INTEGRATED REPORT **2024**

Building A **Rock-Solid** future
in Mauritius and beyond

Dear shareholders,

The Board of Directors of UBP is pleased to present its Integrated Report for the year ended June 30, 2024, covering the performance and the operations of the Group, covering our five main companies: The United Basalt Products Limited (UBP), Premix Ltd (Premix), Drymix Ltd (Drymix), Espace Maison Ltée (Espace Maison), Compagnie de Gros Cailloux Limitée (Gros Cailloux, and a focus on our newly-acquired group of companies in Reunion Island.

FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements regarding the results and operations of the Group, which, by their nature, involve risk and uncertainty, because they depend on circumstances that may or may not occur in the future. Although forward-looking statements contained in this presentation are based upon what management believes are reasonable assumptions, undue reliance should not be placed on them.

Stéphane Ulcoq
Group CEO

A FUTURE BUILT TO LAST

Since its creation in 1953, the history of UBP has been deeply rooted into the growth and progress of Mauritius. As the nation evolved, so too did UBP. From infrastructure projects that connect communities, to solutions that empower several industries, UBP emerged as a cornerstone of the construction landscape and social fabric of Mauritius.

Over the decades, our Company has evolved into a dynamic and resilient organisation, poised to seize new opportunities, and ready to face future challenges with the same resolve that has defined its past.

On July 01, 2024, UBP achieved another milestone by acquiring the construction division of Groupe Leandri, a well-respected group in the building and civil engineering sector in Reunion Island. Beyond being a business transaction, this strategic move heralds a pivotal chapter in UBP's growth history, exemplifying its commitment to enhancing its reach and impact beyond Mauritian borders, grounded in its long-lasting expertise and setting the stage for a rock-solid future.

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UBP	The United Basalt Products Limited
Premix	Premix Ltd
Drymix	Drymix Ltd
Espace Maison	Espace Maison Ltée
Gros Cailloux	Compagnie de Gros Cailloux Limitée

Icons

Cross-referencing

IN THE BEGINNING, THERE WERE BASALT ROCKS.

Once upon a time, in the heart of Mauritius there lay a vast expanse of basalt rocks, the very foundation upon which the island's construction industry would be built. It was from these humble beginnings that **The United Basalt Products Ltd (UBP)** was born, a company destined to revolutionise the way we build.

INTRODUCTION

FINANCIAL HIGHLIGHTS

FOR THE FINANCIAL YEAR 2024

REVENUE

Rs 5.1 billion

Our Group revenue for FY2024 increased by 9.7% (+Rs 451.0 million) compared to previous year to reach Rs 5.1 billion. This rise was attributable mainly to our core business activities. FAST (Flacq Associated Stonemasters Limited), which was consolidated as a subsidiary for the entire financial year under review, contributed Rs 168.4 million to the revenue increase for the financial year, while Premix, our ready-mixed concrete subsidiary, contributed Rs 117.5 million.

+47.6% VS 2023

Rs 7.44

EARNINGS PER SHARE 2024

-14.0% VS 2023
-34.5% SINCE 5 YEARS

Rs 86.00

SHARE PRICE 2024

Rs Nil for 2023

Rs 1.75

DIVIDEND PER SHARE 2024

OVER THE PAST 5 YEARS

53.6%

AVERAGE DIVIDEND PAYOUT RATIO

-6.1%

COMPOUND AVERAGE ANNUAL TOTAL SHAREHOLDERS RETURN **OVER THE PAST 5 YEARS**

-8.1%

COMPOUND AVERAGE ANNUAL GROWTH RATE OF SHARE PRICE **OVER THE PAST 5 YEARS**

REVENUE SHARE BY SEGMENT

74%	23%	3%
CORE BUSINESS	RETAIL	AGRICULTURE

+9.7% VS 2023
+58.0% SINCE 5 YEARS

Rs 5.1 Billion

GROUP REVENUE 2024

+29.0% VS 2023

Rs 330.8 Million

OPERATING PROFIT 2024

Rs 208.6 Million

NET PROFIT 2024

CHAIRMAN'S STATEMENT

Dear shareholders,

I am pleased to report a very encouraging and satisfactory performance for the UBP Group after a year of significant transition. FY2024 saw a continuation of our strategic journey, highlighted by the completion of a major acquisition on July 01, 2024. This pivotal move demanded substantial focus from our management teams, who have not only successfully led the acquisition of the new entities in Reunion Island, but also managed to cross key milestones, including the integration of FAST and the turnaround of Premix.

Overview of the macroeconomic context and its impact on UBP

Mauritius' construction sector is in expansion, driven by strong demand for residential properties and significant investments in infrastructure development and modernisation. Yet, FY2024 presented a challenging landscape for UBP, marked by rising costs across several key areas. Labour expenses, financing costs, and maintenance outlays have all increased significantly, influenced by a combination of external factors. The escalation in prices for critical materials, coupled with higher labour expenses and the large number of public and private projects underway, has led to considerable increases in construction costs. Along with this, financing costs increased from Rs 107.3 million to Rs 151.0 million in 2024, due to increased borrowings to finance the acquisitions of Premix and FAST over the past two years, coupled with higher interest rates.

The operating context is expected to remain challenging as we move into the new financial year. Recent changes to Mauritian labour laws are set to further increase workforce expenses, while the shortage of labour in construction and retail is disrupting the industries and intensifying competition for talent. The Group is addressing these challenges proactively through strategic planning and innovative solutions, as outlined below, and further by our Group CEO on pages 30-34.

Positioning UBP for future growth

We successfully completed the acquisition of 90% of the shareholding in ten companies within Leandri Group based in Reunion Island. This significant milestone has not only expanded the Group's production capacity and strengthened its footprint in the region, but it has also positioned the Group for sustained growth. Beyond the substantial financial investment, this move has also required extensive foundational work to reevaluate UBP's operations and structure to ensure we are well-prepared to fully leverage the potential of this new entity.

Human capital restructuring was a focal point in achieving this. We undertook a comprehensive review of the Group's organisational structure to enhance efficiency, simplify reporting processes, and better manage our growing operations. Notably, we have now appointed a Group Head of Corporate Services, responsible for driving service excellence across the organisation. Additionally, a new COO is being appointed to lead the Building Materials cluster and rationalise operations and ways of working. The General Managers of the cluster will report directly to him. The creation of the Transformation and Innovation (T&I) Office was another crucial step towards making UBP future-ready by concentrating on forward-thinking strategies and innovation.

Executing a financial transaction of this scale also necessitated a **financial restructuring.** The Group successfully secured bridge financing to support the acquisition of our 90% stake in Reunion Island. This decision was made with careful consideration by the Board of Directors, taking into account volatile economic conditions, and maintaining a long-term, sustainable view on managing debt and maintaining financial stability. While the bridging loan increases debt over the short-term, this will allow the Group to finance its 90% equity in the acquisition and grant it the flexibility to pursue its growth trajectory. To manage this bridging debt responsibly, we are undertaking a strategic review of the Group's non-core assets to identify potential divestment opportunities. At the time of writing, we have successfully disposed of our operations in Madagascar and are in the process of selling off some land and buildings that are not essential to our operations. This financial restructuring is part of a broader plan to not only meet our immediate financial needs, but also ensure that UBP continues to enhance shareholder value in the years to come.

Delivering shareholder value

We are pleased to report that FAST and Premix contributed considerably to overall results in FY2024, substantiating the strategic decisions made by the Board. FAST exceeded expectations, contributing Rs 168.4 million to the increase in Group revenue, largely due to effective synergies and the cross-utilisation of resources. Similarly, targeted restructuring and investments in Premix have yielded remarkable results, enabling the business to enhance operational control and achieve a Rs 117.5 million increase in revenue. Additionally, the Group benefitted from an improved share of results from our associate, Terrarock Ltd.

As a result, the Group's operating profit rose from Rs 256.3 million in 2023 to Rs 330.8 million this year, while net profit grew from Rs 142 million in 2023 to Rs 208.6 million for the year under review.

Generating profits is not only about strengthening the company, but also about creating enduring value for our stakeholders, ensuring they share in the success they help to foster. After the difficult decision to withhold dividends last year, the Board is very pleased to distribute Rs 46.4 million in dividends to shareholders and recognise the hard work of our employees through the payment of performance bonuses. We remain confident in our vision and strategic direction for UBP, and committed to continue generating consistent returns not only for our shareholders, but also for the people who drive it forward each day.

CHAIRMAN'S STATEMENT

"We will focus on ensuring the successful integration and performance of our operations both in Mauritius and Reunion Island."

Making governance the bedrock of UBP

At UBP, governance is a cornerstone of our operations, and its importance has only grown in light of our recent expansion. Effective governance not only ensures compliance with regulations in the various jurisdictions in which we operate, but also adds significant value to our Group by driving accountability, transparency, and strategic oversight.

This year saw several key changes in our governance structure. We bid farewell to Catherine Gris, who served as the Chair of the Corporate Governance Committee with dedication and expertise. As she steps into her well-deserved retirement, we thank her for her invaluable contributions and wish her the best for the future. Aruna Radhakeesoon has succeeded her as Chair of the Corporate Governance Committee. With her strong legal background and governance expertise, Aruna brings fresh perspectives that will further enhance our commitment to excellence in corporate governance.

In line with our commitment to sustainability, we introduced a new Board Committee – the Corporate Sustainability Committee – also chaired by Aruna Radhakeesoon. This committee underscores our focus on sustainability, a critical area for both UBP and the construction industry at large. It reflects our determination to embed sustainable practices at every level of the Group, ensuring we stay ahead of evolving environmental and social expectations.

Last year, we also established Advisory Committees for the Company and three of our subsidiaries, with a mandate to engage Directors and management in discussions around strategic and operational challenges. We are currently reviewing these committees' mandates and functioning to ensure they continue to provide optimal value and guidance.

Looking ahead, we are planning to establish a Board of Directors specifically for our operations in Reunion Island. While this is not mandated, we have decided to replicate our Mauritian governance framework and best practices in this new market to ensure robust oversight and the effective management of our investment.

Outlook

The Board's first objective is to reduce finance costs by executing the financial restructuring plan that I have previously outlined. The second area of focus will be ensuring the successful integration and performance of our operations both in Mauritius and Reunion Island. This involves harnessing the synergies between both entities, whether through aligned strategies, product innovation, or knowledge sharing. With Bazalt Reunion's extensive experience in operating in a more sophisticated market, we are confident that this collaboration will drive new innovations and growth across UBP.

Acknowledgments and appreciation

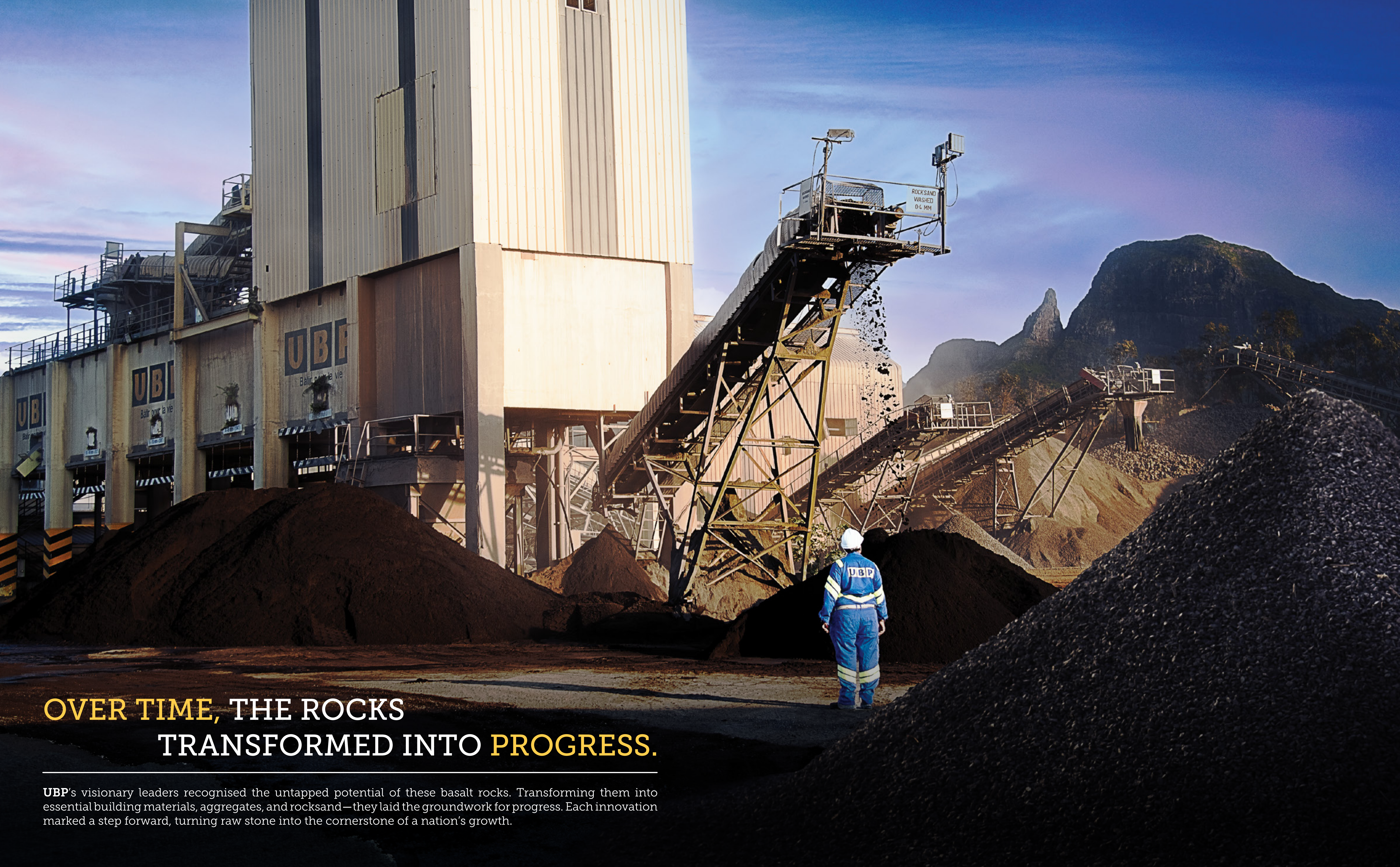
I wish to express my deepest gratitude to the Board of Directors for their steadfast guidance throughout this period of transformation. Your wisdom and strategic insights have been instrumental in navigating this complex transaction.

A special thanks goes to our management and leadership teams, led by Stéphane Ulcoq, whose relentless dedication has brought many milestones to fruition. We are clearly seeing a refreshed UBP, with a sharpened strategic focus and renewed energy driving us forward.

To our entire workforce, thank you for your unwavering commitment and for always rising to the occasion, no matter the task at hand. Your hard work and loyalty are at the heart of our success. I also wish to extend a warm welcome to our new colleagues in Réunion, who now form part of the UBP family.

Thank you all for your continued support and let us look forward to the promising road ahead.

Jean-Claude Béga
Chairman



OVER TIME, THE ROCKS TRANSFORMED INTO PROGRESS.

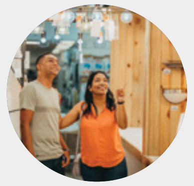
UBP's visionary leaders recognised the untapped potential of these basalt rocks. Transforming them into essential building materials, aggregates, and rocksand—they laid the groundwork for progress. Each innovation marked a step forward, turning raw stone into the cornerstone of a nation's growth.

ABOUT US

GROUP STRUCTURE

Subsidiaries

100%
Compagnie de Gros Cailloux Limitée



100%
Espace Maison Ltée

100%
Premix Ltd

100%
Pricom Ltd

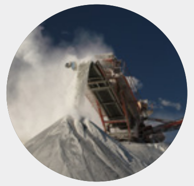
100%
Flacq Associated Stonemasters Limited

100%
Société d'investissement Rodriguais

- 

  75.9%
  Welcome Industries Ltd

100%
UBP Coffrages Ltée*



100%
UBP International Limited

- 77%
  United Granite Product (Private) Limited
  - 100%
    DHK Metal Crusher (Private) Limited
  - 100%
    Sheffield Trading (Private) Limited

100%
UBP Madagascar **

100%
Bazalt Limited

- 90%
  Bazalt Réunion SAS (Réunion)***
  - SAS J. Anzemberg + subsidiaries
    Anzemberg Logistique Distribution SARL
    SAS Préfabéton + subsidiary
    Société Réunionnaise de Concassage SAS
    Sita Gérard Matériaux SAS + subsidiary
    Incudine SAS

76.5%
Sainte Marie Crushing Plant Limited

- 100%
  Société des Petits Cailloux

71.8%
Drymix Ltd

- 80%
  Drymat SAS (Réunion)

70%
Bazalt Solar Ltd

Associates

46%
Terrarock Ltd

34%
Prochimad Mines et Carrière SARL**

25%
Cement Transport Ltd

20%
Compagnie Mauricienne d'Entreprise Ltée

Active

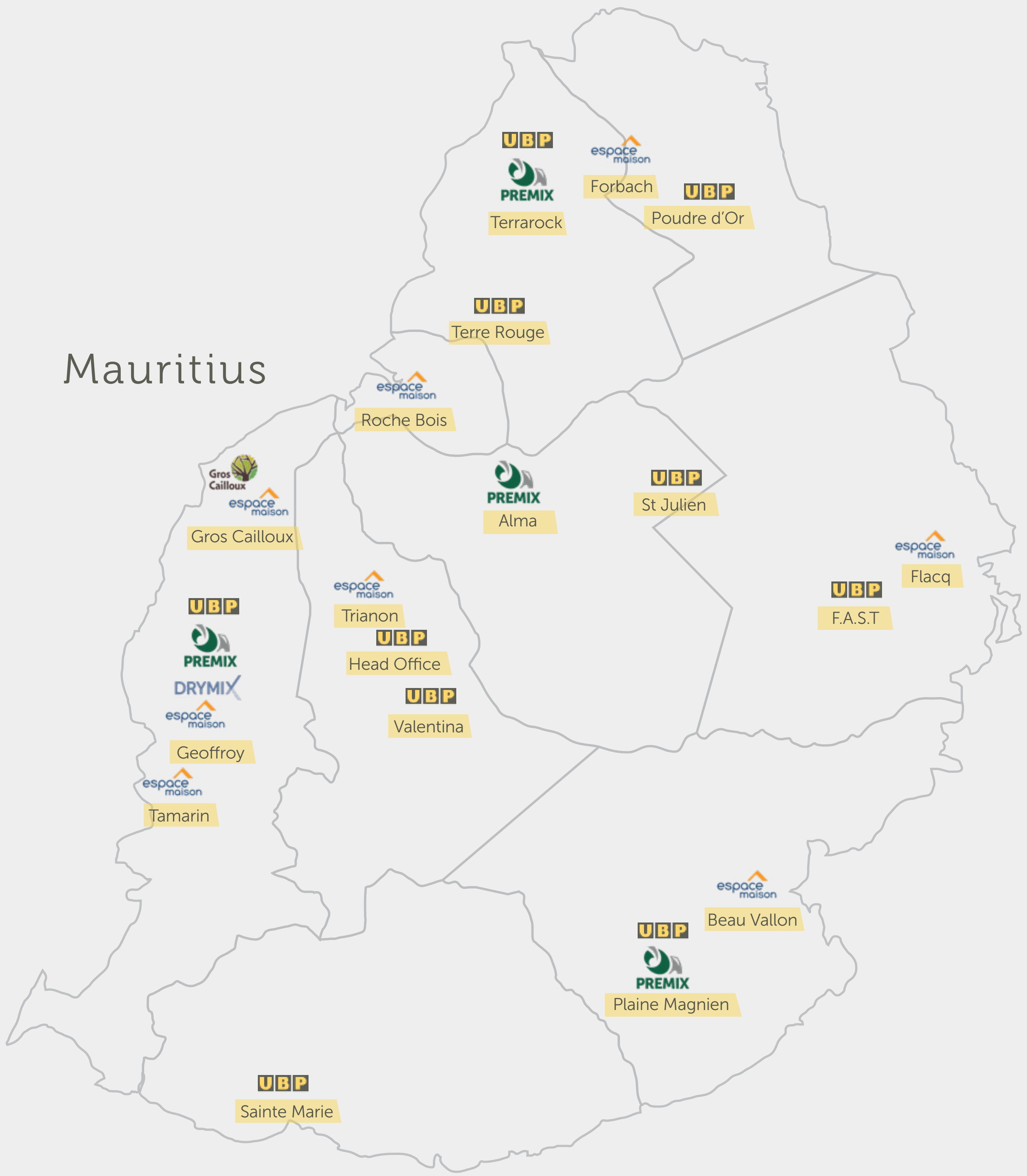
Dormant

* UBP Coffrages Ltée was amalgamated with UBP on June 26, 2024
** UBP Madagascar was disposed of on June 26, 2024, including its holding in Prochimad Mines and Carrière SARL
*** The acquisition of the Réunion entities was effective on July 01, 2024

ABOUT US

OUR OPERATING REGIONS

Mauritius



Rodrigues

Welcome Industries Ltd

Contribution to Group profit after tax: **Rs 2.8 million**

Year of establishment : **1993**

Manager : **Jean-Pierre Rose**

HQ : **Plaine Corail**

Permanent employees: **38**

Aggregates and rocksand produced: **>70,000 tonnes**

Blocks produced: **>900,000 units**

Sri Lanka

United Granite Products (Private) Limited: UGPL

Contribution to Group profit after tax: **Not profitable**

Year of establishment: **2000**

Manager: **Buddika Perera**

HQ: **Kalutara**

Permanent employees: **24**

Aggregates produced: **> 53,000 tonnes**

Reunion Island

Bazalt Réunion SAS

Acquired on July 01, 2024

Key sectors of activity: **Aggregates, blocks, other concrete components, ready-mixed concrete and trade**

Companies: **Soreco, Sigemat, Siginvest, Préfabéton, Prefinvest, Incudine, Anzemberg, ALD, ACM and Dimatechniques.**

Note: Our investment in UBP Madagascar was disposed of on June 20, 2024.

ABOUT US

COMPANY PROFILES

UBP

UBP, a public listed entity with over 70 years of experience in the construction materials industry, offers a comprehensive range of products and services to ensure that its clients can find everything they need under one roof, saving time and effort.

UBP's long history of success and its large base of some 4,600 shareholders demonstrate the company's stability and reliability. With a workforce of 774 employees and a contribution of Rs 169.0 million to the Group's profit after tax, UBP has established itself as a market leader in the Mauritian construction materials industry.

Premix

Premix, a wholly owned subsidiary, has been a trusted name in ready-mixed concrete solutions since its establishment in 1966. With the full integration of Premix into the UBP Group in October 2021, the company now offers an even wider range of products and services to its customers, solidifying its position as the partner of choice for any construction project.

With a headcount of 107 employees, Premix contributed Rs 36.5 million to the UBP Group's profit after tax for the year. This contribution underscores the value Premix brings to UBP Group and its stakeholders.

Drymix

Drymix, established in 1996, is the first ready-to-use dry mortar manufacturer in Mauritius. With a team of 108 dedicated professionals, Drymix has become a driving force in the Indian Ocean region's dry mortars industry.

With its ISO-certified laboratory, wide range of products, and impressive production capacity of 100,000 tonnes, Drymix is well-positioned to continue its growth and success in the years to come.

Drymix's contribution to the Group's profit after tax for the year stands at Rs 28.5 million, demonstrating the company's financial stability and profitability.

Espace Maison

Espace Maison is a leading home improvement retailer in Mauritius that has been providing exceptional value to its customers since its establishment in 2002. With a network of 6 strategically located stores across the island, and a workforce of 306, the company offers an unparalleled selection of over 30,000 high-quality products designed to enhance people's living space and outdoor environment.

Espace Maison contributed Rs 5.5 million to the Group's profit after tax.

Gros Cailloux

Gros Cailloux, a 1,000-acre estate located in Petite Rivière, stands as a multifaceted hub of agribusiness, landscaping and leisure, offering a unique blend of services and activities that cater to diverse interests.

Established in 1939 and fully owned by UBP since 2004, Gros Cailloux has evolved into a significant contributor to the local economy, with a workforce of 157 employees and a profit after tax contribution of Rs 12.6 million to the Group.

Gros Cailloux not only emphasises profitability but also prioritises community engagement and environmental stewardship. This commitment to quality and sustainability positions Gros Cailloux as a leader in its sector, providing exceptional value to customers and stakeholders.

BOARD OF DIRECTORS

1. Jean-Claude Béga
CHAIRMAN AND
NON-EXECUTIVE DIRECTOR

2. Jan Boullé
NON-EXECUTIVE DIRECTOR

3. Stéphane Brossard
INDEPENDENT
NON-EXECUTIVE DIRECTOR

4. Stéphane Lagesse
NON-EXECUTIVE DIRECTOR

5. Thierry Lagesse
NON-EXECUTIVE DIRECTOR

6. Christine Marot
NON-EXECUTIVE DIRECTOR

7. Aruna Radhakeesoon
INDEPENDENT
NON-EXECUTIVE DIRECTOR

8. Kalindee Ramdhonee
INDEPENDENT
NON-EXECUTIVE DIRECTOR

9. Christophe Quevauvilliers
HEAD OF CORPORATE SERVICES
AND EXECUTIVE DIRECTOR

10. Stéphane Ulcoq
GROUP CEO
AND EXECUTIVE DIRECTOR

ABOUT US

MANAGEMENT TEAM

Stéphane Ulcoq
GROUP CEO AND EXECUTIVE DIRECTOR

Mr Stéphane Ulcoq, born in 1977 holds a 'Diplôme d'Ingénieur en Mécanique' from the Institut National des Sciences Appliquées' (INSA) of Rouen and an MBA from Paris Dauphine and La Sorbonne Universities. Additionally, he has a Certificate in Global Management from INSEAD, France and Singapore after having completed three Executive Education Programs there. Mr Ulcoq joined the company in 2000 as Assistant Works Manager and became Workshop Manager in 2007. In January 2012, Mr Ulcoq was promoted to the post of Production Manager where he was in charge of all production units, both in Mauritius and overseas. In addition to his responsibilities as Production Manager, Mr Ulcoq was appointed Deputy CEO by the Board of Directors in December 2012. He was later appointed CEO of the Company in January 2015, and was eventually named Group CEO in July 2015.

GROUP FUNCTIONS

Christophe Quevauvilliers
HEAD OF CORPORATE SERVICES AND EXECUTIVE DIRECTOR

Mr Christophe Quevauvilliers, born in 1968, is a Fellow member of the Association of Chartered Certified Accountants. He joined the Group as Finance Manager and Company Secretary in May 2002 after having spent ten years in public practice at De Chazal Du Mée & Co and four years in the industrial sector. In 2013-2014, he completed a General Management Program delivered by the ESSEC Business School. He also sits on the Board of several companies within the Group. In January 2024, Mr Quevauvilliers was appointed Group Head of Corporate Services as part of the restructuring exercise in view of the major acquisition in Reunion Island. On August 16, 2024, he resigned as Company Secretary of UBP but continues to serve as Company Secretary for other entities within the Group.

Bryan Gujjalu
GROUP CHIEF STRATEGIC MISSIONS OFFICER FOR THE CEO

Mr Bryan Gujjalu, born in 1976, holds a Diplôme d'Ingénieur from INSA Lyon and an MBA from the Institut d'Administration des Entreprises (IAE) in France. He is a Certified Registered Professional Engineer and a Certified Practitioner Coach. Mr Gujjalu spent 12 years at APAVE Group, concluding as CEO of APAVE Indian Ocean and Deputy MD for Southern Africa-Indian Ocean-Australia. He also served as a Non-Executive Director on the Mauritius Institute of Directors' Board and worked in the financial services sector before joining United Basalt Products in March 2017 as Group Business Development Manager, overseeing international subsidiaries, mergers, acquisitions, and strategic projects. He now holds the position of Group Chief Strategic Missions Officer for the CEO.

Dhuenesh Rambarassah
GROUP CHIEF FINANCE OFFICER

Mr Dhuenesh Rambarassah, born in 1976, is a Fellow of the Association of Chartered Certified Accountants and holds an MBA specialising in strategic planning from Edinburgh Business School, Scotland. He joined United Basalt Products Ltd as Financial Accountant in February 2006, following over eight years in the Audit and Assurance departments at Ernst & Young and De Chazal Du Mée (now BDO). In July 2013, he was appointed Financial Controller for the majority of companies within the Group, advancing to Group Finance Manager in 2020. In 2024, Mr. Rambarassah was promoted to Group Chief Finance Officer in 2024, where he continues to drive financial strategy and operational excellence within the organisation.

Laurent Béga
GROUP CHIEF TRANSFORMATION & INNOVATION OFFICER

Mr Laurent Béga, born in 1979, holds a BSc in Mechanical Engineering (SA), an MBA (UK) and has earned various certifications, including one focused on Innovation from Stanford CPD. He has experience in engineering and project management across port, sugar, oil & gas, and construction materials industries. He joined UBP in 2014 as Group Engineering Manager, in charge of technical projects, supply chain and maintenance of the group's industrial assets. In 2017 he introduced a centralised Engineering Project and Design office and in 2021 he established the Fleet Optimisation Cluster. In May 2024, he was promoted to Group CT&IO, tasked with establishing and leading the Transformation & Innovation office to ensure the group's future-readiness. He also serves on the Corporate Sustainability Committee (CSC) and the Information Technology Committee (ITC).

Clémence Bossu-Picat
GROUP PROJECT OFFICE MANAGER

Mrs Clémence Bossu-Picat, born in 1985, joined United Basalt Products Ltd in March 2022 as Chargée de mission in the Group Communication department. In May 2023, she advanced to Group Project Office Manager, overseeing project portfolio monitoring and cross-functional management. She has now joined the Transformation & Innovation Office to support with projects related to the Group's ability for preparedness and future-readiness. Mrs. Bossu-Picat holds a Master's degree in Cultural Engineering & Communication from ICART Paris, with extensive experience in the luxury sector. She previously served as International Communication Manager for the beauty and fashion group PUIG in Paris and as Director of Client Services and Comex Board Member for Lartisien, which manages a portfolio of five-star hotels worldwide.

Cécile Boyer Fontaine
GROUP FINANCIAL CONTROLLER

Mrs Cécile Boyer Fontaine, born in 1989, has been serving as the Group Financial Controller at United Basalt Products Ltd since April 2020. She holds a Master in Management with a specialisation in Finance from Kedge Business School in Bordeaux, France. With over a decade of experience in the finance sector, Mrs. Boyer Fontaine has developed a robust expertise in financial management, both in Mauritius and internationally. Her role at UBP involves overseeing financial operations and ensuring the company's financial health, contributing significantly to strategic decision-making and financial planning.

Alan Cunniah
GROUP HUMAN RESOURCE MANAGER

Mr Alan Cunniah, born in 1968, is an accomplished human resources professional, serving as the Group Human Resources Manager at United Basalt Products Ltd since July 2018. Mr. Cunniah holds a Bachelor of Science in Actuarial Science from the University of Calgary, Canada, and an MBA with a specialization in Human Resource Management from the University of Mauritius. Prior to joining UBP, Mr. Cunniah spent a decade as Head of Human Resources at ENL Group, where he honed his expertise in strategic HR leadership. In his current role, he is responsible for overseeing all facets of human resource management at UBP, including talent acquisition, employee engagement, and performance management.

Shirley Dulaurent
ACTING GROUP COMMUNICATIONS MANAGER

Mrs Shirley Dulaurent, born in 1986, holds a degree in Management and a Master's degree in Marketing Management from the University of Mauritius. She has over 18 years of experience in communication, marketing, and branding, having worked extensively for a leading Mauritian media group. She also brings valuable academic experience as a lecturer in marketing and communication at the higher education level. Mrs. Dulaurent joined UBP in 2023 as Brand and Marketing Manager, and in July 2024, she was promoted to Acting Group Communications Manager. In this role, she applies her strategic thinking, creative approach, and industry expertise to strengthen the Company's communication strategies and brand positioning.

Gino Gunness
GROUP PROCUREMENT AND ASSETS MANAGER

Mr Gino Gunness, born in 1967, holds a 'Brevet de Technicien en Fabrication et Maintenance Mécanique' from the Lycée Polytechnique Sir Guy Forget in Mauritius. He began his career as a Technical Assistant in 1989, quickly rising to Plant Manager by 1991, overseeing various plants, including Welcome Industries in Rodrigues until 2003. From 2004 to 2011, he served as General Manager of UBP Madagascar. After returning to Mauritius in 2012, he became Assistant Production Manager and was promoted to Service Manager of the Heavy Machinery department in 2013. In April 2017, he advanced to Group Procurement and Assets Manager.

Sankish Haguthee
GROUP HEALTH, SAFETY AND ENVIRONMENT MANAGER

Mr Sankish Haguthee, born in 1984, is a professional in the field of Health, Safety, and Environment (HSE) management. He holds a Bachelor of Science in Occupational Safety and Health Management from the University of Technology, Mauritius and a Master of Science in Total Quality Management and Performance Excellence from the University of Mauritius. After four years in the public sector, Mr. Haguthee joined Velogic Group in 2009. He later joined the Manser Saxon Group in 2013, where he progressed to the role of Health and Safety Manager. In November 2021, he took on the role of Group Health, Safety, and Environment Manager at UBP. With over fifteen years of experience across various sectors, he is committed to fostering a strong health and safety culture across the Group.

MANAGEMENT TEAM

Dwight Hamilton
GROUP IT MANAGER

Mr Dwight Hamilton, born in 1974, is a seasoned IT professional with a Professional Graduate Diploma in Information Technology from the National Council for Vocational Qualification (NCVQ). He joined United Basalt Products Ltd in May 2004 as a Systems Coordinator, where he played a pivotal role in implementing the Enterprise Resource Planning (ERP) system for the Group. His expertise and leadership led to his promotion to Group IT Manager in 2011, where he continues to oversee IT operations and strategy. With a strong commitment to technological advancement, Mr Hamilton significantly contributes to UBP's operational efficiency and innovation in the industry.

Didier Raboude
ACTING GROUP ENGINEERING MANAGER

Mr Didier Raboude, born in 1981, is a Chartered Mechanical Engineer (UK) and holds an MBA from Sorbonne Business School, France. He is a trainer and a member of the Steering Committee on Service Excellence. With over 15 years of international experience in engineering, optimisation, and project management, he has worked across various industries including sugar, oil & gas, pharmaceuticals, biodegradable plastics, and construction materials. He joined UBP in 2021, where he applied his skills in negotiation, strategic thinking, and lean management to establish the Fleet Optimisation Department. He was promoted as Head of Operations – Optimisation & Supply Chain in September 2023 and appointed Acting Group Engineering Manager in May 2024.

UBP

Jean-Jacques Jullienne
GENERAL MANAGER

Mr Jean-Jacques Jullienne, born in 1966, is a highly accomplished professional with extensive experience in the mechanical and industrial engineering industry. He holds an MBA from the prestigious University of Paris-Dauphine, France and a National Diploma in Mechanical Engineering from the Technical College of Durban, South Africa. With a strong management background, Mr. Jullienne joined UBP as Head of Operations in September 2019. His exceptional leadership skills and strategic vision led to his nomination as General Manager in July 2022.

Amaury Lacoste
PRODUCTION MANAGER

Mr Amaury Lacoste, born in 1985, holds a Master in civil engineering from the University Paul Sabatier, Toulouse, and an executive MBA from the University of Paris-Dauphine and Sorbonne Business School. He joined the Company in 2010 and worked within the Engineering Division of the Company up to 2013, after which he joined the production team as Assistant Production Manager. From January 2015 to July 2017, Mr Lacoste was overseeing all production facilities within the central and southern regions. Thereafter, all crushing and block making activities throughout the island fell under his responsibility. Since January 2021, the management of production facilities in Sri Lanka and Rodrigues were also added to his responsibilities.

Yannick Espitalier-Noël
SALES MANAGER

Mr Yannick Espitalier-Noël, born in 1989, holds a Bachelor of Commerce in Management and Tourism from Curtin University and a Postgraduate Diploma in Management and Tourism from Murdoch University, Australia. With over twelve years of experience in sales and marketing, he has developed robust expertise in management, strategic partnerships, and customer relationship management. Mr. Espitalier-Noël joined the UBP Group three years ago as a Sales Project Manager and was promoted to the role of Sales Manager in August 2024. In his current position, he is tasked with executing UBP's strategy to reinforce the company's standing in the construction industry.

Ashwin Ramsaha
MANAGER – PPB DIVISION

Mr Ashwin Ramsaha, born in 1959, holds an MSc in Civil Engineering with a specialisation in Structural Engineering from the University of Architecture, Civil Engineering and Geodesy located in Sofia, Bulgaria. He is a Registered Professional Engineer of the Council of Engineers in Mauritius and Member of the Institution of Engineers. He has been practicing continuously in the private and public sectors in Mauritius and in Toronto since 1987. In November 2007, Mr Ramsaha joined the Company as Assistant Manager of the PPB Division which is involved in the production of precast concrete slabs. In February 2015, he was promoted to the post of Manager of that division.

Bruno de Spéville
MANAGER – MARBELLA DIVISION

Mr Bruno de Spéville, born in 1960, began his career in the construction materials industry after completing an induction course with Euro Brevet at a cement tiles factory in the UK. He joined United Basalt Products Ltd as Sales Manager in September 1994, following a successful tenure managing Bocaro Ltd from 1979 to 1987 and serving as Sales Manager at Rogers Building Materials Products Ltd from 1988 to 1994. In 2002, he took on the role of Project and Commercial Manager at Espace Maison Ltée. By January 2016, he was appointed Manager of the UBP – Marbella Division, where he oversees the production of precast products, concrete pipes, roof tiles, and rustic pavements.

Xavier Toulet
CONTRACT AND QUARRY MANAGER

Mr Xavier Toulet, born in 1978, is a seasoned professional in the mechanical engineering field, holding a Certificate in Mechanical Engineering from Durban Technical College in South Africa. He joined United Basalt Products Ltd as Contract and Quarry Manager in May 2022, where he oversees critical operations and project management. Prior to this, he served as the General Manager of Pex Hydraulics and Flexicom Limited (part of the MECOM group) from November 2007 to April 2022, demonstrating his leadership capabilities. Mr. Toulet also gained valuable experience as Plant Manager for UBP from November 2002 to October 2007, further solidifying his expertise in the industry.

SUBSIDIARIES

Jean-Claude Bellepeau
GENERAL MANAGER OF DRYMIX LTD

Mr Jean-Claude Bellepeau, born in 1963, holds a 'Diplôme d'Ingénieur Chimiste' from EHICS (now called ECPM) in Strasbourg, France. Following his graduation in 1989, he spent a decade working in the textile and industrial chemicals sectors in Mauritius before joining the Lafarge Group in 2000 to oversee the launch of their cement terminal in Mayotte. In February 2003, Mr. Bellepeau joined Pre-mixed Concrete Ltd as Operations Manager and was subsequently promoted to General Manager of both Pre-mixed Concrete Ltd and Dry Mixed Products Ltd in 2008. After the restructuring of the two companies in 2011, he directed the integration of Dry Mixed Products Ltd into the United Basalt Products (UBP) Group, where he currently serves as the General Manager of Drymix, a position he has held for over a decade.

Benoit Béchard
GENERAL MANAGER OF ESPACE MAISON LTÉE

Mr Benoit Béchard, born in 1965, possesses an MBA with a specialisation in Finance from Charles Sturt University, New South Wales, Australia. He also holds a Diploma in Management from the Institute of Leadership and Management in the UK and a Foundation Certificate in Tax from the Taxation Institute of Australia. Mr. Béchard is an active member of the Australian Institute of Management and the Taxation Institute of Australia, and he is an affiliate member of the Institute of Leadership and Management in the UK. Additionally, he has achieved the 'Certification Negociation Complexe ADN' at both Expert and Professional levels. He joined the Group as General Manager of Espace Maison in January 2016, bringing over twenty years of experience in senior management roles across various sectors.

Christopher Blackburn
GENERAL MANAGER OF COMPAGNIE DE GROS CAILLOUX LIMITÉE

Mr Christopher Blackburn, born in 1969, has a diverse educational background and professional experience in the fields of agriculture and business management. He holds a Brevet de Technicien Agricole with a specialisation in Landscaping and Green Spaces from France. He further pursued higher education, obtaining a Bachelor of Commerce in Marketing from Curtin University in Australia. Additionally, he earned a Master's degree in Strategic and Consulting Organisation from ESCP Paris. Professionally, he joined the Group as General Manager of Gros Cailloux in May 2012. Prior to this role, he served as the General Manager of the Landscaping and Nursery department at Médine Ltd, where he gained significant experience in managing landscaping projects and operations, contributing to his expertise in this field.

