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

(ii) ***Transactions and balances***

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

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

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

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

Translation differences on non-monetary items, such as equities classified as financial assets at fair value through OCI, are included in the fair value reserve in equity.

(iii) ***Group companies***

The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
(b) income and expenses for each statement representing profit or loss and other comprehensive income are translated at average exchange rates; and
(c) all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings are taken to equity.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Impairment of non-financial assets

Impairment of non-financial assets excluding goodwill

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (excluding goodwill) to determine whether there is any indication that those assets have suffered an impairment loss. If any indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is higher of the fair value less costs of disposal and value in use. 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 assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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 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.

Goodwill

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Revenue recognition

(a) *Revenue from contracts with customers*

Performance obligations and timing of revenue recognition

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

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

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

Determining the transaction price

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

Allocating amounts to performance obligations

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

Practical expedients

The Company has taken advantage of the practical expedients:

- not to account for significant financing components where the time difference between receiving consideration and transferring control of goods (or services) to its customer is one year or less; and
- expense the incremental costs of obtaining a contract when the amortisation period of the asset otherwise recognised would have been one year or less.

Revenue from contracts with customers is recognised when control of the goods and services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods/services before transferring them to the customer.

(i) Cane cluster

The performance obligation relating to the sale of sugar and by-products is satisfied upon delivery of those goods. At the grower stage, control of the goods passes when the delivery truck crosses the weighbridges. At the miller and refiner stage, control of the goods passes to the customer upon delivery.

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Revenue recognition (Cont'd)

(a) Revenue from contracts with customers (Cont'd)

(ii) Power cluster

The power cluster generates revenue from the sale of electricity, which is recognised over time as and when distributed on the grid.

(iii) Brands cluster

The performance obligation is satisfied upon delivery of those goods when control of the goods passes to the customer upon delivery.

(iv) Property cluster

Revenue is recognised when control over the land has been transferred to the customer, that is, when the legal title has passed to the customer upon signature of the "Acte de Vente". Therefore, revenue is recognised at a point in time when the legal title has passed to the customer. The revenue is measured at the transaction price agreed under the contract.

(b) Revenue from sale of morcellement lots

Revenue from the sale of morcellement lots is net of rebates and discounts. The Company uses the percentage of completion method to determine the appropriate amount of revenue to be recognised in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract (or by reference to surveys of work performed or completion of a physical proportion the contract work). Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

(c) Remaining performance obligations

The vast majority of the Group's contracts are for the delivery of goods within the next 12 months for which the practical expedient in paragraph 121(a) of IFRS 15 applies. However, certain design contracts and contracts for the delivery of goods have been entered into for which both:

- the original contractual period was greater than 12 months; and
- the Group's right to consideration does not correspond directly with the performance.

In addition, sales of extended warranties for periods of greater than one year and material rights relating to discounts on future contracts do not meet these conditions.

(d) Other revenues

Other revenues earned by the Group/Company are recognised on the following bases:

- Dividend income - when the shareholder's right to receive payment is established.
- Lease income arising from operating leases-on a straight-line basis over the lease term.

2.19 Dividend distribution

Dividends which have been appropriately authorised and which are non-discretionary, on or before the end of the reporting period but not distributed at the end of the reporting date are recognised as a liability in the Group's financial statements in the period in which the dividends are declared.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Segment reporting

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

2.21 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 added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Other borrowing costs are expensed.

2.22 Other income

Other income earned by the Group is recognised on the following basis:

- Profit on sale of property, plant and equipment and land is recognised when the significant risks and returns have been transferred to the buyer.
- Agricultural diversification represents the gross proceeds of sale of fruits and vegetables and animals, revenue from agricultural diversification is recognised when goods are delivered and title has passed.
- Sugar Insurance Fund Board (SIFB) compensation represents the compensable loss in excess of the sugar accrued on supply and the total insurable sugar and is recognised on accrual basis unless there is uncertainty on the outcome of the compensation in which case the normal contingent asset policy as per IAS 37 applies.
- Others include rent and transport, cane supply agreement and other consultancy fees, which are recognised in the accounting year in which the services are received.
- Interest income is calculated by applying the effective interest method to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest method is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

2.23 Fair value measurement

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.

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Fair value measurement (Cont'd)

The Management determines the policies and procedures for both recurring fair value measurement, such as land, investment properties and unquoted financial assets at fair value through OCI, and for non-recurring measurement, such as assets held for sale in discontinued operations. Management is comprised of the Chief Finance Executive, Chief Finance Officers, Heads of the investment properties segment.

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.

Management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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.

2.24 Net finance costs

The finance income and finance costs include:
- foreign exchange gain and loss;
- interest expense;
- interest income.

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to:
- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income or expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

2.25 Government Wage Assistance Scheme (WAS)

Government WAS is treated as government grant. It is recognised in profit or loss as a credit against salary costs in which the Company recognised as expenses the related costs for which the WAS are intended to compensate. The COVID-19 levy imposed on the WAS is payable in two instalments. The first instalment is based on the chargeable income of the current year and the second instalment is assessed on the forecasted chargeable income in the next year of assessment. The COVID-19 levy is accounted as a payable.

2.26 Contingent asset

A contingent asset is disclosed where an inflow of economic benefits is probable.

2.27 Contingent liabilities

A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.28 Comparative figures

Comparative figures have been regrouped/restated and reclassified where necessary, to conform to the current year's presentation. No two years' comparative have been presentated for the statement of financial position following the restatement of investments in associates since the impact was only on December 31, 2019 figures. Refer to note 44 for more details.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group and the Company endeavour to manage their exposure to market risks and to minimize the impact of volatility in exchange rates and interest rates on the bottom line of group companies.

The Group's and the Company's activities expose them to a variety of financial risks which have to be effectively managed so as to protect their long term sustainability and to safeguard the interests of their stakeholders.

The Group's and the Company's overall risk management programmes focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the Group's and the Company's financial performance.

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

(a) Market risk
 (i) Currency risk
 (ii) Equity price risk
 (iii) Commodity price risk

(b) Credit risk

(c) Liquidity risk and

(d) Cash flow and fair value interest rate risk.

(a) Market risk

(i) *Currency risk*

The Group is exposed to foreign exchange risk arising from sugar growing activities, primarily with respect to the Euro (EUR), the US dollar (USD), the Seychellois Rupee (SCR) and other currencies. This risk affects both the crop proceeds and the fair value of the biological assets. The Group also has investments in foreign entities denoted in US dollar (USD) and whose net assets are exposed to currency translation risk.

The Group and the Company are exposed to currency risks from their exports and imports both for their commercial and production activities. As such they are subject to risks from changes in currency values that could affect earnings. Given the limited availability of financial instruments locally, short term transaction risks arising from currency fluctuations are not hedged.

Subject to cost and availability of finance, the Group and the Company aim to minimise their foreign exposure by borrowing in local and foreign currency to mirror their currency commitments as they fall due.

No currency risk is hedged.

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (Cont'd)

(a) Market risk (Cont'd)

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

Currency profile

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

THE GROUP	MUR	EUR	USD	SCR	Other currencies	TOTAL
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
At December 31, 2020						
Trade and other receivables	**782.5**	**145.1**	**28.3**	**42.5**	**1.2**	**999.6**
Other financial assets at amortised cost	**62.5**	**-**	**-**	**-**	**-**	**62.5**
Cash in hand and at bank	**332.9**	**71.4**	**22.8**	**1.3**	**8.9**	**437.3**
Financial assets at fair value through other comprehensive income	**216.2**	**-**	**341.0**	**-**	**-**	**557.2**
Total assets	**1,394.1**	**216.5**	**392.1**	**43.8**	**10.1**	**2,056.6**
Trade and other payables	**924.1**	**38.3**	**21.9**	**23.2**	**17.1**	**1,024.6**
Borrowings	**3,690.2**	**198.2**	**-**	**14.8**	**-**	**3,903.2**
Lease liabilities	**33.4**	**-**	**-**	**-**	**-**	**33.4**
Total liabilities	**4,647.7**	**236.5**	**21.9**	**38.0**	**17.1**	**4,961.2**
At December 31, 2019						
Trade and other receivables	1,055.7	115.1	213.8	85.0	2.4	1,472.0
Other financial assets at amortised cost	45.6	-	-	-	-	45.6
Cash in hand and at bank	466.2	16.3	4.5	-	4.5	491.5
Financial assets at fair value through other comprehensive income	249.5	-	252.6	-	-	502.1
Total assets	1,817.0	131.4	470.9	85.0	6.9	2,511.2
Trade and other payables	691.0	8.1	130.2	73.6	-	902.9
Borrowings	3,311.2	225.6	-	-	-	3,536.8
Lease liabilities	40.3	-	-	-	-	40.3
Total liabilities	4,042.5	233.7	130.2	73.6	-	4,480.0

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (Cont'd)

(a) Market risk (Cont'd)

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

Currency profile (Cont'd)

THE COMPANY	MUR	USD	EUR	TOTAL
	MUR'M	MUR'M	MUR'M	MUR'M
At December 31, 2020				
Trade and other receivables	**45.2**	**-**	**-**	**45.2**
Other financial assets at amortised cost	**1.0**	**-**	**-**	**1.0**
Cash in hand and at bank	**9.4**	**9.5**	**0.2**	**19.1**
Investment in subsidiaries	**13,304.7**	**111.2**	**-**	**13,415.9**
Investment in associates	**108.2**	**-**	**-**	**108.2**
Financial assets at fair value through other comprehensive income	**235.6**	**341.0**	**-**	**576.6**
Total assets	**13,704.1**	**461.7**	**0.2**	**14,166.0**
Borrowings	**990.3**	**-**	**-**	**990.3**
Trade and other payables	**48.6**	**-**	**-**	**48.6**
Total liabilities	**1,038.9**	**-**	**-**	**1,038.9**
At December 31, 2019				
Trade and other receivables	59.6	-	-	59.6
Other financial assets at amortised cost	9.1	-	-	9.1
Cash in hand and at bank	12.0	0.1	0.1	12.2
Investment in subsidiaries	12,969.7	102.6	-	13,072.3
Investment in associates	139.3	-	87.4	226.7
Financial assets at fair value through other comprehensive income	265.2	252.6	-	517.8
Total assets	13,454.9	355.3	87.5	13,897.7
Borrowings	860.3	-	-	860.3
Trade and other payables	30.3	-	-	30.3
Total liabilities	890.6	-	-	890.6

The following significant exchange rates have been applied.

	AVERAGE RATE		YEAR-END SPOT RATE	
	2020	2019	**2020**	2019
	MUR	MUR	**MUR**	MUR
EUR	**45.01**	39.79	**48.30**	40.64
USD	**39.27**	35.66	**39.35**	36.35
SCR	**2.23**	2.53	**1.81**	2.59

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (Cont'd)

(a) Market risk (Cont'd)

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

Sensitivity analysis

A reasonably possible strengthening/weakening of the MUR against all other currencies at December 31, would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

The analysis is based on the assumption that the MUR strengthened/weakened ageing EUR and USD by 4% and 6% respectively (2019: 4% and 6%) and its corresponding impact on loss/profit.

THE GROUP	2020 MUR'M	2019 MUR'M	2020 MUR'M	2019 MUR'M
EUR	(0.8)	(4.1)	0.8	4.1
USD	22.2	20.4	(22.2)	(20.4)

THE COMPANY	2020 MUR'M	2019 MUR'M	2020 MUR'M	2019 MUR'M
EUR	-	3.5	-	(3.5)
USD	27.7	21.3	(27.7)	(21.3)

Given that the Group has limited foreign currency exposure to SCR and other currencies, no sensitivity analysis was carried out.

(ii) Equity price risk

The Group and the Company are exposed to equity securities price risk because of investments in financial assets at fair value through other comprehensive income. To manage their price risk arising from investments in equity securities, the Group and the Company diversify their portfolio.

The table below summarises the impact of increases/decreases in the fair value of the investments on the Group's and the Company's profit or loss and equity.

The analysis is based on the assumption that the fair value increases/decreases by 3% (2019: 3%).

	THE GROUP		THE COMPANY	
	2020 MUR'M	2019 MUR'M	2020 MUR'M	2019 MUR'M
Financial assets at fair value through OCI	+/- 4.7	+/- 4.8	+/- 5.1	+/- 5.2

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (Cont'd)

(a) Market risk (Cont'd)

(iii) *Commodity price risk*

The Group is also exposed to price risk with the incidence of the market price of sugar.

The table below summarises the impact of increases/(decreases) in the price of sugar on the Group. The analysis is based on the assumption that the price of sugar increases/decreases by 11% (2019: 9%).

	THE GROUP	
	2020 MUR'M	2019 MUR'M
Impact on profit or loss and equity	67.9	47.3

(b) Credit risk

Credit risk is the risk of financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's and the Company's trade receivables and other financial assets at amortised cost.

The amounts presented in the statement of financial position, are net of impairment loss, estimated by the Group's and the Company's management based on prior experience and the current environment.

As regards the Cane and Power segments, the Group has significant concentration of credit risk with exposure spread over a few customers. However, sale of products is made through reputable institutions where risk of default is very remote.

As for the Brands segment, the Group and the Company have no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Group and the Company have policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and to limit the amount of credit exposure to any one financial institution.

Exposure to credit risk and ECLs for trade receivables and other financial assets at amortised cost have been disclosed in notes 16 and 11 respectively.

(c) Liquidity risk

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

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.
The Group and the Company aim at maintaining flexibility in funding by keeping committed credit lines available.

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (Cont'd)

(c) Liquidity risk (Cont'd)

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

THE GROUP	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	After 5 years	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
At December 31, 2020					
Borrowings	**1,254.2**	**52.1**	**92.5**	**2,500.0**	**3,898.8**
Bank overdrafts	**4.4**	**-**	**-**	**-**	**4.4**
Lease liabilities	**3.9**	**29.5**	**-**	**-**	**33.4**
Trade and other payables	**1,024.6**	**-**	**-**	**-**	**1,024.6**
At December 31, 2019					
Borrowings	3,323.8	61.2	111.9	-	3,496.9
Bank overdrafts	39.9	-	-	-	39.9
Lease liabilities	14.3	26.0	-	-	40.3
Trade and other payables	902.9	-	-	-	902.9

THE COMPANY	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	After 5 years	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
At December 31, 2020					
Borrowings	**138.7**	**-**	**-**	**851.6**	**990.3**
Trade and other payables	**48.6**	**-**	**-**	**-**	**48.6**
At December 31, 2019					
Borrowings	860.3	-	-	-	860.3
Trade and other payables	30.3	-	-	-	30.3

Details of going concern and subsequent events are disclosed in note 4.2 and note 42 respectively.
Details of loan covenants are disclosed in note 20(h).

(d) Cash flow and fair value interest rate risk

The Group's and the Company's interest-rate risks arise from borrowings. Borrowings issued at variable rates expose the Group and the Company to cash flow interest-rate risk. Borrowings issued at fixed rates also expose the Group and the Company to fair value interest-rate risk.

The Group and the Company manage the risk by maintaining an appropriate mix between fixed and floating rate borrowings.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (Cont'd)

(d) Cash flow and fair value interest rate risk (Cont'd)

At December 31, 2020, if interest rates on MUR-denominated borrowings and EUR-denominated borrowings had been 50 basis points higher/lower with all other variables held constant, post-tax profit for the year and shareholders' equity would have been changed as shown in the table below.

	MUR denominated borrowings (50 basis points)		EUR denominated borrowings (50 basis points)	
	2020	2019	**2020**	2019
THE GROUP	**MUR'M**	MUR'M	**MUR'M**	MUR'M
Impact (loss)/profit for the year and shareholders' equity	**15.7**	14.1	**0.8**	1.0
THE COMPANY				
Impact on profit for the year and shareholders' equity	**4.2**	3.7	**N/A**	N/A

At December 31, 2020, and December 31, 2019 if variable interest rates on deposit at bank had been 50 basis points higher/lower with all other variables held constant, (loss)/profit for the year would not be significantly impacted.

3.2 Fair value estimation

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

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

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

Specific valuation techniques used to value financial instruments include:
- Quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flow method, EBITDA multiple and net asset value are used to determine fair value for the remaining financial instruments.

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.3 Capital risk management

The Group's and the Company's objectives when managing capital are:
- to safeguard the Group's and the Company's ability to continue as a going concern, so that it can continue to provide returns for the 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 and the Company set the amount of capital in proportion to risk. The Group and the Company manage the capital structure and make 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 and the Company monitor capital on the basis of the net debt-to-adjusted capital ratio. Adjusted capital comprises all components of equity (i.e stated capital, revaluation and other reserves, and retained earnings).

The Group and the Company consider the net debt-to-adjusted capital ratios computed below to be reasonable and in line with its respective repayment capacity.

The net debt-to-adjusted capital ratios at December 31, were as follows:

	THE GROUP		THE COMPANY	
	2020	(Restated) 2019	**2020**	2019
	MUR'M	MUR'M	**MUR'M**	MUR'M
Total debt (note 20)	**3,903.2**	3,536.8	**990.3**	860.3
Lease liabilities (note 21)	**33.4**	40.3	**-**	-
Less: cash in hand and at bank	**(437.3)**	(491.5)	**(19.1)**	(12.2)
Net debt	**3,499.3**	3,085.6	**971.2**	848.1
Total equity	**14,568.9**	15,184.2	**13,691.1**	13,749.6
Net debt-to-adjusted capital ratio	**0.24:1**	0.20:1	**0.07:1**	0.06:1

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

4. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgement that have a significant effect on the amounts recognised in the financial statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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

4.1 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Measurement of fair value

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 5(c) - land and building
- Note 8 - investment in subsidiaries
- Note 9 - investment in associates
- Note 10 - financial assets at fair value through other comprehensive income
- Note 15 - consumable biological assets

Pension benefits

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

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation. More details about assumptions used are provided in note 22.

Impairment of non-financial assets

Goodwill is considered for impairment at least annually. Non current assets including investments in subsidiaries, associates, property, plant and equipment, and intangible assets are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself. Refer to note 28(v) for more details.

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

The land conversion rights ("LCRs") granted under the Sugar Industry Efficiency ("SIE") Act 2001 have been tested for impairment using the valuation of an independent property valuer. The details are provided in note 28.

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

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

4.2 Critical accounting judgements

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group`s and the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. The details are provided in note 28.

In the process of applying the Group's and the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Going Concern

THE GROUP

The Group incurred a loss of MUR'M 210.4 for the year ended December 31, 2020 (2019: profit of MUR'M 446.6) and had net equity of MUR 14.6 billion (2019: MUR 15.2 billion). The Group had a net current asset position of MUR'M 821.0 at December 31, 2020 (2019: net current liability MUR'M 951.3).

The Group manages liquidity risk by maintaining adequate committed unused short term borrowing facilities of MUR 1.8 billion and working capital funds at December 31, 2020. The Board monitors the net debt level of the Group taking into consideration the expected outlook of the Group's financial position, cash flows and future capital commitments. The Group adopts a prudent approach in managing its liquidity risk, taking into account any volatility in its business and investment activity requirements.

The COVID-19 outbreak is expected to have some impact on the Group's operations, customers and suppliers (particularly within the Brand cluster and the hospitality sector) and consequently the Group's production, revenue and cash position in the near term. The Group will continue to monitor the impact COVID-19 has on them and reflect the consequences as appropriate in its accounting and reporting.

The Group has nevertheless sufficient liquid assets and unused borrowing facilities with sufficient headroom to meet all its current obligations and financial commitments over at least the next 12 months from the date of approval of these consolidated financial statements. Consequently, the Directors have therefore concluded that it is appropriate to prepare the consolidated financial statements on a going concern basis.

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

4.2 Critical accounting judgements (Cont'd)

Going Concern (Cont'd)

THE GROUP (Cont'd)

Liquidity management

The overall group net debt amounted to MUR'M 3,499.3 (2019: MUR'M 3,085.6) which is an increase of 13.4% over the prior year. Out of the net debts are MUR'M 906.2 (2019: MUR'M 3,261.0) which are short term money market lines which are renewed on an ongoing basis. The Group never had instances where the short term money market loan had not been renewed.

The increase in Group's borrowings is mainly attributable to the ongoing long-term projects financed at competitive interest rates. The net debt-to-equity ratio of 24% as at December 31, 2020 is considered to be reasonable and is being monitored closely. The Group has sufficient liquid assets (level 1 investments) and unused borrowing facilities with sufficient headroom to meet all its current obligations as they fall due in the normal course of business.

THE COMPANY

The Company is an investment holding company whose main source of income is dividends from investments.
The Company generated a profit after taxation of MUR'M 131.5 (2019: MUR'M 178.7) for the year ended December 31, 2020 and had net equity of MUR 13.7 billion (2019: MUR 13.7 billion). The Company has a net current asset position of MUR'M 109.7 (2019: Net current liability of MUR'M 657.0).

The Company has liquid assets and cash flows to meet all its current obligations and financial commitments over at least the next 12 months from the date of approval of these separate financial statements. Consequently, the Directors have therefore concluded that it is appropriate to prepare the separate financial statements on a going concern basis.

