terra Annual Report **2023**

For the future. From 1838.

Who We Are

Terra is a conglomerate established in Mauritius and operating locally and regionally. Formerly known as Harel Frères, it started as a small sugar factory in 1838. Today, Terra is one of the major players in the sugar cane sector in Mauritius, managing 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, property development, and investments in construction and financial services.

Our vision, purpose and values

Our vision

When we look to the future, we see **a world in which development is sustainable**, where every individual has the opportunity to succeed without compromising the needs of the next generation, where natural resources are used responsibly and efficiently, and where the ongoing development of society and the environment is kept in balance.

Our purpose

Our purpose is to **cultivate resources for a better future**.

As a diversified investment holding Group, our objective is to strive for sustainability across all sectors. We aim to protect and enhance the resources of our natural and commercial environments, while ensuring the continuing development of the people who inhabit them.

Our values

RESPECT	TENACITY	INTEGRITY	PASSION	INNOVATION
Defines the way we relate to people in our Group and community.	Encourages us to strive towards excellence through every professional endeavour.	Guides our every action.	Gives us strength and enthusiasm to always contribute with commitment.	Inspires us to advance by taking the initiative.

Our Annual Integrated Report

We are pleased to present our annual Integrated Report, which is our primary report to our stakeholders and outlines our strategic framework for long-term value creation.

Scope and boundary

This report covers the activities of Terra Mauricia Ltd and its subsidiaries (the Group). It provides Terra's shareholders and other interested stakeholders with a concise review of our performance and governance practices for the financial year from 1 January 2023 to 31 December 2023.

Our reporting suite

We produce a suite of annual publications tailored to meet our stakeholders' specific information requirements.

Annual Integrated Report	Annual Sustainability Report	Abridged Audited Financial Statements
Our annual Integrated Report is aimed primarily at providers of financial capital but considers the information needs of all stakeholders. It reviews the Group's strategy, operating environment, business model, financial performance (supplemented by relevant disclosure on environmental and social sustainability), stakeholder engagement, risk management, and adherence to corporate governance principles.	Our annual Sustainability Report supplements our annual Integrated Report and targets a broad range of stakeholders. The report describes how we approach and address sustainability management across the Group and reviews our performance in managing our material environmental, social and governance (ESG) impacts, risks and opportunities.	Our Abridged Audited Financial Statements provide a high-level review of our annual operational and financial performance. In addition to our Abridged Audited Financial Statements, we publish quarterly unaudited results and our annual Financial Results presentations.

All our reports and additional publications are available at www.terra.co.mu/investors/

Materiality

While Terra's executive management team was responsible for preparing this report, the Board reviewed it and believes 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. We identified these factors through a structured process involving Terra's executive management team and other senior managers. During this process, they reviewed the business model and operating context for Terra's clusters: Cane, Brands, Power, Property and Leisure, and Construction[1].

Feedback

We encourage you to read this report and provide us with your feedback, which will help us continuously improve Terra's performance and governance practices. Please send your feedback to terra@terra.co.mu

Board approval

The Board applied its collective mind to preparing and presenting the information in this report, guided by the Integrated Reporting Framework (2021)[2]. The Board approved this report on 14 November 2024.

Alain Rey
Chairman

Nicolas Maigrot
Managing Director

On behalf of the Board of Directors, we invite you to join us at Terra's Annual Meeting at The Terrace, Head Office, Beau Plan Business Park, Pamplemousses, at 2.00 p.m. on 17 December 2024.

[1] This year, we consolidated the Construction cluster to provide our stakeholders with further insights into the performance and prospects of our investments in Terrarock Ltd and REHM Grinaker Construction Co. Ltd. We provide more detail on the Construction cluster throughout this report.
[2] https://www.ifrs.org/issued-standards/ir-framework/

Delivering Sustainable Value

The United Nations Sustainable Development Goals (SDGs) provide the best articulation of sustainable value, setting a clear long-term agenda to end poverty, protect the planet and ensure prosperity for all by 2030.

We have prioritised six SDGs where we believe we can have the most meaningful impact and contribute to national and global developmental objectives through our core business and Group functions.

Working in harmony with Terra's values – respect, tenacity, integrity, passion, and innovation – we are committed to playing our role in attaining these SDGs and working with Government, civil society, communities, and other businesses.

Ensure access to water and sanitation for all.
Ensure access to affordable, reliable, sustainable and modern energy for all.
Promote inclusive and sustainable economic growth, employment and decent work for all.
Build resilient infrastructure, promote sustainable industrialisation and foster innovation.
Make cities inclusive, safe, resilient and sustainable.
Take urgent action to combat climate change and its impacts.

We review our approach and contribution to these goals in our annual Sustainability Report, available on our website.

SEMSI LISTING

Terra has been listed on the Stock Exchange of Mauritius' Sustainability Index (SEMSI) since 2015.

Table of Contents

Overview

Our Business at a Glance

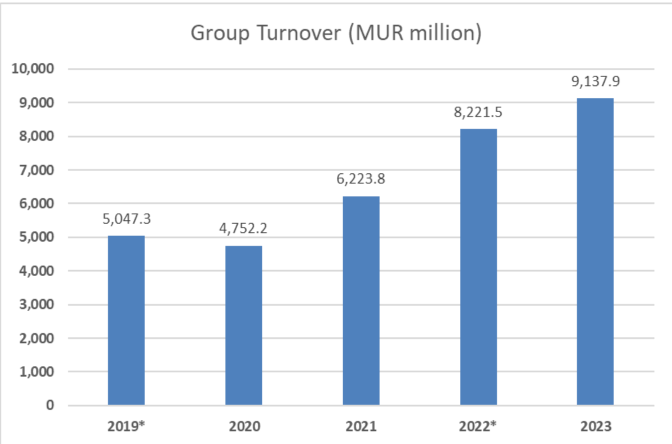
Our organisational structure

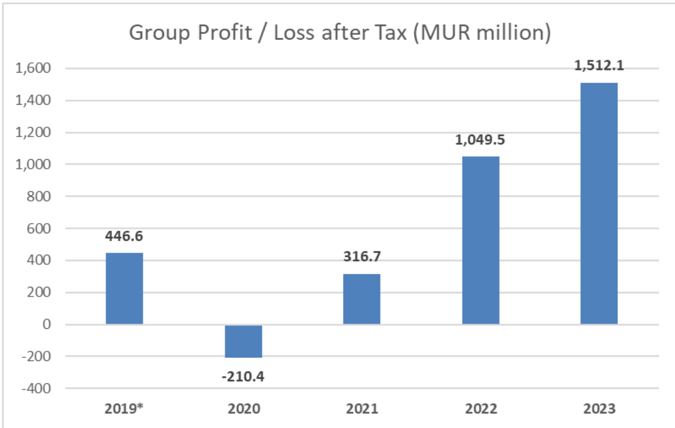
The Group consists of five autonomous clusters: Cane, Brands, Power, Property and Leisure, and Construction. Each cluster offers unique business know-how that sets it apart from its competitors and provides a strong platform for growth.

The clusters are autonomous in their decision-making, budgeting, reporting, and day-to-day operations, and we take a decentralised approach to environmental and health and safety management in our clusters. Each cluster's leadership team is accountable for their respective performance. Leadership teams are empowered to develop their businesses and realise international growth opportunities in line with proposals and plans approved by Terra's Board of Directors.

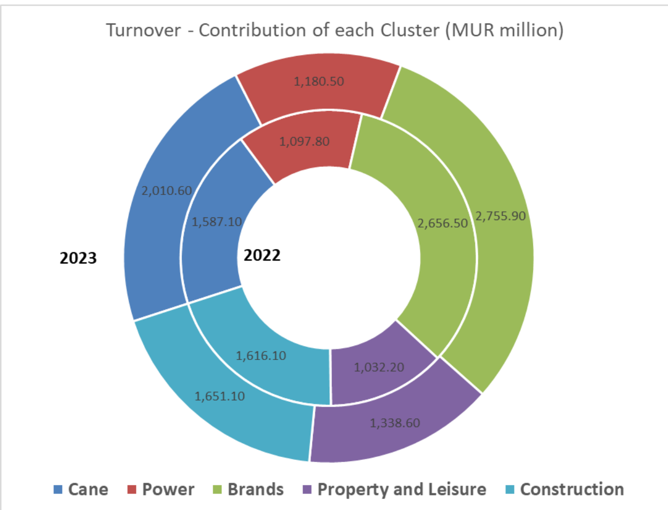
Terra provides Group-level strategic guidance and support services for employees and in terms of the support we provide to our neighbouring communities. Read more in the Group-level functions section on page 61.

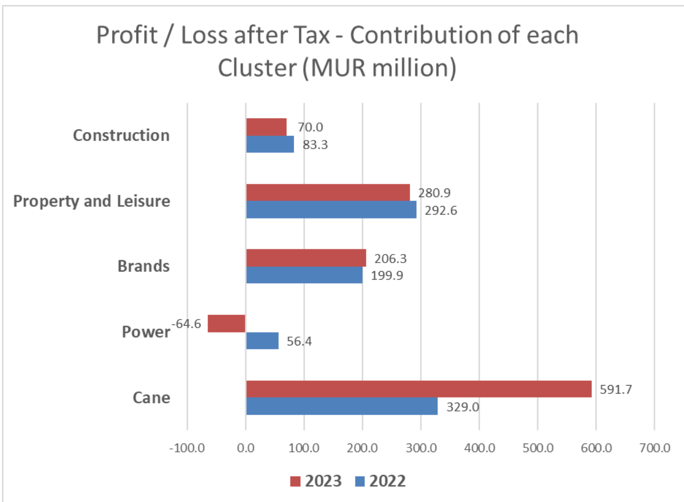
Terra Mauricia Ltd





*: The figures have been restated.





Cane

- 211 employees at Terragri (2022: 218)
- 123 employees at Terra Milling (2022: 127)
- 6.3% total employee turnover rate (2022: 9%)
- 694,274 T of sugar cane milled (↑1%) (2022: 687,241 T)
- 5,102 Ha of land under cane cultivation (=) (2022: 5,086 Ha)
- 70,641 T of sugar produced (↓7%) (2022: 75,958 T)

Brands

- 518 employees at Grays Inc. (2022: 513)
- 54 employees at Grays Distilling (2022: 37)
- 26% total employee turnover rate (2022: 21%)
- 23 own brands (2022: 24)
- 50% sales from spirits (2022: 52%)
- 3.9 million L of alcohol produced (↓11%) (2022: 4.4 million L)

Power

- 47 employees at Terragen (2022: 47)
- 9% total employee turnover rate (2022: 3%)
- 14.1% renewable energy share (↑33%) (2022: 9.4%)
- 93.3% availability on the Central Electricity Board (CEB) network (↑3%) (2022: 90.6%)
- 266 GWh sold to CEB (↑26%) (2022: 211 GWh)

Property and Leisure

- 135 employees at Novaterra (2022: 106)
- 48 employees at *L'Aventure du Sucre* (2022: 51)
- 17% total employee turnover rate (2022: 7%)
- 22.24 Ha of land developed (↓1%) (2022: 22.38 Ha)

m^2 under rent:

- 37,061 m^2 industrial and commercial (=) (2022: 37,061 m^2)
- 21,322 m^2 residential (=) (2022: 21,322 m^2)
- 16,081 m^2 office (↑78%) (2022: 9,018 m^2)
- 8,182 m^2 retail (=) (2022: 8,182 m^2)

Construction

- 43 employees at Terrarock (2022: 43)
- 517 employees at REHM Grinaker (2022: 526)
- MUR 934.7 million in assets (2022: MUR 1,044.9 million)

Value Created in 2023

Customers

Cane

- 58,888 T Specialty sugars in 14 varieties (↓23%) (2022: 76,171 T)

Brands

- 3,705 Direct B2B customers (Mauritius) (↓11%) (2022: 4,158)
- 20,085 Regular B2C customers (Mauritius) (↓12%) (2022: 22,786)

Power

- 9.0% National energy mix (↑9.8%) (2022: 8.2%)
- 8.4% Share of national renewable energy production (↓10.6%) (2022: 9.4%)

Property and Leisure

- 22.24 Ha Land developed this year (↓1%) (2022: 22.38 Ha)
- 92,357 Visitors to *L'Aventure du Sucre* (↑25.1%) (2022: 73,830)

Construction

- 6,184 T aggregates produced
- 366,757 blocks produced
- 43,100 m² floorspace developed
- 6.5 km road and infrastructures constructed

Employees

- MUR 15.6 M Invested in employee training and development (↑66%) (2022: MUR 9.4 M)
- MUR 1,505.5 M Paid in salaries, wages and other benefits (↑6%) (2022: MUR 1,416.3 M)
- 65 additional jobs provided (2022: 79)

Communities

- MUR 3.2 M CSR sponsorship channelled through Terra Foundation (↓11%) (2022: MUR 3.6 M)
- 44 Projects sponsored (↓12%) (2022: 50)

Government

- MUR 22.2 M Paid in taxes in Mauritius (↑147%) (2022: MUR (46.9) M)
- MUR 706 M Paid in customs and excise duty in Mauritius (↑0.3%) (2022: MUR 703.6 M)

Suppliers

- MUR 4,862.2 M Procurement spend (↑6%) (2022: MUR 4,560.4 M)

Providers of financial capital

- MUR 303.1 M Paid to banks and other lenders (↑58%) (2022: MUR 191.2 M)
- MUR 35 M Paid in dividends to outside shareholders of subsidiaries (↑44%) (2022: MUR 24.3 M)
- MUR 238.9 M Paid in dividends to Terra shareholders (↑5%) (2022: MUR 227.5 M)
- MUR 6.06 Earnings per share (↑ 54%) (2022: MUR 3.93)

Our Business Model

As a Group, our business model hinges on our ability to secure a competitive advantage and create stakeholder value across our five 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
- 5,102 ha sugar cane fields
- 694,274 tonnes of sugar cane milled

Brands
- 15,077 tonnes of molasses
- 2,812 tonnes of coal
- 690 m³ of alcohol

Power
- 218,872 tonnes of bagasse
- 121,731 tonnes of coal
- 6,959 tonnes of cane straw
- 17,514 tonnes bagasse ash

Property and Leisure
- 615 ha of land available for development and regeneration

Construction
- 314,031 tonnes of boulders
- 16,966 m³ of concrete
- 1,258 tonnes of reinforcement
- 366,757 blocks
- 6,184 tonnes of aggregate
- 65,780 cement bags of 25 kg

Topterra
- 45,520 m³ of vinasse

Thermal Valorisation Co. Ltd
- 24,941 tonnes of coal ash (including coal bottom ash and coal fly ash)

Manufactured capital:

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

Financial capital:

- Debt and equity financing
- Reinvestment

Human capital:

- 1,742 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 cane 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:

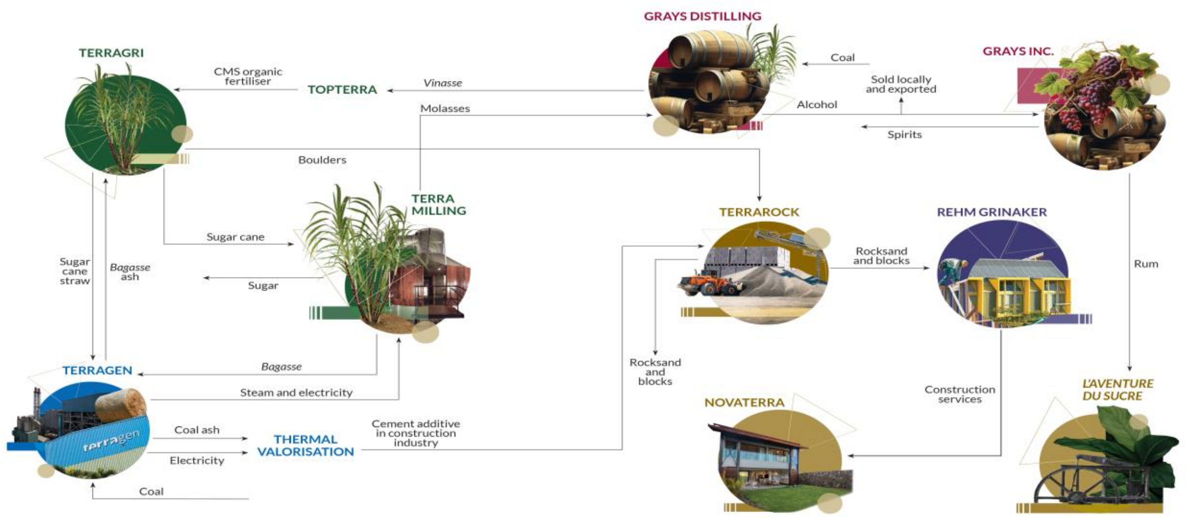
- Positive customer and tenant relationships
- Positive employee relations
- Constructive engagement with Government
- Investor confidence
- Positive supplier and partner relations
- Community trust and partnerships

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 clusters (Page 27)

Brands

Transforming by-products of sugar production into value-added dark and white spirits through the distillery process and realising added value through our bottling, distribution and marketing activities. We have expanded these activities to include third-party brands in wine, whisky, personal care products and snacks (Page 36)



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 43)

Property and Leisure

Investing in property-development projects in well-located sites to increase and unlock 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 49)

Construction

Terrarock Ltd is involved in the manufacturing and sale of hollow concrete blocks, aggregates and rock sand, while REHM Grinaker Construction Co. Ltd is involved in industrial, commercial, high-end hospitality and leisure projects, as well as in civil and infrastructure works (Page 56)

Our material risks (Page 23)

1. Unexpected consequences of the specific terms of the Power Purchase Agreement (PPA) resulting in difficult operating and financial conditions.
2. Group exposure to the consequences of a sharp economic downturn and decline in consumer spending.
3. The continued decrease in the cane supply and its by-products curtails the Group's milling, distilling and power generation activities.
4. An oversupply of properties on the market resulting in a loss of revenue.
5. A successful cyber-attack resulting in business interruption, financial losses and reputational damage.

Products and outputs

- 58,888 tonnes of specialty sugars
- 266 GWh of electricity sold to the CEB grid
- 906,051 GJ of steam to Terra Milling
- 3.9 million litres of alcohol and 24 own brands
- 22.24 ha of land developed
- m² available space for rent
  - Industrial and commercial: 37,061 m²
  - Office: 16,081 m²
  - Residential: 21,322 m²
  - Retail: 8,182 m²
- 92,357 visitors at *L'Aventure du Sucre*
- 22,656 tonnes of CMS organic fertiliser
- Cement additive for the construction industry
- Rocksand and blocks

Capital outcomes

Natural capital:

- Total energy consumed: 1,218,241 GJ
- Total CO_2 emissions (scope 1): 471,131 tonnes
- Total water consumed: 3,377,769 m³
- Total fertilisers consumed: 15,891 tonnes
- Total glass bottles recycled: 38.7 tonnes

Manufactured capital:

- MUR 457.3 million investment in property, plant and equipment

Financial capital:

- MUR 9,137.9 million turnover
- MUR 1,512.1 million profit after taxation
- MUR 273.9 million paid in dividends
- MUR 1,798.2 million reinvested in the Group

Human capital:

- 1,742 employees
- MUR 1,505.5 million paid in salaries, wages and other benefits
- MUR 15.6 million in employee training and development
- 65 additional jobs provided

Intellectual capital:

- Digital transformation expenditure
- Brand development expenditure
- Certifications in quality, food safety, environmental and OHS management
- 93.3% plant availability on the CEB network

Social and relationship capital:

- MUR 22.2 million paid in taxes in Mauritius
- MUR 706 million paid in customs and excise duty in Mauritius
- MUR 4,862.2 million paid to suppliers
- MUR 303.1 million paid to banks and other lenders
- MUR 35 million paid in dividends to subsidiary shareholders
- 2 % of profits directed to CSR work
- MUR 3.2 million spent by Terra Foundation
- 44 CSR projects sponsored

Chairman's Message

The past year was once again challenging, both locally and internationally. We experienced elevated input costs and interruptions to our supply chain. Inflationary pressures resulting from geo-political conflicts put pressure on the prices of international goods and services. As Mauritius relies heavily on imports, this was a major challenge for the Group.

Closer to home, rising food and energy prices impacted individuals and communities. We again experienced several stormy episodes during the year, which brought additional challenges and costs to local people and businesses. We cannot ignore the link between these extreme weather events and climate change, the implications of which are likely to be significant for Mauritius as a small island state over the longer term.

Faced with these challenges, Terra demonstrated its resilience and agility and delivered another record result, achieving a profit after tax of MUR 1,512.1 million, up from MUR 1,049.5 million in 2022. This performance resulted from the ambitious yet prudent execution of our long-term strategy, reinforced by our robust and differentiated business clusters and our ability to extract organic growth. In parallel, we continued to review our investment portfolio to streamline it further and concentrate on strategic investments.

Also critical to Terra's success has been its commitment to its employees. To help them navigate the tough environment, the Group granted wage increases to support and encourage our employees despite the financial pressure placed on operations.

In each of our clusters, the strategic actions and investments undertaken in recent years are now bearing fruit and delivering commendable financial, social and environmental results.

The **Cane** cluster posted record profits this year. While this was driven by all-time high global sugar prices, it comes on the back of significant gains in productivity and a substantial reduction in operating costs due to the cluster's ongoing focus on operational excellence. The Cane cluster is also making great strides on its journey to attract, retain and promote employee engagement, which is essential in helping our operations and the industry become more sustainable. Unfortunately, drought and water scarcity continued to limit the productivity of our cane fields. In response, the cluster is elevating its focus on optimising water consumption and improving the use of effluents for irrigation.

Despite high inflation, our **Brands** cluster benefitted from increased tourism and steady local demand. This year, a key focus for Grays Distilling was improving boiler efficiency to optimise its coal consumption while investigating renewable energy solutions. Grays Inc. continued to optimise water-use efficiency by using rainwater harvesting infrastructure and installed photovoltaic solar panels as part of its commitment to supporting greener energy sources.

In our **Property and Leisure** cluster, we continued to develop vibrant, integrated living and working spaces that we design responsibly and sustainably. In particular, our Beau Plan Smart City is truly starting to transform the region and deliver broader societal value, most notably through job creation. A positive development this year was leveraging our office building the Strand's EDGE (Excellence in Design for Greater Efficiencies) Certification to obtain a sustainability-linked loan. This loan will help drive positive environmental and social outcomes while delivering a loan margin benefit for the Group.

Our **Power** cluster again operated in a challenging environment, with coal operations suspended for the first four months of 2023. Fortunately, we were able to resume operations on 29 April 2023. Since then, the cluster has returned to world-class operating levels, resulting in competitive pricing for the CEB. We look forward to continuing a strong working relationship with the CEB in the years ahead, supported by our commitment to operate in the best interests of the Mauritian population.

Given its material contribution to Group turnover, we consolidated the **Construction** cluster this year to provide our stakeholders with a more comprehensive view of the performance and prospects of our investments in Terrarock and REHM Grinaker. Both businesses have demonstrated a clear commitment to introducing and embedding sustainable practices and environmental stewardship across their operations. This is an ongoing journey that is being built on a solid foundation.

Beyond our clusters, we remain immensely proud of the good work Terra Foundation does to support our neighbouring communities. This year, Terra Foundation’s social investment was MUR 3.2 million, enabling it to partner with 25 NGOs and support 2,141 beneficiaries (1,669 in 2022), the majority of whom were children. In addition, the Group invested MUR 2.9 million in social impact projects, resulting in a total social investment of MUR 6.1 million in 2023.

Maintaining oversight through effective corporate governance

This year, we welcomed the appointment of a new Board member following the departure of Nikhil Treebhoohun, who retired after serving as a non-executive Director for nine years. We thank him for his contribution and wise counsel throughout his tenure. In his place, we welcomed Françoise Ip Wan Shek, who joined the Board effective 26 September 2023. Françoise has a strong background in finance, and we look forward to the experience and diversity she will bring to the Board.

To strengthen our corporate governance approach, the Board reviewed and updated the terms of reference for our various committees. We did this to ensure they align with the National Code of Corporate Governance for Mauritius and reflect the Group's values.

The Board adopted an updated corporate governance structure to ensure adequate delegation of authority while enabling the Board to retain effective control. This is important to ensure we have relevant and sufficient controls in our clusters despite the Group's diversified operations.

Another key focus area for the Board was strengthening the Group's risk management processes and controls to mitigate ongoing and emerging risks across our operations, including risks linked to climate change.

Ultimately, the Board remains fully committed to maintaining the highest standards of corporate governance and ensuring a responsible, credible and transparent response to our sustainability-related impacts, risks and opportunities. This response includes ensuring that we stay current with evolving sustainability disclosure requirements, such as the recently published European Sustainability Reporting Standards (ESRS), which we made an effort to engage with this year. Published in 2023, the ESRS aims to bring sustainability reporting on par with financial reporting and will apply to certain companies operating in European markets based on various criteria and thresholds.

The publication of ESRS reflects a global move to establish a baseline of sustainability-related disclosures for capital markets. While these standards are not mandatory in Mauritius, we are engaging with the ESRS to understand its possible implications for our reporting practices and disclosures. Ultimately, we remain committed to providing interested stakeholders with relevant information that enables them to determine how sustainability factors impact the Group's long-term prospects.

Outlook

Strengthening our partnerships with all stakeholders will remain critical for the Group. In particular, we look forward to close collaboration with the various Government authorities we engage with through our clusters.

Attracting, developing, deploying and retaining talent will remain critical as positioning Terra as an employer of choice will be a significant competitive advantage for Terra far into the future.

The Board will work closely with management to ensure they have the necessary resources to achieve the Group's financial, social and environmental objectives for the benefit of our communities and country.

Appreciation

As a Board, we are comforted by the depth of talent within the Group and the level of expertise being garnered in our clusters. This comfort is thanks to the leadership of our Managing Director, Nicolas Maigrot, who is supported by a first-class management team that puts our employees at the centre of everything we do. Thank you also to our dedicated employees for your grit, determination and dedication during such a challenging year.

I remain truly grateful to my fellow Board members for your guidance, collaboration and valuable input. Thank you also to Terra's business partners and stakeholders for their proactive partnership throughout the year.

We believe the Group is well-positioned to provide enhanced and sustainable long-term value creation.

Sincerely yours,

Alain Rey
Chairman of the Board
14 November 2024

Managing Director's message

Looking back on the year

This year, Terra posted another record-high profit after tax of MUR 1,512.1 million, up from MUR 1,049.5 million in 2022. We further recorded strong growth in earnings per share of MUR 6.06 (2022: MUR 3.93), enabling us to increase the dividend paid to Terra shareholders by 5% to MUR 238.9 million.

Our performance was backed up by an excellent set of results from the Cane cluster, with sugar prices reaching record highs in 2023. The price of sugar ex-Syndicate increased from MUR 25,554 for 2022 to MUR 30,951for 2023. Total revenue (including bagasse and molasses) increased from MUR 30,819per tonne in 2022 to MUR 36,126per tonne in 2023.

Overall, the global operating environment remained challenging. We continued to experience heavy inflation while ongoing geo-political conflicts put further pressure on already elevated commodity prices. Despite this, we saw a robust GDP growth of 6.9% locally, mostly thanks to an exponential recovery in tourism. We also saw an uptick in public investment in infrastructure. These positive trends helped our Brands and Property and Leisure clusters, which performed well, posting profits of MUR 206.3 million and MUR 280.9 million, respectively.

On the other hand, our Power cluster again had a challenging year after Terragen declared the Force Majeure under the PPA in 2022, and our coal operations remained suspended for the first four months of 2023. Fortunately, coal prices stabilised, and we reached a settlement agreement with the CEB that enabled us to resume operations as of 29 April 2023 under the PPA.

Given its material contribution to Group turnover, we consolidated the Construction cluster this year to provide more detail on the performances of Terrarock and REHM Grinaker. Overall, both businesses performed quite well, with the cluster posting a profit of MUR 70 million, although slightly down from MUR 83.3 million in 2022.

Our strategy to streamline our investment portfolio continues to move in the right direction.

Our 2023 performance

Cane: another record performance despite tough climatic conditions and low yields

As mentioned earlier, high global sugar prices boosted the performance of our Cane cluster, from an already high base. We achieved these results despite a low cane yield in 2023 and ongoing water restrictions, which impacted sugar production and replantation volumes.

Water security and availability are growing challenges in Mauritius, which is increasingly facing periods of heavy rainfall in the wet season and extended seasons of drought. This situation highlights the need for innovative storage solutions combined with water conservation and efficient management of water resources. The Group is engaging with Business Mauritius to identify opportunities to collaborate with Government on developing a long-term national water resources management plan.

Our Cane cluster is also investing in improving yields. These investments include, for example, using drones and satellite imagery to identify and fill gaps in our sugar cane fields.

The performance of our overseas associate in Côte d'Ivoire, Sucrivoire, continues to be severely impacted by operational and financial constraints. In November 2023, we decided to terminate our management contract with Sucrivoire. The latter has initiated a bonds issue to recapitalise its operations and stabilise its balance sheet, but we anticipate the coming years will remain challenging.

Brands: a solid performance, supported by tourism and strong local demand

The improved performance of Grays Inc. and Grays Distilling, together with the contribution from other subsidiaries of MUR 0.3 million and associates of MUR 58.4 million, resulted in the Brands cluster improving its net profit by 3.2% and posting a profit after tax of MUR 206.3 million.

The net contribution of Grays Inc. to the Group increased from MUR 82.9 million to MUR 92.5 million in 2023. Sales improved due to a strong contribution from the hospitality and tourism sectors and sustained local consumption. Performance was further supported by an the positive impact of ongoing focus on maintaining healthy stock levels and improving our client service levels. Grays Distilling outperformed, increasing profits from MUR 27.2 million to MUR 55.1 million. This improved performance was underpinned by the availability of richer molasses and ongoing investments to enhance the efficiency of our distilling and fermentation processes. The business also benefitted from lower energy prices.

Power: performance impacted by suspension in operations, but looking positive for 2024

As mentioned last year, our contract with CEB does not have a full pass-through formula for coal, which significantly impacted our ability to run the plant at its optimal capacity due to the exceptionally high coal prices we experienced for most of 2022 and the first four months of 2023. Fortunately, coal prices stabilised, and we reached a settlement agreement with the CEB, enabling Terragen to resume operations on 29 April 2023. Due to these factors, Terragen posted a loss of MUR 64.6 million. However, after resuming operations, Terragen performed very well for the remainder of the year. We look forward to a return to profitability in 2024.

Aside from short-term challenges, we remain focused on developing a long-term strategy for Terragen to move us towards more sustainable energy sources and a greener power plant. We have presented a plan to the authorities to produce power from 100% biomass using mainly bagasse and imported wood chips. While this aligns with Government's ambitious goal of producing 60% of its energy from renewable sources by 2030, momentum will depend on how this transition will be financed and managed. Terragen therefore continues to work with the CEB on modalities aiming at phasing out coal in the future and produce green electricity for the benefit of all Mauritians.

Property and Leisure: we continue to develop and invest for the future

Our Property and Leisure cluster posted another set of excellent results in 2023, with profits of MUR 280.9 million (2022: MUR 292.6 million).

The cluster enjoyed a record number of visitors at the Mahogany Shopping Promenade, demonstrating a strong returning customer base. We opened our new office building, the Strand, and have since secured 92% occupancy on the total available area (including securing 4 major business tenants). We are also seeing good momentum on our Beau Plan Business District with the arrival of Decathlon. We started construction on the second phase of Mango Village, with a very successful sales uptake, and launched the sale of our Indigo apartments. Indigo comprises 120 smaller units, and we have received a positive response, with 80% of the units booked as of October 2024.

L'Aventure du Sucre posted a record performance in 2023 due to the strong and sustained improvement in tourism and rigorous management practices. Profits surged to a high of MUR 25.8 million in 2023 compared to MUR 17.7 million in 2022.

Our yielding assets continue to perform well, and we remain confident in the potential of our Beau Plan Smart City and other identified real estate zones. We are particularly pleased with the favourable response of Mauritians and international investors, with all projects launched to date being very well received by the market.

Construction: we continue to develop and invest for the future

The construction industry is highly competitive in Mauritius. Thanks to focused management at REHM Grinaker and Terrarock, the cluster delivered another consistently good performance this year, achieving profits of MUR 70 million in 2023 (MUR 83.3 million in 2022). The high quality work of REHM Grinaker has given the company better visibility and the order book goes beyond 2024.

Investments

Excluding fair value adjustments, our investments performed satisfactorily in 2023. We continue identifying opportunities to sell part of our investment portfolio to focus on our core activities. Strategic exits provide a cash injection that we can reinvest into Terra and use to enhance our clusters.

This year, we sold our 26.7% stake in Aquasantec International Ltd, with a profit on disposal of MUR 73.5 million. We further finalised our divestment from Harel Mallac & Co Ltd. Following a dividend in specie from Harel Mallac & Co Ltd, we became shareholders of a new hospitality vehicle called Cavell Touristic Investments Ltd. We subsequently increased our stake in the latter to become a majority shareholder, while disposing of our stake in Harel Mallac & Co Ltd. Cavell Touristic Investments owns minority investments in three hospitality companies with established track records in Mauritius and was listed on the Development and Enterprise Market of the SEM in December 2023. We are pleased with how this investment is performing.

Outlook

Our long-term growth strategy revolves around optimising value from our core assets across the sugar value chain, divesting from non-core and non-strategic activities, and identifying opportunities for our key activities to achieve synergies.

Cash flow and liquidity management remain critical to support strategy execution, and we continue to strengthen our capacity to generate cash from the business. This includes implementing land conversion rights and engaging in land exchange mechanisms to unlock cash and enable us to invest in yielding assets, mainly through our Property and Leisure cluster.

While times remain challenging and unpredictable, we are confident that we have the right teams to execute our corporate strategy.

In our Cane cluster, we anticipate that global sugar prices will be lower in 2024. However, we believe that we have structured our sugar operations to be more financially sustainable over the long term and that the cluster is well-positioned to generate profits in the years ahead. We also saw favourable climatic conditions and higher rainfall in early 2024, which have resulted in improved sugar yields. On a negative note, very poor rainfall from August to November 2024 will affect the 2025 crop.

Our Property and Leisure cluster should enjoy another good year. The key components of our Beau Plan Smart City are now in place, and the development has gained momentum. We will continue to engage with Government and other stakeholders to unlock land value near our Smart City and in the coastal region, which opens up opportunities for new offerings. We will also continue to invest in growing the cluster and recruiting critical skills and personnel to enable us to tap into strategic growth opportunities.

Our Brands cluster should continue to benefit from the rebound in the hospitality and tourism sectors but will be affected by a high increase in labour cost.

Regarding the Power cluster, we anticipate a return to profitability in 2024, provided that coal prices remain stable. Our contract with the CEB will end in June 2025, and we are engaging with the CEB in this connection. It should be noted that the Utility Regulatory Authority requires our contract with the CEB to include a pass-through formula for coal, which will be a crucial area of negotiation going forward.

We anticipate another solid performance for the Construction cluster. While a long-term view is challenging, we have several exciting projects in the pipeline that could boost profitability.

Appreciation

I want to take this opportunity to thank my colleagues on the executive and management teams in each cluster and every one of our employees for their commitment, engagement, and invaluable contribution to our success this year.

I would also like to thank my colleagues on the Board for their steadfast support throughout the year and for advising and encouraging the management teams. We could not have moved Terra forward without your insight and guidance. I also appreciate the authorities we regularly engage with across our business clusters.

A particular word of thanks to our shareholders for their ongoing support. Our dividend policy remains conservative, focusing on increasing our yearly dividends whenever warranted by our overall financial performance, while retaining cash to invest in yielding assets that we believe will generate long-term value.

We are building a bright future for Terra, and I believe we remain firmly on the right track to capitalise on new growth opportunities for the benefit of all our stakeholders.

Nicolas Maigrot
Managing Director
14 November 2024

Financial Review

Group turnover for 2023 increased by MUR 916.4 million to MUR 9.1 billion and Group profits for the year stood at MUR 1,512.1 billion, an increase of MUR 462.6 million from a profit of MUR 1,049.5 billion in 2022. All Group clusters posted positive results other than the Power cluster, which recorded a loss of MUR 64.6 million. Overall, Group results were favourably impacted by total non-recurring items of MUR 49.6 million, caused by positive fair value movement on consumable biological assets and investments.

The net asset per share at 31 December 2023 was MUR 75.59, boosted by the Group's increased profitability. The Group's balance sheet remains strong, with owners' interest at MUR 17.2 billion, Group gearing further remained at 22.0%, with interest cover based on profit before finance costs being 7.4 times at December 2023. This consolidated financial position enables Terra to pursue its strategic investments and envisage new investment opportunities.

Audit opinion

The "except for" qualification in the audit opinion relates to our investment in Swan General Ltd, an associate company in which Terra shareholding is 34.6 %, as well as in Sucrivoire S.A, an associate company in Côte d'Ivoire, in which Terra's shareholding is 25.5%.

Swan General Ltd's audited financial statements as at 31 December 2023 are not yet finalised due to delays encountered in the first time application of IFRS 17 which is applicable as from 1 January 2023. This delay didn't allow our auditors, BDO & Co, to obtain sufficient comfort from Swan auditors and, accordingly, they deemed it appropriate to qualify our 2023 audit report.

Sucrivoire S.A's financial statements for the period under review were audited by qualified auditors in Côte d'Ivoire. Our auditors, BDO & Co, did not receive sufficient comfort from the auditors of Sucrivoire S.A. and accordingly deemed it appropriate to also qualify our 2023 audit report.

Swan General Ltd's and Sucrivoire S.A's share of net assets as at 31 December 2023 were MUR 1,920.2 million and MUR 424.6 million respectively, representing 7.4% and 1.6% of Terra Mauricia's total assets, which was worth MUR 26.5 billion.

Group profitability boosted by the good performance of our Cane, Brands and Property and Leisure clusters

Gross profit for the Group increased by 30.3% to MUR 2.6 billion, while Group normalised EBIT increased by MUR 497.5 million to MUR 1.4 billion. This increase is mainly attributable to improved profitability derived from our Cane, Brands, Property and Leisure and Others clusters.

Our local sugar operations recorded a profit of MUR 812.3 million. This strong performance was driven by exceptional sugar prices for the 2023 crop of MUR 30,951 per tonne, coupled with improved operational efficiencies and cost of production. Our associate in Côte d'Ivoire recorded another disappointing sugar production campaign in 2023. Repairs and maintenance costs remained higher than forecasted and translated into a loss of MUR 171.5 M (2022: loss of MUR 126.1 million). The Cane cluster posted an improved overall profit of MUR 591.7 million, compared to MUR 329.0 million in 2022.

The Power cluster recorded operational losses of MUR 79.0 million. This was mainly attributable to the provision for a settlement consideration agreed with CEB to enable Terragen to resume its activities, following the unprecedented increase in coal prices. This increase in coal prices resulted in the declaration of a Force Majeure Event in 2022 and limited the plant to produce electricity during the crop season only and solely from bagasse. Terragen resumed its operations during the intercrop and crop seasons as from April 2023. The cluster's operational losses were partially offset by the share of its associate's profits of MUR 12.0 million and a net reversal of deferred tax provision of MUR 6.2 million. This led to a loss of MUR 64.6 million, compared to a profit of MUR 56.4 million in 2022.

The Brands cluster increased profitability from MUR 199.9 million to MUR 206.3 million. This increase is mainly attributable to improved sales volumes and increased earnings derived from exports and regional operations, as well as excellent results from distilling operations due to enhanced operational efficiencies.

The Property and Leisure cluster recorded improved revenue from land and property sales, property rental levels, consultancy fees, and sustainable growth in leisure activities. However, profitability was impacted by increased finance costs, which resulted in an after-tax profit of MUR 280.9 million compared to MUR 292.6 million in 2022.

At Group level, finance costs for the year stood at MUR 303.1 million, up from MUR 191.2 million. This was mainly due to successive increases in the interest rate, which progressively rose, in the course of 2022, from a key rate of 1.85% to 4.5% representing an increase of 2.65% over the year 2022. The share of profits from associates remained at par with 2022 at MUR 321.3 million.

Group profits for the year amounted to MUR 1,512.1 million, while profit attributable to equity holders of the Company amounted to MUR 1,378.3 million in 2023 (2022: MUR 893.2 million). This increase was due to better profits generated in 2023 in entities where the Group holds a bigger stake compared to 2022. Consequently, earnings per share of MUR 6.06 were recorded, an increase of 54.2% compared to a profit per share of MUR 3.93 last year.

	2023 MUR' M	**2022* MUR' M**	**Change %**	
Revenue	9,137.9	8,221.5	11.1%	↗
Profit / (loss) before finance costs (EBIT)	1,411.9	838.0	68.5%	↗
Add back/ (less):				
Fair value loss on non-current asset held for sale	7.1	94.8	(92.5)%	↘
Impairment loss of non-financial assets	-	0.7	(100.0)%	↘
Reversal of impairment loss on non-financial asset	-	12.0	(100.0)%	↘
Normalised EBIT	**1,419.0**	**921.5**	54.0%	↗
Profit after tax	1,512.1	1,049.5	44.1%	↗
Earnings per share (EPS) **	6.06	3.93	54.2%	↗
Net asset value per share (NAV) **	75.59	70.61	7.0%	↗
Gearing ***	0.220: 1	0.229: 1	N/A	
Dividend per share **	1.05	1.00	5.0%	↗

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

Strong balance sheet maintained, and increased dividends paid

The Group invested an additional MUR 457.3 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 0.7 million to MUR 4.9 billion, and our total assets reached MUR 26.5 billion.

Owners' interest increased by MUR 1,132.1 million to MUR 17.2 billion, mainly due to increase in profitability.

Group net debt amounted to MUR 3.9 billion and remained at par with 2022. Net debt to equity was at 21.3% as at 31 December 2023 and remains low in terms of the Group's overall borrowing capacity.

Net asset value increased by MUR 4.98 per share to MUR 75.59 per share. Market capitalisation of the Group was at MUR 5.1 billion at 31 December 2023. The Company paid an increased dividend of MUR 1.05 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 986.1 million, while net cash used in investing activities stood at MUR 625.8 million. The investments were mainly in property, plant, and equipment (MUR 457.3 million), purchase of investment properties (MUR 310.9 million), and intangible assets acquired (MUR 5.0 million).

Terra also applied funds towards equity investments in United Docks Ltd for MUR 126.2 million, Inside Equity Fund for MUR 8.4 million and Swan General Ltd for MUR 1.61 million.

Cash inflows were mainly derived from proceeds realised on the sale of land (MUR 215.2 million) and fixed assets (MUR 30.6 million). Other cash inflows consisted of proceeds on sale of investment properties (MUR 7.2 million) and interest received (MUR 30.7 million).

The net cash used in financing activities amounted to MUR 291.1 million; this consisted mainly of amounts repaid to financial institutions (MUR 17.2 million). Overall dividends to Terra and the minority shareholders of its subsidiary companies amounted to MUR 273.9 million, compared to MUR 251.8 million last year.

After taking into consideration the above transactions, overall cash and cash equivalents increased by MUR 46.4 million and stood at MUR 878.0 million.

Outlook for 2024

The IMF maintained its global growth projection of 3.2% for 2024 and 3.3% for 2025. Although global inflation is expected to continue to decline with the gradual cooling of labour markets and energy prices, there is a possibility for inflation to remain higher in emerging market and developing economies than in advanced economies. Central banks will therefore be cautious about the pace of policy easing which could potentially lead to rate disparities.

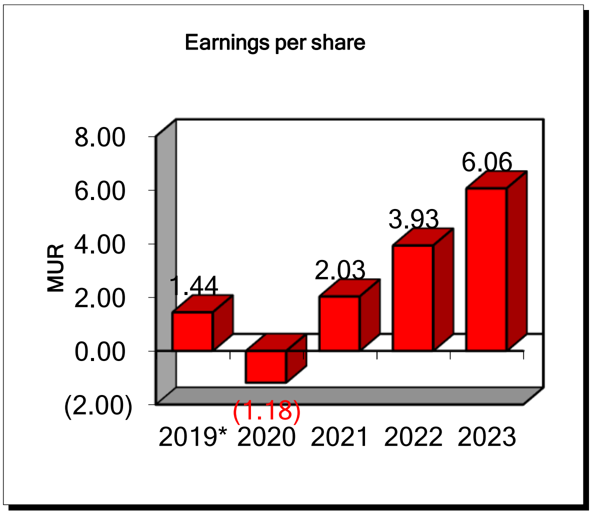
In Mauritius, the projected real GDP growth is expected to be around 4.9% in 2024 and 3.5% in the medium term in line with pre-pandemic growth. Headline inflation is projected to ease to 4.9% on average in 2024 and 3.5% thereafter, in line with the Bank of Mauritius' medium-term inflation target. As the economy continues its recovery, the focus will be on rebuilding external buffers to help enhance the economy' resilience in the face of shocks.

It is expected that sugar prices will normalise in 2024 after exceptional selling prices achieved over the last two years. Nevertheless, most of our clusters are expected to post good results in 2024. The main associates' results are forecasted to improve in 2024.

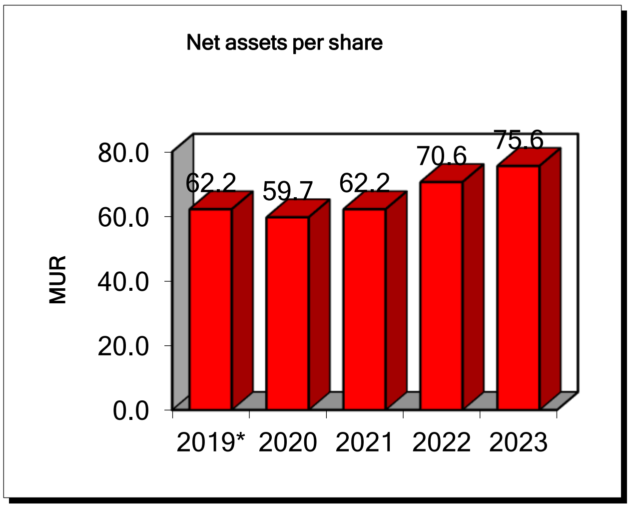
The Group's balance sheet remains strong, with owner's interest at MUR 17.2 billion and Group gearing remaining at 22.0%, with interest cover based on profit before finance costs being 7.4 times at end of December 2023. The Group will pursue its development and investment strategy in the Property and Leisure cluster and will continue to explore potential investments opportunities as they arise.

I wish to thank the Board and my colleagues on the Executive Committee and Finance team for their valuable contribution during the year.

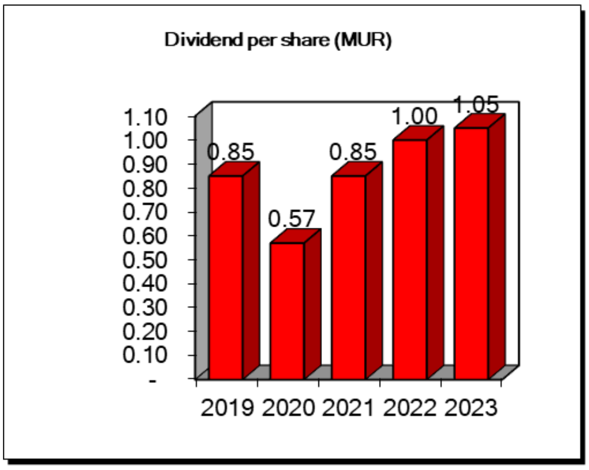
Henri Harel
Group Chief Finance Officer
14 November 2024



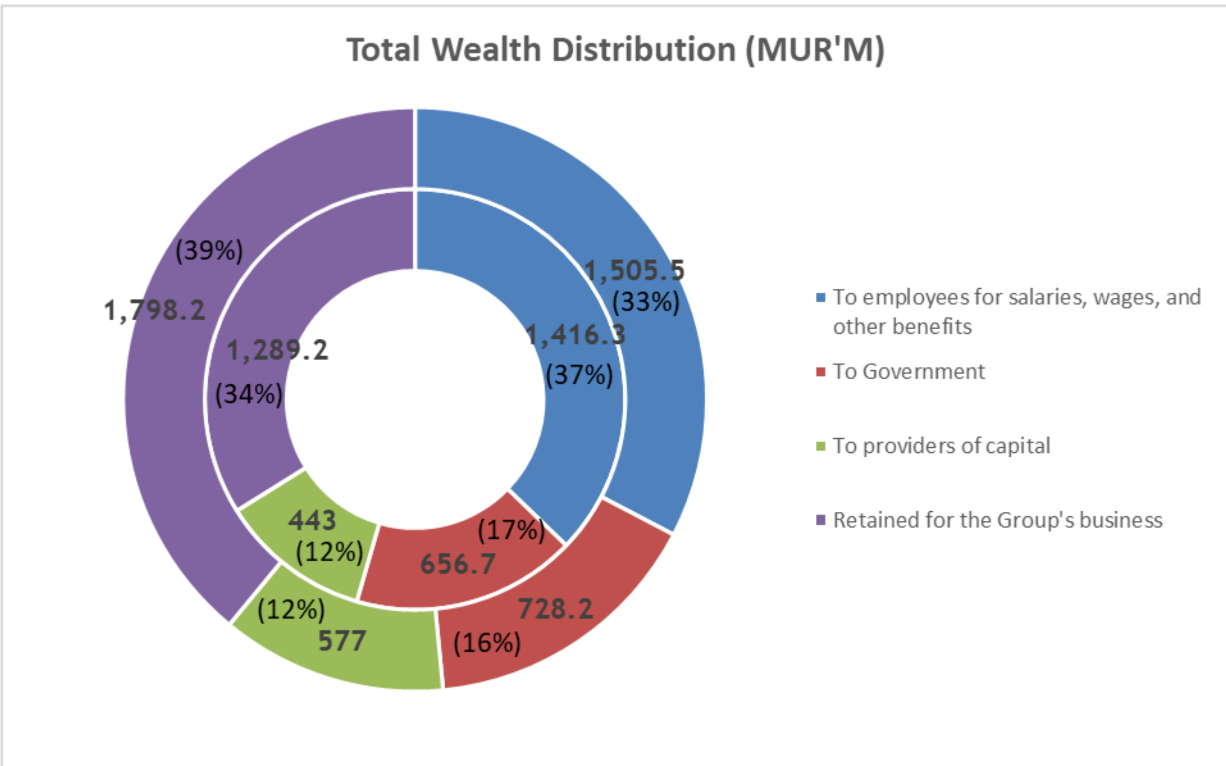
Earnings per share
8.00
6.00
4.00
2.00
0.00
(2.00)
MUR
1.44
(1.18)
2.03
3.93
6.06
2019*
2020
2021
2022
2023



Net assets per share
80.0
60.0
40.0
20.0
0.0
MUR
62.2
59.7
62.2
70.6
75.6
2019*
2020
2021
2022
2023



Dividend per share (MUR)
1.10
1.00
0.90
0.80
0.70
0.60
0.50
0.40
0.30
0.20
0.10
-
0.85
0.57
0.85
1.00
1.05
2019
2020
2021
2022
2023



Total Wealth Distribution (MUR'M)
1,505.5
(33%)
1,416.3
(37%)
728.2
(16%)
(17%)
656.7
(12%)
577
443
(12%)
1,798.2
(39%)
1,289.2
(34%)
To employees for salaries, wages, and other benefits
To Government
To providers of capital
Retained for the Group's business

Our Stakeholder Relationships

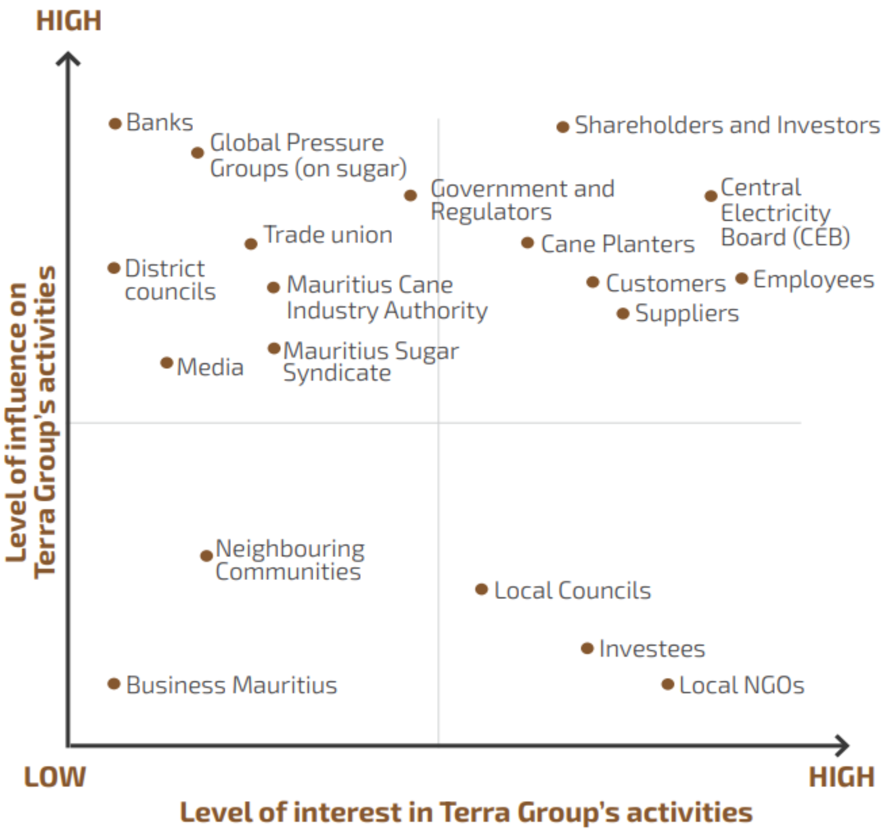
Our ability to deliver value depends on the contribution and activities of various stakeholders and the nature and quality of our relationships with these stakeholders at Group and cluster levels.