Vikram Gunnoo
GENERAL MANAGER OF PREMIX LTD

Mr Vikram Gunnoo, born in 1979, is a civil engineer with a robust academic background, holding a bachelor's degree in Civil Engineering and a Master of Science in Project Management from the University of Mauritius. He is recognised as a Registered Professional Engineer by the Council of Engineers in Mauritius and is also a certified Concrete Technologist from the Institute of Concrete Technology in the UK. Following the acquisition of Premix by the United Basalt Products (UBP) Group in November 2021, Mr. Gunnoo was appointed General Manager in June 2022. Under his leadership, Premix aims to enhance its offerings in ready-mixed concrete, focusing on quality and innovation in the construction materials industry.

FROM STONE TO STRENGTH, THE BUILDING BLOCKS OF TOMORROW WERE LAID.

Over time, the company's engineers and experts pushed the boundaries, developing blocks that were stronger and more efficient. From the classic concrete block to the revolutionary Ecoblock, with its groundbreaking thermal and acoustic insulation properties, **UBP**'s innovations became synonymous with quality and progress.

GROUP CEO's INTERVIEW

BUILDING A ROCK-SOLID FUTURE

In last year's report, you anticipated a challenging FY2024 due to a VUCA environment. How did these challenges materialise, and how did they impact the Group?

As expected, challenges abound in FY2024. High inflation kept interest rates on the rise throughout the year, significantly increasing our borrowing costs for newly acquired entities. Meanwhile, raw material prices continued their upward trajectory, casting a shadow over UBP's operations and affecting players along the entire value chain. Although we maintained strong sales volumes from larger clients, the individual segment, including SMEs and small businesses who are central to our ecosystem, experienced a slowdown. These more price-sensitive players were forced to either delay, reconsider, or even cancel their construction or renovation projects. Additionally, the industry is grappling with labour shortages and escalating labour costs, which particularly affected Espace Maison's operations, undermining its ability to maintain service excellence.

Despite this difficult operating background, the Group delivered an improved performance over the previous year, with most of our metrics seeing appreciable increases. Notably, Premix achieved a remarkable turnaround, delivering its best year on record. The finalisation of the acquisition in Reunion Island marked a major milestone, strengthening both our core business and regional footprint. All things considered, we have much to be proud of, and I consider FY2024 a year of progress for the Group.

What operational achievements in the Building Materials cluster stood out to you this year? Did the consolidation of Premix and FAST meet expectations?

The Building Materials cluster—comprising UBP, Premix, and Drymix—has not entirely recovered since the pandemic, as a result of both external factors and recent Capex investments that are critical for future growth but currently reflect poorly on the bottom line. To counterbalance these pressures, we continued to focus on innovation and operational excellence to drive product differentiation and efficiency across all businesses.

The full consolidation of FAST and Premix into UBP has, in many respects, exceeded our expectations, delivering value beyond their financial contributions. FAST, now in its first full year of integration, achieved results that far exceeded our initial projections, despite incurring some exceptional expenses. The synergies and cross-fertilisation between our sites at UBP St Julien and FAST have boosted production capacities, supported by a modernisation project at St Julien that is yielding significant gains. We are carefully evaluating the effectiveness and impacts of the new system, with plans to replicate these improvements at our Plaine Magnien site in FY2024 to further optimise plant efficiency.

UBP, on the other hand, faced a difficult year. Its activities were impacted by a combination of factors, including adverse weather conditions and new environmental regulations for stone-crushing plants.

On a positive note, UBP pursued its innovation drive and introduced a new product, the "Bloc à Bancher" (BAB), which offers significant benefits while projecting a 15-25% reduction in construction costs. Equally, UBP's ongoing Digitisation and Automation Journey (refer to our Intellectual Capital on pages 84 is already enhancing operational excellence and is expected to yield improved results in the upcoming financial year.

The acquisition of Premix presented itself as an opportunity that we seized with enthusiasm. This is why we take even greater pride in its remarkable turnaround, which has positioned Premix as the crucial link in our Building Materials operations. After a transition year of investments in upgrading its fleet, equipment and brand visibility, Premix delivered a standout performance, which was no easy feat given that the brand was largely unfamiliar to customers over a year ago. This success is a testament to the dedication of the team, which worked tirelessly and diligently to secure every contract and execute our roadmap. This team cohesion has put Premix on solid ground. Investments in modernising its equipment and infrastructure, from its truck mixers to its production plants, along with the attainment of the ISO 9001:2015 certification, have enhanced high productivity levels and maintained Premix's competitive edge.

Drymix began the year with strong momentum but was impacted by a shortage of rocksand during the last three months of the financial year. Nonetheless, the team stayed focused on future-proofing through digital transformation and R&D. The implementation of a Laboratory Information Management System is reinforcing our quality control capabilities and streamlining data management, enabling us to maintain accurate data for future analysis and initiatives. Drymix also set up its own in-house hotline to ensure high levels of customer service.

Could you explain the strategic importance of Bazalt Réunion for UBP Group?

We are thrilled to announce the successful "acquisition" of Bazalt Réunion as a subsidiary of Bazalt Limited, a wholly-owned subsidiary of UBP, on July 01, 2024—coinciding with UBP's own incorporation exactly 71 years ago on July 01, 1953. This timing feels particularly symbolic, heralding not just the beginning of a new financial year, but also the dawn of a new era for the Group.

Bazalt Réunion was established as the holding company for the acquisition of 10 companies that were previously part of another holding company in Reunion Island, all of which are on a positive growth trajectory and demonstrating consistent profitability. These companies operate in two areas of the construction sector: concrete and construction aggregates,

GROUP CEO's INTERVIEW

as well as the trading of 'VRD' products ("Voirie et Réseaux Divers"). This strategic move strengthens UBP's Building Materials cluster on the sister island, allowing us not only to operate in a familiar geography, but also to leverage our core competencies and deep expertise.

Strategically, this acquisition enhances our regional presence, a critical component of UBP's vision, while also providing access to the Eurozone market—a stable environment characterised by stringent regulations and high standards. This makes Bazalt Réunion a perfect strategic fit and a significant milestone in creating a strong, unified Building Materials cluster. Shared values have also been essential to this partnership. We are pleased to be collaborating with businesses that fully align with our core principles. Much like UBP, they prioritise employee welfare, which is evidenced by their employee longevity, reflecting a strong culture of trust and stability.

"UBP finds itself at an exciting crossroads, having achieved significant growth and solidified its leadership position in the construction industry"

Supporting this growth has also involved building the right bridges and pathways to facilitate a seamless transition. A key step in this direction was the restructuring of the Corporate Office in Mauritius to ensure the right resources are filling the right roles and drive greater agility in this new phase of growth. New key positions have been introduced, such as a Head of Corporate Services, responsible for streamlining our corporate support services and improving overall efficiency. We are also in the process of appointing a Chief Operating Officer for the Building Materials cluster, responsible for overseeing the operations of UBP, Premix and Drymix. This will bring a focused leadership perspective for the cluster and will be instrumental in driving synergies.

What opportunities do you see for creating synergies between UBP and Bazalt Réunion?

The completion of this transaction marks just the beginning of our journey. Now, our energies are fully directed towards making this venture a success. During the first year, which is especially critical in setting the foundation for long-term success, I intend to take a hands-on approach, actively engaging on the ground to make sure that we operate in a collaborative environment that taps into our collective strengths.

First and foremost, our approach to synergy creation prioritises the human element. In Reunion, we have inherited strong teams and processes that operate like a well–oiled machine. Our focus is on continuity. We have been intentional in not making any changes to the teams or imposing our ways of working. Instead, Bazalt Réunion operates with full autonomy, while we provide support in enhancing their existing strengths. As the saying goes, 'why change a winning team?'

Both businesses share many similarities, from operating the same machinery and equipment, to dealing with similar projects and clients. This alignment opens doors for resource sharing and standardising processes, with the potential for substantial productivity gains and economies of scale. However, the real value of this partnership lies in the cross-fertilisation of know-how and knowledge that will make all entities involved even stronger. This is especially relevant when it comes to environmental standards. Bazalt Réunion operates in a regulated landscape, with frequent and rigorous audit processes, and requiring compliance with strict environmental criteria to obtain operating permits. UBP stands to benefit from these high standards, as well as from the efficiency of our Reunion cluster, where lean processes and automation are driving performance.

Conversely, we are eager to share our growing knowledge in sustainability, particularly regarding carbon management and traceability, an area where we are making steady progress. We also intend to bring our expertise in matters of governance. As a listed company, UBP has a wealth of experience in compliance, reporting, and best practices which we believe could significantly benefit our partnership.

Could you provide an update on the Retail segment's performance?

Espace Maison maintained its turnover but saw a decrease in operating profit due to multiple challenges. Firstly, we incurred significant pre-operational costs relating to the refurbishment and extension of our outlet in Cap Tamarin, aimed at elevating the store layout and customer experience. While we initiated a supplier switch plan last year to address ongoing global supply chain challenges—exploring various procurement and sourcing avenues, without compromising on quality—the implementation has taken longer than anticipated.

Compounding this, heightened labour expenses and a severe shortage of workers added further complexities. Espace Maison faced a 42% shortfall in sales representatives, considerably impacting sales volumes and service quality. To address the decline in customer service, we reclaimed our after-sales support back from UBP, bringing it in-house to provide a more responsive customer experience. This involved establishing a dedicated team of technicians and supervisors to manage repairs and customer inquiries, offering attentive service to Espace Maison's clients.

What are some ways to counter these labour challenges?

These labour trends are worrying for both the retail and construction industries, underscoring the need for effective and innovative strategies to retain and engage talent. In addressing these labour challenges, we recognise the need to retain and nurture our local talent, more than ever. To that effect, we have proposed a retention plan to the Board, outlining innovative ways to foster the loyalty of our Mauritian workforce—who have long been the backbone of UBP's success. I look forward to sharing further progress on these initiatives in next year's report.

We also continue to focus on professional training and personal development to foster knowledge-sharing across the Group and offer opportunities for growth. Our training initiative, The Path, was launched in 2023 to focus both on technical and soft skills training, tailored to the needs of each department, and encouraging on-the-job learning. Team members also participate in workshops and peer sessions to discuss emerging trends such as AI and environmentally conscious practices. This past year, significant emphasis was placed on strengthening Safety & Wellbeing and unifying Service Excellence training across the Group. We are already witnessing positive developments, with our General Managers adopting a more forward-thinking mindset and better anticipating training needs.

Gros Cailloux showed promising signs last year. How has this activity evolved?

While the figures may not fully reflect this progress, Gros Cailloux continued to gain momentum, achieving remarkable advancements across most segments. This success stems from a people-focused agenda that has delivered results beyond our expectations. While operations were more siloed in the past, the teams have embraced a culture of cross-functional collaboration, inspired by the "Sak Roupi compté" challenge, meaning 'Every Rupee matters.' This initiative has empowered individuals to contribute their diverse skills and ideas, promoting an environment where team members wore multiple hats, and reacted quickly in pursuit of common objectives. As a result, we have seen a shift at Gros Cailloux, where employees no longer feel confined to a specific department or role but view themselves as members of the larger Gros Cailloux family.

An improved organisational structure, with a manager dedicated to each cluster—Leisure, Agriculture, Nursery, and Landscaping, —has allowed us to narrow our strategic focus on each activity. At the beginning of the year, each Manager is made to develop an action plan outlining opportunities, challenges, and priority areas, while allocating budgets for their segments. This structured approach has allowed us to pinpoint and prioritise the most high-performing activities. Notably, agricultural and vegetable production activities grew significantly during the year.

This is a true demonstration of agility and UBP's philosophy—the ability to stay flexible and course-correct in the face of unexpected situations, rather than rigidly following a fixed roadmap or strategy.

GROUP CEO's INTERVIEW

Can you provide an update on UBP's subsidiaries in Madagascar and Sri Lanka? Were the planned exits completed as intended?

I am pleased to announce that we have successfully completed the sale of our subsidiary in Madagascar, marking a positive conclusion to our adventure there. A comprehensive transition plan is in place to ensure a smooth handover over the coming year. In contrast, due to ongoing challenges in Sri Lanka, our planned exit from this market is currently on hold. In the interim, we plan to transition the company to a dormant status until market conditions become more favourable for a potential sale.

These developments align with our strategic focus to redirect our efforts and resources on our core business in the region. This brings me to our long-standing presence in Rodrigues, where we've had a meaningful presence for over 30 years. I would like to extend my heartfelt appreciation to Jean-Pierre Rose, our dedicated manager, whose efforts have consistently ensured the smooth operations of our subsidiary.

What key milestones has the Group achieved so far in its sustainability journey?

Decarbonisation remains a central pillar of the Group's sustainability strategy. Several impactful projects have been launched as part of this initiative, as detailed in the 'Natural Capital' section on pages 64. A significant milestone on this journey has been the creation of the Corporate Sustainability Committee (CSC), a dedicated sub-committee of the Board. The CSC plays a crucial role in shaping our sustainability agenda, ensuring that our decisions and operations are aligned with our ambition to drive greater impact. Supporting this effort is the newly formed Transformation and Innovation Office (T&IO), tasked notably with implementing sustainability initiatives, tracking progress, and ensuring that all activities align with the Group's overarching objectives.

The T&IO was set up with a clear, forward-thinking mission: to prepare our teams for future challenges and opportunities. By focusing on long-term, strategic initiatives rather than getting caught up in daily operational tasks, the T&IO ensures that we remain agile and prepared, and never lose sight of the bigger picture. Its mandate cuts across departments and functions, challenging the status quo by asking critical questions that identify key issues that could affect the Group's future-readiness. Backed by in-depth research and data-driven analysis, the T&IO develops well-rounded dossiers, presenting actionable recommendations on high-impact projects that ensure we navigate the evolving landscape with clarity, confidence and foresight.

What are your top priorities for the next 12 months, and what is your outlook for the coming year?

UBP finds itself at an exciting crossroads, having achieved significant growth and solidified its leadership position in the construction industry following the landmark acquisition of Bazalt Réunion. As we look ahead to the next 12 months, we are posed to seize numerous opportunities. Our reorganised and reinforced Top Management Team, combined with a sharper focus on our strengths and areas for improvement, equips us to make well-informed, strategic decisions. While we remain vigilant of broader economic conditions that could pose financial and operational challenges, we have every reason to be optimistic about the factors within our control.

We are now guided by clear priorities leading into FY2025. Central among these is an extensive, in-depth reflection on the reorganisation of the Group's structure, aimed at enhancing our market position, streamlining operations, and driving sustainable growth.

Do you have any special acknowledgments and closing remarks?

During this transformative period, fostering a strong team spirit has been more crucial than ever. We feel fortunate to have team members who are fully invested in our journey, and who have gone to great lengths to make the integration with Reunion a positive experience for everyone involved. For this, I would like to express my heartfelt gratitude to all our people. You all hold a vital place in this transformation, and we wouldn't be where we are without your agility, dedication and tireless efforts.

I would also like to extend my sincere thank you to our Board of Directors for their strategic guidance and insights, which are steadily guiding us towards a stronger and better-governed organisation.

To our valued customers, thank you for your continued support and confidence in us. We are committed to deepening our understanding of your needs and expectations, so we continue to earn your trust and loyalty.

As this past year has shown, the future belongs to those who dream big and act with purpose. By continuing to unite our strengths and placing our people at the heart of our strategy, we aim to build a future that stands firm on the power of collaboration and teamwork. This is the essence of building a 'rock-solid' foundation that stands the test of time.

Stéphane Ulcoq
Group CEO

THE UNITED BASALT PRODUCTS LIMITED | INTEGRATED REPORT 2024

BUSINESS MODEL

UBP Group's integrated business model creates significant value for all its stakeholders through the synergies of its operations and the strategic use of various capitals. We leverage inputs such as raw materials, skilled labour, and technological resources, transforming them into valuable outputs—such as high-quality construction materials and solutions—and meaningful outcomes like job creation, economic growth and enhanced social wellbeing.

CAPITAL DEFINITIONS

NATURAL CAPITAL

INPUTS

Electricity used (MW): **18.8 (+3.2%)**

Natural gas consumption across the Group (tonnes): **392 (+15.6%)**

Diesel consumption across the Group (million litres): **3.9 (-1.8%)**

OUTPUTS

Fuel oil sent for recycling (litres): **6,600**

Landscapes created (Rs million): **23 (-24.6%)**

Training/awareness sessions provided on Sustainability (hours): **167 (+14.4%)**

Number of public charging stations in use via the agreement with E-Motion: **3**

Number of air quality monitoring exercises carried out across UBP production sites: **18 (+80)**

Number of noise monitoring exercises carried out across UBP production sites: **16 (-62.8)**

OUTCOMES

- Increase in water conservation through the reuse of effluent and responsible extraction practices
- Enhanced value added to local economy through recycling practices
- Greater land productivity
- Improved resilience to environmental risks such as climate change and water scarcity through proactive adaptation strategies

HUMAN CAPITAL

INPUTS

Training investment (Rs million): **9.3 (+17.6%)**

OUTPUTS

Number of employees in Mauritius and Rodrigues: **1,598**

Number of employees trained: **1,116**

Accident severity rate: **0.24%**

Number of medical examination performed: **573**

OUTCOMES

- Increased employee retention and productivity through enhanced training and engagement initiatives
- Improved employee wellbeing due to occupational health programmes and work-life balance effort
- Expansion of leadership capabilities through targeted HR strategies

MANUFACTURED CAPITAL

INPUTS

Investment in Property, Plant and Equipment for FY2024:

UBP: **Rs 196.3 million**
Premix: **Rs 8.3 million**
Drymix: **Rs 11.4 million**
Espace Maison: **Rs 24.5 million**
Gros Cailloux: **Rs 16 million**
Boulders crushed (tonnes): **-0.9%**
Cement consumption (tonnes): **118,000 (+4.4%)**

Fertilisers used (tonnes/ha): **0.68% (same as FY 2023)**
Herbicides used (tonnes/ha): **0.02% (same as FY 2023)**
Pesticides used (tonnes/ha): **0.02% (same as FY 2023)**

Land under cultivation (ha):
-Food crops: **(-10.3%)**
-Sugarcane: **(Same as FY 2023)**
-Nursery: **(+20%)**

OUTPUTS

Aggregates sold (tonnes): **+0.9%**
Blocks sold (units): **-0.8%**
Smart blocks sold (units): **+140%**
Precast slabs (m²): **+124%**
Beams (m²): **+814%**
Ready-mixed concrete sold (m³): **+5.0%**
Dry mortar sold (tonnes): **+11.4%**
Vegetables produced (tonnes): **-26.6%**
Plants sold (units): **+0.8%**
Landscapes created (Rs million): **-24.6%**

OUTCOMES

- Enhanced storage and logistics capabilities, reducing supply chain delays
- Contribution to economic growth via investments in equipment and facilities to favour automation and increase production
- Strengthening of operational resilience through strategic asset investments

INTELLECTUAL CAPITAL

INPUTS

12 IT Group team members

OUTPUTS

New trademark registration(s): **1**
New product certification(s): **1**
New IT process(es): **1**

Ongoing Research and Development projects: **10**

OUTCOMES

- Driving innovation through R&D efforts, enhancing product development, knowledge management and operational processes
- Strengthening of intellectual property and advancing digital transformation initiatives like LIMS
- Enhanced quality management and enhancing market competitiveness through the implementation of ISO 9001:2015 and LEED certifications

SOCIAL CAPITAL

INPUTS

Additional members in Club Espace Maison: **+19,424**

OUTPUTS

Number of website visitors:
UBP: **74,037**
Premix: **6,800**
Espace Maison: **414,241**

Social media community:
Facebook
UBP: **34,000** likes and **37,000** followers
Premix: **11,000** likes and **12,000** followers
Drymix: **9,400** likes and **10,000** followers
Espace Maison: **118,000** likes and **126,000** followers

Tik Tok
Espace Maison: **17,900** likes and **9,800** followers

Instagram:
Espace Maison: **15,600** followers

Customer Care Centre calls received:
UBP: **11,044 (74.9%)**
Premix: **1,496 (10.1%)**
Drymix: **443 (3.0%)**
Espace Maison: **1,674 (11.3%)**
Gros Cailloux: **85 (0.6%)**

CSR amount spent: **Rs 1,449,280**

CSR spending allocation per focus area:

Education: **56%**
Socio-economic development: **26%**
Environment: **9%**
Exclusion: **9%**

Extra Sponsorship: **Rs 1,269,318**

Extra sponsorship per focus area:
Education: **3%**
Sports: **45%**
Poverty: **6%**
Society: **8%**
Culture: **29%**
Sustainable Development: **9%**

OUTCOMES

- Increased customer satisfaction through personalised service and technical support
- Enhanced community relationships and market presence via CSR initiatives, social media engagement and local partnerships
- Strengthening of customer network through loyalty programmes and consistent engagement

FINANCIAL CAPITAL

INPUTS

At June 30, 2024
Property, Plant and Equipment: **Rs 4.9 billion**
Total assets: **Rs 9.5 billion**
Payment to suppliers: **Rs 3.4 billion**

OUTPUTS

Rs 704.1 million Cash generated from operations	**Rs 1.8 billion** Total wealth created
Rs 935.0 million Salaries and other benefits paid	**Rs 46.4 million** Dividends

OUTCOMES

- Increased financial ability
- Improved resilience

STRATEGY

OPERATING ENVIRONMENT

THE INTERNATIONAL CONTEXT OF THE CONSTRUCTION SECTOR

The global construction industry is currently navigating a complex and rapidly evolving landscape, shaped by critical environmental, social, and economic challenges. As one of the key contributors to global greenhouse gas emissions, the sector is under growing pressure to combat climate change by adopting sustainable practices and supporting the global transition towards decarbonisation. This push for greener, more sustainable construction methods is not only a necessity, but it also opens doors to new opportunities, with the growing demand for sustainable infrastructure and buildings expected to drive considerable growth in the industry worldwide.

Global trends in the construction industry

Output per region	2022	2023	2024*	2025*
NORTH AMERICA	-5.1	1.8	3.5	2.9
ASIA-PACIFIC	2.1	6.3	1.7	0.6
EUROPE	2.1	1.7	1.0	2.5
MIDDLE EAST / AFRICA	4.1	2.5	2.7	3.3

Global output per subsector	2022	2023	2024*	2025*
CONSTRUCTION TOTAL	0.6	3.7	2.0	1.8
RESIDENTIAL	0.8	0.3	0.0	2.4
NON-RESIDENTIAL	1.0	5.5	2.8	1.4
CIVIL ENGINEERING	0.4	6.8	4.4	1.5

Year-on-year, % change /*Forecast - Source: Oxford Economics

Source: Construction industry trends March 2024 | Atradius

The global construction market is projected to grow from US$9.7 trillion in 2022 to US$13.9 trillion by 2037, with much of this growth driven by superpower markets like China, the United States, and India. While China is expected to regain momentum by 2025 after resolving recent real estate challenges, India is poised to be the fastest-growing construction powerhouse. In contrast, the United States is facing a downturn in residential construction, which could result in a US$150 billion gap in its market, and dampening overall growth. Moreover, central bank mismanagement of interest rates poses the risk of reducing global construction output by US$2 trillion by 2027, potentially shaving nearly 1% off global growth.

Economically, the construction sector is grappling with volatile material costs due to supply chain disruptions and inflation, impacting project feasibility and profitability, particularly in unstable economies. However, Southeast Asia is expected to see significant expansion, led by the Philippines, Vietnam, Malaysia, and Indonesia. In Western Europe, the UK's construction growth continues to be fuelled by ongoing investments in infrastructure and housing.

Socially, the industry is struggling with labour shortages and the need to upskill workers to meet the demands of a more digital and sustainable sector. Although digital technology integration stands as a crucial driver of productivity and sustainability, its adoption remains uneven across regions. Geopolitical factors, including a US$1 trillion reconstruction in Eastern Europe following the Russia-Ukraine conflict and rebuilding efforts in Turkey, will also significantly shape future trends.

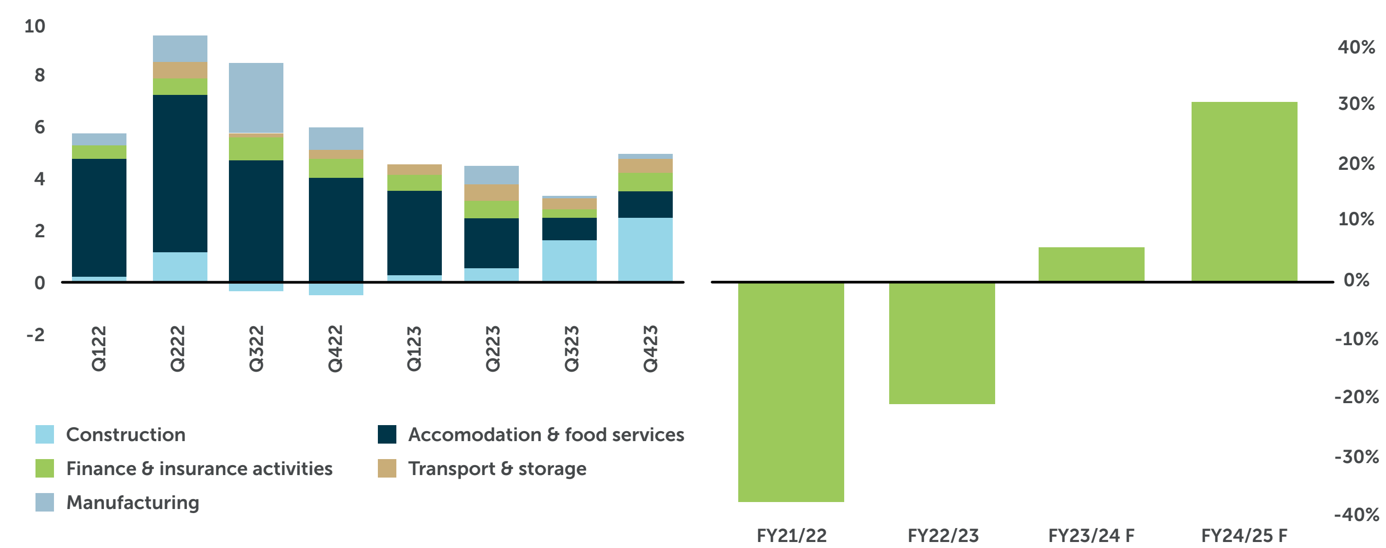
In summary, the global construction landscape presents both challenges and opportunities. UBP must navigate these dynamics by focusing on sustainability, optimising resources, and leveraging technological innovations to maintain its competitive edge and contribute to regional economic growth.

THE MAURITIAN CONTEXT

According to Fitch Solutions (2024), the construction sector in Mauritius is set to remain a key driver of economic expansion in 2024, albeit at a slower pace than the significant 28.6% increase seen in 2023. The 18.1% rise in 2024 reflects ongoing momentum in the sector, buoyed by a mix of both public and private projects, with substantial investments in the social housing contributing to this positive outlook.

Construction activity to bolster growth

Selected Sectors - Contribution to real GVA Growth, pp (LHC) & Capital Expenditure Growth, % y-o-y (RHC)



F = Official forecast. **Source:** Statistics Mauritius, Ministry of Finance, BMI

Source: Growth in mauritius to remain above trend in 2024 on strong construction activity (fitchsolutions.com)

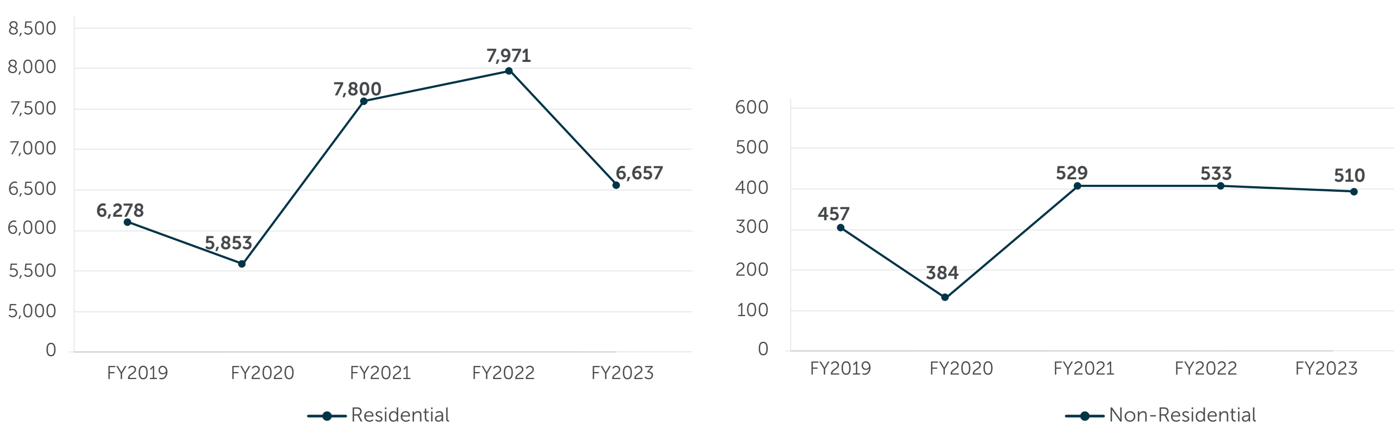
Despite this anticipated growth, the sector is facing significant hurdles. Climate change impacts and demographic shifts, including an ageing population and difficulties in attracting skilled talent, may result in skill shortages and reduced productivity. In parallel, local companies are also contending with labour shortages and fierce competition, further strained by a heavy reliance on imported materials. This dependence is likely to maintain high demand for capital goods imports, and in turn, negatively impact net exports and overall GDP growth.

Inflation is projected to ease to 4.6% in the calendar year 2024, but tight monetary policy could restrict borrowing and curb private consumption, potentially affecting the residential construction market. The construction sector will need to skillfully navigate these compounded financial constraints, while also confronting the broader challenges posed by climate change and the lack of skilled labour.

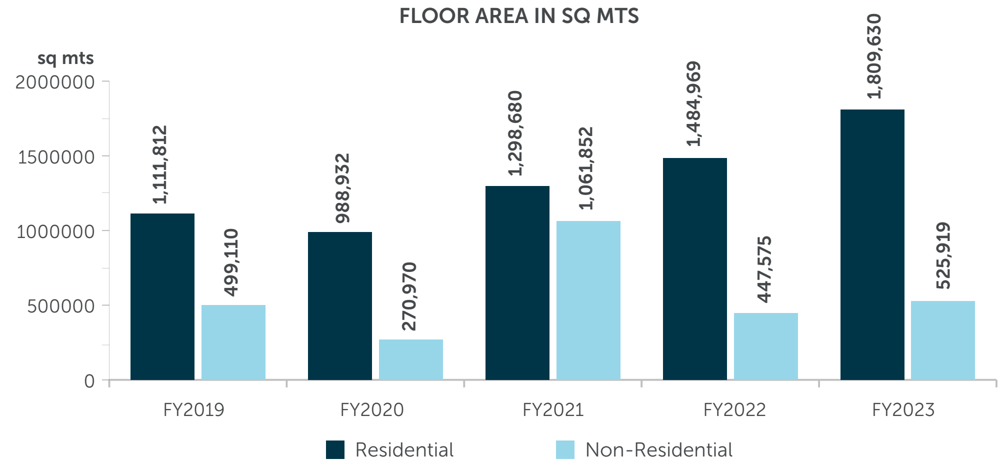
Looking ahead to 2025, growth in the sector is expected to be moderate as major public projects near completion. To maintain long-term stability, the industry must not only focus on boosting its competitiveness, reducing its dependency on imports, and investing in the local workforce, but also on building climate-resilient infrastructure. Companies like UBP will be instrumental in adapting to these evolving conditions, ensuring the sector remains a key pillar of economic development in Mauritius.

OPERATING ENVIRONMENT

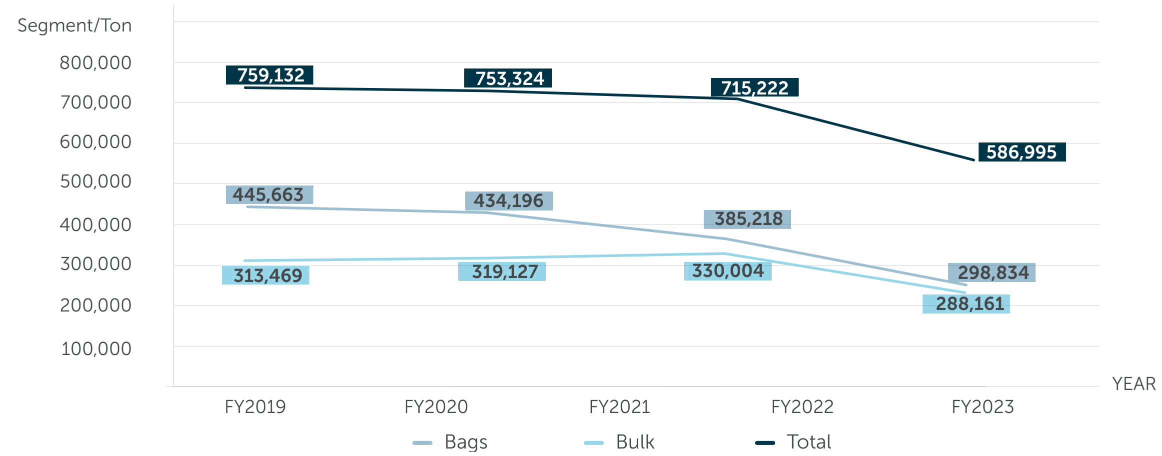
NUMBER OF BUILDING PERMITS FOR RESIDENTIAL AND NON-RESIDENTIAL BUILDINGS (2019-2023)



FLOOR AREA IN SQ MTS



IMPORTS OF TONS OF CEMENT IN MAURITIUS (SOURCE : MPA, MCCI.)



OUR STRATEGIC VISION

TO FOSTER READINESS, CONTINUOUSLY LEARN, ADAPT AND EVOLVE, AND DRIVE CHANGE TO SUPPORT LOCAL AND REGIONAL ECONOMIES.

Building on last year's momentum, UBP Group is reinforcing its commitment to **four strategic priorities** that are crucial for navigating changing market dynamics. These areas of focus not only enhance the Group's operational effectiveness and innovation capacity, but also integrate our business objectives with the needs of our communities—ensuring that we drive growth that generates mutual benefits for all our stakeholders and creates a positive impact for the local and regional economies in which we operate.

STAKEHOLDER ENGAGEMENT FOR INNOVATION

Engaging our stakeholders, including employees at every level, is vital for driving innovation. By empowering frontline employees and building strategic partnerships, the Group taps into the expertise of those directly involved in operations, ensuring that innovation is both practical and impactful. Training and development are equally crucial in building a skilled and adaptable workforce, capable of meeting the company's objectives.

ORGANISATIONAL AGILITY AND EFFICIENCY

The Group is focused on enhancing its operational agility and efficiency through the strategic use of advanced technologies and process optimisations. Guided by a culture of continuous improvement, we refine and streamline our internal systems to remain responsive to market demands and well-positioned to seize new opportunities for growth.

IMPACT-FOCUSED OPERATIONS

UBP Group strives to make a meaningful impact on the local and regional economy through resource-efficient operations and ethical, socially conscious practices. This approach ensures that we balance financial growth with environmental stewardship and social wellbeing, in keeping with our mission to be a responsible player in our industry.

INTEGRATION OF RESPONSIBLE PRACTICES

Making responsible decisions at every turn is essential for achieving sustainable growth and delivering long-term value. The Group is diligent about incorporating responsible practices into its operations and stakeholder interactions.

OUR STRATEGIC VISION

READINESS

Embed multiple stakeholder approaches to drive Group innovation.

- Enhance workforce skills and engagement through targeted training programmes, aligning with strategic objectives.
- Formalise Standard Operating Procedures (SOPs) and advance digital transformation initiatives.
- Accelerate innovation through partnerships with academic institutions, leveraging external expertise to drive continuous improvement.
- Encourage employee driven innovation through initiatives that empower staff to contribute to strategic goals and operational improvements.

Efficiency with organisational agility

- Promote organisational agility by continuously updating ERP systems and optimising supply chain operations.
- Foster an inclusive and productive work environment, enhancing employee retention and ensuring alignment with corporate objectives.
- Drive operational efficiency through regular maintenance and innovation in equipment and infrastructure, ensuring high productivity.
- Encourage quick adaptation to changing market conditions and customer needs through an agile organisational culture.

Impact-focused operations

- Prioritise responsible practices by focusing on local sourcing, expanding recycling initiatives and adhering to circular economy principles.
- Refine customer engagement through strategic processes that ensure high quality service delivery and alignment with community needs.
- Integrate economic and social impact into operational strategies to benefit both the company and the wider community.
- Drive impact by expanding storage facilities and investing in equipment to increase production capacity, ensuring operational efficiency and supporting the local economy.

Integration of responsible practices into decision-making and value-creation operations

- Emphasise circularity and resource efficiency, aligning operations with national and global environmental and social objectives.
- Integrate responsbile practices into the strategic framework through partnerships that enhance environmental stewardship and support local economies.
- Adopt technologies to minimise environmental impact and optimise resource use in responsible practises.
- Bolster environmentally and socially conscious efforts through strategic collaborations with external partners, ensuring leadership in environmental innovation.

To effectively pursue its strategic priorities, UBP Group made significant strides in **2024** by laying the necessary foundations for sustainable and responsible growth:

- **The establishment of a Corporate Sustainability Committee (CSC)** dedicated to embedding Environmental, Social, and Governance (ESG) principles into its decision-making processes. This Committee ensures that every product and solution is designed with the environment and community in mind, fostering a culture of sustainability across the Group.
- **A strategic organisational restructuring,** with the appointment of a COO to oversee the Construction Materials segment. This role is crucial as the Group expands in size and production capacity, allowing for a sharp focus on our core expertise.
- The creation of a **Transformation and Innovation Office (T&IO),** whose principal mission is to ensure the Group's future readiness through transformation and innovation initiatives. This multifunctional team looks beyond daily operations, anticipating future trends and opportunities, and actively seeking innovative solutions across all areas of business. The T&IO also supports the CSC to enhance sustainability efforts.

RISK REPORT

The Risk Report provides an overview of the evolving risk landscape that impacts the Group. During this financial year, we faced a dynamic array of challenges that created a more complex and unpredictable environment, necessitating robust risk management strategies and proactive measures. This report aims to detail the key risks we encountered, how we evaluated their potential impact, as well as our approach to navigating these uncertainties. By understanding and addressing these risks, we can better position ourselves to adapt and thrive in an increasingly volatile world.

The responsibilities with regard to risks are clearly defined for all entities within the Group such that Risk Owners are accountable for Risk Management under the supervision of the Group Risk Management Function.

RISK MANAGEMENT FRAMEWORK

In order to fully identify, measure, assess and mitigate our expose to risks, an Enterprise Risk Management ('ERM') framework and a Business Continuity Management ('BCM') plan were implemented within the Group starting in 2016.

The Group had set clear Board objectives and defined the acceptable level of risk, (or '***Risk Appetite***'), for each of these objectives based on a Group-wide approach considering risks across all departments, functions, and activities. In view of the continuously evolving environment, the strategic objectives and the risk appetite must be reviewed regularly.

Risk Hierarchy

RISK MANAGEMENT PROCESS

There are three stages in the Risk Management process, namely:

i) **Risk identification and assessment:** Risks are identified and rated based on their likelihood and impact.
ii) **Risk mitigation:** Management establishes procedures and/or controls to reduce the likelihood and impact of major risks.
iii) **Monitoring and reporting:** The procedures and/or controls are regularly monitored. Updates on risk mitigation measures, controls, and total risk exposure are communicated to the Audit and Risk Committee which in turn reports to the Board.

An essential component of the Risk Management process is the transfer of risks via insurance covers and the continuous improvement of our internal control system.

The Key Risk Categories relevant to the Group remain as follows:

Strategic Risks
Risks associated with uncertainties and opportunities embedded in the Group's strategic plan and the manner in which they are executed.

People Risks
Risks associated with the recruitment and retirement of employees, ongoing talent management, succession planning, relations with trade unions and regulatory bodies, and staff disciplinary issues.

Health and Safety Risks
Risks associated with all events that can cause serious injury and harm to the Group's workforce and customers.

Legal Risks
Risks linked to the legislations and regulations surrounding the operations and functioning of the Group (E.g. Competition laws, the Workers' Rights Act, Environment Protection Act, Data Protection Act, Occupational Health and Safety Act and the Code of Corporate Governance).

Operational Risks
Risk of loss resulting from inadequate, failed internal processes and procedures, human error or system failure, or from external events. They include all processes and sub processes from the time the raw materials are extracted and the manufacturing process, up to the point of receipt by customers.