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

5. PROPERTY, PLANT AND EQUIPMENT

(a) THE GROUP

	Land	Buildings on Leasehold Land	Buildings	Power Plant	Factory Equipment	Agricultural Equipment	Motor Vehicles	Furniture and Office Equipment	Construction in Progress	Bearer Plants	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
COST AND VALUATION											
At January 1, 2020											
- Cost	3,567.0	141.6	607.2	2,119.7	1,416.2	620.1	456.9	721.0	0.3	693.8	10,343.8
- Valuation	5,369.1	-	2,715.2	-	-	-	-	-	-	-	8,084.3
Total cost/valuation	8,936.1	141.6	3,322.4	2,119.7	1,416.2	620.1	456.9	721.0	0.3	693.8	18,428.1
Additions	-	-	12.4	25.3	101.3	36.1	15.1	26.9	0.6	25.2	242.9
Transfer to right of use assets (note 5A)	-	-	-	-	-	-	(4.0)	-	-	-	(4.0)
Transfer to investment properties (note 6)	(8.9)	-	(42.1)	-	-	-	-	-	-	-	(51.0)
Transfer to inventories	(62.1)	-	-	-	-	-	-	-	-	-	(62.1)
Disposals/ scrapped assets	(19.1)	-	(3.8)	-	(61.5)	-	(22.9)	-	-	(0.2)	(107.5)
Translation differences	-	-	(8.2)	-	-	-	(3.1)	(4.3)	-	-	(15.6)
At December 31, 2020											
- Cost	**3,476.9**	**141.6**	**565.5**	**2,145.0**	**1,456.0**	**656.2**	**442.0**	**743.6**	**0.9**	**718.8**	**10,346.5**
- Valuation	**5,369.1**	**-**	**2,715.2**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**8,084.3**
- Total Cost/Valuation	**8,846.0**	**141.6**	**3,280.7**	**2,145.0**	**1,456.0**	**656.2**	**442.0**	**743.6**	**0.9**	**718.8**	**18,430.8**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES											
At January 1, 2020	427.9	45.0	2,413.7	1,198.6	872.0	542.1	380.4	494.0	-	495.0	6,868.7
Charge for the year	-	2.3	72.0	56.5	86.5	21.4	38.4	26.7	-	57.3	361.1
Transfer to right of use assets (note 5A)	-	-	-	-	-	-	(1.5)	-	-	-	(1.5)
Transfer to investment properties (note 6)	-	-	(29.9)	-	-	-	-	-	-	-	(29.9)
Disposals/ scrapped assets	-	-	(5.5)	-	(48.1)	-	(20.1)	-	-	-	(73.7)
Translation differences	-	-	(0.9)	-	-	-	(2.2)	(3.1)	-	-	(6.2)
At December 31, 2020	**427.9**	**47.3**	**2,449.4**	**1,255.1**	**910.4**	**563.5**	**395.0**	**517.6**	**-**	**552.3**	**7,118.5**
CARRYING AMOUNTS											
At December 31, 2020	**8,418.1**	**94.3**	**831.3**	**889.9**	**545.6**	**92.7**	**47.0**	**226.0**	**0.9**	**166.5**	**11,312.3**

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

(a) THE GROUP (CONT'D)

	Land	Buildings on Leasehold Land	Buildings	Power Plant	Factory Equipment	Agricultural Equipment	Motor Vehicles	Furniture and Office Equipment	Construction in Progress	Bearer Plants	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
COST AND VALUATION											
At January 1, 2019											
- Cost	3,609.3	137.5	594.8	2,102.1	1,344.9	603.0	444.6	691.8	-	639.3	10,167.3
- Valuation	4,241.3	-	696.1	-	-	-	-	-	-	-	4,937.4
Total cost/valuation	7,850.6	137.5	1,290.9	2,102.1	1,344.9	603.0	444.6	691.8	-	639.3	15,104.7
Additions	-	2.7	13.6	18.1	71.3	27.2	27.6	40.2	0.6	54.5	255.8
Reclassification adjustments	-	-	-	-	-	-	-	0.2	(0.3)	-	(0.1)
Transfer to intangible assets (note 7(a))	-	-	-	-	-	-	-	(10.1)	-	-	(10.1)
Transfer to inventories	(1.7)	-	-	-	-	-	-	-	-	-	(1.7)
Revaluation adjustments	1,127.8	-	2,019.1	-	-	-	-	-	-	-	3,146.9
Disposals/scrapped assets	(40.6)	-	(1.2)	(0.5)	-	(10.1)	(16.0)	(1.9)	-	-	(70.3)
Translation differences	-	1.4	-	-	-	-	0.7	0.8	-	-	2.9
At December 31, 2019											
- Cost	**3,567.0**	**141.6**	**607.2**	**2,119.7**	**1,416.2**	**620.1**	**456.9**	**721.0**	**0.3**	**693.8**	**10,343.8**
- Valuation	**5,369.1**	**-**	**2,715.2**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**8,084.3**
Total cost/valuation	**8,936.1**	**141.6**	**3,322.4**	**2,119.7**	**1,416.2**	**620.1**	**456.9**	**721.0**	**0.3**	**693.8**	**18,428.1**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES											
At January 1, 2019	-	40.6	829.3	1,148.8	811.5	532.1	347.1	446.8	-	389.4	4,545.6
Charge for the year	-	4.0	35.5	50.0	60.5	20.1	47.4	50.6	-	73.2	341.3
Transfer to intangible assets (note 7(a))	-	-	-	-	-	-	-	(2.7)	-	-	(2.7)
Revaluation adjustments	-	-	1,549.7	-	-	-	-	-	-	-	1,549.7
Impairment (note 28 (ii,iii))	427.9	-	-	-	-	-	-	-	-	32.4	460.3
Disposals/scrapped assets	-	-	(0.8)	(0.2)	-	(10.1)	(14.6)	(1.3)	-	-	(27.0)
Translation differences	-	0.4	-	-	-	-	0.5	0.6	-	-	1.5
At December 31, 2019	**427.9**	**45.0**	**2,413.7**	**1,198.6**	**872.0**	**542.1**	**380.4**	**494.0**	**-**	**495.0**	**6,868.7**
CARRYING AMOUNTS											
At December 31, 2019	**8,508.2**	**96.6**	**908.7**	**921.1**	**544.2**	**78.0**	**76.5**	**227.0**	**0.3**	**198.8**	**11,559.4**

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

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

(b) Measurement of fair value of land and buildings

The fair value measurements of the freehold land and buildings of the Group as at December 31, 2019 were performed by Noor Dilmohamed & Associate, an independent professional valuer not related to the Group and having the appropriate qualifications (Certified Practising Valuer (Australia) & Registered Valuer; API Mem. Reg. No. 00064007) and recent experience in fair value of properties. The valuation was based on recent market transactions on arm's length terms for similar properties determined based on market comparable approach. Where the market value of an asset cannot be established, its value is arrived at using a surrogate such as Depreciated Replacement Cost.

The Directors have reviewed the carrying values of property, plant and equipment and are of the opinion that at the end of the reporting period, the carrying values have not suffered any impairment.

If land and buildings were stated on the historical cost basis, their carrying amounts would be as follows:

THE GROUP	Land		Buildings	
	2020	2019	**2020**	2019
	MUR'M	MUR'M	**MUR'M**	MUR'M
Cost	**3,476.9**	3,567.0	**656.8**	649.7
Accumulated depreciation	**-**	-	**(462.7)**	(449.4)
Carrying amount	**3,476.9**	3,567.0	**194.1**	200.3

Sensitivity analysis

The following tables show the significant unobservable inputs used and the sensitivity of these inputs on the fair value:

2019	Fair value hierarchy	Significant unobservable input	Range of unobservable input
Agricultural Land	Level 3	Price per Ha	305,000 - 7,000,000
		Bulk discount rate	35.0%
Non-Agricultural Land	Level 3	Price per Ha	2,000,000 - 25,000,000
		Bulk discount rate	35.0%
Buildings	Level 3	Price per Square meter	2,000 - 50,000
		Bulk discount rate	35.0%

The bulk discount of 35% has been determined using the following assumptions:
- around 330 Hectares may be disposed of annually;
- the period of sale would be 20 years;
- the rate of growth of agricultural land more particularly cane land at around 2 per cent per annum; and
- the discount rate 6.5 per cent per annum.

An increase in the price per Ha and the price per Square meter would result in an increase in fair value. An increase in the discount rate would result in a decrease in fair value.

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

(c) Impairment losses

For the year ended December 31, 2020, the Group did not recognise any impairment on land based on recoverable amount of the Agricultural business unit (2019: MUR'M 427.9). The impairment loss recognised in 2019 was charged to other comprehensive income against revaluation surplus recognised on land during the year (note 28 (ii)).

For the year ended December 31, 2020, the Group did not recognise any impairment on bearer plants (2019: MUR'M 32.4) based on a valuation carried out by management. The impairement loss recognised in 2019 was charged to profit or loss (note 28(iii)).

(d) Depreciation has been charged to profit or loss as follows:

	THE GROUP	
	2020	2019
	MUR'M	MUR'M
Cost of sales	**208.5**	190.4
Other expenses	**152.6**	150.9
	361.1	341.3

(e) Property, plant and equipment are included in assets given as collateral for bank borrowings.

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

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

5A. RIGHT-OF-USE ASSETS

	Land	Buildings	Motor Vehicles	Total
THE GROUP	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**
At January 1, 2019	11.2	47.0	3.3	61.5
Depreciation	(0.1)	(17.8)	(0.7)	(18.6)
At December 31, 2019	**11.1**	**29.2**	**2.6**	**42.9**
Effect of modification to lease term	-	7.1	-	7.1
Transfer from property, plant and equipment (note 5(a))	-	-	2.5	2.5
Depreciation	-	(15.0)	-	(15.0)
At December 31, 2020	**11.1**	**21.3**	**5.1**	**37.5**

	THE GROUP	
	2020	2019
	MUR'M	MUR'M
Depreciation on right-of-use assets	**15.0**	18.6
Interest on lease liabilities (note 21)	**2.6**	3.2
	17.6	21.8

	THE GROUP	
	2020	2019
	MUR'M	MUR'M
Principal paid on lease liabilities	**(14.0)**	(25.4)
Interest paid on lease liabilities	**(2.6)**	(3.2)
	(16.6)	(28.6)

5B. FINANCE LEASE RECEIVABLES

	THE GROUP	
	2020	2019
	MUR'M	MUR'M
Year 1	**2.3**	1.5
Year 2	**2.4**	1.6
Year 3	**2.5**	1.7
Year 4	**2.6**	1.8
Year 5	**2.7**	1.8
Onwards	**3,403.3**	3,487.9
Undiscounted lease payments	**3,415.8**	3,496.3
Less: unearned finance income	**(3,368.9)**	(3,451.8)
Present value of lease payments receivable	**46.9**	44.5
Net investment in the lease	**46.9**	44.5
Undiscounted lease payments analysed as:		
Recoverable after 12 months	**3,413.5**	3,494.8
Recoverable within 12 months	**2.3**	1.5
	3,415.8	3,496.3
Net investment in the lease analysed as:		
Recoverable after 12 months	**44.6**	42.4
Recoverable within 12 months	**2.3**	2.1
	46.9	44.5

The Group entered into leasing arrangements as a lessor for plots of land at morcellement Le Hameau.

The term of the lease entered into is 99 years.

The Group is not exposed to foreign currency risk as a result of the lease arrangement, as the lease is denominated in MUR.

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

6. INVESTMENT PROPERTIES

THE GROUP	Investment property under development		Land and buildings		Total	
	2020	2019	**2020**	2019	**2020**	2019
	MUR'M	MUR'M	**MUR'M**	MUR'M	**MUR'M**	MUR'M
COST						
At January 1,	**283.5**	85.8	**963.6**	916.0	**1,247.1**	1,001.8
Additions	**410.3**	301.9	**307.6**	-	**717.9**	301.9
Disposals	**-**	-	**(18.4)**	(20.5)	**(18.4)**	(20.5)
Transfer from land & buildings (note 5(a))	**-**	-	**21.1**	-	**21.1**	-
Transfer from/(to) inventories	**-**	-	**18.1**	(36.1)	**18.1**	(36.1)
Transfer from work-in-progress	**-**	(104.2)	**-**	104.2	**-**	-
At December 31,	**693.8**	283.5	**1,292.0**	963.6	**1,985.8**	1,247.1
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES						
At January 1,	**-**	-	**221.5**	221.2	**221.5**	221.2
Charge for the year	**-**	-	**8.5**	8.4	**8.5**	8.4
Reversal of impairment (note 28)	**-**	-	**-**	(8.1)	**-**	(8.1)
At December 31,	**-**	-	**230.0**	221.5	**230.0**	221.5
CARRYING AMOUNTS						
At December 31,	**693.8**	283.5	**1,062.0**	742.1	**1,755.8**	1,025.6

(a) Details of the Group's investment properties and information about the fair value hierarchy is as follows:

December 31,	**Level 3**	
	2020	2019
	MUR'M	MUR'M
Land and buildings	**3,393.9**	3,196.7

The investment properties are stated at fair value which has been determined by Directors, based on valuations performed in 2019 by accredited independent valuers, namely Noor Dilmahomed & Associates who has the appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The fair value was determined on open market value by reference to recent market transactions on arm's length term. The valuations are based on active market prices, adjusted for any differences in the nature, location or condition of a specific property. Investment properties that have been valued using the depreciated replacement cost have been classified as Level 3.

The fair value measurement for all of the investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

6. INVESTMENT PROPERTIES (CONT'D)

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

	THE GROUP	
	2020	2019
	MUR'M	MUR'M
Rental income	**102.5**	37.1
Direct operating expenses from investment properties that generate rental income	**29.3**	1.3

(c) The investment properties are leased to tenants under operating leases with rentals payable monthly.

Lease payments for some contracts include Consumer Price Index (CPI) increases, but there are no other variable lease payments that depend on an index rate.

Minimum lease payments receivable on leases of investment properties are as follows:

	THE GROUP	
	2020	2019
	MUR'M	MUR'M
Within 1 year	**68.9**	48.8
Between 1 and 2 years	**72.3**	48.5
Between 2 and 3 years	**75.9**	51.6
Between 3 and 4 years	**79.7**	51.3
Between 4 and 5 years	**83.7**	50.8
Later than 5 years	**87.9**	57.2
	468.4	308.2

(d) Additions to investment properties relate to subsequent expenditure.

(e) Investment property under development include land development and other related costs. There was no transfer from investment property under development to investment property (land & buildings) during the financial year (2019: MUR'M 104.2).

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

7. INTANGIBLE ASSETS AND GOODWILL

(a) THE GROUP

	Goodwill	Land Conversion Rights	Computer Software	Brands/ Distribution Rights	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
COST					
At January 1, 2019	22.3	244.0	73.2	58.4	397.9
Additions	-	-	10.1	-	10.1
Transfer from property, plant and equipment (note 5(a))	-	-	10.1	-	10.1
Amount released	-	(25.0)	-	-	(25.0)
At December 31, 2019	22.3	219.0	93.4	58.4	393.1
Additions	-	-	10.2	-	10.2
Exchange difference	-	-	(0.6)	-	(0.6)
At December 31, 2020	**22.3**	**219.0**	**103.0**	**58.4**	**402.7**
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES					
At January 1, 2019	-	-	64.6	-	64.6
Charge for the year	-	-	8.9	-	8.9
Impairment (note 28(iv))	-	98.3	-	-	98.3
Transfer from property, plant and equipment (note 5(a))	-	-	2.7	-	2.7
At December 31, 2019	-	98.3	76.2	-	174.5
Charge for the year	-	-	9.8	-	9.8
Impairment (note 28(v))	22.3	-	-	-	22.3
At December 31, 2020	**22.3**	**98.3**	**86.0**	**-**	**206.6**
CARRYING AMOUNTS					
At December 31, 2020	**-**	**120.7**	**17.0**	**58.4**	**196.1**
At December 31, 2019	22.3	120.7	17.2	58.4	218.6

7. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

Impairment test on goodwill

Goodwill has been assessed as having an indefinite life and in accordance with IAS 36, goodwill has been assessed for impairment based on each cash generating unit.

	THE GROUP 2020	2019
	MUR'M	MUR'M
Brands segment	**8.4**	-
Property and Leisure segment	**13.9**	-
	22.3	-

As a consequence of the downward medium-term trading expectations due to the current economic environment which has been exacerbated by the global COVID-19 pandemic, the Group has impaired its goodwill by MUR'M 22.3 for the year ended December 31, 2020 (2019: Nil).

(b) ***Amortisation***

The amortisation of computer software totalling MUR'M 9.8 (2019: MUR'M 8.9) has been charged to other expenses.

(c) ***Impairment test***

For December 31, 2020, an impairment loss of MUR'M 22.3 was recognised (2019: MUR'M 98.3) and charged to profit or loss (note 28).

(d) ***Useful life***

Distribution Rights have an indefinite useful life. These are not amortized because there is no foreseeable limit to the cash flows generated by those intangible assets. The Directors have considered the relevant factors in determining the useful life of the distribution rights. As there is no foreseeable limit to the period over which these are expected to generate net cash inflows for the Group, the distribution rights have been assessed as having an indefinite useful life.

8. INVESTMENTS IN SUBSIDIARIES

(a) Reconciliation of movements in investment in subsidiaries is presented below:

	THE COMPANY Level 2	Level 3	Total
2020	MUR'M	MUR'M	MUR'M
At January 1,	**969.9**	**12,102.4**	**13,072.3**
Increase in fair value	**27.7**	**315.9**	**343.6**
At December 31,	**997.6**	**12,418.3**	**13,415.9**
2019			
At January 1,	956.0	12,388.6	13,344.6
Increase/(decrease) in fair value	13.9	(286.2)	(272.3)
At December 31,	969.9	12,102.4	13,072.3

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

	THE COMPANY	
	2020	2019
	MUR'M	MUR'M
Unquoted - Level 2, recurring fair value	**997.6**	969.9
Unquoted - Level 3, recurring fair value	**12,418.3**	12,102.4
	13,415.9	13,072.3

Details of subsidiaries are set out in note 36.

The accounting policies relevant for investment in subsidiaries described in the summary of significant accounting policies (note 2.5).

(b) Unquoted Level 2 securities include investments in entities which hold shares in quoted securities.

The fair value of the Level 2 securities is based on the net assets value of the entities. The net asset value is based on the market price of the underlying quoted securities.

(c) **Measurement of fair value - Level 3**

The discounted cash flows (DCF) method, net asset value and the EBITDA multiple valuation methodologies were used to estimate the fair value of investment in subsidiaries. The DCF valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate. The EBITDA multiple valuation model considers applying a multiple to the normalised earnings and discounting for risks.

The following tables show the valuation techniques used in measuring Level 3 in the statement of financial position, as well as the significant unobservable inputs used.

2020

Type	Valuation techniques	Key unobservable inputs	Range of unobservable inputs	Sensitivity of the input to fair value	
				%	**MUR'M**
Investment in subsidiaries	**DCF**	**Discount rate**	**2% - 6.5%**	**+1.45%**	**(214.8)**
				-1.45%	**262.5**
		Growth rate	**0% - 2%**	**+2.4%**	**398.7**
				-2.4%	**(147.5)**

2019

Type	Valuation techniques	Key unobservable inputs	Range of unobservable inputs	Sensitivity of the input to fair value	
				%	MUR'M
Investment in subsidiaries	DCF	Discount rate	2% - 4.6%	+1.45%	(423.5)
				-1.45%	586.3
		Growth rate	0%-5%	+2.4%	811.2
				-2.4%	(594.9)

Some subsidiaries have been valued using the net asset value because either the underlying assets are fair valued (land & buildings (note 5)) or net asset value represents the best estimate of fair value at the measurement date.

9. INVESTMENTS IN ASSOCIATES

(a) **THE GROUP**

	THE GROUP	
		(Restated)
	2020	2019
	MUR'M	MUR'M
(i) Group's share of net assets	**2,958.0**	2,754.8
Goodwill	**131.9**	299.0
At December 31,	**3,089.9**	3,053.8

Details of associates are set out in note 37.

(i) The accounting policies relevant for investments in associates described in the summary of significant accounting policies (note 2.6).

(ii) Reconciliation of movements in investments in associates is presented below:

	2020	(Restated) 2019
	MUR'M	MUR'M
At January 1,		
As previously reported	**2,923.2**	3,320.9
- Effect of prior year adjustments (note 44)	**130.6**	-
As restated	**3,053.8**	3,320.9
Transfer to non-current assets classified as held for sale (note 17)	**(24.8)**	(503.6)
Transfer to investment in subsidiaries	**-**	(2.6)
Redemption of preference shares	**-**	(1.7)
Additions	**4.6**	65.5
Share of results of associates (2019- restated)	**249.2**	236.8
Impairment of associate transferred to non-current assets classified as held for sale	**(130.1)**	-
Impairment of associates	**(51.7)**	(120.1)
Dividend received (note 40)	**(67.1)**	(75.2)
Share of other comprehensive income	**(100.9)**	101.1
Movements in translation reserves	**156.9**	32.7
At December 31,	**3,089.9**	3,053.8

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

9. INVESTMENTS IN ASSOCIATES (CONT'D)

(b) THE COMPANY

(i) Reconciliation of movements in investment in associates is presented below:

	Level 1	Level 2	Level 3	Total
2020	MUR'M	MUR'M	MUR'M	MUR'M
At January 1,	41.2	62.2	123.3	226.7
Transfer to non-current assets classified as held for sale (note 17)	-	-	(87.4)	(87.4)
Decrease in fair value	(9.9)	(15.0)	(6.2)	(31.1)
At December 31,	31.3	47.2	29.7	108.2
2019				
At January 1,	608.9	96.5	389.6	1,095.0
Transfer to non-current assets classified as held for sale (note 17)	(503.6)	-	-	(503.6)
Decrease in fair value	(64.1)	(34.3)	(266.3)	(364.7)
At December 31,	41.2	62.2	123.3	226.7

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

	2020	2019
	MUR'M	MUR'M
Quoted - Level 1, recurring fair value	31.3	41.2
Unquoted - Level 2, recurring fair value	47.2	62.2
Unquoted - Level 3, recurring fair value	29.7	123.3
	108.2	226.7

(iii) Unquoted Level 2 securities include investments in entities which hold shares in quoted securities.

The fair value of the Level 2 securities is based on the net assets value of the entities. The net asset value is based on the market price of the underlying quoted securities.

(iv) Measurement of fair value - Level 3

The EBITDA multiple was used to estimate the fair value of investment in associates. The EBITDA multiple valuation model considers applying a multiple to the normalised earnings and discounting for risks.

9. INVESTMENTS IN ASSOCIATES (CONT'D)

(b) THE COMPANY (CONT'D)

(iv) Measurement of fair value - Level 3 (Cont'd)

The following tables show the valuation techniques used in measuring Level 3 in the statement of financial position, as well as the significant unobservable inputs used.

2020

Type	Valuation techniques	Key unobservable inputs	Range of unobservable inputs	Sensitivity of the input to fair value %	MUR'M
Investment in associates	DCF	Discount rate	2%	+1.45%	(107.5)
				+1.45%	135.0
		Growth rate	2%	+2.4%	253.2
				-2.4%	(127.4)
	EBITDA multiple	Multiple	5.4	+33%	66.1
				-33%	(66.1)
		Discount	15%	+7.55%	(7.8)
				-7.55%	7.8

2019

Type	Valuation techniques	Key unobservable inputs	Range of unobservable inputs	Sensitivity of the input to fair value %	MUR'M
Investment in associates	EBITDA multiple	Multiple	5 - 5.4	+33%	62.3
				-33%	(62.3)
		Discount	15%-21%	+7.55%	(10.4)
				-7.55%	10.4

Summarised information on investments in associates are disclosed in note 37.