The diagram below briefly outlines the stakeholder groups we believe have the most substantive impact on Terra's ability to create value over the short, medium and long term. We consider their level of interest in Terra's activities and their influence on strategy development and execution.

On the following pages, we review the value each stakeholder group contributes to Terra, summarise our engagement approach, identify their priority interests and concerns relating to our activities, and assess the quality of our engagement with that stakeholder group.

We remain committed to understanding our stakeholders' interests and concerns and applying relevant inputs to our decision-making to ensure value creation. We provide additional context on these stakeholder relationships in the cluster reviews.

Terra's stakeholder map



*	No engagement - We are not engaging in any manner.
**	Reactive - We have informal ad hoc engagement, usually in response to a specific issue or concern; engagement is often at an individual rather than organisational level.
***	Developing - Generally good engagement with some thought applied to develop an effective engagement process, but it is not structured and there are no clear performance objectives.
****	Embedded - Structured engagement processes are in place that are properly embedded in management processes and inform operational decision-making with clear follow-up action.
*****	Strategic – High-quality, in-depth engagement and response mechanisms in place, which are embedded in operational and governance processes, with links to strategic objectives.

The nature and quality of our stakeholder relationships vary significantly between our clusters.

Employees		
Value contribution	**How we engage**	**Key stakeholder interests**
Our employees' skills, experience, productivity and enthusiasm are the foundation of Terra's ability to deliver value. We provide more detail on key employee initiatives on page 61.	In addition to our internal newsletters and intranet, we have periodic management/ employee meetings, individual interactions and training opportunities. We conduct employee surveys to assess employee engagement and satisfaction with remuneration. We conduct an extensive employee engagement survey every two years to identify top engagement drivers for our workforce. In two clusters (Cane and Property and Leisure), we continue to embed culture engagement journeys, instilling specific values into their operations to co-create our desired working culture. In our Cane cluster, we negotiate with trade unions when collective agreements expire, generally every three years.	• Competitive remuneration, rewards and benefits • Opportunities for personal development and upskilling • Clear career paths and performance management • Safe and healthy working conditions • Employee wellbeing • Clear communication and engagement across the Group • Employee morale and corporate culture • Sustainability
Quality of our current engagement ★★★★		

Shareholders and investors		
Value contribution	**How we engage**	**Key stakeholder interests**
Shareholders and investors provide the financial capital we need to sustain and grow the business. We provide an overview of the shareholding ownership structure on page 84.	We communicate through our website, annual integrated report and annual general meeting regarding our performance and strategy. We regularly issue announcements and communiqués through the Stock Exchange. Members of the executive team meet personally with individual investors. The Chairman and five other members of the Board are members of the main shareholder's Board.	• Delivery of dividends • Strategy to ensure continued growth and to responsibly manage the risks and opportunities in our markets • Responsible capital allocation • Sound corporate governance • Climate change and green investments • Maintain or enhance existing assets to be defensive in the current economic environment
Quality of our current engagement ★★★		

Government and regulators		
Value contribution	**How we engage**	**Key stakeholder interests**
Government and regulators provide us with necessary operating licences and the regulatory and policy framework critical to value creation. They inform what we can do, how we can do it, and where we can operate.	We seek to maintain positive relationships with Government through direct personal engagement on specific issues. The Mauritius Cane Industry Authority (MCIA) representative (Control Board) is permanently on site in our sugar factory, and we have specialised teams in place at the clusters to engage with Government. We participate in public forums and make submissions on draft regulations. We engage through industry bodies and collaborate on national development plans.	• Ensuring regulatory compliance • Protecting consumer interests • Contributing to the tax base • Promoting opportunities for job creation and economic development • Increasing sugar production • Corporate social responsibility • Climate change mitigation and investing in green energy • Mitigating floods • Independent sources of electricity and water (property development)
Quality of our current engagement ★★★		

Industry organisations		
Value contribution	**How we engage**	**Key stakeholder interests**
Engaging with industry organisations is critical 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. Managing Directors of Mauritius' sugar companies rotationally share the presidency of the MSS, and we engage with the MSS weekly. We are active participants on committees and sub-committees under Business Mauritius.	• Provision of leadership • Collaboration • Contributing to the collective business voice • Structural reform • Effective dialogue between authorities and the private sector • Sustainability
Quality of our current engagement ★★★★★		

Suppliers/Service providers		
Value contribution	**How we engage**	**Key stakeholder interests**
Maintaining positive supplier relationships based on mutual respect enables us to provide products and deliver on our customer value proposition efficiently and effectively.	We regularly engage with key suppliers and service providers across our clusters to ensure a mutually beneficial relationship, particularly concerning the provision of critical products, raw materials and services.	• Timely payment and fair terms • Realising joint growth opportunities • Fair negotiations concerning the increasing cost of materials
Quality of our current engagement ★★★★		

Customers		
Value contribution	**How we engage**	**Key stakeholder interests**
Meeting the needs of our customers through cluster-specific customer value propositions is the basis for the value we create. We have diverse customers, from wholesale and retail operations to individual consumers across various income groups and countries.	Our engagement varies across clusters and customer types. We strive to engage regularly and be responsive to customer interests across our value chain, seeking feedback through individual engagements and broader customer surveys and research. In-house communication and other strategic teams ensure we remain connected to customers and respond quickly.	• Quality products and service • Appropriate price • Supply continuity • Relevant product information • Partner relationships (tenants) • Better rates per m^2 (tenants) • Multiple internet providers and mobility (Smart City) • Tailored customer offering (mall) • Energy savings (tenants)
Quality of our current engagement ★★★★		

Central Electricity Board (CEB)		
Value contribution	**How we engage**	**Key stakeholder interests**
The CEB is our principal client for the energy we generate at Terragen. We strive to maintain a long-term relationship by providing a reliable and cost-effective energy supply and supporting the Government in its commitment to greener energy.	We maintain a strong and transparent relationship with the CEB through various communication channels, including telephone, meetings, and satisfaction surveys.	• Reliable and cost-effective energy supply • Open communication on plant performance • Increase the share of renewable energy in the country's energy mix
Quality of our current engagement ★★★★		

Cane planters		
Value contribution	**How we engage**	**Key stakeholder interests**
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 price challenges, farmers are leaving the sector, and there is low interest among the younger generation.	We communicate directly with planters through various channels, including regular meetings before and during harvest, one-to-one in fields, and a monthly liaison meeting with the Farmers Service Centre. Our small planter advisors work with planters to be more efficient and help with their harvesting and transport. We also regularly engage with authorities to identify opportunities to appropriately motivate the next generation of planters.	• Open and effective communication • Assurance that the mill will crush the cane in a timely and efficient manner and deliver the sugar produced to the MSS • Access to finance and labour • Structural reform • Support concerning efficiency, harvesting and transport
Quality of our current engagement ★★★★		

Local communities		
Value contribution	**How we engage**	**Key stakeholder interests**
Local communities provide our reputation and societal legitimacy and are often valuable partners in highlighting challenges and finding solutions, including project investments.	We communicate and engage with neighbouring communities through Terra Foundation and our business units to promote regional and national community development and ensure appropriate communication regarding environmental issues. We publish and distribute a newspaper to provide information about developments in Beau Plan.	• Transparency and accountability • Corporate Social Responsibility and NGO partnerships • Investment in community infrastructure • Access to job and supplier opportunities • Inclusive development • Good environmental practices • Cultural activities • Public safety • Sustainability
Quality of our current engagement ★★★★		

Managing Our Material Risks

Risk management

Terra has a structured and systematic process to identify and manage the Group's material risks.

In 2020, EY reviewed our Risk Management Framework and Group Risk Policy and reassessed our Group and cluster-level risks. Below, we outline the principal risks that have a material impact on Terra's ability to create value. We unpack the cluster-level risks in their respective operational reviews from pages 27 to 59.

The role of the Board and Audit and Risk

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 Group Risk Management Committee, composed of the Managing Director, the Group Chief Finance Officer and the Administrative Executive, it remains ultimately responsible for developing and implementing the risk management strategy and plan.

The Board is satisfied that the Group's risk management processes are effective, and we detail the internal controls, audit and risk-management framework on pages 87 to 92. We summarise the main Group-level residual risks as at 31 December 2023 below. Residual risks relate to risks that remain after we implement risk-mitigating activities. We present our residual risks in decreasing order of severity.

	Risk	Contributing factors	Risk mitigating activities	Year-on-year trend
R1	Unexpected consequences of the specific terms of the PPA resulting in difficult operating and financial conditions.	• Lack of visibility on the terms that will apply to the next PPA. • Reduction or stoppage of coal importation, resulting in the power plant not operating at full capacity. • Significant increase in coal prices on the international markets.	• 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 plan to carry out the energy transition of the plant to a 100% renewable coal-free model.	Decreased
R2	Group exposure to the consequences of a sharp economic downturn and decline in consumer spending.	• Erosion of purchasing power of local buyers. • Disruption in the supply of imported items. • Loss of tenants due to the impact of the recession. • Increased construction costs. • Ripple effect of potential world recession.	• Diversified business portfolio helps cushion the impact of a downturn. • Containing capital investment and operational expenses to what is essential.	Unchanged
R3	The continued decrease in the cane supply and its by-products curtails the Group's milling, distilling and power generation activities.	Drop in cane supply is accelerated by the following: • A sharp increase in price of fertilisers. • Decline in the number of small and medium planters. • A drop in the area available for cultivation as a result of real estate developments by planters. • Urbanisation resulting in challenges to cultivate next to residential areas.	• Advocate to receive an adequate price for bagasse/biomass to encourage planters to continue cultivating canes. • Supporting small planters: o Undertaking initiatives to motivate the next generation of farmers. o Advising small farmers on harvesting, weeding and transporting cane.	Unchanged

	Risk	Contributing factors	Risk mitigating activities	Year-on-year trend
R4	An oversupply of properties on the market results in a loss of revenue.	• An increased number of projects are being implemented nationwide and the market has not grown proportionately.	• Property projects are attractively located in close proximity to sought after locations in the north of Mauritius. • Propose a balanced mix of well-designed products.	Unchanged
R5	A successful cyber-attack, resulting in business interruption, financial losses and reputational damage.	• The incidence of cyber-attacks has increased considerably since the pandemic started. • Brand Protection.	• Cyber awareness and training programme for employees. • Be up to date with the latest cyber defence mechanism. • Web security (reinforce security policy upon Work from Home). • Proof of concept for brand impersonation protection through DMARC.	Unchanged

Our sustainability approach

We maintain high standards of corporate governance and ethical conduct and adopt a decentralised approach to sustainability and health and safety, respecting the unique context of each entity and prioritising management accountability at cluster level.

We prioritise effective, ethical, and responsible business practices, a commitment embedded in our vision, purpose, and values. These principles guide the Group's approach to value creation and support the Terra Board's oversight of our business model, operations, stakeholder engagement, and strategy development. When combined with legal codes of good corporate governance, they form the backbone of our governance framework, ensuring effective, independent Board oversight and management accountability.

The graphic below summarises our sustainability approach. It describes the processes we have in place to ensure we keep our Board and executive team informed about our material ESG-related impacts, risks and opportunities and outlines key sustainability management roles across our operations.

The Board establishes the Group's framework for ethical and responsible business practice, holding ultimate accountability for Terra's governance, and the integration and management of sustainability-related impacts, risks, and opportunities.

↓

Under the Board's oversight, executive management bears primary responsibility for leading, overseeing, integrating, and managing sustainability across the Group. The Managing Director and cluster General Managers play pivotal roles, working collaboratively on strategy and management oversight at the cluster level.

↓

Our business clusters operate autonomously, with each needing to address the ESG risks and opportunities most material to their specific business model and value chain. Consequently, each cluster develops its own sustainability management approach, with a leadership team accountable for strategic decision-making and performance. This responsibility includes ensuring organisational structures appropriate for responding to sustainability challenges and integrating sustainability concerns into core management processes.

↓

The leadership team of each cluster is supported by a sustainability committee that assists with developing the cluster's sustainability approach, including setting objectives, overseeing implementation, and monitoring performance. Operational teams, including dedicated Human Resources and Health, Safety, Environment and Quality Managers, handle day-to-day sustainability management, supported by Group functions where necessary.

To ensure cohesion and strategic alignment across the Group, leadership teams from each cluster participate in:

An annual Board strategy session, which includes a dedicated sustainability review, ensuring Board engagement with sustainability concerns and their strategic implications for the Group.

An annual Group Sustainability Summit involving all clusters, which fosters collaboration and promotes strategic alignment on sustainability across the Group.

Centralised services are available to the clusters through Group-level functions such as Finance, IT, Legal, Compliance, and CSR, which support the clusters' management of environmental, social, and governance impacts, risks, and opportunities where necessary.

Our sustainability framework

Sustainability is increasingly recognised as a strategic driver for value creation and risk mitigation across the Group, with growing integration of sustainability-related impacts, risks, and opportunities into core management processes. Our strategy aims to balance social and environmental considerations with financial objectives, seeking strategic alignment between business and sustainability goals wherever possible.

Our clusters' sustainability efforts are guided by an overarching Group sustainability framework, which outlines four focus areas for achieving business and societal impact:

Strengthening society

By ensuring good corporate governance and upholding high ethical standards, prioritising product safety and quality, and building lasting stakeholder relationships, we safeguard our people, customers, and partners. This approach not only enhances risk management and builds our brand but also cultivates a positive work culture, fosters stakeholder trust, and drives sustainable success and societal betterment.

Investing in employees

Empowering our workforce with continuous learning and development opportunities within a safe and positive work environment attracts top talent and enhances job satisfaction. This approach promotes a performance-oriented culture that supports our growth and innovation, benefiting both our business and the community.

Protecting the environment

Emphasising resource efficiency and adopting circular economy principles help reduce our environmental footprint. This strategy boosts our competitive edge and resilience through optimised resource use, reduced waste, and lowered operational costs, ultimately contributing to environmental sustainability.

Supporting neighbouring communities

Cultivating strong relationships and driving local development efforts enhance the social and economic well-being of our neighbouring communities, deepening trust and mutual respect in the areas we operate. This approach secures our social licence to operate and cements the success of our brand, products, and developments while promoting wider prosperity across Mauritius.

Read more about our performance per focus area in our Sustainability Report, available on our website.

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 5,400 hectares of agricultural land and operate one of the island's most modern sugar-producing factories.

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 and local pricing determined by the Mauritius Sugar Syndicate (MSS). • Securing a price premium through the distinct offerings of specialty sugars.	• While sugar prices increased by 21.1% in 2023, global pricing remains volatile, and we expect it to fall in 2024. As a relatively small global producer, Mauritius faces several market obstacles. However, the Government has shown positive signs of engagement with the industry and announced better remuneration for bagasse in 2021. • Mauritius has specialised in manufacturing a wide range of specialty sugars that appeal to discerning customers and agro-industrial ventures requiring healthier ingredients for finished food products. The Mauritius Sugar Syndicate (MSS) markets these products and is a reference for unrefined specialty sugars. With the MSS's renewed focus on targeting households and chefs for our specialty sugars, we have a more direct and active engagement with buyers. • We maximise the value of our sugar mix by producing the right mix and concentrating on higher-value products.
Cost driver (price)	
Material cost efficiencies • Supply and demand of raw materials and freight costs. • Efficiency gains in our growing and milling activities.	• The cost of fertiliser remains significant, driven by an imbalance in supply and demand dynamics due to trade restrictions, geo-political tension and supply chain disruptions. This cost increase has been offset to some degree by precision fertilisation but remains a challenge. • We have adopted a predominantly defensive strategy to drive operational efficiencies in our Belle Vue operations. • We benefit from state-of-the-art technology and skills in mechanising cane growing and harvesting. Digital farming enables us to increase efficiencies in the face of labour shortages. • Our highest costs relate to labour, followed by repairs and maintenance, fuel and fertilisers. We undertake activity-based costing exercises in our fields, mills, and garage to enable further optimisation. • We continue to review possible growth opportunities internationally that harness our recognised technological and process skills.

We summarise the Cane cluster's main residual risks as at 31 December 2023 below.

	Risk	Contributing factors	Risk mitigating activities	Year on year trend
R1	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: • Sharp increase in price of fertilisers. • 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. • Current price of sugar of MUR 25,000/tonnes for small planters to be sustained in the future. • Current scheme to support re-plantation of old fields to be accelerated in the future. Optimising efficiency at Terragri: • Adopting new technologies for digital farming. • Adopting lean management principles. • Investing in automation of processes.	Unchanged
R2	Availability of water for irrigation.	• Increasing demand for water from other users in the water-scarce north of Mauritius. • Drought persisting in 2023 and reduced water quota from Irrigation Authority for adequate irrigation.	• 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 La Nicolière dam. • Working with local authorities on a project of using water from retention basins. • Working with local authorities for borehole permits and strategies for the better utilisation of underground water for adequate irrigation.	Increased
R3	Dependency on electricity and steam produced by Terragen to manufacture sugar at a reasonable cost.	• Machinery breakdown due to insufficient maintenance due to poor financial condition. • High cost of coal to supplement for bagasse as and when needed. • Government strategy in respect of existing power plant.	• To increase outside stockage area for bagasse. • Organise night transfer of bagasse into internal storage, i.e. sufficient lights and shift system. • Engage with Government to produce a biomass framework conducive to a sustainable energy sector. • Terragen resumed its operations.	Reduced

	Risk	Contributing factors	Risk mitigating activities	Year on year trend
R4	Lack of skilled workforce.	• Less interest from the new generation for manual work. • Movement towards white-collar jobs. • Result in disruption in cultivation activities for large and more particularly small farmers.	• Recruitment of technical skilled labourers. • Succession planning exercise underway. • Graduate programmes launched. • Young graduate programme launched. • Job fairs have been organised. • *Yes We Kann* campaign to re-value work in this sector. • Employee Value Proposition (EVP) programme in progress.	Increased
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 freight to timely supply imported parts.	• Investing in modern plant and equipment and replacing old items as and when needed. • Capital expenditure as planned for 2023/2024 for Terra Milling and Terragri. Risk should be reduced by the end of the capital expenditure plan 2024. • Vehicle renewal plan well underway for Terragri. Risk of break down somewhat reduced. • Performing regular preventive maintenance and inspection of plant and equipment by specialist consultants. • Maintaining a stock of critical spares on site.	Unchanged
R6	Fire in the mill and in the fields, resulting in disruption to operations.	• Criminal fires in sugar cane fields cause drop in yields and represent a danger to the health and safety of employees and neighbouring habitations. • Combined presence of combustibles (cane, bagasse, sugar) and electrical equipment at the factory.	• Important capital expenditure for 2023 in the sugar factory regarding an upgrade of the firefighting set up. • Renewed anti-fire campaign *Yes We Kann* to prevent field fires. Only 37.67 hectares of cane fields were burned in 2023.	Unchanged
R7	Volatile global sugar price, below the breakeven point for Mauritius	• Opening up of EU market to other players. • Surge in cost of freight and reduction in vessel availability in Mauritius.	• 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. • Less volatility in overall sugar prices since 20% of the overall sugar prices is fixed (bagasse, molasses and bottlers contribution).	Reduced

Capital	Material inputs[1]	Activities to sustain value	Material outcomes
People	**Terra Milling employees** 123 permanent 272 temporary **Terragri employees** 211 permanent 74 temporary	• Dedicated Health and Safety Officers at Terra Milling and Terragri. • ISO 45001 certification at Terra Milling (an international occupational health and safety standard). • Active investment in health and safety, including training, equipment, and visible management interventions. • Ongoing efforts to instil a health and safety culture among employees and contractors. • Mentoring for individual employees, underpinned by enhanced performance management. • Continued to embed our culture and engagement journey for employees, including initiating a project to develop a differentiated Employee Value Proposition (EVP) to support employee retention, attraction and engagement.	**Total recordable injury rate (TRIR)** 4.1(↓18%) **Lost time incident rate (LTIR)** 23.2(↓53%) **Severity rate[2]** 5.6(↓44%)
Manufactured	Agricultural and milling equipment	• Annual maintenance and critical spares are kept in stock. • Regular inspections by consultants and equipment monitoring during operations through a computerised system (SCADA). • Fire safety and protection procedures are 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)** 5,102 Ha (↑0.3%) **Water consumed** 1,845,842 m^3 **Liquid mineral fertilisers** 15,275 T (↓72%) **Steam from Terragen** 906,051 GJ (↓1%) **Sugar cane milled** 694,274 T (↑1%) **Organic fertilisers** Nil T (↓100%) **Solid fertilisers** 616 T (↑109%) **Diesel** 1,013 m^3 (↓3%)	• Small planter advisors remain in place to motivate small-scale farmers to implement efficiency measures and assist with harvesting and transport. • Measures are in place to optimise water consumption and improve effluent utilisation for irrigation. • Established a dedicated Sustainability Committee in 2023 to drive accountability and track performance against environmental goals and targets.	**Own cane harvested** 302,184 T (↑9%) **Specialty sugar produced** 58,888 T (↓23%) **Organic cane area planted** Nil Ha (–%) **Oil used** 2.7 m^3 (↓79%) **Vehicle tyres used** 421 (↓11%)

[1] Data as at 31 December 2023.
[2] Calculation methodology was updated in 2021

Capital	Material inputs[1]	Activities to sustain value	Material outcomes
Social and relationship	Quality relationships with key stakeholders, including MCIA, MSS, Terragen, planters, employees and trade union representatives, and service providers.	• For Terra Milling, 78% of workers remain unionised, and for Terragri, 72% are unionised. • We actively engage with MSS, Business Mauritius, and Government stakeholders on the future of the sugar industry. • We are assisting MSS in strengthening the branding and marketing of Mauritius' premium specialty sugars and exploring new market opportunities. • Customer visits to our facilities strengthen our relationships with them, and we are closer to our customers today than five years ago. Our major sugar buyer remains Silver Spoon.	**Employee turnover rate** 6.3% (2022: 9.0%) **Days lost to strike action** Nil (2022: Nil) **Payment in taxes** MUR Nil Strengthened relationships with employees, Government departments and customers.
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 audits on local and international labour laws; health, safety and environmental regulations; and business ethics	• Renewal of certificates and customer second-party audits to ensure product and system safety and social and environmental compliance. • Terra Milling achieved a Grade AA rating for an unannounced BRCGS audit in September 2023. • Improving efficiencies across our growing and milling operations. • New technologies and software (CanePro) enable digital/precision farming, and we introduced yield monitoring on harvesters to build yield maps, enabling better decision-making.	Continuous improvement in farming and manufacturing techniques. **Production cost (agriculture)** MUR 19,419 / T (↑2%) **Production cost (milling)** MUR 8,100 / T (=) **Cane processing** 257.1T/hr (↓5%)
Financial	**Cane cluster total equity (Jan 2023)** MUR 8,811 million **Total borrowings** MUR 432.3 million **Capital expenditure** MUR 239.2 million	• Actively manage financial performance through weekly executive meetings, monthly management meetings and regular Board meetings.	**Turnover** MUR 2,010.6 million (↑27%) **Profit** MUR 591.7 million (↑80%) **Cane cluster total equity (Dec 2023)** MUR 9,303.3 million

[1] Data as at 31 December 2023.

The operating context

Material issues impacting value creation	Our response
Sustaining supply from small-scale cane producers – Around 43% of our cane is produced by Terragri, with the balance produced by large (40%) and small (17%) growers. As such, we rely on a regular cane supply from independent small-scale cane producers. Farmers are less encouraged to remain in the sector, with the price of sugar remaining volatile and considering the difficulties securing labour.	To ensure a regular flow of cane to our mill, we focus on reviving the interest of existing and prospective independent cane planters. Our team 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. We will need to mechanise in the long term, and digital farming is an essential part of this transition.
Water availability – 62% of our fields depend directly on local rainfall and are susceptible to changing weather and climate uncertainties. In 2023, we faced a fourth year of below-average rainfall, which impacted cane yields Mauritius wide. Regarding irrigation for the remaining 38% of our fields, we face increasing competition from other users as the economy grows in the water-scarce north of Mauritius.	We continue implementing measures to optimise our water consumption and ensure better utilisation of effluents for irrigation.
Continuing volatility in global sugar prices – In 2023, global sugar prices reached record highs. In Mauritius, the price of sugar ex-MSS increased from MUR 25,554 per tonne in 2022 to MUR 30,951 per tonne in 2023. Revenue per ton of sugar increased from MUR 30,819 per tonne in 2022 to MUR 36,126 per tonne in 2023.	Following the World Bank's recommendations for the sugar sector, the Government implemented better remuneration for bagasse. This was a major plus for our operations and the industry, reducing the impact of volatile global sugar prices on Terra. We maintain a strong focus on enhancing efficiencies across our growing and milling operations and continue to make progress in reducing production costs.
Challenging sugar trade dynamics – Sugar is a worldwide commodity and directly links to the cost of freight, demand and supply dynamics, and climate change. The European Union's abolition of sugar quotas in October 2017 profoundly affected the global sugar market, which contributed to a global supply surplus and lower sugar prices. Producers receive subsidies in many sugar-producing countries, such as Europe and India. These strong protectionist measures also impact the global sugar market. Brazil, historically the largest sugar producer, mainly produces for its internal use and for ethanol production for energy, with the surplus sold onto the global market. This results in different pricing competitors to Mauritius.	With high competition for specialty sugars in European markets, we are focusing more on emerging markets such as China and India. 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. We believe that the longer-term fundamentals for sugar remain strong, particularly given growing consumer demand in emerging markets and demand for healthier, unrefined sugars that command a price premium.
Structural challenges in the Mauritian sugar sector – The Mauritian sugar sector has unique features, including a highly regulated labour environment and a centralised organisation, the MSS, responsible for marketing and selling all locally-produced sugar. As the MSS controls revenue centrally, we focus on new products and reducing production costs. Given that it is challenging to mechanise on mountain flanks or small fields, our industry remains labour-intensive. The World Bank report commissioned by the Government in 2019 led to improved remuneration for bagasse, which is a step in the right direction.	In the face of challenging global trade and pricing dynamics and considering sugar's substantial contribution to the Mauritian economy, the industry submitted a proposal for structural reform in 2020. Suggested measures to enhance local competitiveness included reviewing the current regulatory context for labour, providing better remuneration for bagasse (the sector's renewable energy source), and ensuring that millers receive fair returns from the Sugar Insurance Fund Board (SIFB). In 2021, the Government announced the remuneration of bagasse at MUR 3,300 per tonne of sugar. For the 2023 crop, bagasse was remunerated at MUR 2,972 per tonne of sugar.

Our 2023 performance

The Cane cluster was again impacted by low rainfall in 2023 due to the ongoing drought in the north of Mauritius, which impacted sugar cane growth and resulted in a low cane yield. While we expected to produce 305,000 tonnes of sugar, we produced 302,184 tonnes. The climatic conditions also impacted our replantation programme, we planted 447.7 hectares of cane versus planned 488.4 hectares. The cost of fertilisers, herbicides, fuel and imported spare parts remained high.

Despite these challenges, the Cane cluster achieved record performance in 2023, posting profits of MUR 408 million compared to MUR 329 million in 2022. This result was driven by high global sugar prices and supported by ongoing efforts to increase efficiency and drive tighter cost control.

For the 2023 crop, Terra Milling processed 694,274 tonnes of cane (2022: 687,241 tonnes). This resulted in 39,233 tonnes of sugar accruing to the Group (2022: 41,120), with 15,564 tonnes attributable to milling operations (2022: 16,902) and 23,669 tonnes to growing operations (2022: 24,218). Terra Milling produced 70,628 tonnes *tel quel* of raw sugar (2022: 75,958) and 58,888 tonnes of specialty sugars (2022: 76,171). The average sucrose content was 11.82% (2022: 12.62%). On the growing operations side, the extraction rate stood at 10.10% (2022: 11.17%) with an average yield of 7.0 tonnes of sugar per hectare (2022: 7.04 tonnes).

To mitigate the impact of climate change and poor climatic conditions (mainly lack of water), the Cane cluster is extending its effluent irrigation network and investing in a new effluent treatment plant. We are also investing in improving yields while utilising less land. These investments include, for example, using drones and satellite imagery to identify and fill gaps in our sugar cane fields.

We invested MUR 125 million in machinery renewal and automation projects as part of our ongoing investment plan. These investments yielded further positive changes in the mill's performance and improved efficiency in the fields while supporting the long-term sustainability of our operations.

In 2023, the mill operated an average of 18.9 hours per day and crushed an average of 4,855 tonnes of cane per day (2022: 18.7 hours and 5,053 tonnes). The mill's extraction rate was 96.53 (2022: 96.64), while the milling rate was 257 tonnes per hour (2022: 270).

At the mill, our production cost was MUR 8,100 per tonne (2022: MUR 6,900 per tonne). On the growing side, our production cost was MUR 19,419 per tonne for a production of 30,345 tonnes (2022: MUR 19,245 per tonne for a production of 30,766 tonnes)

We recorded a contribution of MUR 4.5million from our foodcrop activities (2022: MUR 13.7 million).

As reported last year, the Cane cluster successfully signed Mauritius' first collective agreement between companies and the sugar industry trade unions (grouped as a Joint Negotiating Panel) in 2022. This agreement was successfully implemented this year. Negotiations for a procedural agreement with the Joint Negotiating Panel are ongoing and showing positive progress. Negotiations for a collective agreement for the field supervisors with the Sugar Industry Oversears Association (SIOA) continue.

Putting a spotlight on a modern and dynamic industry

We continued to roll out the *Yes We Kann* campaign this year, launched in 2022. This campaign aims to send out a positive message about the value of Mauritius' sugar industry and create awareness of the progress made in recent years to modernise and diversify the sector. This is critical to attract young working professionals and encourage them to join the local sugar industry. It is also used as a platform to reduce criminal cane burning – with a much lower area of 96.5 hectares of cane fields burnt in 2023 compared to previous years. We spent MUR 1.2 million on the *Yes We Kann* campaign in 2023, which used a combination of TV, radio, billboards, and social media. We undertook the campaign in partnership with multiple stakeholders and will repeat it in 2024.

Creating a culture of trust and protecting employees

The Cane cluster continued to focus on its culture and engagement journey, which is delivering pleasing results. These results include, for example, increased recruitment of young working professionals in its fields and milling operations.

To support our culture and engagement journey this year, we developed and implemented a shared mantra, mission and vision for Terra Milling and Terragri that support our goal of building a learning, caring and results-driven culture. The Cane cluster undertook an engagement survey among its workers to understand how it can improve and sustain engagement and will focus on these matters in the year ahead. We further initiated a project to develop a differentiated EVP to support employee retention, attraction and engagement. The cluster will finalise and launch its refined EVP in 2024.

A significant highlight for the cluster was improving its health and safety performance in 2023, with only one major incident recorded. We will continue investing in training, equipment, and management interventions to sustain this improved performance while ensuring that we learn from incidents and take steps to prevent and mitigate associated risks.

Terra Milling achieved a Grade AA rating for an unannounced BRCGS audit in September 2023.[1] This rating is the highest a company can achieve. Terragri initiated a project to align its operations with ISO 45001, an international occupational health and safety standard issued to protect employees and visitors from work-related accidents and diseases. Terra Milling completed its ISO 45001 certification audit in December 2022.

Côte d'Ivoire: A challenging year

The performance of our overseas associate in Côte d'Ivoire, Sucrivoire, continues to be severely impacted by operational and financial constraints. Revenue for the year remained similar to 2022. Tonnes of sugar sold declined from 128,289 tonnes in 2022 to 118,709 tonnes in 2023 (comprising 76,451 tonnes of own production and 42,258 tonnes imported). Average selling price increased by 8%. Production from our factories in Borotou and Zuenoula, which collectively supply half of the sugar consumed in the country, amounted to 74,832 tonnes (2022: 73,948 tonnes).

As performance remains below expectation, we gave notice in November 2023 to terminate our management contract with Sucrivoire with effect in February 2024. The company has initiated a bonds issue to recapitalise its operations and stabilise its balance sheet, but we anticipate the coming years will remain challenging.

Our strategic outlook

We remain committed to producing 380,000 tonnes of cane by 2027. To achieve this, we are focused on better irrigation and increased replantation and have prioritised strategies in our fields and mills to increase and sustain sugar production.

In our fields, we will focus on:

- Increasing gap filling as an alternative measure to plantation considering lack of water for irrigation
- Executing a strategy to plant higher yielding and early maturing sugarcane varieties, supported by investment in a cane seed treatment plant to control disease and accelerate germination
- Improving irrigation and engaging with relevant authorities regarding groundwater abstraction.

In our mills, we will focus on:

- Engaging with cane suppliers and small cane growers to safeguard cane supply stability
- Ensuring greater flexibility in our production lines to meet customer and consumer demands better
- Replacing and refurbishing old equipment to reduce breakdowns
- Tighter cost control
- Skills and talent retention, including undertaking succession planning for critical positions.

---

[1] BRCGS is the leading provider of global supply chain assurance programmes. Developed with input from industry, it provides a framework to manage product safety, integrity, legality and quality, and the operational controls for these criteria in the food and food ingredient manufacturing, processing and packing industry.

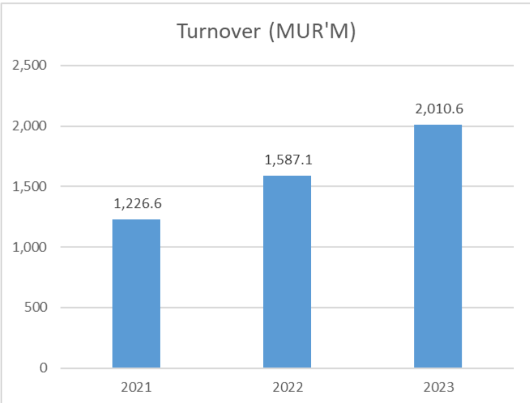
In our growing and milling operations, we remain focused on our culture and engagement journey and investing in the training and development of our employees and workers. We will support this focus by launching our refined EVP in 2024. We will also focus on embedding a strong culture of health and safety and improving our environmental performance, with a particular focus on energy, water and waste management.

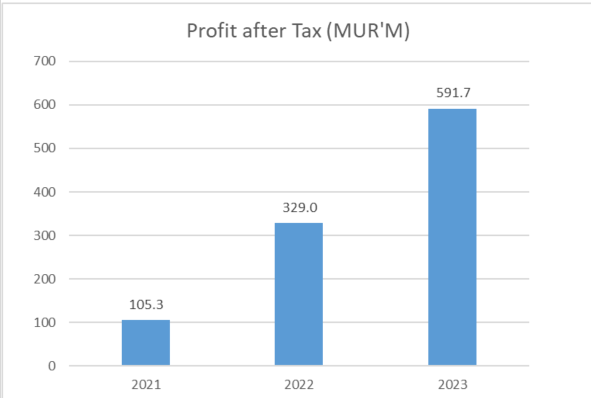
As announced in the National Budget Speech in June 2022, the Development Bank of Mauritius (DBM) established a Cane Replantation Revolving Fund. This fund provides loans at preferential rates to small and large sugar cane planters wishing to renew their crops or return abandoned land to cane cultivation. We secured a loan of MUR 63 million under this fund in 2023 and applied for another loan in 2024.

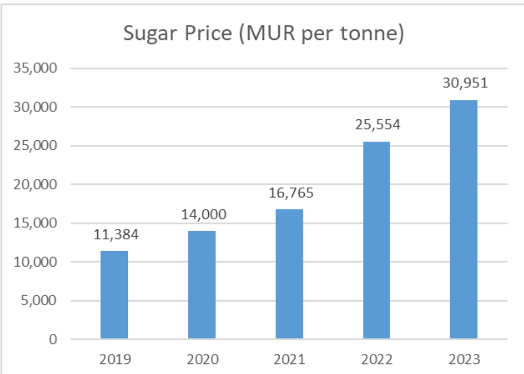
We await further action by the Government to implement the World Bank's recommendations for public policies and programmes to secure the development of the local sugar cane sector. We continue to engage with the Government through the MSS and Business Mauritius.

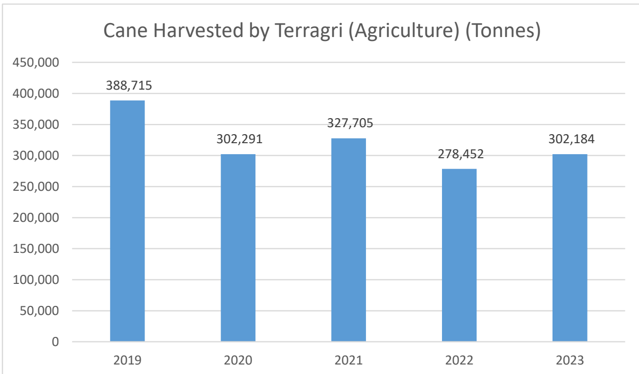
Our outlook for 2024 is positive, supported by well-defined strategies to increase the flexibility and adaptability of sugar production lines and optimise water consumption. We are seeing pleasing momentum on our journey to attract and retain talent within our operations, which will remain a key focus area. We expect sugar prices to be lower in 2024. However, they should remain elevated, which will further support profitability.

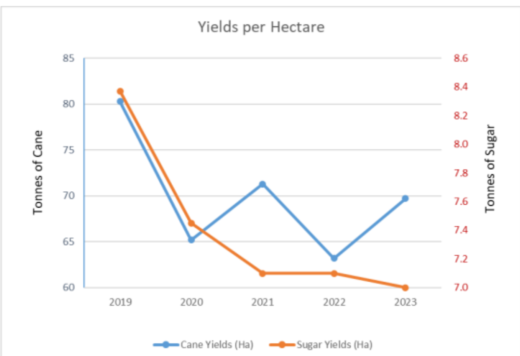
Performance graphs

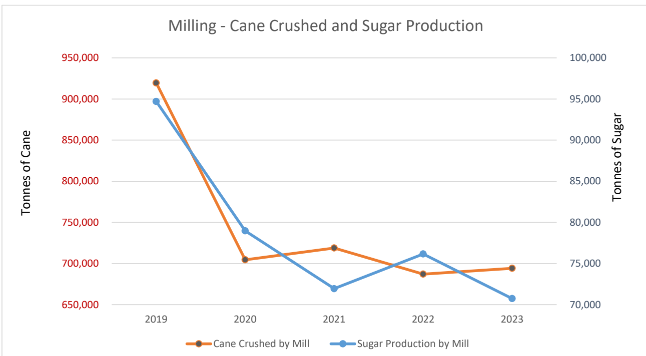












Brands

Terra Brands Ltd, the holding Company of the Grays cluster, is one of the pioneers in the Mauritian distillation sector, the leading Mauritian producer of premium alcoholic drinks derived from sugar cane, and a top importer and distributor of quality spirits and wines. Established in 1931, we have diversified our activities to include distributing and selling personal and home care products, pharmaceuticals, snacks and non-alcoholic beverages.

Our purpose is to bring pleasure to life.

Brands business model

Value drivers	**Context and outlook**
Revenue driver (price)	
Creating Brand Equity • Managing our own brands • Adding value to third-party brands • Distribution services	• Our value proposition focuses on our strong brands and ability to drive efficiencies through a structured route-to-market, emphasising local products. • 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, beer, personal and home care, pharmaceuticals and food. • We market our brands through all retailers and hotels and our premium wines and spirits through our *20/Vin* outlets across Mauritius. We are expanding our franchised luxury cosmetics stores.
Cost driver (price)	
Material Cost Efficiency • Integrated and sustainable production • Supply chain	• We bring synergy to the Group's sugar operations by transforming by-products of the sugar production process into value-added spirits; the sugar crop is declining, amplified by climatic conditions, which proportionately reduces molasses supply and impacts distillery performance. • We invest in energy-saving equipment to optimise production. • Distillation effluents are evaporated and turned into renewable bio fertiliser used in Terra's and third-party cane fields. • As a vertically integrated cluster, we manage all stages of production onsite, from refining to ageing and bottling and packaging, ensuring guaranteed quality for the finished product; we export our expertise through premium rums and bulk spirits to deliver additional value from this vertical integration. • Activity-based costing enables us to derive more profits from our key brands rather than losing focus by being too diversified. • We nurture strong relationships with our employees, unlocking talent and maintaining our position as a recognised employer of choice in the north of Mauritius. • Given the labour-intensive nature of our production and distribution activities, we are digitalising our operations and services to move us towards a leaner company. • Expanding our portfolio with third-party brands and managing an import supply chain provides Grays with scope, expertise and volume. • Availability of shipping lines, port efficiency (in-bound and out-bound), duties and weak valuation of the MUR remain cost drivers. Supply chain disruptions impact costs in three ways: import of raw materials, import of finished goods, and export of finished products.

We summarise the Brand cluster's main residual risks as at 31 December 2023 below.

	Risk	Contributing factors	Risk mitigating activities	Year on year trend
R1	Economic downturn and risk of recession, resulting in financial strain.	• The aftermath of the war in Ukraine led to high commodity and energy prices. • Geo-political tensions in the Middle East are affecting key trade routes like Suez Canal. • Inflationary pressures, such as the significant increase in minimum wage will induce higher costs and excess liquidity, contributing to flare inflation. • High-interest rates remain a burden.	• Increasing product margins where feasible. • Filling market gaps with more affordable products. • Emphasising local sourcing and circular economy practices to reduce environmental impact and enhance resource efficiency. • Regularly reviewing and reducing operational costs. • Increase in salaries will boost short-term consumption. • Working on new business opportunities.	Decreased
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 among 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[1]	Activities to sustain value	Material outcomes
People	**Employees** 615 **Outside Mauritius (included in above)** 43	• We continued to roll out refresher training and conduct more frequent visible onsite inspections to address and prevent minor injuries. • We reinforced onsite fire safety and ensured that all fire certificates were current. • Continued to hold regular Health and Safety Committee meetings. • Both Grays Distilling and Grays Inc. are in the process of aligning their operations with ISO 45001 (an international occupational health and safety standard). • Executive and leadership development coaching programmes are ongoing. • We are implementing a learning culture.	**Total recordable injury rate (TRIR)** 9.4 (↓72%) **Lost time incident rate (LTIR)** 9.4 (↓72%) **Severity rate[2]** 11.7 (↓68%)
Manufactured	**Distillery** 1 **Bottling plant** 1 **Existing retail stores *(20/VIN)*** 10 **Warehouse space** 8,500 m³ **Dedicated ageing cellars** 2,150 m³	• Ongoing focus on integrating new technologies to digitalise our commercial and distilling operations. • Our fermentation plant has automated multiple processes, and we continue to find opportunities to modernise our bottling plant.	
Natural	**Molasses** 15,077 T (↓3%) **Alcohol (100%)** 690 m³ (↑32%) **Water** 50,818 m³ (↓11%)	• Continued with efforts to optimise water-use efficiency through rainwater harvesting infrastructure. • Photovoltaic solar panels generated 24% of Grays Inc.'s energy requirements. • Grays Distilling is improving boiler efficiency to optimise coal consumption while investigating renewable energy solutions. • Extended the range of bottles for recycling. • Established a dedicated Sustainability Committee in 2023 to drive accountability and track performance against environmental goals and targets.	**Alcohol** 3.9 million litres **Glass bottles recovered and reused** 1.82 million units (↑21%) **Plastic waste recycled** 3.9 T (↓44%)

[1] Data as at 31 December 2023.
[2] Calculation methodology was updated in 2021.

Capital	Material inputs[1]	Activities to sustain value	Material outcomes
Social and relationship	Our business model depends on quality relationships, particularly with employees, MRA, Government, brand owners, suppliers and customers.	• Dedicated teams and regular engagement with the workforce. • Ongoing refinement of our business model and distribution networks to strengthen relationships with customers (local and international). • We continue to emphasise locally manufactured products and encourage consumers to buy 'made in Mauritius'.	**Employee turnover rate** 26% (2022: 21%) Recognised as an employer of choice. **Payment in taxes (Mauritius)** MUR 881.5 million **CSR contribution** MUR 2.1 million
Intellectual	**Own brands** 23 Integrated management system underway (ISO 9001, ISO 14001 and ISO 45001)	• Further digitalised our services. • Further consolidated our brand offerings while actively seeking new opportunities to sustain revenue growth, with a particular emphasis on locally produced products.	Progress in securing QSE certification; Fairtrade and Kosher capability
Financial	**Terra Brands total equity (Jan 2023)** MUR 807.5 million **Total borrowings** MUR 747.8 million **Capital expenditure (subsidiaries)** MUR 127.1 million	• Actively managed financial performance through weekly executive meetings, monthly management meetings and regular Board meetings.	**Turnover** MUR 2,755.9 million (↑4%) **Profit** MUR 206.3 million (↑3%) **Terra Brands total equity (Dec 2023)** MUR 945.5 million

The operating context

Material issues impacting value creation	Our response
Supply chain disruptions – We continue to experience supply chain disruptions, increased freight costs and shipping delays, which impact the availability of products locally and the export of our products into focused markets. These challenges most notably stem from disruptions to critical trade routes (primarily through the Suez Canal) arising from geo-political tension in the Middle East and severe port backlogs in South Africa.	We remain focused on developing strategies to strengthen our supply chain. We continue to emphasise locally manufactured products and encourage consumers to buy 'made in Mauritius'. We remain confident in the hospitality sector's growth potential and see significant opportunities in premium wines and spirits.
Changing regulations and excise taxes – Off an already high base, and for the third consecutive year, excise duty on alcoholic drinks increased by a further 10% in 2023. This increase put additional pressure on the purchasing power of local consumers, which is already constrained by high inflation and rising interest rates. Stricter regulations on the consumption and advertising of alcohol can also impact demand.	These risks impact the Mauritian market for alcoholic beverages. To mitigate these risks, we have diversified our product offerings to include luxury and more affordable alcoholic beverages. We have also expanded into non-alcoholic wines, ciders and beers, foods, and personal care products.

[1] Data as at 31 December 2023.

Material issues impacting value creation	Our response
Increasing health consciousness and regulations – The growing awareness of health-related issues among consumers and regulators presents risks and opportunities for our business. The latest Public Health Act Regulations, promulgated on 6 July 2021, are overwhelmingly restrictive. While the regulations will not impact overall market volumes, they will downgrade consumption to cheaper products where we do not compete. We are awaiting feedback from authorities for clarification on corporate and B2B communication.	We continually monitor changing consumer tastes and behaviour and strive to refine our product portfolio accordingly. Through our diversification strategy, we have identified new revenue growth opportunities, 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 emphasising organic and biodynamic wines. We have invested in advertisements on social media that encourage people not to drink and drive and to raise awareness of domestic violence.

Our 2023 performance

This year, the operating environment remained challenging due to the destabilising impact of the Ukraine war and geo-political conflict in the Middle East, putting further pressure on already elevated commodity prices and compounding ongoing supply chain disruptions. The socio-economic effects of high inflation and rising food and energy prices weighed heavily on consumers and businesses.

Despite this, our Brands cluster delivered a sustained improvement in revenue this year, primarily due to the strong contribution made by the tourism and hospitality sectors, which supported steady demand for our products. The cluster's revenue for the year ended at MUR 2,755.9 million, up 3.7% on MUR 2,656.5 million in 2022. Profit after tax was MUR 206.3 million, up from MUR 199.9 million in 2022.

Production: the distillery delivered a strong performance

This year, our distillery reaped the benefits of our ongoing investment in fully automating our distilling and fermentation processes, which is helping to drive efficiency at all levels of our operations. Coupled with a richer molasses supply, this improved efficiency resulted in record yields for 2023. Our distillery produced 3.9 million litres of rum and spirit, down 11% year-on-year. We further achieved yields of 254 litres of alcohol per tonne of molasses, up 2% on our 2022 yields.

Our focus on automation and efficiency remains critical to offset the impact of reduced sugar cane volumes and a shrinking molasses supply. We also continue to produce organic rum and rum made from cane juice (*rhum agricole*) to optimise any spare capacity in our distillery and gain a presence in specialised, higher-value rum products.

This year, we amalgamated our subsidiary company, *Les Chais de L'Isle de France Ltée*, with our distillery to simplify our operations and increase the ease of production for our premium rum brand, New Grove. Leading beverage alcohol company Diageo further recognised our distillery as an official raw material supplier.

Brands: sales improved due to a strong contribution from the hospitality and tourism sectors

All our brands performed well year-on-year, and we saw an increase in profitability from MUR 82.9 million to MUR 92.8 million. Our focus on maintaining healthy stock levels and simplifying our operations to improve customer service supported this strong performance. An example of streamlining our operations includes establishing a dedicated planning and procurement department to enable improved forward planning and stock management, backed by investments in technology and automation.

We extended our Seven Seas series of cane-based spirits by launching Seven Seas Light in March 2023, which is lighter in alcohol than other cane spirits. Since launch, we have seen a positive reception among existing consumers while opening the brand up to new consumer segments. Seven Seas Mokoko, the coconut-flavoured liqueur we launched last year, continued to perform well.

We continued to invest time and resources into growing the export of our rum brands into focused markets, particularly New Grove and Lazy Dodo. This year, we focused on appointing new distributors and securing an enhanced logistics platform to improve service delivery to clients and promote our brands.

Our premium rum brands benefitted commercially from awards and recognition. New Grove 10YO received a gold medal at the *Les Spiritives Rhum'n Co* show in Bordeaux, France. New Grove Bourbon and Lazy Dodo XO received gold and silver medals, respectively, at the internationally acclaimed Spirits Selection event hosted by *Concours Mondial de Bruxelles*.

The allowance of 3 litres of spirits for inbound duty-free shopping negatively impacted the performance of our whisky brands. We are engaging with the relevant authorities to reduce this allowance, which was increased during Covid-19 and has since remained elevated. Our wine category continues to show sustained growth.

We remained focused on expanding our offering of non-alcoholic drinks, including extending our range of non-alcoholic ciders, gins and alcohol-free wines. We believe this is a growing category with strong consumer potential, attracting no-alcohol consumers as new entrants.

Our beverage, food and snack categories and our coffee brands performed well, capturing market share and continuing to solidify their market position.

Our personal and home care segment delivered a solid performance, and we saw a pleasing performance from pharmaceuticals, which is a particularly challenging segment.

We continue to see significant growth potential in the tourism and hospitality sectors and good opportunities to increase revenue through the sale of premium wines and spirits, which we market through our *20/Vin* outlets across Mauritius.

In 2022, we signed with Beauty Success – a franchise store for luxury perfumes and cosmetics – and opened one new store in 2023. We also opened four new stores in Tribeca Central – a landmark, mixed-use development adjacent to Ebene Cybercity that opened in December 2022. One of these stores was a boutique for the iconic British fragrance and lifestyle brand Jo Malone, enabling us to expand our luxury perfumes and cosmetics range.

The Public Health Act Regulations, promulgated on 6 July 2021, remain overwhelmingly restrictive. We are seeking clarifications from authorities regarding corporate and B2B communication, which are seemingly banned. While the new regulations will not affect overall market volumes, they will hamper competition and lead to the consumption of cheaper products (a category we do not compete in).

Labour shortages in Mauritius remain a significant challenge, and we are developing talent attraction and retention strategies supported by a focus on culture and engagement. Pleasingly, we saw an improvement in our health and safety performance this year, underpinned by ongoing training and awareness and our commitment to establishing a strong health and safety culture within the cluster. Grays Distilling and Grays Inc. are aligning their operations with ISO 45001, an international occupational health and safety standard issued to protect employees and visitors from work-related accidents and diseases.

We made good progress on our sustainability journey this year. We continued to optimise water-use efficiency and generated 24% of our energy requirements using photovoltaic solar panels. We partnered with ecoSPIRITS, a circular economy technology company, to introduce a low-carbon, low-waste distribution technology for our premium spirits. Another highlight was the launch of *Proze Ver*, a collaborative glass-recycling project facilitated by Terra Foundation on behalf of Grays Inc.

International operations: a challenging year for Seychelles

Our subsidiary company in Seychelles, which focuses on wines and spirits, had a challenging end to the year following a blast at a nearby explosives store in December 2023. The explosion caused extensive damage to its operations and severely impacted its year-end sales and overall performance. Profit after tax stood at SCR 1.6 million (MUR 5.5 million) compared to SCR 8.9 million in 2022 (MUR 27 million). While these events will impact the company's performance in 2024, we remain optimistic about its longer-term prospects.

Our strategic outlook

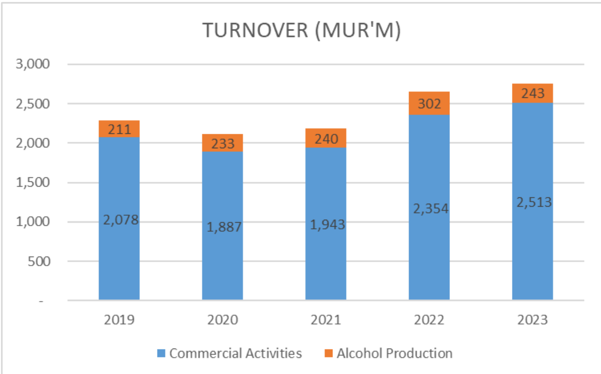
We remain focused on strengthening our supply chain and route-to-market capabilities. Activity-based costing remains essential to derive more profits across our business units and from key brands.