Financial Risks
Risks linked to liquidity, interest rates, foreign currency exchange rates, capital structure and profitability.

Technology Risks
Risks that hardware and software are not operating as intended, thereby compromising the integrity and reliability of data and information, and exposing significant assets to potential loss or misuse, or exposing the Group's ability to maintain a high standard in its main business processes. They include all IT and telephony systems and the use of latest technologically-prone equipment.

Business Environment and Market Risks
Risks relating to macroeconomic evolution, politics, foreign investments, and climatic conditions that are outside our control.

Marketing and Customer Risks
Risks associated with maintaining the quality and reputation of our branded products and innovation in our offer to customers.

STRATEGY

RISK REPORT

GROUP RISK HEAT MAP

The Group Risk Heat map was prepared and submitted to the Audit and Risk Committee and to the Board to better visualise and manage the Group's risk landscape.

Risks were assessed in terms of their likelihood and impact. The likelihood is based on qualitative estimates of frequency of the risks occurring, whereas the impact is based on a set of financial criteria and other factors like human resources, operations, and market.

The likelihood and impact of each risk before mitigating controls (also referred to as ***'Inherent Risk Score'***) were determined with their respective Risk Owners. Following the assessment of the effectiveness of the existing mitigating controls, the amount of risk remaining (or ***'Residual Risk Score'***) was then established.

The following Heat Map provides an overview of the risks that are within the Key Risk Categories described above:

Likelihood / Impact	Lowest impact		Impact		Highest impact
Most likely					
		Q	K, I		
		A, L, F, H, E, N, R, S, G	B, P	O	
			J, C, D, M, T, U, V		
Least likely					

The table below illustrates the changes in risk scores from previous year, as well as the inclusion of new risks in the list.

	Risk	Change in risk score	2023 Impact	2024 Impact	2023 Likelihood	2024 Likelihood
A	*Erosion of brand loyalty - **New***		-	2	-	3
B	*Supply chain disruption*	↔	3	3	3	3
C	*Credit (default)*	↔	3	3	2	2
D	*Customer concentration*	↔	3	3	2	2
E	*Competition*	↔	3	2	2	3
F	*Environmental*	↔	2	2	3	3
G	*Accidents causing injuries and damage to people/premises - **New***		-	2	-	3
H	*Inadequate succession planning*	↔	2	2	3	3
I	*Inadequate monitoring of staff performance/productivity*	↓	4	3	4	4
J	*Failure to recruit and retain appropriate staff*	↔	3	3	2	2
K	*Disruption in production cycle due to external factors*	↔	3	3	4	4
L	*Delays in production and inability to meet customer demands*	↔	2	2	3	3
M	*Cyberthreat*	↓	3	3	3	2
N	*Failure to keep up with latest Information Technology developments*	↔	3	2	2	3
O	*Poor monitoring of overseas investment*	↔	4	4	3	3
P	*Money laundering - **New***		-	3	-	3
Q	*Inability to maintain fixed asset registers - **New***		-	2	-	4
R	*Price instability - **New***		-	2	-	3
S	*Unfavourable macroeconomic conditions - **New***		-	2	-	3
T	*Direct skin contact, ingestion, inhalation or explosion of dangerous chemicals - **New***		-	3	-	2
U	*Fire/explosion - **New***		-	3	-	2
V	*Drop in sales revenue risk - **New***		-	3	-	2

- Decrease in riskiness

- Increase in riskiness

↔ - No change

↓ - Lower risk

RISK REPORT

RISK MONITORING

The monitoring of the mitigating actions of the key risks to the Group is detailed below.

Risk identification and assessment			Risk monitoring and reporting	
Risk identification	**Risk assessment**		**Completed**	**Ongoing**
People Risks: The risk that the Group will not be able to find, hire, and keep talented employees.				
Inadequate succession planning risk (H)	An inadequate succession plan poses a significant risk to the Group's stability and continuity. Without a clear strategy for developing and transitioning roles, disruptions and challenges could be faced.		• A comprehensive succession planning framework that includes identifying key positions, developing talent pipelines, and providing targeted leadership development, was put in place.	• A phased implementation of a Performance Management System is underway to reward employees, ensure regular evaluations, provide timely feedback, and support continuous improvement. • A training plan is deployed to employees based on their needs and requirements.
Inadequate monitoring of staff performance/ productivity risk (I)	Without consistent and thorough performance tracking, we may struggle to identify issues early, address performance gaps, or recognise and reward high achievers. This can lead to decreased productivity and morale.		• UBP introduced "The Path" initiative to promote ongoing employee development throughout their careers within the Group. Additionally, UBP is a registered training centre with the Mauritius Qualifications Authority.	• Welfare incentives and activities are undertaken to increase employee engagement. • Relationships with trade unions are managed closely. • Foreign workers are being hired.
Failure to recruit and retain appropriate staff risk (J)	Challenges in attracting top talent and maintaining employee engagement can lead to skill shortages, decreased productivity, and higher turnover rates.			
Health and Safety Risks: The risk of injury or illness to individuals in the workplace or other environments. These risks include unsafe working conditions, exposure to harmful substances, inadequate safety protocols, and the potential for accidents or emergencies.				
Accidents causing injuries and damage to people/ premises risk (G)	The hazardous nature of operations, including heavy machinery and high noise levels, increases the likelihood of such incidents. Such a risk includes the possibility of injury, illness, or death of our employees as well as reputational damage for the Group that altogether may lead to the possibility of business interruption.		• The Group addresses the impacts of the amendments in the Occupational Safety and Health Administration ('OSHA'). • All our personnel are provided with appropriate Personal Protective Equipment ('PPE') such as masks, gloves and protective clothing. • Safety barriers, warning signs, and clear markings are put in place to delineate hazardous areas.	• Ongoing training is provided to our employees on safe practices, proper equipment uses, and emergency procedures. • Regular inspections are carried out on machinery and equipment, ensuring they are properly maintained to prevent malfunctions that could lead to accidents. • Regular safety practices and compliance audits are performed on site. Any non-compliance issues are addressed promptly, and corrective actions are taken as needed to maintain a high standard of safety. • Signs are visible, easily understandable, and updated regularly to reflect current safety conditions and regulations.

RISK REPORT

Risk identification and assessment			Risk monitoring and reporting	
Risk identification	**Risk assessment**		**Completed**	**Ongoing**
Health and Safety Risks (Continued):				
Direct skin contact, ingestion, inhalation or explosion of dangerous chemicals risk (T)	Dangerous chemicals pose significant risks through various exposure routes: direct skin contact can cause burns, allergic reactions, or systemic toxicity; ingestion may lead to poisoning, internal damage, or long-term health issues; inhalation can result in respiratory irritation, chemical pneumonia, or systemic toxicity; and explosions can cause severe physical injuries, fires, and toxic exposure.		• Chemical substances are stored safely and out of reach. • All our personnel are provided with appropriate PPE such as masks, gloves and protective clothing. • Safety barriers, warning signs, and clear markings are put in place to delineate hazardous areas.	• Regular inspections of storage areas, equipment, and PPE are carried out to ensure that everything is in good condition and functioning properly.
Fire/explosion risk (U)	Fire and explosion risks can cause significant harm, including severe injuries, property damage, and environmental impact. Fires can lead to burns, respiratory issues, and structural damage, while explosions may result in trauma, shockwaves, and debris. Both can also release hazardous materials into the environment, creating further health risks and complicating emergency responses.		• Fire alarms, extinguishers and smoke detectors are installed and maintained. • Electrical systems are regularly inspected and flammable materials are properly stored. • Safety procedures are developed and enforced to ensure compliance with relevant safety regulations and standards. • A comprehensive emergency response plan was set up and enforced, including evacuation routes, assembly points, and procedures for dealing with fires and explosions. All personnel are trained to be familiar with the plan.	• Regular risk assessments are performed to identify potential fire and explosion hazards. Measures to address identified risks are implemented and safety practices are updated accordingly.
Legal Risks:				
The risk that laws and rules governing business conduct, such as those that address bribery, corruption, fraud, unfair competition, and illegal use of personal data, are not respected. It also includes costs associated with investigations, financial penalties, and reputational harm.	Lack of compliance with the evolving standards and regulatory landscape may lead to fines and penalties which could be detrimental to the reputation of the Group.		• An audit was conducted on our Data Protection Management Programme ("DPMP"). • All relevant certificates for the entities of the Group were renewed.	• A review of the DPMP implementation was carried out across the entities of the Group by the Risk & Compliance Officer. • Changes in laws and regulations are tracked. • Regular communications about new legislation and their impact on the Group's operations are made to relevant employees whenever required. • Compliance audits are performed by all entities within the Group.
Money laundering risk (P)	Money laundering risks involve the potential for individuals or organizations to be used as conduits for illicit financial transactions, which can lead to severe legal and financial consequences. Risks include regulatory fines, legal penalties, and reputational damage.			• An Anti-Money Laundering ('AML') framework is implemented within the Group.

RISK REPORT

Risk identification and assessment			Risk monitoring and reporting	
Risk identification	**Risk assessment**		**Completed**	**Ongoing**
Operational Risks:				
The risk of increased vulnerability to damage resulting from incidents disrupting the business operations.				
Disruption in production cycle due to external factors risk (K) *Delays in production and inability to meet customer demands risk (L)*	The negative impacts (financial, reputational, health and safety, security) of events may require the invocation of the Business Continuity Management Plan due to actual or potential interruption of business operations. External events (such as cyclones and flash floods) can also impede operational activities because of their temporary suspension.		• Business Continuity Management Plans have been elaborated in case of incidents which could lead to business disruptions.	• The Group subscribes to insurance policies to mitigate the financial impact of business interruptions due to external factors.
Financial Risks:				
The risk that the Company may incur losses and be unable to meet its strategic goals if it fails to successfully identify market opportunities or carry out acquisitions, mergers, or divestments.				
Poor monitoring of overseas investment risk (O)	There is a risk that acquisitions do not meet the expected results. Following the disposal of our investment in Madagascar, it is essential to continually assess and manage any residual risks, including financial, regulatory, and reputational concerns.		• Our investment in Madagascar was disposed of in June 2024.	• The performance of newly acquired entities in Reunion Island is being monitored continuously. • Synergistic opportunities between entities of the Group are continuously explored.
Inability to maintain fixed asset registers risk (Q)	Inaccurate or outdated records may result in mismanagement of assets, difficulties in tracking asset depreciation, and compliance issues with accounting standards and tax regulations.			• A service provider is being sought to conduct a comprehensive inventory of our fixed assets and ensure accurate records and effective asset management.
Technological Risks:				
The risk that important information technology systems become unavailable, and that data is lost or altered because of computer virus, cyberattack, network and infrastructure failures, natural catastrophes, or human error.				
Cyberthreat risk (M)	An information technology or cybersecurity incident may result in monetary loss, harm to the Group's reputation, safety concerns, or environmental effects.		• A Software-Defined Wide Area Network ("SDWAN") is in place to monitor network traffic. • Next-Generation Firewalls are installed. • The implementation of Information Technology policies is pursued throughout the Group.	• Rigorous cybersecurity measures are implemented with a thorough approach, aiming to protect both digital systems and personnel from various threats. • Preventive, detective and responsive cybersecurity checks are carried out. • Our network traffic is constantly monitored for any suspicious activity. • Financial resources are deployed to enhance information technology security.

RISK REPORT

Risk identification and assessment			Risk monitoring and reporting	
Risk identification	**Risk assessment**		**Completed**	**Ongoing**
Technological Risks (Continued):				
Failure to keep up with latest information technology developments risk (N)	Outdated technology can hinder productivity, lead to compatibility issues, and limit access to advanced tools and features that drive innovation. Additionally, lagging in IT advancements may expose the Group to security breaches and compliance issues, ultimately affecting overall performance and market positioning.		• An IT Committee is in place to cater for all IT-related matters. • A Transformation and Innovation Office was created to help identify and implement innovative measures that drive progress and efficiency. • A Group Chief Transformation and Innovation Officer has been appointed to lead the Transformation and Innovation Office.	
Business environment and Market Risks: The risk that the economic environment can significantly change and have an influence on demand for building materials. This also encompasses political risk, which is the risk of financial, market or personnel loss occurring because of political decisions or disruptions. Political risk is also referred to as 'geopolitical risk.'				
Supply chain disruption risk (B)	Supply chain disruption risk refers to the potential for interruptions in the flow of goods and services from suppliers to consumers. This risk can arise from various factors, including natural disasters, geopolitical tensions, pandemics, or logistical challenges. Disruptions can lead to delays, increased costs, and reduced availability of products, impacting a company's ability to meet customer demands and maintain operational efficiency.			• A list of alternative suppliers is regularly updated to ensure that there is no disruption in the supply of goods and services. • A due diligence of suppliers is performed systematically.
Credit (default) risk (C)	Bad debts impact the Group's ability to meet its financial obligations and dividend distribution.		• Reinforced credit assessment procedures are in place for new credit requests.	• Debtors are constantly monitored to identify any risk of default as early as possible by reviewing their financial performance, and the contracts they have in hand, and by ensuring a continuous line of communication.
Customer concentration risk (D)	The loss of key customers can have an adverse impact on the Group's revenue and profitability. A diversification of the customers portfolio mitigates the risk arising from the loss of a major customer			• The credit status of the top customers of the Group is monitored on a weekly basis. • We continually strive to build trust with our existing customers and take their changing needs into consideration when developing our new products and services.

RISK REPORT

Risk identification and assessment			Risk monitoring and reporting	
Risk identification	**Risk assessment**		**Completed**	**Ongoing**
Business environment and Market Risks (Continued):				
Competition risk (E)	The entry of new competitors or an increase in the market share of existing competitors would impact on the Group's revenue and overall profitability.			• Strategic discussions are held at management and Board levels to analyse customer/market trends and competition. • The Research and Development team is engaged in product innovation. • The communication department regularly conducts surveys.
Environmental risk (F)	Environmental risks pose significant challenges that can impact our operational integrity and reputation. These risks include potential environmental damage from our activities, compliance with evolving regulations, and the effects of resource scarcity. Compliance with Environmental Regulations: The introduction of the new Environment Act 2024 presents new compliance challenges that may require operational adjustments. Non-compliance with the new regulations could result in legal penalties, operational disruptions, and reputational damage. The need for additional investments in sustainable technologies and processes may also increase operational costs. ***Climate change impacts*** Climate change presents significant and evolving risks to our operations and long-term sustainability. As extreme weather events, regulatory changes, and shifts in market dynamics become more prevalent, we recognise the need to integrate climate risk considerations into our strategic planning.		• An initial review of the new Environmental Act 2024 was carried out to assess our compliance requirements. • Key areas requiring adjustments are identified to align our operations with the new regulations.	• A continuous monitoring of the Group's environmental performance is in place to ensure compliance with local norms and regulations. • Solutions are assessed to enable climate resilience. Such solutions may include heightened connectivity and synergy (e.g., one subsidiary helping another store or utilising unused material).
Price instability risk (R)	Price instability risk for a business involves fluctuations in the costs of raw materials, products, or services, which can lead to unpredictable financial outcomes. This volatility can impact profit margins, budgeting, and overall financial stability. Factors contributing to price instability include market demand changes, supply chain disruptions, and economic conditions.			• A continuous monitoring of market conditions is performed, and pricing strategies are amended to align with cost changes and maintain profitability. • Cost control measures are implemented to optimize operational efficiencies, absorb price fluctuations and protect profit margins. • Some companies within the Group have adopted a strategy to strengthen relationships with or switch to new suppliers from different regions around the globe to manage geopolitical risks and enhance cost-effectiveness of operations.

RISK REPORT

Risk identification and assessment			Risk monitoring and reporting	
Risk identification	**Risk assessment**		**Completed**	**Ongoing**
Business environment and Market Risks (Continued):				
Unfavourable macroeconomic conditions risk (S)	Unfavorable macroeconomic conditions, such as economic downturns, high inflation, or rising interest rates, can significantly impact a business by reducing consumer spending, increasing operational costs, and creating financial uncertainty. These conditions can lead to decreased revenues, tighter profit margins, and challenges in securing financing.			• Our pricing is regularly adjusted to reflect changes in cost and market conditions while maintaining competitiveness. • We stay informed about macroeconomic trends and adjust strategies based on forecasts and economic data. • Relationships are in place with multiple financial institutions to ensure access to credit and funding during economic downturns.
Drop in sales revenue risk (V)	A drop in sales revenue can significantly impact a business's financial health, leading to reduced cash flow, lower profitability, and potential operational challenges. This decline may result from various factors such as market saturation, decreased consumer demand, or increased competition.			• Sales performance is regularly reviewed to identify trends, customer preferences, and potential issues affecting revenue. • Targeted marketing campaigns and promotions are realised to attract new customers and retain existing ones. • Customers relations are strengthened through personalised service, loyalty programmes, and responsive support. • Pricing strategies are reviewed and adapted to remain competitive and align with market conditions. • Cost-cutting measures are implemented across all operations. • Cash flows and budgets are managed strictly.

RISK REPORT

Risk identification and assessment			Risk monitoring and reporting	
Risk identification	**Risk assessment**		**Completed**	**Ongoing**
Marketing and Customer Risks: Marketing and customer risks refer to potential threats or challenges that businesses face when promoting their products or services and engaging with their customers. *Erosion of brand loyalty risk (A)*	The erosion of brand loyalty poses a significant risk to a company, potentially leading to decreased customer retention and reduced market share. When brand loyalty weakens, customers may switch to competitors, resulting in a loss of revenue and diminished brand equity. This erosion can be driven by factors such as poor customer service, declining product quality, or ineffective marketing strategies.		• Loyalty programmes are in place. • A feedback mechanism is in place to actively engage with customers through surveys, social media, and personalised communication to understand and address their needs.	• Market trends are monitored. • Customer complaints or issues are addressed promptly.
Sustainability Risks: Risk that we may not successfully meet societal, investor, and regulatory expectations for business sustainability and environmental responsibility, including social responsibility.	Inadequate environmental, social and governance (ESG) performance may lead to penalties, disputes in the areas where we operate, severe commercial interruptions, and possibly the closing of a plant. Additionally, it may affect our license to operate and limit our access to fresh resources. It is anticipated that Mauritius will face a water stress situation by 2025 due to climate change and increasing demand for water resources.		• A sustainability programme – 'La Fresque du Climat' was put in place to increase awareness about the causes and impacts of climate change, as well as strategies for mitigation. • A wastewater reuse system for washing equipment was implemented at Premix to reduce reliance on fresh water. More details are available in the Natural Capital section of this report.	• Projects to transform waste into resources are being implemented. For example, the reuse of wastewater for washing equipment and recycling glass into pool filters. • Renewable energy projects are being pursued. • Global sustainability standards are being embraced. • A continuous monitoring of water usage and the effectiveness of the wastewater reuse system, is in place with regular reporting on the volume of water saved and the system's impact on operations. • Phreatic levels of groundwater are monitored to support sustainable water extraction practices. • UBP holds licenses to extract water from boreholes at each of our sites, with strict quotas in place to ensure sustainable use.

Way Forward

In response to the dynamic changes within our operating environment, we are actively reviewing and enhancing our ERM Framework and its associated Risk Registers. This comprehensive review aims to ensure that our Risk Management practices remain up to dateand effective in addressing emerging risks. To support this critical process, we have engaged Ernst & Young, leveraging their expertise to refine our risk management strategies through the identification of our top business risks. By integrating their insights and adopting updated methodologies, we are committed to strengthening our risk mitigation efforts, improving our resilience, and ensuring that our risk management framework aligns with best practices and industry standards.

Furthermore, with the recent acquisition of several entities in Reunion Island, our ERM Framework will be extended accordingly given the different business environment in which these entities operate.

CONCRETE SOLUTIONS SURFACED TO MEET GREATER DEMANDS.

As Mauritius expanded, so did the scale of its construction projects. **UBP** rose to the challenge by introducing ready-mixed concrete. This innovation became the backbone of major projects across the island, ensuring every major project was built with efficiency, precision, and excellence.

NATURAL CAPITAL

Our inventory of renewable and non-renewable environmental resources and processes, such as land, minerals, air, water, and biodiversity. These resources provide vital inputs and ecosystem services that are essential for sustaining economic production and ensuring long-term environmental health.

KEY NUMBERS ACROSS THE GROUP

Boulders crushed (million tonnes):
3.3 (↓0.9%)

Diesel consumption (million litres):
3.9 (↓1.8%)

Natural gas consumption (tonnes):
392 (↑15.6%)

Electricity consumption:
18.8 MW (↑3.2%)

Training/awareness sessions provided on Sustainability/Climate change (hours):
167 (↑14.4%)

Number of public charging stations for electric vehicles currently in use via the E-motion agreement:
3

Number of air monitoring exercises conducted across UBP production sites:
18 (↑80%)

Number of recharges at the charging points:
- **Espace Maison** (Forbach): 103
- **Espace Maison** (Tamarin): 87
- **Gros Cailloux**: 12

Number of noise monitoring exercises conducted across UBP production sites:
16 (↓62.8%)

Resources collected by Espace Maison for recycling via "**Le Geste Vert**" from August 2023 to May 2024:

398 KG	543 KG	328 KG	244 KG
TOTAL PET	TOTAL USED BATTERIES	TOTAL LIGHT BULB	TOTAL CARTONS

STRATEGIC MANAGEMENT OF THIS CAPITAL

Our approach to sustainability is continually evolving to keep pace with shifting global and local dynamics. We are aligning with international best practices, staying ahead of emerging reporting standards and frameworks to enhance both transparency and accountability. At the national level, we remain closely attuned to key developments, such as the Government of Mauritius' **Circular Economy Roadmap 2023–2033** and the newly introduced **Resource Recovery Bill**, which both underscore the country's commitment to sustainable resource management. Building on the **Circular Economy**, which has long been a core pillar of our Sustainability Policy, we are now strengthening our roadmap to reflect its growing prominence as a national and global priority.

In 2024, the Group took a significant step forward in its sustainability journey by setting up a **Corporate Sustainability Committee (CSC).** The CSC's role is to ensure that Environmental, Social, and Governance (ESG) principles are embedded into its decision-making and long-term strategies. To carry out its mission, it is supported by the Technology & Innovation Office (T&IO) and the Development & Sustainability Manager, who are tasked with setting up a dedicated team, tracking progress, and reporting regularly to the CSC.

Existing sustainability initiatives are ongoing, including actions to combat climate change, reduce the carbon intensity of our products and operations, promote Circular Economy practices, and improve energy efficiency. The Carbon Neutral Industrial Scheme (CNIS), in partnership with the Central Electricity Board, also remains a key focus, aimed at lowering energy costs and the carbon footprint of operations at UBP, Premix, and Drymix through the installation of photovoltaic systems.

KEY INITIATIVES IN FY2024

UBP

UBP remains committed to the responsible and thoughtful management of basaltic rocks, its primary raw material. It continuously strives to minimise waste and optimise resource utilisation through methods that mitigate environmental disruption, while also seeking innovative ways to repurpose by-products.

Key challenges and strategic response

UBP is exposed to several external factors that have the potential to significantly disrupt the continuity of its operations. Major risks include adverse weather conditions impacting rock extraction and delays in obtaining landowner approvals. Moreover, increasingly stringent environmental regulations—particularly concerning the draft siting criteria for stone-crushing plants and proposed air emissions standards—have added further complexities to UBP's operating environment. In response, a gap assessment was conducted, and an action plan is currently being developed to address these challenges. UBP is also exploring dedicated resources for rock sourcing, while staying alert to potential projects and opportunities, especially those involving the availability of rock materials.

NATURAL CAPITAL

Premix

Premix manages its natural capital through responsible water and fuel use, exemplified by the Effluent Reuse Project. This initiative repurposes effluent from decantation ponds for washing equipment and manufacturing concrete, significantly reducing reliance on fresh water. In keeping with its commitment to transparency and environmental stewardship, Premix has published a third-party verified Environmental Product Declaration (EPD) for various grades of concrete. This EPD provides stakeholders with clear and accessible information about the environmental performance of its products, underscoring the company's commitment to continuous environmental improvement.

Key challenges and strategic response

Premix is particularly vulnerable to adverse weather conditions, such as heavy rains and flash floods, which can hinder concrete transportation to construction sites. Recognising the importance of effective operational management in the face of changing weather patterns, Premix proactively adapts its operations to mitigate these disruptions. Daily coordination between the Sales and Operations teams ensures timely decision-making and the efficient scheduling of deliveries based on weather forecasts and site readiness. Additionally, Premix enhances communication with clients during heavy rains to ensure they are prepared to receive concrete on-site, minimising waste by dispatching concrete only when the site is ready.

Drymix

Drymix effectively manages its natural capital by sourcing essential raw materials, including cement, sand, and wooden pallets that are critical to its production processes. To maintain a reliable supply and stable operations, Drymix has established a contractual agreement with its local cement supplier, safeguarding it against potential disruptions in the global supply chain. Additionally, it ensures that at least 50% of the value is added locally, helping to support the local economy, while qualifying it for tax exemptions.

Key challenges and strategic response

Drymix is facing challenges in maintaining the quality of its raw materials, and managing fluctuations in freight costs. In response, it is exploring diverse sourcing from multiple regions to mitigate the risk of supply chain disruptions, while also strengthening its focus on quality control.

Espace Maison

Espace Maison leverages a diversity of locally sourced raw materials to support its extensive selection of home improvement and gardening products. Key materials, including salt, topsoil, corals, and charcoal, are procured directly from local suppliers. Notably, salt is exclusively harvested from the Salines of Yemen, where it is bagged on-site and delivered directly to Espace Maison's stores. It has also recently secured permits for biofertilizers and aims to have these products available in stores by June 2025.

Key challenges and strategic response

Espace Maison is facing challenges in mitigating the environmental impact associated with sourcing non-regenerative materials. It continuously explores other sourcing strategies and supplier partnerships committed to responsible practices.

Gros Cailloux

Gros Cailloux responsibility towards its natural capital is rooted in a strong focus on optimising land use, particularly through the nursery, its core operation. To boost productivity in that segment, Gros Cailloux has diversified its land use by reducing the area dedicated to vegetable cultivation and expanding its nursery facilities.

Sustainable Agricultural Practices and Certification

Since 2018, Gros Cailloux has been an active player of the SMART AGRICULTURE initiative led by the Mauritius Chamber of Agriculture. This initiative resulted in the MAURIGAP (Good Agricultural Practices) certification for several crops, including onions, potatoes, and pumpkins in FY2023, and carrots certified in FY2024.

Waste Management and Environmental Initiatives

In FY2023, Gros Cailloux implemented a comprehensive waste management plan, reinforcing its long-standing commitment to environmental sustainability. In June 2024, in partnership with the University of Mauritius, it introduced compost training aimed at establishing in-house experts. Ten employees participated in this programme, which had three core objectives:

1. Conducting a 'Train the Trainers' programme on composting techniques to create 'Champions in Composting.'
2. Demonstrating a pilot-scale composting process using a rotary drum composter, evaluating the compost quality, and applying it to crops.
3. Supporting staff in implementing composting projects within the company.

Additionally, the Waste Management Committee, established in September 2023, continues to prioritise waste awareness and reduction, promoting a triage system aimed at minimising landfill waste.

Key challenges and strategic response

Gros Cailloux continues to face climate-related challenges such as drought and changing weather patterns, which threaten long-term sustainability. Despite these issues, Gros Cailloux remains strongly committed to sustainable agriculture practices, focusing on restoring soil health, improving food production, and contributing to national food security.

STRENGTHENING FOUNDATIONS: UBP'S COMMITMENT TO THE LOCAL ECONOMY

#1: Maximising Water Efficiency: Premix's Innovative Reuse of Wastewater

Context:

In the concrete production industry, water is crucial not only for the mixing process, but also for cleaning and maintaining equipment. With this in mind, Premix has launched an initiative to reuse wastewater from decantation ponds, aiming to improve water efficiency at its ready-mixed concrete plants.

Response:

Premix has rolled out this initiative across four of its ready-mixed concrete plants, repurposing water for both equipment cleaning and concrete production, with specific reuse rates tailored to each facility's needs. Initially introduced in UBP's 2023 Integrated Report, this initiative underscores the company's dedication to sustainable water management. Since its launch, the project has achieved a 25% reuse rate and continues to show strong momentum. Premix has now set an ambitious goal of increasing wastewater reuse to 50% by the end of the current financial year, further enhancing its environmental impact.

NATURAL CAPITAL

#2 Espace Maison's Recycling Initiative: Transforming Waste into Resources

Context:

In line with its commitment to responsible practices and supporting the local economy, Espace Maison launched a series of innovative recycling initiatives, including a project that repurposes glass bottles into pool filters. Traditionally, pool filters rely on imported specialty sand, which poses environmental and logistical challenges. By utilising recycled glass instead, Espace Maison reduces its dependency on imported materials while contributing to waste reduction and resource optimisation.

Response:

Launched in 2016, this initiative is part of a broader recycling programme at Espace Maison, which involves the collection and recycling of batteries, plastic bottles, bulbs, tubes, cardboard, and plastic wrapping. This holistic approach to resource management not only minimises waste, but also engages the local community in environmental conservation efforts. Espace Maison encourages customers to actively participate in recycling initiatives by providing convenient recycling points and ensuring regular collection services. Since the programme's inception, Espace Maison has successfully sold 64 tonnes of pool filters.

#3 Adapté: Gros Cailloux's Nursery Project for Resilience/Agility Indoor Plants, Sod, and Open Field Palms

Context:

Recognising the impact of ongoing climate shifts on vegetable production, Gros Cailloux launched the "Adapté" initiative. Translated as "to adapt" in Creole, "Adapté" embodies the company's philosophy of being "permanent adapters," reinforcing the main theme, "Mo Bizin Twa." This adaptive mindset is vital for maintaining resilience and agility, which are, in turn, crucial for competitiveness and profitability. As Gros Cailloux continues to innovate under the "Adapté" banner, future projects and partnerships will address the evolving needs of residential, commercial, and landscaping markets, while continuing to focus on adaptability.

Response:

Launched in September 2023 at the KAHIN site, the "Adapté" Nursery Project is dedicated to cultivating indoor plants, sod, and palms, marking a transition from traditional agriculture to nursery production. This strategic shift aims to improve profit margins while bolstering climate resilience.

With an investment of Rs 14 million in nursery refurbishment, sod fields, and palm cultivation, the project is projected to increase profits from Rs 1.6 million to Rs 7.5 million by 2024-25. Notably, collaboration across departments is expected to optimise resources, and the implementation of advanced technologies, such as drip irrigation, is set to enhance production efficiency. Additionally, staff training in partnership with the Mauritius Chamber of Agriculture is cultivating expertise in plant multiplication. Early results are promising, with positive customer feedback and a robust nursery system already established.

NATURAL CAPITAL

#4 Gros Cailloux's "Dimin" Compost Initiative: Innovating for Future Needs

Context:

Under the "Dimin" theme, meaning "tomorrow" in Creole, Gros Cailloux launched the Compost Initiative, adopting a forward-looking approach to waste management and agricultural productivity. This theme embodies the company's vision of addressing future needs through innovative and proactive strategies, with plans to introduce additional projects under the "Dimin" banner.

Response:

Launched in 2024, the Compost Initiative is central to Gros Cailloux's strategy for enhancing soil quality, minimising waste, and supporting sustainable agricultural practices. A unique aspect of this initiative is the commitment to make Gros Cailloux the first village in Mauritius to implement comprehensive waste sorting. Residents will receive designated bins for waste separation, which Gros Cailloux will collect for composting. In return, villagers will receive a portion of the compost at no cost, fostering local agricultural efforts and bolstering the community's economy.

Gros Cailloux has invested significantly in this initiative, procuring modern composting equipment and establishing a dedicated composting site. Collaborations with local agricultural experts and environmental organisations have been integral to ensuring an effective composting process and high-quality end product. Early outcomes have shown promise, with substantial waste reductions and positive feedback from compost users. Moving forward, Gros Cailloux aims to scale this initiative by increasing compost production, expanding its distribution network, and deepening community engagement.

HUMAN CAPITAL

Human Capital encompasses the collective skills, knowledge, experience, motivation, and wellbeing of every individual within our organisation. This diversity of talent unlocks our innovation and productivity, making our people the cornerstone of our performance and competitive advantage.

KEY NUMBERS ACROSS THE GROUP

Total workforce in Mauritius:
1,598 (▲4%)

Baby boomers:
112 (▼22%)

Gen X:
521(▼3%)

Gen Y:
626 (▲3%)

Gen Z:
339 (▲37%)

Gender Distribution

F: Female
M: Male

Group
(F) : 22% (M) : 78% (Same since FY2022)

UBP
F: 13% M: 87%

Espace Maison
F: 46% M: 54%

Premix
F: 8% M: 92%

Gros Cailloux
F: 48% M: 52%

Drymix
F: 10% M: 90%

Learning and Development

Investment in training (Rs million):
9.3 (▲17.6%)

Number of employees trained:
1,116 (▼7%)

Number of training hours provided:
2,402 (▲1999%)

Lost Man days :
830 (▼39.5%)

Health and safety

Accident severity rate (Group):
0.24% (Same since FY2022)

Health surveillance checks (Group):
573

STRATEGIC MANAGEMENT OF THIS CAPITAL

The Group is committed to strengthening its human capital by developing strategies to retain and engage our workforce. We continuously invest in learning and development programmes to upskill our people, foster an inclusive work environment, and promote work-life balance. Our goal is to unlock the full potential of each individual by equipping them with the tools and capabilities needed to thrive, ensuring they are well-equipped to contribute to the Group's specific objectives and meet future demands. In 2024, we placed strong emphasis on targeted recruitment, training and wellbeing, particularly in light of the labour shortages, to enhance productivity and resilience.

KEY INITIATIVES IN FY2024

UBP

UBP has introduced comprehensive training programmes aimed at sharpening the skills and effectiveness of its sales team. These programmes are not limited to technical training, but also extend to enhancing soft skills, aiming to elevate customer care at every stage—before, during, and after sales. Recognising the unique challenges of its sector, UBP also offers on-the-job training and thorough onboarding processes, ensuring employees are well-prepared for their roles. To manage generational differences within its workforce, UBP has implemented targeted initiatives designed to bridge gaps in work styles, expectations, and communication.

Key challenges and strategic response

Recruitment remains a key challenge due to the demanding and competitive nature of the sector. This has led to concerns about labour shortages and the risk of talent poaching, which threaten workforce cohesion and productivity. In response, UBP is exploring strategic approaches, such as building stronger retention programmes and developing internal talent pipelines, to safeguard against these risks.

Premix

Human capital stands as one of Premix's most valuable assets. This is why it continuously invests in its workforce to uphold high standards of skill and productivity. Beyond technical training, Premix prioritises employee wellbeing through initiatives like fitness programmes, designed to enhance both physical health and productivity. This past year, Premix embarked on a new management programme,"Boots on the Ground", to better understand the daily challenges faced by operational teams and improve workplace morale. The programme entails regular visits from management to operational sites to gain insights into daily challenges and provide hands-on support. This initiative has already proven to be a valuable tool for Premix, not just in fostering a closer, stronger relationship between management and staff, but also in ensuring a better alignment between strategy and day-to-day operational realities.

Key challenges and strategic response

Premix faces ongoing challenges, particularly with high attrition rates and long working hours, especially among skilled staff. To address the high turnover in specialised roles, Premix is actively working on improving its retention strategies and fostering a more supportive workplace culture that encourages loyalty.

HUMAN CAPITAL

Drymix

In the dynamic and demanding environment of the construction materials industry, employee health and wellbeing are paramount to maintaining a productive and motivated workforce. Drymix has made a significant stride in this direction by launching the annual occupational medical examination programme, a fully-funded comprehensive medical assessment for all employees. This proactive approach to employee health identifies occupational diseases and preventable injuries early on, contributing to improved productivity and a safer work environment. Tangible benefits have already emerged, including reduced absenteeism, and improved employee morale.

Key challenges and strategic response

Drymix recognises the need for heightened supervisory presence to effectively manage operational risks. It is also developing a strategy to improve employee retention, especially among specialised roles where turnover rates are notably high.

Espace Maison

Espace Maison has been navigating significant labour challenges, including increased competition for talent, and widespread labour shortages. In 2023, it introduced the Employee Happiness Programme, aimed at cultivating a happy environment that boosts employee satisfaction and wellbeing across its retail network. A cornerstone of this initiative is the implementation of a new work schedule designed to improve work-life balance, efficiency, and job satisfaction. Monetary incentives are also offered to further motivate and incentivise employees.

However, the Employee Happiness Programme has been temporarily placed on hold to address more pressing issues relating to recruitment. Currently, Espace Maison is grappling with a 42% shortage in sales representatives, which has adversely affected both sales and operational efficiency, while also facing difficulties in attracting and retaining skilled technicians for its after-sales service. These have led to declines in customer service levels and sales performances. To address these issues, Espace Maison is investing heavily in extensive training programmes and actively recruiting expatriate staff. In parallel, it has also set up a dedicated team of technicians and supervisors focused on elevating and ensuring a very good after-sales service.

Key challenges and strategic response

The retail landscape is expected to continue navigating these labour challenges, compounded by market volatility, increased health and safety regulations, and the need to maintain employee motivation. While it is considering hiring expatriates to address the labour shortage, Espace Maison is equally focused on developing a strategy to retain its local workforce and ensure long-term stability. Meanwhile, the Employee Happiness Programme is set to resume in the upcoming financial year.

Gros Cailloux

Gros Cailloux strongly emphasises its human capital of 155 employees, including 11 expatriate skilled workers, understanding that having the right people in the right roles is key to its success. Key initiatives include the "Service Excellence" programme to enhance staff motivation and performance, along with an academic initiative, in collaboration with the University of Mauritius, which provides specialised composting training for 10 employees, directly contributing to soil improvement efforts.

Central to the company's turnaround were the *'Enn Roupi Profi'* and *'Sak Roupi Konte'* initiatives introduced in 2023 to help Gros Cailloux emerge from financial difficulties. These initiatives have yielded positive results, such as stronger interdepartmental synergies, cross-functional teams, and a strong sense of ownership in achieving shared goals and returning Gros Cailloux to profitability. Following the success of these initiatives, the *"Mo Bizin Twa"* project was launched in 2024 to drive performance at Gros Cailloux by further dismantling silos and integrating key support departments (such as HR, IT and Finance) with operational teams.

Key challenges and strategic response

Although its internal programmes have contributed to an improved performance, Gros Cailloux is facing the risk of labour scarcity, threatening to disrupt production and efficiency. Measures being implemented include hiring expatriates or consultants for knowledge transfer, offering additional transportation options to ease workers commute stress, continuous training in specialised skills, including development programmes adapted to foreign labour, and ensuring ongoing certifications.

STRENGTHENING FOUNDATIONS: UBP'S COMMITMENT TO THE LOCAL ECONOMY

#1 Empowering Productivity and Work-Life Balance: UBP's Shift System Initiative

<u>**Context**</u>

In a rapidly evolving industry, balancing high production levels with employee wellbeing is essential. Understanding this, UBP implemented a shift system across several operational sites in April 2024, aiming to boost production output without overburdening the workforce. The system now operates with two shifts per day, from Monday to Saturday, with teams rotating weekly to maintain a reasonable equilibrium between professional and personal life. The shift system has been primarily applied to aggregates and precasts production to meet market demand.

<u>**Response:**</u>

Alongside improved work-life balance, the shift system also offers a productivity-based allowance, rewarding employees for their output rather than overtime hours. UBP plans to gather regular insights and feedback from workers about the new system in the coming months. This iterative approach will ensure the system is being finetuned to meet both operational goals and employee needs, while also fostering a workplace culture that encourages open dialogue and enables every employee to thrive.

HUMAN CAPITAL

#2 The Path: Empowering UBP Group's Workforce for Excellence

Context

In 2023, UBP launched "The Path," an ambitious strategic programme aimed at strengthening its workforce through targeted training, enhanced safety measures, and collaborative efforts. This initiative reflects the Group's commitment to building a resilient and skilled workforce capable of meeting the evolving needs of the construction industry, while positively impacting the local economy.

Response:

Building on the progress made in 2023, "The Path" has further evolved to address the strategic priorities identified by various entities within the Group. **Safety and Wellbeing at work** have become key training priorities, ensuring that employees are well-acquainted with essential workplace precautions. Collaborative and on-the-job learning also play crucial roles in fostering knowledge-sharing across the Group. This includes workshops, peer sessions, and technical training in machinery, artificial intelligence, and environmentally and socially conscious practices, equipping employees with essential knowledge and skills. Through "The Path", UBP is reinforcing its commitment to ongoing education and continuous learning as a competitive edge, while also supporting the local economy by enhancing skills, creating jobs and fostering community development. The initiative is continually refined based on employee feedback to adapt to workforce needs.