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(i) Equity investments at fair value through other comprehensive income included the following:

2020	THE GROUP			
	Level 1	Level 2	Level 3	Total
	MUR'M	MUR'M	MUR'M	MUR'M
At January 1,	166.2	83.3	252.6	502.1
Additions	22.8	-	69.4	92.2
Change in fair value recognised in OCI	(37.2)	(18.9)	19.0	(37.1)
At December 31,	151.8	64.4	341.0	557.2

2019	THE GROUP			
	Level 1	Level 2	Level 3	Total
	MUR'M	MUR'M	MUR'M	MUR'M
At January 1,	209.8	162.7	92.3	464.8
Additions	-	-	173.3	173.3
Disposals	(17.5)	-	-	(17.5)
Change in fair value recognised in OCI	(26.1)	(79.4)	(13.0)	(118.5)
At December 31,	166.2	83.3	252.6	502.1

2020	THE COMPANY			
	Level 1	Level 2	Level 3	Total
	MUR'M	MUR'M	MUR'M	MUR'M
At January 1,	181.9	83.3	252.6	517.8
Additions	25.4	-	69.4	94.8
Change in fair value recognised in OCI	(36.1)	(18.9)	19.0	(36.0)
At December 31,	171.2	64.4	341.0	576.6

2019	THE COMPANY			
	Level 1	Level 2	Level 3	Total
	MUR'M	MUR'M	MUR'M	MUR'M
At January 1,	225.6	162.7	92.3	480.6
Additions	-	-	173.3	173.3
Disposals	(17.6)	-	-	(17.6)
Change in fair value recognised in OCI	(26.1)	(79.4)	(13.0)	(118.5)
At December 31,	181.9	83.3	252.6	517.8

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

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	MUR'M	MUR'M	MUR'M	MUR'M
Quoted - Level 1				
- Harel Mallac & Co Ltd	122.7	166.2	122.7	166.2
- Swan General Ltd	-	-	19.4	15.7
- Swan Life Ltd	29.1	-	29.1	-
	151.8	166.2	171.2	181.9
Unquoted - Level 2	64.4	83.3	64.4	83.3
Unquoted - Level 3	341.0	252.6	341.0	252.6
	557.2	502.1	576.6	517.8

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONT'D)

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

(iv) Investments in equity instruments at fair value through other comprehensive income are not subject to impairment.

(v) Level 1
The fair value of quoted securities is based on published market prices.

Level 2
Unquoted securities include investments in entities which hold shares in quoted securities. The fair value of the Level 2 securities is based on the net assets value of the entities. The net asset value is based on the market price of the underlying quoted securities.

Level 3
The significant unobservable inputs used in measuring the fair value of Level 3 securities are as follows:

Description	Fair values at December 31, 2020	2019	Valuation technique	Unobservable inputs
	MUR'M	MUR'M		
Investment in Inside Equity Fund (IEF)	341.0	252.6	IEF was set up as an investment fund with investments in unquoted equity securities classified under the level 3 fair value hierarchy. The value of the fund is determined by the underlying fair value of its investment. The investment in the fund is reflected by its net asset value (NAV). NAV has therefore been used as valuation technique.	The NAV of IEF is primarily based on the valuation of its underlying investments which are fair valued using price of recent transactions.

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONT'D)

(v) Level 3 (Cont'd)

Sensitivity analysis

The following table indicates the approximate change in the Group's and Company's equity in response to reasonably possible changes in net asset value of investment.

	Impact on equity	
	2020	2019
	MUR'M	MUR'M
5% increase in Net Asset Value (2019: 5%)	**17.1**	12.6

(vi) Fair value through other comprehensive income financial assets are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	MUR'M	MUR'M	**MUR'M**	MUR'M
MUR	**216.2**	249.5	**235.6**	265.2
USD	**341.0**	252.6	**341.0**	252.6
	557.2	502.1	**576.6**	517.8

(vii) One of the Group/Company's strategic investments is a 38.4% (2019: 38.4%) interest in Inside Equity Fund (the "Fund"). This investment is not accounted for using the equity method (as an associate) as the Group/Company do not have the power to participate in the Fund's operating and financial policies, evidenced by the lack of any direct or indirect involvement at board level and a contractual arrangement which enables the board to take all operational and strategic decisions without consultation with shareholders of the Fund.

(viii) Dividends received on investments held at year end amounted to MUR'M 2.6 (2019: MUR'M 4.3) for the Group and the Company.

11. OTHER FINANCIAL ASSETS AT AMORTISED COST

	THE GROUP			
	2020		2019	
	MUR'M	**MUR'M**	MUR'M	MUR'M
	Current	**Non-current**	Current	Non-current
Loans to related parties (note 40)	**14.9**	**10.2**	30.0	15.6
Other receivables	**41.7**	**4.9**	-	-
	56.6	**15.1**	30.0	15.6
Less: Loss allowances on financial assets at amortised cost	**-**	**(9.2)**	-	-
	56.6	**5.9**	30.0	15.6

	THE COMPANY			
	2020		2019	
	MUR'M	**MUR'M**	MUR'M	MUR'M
	Current	**Non-current**	Current	Non-current
Loans to related parties (note 40)	**-**	**10.2**	-	9.1
Less: Loss allowances on financial assets at amortised cost	**-**	**(9.2)**	-	-
	-	**1.0**	-	9.1

Loans to related parties are unsecured and interest-free. Directors have made an assessment of probability of default of loans to related parties at reporting date and the amount of lifetime ECL is immaterial and has not been accounted for.

(a) ***Impairment and risk exposure***

An impairment loss of MUR'M 9.2 (2019: MUR'M: Nil) on loans to related parties was recognised during the year for the Group and Company.

The carrying amounts of other financial assets at amortised cost represent the maximum credit exposure.

(b) The carrying amounts of the other financial assets at amortised cost are denominated in MUR and as such there is no exposure to foreign currency risk.

(c) The Group and the Company apply IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all financial assets at amortised cost.

(d) Interest may be charged at commercial rates where the term of repayment exceed six months. Collateral is not normally obtained.

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

12. FINANCIAL INSTRUMENTS

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

THE GROUP

December 31, 2020	Notes	Carrying amount FVOCI - equity instruments	Financial assets at amortised cost	Other financial liabilities	Total	Fair value Level 1	Level 2	Level 3	Total
		MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Financial assets not measured at fair value									
Equity securities	10	557.2	-	-	557.2	151.8	64.4	341.0	557.2
		557.2	-	-	557.2	151.8	64.4	341.0	557.2
Financial assets not measured at fair value									
Trade and other receivables (note 12(i))		-	999.6	-	999.6				
Other financial assets at amortised cost	11	-	62.5	-	62.5				
Cash in hand and at bank	34(b)	-	437.3	-	437.3				
		-	1,499.4	-	1,499.4				
Financial liabilities not measured at fair value									
Lease liabilities	21	-	-	33.4	33.4				
Borrowings	20	-	-	3,903.2	3,903.2				
Trade and other payables	23	-	-	1,024.6	1,024.6				
		-	-	4,961.2	4,961.2				

12. FINANCIAL INSTRUMENTS (CONT'D)

Accounting classification and fair values (Cont'd)

THE GROUP (CONT'D)

December 31, 2019	Notes	Carrying amount FVOCI - equity instruments	Financial assets at amortised cost	Other financial liabilities	Total	Fair value Level 1	Level 2	Level 3	Total
		MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Financial assets not measured at fair value									
Equity securities	10	502.1	-	-	502.1	166.2	83.3	252.6	502.1
		502.1	-	-	502.1	166.2	83.3	252.6	502.1
Financial assets not measured at fair value									
Trade and other receivables (note 12(i))		-	1,472.0	-	1,472.0				
Other financial assets at amortised cost	11	-	45.6	-	45.6				
Cash in hand and at bank	34(b)	-	491.5	-	491.5				
		-	2,009.1	-	2,009.1				
Financial liabilities not measured at fair value									
Lease liabilities	21	-	-	40.3	40.3				
Borrowings	20	-	-	3,536.8	3,536.8				
Trade and other payables	23	-	-	902.9	902.9				
		-	-	4,480.0	4,480.0				

(i) Trade and other receivables as stated above exclude prepayments, deposits and taxes.

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

12. FINANCIAL INSTRUMENTS (CONT'D)

Accounting classification and fair values (Cont'd)

THE COMPANY

December 31, 2020	Notes	Carrying amount FVOCI - equity instruments	Carrying amount Financial assets at amortised cost	Carrying amount Other financial liabilities	Carrying amount Total	Fair value Level 1	Fair value Level 2	Fair value Level 3	Fair value Total
		MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Financial assets not measured at fair value									
Investment in subsidiaries	8	13,415.9	-	-	13,415.9	-	997.6	12,418.3	13,415.9
Investment in associates	9	108.2	-	-	108.2	31.3	47.2	29.7	108.2
Equity securities	10	576.6	-	-	576.6	171.2	64.4	341.0	576.6
		14,100.7	-	-	14,100.7	202.5	1,109.2	12,789.0	14,100.7
Financial assets not measured at fair value									
Trade and other receivables (note 12(ii))		-	45.2	-	45.2				
Other financial assets at amortised cost	11	-	1.0	-	1.0				
Cash in hand and at bank	34(b)	-	19.1	-	19.1				
		-	65.3	-	65.3				
Financial liabilities not measured at fair value									
Borrowings	20	-	-	990.3	990.3				
Trade and other payables	23	-	-	48.6	48.6				
		-	-	1,038.9	1,038.9				

12. FINANCIAL INSTRUMENTS (CONT'D)

Accounting classification and fair values (Cont'd)

THE COMPANY (CONT'D)

December 31, 2019	Notes	Carrying amount FVOCI - equity instruments	Carrying amount Financial assets at amortised cost	Carrying amount Other financial liabilities	Carrying amount Total	Fair value Level 1	Fair value Level 2	Fair value Level 3	Fair value Total
		MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Financial assets not measured at fair value									
Investment in subsidiaries	8	13,072.3	-	-	13,072.3	-	969.9	12,102.4	13,072.3
Investment in associates	9	226.7	-	-	226.7	41.2	62.2	123.3	226.7
Equity securities	10	517.8	-	-	517.8	181.9	83.3	252.6	517.8
		13,816.8	-	-	13,816.8	223.1	1,115.4	12,478.3	13,816.8
Financial assets not measured at fair value									
Trade and other receivables (note 12(ii))		-	59.6	-	59.6				
Other financial assets at amortised cost	11	-	9.1	-	9.1				
Cash in hand and at bank	34(b)	-	12.2	-	12.2				
		-	80.9	-	80.9				
Financial liabilities not measured at fair value									
Borrowings	20	-	-	860.3	860.3				
Trade and other payables	23	-	-	30.3	30.3				
		-	-	890.6	890.6				

(ii) Trade and other receivables as stated above exclude deposits.

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

13. DEFERRED INCOME TAXES ASSETS/LIABILITIES

Deferred income taxes are calculated on temporary differences under the liability method at the effective tax rate of 17% (2019: 17%).

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

	THE GROUP	
	2020	2019
	MUR'M	MUR'M
Deferred tax assets	**(253.2)**	(204.2)
Deferred tax liabilities	**256.9**	269.1
	3.7	64.9
Unused tax losses available for offset against future taxable profits	**619.9**	578.8
The tax losses expire on a rolling basis over 5 years as follows:		
Year 1	**17.2**	20.7
Year 2	**37.0**	37.0
Year 3	**208.4**	202.3
Year 4	**26.4**	251.8
Year 5	**330.9**	67.0
	619.9	578.8

Deferred tax assets have not been recognised on tax losses because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

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

	THE GROUP	
	2020	2019
	MUR'M	MUR'M
At January 1,	**64.9**	43.3
(Credited)/charged to profit or loss (note 25(b))	**(27.1)**	0.8
(Credited)/charged to equity (note 13(c))	**(34.1)**	20.8
At December 31,	**3.7**	64.9

(c) The deferred income tax charged/(credited) to other comprehensive income during the year is as follows:

	THE GROUP	
	2020	2019
	MUR'M	MUR'M
Fair value reserves in shareholders' equity:		
- Land and building	**-**	36.3
- Retirement benefit obligations (note 13(d))	**(34.1)**	(15.5)
	(34.1)	20.8

13. DEFERRED INCOME TAXES ASSETS/LIABILITIES (CONT'D)

(d) Deferred tax assets and liabilities, deferred tax movement in profit or loss and equity are attributable to the following items:

THE GROUP	At January 1, 2019	Profit or Loss	Movement in Equity	At December 31, 2019	Profit or Loss	Movement in Equity	**At December 31, 2020**
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	**MUR'M**
Deferred income tax liabilities							
Accelerated tax depreciation	214.0	(0.7)	(0.1)	213.2	(7.8)	-	**205.4**
Asset revaluations	29.9	(10.4)	36.4	55.9	(4.4)	-	**51.5**
	243.9	(11.1)	36.3	269.1	(12.2)	-	**256.9**
Deferred income tax assets							
Accelerated tax depreciation	107.8	(8.9)	-	98.9	15.7	-	**114.6**
Tax losses carried forward	0.5	(0.3)	-	0.2	-	-	**0.2**
Right-of-use assets	-	1.1	-	1.1	(0.3)	-	**0.8**
Retirement benefit obligations	91.2	(4.3)	15.5	102.4	(1.2)	34.1	**135.3**
Provisions	1.1	0.5	-	1.6	0.7	-	**2.3**
	200.6	(11.9)	15.5	204.2	14.9	34.1	**253.2**
Net deferred income tax liabilities	43.3	0.8	20.8	64.9	(27.1)	(34.1)	**3.7**

14. INVENTORIES

		THE GROUP	
		2020	2019
		MUR'M	MUR'M
(a)	Raw materials	**296.4**	307.2
	Work-in-progress	**123.1**	42.7
	Inventory property	**35.3**	24.1
	Finished goods	**525.3**	450.2
	Spare parts and consumables	**260.7**	267.4
	Less: Provision for obsolescence	**(9.5)**	(9.5)
		1,231.3	1,082.1

(b) The cost of inventories recognised as expense and included in cost of sales are as follows:

	THE GROUP	
	2020	2019
	MUR'M	MUR'M
Cost of inventories consumed in respect of other inventories	**2,067.1**	2,086.7
Cost of inventories consumed in respect of sales of completed inventory property	**-**	28.4
	2,067.1	2,115.1

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

15. CONSUMABLE BIOLOGICAL ASSETS

	THE GROUP Sugar cane	
	2020	2019
	MUR'M	MUR'M
At January 1,	137.2	52.9
Other movement	2.9	-
Net changes in fair value less estimated costs to sell	32.5	84.3
At December 31,	172.6	137.2

The fair value measurements for standing canes have been categorised as Level 3 fair values based on the inputs.

At December 31, 2020, sugar canes comprised of approximately 4,855 hectares of sugar cane plantations (2019: 4,841.09 hectares). The Group manages sugar cane plantations on land that the Group owns and this land has been classified under "Property, plant and equipment" (note 5).

During the year, the Group harvested approximately 302,291 tonnes of canes (2019: 388,715 tonnes), which based on a selling price of Raw Sugar at MUR 13,000/ton (2019: MUR 11,600) had a fair value less costs to sell of MUR'M 172.6 (2019: MUR'M 137.2) at the date of harvest.

The following table shows the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

THE GROUP

Sugar cane	Key unobservable inputs	Range of unobservable inputs	Sensitivity of the input to fair value	
			%	MUR'M
2020	Cane maturity	20.0%	10.0%	0.33
	Price of sugar	13,000	11.0%	40.22
	Extraction rate	10.5%	0.5%	20.43
	Estimated cane production in metric tonnes	369,000	5.0%	13.98
2019	Cane maturity	20.0%	2.0%	0.3
	Price of sugar	11,600	11.0%	38.1
	Extraction rate	10.5%	0.4%	14.0
	Estimated cane production in metric tonnes	380,000	5.0%	18.4

An increase in each of the key unobservable inputs would give rise to an increase in the fair value of consumable biological assets.

16. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	MUR'M	MUR'M	MUR'M	MUR'M
Trade receivables	690.2	871.1	-	-
Less: allowance for impairment	(122.8)	(58.9)	-	-
Trade receivables - net	567.4	812.2	-	-
Dividend receivable	39.9	39.9	39.8	-
Advance payments	7.2	-	-	-
Short term loans	0.7	17.1	-	-
Receivable from related parties (note 40)	4.8	14.1	-	56.3
Deposit on investments	233.2	163.4	233.2	161.4
Prepayments	20.6	51.7	-	-
Sugar proceeds receivable	367.4	415.6	-	-
Compensation receivable from SIFB	-	71.0	-	-
VAT and taxes	79.0	32.6	-	-
Other receivables	12.2	102.1	5.4	3.3
	1,332.4	1,719.7	278.4	221.0

The carrying amounts of trade and other receivables approximate their fair value. Directors have made an assessment of probability of amount receivables from related parties at reporting date and the amount of lifetime ECL is immaterial and has not been accounted for.

Other receivables include VAT receivable.

The Group and the Company made an assessment of impairment of 'other receivables' under the Expected Credit Losses (ECL) model and determined that the impairment is immaterial.

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

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	MUR'M	MUR'M	MUR'M	MUR'M
MUR	1,115.3	1,503.1	278.4	221.0
USD	28.3	10.4	-	-
EUR	145.1	123.2	-	-
SCR	42.5	83.0	-	-
Other currencies	1.2	-	-	-
	1,332.4	1,719.7	278.4	221.0

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

16. TRADE AND OTHER RECEIVABLES (CONT'D)

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

Trade receivables

The Group and the Company apply 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 Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. 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 Group and the Company have identified gross domestic products (GDP) as the key macroeconomic factors and accordingly adjust the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at December 31, 2020 was determined as follows for trade receivables:

THE GROUP	**Current**	**More than 30 days past due**	**More than 60 days past due**	**More than 120 days past due**	**Total**
	MUR'M	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**
At December 31, 2020					
Expected loss rate	**5.4%**	**6.7%**	**7.1%**	**58.2%**	
Gross carrying amount - Trade receivable	**470.4**	**34.4**	**25.3**	**160.1**	**690.2**
Loss allowance	**(25.5)**	**(2.3)**	**(1.8)**	**(93.2)**	**(122.8)**

THE GROUP	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
At December 31, 2019	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Expected loss rate	3.9%	6.4%	20.6%	86.4%	
Gross carrying amount - trade receivable	778.1	51.5	16.5	25.0	871.1
Loss allowance	(30.6)	(3.3)	(3.4)	(21.6)	(58.9)

16. TRADE AND OTHER RECEIVABLES (CONT'D)

(i) ***Impairment of trade and other receivables (Cont'd)***

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

	2020	2019
	MUR'M	MUR'M
Loss allowance as at January 1,	**58.9**	28.8
Loss allowance recognised in profit or loss during the year	**55.0**	43.4
Exchange difference	**11.2**	-
Receivables written off during the year as uncollectible	**(1.2)**	(13.3)
Unused amount reversed	**(1.1)**	-
At December 31,	**122.8**	58.9

(ii) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above except for prepayments. The Group and the Company do not hold any collateral as security.

(iii) The Group and the Company consider a financial asset to be in default when:
- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 120 days past due.

(iv) ***Write-off***

The gross carrying amount of a financial asset is written off when the Group and the Company have no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group and the Company individually make an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group and the Company expect no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery of amounts due.

(v) ***Other receivables***

The Group and the Company used the simplified impairment approach to calculate for its ECL. Management have used inferred proxies for the probability of default (PD) based on relevant jurisdictional sovereign Moody's ratings. A loss given default (LGD) proxy of 45% was used for counterparties based in Mauritius which is representative of the corporate client's exposure. For receivables who settled their balances after the year end, management used the sovereign PD and a lower LGD of 10%. For both years, the loss allowance on other receivables was deemed to be insignificant and have not been provided in profit or loss.

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

17. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	MUR'M	MUR'M	**MUR'M**	MUR'M
At January 1,	**580.7**	-	**580.7**	-
Reclassified from investment in associates (note 9)	**24.8**	503.6	**87.4**	503.6
Fair value (loss)/gain	**(314.0)**	77.1	**(336.8)**	77.1
At December 31,	**291.5**	580.7	**331.3**	580.7

For December 31, 2020, the investment in Commada Ltd was classified as held for sale following the decision of the Board to dispose of it in the forthcoming year.

Efforts to sell the investment in associates have started and a sale is expected to conclude within the next 12 months.

Non-current assets held for sale are stated at fair value less costs to sell and where applicable based on the share price at year end.

The fair value gain is recognised through other comprehensive income at Company level and through profit or loss at Group level. The fair value gain has been recorded to the extent that it is does not exceed the previous cumulative impairment losses that were previously recognised in accordance with IAS 36.

18. STATED CAPITAL

	THE GROUP AND THE COMPANY	
	2020 & 2019	
	No.of shares Million	**MUR'M**
Issued and fully paid		
Ordinary shares		
At December 31 ,	**227.5**	**11,976.0**

The total issued number of ordinary shares of TERRA Mauricia Ltd is 227,545,624 share of no par value each (2019: 227,545,624 shares). All issued shares are fully paid.

Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

19. REVALUATION AND OTHER RESERVES

THE GROUP	Notes	Associates Reserves	Revaluation Reserves	Amalgamation Reserves	Actuarial Losses	Translation Reserve	Financial Assets at FVOCI Reserve	Total
		MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
At January 1, 2020								
-As previously reported		(84.8)	2,153.9	(43.3)	(265.1)	64.4	(409.1)	1,416.0
- Effect of prior year adjustments	44	64.7	-	-	-	-	-	64.7
- As restated		(20.1)	2,153.9	(43.3)	(265.1)	64.4	(409.1)	1,480.7
Remeasurements of post employment benefit obligations		-	-	-	(212.8)	-	-	(212.8)
Deferred tax on remeasurements of post employment benefit obligations		-	-	-	32.5	-	-	32.5
Release on disposal of land		-	(15.0)	-	-	-	-	(15.0)
Changes in fair value of equity instruments at fair value through other comprehensive income	10	-	-	-	-	-	(37.1)	(37.1)
Other movements		-	7.7	-	-	-	-	7.7
Movements in translation reserve	9	156.9	-	-	-	(4.2)	-	152.7
Share of other comprehensive income of associates	9	(105.4)	4.5	-	-	-	-	(100.9)
At December 31, 2020		31.4	2,151.1	(43.3)	(445.4)	60.2	(446.2)	1,307.8

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

19. REVALUATION AND OTHER RESERVES (CONT'D)

THE GROUP	Notes	Associates Reserves	Revaluation Reserves	Amalgamation Reserves	Actuarial Losses	Translation Reserve	Financial Assets at FVOCI Reserve	Total
		MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
At January 1, 2019		(121.2)	1,062.2	(43.3)	(194.4)	24.2	(300.1)	427.4
Revaluation of land and buildings, net of impairment		-	1,125.0	-	-	-	-	1,125.0
Deferred tax on revaluation of buildings		-	(33.1)	-	-	-	-	(33.1)
Remeasurements of post employment benefit obligations		-	-	-	(85.5)	-	-	(85.5)
Deferred tax on remeasurements of post employment benefit obligations		-	-	-	14.8	-	-	14.8
Transfer of accumulated fair value losses upon disposal of equity investments at fair value through other comprehensive income		-	-	-	-	-	7.5	7.5
Release on disposal of land		-	(2.3)	-	-	-	-	(2.3)
Changes in fair value of equity instruments at fair value through other comprehensive income	10	-	-	-	-	-	(118.5)	(118.5)
Fair value gain on disposal of financial assets at fair value through other comprehensive income		-	-	-	-	-	2.0	2.0
Other movements		-	2.1	-	-	-	-	2.1
Movements in translation reserve		-	-	-	-	40.2	-	40.2
Share of other comprehensive income of associates	9	101.1	-	-	-	-	-	101.1
At December 31, 2019		**(20.1)**	**2,153.9**	**(43.3)**	**(265.1)**	**64.4**	**(409.1)**	**1,480.7**

19. REVALUATION AND OTHER RESERVES (CONT'D)

Associates reserves

Associates reserves comprise the cumulative change in other comprehensive income of associates.

Financial assets at fair value through OCI reserve

Financial assets at fair value through OCI reserve comprises the cumulative net change in financial assets through OCI that has been recognised in other comprehensive income until the investments are derecognised.

Translation reserve

The translation reserve consists of the foreign currency differences arising from the translation of the financial statements of foreign operations.

Revaluation reserve

The revaluation surplus relates to the revaluation of land and buildings.

Actuarial losses

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

Amalgamation reserve

This arose upon the amalgamation of Terra Mauricia Ltd with HF Investments Ltd.

THE COMPANY

The Company's revaluation and other reserves are made up of amalgamation reserve and financial assets at fair value through other comprehensive income reserve.

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

20. BORROWINGS

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	MUR'M	MUR'M	**MUR'M**	MUR'M
Non-current				
Bank loans (note 20(a))	**2,644.6**	165.1	**-**	-
Loans from related parties (note 40, 20(a))	**-**	-	**851.6**	-
Other loans	**-**	8.0	**-**	-
Total non-current	**2,644.6**	173.1	**851.6**	-
Current				
Bank overdrafts (note 34(b))	**4.4**	39.9	**-**	-
Bank loans (note 20(a))	**346.7**	60.5	**-**	-
Loans from related parties (note 40, 20(a))	**-**	-	**138.7**	860.3
Other loans	**1.3**	2.3	**-**	-
Money market lines (note 20(a))	**906.2**	3,261.0	**-**	-
	1,254.2	3,323.8	**138.7**	860.3
Total current	**1,258.6**	3,363.7	**138.7**	860.3
Total borrowings	**3,903.2**	3,536.8	**990.3**	860.3

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	MUR'M	MUR'M	**MUR'M**	MUR'M
(a) Breakdown of loans:				
Loans from subsidiary	**-**	-	**990.3**	860.3
Bank loans	**2,991.3**	225.6	**-**	-
Other loans	**1.3**	10.3	**-**	-
Money market lines	**906.2**	3,261.0	**-**	-
	3,898.8	3,496.9	**990.3**	860.3
Less: Repayable within one year	**(1,254.2)**	(3,323.8)	**(138.7)**	(860.3)
Repayable after one year	**2,644.6**	173.1	**851.6**	-

20. BORROWINGS (CONT'D)

(b) The maturity of non-current loans is as follows:

	THE GROUP	
	2020	2019
	MUR'M	MUR'M
- after one year and before two years	**52.1**	61.2
- after two years and before five years	**92.5**	111.9
- above five years	**2,500.0**	-
	2,644.6	173.1

(c) The carrying amounts of non-current borrowings are not materially different from the fair value.

Non-current borrowings can be analysed as follows:

	THE GROUP	
	2020	2019
	MUR'M	MUR'M
- After one year and before two years		
Bank borrowings	**52.1**	61.2
- After two years and before five years		
Bank borrowings	**92.5**	111.9
- After five years	**2,500.0**	-
Total	**2,644.6**	173.1

(d) An analysis of borrowing by currency is provided below:

	THE GROUP			
2020	**MUR'M**	**EUR'M**	**SCR'M**	**Total**
Bank overdraft	**4.4**	**-**	**-**	**4.4**
Bank loans	**2,778.3**	**198.2**	**14.8**	**2,991.3**
Other loans	**1.3**	**-**	**-**	**1.3**
Money market lines	**906.2**	**-**	**-**	**906.2**
	3,690.2	**198.2**	**14.8**	**3,903.2**

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

20. BORROWINGS (CONT'D)

(d) An analysis of borrowing by currency is provided below: (cont'd)

2019	THE GROUP MUR'M	EUR'M	Total
Bank overdraft	39.9	-	39.9
Bank loans	-	225.6	225.6
Other loans	10.3	-	10.3
Money market lines	3,261.0	-	3,261.0
	3,311.2	225.6	3,536.8

The borrowings held by the Company are all denominated in Mauritian Rupee.

(e) The interest rate profile of the Group and Company at the reporting date was as follows:

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	MUR'M	MUR'M	**MUR'M**	MUR'M
	Floating interest rate		**Floating interest rate**	
	% p.a.	% p.a.	**% p.a.**	% p.a.
Loans from related parties	**n/a**	n/a	**1.05 - 4.17**	3.3 - 5
Bank loans	**3.5 - 5.1**	5.6 - 5.75	**n/a**	n/a
Other loans	**Euribor 3 months + 2.8%**		**n/a**	n/a
Money market lines	**1.0 - 3.6**	1.0 - 3.85	**n/a**	n/a

(f) Money market lines are short term (1-3 months) borrowings, renewable at the option of the Group.

(g) Borrowings are secured by fixed and floating charges on the land and buildings as shown in note 5(e).

(h) The Group has bank loans with a total carrying amount of MUR'M 3,897.5 at December 31, 2020 (2019: MUR'M 3,486.6). These loans are repayable in full at maturity date as shown in notes 20(c) and 3.1(c). However, the loans contained the following covenants:
- Debt to equity ratio not exceeding 2:1
- At any one point in time, utilisation under working capital facilities by the borrower availed from financing institutions shall not exceed MUR'M 2,500
- Minimum interest cover of 2:1 to be maintained at all times.

(i) For the Company, loans from related parties are unsecured and bear interest rates varying between 1.05% to 4.17% (2019: 3.3% to 5%).

21. LEASE LIABILITIES

THE GROUP	Land MUR'M	Buildings MUR'M	Motor vehicles MUR'M	Total MUR'M
At January 1, 2019	11.2	47.0	7.5	65.7
Interest expense	0.4	2.7	0.1	3.2
Lease payments	(6.0)	(22.4)	(0.2)	(28.6)
At December 31, 2019	5.6	27.3	7.4	40.3
Effect of modification to lease term	-	7.1	-	7.1
Interest expense	0.4	1.8	0.4	2.6
Lease payments	(0.5)	(15.3)	(0.8)	(16.6)
At December 31, 2020	**5.5**	**20.9**	**7.0**	**33.4**

	2020	2019
	MUR'M	MUR'M
Current	**3.9**	14.3
Non current	**29.5**	26.0
	33.4	40.3

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

The Group leases two plots of land from Government of Mauritius : (1) a portion of land and part of a bassin in the district of Pamplemousses and (2) another portion of land in the district of Riviere du Rempart.

The Group also leases a number of commercial properties in the jurisdictions from which it operates. In some jurisdictions it is customary for lease contracts to provide for payments to increase each year by inflation and in others to be reset periodically to market rental rates.

The Group also leases 5 motor vehicles for use in its operations.

(b) Lease payments

The lease payments for the plot of land and portion of a bassin in Pamplemousses is a fixed yearly amount while the other plot of land in Riviere du Rempart is against consideration of a premium and annual rental which is adjusted every 3 years by reference to cumulative inflation based on Consumer Price Index (CPI) during the 3 year period which shall not exceed 15.8% in any case.

The lease payments for motor vehicles are fixed yearly amounts.

(c) Lease term

The portion of land and part of a bassin in the district of Pamplemousses is for a period of 99 years as from August 7, 1963. The portion of land in the district of Riviere du Rempart is for a period of 60 years as from January 28, 2009.

The commercial properties are for a period of between 1 and 4 years.

The motor vehicles leases are for a period of 5 years.

Notes to the Consolidated and Separate Financial Statements (cont'd)

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21. LEASE LIABILITIES (CONT'D)

	2020	2019
	MUR'M	MUR'M
(d) Interest expense (included in finance cost)	2.6	3.2
Total cash outflows	16.6	28.6

22. RETIREMENT BENEFIT OBLIGATIONS

	THE GROUP	
	2020	2019
	MUR'M	MUR'M
Amount recognised in the statement of financial position:		
Defined pension benefits (note 22(a) (ii))	865.1	641.6
	865.1	641.6
Amount charged to profit or loss:		
- Defined pension benefits (note 22(a) (v))	65.7	64.2
- Defined contribution plan (note 22(b))	25.2	23.4
	90.9	87.6
Amount charged to other comprehensive income		
- Defined pension benefits (note 22(a) (vi))	229.8	91.1
	229.8	91.1

(a) Defined pension benefits

(i) Retirement benefit obligations comprise of the Group's pension schemes and of other post-retirement benefits. The pension schemes are defined benefit plans based on final salary and the assets of the plans are invested with the Sugar Insurance Pension Fund (SIPF) and a pension arrangement with an insurance company.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligations were carried out at December 31, 2020. 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 statement of financial position are as follows:

	THE GROUP	
	2020	2019
	MUR'M	MUR'M
Present value of funded obligations	1,346.0	1,114.5
Present value of unfunded obligations	170.1	192.0
	1,516.1	1,306.5
Fair value of plan assets	(651.0)	(664.9)
Liability in the statement of financial position	865.1	641.6

22. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (Cont'd)

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

	THE GROUP	
	2020	2019
	MUR'M	MUR'M
At January 1,	641.6	584.5
Charged to profit or loss	65.7	64.2
Charged to other comprehensive income	229.8	91.1
Employer's contributions	(72.0)	(98.2)
At December 31,	865.1	641.6

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

	THE GROUP	
	2020	2019
	MUR'M	MUR'M
At January 1,	1,306.5	1,225.5
Current service cost	29.0	29.2
Interest cost	57.1	66.6
Employee's contribution	1.4	1.8
Effect of curtailments/settlements	3.4	2.0
Actuarial losses	228.6	80.0
Benefits paid	(109.9)	(98.6)
At December 31,	1,516.1	1,306.5

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

	THE GROUP	
	2020	2019
	MUR'M	MUR'M
At January 1,	664.9	641.0
Interest income	28.5	36.4
Actuarial losses	(1.2)	(11.1)
Employers' contributions	72.0	98.2
Employee contributions	1.4	1.8
Scheme expenses	(3.7)	(1.9)
Benefits paid	(109.9)	(98.6)
Cost of insuring risk benefits	(1.0)	(0.9)
At December 31,	651.0	664.9

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

22. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (Cont'd)

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

	THE GROUP	
	2020	2019
	MUR'M	MUR'M
Current service cost	**29.0**	29.2
Scheme expense	**3.7**	1.9
Cost of insuring risk benefits	**1.0**	0.9
Interest expense	**28.6**	30.2
Effects of curtailments/settlements	**3.4**	2.0
Total included in employee benefit expense	**65.7**	64.2

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

	THE GROUP	
	2020	2019
Remeasurement on the net defined benefit liability:	**MUR'M**	MUR'M
Losses on pension scheme assets	**0.6**	11.4
Experience gains on the liabilities	**(20.5)**	(30.1)
Changes in assumption underlying the present value of the scheme	**249.7**	109.8
Actuarial losses recognised in OCI	**229.8**	91.1

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

	THE GROUP	
	2020	2019
	MUR'M	MUR'M
Local equities	**91.6**	113.3
Overseas equities	**116.3**	131.8
Fixed interest	**239.7**	217.2
Properties	**75.6**	79.7
Qualifying insurance policies	**127.8**	122.9
Total market value of assets	**651.0**	664.9

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

The Company's ordinary shares are not included in the pension plan assets.

(viii) The principal actuarial assumptions used for the purposes of the actuarial valuation were:

	THE GROUP	
	2020	2019
Discount rate	**1.8%-5.1%**	4.7%-5.1%
Future salary growth rate	**0.5%-1%**	3%-4%
Future pension growth rate	**0.0%**	0.0%

22. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (Cont'd)

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

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amount shown below:

	THE GROUP	
	2020	2019
	MUR'M	MUR'M
Discount rate (1% increase)	**184.9**	123.8
Future salary growth (1% increase)	**52.3**	53.3

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The sensitivity above have been determined based on a method that extrapolates the impact on net defined benefit obligations 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.

(x) The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated.

(xi) Risks Associated with the Pension promise/obligation. The Pension promise exposes the Group to actuarial risks such as longevity risk, interest rate risk, and salary risk.

(i) longevity risk - the liabilities disclosed are based on the mortality tables PA(92) for post-retirement mortality. Should the experience be less favourable than the standard mortality tables, the liabilities will increase.

(ii) interest rate risk - If the bond interest rate decreases, the liabilities would be calculated using a lower discount rate, and would therefore increase.

(iii) salary risk - If salary increases are higher than assumed in our basis, the liabilities would increase giving rise to actuarial losses.

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

(xiii) The Group is expected to contribute MUR'M 27.2 to the pension scheme for the year ending December 31, 2021.

(xiv) The actual return of the total assets for the year 2020 is MUR'M 25.6 (2019: MUR'M 25.3).

(xv) The weighted average duration of the defined benefit obligation is 9.3 years (2019: 9.3 years) at the end of the reporting period.

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

22. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(b) Defined contribution plan

The Group and the Company operate a defined contribution scheme, the assets of which are held and administered by an independent fund administrator. All new employees of the Group and the Company are members of the defined contribution retirement plan. Payments by the Group and the Company to the defined contribution retirement plan are charged as an expense as they fall due.

(c) Movement in net defined benefit liability/(asset)

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability/(asset) and its components:

	Defined benefit obligation		Fair value of plan assets		Net defined benefit liability/(asset)	
	2020	2019	**2020**	2019	**2020**	2019
	MUR'M	MUR'M	**MUR'M**	MUR'M	**MUR'M**	MUR'M
Balance at January 1,	**1,306.5**	1,225.5	**(664.9)**	(641.0)	**641.6**	584.5
Included in profit or loss						
Current service cost	**29.0**	29.2	**-**	-	**29.0**	29.2
Employees contribution	**1.4**	1.8	**(1.4)**	(1.8)	**-**	-
Scheme expenses	**-**	-	**3.7**	1.9	**3.7**	1.9
Cost of insuring risk benefit	**-**	-	**1.0**	0.9	**1.0**	0.9
Interest cost/(income)	**57.1**	66.6	**(28.5)**	(36.4)	**28.6**	30.2
Effects of curtailments/ settlements	**3.4**	2.0	**-**	-	**3.4**	2.0
	90.9	99.6	**(25.2)**	(35.4)	**65.7**	64.2
Included in OCI						
Remeasurement loss/(gain):						
Arising from actuarial loss/(gain)	**228.6**	80.0	**1.2**	11.1	**229.8**	91.1
	228.6	80.0	**1.2**	11.1	**229.8**	91.1
Others						
Contribution paid by the employer	**-**	-	**(72.0)**	(98.2)	**(72.0)**	(98.2)
Benefits paid	**(109.9)**	(98.6)	**109.9**	98.6	**-**	-
	(109.9)	(98.6)	**37.9**	0.4	**(72.0)**	(98.2)
Balance as at December 31,	**1,516.1**	1,306.5	**(651.0)**	(664.9)	**865.1**	641.6

23. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	MUR'M	MUR'M	**MUR'M**	MUR'M
Trade payables	**523.6**	456.4	**0.2**	-
Amounts due to related parties (note 40)	**13.4**	16.7	**26.6**	3.2
Retention moneys	**30.3**	-	**-**	-
Sugar Insurance Premium	**18.7**	17.8	**-**	-
Accruals	**308.0**	346.2	**1.5**	2.2
Deposits	**51.9**	10.6	**9.3**	10.6
Others	**78.7**	55.2	**11.0**	14.3
	1,024.6	902.9	**48.6**	30.3

24. PROVISIONS

	THE GROUP	
	2020	2019
	MUR'M	MUR'M
- As restated	**26.0**	54.1
Movements during the year	**(1.0)**	(3.1)
Reversal of provision	**-**	(25.0)
At December 31,	**25.0**	26.0

Centralisation in accordance with restructuration

Provisions for compensation payments in respect of restructuration were recognised after a formal plan was established and when the obligation was incurred. Estimates are regularly reviewed and adjusted as appropriate for new circumstances. The provision is expected to be settled in the next financial year. Movements relate solely to when expenditure is incurred.

25. TAXATION

(a) Liabilities/(assets) in the statements of financial position

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	MUR'M	MUR'M	**MUR'M**	MUR'M
At January 1,	**37.3**	28.3	**(0.4)**	(0.2)
Under provision in previous years	**3.4**	0.7	**0.8**	0.2
Tax recovered	**0.2**	1.2	**-**	-
	40.9	30.2	**0.4**	-
Current tax on the adjusted profits for the year at 3%/15%/25%/30% (2019: 3%/15%/25%/30%)	**46.0**	65.6	**0.5**	0.3
Tax paid	**(60.1)**	(58.5)	**(0.4)**	(0.7)
Translation difference	**(0.8)**	-	**-**	-
At December 31,	**26.0**	37.3	**0.5**	(0.4)
Analysed as follows:				
Current tax assets	**-**	(0.4)	**-**	(0.4)
Current tax liabilities	**26.0**	37.7	**0.5**	-
	26.0	37.3	**0.5**	(0.4)

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

25. TAXATION (CONT'D)

(b) Charge in profit or loss

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	MUR'M	MUR'M	**MUR'M**	MUR'M
Current tax on the adjusted profits for the year at 3%/15%/25%/30% (2019: 3%/15%/25%/30%)	**46.0**	65.6	**0.5**	0.3
Under provision in previous years	**3.4**	0.7	**0.8**	0.2
Deferred taxation (note 13(b))	**(27.1)**	0.8	**-**	-
Charge for the year	**22.3**	67.1	**1.3**	0.5

(c) The tax on the profit before taxation differs from the theoretical amount that would arise using the basic tax rate as follows:

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	MUR'M	MUR'M	**MUR'M**	MUR'M
(Loss)/profit before taxation	**(188.1)**	513.7	**132.8**	179.2
Effective tax calculated at a rate of 17% (2019: 17%)	**(32.0)**	87.3	**22.6**	30.5
Income not subject to tax	**(25.0)**	(20.3)	**(19.4)**	(30.5)
Expenses not deductible for tax purposes	**75.9**	0.1	**(2.7)**	0.3
Under provision in previous years	**3.4**	0.7	**0.8**	0.2
Tax adjustments relating to prior years	**-**	(10.2)	**-**	-
Effect on changes in tax rate in deferred tax liabilities	**-**	9.5	**-**	-
	22.3	67.1	**1.3**	0.5

(d) The current tax rate differs as per the Group's activities and jurisdictions it operates in.

(e) Expenses not deductible for tax purposes comprise mostly of depreciation of property, plant and equipment, amortisation of intangible asset and loss on foreign exchange. Income not subject to tax mainly includes dividends received and interest income.

26. REVENUE

(a) The Group is organised into the following main business segments:-

- Cane, which includes sugar cane growing and milling activities.
- Power, which includes the production and sale of electricity processed from coal and bagasse.
- Brands, which includes the manufacturing, bottling and retailing of alcohol products and sale of consumable goods.
- Property and Leisure, which includes the rental of properties, property development and leisure services.
- Others, which include management and manufacture and sale of building materials, none of which constitute a separately reportable segment.

26. REVENUE (CONT'D)

	THE GROUP						THE COMPANY
2020	Cane	Power	Brands	Property and Leisure	Others	Total	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Recognised at a point in time:							
Sale of goods	1,041.6	-	2,109.6	-	183.7	3,334.9	-
Sale of services	45.0	-	-	112.9	-	157.9	-
Sale of properties	-	-	-	128.2	-	128.2	-
Dividend income	-	-	-	-	-	-	185.9
Recognised over time:							
Sale of electricity	-	1,131.2	-	-	-	1,131.2	-
Total revenue from contracts with customers	1,086.6	1,131.2	2,109.6	241.1	183.7	4,752.2	185.9

	THE GROUP						THE COMPANY
2019	Cane	Power	Brands	Property and Leisure	Others	Total	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Recognised at a point in time:							
Sale of goods	969.3	-	2,273.6	-	209.3	3,452.2	-
Sale of services	57.1	-	14.9	180.4	10.8	263.2	-
Sale of properties	-	-	-	33.6	-	33.6	-
Dividend income	-	-	-	-	3.6	3.6	234.3
Recognised over time:							
Sale of electricity	-	1,294.7	-	-	-	1,294.7	-
Total revenue from contracts with customers	1,026.4	1,294.7	2,288.5	214.0	223.7	5,047.3	234.3

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

28. REVENUE (CONT'D)

(b) Geographical segments

The Group's five reportable segments are managed locally and operate in the following main geographical areas:

	Total assets		Capital expenditure	
	2020	2019	**2020**	2019
	MUR'M	MUR'M	**MUR'M**	MUR'M
Mauritius	**19,970.1**	19,789.4	**969.7**	566.2
Côte d'Ivoire	**708.2**	766.4	**-**	-
Seychelles	**98.2**	152.5	**1.3**	1.6
	20,776.5	20,708.3	**971.0**	567.8

Sales analysis:	At a point in time		Over time		Total sales	
	2020	2019	**2020**	2019	**2020**	2019
	MUR'M	MUR'M	**MUR'M**	MUR'M	**MUR'M**	MUR'M
Mauritius	**3,351.7**	3,434.3	**1,131.2**	1,294.7	**4,482.9**	4,729.0
Côte d'Ivoire	**45.0**	40.2	**-**	-	**45.0**	40.2
Seychelles	**224.3**	278.1	**-**	-	**224.3**	278.1
	3,621.0	3,752.6	**1,131.2**	1,294.7	**4,752.2**	5,047.3

Sales revenue is based on the country in which the customer is located. Total assets and capital expenditure are shown by the geographical area in which the assets are located.