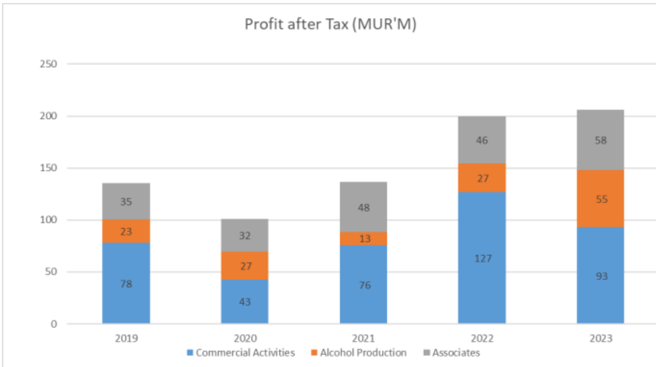
We will continue to embrace digital transformation, including integrating new technologies to digitalise our commercial and distilling operations and improve efficiency. Digitalisation also remains critical to helping us become even more customer-centric – in particular, ensuring that we understand our customers' constantly evolving needs and adapt our products and services accordingly.

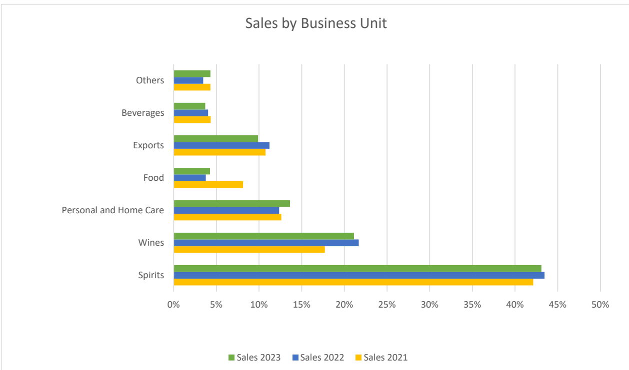
Our strategy on 'made in Mauritius' and the importance of buying locally manufactured products remains in place. To this end, we will continue to work with local suppliers wherever possible while maintaining our strict quality, safety and environmental standards.

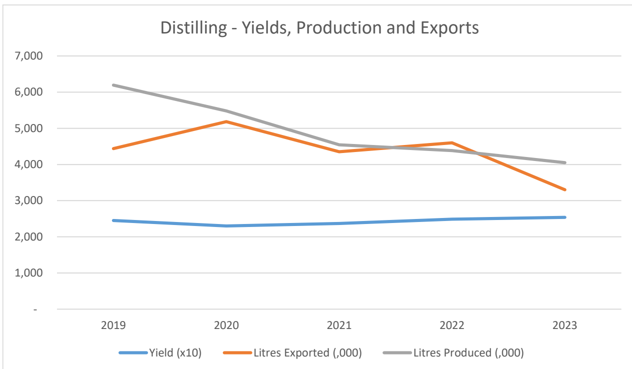
We will continue to invest in our employees through training and development opportunities. Developing appropriate talent attraction and retention strategies will be critical in the year ahead.

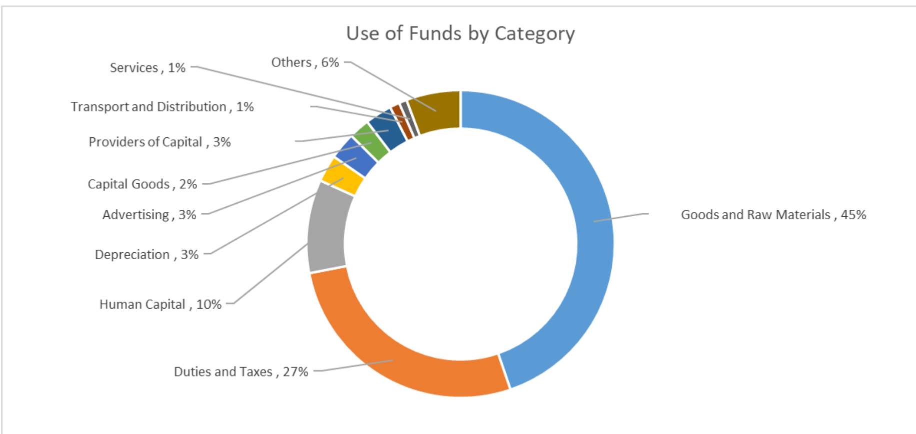
Performance graphs











Power

Terragen is a power producer that supplies electricity to the CEB and 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 (price)	
Regular and reliable electricity supplier • 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 to Terra's sugar mill. • Terragen runs an efficient and reliable plant and produces power for the country at a 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.	• As of 2023, the energy mix in Mauritius is 82.7% fossil fuel and 17.3% renewable energy; we produced around 14.1% of the country's renewable energy supply. We continually seek opportunities to increase energy efficiency and substitute coal with bagasse, cane straw, and other renewable energy sources, such as woody biomass and solar. • We remain fully aligned with the Government's roadmap to a greener Mauritius and its commitment to phase out coal and achieve 60% renewable energy production by 2030 while maintaining our competitive rate. Following the publication of the National Biomass Renewable Energy Framework in 2023, we are experimenting our ability to process more local biomass in our boilers for energy generation. We foresee more opportunities for the energy transition of the Terragen power plant, especially with biomass.
Material cost efficiencies • Efficiency gains and safe and clean production processes	• We remain one of Mauritius's most efficient, reliable and cost-effective operator, with a strong focus on safety and health; we continually identify opportunities to improve our environmental management, particularly water and chemical consumption and ash management.

The main residual risks for the Power cluster as at 31 December 2023 are summarised below.

	Risk	Contributing factors	Risk mitigating activities	Year on year trend
R1	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 including fire protection and the procurement of critical equipment items.	Unchanged
R2	Severe climatic conditions adversely impact 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 m^3 of spare water, and measures are taken to optimise water consumption.	Unchanged
R3	Unexpected consequences of specific terms of the 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. • Increase of coal prices on the international markets.	• 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 plan to carry out the energy transition of the plant to a 100% renewable coal-free model.	Decreased
R4	Disruption in the supply of raw materials and/or spare parts.	• Disruption to the sugar mill activities leading to non-availability of bagasse or cane straw for power generation. • Disruption in the supply and availability of spare parts and foreign consultants for timely completion of plant maintenance (due to wars, pandemics, maritime piracy, etc.).	• Using local biomass (cane straw and wood) as alternative sources of fuel to bagasse. • Terragen has on its site a safety storage of coal representing several days of production. • Efficient management of the stock of spare parts as part of the maintenance strategy of the Power Plant.	Decreased

Capital	Material inputs[1]	Activities to sustain value	Material outcomes
People	**Employees with the appropriate technical skills and motivation** 47	• Reinforced safety measures, including safety upgrades, weekly safety risk assessments and frequent site visits with the management team. • Refresher training and regular safety briefings conducted throughout the year to reinforce health and safety practices. • Drill simulation exercises for chemical spills, fires, and medical emergencies. • Reinforced lockout/tagout (LOTO) procedure for isolating and controlling hazardous energy during maintenance and reinforced confined space procedure.	**Total recordable injury rate (TRIR)** 10.7 (↑) **Lost time incident rate (LTIR)** 10.7 (↑) **Severity rate[2]** 0.01 (↑) **Training hours** 30/person/year (29 in 2022)
Manufactured	One generation plant of 450 GWh capacity. Two units of 35 MW operating on three types of fuel: Coal, bagasse, and cane straw.	• Safety measures and procedures remain in place.	**Produced** 266 GWh **Share of national energy mix** 9.0%
Natural	**Coal** 121 731 T (↑26%) ***Bagasse*** 218 872 T (↓1%) **Sugar cane straw** 6 959 T (↓8%) **Water** 972 165 m³ (↑8%)	• Continue to explore additional options to expand the production of renewable energy from biomass. • Improved waste management at Terragen, emphasising waste separation and recycling. • Terragen continues to prioritise repairing leaks and optimising water usage, demonstrating a proactive approach to water conservation. • Established a dedicated Sustainability Committee in 2023 to drive accountability and track performance against environmental goals and targets.	**CO_2 (coal)** 277 603 T (↑25%) **Biogenic CO_2 (bagasse)** 183 182 T (↓3%) **Biogenic CO_2 (cane straw)** 10 346 T (↓10%) **Environmental emergencies** 0
Social and relationship	Our business model depends on maintaining quality relationships with key stakeholders, including the CEB, Terra Milling, regulatory authorities, planters, suppliers and employees.	• Continued partnership with Terragri for the plantation of eucalyptus on marginal land. • Participated in the National Biomass Renewable Energy Framework multi-sectoral working groups. • Responded to a Request for Information (RFI) from CEB on how to phase out our coal by 2030.	**Employee turnover rate** 9% (2022: 3%) **Payment in taxes (Mauritius)** Nil **CSR contribution** Nil
Intellectual	First Mauritian firm to be granted 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** 93.3% **Reliability** 6 plant trips **Specific coal consumption** 622 g/kWh

[1] Data as at 31 December 2023.
[2] Calculation methodology was updated in 2021.

Capital	Material inputs[1]	Activities to sustain value	Material outcomes
Financial	**Terragen total equity (Jan 2023)** MUR 1,070.7 million **Total borrowings** MUR 138.9 million **Capital expenditure** Nil	• Actively managed the financial performance through weekly executive meetings, monthly management meetings and regular Board meetings.	**Turnover** MUR 1,180.5 million (↑8%) **Loss** MUR (64.6) million (↓214%) **Terragen total equity (Dec 2023)** MUR 1,005.9 million

The operating context

Material issue impacting value creation	Our response
Dependency on a primary client – As we are heavily dependent on a single client, it is critical to maintain a strong relationship based on mutually beneficial outcomes. This relationship remained challenging for early 2023 due to the Force Majeure declared under the PPA with CEB and the suspension of our operations on 29 April 2022. Operations remained suspended for the first four months of 2023 and resumed on 29 April 2023.	We remain committed to continuing a strong working relationship with the CEB in the years ahead. Our contract with the CEB will end in June 2025. We are engaging with the CEB on this to ensure a favourable outcome, underpinned by our commitment to operate in the best interests of the Mauritian population. The Government has set an ambitious goal of producing 60% of its energy from renewable sources by 2030. In 2021, the CEB asked for an application for a Request for Information (RFI) to see how we can achieve this goal. We have replied to the RFI and await further engagement on this process. 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. This includes using solar energy and woody biomass as possible investments.
Potential regulatory changes – Changes in environmental regulation could require significant investment in new equipment and possible changes to current processes.	We engage regularly with the authorities to keep abreast of potential regulatory changes and ensure we take appropriate measures.
Unplanned disruption to generation or transmission activities – Unplanned outages associated, for example, with a fire, mechanical breakdown, the occurrence of a cyclone or supply chain disruptions could impact our ability to deliver energy.	We have a preventative maintenance programme and clear risk management processes and response measures in place. 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 2023 performance

As reported last year, we declared Force Majeure under the PPA with CEB following an unprecedented increase in coal prices and suspended our coal-based operations on 29 April 2022.

While our operations remained suspended for the first four months of 2023, coal prices fortunately normalised early in the year. As this was a mitigating factor of the Force Majeure, we reached a settlement agreement with the CEB on 29 April 2023 to restart electricity production using coal.

While we generated 266 GWh of electricity in 2023, a 26.2% increase year-on-year, the cluster posted losses of MUR 64.6 million compared to a net profit of MUR 56.4 million in 2022.

[1] Data as at 31 December 2023.

Our availability index increased to 93.3% (2022: 90.6%). However, we experienced an extended outage in September 2023 arising from an unavoidable breakdown of an exciter coil in one of our unit's alternator rotors, which was replaced by another one stored in our warehouse. Our preventative maintenance programme remains in place.

Increasing our production of renewable energy

We continue to focus on our strategy for decarbonisation of our energy mix by shifting from coal to biomass, with particular emphasis on using bagasse, cane straw and other renewable energy technologies.

Due to the ongoing drought and reduced crop season in 2023, bagasse combustion again declined slightly year-on-year to 218,872 tonnes (2022: 221,953). Despite the decrease, we were able to generate 65.2 GWh for export to the grid (2022: 43.2 GWh). The efficiency of electricity generated by bagasse was higher in 2023 as we were able to run both units at optimal capacity after the Force Majeure period. Electricity produced from cane straw decreased this year. While we continue to invest in efficiencies to improve the cane straw flow rate, the collection rate in the fields was affected by rain and baler breakdowns. In 2023, we generated 6.7 GWh using 6,959 tonnes of cane straw, down from 7,587 tonnes in 2022.

Overall, renewable energy production increased from 50.5 GWh in 2022 to 71.9 GWh in 2023. The increase was due to the resumption of our coal-based operations in April 2023, which increased our fuel availability and improved the efficiency of renewable energy production.

In partnership with Terragri, we continued to explore growing and burning eucalyptus as an additional source of biomass. Last year, we concluded the plantation programme, with 34 hectares of eucalyptus planted on marginal land between 2018 and 2022. This year, we harvested 86 tonnes of eucalyptus, which we converted into wood chips for an initial combustion trial.

This project is on hold while we await clarity on some aspects of the National Biomass Renewable Energy Framework, which the Government released in June 2023. This includes defining suitable remuneration for wood plantations projects and PPA adjustments for electricity generation using woody biomass. Greater certainty will support Terragen's ongoing efforts to expand renewable energy production from biomass in partnership with local suppliers.

In 2022, we jointly participated with other thermal independent power producers to submit a proposal to the CEB to run a trial with imported wood chips. We remain in discussion with the CEB on this matter.

Our drive to increase the use of bagasse, cane straw and other biomass provides a valuable opportunity to increase green energy generation in Mauritius and reduce the island's coal imports. This drive became even more critical with the Government's objective to increase renewable energy by 60% and phase out coal by 2030. In 2021, the CEB asked for an application for an RFI to see how we can achieve this goal. We replied to the RFI and presented a new energy business model to the CEB, incorporating a plan to transition our plant to 100% renewable and coal-free. We continue to engage with the CEB on this plan.

We continued to contribute to the carbon burn-out (CBO) unit, a joint venture between Terragen and Omnicane. The venture focuses on collecting coal fly ash, a by-product of coal combustion, and transforming it into a raw material to produce cement. This year, 73.7% of our coal fly ash (5,285 tonnes) was sent to the CBO plant, an increase from 2,634 tonnes in 2022.

Driving improved health and safety and environmental performance

The cluster recorded two lost time accidents this year (one Terragen employee and one subcontractor) – up from zero in 2022. We will continue with ongoing safety routines and regular safety briefings, which inform our continuous learning and improvement approach. We have increased the frequency of on-site inspections by management to reinforce a strong health and safety culture across our operations.

Terragen continues to emphasise waste separation and recycling, and we recycled 45% of our waste in 2023. We maintained a high performance in terms of water quality discharges into the environment and air emissions, with only one exceedance on limits. Terragen continues to prioritise repairing leaks and optimising water usage, demonstrating a proactive approach to water conservation.

Our strategic outlook

We remain focused on maintaining high levels of availability, reliability and cost-effectiveness and extending the share of renewable energy in Terragen's production mix at a competitive price per kWh.

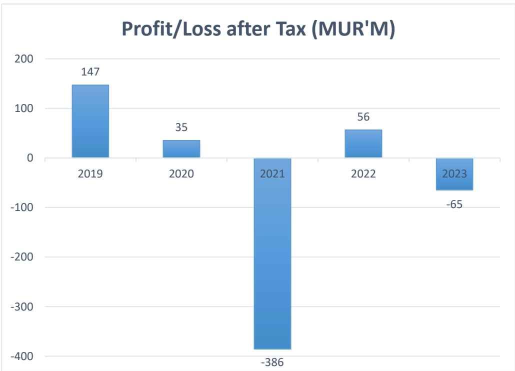
In addition to bagasse, we will continue to investigate sources of biomass that we can use in our thermal power plant, with a particular emphasis on wood chips and cane straw. In line with this focus, we look forward to further engagement with the CEB and Government stakeholders regarding the RFI and National Biomass Renewable Energy Framework.

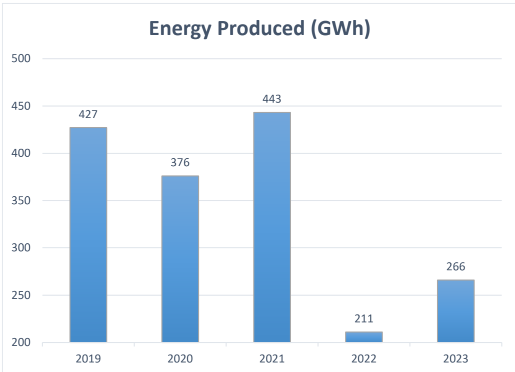
We will maintain our strong culture of health and safety. To support this, we will focus on risk management and improving the reliability of our fire prevention and protection systems.

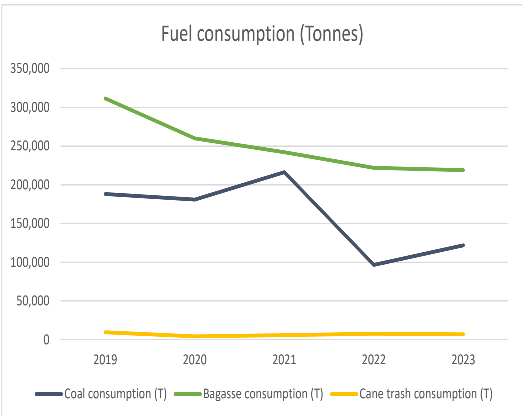
We made good progress on our sustainability journey this year, and this remains a focus for 2024. We will continue to reduce water consumption, improve waste management and reinforce the control and monitoring of air emissions.

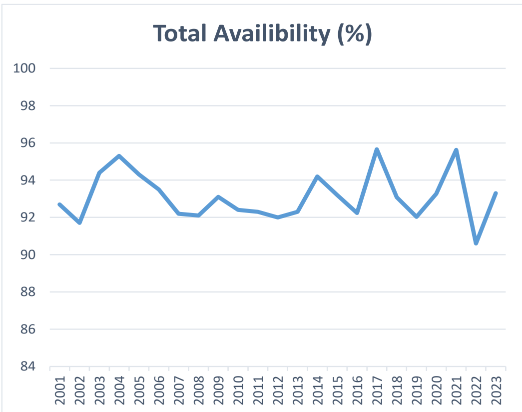
Notwithstanding any significant or sudden increase in coal prices, we anticipate a much improved financial and operational performance in 2024. Our contract with the CEB will end in June 2025, and we are engaging with the CEB on this matter. Ultimately, we remain committed to finding a favourable outcome for all parties for the ultimate benefit of the country.

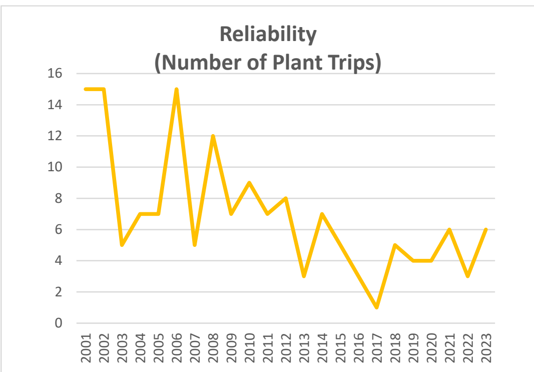
Performance graphs

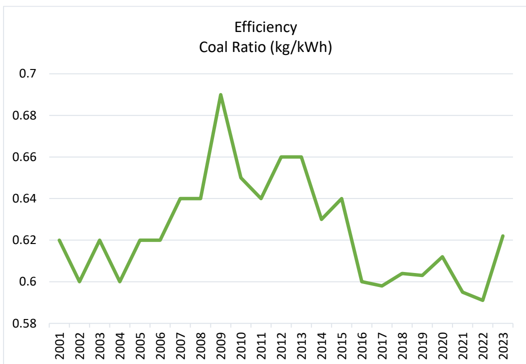












Property and Leisure

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 are the Beau Plan Smart City and the future 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 business model

<table>
<tr><th>Value drivers</th><th>Context and outlook</th></tr>
<tr><td colspan="2">Revenue driver (rental and sale)</td></tr>
<tr><td>Property development cluster
• Long-term value from the Group's existing land ownership in the north of Mauritius.
• Beau Plan Smart City project is a mixed activities development covering 228 hectares in the Pamplemousses region, one of the most densely populated districts in the north.
• Balaclava Golf and Lifestyle Estate will cover approximately 196 hectares</td><td>• Targeted sales of 'non-strategic' land generates cash flow for investment.
• Development of a mix of real estate projects over the last five years has set a strong base to grow the portfolio of yielding assets.
• The Government's incentive to allow the sale of serviced plots to non-citizens is encouraging and attracts new customers in Beau Plan
• Two priority zones for development include Beau Plan Smart City (major projects completed and others underway) and, at a second stage, the neighbouring Balaclava Golf and Lifestyle Estate (development rights granted and progress made on the master plan), enhancing the value of the broader property portfolio.
• A key differentiator to other business destinations in the north of Mauritius is that we offer a mixed activities development within an exceptional urban design framework. Substantial investment has been made in the area's infrastructure, including new roads to improve accessibility to our projects and enhance access to public transport. The Beau Plan Smart City is 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 is already a dynamic economic hub, providing an appealing commercial, residential, educational and leisure environment; the Mahogany Shopping Promenade, among others, is a key employer to the surrounding villages.</td></tr>
<tr><td colspan="2">Cost driver (managing assets)</td></tr>
<tr><td>Property development and management
• Commodity prices
• Tenant relationships
• Integrated and sustainable development</td><td>• We have significantly improved the performance of our existing yielding assets and are currently engaging with 297 tenants.
• The cost of materials remains elevated, raising building costs and, ultimately, the prices of built-up units. Geo-political tension is maintaining pressure on this situation.
• We will target new customers by entering new markets.
• 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.
• We have integrated green design principles by working with professionals with sustainability expertise.
• We have invested substantially in the stormwater drainage network to mitigate the potential effects of flash floods. These investments proved to be very effective during recent events.
• The Smart City will integrate multiple digital connectivity solutions, encouraging the uptake of renewable energy sources and facilitating a healthier lifestyle by providing quality recreational spaces and non-motorised transport infrastructure.</td></tr>
</table>

We summarise the Property and Leisure cluster's main residual risks as at 31 December 2023 below.

	Risk	Contributing factors	Risk mitigating activities	Year on year trend
R1	Bureaucratic hurdles leading to lower profitability and agility.	• Delays in obtaining permits and clearances from authorities.	• Authorities are working closely with all stakeholders to improve the ease of doing business. • Close watch on current and proposed regulatory policies and legislations. • Diversified service offerings to minimise any impact resulting from changes in Government strategy. • Dedicating resources on a full-time basis to establish appropriate communication with authorities and follow up on all necessary permits and clearances.	Unchanged
R2	Reduction of purchasing power and high finance costs leading to difficulties selling projects and underperforming yielding assets.	• Ongoing impact of the economic recession since the pandemic and additional price increases. • High bank interest rates	• Land sales plan in place to ensure strong cash inflow and maintain low gearing ratio. • Attractiveness of our products is improving. • Beau Plan is now recognised as a premium place.	Decreased
R3	Oversupply of properties on the market impacting on price.	• An increasing number of projects are being implemented nationwide and the market has not grown proportionately.	• Increased focus on marketing strategies and networks. • Every care is taken at the conceptual level of projects to ensure long-term attractiveness for the areas to be developed. • Strategy in place to create a balanced mix of products.	Unchanged

Capital	Material inputs[1]	Activities to sustain value	Material outcomes
People	**Employees (Novaterra)** 135 **Employees (*L'Aventure du Sucre*)** 48	• Enhanced safety protocols, training programmes, equipment maintenance, and procedural improvements. • In-house health and safety officer. • Increased frequency of safety audits to strengthen incident reporting system. • To support the cluster's growing employee headcount, we are developing a renewed employee culture and engagement plan – to be rolled out in 2024. • Executive and leadership development coaching programmes are ongoing.	**Total recordable injury rate (TRIR)** 4.9 (↓52%)[2] **Lost time incident rate (LTIR)** 42.7 (↑218%)[2] **Severity rate** 8.8 (↑577%)[2]
Manufactured	**Available space for rent** **Industrial and commercial** 37 061 m^2 **Office** 16 081 m^2 **Residential** 21 322 m^2 **Shopping mall** 8 182 m^2	• Designing smaller apartments to target a new market in Mauritius. • Diversified service and product offerings and ensuring mixed activities development. • Strong focus on ensuring long-term desirability of areas currently under development and those in the development pipeline. • Overall occupancy rate slightly impacted with The Strand not fully let as at December 2023.	**Occupancy rate** 95% (↓2%)
Natural	**Land available for development and regeneration** 615 ha	• Smart energy measures. • Waste separation and recycling in our Beau Plan Smart City. • Sewerage treatment plant operational within the Smart City. • Internet of Things (IoT), intelligent sensors, and cloud-based software installed to monitor and manage natural resource impacts. • EDGE Certification for our new office building, The Strand. • Started the construction of a 1.6 MW photovoltaic solar farm to supply renewable energy power to the Smart City. • Established a dedicated Sustainability Committee in 2023 to drive accountability and track performance against environmental goals and targets.	
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.	• Dedicated teams for effective relationship management with relevant stakeholders. • Beau Plan Smart City designed and developed to support local job creation opportunities. • Focus on quality tenant relationships and maintaining customer satisfaction. • New software implemented for improved customer support and experience (Ada).	**Employee turnover rate** 8% (2022: 7%) **Payment in taxes (Mauritius)** MUR 10.2 million **Visitors to *L'Aventure du Sucre*** 92,357 people **Participating in events and festivals** 11,747 people

[1] Data as at 31 December 2023.
[2] Calculation methodology was updated in 2021.

Capital	Material inputs[1]	Activities to sustain value	Material outcomes
Intellectual	Project timelines include adequate buffer time for obtaining permits.	• The Land Management Department works full-time to obtain development permits, following up on applications submitted to various ministries and authorities. • Dedicated Compliance Officer to take clients/buyers through a Know Your Client process. • Audits of *L'Aventure du Sucre* by SGS for certification.	Some permits delayed, but these have been addressed. Certification 'Made in Moris' obtained
Financial	**Property and Leisure total equity (Jan 2023)** MUR 4,445.3 million **Total borrowings** MUR 1,224.5 million **Capital expenditure** MUR 429.1 million	• Actively managed financial performance through weekly meetings with heads of department, monthly senior management meetings and regular Board meetings.	**Turnover** MUR 1,338.6 million (↑30%) **Profit (including profits on land sales)** MUR 280.9 million (↓4%) **Property and Leisure total equity (Dec 2023)** MUR 4,448.3 million

Delivering broader societal value

We anticipate that the Beau Plan Smart City development will create at least 8,400 new and direct jobs in the Smart City itself, with an additional 500 construction jobs during the construction phase and another 5,000 indirect jobs for the suppliers of associated goods and services. We will provide training to develop the skills of people in the region, including small business management, organic farming and ICT. In addition to job creation opportunities, our development will positively impact on the value of Terragri's existing land and our neighbours' property, contributing positively to and generally enhancing the region.

The operating context

Material issue impacting value creation	Our response
Construction costs – We continued to experience an increase in construction costs, which presents a challenge in terms of affordability for the local market and the profitability of our developments.	To deal with the increasing cost of materials for all projects, we are negotiating packages with operators and taking steps to mitigate the impact on new builds from design stage.
Regulatory and policy framework – Changes in Government policy and regulation relating to property development and any delays in obtaining approvals and other Government permits could impact the nature, cost and timing of proposed developments. Given the nature of our business we deal with several authorities, including environment, traffic, road development, and the more recent land drainage authority.	We monitor regulatory and policy developments and maintain strong relationships with Government and regulatory authorities. Our diversified service offering minimises any negative impact resulting from changes in Government strategy. Our efficient land management tools enable us to adapt quickly to the changing legislative environment. To obtain necessary development permits, our dedicated Land Management Department follows up on all applications submitted. In 2023, we experienced delays obtaining clearances and permits, impacting project delivery. Despite this, we maintained strong relationships with all authorities and contributed substantially to various national projects, including water supply, social housing and flood mitigation.

[1] Data as at 31 December 2023.

Material issue impacting value creation	Our response
	Through the Economic Development Board, the Government is reviewing the real estate and construction sectors to identify improvements, and we are optimistic about doing business going forward. We are fully conversant with the Financial Intelligence and Anti Money Laundering Act with a dedicated Compliance Officer and department. All clients/buyers go through a Know Your Client process, which is integrated into the sales process.
The changing competitive and business environment – A potential oversupply of properties on the market and other changing market dynamics could result in lower occupancy rates, a loss of revenue and reduced return on investment. We are seeing pressure on rental prices, mainly in office space, due to oversupply and competition.	To provide a compelling proposition for entrepreneurs to develop or relocate their businesses, we are ensuring the timely implementation of a mix of facilities. We have established a strong marketing and communications team and secured the commitment of key anchor tenants in the retail and boutique leisure sectors. We are gaining credibility through quality products delivered timeously, as designed in our development framework plan. We are creating new living spaces in Beau Plan with more pleasant work environments, which we believe will enable us to attract a premium. However, there remains a limit to how much tenants will pay, and we foresee pressure when negotiating with future office tenants.

Our 2023 performance

Our Property and Leisure cluster posted another set of excellent results this year, despite profits decreasing slightly from MUR 292.6 million in 2022 to MUR 280.9 million in 2023. Profitability was supported by the successful delivery of key projects.

Pleasingly, we completed our new office building, The Strand, and continued to see good momentum on our Beau Plan Business District. The Mahogany Shopping Promenade saw an improved number of visitors.

We further concluded the sale of our second phase of residential serviced plots in the Smart City, *Les Muguets*. Land sales, such as *Les Muguets*, remain a critical part of our cash generation plan, which supports our infrastructure and projects at large. Considering the ongoing tough operating conditions, including geo-political tension, high interest rates and inflation, cash generation is increasingly important to sustain our operations. We finalised deeds of sale for 60 lots to secure total land sales of MUR 445 million this year.

Other performance highlights include launching the first phase of our new apartment project, Indigo, alongside the second phase of Mango Village (duplexes and apartments), with both achieving a very successful sales uptake. The cluster benefitted from the strong interest of locals and foreigners for our residential products and from international business tenants for our commercial properties.

L'Aventure du Sucre delivered another standout performance and continues to achieve record profits.

We engaged with the Government on a land exchange mechanism, and we have transferred some 45 arpents of land to the Government to support the implementation of its scheme to build 12,000 social housing units nationwide. In exchange, we secured land at Solitude, Beau Plan, and Bassin Paquet for future development. We believe this outcome results from active engagement and an improved relationship with the Government, and establishes a strong base for future collaboration.

We continue to work hard to improve the timing on obtaining permits and clearances from authorities. Efforts include dedicating full-time resources to establish appropriate communication with authorities and follow up on all necessary permits and clearances.

Beau Plan Smart City projects

The opening of our flagship office building, The Strand, brings additional vibrancy to Beau Plan. We have secured 63% occupancy on the total available area, including securing several anchor tenants such as Ennoia Boutique Gym, Attitiude Hotels Group, Investec bank and international management companies.

Another positive development was leveraging The Strand's EDGE (Excellence in Design for Greater Efficiencies) Certification to obtain a sustainability-linked loan. This loan will help drive positive environmental and social outcomes while delivering a loan margin benefit.

We successfully concluded phase one of the infrastructural works for the Beau Plan Business District in June 2023. Pleasingly, this included securing leading sport and leisure store Decathlon as an anchor tenant.

The Mahogany Shopping Promenade enjoyed a record number of visitors in 2023, indicating a strong returning customer base. Throughout 2023, we received an average of 230,000 visitors per month – a 9.5% increase on 2022 monthly footfall. We secured 95% of the tenant leasing with a target to reach an average 98% occupancy in 2023, bearing in mind expected tenant turnover.

Building on the success of phase one, we started construction of phase two of Mango Village duplexes and apartments, comprising 22 units (MUR 340 million). We have received a positive response, with all units sold as at May 2024. They have all been handed over to respective buyers in the third quarter of 2024. We also completed the second phase of *Les Muguets* residential serviced plots and handed 62 plots over to respective buyers (MUR 459 million).

Excitingly, we launched the first phase of our new residential project, Indigo, which comprises 63 one- to three-bedroom units (MUR 518 million) in the heart of the Smart City. Again, we have received a positive response, including prospective international owners, with 100% of the units booked as at November 2024. Phase two of Indigo, comprising a further 57 mixed units, was launched in June 2024 and bookings stand at 80% in November 2024.

The Beau Plan Smart City now offers educational, sports and leisure, office, cultural, residential and shopping opportunities, and we continue to identify developments that will bring additional vibrancy to Beau Plan. We completed the construction of the Isla Padel Club at Mon Rocher and started the construction of the Residential Urban Park, which was completed in April 2024 and opened to residents as from June 2024. Following the completion of Greencoast Primary International School, we plan to develop an adjacent International Secondary School.

We continue to integrate sustainability practices into the design of the Smart City, including smart energy measures. We are developing a 1.6 MW solar farm at La Louisa, north of Beau Plan, which will supply the Smart City with approximately 2.6 GWh of power. Connection to the grid has taken place in October 2024. We continue to focus on using artificial intelligence and smart technology to optimise energy consumption within Beau Plan Smart City. Preserving and enhancing local biodiversity remains essential. Key investments included allocating green spaces within urban developments.

To ensure state-of-the-art security for residents and commuters, we installed Smart CCTV cameras within the Smart City. A control room oversees all operations.

We remain committed to ensuring that the Beau Plan Smart City is inclusive of the adjoining villages of Pamplemousses and Bois Rouge. We invested MUR 62 million to develop a sports complex at Bois Rouge, and we transferred these amenities to the local authorities.

Pleasing recovery in revenue from our museum activities, *L'Aventure du Sucre*

Our subsidiary Sugarworld Ltd, which operates under the brand name *L'Aventure du Sucre*, achieved record profits of MUR 25.8 million in 2023, up from MUR 17.7 in 2022. In the year ahead, *L'Aventure du Sucre* will invest substantially in refurbishing and modernising key areas of its operations to enhance its appeal to local and international visitors. This includes, for example, creating an immersive New Grove Distillery showroom, which celebrates the brand's rich history and distilling expertise. We are confident *L'Aventure du Sucre* will deliver another strong performance in 2024.

Our strategic outlook

The critical components of the Beau Plan Smart City development are in place, with MUR 4.4 billion invested to date. Importantly, our strategy for creating value has worked well, with the mix of projects bringing higher value to Beau Plan. This value includes the increasing price of land, which has risen by more than 150% since 2017, as well as an increasing number of investors and commercial tenants (including established local and international brands) showing interest in our Beau Plan Smart City. Developed residential units are rapidly occupied, either by their owners or tenants.

Our strategy for the coming years continues to revolve around three main axes, and we are confident with the progress we are making on all three:

1. **To grow our yielding assets and build and lease, focusing on commercial and office developments**: Beau Plan is anchored as a new business destination, underpinned by the successful letting of The Strand to renowned brands. The Mahogany Shopping Promenade is now a set destination.

2. **To concentrate on build and sell, including villas, duplexes, and apartments**: We have seen a consistently strong market response, with growing interest from non-citizens.

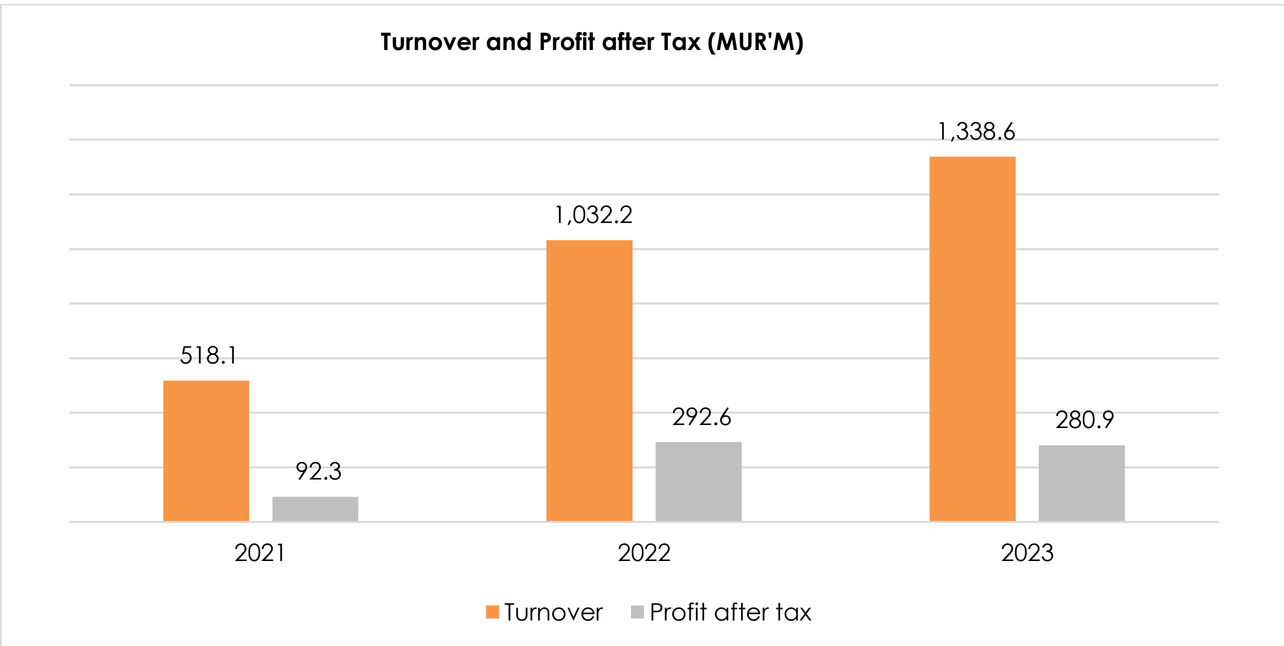
3. **The sale of serviced plots, but only where we can extract the highest value**: Demonstrating very high demand, serviced plots consistently sell well, and we have several new developments in the pipeline.

We are executing this strategy within four main zones with long-term development potential. These zones include Beau Plan (capitalising on the success of our Smart City and existing infrastructure) and the neighbouring Balaclava Golf and Lifestyle Estate (development rights granted and master plan being finalised).

In addition, we identified a new zone for development with astonishing views over the North and close to Belle-Vue. We are currently in the permit obtention process. Finally, we identified a one-off opportunity for a sizeable yielding asset in the hospitality sector located at Bassin Paquet, along the coast.

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

Performance graphs



Construction

Given their significant contribution towards the Group turnover, we report this year the Construction activities cluster, which consists of REHM Grinaker Construction Co. Ltd and Terrarock Ltd. The Group audited figures for 2022 have been restated accordingly.

REHM Grinaker 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

Terrarock was incorporated in 1990. It operates a stone crushing plant which manufactures and sells hollow concrete blocks, aggregates and rock sand. The management of Terrarock's operations is entrusted to The United Basalt Products Ltd, the strategic partner of Terrarock.

Construction business model

Capital	Material inputs[1]	Activities to sustain value	Material outcomes
People	**Employees (REHM Grinaker)** 517 **Employees (Terrarock)** 43	• Ongoing implementation of comprehensive health and safety management systems at REHM Grinaker and Terrarock is monitored through a bi-annual survey. • Ongoing safety awareness is critical at REHM Grinaker due to its expat workforce. Induction training and seminars are regularly conducted to reinforce safety awareness. • Ongoing training and skills development are performed to ensure that these activities are continuously managed by strong management teams.	**Terrarock** Total recordable injury rate: 14 **REHM Grinaker** Total recordable injury rate: 6.5 **Fatalities** Zero
Manufactured	The cluster owns certain properties, such as administrative buildings, plant yards, and plant and machinery.	• Annual valuations of the plant and machinery on estimated useful lives and residual values are performed. • Ongoing focus on the operations' fixed and variable costs are performed continuously by management to ensure that the activities remain competitive.	**Property, plant and equipment** MUR 306.8 million
Natural	**Boulders** (Terrarock) 314 031 T **Concrete** (REHM Grinaker) 16,966 m^3 **Reinforcement** (REHM Grinaker) 1,258 T **Blocks** (REHM Grinaker) 366,757 **Aggregate** (REHM Grinaker) 6,184 T **Cement bags of 25 kg** (REHM Grinaker) 65,780	• Committed to introducing sustainable practices and environmental stewardship across cluster operations. • REHM Grinaker is involved in the construction of green buildings. • Terrarock outsources energy management and environmental monitoring to external partners.	**Major environmental incidents** Zero **Non-hazardous solidified mud (Terrarock)** 16 497 T

[1] Data as at 31 December 2023.

Capital	Material inputs[1]	Activities to sustain value	Material outcomes
Social and relationship	Our business model depends on quality relationships, particularly with clients, employees, Government, subcontractors and suppliers.	• Dedicated teams to ensure effective relationship with all stakeholders. • Frequent external and internal customer engagement surveys are undertaken by REHM Grinaker and Terrarock Ltd. • The operations also provide ad hoc support to communities adjacent to the operations.	**Payment in taxes (Mauritius)** MUR 2.2 million **CSR contribution** MUR 0.7 million
Intellectual	Collectively, the senior management of REHM Grinaker has more than 135 cumulative years of industry experience	• REHM Grinaker adopted and implemented a Quality Compliance Initiative to ensure stringent quality control processes for all products and services.	Continuous improvement in building, manufacturing and processing techniques.
Financial	**Construction total equity (Jan 2023)** MUR 72.9 million **Total borrowings** MUR 25.8 million **Capital expenditure (subsidiaries)** MUR 36.6million	• Actively managed financial performance to review the operational results through weekly executive meetings, monthly management meetings and regular Board meetings.	**Turnover** MUR 1,651.1 million (↑2%) **Profit** MUR 70 million (↓16%) **Construction total equity (Dec 2023)** MUR 15.2 million

The operating context

Material issues impacting value creation	Our response
Cost pressure – Commodity and material prices, for example, building materials such as cement, steel, and sand, remain high due to inflation, increased demand, and supply chain disruptions caused by geo-political tensions and the aftermaths of Covid-19. The above has a negative impact on local market affordability, contracts are secured at tight margins and price fluctuations of input costs during the contractual period often result in under-recovery of such costs and the operations experience difficulties in completing projects profitably.	To deal with the increasing material costs and fluctuating commodity prices, we maintain a strong focus on optimising operational efficiencies, improving logistics and strengthening supplier relationships.

[1] Data as at 31 December 2023.

Material issues impacting value creation	Our response
Unproductive resources and equipment – The construction sector is closely dependent on economic cycles. Factors such as gross domestic product, variations in interest rates and consumer and business confidence influence investment trends and dictate infrastructure requirements. Consequently, demand for the sector's services can fluctuate in response to changing market dynamics. For REHM Grinaker, in particular, these fluctuations in demand can result in unrecoverable costs, which pose a significant challenge to the performance of this organisation.	We are focused on attaining a more balanced portfolio of work across diverse sectors to reduce our exposure to and dependency on a small number of primary clients. The longer-term nature of construction projects allows for a degree of forward planning and adaptability to varying levels of new work procurement. We have seen a pleasing improvement in public and private sector infrastructure requirements, which gives us an opportunity to mitigate unproductive costs. REHM Grinaker is investigating opportunities to outsource skilled labourers in favour of contract workers to streamline labour productivity on job sites. We continue to focus on digitalising and automating our business processes to improve efficiency.

Our 2023 performance

The construction industry in Mauritius is highly competitive. Considering the challenging environment and owing to focused management at REHM Grinaker and Terrarock, the cluster achieved good operational performance and profits of MUR 70 million in 2023 (MUR 83.3 million in 2022).

Maintaining customer satisfaction remains critical to drive performance and profitability. Terrarock and REHM Grinaker invested significant time and resources to improve customer service and product quality. This year, REHM Grinaker initiated an external and internal customer satisfaction survey once a project is completed. The survey targets a cross-section of representatives, including clients, consultants, sub-contractors and key service providers, and the business uses the survey results to improve its internal systems and controls and its service to clients.

Key focus areas for Terrarock during the year included enhancing the resilience of its supply chain by optimising its logistics, strengthening supplier relationships and diversifying its product range. The business continues to pursue key strategic investments. These investments include improving operational efficiency and productivity and preparing for future advancements in automation and digitalisation.

REHM Grinaker completed 10 projects in 2023 (2022: 4). These projects included the state-of-the-art office space, The Precinct, located at the entrance of Grand Baie in the north of Mauritius. The Precinct is the first development in Mauritius to achieve a 5-star Green rating from the Green Building Council of South Africa. REHM Grinaker also completed the Artemis Hospital, located in Curepipe Road. These projects gave the business additional expertise and unique industry know-how for constructing medical facilities and green buildings. The Government further appointed REHM Grinaker as one of 12 contractors to assist with implementing its scheme to build 8,000 social housing units. REHM Grinaker will complete the construction of 200 housing units in 2024.

REHM Grinaker's commitment to delivering complex projects on time and within budget has given the company better visibility, and allowed it to secure contracts in its order book which goes beyond 2024.

A key challenge for REHM Grinaker remains mitigating unproductive costs, mainly labour. The business is finding opportunities to accelerate existing work while maintaining its stringent quality standards to address this challenge. REHM Grinaker is also investigating opportunities to outsource its existing skilled personnel and reduce core workers in favour of contract workers. The business employs mainly Mauritian nationals, and foreign labour is employed to supplement Mauritian skills. This strategy helps to mitigate the impact of labour shortages in Mauritius, particularly for low-skilled workers.

This year, REHM Grinaker introduced an independently-managed Quality Compliance Initiative to ensure stringent quality control for all products and services. Where incidents of non-compliance are reported, these concerns are reported to REHM Grinaker's leadership team, and the independent quality team conducts a follow-up audit to ensure the matter is rectified promptly.

Driving an improved health and safety and environmental performance

The Construction cluster experienced no fatalities in 2023. The cluster reinforced a strong health and safety culture by ensuring health and safety management systems were effectively implemented, maintained, and continually improved. Safety training included regular toolbox talks to raise awareness about potential hazards and reinforce safety procedures.

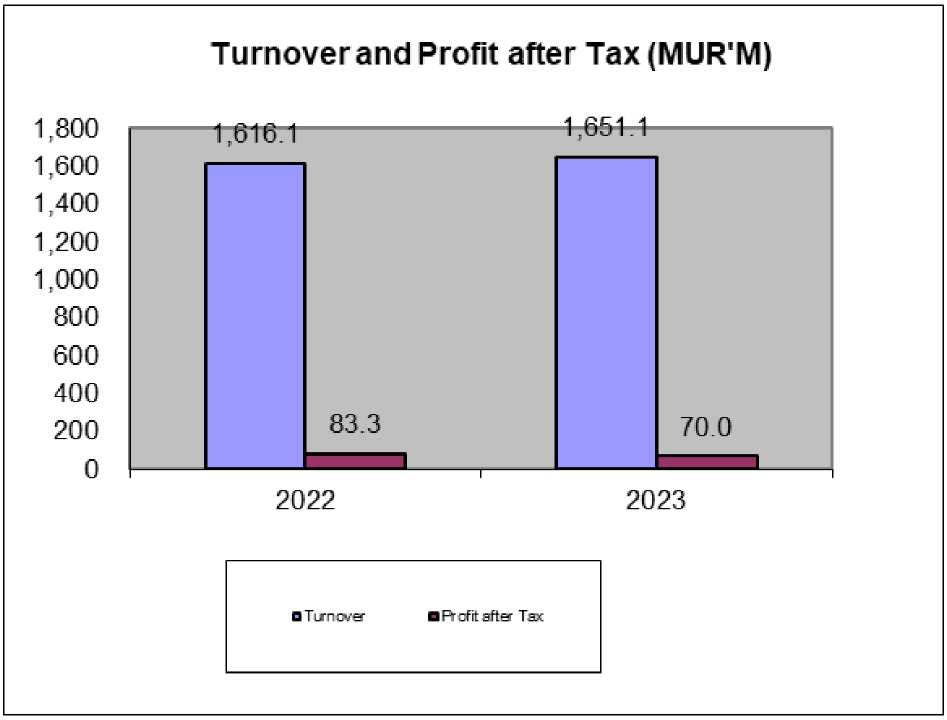
The Construction cluster remains committed to embedding sustainable practices and environmental stewardship across its operations. This includes, for example, placing increased focus on compiling environmental data for energy, water and waste.

Our strategic outlook

While the year ahead will likely remain challenging for the Mauritian construction industry due to ongoing macro-economic challenges, we anticipate that the Construction cluster will benefit from strong demand for residential properties and benefit from an increase in Government capital expenditure. The development of Smart Cities is also gaining momentum across Mauritius, which should create additional opportunities for the cluster in the year ahead.

Investing in employee training and development and embedding a strong culture of engagement will remain a key area of focus, underpinned by succession planning for critical roles.

Performance graph



Investments

	Revenue MUR'M	Profit/(loss) MUR'M	% effective holding
Finance			
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.	8,965.5 [↑6%]	555.2 [↓27%]	34.6
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.	294.5 [↑65%]	22.3 [↑6%]	100
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.	24.4 [↓18%]	1.4 [↓42%]	36.8
Other investments			
Cavell Touristic Investments Ltd holds shares (previously held by Harel Mallac & Co. Ltd) in three companies, namely Attitude Hospitality Management Ltd (20.1%), Water Sports Village Limited (24.5%) and Zilwa Resort Ltd (24%), collectively referred to as the 'Attitude Associates' and engaged, for the first one, in hotel management or in hotel ownership for the two others.	Nil	84.5	53.7
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 has also been driving an aggressive procurement strategy to support its shareholders in their quest to lower the cost of inputs in sugar production.	21.1 [↑284%]	5.3 [↓90%]	41.9
United Docks Ltd is listed on the Stock Exchange of Mauritius and its main activities consist of real estate holdings and development.	162.4 [↑98%]	266.2 [↓44%]	24.5

Group-level Functions

While each of Terra's clusters is autonomous in its decision-making, budgeting, and reporting – with each leadership team accountable for its cluster's performance – Terra provides Group-level strategic guidance and support services in relation to employees, environmental performance and the support we provide to our neighbouring communities. This section reviews the performance and outlook of these Group-level activities.

Human resources: investing in our people

Attracting and retaining technical and leadership skills, maintaining a diverse, inclusive and engaged workforce, and fostering an inspiring and performance-oriented culture are fundamental to Terra's ability to generate value. Dedicated HR teams within each cluster provide strategic guidance on HR issues alongside various shared and value-added services, while a centralised HR team is tasked with the overall responsibility of initiating and implementing specific HR projects and initiatives across the different entities of the Group. Our Group-level Training Centre also provides centralised training and development services.

Deepening our desired working cultures

We continue to track and measure desired behaviours through a culture index survey to assess levels of employee engagement in our clusters. We conduct this survey every two years, and we last conducted it in 2022. For the past year, we focused on devising and implementing action plans per cluster based on the feedback we received. We have conducted another culture index survey in April 2024.

We continued to roll out culture and engagement journeys across our clusters, and our focus this year was on maintaining momentum.

The Cane cluster developed and implemented a shared mantra, mission and vision for Terra Milling and Terragri that supports our goal of building a learning, caring and results-driven culture. The Cane cluster also undertook an engagement survey among its workers to understand how it can improve and sustain engagement and will focus on these matters in the year ahead. This year, another focus area for the Cane cluster was initiating a project to develop a differentiated Employee Value Proposition (EVP) to support employee retention, attraction and engagement. The cluster will finalise and launch its refined EVP in 2024.

Since 2016, Novaterra's employee headcount has grown significantly to accommodate the Property and Leisure cluster's strategic growth ambitions. In November 2023, Novaterra hosted a full-day workshop for all employees to help integrate newcomers into the cluster and ensure ongoing alignment with our goal of building a learning, caring and results-driven culture. The cluster is developing a renewed engagement plan to roll out in 2024.

We launched a succession planning and talent identification project across all clusters in 2022. We concluded this project in 2023, focused on succession planning for critical positions, factoring in retirement and replacement, and developing strategies to attract, retain and develop internal and external talent.

We continued to identify opportunities to digitalise our HR processes, as this enables us to use data analytics to improve employee experience and enhance our EVP. In 2023, we deployed and implemented an e-recruitment platform for several Group entities, supported by training and awareness.

Learning and development

Cultivating a continuous learning and development culture is a key focus area for the Group. We provide our employees with training, support and clear career paths that create opportunities for upskilling, reskilling and internal talent mobility, underpinned by reward and recognition.

We are embedding a culture of continuous feedback and post-training evaluation. This enables us to ensure that our investment in learning and development remains relevant, and we provide employees with an environment that enables them to implement new skills, knowledge, and techniques.

This year, we launched a new training course in collaboration with the global professional development organisation Dale Carnegie. This course, entitled Transformative Leadership Journey, emphasised soft skills, coaching, and building a strong leadership bench. We ran a Leadership Development Programme with the Charles Telfair Institute and facilitated several one-to-one coaching sessions for our management team.

Our Training Centre provides relevant and rewarding training services to Terra employees and external stakeholders, optimising the Human Resource Development Council refunds and delivering an improved return on investment for all training we undertake. In 2023, we ran 20 (2022: 20) programmes at the Training Centre, reaching 324 employees (2022: 189 employees) and achieving approximately 307 training hours (2022: 342 training hours).

We continue to gain momentum on the uptake of our e-Learning platform. The platform offers eModules that require approximately 10 to 15 minutes to complete and are easy to access at employees' workstations or on a mobile App. In 2023, 481 employees participated on the platform (2022: 480), and we have seen a 59% increase in employee participation since launch. We also posted 12 new modules on the platform in 2023.

Health and safety

Each cluster has a dedicated Health and Safety Officer accountable for driving a proactive and KPI-orientated health and safety culture. This approach is guided by cluster-specific health and safety policies and risk registers developed according to each cluster's operational requirements. All clusters are either ISO 45001 certified or are aligning their operations with ISO 45001, an international occupational health and safety standard issued to protect employees and visitors from work-related accidents and diseases.