MANUFACTURED CAPITAL

Manufactured Capital comprises all physical and engineered assets owned or utilised by our organisation, such as machinery, buildings, technology, and infrastructure. These assets are essential in strengthening operational capabilities and contributing to the Group's value creation.

KEY NUMBERS ACROSS THE GROUP

Boulders crushed (tonnes):
↓ 0.9%

Cement consumed (tonnes):
↑ 4.4%

Blocks sold (units):
↓ 0.8%

Smart blocks sold (units):
↑ 140%

Aggregates sold (tonnes):
↑ 0.9%

Precast slabs sold (m2):
↑ 124%

Beams sold (m2):
↑ 814%

Concrete sold (m³):
↑ 5%

Dry mortar sold (tonnes):
↑ 11.4%

Plants sold (units):
↑ 0.8%

Landscapes created (Rs million):
↓ 24.6%

Fertilisers used (tonnes/ha):
↔ 0.68%

Herbicides used (tonnes/ha):
↔ 0.02%

Pesticides used (tonnes/ha):
↔ 0.02%

Vegetables produced (tonnes):
↓ 26.6%

Land under cultivation (ha):

Food crops:
↓ 10.3%

Sugarcane:
(Same as FY2023)

Nursery:
↑ 20%

STRATEGIC MANAGEMENT OF THIS CAPITAL

The Group effectively manages its manufactured capital through strategic investments in automation, equipment upgrades, and supply chain optimisation, all aimed at enhancing operational efficiency and maintaining resilience against market pressures. In 2024, these efforts included expanding the SCADA system—initially implemented in one plant in 2023—to additional facilities, alongside targeted site improvements to boost production efficiency. Additionally, the Group has undertaken logistics and equipment upgrades to strengthen the supply chain, amid challenges such as fluctuating freight costs and limited storage capacity.

KEY INITIATIVES IN FY2024

UBP

UBP's supply chain for manufactured capital—such as key production equipment—is independently managed by a dedicated department that uses advanced machinery to enhance production efficiency and foster innovation. This approach is particularly evident in the manufacturing of concrete blocks, including innovative products like the 'Bloc à Bancher' (BAB). In 2023, UBP accelerated its automation efforts by implementing advanced Supervisory Control and Data Acquisition (SCADA) systems across two manufacturing facilities, namely Saint-Julien and Plaine Magnien. UBP has also worked on improving its logistics processes, which are essential for maintaining competitiveness, supply chain resilience and job sustainability.

Key challenges and strategic response

UBP is particularly exposed to fluctuating freight costs and exchange rates, which significantly impacted its costs in 2024, adding financial risks to its operations. Limited storage capacity for cement further complicates production continuity, making effective supply chain management crucial for operational success.

Premix

Premix relies heavily on its manufactured capital to boost operational efficiency and meet the growing demands of the construction industry. Its assets include a fleet of truck mixers, state-of-the-art production plants, and an automated system for managing ordering, processing, invoicing, and reporting. Additionally, a GPS system is in place to facilitate real-time delivery tracking, which in turn optimises both logistics and production planning.

To maintain this efficiency, Premix places strong emphasis on continuously upgrading and maintaining its equipment and systems. Regular maintenance of truck mixers and production facilities ensures minimal downtime and sustains high productivity levels. Furthermore, Premix is committed to continuously enhancing its automated systems to minimise errors and further streamline its processes.

Key challenges and strategic response

By nature of its activities, Premix faces challenges related to the upkeep of its assets and equipment, along with external factors like fluctuations in freight costs and exchange rates, which could increase the overall expense of maintaining and upgrading its manufactured assets. To mitigate these risks, Premix's strategy is centred on the ongoing and continuous modernisation, maintenance and upgrading of its equipment to ensure efficient operations.

Drymix

Drymix's manufactured capital comprises specialised equipment and fully automated production systems, which are strategically managed to ensure consistent quality and operational efficiency. This past year, in line with its strategy to continuously invest in durable equipment and process optimisation, Drymix focused on improving its production lines and ensuring the smooth functioning of its automated systems.

Key challenges and strategic response

Drymix is currently exploring solutions to its operational challenges, including a dependency on Original Equipment Manufacturer (OEM) parts, limited space for storing finished goods, and constraints in the current production capacity to meet the growing market demand.

MANUFACTURED CAPITAL

KEY INITIATIVES IN FY2024 (CONTINUED)

Espace Maison

Espace Maison operates an extensive retail infrastructure, including six stores across Mauritius, a fleet of delivery vehicles, warehousing facilities, as well as essential equipment such as forklifts, trucks with cranes, handheld scanners, and tablets to support its retail operations and delivery network. This infrastructure also plays an important role in supporting the local economy by providing jobs and by making a wide range of products available to Mauritian consumers.

Additionally, Espace Maison makes continuous investments in technology to modernise its operations. Crucial initiatives include working on a racking and planogram system to optimise storage and inventory management.

Key challenges and strategic response

Key challenges for Espace Maison include maintaining the operational efficiency of its delivery fleet, managing the risks of technological obsolescence, and addressing issues related to increased storage capacity needs. The availability of skilled drivers and maintenance personnel, along with the concentration of warehouse capacity for specific items, also pose operational risks.

Gros Cailloux

Gros Cailloux's manufactured capital includes its production equipment, infrastructure, and transportation assets, all of which are optimised through strategic resource allocation and interdepartmental cooperation. For instance, landscaping tools and resources are shared with the nursery division, demonstrating an efficient use of available assets. The company also secures necessary equipment through strategic sourcing, primarily from Espace Maison, allowing Gros Cailloux to leverage its relationship with other Group entities.

Key challenges and strategic response

One of the primary challenges faced by Gros Cailloux is the need to standardise procurement practices and discount policies to ensure consistent and fair terms across all purchasing activities.

STRENGTHENING FOUNDATIONS: UBP'S COMMITMENT TO THE LOCAL ECONOMY

#1 UBP's 'Bloc à Bancher': Revolutionising Construction Efficiency

Context

At UBP, innovation is a cornerstone of product development, as evidenced in the Smart Block range, known for its advanced engineering and efficiency. The most recent addition to this range, the 'Bloc à Bancher' '(BAB), was launched in 2023 to provide an economical and effective solution for constructing robust structures, including swimming pools.

Response:

The BAB stands out for its unique blend of lightness and durability, weighing 25% lighter than traditional concrete blocks. This significant reduction in weight not only facilitates easier handling on construction sites, but also accelerates the building process, resulting in a less labour-intensive and more efficient workflow.

One of its key advantages is its ability to simplify the construction process by eliminating the need for wooden formwork, enabling the smooth positioning of steel reinforcement. This innovation allows for a 15% to 25% reduction in overall construction costs, without compromising on quality, while also minimising waste and promoting more environmentally friendly building practices. UBP's BAB is particularly well-suited for constructing swimming pools, and equally effective for building tanks, retaining walls, and other reinforced concrete structures.

MANUFACTURED CAPITAL

#2 Optimising Operations: UBP Ltd.'s Digitalisation and Automation Journey (SCADA Project)

Context

With increasing demand for efficiency and operation excellence, UBP Ltd., recognises the need to stay ahead of market trends, and has since 2023, launched a modernisation project on its Saint-Julien site, aiming to streamline operations, reduce manual intervention, and improve the overall efficiency of production processes. The primary objectives of this project include increasing productivity and reallocating employees to roles where they can provide more value-added contributions.

Response:

The ongoing implementation of the automation system at the Saint-Julien site has been a significant undertaking for UBP Ltd., involving training and adaptation for the human resources. During the implementation stage, it became evident that the learning curve was steeper than initially anticipated. However, these challenges have provided valuable lessons, enabling UBP to fine-tune the parameters within the system and improve its processes. Building on the experience gained at Saint-Julien, UBP has started the duplication phase of the Modernisation project on its Plaine Magnien site.

As the automation system continues to be fine-tuned, UBP is now beginning to measure the impacts of the system at Saint-Julien. These metrics will provide valuable insights into the system's effectiveness, guiding future implementations and improvements across other sites.

INTELLECTUAL CAPITAL

Intellectual Capital represents our intangible, knowledge-based assets, encompassing our collective expertise, proprietary systems, patents, copyrights, trademarks, and the overall intellectual property portfolio. These resources are vital drivers of innovation and differentiation, forming the foundation of our competitive edge and long-term growth potential.

KEY NUMBERS ACROSS THE GROUP

Number of certifications:

ISO 9001:2015 – Quality Management System

ISO/IEC 17025: 2017- Laboratory Management System

MauriCert Product Certification: 2

QB certification by Centre Scientifique et Technique du Bâtiment (CSTB): In progress (01)

Academic partner:
1 (The University of Mauritius)

Ongoing Research and Development projects:
>10

New trademark registration:
BAB ('Bloc à Bancher')

STRATEGIC MANAGEMENT OF THIS CAPITAL

The Group continuously strengthens its intellectual capital through ongoing innovation in product development, the formalisation of SOPs, and investments in digital transformation to enhance operational efficiency and data management. Sustainability is central to the Group's approach to managing intellectual capital, ensuring that environmental considerations are taken into account during the development of any process or product. In 2024, the Group focused on maximising the use of its advanced systems, managing and leveraging its data, and maintaining essential ISO certifications. These efforts are aimed at maintaining a competitive edge in the market, despite challenges related to outdated technology and competitive pressures.

KEY INITIATIVES IN FY2024

UBP

UBP's intellectual capital is built on its negotiation expertise, innovative product development, and implementation of Standard Operating Procedures (SOPs). The company places strong emphasis on research and development, particularly in developing sustainability-driven products and improving end-of-life processes to minimise environmental impacts. UBP actively supports knowledge management, ensuring that expertise is well documented and disseminated across the organisation to maintain operational continuity and foster innovation. Targeted investments in digital transformation, such as the implementation of a Laboratory Information Management System (LIMS), further strengthen its intellectual capital by boosting data accuracy and supporting R&D activities.

Key challenges and strategic response

UBP faces challenges such as potential inefficiencies in transferring skills, risks of intellectual property infringement, and the ongoing race to stay ahead in product development. To address this, UBP has introduced an on-the-job training and a mentoring system, which enables experienced workers to transfer their knowledge and expertise to newer workers, ensuring that valuable skills and insights are preserved. Additionally, the Group's HR team is working closely with on-the-ground teams to facilitate succession planning and ensure a seamless transition of know-how within the organisation.

Premix

Premix's intellectual capital is underpinned by technical know-how, the development of Environmental Product Declarations (EPDs), ISO certifications, and proprietary software such as "Deltamix". These elements are crucial for delivering cutting-edge construction solutions, and maintaining a competitive advantage on the market. Central to Premix's intellectual capital strategy is achieving and maintaining ISO certifications, particularly ISO 9001:2015, which reflects its commitment to quality management and continuous improvement. This certification helps ensure that products and services consistently meet customer expectations and regulatory requirements.

Key challenges and strategic response

Premix faces ongoing challenges in fostering innovation and managing the risks associated with IT dependency, which could affect operational efficiency. Close collaboration with suppliers offers opportunities to address these challenges and ensure timely delivery of solutions.

Drymix

Drymix leverages its intellectual capital through a dedicated Research and Development (R&D) team, responsible for consistently innovating products, supported by a skilled mid-management team that offers strategic guidance. Drymix's commitment to digital transformation is exemplified through the introduction of a Laboratory Information Management System (LIMS), which modernises operations and enhances product quality. To further enrich its intellectual capital, Drymix aligns its products with LEED rating systems, actively pursues the QB (Qualité Bâtiment) certification, and integrates ISO 9001:2015 standards, all of which reinforce its reputation and competitive position in the construction materials sector.

Key challenges and strategic response

Drymix recognises the need for effective succession planning to ensure leadership continuity and safeguard of proprietary formulations and data within a competitive landscape.

INTELLECTUAL CAPITAL

KEY INITIATIVES IN FY2024 (CONTINUED)

Espace Maison

Espace Maison leverages this capital by developing and implementing proprietary systems, including customer loyalty programmes and internal stock management, which relies on an Enterprise Resource Planning (ERP) system initially installed in 2017. Espace Maison also aims to maintain exclusive distribution rights for certain brands. Additionally, the development of digital tools, such as the Club Espace Maison mobile application, are crucial for reducing labour and printing costs, and particularly in managing the 30,000 products in Espace Maison's extensive inventory.

Key challenges and strategic response

Espace Maison recognises the increasing need for cybersecurity and data privacy as it advances on its digitalisation transformation. In response, it recognises the need to keep its systems up-to-date and relevant, with a strong focus on internal security measures such as disaster recovery plans, firewalls, and other protocols.

Gros Cailloux

Gros Cailloux Nature Park and Leisure division effectively leverages its intellectual capital assets, such as permits, SOPs, specialised software, and a strong brand image. These components are essential for streamlining operations, ensuring regulatory compliance, enhancing the customer experience, and maintaining a strong market presence. In a drive to enhance its project presentation capabilities, Gros Cailloux has developed a strategy to collaborate with landscape designers on larger-scale projects requiring more advanced design expertise. Alongside this, it has earmarked a portion of its 2024/25 budget to invest in specialised software to support internal project designs.

Key challenges and strategic response

Gros Cailloux is now working to fully embed these initiatives across all levels of the organisation, drive innovation while navigating financial constraints, and meet client demands for high-quality and more professional 3D plans.

STRENGTHENING FOUNDATIONS: UBP'S COMMITMENT TO GROWING THE LOCAL ECONOMY

#1 Achieving Excellence: ISO 9001:2015 Certification at Premix

<u>**Context**</u>

In 2021, the UBP Group completed the full integration of Premix, focusing on driving operational efficiencies and standardising processes. By 2022, Premix had successfully aligned with UBP's objectives and formalised its internal procedures, laying the foundation for enhanced quality management. In 2023, Premix embarked on the journey to obtain the **ISO 9001:2015 certification** (Quality Management Systems – Requirements), a globally recognised quality management standard.

<u>**Response:**</u>

In FY2024, Premix proudly achieved the **ISO 9001:2015 certification (Quality Management Systems – Requirements)**, a major milestone reflecting several years of hard work and dedicated planning. The rigorous certification process involved a thorough assessment of all documented processes to ensure they met the stringent requirements of the ISO framework. As a result of having a more structured and documented way of working, Premix has seen notable improvements, including improved operational efficiency, reduced errors, and elevated customer satisfaction.

The Quality Management System (QMS) at Premix fosters continuous improvement and adaptability to market changes, equipping employees with clear guidelines that promote accountability and drive excellence. Achieving this certification not only boosts Premix's reputation and competitive position, but also allows it to participate in larger projects and contribute to the growth of the local construction industry.

INTELLECTUAL CAPITAL

#2 Digital Transformation at Drymix - Implementing LIMS for Future-Ready Operations

Context

In 2021, Drymix embarked on its Laboratory Information Management System (LIMS) project as part of its larger digital transformation strategy. Recognising the growing need for efficient data management and protection, especially in the construction materials industry, which relies heavily on precise formulations and quality control, Drymix decided to explore more robust data management systems. While it previously stored its vast quantities of data, including sensitive information, in Excel files, the method posed significant risks and inefficiencies. The LIMS project was initiated in response to these challenges by digitalising information management.

Response:

Since its launch in 2021, the LIMS project has seen remarkable progress, fundamentally transforming Drymix's data management processes. During the initial phase, Drymix developed a customised software system tailored to meet its specific requirements. This system introduced a more secure, structured method for managing data, ensuring both informational accessibility and protection, and laying the groundwork for future R&D initiatives and analyses.

Currently in Phase 2, Drymix is migrating data from traditional formats like hard copies and Excel spreadsheets to the new system, significantly improving both data security and processing efficiency. The standardisation of data has already begun to yield positive effects on R&D and quality control. Looking ahead, upcoming phases will integrate AI and machine learning capabilities, further driving innovation and operational efficiency. By digitalising data management, Drymix is positioning itself for growth, while continuing to support the local economy through cutting-edge solutions and high product standards.

#3 Elevating Standards: Contributing to LEED Projects and Pursuing QB Certification at Drymix

Context

In response to the growing emphasis on sustainability and quality in the construction industry, Drymix has taken proactive steps to align its products with internationally recognised standards. Understanding the need for building materials that meet stringent performance criteria and contribute positively to environmental and human health, Drymix has aligned its efforts with global trends and best practices. To achieve this, it is pursuing certifications like LEED (Leadership in Energy and Environmental Design) and QB (Qualité Bâtiment), both of which are benchmarks for excellence in sustainable construction.

Response:

In 2024, Drymix ensured that eight of its products contributed to **LEED credits** in various construction projects. Although LEED does not certify individual products, Drymix's focus on low-VOC (Volatile Organic Compound) materials supports projects working to earn the LEED credits, as the use of low-VOC materials contributes to improved indoor air quality and environmental health.

Building on this momentum, Drymix is also pursuing the **QB Certification**, the French equivalent of MauriCert administered by the **CSTB (Centre Scientifique et Technique du Bâtiment).** The certification evaluates both product and process quality, attesting the reliability of the production process and the high level of quality of products. Having prepared the necessary documentation and processes, Drymix is now awaiting the final audit by CSTB. Achieving this certification will significantly enhance Drymix's market competitiveness, especially within the European Union, where such credentials are highly valued.

Through these certification initiatives, Drymix is not only establishing itself as a leader in sustainable, quality-driven building materials, but it is also ensuring that its products contribute positively to both the environment and the communities it serves.

INTELLECTUAL CAPITAL

#4 Enhancing Quality Management through ISO 9001:2015 Integration at Drymix

Context

Drymix holds the ISO 9001:2015 certification, a globally recognised standard for quality management systems. However, in its initial implementation, the standard was primarily applied at an administrative level, limiting its impact on driving meaningful operational improvements, as its potential was not being fully harnessed. Recognising this gap, Drymix has recently taken significant steps to deepen the integration of the ISO 9001:2015 framework into its day-to-day operations in pursuit of enhanced compliance, service quality and operational efficiency.

Response:

Over the past year, Drymix has made substantial progress in embedding the ISO 9001:2015 standard more deeply into its organisational culture. Central to this transformation is the company's Service Excellence programme, which encourages a proactive approach to quality management. As a result, the ISO framework is increasingly being used to improve operational processes, making quality management a core aspect of daily operations rather than a mere administrative formality.

To ensure this shift is measurable and sustainable, Drymix is developing Key Performance Indicators (KPIs) aligned with the ISO standard. These KPIs are expected to provide valuable insights into the company's progress, helping identify areas for further improvement, and ensuring that quality management principles are consistently applied across all levels of the organisation.

Drymix recognises the need for further integration of the ISO 9001:2015 standard into its core operations to fully unlock its benefits for both the company's operations and its customers, while also reinforcing its role in local and regional development.

SOCIAL CAPITAL

Social capital embodies the intangible value generated from our relationships, social networks, and interactions with our stakeholders, rooted in trust, reciprocity, and active engagement. By fostering strong connections and collaboration, we aim to create a supportive environment that drives mutual benefits.

KEY NUMBERS ACROSS THE GROUP

Number of website visitors:
UBP: 74,037 **Premix:** 6,800 **Espace Maison:** 414,241

CSR amount spent: Rs 1,449,280

Education: 56%

Socio-economic development: 26%

Environment: 9%

Exclusion: 9%

Extra sponsorship amount spent: Rs 1,269,318

Education: 3% **Sports:** 45%

Poverty: 6% **Society:** 8%

Culture: 29% **Sustainable Development:** 9%

Social media likes and followers:

Facebook
UBP: 34,000 likes
37,000 followers

Premix: 11,000 likes
12,000 followers

Drymix: 9,400 likes
10,000 followers

Espace Maison: 118,000 likes
126,000 followers

Tik Tok
Espace Maison: 17,900 likes
9,800 followers

Instagram
Espace Maison: 15,600 followers

STRATEGIC MANAGEMENT OF THIS CAPITAL

The Group strategically manages its social capital by building strong community relationships, and engaging in CSR initiatives that support the local economy and align with broader societal goals. Our Corporate Social Responsibility (CSR) initiatives reflect a strong commitment to our social capital, driven by impactful partnerships across four key areas: education, socio-economic development, environmental stewardship, and social inclusion. Over the past financial year, we supported 15 NGOs, creating meaningful change through targeted programmes.

Education: In partnership with 'Konekte', we delivered in-class programmes in three schools, equipping children with psychosocial skills such as empathy, effective communication, and adaptability.

Socio-economic development: We collaborated with Le Pont du Tamarinier's 'Lee Mo Yo' Project, which facilitated access to decent housing to 20 families in Bambous through a public-private partnership in an effort to drive social stability.

Social inclusion: We contributed to renovations at Le Centre d'Accueil de Terre Rouge, designed to upgrade its facilities to better serve those in need.

Environment: We supported the Mauritian Wildlife Foundation's 'Anse Quitor Restoration Project' in Rodrigues, dedicated to restoring and safeguarding native habitats and biodiversity, while actively engaging local communities in conservation efforts.

Beyond these initiatives, UBP allocated Rs 1,269,318 in sponsorship funding, enabling us to extend our reach to projects in education, sports, poverty alleviation, culture, and sustainable development. Through these collective efforts, we remain dedicated to fostering resilient communities and creating lasting social impact.

We engage frequently and continuously with all our stakeholder groups, enhancing the living environment for people and communities, while also focusing on customer satisfaction through continuous engagement and tailored services. Compliance with the New Environment Bill 2024 further strengthened these efforts, as it contributes to national environmental objectives, deepening trust with communities and society.

KEY INITIATIVES IN FY2024

UBP

UBP is dedicated to nurturing community relationships through initiatives such as the Service Excellence programme, which enhances customer service by providing employee training. It has also reinforced its ties with small planters, helping level plantations to boost productivity. CSR efforts, for their part, are centred on infrastructure, environmental conservation, and strategic partnerships in education and healthcare. The set up of a Corporate Sustainability Committee (CSC) in 2024 marks a significant step in its sustainability journey, ensuring that ESG principles are integrated into UBP's strategy, and that sustainability initiatives align with both corporate and societal objectives.

Key challenges and strategic response

UBP recognises the importance of managing community expectations, particularly concerning the environmental impact of dust and noise generated as by-products of its production processes. To address these challenges, UBP proactively seeks out innovative methodologies, technologies and sustainable practices that help it contribute positively to the environment and the community at large.

Premix

Customer relationships and community engagement are central to Premix's strategy. The Sales and Production teams play an important role in this, collaborating closely with clients to provide technical solutions and facilitate a steady supply of concrete. This hands-on, tailored approach allows Premix to deliver customised services that meet clients' specific needs, further strengthening its relationships with them.

Key challenges and strategic response

Effectively managing customer complaints is a priority for Premix, as unresolved issues or mishandled grievances could undermine its brand reputation. To address this, Premix is implementing a system designed to improve response times and service levels. This approach involves ensuring customer complaints are tracked and recorded, dispatching technical teams for on-site assessments when necessary, and providing continuous follow-up for customers to feel supported throughout the resolution process.

SOCIAL CAPITAL

KEY INITIATIVES IN FY2024 (CONTINUED)

Drymix

Drymix actively cultivates and enhances its social capital through a variety of initiatives, including dedicating 25% of its CSR budget to a special needs school, and investing in educational programmes designed to nurture local talent and support regional development. These efforts not only promote wellbeing and inclusivity, but also drive socioeconomic growth that benefits both the community and the company. Additionally, Drymix has strategically expanded its sourcing operations by establishing new partnerships that complement its existing supply chains. Drymix emphasises regular engagement and direct interactions with its strategic partners to ensure these collaborations are long-lasting and productive.

Key challenges and strategic response

Drymix is carefully managing certain strategic partnerships to ensure they align with business goals while delivering mutually beneficial outcomes. It recognises that achieving this balance requires a proactive approach, involving ongoing communication and collaboration with partners to identify and address shared interests.

Espace Maison

Espace Maison actively engages customers through innovative initiatives designed to foster community involvement and promote brand loyalty. For instance, the garden competition encourages participants to showcase their gardening skills, with prizes sponsored by Gardena, a valued supplier. Espace Maison also hosts workshops in Tamarin on painting, DIY projects, and the use of tools like paint sprayers and power tools, providing hands-on training for both professionals and enthusiasts.

Espace Maison's loyalty programmes play a crucial role in building lasting relationships with its customers. To take its efforts further and deepen engagement, it is revamping its mobile application, introducing new features and functionalities beyond basic loyalty cards.

In addition to these customer-focused efforts, Espace Maison remains committed to supporting local craftsmanship and the Mauritian economy. It sources sea salt from the Yemen salt pans in Tamarin and, in 2024, it reinforced this commitment by exclusively procuring wood and other materials from local suppliers, aligning its sourcing practices with environmental sustainability and socially responsible goals.

Key challenges and strategic response

Espace Maison's increased social media presence and ongoing development of its mobile application present inherent risks, such as potential hacking. In response, it is setting up robust cybersecurity measures to safeguard its digital platforms and uphold customer trust as it continues to innovate to enhance its digital offerings.

Gros Cailloux

Gros Cailloux has implemented several initiatives aimed at strengthening relationships with employees, customers, and the community, including team-building activities and the Service Excellence programme. It has also developed strategic partnerships that reinforce its competitive edge and social capital:

- Exclusive collaborations with Espace Maison to enhance distribution.
- Partnership with the Orchid Society of Mauritius to foster community involvement.
- Active social media presence, with over 110,000 followers boosting community engagement.
- The Nature Park and Leisure division benefited from notable partnerships, including a 15,000-euro sponsorship (MUR 750,000) from the Brigitte Bardot Foundation, strong relationships with five tour operators and seven sponsors, and a diverse customer network with 150 schools.
- Collaborations with the Mauritius Chamber of Agriculture and the University of Mauritius on smart agriculture and compost training to promote innovation

To maintain high levels of customer satisfaction, Gros Cailloux employs a comprehensive feedback system across platforms such as Facebook, Instagram, TikTok, and LinkedIn, allowing customers to offer feedback at any time. Each response is managed by the Brand Department, ensuring timely follow-ups and driving continuous improvement.

Additionally, Gros Cailloux plays a key role in supporting local employment and community initiatives, contributing to job creation and economic growth. One of its flagship initiatives is the **'Dimin Compost'** initiatives, which promotes sustainable agriculture by improving soil health, reducing waste, and boosting local production.

Key challenges and strategic response

Gros Cailloux faces the challenge of balancing financial pressures while ensuring that partnerships remain aligned with its business objectives. Equally, its growing presence on social media platforms expands its reach, but also increases its vulnerability to online reputational risks, requiring proactive management to uphold a positive brand image.

STRENGTHENING FOUNDATIONS: UBP GROUP'S COMMITMENT TO THE LOCAL ECONOMY

1 Celebrating Independence: UBP, Premix, and Drymix unite to Honour Mauritian Heritage

Context

In honour of Mauritius' Independence Day, UBP launched a campaign to showcase its deep-rooted connection with the country's development. Building on the momentum of its 70th-anniversary campaign in 2023, this initiative reinforced and reaffirmed UBP's dedication to both the local economy and cultural preservation.

Response:

The campaign was marked by several key elements, including collaboration with local artists and a partnership with the "Made in Moris" label, a collective that promotes local craftsmanship and products. UBP, Premix and Drymix all proudly carry this label, emphasising their role in championing the local know-how. Notably, UBP and Drymix were among the founding members of this initiative.

The central piece of the campaign was an original song crafted to convey UBP's strong ties to Mauritius and evoke a sense of national pride. The accompanying music video and digital campaign, featuring four prominent local artists, quickly went viral, garnering over 5 million views on social media platforms. The remarkable engagement levels illustrate the power of combining art and industry to craft a message that resonates deeply with the community.

By anchoring the campaign within the context of supporting the local economy, UBP demonstrated that its role and influence in Mauritius extend beyond its industrial activities; rather, it strives to be a driving force for economic growth, a custodian of Mauritian heritage, and a vital contributor to a thriving, interconnected community.

SOCIAL CAPITAL

#2 Espace Maison-Preserving Heritage: Supporting Yemen Sea Salt Production

Context

Sea salt production in Mauritius is a craft steeped in tradition, tracing back to the French colonial period when the first saltpans were established in Port Louis by Mr de Caudan. His name has since become synonymous with this historic industry. Over the centuries, the artisanal method of extracting salt from the sea has woven itself into the cultural identity of Mauritius, particularly in the Tamarin region, where the Yemen saltpans have continued this time-honoured practice. Despite its historical significance, the industry faces challenges from changing economic conditions and the encroachment of modernisation, which threaten to overshadow these traditional practices.

Response:

As the local economy evolves, heritage sites like the Yemen saltpans are at risk of being lost or overlooked in favour of more commercially lucrative ventures. Recognising this threat, Espace Maison began supporting the Yemen saltpans in 2018, by purchasing 95% of its sea salt production. To date, 912 tonnes of salt have been purchased. This initiative, beyond commerce, is an international effort to protect an industry that has been vital to the local economy for generations.

The sea salt harvested from the Yemen saltpans is not only of exceptional quality, but also versatile enough for culinary applications. It has also carved out a niche market as an additive for saltwater chlorinated pools, highlighting both the adaptability of traditional products in modern contexts, while reinforcing the connection between heritage and contemporary needs.

#3 Loyalty with a Cause: Espace Maison's Customer Loyalty Initiative

Context

Customer loyalty has always been a key priority for Espace Maison, serving as a cornerstone for its long-term success. With this in mind, it implemented a loyalty programme that rewards customers with points for every purchase, which can later be redeemed for discounts or other benefits. In line with industry best practices, loyalty points expire annually to maintain a healthy balance sheet. However, Espace Maison has faced challenges in ensuring that customers redeem these points before they expire. Despite proactive measures, such as advance notifications and reminders at the checkout till, a significant portion of points goes unclaimed each year.

Response:

In 2021, Espace Maison transformed this operational challenge into a meaningful opportunity for social impact. It launched an initiative allowing customers to donate their expiring points to local charitable organisations, such as Caritas and the Mauritian Wildlife Foundation. This initiative, beyond managing liabilities, reflects Espace Maison's ability to align innovation with real business needs and positive community impact. It raises awareness among customers about the importance of social responsibility, while continuing to support NGOs and reinforcing its own commitment to making a positive difference.

GROUP PERFORMANCE

GROUP CFO's INTERVIEW

QUESTIONS TO DHUENESH RAMBARRASSAH, GROUP CFO

Can you describe the financial structure that was put in place to support the acquisition in Reunion Island, and how it aligns with UBP's broader strategy?

The acquisition was supported by a debt financing structure. A bridging loan was secured from a Mauritian bank to finance the equity portion of the transaction, ensuring swift execution. For the debt component, a long-term loan was contracted in Reunion Island through a consortium of local banks, with the repayment being borne by the Réunionese Holding Company. This financing strategy not only allowed us to preserve our cash reserves but also to spread the financial burden over time. It aligns with our objectives of long-term value creation, reinforces UBP's regional presence, and safeguards our financial stability.

What are the implications of this acquisition for the group's risk profile, and what steps are being taken to manage this risk while ensuring continued stability?

This acquisition marks a strategic step for UBP Group as it establishes a foothold in a European territory with a significant asset base, effectively diversifying our risk across two markets and two currencies. While the gearing ratio has increased due to the financing of substantial investments over the past three years, a portion of the debt—specifically the bridging loan—has a short maturity period of three years. To further strengthen our financial position, we intend to dispose of non-strategic assets as necessary. The repayment plan has been carefully structured in collaboration with our banking partners to ensure a smooth debt servicing and maintain our financial stability.

Do you foresee any cash flow challenges arising from the integration process, and if so, what strategies or safeguards are in place to ensure the group's financial stability remains unaffected?

Since the acquisition was financed through debt, the impact on our cash flow is manageable, with the main burden being limited to the servicing of interest payments quarterly. To navigate these challenges, we are strategically managing our cash reserves to cover any unexpected expenses. Additionally, we have implemented short-term cash flow management measures to maintain flexibility, including strict financial oversight, optimising operational costs, and financing our capital expenditure needs through leasing facilities.

How does this acquisition impact UBP's dividend policy and long-term value creation for shareholders? Are there adjustments planned to maintain or enhance shareholder returns?

We anticipate reporting an improved profitability in FY2025, although our cash flow will remain constrained. In the short term, our focus is to maintain a stable dividend policy, our priority being the servicing of the debt. In terms of long-term value creation, this acquisition is expected to enhance profitability and strengthen our asset base, which will benefit shareholders over time.

What is your financial strategy for the next 3-5 years? Are you considering further consolidation, divestments, or shifts in capital allocation to optimise the group's financial health?

Our medium-term strategy focuses on consolidating and stabilising the Group following the recent large-scale investments. Our key priority is to optimise our existing portfolio and dispose of non-strategic assets to improve our gearing level. We are also exploring opportunities for strategic consolidation to enhance the efficiency and yield of our core operations. Additionally, we are focused on optimising our cash flow through improved financing of our supply chain and production plant and machinery.

Dhuenesh Rambarrassah
Group CFO

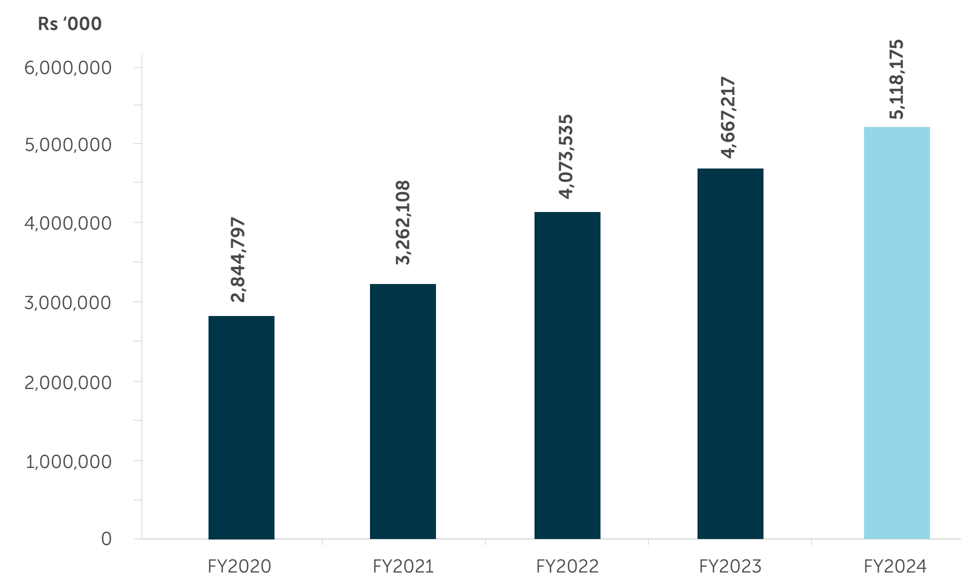
FINANCIAL CAPITAL

Financial capital represents the external and internal funds and resources managed by the Group, used to finance our operations, drive growth and create sustainable value for shareholders.value for shareholders.

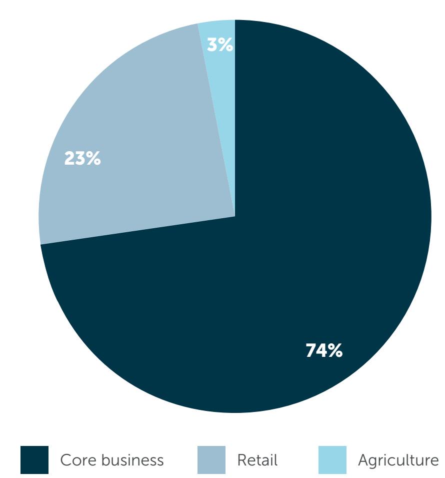
FINANCIAL PERFORMANCE REVIEW

Our Group revenue increased by 9.7% (+Rs 451.0 million) compared to the same period in 2023. This rise was primarily driven by our core business activities coupled with the full-year consolidation of FAST (Flacq Associated Stonemasters Limited), which added Rs 168.4 million to the Group revenue increase for the year and an appreciable increase of Rs 117.5 million in Premix revenue.

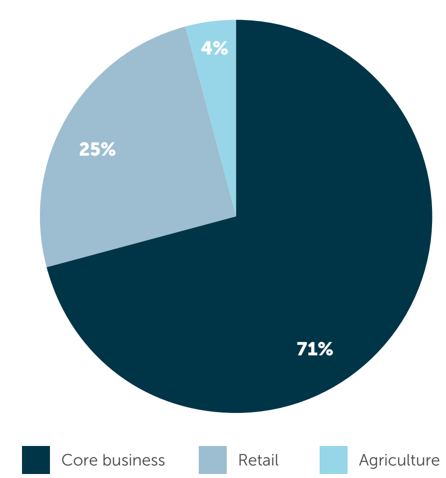
REVENUE



FY2024



FY2023



FINANCIAL CAPITAL

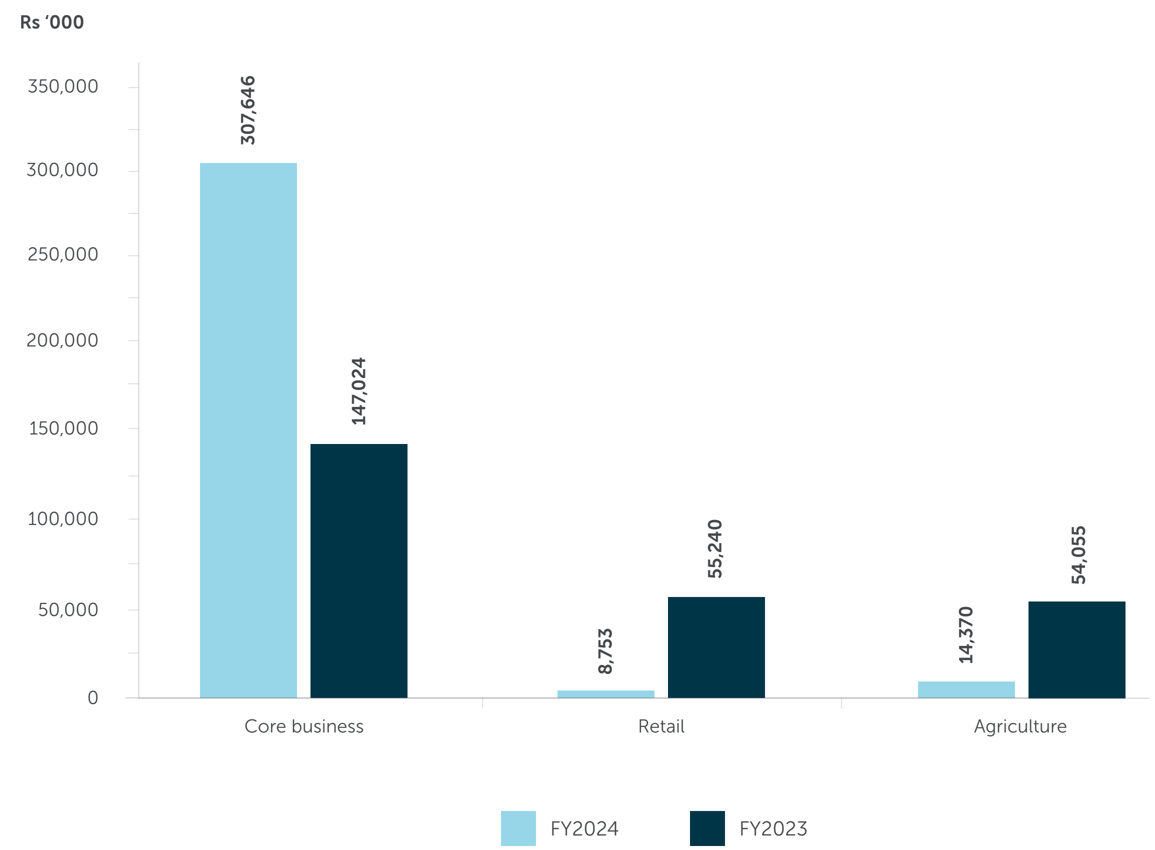
Statement of Profit or Loss

	YEAR ENDED	
	June 30, 2024	June 30, 2023
Continuing operations	**Rs'000**	Rs'000
Revenue	**5,118,175**	4,667,217
EBITDA	**785,154**	637,324
Depreciation and amortisation	**(454,385)**	(381,005)
Operating profit	**330,769**	256,319
Allowance for expected credit losses on financial assets	**369**	(19,099)
Impairment of assets	**-**	(348,100)
Finance income	**465**	957
Finance costs	**(151,047)**	(107,276)
Share of results of associates	**16,467**	13,523
Profit before tax	**197,023**	144,424
Tax (expense) / income	**(23,665)**	6,546
Profit for the year from continuing operations	**173,358**	150,970
Discontinued operation		
Profit / (loss) for the year from discontinued operation	**35,231**	(8,960)
Profit for the year	**208,589**	142,010
Non-controlling interests	**(11,308)**	(8,350)
Profit for the year attributable to equity holders of the parent	**197,281**	133,660
Earnings per share - Rs		
Basic, profit for the year attributable to ordinary equity holders of the parent	**7.44**	5.04
Dividend per share - Rs	**1.75**	-

Our **Group operating profit** increased significantly from Rs 256.3 million in 2023 to Rs 330.8 million this year. This noteworthy performance was attributed to the enhanced results of Premix and FAST. In terms of our retail segment, the operating profit saw a decrease of Rs 38.4 million mainly due to increased staff costs and pre-operating expenses relating to the re-opening of our extended Tamarin outlet. Excluding the exceptional revenue of Rs 64.9 million and operating profit of Rs 42.3 million realized on the sale of land in 2023, our agricultural segment experienced an increase in revenue of Rs 11.3 million and an increase in operating profit of Rs 3.5 million.