(c) Liabilities related to contracts with customers

	THE GROUP	
	Contract liabilities	
	2020	2019
	MUR'M	MUR'M
At January 1,	**69.7**	25.9
Transfer from trade and other payables	**24.1**	-
Cash received in advance	**126.0**	43.8
Amount released during the year	**(146.4)**	-
At December 31,	**73.4**	69.7

Contract liabilities arise from the Group's property division, which engages in land development (morcellement).

27. OTHER INCOME

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	MUR'M	MUR'M	**MUR'M**	MUR'M
Interest income	**-**	1.9	**-**	-
Dividend income	**-**	0.6	**-**	-
Investment income	**-**	2.5	**-**	-
Profit on disposal of property, plant and equipment	**78.3**	231.8	**-**	-
SIFB compensation	**-**	71.0	**-**	-
Sale of paillis and boulders	**7.5**	12.6	**-**	-
Transport and mechanical services	**20.2**	30.6	**-**	-
Gain on disposal of subsidiary	**0.3**	-	**-**	-
Refund from MSS	**8.9**	8.6	**-**	-
Others	**37.7**	39.5	**6.9**	4.0
	152.9	396.6	**6.9**	4.0

28. IMPAIRMENT OF ASSETS AND ALLOWANCE FOR EXPECTED CREDIT LOSSES

	Notes	THE GROUP		THE COMPANY	
		2020	2019	**2020**	2019
Financial assets		**MUR'M**	MUR'M	**MUR'M**	MUR'M
Allowance for expected credit losses:					
Trade and other receivables (note 16(i))	(i)	**55.0**	43.4	**-**	-
Other financial assets at amortised cost (note 11)		**9.2**	-	**9.2**	-
		64.2	43.4	**9.2**	-
Non-financial assets					
Land (notes 5)	(ii)	**-**	427.9	**-**	-
Bearer plants (note 5)	(iii)	**-**	32.4	**-**	-
Land conversion rights (note 7(a))	(iv)	**-**	98.3	**-**	-
Goodwill (note 7(a))	(v)	**22.3**	-	**-**	-
Reversal of impairment on investment properties (note 6)	(vi)	**-**	(8.1)	**-**	-
		22.3	550.5	**-**	-
Impairment through OCI		**-**	(427.9)	**-**	-
Net impairment and allowance for expected credit losses through profit or loss		**86.5**	166.0	**9.2**	-

(i) The subsidiaries of TERRA Mauricia Ltd carried out an impairment assessment of their trade receivables which resulted in an impairment of MUR'M 55.0 (2019: MUR'M 43.4).

(ii) In 2019, the poor performance and negative cash outflows of the agricultural business unit were indicators of a potential impairment of this Cash Generating Unit ("CGU"). The impairment was determined by comparing the carrying amount of agricultural land with its recoverable amount which was estimated based on its fair value less costs to sell; this resulted in an impairment of MUR'M 427.9. The amount was booked against land in Property, plant and equipment and against revaluation reserves through OCI.

The fair value was determined by an external, independent property valuer, Noor Dilmohamed & Associates who has the appropriate recognised professional qualifications.

The key assumptions used in arriving at the fair value are described in note 5(b). The costs to sell have been assumed to be land transfer tax of 5% and selling fees of 2.3% of the fair value of agricultural land.

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

28. IMPAIRMENT OF ASSETS AND ALLOWANCE FOR EXPECTED CREDIT LOSSES (CONT'D)

(iii) The recoverable amount of the Cash Generating Unit ("CGU") has been determined using discounted cash flow technique on a 7-year period, which is the useful life of a bearer plant. The discount rate applied to cash flow projection was 9.1%. As a result of the analysis, management has recorded an impairment loss of MUR'M 32.4 in 2019 against its bearer plants. The impairment charge was recorded in profit or loss.

Key assumptions used in recoverable amount calculations

The recoverable amount of the non-financial assets is most sensitive to the following assumptions:

Achieving forecasted selling price and tonnage of raw sugar

Selling price of sugar is regulated by the Mauritius Sugar Syndicate. For crop 2020, the ex-syndicate price of Raw Sugar was at MUR 14,000/ton and management has estimated that price would be maintained at MUR 14,000/ton for crop 2021 onwards. The estimation was based on market research performed by management. Tonnage of sugar cane is expected to decrease year on year. By-products revenue has been maintained at the same level as final prices for year ended December 31, 2020.

Discount rate

Discount rate represents the current market assessment of the risks specific to a CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate of 9.1% used in the impairment calculation in 2019 was based on the specific circumstances of the CGU and was derived from its weighted average cost of capital (WACC).

The fair valuation of the Cash Generating Unit of the Group falls under Level 3 of the fair value hierarchy.

Sensitivity to change in inputs to the valuation workings

The following table shows the valuation techniques used in determining fair values within Level 3 of the hierarchy as well as the key unobservable inputs used in the valuation model in 2019.

Type	Key unobservable inputs	Range of unobservable inputs	Sensitivity of the input to fair value	
				MUR'M
Bearer Plants	Discount rate	9.1%	1%	5.0
	Price of sugar	MUR 12,000	MUR 1,000	80.0
	Extraction rate	10.50%	1%	109.0

(iv) The Group's recoverable amount in respect of land conversion rights were valued by an external, independent property valuer, Noor Dilmohamed & Associates who has the appropriate recognised professional qualifications. Based on the sales comparison approach and after estimating costs to sell, land conversion rights were valued at MUR'M 142.3, resulting in an impairment loss of MUR'M 98.3 during year 2019.

The key assumptions used in arriving at the fair value less costs to sell were the price per Ha of MUR'M 2.5 based on similar recent transactions and a discount of 25% for registration costs, size and time.

(v) Terra Mauricia Ltd carried out an impairment assessment of goodwill which resulted in an impairment of MUR'M 22.3 (2019: Nil). Refer to note 7(a).

(vi) Upon the revaluation exercise carried out by the independent property valuer, it was revealed that the fair value of a property impaired in previous years was higher than its carrying amount as at December 31, 2019. This resulted in a reversal of the impairment loss.

The key assumptions used in arriving at the fair value are described in note 5(b).

29. (LOSS)/PROFIT BEFORE FINANCE COSTS

	THE GROUP	
	2020	2019
The (loss)/profit before finance costs is arrived at after:	**MUR'M**	MUR'M
Crediting:		
Rental of land and buildings	**77.6**	125.9
Profit on sale of property, plant and equipment	**78.3**	231.8
and charging:		
Depreciation on property, plant and equipment	**361.1**	341.3
Depreciation on investment properties	**8.5**	8.4
Depreciation on right-of-use asset	**15.0**	18.6
Amortisation of intangible assets	**9.8**	8.9
Employee benefit expense	**965.4**	1,030.7

30. EXPENSE BY NATURE

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	MUR'M	MUR'M	**MUR'M**	MUR'M
Depreciation and amortisation	**394.4**	377.2	**-**	-
Raw materials and consumables used	**2,482.7**	2,640.7	**-**	-
Employee benefit expense	**965.4**	1,030.7	**-**	-
Others	**788.4**	875.7	**17.7**	22.9
Total cost of sales, administrative expenses, distribution costs and other expenses	**4,630.9**	4,924.3	**17.7**	22.9

31. NET FINANCE COSTS

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	MUR'M	MUR'M	**MUR'M**	MUR'M
Finance income:				
-Foreign exchange gain	**7.5**	3.4	**-**	-
-Interest income on lease	**3.7**	1.4	**-**	-
-Others	**0.1**	-	**0.1**	-
	11.3	4.8	**0.1**	-
Finance cost:				
-Interest expense on bank overdrafts	**(5.3)**	(6.4)	**-**	-
-Interest expense on loans repayable by instalments	**(15.3)**	(17.3)	**-**	-
-Interest expense on other loans not repayable by instalments	**(86.6)**	(87.8)	**(29.6)**	(36.2)
-Interest expense on lease liabilities	**(5.0)**	(3.2)	**-**	-
-Foreign exchange loss	**(54.8)**	(7.2)	**(2.5)**	-
-Others	**(6.0)**	(0.9)	**(1.1)**	-
	(173.0)	(122.8)	**(33.2)**	(36.2)
Total - Net finance costs	**(161.7)**	(118.0)	**(33.1)**	(36.2)

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

32. (LOSS)/EARNINGS PER SHARE

	THE GROUP 2020 MUR'M	THE GROUP (Restated) 2019 MUR'M	THE COMPANY 2020 MUR'M	THE COMPANY 2019 MUR'M
(Loss)/profit attributable to owners of the Company	**(268.9)**	328.7	**131.5**	178.7
Number of ordinary shares in issue	**227.5**	227.5	**227.5**	227.5
Basic and diluted (loss)/earnings per share (MUR)	**(1.18)**	1.44	**0.58**	0.79

33. DIVIDENDS

	THE GROUP 2020 MUR'M	THE GROUP 2019 MUR'M	THE COMPANY 2020 MUR'M	THE COMPANY 2019 MUR'M
At January 1,	**-**	-	**-**	-
Final ordinary declared - 57 cents per share (2019: 85 cents)	**129.7**	193.4	**129.7**	193.4
Dividends paid during the year	**(129.7)**	(193.4)	**(129.7)**	(193.4)
Dividends declared by subsidiaries to non-controlling interests	**76.8**	115.3	**-**	-
Dividends paid to non-controlling interests	**(76.8)**	(115.3)	**-**	-
At December 31,	**-**	-	**-**	-

34. NOTES TO STATEMENT OF CASH FLOWS

(a) Reconciliation of liabilities arising from financing activities

THE GROUP

At December 31, 2020	At January 1, 2020 MUR'M	Cash flows MUR'M	Non-cash changes: Acquisition MUR'M	Non-cash changes: Foreign exchange movement MUR'M	At December 31, 2020 MUR'M
Borrowings	**3,496.9**	**369.3**	**-**	**32.6**	**3,898.8**
Total liabilities from financing activities	**3,496.9**	**369.3**	**-**	**32.6**	**3,898.8**

THE GROUP

At December 31, 2019	At January 1, 2019 MUR'M	Cash flows MUR'M	Non-cash changes: Acquisition MUR'M	Non-cash changes: Foreign exchange movement MUR'M	At December 31, 2019 MUR'M
Borrowings	2,667.7	821.8	7.4	-	3,496.9
Total liabilities from financing activities	2,667.7	821.8	7.4	-	3,496.9

34. NOTES TO STATEMENT OF CASH FLOWS (CONT'D)

(a) Reconciliation of liabilities arising from financing activities (Cont'd)

THE COMPANY

At December 31, 2020	At January 1, 2020 MUR'M	Cash flows MUR'M	At December 31, 2020 MUR'M
Borrowings	**860.3**	**130.0**	**990.3**

THE COMPANY

At December 31, 2019	At January 1, 2019 MUR'M	Cash flows MUR'M	At December 31, 2019 MUR'M
Borrowings	521.0	339.3	860.3

(b) Cash and cash equivalents

	THE GROUP 2020 MUR'M	THE GROUP 2019 MUR'M	THE COMPANY 2020 MUR'M	THE COMPANY 2019 MUR'M
Cash in hand and at bank	**437.3**	491.5	**19.1**	12.2
Bank overdrafts (note 20)	**(4.4)**	(39.9)	**-**	-
	432.9	451.6	**19.1**	12.2

The cash and cash equivalents are held with banks and financial institution counterparties, which are rated Baa2 to Baa3, based on ratings of Moody's.

The Group considers that its cash in hand and at bank have low credit risk based on the external credit ratings of the counterparties.

No impairment on cash at bank was recognised during both the years 2020 and 2019 since the amount was deemed insignificant.

(c) Non cash transactions

For the year ended December 31, 2020 there were no material non-cash transactions. The principal non-cash transactions for the previous year were:

(i) acquisitions of right-of-use assets (note 5A) and its corresponding lease liabilities (note 21).

(ii) Investment in associate through offset of loans receivables amounting to MUR M 65.5 (note 9).

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

35. BUSINESS COMBINATION

(a) Disposal of subsidiary

International Brands Ltd, a subsidiary, ceased its activities during the year under review and was removed from the Register of Companies. As a result, International Brands Ltd was deconsolidated and the Group recognised an increase in retained earnings of MUR'M 0.3.

Details of assets and liabilities from discontinued operation:	MUR'M
Assets	-
Liabilities	
Trade and other payables	0.3
Net liabilities	(0.3)
Consideration received	-
Net gain from discontinued operation	(0.3)

(b) Acquisition of subsidiary

Belle Vue Rum Ltd

At December 31, 2018, the Group held 50% of the share capital of Belle Vue Rum Ltd.

The investment held was classified as investment in associate as the Group did not have control over Belle Vue Rum Ltd.

The Group initially acquired 50% of the share capital of Belle Vue Rum Ltd for MUR'M 1.

On September 29, 2019 the Group acquired the remaining 50% of the share capital and obtained the control of Belle Vue Rum Ltd holding 100% of its share capital.

The main activity of the company is freeport operations.

This transaction has resulted in the recognition of a fair value gain on business combination at date of acquisition as follows:

	MUR'M
Fair value on business combination	3.3
Less: carrying amount of investment on the date of change in control	(1.0)
Fair value gain on business combination	2.3

The fair value gain on business combination of MUR'M 2.3 arising from the acquisition was recognised in the statement of profit or loss in 2019.

35. BUSINESS COMBINATION (CONT'D)

(b) Acquisition of subsidiary (Cont'd)

The following table summarises the consideration paid for Belle Vue Rum Ltd and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date.

Consideration	**MUR'M**
At September 29, 2019	
Cash	2.6
Total consideration transferred	2.6
Fair value on business combination	3.3
Total consideration	5.9

Recognised amounts of identifiable assets acquired and liabilities assumed	**MUR'M**
Intangible assets	0.3
Inventories	4.5
Trade and other receivables	6.7
Cash and cash equivalents	6.7
Trade and other payables	(4.1)
Borrowings	(7.4)
Total identifiable net assets	6.7
Gain on bargain purchase	(0.8)

The gain on bargain purchase of MUR'M 0.8 arising from the acquisition was recognised in the statement of profit or loss in other income. The gain resulted mainly from the bargaining power of the Group.

For the three months ended December 31, 2019, Belle Vue Rum Ltd contributed revenue of MUR'M 6.4 and profit of MUR'M 1.36 to the Group's results. If the acquisition had occurred on January 1, 2019, management estimates that consolidated revenue would have been MUR'M 14.9, and consolidated profit for the year would have been MUR'M 4.3.

In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on January 1, 2019.

Taking control of Belle Vue Rum Ltd implies the acquisition of the brand Lazy Dodo (Rum) which has good equity and a network of distributors throughout Europe. Directors are confident in the brand s potential given its acceptance in different markets.

(c) Changes in ownership of interest in subsidiaries that does not result in a loss of control

During the year ended December 31, 2020, the Group acquired an additional 5% of the issued shares of Terragen Management Ltd for MUR'M 1.6. As a result, the Group recognised a decrease in non-controlling interests of MUR'M 0.2 and a decrease in equity attributable to owners of the parent of MUR'M 1.4. The effect on the equity attributable to the owners of Terragen Management Ltd during the year is summarised as follows:

	THE GROUP	
	2020	2019
	MUR'M	MUR'M
Carrying amount of non-controlling interests acquired	**1.4**	-
Consideration paid to non-controlling interests	**(1.6)**	-
Excess of consideration paid recognised in the transactions with non-controlling interests within equity	**(0.2)**	-

There were no transactions with non-controlling interests in 2019.

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

36. SUBSIDIARIES

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

	Type of shares held	Stated capital	**2020** % holding	**2020** % held by other group companies	**2020** % held by non-controlling interests	2019 % holding	2019 % held by other group companies	2019 % held by non-controlling interests	Principal activity
		MUR							
Terra Milling Ltd	Ordinary	56,657,480	-	**80.00**	**20.00**	-	80.00	20.00	Sugar
Terragen Ltd	Ordinary	520,523,500	-	**51.00**	**49.00**	-	51.00	49.00	Energy
Terra Brands Ltd	Ordinary	12,000,000	**100.00**	-	-	100.00	-	-	Investment
Grays Inc. Ltd	Ordinary	83,280,000	-	**74.00**	**26.00**	-	74.00	26.00	Commercial
Grays Distilling Ltd	Ordinary	20,738,000	-	**66.67**	**33.33**	-	66.67	33.33	Manufacturing
Terra Services Ltd	Ordinary	25,000	**100.00**	-	-	100.00	-	-	Services
Ivoirel Limitée	Ordinary	29,443,274	**100.00**	-	-	100.00	-	-	Investment
Sagiterra Ltd	Ordinary	25,000	**100.00**	-	-	100.00	-	-	Property management
Société Proban	Parts d'intérêts	8,100,000	**83.34**	-	**16.66**	83.34	-	16.66	Investment
International Brands Ltd	Ordinary	3,635	-	-	-	-	100.00	-	Investment
Terra Foundation	Ordinary	10,000	**100.00**	-	-	100.00	-	-	Social Activities
Fondation Nemours Harel	Parts d'intérêts	10,000	**75.00**	-	**25.00**	75.00	-	25.00	Cultural Activities
Société Evapo	Parts d'intérêts	16,525,000	-	**66.67**	**33.33**	-	66.67	33.33	Investment holding
Terrarock Ltd	Ordinary	15,000,000	-	**54.00**	**46.00**	-	54.00	46.00	Manufacturing
Terragri Ltd	Ordinary	722,455,070	**100.00**	-	-	100.00	-	-	Sugar
Terra Finance Ltd	Ordinary	500,000	**100.00**	-	-	100.00	-	-	Treasury
Terravest Holding Ltd	Ordinary	130,860,000	**100.00**	-	-	100.00	-	-	Investment
Sugarworld Limited	Ordinary	45,238,456	**95.24**	-	**4.76**	95.24	-	4.76	Commercial
Les Chais de L'Isle de France Ltée	Ordinary	3,000,000	-	**100.00**	-	-	100.00	-	Commercial
Terragen Management Ltd *	Ordinary	100,000	-	**66.75**	**33.25**	-	61.75	38.25	Services
Intendance Holding Ltd	Ordinary	1,647,700	**100.00**	-	-	100.00	-	-	Investment holding
Beau Plan Cellars Ltd	Ordinary	10,000,000	-	**100.00**	-	-	100.00	-	Manufacturing
Beau Plan Office Park Ltd	Ordinary	15,000,000	-	**100.00**	-	-	100.00	-	Commercial
Beau Plan Retail Park Ltd	Ordinary	407,300,000	-	**100.00**	-	-	100.00	-	Commercial
Providence Warehouse Ltd	Ordinary	10,000	-	**50.00**	**50.00**	-	50.00	50.00	Commercial
Beau Plan Development Ltd	Ordinary	1,155,000,000	-	**100.00**	-	-	100.00	-	Property management
East Indies Company Ltd	Ordinary	2,500,000	-	**100.00**	-	-	100.00	-	Dormant
Mon Rocher School Holding Ltd	Ordinary	1	-	**100.00**	-	-	100.00	-	Dormant
Belle Vue Rum Ltd	Ordinary	2,000,000	-	100.00	-	-	100.00	-	Freeport operations

* During the year, the Group acquired an additional 5% stake in Terragen Management Ltd for a purchase consideration of MUR'M 1.6 and thus increased its percentage holding from 61.75% to 66.75%. Refer to note 35(c).

36. SUBSIDIARIES (CONT'D)

(i) The above subsidiaries are incorporated and operate in Mauritius except for the following:
(i) Ivoirel Limitée, whose country of operation is Côte d'Ivoire;
(ii) Providence Warehouse Ltd, whose country of operations is Seychelles.

(ii) For December 31, 2020 and 2019, the Group accounts for its investments in Providence Warehouse Ltd as subsidiary although the Group holds 50% of the issued share capital as the Group has control over the investment due to appropriate representation at board level.