Working together, our dedicated Health and Safety Officers from each cluster collaborate on Group-wide projects to instil a strong health and safety culture across the Group. This year, these projects included:

- Developing a digital health and safety reporting platform to improve accident and near-miss reporting, ease data management, and assist with greater oversight of cluster-level health and safety performance.
- Developing various health and safety training modules, which are available on our Group-wide e-Learning platform. Training included general health and safety awareness modules and cyclone preparedness and safety procedures.
- Hosting Terra's fourth Health Month to raise employee awareness of the importance of monitoring their health and wellbeing. 681 employees participated in the Health Month in 2023 (2022: 653 participants). Activities included blood donation, cancer awareness, fitness activities such as circuit training, yoga and pilates, emotional wellness awareness, nature walks, health screening, music therapy, nutrition workshops, and firefighting training. We facilitated attendance at these events using a new online booking system that was developed internally by the Group's IT team.

The Group aims to continuously improve its approach to providing a healthy and safe working environment for all its employees, sub-contractors, and visitors. In 2023, the Group saw an increase in the total number of accidents recorded, from 60 in 2022 to 101 in 2023, of which only 4% accounted for major accidents.

Cane: The Cane cluster registered a total recordable incident rate (TRIR) of 4.1 in 2023 (2022: 5.0). While Terra Milling delivered a strong health and safety performance, with a 35.0% and 26.7% decrease in injuries recorded and man-days lost respectively, we unfortunately recorded one major accident. A highlight for Terra Milling certifying its health and safety management system, aligned with ISO 45001 and our Group health and safety objectives. Another highlight was achieving a Grade AA rating for an unannounced BRCGS audit in September 2023.[1] This rating is the highest a company can achieve. Terragri delivered an improved health and safety performance in 2023, with no recorded major accidents this year and a 65% decrease in man-days lost. We will continue to invest in training, equipment, and visual management interventions to sustain the improvement of our health and safety performance at Terra Milling and Terragri while ensuring that we learn from any incidents and take steps to prevent and mitigate associated risks.

Brands: The Brands cluster recorded a TRIR of 9.4 in 2023 (2022: 34). This decrease was mainly due continuous health and safety training and awareness throughout the year to sensitise employees, driven by management's commitment to improving the cluster's health and safety standards. Key focus areas included reinforcing and enhancing our on-site fire safety system, ensuring that all fire certificates were up to date, and ensuring all employees had access to functional, effective personal protective equipment. The cluster continued to hold regular Health and Safety Committee meetings. These meetings are critical to establishing a strong health and safety culture within the cluster, ensuring proper reporting and management of incidents, and driving accountability for health and safety-related projects and programmes. Both Grays Distilling and Grays Inc. are in the process of aligning their operations with ISO 45001.

[1] BRCGS is the leading provider of global supply chain assurance programmes. Developed with input from industry, it provides a framework to manage product safety, integrity, legality and quality, and the operational controls for these criteria in the food and food ingredient manufacturing, processing and packing industry.

Power: The Power cluster recorded a TRIR of 10.7 in 2023 (2022: 0). Unfortunately, the cluster recorded two lost time incidents (up from zero in 2022). However, near-misses continue to decline year-on-year, down from 53 in 2022 to 45 in 2023, the details of which inform our continuous learning and improvement approach. Other focus areas for the past year included conducting regular safety briefings to reinforce safety protocols and procedures among employees and increasing the frequency of on-site inspections by management. Employees received comprehensive training on office ergonomics and drill simulation exercises for chemical spills, fires, and medical emergencies to ensure employees had the correct knowledge and equipment to respond effectively. Safety upgrades included investments in safety equipment, such as ladder chains, and improved fire safety measures. We continue to focus on reinforcing our lockout/tagout (LOTO) procedure for isolating and controlling hazardous energy during maintenance and intensifying our focus on risk management by reinforcing our confined space procedure.

Property and Leisure: The Property and Leisure cluster recorded a TRIR of 4.9 in 2023 (2022: 10.3). This slight increase was mainly due to one major accident. The cluster implemented several remedial actions to address this accident and other minor injuries, including enhanced safety protocols, training programmes, equipment maintenance, and procedural improvements to prevent future occurrences. Other key health and safety projects included developing and implementing new safety policies to enhance worker protection and promote a strong safety culture. The cluster increased the frequency of its safety audits to ensure it can better identify and respond to potential workplace hazards. The cluster supported this with an investment to strengthen Novaterra's incident reporting system. The cluster launched multiple employee engagement initiatives to solicit feedback on its health and safety strategy and identify areas for continuous improvement. Similarly, *L'Aventure du Sucre* proactively addressed health and safety risks and fostered a safety-oriented culture. This included enhanced safety training, thorough risk assessments, emergency preparedness enhancements and active worker engagement, including regular on-site visits and toolbox talks.

Construction: The Construction cluster experienced no fatalities in 2023. Terrarock continued conducting a bi-annual survey to monitor its employees' health and safety status. This survey includes assessing employees' personal protective equipment and the effectiveness of dust suppression on-site, among others. Terrarock reinforces a strong health and safety culture by ensuring its health and safety management system is effectively implemented, maintained, and continually improved. This year, Terrarock conducted health and safety induction training and toolbox talks with employees to reinforce the importance of on-site personal protective equipment and safety precautions. REHM Grinaker continued to implement its comprehensive health and safety management system, which it underpins with the slogan "Home Without Harm, Everyone, Everyday". This year, its safety training programme included regular toolbox talks to raise awareness about potential hazards and reinforce safety procedures. Ongoing safety awareness is critical at REHM Grinaker due to its expat workforce.

We provide more information about our health and safety performance in the Terra Sustainability Report, which is available on our website.

Protecting labour rights

Terra ensures that all employees are adequately remunerated and provided with a respectful working environment free from inappropriate or unprofessional behaviour. This includes any form of harassment or discrimination. We also recognise every employee's right to freedom of association.

In the Cane cluster, 75% of workers are unionised across six different unions. Sector workers are also regulated by sugar industry remuneration orders that set the minimum wages and employment conditions for various categories of workers. This year, the Cane cluster successfully implemented the collective agreement signed in September 2022 with the Joint Negotiating Panel (JNP). The agreement was the first agreement in its kind to be negotiated one-to-one within the sugar industry in Mauritius. This agreement focuses on the working conditions of workers, such as hours of work, salaries, and other benefits. Negotiations for a procedural agreement with the JNP are ongoing and positive, and those for a collective agreement for the field supervisors with the Sugar Industry Overseers Association (SIOA) are ongoing.

Outlook

We will continue to invest in employee learning and development and roll out external training through our Training Centre. We will continue to focus on digitalising our HR processes and are developing a digital performance management system. Terra will continue to refine its health and wellbeing offering to employees, including incorporating elements of physical, emotional and mental health and wellbeing.

Environmental performance: driving sustainability at the cluster level

Terra harnesses the productive qualities of landholdings in Mauritius to create stakeholder value. Agriculture, property development and power generation lie at the core of our business model, with our key business activities depending on the availability and quality of natural resources. In addition to our human capital, our key resources include land, water, soil, sugar cane, and biomass. Conserving these resources and safeguarding the island's ecological functioning is central to our value proposition.

We take a decentralised approach to environmental management, empowering each cluster to drive performance by identifying and integrating cluster-specific objectives into the overall cluster strategy. This year, each cluster established a dedicated Sustainability Committee to drive accountability and track performance against environmental goals and targets. We also formalised our annual Sustainability Summit, attended by the General Manager of each cluster and a dedicated sustainability champion. At the summit, each cluster reports on its sustainability goals and progress to Terra's Managing Director and the broader management team and, subsequently, to the Board of Directors. This ensures ongoing Group-level oversight while supporting strategy execution at cluster level.

Another significant development was aligning the clusters' sustainability strategies with relevant SDGs. Read more about this in the Terra Sustainability Report, which is available on our website.

SEMSI LISTING

Terra has been listed on the Stock Exchange of Mauritius' Sustainability Index (SEMSI) since 2015.

Circular economy: our environmental footprint

Our industrial ecosystem is a leading example of a circular economy in sugar production, with by-products from one part of our business serving as inputs for others. Terra's key environmental risks remain climate change and water scarcity, while wastewater management, water pollution and waste production remain other major concerns. The potential to expand renewable energy production from biomass is a climate change-related opportunity for the Group that speaks strongly to our business model (see our Sustainability Report for more details).

Cane: Drought and a reduction in water allocations continued to impact sugar cane production for Terragri. A key focus remained on improving and extending irrigation infrastructure to increase the distribution of treated effluent for irrigation across our fields. In 2023, 567,161 m^3 of treated effluent from Terra Milling and Terragen was used by Terragri for irrigation (2022: 589,085 m^3). We are investigating the use of groundwater through boreholes. Terra Milling focused on reducing water consumption from leaks and inefficiencies and improving waste segregation and recycling (focused explicitly on plastic recycling and better management of used tyres and oil). Terragri remained focused on implementing precision agriculture capabilities to increase the efficiency of chemical fertiliser, using drones and satellite imagery to support spot cover for herbicides instead of full cover, and managing diesel consumption.

Brands: In 2023, Grays Distilling sent 45,520 tonnes of vinasse effluent to Topterra for treatment, which is processed into concentrated molasses stillage (CMS) used as fertiliser and irrigation water used by Terragri in sugar cane fields. This year, a key focus for Grays Distilling was improving boiler efficiency to optimise its coal consumption while investigating renewable energy solutions. Grays Inc. continued to optimise water-use efficiency by using rainwater harvesting infrastructure, which supplied 4% of its water needs. At Grays Distilling, ongoing employee training and awareness emphasised the importance of reduced water and electricity usage. Grays Inc. has installed photovoltaic solar panels that generate 24% of its energy requirements to support greener energy sources. Grays Inc. and Grays Distilling continued to implement a more structured waste management approach. Grays Inc. partnered with ecoSPIRITS, a circular economy technology company, to introduce a low-carbon, low-waste distribution technology for its premium spirits. Another highlight was the launch of *Proze Ver*, a collaborative glass-recycling project facilitated by Terra Foundation on behalf of Grays Inc. We recorded no exceedances of effluent quality standards at either entity.

Power: Terragen continued to produce renewable energy from cane straw and bagasse. Renewable electrical energy production increased from 315,864 GJ in 2022 to 364,400 GJ in 2023, and carbon emissions increased from 221,265 tCO_2e to 277,603 tCO_2e. Terragen continued to explore additional options to expand the production of renewable energy from biomass. We retained 32 hectares of eucalyptus and continued the biomass trial to generate electricity from locally produced wood chips. The Government released the National Biomass Renewable Energy Framework in June 2023. Aspects of this framework remain under discussion, including defining remuneration for other local types of biomass. Greater certainty will support Terragen's ongoing efforts to expand renewable energy production from biomass in partnership with local suppliers. The share of renewable energy in Terragen's mix increased from 24% to 27%. Terragen continues to emphasise waste separation and recycling; while we generated 21.3% less waste, the four-months break in the operations (January–April 2023) caused us to recycle 25% less waste, which we will try to improve in 2024. We again recorded an exceedance in effluent quality due to the presence of oil and grease and are investigating how to strengthen our environmental controls. We recorded no exceedances for air emissions. Our water consumption increased to 972,165 m^3 (2022: 897,741 m^3). Terragen continues to prioritise repairing leaks and optimising water usage, demonstrating a proactive approach to water conservation. The bulk of effluent was treated and sent to Terragri for irrigation, with 303,212 m^3 of wastewater sent to the local water treatment facility.

Property and Leisure: Novaterra continued to prioritise integrating green building practices and renewable energy sources in all new and existing developments. This included achieving EDGE (Excellence in Design for Greater Efficiencies) Certification[1] for our new office building, The Strand. Novaterra further initiated a project in June 2023 to develop a 1.6 MW solar farm in La Louisa, north of Beau Plan. This solar farm will supply Beau Plan Smart City with approximately 2.6 GWh of power, saving over 2,000 metric tonnes of CO_2 emissions annually. Novaterra continued to optimise water-use efficiency. We treated 23,500 m^3 of our greywater, which we used to irrigate the sugar cane fields in Beau Plan. We have achieved 33% water savings by installing water-efficient plumbing solutions. We continue to focus on using artificial intelligence and smart technology to optimise energy consumption within Beau Plan Smart City. Preserving and enhancing local biodiversity remains an important element of Novaterra's sustainability strategy. Key investments included allocating green spaces within urban developments and initiating a Tiny Forest project, introducing a dense, fast-growing native woodland in Bois Rouge. *L'Aventure du Sucre* continues to manage its waste, monitor water and electricity use, and take steps to make its operations more environmentally responsible. In 2023, *L'Aventure du Sucre* achieved zero organic waste to landfill and continued to pursue a paperless approach in its office and marketing activities.

Construction: The Construction cluster is committed to introducing sustainable practices and environmental stewardship across its operations. This year, Terrarock implemented waste separation, focusing on plastic recycling. Terrarock also invested in a tree-planting programme to restore biodiversity and maintain green spaces around its facilities. The business introduced water-saving technologies, including investing in water reuse and technology to identify and monitor leaks. Terrarock received no environmental complaints, fines or penalties in 2023. REHM Grinaker promotes recycling by ensuring recycling bins for plastic and paper are available throughout its offices while its yard recycles metal, plastic and used oil. REHM Grinaker ensures that all non-hazardous waste is appropriately collected and transported to approved landfills. In 2023, REHM Grinaker constructed The Precinct, an office development in Grand Baie that the Green Building Council of South Africa awarded a five-star rating.

[1] EDGE is an international green building certification system focused on making buildings more resource-efficient.

Outlook

During 2024, each of our clusters will embark on a carbon footprint assessment and will also focus on the following:

Cane: Enhancing irrigation infrastructure to enable more efficient water use (including investing in a new effluent treatment plant); maintaining focus on managing diesel consumption; implementing precision agriculture capabilities; and continuing to build capacity regarding using digital solutions within Terragri.

Brands: At Grays Inc., recycling single-use glass packaging, increasing rainwater harvesting capacity, increasing the amount of electricity generated from solar panels, improving wastewater recovery, and reducing effluent; at Grays Distilling, decreasing electricity and water consumption, recycling at least 50% of wastewater generated during operations, and improving boiler efficiency.

Power: Pursuing engagements with Government to develop a strategy in line with the national 60% renewable energy objective by 2030 and the phasing out of coal; increasing cane straw and bagasse production and enhancing renewable energy production; developing additional renewable biomass capacity, with a focus on wood chips; and continuing employee campaigns to ensure efficient waste segregation.

Property and Leisure: Minimising waste generation, increasing recycling rates, and nurturing a circular economy culture underpinned by a roadmap for solid waste management; enhancing our developments' resilience to climate change (including undertaking climate risks assessments and developing disaster preparedness plans); and adopting sustainable procurement practices in partnership with suppliers.

Construction: Continuing to invest in training and awareness to foster a culture of environmental stewardship among employees at Terrarock and REHM Grinaker; and placing increased focus on compiling environmental data for energy, water and waste to enable the cluster to track, measure and report its environmental performance as comprehensively, accurately and transparently as possible. This is an ongoing journey and multi-year focus and investment.

Corporate social responsibility: supporting our communities

In addition to the significant social value the Group creates through its core business activities, Terra supports neighbouring communities. Our Corporate Social Responsibility (CSR) programme, coordinated by the Terra Foundation, aligns with Government's CSR guidelines and promotes regional and national community development. The foundation's primary focus remained on the geographical areas around Terra's Beau Plan and Belle Vue operations. Going forward, we aim to allocate more resources to ensure that local communities benefit fully from the development of our Beau Plan Smart City.

Strengthened partnerships and extended community support

In 2023, the facility offered by the Mauritius Revenue Authority (MRA) was maintained. Out of the 75% CSR contribution made to the MRA (passed onto the National Social Inclusion Foundation and redistributed to NGOs), companies of the Group retained 25% for our long-term project partners. This retention enabled us to provide 50% of our CSR funds to community projects. We partnered with 25 NGOs and sponsored 44 projects in 2023. We delivered 34 of these projects (representing 79% of our funding) in the northern region.

In 2023, we renewed our emergency fund, initially established during the Covid-19 pandemic. In addition to supporting flood victims and funding local food aid, a key portion of the fund went to support skills development for local unemployed women. Building on the success of the 2022 household technicians' course, we invited 14 local unemployed women to an introductory pastry course at our NGO partner, Caritas's training centre.

The Cane cluster and its competitor Alteo are contributing MUR 2 million over two years to fund the construction of a boarding house at the new local technical high school, the *Lycée Professionnel St Gabriel Don Bosco*. This builds on Terra's ongoing support of the college and will enable the school to increase its student intake and professionalise the qualifications it offers. Terra Foundation played a pivotal fundraising role.

Terra Foundation collaborated with the Beau Plan team and various local stakeholders to establish an inaugural Tiny Forest in Bois Rouge. This initiative aims to beautify the area, restore biodiversity, and mitigate carbon emissions and high temperatures. The planting event saw 400 indigenous shrubs, plants, and various vegetation successfully take root across a 200 m² area adjacent to the forthcoming sports centre.

A highlight from our sponsorships this year includes significant achievements at the Safire Cycling Academy. Two sponsored athletes won multiple medals at the African Games in Ghana, showcasing the positive impact of our annual support for local sports and athletes.

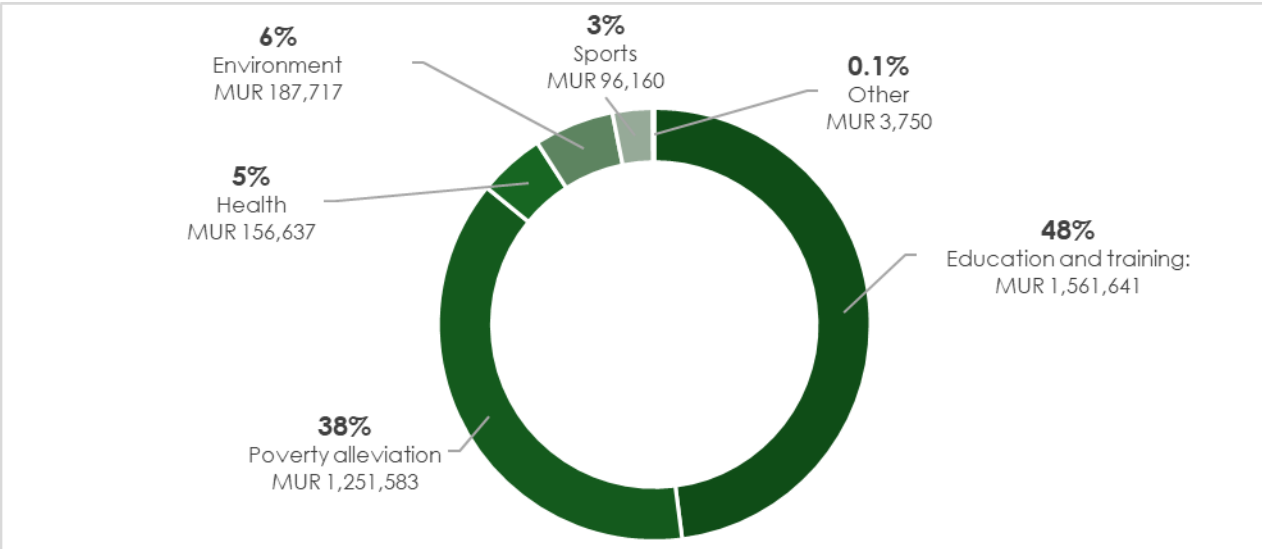
After a hiatus due to Covid-19, schools in Rodrigues have resumed their educational tours of Mauritius with our sponsorship. This year, three schools participated, marking the beginning of a phased return to the pre-pandemic level of nine schools.

Another highlight was launching *Proze Ver*, a collaborative glass-recycling project facilitated by Terra Foundation on behalf of Grays Inc. We launched this project in collaboration with Grays Inc. competitors Oxenham and Scott.

Measuring impact

Our budget of MUR 3.2 million net of administrative expenses supported 2,141 beneficiaries (1,669 in 2022), the majority of who were children. In addition, the Group invested MUR 2.9 million in social impact projects, resulting in a total social investment of MUR 6.1 million in 2023.

Sponsorship by focus area in 2023



Outlook

We will develop the *Proze Ver* recycling initiative by deploying a second glass separation container from Grays Inc., enhancing its educational aspects, and broadening stakeholder engagement to facilitate national expansion. We will support unemployed women by providing access to an advanced pastry course and helping them leverage these skills to generate an income. We will continue to mobilise Terra employees, encourage them to volunteer their skills to assist local communities and expand our list of employee volunteers with skills needed by our NGO partners. Additionally, we will continue to provide financial support to long-standing partners and projects, strengthen the resilience of our NGO partners, and leverage our external networks to enhance positive impact.

We provide more information on our CSR performance in the Terra Sustainability Report, which is available on our website.

Governance

Our Leadership

Board of Directors

ARC: Audit and Risk Committee	**CGC**: Corporate Governance Committee
SIC: Strategy and Investment Committee	**EC**: Ethics Committee
BM: Board meetings	**AM**: Annual Meeting
---: Chairperson	---:Secretary

Alain Rey (64)

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

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, at The State Bank of Mauritius: 2009-2015 and at the MCB Group: 2015-2023

Current outside Directorships of listed and quoted/non-listed companies:

Listed	Quoted/non-listed
New Mauritius Hotels Ltd	
	• Quantum Ltd
	• Precigraph Ltée
	• MCB Microfinance Ltd

BM	CGC	SIC	EC	AM
8/8	4/4	4/4	2/2	✔

Dominique de Froberville (64)

Non-Executive Director - First appointed to the Board in 2011
Maîtrise en Chimie Industrielle (France); MBA (England)

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.

BM	SIC	AM
8/8	4/4	✔

Thierry de Labauve d'Arifat (51)

Non-Executive Director - First appointed to the Board in 2022
Diploma in Building Management – Technikon Natal (South-Africa)
Project Management Professional Certification from the Project Management Institute

From Technical Assistant to Site Manager at Rehm Grinaker Construction Company Limited: 1993-1997
Contracts Manager at BEAM Ltd: 1998-2003
Logistics Manager at Plumbelec Co. Ltd: 2003
Self-employed at TDA Consult Ltd to offer building management services: 2004-2015
Head of Operations for the residential cluster at ENL Property Co. Ltd: 2016-2019
Self-employed by TDA Consult Ltd: 2020 to date

BM	AM
8/8	✔

Alexis Harel (61)

Executive Director – First appointed to the Board in 2011

BSc, Business Administration (USA)

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

Directorships of listed companies:
United Docks Ltd

BM	SIC	AM
8/8	4/4	-

Didier Harel (72)

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)

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

Directorships of listed companies:
MCB Group Limited

BM	CGC	SIC	AM
7/8	4/4	4/4	✔

Henri Harel (63)

Executive Director – First appointed to the Board in 2011

ACIS (South Africa)

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

Directorships of listed companies:
Swan General Ltd

BM	SIC	AM
8/8	3/4	✔

Françoise Ip Wan Shek (67)

Independent Non-Executive Director – First appointed to the Board in 2023

Fellow of the Association of the Chartered and Certified Accountants (FCCA)

From Accountant at Ferney Spinning Mills Ltd to Financial Controller and then Head of Finance in the Ciel Textile group of companies: 1979-2018
Management Consultant in training and coaching in Management Accounting Concept: 2019-2023

BM	ARC	EC	AM
3/3	1/1	1/1	N/A

Nicolas Maigrot (55)

Managing Director – First appointed to the Board in 2016

BSc Management Sciences (London)

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

Directorships of listed companies:
Swan General Ltd
United Docks Ltd

BM	CGC	SIC	AM
8/8	4/4	4/4	✔

Anna Mallac-Sim (35)

Non-Executive Director – First appointed to the Board in 2021

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

Associate of *LPB Architectes* (Paris): 2011-2015
Collaboration with several local architectural firms in Mauritius: 2016-2017
teacher at *Ecole Nationale d'Architecture de Nantes* on its Mauritian campus: 2018 to date

BM	AM
8/8	✔

Pascal Raffray (48)

Non-Executive Director – First appointed to the Board in 2019

BA in Economics and Finance, INSEEC (France)
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

BM	ARC	AM
8/8	5/5	-

Kalindee Ramdhonee (60)

Independent Non-Executive Director – First appointed to the Board in 2022

Fellow of the Association of Chartered Certified Accountants (UK)

Head of Accounts in the technology cluster of Harel Mallac: 1991-2003
Finance and Administrative Manager to MC Vision: 2003-2010
Group Financial Controller at African Alliance Group: 2010-2012
General Manager in Mauritius for the BIA Group, a Belgian family business: 2012-2016
Founder/Managing Director of Karics Partners Ltd: 2016 to date

Directorships of listed companies:
The United Basalt Products Ltd
BMH Ltd

BM	ARC	CGC	AM
8/8	5/5	4/4	✔

Nikhil Treebhoohun (69)

Independent Non-Executive Director – First appointed to the Board in 2014. Retired on 26 September 2023

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

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

BM	ARC	EC	AM
5/5	4/4	1/1	✔

Secretary to the Board

Louis Denis Koenig (57)

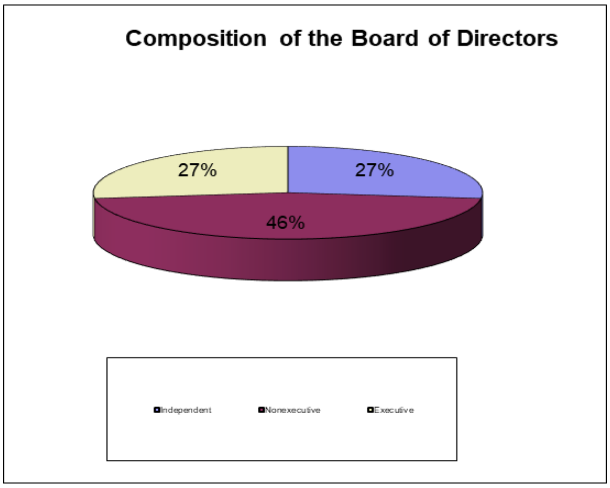
Administrative Executive and Managing Director of Terra Services Ltd, Company Secretary

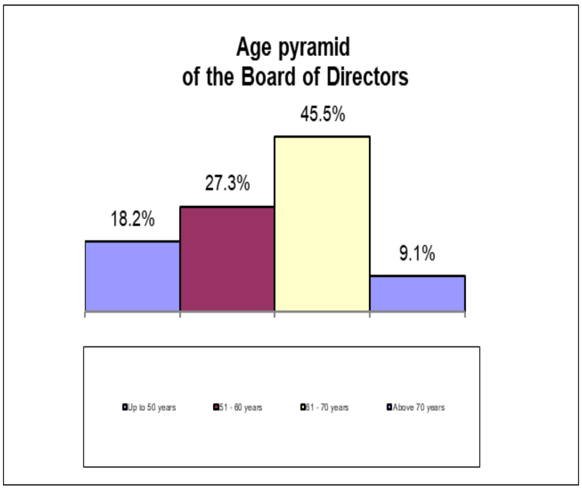
Maîtrise ès Sciences Economiques (Economie d'Entreprise)

Diplôme d'Etudes 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 several subsidiaries of Terra
Member of Terra's Executive Committee

BM	ARC	CGC	SIC	EC	AM
7/8	3/5	4/4	4/4	2/2	✔





Management team

Marie-Annick Auguste (53)
CSR Manager (Terra Foundation)
BA in Psychology and Communication (South Africa)
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 and 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.

Jocelyn de Chasteauneuf (49)
Director (Grays Distilling))
BA (Hons) Accounting and Finance – London (UK)
Member of the Association of Chartered Management Accountants (UK)
Jocelyn de Chasteauneuf started his career as Accountant in London and has been thereafter the Cost Accountant of a Mauritian manufacturing company. He was employed as Finance Manager of the Brands cluster of the Group in 2001 and is presently its Finance Director. He is also a Director of the distillery.

Neil Cloete (64)
Managing Director (REHM Grinaker)
B.Sc Building Management, SACPCMP
Neil Cloete has over 30 years of multi-national experience in major construction projects having been involved in contracts throughout Africa and the Middle East. He has served at the highest level of management for many years, including Managing Director of Aveng Grinaker-LTA at that time, one of South Africa's largest listed construction companies. He has served as a director in a multitude of businesses and been integrally involved in mergers, acquisitions, and business turn-around strategies. Neil served as President of Master Builders South Africa, the country's largest employer body in the Building Industry in 2015 and 2016. He is registered with the South African Council for Project and Construction Management Professions and is an Executive Committee member of the Building and Civil Engineering Contractors Association (BACECA) in Mauritius. Neil Cloete has been the Managing Director of REHM Grinaker Construction Co. Ltd since 1st September 2016.

Nicolas Eynaud (55)
General Manager (Novaterra)
National Diploma in Land Surveying (South Africa)
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 (55)
Managing Director (L'Aventure du Sucre)
Maitrise ès Sciences Economiques (France)
MBA (USA)
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 (43)
Plant Manager (Terragen)
Diplôme d'Ingénieur Généraliste de l'ICAM Lille (France)
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 (59)
Group Finance Manager
Fellow of the Association of Chartered Certified Accountants (UK)
Member of the Mauritius Institute of Professional Accountants
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.

Sébastien Mamet (48)
General Manager (Agriculture)
Chartered Accountant (UK)
After working in the Audit Department of EY 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 (47)
Group Legal Advisor
LLB (Hons) (Mauritius), LLM (Bristol, UK), MBA (Paris-Dauphine, France)
Barrister at Law
Called to the Mauritian Bar since 2002, Iqra Mosaheb started her career in the offshore sector. Over the last 16 years, she has acquired extensive experience in corporate legal services, including overseeing group in-house legal services, both in the financial services and in non-financial services sectors, with an enhanced focus on banking services. Iqra joined Terra in 2017.

Christopher Park (41)
Group Human Resource Manager
BCom HRM, Management and Business Law (Australia)
MCom Human Resources and Marketing (Australia)
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 and Recruitment Consultant. Upon his return to Mauritius in 2009, he joined Adecco Mauritius as a Recruitment and 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. He left the Group on 30 September 2023.

Didier Ramsamy (51)
Factory Manager (Terra Milling Ltd)
Chemical Engineering, MBA, AMIChemE (UK)
After working in the Mauritian sugar industry for 12 years, Didier joined Illovo Sugar Africa and worked at two Illovo mills, namely Ubombo Sugar Ltd in Eswatini (16 years.) and Maragra Açúcar SA in Mozambique (two years.) as a middle manager. Having grown through the ranks at Illovo, Didier was Factory Optimisation Manager at Maragra before joining TML. In his role as Optimisation Manager, he was responsible to develop optimisation strategies for the factory. Didier was appointed as Factory Manager of Terra Milling Ltd in August 2022.

Julien Rousset (42)
Head of Corporate Development
MSc in Management (France)
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 sugarcane 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 corporate development function. As a Director of some of Terra's associates and a member of several management committees, he advises on the strategy formulation of the Group's projects and is responsible for following existing investments and implementing new business developments. He left the Group on 15 September 2023.

Ashwan Seeparsad (41)
Group IT Manager
BSc (Hons) in Business Information Technology (UK)
MSc in Artificial Intelligence (University of Mauritius)
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 for several companies in Mauritius over the course of 14 years, including 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. In 2024, Ashwan has completed a MSc in Artificial Intelligence, further enhancing his expertise in the field of technology and data-driven decision-making.

Joëlle Wong Hing Nang (42)

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)

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 while 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 (up to 15 September 2023)	*Head of Corporate Development*

* *Also serves as Secretary to the Committee*
Profiles of Executive Committee members are set out on pages 69 to 73.

Accounts

Steeve Lareine — *Group Finance Manager*

Human Resources

Christopher Park (up to 30 September 2023) — *Group HR Manager*

Information Technology

Ashwan Seeparsad — *Group IT Manager*

Legal

Iqra Mosaheb — *Group Legal Advisor*

Corporate Social Responsibility

Marie-Annick Auguste — *CSR Manager*

Cane

Sébastien Mamet — *General Manager*
Didier Ramsamy — *Factory Manager*

Power

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

Brands

Bottling and Distribution

Alexis Harel — *Managing Director*

Distillery

Jocelyn de Chasteauneuf — *Director*

Real Estate and Leisure

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

Construction

Multi-disciplinary construction
Neil Cloete — *Managing Director (REHM Grinaker Construction Co. Ltd)*

Stone Crushing and Block Making
The United Basalt Products Limited — *Managers (Terrarock Ltd)*

Treasury Management

Joëlle Wong Hing Nang — *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 eight 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 adequately explains of how these principles have been applied by the Company and its subsidiaries ("the Group").

Constitution

Terra's constitution conforms with the provisions of the Mauritian 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.

Board of Directors

The Board as a whole is ultimately responsible and accountable for the affairs and overall performance of the Group, including its long-term resilience to sustainability-related risks. It must ensure that proper systems and controls are in place to protect the Group's assets and its good reputation. Considering recommendations made by Management, the Board makes strategic choices and decisions, identifies key risk areas, monitors and evaluates the implementation of policies and business plans, and approves major investments as well as the Group's annual capital expenditure and operating budgets. It must also ensure proper disclosure and reporting on such matters. The Board 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 is reviewed regularly and was last updated in 2024. The Directors are aware of their legal duties and they assume responsibility of meeting all legal and regulatory requirements.

The Board 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. The Board regularly review these policies. Each year, the Board also approves the main clusters' significant expenditures on information technology, together with their annual capital expenditure budgets.

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. As required by the Board Charter, the Directors receive the Agenda of Board meetings at least five working days before the meeting, as well as the relevant documents and papers. The attendance of Directors at Board and committee meetings in 2023, as well as at the Annual Meeting of shareholders, is set out on pages 68 to 71. 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 69 to 73. Consultants are also invited to attend Board meetings when necessary and, in 2023, 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;
- Approving the audited consolidated annual and interim financial statements and their abridged version for publication, as well as the Annual Report;
- 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;
- Considering reports from the Board committees;
- Overseeing key risk areas and ensuring effective risk management processes;
- Declaring final dividends for the year ended on 31 December 2023;
- Reviewing the governance structures, frameworks, policies, processes and procedures in line with best practices and current regulations;
- Providing guidance and leadership in the corporate governance arena;
- Regularly reviewing and optimising the Company's debt profile; 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. The Board's size and composition are appropriate, considering the structure of the shareholding, and provide an adequate number of independent and executive Directors. The present mix is considered sufficient to avoid group think at the level of the Board.

The Directors who were in office during the year ended 31 December 2023 are those listed on pages 68 to 71.

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 218. The external obligations of the Chairman have changed in 2023 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 three female members on the Board. In 2023, there has been no major change in the non-Executive director's directorships in other companies. Their commitments to Terra Mauricia Ltd have not been impacted. They are still able to allocate sufficient time to Terra as it was already determined upon their initial appointment and this is confirmed by their attendance to meetings. None of the independent Directors have yet served for more than nine years on the Board. If this was the case, the Board would regularly examine the Director's situation and performance to determine if he/she would still be considered independent.

Although the Chairman is not considered as being independent, as he is also the Chairman of Société de Nemours, the ultimate holding entity of Terra, he has no link with the shareholding of Société de Nemours and has also shown objectivity and an independence of judgement in performing his duties.

At the Annual Meeting held in 2023, two Directors who retired from office by rotation were eligible for re-election and were re-elected. One non-executive Director was appointed to fill a vacancy. Under Section 138 (6) of the Mauritian Companies Act, one non-executive Director, namely Mr Didier Harel, was proposed for re-election and was re-elected. The latest Board evaluation confirmed his performance and commitment.

The Board is of the opinion that the rotation of three Directors each year, as provided by Terra's constitution 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 Board committees – to be reasonably familiar with the intricacies of the Group's operations. This ensures they can exercise the expected 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 succession planning, including senior executives and the nomination process of Directors. This responsibility 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 their professional development. All new directors appointed during the year have attended and participated in an induction and orientation process. The latest Board Effectiveness Evaluation provided the opportunity to discuss 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 2023 pursuant to the Listing Rules are as follows:

	ORDINARY SHARES			
	DIRECT		**INDIRECT**	
	SHARES	%	SHARES	%
DIRECTORS				
Thierry de Labauve d'Arifat	-	-	-	-
Dominique de Froberville	-	-	266	0.00%
Alexis Harel	30,133	0.01%	74,083	0.03%
Didier Harel	-	-	-	-
Henri Harel	413,666	0.18%	35,200	0.02%
Françoise Ip Wan Shek	-	-	-	-
Nicolas Maigrot	-	-	-	-
Anna Mallac-Sim	133	0.00%	4,758,211	2.09%
Pascal Raffray	-	-	-	-
Kalindee Ramdhonee	-	-	-	-
Alain Rey	-	-	-	-
Total	443,932	0.20%	4,867,760	2.14%
Total issued shares	227,545,624			

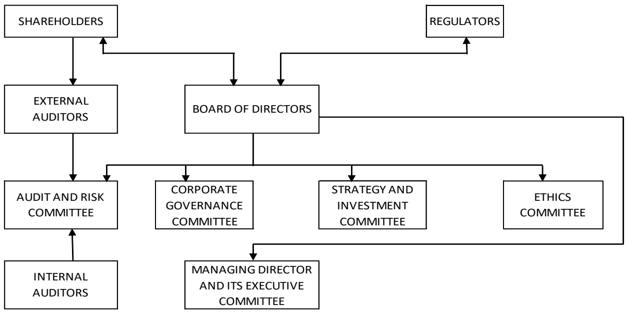
None of the Directors holds any interest in subsidiaries of the Company. The Directors abide by the principles enunciated in the Model Code on Securities Transactions by Directors, set out in Appendix 6 of the Mauritius Stock Exchange Listing Rules. During the year under review, none of the Directors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

Group Company Secretary

Directors have direct access to the advice and services of the Group Company 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. He further 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. Among its directors, Terra Services Ltd has one member of the Institute of Chartered Secretaries and Administrators of the United Kingdom and one Chartered Accountant. An interest register is maintained by the Group 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 and to Board committees with clearly defined mandates. Their terms of reference, which have been approved by the Board, were reviewed in 2023. They are posted on Terra's website, along with the position statement of each senior governance position within the Company and the Group's organisational structure. The Board also approved these items, which were reviewed in 2021. While an independent Director assumes the chairmanship of the Audit and Risk Committee, the Chairman of the Board chairs the three other committees to ensure a smooth and proper coordination between these committees and the Board.



Group Compliance Function

The Group has a Compliance function which is ensured by a Group Compliance and Money Laundering Reporting Officer, who ensures the compliance of all relevant Group companies with the laws and regulations pertaining to the Financial Intelligence and Anti-Money Laundering Act as well as the Anti-Money Laundering and Combatting the Financing of Terrorism Act.

Board Committees

Audit and Risk Committee

Composition

Members:

Kalindee Ramdhonee	*Chairperson: Independent non-executive*
Pascal Raffray	*Member: Non-executive*
Nikhil Treebhoohun (up to 26 September 2023)	*Member: Independent Non-executive*
Françoise Ip Wan Shek (as from 27 September 2023)	*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 and monitoring the effectiveness of the systems of internal control, including internal financial control, 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 2023.

External auditors

At the Annual Meeting held in September 2023 the shareholders approved the re-appointment of BDO & Co, who were first appointed in 2020. Details of audit and non-audit fees are disclosed on page 219.

Meeting schedule

The Audit and Risk Committee met five times in 2023 and satisfied its responsibilities for the year in compliance with its terms of reference. Individual attendance by Directors is set out on pages 68 to 71. Critical policies, judgements and estimates were discussed when the Committee met with the external auditors to review the financial statements. On that occasion, the Committee met the auditors outside the presence of management.

Committee focus in 2023

- 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 2023;
- Review of internal audit reports; and
- Regular review of the effectiveness of the Risk Management Framework, as described in the Group's Enterprise Risk Management (ERM) approach and reviewing the risk registers of each cluster.

Grays' Audit and Risk Committee

Given that 26% of Grays Inc. Ltd is owned by Distell International Holdings Limited, a strategic partner, and taking into account the complexity of its activities, Grays Inc. Ltd has a separate Audit and Risk Committee. This Committee is under the chairmanship of Deon Louw, a representative of Grays' strategic partner, with Françoise Ip Wan Shek, Henri Harel and Dominique de Froberville as members. 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 two occasions during the year. The first meeting focused on the management letter from the external auditors, the audited financial statements, a follow-up report from the internal auditor and the risk register. The second meeting focused on the external audit plan, the review of the terms of reference of the Committee, the engagement letters and fees for the hiring of services regarding the preparation of financial statements and the tax computation, the review of three internal audit follow-up reports, and the finalisation of the internal audit plan for 2024.

Corporate Governance Committee

Composition

Members throughout the year:

Alain Rey	*Chairman: Non-executive*
Didier Harel	*Member: Independent Non-executive*
Kalindee Ramdhonee	*Member: Independent Non-executive*

In attendance:

Nicolas Maigrot	*Executive*

Terms of reference

The Committee has the responsibility of implementing the Code throughout the Group and ensuring that the reporting requirements on corporate governance are made in accordance with the principles enunciated in it. The Committee's role also encompasses the functions of both the Remuneration and the Nomination Committees. Its terms of reference include *inter alia* the development of the Group's general policy on executive and senior management remuneration, as well as the determination of 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 Board reviewed the terms of reference of the Committee in November 2023.

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 68 to 71.

Committee focus in 2023

- Reviewing the Corporate Governance Report and Annual Report for the year ended 31 December 2022;
- Appointment and re-appointment of Directors;
- Preparation of Annual Meeting held on 26 September 2023;
- Composition of boards of Directors of subsidiaries and associated companies;
- Review and approval of the remuneration of senior executives;
- Board evaluation up-date;
- Determination of the variable portion of senior executives' remuneration;
- Review of and recommendations for the Directors' remuneration; and
- Renewal of the Directors and Officers Liability Insurance Policy.

Board evaluation

A follow-up of the Board Effectiveness Evaluation held in the first quarter of 2020 with the help of Ernst & Young (EY), was done by EY in the second half of 2022 by conducting individual interviews and reviewing documentation. The evaluation also reviewed the performance of the Board committees and the individual Directors. The report was subsequently submitted to the Committee and to the Board in the first quarter of 2023. The report was generally satisfactory and appropriate measures have been taken regarding the improvement areas identified.

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 (up to 15 September 2023)	*Head of Corporate Development*

Terms of reference

The Strategy and Investment Committee assists the Board in discharging its duties relating to strategic investment or disinvestment decisions. The Committee reviews and recommends significant investment or disinvestment choices to the Board, based on input provided by the management team. It has neither managerial nor decision-making powers. The Committee consists of a minimum of three and a maximum of six Directors appointed by the Board, at least half of who should be non-executive Directors and preferably independent. The Board appoints a chairman from among the non-executive members of the Committee. The Board reviewed the terms of reference of the Committee in November 2023.

Meeting schedule and Committee focus in 2023

The Strategy and Investment Committee met four times in 2023. It reviewed the Group's investment portfolio as well as investment or disinvestment opportunities, including new projects for the Property and Leisure cluster, the Group's financing requirements and made several recommendations to the Board. The attendance of individual Directors at these meetings is detailed on pages 68 to 71.

Ethics Committee

Composition

Members throughout the year:

Alain Rey	*Chairman: Non-executive*
Christopher Park (up to 30 September 2023)	*Member: Human Resources Manager*
Nikhil Treebhoohun (up to 26 September 2023)	*Member: Independent Non-executive*
Françoise Ip Wan Shek (as from 27 September 2023)	*Member: Independent Non-executive*
Iqra Mosaheb (as from 15 November 2023)	*Member : Group Legal Advisor*
Louis Denis Koenig	*Member: Administrative 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 deal with any complaint relating to the Group's Code of Ethics and to ensure that it is regularly updated. The Committee is seconded in its mission by the Group Ethics Officer who holds a Certificate from the Ethics Institute of South Africa.

The Group's Code of Ethics, which includes a Whistle-blowing Policy monitored by Transparency Mauritius, was reviewed in 2021. All Board members, senior executives, staff, and employees have been invited to renew their commitment to abide by the Code of Ethics. In 2022, an e-Learning module was launched for all employees with access to a computer to enable them to become more familiar with the revised Code and to validate their comprehension and commitment online. For those who did not have access to a computer, live sessions were organised by the Group Ethics Officer with the help of Transparency Mauritius. No whistle-blowing case was reported, either through Transparency Mauritius or internally, in 2023. During the year, the Group Ethics Officer continued to devote time to encouraging the Group's employees and stakeholders, such as contractors and suppliers, to adhere to the revised Code of Ethics to ensure it is successfully implemented.

The Board reviewed the terms of reference of the Committee in December 2023.

Meeting schedule

The Committee met twice in 2023 and the attendance of individual Directors at meetings is detailed on pages 68 to 71.

Committee focus in 2023

- Report of the Group Ethics Officer on its activities;
- Renewed the agreement with Transparency Mauritius for the whistle-blowing services;
- Follow-up of any whistle-blowing case reported to the Committee;
- Dissemination of information on ethics within the Group; and
- Reviewing the action plan of the Group Ethics Officer for 2024.

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 submitted at 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 2023 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 2023 is as follows:

	2023 MUR'000
Directors	
Dominique de Froberville	**867**
Thierry de Labauve d'Arifat	**698**
Alexis Harel	**965**
Didier Harel	**1,012**
Henri Harel	**698**
Nicolas Maigrot	**698**
Anna Mallac-Sim	**698**
Pascal Raffray	**927**
Kalindee Ramdhonee	**1,236**
Alain Rey (Chairman)	**2,051**
Françoise Ip Wan Shek	**291**

Executives

Regarding 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 individual and corporate level.

In addition to the fixed and per meeting Directors' fees, the overall remuneration of executive Directors includes a basic salary, pension and other benefits, as well as a variable annual performance bonus. The variable performance bonus is in line with the above-mentioned policy objectives and is based on a percentage of the Group's or relevant company's adjusted 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 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. However, they may receive remuneration from the subsidiary that is their employer. For reasons of confidentiality and due to the market sensitivity of the information, the Board of Directors has decided not to disclose the individual remuneration that executive Directors receive from subsidiaries.

The remuneration and benefits received by the Directors from the Company and its subsidiaries as at 31 December 2023 are disclosed in the Statutory Disclosures on page 101.

Related Party Transactions and Conflicts of Interest

Related party transactions are disclosed in aggregate in Note 38 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 Group's Conflict of Interest Policy which is posted on Terra's website.

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 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 87 to 92 of this report.

Health, Safety and Environment

An overview of the Group's Health and Safety activities and its environmental performance is provided on pages 62 to 66 of this report.

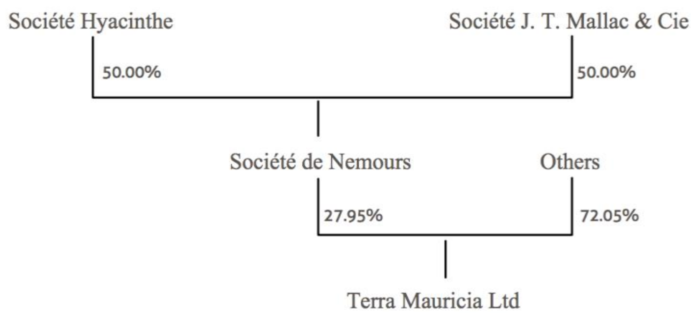
Donations and Corporate Social Responsibility

Political and other donations made during the year are shown on page 102. 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 (CSR) are detailed on pages 66 and 67.

Holding Structure

As at 31 December 2023, the holding structure of Terra Mauricia Ltd (Terra) was as follows:



Group Structure

The Group structure is provided on page 220. The creation of new structures within the Group is generally discussed at the level of the Executive Committee (as defined on page 75) and the Strategy and Investment Committee, before being submitted to the relevant Board for its approval. Information is exchanged within the Group through the Executive Committee, as well as via the various management committees 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 risk register, under the supervision of the Audit and Risk Committee.

Substantial Shareholders

As at 31 October 2024, the following shareholders were directly or indirectly beneficially interested in 5% or more in the share capital of Terra:

	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 Société Amée, which is a member of Société J.T. Mallac & Cie and also holds 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 2023, the following Directors were common to Terra and the Group's holding entities:

DIRECTORS OF THE COMPANY	**DIRECTORS OF HOLDING ENTITIES**		
	Société de Nemours	**Société Hyacinthe**	**Société J.T. Mallac & Cie**
Anna Mallac-Sim	x		x
Dominique de Froberville	x		x *
Alexis Harel	x	x	
Henri Harel	x	x *	
Thierry de Labauve d'Arifat	x		
Alain Rey	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.

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. However, under normal circumstances, and considering *inter alia* the Group's performance, capital expenditure, debt servicing requirements and investment needs, as well as any external uncertainties the Group is facing, the Board aims to distribute a yearly dividend that is considered sustainable in the medium to long term.

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 19 to 22. 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 2022, nine out of ten Directors and in 2023, nine out of eleven Directors attended the meeting. 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 generally 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.

The Group engages with its stakeholders via institutional or official forums such as the Mauritius Chamber of Agriculture, Business Mauritius, the Mauritius Chamber of Commerce and Industry, the Mauritius Sugar Syndicate and the Mauritius Cane Industry Authority. The Group also regularly engages with local communities. Contacts with the Group's stakeholders is made directly or via the local authorities on a frequent or ad-hoc basis. This enables the Group to remain appraised of the concerns and expectations of its stakeholders. Several social impact surveys have been conducted in the neighbouring regions, including in the context of the future Beau Plan Smart City, to help the Group when engaging with the local *forces vives* and communities. Terra Foundation also regularly organises forums with NGOs to assess their work, needs or expectations, and also to find ways of going beyond the strictly financial aspect of CSR.

Share Information

Information relating to share distribution and Stock Exchange performance is set out on pages 93 to 97. Dates of important events are also noted.

Terra Services Ltd

Secretary
14 November 2024

Internal Controls and Risk Management

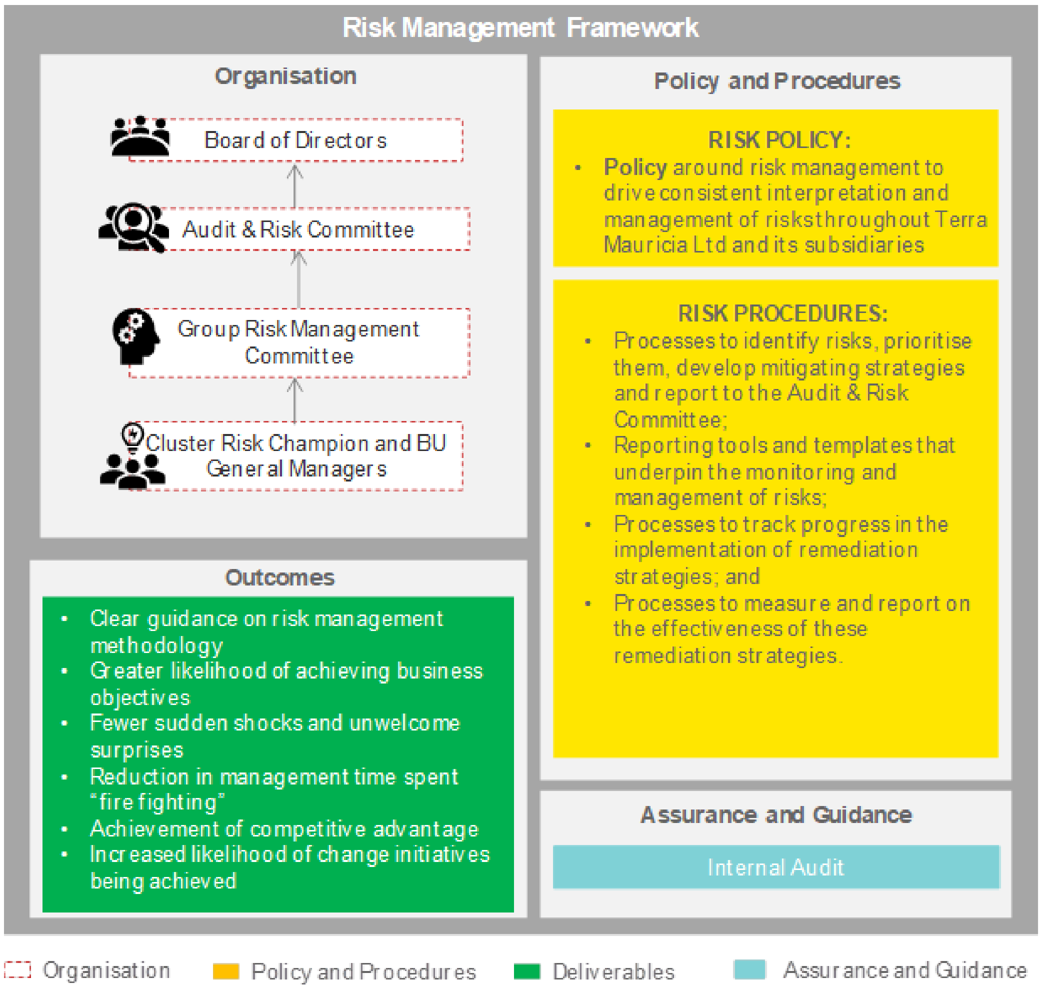
Terra's success as an organisation depends on its ability to identify and manage risks that can prevent it from achieving its objectives, including both downside risks as well as upside risks related to opportunities generated by its business and the markets it operates in. While ultimate responsibility for risk management rests with the Board, the effective day-to-day management of risk resides 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. The RMF further ensures that the Board of Terra Mauricia Ltd can discharge its responsibility to govern risk for the Group in accordance with the Mauritian Companies Act and the Code of Corporate Governance for Mauritius.