On the foreign front, UBP Madagascar was disposed of on June 26, 2024, while with regard to Sri Lanka, the Board has decided to postpone the disposal of our subsidiary given the unfavourable economic context prevailing in the country.

SEGMENTAL REPORTING PROFIT



THE UNITED BASALT PRODUCTS LIMITED | INTEGRATED REPORT 2024

FINANCIAL CAPITAL

Our share of results from associates for the financial year under review increased by 21.8% compared to that of the previous financial year due to the improved performance of Terrarock Ltd.

Our Group **EBITDA** increased by 23.2% from Rs 637.3 million for FY2023 to Rs 785.2 million for the financial year under review. After taking into consideration the net impact of the disposal of shares in UBP Madagascar, our Group profit increased from Rs 142.0 million for FY2023 to Rs 208.6 million for the financial year under review. **Earnings Per Share** likewise increased from Rs 5.04 for FY2023 to Rs 7.44 for the financial year under review.

Statement of Financial Position

	YEAR ENDED	
	June 30, 2024	June 30, 2023
	Rs'000	Rs'000
Total assets	**9,457,181**	7,713,571
Interest bearing loans and borrowings	**3,791,797**	2,337,317
Borrowings excluding bank overdrafts	**3,582,560**	1,900,835
Equity attributable to shareholders of the parent	**4,298,015**	4,215,442
	Rs	Rs
Net assets value per share	**162.13**	159.01

Financial Ratios	**2024**	2023
Operating margin - %	**6.46**	5.49
Interest cover - times	**2.30**	2.35
Dividend cover - times	**4.25**	-
Return on equity - %	**4.59**	3.17
Return on assets - %	**2.09**	1.73
Debt to equity - times	**0.88**	0.55

CAPITAL EXPENDITURE INVESTMENTS

Our Group invested Rs 502.9 million in capital expenditure (including Right of Use Assets) for FY2024 as detailed below :

	FY 2022	FY 2023	**FY 2024**
	Rs'000	Rs'000	**Rs'000**
Freehold land & buildings	44,179	64,740	**156,161**
Leasehold & land improvement	205	-	**-**
Plant & equipment	203,125	299,088	**196,051**
Motor vehicles	30,198	11,475	**20,330**
Asset in progress	103,960	219,166	**28,373**
Total investment in Property, Plant & Equipment	381,667	594,469	**400,915**
Investment in intangible assets	21,613	24,447	**9,620**
Investment properties	-	-	**-**
ROU Assets excluding land & buildings	105,890	150,502	**92,359**
Total	509,170	769,418	**502,894**

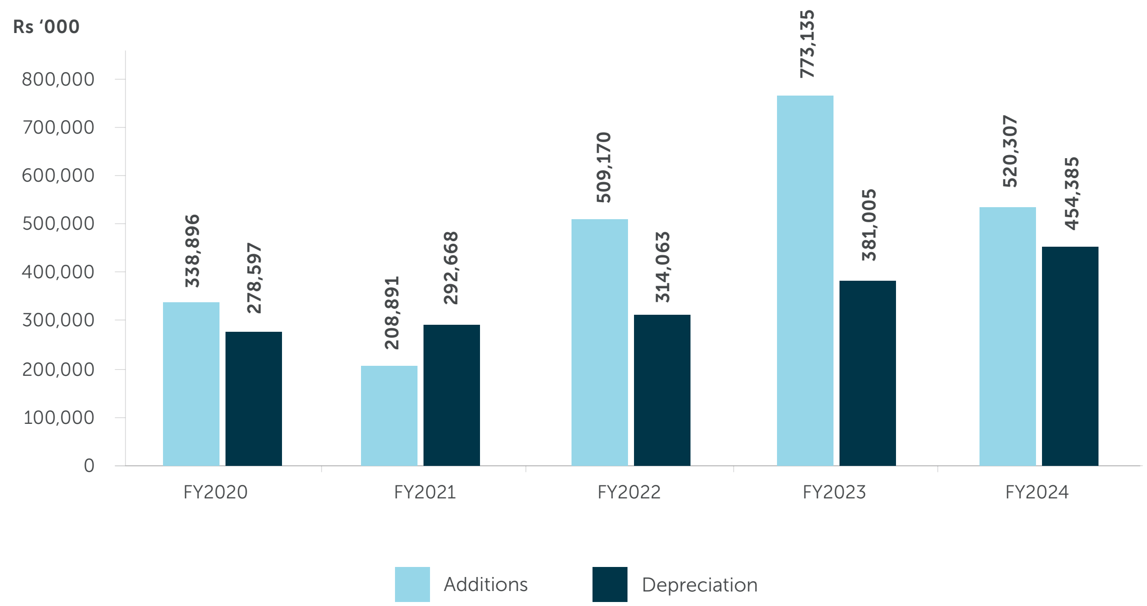
The core business activities segment related mainly to the new shop at Espace Maison Tamarin, several pump trucks for our ready-mixed concrete activity and the replacement of plant and machinery.

Our retail segment capital expenditure budget was spent mainly on rackings and displays for our new shop in Tamarin which opened in November 2023. As for our agricultural segment, we invested in a new irrigation system, new machinery and shadehouses for the greenhouse department.

Our investment in intangible assets for the year included mainly the development of a new website, a planogram for our merchandising, and a project management tool at Espace Maison.

FINANCIAL CAPITAL

INVESTMENT IN CAPITAL EXPENDITURE



The investment in capital expenditure, as shown in the chart above, has outweighed our yearly depreciation charge over the past five years, except for FY2021 where the Covid-19 impact forced us to defer our capital expenditure (Capex) spending. This year, the Capex investment is slighlty more than the depreciation charge. This clearly confirms the Group's commitment to enhance its production capacity, agility and efficiency through the use of latest technology, plant and machinery and digital tools in view of meeting market demand, increasing our market share and improving our profitability going forward.

BORROWINGS, FINANCE COSTS AND GEARING

Further to the significant investments in capital expenditure and the loan of Rs 1.2 billion contracted in relation to the acquisition of Bazalt Réunion our total borrowings, including lease liabilities, increased from Rs 2.3 billion in 2023 to Rs 3.8 billion at June 30, 2024. Our Long Term Secured Promissory Note (PN) of Rs 650 million, contracted in 2018, were fully repaid in October 2023 and March 2024 through a bank loan. As a result of the above, our finance costs increased from Rs 107.3 million for FY2023 to Rs 151.0 million for this financial year. Likewise, our debt-to-equity ratio increased from 0.55 in the previous financial year to 0.86 at June 30, 2024.

EQUITY AND TOTAL SHAREHOLDERS' RETURN

The **equity attributable to shareholders** increased by 2.0% (Rs 82.6 million) from Rs 4.21 billion in the previous financial year to Rs 4.30 billion this financial year, attributable to the profit for the year, a surplus of Rs 35.2 million, net of tax, arising from the disposal of UBP Madagascar which was partly offset by a re-measurement loss of Rs 31.4 million, net of tax, on employee retirement benefit liabilities. The Board of Directors declared a final **dividend** of Rs 1.75 per share for this financial year, payable in August 2024, while our share price dropped from Rs 100.00 at June 30, 2023 to Rs 86.00 at June 30, 2024. As a result, the total shareholders' return for the year moved from -28.1% for FY2023 to -12.3% this financial year while the return on equity increased from +3.17% to +4.59%.

CASH FLOW

Cash flows generated from operations increased from Rs 672.0 million for FY2023 to Rs 704.1 million for the financial year under review. Cashflow used in investing activities stood at Rs 378.5 million this year compared to Rs 840.1 million for FY2023, which included consideration paid for the acquisition of additional shares of FAST Ltd, amounting to Rs 244.8 million. On the other hand, cashflow from financing activities has increased from Rs 247.3 million to Rs 1.6 billion attributable to proceeds from borrowings for the acquisition of the Réunion entities.

GOING FORWARD

On July 01, 2024, we successfully completed the acquisition of 90 % of the shareholding in several entities in Reunion Island. This acquisition, valued at approximately EUR 82.0 million (Rs 4.0 billion), was executed in line with the Share Purchase Agreement dated July 07, 2022. These entities are consolidated under Bazalt Limited, a wholly-owned subsidiary of UBP.

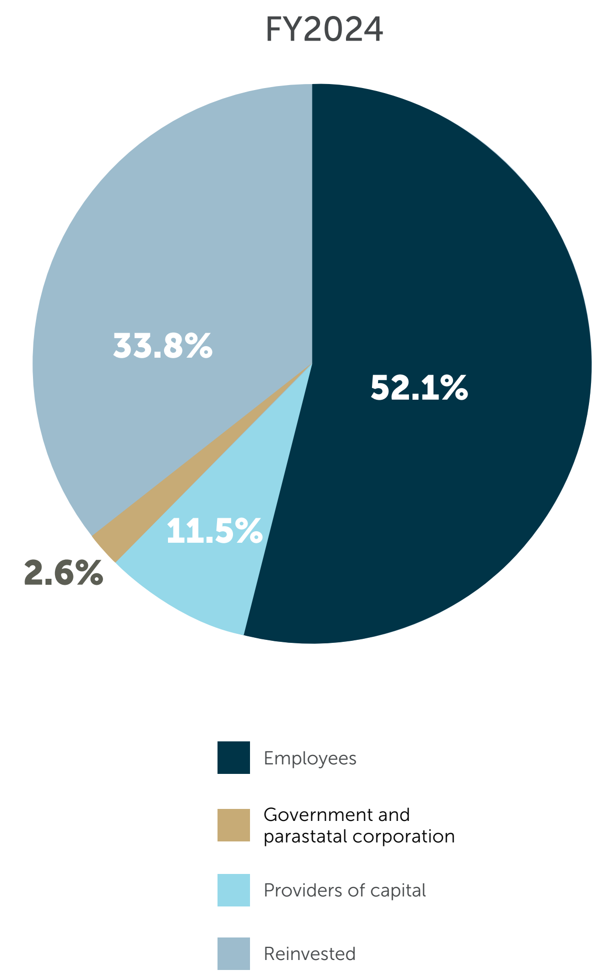
For the first two months of the current financial year, our Group's local core business revenue is comparable to last year. We are reasonably optimistic about our future performance should the property development and infrastructure projects continue to grow. Moreover, with the newly acquired entities in Reunion Island, the Group's performance for the current financial year is expected to be better than in the previous year.

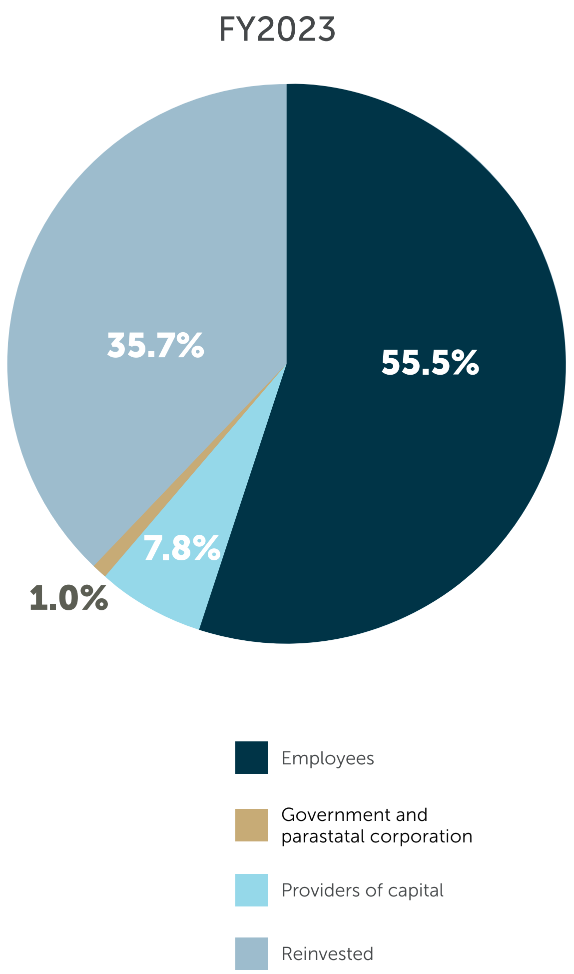
OUR PERFORMANCE

FINANCIAL CAPITAL

Value added statement

	YEAR ENDED June 30, 2024	YEAR ENDED June 30, 2023
	Rs'000	Rs'000
Sale of goods and services	**5,118,175**	4,667,217
Paid to suppliers for materials and services	**(3,437,687)**	(3,360,968)
Value added	**1,680,488**	1,306,249
Other operating income	**112,395**	135,078
Total wealth created	**1,792,883**	1,441,327
Distributed as follows:		
Employees		
Salaries and other benefits	**934,940**	800,224
Providers of capital		
Dividend	**46,393**	-
Interest paid on borrowings	**151,047**	107,276
Dividend to non-controlling interests	**9,456**	4,891
	206,896	112,167
Government and parastatal corporations		
Income tax (current and deferred)	**23,665**	(6,546)
Environment protection fee	**18,996**	16,511
Licences and permits	**3,113**	4,306
	45,774	14,271
Reinvested in the Group to maintain and develop operations		
Depreciation and amortisation	**454,385**	381,005
Retained profit	**150,888**	133,660
	605,273	514,665
Total wealth distributed and retained	**1,792,883**	1,441,327

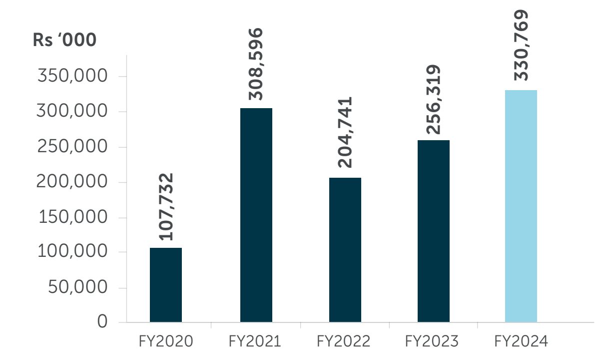




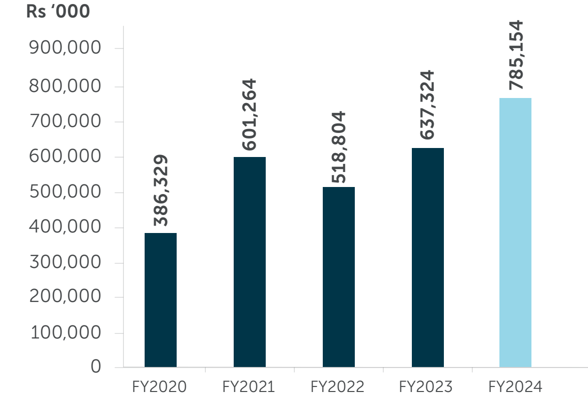
OUR PERFORMANCE

FINANCIAL CAPITAL

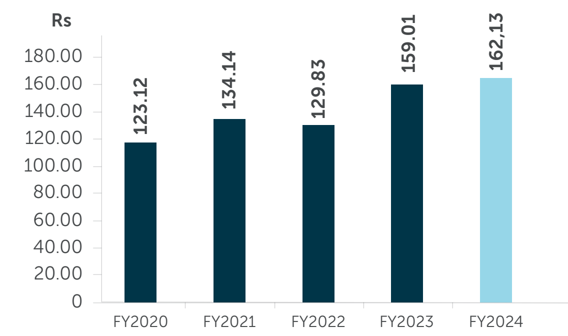
OPERATING PROFIT



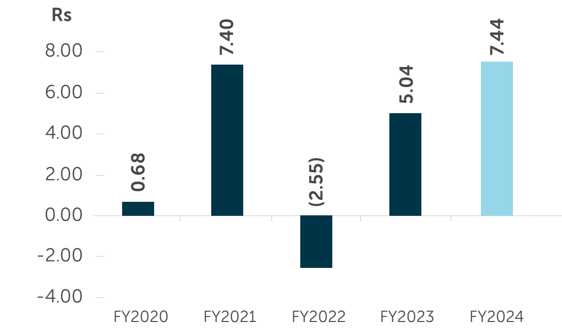
EBITDA



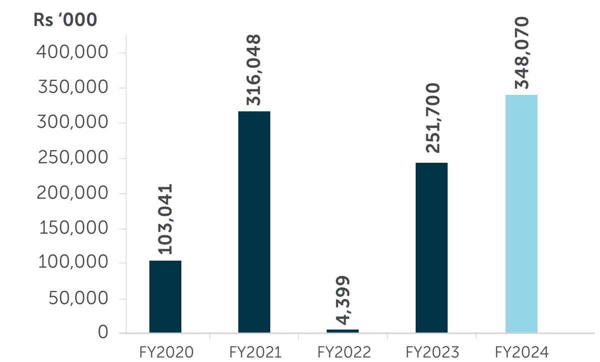
NET ASSETS VALUE PER SHARE



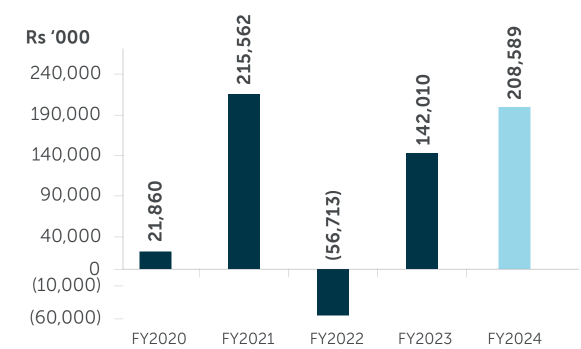
EARNINGS/(LOSS) PER SHARE



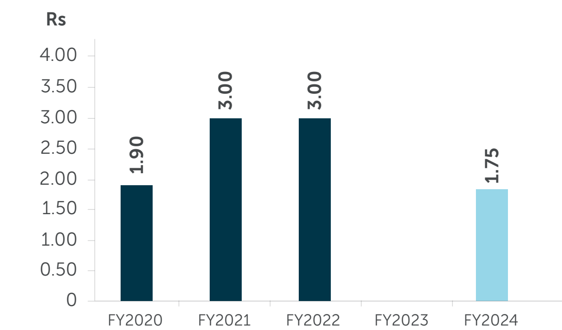
EBIT



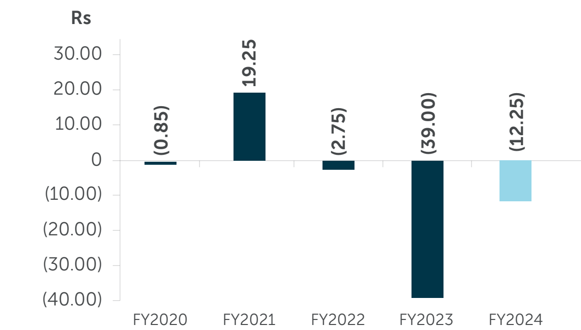
NET PROFIT/ (LOSS)



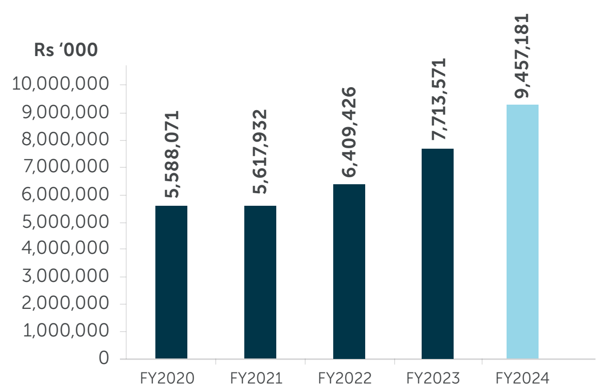
DIVIDEND PER SHARE



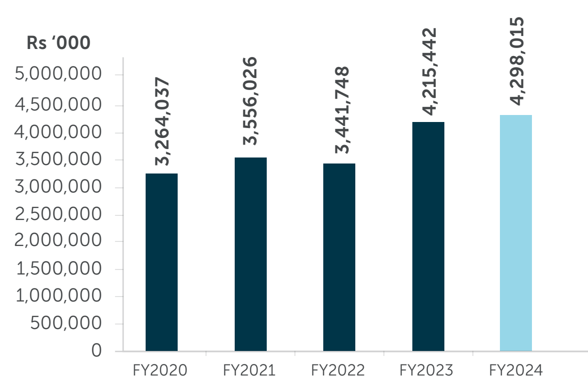
TOTAL SHAREHOLDERS' RETURN PER SHARE



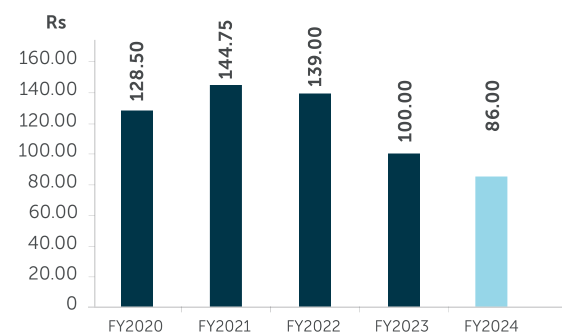
TOTAL ASSETS



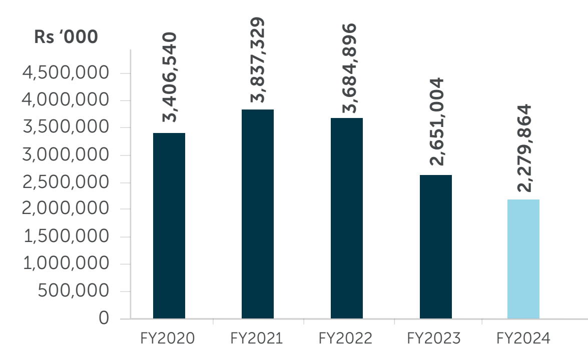
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT



SHARE PRICE



MARKET CAPITALISATION



INNOVATION WAS CEMENTED INTO EVERY LAYER.

At the heart of **UBP**'s growth lies its commitment to innovation. The introduction by Drymix of ready-to-use adhesive cement for tiles and plastering, simplified the construction process. This bold move, and leap in efficiency and quality, set new benchmarks, cementing **UBP**'s place as an industry leader in modern construction solutions.

FOCUS ON REUNION ISLAND

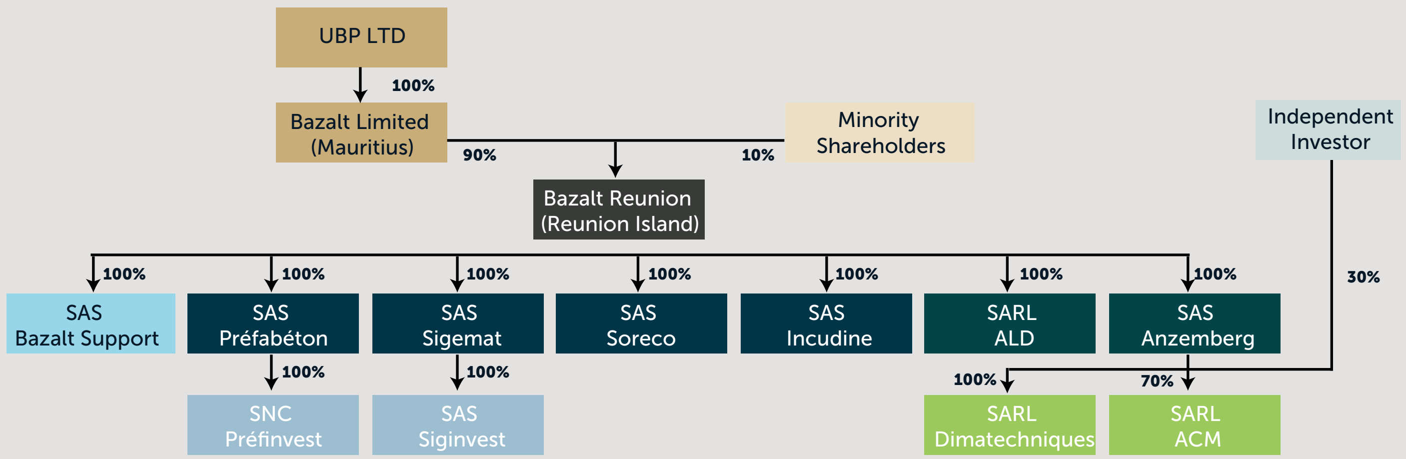
STRATEGIC EXPANSION IN REUNION ISLAND: ACQUIRING GROUPE LEANDRI'S CONSTRUCTION SEGMENT

The Bazalt Project, launched by UBP in 2021, aimed to acquire six construction materials companies and their subsidiaries in Reunion Island, previously owned by Capriona SA, the majority shareholder. A Share Purchase Agreement (SPA) was signed on July 7, 2022, with Capriona SA and the minority shareholders, who are the managers employed by the target companies. The initial closing was anticipated for June 2023.

The acquisition was executed through a newly incorporated French holding company, Bazalt Réunion. To structure the transaction effectively, UBP established Bazalt Limited in Mauritius as a wholly owned holding company, which acquired a 90% stake in Bazalt Réunion. The total transaction value was approximately EUR 82 million for the full ownership of the target companies, with the remaining 10% acquired by nine managers from the target companies, serving as minority shareholders.

The transaction faced delays due to a pending condition precedent—the official authorsation to operate the next quarry site for Soreco (the "Quarry CP")—, which was satisfied in April 2024, allowing the transaction to proceed.

With the Quarry CP approval in place, UBP convened a Special Meeting of Shareholders (SMS) to finalise the acquisition by Bazalt Limited. After receiving shareholder approval in June 2024, the transaction was successfully closed on July 01, 2024.



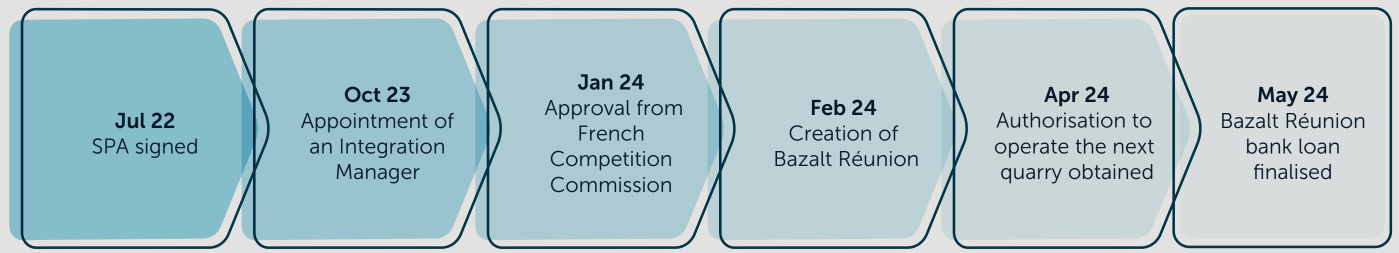
GOOD CORPORATE GOVERNANCE: ENSURING A SEAMLESS INTEGRATION

The acquisition of Groupe Leandri's construction segment in Reunion Island was conducted in accordance with the highest standards of governance, emphasising transparency and accountability at every stage. The Board of Directors provided active oversight, ensuring that the process was in line with the Group's strategic objectives and risk management protocols.

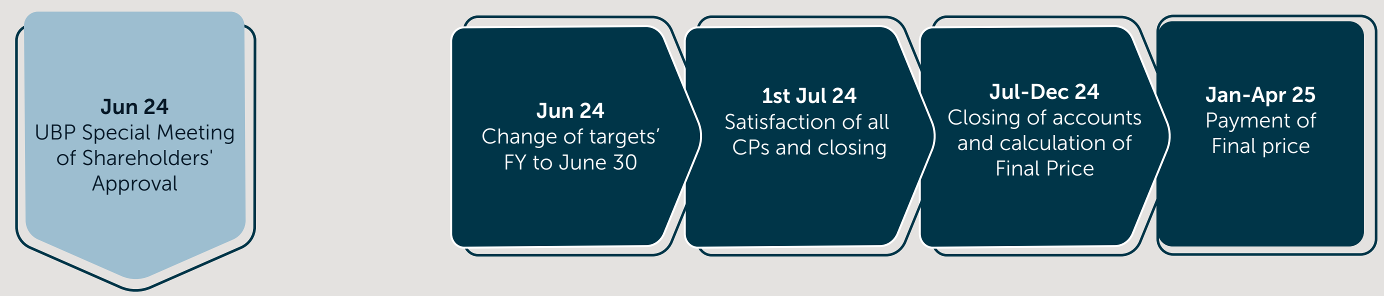
The acquisition was financially supported by six local banks led by the Mauritius Commercial Bank Ltd (MCB) for equity investment, whilst a long term loan was contracted by Bazalt Réunion with a bank consortium in Reunion Island, led by CRCAM (Caisse Régionale de Crédit Agricole Mutuel de La Réunion et de Mayotte). It followed a well-structured timeline, marked by significant milestones, including the appointment of an Integration Manager in October 2023 and the approval from the French Competition Commission in January 2024. The final settlement is anticipated to occur between January and April 2025.

KEY DATES OF THE TRANSACTION PROCESS

Key Milestones achieved



Next Steps



FOCUS ON REUNION ISLAND

BAZALT RÉUNION

The UBP Group's acquisitions in Reunion Island comprise ten companies, collectively establishing Bazalt Réunion as a key player in the construction sector. Alongside its subsidiary, Bazalt Support, the Group provides various support services, including finance, HR, legal matters, logistics, general management, and business development.

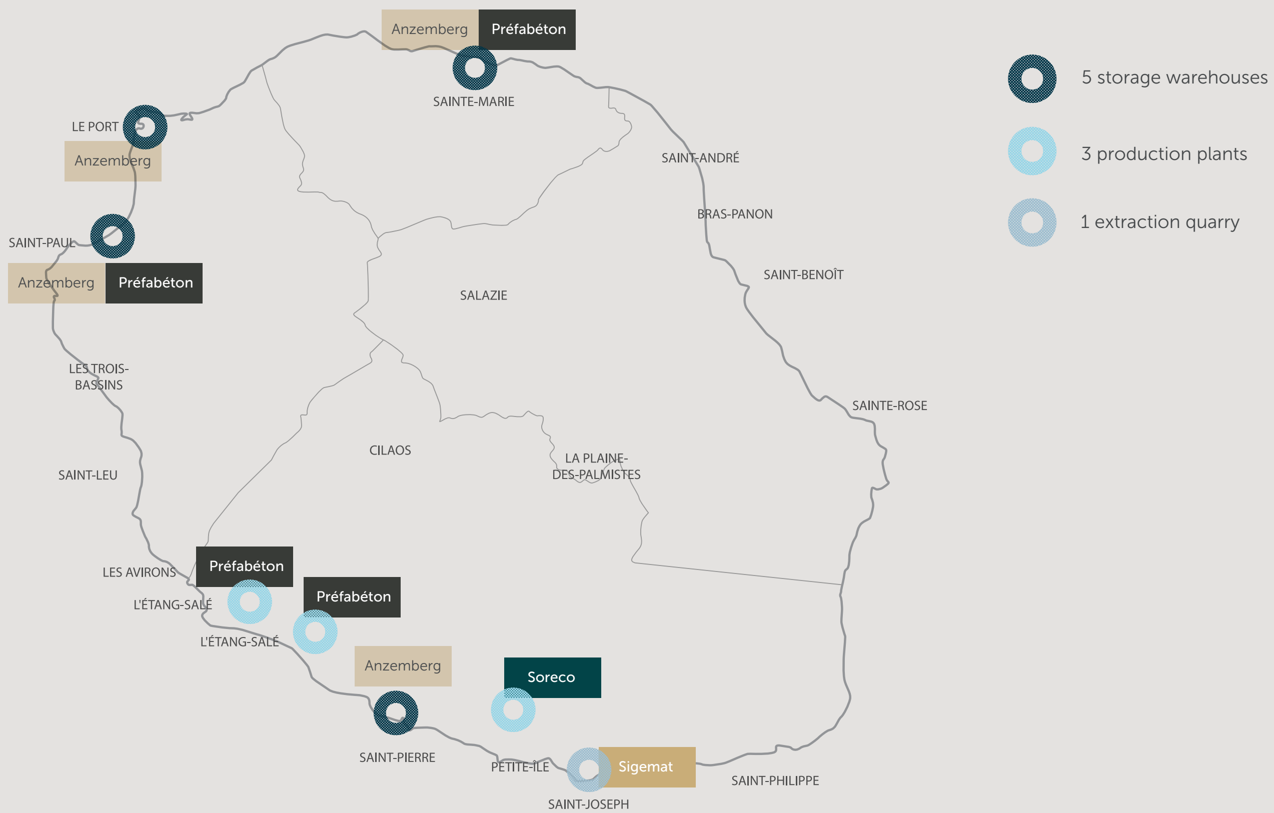
Company Structure

The companies operate **in two business lines:**

- **Concrete and construction aggregates:**
  - **Préfabéton:** manufacturer of precast concrete elements
  - **Sigemat:** producer of ready-mixed and precast concrete
  - **Soreco:** extractor of alluvial materials and crushing to produce construction aggregates
  - **Incudine:** importer of cement

- **Trade - Import and distribution of construction equipment, supplies, and industrial tools for the construction sector**
  - **Anzemberg:** distributor of building materials for public works and road networks
  - **Dimatechniques:** distributor of industrial supplies (valves, steam, pneumatics, etc.)

LOCATIONS IN REUNION ISLAND



CONCRETE AND CONSTRUCTION AGGREGATES

Préfabéton: Manufacturer of precast concrete elements.

- **Main markets:**
  - Public works (road, sanitation, and network products)
  - Construction (blocks and beams for building and urban planning).
- **Facilities:** 2 manufacturing units and 2 warehouses.
- **2023 Turnover:** EUR 18.0 million.
- **Full-time Employees:** 45.
- **Key Strengths:**
  - Unique know-how in specialised products, including custom-made and bi-layer coloured items, draining slab, etc.
  - In-house engineering and design capabilities for tailored products.
  - First in Reunion Island to achieve NF certification and holder of CE certification.
  - Strong, long-lasting relationships with major builders.

FOCUS ON REUNION ISLAND

Sigemat: Manufacturer of ready-mixed and precast concrete.

- **Segments:** Designs, manufactures and distributes products in two principal segments
  - Ready-mixed concrete for exterior works and precast concrete elements
  - Precast concrete elements (40%): beams, precast slabs, precast walls, etc
- **Facilities:** 2 manufacturing units.
- **2023 Turnover:** EUR 12.1 million.
- **Full-time Employees:** 42.
- **Key Strengths:**
  - Local leader in ready-mixed concrete known for high-quality products and exceptional customer service.
  - Strong capacity for innovation and product launches.
  - The only facility on the island capable of manufacturing precast walls.
  - In-house engineering and design capabilities for precast products.

Soreco: Specialist in the extraction and crushing of alluvial materials for aggregate production.

- **Facilities:** 3 crushers.
- **2023 Turnover:** EUR 12.9 million.
- **Full-time Employees:** 26.
- **Key Strengths:**
  - Strong CSR policies, including internalised recycling initiatives and soundproof production equipment.
  - Comprehensive control of the drilling value chain, from landowner prospections and negotiations, to administrative follow-up with local authorities
  - Secured drilling capacity for the next 30 years.
  - #1 player in extraction capacity in the Southern region with a 650k tonne capacity and ~30% market share.

FOCUS ON REUNION ISLAND

Incudine: Independent importer and distributor of cement (dormant at date), including importation and storage on behalf of Préfabéton and Sigemat, as and when needed.

- **2023 Turnover:** EUR 0.4 million.
- **Full-time Employees:** 1.
- **Key Strengths:**
  - Access to various cement suppliers.
  - While not profitable independently, it effectively reduces costs for Préfabéton and Sigemat by pressuring local importers, thus keeping cement prices as low as possible.

TRADE - IMPORT AND DISTRIBUTION OF CONSTRUCTION EQUIPMENT:

Anzemberg: Distributor of building materials for the public works and road networks sector.

- **Portfolio:** 200 brands and over 3,500 products covering water supply (cast iron pipes, tubes, equipment), sanitation and water treatment (melting, tubes, fittings, etc.), retention and drainage (manholes, grids, retention basins, telecom and electricity networks, as well as consumables and tools ((plumbing materials, sealing, glues)
- **Facilities:** 4 stores and 3 warehouses, plus two consolidated companies:
  - **SARL Dimatechniques (Dimatech):** A trading company specialising in industrial supplies.
  - **SARL Austral Conseil Maintenance (ACM):** Offers installation services for sewerage and pumping systems, including micro water treatment plants.
- **2023 Turnover:** EUR 22.0 million.
- **Full-time Employees:** 14.
- **Key Strengths:**
  - Leading company in building materials, providing a diverse range of products for public works, sanitation, and road networks.
  - Vertically integrated with a secure logistics partner through its sister company, ALD (Anzemberg Logistique Distribution).

ALD (Anzemberg Logistique Distribution): Provides storage and logistics services exclusively for the Group's companies, including Anzemberg, Sigemat, and Préfabéton.

- **2023 Turnover:** EUR 0.65 million.
- **Full-time Employees:** 10.

FOCUS ON REUNION ISLAND

INTERVIEW WITH DIMITRI LOSFELT (GM OF SORECO, SIGEMAT, AND INCUDINE) AND REGIS FREYERMUT (GM OF ANZEMBERG AND DIMATECH)

What are the characteristics of the construction market in Reunion Island today?

The construction industry in Reunion Island aligns with European standards, requiring us to maintain exceptionally high-quality products. In certain instances, compliance with Eurocodes for seismic and cyclonic standards is mandatory. Environmental regulations are also stringent and are applied both to construction sites and more so to production industries. Regular audits by certifying bodies such as the DEAL (Direction de l'Environnement et de l'Aménagement et du Logement) are common. In our specific line of business, crushing, environmental impact assessments are crucial. These assessments must evaluate long-term effects and are a sine qua non prerequisite for obtaining operating permits.

The Reunion market is highly competitive, experiencing a slight contraction over the past two years, although this is cyclical. There is still significant demand for housing on the island; however, this need is struggling to convert into concrete demand. A key challenge we face is limited land availability, which necessitates innovative solutions, such as building upwards. Furthermore, production capacities in our sector have historically exceeded demand, largely due to the complex topography of Reunion Island and transportation challenges, which require a decentralised production approach. This challenge applies to both precast concrete, which has a two-hour lifespan, and aggregates, where transportation costs significantly impact selling prices. However, our strength lies in our network of production sites, distributed across various areas of the island.

What are your main challenges moving forward?

Our primary challenges revolve around resource scarcity and environmental concerns. Rock, as a raw material, is limited in Reunion Island, so we must remain vigilant regarding the availability of aggregates and enhance our recycling capabilities in this area. Another significant challenge is ensuring we have a qualified workforce to execute construction projects, especially as the tertiary sector becomes more appealing. The question is, how do we make our profession more appealing?

Additionally, there is ongoing discussion in Reunion Island about tropicalised housing. Some private sector developments have successfully implemented innovative projects, prompting us to remain attentive to alternative materials to avoid being solely reliant on concrete. In mainland France, the new RE 2020 regulation mandates that developers provide the carbon footprint of their construction projects as a condition for permit approval.

How is the UBP Group's acquisition of Bazalt Réunion perceived locally?

The acquisition has met a positive response, thanks to early and ongoing communication throughout the process. This was not an unforeseen event for us. Furthermore, UBP's commitment to preserving and supporting local teams is particularly encouraging, instilling confidence rather than fear. Naturally, there will be new management and reporting structures, but such changes are to be expected. Ultimately, this presents an excellent opportunity for us to review our internal practices and reflect on how we can shape our future.

What benefits do you expect from being part of the UBP Group?