(b) Subsidiaries with material non-controlling interests

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

	Profit/(loss) allocated to Non-controlling interests during the year	Accumulated Non-controlling interests at Dec 31,
2020	**MUR'M**	**MUR'M**
Terragen Ltd	**17.3**	**661.0**
Terra Milling Ltd	**0.7**	**111.7**
Grays Inc. Ltd	**3.9**	**78.2**
2019		
Terragen Ltd	78.5	692.7
Terra Milling Ltd	(9.8)	118.9
Grays Inc. Ltd	16.5	84.5

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

(i) Summarised statement of financial position of Terragen Ltd:

	2020	2019
	MUR'M	MUR'M
Non-current assets	**1,264.3**	1,313.3
Current assets	**499.5**	504.8
Non-current liabilities	**(175.3)**	(181.5)
Current liabilities	**(239.5)**	(223.0)
Total equity	**1,349.0**	1,413.6

Summarised statement of profit or loss and other comprehensive income of Terragen Ltd:

	2020	2019
	MUR'M	MUR'M
Revenue	**1,148.0**	1,310.7
Expenses	**(1,101.5)**	(1,125.8)
Other income	**1.7**	2.8
Net finance costs	**(1.8)**	(3.9)
Profit before tax	**46.4**	183.8
Taxation	**(11.1)**	(23.5)
Profit for the year	**35.3**	160.3
Other comprehensive income	**-**	(25.4)
Total comprehensive income	**35.3**	134.9

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

36. SUBSIDIARIES (CONT'D)

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

Summarised cash flow information of Terragen Ltd:

	2020	2019
	MUR'M	MUR'M
Net cash inflow from operating activities	165.0	161.3
Net cash outflow from investing activities	(42.0)	(33.8)
Net cash outflow from financing activities	(100.0)	(175.0)
Net cash inflow/(outflow)	23.0	(47.5)

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

(ii) Summarised statement of financial position of Terra Milling Ltd:

	2020	2019
	MUR'M	MUR'M
Non-current assets	898.0	929.7
Current assets	427.5	441.9
Non-current liabilities	(306.4)	(289.4)
Current liabilities	(460.8)	(487.9)
Total equity	558.3	594.3

Summarised statement of profit or loss and other comprehensive income of Terra Milling Ltd:

	2020	2019
	MUR'M	MUR'M
Revenue	553.9	506.9
Expenses	(488.2)	(613.5)
Other income	13.1	96.2
Finance costs	(73.5)	(37.5)
Loss before tax	5.3	(47.9)
Taxation	(1.6)	(1.1)
Profit/(loss) for the year	3.7	(49.0)
Other comprehensive income	(38.5)	264.8
Total comprehensive income	(34.8)	215.8

Summarised cash flow information of Terra Milling Ltd:

	2020	2019
	MUR'M	MUR'M
Net cash inflow/(outflow) from operating activities	217.1	(18.2)
Net cash outflow from investing activities	(37.9)	(58.4)
Net cash (outflow)/inflow from financing activities	(89.6)	86.7
Net cash inflow	89.6	10.1

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

36. SUBSIDIARIES (CONT'D)

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

(iii) Summarised statement of financial position of Grays Inc. Ltd:

	2020	2019
	MUR'M	MUR'M
Non-current assets	337.4	234.4
Current assets	938.4	1,122.3
Non-current liabilities	(247.5)	(161.5)
Current liabilities	(727.6)	(870.1)
Total equity	300.7	325.1

Summarised statement of profit or loss and other comprehensive income of Grays Inc. Ltd:

	2020	2019
	MUR'M	MUR'M
Revenue	1,644.2	1,784.4
Expenses	(1,611.7)	(1,692.8)
Other income	15.9	10.5
Finance costs	(24.7)	(22.1)
Profit before tax	23.7	80.0
Taxation	(8.6)	(16.4)
Profit for the year	15.1	63.6
Other comprehensive income	(15.6)	-
Total comprehensive income	(0.5)	63.6

Summarised cash flow information of Grays Inc. Ltd:

	2020	2019
	MUR'M	MUR'M
Net cash inflow from operating activities	241.6	49.0
Net cash outflow from investing activities	(33.9)	(25.3)
Net cash outflow from financing activities	(307.2)	(14.9)
Net cash (outflow)/inflow	(99.5)	8.8

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

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

37. ASSOCIATES

(a) Summarised financial information and details of each of the material associates is set out below:

	Current assets		Non-current assets		Current liabilities		Non-current liabilities		Revenues		Dividend received		Profit/(loss)	
	2020	(Restated) 2019	**2020**	(Restated) 2019	**2020**	(Restated) 2019	**2020**	(Restated) 2019	**2020**	(Restated) 2019	**2020**	(Restated) 2019	**2020**	(Restated) 2019
	MUR'M	MUR'M	**MUR'M**	MUR'M	**MUR'M**	MUR'M	**MUR'M**	MUR'M	**MUR'M**	MUR'M	**MUR'M**	MUR'M	**MUR'M**	MUR'M
AMCO Solutions Limited (PKA: Alcohol & Molasses Export Ltd)	**19.1**	24.3	**4.4**	4.6	**6.3**	7.5	**3.0**	2.0	**26.5**	53.9	**12.0**	15.0	**7.8**	12.4
Anytime Investment Ltd	**0.1**	0.1	**82.9**	84.2	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Coal Terminal (Management) Co Ltd	**29.9**	20.8	**66.2**	55.9	**28.8**	26.6	**64.2**	46.0	**189.0**	191.3	**-**	-	**0.9**	0.5
Horus Ltée	**0.1**	26.0	**261.5**	203.5	**2.2**	28.2	**-**	-	**-**	-	**-**	-	**(0.1)**	(0.1)
Swan General Ltd	**10,234.9**	9,919.6	**43,630.4**	43,883.9	**1,263.7**	1,834.3	**48,353.1**	48,087.2	**6,863.7**	6,310.1	**119.2**	119.2	**620.9**	672.2
New Fabulous Investment Ltd	**0.1**	0.1	**82.9**	84.2	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
New Goodwill Co. Ltd	**514.9**	472.0	**39.8**	25.4	**223.7**	196.6	**68.2**	68.0	**1,786.9**	1,791.4	**64.0**	85.1	**96.1**	110.0
Rehm Grinaker Construction Co. Ltd (ii)	**890.6**	952.5	**199.7**	204.8	**937.6**	927.6	**111.3**	97.0	**1,878.1**	1,249.4	**-**	-	**(73.3)**	-
Rehm Grinaker Properties Co Ltd (ii)	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	12.3
Topterra Ltd	**34.0**	27.0	**61.9**	66.0	**60.4**	53.8	**7.0**	7.0	**12.9**	17.3	**-**	-	**-**	(4.5)
Commada Ltd (i)	**-**	0.8	**-**	288.7	**-**	153.7	**-**	-	**-**	-	**-**	-	**-**	(2.9)
Sucrivoire S.A	**3,272.4**	2,349.9	**3,917.1**	2,995.3	**3,386.8**	2,563.0	**645.1**	584.0	**4,662.9**	3,477.3	**-**	-	**182.1**	(505.9)
Aquasantec International Limited	**209.8**	198.6	**380.8**	257.9	**166.0**	190.3	**210.6**	92.0	**550.2**	478.4	**-**	-	**43.5**	32.9
Thermal Valorisation Co Ltd	**18.6**	23.5	**818.9**	858.6	**108.6**	97.1	**344.0**	335.0	**124.9**	124.3	**-**	-	**(65.5)**	(7.5)
United Docks Ltd	**302.9**	22.3	**2,536.7**	2,473.4	**24.4**	237.7	**752.9**	185.0	**63.6**	64.9	**-**	-	**(10.1)**	18.0
Distillerie de Bois Rouge Ltd	**4.4**	4.4	**-**	-	**8.4**	8.0	**3.6**	3.6	**-**	-	**-**	-	**(0.3)**	(0.4)
Grays Uganda Ltd	**6.5**	6.5	**5.3**	5.3	**8.4**	8.4	**-**	-	**-**	-	**-**	-	**-**	-
Inside Capital Partners Ltd	**11.4**	7.3	**1.7**	0.3	**2.6**	5.7	**-**	-	**30.5**	37.5	**-**	-	**1.5**	9.9
Payment Express Ltd	**15.6**	34.4	**265.8**	249.2	**155.9**	120.4	**38.5**	43.0	**124.7**	130.9	**-**	-	**-**	7.9
Beau Plan Campus Ltd	**57.2**	51.7	**591.0**	578.5	**56.2**	53.4	**229.1**	240.0	**53.2**	69.4	**-**	-	**21.8**	46.6
The Greencoast International Primary School Limited (iii)	**5.3**	-	**3.6**	-	**7.5**	-	**10.2**	-	**15.1**	-	**-**	-	**(1.4)**	-

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

37. ASSOCIATES (CONT'D)

(a) Summarised financial information and details of each of the material associates is set out below (Cont'd):

	OCI		Total comprehensive income		% holding		Financial period ended	Country of incorporation	Principle place of business	Nature of business
	2020	(Restated) 2019	2020	(Restated) 2019	2020	(Restated) 2019				
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M				
AMCO Solutions Limited (PKA: Alcohol & Molasses Export Ltd)	**-**	(1.0)	**7.8**	11.4	**41.9**	41.9	June 30,	Mauritius	Mauritius	Strategic procurement
Anytime Investment Ltd	**-**	-	**-**	-	**24.5**	24.5	June 30,	Mauritius	Mauritius	Investment holding
Coal Terminal (Management) Co Ltd	**(0.9)**	-	**-**	0.5	**15.4**	15.4	December 31,	Mauritius	Mauritius	Procurement and logistics of coal
Horus Ltée	**-**	-	**(0.1)**	(0.1)	**50.0**	50.0	June 30,	Mauritius	Mauritius	Investment holding
Swan General Ltd	**(230.2)**	119.1	**390.7**	791.3	**34.1**	34.0	December 31,	Mauritius	Mauritius	Insurance
New Fabulous Investment Ltd	**-**	-	**-**	-	**24.5**	24.5	June 30,	Mauritius	Mauritius	Investment holding
New Goodwill Co. Ltd	**-**	-	**96.1**	110.0	**33.3**	33.3	June 30,	Mauritius	Mauritius	Rum bottling and distribution
Rehm Grinaker Construction Co. Ltd (ii)	**(14.6)**	-	**(87.9)**	-	**35.5**	35.5	June 30,	Mauritius	Mauritius	Construction
Rehm Grinaker Properties Co Ltd (ii)	**-**	11.0	**-**	23.3	**-**	-	June 30,	Mauritius	Mauritius	Real Estate
Topterra Ltd	**-**	-	**-**	(4.5)	**33.3**	33.3	June 30,	Mauritius	Mauritius	Production and distribution of liquid fertiliser
Commada Ltd (i)	**-**	-	**-**	(2.9)	**-**	50.0	December 31,	Mauritius	Mauritius	Investment holding
Sucrivoire S.A	**(24.8)**	-	**157.3**	(505.9)	**25.5**	25.5	December 31,	Côte d'Ivoire	Côte d'Ivoire	Sugar production
Aquasantec International Limited	**(5.6)**	(6.9)	**37.9**	26.0	**26.7**	26.7	December 31,	Mauritius	Mauritius	Management company
Thermal Valorisation Co Ltd	**-**	-	**(65.5)**	(7.5)	**17.9**	17.9	December 31,	Mauritius	Mauritius	Energy
United Docks Ltd	**(0.1)**	(16.8)	**(10.2)**	2.4	**15.2**	15.2	June 30,	Mauritius	Mauritius	Real estate
Distillerie de Bois Rouge Ltd	**-**	-	**(0.3)**	(0.4)	**33.3**	33.3	July 31,	Mauritius	Mauritius	Dormant
Grays Uganda Ltd	**-**	-	**-**	-	**22.2**	22.2	December 31,	Uganda	Uganda	Dormant
Inside Capital Partners Ltd	**0.1**	-	**1.6**	9.9	**36.8**	36.8	December 31,	Mauritius	Mauritius	Fund management
Payment Express Ltd	**-**	-	**-**	7.9	**27.8**	27.8	June 30,	Mauritius	Mauritius	Payment service provider
Beau Plan Campus Ltd	**-**	-	**21.8**	46.6	**40.0**	40.0	December 31,	Mauritius	Mauritius	Real estate
The Greencoast International Primary School Limited (iii)	**-**	-	**(1.4)**	-	**20.0**	-	December 31,	Mauritius	Mauritius	Education

(i) Investment in Commada was reclassified to Non-current asset held for sale (note 17).

(ii) During the year ended December 31, 2019 Rehm Grinaker Properties Co. Ltd amalgamated with Rehm Grinaker Construction Co. Ltd and the latter became the surviving company.

(iii) During the year ended December 31, 2020 the Group acquired a 20% stake in The Greencoast International Primary School Limited. The investment was classified as Investment in associates.

(iv) Associates with non-coterminous year end have been equity accounted based on management accounts at December 31, 2020.

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

37. ASSOCIATES (CONT'D)

(b) For December 31, 2020 and 2019, the Group accounts for its investments in Coal Terminal (Management) Co Ltd and United Docks Ltd as associates although the Group holds less than 20% of the issued share capital as the Group has the ability to exercise significant influence over the investment due to the Group's representation on the Board of Directors of these associated companies.

For December 31, 2020 and 2019, the Group accounts for its investments in Horus Ltée as associate although the Group holds 50% of the issued share capital as the Group does not have control over the investment due to the lack of representation at board level and there is no agreement with the investee stating otherwise.

(c) **Reconciliation of summarised financial information**

Reconciliation of summarised financial information to the carrying amount recognised in the financial statements in respect of material associates is set out below:

	Carrying amount										
Investment in associates	Opening balance- as previously stated	Prior year adjustments	Opening balance- as restated	Additions	Share of profit (loss) for the year	Dividends	Impairment	Share of OCI for the year	Translation reserves	Reclassification (Note 9(a)(ii))	Closing balance
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
AMCO Solutions Limited (PKA: Alcohol & Molasses Export Ltd)	8.3	-	8.3	-	3.3	(5.0)	-	(0.6)	-	-	6.0
Horus Ltée	188.3	-	188.3	-	(1.0)	-	-	-	-	-	187.3
Swan General Ltd	1,247.0	-	1,247.0	2.6	213.1	(40.8)	-	(72.3)	-	-	1,349.6
New Goodwill Co. Ltd	76.3	-	76.3	-	32.0	(21.3)	-	0.6	-	-	87.6
Rehm Grinaker Construction Co. Ltd	47.0	-	47.0	-	(26.0)	-	(14.7)	(6.3)	-	-	-
Commada Ltd	28.7	-	28.7	-	(15.9)	-	-	-	12.0	(24.8)	-
Sucrivoire S.A	560.5	130.6	691.1	-	46.4	-	-	(6.3)	130.2	-	861.4
Aquasantec International Limited	46.5	-	46.5	-	11.6	-	-	(5.3)	4.3	-	57.1
Thermal Valorisation Co Ltd	157.6	-	157.6	-	(22.9)	-	-	-	-	-	134.7
Inside Capital Partners Ltd	0.7	-	0.7	-	0.5	-	-	-	-	-	1.2
United Docks Ltd	125.3	-	125.3	-	(0.6)	-	-	-	-	-	124.7
Beau Plan Campus Ltd	134.7	-	134.7	-	8.7	-	-	(9.3)	10.4	-	144.5
	2,620.9	130.6	2,751.5	2.6	249.2	(67.1)	(14.7)	(99.5)	156.9	(24.8)	2,954.1

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

37. ASSOCIATES (CONT'D)

(c) Reconciliation of summarised financial information (Cont'd)

	Carrying amount							
December 31, 2019	Opening balance	Additions/	Share of profit/(loss) for the year (Restated)	Dividends	Impairment	Share of OCI for the year (Restated)	Translation reserves	**Closing balance**
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	**MUR'M**
Investment in associates								
AMCO Solutions Limited (PKA: Alcohol & Molasses Export Ltd)	9.8	-	5.2	(6.3)	-	(0.4)	-	**8.3**
Horus Ltée	186.7	-	1.6	-	-	-	-	**188.3**
Swan General Ltd	1,052.3	-	194.8	(40.5)	-	40.4	-	**1,247.0**
New Goodwill Co. Ltd	68.0	-	36.7	(28.4)	-	-	-	**76.3**
Rehm Grinaker Construction Co. Ltd	9.6	-	4.4	-	-	33.0	-	**47.0**
Topterra Ltd	18.4	-	(2.3)	-	(16.1)	-	-	**-**
Commada Ltd	28.1	-	(1.5)	-	-	-	2.1	**28.7**
Sucrivoire S.A	665.0	-	(63.1)	-	-	62.3	26.9	**691.1**
Aquasantec International Limited (PKA: Terravest Limited)	39.9	-	8.8	-	-	(1.8)	(0.4)	**46.5**
Thermal Valorisation Co Ltd	94.7	65.5	(2.6)	-	-	-	-	**157.6**
Inside Capital Partners Ltd	-	(1.7)	3.6	-	-	-	(1.2)	**0.7**
Payment Express Ltd	32.9	-	0.5	-	(33.4)	-	-	**-**
United Docks Ltd	125.2	-	1.1	-	-	(1.0)	-	**125.3**
Beau Plan Campus Ltd	110.8	-	18.6	-	-	-	5.3	**134.7**
	2,441.4	63.8	205.8	(75.2)	(49.5)	132.5	32.7	**2,751.5**

37. ASSOCIATES (CONT'D)

(d) Information presented in aggregate for the associates that are not individually significant:

	2020	2019
	MUR'M	MUR'M
Carrying amount of interests	**3.9**	3.3
Group's share of profit	**-**	31.0
Group's share of other comprehensive income	**(1.4)**	(31.4)
Group's share of total comprehensive income	**(1.4)**	(0.4)

(e) The following associates are listed on a primary market and therefore a quoted price is available for the shares.

	2020	2019
Fair value of investments	**MUR'M**	MUR'M
Swan General Ltd	**1,017.0**	985.6
United Docks Ltd	**78.6**	103.4

38. CAPITAL COMMITMENTS

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

	THE GROUP	
	2020	2019
	MUR'M	MUR'M
Property, plant and equipment	**33.5**	58.2
Investment properties	**401.4**	926.2
Inventory work in progress	**-**	25.2
	434.9	1,009.6

39. PARENT AND ULTIMATE HOLDING ENTITY

The Board of Directors considers Société de Nemours, constituted in Mauritius, as the parent and ultimate holding entity of TERRA Mauricia Ltd.

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

40. RELATED PARTY TRANSACTIONS

Related parties are individuals and companies where the individual or the company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions.

(i) THE GROUP	Purchases of services MUR'M	Sales of services and others MUR'M	Amount receivable MUR'M	Amount payable MUR'M	Interest expense MUR'M	Dividends MUR'M
2020						
Associates	**35.8**	**30.6**	**29.9**	**6.8**	**-**	**67.1**
Enterprises with common directors	**71.1**	**-**	**-**	**6.6**	**-**	**-**
	106.9	**30.6**	**29.9**	**13.4**	**-**	**67.1**
2019						
Associates	120.4	41.7	59.7	11.5	0.1	75.2
Enterprises with common directors	58.7	0.3	-	5.2	-	-
	179.1	42.0	59.7	16.7	0.1	75.2

(ii) THE COMPANY	Amount receivable MUR'M	Amount payable MUR'M	Borrowings MUR'M	Interest expense MUR'M	Dividend income MUR'M
2020					
Associates	**10.2**	**-**	**-**	**-**	**5.0**
Subsidiaries	**39.8**	**26.6**	**990.3**	**27.0**	**178.2**
	50.0	**26.6**	**990.3**	**27.0**	**183.2**
2019					
Associates	14.0	-	-	-	6.3
Subsidiaries	51.4	3.2	860.3	36.2	223.7
	65.4	3.2	860.3	36.2	230.0

During the financial year ended December 31, 2019, the Group received a performance security guarantee for MUR'M 51 from an associate which will expire on September 30, 2021.

Amounts receivable from and payable to related parties are unsecured, interest-free and repayable within one year. Non-current related party receivable is unsecured, interest-free and repayment is not expected to be requested within one year.

The subsidiaries of TERRA Mauricia Ltd carried out an impairment assessment of their trade receivables which resulted in an impairment of MUR'M 55.0 (2019: MUR'M 43.4) (note 16(ii)).

Details of impairment of associates are disclosed in note 9(a)(ii).

Dividends paid to non-controlling interests amounting to MUR'M 76.8 (2019: MUR'M 115.3) are disclosed in the Group statement of cash flows.

40. RELATED PARTY TRANSACTIONS (CONT'D)

None of the balances is secured. No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties. No guarantees have been given or received.

Refer to note 20 for terms and conditions of borrowings and note 11/16 for amounts receivables.

Letter of comfort given to a wholly owned subsidiary is disclosed in note 41 (c).

Dividends paid to shareholders amounting to MUR'M 129.7 (2019: MUR'M 193.4) are disclosed in Company's statement of cash flows.

(iii) **Key management personnel**

Key management personnel consists of personnel employed by the Group and its subsidiaries who can exercise direct control on major parts of the Group/Company's activities and resources. The key management personnel compensation comprised the following:

	THE GROUP		THE COMPANY	
	2020 MUR'M	(Restated) 2019 MUR'M	2020 MUR'M	2019 MUR'M
Salaries and short term employee benefits	**123.4**	110.7	**-**	-
Post employment benefits	**9.5**	9.4	**-**	-
Other benefits	**1.8**	1.7	**-**	-
	134.7	121.8	**-**	-

41. CONTINGENT LIABILITIES

(a) **Court cases**

(i) ***Previous distillers***

An agreement was reached in 1979 between five enterprises (including a subsidiary of the Group) for the sale and sharing thereof of alcohol produced from molasses and sold in Mauritius. The agreement was terminated in 2000. There is currently a dispute over the compensation payable upon termination to two partners, who are claiming MUR'M 58.4 from the other partners, (including a subsidiary of the Group). A ruling was delivered in August 2012 by the Judge of the Commercial Court to the effect that the matter should be referred to arbitration. However, the parties have given notice of appeal of that judgement. The appeal was called in March 2014, when some points of laws were raised. On November 20, 2014, arguments were heard on the points of law and the judge has delivered his ruling on December 11, 2015, allowing the appeal to proceed. The appeal was heard on February 22, 2017 and the Court has ruled, on November 1, 2018, that the case should be referred to the Supreme Court (Commercial Division). The case is ongoing.

(ii) ***Ex-employees of Beau Plan Sugar Factory***

There is currently a claim to a subsidiary for damages from ex-employees of Beau Plan Sugar Factory for MUR'M 130.0 in respect of breach of contract. The court case is ongoing.

(iii) ***Irrigation Authority***

There is a dispute in respect of irrigation dues by Terragri Ltd for the period 2005 to June 30, 2019 amounting to MUR'M 49.9. The matter has been referred to an Arbitration Board as provided by the water supply agreement existing between the Irrigation Authority and Terragri Ltd.