Through the Audit and Risk Committee, the Board reviewed the RMF in 2020 with the assistance of Ernst & Young (EY), following the departure of the Group Risk Champion. Following the review, a Group Risk Management Committee was established in 2021 at managerial level to monitor the risk management of the Group's clusters. It is presently made up of the Group Managing Director, the Group Chief Financial Officer and the Administrative Executive.

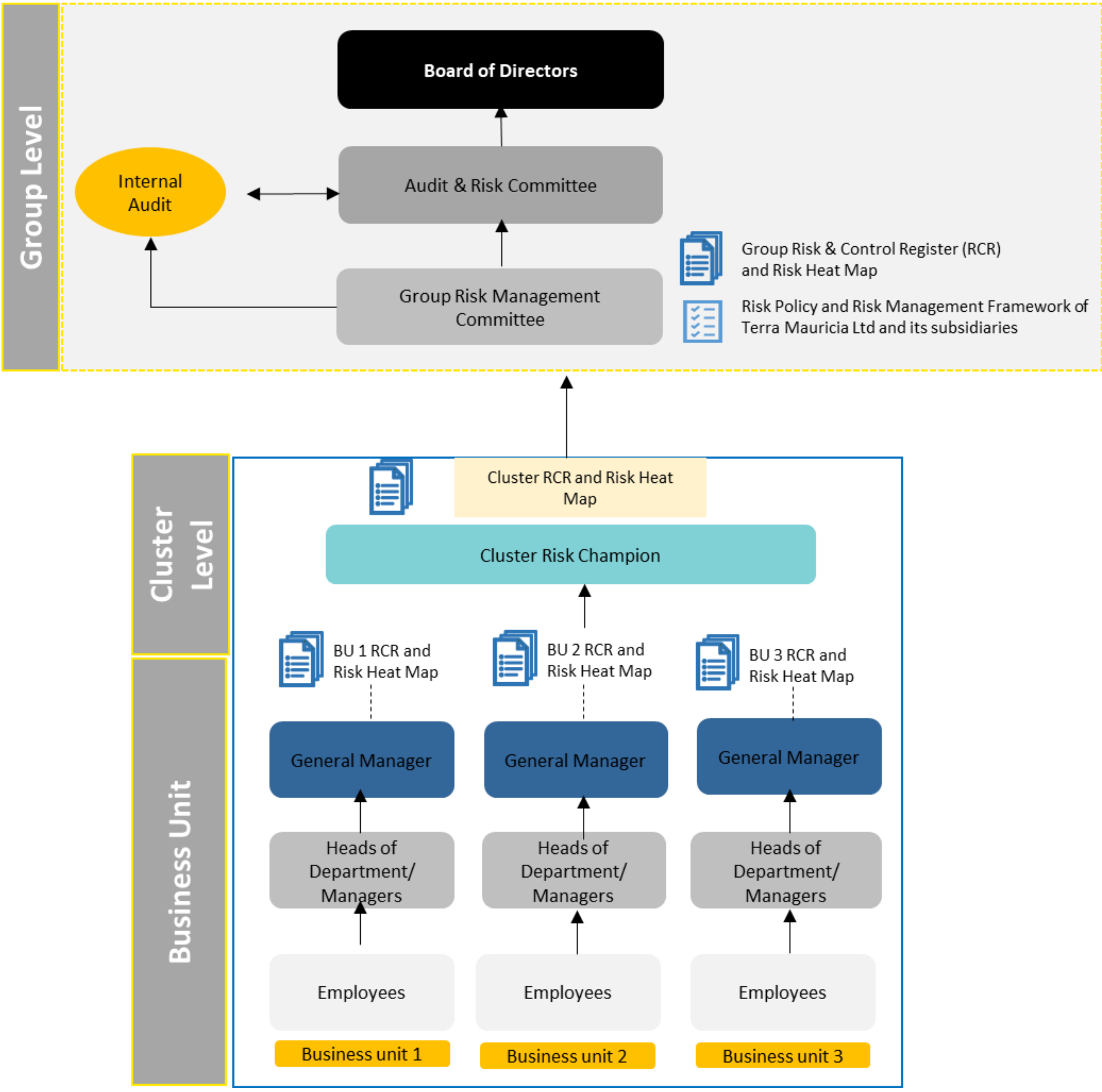
The revised RMF (illustrated below) is designed to enable a continual process for identifying, evaluating, managing and reporting significant risks across the components of the Group.



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 Audit and Risk Committee's role and responsibilities 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 reviews the Group's ability to identify and manage emerging risks and the effectiveness of internal controls and risk management annually. It further evaluates Terra's risk appetite in pursuit of its business strategy.

Risk-management organisation

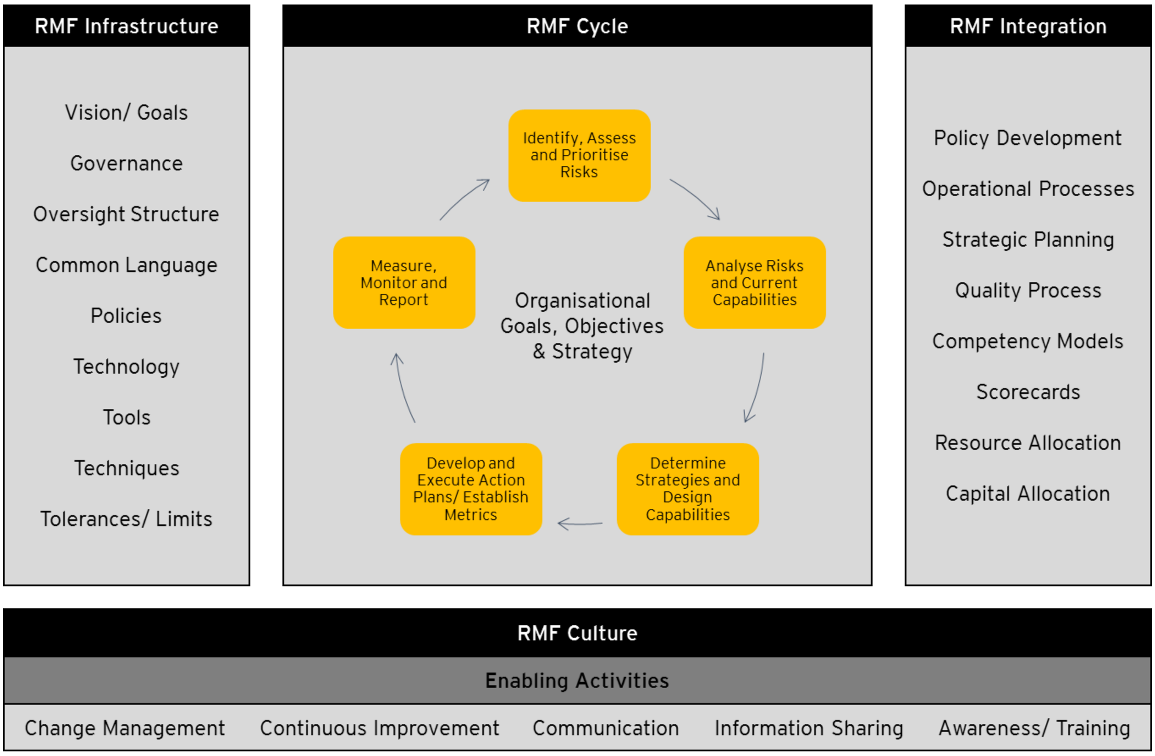
The governance structure and associated lines of communication that apply to the Group's RMF are illustrated below. There is a two-way relationship between the risk owners (employees) at business unit level and the Board of Directors (the Board) at Group level, whereby the guidance from the Board will 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 risk management approach.



The above model is replicated across the Group's clusters.

Risk-management cycles

The graphic below illustrates the risk management cycles, including the main associated activities, the way these integrate 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 internal processes and modalities that are required to establish and sustain a robust risk management culture.



Reporting on risks

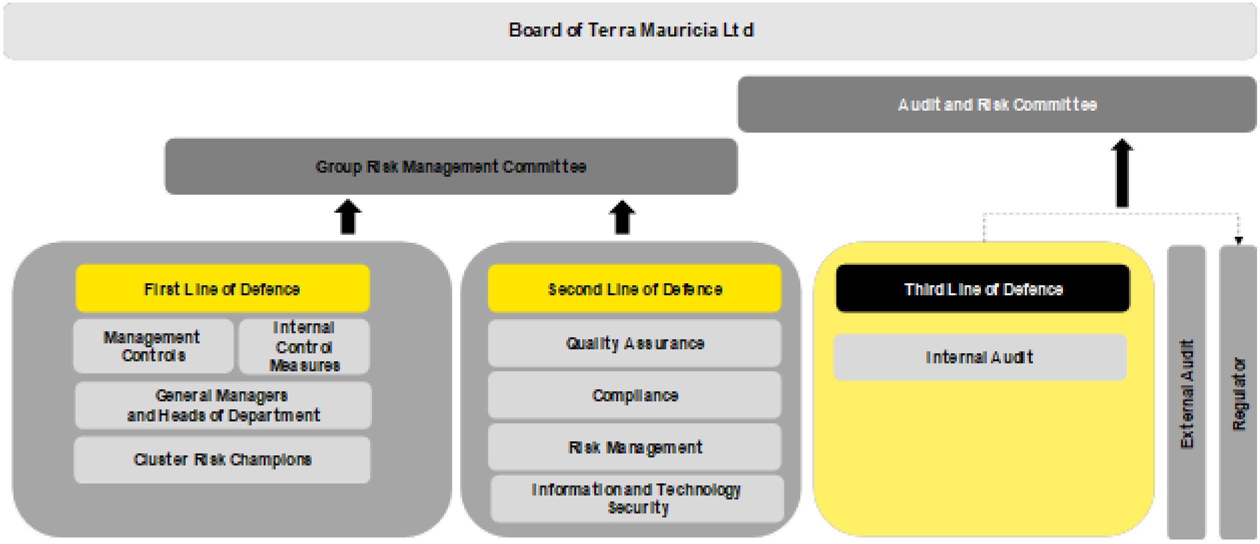
Our risk reporting process involves risk classification into four main categories that consider the external and internal environment of all the business units in the Group. It also includes environmental, social and governance risks.

- 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, and health and safety ; and
- Legal and regulatory compliance.

Some 27 main risks were identified and validated by management for the Group, together with their mitigating measures and controls. These risks cannot be eliminated, while 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 several 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 and IT). 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. Except for Grays, which has its own in-house internal auditor, EY performs the internal audit function and supports the Group in achieving its objectives, identifying and managing major risks, and complying with policies, laws and regulations.

The internal audit function reports directly to the Audit and Risk Committee (ARC) and administratively to management. It prepares an annual plan of its activities that the ARC reviews and approves to ensure that material risk areas are included and business processes are acceptably covered. The ARC also oversees the appointment, performance and independence of the internal audit function, as well as the completion of the approved internal audit plan. The ARC receives reports that detail the outcomes of internal audit assignments. This enables the ARC to oversee and ensures that gaps identified are effectively and timeously remediated by management to contain risks. In addition to areas covered by the annual internal audit plan, the ARC may request the internal audit function to review other areas it requires insights on.

In assessing the internal auditors' performance, the ARC applies the following criteria:

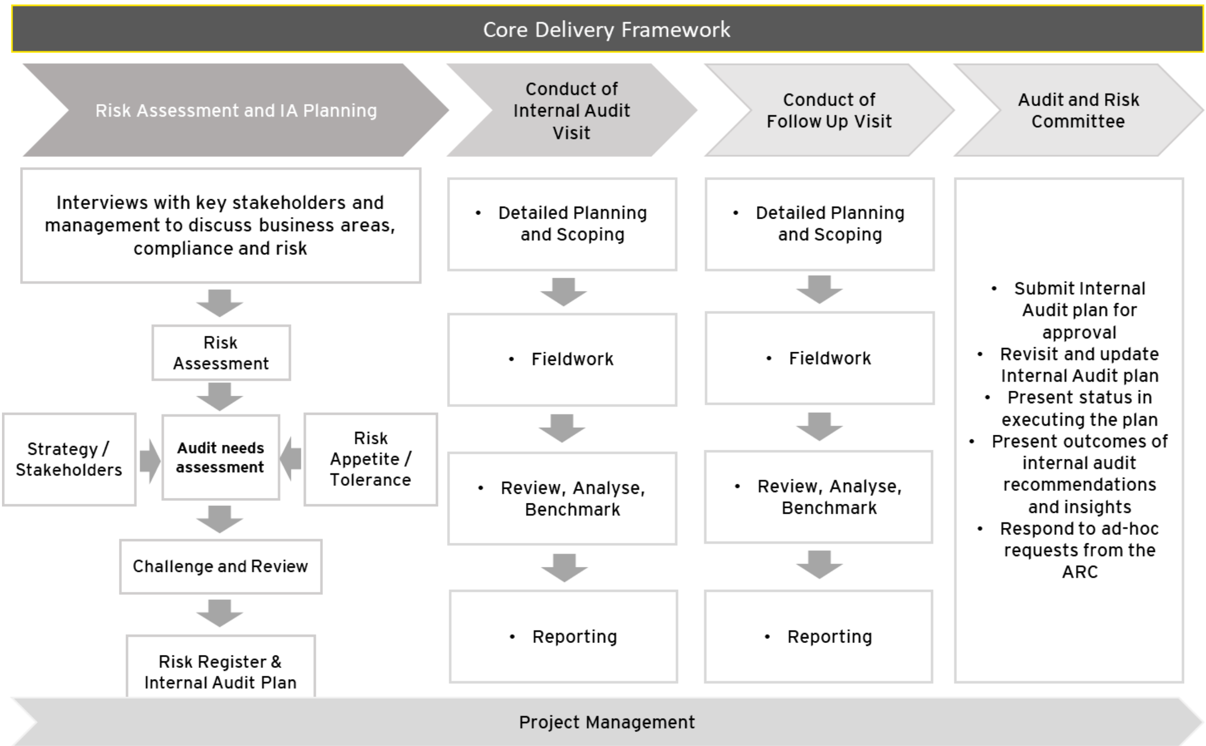
- Skills and technical expertise of the internal auditors;
- Ability to listen and respond to Terra's expectations;
- Ability to demonstrate insights and knowledge of the business;
- Ability to proposing solutions and recommendations in response to observations noted;
- Timeliness of delivery;
- Scope and objectives of the internal audit visits are met and address the risk areas of the Group;
- Completion of planned internal audit visits in a year;
- Communication skills;
- Overall experience with the internal auditors.

To enable it to perform effectively, the internal audit function has unrestricted access to the Company's records and information, as well as to Terra's employees and management team.

The internal audit function adds value to the Group by helping management answer the following key questions related to the areas reviewed by the internal auditors:

- What risks are we exposed to?
- How effective are our controls in containing the key risks?
- What are the root causes of the control gaps observed?
- What do we need to do to better contain these risks?
- How can we make better use of what we have?
- How can we do things better?
- How can we build resilience?
- How do we compare to others?
- What are the leading practices we could adopt?

The framework adopted by the internal audit function is summarised below.



Preparation of the internal audit plan involves conducting a risk assessment exercise at Group and entity levels to identify and rank the main risks they are exposed to, and thereby identify what areas need to be audited and in what order of priority. Highly ranked risks that have corresponding auditable controls are typically prioritised for audit. This exercise involves collaboration among the members of the ARC, the internal audit function and management to draw out consensus on material risks areas that warrant attention from the internal auditors.

The internal audit function typically executes its assignments through the following five main phases, which are consistent with its methodology and aligned to the Institute of Internal Auditors (IIA) standards and leading internal audit practices.

	1 Plan and Scope	2 Conduct Fieldwork	3 Review Findings	4 Issue Report	5 Conduct Follow Up
Approach	▸ Meet with appointed contact person to agree on audit project scope, objective and communication protocols ▸ Confirm appropriate resources required to execute the audit program ▸ Agree audit timelines	▸ Conduct understanding interviews and review key business documentation ▸ Formulate audit programs including risk and control matrices (RACM) ▸ Assess the design of controls through interviews with relevant personnel, review of process documentation and 'walkthrough' of the control ▸ Assess the effectiveness of controls in operation via execution of the test work program	▸ Review and analyse findings from fieldwork conducted ▸ For issues identified, perform root cause analysis and impact analysis to understand the materiality and 'why' the issue has occurred ▸ Identify any compensating controls associated with the preliminary findings ▸ Draft the report in a pre-agreed format and structure ▸ Submit draft report to management for preliminary comments and validation	▸ Close comments and agree with management on content of draft report ▸ Collect management comments and remediation actions, and include these in the internal audit report ▸ Finalise the report and release	▸ Agree with management timing for follow up audits ▸ Agree which remediation actions have been implemented to date and plan to independently confirm that these are operating effectively ▸ Interview relevant management for status update inquiry and determine required test ▸ Verify that action plans for each finding have been implemented ▸ Verify reasons for failing to implement any action plans and recommend way forward to close out any remaining issues
Deliverables	▸ Mobilize the project team and assign roles ▸ Confirmed scope and objectives ▸ Project schedule, plan and timelines	▸ Audit program including RACM ▸ Audit Working Papers and supporting documents	▸ Preliminary List of Issues ▸ Draft Audit Report	▸ Final Audit Report including management actions	▸ Follow-up Report including the status for each action plan within the issued reports

Continuous project management and status updates as agreed in communication protocol

Remedial actions to address findings are identified with the relevant management teams, who assign responsibility and a deadline to each action to enforce accountability to remediate these gaps. The internal auditor also performs desktop follow-up reviews on the audit exercises conducted to ensure that the necessary remedial actions have been duly and effectively implemented.

EY has a specialist team of internal auditors in Mauritius who are part of a larger multi-disciplinary consulting team. It leverages this team to ensure that the internal audits conducted at Terra are resourced with the appropriate mix of experience, knowledge and skills. Members of this team are university graduates who hold recognised international qualifications in their respective fields (e.g. ACCA, Institute of Chartered Accountants of England & Wales, Certified Internal Auditors (CIA), Certified Information Systems Auditor (CISA), Certified in Risk and Information Systems Control (CRISC)). This team can advise Terra on improvements needed, and share leading practices based on first-hand experience of working across many geographies for EY clients. Members of this specialist team are continuously trained in leading internal audit.

EY maintains the independence and objectivity of its staff who are part of the internal audit team through strict EY independence related policies that apply to all staff, regular training and awareness on these subjects, as well as regular verification of the compliance of partners and executives with EY independence-related policies.

The following audit reviews were carried out and tabled at the ARC meetings during the year under review:

- Novaterra – AML/CFT Review
- Terragri Ltd (Agriculture) and Terra Milling Ltd – Review of Payroll Process
- Terra Finance Ltd – Post Implementation Review of the Treasury Management System
- Terragri Ltd (Corporate) – Review of Group Payroll Process
- Terrarock Ltd – Review of Repairs and Maintenance Process

Kalindee Ramdhonee
Chairperson of the Audit and Risk Committee

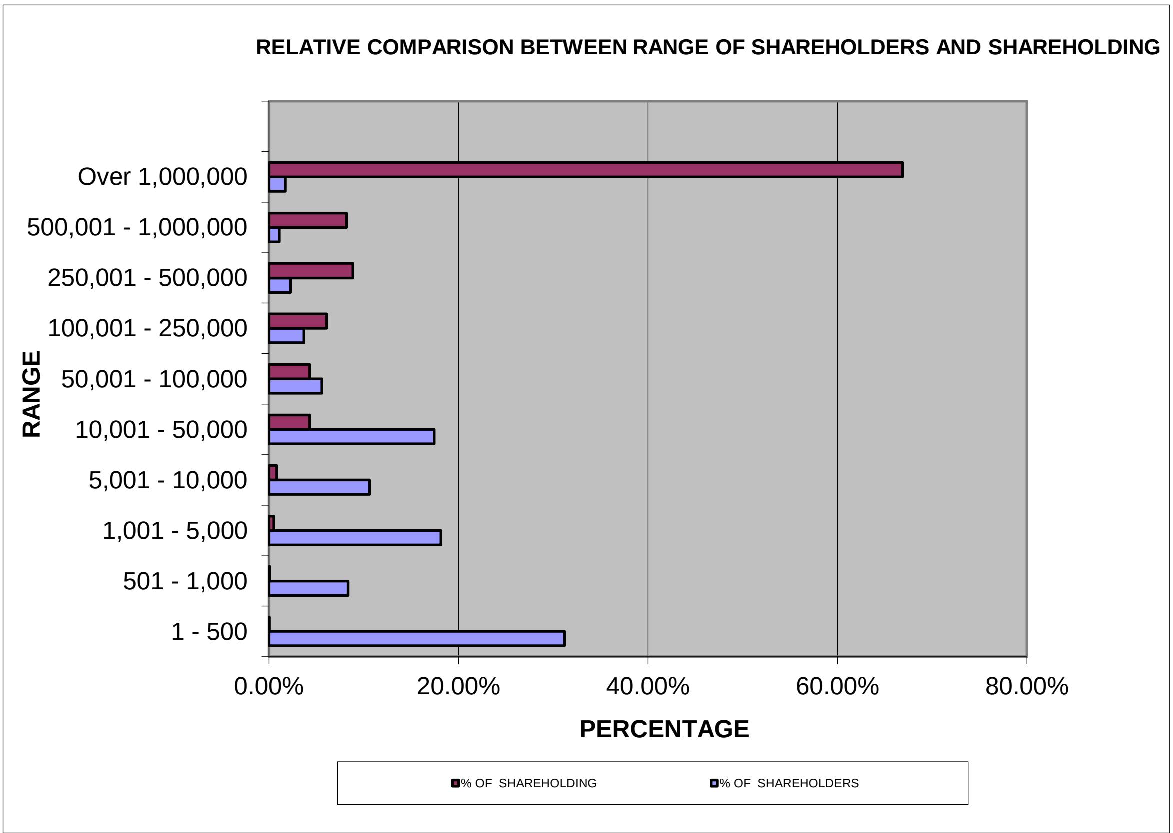
14 November 2024

Share Analysis and Stock Exchange Performance

Distribution of shareholders of Terra Mauricia Ltd at 31 December 2023

Range of shareholding

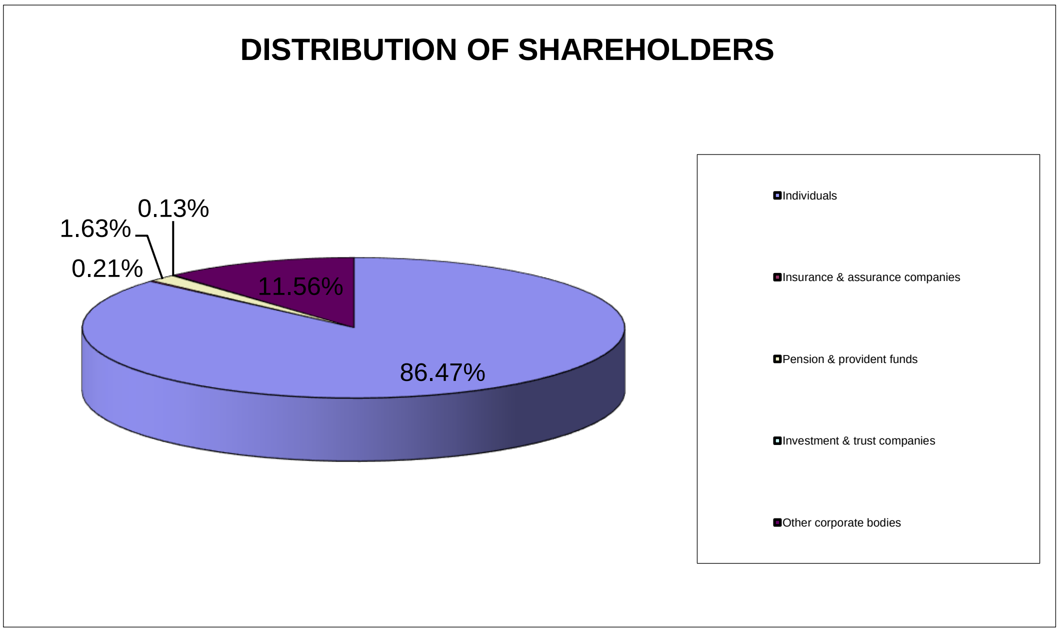
Range of Shareholders	Number of Shareholders	% of Shareholders	Number of Shares Held	% of Shareholding
1 - 500	744	31.17%	117,238	0.05%
501 - 1,000	199	8.34%	171,626	0.08%
1,001 - 5,000	433	18.14%	1,167,111	0.51%
5,001 - 10,000	253	10.60%	1,852,756	0.81%
10,001 - 50,000	416	17.43%	9,780,867	4.30%
50,001 - 100,000	133	5.57%	9,733201	4.28%
100,001 - 250,000	88	3.68%	13,858,861	6.09%
250,001 - 500,000	54	2.26%	20,166,650	8.86%
500,001 - 1,000,000	26	1.09%	18,555,807	8.15%
Over 1,000,000	41	1.72%	152,141,507	66.86%
TOTAL	2,387	100.00%	227,545,624	100.00%

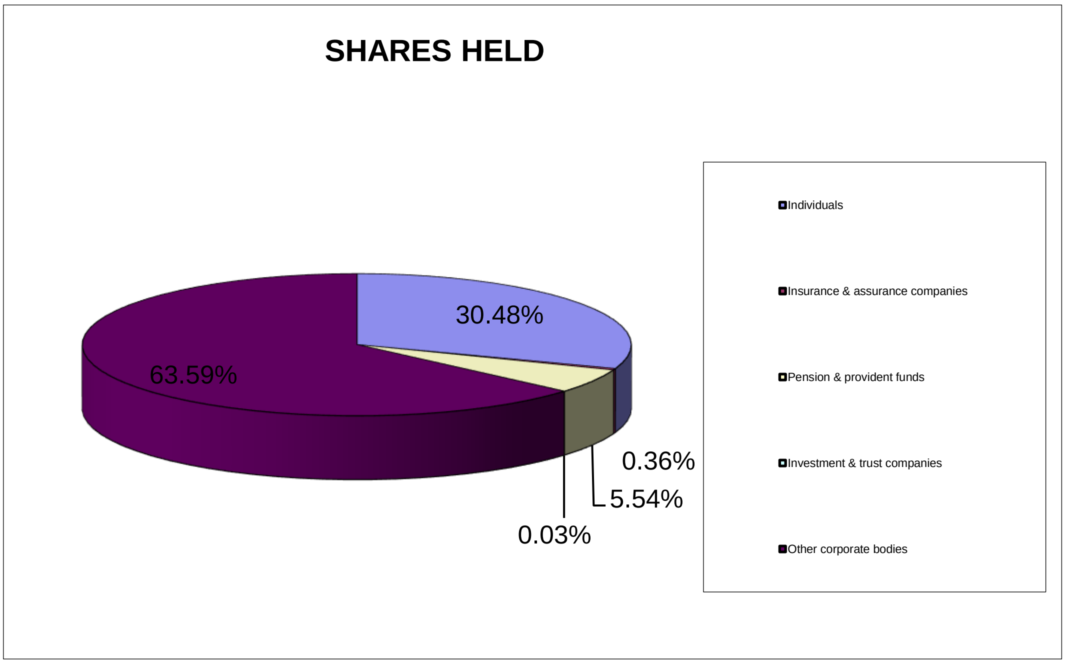


Shareholder spread

To the best knowledge of the Directors, the spread of shareholders at 31 December 2023 was as follows:

	SHAREHOLDERS		SHARES HELD	
	Number	**%**	**Number**	**%**
Individuals	2,064	86.47	69,363,411	30.48
Insurance and assurance companies	5	0.21	808,556	0.36
Pension and provident funds	39	1.63	12,606,320	5.54
Investment and trust companies	3	0.13	76,466	0.03
Other corporate bodies	276	11.56	144,690,871	63.59
	--------	----------	---------------	---------
	2,387	100.00	227,545,624	100.00



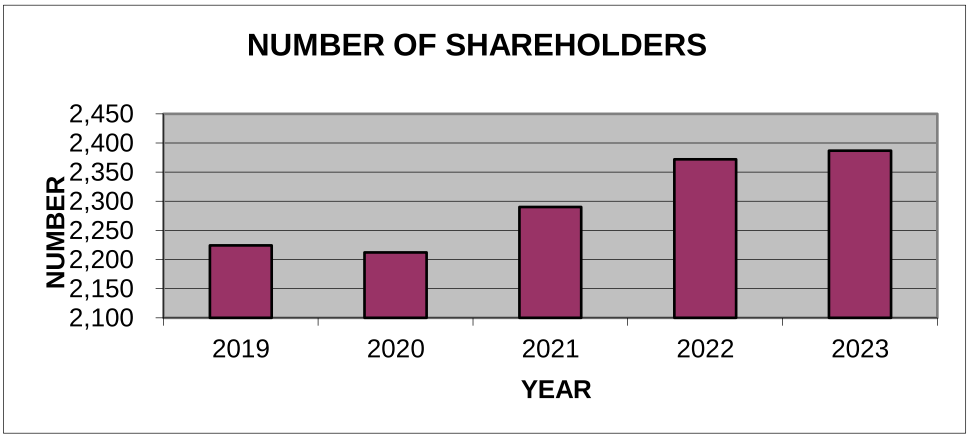


Number of shareholders

NUMBER OF SHAREHOLDERS AS AT 31 DECEMBER

2019	2,224
2020	2,212
2021	2,290
2022	2,372
2023	2,387

The number of shareholders of Terra was 2,354 as at 31 October 2024.



Stock Exchange performance

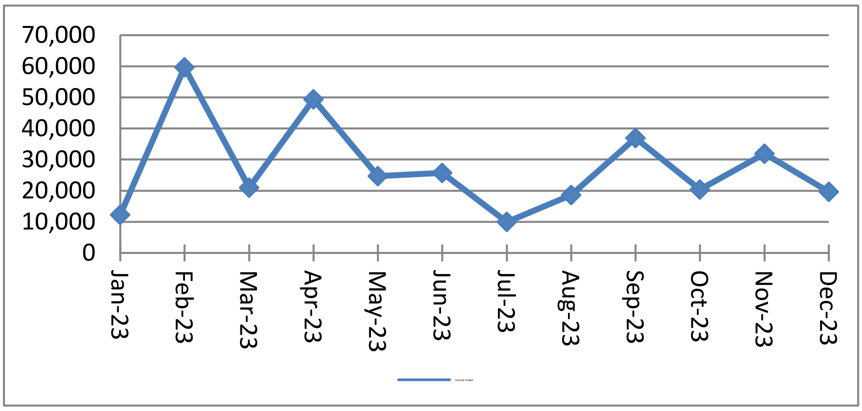
Terra witnessed a fall of 14.93% (2022: -13.98%) in its share price, to close at MUR 22.50 at the end of December 2023. The price swung between MUR 21.75 and MUR 27.40 during the year under review. Total volume traded on Terra stood at 5.8 million shares (7.8 million in 2022) for a share turnover ratio of 2.56% (2022: 3.70%). Total value traded amounted to MUR 139.0 million (Volume Weighted Average Price: MUR 23.89). Foreigners were net sellers to the tune of Rs 21.5 million (2022: MUR 28.9 million).

	2019	2020	2021	2022	2023
SEMDEX (Points)					
- Year End Closing	2,177.09	1,648.39	2,097.89	2,055.25	2,038.10
SHARE PRICE (MUR)					
- Year End Closing Price	20.00	19.80	30.75	26.45	22.50
- High	23.20	21.00	30.75	35.00	27.40
- Low	19.50	16.50	18.60	25.00	21.75
Note: The Terra share price was MUR 25.25 on 30 October 2024.					
YIELDS					
- Earnings Yield %	5.8	-*	6.6	14.86	26.93
- Dividend Yield %	4.25	2.88	2.76	3.78	4.67
PRICE EARNING RATIO	17.24	-*	15.15	6.73	3.71

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

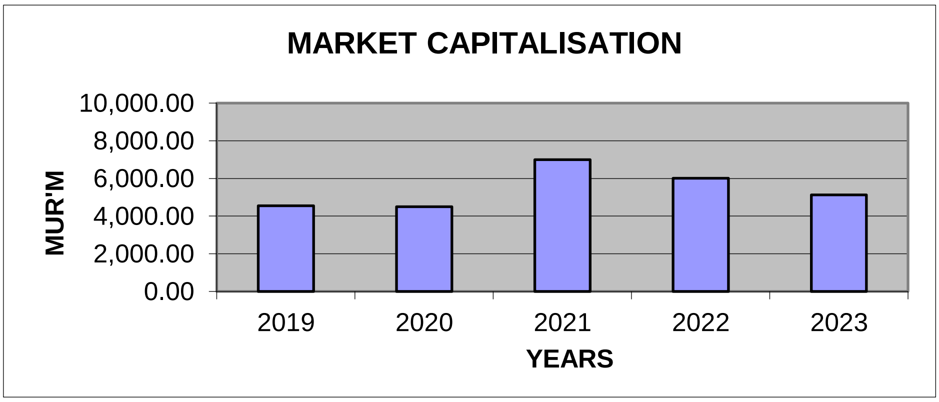
Average volume traded monthly on the stock exchange in 2023

MONTH	NUMBER OF SHARES
January	12,264
February	59,684
March	21,039
April	49,333
May	24,655
June	25,734
July	9,935
August	18,576
September	36,922
October	20,372
November	31,854
December	19,631



Market capitalisation

	MUR'M	EUR'M*	USD'M*
2019	4,551.00	91.86	102.33
2020	4,505.40	90.94	101.31
2021	6,997.03	141.23	157.33
2022	6,018.58	121.48	135.33
2023	5,119.78	103.34	115.12



*: The exchange rates used are those for the year 2023 as displayed below.

The market capitalisation of Terra on 31 October 2024 was MUR 5,745.53 million.

Main exchange rates to the Rupee

Consolidated Indicative Selling Rates (Source: Bank of Mauritius on http://bom.intnet.mu)

Currency	**30 December 2022**	**29 December 2023**
Euro	47.4756	49.5443
US Dollar	44.3643	44.4729
GB Pound	53.6059	57.0295
SA Rand	2.6764	2.4654

Shareholders' calendar and relations

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 due to unforeseen circumstances.
Website: www.terra.co.mu
For more details on shareholders' relations and communication please refer to page 86.

Secretary's Certificate

(pursuant to Section 166(d) of the Mauritian 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 Mauritian Companies Act 2001.

Terra Services Ltd
Secretary
14 November 2024

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: 01 January to 31 December 2023

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*	Nicolas Maigrot *Managing Director*

14 November 2024

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 IFRS Accounting Standards (IFRS), the Mauritian Companies Act and the Financial Reporting Act; and

iii. the selection of appropriate accounting policies supported by reasonable and prudent judgements and estimates.

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 103 to 109.

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 Accounting Standards, the Mauritian 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	Nicolas Maigrot
Chairman	*Managing Director*

14 November 2024

Statistical Disclosures

(pursuant to Section 221 of the Companies Act 2001)

Directors

Names

The names of the Directors of Terra Mauricia Ltd at 31 December 2023 are given on page 83 of this report. In addition, a list of Directors of subsidiary companies at the same date appears on page 217.

Service Contracts

Three executive Directors, namely Messrs Nicolas Maigrot, Alexis Harel and Henri Harel, presently have 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	
	2023	2022	**2023**	2022
	MUR'M	MUR'M	**MUR'M**	MUR'M
Emoluments paid by the company and its subsidiaries to:				
- Directors of Terra Mauricia Ltd:				
• Executive				
Full-time	**1.4**	1.7	**43.9**	38.4
part-time	**1.0**	1.1	**12.4**	10.8
• Non-executive	**8.5**	7.9	**0.9**	0.9
	10.9	10.7	**57.2**	50.1

- Directors of subsidiary companies (other than those of Terra Mauricia Ltd):	**2023**	2022
	MUR'M	MUR'M
• 17 Executive (15 in 2022)		
Full-time	**122.3**	89.1
• 19 Non-executive (15 in 2022)	**0.8**	0.7
	123.1	89.8

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	
	2023	2022	**2023**	2022
	MUR'M	MUR'M	**MUR'M**	MUR'M
Audit fees paid to:				
- BDO & Co	**8.7**	8.4	**2.1**	2.0

No fees were paid to BDO & Co for non-audit services.

The fees paid by each entity of the Group are available on page 219.

Donations

	THE GROUP	
	2023	2022
	MUR' M	MUR' M
Contributions towards Corporate Social Responsibility	**9.4**	10.4
Amount distributed by Terra Foundation	**3.2**	3.6
Number of projects funded: 44 (2022: 50)		
Other donations	**3.0**	0.4
Political	**1.0**	-

The donations made by each entity of the Group are available on page 219.

Major Transactions

No major transaction was approved by the Company for the year under review. The major transactions approved by subsidiaries were as follows:

- The sale of all its shares in Aquasantec International Limited by Terravest Holding Ltd.

Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of TERRA Mauricia Ltd

Report on the Audit of the Consolidated and Separate Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of TERRA Mauricia Ltd (the "Company") and its subsidiaries (together the "Group"), and the Company's separate financial statements set out on pages 5 to 110 which comprise the consolidated and separate statements of financial position as at December 31, 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and of the Company as at December 31, 2023, and of their financial performance and their cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and comply with the Mauritian Companies Act 2001.

Basis for Qualified Opinion

Consolidated financial statements

Investment in Associates – Swan General Ltd
As disclosed in notes 9 and 35, one of the material associates (Swan General Ltd) accounted using the equity method and included in Investment in Associates on the consolidated statement of financial position at December 31, 2023 is carried at MUR'M 1,960.2. The Group's share of profits of the associate included in share of results of associates is MUR'M 192.7 and the share of other comprehensive income is MUR'M 57.2. The equity accounting of the associated company has been based on unaudited information for the year ended December 31, 2023, in which IFRS 4 *Insurance contracts* has been applied instead of IFRS 17 *Insurance Contracts* due to delays caused by the first-time application of the latter. The audit of the associate for the year ended December 31, 2023, was not finalised which caused the auditor not being able to report to us on the associated company's financial information for the year ended December 31, 2023. We were thus unable to obtain sufficient appropriate audit evidence regarding the carrying amount of the Group's investment in the associated company at December 31, 2023 and its share of results and other comprehensive income for the year then ended. Consequently, we were unable to determine whether any adjustments to these amounts would have been necessary.

INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Shareholders of TERRA Mauricia Ltd (cont'd)

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

Basis for Qualified Opinion (cont'd)

Investment in Associates – Sucrivoire S.A

As disclosed in notes 9 and 35 - Investment in 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, 2023, the share of the net assets of the Associate was MUR'M 424.6 (representing 9.7% of total Investment in Associates and 1.6% of Total Assets), and the share of loss from this Associate was MUR'M 171.5.

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, 2022. 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.

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards) (the "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 opinion.

Key Audit Matters

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

INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Shareholders of TERRA Mauricia Ltd (cont'd)

Key Audit Matters (cont'd)

Valuation of Investments in subsidiaries, associates and financial assets at fair value through other comprehensive income – Level 3 Investments (applicable to the separate financial statements)
Refer to notes 2.5, 2.6, 2.7(b)(i), 2.22, 4.1, 8, 9, 10,12, 34 and 35 of the accompanying financial statements

KEY AUDIT MATTER	AUDIT RESPONSE
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, 2023, the Company held unquoted investments in subsidiaries amounting to MUR'M 14,882.5, investments in associates amounting to MUR'M 7.4 and financial assets at fair value through other comprehensive income amounting MUR'M 538.0. These investments are valued using different methods ranging from discounted cash flow techniques, EBITDA multiples and Net Assets and Adjusted Net Assets Value. Valuation techniques for these underlying investments can be subjective in nature and require significant management estimates including financial forecasts, discount factors, growth rates and market multiples amongst others. The actual results could differ from the estimates. The estimates and judgements used by management in the fair valuation exercise have been disclosed in notes 8, 9 and 10. Due to the significance of these balances and the level of judgement and estimation applied by management in valuation of investments in subsidiaries, associates and financial assets at fair value through other comprehensive income, we considered this to be a key audit matter in our audit of the separate financial statements.	Our audit procedures in respect of this key audit matter included: - Understanding how management determines the fair value of the investments in subsidiaries, associates and financial assets at fair value through other comprehensive income. - Assessing the design and operating effectiveness of the process in place for the valuation and impairment exercise. - Discussing the forecast results of the subsidiaries with management and comparing the data used to budgets. - Involving our Corporate Finance specialist to evaluate the appropriateness of the valuation methodology with main focus on the key unobservable inputs such as discount rates and growth rates by benchmarking the parameters used against available market data and company metrics. - Evaluate the EBITDA multiple applied to the normalised earnings and discount used by benchmarking it against available market data. - Assessed the normalised earnings for reasonability by comparing it to the company's earnings for the last 3 years and ensuring any "one-off" or exceptional items" are excluded. - Assessing the mathematical accuracy of the underlying calculations used in valuation models. - Performing a sensitivity analysis based on the key estimates to assess the head rooms available. - Evaluating the adequacy of the financial statement disclosures in accordance with IFRS Accounting Standards.

INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Shareholders of TERRA Mauricia Ltd (cont'd)

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

Key Audit Matters (cont'd)

Valuation of land and buildings (applicable to the consolidated financial statements)
Refer to notes 2.2, 4.1 and 5 of the accompanying financial statements

KEY AUDIT MATTER	AUDIT RESPONSE
The Group carries its land and buildings at revalued amount under the revaluation model in terms of IAS 16 *Property, Plant and Equipment*. Land and buildings, which consists mainly of agricultural land, is included under property, plant and equipment, with a combined carrying value of MUR'M 10,095.3, as at December 31, 2023. Land and buildings 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 was determined by an independent external valuer. The last valuation was carried out at December 31, 2022. The valuation was based on recent arm's length market transaction for similar properties and was 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: - Following on from our prior year audit procedures where we had reviewed the independent valuer's report issued to assess the factors that were taken into consideration when determining the revalued amount of the land and buildings. - Considering management assessment for the current year and their rationale to ensure there are no significant changes in the inputs used in the revaluation exercise of the previous year that would impact on the carrying values of land and buildings. - Evaluating the adequacy of the financial statement disclosures in accordance with IFRS Accounting Standards.

INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Shareholders of TERRA Mauricia Ltd (cont'd)

Other Information

The Directors are responsible for the other information. The other information comprises mainly of information included in the Annual Report including the *Corporate Governance Report, Statement of Compliance, Secretary's Certificate, Statement of Directors' Responsibilities and Statutory Disclosures*, but does not include the consolidated and separate financial statements and our auditor's report thereon. All other information in the Annual Report, except those disclosed above, will be made available to us after the auditor's report date. If we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the 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 auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

The Directors are responsible for overseeing the Group's and the Company's financial reporting process.

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

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

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

INDEPENDENT AUDITOR’S REPORT (CONT’D)

To the Shareholders of TERRA Mauricia Ltd (cont’d)

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

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

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

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

To the Shareholders 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

Mauritian Companies Act 2001
The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report on the following matters. We confirm that:
- We have no relationship with, or interests in, the Company and its subsidiaries, other than in our capacity as auditor and dealings in the ordinary course of business.
- We have obtained all information and explanations we have required.
- In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

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

Other Matter

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

BDO & CO
Chartered Accountants

Port Louis,
Mauritius.

Ameenah Ramdin, FCCA, FCA
Licensed by FRC

November 14, 2024

TERRA MAURICIA LTD AND ITS SUBSIDIARIES

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION - DECEMBER 31, 2023

		THE GROUP		THE COMPANY	
			Re-presented		
	Notes	**2023**	2022*	**2023**	2022
ASSETS		**MUR'M**	MUR'M	**MUR'M**	MUR'M
Non-current assets					
Property, plant and equipment	5	**11,655.2**	12,050.6	-	-
Right-of-use assets	5A	**133.7**	93.0	-	-
Investment properties	6	**3,139.7**	2,645.4	-	-
Intangible assets and goodwill	7	**220.0**	224.4	-	-
Investments in subsidiaries	8	**-**	-	**16,484.4**	15,255.8
Investments in associates	9	**4,388.9**	3,492.1	**339.6**	203.3
Financial assets at fair value through other comprehensive income	10	**567.7**	725.3	**612.9**	768.6
Financial assets at amortised cost	11	**6.1**	6.3	-	-
Lease receivables	5B	**51.5**	49.1	-	-
Deferred tax assets	13	**199.2**	185.0	-	-
		20,362.0	19,471.2	**17,436.9**	16,227.7
Current assets					
Inventories	14	**1,836.3**	1,629.8	-	-
Consumable biological assets	15	**352.3**	295.6	-	-
Trade and other receivables	16	**2,513.7**	1,874.5	**129.9**	49.3
Financial assets at amortised cost	11	**106.2**	4.3	-	-
Lease receivables	5B	**2.6**	2.5	-	-
Current tax assets	24(a)	**25.0**	33.2	-	0.1
Cash in hand and at bank	33(b)	**898.2**	853.2	**32.6**	35.5
Contract assets	25(d)	**207.1**	362.0	-	-
		5,941.4	5,055.1	**162.5**	84.9
Non-current assets classified as held for sale	17(i)	**241.8**	529.4	**241.8**	256.9
Total assets		**26,545.2**	25,055.7	**17,841.2**	16,569.5
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	18	**11,976.0**	11,976.0	**11,976.0**	11,976.0
Revaluation and other reserves	19	**2,921.4**	2,636.4	**2,977.4**	2,052.9
Retained earnings		**2,302.8**	1,455.7	**1,715.4**	1,470.4
Owners' interest of the Company		**17,200.2**	16,068.1	**16,668.8**	15,499.3
Non-controlling interests		**1,272.9**	985.7	-	-
Total equity		**18,473.1**	17,053.8	**16,668.8**	15,499.3
Non-current liabilities					
Borrowings	20	**3,271.8**	3,352.2	**1,102.6**	1,009.6
Lease liabilities	21	**68.2**	39.5	-	-
Deferred tax liabilities	13	**145.5**	145.6	-	-
Retirement benefit obligations	22	**754.9**	735.7	-	-
Contract liabilities	25(c)	**26.5**	65.5	-	-
Provisions and other liabilities	23A	**3.5**	7.0	-	-
		4,270.4	4,345.5	**1,102.6**	1,009.6
Current liabilities					
Trade and other payables	23	**1,562.2**	1,286.9	**12.1**	12.3
Contract liabilities	25(c)	**385.2**	510.7	-	-
Current tax liabilities	24(a)	**25.3**	9.0	**0.9**	-
Borrowings	20	**1,427.6**	1,323.7	**56.8**	48.3
Lease liabilities	21	**63.2**	49.1	-	-
Provisions and other liabilities	23A	**338.2**	342.1	-	-
		3,801.7	3,521.5	**69.8**	60.6
Liabilities directly associated with non-current assets classified as held for sale	17(ii)	**-**	134.9	-	-
Total liabilities		**8,072.1**	8,001.9	**1,172.4**	1,070.2
Total equity and liabilities		**26,545.2**	25,055.7	**17,841.2**	16,569.5

These financial statements have been approved and authorised for issue by the Board of Directors on November 14, 2024.

Alain Rey
Chairman

Kalindee Ramdhonee
Director

* The financial statements have been re-presented, and further details can be found in Note 17(v).
The notes on pages 117 to 216 form an integral part of these consolidated and separate financial statements.
Independent auditor's report on pages 103 to 109.

TERRA MAURICIA LTD AND ITS SUBSIDIARIES

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS - YEAR ENDED DECEMBER 31, 2023

		THE GROUP		THE COMPANY	
			Re-presented		
	Notes	**2023**	2022*	**2023**	2022
		MUR'M	MUR'M	**MUR'M**	MUR'M
Revenue	25	**9,137.9**	8,221.5	**584.3**	345.3
Cost of sales	29	**(6,488.9)**	(6,188.8)	-	-
Gross profit		**2,649.0**	2,032.7	**584.3**	345.3
Gains arising from changes in fair value of consumable biological assets	15	**56.7**	102.3	-	-
Fair value loss on non-current assets classified as held for sale	17	**(7.1)**	(94.8)	-	-
Other income	26	**283.6**	136.6	**3.1**	2.1
Impairment loss of financial assets	27	**(60.7)**	(48.0)	-	-
Impairment loss of non-financial assets	27	-	(0.7)	-	-
Reversal of impairment loss on financial assets	27A	**5.8**	11.3	-	-
Reversal of impairment loss on non-financial assets	27A	-	12.0	-	-
Administrative expenses	29	**(1,002.4)**	(859.6)	**(33.3)**	(25.1)
Distribution costs	29	**(154.9)**	(137.9)	-	-
Other expenses	29	**(358.1)**	(315.9)	-	-
Profit before finance costs	28	**1,411.9**	838.0	**554.1**	322.3
Finance income	30	**30.7**	34.8	**2.0**	0.6
Finance costs	30	**(303.1)**	(191.2)	**(71.2)**	(43.0)
Net finance costs		**(272.4)**	(156.4)	**(69.2)**	(42.4)
Profit after finance costs		**1,139.5**	681.6	**484.9**	279.9
Share of results of associates	9	**321.3**	321.0	-	-
Profit on disposal of associate	35(ii)	**73.5**	-	-	-
Profit before taxation		**1,534.3**	1,002.6	**484.9**	279.9
Taxation	24(b)	**(22.2)**	46.9	**(1.0)**	(0.3)
Profit for the year		**1,512.1**	1,049.5	**483.9**	279.6
Profit attributable to:					
Owners of the Company		**1,378.3**	893.2		
Non-controlling interests		**133.8**	156.3		
		1,512.1	1,049.5		
Basic and diluted earnings per share (MUR)	31	**6.06**	3.93		

* The financial statements have been re-presented, and further details can be found in Note 17(v).
The notes on pages 117 to 216 form an integral part of these consolidated and separate financial statements.
Independent auditor's report on pages 103 to 109.

TERRA MAURICIA LTD AND ITS SUBSIDIARIES

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - YEAR ENDED DECEMBER 31, 2023

		THE GROUP		THE COMPANY	
			Re-presented		
	Notes	**2023**	2022*	**2023**	2022
		MUR'M	MUR'M	**MUR'M**	MUR'M
Profit for the year		**1,512.1**	1,049.5	**483.9**	279.6
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Revaluation adjustments of land and buildings and plant	5(a)	**-**	1,613.1	**-**	-
Deferred tax on revaluation of buildings	13(c)	**-**	(21.2)	**-**	-
Remeasurements of retirement benefit obligations	22(a)(vi)	**(15.1)**	(47.2)	**-**	-
Deferred tax on remeasurements of retirement of benefit obligations	13(c)	**1.0**	6.8	**-**	-
Changes in fair value of equity instruments at fair value through other comprehensive income	19	**(43.4)**	48.0	**959.0**	1,520.0
Bargain loss on disposal of financial assets at fair value through other comprehensive income		**(34.5)**	-	**(34.5)**	-
Items that may be reclassified subsequently to profit or loss:					
Gain reclassified to profit or loss on disposal of associate		**(8.6)**	-	**-**	-
Share of other comprehensive income/(loss) of associates	9(a)(ii)	**74.1**	(227.4)	**-**	-
Translation reserve movement		**37.4**	(24.9)	**-**	-
Other comprehensive income for the year		**10.9**	1,347.2	**924.5**	1,520.0
Total comprehensive income for the year, net of tax		**1,523.0**	2,396.7	**1,408.4**	1,799.6
Total comprehensive income attributable to:					
Owners of the Company		**1,388.6**	2,186.5		
Non-controlling interests		**134.4**	210.2		
		1,523.0	2,396.7		

* The financial statements have been re-presented, and further details can be found in Note 17(v).

The notes on pages 117 to 216 form an integral part of these consolidated and separate financial statements.

Independent auditor's report on pages 103 to 109.

TERRA MAURICIA LTD AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - YEAR ENDED DECEMBER 31, 2023

		Attributable to owners of the Company					
THE GROUP	**Notes**	Share Capital	Revaluation and Other Reserves	Retained Earnings	Total	Non-Controlling Interests	Total Equity
		MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
At January 1, 2022		11,976.0	1,678.7	504.7	14,159.4	840.1	14,999.5
Profit for the year		-	-	893.2	893.2	156.3	1,049.5
Other comprehensive profit for the year		-	1,293.3	-	1,293.3	53.9	1,347.2
Total comprehensive income for the year		-	1,293.3	893.2	2,186.5	210.2	2,396.7
Release on disposal of land		-	(258.4)	258.4	-	-	-
Changes in ownership interest in subsidiaries that do not result in a loss of control		-	(69.2)	30.9	(38.3)	(36.6)	(74.9)
Other movements		-	(8.0)	(4.0)	(12.0)	(3.7)	(15.7)
Dividends	32	-	-	(227.5)	(227.5)	(24.3)	(251.8)
Balance at December 31, 2022		11,976.0	2,636.4	1,455.7	16,068.1	985.7	17,053.8
At January 1, 2023		**11,976.0**	**2,636.4**	**1,455.7**	**16,068.1**	**985.7**	**17,053.8**
Profit for the year		**-**	**-**	**1,378.3**	**1,378.3**	**133.8**	**1,512.1**
Other comprehensive income for the year		**-**	**10.3**	**-**	**10.3**	**0.6**	**10.9**
Total comprehensive income for the year		**-**	**10.3**	**1,378.3**	**1,388.6**	**134.4**	**1,523.0**
Release on disposal of equity investments at fair value through other comprehensive income		**-**	**371.2**	**(371.2)**	**-**	**-**	**-**
Release on disposal of land and buildings		**-**	**(58.1)**	**58.1**	**-**	**-**	**-**
Release on disposal of associate		**-**	**(24.7)**	**24.7**	**-**	**-**	**-**
Changes in ownership interest in subsidiaries that do not result in a loss of control		**-**	**-**	**-**	**-**	**190.2**	**190.2**
Other movements		**-**	**(13.7)**	**(3.9)**	**(17.6)**	**(2.4)**	**(20.0)**
Dividends	32	**-**	**-**	**(238.9)**	**(238.9)**	**(35.0)**	**(273.9)**
Balance at December 31, 2023		**11,976.0**	**2,921.4**	**2,302.8**	**17,200.2**	**1,272.9**	**18,473.1**

The notes on pages 117 to 216 form an integral part of these consolidated and separate financial statements.
Independent auditor's report on pages 103 to 109.