We believe there is much to gain from the synergies of experience between the teams in Mauritius and Reunion Island. The Group will also enable us to make more substantial progress on CSR issues, particularly concerning carbon and traceability in our trading division. We also see potential synergies in sourcing that could bring us significant advantages. Beyond these aspects, there are more similarities than differences between our operations. For instance, we largely use the same types of equipment in both Mauritius and Reunion Island.

STRATEGIC INSIGHTS: UNLOCKING POTENTIAL IN REUNION ISLAND'S CONSTRUCTION SECTOR

From Dependency to Development: The Transformation of Reunion Island

Until 1946, Reunion Island was in a state of severe poverty, typical of many extractive colonies detached from Europe. The economic model was built exclusively on a primary specialisation dictated by France, its sole trading partner, which stifled the development of any industrial sector. Following its designation as a French Department, Reunion gained access to substantial financial transfers, including civil servant salaries, social benefits, business subsidies, and tax advantages for households and companies. These resources facilitated social progress and helped establish a structured administrative framework.

The island's modernisation accelerated significantly in the 1960s, driven by large-scale public investments in health, education, public infrastructure, and extensive housing programs. The 1982 decentralisation reforms transformed Reunion into a region, further propelling its development and transformation. This period saw a rapid expansion of commercial services, trade, and tourism. Reunion's inclusion in the European Union as an Ultra-Peripheral Region (UPR) granted it access to EU development funds, enabling it to address challenges related to geographic isolation and poverty. The UPR status acknowledges the island's structural disadvantages, such as its insularity and climatic conditions, justifying the adoption of specific support measures, including attractive fiscal incentives like reduced VAT rates (8.5% and 2.1%).

The adoption of the 2015 NOTRe Law by the French Parliament marked the culmination of the decentralisation process, granting the Regions exclusive authority over their economic development plans. Consequently, the Regional Council of Reunion now oversees the allocation of public funds dedicated to economic development, amplifying the leverage effect on local growth and aligning efforts more closely with the private sector's needs.

Demographic Dynamics

Population in 2023: 873,100
Reunion Island has witnessed a gradual slowdown in population growth, although it maintains one of the highest fertility rates in France at 2.41 children per woman. Despite a natural population increase of 1%, the net migration balance is negative, leading to a demographic growth rate of 0.4%, which is slightly above the national average of 0.3%. Projections indicate that the population could reach 1 million by 2037 and approximately 1.07 million by 2050.

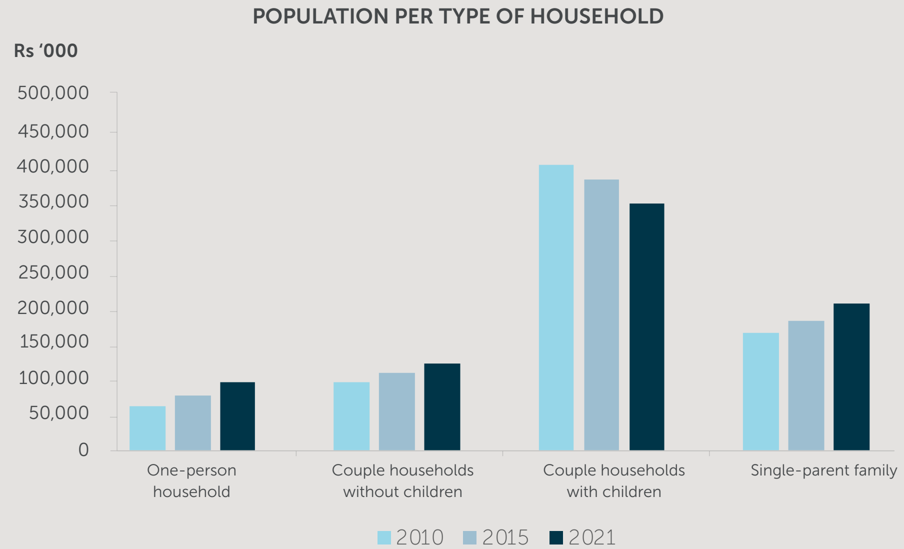
An Ageing Population

While Reunion Island's population is relatively young, with 60% under the age of 45 compared to 69% in 2008, a noticeable ageing trend is emerging. The average age is currently 35, notably younger than the 42-year average in metropolitan France. However, the percentage of residents aged 60 and above has increased from 11.6% in 2008 to 18.7% in 2021. By 2048, seniors are expected to comprise 25% of the population, equivalent to the share of those under 20. Furthermore, the population aged 75 and older is anticipated to triple from 2019 levels, reaching approximately 138,000 by 2050.

A Reduction in Household Size

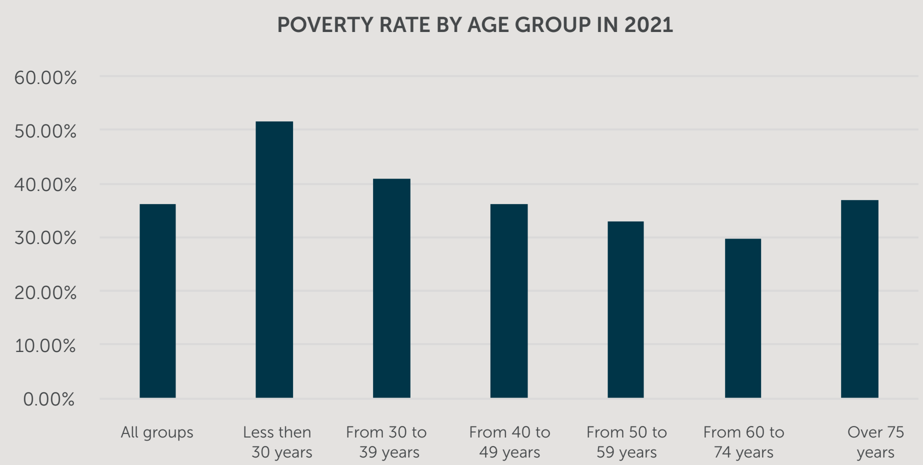
Over the past 40 years, the average household size in Reunion Island has decreased from 4.2 to 2.5 people, driven largely by an increase in single-person and single-parent households. Notably, 27% of individuals over 65 and 30% of those over 80 now live alone. As household sizes shrink, demand for housing is on the rise; projections estimate there will be 419,100 households by 2035, an increase of 112,800 from 2013, representing an annual growth rate of 1.4%. This rate, however, is slower than the 2.9% annual increase recorded from 1990 to 2013, indicating a stabilisation of lifestyle changes. By 2035, single-person households are expected to make up 34% of all households (up from 25% in 2013), mirroring 2013 levels in mainland France. Concurrently, the share of couples with or without children is projected to decline from 51% in 2013 to 43% by 2035, with population ageing contributing to 31% of this growth, adding an estimated 35,000 new households.

FOCUS ON REUNION ISLAND



Persistent Inequalities

The economic landscape of Reunion Island starkly contrasts with that of mainland France. The island's workforce grapples with significant educational deficits, as only 21% of the population holds higher education degrees compared to 41% in metropolitan France. A dropout rate at age 16 contributes to these educational challenges, and literacy issues affect 25% of residents across all age groups. Despite a notable decrease from 28% in 2013, the unemployment rate remains high at 18%. Those who are employed often face inadequate wages, resulting in a high rate of working poverty. The median income in Reunion Island is 30% lower than the national average, with half of the island's residents earning less than EUR 1,400 per month. It is important to note that this figure is heavily influenced by the considerable share of the inactive population, which stands at 16% for those aged 15-64, compared to just 9% nationally. Furthermore, 36% of residents live in poverty compared to the 15% rate in mainland France. The economic pressure has fostered increased intra- and inter-family solidarity, alongside a rise in informal economic activities, such as home gardening and undeclared work.



Source: INSEE, Ile de la Réunion, Dossier Complet (2024)

Economic Development Initiatives

Regional authorities have focused their efforts on two key areas to bolster economic development:

1. **Transport Infrastructure:** Substantial investments have been made—and continue to be directed—toward enhancing the road network to facilitate the movement of people and goods. Notable projects include La Route des Tamarins and La Nouvelle Route du Littoral. Additionally, strategic infrastructures such as two international airports and the Grand Port Maritime have been developed to improve social and economic connectivity with other territories. Currently, a comprehensive rail transport project is under consideration, which would further enhance the island's transportation capabilities.

2. **Health, Education, and Research Facilities:** The Centre Hospitalier Universitaire (CHU) serves as a critical healthcare hub for the Indian Ocean region. Employing over 8,000 professionals and 150 specialised roles across two sites, the CHU not only provides advanced healthcare services but also functions as a medical training and research centre. This facility includes the CYROI (Cyclotron Réunion Océan Indien), a high-level research centre featuring a P3 biosecurity laboratory that strengthens the island's capacity for scientific research and health innovation.

A Leading Hub for Research and Innovation in the Indian Ocean

The Université de La Réunion, the only university in the Indian Ocean region located at the crossroads of Africa and Asia, is a key player in French innovation within the region. Housing 22 research laboratories, the university accounts for nearly 60% of active researchers and represents approximately 42% of teaching and research staff across the French overseas territories, underscoring its crucial role in advancing research capacity in the region.

Reunion Island's research initiatives are supported by a dynamic network of organisations dedicated to fostering innovation and technology transfer. The stated objectives include promoting innovation and collaboration in the professional sphere through training, networking, and support for emerging projects. This ecosystem comprises various stakeholders with complementary roles. For instance, the Regional Incubator for Public Research, managed by the Technopole, has supported around 120 innovative projects since its inception in 2003. Additionally, technical centres like CRITT and CRIBAT act as interfaces for technology transfer to private companies while conducting applied research activities. The network is further strengthened by a state-recognised competitiveness cluster designed to enhance the competitiveness of companies in the tropical bioeconomy sector through innovative R&D projects.

Towards New Growth Drivers

Over the past 60 years, with the strengthening of its regional administration, the island has transformed from an economy primarily reliant on sugarcane to a modern, wage-based, and service-oriented economy. This economic growth has been dynamic, consistently ranking among the highest in France. From 1970 to 1990, the average annual growth rate was 6%, followed by 5% from 1993 to 2008, and between 2% and 3% from 2012 to 2017. Such growth has largely been driven by public procurement and redistributive transfers, which have fostered the emergence of a middle class and increased purchasing power. Notably, in 2015, public sector employees earned an average of 34% more than their private sector counterparts. In 2022, the total amount of redistributive transfers was estimated at EUR 5.5 billion, reflecting their ongoing importance.

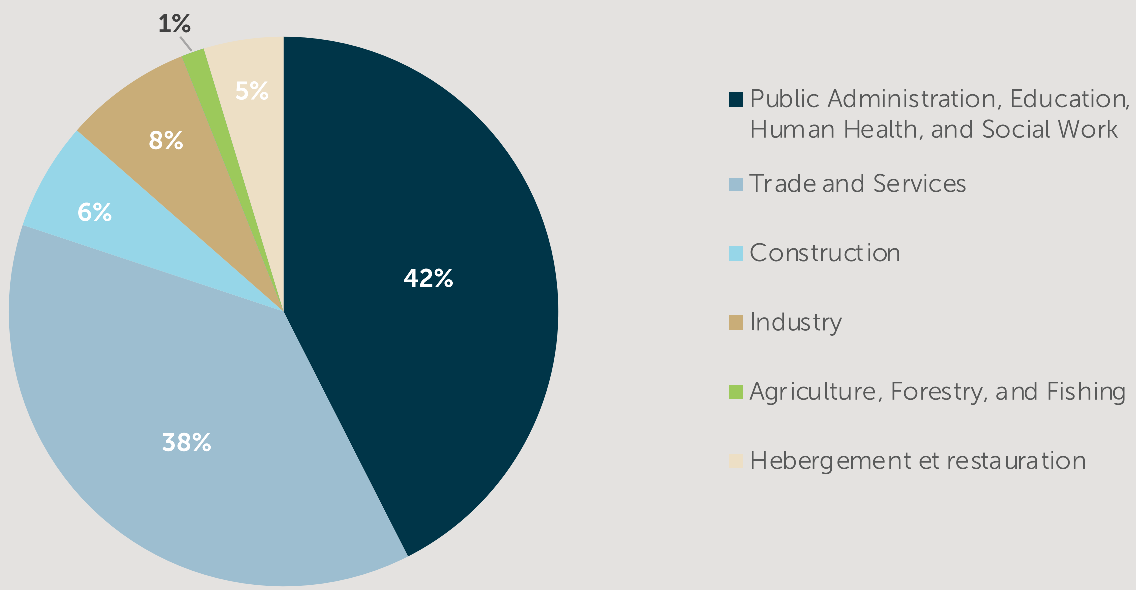
The successful implementation of an import substitution strategy has led to the development of new sectors and the strengthening of local production capacities, particularly in agribusiness, construction, and tourism. These pillars have provided the foundation for the growth of commerce and services, which now dominate the island's economy.

Since 2014, Reunion Island has maintained an average annual growth rate of between 2.5% and 2.7% in constant Euros. Consequently, from 1996 to 2021, the island's GDP increased from EUR 7.6 billion to EUR 20.4 billion, illustrating significant economic catch-up relative to other European regions. In 2022, Reunion's GDP per capita was EUR 24,900, reaching only 65% of the national French average, indicating further potential for growth. While 28% of jobs remained in the public sector in 2018, private sector employment has experienced steady growth over the past decade. This expansion has contributed to a decrease in chronic unemployment, which fell from 25.8% in 2014 to 18.7% in 2022, down from a peak of 38% in 1998.

Despite these advancements, Reunion Island's trade balance remains heavily in deficit. In 2023, imports reached EUR 7 billion, while exports amounted to only EUR 391 million, resulting in a deficit of EUR 6.6 billion. This imbalance is maintained by high levels of investment and public financial transfers, which have historically been crucial to the island's economic growth and stabilisation.

FOCUS ON REUNION ISLAND

EMPLOYMENT DISTRIBUTION IN 2023



On the Productive Sectors

The agriculture and fishing sectors in Reunion Island play relatively modest roles in the local economy. Agriculture contributes about 2% to the island's GDP and employs approximately 3,800 people (including the sugarcane sector, but excluding energy and finished goods). This sector is characterised by small farms, with 3,282 agricultural holdings—a decrease of nearly 18% since 2010—covering a utilised agricultural area of 37,942 hectares (10% less than in 2010). Sugarcane cultivation remains predominant, accounting for 53% of the utilised agricultural area (or 20,140 hectares), making sugar the primary export product, followed by fruits and fresh vegetables. In the fishing sector, specialised subantarctic fishing activities employ around 550 individuals, generating EUR 111 million in fish and seafood exports in 2023.

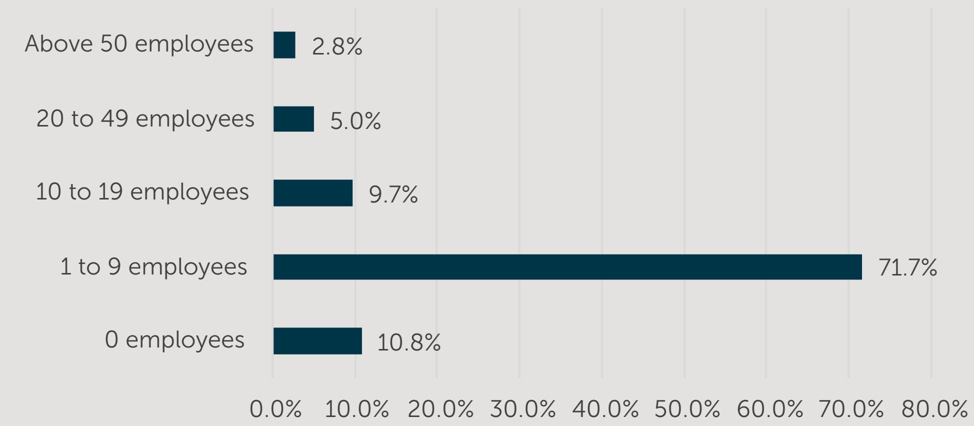
The industrial sector in Reunion Island also remains relatively small, contributing only 4.6% to the island's total value added, significantly lower than the national average of 13%. This sector consists mainly of small businesses, with 90% of companies employing fewer than 10 people and collectively providing around 21,000 jobs, or 7.5% of the total workforce. Key activities include the manufacturing of intermediate goods and equipment, largely reliant on the construction industry, along with the agrifood sector. The agrifood industry emerged through a combination of high agricultural potential—especially in the cane-sugar-rum value chain—and import-substitution strategies focusing on local food processing. Remarkably, the agrifood sector in Reunion Island meets 68% of local demand for fresh products, with animal products showing the most growth at 9.1%, driven mainly by poultry and livestock. Despite its modest size and the rising input costs affecting profit margins, this sector has demonstrated resilience, fueled by local demand and niche markets.

The tertiary sector dominates Reunion Island's economy, accounting for 86% of the island's GDP. The tourism industry is a key growth driver, attracting 556,000 visitors in 2023, a notable increase from 427,000 in 2015. However, the island continues to struggle with diversifying its tourist base, as 80% of visitors come from mainland France, up from 75% in 2015. Hotel stays have declined slightly over the past two years, being outpaced by seasonal rentals. The digital sector is another vibrant component of the economy, benefiting from the most efficient 4G and fiber optic networks in the French Overseas Territories and mainland France. With about 1,700 digital companies employing around 4,000 people, primarily in telecommunications, this sector shows potential. However, its growth in private employment has not kept pace with national trends, indicating that further development and diversification are necessary to maintain momentum.

The Entrepreneurial Dynamic

In 2023, Reunion Island saw a vibrant entrepreneurial environment, with approximately 66,000 active businesses. 76% of these were micro-enterprises and sole proprietors with no employees, reflecting both a strong entrepreneurial spirit and a fragmented business landscape. The number of new business registrations has been steadily rising, driven by local innovation and supportive fiscal mechanisms. In 2023, the island recorded 12,290 new business creations, marking a 2% increase over 2022 and continuing an upward trend over the past eight years. While this growth rate is lower than the five-year annual average of 10.3%, it highlights the resilience of Reunion Island's business environment, especially amid elevated inflation in 2023 (+3.1% annually, compared to +3.7% in 2022 and +1.4% in 2021).

BUSINESS SIZE DISTRIBUTION BY EMPLOYEE COUNT IN 2022



Figures based solely on active and employing companies, excluding the defense sector and private household employers.
Source: INSEE, Ile de la Réunion, Dossier Complet (2024)

FOCUS ON REUNION ISLAND

Micro-enterprises have been pivotal to this growth, accounting for 59% of all new businesses in 2023—slightly below the national average of 62%. This trend can be partly attributed to a 2018 reform that doubled the thresholds for micro-enterprise status, making it a more appealing option for new entrepreneurs compared to traditional business structures. Additionally, self-employment, encompassing artisans, freelance professionals, non-salaried executives, and unpaid family workers, has expanded three times faster than in mainland France since the early 2000s.

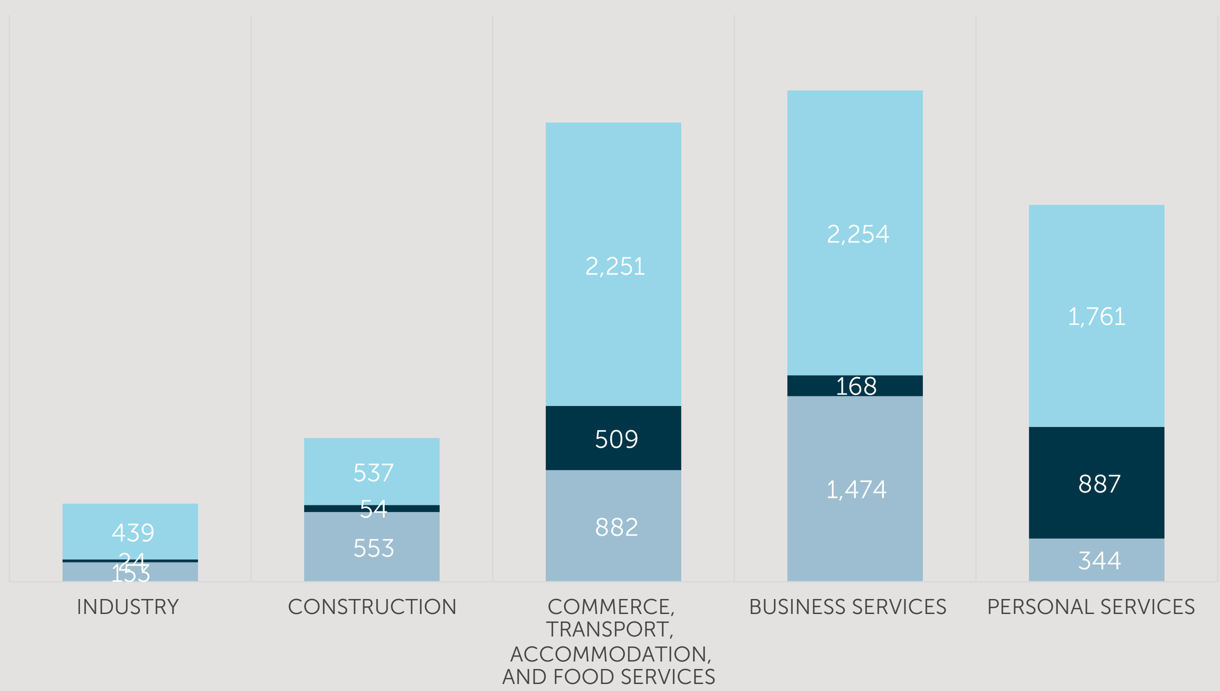
The business landscape has experienced significant changes since the pandemic, with business creation surging by 49.1% from 2019 (prior to the COVID outbreak) to 2023. In 2023 alone, 12,290 new businesses were launched, a 2% increase from the previous year. Despite this steady growth over the decade, the pace has notably slowed. The increase is largely driven by micro-entrepreneurs, who now account for 59% of new businesses.

Growth has been uneven across sectors. The construction sector continued to thrive, adding 1,150 new businesses, while services to individuals saw a slight decline of 2%. In contrast, business services experienced robust growth of 18%, now representing 3 out of every 10 new businesses. However, the “commerce, transport, accommodation, and food services” sector experienced a significant decline of 7%, driven by weaker consumption due to inflationary pressures on household purchasing power.

Despite these positive trends, the island faced a sharp increase in business failures, with closures rising by 58% in one year. In 2023, 874 businesses shut down compared to 552 in 2022, against a 10-year average of 594 closures per year.

Overall, the total value added by Reunion Island’s companies reached EUR 8.7 billion in 2021 (according to final accounts published by INSEE in 2023), with a turnover of EUR 28.9 billion. Business investments amounted to EUR 2.3 billion, with 45% allocated to real estate. The concentration of value added is moderate, with 5% of businesses generating 67% of the total, compared to 80% concentration in mainland France. However, high operational costs and limited access to financing remain significant barriers, particularly affecting the construction and agrifood sectors, which are highly sensitive to fluctuating material and import costs.

CREATION OF NEW BUSINESSES IN 2023



Source: INSEE, Ile de la Réunion, Dossier Complet (2024)

The Construction Sector in Reunion Island: Promising Growth Under Constrained Conditions

Reunion Island is projected to require 168,900 new housing units by 2035, averaging 7,700 units annually, to meet demographic and socio-economic demands. According to a recent INSEE report, half of this demand is driven by population growth, while the other half results from smaller household sizes due to changing household patterns. Although this demand underscores a clear demographic necessity, supply has fallen short over the past three years due to a challenging socio-economic context and restrictive territorial and environmental frameworks that limit land availability and drive up project costs.

Land Use Regulations Shaping Territorial Development

Three major regulatory frameworks shape urban development on the island:

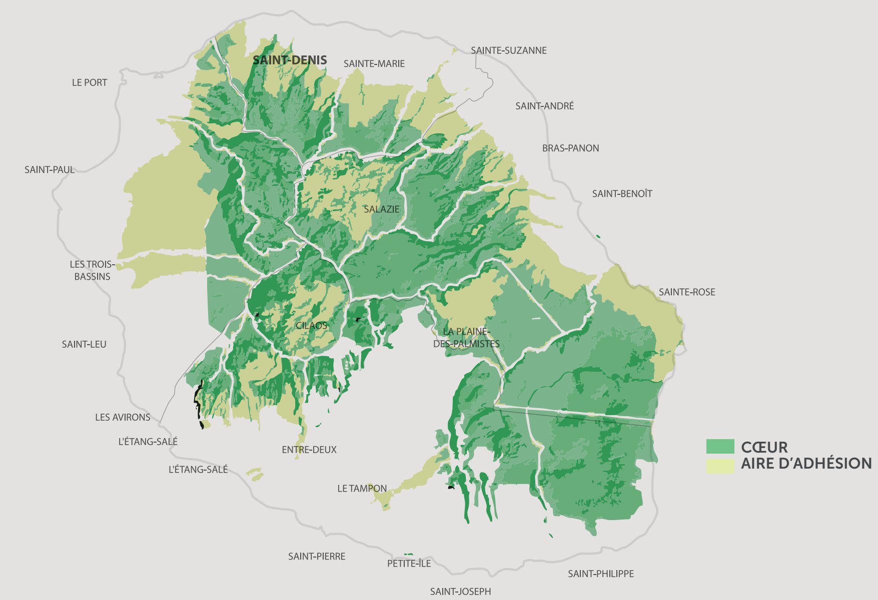
1. **Grand Parc de La Réunion:** This protected heritage area spans 42% of the island and prohibits new construction.
2. **Schéma d’Aménagement Régional (SAR):** This framework tightly regulates zoning and land use to ensure urban expansion does not encroach on protected areas or promote unsustainable land practices.
3. **Zero Net Artificialization (ZAN) Policy:** Mandating "no net land take" by 2050, this policy requires that any new artificialisation of land be offset by the renaturation or restoration of an equivalent area.

These policies aim to balance development with environmental preservation, but restrict new developments mainly to predefined urban zones. Consequently, land prices have surged by over 20% in the last decade, particularly in high-demand areas like Saint-Denis and coastal regions.

The increased costs have raised the average price per square metre for residential construction to EUR 1,600 in 2023, compared to EUR 1,200 on the French mainland. This escalation has rendered affordable housing projects increasingly unviable, constraining the market for both private developers and prospective homeowners.

Moreover, environmental impact assessments required by these regulations can extend project timelines by 6 to 12 months. This delay not only affects public projects but also discourages private sector investment, contributing to a further slowdown in construction activity.

While the implementation framework for the Zero Net Artificialization (ZAN) policy has been eased, it remains part of France’s broader biodiversity strategy, limiting the expansion of built-up areas across all French territories. As a result, urban densification has emerged as the primary alternative, significantly reducing greenfield projects and shifting the focus toward high-density housing solutions, which are often more expensive and complex to develop.



PÉRIMÈTRE EFFECTIF DU PARC NATIONAL DE LA RÉUNION – ARRÊTÉ PRÉFECTORAL N° DU 15-386/SG/DRCTCV4 DU 9 MARS 2025

FOCUS ON REUNION ISLAND

The revenues of the Construction Sector under Pressure

The construction sector, comprising both building and public works, plays a vital role in Reunion Island's economy, with over 6,600 active companies employing more than 18,000 workers in 2023. However, the sector has been under significant strain over the past two years. Turnover fell to EUR 902 million in 2023, marking a 6.9% decline from 2022, which followed an even steeper 10.7% drop the previous year. The sector's performance is closely tied to public procurement, which accounted for 77% of its revenues in 2023. While public investments have provided some stability, private sector participation remains weak, particularly in residential construction, where rising financing costs and volatile material prices have constrained activity.

Residential Market: Demand Outpacing Supply

The residential market has been especially impacted. The number of housing starts declined by 12.3% in 2023, after an even sharper 19.3% drop in 2022. Building permits also fell by 9.4%, reflecting the challenges developers face in launching new projects. This downturn has exacerbated the gap between supply and demand, pushing property prices higher. In 2023, median residential property prices in urban areas rose by 7%, making it increasingly difficult for middle-income families to afford homeownership.

Public Investment: A Mixed Picture

On the public investment side, spending rose by 6.3% in 2023, reaching EUR 392 million. Notable projects included the expansion of the Grand Port Maritime and the acquisition of a EUR 47 million floating dock aimed at establishing a local ship repair industry. Additionally, investments by the Regional Council surged by 24.2%, although these funds were largely directed toward transport and utility infrastructure rather than housing. While beneficial for long-term development, these investments do little to address the immediate housing shortage.

The Opportunities and Challenges of the Construction Materials Industry

The construction materials industry in Reunion Island exhibits strong potential for innovation and growth. Between 2010 and 2020, sand and aggregate production increased by 4.9% annually, while concrete production saw a 4% rise each year since 2018, reaching 500,000 m^3 in 2021. This growth has largely been driven by public infrastructure projects, including significant road and port expansions. Additionally, there is a growing demand for eco-friendly concrete mixes and new technologies that align with green building standards, as the industry shifts toward environmentally responsible and more sustainable solutions.

Moreover, the industry's fragmented structure presents opportunities for strategic consolidation. Mergers and acquisitions could enhance economies of scale within the supply chain, reduce overhead costs, and reinforce market positioning. This consolidation would facilitate operational deconcentration across Reunion Island, optimising resource allocation and improving resilience. This makes the industry an attractive target for investors seeking sustainable, long-term growth.

The construction materials industry in Reunion Island also faces some unique challenges that create significant barriers to entry. The island's rugged geography and dispersed urban centres necessitate a decentralised production model to control transport costs and avoid delays. Additionally, access to quarrying resources is limited, while strict licensing requirements and environmental compliance add layers of complexity that further restrict new entrants. Companies like Bazalt Réunion have strengthened their market position by securing long-term extraction rights through their subsidiary, SORECO.

Sources

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Hoarau, JF, (2018). *Un état des lieux du modèle économique réunionnais hérité de la départementalisation : entre miracle et incomplétude.* La Lettre du CEMOI, 2018, 14, pp.1-7. hal-03546556

WITH FOUNDATIONS STRONG, WE PAVED THE PATH TO NEW HORIZONS.

With the foundations laid and the island's landscape transformed, **UBP** turned its sights beyond construction. Enter **Espace Maison**, a retail chain dedicated to home building and decorating products, fittings, tools and garden accessories proving that **UBP**'s innovation extends far beyond mortar and stone, as it continues to build a rock-solid future for Mauritius.

STATEMENT OF COMPLIANCE

(as per Section 75(3) of the Financial Reporting Act 2004)

Name of Public Interest Entity ("PIE"): **The United Basalt Products Limited**

Reporting Period: **Year ended June 30, 2024**

We, the Board of Directors of The United Basalt Products Limited (the "Company"), confirm that to the best of our knowledge, the Company has complied with all of its obligations and requirements under the principles of The National Code of Corporate Governance for Mauritius (2016) ("the Code"), in all material respects.

On behalf of the Board

Jean-Claude Béga
Chairman

Stéphane Ulcoq
Group CEO

September 26, 2024

CORPORATE GOVERNANCE REPORT

The United Basalt Products Limited (referred to as the "Company" or "UBP") was incorporated as a public company in July 1953. The shares of the Company have been listed on the Official Market of the Stock Exchange of Mauritius Ltd since 1989. The Company qualifies as a Public Interest Entity ("PIE") under the Financial Reporting Act 2004.

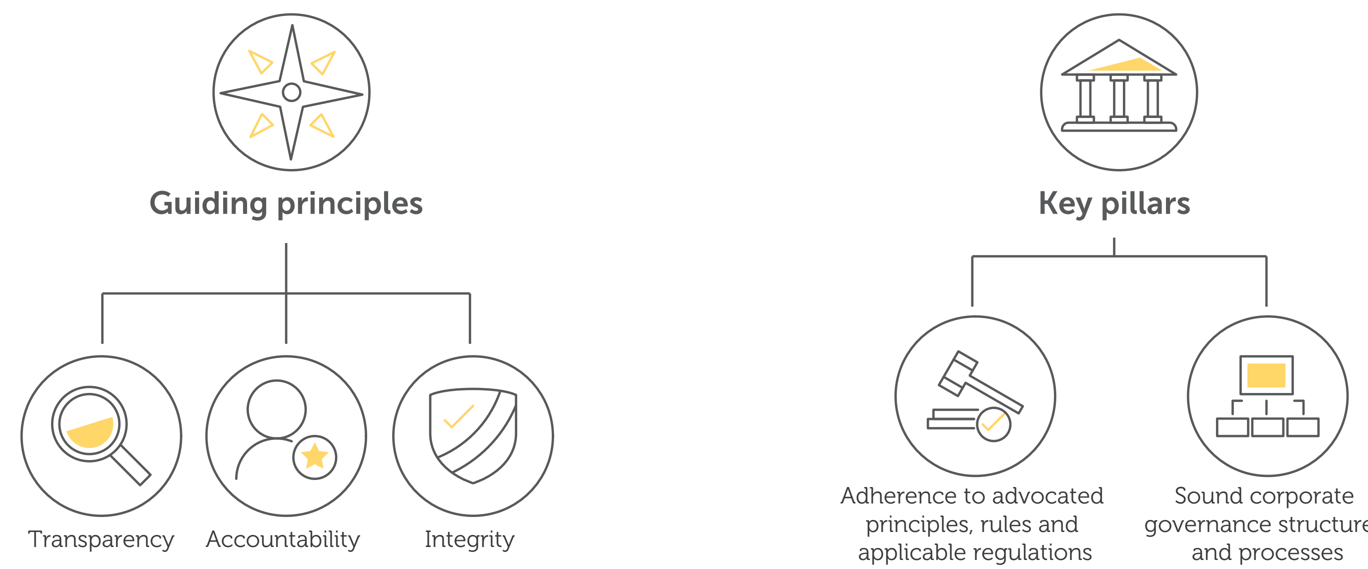
The Board of Directors recognises that the Code sets out the best practices in terms of corporate governance and acknowledges that the principles of the Code have been applied in all material respects within the Group, as explained in the report.

GOVERNANCE AT A GLANCE

1. PHILOSOPHY

The Board is committed to entrenching the highest standard of governance in the Group's corporate culture to sustain its strategic orientation in view of building and enhancing stakeholder value. Being mindful of the evolving operating context, such practices are reviewed, as required, to ensure that the Group retains the flexibility to respond proactively to opportunities and challenges. The Group's corporate governance framework is illustrated below.

CORPORATE GOVERNANCE FRAMEWORK



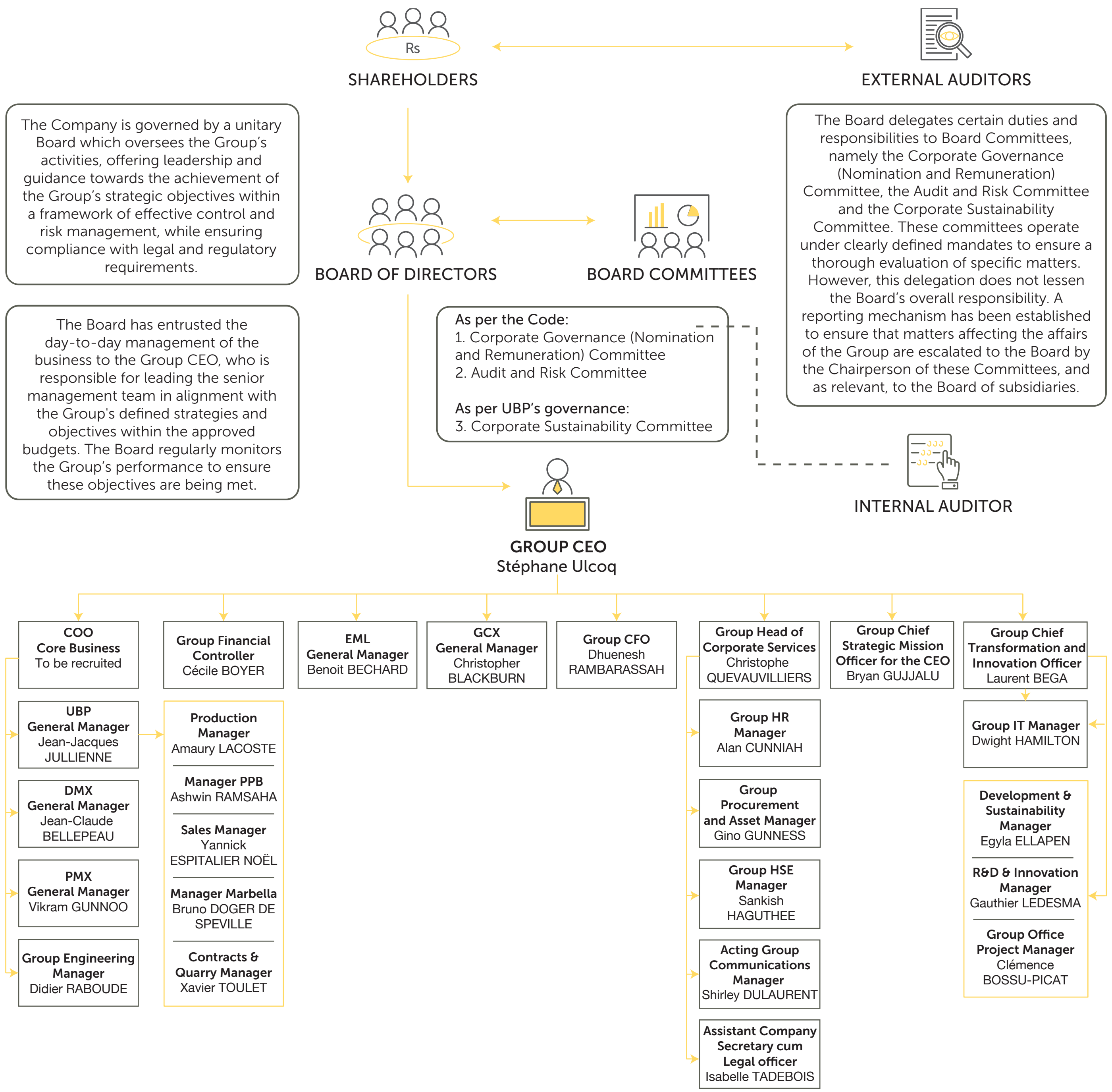
Setting the tone from the top is an important part of the Board's role and helps to foster a culture centred on those guiding principles. Beyond operationalising regulatory requirements, the Group is managed with utmost integrity, enhanced accountability, sound risk and performance management, transparency and effective leadership.

The Code of Ethics further governs the relationship with our stakeholders and sets out the professional and ethical behaviour expected and required from employees for both internal and external interactions. A report is submitted annually to the Corporate Governance Committee for the monitoring and evaluation of compliance with its established ethical principles and standards.

CORPORATE GOVERNANCE REPORT

2. GOVERNANCE STRUCTURE

The Group's governance framework, as further illustrated below, caters for the clear delegation of authority and lines of responsibility, while the role of stewardship is bestowed upon the Board.



EML: Espace Maison Ltée **GCX**: Compagnie de Gros Cailloux Limitée **DMX**: Drymix Ltd **PMX**: Premix Ltd

The Board is responsible for the overall operations of the Company and its subsidiaries and to ensure that the key information and guidance documents are made available to all employees in view of promoting good governance.

Key Roles and Responsibilities

A Board Charter, a Directors' Charter, Position Statements and job descriptions, duly approved by the Board, clearly define the roles and responsibilities of the Board, the Chairman, Executive, Non-Executive and Independent Non-Executive Directors and the Company Secretary. The role and responsibilities of the Chairman leading the Board is distinct to those of the Group CEO, who manages the Group's business on a day-to-day basis.

The above-mentioned documents are available on the Company's website - **www.ubp.mu.**

Key Governance Positions

The Board promotes sound corporate governance practices to create and sustain value creation. The Chairman, the Chairperson of the Audit and Risk Committee, the Chairperson of the Corporate Governance Committee, the Group CEO, the Group Head of Corporate Services, the Group CFO and the Company Secretary, who hold key governance positions, play an important role in ensuring that such practices permeate throughout the Group. The key responsibilities of the Chairman, the Group CEO, the Group CFO and the Company Secretary are detailed hereunder and their respective profiles are detailed on pages 145 to 146 of this report.

Chairman

- Effectively leads the Board.
- Guides and monitors the functioning of the Board of Directors, to encourage active participation of Directors, to ensure the accurate documentation of proceedings.
- Encourages a culture of openness, respect and trust and ensures constructive board discussions.

Group CEO

- Develops and proposes to the Board of Directors the Group's strategic plan for the sustainable creation of value for its stakeholders.
- Leads the executive management of the Group's business in consistency with the strategy and commercial objectives agreed with the Board.
- Builds key partnerships with stakeholders and acts as a point of contact for important shareholders.
- Builds and maintains an effective top management team capable of delivering the Group's strategy and commercial objectives and identity, develops and recruits new talent to ensure effective succession to top management positions together with the Corporate Governance Committee.
- Manages and controls all aspects of the Group's businesses, ensuring that the Group's operations are conducted within legal and regulatory requirements.
- Promotes a positive, constructive and ethical work climate.