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

41. CONTINGENT LIABILITIES (CONT'D)

(a) Court cases (Cont'd)

(iv) *Dissenting shareholders*

Following the special meeting of Harel Frères Limited (now Terragri Ltd) held on November 23, 2011 at which the shareholders of Terragri Ltd approved a scheme of arrangement under sections 261 to 264 of the Companies Act 2001 (the "Scheme") pursuant to which the shares of Terragri Ltd were, on January 01, 2012, exchanged for shares of Terra Mauricia Ltd ("Terra") in the ratio of 1:1, that is one (1) ordinary share of Terra for one (1) ordinary share of Terragri Ltd, certain dissenting shareholders (the "Dissenting Shareholders"), representing some 6.4% of the share capital have initiated legal proceedings against Terragri Ltd and Terra.
The Dissenting Shareholders claim that they have been unfairly prejudiced by the Scheme and have applied for an order of the court requiring the buy back of their shares at fair value or the payment of compensation in a sum in excess of MUR 64 per share held by them. Terragri Ltd and Terra have been advised that the claim of the Dissenting Shareholders is misconceived. Counsel has further opined that the claim amounts to an abuse of process of the court. The claim of the Dissenting Shareholders has been resisted both by Terragri Ltd and Terra. The matter has been heard by the Bankruptcy Division of the Supreme Court of Mauritius and a judgement was issued on February 11, 2014. The Supreme Court dismissed the applications with costs and confirmed that the claim amounted to an abuse of the process of the court. Some of the dissenting shareholders had appealed against the judgement and the Court of Appeal has in its judgement, delivered on March 25, 2019, dismissed the appeal with costs. The appellants have since obtained leave from the Supreme Court to submit an appeal to the Privy Council.

(v) *Breach of contract*

A subsidiary has claimed an amount of MUR'M 1.8 to one of its clients in respect of overdue selling fees. The client has submitted a counterclaim of MUR'M 60 to the subsidiary for breach of contract and damages. The dispute is still pending.

(vi) *Work accident*

The heirs of 2 ex-employees of Terra Milling Ltd, who were victims of work accidents, have claimed damages amounting to MUR'M 6.1 and MUR'M 1.9 respectively to their former employer. The cases are ongoing. The exposure is mitigated under the employer liability insurance cover of the Terra Milling Ltd.

(b) Bank guarantees

In the ordinary course of business, the Group had contingent liabilities in respect of bank guarantees amounting to MUR'M 196.9 as at December 31, 2020 (2019: MUR'M 467.2).

(c) Letter of comfort

In the ordinary course of business, the Company has provided letters of comfort and undertaking in favour of commercial banks in Mauritius in respect of short term banking facilities availed by its wholly owned subsidiary, Terra Finance Ltd.

As at December 31, 2020, the total comfort provided in respect of the short term banking facilities amounted to MUR 2.5 billion (2019: MUR 3 billion) out of which total utilisation amounted to MUR 1.2 billion (2019: MUR 2.2 billion).

42. EVENTS AFTER THE REPORTING PERIOD

The global outbreak of the COVID-19 declared as a pandemic in March 2020 continues to cause significant volatility within the economic markets, for which the duration and spread of the outbreak and the resultant economic impact is uncertain and cannot be predicted. Mauritius has imposed a lockdown for the second time since the outbreak on March 10, 2021. This may directly or indirectly impact the Group activities in some respects by interrupting and disrupting business and transaction. The effect of the impact of the second lockdown has not been reflected in these financial statements; such impact may affect to a certain extent the future results and affairs of the Group and Company. Countries worldwide including Mauritius have embarked on a vaccination campaign to protect the population and hopefully soon reach autoimmunity in order to limit the spread of the virus.

THE GROUP

The COVID-19 outbreak is expected to have some impact on the Group's operations, customers and suppliers (particularly within the Brands cluster and the hospitality sector) and consequently the Group's production, revenue and cash position in the near term. The Group will continue to monitor the impact COVID-19 has on them and reflect the consequences as appropriate in its accounting and reporting.

Nonetheless, based on the analysis of the Group's cash flows, the Board believes that the Group has sufficient liquid assets and has access to unused borrowing facilities with sufficient headroom (MUR 2.4 billion at June 30, 2020) to meet its obligations for at least the next 12 months from the date of the approval of these consolidated financial statements. Hence, it will not have a material effect on the Group's ability to continue as a going concern. Accordingly, the consolidated financial statements are prepared on a going concern basis (refer to note 4.2).

THE COMPANY

The COVID-19 is expected to have some impact on the Company's dividend income and the fair value of its investments over the forthcoming year.

The accounting policy of the Company is to fair value its investments in subsidiaries, associates and financial assets at fair value through other comprehensive income. At December 31, 2020, the fair value of the Level 1 investments (including investments in associates) was MUR'M 202.5. These investments are classified as non-current assets and are held for as long term investments. As at June 30, 2021, the fair value of the Level 1 investments (including investments in associates) dropped to MUR'M 161.9 resulting in a decrease in the fair value of the investments by MUR'M 40.6.

At the Company level, for non-level 1 investments (including investments in subsidiaries and associates), COVID-19 is subject to rapid change and updated facts and circumstances continue to be monitored as new information becomes available. COVID-19 will have an impact on the fair value of those investments but it is not possible to reliably estimate the precise impact at this stage due to the unobservable inputs required to perform the valuations. The Directors believe that the economic slowdown, and consequently the volatility in the financial markets, are temporary and expected to reverse in the near future and the disposal of meaningful/substantial investment is not expected in the foreseeable future.

Nonetheless, based on the analysis of the Company's cash flows, the Board believes that the Company has sufficient liquid assets and cash flows for at least the next 12 months from the date of the approval of these separate financial statements. Hence, it will not have a material effect on the Company's ability to continue as a going concern. Accordingly, the separate financial statements are prepared on a going concern basis.

There have been no other material events since the end of the reporting period which would require disclosure or adjustment to the consolidated and separate financial statements for the year ended December 31, 2020.

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

43. SEGMENT INFORMATION

Reportable segments are disclosed in note 26(a).

Segment assets consist primarily of property, plant and equipment, intangible assets, inventories, cash and cash equivalents and receivables and exclude investments in associates and others.

Segment liabilities comprise operating liabilities and exclude items such as taxation and certain corporate borrowings.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies (note 2).

(a) Information about reportable segments

THE GROUP

Year ended December 31, 2020	Cane	Power	Brands	Property and Leisure	Others	Group interests	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Total segment revenues	1,095.2	1,152.3	2,169.8	291.6	292.4	-	5,001.3
Intersegment sales	(8.6)	(21.1)	(60.2)	(50.5)	(108.7)	-	(249.1)
Revenues from external customers	1,086.6	1,131.2	2,109.6	241.1	183.7	-	4,752.2
Segment profit	85.9	70.8	99.7	12.4	59.4	(108.0)	220.2
Fair value loss on non-current assets classified as held for sale	-	-	-	-	(314.0)	-	(314.0)
Net finance (costs)/income	(89.0)	(1.7)	(18.2)	0.3	(161.1)	108.0	(161.7)
Profit/(loss) after finance costs	(3.1)	69.1	81.5	12.7	(415.7)	-	(255.5)
Share of results of associates	46.4	(22.9)	32.0	8.5	185.2	-	249.2
Impairment of associates	-	-	-	-	(181.8)	-	(181.8)
Profit/(loss) before taxation	43.3	46.2	113.5	21.2	(412.3)	-	(188.1)
Taxation	(3.0)	(10.4)	(11.3)	(0.7)	3.1	-	(22.3)
Profit/(loss) after taxation	40.3	35.8	102.2	20.5	(409.2)	-	(210.4)
Non-controlling interests							(58.5)
Loss attributable to equity holders of the Company							(268.9)

43. SEGMENT INFORMATION (CONT'D)

(a) Information about reportable segments (Cont'd)

THE GROUP

Year ended December 31, 2019 - restated	Cane	Power	Brands	Property and Leisure	Others	Group interests	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Total segment revenues	1,026.4	1,318.7	2,318.9	545.8	431.4	-	5,641.2
Intersegment sales	-	(24.0)	(30.4)	(331.8)	(207.7)	-	(593.9)
Revenues from external customers	1,026.4	1,294.7	2,288.5	214.0	223.7	-	5,047.3
Segment (loss)/profit	(102.1)	190.3	173.6	250.6	50.8	(125.3)	437.9
Fair value gain on non-current assets classified as held for sale	-	-	-	-	77.1	-	77.1
Net finance costs	(49.5)	(3.9)	(28.9)	-	(161.0)	125.3	(118.0)
(Loss)/profit after finance costs	(151.6)	186.4	144.7	250.6	(33.1)	-	397.0
Share of results of associates	(63.1)	(2.6)	35.2	18.6	248.7	-	236.8
Impairment of associates	-	-	(18.3)	-	(101.8)	-	(120.1)
(Loss)/Profit before taxation	(214.7)	183.8	161.6	269.2	113.8	-	513.7
Taxation	10.8	(23.4)	(25.9)	(0.5)	(28.1)	-	(67.1)
(Loss)/profit after taxation	(203.9)	160.4	135.7	268.7	85.7	-	446.6
Non-controlling interests							(117.9)
Profit attributable to equity holders of the Company							328.7

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

43. SEGMENT INFORMATION (CONT'D)

(b) Other material items

THE GROUP

Year ended December 31, 2020	Cane	Power	Brands	Property and Leisure	Others	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Finance income	-	-	7.6	3.7	-	11.3
Finance costs	(57.0)	(1.7)	(19.9)	(0.5)	(93.9)	(173.0)
Cost of sales	(917.9)	(962.8)	(1,562.2)	(80.1)	(117.4)	(3,640.4)
Segment assets	7,381.5	1,627.2	1,575.7	5,123.1	814.7	16,522.2
Associates	861.5	134.7	86.5	142.8	1,864.4	3,089.9
Other assets	30.2	8.0	36.7	26.0	1,063.5	1,164.4
Segment liabilities	716.4	228.5	599.0	295.7	208.5	2,048.1
Borrowings	743.7	30.5	352.8	544.1	2,232.1	3,903.2
Other liabilities	34.9	175.3	35.0	0.9	10.2	256.3
Capital expenditure	116.0	42.6	52.8	741.6	18.0	971.0
Depreciation and amortisation	(163.7)	(68.1)	(71.9)	(43.9)	(46.8)	(394.4)
Other material non-cash items:						
- Impairment losses on trade receivables and contract assets	(46.3)	-	(5.4)	(3.3)	(9.2)	(64.2)
- Impairment losses on non-financial assets	-	-	-	-	(22.3)	(22.3)

Year ended December 31, 2019 - Restated	Cane	Power	Brands	Property and Leisure	Others	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Finance income	0.2	-	-	-	4.6	4.8
Finance costs	(14.8)	(2.8)	(16.7)	-	(88.5)	(122.8)
Cost of sales	(1,039.8)	(974.0)	(1,647.8)	(37.3)	(144.6)	(3,843.5)
Segment assets	7,514.4	1,663.0	1,901.8	4,407.6	889.5	16,376.3
Associates	691.2	157.6	75.2	134.7	1,995.1	3,053.8
Other assets	-	3.1	20.2	466.8	788.1	1,278.2
Segment liabilities	588.2	201.2	600.5	141.0	197.9	1,728.8
Borrowings	897.0	0.2	656.0	0.9	1,982.7	3,536.8
Other liabilities	32.1	181.5	14.6	23.1	7.2	258.5
Capital expenditure	149.2	43.3	44.2	310.2	20.9	567.8
Depreciation and amortisation	(172.9)	(71.0)	(76.7)	(28.8)	(27.8)	(377.2)
Other material non-cash items:						
- Impairment losses on trade receivables and contract assets	-	-	-	-	(43.4)	(43.4)
- Impairment losses on non-financial assets	(558.6)	-	-	-	-	(558.6)
- Reversal of impairment losses on non-financial assets	8.1	-	-	-	-	8.1

44. PRIOR YEAR ADJUSTMENTS

The consolidated account of December 31, 2019 was prepared using the management account of one of the material associate, namely Sucrivoire S.A, for equity accounting. The signed financial statements came after the finalisation of TERRA Mauricia Ltd's financial statements and the investment in associates was materially misstated in December 31, 2019. The effect of this material misstatement was a restatement of the prior year comparatives in accordance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

The effects of the restatement on the prior years' financial statements comparatives are as follows:

THE GROUP

Impact on assets, liabilities and equity as at December 31, 2019:

	As at January 1, 2020 (As previously reported)	Prior year adjustment	As at January 1, 2020 (As restated)
Assets:	MUR'M	MUR'M	MUR'M
Property, plant and equipment	11,559.4	-	11,559.4
Right-of-use assets	42.9	-	42.9
Investment properties	1,025.6	-	1,025.6
Intangible assets and goodwill	218.6	-	218.6
Investments in associates	2,923.2	130.6	3,053.8
Financial assets at fair value through other comprehensive income	502.8	-	502.8
Other financial assets at amortised cost	15.6	-	15.6
Lease receivables	44.5	-	44.5
Deferred tax assets	193.5	-	193.5
Inventories	1,082.1	-	1,082.1
Consumable biological assets	137.2	-	137.2
Trade and other receivables	1,719.7	-	1,719.7
Other financial assets at amortised cost	30.0	-	30.0
Cash in hand and at bank	491.5	-	491.5
Non-current assets classified as held for sale	580.7	-	580.7
	20,567.3	130.6	20,697.9
Equity and liabilities:			
Stated capital	11,976.0	-	11,976.0
Revaluation and other reserves	1,416.0	64.7	1,480.7
Retained earnings	641.7	65.9	707.6
Non-controlling interests	1,019.9	-	1,019.9
Lease liabilities	36.1	-	36.1
Deferred tax liabilities	258.4	-	258.4
Retirement benefit obligations	641.6	-	641.6
Trade and other payables	903.6	-	903.6
Contract liabilities	69.7	-	69.7
Current tax liabilities	37.3	-	37.3
Provisions	26.0	-	26.0
Borrowings	3,541.0	-	3,541.0
	20,567.3	130.6	20,697.9

Notes to the Consolidated and Separate Financial Statements (cont'd)

YEAR ENDED DECEMBER 31, 2020

44. PRIOR YEAR ADJUSTMENTS (CONT'D)

Statement of profit or loss and other comprehensive income for the year ended December 31, 2019:

	As previously reported	Prior year adjustment	As restated
	MUR'M	MUR'M	MUR'M
Revenue	5,047.3	-	5,047.3
Cost of sales	(3,843.5)	-	(3,843.5)
Gross profit	1,203.8	-	1,203.8
Gains arising from changes in fair value of consumable biological assets	84.3	-	84.3
Fair value gain on non-current assets classified as held for sale	77.1	-	77.1
Other income	396.6	-	396.6
Impairment loss on trade receivables	(43.4)	-	(43.4)
Impairment of non-financial assets	(122.6)	-	(122.6)
Administrative expenses	(665.6)	-	(665.6)
Distribution costs	(142.3)	-	(142.3)
Other expenses	(272.9)	-	(272.9)
Profit before finance costs	515.0	-	515.0
Net finance costs	(118.0)	-	(118.0)
Profit after finance costs	397.0	-	397.0
Share of results of associates	170.9	65.9	236.8
Impairment of associates	(120.1)	-	(120.1)
Profit before taxation	447.8	65.9	513.7
Taxation charge	(67.1)	-	(67.1)
Profit for the year	380.7	65.9	446.6
Other comprehensive income:			
Attributable to:			
Owners of the Company	262.8	65.9	328.7
Non-controlling interests	117.9	-	117.9
	380.7	65.9	446.6
Basic and diluted (loss)/earnings per share (MUR):	1.16	0.29	1.44
Items that will not be reclassified to profit or loss	940.9	-	940.9
Items that may be reclassified subsequently to profit or loss:			
Share of other comprehensive income of associates	36.4	64.7	101.1
Translation reserve movement	40.2	-	40.2
Other comprehensive income for the year	1,017.5	64.7	1,082.2
Total comprehensive income for the year	1,398.2	130.6	1,528.8

Three year Summary of published results and assets and liabilities

THE GROUP

	THE GROUP		
		(Restated)	
	2020	2019	2018
STATEMENT OF PROFIT OR LOSS	**MUR'M**	MUR'M	MUR'M
Turnover	**4,752.2**	5,047.3	5,185.4
(Loss)/profit before taxation and associates' results	**(255.5)**	397.0	169.8
Share of results of associates	**249.2**	236.8	254.0
Impairment of associates	**(181.8)**	(120.1)	(66.0)
Taxation	**(22.3)**	(67.1)	(38.2)
(Loss)/profit after taxation	**(210.4)**	446.6	319.6
(Loss)/profit attributable to:			
Owners of the Company	**(268.9)**	328.7	197.3
Non-controlling interests	**58.5**	117.9	122.3
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
(Loss)/profit after taxation	**(210.4)**	446.6	319.6
Other comprehensive income for the year net of tax	**(191.6)**	1,082.2	479.3
Total comprehensive income	**(402.0)**	1,528.8	798.9
Total comprehensive income attributable to:			
Owners of the Company	**(434.5)**	1,374.7	667.6
Non-controlling interests	**32.5**	154.1	131.3
	(402.0)	1,528.8	798.9
Percentage of (loss)/profit on shareholders' interest (%)	**(2.0)**	2.3	1.5
(Loss)/earnings per share (MUR)	**(1.18)**	1.44	0.90
Dividends proposed and paid	**129.7**	193.4	193.4
Dividend per share (MUR)	**0.57**	0.85	0.85
Dividend cover (times)	**(2.1)**	1.7	1.1
Net assets per share (MUR)	**59.7**	62.2	57.2
Weighted number of ordinary shares used in calculation (M)	**227.6**	227.6	227.6

	2020	2019	2018
STATEMENTS OF FINANCIAL POSITION	**MUR'M**	MUR'M	MUR'M
Non-current assets	**17,252.5**	16,664.6	15,781.7
Current assets	**3,232.5**	3,463.0	2,867.7
Non-current assets classified as held-for-sale	**291.5**	580.7	-
Total assets	**20,776.5**	20,708.3	18,649.4
Owners' interest of the Company	**13,593.5**	14,164.3	13,008.7
Non-controlling interests	**975.4**	1,019.9	983.5
Non-current liabilities	**3,796.1**	1,109.8	1,052.9
Current liabilities	**2,411.5**	4,414.3	3,604.3
Total equity and liabilities	**20,776.5**	20,708.3	18,649.4

Administrative

Directors of Subsidiary Companies

(PURSUANT TO SECTION 221 OF THE COMPANIES ACT 2001)

DIRECTORS	Beau Plan Cellars Ltd	Beau Plan Development Ltd	Beau Plan Office Park Ltd	Beau Plan Retail Park Ltd	Belle Vue Rum Ltd	East Indies Company	Equatorial Deliveries Ltd	Grays Distilling Ltd	Grays Inc. Ltd	Intendance Holding Ltd	Ivoirel Ltée	MISA Company Ltd	Les Chais de L'Isle De France Ltée	Mon Rocher School Holding Ltd	Providence Warehouse Co. Ltd	Sagiterra Ltd	Sugarworld Ltd	Terra Brands Ltd	Terra Finance Ltd	Terra Foundation	Terra Milling Ltd	Terra Services Ltd	Terragen Ltd	Terragen Management Ltd	Terragri Ltd	Terrarock Ltd	Terravest Holding Ltd
Kavita Achameesing																							•	×			
François Boullé																										•	
Rémi Brousse de Gersigny																										×	
Jocelyn de Chasteauneuf	○				○	•		○	○				○		•			○									
Louis Decrop																							•	•			
Bernard Desvaux de Marigny																○											
Jean Philippe Desvaux de Marigny		•	•	•										•			•										
Maurice de Marassé Enouf								×										×			×				×		
Nicolas Eynaud		○	○	○										•		•	•										
Chy Chong Fong Wai Ching								•																			
Dominique Huet de Froberville	•								•																•		
Edwige Gufflet																	•										
Alexis Harel	•				○	•	•	•	○			•	○		•			○		•	•				•		
Didier Harel																									•		
Henri Harel	•	•	•	•				•	•	•	•					•		•	•	•	•	•	•	•			•
Jean Marc Jauffret																										•	
Vidyanand Jeetooa																					•						
Louis Denis Koenig		•	•	•												•	•		•	•		○	•	•			
Pascal Langeron																							•	•			
Gilbert Bernadin Legrand																	•										
Jacques Li Wan Po								•																			
James Li Yuen Fong								•																			
Deon Louw	•								•																		
Nicolas Maigrot	•							•	•	•	•					•	•	•		•	•	•	•	•		•	•
Sébastien Mamet										•	•										○	•	•	•			
Guy Morel															•												
Gajandranath Mutty																					•						
Yoowaraj Parsan																					•						
Feroze Peerboccus																							•				
Christophe Quevauvilliers																										•	
Pascal Raffray																									•		
Alain Rey																			•	•					•		
Vincent Rogers																										•	
Julien Rousset																			•				•				•
Stéphane Thomas															•												
Nikhil Treebhoohun																									•		
Stéphane Ulcoq																										•	
Alain Vallet																	•				•				•	•	
Leonard Jacobus Volschenk	•								•																		
Colin Whiting							•					•			•												
Margaret Wong Ping Lun								•													•				•		
ALTERNATE DIRECTORS																											
Chandkrek Dussoye																							•				
Jean Michel Gérard																							•				
Jean-Pierre Lagarde																							•				
Mahendra Kumar Ramroop																							•				

×: Ceased to hold office during the year ended 31 December 2020 •: Non-executive Director in office as at 31 December 2020 ○: Executive Director in office as at 31 December 2020

External Directorships of Directors

(TERRA MAURICIA LTD)

	Maurice de MARASSE ENOUF	Alexis HAREL	Didier HAREL	Henri HAREL	Dominique de FROBERVILLE	Nicolas MAIGROT	Pascal RAFFRAY	Alain REY	Nikhil TREEBHOOHUN	Alain VALLET	Margaret WONG PING LUN
LISTED COMPANIES											
Fincorp Investment Ltd											•
Innodis Ltd	•										
Mauritius Oil Refineries Ltd	•										
New Mauritius Hotels Ltd								•			
Sun Limited			•								
Swan General Ltd				•		•					
MCB Group Ltd			•					•			
United Docks Ltd		•				•					
OTHERS											
AMCO Solutions Ltd				•		•					
Anytime Investment Ltd				•		•					
Aquasantec Ltd				•		•					
Bank One Ltd									•		
CIEL Textile Ltd				•				•			
COAL Terminal (Management) Co Ltd				•		•					
Commada Ltd				•							
Compagnie des Villages de Vacances de l'Isle de France Ltée											•
Distillerie de Bois Rouge		•									
East Indies Ltd		•									
Equatorial Deliveries Ltd		•									
Grays Uganda Ltd		•									
Horus Ltée		•				•					
Invescom Ltd				•							
Leal & Co Ltd											•
Mauritius Freeport Development Co Ltd					○						
MCB Factors Ltd											•
MCB Microfinance Ltd								•			
MCB Real Assets Ltd											•
Mer Rouge Trading Ltd					•						
Mexa Investment Ltd					•						
Moulin Cassé Ltée		•		•						•	
New Fabulous Investment Ltd				•		•					
New Goodwill Co Ltd				•		•					
Poulet Arc En Ciel Ltd	•										
Precigraph Ltée								•			
Quantum Ltd								•			
Rehm Grinaker Construction Co Ltd		•		•		•					
Sucrivoire SA						•					
SuGha Ltd						•					
Sunkist Investment Ltd	•										
Swan Life Ltd				•		•					
The Lux Collective Ltd		•									
Thermal Valorisation Co Ltd				•		•					
Topterra Ltd		•									
UDL Investment Ltd						•					
United Investments Ltd				•		•					
United Properties Ltd						•					