SEPARATE STATEMENT OF CHANGES IN EQUITY - YEAR ENDED DECEMBER 31, 2023

THE COMPANY	Notes	Share Capital	Amalgamation Reserve	Equity Instruments at Fair value through OCI Reserve	Retained Earnings	Total
		MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
At January 1, 2022		11,976.0	(43.3)	576.2	1,418.3	13,927.2
Profit for the year		-	-	-	279.6	279.6
Other comprehensive income for the year		-	-	1,520.0	-	1,520.0
Total comprehensive income for the year		-	-	1,520.0	279.6	1,799.6
Dividends	32	-	-	-	(227.5)	(227.5)
At December 31, 2022		11,976.0	(43.3)	2,096.2	1,470.4	15,499.3
At January 1, 2023		**11,976.0**	**(43.3)**	**2,096.2**	**1,470.4**	**15,499.3**
Profit for the year		**-**	**-**	**-**	**483.9**	**483.9**
Other comprehensive income for the year		**-**	**-**	**924.5**	**-**	**924.5**
Total comprehensive income for the year		**-**	**-**	**924.5**	**483.9**	**1,408.4**
Dividends	32	**-**	**-**	**-**	**(238.9)**	**(238.9)**
At December 31, 2023		**11,976.0**	**(43.3)**	**3,020.7**	**1,715.4**	**16,668.8**

The notes on pages 117 to 216 form an integral part of these consolidated and separate financial statements.
Independent auditor's report on pages 103 to 109.

TERRA MAURICIA LTD AND ITS SUBSIDIARIES

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS - YEAR ENDED DECEMBER 31, 2023

		THE GROUP		THE COMPANY	
			Re-presented		
	Notes	**2023**	2022*	**2023**	2022
		MUR'M	MUR'M	**MUR'M**	MUR'M
Operating activities					
Profit before taxation		**1,534.3**	1,002.6	**484.9**	279.9
Adjustments for :					
Depreciation of property, plant and equipment	5	**343.6**	335.1	**-**	-
Depreciation of right-of-use assets	5A	**38.0**	23.8	**-**	-
Profit on sale of property, plant and equipment	26	**(190.7)**	(53.1)	**-**	-
Retirement benefit obligations	22	**57.1**	73.6	**-**	-
Amortisation of intangible assets and goodwill	7	**9.5**	10.0	**-**	-
Depreciation of investment properties	6	**28.8**	27.1	**-**	-
Impairment on investment property	6	**-**	0.7	**-**	-
Dividend income	25	**(184.9)**	(27.1)	**(584.3)**	(345.3)
Interest expense	30	**303.1**	191.2	**71.2**	43.0
Interest income	30	**(30.7)**	(34.8)	**(2.0)**	(0.6)
Reversal of impairment of financial assets		**-**	3.6	**-**	-
Share of results of associates	9	**(321.3)**	(321.0)	**-**	-
Loss on fair value measurement of non-current assets held for sale	17(i)	**7.1**	94.8	**-**	-
Changes in working capital:					
- inventories		**32.9**	(232.8)	**-**	-
- financial assets at amortised cost		**(101.9)**	14.4	**-**	-
- consumable biological assets	15	**(56.7)**	(102.3)	**-**	-
- trade and other receivables		**(415.3)**	(148.6)	**(50.4)**	(4.8)
- lease receivables		**(2.4)**	(2.4)	**-**	-
- contract asset		**76.7**	(141.7)	**-**	-
- contract liabilities		**(164.5)**	150.8	**-**	-
- provisions	23A	**(7.4)**	111.8	**-**	-
- trade and other payables		**275.3**	(116.6)	**(0.2)**	0.3
Cash generated from/(used) in operations		**1,230.6**	859.1	**(80.8)**	(27.5)
Interest paid		**(303.1)**	(188.9)	**(71.2)**	(43.0)
Employer's contribution to pension plan	22	**(53.0)**	(73.0)	**-**	-
Tax recovered	24(a)	**(1.8)**	0.9	**-**	-
Tax paid	24(a)	**(14.0)**	(31.4)	**(0.1)**	(0.6)
Dividends received from associates	9(a)(ii)	**106.0**	97.8	**-**	-
Dividend received		**21.4**	27.1	**420.8**	345.3
Net cash generated from operating activities		**986.1**	691.6	**268.7**	274.2

* The financial statements have been re-presented, and further details can be found in Note 17(v).

The notes on pages 117 to 216 form an integral part of these consolidated and separate financial statements.

Independent auditor's report on pages 103 to 109.

TERRA MAURICIA LTD AND ITS SUBSIDIARIES

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS - YEAR ENDED DECEMBER 31, 2023

		THE GROUP		THE COMPANY	
			Re-presented		
	Notes	**2023**	2022*	**2023**	2022
		MUR'M	MUR'M	**MUR'M**	MUR'M
Investing activities					
Purchase of property, plant and equipment	5(a)	**(457.3)**	(389.0)	**-**	-
Purchase of investment properties	6	**(310.9)**	(416.6)	**-**	-
Intangible assets acquired	7(a)	**(5.0)**	(19.2)	**-**	-
Purchase of investment in:					
- associates	9(ii)	**(127.8)**	-	**(126.1)**	-
- financial assets at fair value through other comprehensive income	10(i)	**(8.5)**	(17.3)	**(10.1)**	(17.3)
Proceeds on sale of property, plant and equipment		**245.8**	96.7	**-**	-
Proceeds on sale of investment properties		**7.2**	9.8	**-**	-
Proceeds on disposal of right of use assets		**-**	0.3	**-**	-
Interest received		**30.7**	34.8	**2.0**	0.6
Net cash used in investing activities		**(625.8)**	(700.5)	**(134.2)**	(16.7)
Financing activities					
Proceeds from borrowings	33(a)	**84.3**	568.5	**101.5**	(29.7)
Repayment of borrowings	33(a)	**(60.8)**	(57.1)	**-**	-
Principal paid on lease liabilities	21(e)	**(34.2)**	(22.3)	**-**	-
Interest paid on lease liabilities	21(e)	**(6.5)**	(2.1)	**-**	-
Dividends paid to shareholders of TERRA Mauricia Ltd	32	**(238.9)**	(227.5)	**(238.9)**	(227.5)
Dividends paid to non-controlling interests	32	**(35.0)**	(24.3)	**-**	-
Net cash (used in)/generated from financing activities		**(291.1)**	235.2	**(137.4)**	(257.2)
Increase/(decrease) in cash and cash equivalents		**69.2**	226.3	**(2.9)**	0.3
Movement in cash and cash equivalents					
At January 1,		**831.6**	624.7	**35.5**	35.2
Effect of foreign exchange rate changes		**(22.8)**	(19.4)	**-**	-
Increase/(decrease)		**69.2**	226.3	**(2.9)**	0.3
At December 31,	33(b)	**878.0**	831.6	**32.6**	35.5

* The financial statements have been re-presented, and further details can be found in Note 17(v).

The notes on pages 117 to 216 form an integral part of these consolidated and separate financial statements.

Independent auditor's report on pages 103 to 109.

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 34.

1B. BASIS OF PREPARATION

The financial statements of TERRA Mauricia Ltd and its subsidiaries comply with the Mauritian Companies Act 2001 and Mauritian Financial Reporting Act 2004 (FRA) and have been prepared in compliance with IFRS Accounting Standards ("IFRS Accounting Standards"). 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 values;
(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 values.

2. ACCOUNTING POLICIES

The 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 IFRS Accounting Standards

In the current year, the Group and Company have applied all the new and revised IFRS 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, 2023.

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.

2. ACCOUNTING POLICIES (CONT'D)

2.1 Application of New and Revised IFRS Accounting Standards (cont'd)

New and revised Standards and Interpretations that are effective for the reporting period (cont'd)

IAS 1	Presentation of Financial Statements - Amendments with regards to disclosure of accounting policies, replacing all instances of the term 'significant accounting policies' with 'material accounting policy information'.
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors - Amendments with regards to the definition of Accounting Estimates.
IAS 12	Income taxes - Amendments with regards deferred tax related to assets and liabilities arising from a single transaction.
IAS 12	Income taxes - Amendments introduce a temporary exception to the accounting requirements for deferred taxes under the standard, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

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

At the date of authorisation of these financial statements, the following relevant IFRS Accounting 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, 2024)
IAS 1	Presentation of Financial Statements - Amendment to defer the effective date of the January 2020 amendments (effective January 1, 2024)
IAS 1	Presentation of Financial Statements - Amendments regarding the classification of debt with covenants (effective January 1, 2024)
IAS 7	Statement of Cash Flows - Amended by Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) (effective January 1, 2024)
IAS 7	Statement of Cash Flows - Amended by IFRS 18 Presentation and Disclosure in Financial Statements (effective January 1, 2027)
IAS 21	The Effects of Changes in Foreign Exchange Rates - Amendments regarding lack of exchangeability (effective January 1, 2025)
IFRS 10 / IAS 28	Consolidated Financial statements / Investments in Associates and Joint Ventures - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture (deferred indefinitely)
IFRS 7	Financial Instruments: Disclosures - Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments (effective January 1, 2026)
IFRS 16	Leases - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions (effective January 1, 2024)
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information - Initial application of the standard (effective January 1, 2024)
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information -Amendments to the SASB standards issued to enhance their international applicability; the SASB standards facilitate the implementation and application of the standard (effective January 1, 2025)
IFRS S2	Climate-related Disclosures - Initial application of the standard (effective January 1, 2024)
IFRS 18	Presentation and Disclosure in Financial Statements - Initial application of the standard (effective January 1, 2027)

2. ACCOUNTING POLICIES (CONT'D)

2.1 Application of New and Revised IFRS Accounting Standards (cont'd)

New and revised Standards and Interpretations in issue but not yet effective (cont'd)

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.

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 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.

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 revalued 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 and construction in progress are not depreciated.

2. ACCOUNTING POLICIES (CONT'D)

2.2 Property, plant and equipment (cont'd)

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.

2.3 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 of property to, or from, investment property, when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet the definition of investment property and there is evidence of the change in use. Transfers between investment properties, owner-occupied property and inventories are made at the carrying amounts of the property transferred.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Inventory property under development

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.

2. ACCOUNTING POLICIES (CONT'D)

2.3 Investment properties (cont'd)

Inventory property under development (cont'd)

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.

(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.

2. ACCOUNTING POLICIES (CONT'D)

2.4 Intangible assets and goodwill (cont'd)

(ii) *Brands/distribution rights (cont'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.

(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).

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

(iv) *Goodwill*

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.

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

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.

2.5 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, with changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve as per Note 2.7(b)(i) - Fair value through other comprehensive income.

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 as per note 2.7(a).

2. ACCOUNTING POLICIES (CONT'D)

2.5 Investment in subsidiaries (cont'd)

Consolidated financial statements (cont'd)

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 inventory and fixed assets) are eliminated in full. 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

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.,with changes in fair value recognised in other comprehensive income and accumulated in fair value reserve as per Note 2.7(b)(i) - Fair value through other comprehensive income.

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.

2. ACCOUNTING POLICIES (CONT'D)

2.6 Investment in associates (cont'd)

Consolidated financial statements (cont'd)

Any excess of the cost of acquisition and the Group's share of the net fair value of the associate's 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.

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;
- 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. 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.

2. ACCOUNTING POLICIES (CONT'D)

2.7 Financial instruments (cont'd)

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

(i) **Financial assets (cont'd)**

Amortised cost (cont'd)

Impairment allowance for receivables from related parties and loans to related parties is recognised based on the general approach and 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 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 financial assets at amortised cost in the statement of financial position.

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

- 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 have made an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as the Group consider 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.

2. 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)

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:

- 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.

2. ACCOUNTING POLICIES (CONT'D)

2.7 Financial instruments (cont'd)

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

(ii) **Financial liabilities**

Amortised cost

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.

(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.

On derecognition of equity instruments at fair value through other comprehensive income, the difference between the asset's carrying amount remeasured at the date of derecognition, and the sum of the consideration received and receivable is recognised in profit or loss. Any balance within the FVOCI reserve is directly reclassified to retained earnings and is not reclassified to profit or loss.

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.

2.8 Biological assets

(i) **Bearer Biological assets - Deer farming**

Bearer biological assets, excluding bearer plants, are stated at their fair value less costs to sell with any change therein recognised in profit or loss.

(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. ACCOUNTING POLICIES (CONT'D)

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. 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 using a revised discount rate. 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, except the discount rate remains unchanged. 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 of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

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

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

2. **ACCOUNTING POLICIES (CONT'D)**

2.9 **Leases (cont'd)**

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

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.

Most 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'.

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.

2. ACCOUNTING POLICIES (CONT'D)

2.10 Current and deferred income tax (cont'd)

Deferred tax (cont'd)

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.

2.11 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.

When inventories are sold, the carrying amount of those inventories shall be recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realizable value and all losses of inventories shall be recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2.12 Non-current assets classified as held for sale and discontinued operations

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.

2. ACCOUNTING POLICIES (CONT'D)

2.12 Non-current assets classified as held for sale and discontinued operations

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.

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

- represents a major line of business or geographical area of operations
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of
- is a subsidiary acquired exclusively with a view to resale.

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

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.

2. ACCOUNTING POLICIES (CONT'D)

2.14 Retirement benefit obligations (cont'd)

Defined benefit plans

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.

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

The Workers' Right Act 2019 stipulates that the gratuity paid on retirement should be based on the remuneration (which is inclusive of payment for extra work, productivity bonus, attendance bonus, commission in return for services and any other regular payments) of the employee instead of earnings. The amount due per year of service is 15 days remuneration based on a month of 26 days (15/26) for a worker employed on a 6-day week and 15 days remuneration based on a month of 26 days (15/26) for a worker employed on a 5-day week.

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.

2. ACCOUNTING POLICIES (CONT'D)

2.14 Retirement benefit obligations (cont'd)

Measurement of defined benefit obligations: Key actuarial assumptions (cont'd)

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.

2.15 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

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.

2. ACCOUNTING POLICIES (CONT'D)

2.16 Foreign currencies (cont'd)

(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

2.17 Impairment of non-financial assets

<u>Impairment of non-financial assets excluding goodwill, land conversion rights and brand rights</u>

At each reporting date, the Group reviews the carrying amounts of its non-financial assets 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.

2. ACCOUNTING POLICIES (CONT'D)

2.17 Impairment of non-financial assets (cont'd)

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

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.

2.18 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.

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.

2. ACCOUNTING POLICIES (CONT'D)

2.18 Revenue recognition (cont'd)

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

Practical expedients

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.

(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.

(v) *Construction cluster*
Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services supplied, stated net of discounts, returns, value added taxes, rebates and other similar allowances.

Determining the transaction price

Most of the revenue is derived from a fixed mark-up rate contract and therefore the amount of revenue to be earned from this contract is determined by reference to this fixed mark-up rate.

(b) Revenue from sale of morcellement lots

Revenue from the sale of morcellement lots is net of rebates and discounts. Revenue is recognised when control passes that is upon signature of the title deed. Revenue is recognised at one point in time. Costs incurred in the year in connection with future activity on a contract 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.

2. ACCOUNTING POLICIES (CONT'D)

2.18 Revenue recognition (cont'd)

(c) *Remaining performance obligations*

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.
- 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.

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.

2.20 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 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.

2. ACCOUNTING POLICIES (CONT'D)

2.22 Fair value measurement (cont'd)

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.

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.

2.23 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.

2. ACCOUNTING POLICIES (CONT'D)

2.23 Net finance costs (cont'd)

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.

2.24 Foreseeable losses

In accordance with the accounting policy, when it is probable that the total contract cost will exceed total contract revenue, management makes its best forecast of such costs and the total expected loss on the contract is recognised as an expense immediately.

2.25 Contingent asset

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

2.26 Contingent liabilities

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

2.27 Construction contract

Contract costs are recognised when incurred.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

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

The Group presents as an asset (Contract Assets) the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings.

Progress billings not yet paid by customers and retention are included within 'trade and other receivables'.

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

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.

(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.

Exchange rate exposures are managed within approved policy parameters. Based on 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.

3. **FINANCIAL RISK MANAGEMENT (CONT'D)**

3.1 **Financial risk factors**

(a) **Market risk**

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, 2023						
Trade and other receivables	**1,916.6**	**240.5**	**18.0**	**-**	**152.7**	**2,327.8**
Financial assets at amortised cost	**112.3**	**-**	**-**	**-**	**-**	**112.3**
Cash in hand and at bank	**621.3**	**19.6**	**-**	**6.7**	**250.6**	**898.2**
Lease receivables	**54.1**	**-**	**-**	**-**	**-**	**54.1**
Total assets	**2,704.3**	**260.1**	**18.0**	**6.7**	**403.3**	**3,392.4**
Trade and other payables	**1,298.3**	**23.6**	**115.6**	**-**	**0.1**	**1,437.6**
Borrowings	**4,699.4**	**-**	**-**	**-**	**-**	**4,699.4**
Lease liabilities	**131.4**	**-**	**-**	**-**	**-**	**131.4**
Total liabilities	**6,129.1**	**23.6**	**115.6**	**-**	**0.1**	**6,268.4**
At December 31, 2022						
Trade and other receivables	1,328.7	238.0	45.1	-	59.9	1,671.7
Financial assets at amortised cost	10.6	-	-	-	-	10.6
Cash in hand and at bank	735.8	60.8	41.3	14.1	1.2	853.2
Lease receivables	51.6	-	-	-	-	51.6
Total assets	2,126.7	298.8	86.4	14.1	61.1	2,587.1
Trade and other payables	920.0	47.2	27.5	101.5	10.9	1,107.1
Borrowings	4,675.9	-	-	-	-	4,675.9
Lease liabilities	88.6	-	-	-	-	88.6
Total liabilities	5,684.5	47.2	27.5	101.5	10.9	5,871.6

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)

	MUR	USD	EUR	TOTAL
THE COMPANY	MUR'M	MUR'M	MUR'M	MUR'M
At December 31, 2023				
Trade and other receivables	**128.9**	**-**	**-**	**128.9**
Cash in hand and at bank	**6.2**	**26.3**	**0.1**	**32.6**
Investment in subsidiaries	**16,484.4**	**-**	**-**	**16,484.4**
Investment in associates	**339.6**	**-**	**-**	**339.6**
Total assets	**16,959.1**	**26.3**	**0.1**	**16,985.5**
Borrowings	**1,159.4**	**-**	**-**	**1,159.4**
Trade and other payables	**12.1**	**-**	**-**	**12.1**
Total liabilities	**1,171.5**	**-**	**-**	**1,171.5**
At December 31, 2022				
Trade and other receivables	48.4	-	-	48.4
Cash in hand and at bank	10.4	24.9	0.2	35.5
Investment in subsidiaries	15,255.8	-	-	15,255.8
Investment in associates	203.3	-	-	203.3
Total assets	15,517.9	24.9	0.2	15,543.0
Borrowings	1,057.9	-	-	1,057.9
Trade and other payables	12.3	-	-	12.3
Total liabilities	1,070.2	-	-	1,070.2

The following significant exchange rates have been applied.

	AVERAGE RATE		YEAR-END SPOT RATE	
	2023	2022	**2023**	2022
	MUR	MUR	**MUR**	MUR
EUR	**48.91**	46.09	**48.97**	46.42
USD	**45.02**	43.83	**44.05**	43.65
SCR	**3.36**	3.17	**3.25**	3.20

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.

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

The analysis is based on the assumption that the MUR strengthened/weakened against EUR and USD by 4% and 6% respectively (2022: 4% and 6%) and its corresponding impact on loss/profit.

	2023	2022	**2023**	2022
THE GROUP	**MUR'M**	MUR'M	**MUR'M**	MUR'M
EUR	**0.7**	2.0	**(0.7)**	(2.0)
USD	**(4.9)**	2.9	**4.9**	(2.9)
THE COMPANY				
USD	**1.3**	1.2	**(1.3)**	(1.2)

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 group invested in a portfolio of equity shares. Investment in equity shares is approved by the Board for strategic purposes.

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% (2022: 3%), based on historical observation.

	THE GROUP		**THE COMPANY**	
	2023	2022	**2023**	2022
	MUR'M	MUR'M	**MUR'M**	MUR'M
Financial assets at fair value through OCI	**+/- 17.0**	+/- 21.8	**+/- 18.4**	+/- 23.1

(iii) ***Commodity price risk***

The Group is also exposed to price risk with the incidence of the market price of sugar. Commodity price risk in the group primarily arises from price fluctuations and the availability of supply of sugar in the world market.

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% (2022: 11%), based on historical observation of consumable biological assets.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

(a) **Market risk (cont'd)**

(iii) ***Commodity price risk (cont'd)***

	THE GROUP	
	2023	2022
	MUR'M	MUR'M
Impact on profit or loss and equity	**96.3**	153.9

(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 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

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, contract assets, lease receivables and financial assets at amortised cost have been disclosed in notes 16 and 11 respectively.

The group’s current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit impaired	Lifetime ECL – credit-impaired
Write-of	There is evidence indicating that the debtor is in severe financial difficulty and the group has no realistic prospect of recovery	Amount is written off

(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.

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 undiscounted liabilities have not been disclosed as the amount is immaterial.

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, 2023					
Borrowings	**1,407.4**	**28.7**	**40.9**	**3,202.2**	**4,679.2**
Bank overdrafts	**20.2**	**-**	**-**	**-**	**20.2**
Lease liabilities	**63.2**	**68.2**	**-**	**-**	**131.4**
Trade and other payables	**1,437.6**	**-**	**-**	**-**	**1,437.6**
At December 31, 2022					
Borrowings	1,302.1	57.0	10.5	3,234.7	4,604.3
Bank overdrafts	21.6	-	-	-	21.6
Lease liabilities	49.1	39.5	-	-	88.6
Trade and other payables	1,107.1	-	-	-	1,107.1

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, 2023					
Borrowings	**56.8**	-	-	**1,102.6**	**1,159.4**
Trade and other payables	**12.1**	-	-	-	**12.1**
At December 31, 2022					
Borrowings	48.3	-	-	1,009.6	1,057.9
Trade and other payables	12.3	-	-	-	12.3

Details of going concern and subsequent events are disclosed in note 4.2 and note 40 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.

At December 31, if interest rates on MUR-denominated borrowings and EUR-denominated borrowings had been 50 basis points higher/lower, based on historical observation, 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.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

(d) **Cash flow and fair value interest rate risk (cont'd)**

	MUR denominated borrowings (50 basis points)	
	2023	2022
THE GROUP	**MUR'M**	MUR'M
Impact on post-tax profit and shareholders' equity	**19.4**	19.3
THE COMPANY		
Impact on post-tax profit and shareholders' equity	**4.8**	4.4

At December 31, 2023, and December 31, 2022 if variable interest rates on deposit at bank had been 50 basis points higher/lower with all other variables held constant, post-tax 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 Group and the Company 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.

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).

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.3 Capital Risk Management (Cont'd)

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	
	2023	2022	**2023**	2022
	MUR'M	MUR'M	**MUR'M**	MUR'M
Total debt (note 20)	**4,699.4**	4,675.9	**1,159.4**	1,057.9
Lease liabilities (note 21)	**131.4**	88.6	**-**	-
Less: cash in hand and at bank	**(898.2)**	(853.2)	**(32.6)**	(35.5)
Net debt	**3,932.6**	3,911.3	**1,126.8**	1,022.4
Total equity	**18,473.1**	17,053.8	**16,668.8**	15,499.3
Net debt-to-equity ratio	**0.21:1**	0.23:1	**0.07:1**	0.07:1

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 - 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

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

4.1 Key sources of estimation uncertainty (cont'd)

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, Land Conversion Rights and Brand rights are considered for impairment at least annually. Property, plant and equipment, and intangible assets are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself. Refer to note 27 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 basis of calculation on useful life of the power plant has been disclosed under Note 5.

Underclaims and overclaims

Adjustments to turnover are made for underclaims and overclaims. Underclaims comprise of work completed, but not yet certified. On the other hand, overclaims represent amounts claimed but not yet due. These estimates are carried out by the in-house Quantity Surveyors and are vetted by top Management.

The Company accounts for retention and advance on the net amount of underclaim and overclaim.

Provision for maintenance contracts

As the contract progresses, a provision for maintenance, to be used during the defects liability period, is made. Such provision is assessed by management and is based on the risk element of individual contracts.

Future taxable profits

Management makes forecasts based on historical experience and uses best judgements to estimate future taxable profits against which the benefit of part or all of a deferred tax asset will be utilised.

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 27.

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

4.2 Critical accounting judgements (Cont'd)

Impairment of financial assets (Cont'd)
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 realised a profit of MUR'M 1,512.1 for the year ended December 31, 2023 (2022: profit of MUR'M 1,049.5) and had total equity of MUR 18.5 billion (2022: MUR 17.1 billion). The Group had a net current asset position of MUR'M 2,139.7 at December 31, 2023 (2022: net current asset position of MUR'M 1,533.6).

The Group manages liquidity risk by maintaining adequate borrowing facilities and working capital funds. At December 31, 2023, the Group had unused credit headroom of MUR 2.4 billion. 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 Group has 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.

Liquidity management
The overall group net debt amounted to MUR'M 3,932.6 (2022: MUR'M 3,911.3) which is an increase of 1% over the prior year. Out of the net debts are MUR'M 1,289.5 (2022: MUR'M 1,192.3) 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 net debt-to-equity ratio of 21% as at December 31, 2023 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 483.9 (2022: MUR'M 279.6) for the year ended December 31, 2023 and had total equity of MUR 16.7 billion (2022: MUR 15.5 billion). The Company has a net current asset position of MUR'M 92.7 (2022: Net current asset position of MUR'M 24.3).

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.

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, 2023											
- Cost	**-**	**141.8**	**-**	**2,238.1**	**1,675.1**	**750.7**	**443.4**	**811.4**	**7.4**	**799.5**	**6,867.4**
- Valuation	**9,425.3**	**-**	**1,005.3**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**10,430.6**
Total cost/valuation	**9,425.3**	**141.8**	**1,005.3**	**2,238.1**	**1,675.1**	**750.7**	**443.4**	**811.4**	**7.4**	**799.5**	**17,298.0**
Additions	**42.6**	**0.9**	**73.5**	**-**	**109.0**	**38.6**	**25.6**	**66.7**	**10.7**	**89.7**	**457.3**
Transfer to investment properties (note 6)	**(391.4)**	**-**	**(35.1)**	**-**	**-**	**-**	**-**	**-**	**(4.4)**	**-**	**(430.9)**
Reclassification	**-**	**0.2**	**51.9**	**-**	**(47.9)**	**(7.2)**	**(0.2)**	**11.5**	**(8.3)**	**-**	**-**
Reversal of impairment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**32.4**	**32.4**
Transfer to inventories (note 14)	**(24.8)**	**-**	**(37.9)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(62.7)**
Disposals/scrapped assets	**(27.4)**	**-**	**(18.0)**	**-**	**(31.8)**	**(0.5)**	**(29.0)**	**(70.0)**	**-**	**-**	**(176.7)**
Translation differences	**-**	**-**	**0.1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.1**
At December 31, 2023											
- Cost	**42.6**	**142.9**	**125.5**	**2,238.1**	**1,704.4**	**781.6**	**439.8**	**819.6**	**5.4**	**921.6**	**7,221.5**
- Valuation	**8,981.7**	**-**	**914.3**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**9,896.0**
Total cost/valuation	**9,024.3**	**142.9**	**1,039.8**	**2,238.1**	**1,704.4**	**781.6**	**439.8**	**819.6**	**5.4**	**921.6**	**17,117.5**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES											
At January 1, 2023	**-**	**51.1**	**4.1**	**1,900.6**	**1,075.5**	**616.8**	**389.2**	**557.9**	**-**	**652.2**	**5,247.4**
Charge for the year	**-**	**2.1**	**77.8**	**16.2**	**105.6**	**27.7**	**21.5**	**42.5**	**-**	**50.2**	**343.6**
Transfer to inventories (note 14)	**-**	**-**	**(0.5)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(0.5)**
Transfer to investment properties (note 6)	**-**	**-**	**(34.1)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(34.1)**
Reclassification	**-**	**0.1**	**16.1**	**-**	**(15.4)**	**(7.1)**	**0.2**	**6.1**	**-**	**-**	**-**
Reversal of impairment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**26.8**	**26.8**
Disposals/scrapped assets	**-**	**-**	**(5.1)**	**-**	**(26.0)**	**(0.5)**	**(29.0)**	**(61.0)**	**-**	**-**	**(121.6)**
Translation differences	**-**	**-**	**0.1**	**-**	**-**	**-**	**-**	**0.6**	**-**	**-**	**0.7**
At December 31, 2023	**-**	**53.3**	**58.4**	**1,916.8**	**1,139.7**	**636.9**	**381.9**	**546.1**	**-**	**729.2**	**5,462.3**
CARRYING AMOUNTS											
At December 31, 2023	**9,024.3**	**89.6**	**981.4**	**321.3**	**564.7**	**144.7**	**57.9**	**273.5**	**5.4**	**192.4**	**11,655.2**

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, 2022											
- Cost	5.1	141.6	36.1	2,235.1	1,563.0	697.6	433.1	765.6	7.5	752.8	6,637.5
- Valuation	8,437.5	-	923.0	-	-	-	-	-	-	-	9,360.5
Total cost/valuation	8,442.6	141.6	959.1	2,235.1	1,563.0	697.6	433.1	765.6	7.5	752.8	15,998.0
Additions	0.8	0.2	54.2	6.6	106.9	53.1	35.7	69.8	15.0	46.7	389.0
Transfer from/(to) investment properties (note 6)	0.7	-	20.0	-	-	-	-	-	(2.5)	-	18.2
Reclassification	-	-	(35.7)	-	47.9	-	-	0.1	(12.3)	-	-
Transfer to inventories (note 14)	(29.3)	-	(34.2)	-	-	-	-	-	(0.3)	-	(63.8)
Revaluation adjustment	1,430.4	-	61.2	-	-	-	-	-	-	-	1,491.6
Disposals/scrapped assets	(419.9)	-	(22.5)	(3.6)	(42.7)	-	(26.4)	(25.8)	-	-	(540.9)
Translation differences	-	-	3.2	-	-	-	1.0	1.7	-	-	5.9
At December 31, 2022											
- Cost	-	141.8	-	2,238.1	1,675.1	750.7	443.4	811.4	7.4	799.5	6,867.4
- Valuation	9,425.3	-	1,005.3	-	-	-	-	-	-	-	10,430.6
Total cost/valuation	9,425.3	141.8	1,005.3	2,238.1	1,675.1	750.7	443.4	811.4	7.4	799.5	17,298.0
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES											
At January 1, 2022	-	49.1	118.1	1,885.1	994.4	587.0	391.5	544.3	-	605.3	5,174.8
Charge for the year	-	2.0	72.8	19.1	105.9	29.8	20.6	38.0	-	46.9	335.1
Transfer to inventories (note 14)	-	-	(33.3)	-	-	-	-	-	-	-	(33.3)
Reclassification	-	-	(13.0)	-	13.0	-	-	-	-	-	-
Revaluation adjustment	-	-	(121.5)	-	-	-	-	-	-	-	(121.5)
Disposals/scrapped assets	-	-	(19.5)	(3.6)	(37.8)	-	(23.9)	(25.8)	-	-	(110.6)
Translation differences	-	-	0.5	-	-	-	1.0	1.4	-	-	2.9
At December 31, 2022	-	51.1	4.1	1,900.6	1,075.5	616.8	389.2	557.9	-	652.2	5,247.4
CARRYING AMOUNTS											
At December 31, 2022	9,425.3	90.7	1,001.2	337.5	599.6	133.9	54.2	253.5	7.4	147.3	12,050.6

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

(b) Measurement of fair value of land and buildings

The freehold land and buildings of the Group were last revalued at December 31, 2022 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 (note 2.2). 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 was 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	
	2023	2022	**2023**	2022
	MUR'M	MUR'M	**MUR'M**	MUR'M
Cost	**2,593.0**	2,994.0	**871.6**	695.6
Accumulated depreciation	**-**	-	**(503.2)**	(513.3)
Carrying amount	**2,593.0**	2,994.0	**368.4**	182.3

Sensitivity analysis

The following tables show the significant unobservable inputs used and the sensitivity of these inputs on the fair value:

Description	Fair value hierarchy	Significant unobservable input	2023 & 2022 Range of unobservable input
Agricultural Land	Level 3	Price per Ha	Rs.180,000 - Rs. 7,750,000
		Bulk discount rate	40%
Non-Agricultural Land	Level 3	Price per Ha	Rs.180,000 - Rs. 40,000,000
		Bulk discount rate	40%
Buildings	Level 3	Price per Square meter	Rs. 3,500 - Rs. 40,000
		Bulk discount rate	40%

The bulk discount of 40% for 2022 and 2023 has been determined using the following assumptions:
- around 100 Hectares may be disposed of annually;
- the period of sale would be 65 years;
- the rate of growth of agricultural land more particularly cane land at around 3 per cent per annum; and
- the discount rate 6.5 per cent per annum.

An increase/(decrease) in the price per Ha and the price per Square meter would result in an increase/(decrease) in fair value. An increase/(decrease) in the discount rate would result in a (decrease)/increase in fair value.

(c) Impairment losses

Bearer plants

For the year ended December 31, 2023, the Group recognised a reversal of impairment on bearer plants of MUR'M 5.6 based on a valuation carried out by management (2022: Nil).

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

(c) Impairment losses (cont'd)

Power plant

One of the subsidiaries' main business, namely Terragen Ltd, is to generate electricity using its power plant and sell to the Central Electricity Board ("CEB"). Given the unprecedented increase in coal prices in early 2022, the production and sales of electricity from the use of coal was suspended in April 2022 due to a Force Majeure Event invoked by the subsidiary since March 2022.

On April 29, 2023, a settlement agreement was signed by the CEB and Terragen Ltd (the "company"). The company then resumed its normal activities under the existing terms and conditions as set out in the Power Plant Agreement ("PPA").

At December 31, 2022, the recoverable amount was based on the fair value less cost of disposal of the assets of the company. The main component of the company's property, plant and equipment is the power plant. The power plant meets the definition of a specialised asset as per the RICS Valuation – Global Standards 2017 ("RB Global") Glossary and as such, the Depreciated replacement cost approach (DRC) is the most appropriate method to determine the fair value of the power plant. Because of the power plant's specialised nature, it is categorised as a level 3 instrument.

At December 31, 2023, management has projected cashflows over a period of 17 years given that Terragen Ltd has resumed its normal activities under the existing terms and conditions as set out in the PPA. In arriving at the value in use, the projected cash flows have been discounted using a WACC of 12.5%, giving consideration to the specific amount and timing of future cash flows as well as the risks specific to the operations.

The discounted cash flow calculation took into consideration the following key assumptions:

- EBITDA

The budgeted EBITDA was used based on past experience and management's future expectations of business performance. The valuation was performed using cash flows which incorporated expected future coal prices.

- Terminal growth rate

The rate considered steady state of growth rates to extrapolate coal prices beyond the forecast period cash flows.

- Discount rate

Discount rates used reflect both time value of money and other specific risks relating to the entity were used. The discount rate was calculated based on comparable companies in the industry.

Based on the impairment assessment performed on the power plant and the other assets of the subsidiary, there is no material impact on the financial statements as at December 31, 2023.

(d) Depreciation has been charged to profit or loss as follows:

	THE GROUP	
	2023	2022
	MUR'M	MUR'M
Cost of sales	**187.8**	164.4
Other expenses	**155.8**	170.7
	343.6	335.1

(e) Property, plant and equipment are included in amounts given as collaterals to bank borrowings.

5A. RIGHT-OF-USE ASSETS

	Land	Buildings	Motor vehicles	Agricultural Equipment	Total
COST	**Rs' M**	**Rs' M**	**Rs' M**	**Rs' M**	**Rs' M**
At January 1, 2022	10.4	86.7	12.0	-	109.1
Additions	-	11.6	8.1	-	19.7
Disposals	-	(0.7)	(0.6)	-	(1.3)
Effect of modification to lease term	-	38.4	-	-	38.4
Exchange differences	-	0.2	-	-	0.2
At December 31, 2022	**10.4**	**136.2**	**19.5**	**-**	**166.1**
Additions	**-**	**56.5**	**7.4**	**5.8**	**69.7**
Effect of modification to lease term	**-**	**9.0**	**-**	**-**	**9.0**
At December 31, 2023	**10.4**	**201.7**	**26.9**	**5.8**	**244.8**
ACCUMULATED DEPRECIATION					
At January 1, 2022	0.3	46.5	3.5	-	50.3
Charge for the year	0.2	18.7	4.9	-	23.8
Disposals	-	(0.6)	(0.4)	-	(1.0)
At December 31, 2022	**0.5**	**64.6**	**8.0**	**-**	**73.1**
Charge for the year	**0.2**	**31.4**	**5.8**	**0.6**	**38.0**
At December 31, 2023	**0.7**	**96.0**	**13.8**	**0.6**	**111.1**
CARRYING AMOUNT					
At December 31, 2023	**9.7**	**105.7**	**13.1**	**5.2**	**133.7**
At December 31, 2022	9.9	71.6	11.5	-	93.0

	THE GROUP	
	2023	2022
	MUR'M	MUR'M
Depreciation on right-of-use assets (note 28)	**38.0**	23.8
Interest on lease liabilities (note 21(d))	**6.5**	2.1
	44.5	25.9

5B. LEASE RECEIVABLES

	THE GROUP	
	2023	2022
	MUR'M	MUR'M
Year 1	**2.6**	2.5
Year 2	**2.7**	2.6
Year 3	**2.8**	2.7
Year 4	**3.0**	2.8
Year 5	**3.1**	3.0
Onwards	**3,428.4**	3,431.3
Undiscounted lease payments	**3,442.6**	3,444.9
Less: unearned finance income	**(3,388.5)**	(3,393.3)
Present value of lease payments receivable	**54.1**	51.6
Net investment in the lease	**54.1**	51.6

5B. LEASE RECEIVABLES (CONT'D)

	THE GROUP	
	2023	2022
	MUR'M	MUR'M
Undiscounted lease payments analysed as:		
Recoverable after 12 months	**3,440.0**	3,442.4
Recoverable within 12 months	**2.6**	2.5
	3,442.6	3,444.9
Net investment in the lease analysed as:		
Recoverable after 12 months	**51.5**	49.1
Recoverable within 12 months	**2.6**	2.5
	54.1	51.6

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

6. INVESTMENT PROPERTIES

	Investment property under development		Land and buildings		Total	
THE GROUP	**2023**	2022	**2023**	2022	**2023**	2022
	MUR'M	MUR'M	**MUR'M**	MUR'M	**MUR'M**	MUR'M
COST						
At January 1,	**763.5**	955.9	**2,175.9**	1,277.7	**2,939.4**	2,233.6
Additions	**103.1**	118.5	**207.8**	298.1	**310.9**	416.6
Disposals	**-**	-	**(7.2)**	(9.8)	**(7.2)**	(9.8)
Transfer from/(to) land and building (note 5(a))	**-**	-	**430.9**	(18.2)	**430.9**	(18.2)
Transfer	**(40.3)**	(224.6)	**40.3**	224.6	**-**	-
Transfer (to)/from inventories (note 14)	**(0.6)**	(86.3)	**(176.8)**	403.5	**(177.4)**	317.2
At December 31,	**825.7**	763.5	**2,670.9**	2,175.9	**3,496.6**	2,939.4
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES						
At January 1,	**1.1**	0.4	**292.9**	276.9	**294.0**	277.3
Charge for the year	**-**	-	**28.8**	27.1	**28.8**	27.1
Transfer to inventories (note 14)	**-**	-	**-**	(11.1)	**-**	(11.1)
Transfer from land and building (note 5(a))	**-**	-	**34.1**	-	**34.1**	-
Impairment loss (note 27)	**-**	0.7	**-**	-	**-**	0.7
At December 31,	**1.1**	1.1	**355.8**	292.9	**356.9**	294.0
CARRYING AMOUNTS						
At December 31,	**824.6**	762.4	**2,315.1**	1,883.0	**3,139.7**	2,645.4

6. INVESTMENT PROPERTIES (CONT'D)

(a) For disclosure purposes, details of the Group's investment properties and information about the fair value hierarchy is as follows:

	Level 3	
December 31,	**2023**	2022
	MUR'M	MUR'M
Land and buildings	**5,118.4**	4,299.2

The fair value of investment properties are based on valuations performed in December 2022 by accredited independent valuers, namely Noor Dilmahomed & Associates who have 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. The significant unobservable inputs and the sensitivity of these inputs on the fair value has been discussed below.

Description	**Fair value hierarchy**	**Significant unobservable input**	**2023 & 2022 Range of unobservable input**
Non-Agricultural Land	Level 3	Price per Ha	Rs.180,000 - Rs. 40,000,000
		Bulk discount	40%

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

	THE GROUP	
	2023	2022
	MUR'M	MUR'M
Rental income (note 28)	**201.6**	199.6
Direct operating expenses from investment properties that generate rental income	**68.0**	38.2
Direct operating expenses from investment properties that do not generate rental income	**45.2**	8.0

(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	
	2023	2022
	MUR'M	MUR'M
Within 1 year	**248.9**	196.1
Between 1 and 2 years	**262.4**	201.6
Between 2 and 3 years	**253.6**	212.4
Between 3 and 4 years	**247.5**	208.8
Between 4 and 5 years	**255.2**	194.4
Later than 5 years	**310.8**	283.6
	1,578.4	1,296.9

6. **INVESTMENT PROPERTIES (CONT'D)**

(d) Additions to investment properties relate to subsequent expenditure.

(e) Investment property under development include land development and other related costs. There was a transfer of MUR'M 40.3 from investment property under development to investment property (land & buildings) during the financial year (2022: MUR'M 224.6). The cost approximates the fair value as development of investment property is not yet complete.

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, 2022	22.3	219.0	106.5	58.4	406.2
Additions	-	-	14.1	5.1	19.2
Acquired through business combination	9.9	-	-	-	9.9
Exchange difference	-	-	-	0.2	0.2
At December 31, 2022	**32.2**	**219.0**	**120.6**	**63.7**	**435.5**
Additions	**0.5**	**-**	**4.5**	**-**	**5.0**
Transfer	**-**	**-**	**3.4**	**(3.4)**	**-**
Exchange difference	**-**	**-**	**-**	**0.1**	**0.1**
At December 31, 2023	**32.7**	**219.0**	**128.5**	**60.4**	**440.6**
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES					
At January 1, 2022	22.3	98.3	92.5	-	213.1
Charge for the year	-	-	10.0	-	10.0
Reversal of impairment (note 27A)	-	(12.0)	-	-	(12.0)
At December 31, 2022	**22.3**	**86.3**	**102.5**	**-**	**211.1**
Charge for the year	**-**	**-**	**9.5**	**-**	**9.5**
At December 31, 2023	**22.3**	**86.3**	**112.0**	**-**	**220.6**
CARRYING AMOUNTS					
At December 31, 2023	**10.4**	**132.7**	**16.5**	**60.4**	**220.0**
At December 31, 2022	9.9	132.7	18.1	63.7	224.4

Brands/Distribution Rights refers to the Brand segment.

The acquirer shall recognise goodwill as of the acquisition date measured as the excess of (a) over (b) below:

(a) the aggregate of:

(i) the consideration transferred measured in accordance with IFRS 3, which generally requires acquisition date fair value,

(ii) the amount of any non-controlling interest in the acquiree measured in accordance with IFRS 3, and

(iii) in a business combination achieved in stages, the acquisition date fair value of the acquirer’s previously held equity interest in the acquiree.

(b) the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with IFRS 3.

7. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

Impairment test on goodwill and brand distribution rights

Each cash generating unit (CGU) represents a business operation and is the lowest level within the Group at which the goodwill is monitored for internal management purposes. The recoverable amount of each CGU has been determined using value in use calculation. The post-tax cash flow projections are based on financial budgets approved by management covering a five-year period. The pre-tax discount rate applied represents the current market assessment of the risks specific to each 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 recoverable amount of the different CGU's has been determined as follows:

- Brands: The recoverable amount has been determined based on a discounted cash flow (DCF) approach using a discount rate of 13.3%.

The discount rate takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group’s investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Cash flows beyond the five-year period are extrapolated using a terminal growth of 3.54%.

The key assumptions used for preparing the cash flow forecasts are based on management's past experience of the industry, required resources needed to service new and existing operations as well as the current economic environment. Management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the Group's carrying amount to exceed its recoverable amount.

Goodwill has been allocated for impairment testing purposes to the following CGU's:

	THE GROUP	
	2023	2022
	MUR'M	MUR'M
Brands Segment	**10.4**	9.9

No impairment of goodwill has been recognised in 2023 (2022: Nil). Management believes that any reasonably possible change in key assumptions on which the Brand's segment's recoverable amount is based, would not cause the Brand's segment's carrying amount to exceed the recoverable amount.

(b) *Amortisation*

The amortisation of computer software totalling MUR'M 9.5 (2022: MUR'M 10.0) has been charged to other expenses.

Land conversion rights

The recoverable amount in respect of land conversion rights were valued by an independent property valuer, Noor Dilmohamed & Associate, 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 122.2 as at December 31, 2023.

8. INVESTMENTS IN SUBSIDIARIES

(a) Reconciliation of movements in investment in subsidiaries is presented below:

	THE COMPANY			
	Level 1	**Level 2**	**Level 3**	**Total**
2023	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**
At January 1	**-**	**1,350.4**	**13,905.4**	**15,255.8**
Additions	**217.8**	**-**	**3.8**	**221.6**
Transfer from non-current assets held for sale (note 17(i))	**-**	**-**	**8.0**	**8.0**
Increase in fair value	**27.6**	**6.1**	**965.3**	**999.0**
At December 31,	**245.4**	**1,356.5**	**14,882.5**	**16,484.4**

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) Reconciliation of movements in investment in subsidiaries is presented below:

	THE COMPANY		
	Level 2	**Level 3**	**Total**
2022	**MUR'M**	**MUR'M**	**MUR'M**
At January 1,	1,326.0	12,321.5	13,647.5
Increase in fair value	24.4	1,583.9	1,608.3
At December 31,	1,350.4	13,905.4	15,255.8

(i) Investment in subsidiaries measured at fair value through other comprehensive income include the following:

	THE COMPANY	
	2023	2022
	MUR'M	MUR'M
Quoted - Level 1 (Cavell Touristic Investments Ltd)	**245.4**	-
Unquoted - Level 2, recurring fair value	**1,356.5**	1,350.4
Unquoted - Level 3, recurring fair value	**14,882.5**	13,905.4
	16,484.4	15,255.8

Details of subsidiaries are set out in note 34.

The accounting policies relevant for investment in subsidiaries described in the summary of accounting policies (Note 2.5).

(ii) The fair values of the investments in subsidiaries, as disclosed by segment, are as follows:

	THE COMPANY	
	2023	2022
	MUR'M	MUR'M
Cane	**8,214.2**	7,457.1
Power	**468.2**	351.2
Brands	**1,064.6**	921.4
Property and Leisure	**6,499.9**	6,026.0
Construction	**119.1**	133.7
Others	**118.4**	366.4
	16,484.4	15,255.8

(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 and net asset value 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.

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) 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.

2023 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 (SRP)**	**0% - 5%**	**1.45%**	**(233.1)**
				(1.45%)	**249.7**
		Growth rate	**0% - 4%**	**2.40%**	**499.6**
				(2.40%)	**(231.3)**

2022 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	0% - 4%	1.45%	(232.5)
				(1.45%)	145.1
		Growth rate	0% - 5%	2.40%	560.5
				(2.40%)	(290.4)

An increase/(decrease) in the unobservable inputs would result in a significantly higher/(lower) fair value as shown in the table above.

Some subsidiaries have been valued using the net asset value basis amounting to MUR'M 13,548.6 (2022: MUR'M 11,882.3) 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. The significant unobservable input is NAV per share. Sensitivity to the input is considered immaterial for further disclosure.

9. INVESTMENTS IN ASSOCIATES

		2023	2022
		MUR'M	MUR'M
(a)	THE GROUP		
(i)	Group's share of net assets	**4,238.3**	3,414.3
	Goodwill	**150.6**	77.8
	At December 31,	**4,388.9**	3,492.1

Details of associates are set out in note 35.

(ii) Reconciliation of movements in investments in associates is presented below:

	2023	2022
	MUR'M	MUR'M
At January 1,	**3,492.1**	3,657.0
Transfer to non-current assets classified as held for sale (note 17(i))	**(4.0)**	(264.7)
Transfer to liabilities directly associated with non-current assets classified as held for sale (note 17(ii))	**-**	134.9
Additions (note 35(c))	**575.7**	-
Share of results of associates	**321.3**	321.0
Dividend received (note 38(i))	**(106.0)**	(97.8)
Share of other comprehensive income	**74.1**	(227.4)
Movements in translation reserves (note 19)	**35.7**	(30.9)
At December 31,	**4,388.9**	3,492.1

9. INVESTMENTS IN ASSOCIATES (CONT'D)

(iii) The accounting policies relevant for investments in associates described in the summary of accounting policies (Note 2.6). The associates are strategic to the Group's activities.

(iv) The fair values of the investments in associates, as disclosed by segment, are as follows:

	2023	2022
	MUR'M	MUR'M
Brands	**139.1**	118.9
Power	**181.3**	169.3
Property and Leisure	**193.9**	179.6
Cane	**424.7**	558.0
Others	**3,449.9**	2,466.4
	4,388.9	3,492.2

(b) <u>THE COMPANY</u>

(i) Reconciliation of movements in investment in associates is presented below:

2023	**Level 1**	**Level 2**	**Level 3**	**Total**
	MUR'M	**MUR'M**	**MUR'M**	**MUR'M**
At January 1,	**113.9**	**84.9**	**4.5**	**203.3**
Additions	**88.7**	**37.4**	**-**	**126.1**
Increase in fair value	**3.7**	**3.6**	**2.9**	**10.2**
At December 31,	**206.3**	**125.9**	**7.4**	**339.6**

2022	**Level 1**	**Level 2**	**Level 3**	**Total**
	MUR'M	**MUR'M**	**MUR'M**	**MUR'M**
At January 1,	128.4	95.7	21.5	245.6
Decrease in fair value	(14.5)	(10.8)	(17.0)	(42.3)
At December 31,	113.9	84.9	4.5	203.3

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

	2023	2022
	MUR'M	MUR'M
Quoted - Level 1, recurring fair value	**206.3**	113.9
Unquoted - Level 2, recurring fair value	**125.9**	84.9
Unquoted - Level 3, recurring fair value	**7.4**	4.5
	339.6	203.3

(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.

9. INVESTMENTS IN ASSOCIATES (CONT'D)

(b) THE COMPANY (CONT'D)

(iv) **Measurement of fair value - Level 3**

The DCF and 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.