CORPORATE GOVERNANCE REPORT

2. GOVERNANCE STRUCTURE (CONTINUED)

Key Governance Positions (Continued)

Group CFO

- Provides financial leadership to the Group and aligns the Group's business and financial strategy.
- Supports the Group CEO in the implementation of the strategy.
- Responsible for financial planning and analysis.
- Responsible for reporting timely and accurate financial information.
- Participates in key decisions as a member of the executive management team to promote and enhance the Group's value.
- Manages key elements of the Group's risk profile.
- Manages investor relations.

Company Secretary

- Responsible for ensuring that Board procedures are followed and for providing guidance to Directors concerning their duties, responsibilities and powers.
- Administers, attends and prepares minutes of all Board and stakeholders' meetings.
- Assists the Chairman and the Board in ensuring that Board procedures are followed and that the Company's Constitution and relevant rules and regulations are complied with, and in implementing and strengthening good governance and ethical practices and processes within the Group with a view to enhance long-term stakeholders' value.

Company's Constitution

In 2004, the shareholders adopted a new Constitution which complies with the provisions of The Companies Act 2001 and those of the Listing Rules of the Stock Exchange of Mauritius Ltd. There are no clauses of the Constitution deemed material for specific disclosure. A copy of the Constitution is available on the Company's website - **www.ubp.mu.**

3. THE BOARD

Mandate

The Board provides effective leadership and direction to build and sustain long-term value creation for the Group and its stakeholders, while ensuring an outcome-focused compliance framework. The Board determines the pertinent matters relating to the strategy and operations of the Company and its subsidiaries, both locally and abroad.

The general powers of the Board are conferred in the Company's Constitution and are in line with The Companies Act 2001.

Role and Responsibilities

A Board Charter, aiming to regulate how the business is conducted by the Board, was endorsed by the Board in May 2018 and last reviewed in 2022. The Board Charter is reviewed every 5 years.

Responsibilities

The key responsibilities, as further detailed in the Charter, pertain to, inter alia:

GROUP STRATEGIES	RISK MANAGEMENT AND INTERNAL CONTROL	STATEMENT OF ACCOUNTABILITY	ACCOUNTING AND FINANCIAL MONITORING AND REPORTING	SIGNIFICANT CORPORATE ACTIVITIES	CORPORATE GOVERNANCE AND ETHICS

THE BOARD OF DIRECTORS

Principles & Methodologies

The Board exercises its powers and performs its duties through the following principles and methodologies, inter alia:

- the Chairperson of the Board shall be a Non-Executive Director;
- the existence of an appropriate balance of Executive, Non-Executive and Independent Non-Executive Directors on the Board, with at least 25 per cent women on the Board;
- the creation of Board Committees;
- adherence to the Group's Code of Ethics and other governance policies, such as the Share Dealing Policy and the Conflict of Interest and Related Party Transactions Policy;
- the approval of the strategic orientation of the Group and the monitoring of management in respect of the implementation of the plans and strategies and compliance with set policies;
- the existence of clear lines of responsibility and accountability throughout the Group and compliance with the regulatory framework;
- the review of the reports in respect of the Group's internal control systems;
- the approval of the Group's risk appetite and the monitoring of the Risk Management Framework;
- the existence of a formal Directors' remuneration policy; and
- the provision of accurate information in a timely manner to stakeholders.

CORPORATE GOVERNANCE REPORT

3. THE BOARD (CONTINUED)

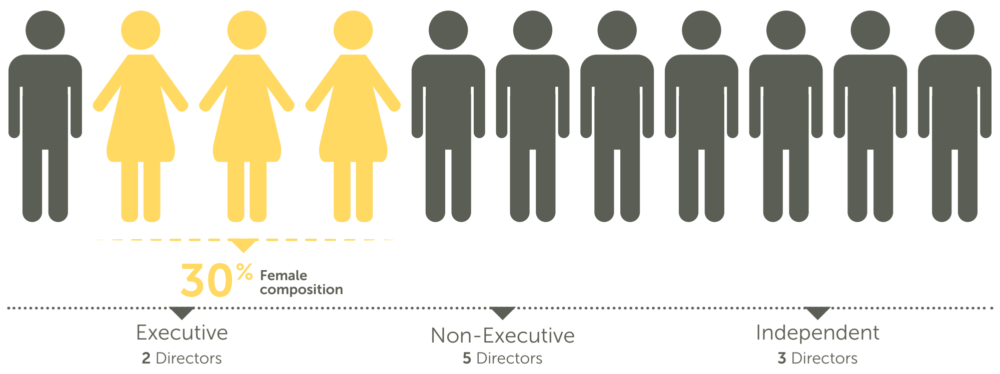
Board Composition

The Company's Constitution stipulates that the Board shall consist of a minimum of seven and a maximum of fifteen Directors.

The Board of the Company is of the opinion that based on its size and the specificities of its operations, it possesses the right balance of Executive, Non-Executive and Independent Non-Executive Directors.

At the time of writing, the Company is headed by a committed and effective unitary Board of ten Directors from broad industry and professional backgrounds and with varied experience and expertise, all of which bring valuable perspectives to the Board.

OUR BOARD



The two Executive Directors are the Group CEO and the Group Head of Corporate Services / Company Secretary.*

The Independent Non-Executive Directors reinforce impartiality and objectivity on the Board, and enhance competencies, knowledge and experience which enrich Board discussions and contribute towards a high performing and effective Board.

In accordance with the Code, the Board considers an Independent Director as one who:

- is not a representative or member of the immediate family of a shareholder who has the ability to control or significantly influence the Board or management;
- has not been employed by the Company or the Group of which the Company currently forms part in any executive capacity for the preceding three financial years;
- is not a professional advisor to the Company or the Group of which the Company currently forms part other than in a Director capacity;
- is not a significant supplier to, debtor or creditor of, or customer of the Company or the Group of which the Company currently forms part, or does not have a significant influence in any group related company in any one of the above roles;
- has no significant contractual relationship with the Company or the Group of which the Company currently forms part;
- is free from any business or other relationship which could be seen to materially impede the individual's capacity to act in an independent manner; and
- has no cross-directorship with any other Director.

** Note: Since August 16, 2024, the company secretarial function is being outsourced to IBL Management Ltd.*

Knowledge and Experience Matrix

During the year, a comprehensive Knowledge and Experience Matrix was developed and implemented as a strategic tool to assess the capabilities and needs of our Board of Directors. This matrix has proven essential in identifying key areas where the Board's expertise could be enhanced. Notably, the matrix highlighted a gap in legal expertise, which was subsequently addressed by recruiting a new Director with significant legal acumen.

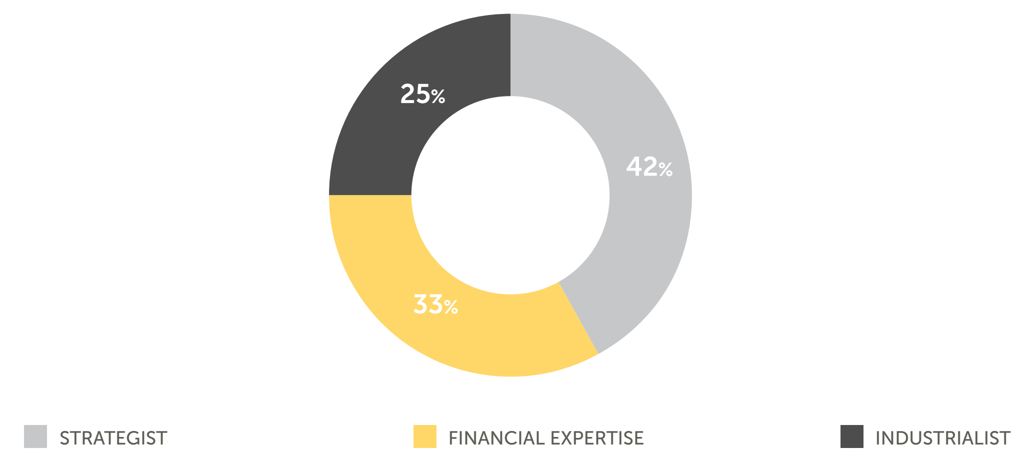
This exercise has also enabled the Board to identify the need for an additional Director with expertise and experience in our industry.

In addition, initial discussions regarding the governance structure of our holding company in Reunion Island have indicated the potential need for an additional independent Director with a regional experience. This matter is currently under consideration and remains an ongoing topic of discussion as we continue to strengthen our governance framework.

Profile Summary

Our Board demonstrates a well-rounded blend of expertise, essential for driving the Company's growth and innovation. The Board's profile score reflects a balanced composition, with **42% identified as Strategists, 33% as Financial Experts, and 25% as Industrialists.** This diverse expertise ensures that the Group approach challenges from multiple perspectives, leveraging strategic insights, financial acumen, and industrial knowledge to create robust solutions.

PROFILE SCORE



CORPORATE GOVERNANCE REPORT

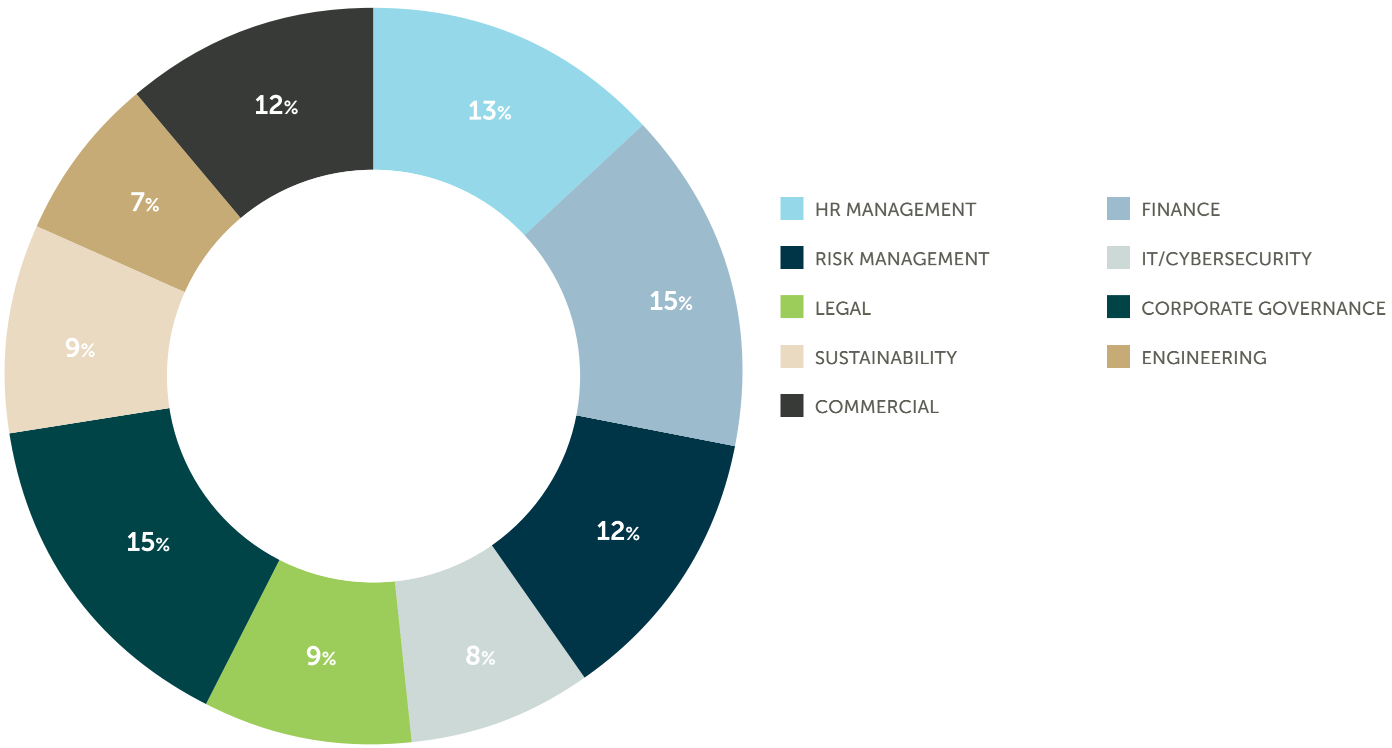
3. THE BOARD (CONTINUED)

Knowledge and Experience Matrix (continued)

Knowledge Areas

The knowledge base of our Board members is comprehensive, covering critical areas that support our development goals. Notably, **Corporate Governance (15%)** and **Finance (15%)** are among the strongest knowledge areas, reflecting our focus on sound financial management and robust governance structures. Additionally, **Commercial (12%)** and **IT/Cybersecurity (8%)** represent key areas where the Board has expertise, enabling the Group to navigate the complexities of modern markets and safeguard our digital infrastructure.

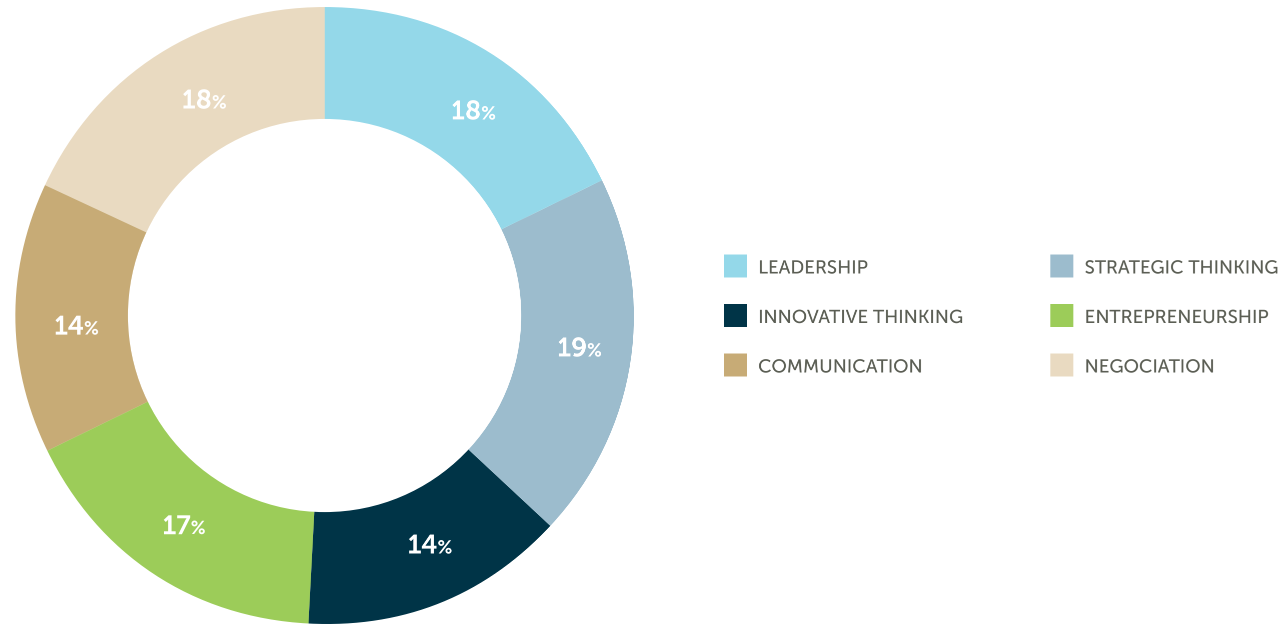
KNOWLEDGE



Skills

The skill set within the Board members is equally diverse, with a strong emphasis on **Strategic Thinking (19%)** and **Leadership (18%)**. These skills are critical for steering the Group towards its long-term objectives and ensuring that our strategic initiatives are implemented effectively. The Board displays **Innovative Thinking (17%)** and **Entrepreneurship (14%),** reflecting our commitment to fostering creativity and innovation in all aspects of our development process.

SKILLS



CORPORATE GOVERNANCE REPORT

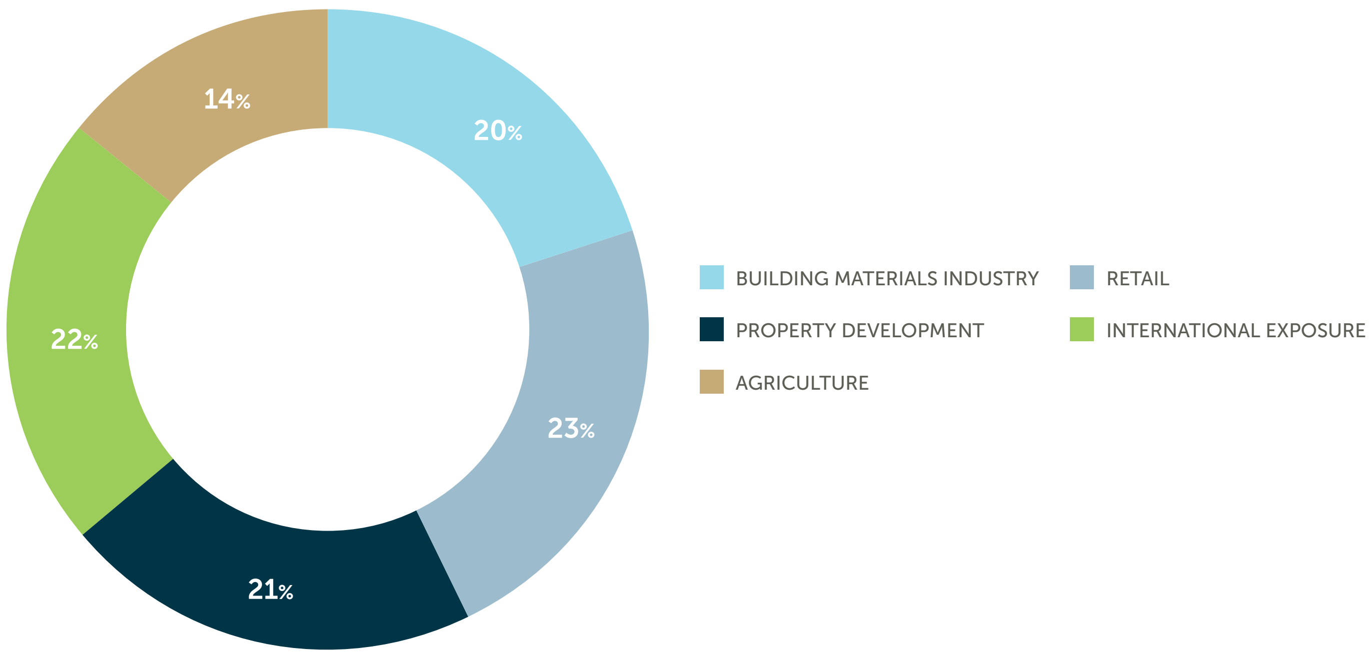
3. THE BOARD (CONTINUED)

Knowledge and Experience Matrix (continued)

Experience

The Board members experience is broad-based, with significant exposure to **Retail (23%)** and **International Markets (22%)**. This experience positions the Group well to capitalize on global opportunities. The Board members also have valuable experience in **Property Development (21%)** and **Building Materials Industry (20%)**.

EXPERIENCE



PROFILES OF DIRECTORS AS AT AND FOR THE YEAR ENDED JUNE 30, 2024

Jean-Claude Béga
Non-Executive Chairman
Resident in Mauritius

Mr Jean-Claude Béga was appointed as Director of the Company on April 20, 2022 and as Chairman of the Board on July 01, 2022. He is also a member of the Corporate Governance Committee of the Company and of the Advisory Committees of the Company and of Premix. Born in 1963, Mr Béga is a Chartered Certified Accountant and has retired from IBL Ltd on June 30, 2023 after 26 years of service. He is also the Non-Executive Chairman of Lux Island Resorts Ltd and of BlueLife Limited and serves as Non-Executive Director on a number of affiliates and subsidiaries of the above three companies.

Jan Boullé
Non-Executive Director
Resident in Mauritius

Mr Jan Boullé was appointed as Non-Executive Director to the Board on November 07, 2018. Born in 1957, he qualified as an 'Ingénieur Statisticien Economiste' (France) and pursued post graduate studies in Economics at Université Laval, Canada. Mr Boullé has been the Non-Executive Chairman of IBL Ltd since July 01, 2016. Prior to this nomination, he worked for the Constance Group from 1984 to 2016 and occupied various executive positions and directorships. Mr Boullé is also a member of the Board of Directors of several major listed companies, namely BlueLife Limited, Lux Island Resorts Ltd, Phoenix Beverages Limited, Phoenix Investment Company Limited and other non-listed Mauritian companies.

Stéphane Brossard
Independent Non-Executive Director
Resident in Reunion Island

Mr Stéphane Brossard was appointed as Independent Non-Executive Director to the Board on May 12, 2021. Born in 1971 in France, Mr Brossard holds a 'Diplôme d'Ingénieur' from 'École Centrale de Nantes'. He was also appointed as member of the Board of Directors of the 'Fédération Réunionnaise du Bâtiment et des Travaux Publics' (FRBTP) in 2005 and Chairman in 2011 and 2012. Mr Brossard has been CEO of CMOI, EIFFAGE TP REUNION and Wealth Director of CBO TERRITORIA and is currently the Chairman of ARGOS INDUSTRIE, a company operating in the construction sector in Reunion Island. On August 11, 2022, Mr Brossard was appointed on the Board of Directors of 'Conseil d'Architecture d'Urbanisme et de l'Environnement' (CAUE), a French departmental body created by the 1977 law and architecture to promote architectural, urban, landscape and environmental quality.

Catherine Gris
Independent Non-Executive Director
Resident in Mauritius
(resigned on December 15, 2023)

Mrs Catherine Gris was appointed as Independent Non-Executive Director to the Board in October 2018 and resigned as Director of the Company on December 15, 2023. Born in 1958, she holds a 'Diplôme en Sciences Politiques' from the 'Institut d'Études Politiques' of Paris, France. She has proven experience in strategic economic development and project development. Mrs Gris was the CEO of the Association of Mauritian Manufacturers (AMM) from October 2009 to June 2018 and stands as special adviser to the Board and mentor of the team. She also served as an independent member of the Board of Trimetys Ltd and Cap Tamarin Ltée and as Board member of the Economic Development Board (EDB).

Stéphane Lagesse
Non-Executive Director
Resident in Mauritius

Mr Stéphane Lagesse was appointed Director of the Company on November 11, 2011. Born in 1959, Mr Lagesse holds a degree in 'Gestion des Entreprises' from the University of Paris IX Dauphine. He participated in the setting up of two garment manufacturing companies in Mauritius and is the Alternate Director of Mr Thierry Lagesse on the Board of IBL Ltd.

Thierry Lagesse
Non-Executive Director
Resident in Mauritius

Mr Thierry Lagesse was appointed Director of the Company on December 20, 1989, and subsequently Chairman of the Board in December 2002 until August 2013. Born in 1953, Mr Lagesse holds a 'Maîtrise des Sciences de Gestion' from the University of Paris Dauphine. He is the Founder of the Palmar Group, a textile and garment-oriented manufacturing company and a visionary entrepreneur, having launched Parabole Reunion Group of Companies in 1999, a Direct To Home satellite television company in the Indian Ocean Islands. He is also the Executive Chairman of Parabole Group and presently serves as Director on several well-known companies listed on the Stock Exchange of Mauritius namely: Alteo Limited, IBL Ltd, Lux Island Resorts Ltd, Phoenix Beverages Limited and Phoenix Investment Company Limited.

Christine Marot
Non-Executive Director
Resident in Mauritius

Mrs Christine Marot was appointed Director of the Company on July 16, 2020. Born in 1969, Mrs Marot is an Accountant by profession and followed an Executive Management Programme from ESSEC (Ecole Supérieure des Sciences Economiques et Commerciales) Business School. She started her career with De Chazal du Mée & Co (now known as BDO) and was the Finance Executive of GML Management Ltée where she was involved at a senior level in businesses across the IBL Group, formerly known as the GML Group. She was also appointed as Acting CEO of BlueLife Limited in November 2014 and CEO in May 2015. Since July 2020, Mrs Marot is the Group Head of Technology and Sustainability of IBL Ltd. She is also responsible for the Life & Technologies clusters of IBL Ltd as well as the 'Fondation Joseph Lagesse'.

CORPORATE GOVERNANCE REPORT

3. THE BOARD (CONTINUED)

Profiles of Directors as at and for the year ended June 30, 2024 (Continued)

Christophe Quevauvilliers
Group Head of Corporate Services
Executive Director and Company Secretary
Resident in Mauritius

Mr Christophe Quevauvilliers, born in 1968, is a Fellow member of the Association of Chartered Certified Accountants. He joined the Group as Finance Manager and Company Secretary in May 2002 after having spent ten years in public practice at De Chazal Du Mée & Co (now known as BDO) and four years in the industrial sector. In 2013-2014, he completed a General Management Program delivered by the ESSEC (Ecole Supérieure des Sciences Economiques et Commerciales) Business School. In September 2015, Mr Quevauvilliers resigned as Company Secretary and was appointed as Executive Director to the Board, effective as from October 01, 2015. He also sits on the Board of several companies within the Group and was appointed Company Secretary in March 2023. In January 2024, Mr Quevauvilliers was appointed Group Head of Corporate Services as part of the restructuring exercise carried out in view of the major acquisition in Reunion Island.

Aruna L.V. Radhakeesoon
Independent Non-Executive Director
Resident in Mauritius

Mrs Aruna L. V. Radhakeesoon was appointed as an independent, Non-Executive Director to the Board on October 25, 2023 and Chairperson of the Corporate Governance Committee on December 15, 2023. Mrs Radhakeesoon is a seasoned senior corporate executive with 22 years' experience in Mergers and Acquisitions, Restructuring, Business Strategy, Risk Management, Change Management, Stock Market regulations, Board practices, Regulatory Compliance and Corporate Governance. She is a practising Attorney-at-Law and a Solicitor of England and Wales. She holds a BA (Hons) Jurisprudence (Law) from Balliol College, Oxford University and read Executive Education Programs at London Business School and INSEAD. She is the Chair of (i) the National Committee on Corporate Governance, (ii) the Central Depository & Settlement Co. Ltd. and (iii) NanoSAIO Ltd. She is also a member of the Credit Risk Committee of Care Ratings Africa Private Ltd. She has recently been appointed as an independent Director of Absa Bank (Mauritius) Ltd. Through the National Committee on Corporate Governance, she has spear headed the corporate governance agenda of Mauritius. She has led complex projects to fruition, influenced changes in corporate behaviour and broken new grounds within the sectors she has worked in. She was until mid-2022 Executive Director, Chief Legal & Compliance Executive of Rogers and Company Limited, listed on the official market of the Stock Exchange of Mauritius Ltd. She has since opened her own practice, Prakriti One Ltd and acts as independent legal, governance and compliance Consultant.

Kalindee Ramdhonee
Independent Non-Executive Director
Resident in Mauritius

Mrs Kalindee Ramdhonee was appointed as Independent Non-Executive Director to the Board and Chairperson of the Audit Committee on November 07, 2018. Mrs Ramdhonee was also a member of the Risk Monitoring Committee which later merged with the Audit Committee. Consequently, Mrs Ramdhonee became the Chairperson of the combined Audit and Risk Committee. Born in 1963, fellow member of the Association of Chartered Certified Accountants, Mrs Ramdhonee is a highly accomplished finance professional with over 20 years of experience in finance and operations management within world class local and international business environments in sectors such as Technologies, Telecommunications, Mining, Construction, Financial and Property Development. Mrs Ramdhonee has proven competences in accounting and finance extending to IT, HR, business development and general management functions. She has occupied senior management positions for decades and largely contributed to establishing and grooming business excellence within local groups such as Harel Mallac, Currimjee Jeewanjee as well as international groups, namely African Alliance and BIA Group from Belgium and its African entities. Mrs Ramdhonee is currently the Managing Director of Karics Partners Ltd engaged in advisory and BPO activities.

Stéphane Ulcoq
Group CEO and Executive Director
Resident in Mauritius

Mr Stéphane Ulcoq, born in 1977, holds a 'Diplôme d'Ingénieur en Mécanique' from the 'Institut National des Sciences Appliquées' (INSA) of Rouen, France and an 'MBA International Paris' from the 'Paris Dauphine and La Sorbonne Universities'. He also holds a Certificate in Global Management awarded by INSEAD after having completed three Executive Education Programs at INSEAD Fontainebleau, France and INSEAD Singapore in 2011 and 2012. Mr Ulcoq joined the Company as Assistant Works Manager in 2000 and was promoted Workshop Manager in 2007. In January 2012, Mr Ulcoq was promoted to the post of Production Manager where he was in charge of all production units, both in Mauritius and overseas. In addition to his responsibilities as Production Manager, Mr Ulcoq was appointed Deputy CEO by the Board of Directors in December 2012. He then gradually handed over his duties as Production Manager and was appointed CEO of the Company in January 2015, and eventually Group CEO with effect from July 2015.

Company Secretary

For the year under review, Mr Christophe Quevauvilliers served as the Company Secretary of the Group. His profile is provided on page 24. On August 16, 2024, the company secretarial function of the Company was outsourced to IBL Management Ltd. However, Mr Quevauvilliers continues to serve as Company Secretary for the other entities within the Group.

Directors' Directorships

The directorships of the Directors of the Company in listed companies as at June 30, 2024 are as detailed hereunder:

NAME OF DIRECTORS	LISTED COMPANIES
Mr Jean-Claude Bega	The United Basalt Products Limited BlueLife Limited Lux Island Resorts Ltd
Mr Jan Boullé	The United Basalt Products Limited BlueLife Limited IBL Ltd Lux Island Resorts Ltd Phoenix Beverages Limited Phoenix Investment Company Limited
Mr Stéphane Brossard	The United Basalt Products Limited
Mr Stéphane Lagesse	The United Basalt Products Limited IBL Ltd[1]
Mr Thierry Lagesse	The United Basalt Products Limited Alteo Limited IBL Ltd Lux Island Resorts Ltd Phoenix Beverages Limited Phoenix Investment Company Limited
Mrs Christine Marot	The United Basalt Products Limited Phoenix Beverages Limited Phoenix Investment Company Limited
Mr Christophe Quevauvilliers	The United Basalt Products Limited
Mrs Aruna Radhakeesoon	The United Basalt Products Limited
Mrs Kalindee Ramdhonee	The United Basalt Products Limited Belle Mare Holdings Ltd Terra Mauricia Ltd Compagnie Immobilière Ltée
Mr Stéphane Ulcoq	The United Basalt Products Limited

[1] - Mr Stéphane Lagesse is the Alternate Director of Mr Thierry Lagesse on IBL Ltd.
The complete list of directorship of the Directors is available upon request to the Company Secretary.

CORPORATE GOVERNANCE REPORT

3. THE BOARD (CONTINUED)

Board Meetings

The Board determines the frequency of Board meetings, which are held at least on a quarterly basis to ensure that key matters are dealt with timeously. Meetings are scheduled up to one year in advance so that Directors are able to attend and participate in person. The Board promotes open and rigorous discussions, constructive debates and active participation during meetings. Special ad hoc meetings may also be called from time to time as required.

The Chairman and the Group CEO, assisted by the Company Secretary, are responsible for fixing the agenda and date for each Board meeting.

The Chairman and the Company Secretary ensure that the Directors receive the right information in a timely manner to enable them to make informed business decisions.

The attendance record of Board meetings for the year under review is as shown on page 151.

Focus Areas

The Board met five times this year to examine, consider, discuss or approve, inter alia, the focus areas detailed hereunder. The Board has also approved some decisions by way of written resolutions.

STRATEGY AND PERFORMANCE	GOVERNANCE	RISK MANAGEMENT AND INTERNAL CONTROL	FINANCIAL	OTHER AGENDA ITEMS
During the reporting period, the Board reviewed and approved several key matters, including: • The Group CEO's activity reports, covering the performance of subsidiaries and associates. • Future plans for overseas subsidiaries. • The sale of UBP Madagascar. • The amalgamation of UBP Coffrages Ltée into the holding company. • The significant investment in a group of companies in Reunion Island. • The implementation of a Transformation and Innovation Office. • The restructuring of the Group for improved efficiency. • An agreement aimed at reducing electricity consumption within the Group.	The Board addressed several key governance and management matters, including: • The review of reports from the Chairperson of the Corporate Governance Committee. • The replacement of an Independent Non-Executive Director. • The review of the IT Governance framework. • The development of a Knowledge and Experience Matrix for the Board. • A Board Evaluation exercise. • The restructuring of the management team. • The review of a performance management system and participation bonuses. • The creation of a Corporate Sustainability Committee.	The Board reviewed key updates and reports, including: • Reports from the Chairperson of the Audit and Risk Committee. • Updates on the Group's risk monitoring exercise. • Reports issued by the internal auditors, Messrs BDO & Co. • A review of the Group's cybersecurity measures. • The review of a compliance audit report for the Group companies.	The Board reviewed several important financial and operational reports, including: • Reports from the Chairperson of the Audit and Risk Committee. • The operational and capital expenditure budgets. • The Group's financial performance against budgets. • The Audited Group Financial Statements, the Audited Abridged Group Financial Statements, and the Annual Report for the year ended June 30, 2023. • The quarterly Unaudited Abridged Group Interim Financial Statements. • The approval of financing for the investment in a group of companies in Reunion Island. • The financing of expansion projects for subsidiaries. • The approval of a dividend distribution.	The Board addressed key shareholder and regulatory matters, including: • The Annual Meeting of Shareholders. • The approval of communiqués in compliance with relevant laws, rules, and regulations. • A Special Meeting of Shareholders to approve the investment in Reunion Island. • The selection of a cement supplier for the Group.

Board Committees

The Board delegates certain duties to the Board Committees, namely the Corporate Governance (Nomination and Remuneration) Committee, the Audit and Risk Committee and the Corporate Sustainability Committee, tasked with providing a more comprehensive evaluation of specific matters.

The Charters of the Corporate Governance (Nomination and Remuneration) Committee and of the Audit and Risk Committee, which set out, inter alia, their mandate, composition and meeting requirements are available on the Company's website - **www.ubp.mu**.

CORPORATE GOVERNANCE (NOMINATION AND REMUNERATION) COMMITTEE

MANDATE

The Corporate Governance (Nomination and Remuneration) Committee advises the Board of Directors on all aspects of corporate governance and ensures that the principles of the Code are applied.

The Committee is also responsible for Nomination and Remuneration aspects of the Code and its functions are as follows:

- In its role as Nomination Committee, it reviews the structure, size and composition of the Board, it ensures the right balance of independence, skills and expertise on the Board, it assesses and evaluates the role and independence of each current and potential Director and makes recommendations to the Board for the election and re-election of Directors and for matters relevant to succession planning.
- In its role as Remuneration Committee, its terms of reference include inter alia the development of the Group's general policy on executive and senior management remuneration including the definition of performance measurement criteria and specific remuneration packages for Executive Directors and senior management and the making of recommendations to the Board on all aspects of remuneration.

The Corporate Governance (Nomination and Remuneration) Committee Charter was reviewed and approved by the Board in FY2021. The Committee confirms that it has assumed its responsibilities in accordance with its terms of reference for the year under review.

COMPOSITION

As per its Charter, the Committee shall consist of at least three members, with a majority of Non-Executive Directors.
The Committee is currently constituted as follows:

3
Minimum members

Aruna Radhakeesoon	**Chairperson**
Jean-Claude Béga	**Member**
Jan Boullé	**Member**

The Chairperson is an Independent Non-Executive Director while the other members are Non-Executive Directors.

On October 25, 2023, Ms Aruna Radhakeesoon was appointed as member of the Committee and Chairperson, on December 15, 2023, in replacement of Mrs Catherine Gris.

DISCUSSIONS

The Committee met four times during FY2024 to, inter alia:

- determine, discuss and approve the remuneration of the employees;
- receive the compliance report pertaining to the Code of Ethics of the Company;
- recommend for approval the replacement of one of the Corporate Governance (Nomination and Remuneration) Committee member and the nomination of its Chairperson;
- discuss and recommend for approval the Performance Management System (PMS);
- consider and recommend for approval the Board Evaluation report;
- discuss and circulate the conclusions of the Board's Knowledge and Experience Matrix;
- consider and recommend for approval the remuneration of the Board and Board Committees members;
- review and recommend for approval the Corporate Governance report to be included in the Annual Report;
- review and recommend for approval the Audit and Risk Committee Charter;
- discuss and approve the method for conducting a special meeting of shareholders and voting by poll;
- review and recommend for approval the notices and proxies for the annual and special meetings of shareholders;
- evaluate the new management structure and the role description of the Group Head of Corporate Services and of the Chief Operating Officer;
- recommend the creation of a Corporate Sustainability Committee; and
- review the governance structure of the holding company in Reunion Island.

ATTENDANCE

The attendance record of Committee meetings for the year under review is as shown on page 151. A quorum of two members is currently required for a Committee meeting. The two Executive Directors are in attendance at almost all meetings of the Committee.

REMUNERATION

The remuneration of the Chairperson and of each member of the Committee for the year ended June 30, 2024 amounted to Rs 150,000 (2023: Rs 145,000) and Rs 100,000 (2023: Rs 85,000) respectively.

CORPORATE GOVERNANCE REPORT

3. THE BOARD (CONTINUED)

AUDIT AND RISK COMMITTEE

MANDATE

The Audit and Risk Committee ensures the integrity of accounting and financial reporting and reviews internal control systems and procedures in order to assist the Board of Directors in carrying out its responsibilities. The Committee also monitors the role and scope of work of internal and external auditors and ensures compliance with legal and regulatory provisions.

The Charter of the Audit and Risk Committee was reviewed and approved by the Board on October 10, 2023. The Committee confirms that it has assumed its responsibilities in accordance with its terms of reference for the year under review.

COMPOSITION

As per its Charter, the Committee shall consist of a minimum of three Non-Executive Directors, the majority of whom shall be independent. The Committee is currently constituted as follows:

3 Minimum members

Kalindee Ramdhonee	**Chairperson**
Stéphane Brossard	**Member**
Christine Marot	**Member**

The Chairperson of the Committee and Mr Stéphane Brossard are Independent Non-Executive Directors.

Mrs Christine Marot is a Non-Executive Director.

The Board is of the opinion that the current members of the Committee are able to exercise independent judgement in discharging their responsibilities given their financial management knowledge and experience.

DISCUSSIONS

The Committee met ten times during FY2024 to, inter alia:

- review and recommend to the Board of Directors for approval the Audited Group Financial Statements, the Annual Report and the Audited Abridged Group Financial Statements for the year ended June 30, 2023;
- review and recommend to the Board of Directors for approval and publication the quarterly Unaudited Abridged Group Interim Financial Statements;
- discuss the Group's IT Governance Framework;
- review the external audit Management Letters 2023 from Messrs Deloitte;
- receive the reports of the external auditors, Messrs BDO & Co;
- review the Enterprise Risk Management framework;
- review updates on the Group's risk monitoring exercise;
- review the Group's cybersecurity measures;
- review a compliance audit report for Group companies;
- Appoint a new firm as internal auditor;
- Appoint a firm to review the Enterprise Risk Management (ERM) framework; and
- Review and recommend to the Board the annual operational and capital expenditure budgets.

In so doing, the Committee reviewed internal control systems and procedures in place within the Group.

ATTENDANCE

The attendance record of Committee meetings for the year under review is as shown on page 151. A quorum of two members is currently required for a Committee meeting. The Group CFO and the Group Head of Corporate Services are in attendance at all meetings of the Committee whilst the Group CEO, the internal and external auditors and some members of the management attend the meetings on invitation depending on the agenda.

REMUNERATION

The remuneration of the Chairperson and of each member of the Committee for the year ended June 30, 2024, amounted to Rs 350,000 (2023: Rs 212,500) and Rs 220,000 (2023: Rs 135,000) respectively.

Corporate Sustainability Committee

The Board of Directors has acknowledged the need for a Corporate Sustainability Committee ('CSC') to oversee and guide the company's sustainability strategy, ensuring integration with overall corporate objectives and compliance with Environmental, Social and Governance ('ESG') requirements. The Committee has assigned the Transformation and Innovation Office, supported by the Development & Sustainability Manager, to set up a team, manage tasks, and provide feedback for UBP's corporate sustainability missions.

MANDATE

The Corporate Sustainability Committee oversees and guides the company's sustainability strategy, ensuring alignment with overall corporate objectives and compliance with ESG requirements. Key focus areas include environmental management, social impact initiatives, corporate governance, stakeholder engagement, and sustainability reporting.

The Group Chief Transformation and Innovation Officer will collaborate with the CEO and senior management to develop a master plan and a roadmap for implementation. The T&I Office will ensure that the necessary resources and frameworks are in place to execute the plan effectively.