•: Non-executive Director in office as at 31 December 2020 ○: Executive Director in office as at 31 December 2020

Group Structure

TERRA MAURICIA LTD

Effective Holding	Date of Aquisition by the Group	Classification of Activities	Holding	Company
100%	2012	1, 2, 8 & 10	100%	TERRAGRI LTD
80.00%	1995	3	80.00%	TERRA MILLING LTD
51.00%	1998	9	51.00%	TERRAGEN LTD
15.43%	1998	1	30.26%	COAL TERMINAL (MANAGEMENT) CO. LTD
17.85%	2014	9	35.00%	THERMAL VALORISATION CO LTD
66.75%	1998	1	66.75%	TERRAGEN MANAGEMENT LTD
40.00%	2016	8	40.00%	BEAU PLAN CAMPUS LTD
100%	2017	10	100%	BEAU PLAN DEVELOPMENT LTD
100%	2018	8	100%	BEAU PLAN RETAIL PARK LTD
100%	2019	8	100%	BEAU PLAN OFFICE PARK LTD
100%	2017	10	100%	MON ROCHER SCHOOL HOLDING LTD
20.00%	2020	12	20.00%	THE GREEN COAST INTERNATIONAL PRIMARY SCHOOL LTD
95.24%	2012	12	95.24%	SUGARWORLD LTD
100%	2001	10	100%	SAGITERRA LTD
100%	1997	1.a	100%	IVOIREL LIMITEE
25.50%	1997	2.a & 3.a	25.50%	SUCRIVOIRE S.A.
100%	1960	1	100%	TERRA BRANDS LTD
74.00%	2006	5 & 6	74.00%	GRAYS INC. LTD
37.00%	2008	6	50.00%	PROVIDENCE WAREHOUSE CO. LTD
37.00%	2008	8	100%	MISA COMPANY LIMITED
37.00%	2011	6	100%	EQUATORIAL DELIVERIES LIMITED
74.00%	2009	6	100%	EAST INDIES COMPANY
74.00%	2016	1.a	100%	INTERNATIONAL BRANDS LTD
22.20%	2015	5	30.00%	GRAYS UGANDA LTD
74.00%	2016	5	100%	BELLE VUE RUM LTD
74.00%	2017	13	100%	BEAU PLAN CELLARS LTD
24.50%	2000	1	24.50%	NEW FABULOUS INVESTMENT LTD
24.50%	2000	1	24.50%	ANYTIME INVESTMENT LTD
			30.00%	
			30.00%	
33.33%	2000	5	18.63%	NEW GOODWILL CO. LTD
66.66%	1998	4	66.66%	GRAYS DISTILLING LTD
66.66%	2011	1	66.66%	SOCIETE EVAPO
33.33%	2010	4.a	50.00%	TOPTERRA LTD
33.33%	1996	1	33.33%	DISTILLERIE DE BOIS ROUGE LIMITED
33.33%	1996	4	100%	SOCIETE DE DISTILLATION DE ST ANTOINE ET BOIS ROUGE
100%	2005	6	100%	LES CHAIS DE L'ISLE DE FRANCE LIMITEE
83.34%	1990	1	83.34%	SOCIETE PROBAN
45.00%	1990	7	54.00%	TERRAROCK LTD
75.00%	2000	12	75.00%	FONDATION NEMOURS HAREL
100%	2010	12	100%	TERRA FOUNDATION
50.00%	2006	1	50.00%	HORUS LTEE
			18.27%	
15.18%	2006	5	6.04%	UNITED DOCKS LTD
			26.54%	
18.47%	1978	1	14.44%	SOCIETE DE LERCA
			50.52%	
26.10%	1978	1	16.77%	HAREL MALLAC & CO LTD
100%	2004	1	100%	TERRA SERVICES LTD
100%	2012	1	100%	TERRA FINANCE LTD
100%	2015	1	100%	TERRAVEST HOLDING LIMITED
26.67%	2014	15	26.67%	AQUASANTEC INTERNATIONAL LIMITED
100%	1982	1	100%	INTENDANCE HOLDING LTD
			33.48%	
34.13%	1972	11	0.65%	SWAN GENERAL LTD
28.85%	1953	11	0.62%; 82.72%	SWAN LIFE LTD
41.87%	1961	13	41.87%	ALCOHOL AND MOLASSES EXPORT LTD
35.49%	1991	7	35.49%	REHM GRINAKER CONSTRUCTION CO. LTD
50.00%	2010	1	50.00%	COMMADA LIMITED
29.03%	2013	1	29.03%	UNITED INVESTMENTS LTD
36.75%	2015	1	36.75%	INSIDE CAPITAL PARTNERS LTD
38.40%	2015	1 & 1.a	38.40%	INSIDE EQUITY FUND
27.83%	2015	1	27.83%	PEX LTD
33.33%	2015	1	33.33%	SOCIETE M.S.P.A. ET CIE (RTC)
50.00%	2019	1.a	50.00%	SUGHA LTD

Classification of companies' main activities:

1. Investment, management and other services
1.a Investment, management and other services (off-shore)
2. Sugar cane cultivation
2.a Sugar cane cultivation (abroad)
3. Sugar milling
3.a Sugar milling (abroad)
4. Distillery/refinery
4.a CMS production
5. Bottling
6. Distribution
7. Construction and engineering
8. Lessor of land and buildings
9. Energy production
10. Land development and property consultancy
11. Insurance
12. Cultural / CSR / Education
13. Commodity trading
14. Financial services
15. Industry

List of acronyms

ALC	African Leadership College
AFNOR	*Association Française de Normalisation*
BOM	Bank Of Mauritius
BU	Business Unit
CEB	Central Electricity Board
CO_2	Carbon Dioxide
CSR	Corporate Social Responsibility
CWA	Central Water Authority
EPA	Environment Protection Act
ERM	Enterprise Risk Management
EU	European Union
EUR	Euro
FSA	Financial Services Act
FSC	Financial Services Commission
GDP	Gross Domestic Product
GIS	Geographic Information System
GRI	Formerly 'Global Reporting Initiative'
GHG	Greenhouse Gas
GJ	Giga Joules
GWh	Giga Watt per hour
HACCP	Hazard Analysis and Critical Control Points
HIV	Human Immunodeficiency Virus
ILO	International Labour Organization
IPP	Independent Power Producer
IPPA	Investment Promotion and Protection Agreement
IIRC	International Integrated Reporting Council
ISO	International Organisation for Standardisation
KWh	Kilo Watt per hour
KPI	Key performance indicator
LMC	LMC International Ltd
LEAD	Leadership and Empowerment for Action and Development
MCIA	Mauritius Cane Industry Authority
MIOD	Mauritius Institute of Directors
MIGA	Multilateral Investment Guarantee Agency
MRA	Mauritius Revenue Authority
MSPA	Mauritius Sugar Producers Association
MSS	Mauritius Sugar Syndicate
MUR	Mauritian Rupee
MW	Mega Watt
NGO	Non-Governmental Organisation
NO_x	Nitrous Oxide
NPCC	National Productivity and Competitiveness Council
OHSAS	Occupational Health and Safety Management System
OSH	Occupational Safety and Health
PPA	Power Purchase Agreement
QSE	Quality, Security and Environment
SAFIRE	*Service d'Accompagnement, de Formation, d'Intégration et de Réhabilitation de l'Enfant*
SDG	Sustainable Development Goal
SEDEX	Supplier Ethical Data Exchange
SEM	Stock Exchange of Mauritius
SEMSI	Stock Exchange of Mauritius Sustainability Index
SIFB	Sugar Insurance Fund Board
SIFCA	*Société Immobilière et Financière de la Côte Africaine*
SO_2	Sulphur Dioxide
TIPA	Terrain for Interactive Pedagogy through Arts
USD	United States Dollar
WTO	World Trade Organisation

Corporate Information

REGISTERED OFFICE

Beau Plan Business Park
Pamplemousses 21001
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Telefax: (230) 243 6363
E-mail: terra@terra.co.mu
Website: www.terra.co.mu

SECRETARY

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AUDITORS

BDO & Co
(Chartered Accountants)
10, Frère Félix de Valois Street,
Port-Louis,
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BANKERS

The Mauritius Commercial Bank Limited
SBM Bank (Mauritius) Ltd
ABSA Bank (Mauritius) Ltd
AfrAsia Bank Limited
BCP Bank (Mauritius) Ltd
Bank One Limited
Maubank Ltd
Standard Bank (Mauritius) Ltd

CANE

Terragri Ltd / Terra Milling Ltd
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POWER

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BRANDS

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Grays Distilling Ltd
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PROPERTY AND LEISURE

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Sugarworld Ltd – *L'Aventure du Sucre*
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Telefax: (230) 243 9699
E-mail: administration@aventuredusucre.com
Website: www.aventuredusucre.com

STONE CRUSHING AND BLOCK MAKING

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CORPORATE SOCIAL RESPONSIBILITY

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FINANCE

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Notice of Annual Meeting

Notice is hereby given that the Annual Meeting of the shareholders of TERRA Mauricia Ltd ('Terra') will be held at Auditorium Paul Eynaud, *L'Aventure du Sucre*, Beau Plan, Pamplemousses, on THURSDAY 11 NOVEMBER 2021 at 2.00 p.m. to transact the following business:

1. To consider the Annual Report for the year ended 31 December 2020.

2. To receive the report of the auditors on the audited financial statements of Terra for the year ended 31 December 2020.

3. To consider and approve the audited financial statements of Terra for the year ended 31 December 2020.

Ordinary Resolution
"*Resolved that the audited financial statements of Terra Mauricia Ltd for the year ended 31 December 2020 be and are hereby approved*".

4. To consider and approve by way of Ordinary Resolutions pursuant to clause 32 of the amended and restated constitution of Terra, the following matters pertaining to Terragri Ltd ('Terragri'):

4.1 the audited financial statements of Terragri for the year ended 31 December 2020.

Ordinary Resolution
"*Resolved that the audited financial statements of Terragri for the year ended 31 December 2020 be and are hereby approved*".

4.2 the re-election, pursuant to Clause 20.3 of the constitution of Terragri, of Mrs Anna Mallac-Sim as director of Terragri.

Ordinary Resolution
"*Resolved that Mrs Anna Mallac-Sim be and is hereby re-elected as director of Terragri.*"

4.3 the re-election, pursuant to clauses 20.2 and 20.5.4 of the constitution of Terragri of the following persons who, retiring by rotation, offer themselves for re-election as directors of Terragri (as separate resolutions):
i. Mr Dominique de Froberville
ii. Mr Nicolas Maigrot
iii. Mrs Margaret Wong Ping Lun.

Ordinary Resolution
"*Resolved that the following persons be and are hereby re-elected as directors of Terragri (as separate resolutions):*
i. Mr Dominique de Froberville
ii. Mr Nicolas Maigrot
iii. Mrs Margaret Wong Ping Lun".

4.4 the re-appointment of the auditors of Terragri under section 200 of the Companies Act 2001 and the authorisation by way of Ordinary Resolution to the Board of Terragri to fix their remuneration.

Ordinary Resolution
"*Resolved that the re-appointment of the auditors under section 200 of the Companies Act 2001 be and is hereby noted and that the Board of Terragri be and is hereby authorised to fix their remuneration*"

5. To authorise by way of Ordinary Resolution the Board of directors of Terra in its capacity as representative of Terra, the sole shareholder of Terragri, to implement the resolutions referred to at paragraphs 4.1 to 4.4 above at the Annual Meeting of Terragri.

Ordinary Resolution
"*Resolved that the Board of Terra, in its capacity as representative of Terra, the sole shareholder of Terragri, be and is hereby authorised to implement the resolutions passed pursuant to paragraphs 4.1 to 4.4 above at the Annual Meeting of Terragri.*"

6. To consider and approve by way of Ordinary Resolutions the following matters pertaining to Terra:

6.1 the re-election, pursuant to clause 20.3 of the amended and restated constitution of Terra, of Mrs Anna Mallac-Sim as director of Terra.

Ordinary Resolution
"*Resolved that Mrs Anna Mallac-Sim be and is hereby re-elected as director of Terra.*"

6.2 the re-election pursuant to clauses 20.2 and 20.5.4 of the amended and restated constitution of Terra of the following persons who, retiring by rotation, offer themselves for re-election as directors of Terra (as separate resolutions):
(i) Mr Dominique de Froberville
(ii) Mr Nicolas Maigrot
(iii) Mrs Margaret Wong Ping Lun.

Ordinary Resolution
"*Resolved that the following persons be and are hereby re-elected as directors of Terra (as separate resolutions):*
(i) Mr Dominique de Froberville
(ii) Mr Nicolas Maigrot
(iii) Mrs Margaret Wong Ping Lun."

6.3 to fix for the period starting from 01 July 2021 and ending on 30 June 2022, the fees of (i) the directors of Terra at MUR 37,500 per month and MUR 22,500 per Board sitting; and (ii) the Chairperson of Terra at MUR 75,000 per month and MUR 45,000 per Board sitting, pursuant to clause 23.1 of the amended and restated constitution of Terra.

Ordinary Resolution
"*Resolved that the fees for the period from 01 July 2021 to 30 June 2022 be and are hereby fixed at MUR 37,500 per month and MUR 22,500 per Board sitting for the directors of Terra; and MUR 75,000 per month and MUR 45,000 per Board sitting for the Chairperson of Terra.*"

7. To take note of the re-appointment of the auditors under section 200 of the Companies Act 2001 and authorise by way of Ordinary Resolution the Board of Terra to fix their remuneration.

Ordinary Resolution
"*Resolved that the re-appointment of the auditors under section 200 of the Companies Act 2001 be and is hereby noted and that the Board of Terra be and is hereby authorised to fix their remuneration.*"

8. Question time.

By order of the Board
Terra Services Ltd
Secretary

Dated this 13th day of September 2021

P.T.O

Notice of Annual Meeting (cont'd)

Notes:

a. A shareholder of Terra entitled to attend and vote at this meeting may appoint a proxy (whether a shareholder or not) to attend and vote on his behalf, or may cast his vote by post.

b. The appointment of proxy must be made in writing on the enclosed form and the document should reach the registered office of Terra, Beau Plan Business Park, Pamplemousses 21001, not less than twenty-four (24) hours before the time of holding the meeting, and in default, the instrument of proxy shall not be treated as valid. Any power of attorney or instrument under which the proxy is signed or notarially certified must be produced before the start of the meeting.

c. The notice for casting a postal vote must be made in writing on the enclosed form and sent to the attention of Mr Louis Denis Koenig, the person authorised by the Board of directors of Terra to receive and count the postal votes at the Annual Meeting. The document should reach the registered office of Terra, Beau Plan Business Park, Pamplemousses 21001, not less than forty-eight (48) hours before the time of holding the meeting, and in default, the notice of postal vote shall not be treated as valid.

d. For the purpose of the above 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 and attend the meeting shall be those shareholders whose names are registered in the share register of Terra as at 15 October 2021.

e. The audited financial statements of Terragri for the year ended 31 December 2020 are available for inspection during normal business hours at the registered office of Terra, Beau Plan Business Park, Pamplemousses.

f. A short biographic note on each director, including those proposed to be elected or re-elected, can be found on pages 84 to 87 of the Annual Report as well as on Terra's website at www.terra.co.mu.

Terra Mauricia Ltd ('The Company')

PROXY/CASTING POSTAL VOTE FORM

APPOINTMENT OF PROXY*

(see notes **a**, **b** and **c** overleaf)

I/We ______________________________

of ______________________________

being shareholder/s of the above named company hereby appoint

____

of ______________________________

or failing him/her, ______________________________

of ______________________________

or the Chairperson as my/our proxy to vote for me/us at the **Annual Meeting** of the Company to be held on **Thursday 11 November 2021** and at any adjournment thereof. The proxy will vote on the under-mentioned resolutions, as indicated below:

CASTING POSTAL VOTES*

(see note **b** and **d** overleaf)

I/We ______________________________

of ______________________________

being shareholder/s of the above named company desire my/our vote/s to be cast as indicated on the under-mentioned resolutions at the **Annual Meeting** of the Company to be held on **Thursday 11 November 2021** and at any adjournment thereof:

	For	Against	Abstain
Resolution 3 Resolved that the audited financial statements of Terra Mauricia Ltd for the year ended 31 December 2020 be and are hereby approved.			
Resolution 4.1 Resolved that the audited financial statements of Terragri Ltd for the year ended 31 December 2020 be and are hereby approved.			
Resolution 4.2 Resolved that Mrs Anna Mallac-Sim be and is hereby re-elected as director of Terragri.			
Resolution 4.3 Resolved that the following persons be and are hereby re-elected as directors of Terragri (as separate resolutions):			
(i) Mr Dominique de Froberville			
(ii) Mr Nicolas Maigrot			
(iii) Mrs Margaret Wong Ping Lun			
Resolution 4.4 Resolved that the re-appointment of the auditors under section 200 of the Companies Act 2001 be and is hereby noted and that the Board of Terragri be and is hereby authorised to fix their remuneration.			
Resolution 5 Resolved that the Board of Terra, in its capacity as representative of Terra, the sole shareholder of Terragri, be and is hereby authorised to implement the resolutions passed pursuant to paragraphs 4.1 to 4.4 above at the Annual Meeting of Terragri.			

***: Please fill in either the proxy section or the postal vote one, but not both.**

P.T.O

Terra Mauricia Ltd ('The Company')

PROXY/CASTING POSTAL VOTE FORM

	For	Against	Abstain
Resolution 6.1 Resolved that Mrs Anna Mallac-Sim be and is hereby re-elected as director of Terra.			
Resolution 6.2 Resolved that the following persons be and are hereby re-elected as directors of Terra (as separate resolutions):			
(i) Mr Dominique de Froberville			
(ii) Mr Micolas Maigrot			
(iii) Mrs Margaret Wong Ping Lun			
Resolution 6.3 Resolved that the fees for the period from 01 July 2021 to 30 June 2022 be and are hereby fixed at MUR 37,500 per month and MUR 22,500 per Board sitting for the directors of Terra; and MUR 75,000 per month and MUR 45,000 per Board sitting for the Chairperson of Terra.			
Resolution 7 Resolved that the re-appointment of the auditors under section 200 of the Companies Act 2001 be and is hereby noted and that the Board of Terra be and is hereby authorised to fix their remuneration.			

Signed this .... day of 2021

Signature(s)

Notes:

a. If this form is signed and returned without any indication as to how the proxy shall vote, he will exercise his discretion both as to how he votes and whether or not he abstains from voting.

b. According to law, an abstention is not considered as a vote and will not be counted in the calculation of the proportion of votes for and against a resolution.

c. To be effective, this form of proxy should reach the registered office of the Company, Beau Plan Business Park, Pamplemousses 21001, not less than twenty-four (24) hours before the time of holding the meeting. Any power of attorney or instrument under which the proxy is signed or notarially certified must be produced before the start of the meeting.

d. To be effective, this notice of postal vote should be sent to the attention of Mr Louis Denis Koenig, the person authorised by the Board of directors of the Company to receive and count the postal votes at the Annual Meeting and should reach the registered office of the Company, Beau Plan Business Park, Pamplemousses 21001, not less than forty-eight (48) hours before the time of holding the meeting.

The Group is sensitive to the promotion and awareness of sound environmental practice and has decided to use recycled paper for its Annual Report. There is a list below of frequently asked questions explaining the benefits of using recycled paper. In 2015, the Board had already invited shareholders to receive the Annual Report in electronic format, in line with the Practice Directions issued by the Registrar of Companies on 30 May 2014 and 26 February 2015. To date, some 52% of shareholders have agreed to this.

This publication was printed on **Lenza Green paper 100% recycled pulp**. The star-rating classification system under the Check Your Paper scheme, created by WorldWildlife Fund, describes the environmental performance levels of paper products. This scheme raises awareness on key environmental parameters to evaluate the forest, climate and water footprint of pulp and paper products. It assesses the environmental impacts of the pulp and paper produced. Lenza Green paper is rated five stars with regards to environmental performance: forests, climate change and aquatic ecosystems.

Forest performance: ☆☆☆☆☆

Climate performance: ☆☆☆☆☆

Water performance: ☆☆☆☆☆

Source: WWF-Check Your Paper (2010)
http://checkyourpaper.panda.org accessed 14 May 2019.

FAQ on Lenza Green Paper

Is recycled paper better for the environment than virgin paper?

YES. Recycled paper helps the environment in a number of ways:

- Recycling helps preserve forest, reducing demand for wood.
- Recycling avoids accumulation of waste sites and incinerators, which generate CO_2 emissions.
- Recycling lengthens the lifespan of paper, since fibres can be recycled 4 to 5 times.
- Producing recycled paper requires around 2 times less energy and 3 times less water than paper made with virgin pulp.

What Lenza Green paper made from?

Recycled paper produced of 100% recovered fibres certified FSC® (Forest Stewardship Council). FSC® is an international, non-governmental, non-profit making organization created in 1993.

How is Lenza Green paper manufactured?

It is manufactured without chlorine bleaching, high whiteness thanks to a special converting process for recovered fibre.

Why we choose Lenza Green paper?

Product exhibits high opacity and good sheet formation as well as maximum ageing resistance.

Excellent usability given on all types of processing machinery for application from envelopes to annual reports.

Terra Mauricia Ltd | Beau Plan Business Park
Pamplemousses, Republic of Mauritius
www.terra.co.mu