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. An increase/(decrease) in the unobservable inputs would result in a significantly higher/(lower) fair value as shown in the table below:

2023 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 (SRP)**	0% - 4%	**1.45%**	**-**
				(1.45%)	**-**
		Growth rate	0% - 5%	**2.40%**	**-**
				(2.40%)	**-**
	EBITDA multiple	**Multiple**	40% - 60%	**33.00%**	**(0.5)**
				(33.00%)	**0.5**
		Discount	8% - 20%	**7.55%**	**(0.1)**
				(7.55%)	**0.1**

2022 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	0% - 4%	1.45%	(45.1)
				(1.45%)	79.1
		Growth rate	0% - 5%	2.40%	120.2
				(2.40%)	(47.6)
	EBITDA multiple	Multiple	40% - 60%	33.00%	-
				(33.00%)	-
		Discount	10% - 20%	7.55%	-
				(7.55%)	-

Summarised information on investments in associates are disclosed in note 37.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(i) Equity investments at fair value through other comprehensive income included the following:

	THE GROUP			
	Level 1	**Level 2**	**Level 3**	**Total**
	MUR'M	**MUR'M**	**MUR'M**	**MUR'M**
2023				
At January 1,	**98.5**	**112.0**	**514.8**	**725.3**
Transfer	**-**	**(11.1)**	**11.1**	**-**
Additions	**-**	**-**	**8.5**	**8.5**
Disposals	**(51.0)**	**(71.7)**	**-**	**(122.7)**
Change in fair value recognised in OCI	**(17.8)**	**(29.2)**	**3.6**	**(43.4)**
At December 31	**29.7**	**-**	**538.0**	**567.7**

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONT'D)

(i) Equity investments at fair value through other comprehensive income included the following:

	THE GROUP			
	Level 1	Level 2	Level 3	Total
	MUR'M	MUR'M	MUR'M	MUR'M
2022				
At January 1,	111.5	129.2	419.3	660.0
Additions	-	-	17.3	17.3
Change in fair value recognised in OCI	(13.0)	(17.2)	78.2	48.0
At December 31	98.5	112.0	514.8	725.3

	THE COMPANY			
	Level 1	Level 2	Level 3	Total
	MUR'M	MUR'M	MUR'M	MUR'M
2023				
At January 1,	**141.8**	**112.0**	**514.8**	**768.6**
Transfer	**-**	**(11.1)**	**11.1**	**-**
Additions	**1.6**	**-**	**8.5**	**10.1**
Disposals	**(51.0)**	**(71.7)**	**-**	**(122.7)**
Change in fair value recognised in OCI	**(17.5)**	**(29.2)**	**3.6**	**(43.1)**
At December 31	**74.9**	**-**	**538.0**	**612.9**
2022				
At January 1,	154.0	129.2	419.3	702.5
Additions	-	-	17.3	17.3
Change in fair value recognised in OCI	(12.2)	(17.2)	78.2	48.8
At December 31	141.8	112.0	514.8	768.6

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

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	MUR'M	MUR'M	**MUR'M**	MUR'M
Quoted - Level 1				
- Harel Mallac & Co Ltd	**-**	71.8	**-**	71.8
- Swan General Ltd	**-**	-	**45.2**	43.3
- Swan Life Ltd	**29.7**	26.7	**29.7**	26.7
	29.7	98.5	**74.9**	141.8
Unquoted - Level 2	**-**	112.0	**-**	112.0
Unquoted - Level 3	**538.0**	514.8	**538.0**	514.8
	567.7	725.3	**612.9**	768.6

(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 and the 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. The Group and the Company believe that recognising short-term fluctuations in these investments’ fair value in profit or loss would not be consistent with the Group’s strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONT'D)

(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, 2023	2022	Valuation technique	Unobservable inputs
	MUR'M	MUR'M		
Investment in Inside Equity Fund (IEF)	**526.8**	514.8	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 significant unobservable input is NAV per share. The NAV of IEF is primarily based on the valuation of its underlying investments which are fair valued using appropriate valuation techniques. Increases/(decreases) in unobservable inputs would not have a significant impact on the fair values

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	
	2023	2022
	MUR'M	MUR'M
5% increase in Net Asset Value (2022: 5%)	**26.3**	25.7

(vi) Fair value through other comprehensive income financial assets are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	MUR'M	MUR'M	**MUR'M**	MUR'M
MUR	**40.9**	210.5	**86.1**	253.8
USD	**526.8**	514.8	**526.8**	514.8
	567.7	725.3	**612.9**	768.6

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONT'D)

(vii) One of the Group and the Company's strategic investments is a 36.01% (2022: 36.01%) interest in Inside Equity Fund (the "Fund"). This investment is not accounted for using the equity method (as an associate) as the Group and the 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 21.4 (2022: MUR'M 27.1) for the Group and the Company. Dividend in specie received amounted to MUR'M 163.5 (2022: MUR'M Nil).

(ix) During 2023, the Company disposed part of its Level 1 and Level 2 securities at cost with the objective of reducing its non core assets. The total disposal proceeds amounted to MUR'M 122.7.

11. FINANCIAL ASSETS AT AMORTISED COST

	THE GROUP			
	2023		2022	
	MUR'M	**MUR'M**	MUR'M	MUR'M
	Current	**Non-current**	Current	Non-current
Receivable from related parties (note 38(i))	**4.6**	**5.8**	1.2	4.1
Other receivables	**101.6**	**0.3**	3.1	2.2
	106.2	**6.1**	4.3	6.3

Loans to related parties are unsecured and interest bearing. 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*

No impairment on loans to related parties was recognised during the year for the Group and the Company (2022: Nil).

The carrying amounts of financial assets at amortised cost represent the maximum credit exposure.

(b) The carrying amounts of the 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 general 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.

(e) No reversal of impairment has been recognised during the year (2022: Nil) for the Group.

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		Carrying amount				Fair value			
December 31, 2023	Notes	**FVOCI - equity instruments**	**Financial assets at amortised cost**	**Financial liabilities at amortised cost**	**Total**	**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 measured at fair value									
Equity securities	10	**567.7**	**-**	**-**	**567.7**	**29.7**	**-**	**538.0**	**567.7**
Financial assets not measured at fair value									
Lease receivables	5B	-	**54.1**	**-**	**54.1**				
Trade and other receivables (note 3.1(a)(i))		**-**	**2,327.8**	**-**	**2,327.8**				
Financial assets at amortised cost	11	**-**	**112.3**	**-**	**112.3**				
Cash in hand and at bank	33(b)	**-**	**898.2**	**-**	**898.2**				
		-	**3,392.4**	**-**	**3,392.4**				
Financial liabilities not measured at fair value									
Lease liabilities	21	**-**	**-**	**131.4**	**131.4**				
Borrowings	20	**-**	**-**	**4,699.4**	**4,699.4**				
Trade and other payables (note 3.1(a)(i))		**-**	**-**	**1,437.6**	**1,437.6**				
		-	**-**	**6,268.4**	**6,268.4**				

12. FINANCIAL INSTRUMENTS (CONT'D)

Accounting classification and fair values (cont'd)

THE GROUP (CONT'D)	Notes	Carrying amount				Fair value			
December 31, 2022		FVOCI - equity instruments	Financial assets at amortised cost	Financial liabilities at amortised cost	Total	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 measured at fair value									
Equity securities	10	725.3	-	-	725.3	98.5	112.0	514.8	725.3
Financial assets not measured at fair value									
Lease receivables	5B	-	51.6	-	51.6				
Trade and other receivables (note 3.1(a)(i))		-	1,671.7	-	1,671.7				
Financial assets at amortised cost	11	-	10.6	-	10.6				
Cash in hand and at bank	33(b)	-	853.2	-	853.2				
		-	2,587.1	-	2,587.1				
Financial liabilities not measured at fair value									
Lease liabilities	21	-	-	88.6	88.6				
Borrowings	20	-	-	4,675.9	4,675.9				
Trade and other payables (note 3.1(a)(i))		-	-	1,107.1	1,107.1				
		-	-	5,871.6	5,871.6				

(i) Trade and other receivables as stated above exclude prepayments, deposits and taxes.

(ii) Trade and other payables as stated above exclude deposits, taxes and provisions.

12. FINANCIAL INSTRUMENTS (CONT'D)

Accounting classification and fair values (cont'd)

THE COMPANY	Notes	Carrying amount				Fair value			
December 31, 2023		**FVOCI - equity instruments**	**Financial assets at amortised cost**	**Financial liabilities at amortised cost**	**Total**	**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 measured at fair value									
Investment in subsidiaries	8	**16,484.4**	**-**	**-**	**16,484.4**	**245.4**	**1,356.5**	**14,882.5**	**16,484.4**
Investment in associates	9	**339.6**	**-**	**-**	**339.6**	**206.3**	**125.9**	**7.4**	**339.6**
Equity securities	10	**612.9**	**-**	**-**	**612.9**	**74.9**	**-**	**538.0**	**612.9**
		17,436.9	**-**	**-**	**17,436.9**	**526.6**	**1,482.4**	**15,427.9**	**17,436.9**
Financial assets not measured at fair value									
Trade and other receivables (note 3.1(a)(i))		**-**	**128.9**	**-**	**128.9**				
Cash in hand and at bank	33(b)	**-**	**32.6**	**-**	**32.6**				
		-	**161.5**	**-**	**161.5**				
Financial liabilities not measured at fair value									
Borrowings	20	-	**-**	**1,159.4**	**1,159.4**				
Trade and other payables (note 3.1(a)(i))		-	**-**	**12.1**	**12.1**				
		-	**-**	**1,171.5**	**1,171.5**				

12. FINANCIAL INSTRUMENTS (CONT'D)

Accounting classification and fair values (cont'd)

THE COMPANY (CONT'D)	Notes	Carrying amount				Fair value			
December 31, 2022		FVOCI - equity instruments	Financial assets at amortised cost	Financial liabilities at amortised cost	Total	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 measured at fair value									
Investment in subsidiaries	8	15,255.8	-	-	15,255.8	-	1,350.4	13,905.4	15,255.8
Investment in associates	9	203.3	-	-	203.3	113.9	84.9	4.5	203.3
Equity securities	10	768.6	-	-	768.6	141.8	112.0	514.8	768.6
		16,227.7	-	-	16,227.7	255.7	1,547.3	14,424.7	16,227.7
Financial assets not measured at fair value									
Trade and other receivables (note 3.1(a)(i))		-	48.4	-	48.4				
Cash in hand and at bank	33(b)	-	35.5	-	35.5				
		-	83.9	-	83.9				
Financial liabilities not measured at fair value									
Borrowings	20	-	-	1,057.9	1,057.9				
Trade and other payables (note 3.1(a)(i))		-	-	12.3	12.3				
		-	-	1,070.2	1,070.2				

(i) Trade and other receivables as stated above exclude deposits.

(ii) Trade and other payables as stated above exclude deposits, taxes and provisions.

13. DEFERRED TAXES

Deferred income taxes are calculated on all temporary differences under the liability method at the effective tax rate of 17% (2022: 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	
	2023	2022
	MUR'M	MUR'M
Deferred tax assets	**(199.2)**	(185.0)
Deferred tax liabilities	**145.5**	145.6
	(53.7)	(39.4)
Unused tax losses available for offset against future taxable profits	**201.1**	394.6

The deferred tax asset recognised is supported by management's forecast of future taxable income for the next 5 years. The Directors are satisfied that the Group will utilise the deferred tax asset recognised within the next five years. In making such forecast, all positive and negative evidence was considered, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies and results of recent operations. At the end of the reporting period, the Group had unused tax losses of MUR'M 201.1 (2022: MUR'M 394.6) available for offset against future profits. No deferred tax asset has been recognised in respect of the total MUR'M 201.1 (2022: MUR'M 394.6) as it was limited to available future taxable profits.

	THE GROUP	
The tax losses expire on a rolling basis over 5 years as follows:	**2023**	2022
	MUR'M	MUR'M
2023	**-**	192.5
2025	**12.0**	12.4
Indefinitely	**189.1**	189.7
	201.1	394.6

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	
	2023	2022
	MUR'M	MUR'M
At January 1,	**(39.4)**	6.6
Credited to profit or loss (note 24(b))	**(12.5)**	(31.6)
Credited to other comprehensive income	**(1.8)**	(14.4)
At December 31,	**(53.7)**	(39.4)

(c) The deferred tax income (credited)/charged to other comprehensive income during the year is as follows:

	THE GROUP	
	2023	2022
	MUR'M	MUR'M
Fair value reserves in shareholders' equity:		
- Land and building	**-**	(21.2)
- Retirement benefit obligation (Note 13(d))	**1.0**	6.8
- Tax losses carried forward	**(2.8)**	-
	(1.8)	(14.4)

13. **DEFERRED INCOME TAXES (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, 2022	Profit or Loss	Movement in Equity	**At December 31, 2022**	Profit or Loss	Movement in Equity	**At December 31, 2023**
	MUR'M	MUR'M	MUR'M	**MUR'M**	MUR'M	MUR'M	**MUR'M**
Deferred income tax liabilities							
Accelerated tax depreciation	195.6	(80.7)	-	**114.9**	**0.1**	**-**	**115.0**
Asset revaluations	51.3	0.6	(21.2)	**30.7**	**(0.2)**	**-**	**30.5**
	246.9	(80.1)	(21.2)	**145.6**	**(0.1)**	**-**	**145.5**
Deferred income tax assets							
Accelerated tax depreciation	(118.3)	51.2	**-**	**(67.1)**	**(10.6)**	-	**(77.7)**
Tax losses carried forward	(1.3)	0.9	**-**	**(0.4)**	**(1.6)**	**(2.8)**	**(4.8)**
Right-of-use assets	0.2	(0.7)	**-**	**(0.5)**	**-**	**-**	**(0.5)**
Retirement benefit obligations	(111.9)	(3.6)	6.8	**(108.7)**	**0.6**	**1.0**	**(107.1)**
Provisions	(9.0)	0.7	**-**	**(8.3)**	**(0.8)**	**-**	**(9.1)**
	(240.3)	48.5	6.8	**(185.0)**	**(12.4)**	**(1.8)**	**(199.2)**
Net deferred income tax liabilities/(assets)	6.6	(31.6)	(14.4)	**(39.4)**	**(12.5)**	**(1.8)**	**(53.7)**

14. INVENTORIES

		THE GROUP	
		2023	2022
		MUR'M	MUR'M
(a)	Raw materials	**383.8**	203.6
	Work-in-progress	**-**	234.5
	Inventory property	**374.7**	154.9
	Finished goods	**711.1**	730.6
	Spare parts and consumables	**383.9**	319.2
	Less: Provision for obsolescence	**(17.2)**	(13.0)
		1,836.3	1,629.8

(b) The cost of inventories recognised as expense and included in cost of sales are as follows:

	THE GROUP	
	2023	2022
	MUR'M	MUR'M
Cost of inventories consumed in respect of other inventories (note 29)	**2,673.6**	3,108.4
Cost of inventories consumed in respect of sales of completed inventory property	**681.2**	396.0
	3,354.8	3,504.4

15. CONSUMABLE BIOLOGICAL ASSETS

	THE GROUP	
	2023	2022
	MUR'M	MUR'M
At January 1,	**295.6**	193.3
Net changes in fair value less estimated costs to sell	**56.7**	102.3
At December 31,	**352.3**	295.6

The fair value measurements for standing canes have been categorised as Level 3 fair values based on the inputs.

At December 31, 2023, sugar canes comprised of approximately 5,101.93 hectares of sugar cane plantations (2022: 5,086.13 hectares). The Group manages sugar cane plantations on land that it owns and this land has been classified under "Property, plant and equipment" (note 5).

During the year, the Group harvested approximately 302,184 tonnes of canes (2022: 300,823 tonnes), which based on a selling price of Raw Sugar at MUR 26,493/ton (2022: MUR 21,500/ton) had a fair value less costs to sell of MUR'M 352.3 (2022: MUR'M 295.6) at the date of harvest.

For the year 2024, the Group forecasts to harvest approximately 315,000 tons of canes.

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**	
2023			**%**	**MUR'M**
	Cane maturity	**20%**	**10%**	**0.73**
	Price of sugar	**23,209**	**11%**	**59.23**
	Extraction rate	**10.60%**	**0.50%**	**30.76**
	Estimated cane production in metric tonnes	**315,000**	**10%**	**52.62**

15. CONSUMABLE BIOLOGICAL ASSETS (CONT'D)

THE GROUP

Sugar cane	Key unobservable inputs	Range of unobservable inputs	Sensitivity of the input to fair value	
2022			%	MUR'M
	Cane maturity	20.0%	10.0%	0.66
	Price of sugar	22,626	10.0%	47.39
	Extraction rate	10.5%	0.5%	27.45
	Estimated cane production in metric tonnes	290,000	10.0%	46.17

An increase/(decrease) in each of the key unobservable inputs would give rise to an increase/(decrease) in the fair value of consumable biological assets.

The Group's sugarcane plantations are exposed to the risk of damage from extreme weather events such as storms, high winds and drought. Changes in global climate conditions could intensify one or more of these events. Periods of drought and associated high temperatures may increase the risk of Sugarcane fires and insect outbreaks. In addition to their effects on Sugarcane yields, extreme weather events may also increase the cost of operations. The Group has extensive processes in place aimed at monitoring and mitigating these risks through proactive management and early detection. Physical risks arising from fires and drought are to a great extent subject to risk transfer and thereby within the cover of the Group's property and business interruption insurance programmes. However, should the frequency and severity of these events increase as a result of climate change, the cost of such coverage may increase.

At the Group, 80% of the harvesting is done mechanically using specialised industrial equipment. Traditionally, the cane was burnt before harvesting to remove leaves and other wastes which could impede milling. However, as a means to reduce herbicides, sugarcane are green harvested, thus recycling nitrogen in the plant, keeping the humidity in the soil and avoiding the growth of weeds.

16. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	MUR'M	MUR'M	**MUR'M**	MUR'M
Trade receivables	**1,291.6**	1,161.5	**-**	-
Less: allowance for impairment (Note 16(i))	**(217.0)**	(158.2)	**-**	-
Trade receivables - net	**1,074.6**	1,003.3	**-**	-
Dividend receivable	**63.1**	44.3	**51.0**	2.4
Deposit receivable	**0.8**	0.1	**-**	-
Accrued income	**101.3**	-	**-**	-
Advance payments	**12.0**	17.1	**-**	-
Short term loans	**1.5**	1.2	**-**	-
Receivable from related parties (Note 38(ii))	**-**	-	**42.5**	45.0
Deposit on investments	**0.9**	1.2	**1.0**	0.9
Prepayments	**55.1**	105.4	**-**	-
Sugar proceeds receivable	**817.8**	253.1	**-**	-
Molasses proceeds receivable	**22.6**	247.6	**-**	-
Bagasse proceeds receivable	**48.4**	-	**-**	
VAT and taxes	**129.1**	96.1	**-**	-
Other receivables	**186.5**	105.1	**35.4**	1.0
	2,513.7	1,874.5	**129.9**	49.3

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

16. TRADE AND OTHER RECEIVABLES (CONT'D)

The Group and the Company made an assessment of impairment of 'other receivables' and receivable from related parties under the Expected Credit Losses (ECL) model using general approach 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	
	2023	2022	**2023**	2022
	MUR'M	MUR'M	**MUR'M**	MUR'M
MUR	**2,102.5**	1,531.5	**129.9**	49.3
USD	**18.0**	45.1	**-**	-
EUR	**240.5**	238.0	**-**	-
Other currencies	**152.7**	59.9	**-**	-
	2,513.7	1,874.5	**129.9**	49.3

(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.

On that basis, the loss allowance as at December 31, 2023 and 2022 was determined as follows for trade receivables:

THE GROUP **At December 31, 2023**	**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**
Expected loss rate	5.2%	1.8%	4.9%	83.3%	
Gross carrying amount - trade receivable	**1,002.2**	**61.9**	**32.9**	**194.6**	**1,291.6**
Loss allowance	**(52.0)**	**(1.4)**	**(1.5)**	**(162.1)**	**(217.0)**

16. **TRADE AND OTHER RECEIVABLES (CONT'D)**

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

THE GROUP **At December 31, 2022**	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
Expected loss rate	5.6%	1.8%	4.9%	57.2%	
Gross carrying amount - trade receivable	893.0	65.0	18.3	185.2	1,161.5
Loss allowance	(50.2)	(1.2)	(0.9)	(105.9)	(158.2)

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

	THE GROUP	
	2023	2022
	MUR'M	MUR'M
At January 1,	**158.2**	130.4
Loss allowance recognised in profit or loss during the year (note 27)	**60.7**	48.0
Exchange difference	**7.8**	(3.3)
Receivables written off during the year as uncollectible	**(3.9)**	(5.6)
Unused amount reversed (note 27A)	**(5.8)**	(11.3)
At December 31,	**217.0**	158.2

(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 general impairment approach to calculate 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.

17. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

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

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	MUR'M	MUR'M	**MUR'M**	MUR'M
At January 1,	**529.4**	220.7	**256.9**	351.7
Reclassified from investments in subsidiaries (note 8(a))	**-**	15.8	**(8.0)**	-
Reclassified from investments in associates (note 9(ii))	**4.0**	264.7	**-**	
Fair value loss (note 17 (iii))	**(7.1)**	(94.8)	**(7.1)**	(94.8)
Disposal (note 17(vii))	**(284.5)**	-	**-**	-
Movement in assets	**-**	123.0	**-**	-
At December 31,	**241.8**	529.4	**241.8**	256.9

At December 31, 2023, the investment in United Investments Ltd was classified as held for sale following the decision of the Board to dispose of them 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.

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

	THE GROUP	
	2023	2022
	MUR'M	MUR'M
At January 1,	**134.9**	-
Disposals	**(134.9)**	-
Reclassified from investments in associates (note 9(ii))	**-**	134.9
At December 31,	**-**	134.9

(iii) The fair value loss is recognised through other comprehensive income at Company level and through profit or loss at Group level. It arises in the fair value movement in the share price of United Investments Ltd.

(iv) Assets classified as held-for-sale and liabilities associated with assets include the following:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	MUR'M	MUR'M	**MUR'M**	MUR'M
Assets classified as held for sale:				
Rehm Grinaker Construction Co Ltd (note (v))	**-**	15.8	**-**	8.0
United Investments Limited (at fair value)	**241.8**	248.9	**241.8**	248.9
Aquasantec International Limited (note (vii))	**-**	264.7	**-**	-
	241.8	529.4	**241.8**	256.9
Liabilities associated with assets classified as held for sale:				
Aquasantec International Limited (note (vii))	**-**	134.9	**-**	-
	-	134.9	**-**	-
Net assets of disposal group	**241.8**	394.5	**241.8**	256.9

17. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE (CONT'D)

(v) Rehm Grinaker Construction Co Ltd

In October 2020, The Board resolved to dispose of Rehm Grinaker Construction Co Ltd and negotiations were initiated with interested parties. The disposal, however, did not go through and at December 31, 2023, the Group derecognised Rehm Grinaker Construction Co Ltd as non-current assets classified as held for sale to recognise it as investment in subsidiary in accordance with IFRS 10.

(vi) *United Investments Ltd*

In December 2019, the Board took the decision to dispose all its investments in the operator, which is expected to dissolve within 12 months. These operations have been classified as a disposal group held for sale and presented separately in the Statement of Financial Position. For further details, please refer to note 40.

(vii) *Aquasantec International Limited*

Subsequent to an offer, the Directors of Terravest Holding Ltd, a wholly-owned subsidiary of Terra Mauricia Ltd, agreed, on December 3, 2022, to dispose of all the shares held in Aquasantec International Limited and the sale was completed in 2023.

18. STATED CAPITAL

		THE GROUP AND THE COMPANY	
		2023	2022
	No.of shares	**MUR'M**	MUR'M
<u>Issued and fully paid</u>	**Million**		
At January,1 and December 31,	**227.5**	**11,976.0**	11,976.0

The total issued number of ordinary shares of TERRA Mauricia Ltd is 227,545,624 share of no par value (2022: 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.

The Board may issue shares at any time and there is no limit on the number of shares to be issued at no par value.

19. REVALUATION AND OTHER RESERVES

THE GROUP	Notes	Attributable to owners of the Company						
		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, 2023		**(28.4)**	**3,306.0**	**(43.3)**	**(290.5)**	**72.9**	**(380.3)**	**2,636.4**
Remeasurements of post employment benefit obligations		-	-	-	**(14.4)**	-	-	**(14.4)**
Deferred tax on remeasurements of post employment benefit obligations		-	-	-	**1.0**	-	-	**1.0**
Release on disposal of land		-	**(58.1)**	-	-	-	-	**(58.1)**
Release on disposal of associate		**(24.7)**	-	-	-	-	-	**(24.7)**
Release on disposal of equity investments at fair value through other comprehensive income		-	-	-	-	-	**371.2**	**371.2**
Changes in fair value of equity instruments at fair value through other comprehensive income	10	-	-	-	-	-	**(43.4)**	**(43.4)**
Bargain loss on disposal of financial assets at fair value through other comprehensive income		-	-	-	-	-	**(34.5)**	**(34.5)**
Gain reclassified to profit or loss on disposal of associate		**(8.6)**	-	-	-	-	-	**(8.6)**
Other movements		-	**(13.7)**	-	-		-	**(13.7)**
Movement in translation reserves		**35.7**	-	-	-	**0.4**	-	**36.1**
Share of other comprehensive income of associates	9	**76.0**	**(1.9)**	-	-	-	-	**74.1**
At December 31, 2023		**50.0**	**3,232.3**	**(43.3)**	**(303.9)**	**73.3**	**(87.0)**	**2,921.4**

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
		Attributable to owners of the Company						
		MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
At January 1, 2022		245.2	2,102.6	(43.3)	(270.9)	73.4	(428.3)	1,678.7
Remeasurements of post employment benefit obligations		-	-	-	(36.6)	-	-	(36.6)
Deferred tax on remeasurements of post employment benefit obligations		-	-	-	6.1	-	-	6.1
Release on disposal of land		-	(258.4)	-	-	-	-	(258.4)
Revaluation of land and buildings		-	1,552.3	-	-	-	-	1,552.3
Deferred tax on revaluation of buildings		-	(17.7)	-	-	-	-	(17.7)
Changes in fair value of equity instruments at fair value through other comprehensive income	10	-	-	-	-	-	48.0	48.0
Other movements		-	(18.9)	-	10.9	-	-	(8.0)
Movement in translation reserves		(30.9)	-	-	-	(0.5)	-	(31.4)
Changes in ownership interest in subsidiaries that do not result in loss of control		-	(69.2)	-	-	-	-	(69.2)
Share of other comprehensive income of associates	9	(242.7)	15.3	-	-	-	-	(227.4)
At December 31, 2022		(28.4)	3,306.0	(43.3)	(290.5)	72.9	(380.3)	2,636.4

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 Investment Ltd.

THE COMPANY
The Company's revaluation and other reserves are made up of amalgamation reserve and equity instruments at fair value through other comprehensive income reserve.

20. BORROWINGS

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	MUR'M	MUR'M	**MUR'M**	MUR'M
Non-current				
Bank loans (note 20(c))	**670.0**	752.2	**-**	-
Other loans	**1.8**	-	**-**	-
Loans from related parties (note 38(i) and 38 (ii))	**2,600.0**	2,600.0	**1,102.6**	1,009.6
Total non-current	**3,271.8**	3,352.2	**1,102.6**	1,009.6
Current				
Bank overdrafts (note 33(b))	**20.2**	21.6	**-**	-
Bank loans	**72.4**	59.8	**-**	-
Loans from related parties (note 38(i) and 38 (ii))	**-**	50.0	**-**	48.3
Money market lines (note 20(a))	**1,289.5**	1,192.3	**56.8**	-
Other loans	**45.5**	-	**-**	-
	1,407.4	1,302.1	**56.8**	48.3
Total current	**1,427.6**	1,323.7	**56.8**	48.3
Total borrowings	**4,699.4**	4,675.9	**1,159.4**	1,057.9

20. BORROWINGS (CONT'D)

(a) Breakdown of loans:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	MUR'M	MUR'M	**MUR'M**	MUR'M
- Loans from related parties	**2,600.0**	2,650.0	**1,102.6**	1,057.9
- Bank loans	**742.4**	812.0	**-**	-
- Other loans	**47.3**	-	**-**	-
- Bank overdraft	**20.2**	21.6	**-**	-
- Money market lines	**1,289.5**	1,192.3	**56.8**	-
	4,699.4	4,675.9	**1,159.4**	1,057.9
Less: Repayable within one year	**(1,427.6)**	(1,323.7)	**(56.8)**	(48.3)
Repayable after one year	**3,271.8**	3,352.2	**1,102.6**	1,009.6

(b) The maturity of non-current loans is as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	MUR'M	MUR'M	**MUR'M**	MUR'M
- after one year and before two years	**28.7**	57.0	**-**	-
- after two years and before five years	**40.9**	10.5	**-**	-
- above five years	**3,202.2**	3,284.7	**1,102.6**	1,009.6
	3,271.8	3,352.2	**1,102.6**	1,009.6

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

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	MUR'M	MUR'M	**MUR'M**	MUR'M
- After one year and before two years				
Other loans	**1.8**	-	**-**	-
Bank borrowings	**26.9**	57.0	**-**	-
	28.7	57.0	**-**	-
- After two years and before five years				
Bank borrowings	**40.9**	10.5	-	**-**
- After five years				
Bank borrowings	**602.2**	684.7	-	-
Loans from related parties (note 38(i) and 38 (ii))	**2,600.0**	2,600.0	**1,102.6**	1,057.9
	3,202.2	3,284.7	**1,102.6**	1,009.6
Total	**3,271.8**	3,352.2	**1,102.6**	1,009.6

The carrying amounts of non-current borrowings are not materially different from the fair value.

(d) An analysis of borrowing by currency is provided below:

	THE GROUP
	MUR'M
2023	
Bank overdraft (note 33(b))	**20.2**
Bank loans	**742.4**
Other loans	**47.3**
Loans from related parties (note 38(i))	**2,600.0**
Money market lines	**1,289.5**
	4,699.4

20. **BORROWINGS (CONT'D)**

(d) An analysis of borrowing by currency is provided below: (cont'd)

	THE GROUP
	MUR'M
2022	
Bank overdraft (note 33(b))	21.6
Bank loans	812.0
Loans from related parties (note 38(i))	2,650.0
Money market lines	1,192.3
	4,675.9

The borrowings held by the Group 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	
	2023	2022	**2023**	2022
	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	6.23	3.28 - 5.73	3.75 - 6.82	1.50-6.82
Bank loans	1.50 - 6.75	1.50 - 6.75	n/a	n/a
Money market lines	2.85 - 5.50	2.00 - 5.35	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 (note 5(e)).

(h) The Group has bank loans with a total carrying amount of MUR'M 2,031.9 at December 31, 2023 (2022: MUR'M 2,004.3). These loans contained the following covenants:

- Debt to equity ratio not exceeding 0.5:1
- Minimum interest cover of 2.0:1 to be maintained at all times.

The Directors confirmed that there has been no breach of the loan covenants at reporting date.

(i) Borrowings are not materially different since the borrowings carry floating interest rates as such they approximate their value.

21. LEASE LIABILITIES

THE GROUP	Land MUR'M	Buildings MUR'M	Motor vehicles MUR'M	Agricultural equipment MUR'M	Total MUR'M
At January 1, 2022	4.5	38.8	9.8	-	53.1
Additions	-	11.6	8.1	-	19.7
Effect of modification to lease term	-	38.4	-	-	38.4
Derecognition of lease liabilities	-	-	(0.3)	-	(0.3)
Interest expense	0.4	1.7	-	-	2.1
Lease payments	(0.5)	(19.8)	(4.1)	-	(24.4)
At December 31, 2022	**4.4**	**70.7**	**13.5**	**-**	**88.6**
Additions	**-**	**56.5**	**7.4**	**5.8**	**69.7**
Effect of modification to lease term	**-**	**9.0**	**-**	**(1.7)**	**7.3**
Interest expense	**0.4**	**4.8**	**1.2**	**0.1**	**6.5**
Lease payments	**(0.5)**	**(33.7)**	**(6.2)**	**(0.3)**	**(40.7)**
At December 31, 2023	**4.3**	**107.3**	**15.9**	**3.9**	**131.4**

	2023 **MUR'M**	2022 MUR'M
Current	**63.2**	49.1
Non current	**68.2**	39.5
	131.4	88.6

(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 Bassin Paquet in the district of Riviere du Rempart; 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 24 motor vehicles for use in its operations.

(b) **Lease**

(i) *Variable lease payments (in substance fixed lease payments)*
The lease payments for the plot of land and Bassin Paquet in Riviere du Rempart 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.

(ii) *Fixed lease payments*
The lease payments for motor vehicles are fixed yearly amounts.

(c) **Lease terms**

The portion of land and part of 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.

(c) (i) **Extension and termination options**

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

21. LEASE LIABILITIES (CONT'D)

(c) **Lease terms (cont'd)**

The commercial properties are for a period of between 1 and 4 years.

The motor vehicles leases are for a period of 5 years.

		THE GROUP	
		2023	2022
		MUR'M	MUR'M
(d)	Interest expense (included in finance costs)	**6.5**	2.1
	Total cash outflows	**40.7**	24.4

(e) Lease payments are analysed as follows:

	THE GROUP	
	2023	2022
	MUR'M	MUR'M
Principal paid on lease liabilities	**(34.2)**	(22.3)
Interest paid on lease liabilities	**(6.5)**	(2.1)
	(40.7)	(24.4)

22. RETIREMENT BENEFIT OBLIGATIONS

	THE GROUP	
	2023	2022
	MUR'M	MUR'M
Amount recognised in the statement of financial position:		
Defined pension benefits (Note 22(a)(ii))	**754.9**	735.7
Amount charged to profit or loss:		
- Defined pension benefits (Note 22(a)(v))	**57.1**	73.6
- Defined contribution plan	**10.6**	9.7
	67.7	75.6
Amount charged to other comprehensive income		
- Defined pension benefits (Note 22(a)(vi))	**15.1**	47.2

(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, 2023. 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	
	2023	2022
	MUR'M	MUR'M
Present value of funded obligations	**1,156.0**	1,215.4
Fair value of plan assets	**(703.6)**	(697.0)
	452.4	518.4
Present value of unfunded obligations	**302.5**	217.3
Liability in the statement of financial position	**754.9**	735.7

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	
	2023	2022
	MUR'M	MUR'M
At January 1,	**735.7**	687.9
Charged to profit or loss	**57.1**	73.6
Charged to other comprehensive income	**15.1**	47.2
Employer's contributions	**(53.0)**	(73.0)
At December 31,	**754.9**	735.7

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

	THE GROUP	
	2023	2022
	MUR'M	MUR'M
At January 1,	**1,432.7**	1,398.1
Current service cost	**40.4**	35.7
Interest cost	**54.6**	48.7
Employees' contributions	**1.6**	1.1
Past service cost	**(8.7)**	13.5
Actuarial losses	**33.4**	17.2
Benefits paid	**(95.5)**	(81.6)
At December 31,	**1,458.5**	1,432.7
Analysed as follows:		
Present value of funded obligations	**1,156.0**	1,215.4
Present value of unfunded obligations	**302.5**	217.3
	1,458.5	1,432.7

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

	THE GROUP	
	2023	2022
	MUR'M	MUR'M
At January 1,	**697.0**	710.2
Interest income	**31.0**	26.5
Actuarial gains/(losses)	**18.3**	(30.0)
Employer's contributions	**53.0**	73.0
Employees' contributions	**1.6**	1.1
Scheme expenses	**(1.1)**	(1.4)
Benefits paid	**(95.5)**	(81.7)
Cost of insuring risk benefits	**(0.7)**	(0.7)
At December 31,	**703.6**	697.0

22. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

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

	THE GROUP	
	2023	2022
	MUR'M	MUR'M
Current service cost	**40.4**	35.8
Scheme expense	**1.1**	1.4
Cost of insuring risk benefits	**0.7**	0.7
Net interest expense	**23.6**	22.2
Past service cost	**(8.7)**	13.5
Total included in employee benefit expense	**57.1**	73.6

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

	THE GROUP	
	2023	2022
Remeasurement on the net defined benefit liability:	**MUR'M**	MUR'M
Losses on pension scheme assets	**(9.9)**	30.0
Experience losses on the liabilities	**32.1**	23.5
Changes in assumption underlying the present value of the scheme	**(7.1)**	(6.3)
Actuarial losses recognised in OCI	**15.1**	47.2

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

	THE GROUP	
	2023	2022
	MUR'M	MUR'M
Local equities	**96.6**	103.5
Overseas equities	**129.2**	136.0
Fixed interest	**218.9**	222.6
Properties	**90.8**	73.8
Qualifying insurance policies	**168.1**	161.1
Total market value of assets	**703.6**	697.0

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 Group'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	
	2023	2022
Discount rate	4.5% - 5.3%	4.3% - 6%
Future salary growth rate	1% - 3%	1% - 3%
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	
	2023	2022
	MUR'M	MUR'M
Discount rate (1% decrease)	**124.1**	125.5
Future salary growth (1% increase)	**40.4**	42.0
Future pension growth (1% decrease)	**40.4**	42.0

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. Any similar variation in other assumptions would have shown a smaller change in the defined benefit obligation.

(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 are 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.

(a) 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.

(b) interest rate risk - If the bond interest rate decreases, the liabilities would be calculated using a lower discount rate, and would therefore increase.

(c) 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 18.2 to the pension scheme for the year ending December 31, 2024.

Prior to the implementation of the Portable Retirement Gratuity Fund (PRGF), the benefits payable to employees who are not part of any pension plans, were unfunded as at December 31, 2019. With the implementation of the PRGF, these employees who resigned as from 2020 are eligible for a portable gratuity benefit based on service with the employer as from January 1, 2020 and remuneration as exit (same benefit formula as for retirement/death gratuity). As from January 2022, the Group has started to contribute to PRGF for these employees.

22. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (cont'd)

(xiv) The actual return of the total assets for the year 2023 is MUR'M 35.2 (2022: MUR'M 6.5).

(xv) The weighted average duration of the defined benefit obligation is 9.4 years (2022: 9.5 years) at the end of the reporting period.

(b) Defined contribution plan

The Group operates a defined contribution scheme, the assets of which are held and administered by an independent fund administrator. All new employees of the Group are members of the defined contribution retirement plan. Payments by the Group to the defined contribution retirement plan are charged as an expense as they fall due.

(c) Movement in net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability and its components:

	Defined benefit obligation		Fair value of plan assets		Net defined benefit liability	
	2023	2022	**2023**	2022	**2023**	2022
	MUR'M	MUR'M	**MUR'M**	MUR'M	**MUR'M**	MUR'M
Balance at January 1,	**1,432.7**	1,398.1	**(697.0)**	(710.2)	**735.7**	687.9
Included in profit or loss						
Current service cost	**40.4**	35.8	**-**	-	**40.4**	35.8
Employees' contribution	**1.6**	1.0	**(1.6)**	(1.1)	**-**	(0.1)
Scheme expenses	**-**	-	**1.1**	1.4	**1.1**	1.4
Cost of insuring risk benefit	**-**	-	**0.7**	0.7	**0.7**	0.7
Interest cost/(income)	**54.6**	48.7	**(31.0)**	(26.5)	**23.6**	22.2
Past service cost	**(8.7)**	13.5	**-**	-	**(8.7)**	13.5
	87.9	99.0	**(30.8)**	(25.5)	**57.1**	73.5
Included in OCI						
Arising from actuarial losses/(gains)	**33.4**	17.2	**(18.3)**	30.0	**15.1**	47.2
	33.4	17.2	**(18.3)**	30.0	**15.1**	47.2
Others						
Contributions paid by the employer	**-**	-	**(53.0)**	(73.0)	**(53.0)**	(73.0)
Benefits paid	**(95.5)**	(81.6)	**95.5**	81.7	**-**	0.1
	(95.5)	(81.6)	**42.5**	8.7	**(53.0)**	(72.9)
Balance as at December 31,	**1,458.5**	1,432.7	**(703.6)**	(697.0)	**754.9**	735.7

23. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	MUR'M	MUR'M	**MUR'M**	MUR'M
Trade payables	**812.4**	546.5	**-**	-
Amounts due to related parties (note 38)	**7.8**	12.2	**3.7**	3.6
Retention monies	**37.0**	30.4	**-**	-
Unclaimed dividend	**2.8**	-	**-**	
Client advances	**2.6**	1.6	**-**	-
Sugar Insurance Premium	**69.5**	63.2	**-**	-
Employee related expenses	**14.0**	12.6	**0.4**	-
Accruals	**432.5**	344.9	**4.6**	-
Deposits	**49.6**	47.4	**-**	-
VAT and taxes	**75.0**	96.9	**-**	-
Provisions (Note 23(i))	**-**	35.5	**-**	-
Others	**59.0**	95.7	**3.4**	8.7
	1,562.2	1,286.9	**12.1**	12.3

(i) *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 has been settled during the year.

23A. PROVISION AND OTHER LIABILITIES

	THE GROUP	
	2023	2022
	MUR'M	MUR'M
Sub-contractors	**12.2**	39.7
Provision for sub-contractors	**286.6**	271.8
Provision for maintenance	**42.9**	37.6
	341.7	349.1
Disclosed as:		
Current	**338.2**	342.1
Non current	**3.5**	7.0
	341.7	349.1

24. TAXATION

(a) **Liabilities/(assets) in the statements of financial position**

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	MUR'M	MUR'M	**MUR'M**	MUR'M
At January 1,	**(24.2)**	25.1	**(0.1)**	0.2
Under/(over) provision in previous years	**0.1**	(14.9)	**0.1**	(0.1)
Tax recovered	**1.8**	(0.9)		-
	(22.3)	9.3	**-**	0.1
Current tax on the adjusted profits for the year at 3%/15%/25%/30% (2022: 3%/15%/25%/30%)	**38.9**	0.9	**0.9**	0.4
Other adjustment	**(1.1)**	11.3	**-**	-
Tax credit for capital expenditure	**(8.3)**	(1.3)	**-**	
Tax paid	**(14.0)**	(31.4)		(0.6)
Tax deducted at source	**8.6**	(10.6)	**-**	
Translation difference	**(1.5)**	(2.4)	**-**	-
At December 31,	**0.3**	(24.2)	**0.9**	(0.1)
Analysed as follows:				
Current tax assets	**(25.0)**	(33.2)	-	(0.1)
Current tax liabilities	**25.3**	9.0	**0.9**	**-**
	0.3	(24.2)	**0.9**	(0.1)

(b) **Charged/(Credited) in profit or loss**

	THE GROUP		**THE COMPANY**	
	2023	2022	**2023**	2022
	MUR'M	MUR'M	**MUR'M**	MUR'M
Current tax on the adjusted profits for the year at 3%/15%/25%/30% (2022: 3%/15%/25%/30%)	**38.9**	0.9	**0.9**	0.4
Corporate Social Responsibility	**4.0**	**-**		**-**
Under/(over) provision in previous years	**0.1**	(14.9)	**0.1**	(0.1)
Tax credit for capital expenditure	**(8.3)**	(1.3)	**-**	**-**
Deferred taxation (note 13(b))	**(12.5)**	(31.6)	**-**	**-**
Charged/(credited) for the year	**22.2**	(46.9)	**1.0**	0.3

(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**	
	2023	2022	**2023**	2022
	MUR'M	MUR'M	**MUR'M**	MUR'M
Profit before taxation from continuing operations	**1,534.3**	1,002.6	**484.9**	279.9
Effective tax calculated at a rate of 17% (2022: 17%)	**260.8**	170.4	**82.4**	47.6
Income not subject to tax	**(303.0)**	(202.9)	**(99.8)**	(47.7)
Expenses not deductible for tax purposes	**132.2**	12.7	**18.3**	0.3
Under/(over) provision in previous years	**0.1**	(14.9)	**0.1**	0.1
Other movements	**(67.9)**	(12.2)	**-**	-
Charged/(credited) for the year	**22.2**	(46.9)	**1.0**	0.3

(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.

25. 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 & Leisure, which includes the rental of properties, property development and leisure services.
- Construction, which include contract revenue in respect of construction and manufacture and sale of building materials.
- Others, which include financial services and management of investment portfolios, none of which constitute a separately reportable segment.

	THE GROUP							THE COMPANY
2023	**Cane**	**Power**	**Brands**	**Property & Leisure**	**Construction**	**Others**	**Total**	**Total**
	MUR'M	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**
Recognised at a point in time:								
Sale of goods	**1,961.7**	**-**	**2,755.9**	**-**	**204.1**	**-**	**4,921.7**	**-**
Sale of services	**48.9**	**-**	**-**	**390.2**	**-**	**16.3**	**455.4**	**-**
Sale of properties	**-**	**-**	**-**	**948.4**	**-**	**-**	**948.4**	**-**
Dividend income	**-**	**-**	**-**	**-**	**-**	**184.9**	**184.9**	**584.3**
Recognised over time:								
Contract revenue	**-**	**-**	**-**	**-**	**1,447.0**	**-**	**1,447.0**	**-**
Sale of electricity	**-**	**1,180.5**	**-**	**-**	**-**	**-**	**1,180.5**	**-**
Total revenue from contracts with customers	**2,010.6**	**1,180.5**	**2,755.9**	**1,338.6**	**1,651.1**	**201.2**	**9,137.9**	**584.3**

	THE GROUP							THE COMPANY
2022	**Cane**	**Power**	**Brands**	**Property & Leisure**	**Construction**	**Others**	**Total**	**Total**
	MUR'M	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**
Recognised at a point in time:								
Sale of goods	1,541.0	-	2,656.5	-	-	197.3	4,394.8	-
Sale of services	46.1	-	-	329.9	-	7.4	383.4	-
Sale of properties	-	-	-	702.3	-	-	702.3	-
Dividend income	-	-	-	-	-	27.1	27.1	345.3
Recognised over time:								
Contract revenue	-	-	-	-	1,616.1	-	1,616.1	-
Sale of electricity	-	1,097.8	-	-	-	-	1,097.8	-
Total revenue from contracts with customers	1,587.1	1,097.8	2,656.5	1,032.2	1,616.1	231.8	8,221.5	345.3

25. REVENUE (CONT'D)

(b) Geographical segments

The Group's four reportable segments operate in the following main geographical areas and are managed in their respective country:

	Total assets		Capital expenditure	
	2023	2022	**2023**	2022
	MUR'M	MUR'M	**MUR'M**	MUR'M
Mauritius	**25,634.8**	24,253.9	**837.1**	1,145.5
Côte d'Ivoire	**643.5**	557.9	**-**	-
Seychelles	**266.9**	243.9	**5.8**	6.8
	26,545.2	25,055.7	**842.9**	1,152.3

<u>**Sales analysis:**</u>	At a point in time		Over time		Total sales	
	2023	2022	**2023**	2022	**2023**	2022
	MUR'M	MUR'M	**MUR'M**	MUR'M	**MUR'M**	MUR'M
Mauritius	**6,109.4**	5,101.3	**2,627.5**	2,713.9	**8,736.9**	7,815.2
Côte d'Ivoire	**48.9**	46.1	**-**	-	**48.9**	46.1
Seychelles	**352.1**	360.2	**-**	-	**352.1**	360.2
	6,510.4	5,507.6	**2,627.5**	2,713.9	**9,137.9**	8,221.5

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	
	2023	2022
	MUR'M	MUR'M
At January 1,	**576.2**	275.9
Transfer from trade and other payables	**0.7**	0.9
Cash received in advance	**908.4**	1,016.0
Amount released during the year	**(1,073.6)**	(716.6)
At December 31,	**411.7**	576.2
Current	**385.2**	510.7
Non Current	**26.5**	65.5
	411.7	576.2

Contract liabilities arise from the Group's property division, which engages in land development.

The refund liability relates to customers’ right to return products within 30 days of purchase. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method.

The following table shows how much of the revenue recognised in the current reporting period relates to brought forward contract liabilities. There was no revenue recognised in the current reporting period that related to performance obligations that were satisfied in a prior year.

	THE GROUP	
	2023	2022
	MUR'M	MUR'M
Arising from land development	**246.4**	158.7

25. **REVENUE (CONT'D)**

(d) **Assets related to contracts with customers**

	THE GROUP	
	Contract assets	
	2023	2022
	MUR'M	MUR'M
At January 1	**362.0**	141.2
Transfers from contract assets to trade receivables	**(231.6)**	168.8
Excess of revenue recognised over cash	**76.7**	52.0
At December 31,	**207.1**	362.0

26. **OTHER INCOME**

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	MUR'M	MUR'M	**MUR'M**	MUR'M
Profit on disposal of property, plant and equipment	**190.7**	53.1	**-**	-
Insurance refund	**0.4**	5.9	**-**	-
Management fees	**0.3**	15.9	**-**	-
Sale of paillis and boulders	**12.5**	12.6	**-**	-
Transport and mechanical services	**-**	12.7	**-**	-
Refund from MSS	**0.5**	12.6	**-**	-
Rental income	**3.0**	2.7	**-**	-
Others	**76.2**	21.1	**3.1**	2.1
	283.6	136.6	**3.1**	2.1

27. **IMPAIRMENT OF FINANCIAL AND NON-FINANCIAL ASSETS**

	THE GROUP	
	2023	2022
	MUR'M	MUR'M
Financial assets		
Allowance for expected credit losses:		
Trade and other receivables (note 16(i))	**60.7**	48.0
	60.7	48.0
Non-financial assets		
Investment properties (note 6)	**-**	0.7
	-	0.7

(i) The subsidiaries of TERRA Mauricia Ltd carried out an impairment assessment of their trade receivables which resulted in an impairment of MUR'M 60.7 (2022: MUR'M 48.0).

(ii) Terragen Ltd, a subsidiary of Terra Mauricia Ltd, carried out an impairment test by assessing the recoverable amount of its plant and related equipment which resulted in no material impairment to be recognised for 2023 (2022: Nil). Refer to Note 5(c).

27A. REVERSAL OF IMPAIRMENT LOSS ON FINANCIAL AND NON-FINANCIAL ASSETS

	THE GROUP	
	2023	2022
	MUR'M	MUR'M
Financial assets		
Reversal of impairment on:		
Trade and other receivables (Note 16(i))	**(5.8)**	(11.3)
Non-financial assets		
Intangible assets - Land conversion rights (Note 7(a))	**-**	(12.0)

Terra Mauricia Ltd carried out an impairment assessment of its intangible assets which resulted in no impairment (2022: Nil). Refer to Note 7(a).

28. PROFIT BEFORE FINANCE COSTS

	THE GROUP	
	2023	2022
The profit before finance costs is arrived at after:	**MUR'M**	MUR'M
Crediting:		
Rental of land and buildings	**201.6**	199.6
Profit on sale of property, plant and equipment	**190.7**	53.1
and charging:		
Depreciation on property, plant and equipment	**343.6**	335.1
Depreciation on right-of-use asset	**38.0**	23.8
Depreciation on investment properties	**28.8**	27.1
Amortisation of intangible assets	**9.5**	10.0
Impairment losses of financial and non-financial assets	**60.7**	48.7
Employee benefit expense	**1,505.5**	1,416.3

29. EXPENSE BY NATURE

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	MUR'M	MUR'M	**MUR'M**	MUR'M
Depreciation and amortisation	**419.9**	396.0	**-**	-
Raw materials and consumables used (note 14(b))	**2,673.6**	3,108.4	**-**	-
Employee benefit expense *	**1,505.5**	1,416.3	**-**	-
SIFB Premium	**57.1**	70.8	**-**	-
Other production costs	**823.3**	1.5	**-**	-
Management fees	**166.8**	16.5	**-**	-
Insurance	**61.8**	52.5	**-**	-
Rent	**-**	4.6	**-**	-
Subcontractors cost	**851.4**	998.5	**-**	-
Repairs and maintenance	**475.0**	402.6	**-**	-
Selling and distribution costs	**71.2**	132.9	**-**	-
Other expenses	**898.7**	901.6	**33.3**	25.1
Total cost of sales, administrative expenses, distribution costs and other expenses	**8,004.3**	7,502.2	**33.3**	25.1

*Employee benefits include short term employee benefits, post employment benefits, other long term employee benefits and termination benefits.

Other expenses relate to include cost of inventories consumed in respect of sales of completed inventory property.

30. NET FINANCE COSTS

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	MUR'M	MUR'M	**MUR'M**	MUR'M
Finance income:				
- Foreign exchange gain	**17.2**	20.6	**1.3**	-
- Interest income on lease	**11.4**	4.3	**-**	-
- Others	**2.1**	9.9	**0.7**	0.6
	30.7	34.8	**2.0**	0.6
Finance cost:				
- Interest expense on bank overdrafts	**(0.2)**	(0.1)	**-**	-
- Interest expense on loans repayable by instalments	**(6.8)**	(9.0)	**-**	-
- Interest expense on loan from related parties (note 38)	**(242.0)**	(102.2)	**(70.4)**	(42.1)
- Interest expense on other loans not repayable by instalments	**(31.6)**	(61.7)	**-**	-
- Interest expense on lease liabilities	**(9.8)**	(2.2)	**-**	-
- Foreign exchange loss	**(0.2)**	-	**-**	-
- Others	**(12.5)**	(16.0)	**(0.8)**	(0.9)
	(303.1)	(191.2)	**(71.2)**	(43.0)
Total - Net finance costs	**(272.4)**	(156.4)	**(69.2)**	(42.4)

31. EARNINGS PER SHARE

	THE GROUP	
	2023	2022
	MUR'M	MUR'M
Profit attributable to owners of the Company	**1,378.3**	893.2
Number of ordinary shares in issue (million)	**227.5**	227.5
Basic and diluted earnings per share	**6.06**	3.93

32. DIVIDENDS

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	MUR'M	MUR'M	**MUR'M**	MUR'M
At January 1,	**-**	-	**-**	-
Final ordinary declared - Rs. 1.05 per share (2022: Rs. 1.00 per share)	**238.9**	227.5	**238.9**	227.5
Dividends paid during the year	**(238.9)**	(227.5)	**(238.9)**	(227.5)
Dividends declared by subsidiaries to non-controlling interests	**35.0**	24.3	**-**	-
Dividends paid to non-controlling interests	**(35.0)**	(24.3)	**-**	-
At December 31,	**-**	**-**	**-**	**-**

33. NOTES TO STATEMENT OF CASH FLOWS

(a) Reconciliation of liabilities arising from financing activities

	THE GROUP				
<u>**At December 31, 2023**</u>			**Non-cash changes**		
	At January 1, 2023	**Cash flows**	**Acquisition**	**Other movements ***	**At December 31, 2023**
	MUR'M	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**
Lease liabilities	**88.6**	**(40.7)**	**69.7**	**13.8**	**131.4**
Borrowings	**4,675.9**	**23.5**	**-**	**-**	**4,699.4**
Total liabilities from financing activities	**4,764.5**	**(17.2)**	**69.7**	**13.8**	**4,830.8**

33. NOTES TO STATEMENT OF CASH FLOWS (CONT'D)

(a) Reconciliation of liabilities arising from financing activities (Cont'd)

At December 31, 2022	THE GROUP				
			Non-cash changes		
	At January 1, 2022	Cash flows	Acquisition	Other movements *	At December 31, 2022
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Lease liabilities	53.1	(24.4)	19.7	40.2	88.6
Borrowings	4,102.8	511.4	-	61.7	4,675.9
Total liabilities from financing activities	4,155.9	487.0	19.7	101.9	4,764.5

* Other movements include mainly foreign exchange difference and effect of modification to lease term.

At December 31, 2023	**THE COMPANY**		
	At January 1, 2023	**Cash flows**	**At December 31, 2023**
	MUR'M	**MUR'M**	**MUR'M**
Borrowings	**1,057.9**	**101.5**	**1,159.4**

At December 31, 2022	THE COMPANY		
	At January 1, 2021	Cash flows	At December 31, 2021
	MUR'M	MUR'M	MUR'M
Borrowings	1,087.6	(29.7)	1,057.9

(b) Cash and cash equivalents

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	MUR'M	MUR'M	**MUR'M**	MUR'M
Cash in hand and at bank	**898.2**	853.2	**32.6**	35.5
Bank overdrafts (note 20)	**(20.2)**	(21.6)	**-**	-
	878.0	831.6	**32.6**	35.5

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 (2022: Baa2 to Baa3).

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 2023 and 2022 since the amount was deemed insignificant.

(c) Non cash transactions

For the year ended December 31, 2023 there were no material non-cash transactions (2022: Nil).

34. INVESTMENT IN SUBSIDIARIES

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

	Type of shares held	Stated capital	**2023** % holding	**2023** % held by other group companies	**2023** % held by non-controlling interests	2022 % holding	2022 % held by other group companies	2022 % 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	-	**100.00**	-	-	100.00	-	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
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
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	-	Commercial
Terragen Management Ltd	Ordinary	100,000	-	**66.75**	**33.25**	-	66.75	33.25	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	407,470,000	-	**100.00**	-	-	100.00	-	Commercial
Beau Plan Retail Park Ltd	Ordinary	442,300,000	-	**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	1,601,000,000	-	**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	-	Freeport operations
BS Fragrance (Mauritius) Ltd **	Ordinary	100,000	-	-	-	-	100.00	-	Sale of perfumes
Beau Plan Sports & Leisure Ltd	Ordinary	1	-	**100.00**	-	-	100.00	-	Commercial
Cavell Touristic Investments Ltd ***	Ordinary	410,979,948	**53.72**	-	**46.28**	-	-	-	Investment holding
Forbach Investment Ltd	Ordinary	433,500,000	**100.00**	**100.00**	-	-	100.00	-	Property management
Rehm Grinaker Construction Company Limited	Ordinary	85,000,000	**62.26**	**62.26**	-	-	62.26	-	Construction
VIVA SC Management Ltd	Ordinary	1	**100.00**	**100.00**	-	-	100.00	-	Property management

* During the year, Les Chais de L'Isle de France Ltée was amalgamated with Grays Distilling Ltd.

** During the year, Belle Vue Rum Ltd and BS Fragrance (Mauritius) Ltd were amalgamated with Grays Inc Ltd.

*** Investment in Cavell Touristic Investments Ltd was acquired in year 2023 through dividend in specie.

34. **INVESTMENT IN 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 incorporation and operation is Seychelles.

(ii) For December 31, 2023 and 2022, 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.

(iii) Subsidiaries with non-coterminous year end have been accounted based on management accounts as at December 31, 2023. Cavell Touristic Investments Ltd has a June 30 year end and Rehm Grinaker Construction Co. Limited had a June 30 year end until June 30, 2022.

(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 period/year	Dividend paid to Non-controlling interest during the year	Accumulated Non-controlling interests at December 31,
	MUR'M	MUR'M	MUR'M
2023			
Terragen Ltd	**(31.6)**	**-**	**228.2**
Terra Milling Ltd	**56.2**	**-**	**227.0**
Grays Inc Ltd	**24.2**	**9.1**	**108.4**
Cavell Touristic Investments Ltd	**84.5**	**-**	**38.9**
2022			
Terragen Ltd	(24.1)	-	259.8
Terra Milling Ltd	53.9	-	170.8
Grays Inc Ltd	21.5	9.1	84.2
Cavell Touristic Investments Ltd	-	-	-

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

(i) Summarised statement of financial position of Terragen Ltd:

	2023	2022
	MUR'M	MUR'M
Non-current assets	**757.6**	770.2
Current assets	**707.0**	426.5
Non-current liabilities	**(63.0)**	(79.4)
Current liabilities	**(401.9)**	(65.6)
Total equity	**999.7**	1,051.7

34. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

Summarised statement of profit or loss and other comprehensive income of Terragen Ltd:

	2023	2022
	MUR'M	MUR'M
Revenue	**1,206.2**	1,151.8
Expenses	**(1,273.2)**	(1,217.8)
Other income	**0.7**	25.0
Net finance costs	**(4.2)**	(12.2)
Loss before tax	**(70.5)**	(53.2)
Taxation	**6.0**	4.0
Loss for the year	**(64.5)**	(49.2)
Other comprehensive income	**-**	43.6
Total comprehensive income	**(64.5)**	(5.6)

Summarised cash flow information of Terragen Ltd:

	2023	2022
	MUR'M	MUR'M
Net cash outflow from operating activities	**(150.5)**	(87.2)
Net cash inflow/(outflow) from investing activities	**0.2**	(21.4)
Net cash inflow from financing activities	**137.0**	-
Net cash outflow	**(13.3)**	(108.6)

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

(ii) Summarised statement of financial position of Terra Milling Ltd:

	2023	2022
	MUR'M	MUR'M
Non-current assets	**922.6**	897.2
Current assets	**670.9**	484.8
Non-current liabilities	**(131.8)**	(173.6)
Current liabilities	**(301.8)**	(318.5)
Total equity	**1,159.9**	889.9

Summarised statement of profit or loss and other comprehensive income of Terra Milling Ltd:

	2023	2022
	MUR'M	MUR'M
Revenue	**910.6**	850.4
Expenses	**(643.4)**	(615.6)
Other income	**17.4**	34.3
Finance costs	**(3.6)**	(2.8)
Profit before tax	**281.0**	266.3
Taxation	**(0.2)**	3.6
Profit for the year	**280.8**	269.9
Other comprehensive income	**(10.7)**	61.5
Total comprehensive income	**270.1**	331.4

34. INVESTMENT IN SUBSIDIARIES (CONT'D)

(ii) Summarised statement of financial position of Terra Milling Ltd:

Summarised cash flow information of Terra Milling Ltd:

	2023	2022
	MUR'M	MUR'M
Net cash inflow from operating activities	**205.8**	272.7
Net cash outflow from investing activities	**(98.9)**	(76.5)
Net cash outflow from financing activities	**(101.6)**	(161.7)
Net cash inflow	**5.3**	34.5

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

(iii) Summarised statement of financial position of Grays Inc Ltd:

	2023	2022
	MUR'M	MUR'M
Non-current assets	**383.6**	379.8
Current assets	**1,410.7**	1,405.3
Non-current liabilities	**(223.9)**	(228.2)
Current liabilities	**(1,118.8)**	(1,169.7)
Total equity	**451.6**	387.2

Summarised statement of profit or loss and other comprehensive income of Grays Inc Ltd:

	2023	2022
	MUR'M	MUR'M
Revenue	**2,184.1**	1,989.5
Expenses	**(2,070.5)**	(1,897.3)
Other income	**46.0**	27.5
Finance costs	**(49.6)**	(27.9)
Profit before tax	**110.0**	91.8
Taxation	**(17.1)**	(9.0)
Profit for the year	**92.9**	82.8
Other comprehensive income	**14.1**	(25.8)
Total comprehensive income	**107.0**	57.0

34. INVESTMENT IN SUBSIDIARIES (CONT'D)

(iii) Summarised cash flow information of Grays Inc Ltd:

	2023	2022
	MUR'M	MUR'M
Net cash inflow/(outflow) from operating activities	**242.6**	(238.0)
Net cash outflow from investing activities	**(40.1)**	(68.6)
Net cash (outflow)/inflow from financing activities	**(175.7)**	329.7
Net cash inflow	**26.8**	26.8

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

(iii) Summarised statement of financial position of Cavell Touristic Investments Ltd:

	2023	2022
	MUR'M	MUR'M
Non-current assets	**527.4**	-
Current assets	**11.9**	-
Non-current liabilities	**-**	-
Current liabilities	**(43.7)**	-
Total equity	**495.6**	-

Summarised statement of profit or loss and other comprehensive income of Cavell Touristic Investments Ltd:

	2023	2022
	MUR'M	MUR'M
Revenue	**-**	-
Expenses	**(5.3)**	-
Other income	**91.3**	-
Finance costs	**(1.5)**	-
Profit before tax	**84.5**	-
Taxation	**-**	-
Profit for the year	**84.5**	-
Other comprehensive income	**-**	-
Total comprehensive income	**84.5**	-

Summarised cash flow information of Cavell Touristic Investments Ltd:

	2023	2022
	MUR'M	MUR'M
Net cash outflow from operating activities	**(5.5)**	-
Net cash outflow from investing activities	**(36.9)**	-
Net cash inflow from financing activities	**42.5**	-
Net cash inflow	**0.1**	-

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

35. INVESTMENT IN 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)	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
	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	**17.2**	10.0	**0.9**	1.5	**1.2**	0.8	**1.7**	-	**21.1**	5.5	**-**	50.0	**5.3**	51.9
Anytime Investment Ltd	**-**	0.1	**133.4**	113.9	**0.1**	-	**-**	-	**-**	-	**-**	-	**-**	-
Coal Terminal (Management) Co Ltd	**43.0**	30.8	**48.0**	56.6	**36.9**	27.0	**45.0**	52.3	**208.8**	184.9	**-**	-	**0.9**	1.4
Horus Ltée	**3.8**	2.1	**251.9**	261.5	**2.3**	2.3	**-**	-	**-**	1.2	**-**	-	**(0.1)**	(0.1)
Swan General Ltd	**16,093.0**	11,162.4	**53,850.9**	50,986.5	**2,993.0**	1,396.9	**60,594.9**	55,179.1	**8,965.5**	8,479.8	**144.8**	125.1	**555.2**	764.9
New Fabulous Investment Ltd	**-**	0.1	**133.4**	113.9	**0.1**	-	**-**	-	**-**	-	**-**	-	**-**	-
New Goodwill Co. Ltd	**427.9**	514.7	**383.6**	246.8	**317.2**	328.5	**73.6**	73.2	**2,098.6**	2,004.4	**114.4**	96.5	**175.3**	136.5
Topterra Ltd	**48.0**	38.3	**57.9**	61.0	**76.9**	68.4	**6.1**	6.5	**30.3**	38.2	**-**	-	**-**	-
Sucrivoire S.A	**3,289.3**	3,657.0	**5,980.5**	5,629.0	**4,325.2**	4,117.3	**4,944.6**	5,168.8	**5,086.0**	4,856.6	**-**	-	**(672.6)**	(494.7)
Aquasantec International Limited (ii)	**-**	315.8	**-**	473.9	**-**	331.3	**-**	174.6	**364.2**	807.9	**-**	-	**(3.3)**	(78.9)
Thermal Valorisation Co Ltd	**109.3**	51.7	**693.6**	729.0	**81.1**	57.5	**203.9**	239.6	**226.3**	243.7	**-**	-	**34.3**	66.8
United Docks Ltd	**246.4**	402.0	**4,889.8**	4,037.0	**66.5**	52.8	**1,502.7**	1,502.5	**162.4**	82.2	**24.3**	6.7	**266.2**	474.7
Distillerie De Bois Rouge Ltd	**2.7**	2.7	**-**	-	**7.6**	7.3	**3.6**	3.6	**-**	-	**-**	-	**-**	-
Grays Uganda Ltd	**6.5**	6.5	**5.3**	5.3	**8.4**	8.4	**-**	-	**-**	-	**-**	-	**-**	-
Inside Capital Partners Ltd	**19.7**	15.6	**1.8**	3.2	**4.6**	2.8	**1.9**	1.9	**24.4**	29.6	**-**	-	**1.4**	2.4
Payment Express Ltd	**38.0**	25.4	**217.3**	219.1	**190.5**	216.9	**32.0**	7.5	**61.4**	145.8	**-**	-	**-**	-
Beau Plan Campus Ltd	**27.9**	40.0	**625.5**	632.3	**43.5**	64.4	**116.8**	153.3	**69.9**	64.0	**-**	-	**34.4**	30.9
The Greencoast International Primary School Limited	**16.7**	14.8	**4.7**	5.3	**27.8**	21.2	**10.5**	10.4	**39.6**	31.3	**-**	-	**(5.1)**	(3.6)
Attitude Hospitality Management Ltd	**261.7**	-	**51.6**	-	**72.8**	-	**81.3**	-	**181.1**	-	**-**	-	**41.9**	-
Water Sports Village Limited (iii)	**106.1**	-	**845.9**	-	**80.9**	-	**403.9**	-	**324.4**	-	**-**	-	**66.7**	-
Zilwa Resort Ltd (iii)	**209.8**	-	**1,513.6**	-	**118.8**	-	**350.3**	-	**529.1**	-	**49.3**	-	**128.3**	-

35. INVESTMENT IN ASSOCIATES (CONT'D)

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
	2023	2022	**2023**	2022	**2023**	2022				
	MUR'M	MUR'M	**MUR'M**	MUR'M						
AMCO Solutions Limited	-	-	**5.3**	51.9	**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**	1.4	**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	**165.9**	(704.4)	**721.1**	60.5	**34.6**	34.6	December 31,	Mauritius	Mauritius	Insurance
New Fabulous Investment Ltd	-	-	-	-	**24.5**	24.5	June 30,	Mauritius	Mauritius	Investment holding
New Goodwill Co. Ltd	-	-	**175.3**	136.5	**33.3**	33.3	June 30,	Mauritius	Mauritius	Rum bottling and distribution
Topterra Ltd	-	-	-	-	**50.0**	50.0	June 30,	Mauritius	Mauritius	Production and distribution of liquid fertiliser
Sucrivoire S.A	**19.8**	11.2	**(652.8)**	(483.5)	**25.5**	25.5	December 31,	Côte d'Ivoire	Ivory Coast	Sugar production
Aquasantec International Limited (ii)	**3.1**	(7.5)	**(0.2)**	(86.4)	**-**	26.7	December 31,	Mauritius	Mauritius	Management company
Thermal Valorisation Co Ltd	-	-	**34.3**	66.8	**17.9**	17.9	December 31,	Mauritius	Mauritius	Energy
United Docks Ltd	**35.0**	0.4	**301.2**	475.1	**24.4**	21.5	June 30,	Mauritius	Mauritius	Real estate
Distillerie De Bois Rouge Ltd	-	-	-	-	**33.3**	33.3	July 31,	Mauritius	Mauritius	Dormant
Grays Uganda Ltd	-	-	-	-	**22.2**	22.2	December 31,	Mauritius	Mauritius	Dormant
Inside Capital Partners Ltd	-	-	-	2.4	**36.8**	36.8	December 31,	Mauritius	Mauritius	Fund management
Payment Express Ltd	-	-	-	-	**27.8**	27.8	June 30,	Mauritius	Mauritius	Payment service provider
Beau Plan Campus Ltd	-	-	**34.4**	30.9	**40.0**	40.0	December 31,	Mauritius	Mauritius	Real estate
The Greencoast International Primary School Limited	-	-	**(5.1)**	(3.6)	**20.0**	20.0	December 31,	Mauritius	Mauritius	Education
Attitude Hospitality Management Ltd	-	-	**41.9**	-	**10.8**	-		Mauritius	Mauritius	Management company
Water Sports Village Limited (iii)	-	-	**66.7**	-	**13.2**	-		Mauritius	Mauritius	Hospitality
Zilwa Resort Ltd (iii)	-	-	**128.3**	-	**12.9**	-		Mauritius	Mauritius	Hospitality

(i) Associates with non-coterminous year end have been equity accounted based on management accounts at December 31, 2023.

(ii) During the year ended December 31, 2023, the Group disposed of its investment in Aquasantec International Limted.

(iii) Investments in Attitude Hospitality Management Ltd, Water Sports Village Limited and Zilwa Resort Ltd were acquired through Cavell Touristic Investments Ltd, which became a subsidiary in 2023.

35. INVESTMENT IN ASSOCIATES (CONT'D)

(b) For December 31, 2023 , the Group accounts for its investments in Coal Terminal (Management) Co Ltd, Attitude Hospitality Management Ltd, Water Sports Village Limited and Zilwa Resort 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 investments due to the Group's representation on the Board of Directors of the associate companies. The same principle was applied to the investment in Coal Terminal (Management) Co Ltd for December 31, 2022.

For December 31, 2023 and 2022, 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							
December 31, 2023	**Opening balance**	Additions	Transfer to NCAHFS	Share of profit/(loss) for the year	Dividends	Share of OCI for the year	Translation reserves	**Closing balance**
Investment in associates	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
AMCO Solutions Limited	**4.6**	**-**	**-**	**2.2**	**-**	**(0.2)**	**-**	**6.6**
Horus Ltée	**263.3**	**37.4**	**-**	**26.6**	**(2.2)**	**3.1**	**-**	**328.2**
Swan General Ltd (note 35(f))	**1,758.9**	**1.6**	**-**	**192.7**	**(50.2)**	**57.2**	**-**	**1,960.2**
New Goodwill Co. Ltd	**119.9**	**-**	**-**	**58.4**	**(38.1)**	**-**	**-**	**140.2**
Sucrivoire S.A	**557.9**	**-**	**-**	**(171.5)**	**-**	**7.5**	**30.7**	**424.6**
Aquasantec International Limited	**-**		**(4.0)**	**(0.9)**	**-**	**1.6**	**3.3**	**-**
Thermal Valorisation Co Ltd	**169.3**	**-**	**-**	**12.0**	**-**	**-**	**-**	**181.3**
Inside Capital Partners Ltd	**5.1**	**-**	**-**	**0.5**	**-**	**(0.2)**	**-**	**5.4**
United Docks Ltd	**354.4**	**88.7**	**-**	**97.1**	**(3.7)**	**5.1**	**-**	**541.6**
Beau Plan Campus Ltd	**181.8**	**-**	**-**	**13.8**	**-**	**-**	**1.7**	**197.3**
Attitude Hospitality Management Ltd	**-**	**79.4**	**-**	**8.4**	**-**	**-**	**-**	**87.8**
Water Sports Village Limited	**-**	**122.2**	**-**	**16.4**	**-**	**-**	**-**	**138.6**
Zilwa Resort Ltd	**-**	**246.4**	**-**	**66.5**	**(11.8)**	**-**	**-**	**301.1**
	3,415.2	**575.7**	**(4.0)**	**322.2**	**(106.0)**	**74.1**	**35.7**	**4,312.9**

35. INVESTMENT IN ASSOCIATES (CO `

December 31, 2022	Carrying amount						
	Opening balance	Transfer to NCAHFS	Share of profit/(loss) for the year	Dividends	Share of OCI for the year	Translation reserves	Closing balance
Investment in associates	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
AMCO Solutions Limited	4.6	-	21.7	(20.9)	(0.8)	-	4.6
Horus Ltée	220.4	-	43.5	(0.6)	-	-	263.3
Swan General Ltd	1,782.5	-	262.8	(43.2)	(243.2)	-	1,758.9
New Goodwill Co. Ltd	106.1	-	45.5	(32.2)	0.5	-	119.9
Sucrivoire S.A	713.2	-	(126.1)	-	4.9	(34.1)	557.9
Aquasantec International Limited	84.4	(75.7)	(21.0)	-	11.3	1.0	-
Thermal Valorisation Co Ltd	145.9	-	23.4	-	-	-	169.3
Inside Capital Partners Ltd	4.4	-	0.9	-	(0.2)	-	5.1
United Docks Ltd	296.9	-	58.3	(0.9)	0.1	-	354.4
Beau Plan Campus Ltd	167.3	-	12.3	-	-	2.2	181.8
	3,525.7	(75.7)	321.3	(97.8)	(227.4)	(30.9)	3,415.2

35. INVESTMENT IN ASSOCIATES (CONT'D)

(d) Information presented in aggregate for the associates that are not individually significant:

	2023	2022
	MUR'M	MUR'M
Carrying amount of interests	**(1.8)**	(0.9)
Group's share of profit	**(0.9)**	(0.3)
Group's share of other comprehensive income	**-**	-
Group's share of total comprehensive income	**-**	(0.1)

(e) The following associates are listed on a primary market and therefore a quoted price is available for the shares.

	2023	2022
	MUR'M	MUR'M
Fair value of investments		
Swan General Ltd	**1,401.8**	1,393.7
United Docks Ltd	**332.2**	198.8

(f) Swan General Limited

The Group's investments in associates include the investment in Swan General Limited ("Swan") amounting to MUR'M 1,960.2 and accounted for using the equity method. The Group's share of profit and other comprehensive income from associates include Swan's share of profit for the year and other comprehensive income amounting to MUR'M 192.7 and MUR'M 57.2 respectively. The financial statements used for the equity accounting of Swan were the unaudited accounts of the associate, prepared using IFRS 4 for its Insurance Contracts for the year ended December 31, 2023. During the year, IFRS 17 Insurance Contracts became effective for financial periods beginning on or after January 1, 2023 and Swan would therefore be required to adopt the new standard. This has caused considerable delays in finalising the financial statements of the Swan. In January 2024, the Financial Services Commission ("FSC"), which is the insurance regulator in Mauritius, granted an extension to insurance companies for filing their financial statements to August 31, 2024. In August 2024, the FSC granted a further extension to file their financial statements until December 31, 2024. The management of Swan has indicated to the management of TERRA Mauricia Ltd that it would not be in a position to provide its audited financial statements as at December 31, 2023 for Terra group reporting purposes before December 31, 2024. The Directors of the Company have assessed that the harm caused by the delays in issuing its audited financial statements would exceed the benefits of waiting for the audited financial statements of Swan which would include the adjustments arising from adopting IFRS 17.

36. CAPITAL COMMITMENTS

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

	THE GROUP	
	2023	2022
	MUR'M	MUR'M
Property, plant and equipment	**85.7**	102.4
Investment properties	**66.9**	203.5
Inventory work in progress	**231.0**	230.1
	383.6	536.0

37. 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.

38. 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	Sales of services and others	Amount receivable	Amount payable	Borrowings	Interest expense	Dividend income
2023	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**
Associates	**3.9**	**49.0**	**10.4**	**-**	**-**	**-**	**106.0**
Enterprises with common directors	**37.5**	**225.4**	**-**	**7.8**	**2,600.0**	**242.0**	**-**
	41.4	**274.4**	**10.4**	**7.8**	**2,600.0**	**242.0**	**106.0**
2022							
Associates	17.4	51.7	5.3	-	-	-	97.8
Enterprises with common directors	117.8	-	-	12.2	2,650.0	102.2	-
	135.2	51.7	5.3	12.2	2,650.0	102.2	97.8

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.

Impairment loss on trade receivables from an associate amounted to MUR'M 48.9 (2022: MUR'M 48.0).

Dividends paid to non-controlling interests amounting to MUR'M 35.0 (2022: MUR'M 24.3) are disclosed in the Group statement of cash flows.

(ii) THE COMPANY

	Amount receivable	Amount payable	Borrowings	Interest expense	Dividend income
2023	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**	**MUR'M**
Associates	**2.7**	**-**	**-**	**-**	**6.4**
Subsidiaries	**42.5**	**3.7**	**1,102.6**	**70.4**	**366.9**
	45.2	**3.7**	**1,102.6**	**70.4**	**373.3**
2022					
Associates	2.4	-	-	-	24.2
Subsidiaries	45.0	3.6	1,057.9	42.1	295.0
	47.4	3.6	1,057.9	42.1	319.2

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.

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.

38. RELATED PARTY TRANSACTIONS (CONT'D)

Refer to note 20 for terms and conditions of borrowings and note 11 for amounts receivables.

Letter of comfort given to a wholly owned subsidiary is disclosed in note 39(c).

Dividends paid to shareholders amounting to MUR'M **238.9** (2022: MUR'M 227.5) are disclosed in Company's statement of cash flows.

(iii) **Key management personnel**

Key management personnel consists of personnel employed by the Company 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	
	2023	2022	**2023**	2022
	MUR'M	MUR'M	**MUR'M**	MUR'M
Salaries and short term employee benefits	**260.0**	189.4	**-**	-
Post employment benefits	**14.7**	11.5	**-**	-
Other benefits	**1.1**	1.9	**-**	-
	275.8	202.8	**-**	-

39. CONTINGENT LIABILITIES

(a) Cases in Dispute

(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 1st November 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 December 31, 2022 amounting to MUR'M 66.9. The matter has been referred to an Arbitration Board as provided by the water supply agreement existing between the Irrigation Authority and Terragri Ltd.

(iv) *Breach of contract*

A client of Rehm Grinaker Construction Co Ltd is claiming MUR'M 33.0 from it for alleged breach of contract, which is resisted. The case is ongoing.

(v) *Work accident*

The heirs of 2 ex-employees of Terra Milling Ltd, who were victims of work accident, have claimed damages amounting to MUR'M 6.1 and MUR'M 7.8 respectively from their former employer. The cases are ongoing. The exposure is mitigated under the employer liability insurance cover of the Terra Milling Ltd.

39. **CONTINGENT LIABILITIES (CONT'D)**

(a) Cases in Dispute (cont'd)

(vi) *Dismissal*

A former employee has claimed MUR'M 30.0 from Rehm Grinaker Construction Co Ltd for unjustified dismissal, which is resisted. The case is ongoing.

(b) Bank guarantees

In the ordinary course of business, the Group had contingent liabilities in respect of bank guarantees amounting to MUR'M 702.0 as at December 31, 2023 (2022: MUR'M 403.8).

(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 banking facilities availed by its wholly owned subsidiary, Terra Finance Ltd.

As at December 31, 2023, the total comfort provided in respect of the short term banking facilities amounted to MUR 4.0 billion (2022: MUR 4.4 billion) out of which total utilisation amounted to MUR 0.7 billion (2022: MUR 1.2

Terra Mauricia Ltd has provided financial support to its subsidiary, Terragen Ltd, to a maximum amount of Rs 43.5 M for the period to December 31, 2024, so as to allow the subsidiary to continue operating in the foreseeable future and to meet its obligations.

(d) Outstanding bank guarantees

Guarantees to third parties given by Rehm Grinaker Construction Co Ltd bankers' at December 31 2023, amounted to MUR'M 520.2 (2022: MUR'M 469.2) in respect of on-going contracts and tenders in normal course of business. These guarantees are secured by way of floating charges over the assets of Rehm Grinaker Construction Co Ltd.

40. **EVENTS AFTER THE REPORTING PERIOD**

(i) United Investments Ltd

On September 3, 2024, the Board of Directors of United Investment Limited ("UIL") made a cautionary announcement regarding a significant transaction. UIL has executed a partial completion of the planned transaction by disposing of a portion of its financial investments to Alternativ Capital Investments Ltd ("ACIL"). The Board of UIL has decided to subsequently run a separate process for the disposal of the remaining financial services investments of UIL, with a view to ensuring that greater value is created for its shareholders.

The financial services investments that were part of this Partial Sale were disposed of for a total consideration of MUR 402 million. The consideration includes both cash and the value of UIL shares that were repurchased, as previously approved by the shareholders on November 29, 2023.

As of the reporting date, the impact of this partial disposal on the financial statements has been evaluated. It has been determined that the transaction does not materially affect the financial statements.

(ii) Corporate Climate Responsibility

A Corporate Climate Responsibility (CCR) levy of 2% on the company's profits will be introduced to financially support the "Climate Agenda", and it will apply to companies having a turnover exceeding MUR'M 50.

41. **SEGMENT INFORMATION**

Reportable segments are disclosed in note 25(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.

41. SEGMENT INFORMATION (CONT'D)

Information reported to the group’s Chief Executive for the purposes of resource allocation and assessment of segment performance is focused on the category of each type of activity. The group’s reportable segments under IFRS 8 are derived from sectors, products and services from which reportable segments derive their revenues.

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 accounting policies (Note 2).

(a) Information about reportable segments

THE GROUP

Year ended December 31, 2023	Cane	Power	Brands	Property & Leisure	Construction	Others	Group interests	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Total segment revenues	2,038.1	1,206.2	2,874.7	1,461.2	1,757.2	491.7	-	9,829.1
Intersegment sales	(27.5)	(25.7)	(118.8)	(122.6)	(106.1)	(290.5)	-	(691.2)
Revenues from external customers	2,010.6	1,180.5	2,755.9	1,338.6	1,651.1	201.2	-	9,137.9
Segment profit/(loss)	840.0	(79.0)	223.9	364.6	64.7	331.5	(271.8)	1,473.9
Fair value loss on non-current assets classified as held for sale	-	-	-	-	-	(7.1)	-	(7.1)
Impairment losses on financial assets (note 27(i))	(48.9)	-	(5.0)	(5.8)	(1.0)	-		(60.7)
Reversal of impairment losses on financial assets	-	0.4	4.2	1.2	-	-		5.8
Net finance (costs)/income	(27.7)	(4.2)	(52.1)	(81.6)	4.4	(383.0)	271.8	(272.4)
Profit/(loss) after finance costs	763.4	(82.8)	171.0	278.4	68.1	(58.6)	-	1,139.5
Share of results of associates	(171.5)	12.0	58.4	12.7	-	409.7	-	321.3
Profit on disposal of associate	-	-	-	-	-	73.5	-	73.5
Profit/(loss) before taxation	591.9	(70.8)	229.4	291.1	68.1	424.6	-	1,534.3
Taxation	(0.2)	6.2	(23.1)	(10.2)	1.9	3.2	-	(22.2)
Profit/(loss) for the year	591.7	(64.6)	206.3	280.9	70.0	427.8	-	1,512.1
Non-controlling interests								(133.8)
Profit attributable to equity holders of the Company								1,378.3

41. SEGMENT INFORMATION (CONT'D)

(a) Information about reportable segments (cont'd)

THE GROUP

Year ended December 31, 2022	Cane	Power	Brands	Property & Leisure	Construction	Others	Group interests	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Total segment revenues	1,602.3	1,151.8	2,752.5	1,132.2	1,617.3	412.9	-	8,669.0
Intersegment sales	(15.2)	(54.0)	(96.0)	(100.0)	(1.2)	(181.1)	-	(447.5)
Revenues from external customers	1,587.1	1,097.8	2,656.5	1,032.2	1,616.1	231.8	-	8,221.5
Segment profit/(loss)	507.1	(64.8)	195.8	318.6	81.6	98.3	(178.4)	958.2
Fair value loss on non-current assets								-
classified as held for sale	-	-	-	-	-	(94.8)	-	(94.8)
Impairment losses on financial assets	(46.1)	-	(2.4)	1.0	(0.2)	(0.3)	-	(48.0)
Impairment losses on non-financial assets	-	-	-	(0.7)	-	-	-	(0.7)
Reversal of impairment losses on financial assets	-	-	6.4	3.8	1.1	-	-	11.3
Reversal of impairment losses on non-financial assets	12.0	-	-	-	-	-	-	12.0
Net finance (costs)/income	(18.2)	(12.2)	(29.6)	(38.4)	(1.2)	(235.2)	178.4	(156.4)
Profit/(loss) after finance costs	454.8	(77.0)	170.2	284.3	81.3	(232.0)	-	681.6
Share of results of associates	(126.1)	23.4	45.5	11.6	-	366.6	-	321.0
Profit/(loss) before taxation	328.7	(53.6)	215.7	295.9	81.3	134.6	-	1,002.6
Taxation	0.3	110.0	(15.8)	(3.3)	2.0	(46.3)	-	46.9
Profit for the year	329.0	56.4	199.9	292.6	83.3	88.3	-	1,049.5
Non-controlling interests								(156.3)
Profit attributable to equity holders of the Company								893.2

41. SEGMENT INFORMATION (CONT'D)

(b) Other material items

THE GROUP

Year ended December 31, 2023	Cane	Power	Brands	Property & leisure	Construction	Others	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Finance income	11.2	-	6.0	4.4	7.1	2.0	30.7
Finance costs	(38.9)	(4.2)	(58.0)	(86.1)	(2.8)	(113.1)	(303.1)
Cost of sales	(1,118.5)	(1,166.8)	(1,911.9)	(817.7)	(1,466.9)	(7.1)	(6,488.9)
Segment assets	9,939.6	1,268.8	2,441.7	5,942.3	795.8	647.3	21,035.5
Associates	424.7	181.3	139.1	193.9	-	3,449.9	4,388.9
Other assets	-	10.6	22.8	2.1	138.9	946.4	1,120.8
Segment liabilities	600.1	252.9	879.5	456.9	914.0	124.0	3,227.4
Borrowings	432.3	138.9	747.8	1,224.5	25.8	2,130.1	4,699.4
Other liabilities	28.6	63.0	30.8	8.6	10.1	4.2	145.3
Capital expenditure	239.2	-	127.1	429.1	36.6	10.9	842.9
Depreciation and amortisation	(165.8)	(24.8)	(91.3)	(72.9)	(32.9)	(32.2)	(419.9)
Other material non-cash items:							
- Impairment losses on financial assets	(48.9)	-	(5.0)	(5.8)	(1.0)	-	(60.7)
- Reversal of impairment losses on financial assets	-	0.4	4.2	1.2	-	-	5.8

41. SEGMENT INFORMATION (CONT'D)

(b) Other material items (cont'd)

THE GROUP

Year ended December 31, 2022	Cane	Power	Brands	Property & leisure	Construction	Others	Total
	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M	MUR'M
Finance income	18.5	-	4.8	4.1	3.0	4.4	34.8
Finance costs	(36.7)	(12.2)	(34.3)	(42.5)	(4.2)	(61.3)	(191.2)
Cost of sales	(1,100.2)	(1,053.6)	(1,937.2)	(471.4)	(1,626.3)	(0.1)	(6,188.8)
Segment assets	9,462.6	1,010.8	2,385.2	5,821.0	1,017.1	432.5	20,129.2
Associates	558.0	169.3	118.9	179.6	-	2,466.3	3,492.1
Other assets	3.1	10.3	27.2	0.7	27.8	1,365.3	1,434.4
Segment liabilities	561.5	52.7	797.8	568.0	928.1	137.3	3,045.4
Borrowings	621.9	-	888.7	985.8	34.1	2,145.4	4,675.9
Other liabilities	29.3	67.0	37.3	2.2	9.8	135.0	280.6
Capital expenditure	208.7	21.4	118.7	457.3	22.5	15.9	844.5
Depreciation and amortisation	(158.8)	(23.8)	(74.4)	(67.6)	(37.0)	(34.4)	(396.0)
Other material non-cash items:							
- Impairment losses on financial assets	(46.1)	-	(2.4)	1.0	(0.2)	(0.3)	(48.0)
- Reversal of impairment loss on financial assets	-	-	-	(0.7)	-	-	(0.7)
- Impairment losses on non-financial assets	-	-	6.4	3.8	1.1	-	11.3
- Reversal of impairment losses on non-financial assets	12	-	-	-	-	-	12.0

41. SEGMENT INFORMATION (CONT'D)

(c) The major customers that the different clusters have been dealing with are as follows:

2023	Total
	MUR'M
Customer A	**1,753.1**
Customer B	**1,180.5**
Others	**6,204.3**
	9,137.9

2022	Total
	MUR'M
Customer A	1,523.7
Customer B	1,104.5
Others	5,593.3
	8,221.5

42. CONSTRUCTION CONTRACTS

	THE GROUP	
	2023	2022
	MUR'M	MUR'M
Contracts in progress at end of reporting year:		
Contract costs incurred plus recognised profits less losses to date	**205.7**	3,784.3
Less: progress billings	**(329.6)**	(3,752.1)
Net amount due from customers	**(123.9)**	32.2
Gross amount due from customers for contract work done	**5,337.3**	3,784.3
Gross amount due to customers for contract work done	**(5,461.2)**	(3,752.1)
	(123.9)	32.2
Bank guarantees given to third parties in respect of retention monies	**12.3**	-

TERRA MAURICIA LTD AND ITS SUBSIDIARIES

THREE YEAR SUMMARY OF PUBLISHED RESULTS AND ASSETS AND LIABILITIES - THE GROUP

	THE GROUP		
	2023	2022	2021
	MUR'M	MUR'M	MUR'M
STATEMENT OF PROFIT OR LOSS			
Turnover	**9,137.9**	8,221.5	6,223.8
Profit before taxation and associates' results	**1,139.5**	681.6	14.9
Share of results of associates	**321.3**	321.0	290.5
Gain on remeasurement of associate	**-**	-	24.9
Profit on disposal of associate	**73.5**	-	39.8
Impairment of associates	**-**	-	(3.0)
Taxation	**(22.2)**	46.9	(50.4)
Profit for the year	**1,512.1**	1,049.5	316.7
Profit attributable to:			
Owners of the Company	**1,378.3**	893.2	462.3
Non-controlling interests	**133.8**	156.3	(145.6)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
Profit after taxation	**1,512.1**	1,049.5	316.7
Other comprehensive income for the year net of tax	**10.9**	1,347.2	371.9
Total comprehensive income	**1,523.0**	2,396.7	688.6
Total comprehensive income attributable to:			
Owners of the Company	**1,388.6**	2,186.5	799.7
Non-controlling interests	**134.4**	210.2	(111.1)
	1,523.0	2,396.7	688.6
Percentage of profit on shareholders' interest (%)	**8.79**	6.53	5.70
Earnings per share (MUR)	**6.06**	3.93	2.03
Dividends proposed and paid	**238.9**	227.5	193.4
Dividend per share (MUR)	**1.05**	1.00	0.85
Dividend cover (times)	**5.8**	3.9	2.4
Net assets per share (MUR)	**75.6**	70.6	62.2
Weighted number of ordinary shares used in calculation (M)	**227.5**	227.6	227.6
STATEMENTS OF FINANCIAL POSITION			
Non-current assets	**20,362.0**	19,471.2	17,414.8
Current assets	**5,941.4**	5,055.1	4,195.8
Non-current assets classified as held-for-sale	**241.8**	529.4	1,391.6
Total assets	**26,545.2**	25,055.7	23,002.2
Owners' interest of the Company	**17,200.2**	16,068.1	14,159.4
Non-controlling interests	**1,272.9**	985.7	840.1
Non-current liabilities	**4,270.4**	4,345.5	3,981.8
Current liabilities	**3,801.7**	3,521.5	2,520.3
Liabilities directly associated with non-current assets classified as held-for-sale	**-**	134.9	781.7
Total equity and liabilities	**26,545.2**	25,051.4	22,283.3

Administrative

Directors of Subsidiary Companies

Directors / Subsidiary Companies	Beau Plan Cellars Ltd	Beau Plan Development Ltd	Beau Plan Office Park Ltd	Beau Plan Retail Park Ltd	Beau Plan Sports & Leisure Ltd	Cavell Touristic Investments Ltd	Equatorial Deliveries Ltd	Forbach Investment Ltd	Grays Distilling Ltd	Grays Inc. Ltd	Intendance Holding Ltd	Ivoirel Ltée	MISA Company Ltd	Mon Rocher School Holding Ltd	Providence Warehouse Co. Ltd	Rehm Grinaker Construction 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	Viva SC Management Ltd
Kavita Achameesing																								x	x				
Areff Atchia					●																								●
Feriel Aumeerally						●																							
François Boullé																											x		
Yosandeo Buchoo																									●				
Jocelyn de Chasteauneuf	○								○	○					●				○										
Neil Cloete																○													
Joël Couve de Murville					●																								
Louis Decrop																								x	x				
Jean Philippe Desvaux de Marigny		○	○	○		●		○						○				●											
Chandrek Dussoye																								●	x				
Virginie Duvivier						●																							
Ramanand K. Ellapah																						●							
Nicolas Eynaud		○	○	○		●		○						○			●	●											
Dominique Huet de Froberville	●								●	●									●			●				●			
Thierry de Labauve d'Arifat																										●			
Gérard Joseph Daniel Giraud						x																							
Edwige Gufflet																		○											
Alexis Harel	○						●		○	○			●		●	●			○		●	●		●		●			
Antoine L. Harel						x										●													
Charles Harel						x										●													
Didier Harel																										●			
Henri Harel	●	●	●	●		○		●	●	●	●	●				●	●		●	●	●	●	●	●	●		●	●	
Pit-Lan Kan-Youne Ip Wan Shek																										●			
Jean Marc Jauffret																											●		
Jean-Jacques Jullienne																											○		
Hubert Koenig					●																								
Louis Denis Koenig		●	●	●		●		●									●	●		●	●	●	○	●	●				
Stéphane Pierre Roland Lagesse																											●		
Pascal Langeron																								●	●				
Anne Christine Marie Levigne						x																							
Philippe Lincoln					●																								●
Deon Louw	●									●																			
Nicolas Maigrot	●					●			●	●	●	●				●	●	●	●		●	●	●	●	●		●	●	
Anna Mallac-Sim																										●			
Sebastien Mamet											●	●										○	●	●	●				
Frédéric Moyne																								●	●				
Yousouf Oodally																		●											
Bhoonesh Pandea						●																							
Krishnaduth Pursun																						●							
Christophe Quevauvilliers																											●		
Pascal Raffray																										●			
Fakeerasing Ramchurn																						x							
Kalindee Ramdhonee																						●				●			
Alain Rey																				●	●					●			
Vincent Rogers																											●		
Julien Rousset																				x				x				x	
Kamless Seeam																								●					
Salim Soobadar																						x							
Stéphane Thomas															●														
Nikhil Treebhoohun																										x			
Stéphane Ulcoq																											●		
Leonard Jacobus Volschenk	●									●																			
Colin Whiting							●						●		●														
Christian Yong Kiang Young						x																							
Alternate Directors																													
Jean Marc Iweins																								●					
Madoobala Jeetah																									●				
Schalk Willem Klopper										x																			
Christian Yong Kiang Young																●													

○ Executive Director in office as at 31 December 2023
● Non-executive Director in office as at 31 December 2023
x Ceased to hold office during the year ended 31 December 2023

External Directorships of Directors

Directors	Alexis HAREL	Didier HAREL	Henri HAREL	Dominique de FROBERVILLE	Thierry de LABAUVE d'ARIFAT	Nicolas MAIGROT	Anna MALLAC-SIM	Pascal RAFFRAY	Kalindee RAMDHONEE	Alain REY	Pit-Lan Kan-Youne IP WAN SHEK
LISTED COMPANIES											
New Mauritius Hotels Ltd										●	
Swan General Ltd			●			●					
MCB Group Ltd		●									
United Docks Ltd	●					●					
OTHER COMPANIES											
AMCO Solutions Ltd	●		●			●					
Anytime Investment Ltd			●			●					
BMH Ltd									●		
Celtinest Ltd					○						
CIEL Textile Ltd										●	
COAL Terminal (Management) Co Ltd			●			●					
Distillerie de Bois Rouge Ltd	●										
Grays Uganda Ltd	●										
Grenelec Ltd					●						
Horus Ltée	●					●					
Karics Partners Ltd									○		
Mammouth (Mauritius) Ltd									●		
Mauritian Bible Training Institute Co. Ltd											●
MFD Group Ltd				○							
Mer Rouge Trading Ltd				●							
Mexa Investment Ltd				●							
Moulin Cassé Ltée	●		●								
New Fabulous Investment Ltd			●			●					
New Goodwill Co Ltd			●			●					
Precigraph Ltée										●	
Quantum Ltd										●	
Rehm Grinaker Construction Co. Ltd	●		●			●					
Sucrivoire SA			●			●					
SuGha Ltd						●					
Swan Life Ltd			●			●					
Tamapro Ltd					○						
TDA Consult Ltd					○						
The Good Shop											●
The United Basalt Products Ltd									●		
The Lux Collective Ltd	●										
Thermal Valorisation Co Ltd			●			●					
Topterra Ltd	●										
UDL Investment Ltd						●					
United Investments Ltd			●			●					
United Properties Ltd						●					
Water Sports Village Ltd			●			●					
Zilwa Resort Ltd			●			●					

○ Executive Director in office as at 31 December 2023

● Non-executive Director in office as at 31 December 2023

Auditors' Remuneration and Donations from Subsidiary Companies

(Pursuant to Section 221 of the Companies Act 2001)

	2023				2022		
	Auditors' Remuneration MUR'M	**Donations towards CSR MUR'M**	**Political Donations MUR'M**	**Other Donations MUR'M**	Auditors' Remuneration MUR'M	Donations towards CSR MUR'M	Other Donations MUR'M
Holding Company							
Terra Mauricia Ltd	**2.1**	**0.1**	**-**	**2.6**	2.0	0.1	0.2
Subsidiaries							
Beau Plan Cellars Ltd	**-**	**-**	**-**	**-**	-	-	-
Beau Plan Development Ltd	**0.4**	**1.1**	**-**	**-**	0.4	1.8	-
Beau Plan Office Park Ltd	**0.4**	**-**	**-**	**-**	0.1	-	-
Beau Plan Retail Park Ltd	**0.5**	**-**	**-**	**-**	0.4	-	-
Beau Plan Sports & Leisure Ltd	**-**	**-**	**-**	**-**	-	-	-
Belle Vue Rum Ltd (Amalgamated on 01.10.23)	**-**	**-**	**-**	**-**	-	-	-
BS Fragrance (Mtius) Ltd (Amalgamated on 01.07.23)	**-**	**-**	**-**	**-**	-	-	-
Cavell Touristic Investments Ltd	**-**	**-**	**-**	**-**	-	-	-
Forbach Investment Ltd	**-**	**-**	**-**	**-**	-	-	-
Grays Distilling Ltd	**0.3**	**0.6**	**-**	**-**	0.3	0.1	-
Grays Inc Ltd	**1.5**	**1.4**	**-**	**-**	1.4	1.3	-
Intendance Holding Ltd	**-**	**-**	**-**	**-**	-	-	-
Ivoirel Limitee	**0.1**	**-**	**-**	**-**	-	-	-
Les Chais de L'Isle de France Ltée (Amalgamated on 01.10.23`)	**-**	**-**	**-**	**-**	-	-	-
Mon Rocher School Holding Ltd	**-**	**-**	**-**	**-**	-	-	-
Providence Warehouse Ltd	**-**	**-**	**-**	**-**	0.1	-	-
Rehm Grinaker Construction Co. Ltd	**0.4**	**-**	**-**	**-**	0.8	-	-
Sagiterra Ltd	**-**	**-**	**-**	**-**	-	-	-
Societe Proban	**-**	**-**	**-**	**-**	-	-	-
Sugarworld ltd	**0.1**	**-**	**-**	**-**	0.1	-	-
Terra Brands Ltd	**0.2**	**0.1**	**-**	**-**	0.2	0.3	-
Terra Finance Ltd	**0.1**	**0.1**	**-**	**-**	0.1	-	-
Terra Milling Ltd	**0.6**	**5.3**	**-**	**-**	0.6	1.5	-
Terra Services Ltd	**-**	**-**	**-**	**-**	-	-	-
Terragen Ltd	**0.4**	**-**	**-**	**-**	0.4	4.5	-
Terragen Management Ltd	**0.1**	**-**	**-**	**-**	0.1	-	-
Terragri Ltd	**1.3**	-	1.0	**0.4**	1.3	-	0.2
Terrarock Ltd	**0.1**	**0.7**	**-**	**-**	-	0.8	-
Terravest Holding Ltd	**0.1**	**-**	**-**	**-**	0.1	-	-
Viva SC Management Ltd	**-**	**-**	**-**	**-**	-	-	-
	8.7	**9.4**	**1.0**	**3.0**	8.4	10.4	0.4

Group Structure

The structure of TERRA Mauricia Ltd, its subsidiaries and associates as at 31 December 2023 is set out below.

Effective Holding	Date of Aquisition by the Group	Classification of Activities	Terra Mauricia Ltd
		1	TERRA MAURICIA LTD - Incorporated on 15 September 2011
100%	2012	1, 2, 8 & 10	100% TERRAGRI 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%	2021	8	100% BEAU PLAN SPORTS & LEISURE LTD
100%	2022	10	100% FORBACH INVESTMENT LTD
100%	2022	1	100% VIVA SC MANAGEMENT LTD
100%	2017	10	100% MON ROCHER SCHOOL HOLDING LTD
20.00%	2020	12	20.00% THE GREEN COAST INTERNATIONAL PRIMARY SCHOOL 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
100%	2001	10	100% SAGITERRA LTD
100%	1960	1	100% TERRA BRANDS 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
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
22.20%	2015	5	30.00% GRAYS UGANDA LTD
74.00%	2017	13	100% BEAU PLAN CELLARS LTD
100%	1998	4	100% GRAYS DISTILLING LTD
50.00%	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
95.24%	2012	12	95.24% SUGARWORLD LTD
100%	1997	1.a	100% IVOIREL LIMITEE
25.50%	1997	2.a & 3.a	25.50% SUCRIVOIRE S.A.
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
			18.54%
24.45%	2006	5	15.18% UNITED DOCKS LTD
			26.54%
53.14%	1978	1	46.65% SOCIETE ADAGIO
			50.52%
43.62%	2023	1	16.77% CAVELL TOURISTIC INVESTMENTS LTD
10.47%	2023	16	24.00% ZILWA RESORTS LTD
10.69%	2023	16	24.50% WATER SPORTS VILLAGE LTD
8.75%	2023	1	20.07% ATTITUDE HOSPITALITY MANAGEMENT LTD
100%	2004	1	100% TERRA SERVICES LTD
100%	2012	14	100% TERRA FINANCE LTD
100%	2015	1	100% TERRAVEST HOLDING LIMITED
100%	1982	1	100% INTENDANCE HOLDING LTD
			33.48%
34.60%	1972	11	1.12% SWAN GENERAL LTD
29.24%	1953	11	0.62% 82.72% SWAN LIFE LTD
41.87%	1961	13	41.87% AMCO SOLUTIONS LIMITED
62.26%	1991	7	62.26% REHM GRINAKER CONSTRUCTION CO. LTD
29.03%	2013	1	29.03% UNITED INVESTMENTS LTD
36.01%	2015	1 & 1.a	36.01% 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 holding, development and property consultancy
11. Insurance
12. Cultural / CSR / Education
13. Commodity trading
14. Financial services
15. Industry
16. Hospitality

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
AI	Artificial Intelligence
IFRS	International Financial Reporting Standards
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
Republic of Mauritius
Telephone: (230) 204 0808
Telefax: (230) 243 6363
E-mail: terra@terra.co.mu
Website: www.terra.co.mu

Secretary
Terra Services Ltd
Beau Plan Business Park; Pamplemousses 21001
Republic of Mauritius
Telephone: (230) 204 0808
Telefax: (230) 243 6363
E-mail: secretariat@terra.co.mu

Auditors
BDO & Co
(Chartered Accountants)
10, Frère Félix de Valois Street
Port-Louis 11404, Republic of Mauritius
Telephone: (230) 202 3000
Telefax: (230) 202 9993
Website: www.bdo.mu

Bankers
The Mauritius Commercial Bank Limited
SBM Bank (Mauritius) Ltd
ABSA Bank (Mauritius) Ltd
AfrAsia Bank Limited
BCP Bank (Mauritius) Ltd
Maubank Ltd
Standard Bank (Mauritius) Ltd
SBI (Mauritius) Ltd
ABC Banking Corporation Ltd

Registrar and Transfer Office
DTOS Registry Services Ltd,
10th Floor, Standard Chartered Tower
19, Cybercity, Ebene
Republic of Mauritius
Telephone: (230) 404 6000
Telefax: (230) 468 1600
E-mail: info@dtos-mu.com
Website: www.dtos-mu.com

Cane
Terragri Ltd / Terra Milling Ltd
Belle Vue - Mauricia
Mapou 31806 – Republic of Mauritius
Telephone: (230) 266 8485
Telefax: (230) 266 1985
E-mail: terragri@terra.co.mu/terramilling@terra.co.mu

Power
Terragen Ltd
Belle Vue - Mauricia
Mapou 31806 – Republic of Mauritius
Telephone: (230) 266 1226
Telefax: (230) 266 8013
E-mail: terragen@terragen.mu

Terragen Management Ltd
Beau Plan Business Park
Pamplemousses 21001 – Republic of Mauritius
Telephone: (230) 204 0808
Telefax: (230) 243 6363
E-mail: terragen@terragen.mu

Brands
Grays Inc. Ltd
Beau Plan, Pamplemousses 21001
Republic of Mauritius
Telephone: (230) 209 3000
Telefax: (230) 243 3664
E-mail: grays@grays.mu

Grays Distilling Ltd
Beau Plan, Pamplemousses 21001
Republic of Mauritius
Telephone (230) 243 3734
Telefax: (230) 243 3733
E-mail: distilling@grays.mu

Property and Leisure

Novaterra
Beau Plan Business Park
Pamplemousses 21001 - Republic of Mauritius
Telephone: (230) 204 0808
Telefax: (230) 243 6161
E-mail: novaterra@novaterra.mu
Website: www.novaterra.mu

Cavell Touristic Investments Ltd
Beau Plan Business Park
Pamplemousses 21001 - Republic of Mauritius
Telephone: (230) 204 0808
Telefax: (230) 243 6363
E-mail: terra@terra.co.mu

Sugarworld Ltd – *L'Aventure du Sucre*
Beau Plan, Pamplemousses 21001
Republic of Mauritius
Telephone: (230) 243 7900
Telefax: (230) 243 9699
E-mail : administration@aventuredusucre.com
Website: www.aventuredusucre.com

Construction

REHM Grinaker Construction Co. Ltd
Royal Road, Arsenal 20101
Republic of Mauritius
Telephone: (230) 249 3501
Telefax: (230) 248 8287
E-mail: info@rgcl.mu
Website: www.rehmgrinaker.mu

Terrarock Ltd
Royal Road, Fond du Sac 20601
Republic of Mauritius
Telephone: (230) 266 1355
Telefax: (230) 266 9045
E-mail: proban@intnet.mu

Finance

Terra Finance Ltd
Beau Plan Business Park
Pamplemousses 21001
Republic of Mauritius
Telephone: (230) 204 0808
Telefax: (230) 243 9675
E-mail: terrafinance@terra.co.mu

Corporate Social Responsibility

Terra Foundation
Beau Plan Business Park
Pamplemousses 21001
Republic of Mauritius
Telephone: (230) 204 0808
Telefax: (230) 243 1836
E-mail: foundation@terra.co.mu