The chairperson of the Corporate Sustainability Committee (CSC) will report to the Board of UBP as needed.

COMPOSITION

The Committee is currently constituted as follows

Aruna Radhakeesoon	**Chairperson**
Stéphane Brossard	**Member**
Christine Marot	**Member**
Stéphane Ulcoq	**Member**
Laurent Béga (CT&IO)	**In attendance**
Egyla Ellapen	**In attendance**

The first Committee meeting was held on June 27, 2024 to take note of the Committee's terms of reference and to take cognizance of the sustainability initiatives undertaken within the Group as at date.

Meetings Attendance

The meetings attendance for the year ended June 30, 2024, was as follows:

Directors	Board	Corporate Governance Committee	Audit and Risk Committee	Corporate Sustainability Committee	Annual Meeting of Shareholders	Special Meeting of Shareholders
Jean-Claude Béga	5 out of 5	4 out of 4			1 out of 1	1 out of 1
Jan Boullé	4 out of 5	4 out of 4			0 out of 1	1 out of 1
Stéphane Brossard	5 out of 5		9 out of 10	1 out of 1	0 out of 1	0 out of 1
Catherine Gris[1]	3 out of 3	1 out of 1			1 out of 1	
Stéphane Lagesse	2 out of 5				1 out of 1	1 out of 1
Thierry Lagesse	1 out of 5				0 out of 1	0 out of 1
Christine Marot	5 out of 5		10 out of 10	1 out of 1	1 out of 1	1 out of 1
Christophe Quevauvilliers	5 out of 5				1 out of 1	1 out of 1
Aruna Radhakeesoon[2]	3 out of 3	3 out of 3		1 out of 1	1 out of 1	1 out of 1
Kalindee Ramdhonee	5 out of 5		10 out of 10		1 out of 1	0 out of 1
Stéphane Ulcoq	5 out of 5			1 out of 1	1 out of 1	1 out of 1

1. Mrs Catherine Gris resigned as Director of the Company and as Chairperson of the Corporate Governance Committee on December 15, 2023.
2. Ms Aruna Radhakeesoon was appointed as Director of the Company and as member of the Corporate Governance Committee on October 25, 2023. She was appointed as Chairperson of the Corporate Governance Committee on December 15, 2023

CORPORATE GOVERNANCE REPORT

3. THE BOARD (CONTINUED)

Other Committees

Advisory Committees

During FY2023, a new governance structure was set up to enable more effective decision making within the Group and align the strategy of the Company with those of all the Wholly-Owned Subsidiaries (WOS) within the Group, by setting up Advisory Committees for the Company itself and for each of the WOS.

MANDATE

The Advisory Committees of the Company and each of the Wholly Owned Subsidiaries (WOS) within the Group have been tasked with addressing strategic and significant operational issues related to each company and offering guidance to both the management and the Board of Directors. The key responsibilities include, but are not limited to:

- Examine, discuss, and review each company's business plans and strategies as proposed by its General Manager and monitor their implementation, while taking into consideration relevant financial and non-financial key performance indicators;
- Discuss and provide insight on any key operational matter pertaining to each company; and
- Evaluate each company's proposed investments, acquisitions and dis-investments.

Information Technology ("IT") Committee

During FY2024, the IT Committee which was constituted as a sub-committee of the Audit and Risk Committee discussed the current IT governance framework within the Group and the necessary measures required to strengthen the said framework. At time of writing the terms of reference of the IT Committee are in the process of being finalised and submitted to the Board for approval.

4. DIRECTOR APPOINTMENT PROCEDURES

Selection, Appointment and Re-election

The Board, through the Corporate Governance (Nomination and Remuneration) Committee and its role as a Nomination Committee, follows a rigorous, formal and transparent procedure to select and appoint new Directors.

1

Identification of needs, profiling & selection

Identification of needs, profiling and selection of Director(s) by the Nomination Committee, by having regards to inter alia, the knowledge required to fill a gap on the Board, the skills required to add value and the extent to which the individual may meaningfully contribute to the affairs of the Board.

The Board favours diversity, including gender in line with sound principles of corporate governance.

2

Recommendation

The Nomination Committee recommends the nomination of the Director(s) to the Board.

3

Appointment

In accordance with the Company's Constitution, the Board has the power to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, such that the total number of Directors at any time does not exceed the number fixed by the Constitution.

4

Re-Election

A Director so appointed shall hold office only until the next following Annual Meeting of shareholders and shall then be eligible for re-election.

Initial discussions regarding the governance structure of our holding company in Reunion Island have indicated the potential need for an additional independent Director with a regional experience. This matter is currently under consideration and remains an ongoing topic of discussion as we continue to strengthen our governance framework.

The Company's Constitution does not provide for the rotation of Directors. Although being of the opinion that the holding of office by Directors relies on their knowledge and experience of the Group's activities to ensure that they exercise the appropriate degree of leadership, skill and judgement required to achieve a sustainable performance over the years, the Corporate Governance (Nomination and Remuneration) Committee has decided to include the re-election of all Directors at the agenda of the Annual Meeting of shareholders of the Company. The Board also continuously encourages its members to acquire new skills.

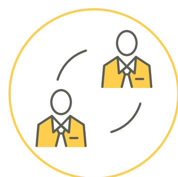
CORPORATE GOVERNANCE REPORT

4. DIRECTOR APPOINTMENT PROCEDURES (CONTINUED)

Board Induction

The Chairman, with the assistance of the Company Secretary, devises a formal and tailored induction programme for new Directors to enable them to develop a sound understanding of the Company and of the Group to effectively contribute to strategic discussions. They are also made aware of their fiduciary duties and responsibilities. The induction programme comprises, inter alia:


Key information and documents


One to one briefings with the Chairman and the Group CEO


Briefings with Senior Managers


Site visits

Professional Development and Training

Directors are encouraged to keep themselves abreast of the latest workplace trends and professional practices. During the year under review, one Director attended a training session organised on risk management and sustainability by the Mauritius Institute of Directors (MIoD).

Time Commitments

The Directors are expected to devote time and meaningfully contribute to the affairs of the Board and to ensure that their other responsibilities do not impinge on those as Director of the Company.

The Board of the Company does not believe that its members should be prohibited from serving on the Board of other organisations unless the number of directorships limits the amount of time they are able to dedicate to being a Director of the Company.

The Executive Directors are, however, not authorised to hold more than two directorships in listed companies outside the Group, including overseas companies. The Board of the Company must give its approval prior to an Executive Director accepting a seat on the Board of any company outside the Group.

Succession Plan

Upon the recommendation of the Corporate Governance (Nomination and Remuneration) Committee, the Board has endorsed a Succession Planning Policy for Directors to ensure a proper diversity and an appropriate balance of knowledge, skills and experience on the Board.

5. DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE

Directors' Duties and Responsibilities

All Directors, whether Executive, Non-Executive or Independent Non-Executive, are bound by fiduciary duties. They have both a legal and moral duty to act independently, in good faith, with due care and skill, and without fetter or instruction. The Directors' Charter duly endorsed by the Board enables the Directors to better perform their duties and ensure that their contribution is fully effective and meets the standards expected from them in terms of independence, ethics and integrity.

Non-Executive and Independent Non-Executive Directors are individuals of calibre and credibility and have the necessary skills and experience to constructively analyse, independently of management, issues of strategy, performance evaluation, resources, equal opportunities and standards of conduct. They play a particularly vital role in providing independent judgement in all circumstances.

Executive Directors on the other hand, exercise their management responsibilities and their fiduciary duties in the best interests of the Company.

Once appointed on the Board, Directors receive the key documents pertaining to their duties and responsibilities. Furthermore, charters, position statements and job descriptions have been devised so that there is a clear division of responsibilities.

Role of the Chairman and of the Group CEO

The Company's leadership model caters for an appropriate balance of power. The roles of the Chairman and of the Group CEO are distinct. They share a positive and constructive working relationship. The key responsibilities of the Chairman and of the Group CEO are detailed on page 137. More information on their respective roles is available on the Company's website - **www.ubp.mu.**

Access to Information

The Directors are provided with concise, adequate and timely information to enable them to make informed decisions and to effectively discharge their duties and responsibilities.

Professional Advice

The Directors perform their duties and exercise their powers to the extent permitted by law. They have the right to seek independent professional advice at the expense of the Company to enable them to discharge their responsibilities effectively.

Directors' and Officers' Insurance and Indemnification

The Directors and the Officers are covered by an indemnity insurance cover for liabilities incurred while performing their duties, to the extent permitted by law.

Share Dealing and Interests Register

The Share Dealing Policy of the Company sets out the Group's policy in respect of dealings in the shares of the Company by Directors, designated employees and their associates, thereby providing clear guidance on the practice to be followed to avoid any misuse of price-sensitive information.

The Directors of the Company have to abide by the principles set out in the Share Dealing Policy of the Company and in the Model Code on Securities Transactions by Directors as stipulated in Appendix 6 of the Listing Rules of the Stock Exchange of Mauritius Ltd. The Company Secretary maintains a Register of Interests which is available for consultation by shareholders upon written request.

Conflict of Interest and Related Party Transactions

A Conflict of Interest and Related Party Transactions Policy has been endorsed by the Board in June 2018 to provide the framework for Directors and Officers of the Company and its subsidiaries to effectively identify, evaluate, disclose and manage potential, actual or perceived conflicts of interest, as well as related party transactions which may arise in relation to the activities of the Group. While the Board is ultimately responsible for developing appropriate policies on conflicts of interest and related party transactions, exercising this responsibility via the Corporate Governance (Nomination and Remuneration) Committee, the Audit and Risk Committee is responsible for addressing questions pertaining to conflicts of interest and related party transactions, and thereafter reports to the Board on such matters.

Directors are expected to discharge their duties and responsibilities objectively and in the best interest of the Company. They should avoid conflicts of interest or situations which might be reasonably perceived as such. Any Director who is directly or indirectly interested in a transaction or proposed transaction is required to disclose the nature of his/her interest, and he/she should not participate in the debate or vote on the matter.

Related party transactions of the Group are conducted in line with the internal policy. Please refer to note 30 of the Notes to the Financial Statements on pages 260 to 262 for details of related party transactions.

CORPORATE GOVERNANCE REPORT

5. DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE (CONTINUED)

Information Governance

The responsibility for information governance within the Company is bestowed upon the Board.

With the accelerated global digital transformation, the Group is committed to adapting and strengthening the IT governance structure to safeguard the confidentiality, integrity, availability and protection of information. The Board ensures that prudent and reasonable steps are taken to ensure that the IT governance forms an integral part of the overall corporate governance of the Group and is managed according to set policies. To fulfil this obligation, the Board is supported by the Audit and Risk Committee and the IT Committee for reviewing information technology risks and actions taken to mitigate them. Since global digital transformations are spurring on, the Group identified information security as one of the key issues to reinforce its IT governance structure.

The management of information technology and the implementation of information security are delegated to the Transformation and Innovation (T&I) Office. Management is responsible for implementing the policies, procedures and practices to protect the Group's information, in line with regulatory and industry norms. The Group ensures that access to information is only available to authorised parties while having physical and logical access controls in place. While the Audit and Risk Committee evaluates the effectiveness of related internal control systems, the infrastructure provides for independent assurance via the internal audit function, which acts as an additional line of defence to assess the suitability of the security policies, standards and related procedures within the Group's entities.

The significant expenditure budgets pertaining to IT for each of the Group's entities are discussed and approved on an annual basis by the Board of UBP.

A description of the Group's IT policies is available on the Company's website - **www.ubp.mu.**

The Board of Directors and the management of the Company are also committed to complying with all relevant laws in respect of personal data, including the General Data Protection Regulation (GDPR) and the Data Protection Act 2017 (DPA) for the protection of the rights and freedoms of individuals whose information are collected and processed in the course of its activities. A Data Protection Management Programme (DPMP) has been devised to this end.

Remuneration Policy

The Corporate Governance Committee, in its role as Remuneration Committee, is responsible for making recommendations to the Board with regard to the definition and development of the Group's general remuneration policy, including determining performance measurement criteria and specific remuneration packages for Executive Directors and senior management and the level of remuneration of Non-Executive Directors.

Furthermore, the Group lays significant emphasis on appointing the right people with the right experience and expertise, whilst rewarding them adequately to ensure engagement and commitment to long-term value creation. In the same vein, the Group Remuneration Policy, endorsed by the Board, sets out rules to ensure equity, transparency and consistency run across the breadth of the Group's remuneration practices.

Please refer to Other Statutory Disclosures on page 164 for a table of total emoluments and benefits received by Directors from the Company and subsidiary companies for the year ended June 30, 2024. The remuneration of Non-Executive Directors was reviewed during the year to align with market trend. The remuneration received consists of a fixed annual directorship fee and an attendance fee in some cases and excludes any remuneration in the form of share options or bonuses associated with the organisation's performance. The current remuneration package of the Group CEO comprises a basic salary, an annual performance bonus and other benefits in kind. The proportion of variable pay to fixed pay is significant and aims at aligning the interests of the Group CEO to those of the Group.

Long-term Incentive Plan

The Company does not have any long-term incentive plan.

Share Option Plan

The Company does not have any Share Option Plan.

Board Evaluation

In June 2023, a comprehensive board evaluation was conducted at the initiative of the Corporate Governance (Nomination and Remuneration) Committee and led by the Chairman to assess the effectiveness and performance of the Board. The findings were compiled into a detailed report, which was discussed and reviewed by the Committee and presented to the Board of the Company. As a result of this evaluation, a task list was established to ensure that all recommendations are implemented and any issues identified are addressed. This proactive approach underscores the Board's commitment to continuous improvement and effective governance.

6. RISK GOVERNANCE AND INTERNAL CONTROL

Risk Governance

The Group is committed to instilling a risk and performance culture. To this end, a risk governance framework is key. Our framework is detailed hereunder:

Risk Governance

The Board of Directors is responsible for the governance of risks and embeds a robust risk management framework as a core competency. The Group's internal control system is designed to manage the risk of failure to achieve business objectives. The Board is ultimately responsible for the setting up and monitoring of the risk governance process, including setting the risk appetite, and the adequacy and effectiveness of internal control systems.

The Audit and Risk Committee assists the Board in the discharge of its duties in relation to risk management and internal control respectively.

Management is responsible for implementing internal control and risk management systems under the supervision of the Audit and Risk Committee respectively to ensure their effectiveness. The aim is to ensure that the assets of the Group are safeguarded, that proper accounting records are maintained and that the strategies and policies adopted by the Board are being implemented. The Board acknowledges that the Group's systems of risk management and internal controls provide reasonable, but not absolute assurance that the Group will not be adversely affected by an event that can be reasonably foreseen.

During the year, the Board has appointed a firm to review and update our Enterprise Risk Management (ERM) framework. Please refer to our Risk Report on pages 44 to 61.

Insurance Coverage

The Board, via the Audit and Risk Committee, ensures that the Group's insurance policies are regularly assessed to guarantee the adequate coverage of the significant risks faced by the Group.

CORPORATE GOVERNANCE REPORT

6. RISK GOVERNANCE AND INTERNAL CONTROL (CONTINUE)

Internal Controls

The Board is responsible for the Group's internal control systems and for reviewing its effectiveness. The Group's internal control framework seeks to ensure the reliability of financial reporting, operations and systems whilst guaranteeing compliance with internally established policies and procedures as well as with laws, regulations and codes of business practice in order to protect the Group's assets and reputation.

The internal control framework recognises the pervasiveness of risks in our Group and is devised to tackle the key risks identified under the Enterprise Risk Management (ERM) Framework. The internal audit function thereafter assesses the effectiveness of the internal controls in mitigating those risks.

The Audit and Risk Committee assists the Board in the discharge of this responsibility and oversees the effectiveness of the Group's internal control systems. Processes are in place to monitor the effectiveness of internal controls, to identify and report any significant issues, and to ensure that timely and appropriate corrective actions are taken. In carrying out its duties, the Audit and Risk Committee receives regular reports from the internal audit function of the Group which is outsourced.

Whistleblowing

In view of upholding the highest level of ethical conduct, the Board has endorsed a Whistleblowing Policy to provide a framework for its employees to raise concerns about any aspect involving malpractices, without fear of reprisal or victimisation. The policy provides details of the process to follow to raise a concern, as well as the possible outcomes related thereto.

7. REPORTING WITH INTEGRITY

The Board is responsible for the preparation of an Annual Report and financial statements in accordance with applicable laws and regulations. Pursuant to the prevailing Companies Act of Mauritius, the Directors are also required to ensure that financial statements are in compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

The Directors are further responsible for the adequate maintenance of accounting records, which disclose at any time and with reasonable accuracy, the financial position and performance of the Company and of the Group. They also have the duty to maintain an effective system of internal control and risk management to safeguard the assets of the Company and of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Being a listed Company, we ensure that our stakeholders are kept fully informed about our activities and that our financial disclosures meet the highest ethical standards. This report sets out the financial, social, environmental and performance outlook relevant to the Group.

Furthermore, a soft copy of the Annual Report of the Group is available on the Company's website - **www.ubp.mu.**

8. AUDIT

External Audit

The Audit and Risk Committee evaluates the independence and work effectiveness of external auditors before making a recommendation to the Board for their appointment and re-appointment. The evaluation encompasses an assessment of the qualifications and performance of the auditors, the quality and integrity of the auditors' communications with the Audit and Risk Committee and the Company and the auditors' independence, objectivity and professional scepticism.

In line with the prevailing Financial Reporting Act 2004, the auditors have been rotated in FY2020. The current auditors of the Company are Messrs. Deloitte Mauritius.

To further ensure that the objectivity and independence of external auditors are not compromised in the conduct of the audit, the Audit and Risk Committee approves any non-audit services provided by them, which are moreover limited to ad hoc advice and assistance.

Please refer to Other Statutory Disclosures on page 164 and 169 for the details of the auditors' remuneration.

Internal Audit

The Group's internal audit function is responsible for providing independent, objective assurance to the Board regarding the implementation, operation and effectiveness of internal control systems, risk management and governance of the Group. The objective is to ascertain the extent of compliance with procedures, policies, regulations and legislation, using a risk-based approach and to recommend improvements in control, performance and productivity within the Group. The Audit and Risk Committee monitors the independence and the objectivity of the internal audit function.

The Board relies on the internal and external audit functions to report on any weaknesses and to make recommendations via the Audit and Risk Committee. The objective is to ensure the effective and efficient use of available resources and ascertain the accuracy of information used in the preparation of financial statements. No restrictions are placed over the right of access by the internal auditor to the records, the management and/or the employees of the Group.

Messrs BDO & Co. were engaged in FY2022 to conduct the internal audit function within the Group. In June 2023, a new mission was assigned for the audit of our engineering division. Due to the resignation of the internal audit partner and many members of the team, the mission was delayed until in February 2024. The objective of this assignment was to provide assurance to the Board on the adequacy and effectiveness of the controls implemented around the equipment maintenance processes at the engineering division of the Company and to review the controls around maintenance costs, supplies/parts inventory, contract management with key suppliers and the pricing basis and to assess the overall efficiency of the division. Potential weaknesses were discussed with the management and potential improvement opportunities were identified in line with best practices. Subsequently, recommendations were made to management as to the way forward to ensure better controls and risks mitigation.

In the course of the year, the Audit and Risk Committee decided to launch a tender exercise to appoint a new firm as internal auditor. Consequently, EY was appointed in May 2024. The methodology used by EY is based on the selection of specific business cycles, the identification of inherent risks, the verification of key controls in place in view of eliminating or reducing the risks to an acceptable level, the verification of the said controls to ensure that they are operating satisfactorily, the performance of walk-through tests on procedures and processes and the formulation of necessary recommendations to management for the implementation of corrective action plans.

In June 2024, a new mission was assigned to EY to conduct a review of the revenue, collections and cash handling process of the Company. The objective of this internal audit mission is to assess and report on the adequacy of the design and the operating effectiveness of controls aiming at mitigating key business risks within the revenue, collections and cash handling processes of the Company. In parallel, EY is conducting a thorough review of operational, financial and compliance risks relevant to the entities within the Group in order to come up with a list of risks to focus on as part of the audit plan for the next three years.

This year again, no financial issues were identified which would materially affect the figures reported in the financial statements. The recommendations are gradually being implemented by management.

CORPORATE GOVERNANCE REPORT

9. RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

Key Stakeholders of the Group

In line with its values, the Company fully engages itself towards responding to its different stakeholders' expectations and taking on board their interests in the decision-making process.

Shareholding Structure

The shareholding structure of the Group at June 30, 2024 is as detailed hereunder:

The United Basalt Products Limited

Subsidiaries[1 & 2]:

- **100%** Espace Maison Ltée
- **100%** Compagnie de Gros Cailloux Limitée
- **100%** Société d'Investissement Rodriguais
  - **75.9%** Welcome Industries Limited
- **100%** UBP International Limited
  - **77%** United Granite Product (Private) Limited
    - **100%** DHK Metal Crusher (Private) Limited[5]
- **100%** Sheffield Trading (Private) Limited[5]
- **76.5%** Sainte Marie Crushing Plant Limited
  - **100%** Société des Petits Cailloux
- **71.8%** Drymix Ltd
  - **80%** Drymat SAS
- **100%** Pricom Ltd[5]
- **100%** Premix Ltd
- **100%** Flacq Associated Stone Masters Limited
- **100%** Bazalt Limited
  - **100%** SAS Bazalt Réunion[4]
  - **100%** SAS Bazalt Support
- **70%** Basalt Solar Ltd

Associates[2]:

- **46%** Terrarock Ltd
- **25%** Cement Transport Ltd
- **20%** Compagnie Mauricienne d'Entreprise Ltée[3]

1 *UBP Coffrages Ltée was amalgamated with the Company and subsequently removed from the register of companies, effective June 26, 2024.*
2 *UBP Madagascar was disposed of on June 26, 2024 and the stake it had in Prochimad Mines et Carrière SARL disposed of in May 2024.*
3 *All assets of Compagnie Mauricienne d'Entreprise Ltée were distributed via a dividend in specie declared at June 30, 2024 and materialised in July/August 2024.*
4 *On July 01, 2024, following the acquisition of the entities in Reunion Island, the shareholding of Bazalt Limited in SAS Bazalt Reunion changed to 90%.*
5 *Dormant.*

The share capital of the Company amounts to Rs 265,100,420 made up of 26,510,042 ordinary shares of no par value.

The Company has as Holding Company, IBL Ltd, incorporated in Mauritius.

Common Directors

The list of common Directors with the shareholder companies holding more than 5% of the share capital of the Company at June 30, 2024 was as follows:

Directors	UBP	IBL Ltd
Jan Boullé	•	•
Stéphane Lagesse*	•	•
Thierry Lagesse	•	•

** Alternate to Mr Thierry Lagesse on the Board of Directors of IBL Ltd.*

There were no common Directors with The National Pension Fund at June 30, 2024

Substantial Shareholders

The shareholders holding more than 5% of the share capital of the Company at June 30, 2024 were as follows:

Shareholders	Number of shares	% Holding
IBL Ltd	8,785,100	33.14
The National Pensions Fund	1,398,175	5.27

Except for the above, no other entity or individual had an interest of 5% or more in the ordinary share capital of the Company.

Shareholding Profile

The share ownership and categories of shareholders at June 30, 2024 were as follows:

Size of shareholding	Number of shareholders	Number of shares owned	Percentage (%)
1 - 500	3,135	280,938	1.06
501 – 1,000	346	254,126	0.96
1,001 – 5,000	675	1,591,253	6.01
5,001 – 10,000	183	1,312,290	4.95
10,001 – 50,000	222	4,512,570	17.02
50,001 – 100,000	38	2,703,939	10.20
100,001 – 250,000	19	2,913,554	10.99
250,001 – 1,000,000	6	2,578,097	10.40
Over 1,000,000	2	10,183,275	38.41
Total	**4,626**	**26,510,042**	**100.00**

CORPORATE GOVERNANCE REPORT

9. RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS (CONTINUED)

Category of shareholders	Number of shareholders	Number of shares owned	Percentage (%)
Individuals	4,214	7,322,555	27.62
Insurance and assurance companies	7	424,177	1.61
Investment and trust companies	27	469,585	1.77
Other corporate bodies	279	13,404,428	50.56
Pension and provident funds	99	4,889,297	18.44
Total	**4,626**	**26,510,042**	**100.00**

In accordance with the Listing Rules of the Stock Exchange of Mauritius Ltd, at least 25% of the shareholding of the Company is in public hands.

Share Registry and Transfer Office

The Company's Share Registry and Transfer Office is outsourced to DTOS Registry Services Ltd.

Total Shareholders' Return

		2020	2021	2022	2023	2024
Share price at the end of the current financial year	Rs	128.50	144.75	139.00	100.00	**86.00**
Share price at the end of the previous financial year	Rs	131.25	128.50	144.75	139.00	**100.00**
Increase/(decrease) in share price	Rs	(2.75)	16.25	(5.75)	(39.00)	**(14.00)**
Dividend per share	Rs	1.90	3.00	3.00	0.00	**1.75**
Total return per share	Rs	(0.85)	19.25	(2.75)	(39.00)	**(12.25)**
Total return based on previous year's share price	%	(0.65)	14.98	(1.89)	(28.06)	**(12.25)**

Dividend Policy

The Company has no formal set dividend policy. The payment of dividend is subject to the Company's performance, its cash flow position, its capital expenditure and debt servicing requirements, as well as its foreseeable investments and growth opportunities. In so doing, the Board of Directors attempts to distribute a yearly dividend which, under normal circumstances, should remain sustainable in the medium to long term.

On June 25, 2024, the Company declared a dividend of Rs 1.75 per share in respect of FY2024 (FY2023: Nil)

Please refer to Financial Highlights and Ratios on pages 8 to 9 for indicators and dividends paid per ordinary share over the past five years to June 30, 2024.

Shareholders' Agreement

At the time of writing, there is no shareholders' agreement to the knowledge of the Company.

Annual Meeting of Shareholders

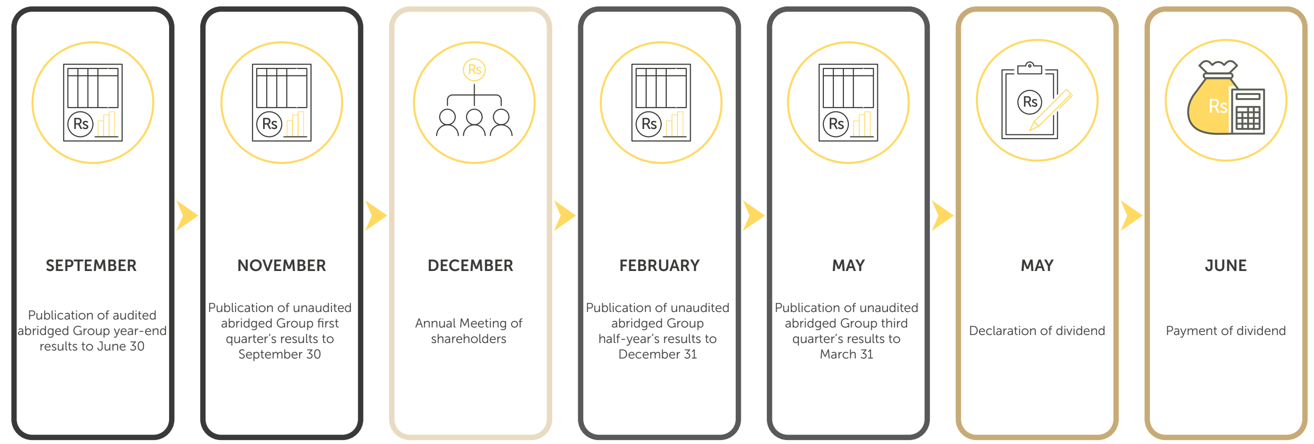
The Company's Annual Meeting is the main forum where the shareholders exercise their rights to decide on the Company's affairs and receive direct feedback from Board members. The external auditors also attend the meeting.

Shareholders are also informed in a timely manner of any relevant information concerning the Company and the Group such that they are able to take decisions in full awareness of their implications. These communications are made either by announcements in the press, the publication of quarterly Abridged Group Financial Statements and disclosures in the Annual Report.

Shareholders' Calendar of Events

Further to the financial year-end in June, the calendar of key events is as follows:

Shareholders' Calendar of Events



This year, dividends were declared in June 2024 and paid to shareholders in August 2024.

OTHER STATUTORY DISCLOSURES

PURSUANT TO SECTION 221 OF THE COMPANIES ACT 2001

ACTIVITIES

The principal activity of the Group remains the manufacture and sale of building materials which consists mainly of our core products: aggregates, rocksand and concrete blocks. Other products include precast concrete slabs, ready-to-use dry mortar, various concrete building components including paving-blocks and roof tiles, ready-mixed concrete, imported floor and wall tiles, sanitary ware and a complete range of home building and decorating products, fittings, tools and garden accessories. Services rendered consist mainly of engineering works by the Company's workshop and contracting services.

The Group is also involved in sugar cane cultivation, the sale of agricultural products, landscaping services and leisure activities through one of its subsidiaries.

Besides Mauritius, the Group is present in Rodrigues, Sri Lanka and Reunion Island. On June 26, 2024 our subsidiary operating in Madagascar was disposed of.

On July 01, 2024, the Company acquired a 90% stake in several entities operating in Reunion Island, in the same line of business as that of the Company.

DIRECTORS

Members of the Board of Directors at June 30, 2024 were:

The Company[1]

Messrs: Jean-Claude Béga – Chairman
Jan Boullé
Stéphane Brossard
Stéphane Lagesse
Thierry Lagesse
Mrs: Christine Marot
Mr: Christophe Quevauvilliers
Mrs: Aruna Radhakeesoon[2]
Mrs: Kalindee Ramdhonee
Mr: Stéphane Ulcoq

1. Mrs Catherine Gris resigned as Director of the Company on December 15, 2023.
2. Ms Aruna Radhakeesoon was appointed as Director of the Company on October 25, 2023.

Subsidiary Companies

1. Espace Maison Ltée

Messrs: Jean-Claude Béga
Christophe Quevauvilliers
Stéphane Ulcoq

2. Compagnie de Gros Cailloux Limitée

Messrs: Jean-Claude Béga
Christophe Quevauvilliers
Stéphane Ulcoq

3. Welcome Industries Limited

Messrs: Jean Claude Béga
Christophe Quevauvilliers
Stéphane Ulcoq

4. UBP International Limited

Messrs: Jean-Claude Béga
Stéphane Ulcoq

5. United Granite Products (Private) Limited

Messrs: Christophe Quevauvilliers
Stéphane Ulcoq

6. Sainte Marie Crushing Plant Limited

Messrs: Stéphane Ulcoq - Chairman
Bryan Gujjalu
Christophe Quevauvilliers
Thierry Sauzier

7. Drymix Ltd

Messrs : Jean-Claude Béga – Chairman
Eric Adam – alternate: Mr Guillaume Jauffret
Jean-Jacques Jullienne - alternate: Mr Bryan Gujjalu
Colin Taylor - alternate: Mr Gaetan Ah Kang
Christophe Quevauvilliers
Stéphane Ulcoq

8. Premix Ltd

Messrs: Jean-Claude Béga
Christophe Quevauvilliers
Stéphane Ulcoq

9. Pricom Ltd

Messrs: Christophe Quevauvilliers
Stéphane Ulcoq

10. Flacq Associated Stonemasters Limited

Messrs: Jean-Claude Béga[1]
Christophe Quevauvilliers
Stéphane Ulcoq

1.Mr Jean-Claude Béga was appointed as Director on August 25, 2023.

DIRECTORS' REMUNERATION AND BENEFITS

The remuneration and benefits received by the Directors, for the year ended June 30, 2024, from the Company and its subsidiary companies were as follows:

REMUNERATION AND BENEFITS RECEIVED	FROM THE COMPANY (Rs)	FROM SUBSIDIARIES (Rs)
Non-Executive Directors		
Jean-Claude Béga	*1,100,000	*50,000
Jan Boullé	*500,000	*50,000
Stéphane Brossard	790,000	25,000
Catherine Gris[1]	300,000	-
Stéphane Lagesse	350,000	50,000
Thierry Lagesse	325,000	-
Christine Marot	*745,000	*50,000
Aruna Radhakeesoon[2]	300,000	-
Kalindee Ramdhonee	925,000	25,000
Executive Directors		
Stéphane Ulcoq (Group CEO)	12,117,430	57,647
Christophe Quevauvilliers (Group Head of Corporate Services)	5,662,530	57,647

1. Mrs Catherine Gris resigned as Director and Chairperson of the Corporate Governance Committee of the Company on December 15, 2023
2. Ms Aruna Radhakeesoon was appointed as Director of the Company on October 25, 2023
** The fees payable to Mrs Christine Marot, Messrs Jean-Claude Béga and Jan Boullé are paid to IBL Ltd.*

OTHER STATUTORY DISCLOSURES

PURSUANT TO SECTION 221 OF THE COMPANIES ACT 2001

DIRECTORS' AND SENIOR OFFICERS' INTERESTS IN SHARES

The Directors' and Senior Officers' interests in the ordinary shares of the Company at June 30, 2024 were as follows:

		Ordinary shares			
		Direct		Indirect	
Directors	Category	Number	%	Number	%
Jean-Claude Béga - Chairman	NED	-	-	1,073	0.004
Jan Boullé	NED	-	-	11,484	0.043
Stéphane Brossard	INED	-	-	-	-
Stéphane Lagesse	NED	218	0.001	45,137	0.170
Thierry Lagesse	NED	2136	0.008	45,137	0.170
Christine Marot	NED	-	-	-	-
Christophe Quevauvilliers	ED	600	0.002	12	0.000
Aruna Radhakeesoon	INED	-	-	-	-
Kalindee Ramdhonee	INED	-	-	-	-
Stéphane Ulcoq	ED	-	-	-	-

ED – Executive Director
NED – Non-Executive Director
INED - Independent Non-Executive Director

		Direct		Indirect	
Senior Officers	Position held	Number	%	Number	%
Vikram Gunnoo	General Manager of Premix Ltd	72	0.000	-	-
Bruno de Spéville	Marbella Division Manager	227	0.001	-	-

None of the Directors and Senior Officers of the Company had an interest in the shares of the subsidiary companies.

DIRECTORS' SERVICE CONTRACTS

Except for Messrs Stéphane Ulcoq and Christophe Quevauvilliers, who each have a contract of employment with the Company, there is no service contract between the Company and any of the Directors.

DIRECTORS' AND OFFICERS' INSURANCE AND INDEMNIFICATION

The Directors and the Officers benefit from an indemnity insurance cover for liabilities incurred while performing their duties, to the extent permitted by law.

SHAREHOLDERS

Substantial Shareholders

The shareholders holding more than 5% of the share capital of the Company at June 30, 2024 were as follows:

Shareholders	Number of shares	% Holding
IBL Ltd	8,785,100	33.14
The National Pensions Fund	1,398,175	5.27

Except for the above, no other entity or individual had an interest of 5% or more in the ordinary share capital of the Company.

CONTRACTS OF SIGNIFICANCE

No Director or any substantial shareholder had a material interest, either directly or indirectly, in a contract of significance entered into by the Company or its subsidiaries.

DONATIONS

The Company and its subsidiary companies have donated Rs 1,142,311 during the year ended June 30, 2024 (2023: Rs 777,738) out of which none were political donations. The details of the donations are as follows:

Name of Company	Amount (Rs)
The Company	655,239
Espace Maison Ltée	25,000
Compagnie de Gros Cailloux Limitée	47,295
Drymix Ltd	266,283
Welcome Industries Limited	69,094
Premix Ltd	79,400
Total	**1,142,311**

OTHER STATUTORY DISCLOSURES

PURSUANT TO SECTION 221 OF THE COMPANIES ACT 2001

AUDITOR'S REMUNERATION

The auditors' remuneration for the FY2024 was as detailed in the table below:

	THE GROUP		THE COMPANY	
	2024 Rs'000	2023 Rs'000	2024 Rs'000	2023 Rs'000
Audit fees:				
Deloitte	**6,120**	5,476	**2,133**	1,905
Other firms	**429**	611	**-**	-
Non-audit fees:				
Deloitte	**-**	-	**-**	-
Other firms	**2,159**	1,225	**1,792**	925

Non-audit fees of Rs 503,540 (2023: Rs 474,540) were paid by the Group to Ernst & Young for tax services.
Non-audit fees of Rs 75,000 (2023: Rs 25,000) were paid by the Group to BDO & Co.for tax services.
Non-audit fees of Rs 1,580,000 were paid by the Group to Ernst & Young for consultancy services.
Non-audit fees of Rs 725,000 were paid by the Company to Ernst & Young in 2023 for the purchase price allocation in relation to the acquisition of Premix and FAST.

The auditors' remuneration for our subsidiary companies for the FY2024 was as detailed in the tables below:

	SMPCL		Welcome		EML		UBPI	
	2024 Rs	2023 Rs	2024 Rs	2023 Rs	2024 Rs	2023 Rs	2024 Rs	2023 Rs
Audit fees - Deloitte	**355,000**	316,700	**351,000**	313,500	**890,000**	795,000	**-**	-
Non-audit fees : Tax – Ernst & Young	**48,000**	43,000	**12,000**	11,000	**60,000**	55,000	**1,000**	1,000

	CGX		UGPL		UBPM		Drymix	
	2024 Rs	2023 Rs	2024 Rs	2023 Rs	2024 Rs	2023 Rs	2024 Rs	2023 Rs
Audit - Delta	**-**	-	**-**	-	**202,565**	401,447	**-**	-
Audit fees - Deloitte	**862,000**	769,300	**127,238**	124,069	**-**	-	**506,600**	452,600
Non-audit fees : Tax – Ernst & Young	**22,000**	20,000	**31,320**	30,540	**-**	-	**59,000**	57,000

	Premix		UBPC		FAST	
	2024 Rs	2023 Rs	2024 Rs	2023 Rs	2024 Rs	2023 Rs
Audit fees - Deloitte	**896,000**	800,000	**-**	-	**-**	-
Audit fees - RSM	**-**	-	**-**	-	**226,800**	210,000
Non-audit fees : Tax – Ernst & Young	**-**	-	**5,000**	5,000	**50,000**	48,000
Non Audit fees : Tax - BDO & Co.	**75,000**	25,000	**-**	-	**-**	-

1. SMPCL Sainte Marie Crushing Plant Limited
2. Welcome Welcome Industries Limited
3. EML Espace Maison Ltée
4. UBPI UBP International Ltd
5. CGX Compagnie de Gros Cailloux Limitée
6. UBPM UBP Madagascar
7. UGPL United Granite Product (Private) Limited
8. Drymix Drymix Ltd
9. Premix Premix Ltd
10. UBPC UBP Coffrages Ltée
11. FAST Flacq Associated Stonemasters Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED JUNE 30, 2024

Statement of Directors' responsibilities in respect of the preparation of financial statements and internal control

The Directors are responsible for the preparation of financial statements which give a true and fair view of the financial position, financial performance and cash flows of the Company. In so doing, they are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with the provisions of the Companies Act 2001 and the International Financial Reporting Standards (IFRS), and explain any material departure thereto;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business in the foreseeable future.

The Directors are also responsible for the proper maintenance of accounting records which disclose at any time and with reasonable accuracy, the financial position and performance of the Company. They are also responsible for maintaining an effective system of internal control and risk management, for safeguarding the assets of the Company and for taking all reasonable steps to prevent and detect fraud and other irregularities.

The Directors acknowledge that they have exercised their responsibilities as described above and confirm that they have complied with the above requirements in preparing the financial statements for the year ended June 30, 2024. They also acknowledge the responsibility of the external auditors to report on these financial statements and to express an opinion as to whether they are fairly presented. They further acknowledge that they have ensured compliance to the Code of Corporate Governance (the "Code").

The Directors confirm that there is an outsourced internal audit function. The Board also confirms that proper accounting records have been maintained during the year ended June 30, 2024 and that nothing has come to their attention which could indicate any material breakdown in the functioning of the internal control system and have a material impact on the trading and financial position of the Company.

On behalf of the Board

Jean-Claude Béga
Chairman

Stéphane Ulcoq
Group CEO

September 26, 2024

COMPANY SECRETARY'S CERTIFICATE

FOR THE YEAR ENDED JUNE 30, 2024

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

IBL Management Ltd

Company Secretary

September 26, 2024

WE CRAFTED A LANDSCAPE WHERE POSSIBILITIES FLOURISH.

UBP's story comes full circle with **Gros Cailloux**, a premier landscaping service that adds the final, artistic touch to each project. From lush gardens to meticulously designed outdoor spaces, **Gros Cailloux** ensures that each construction is not only structurally sound but also visually stunning, creating enduring value and beauty.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF THE UNITED BASALT PRODUCTS LIMITED

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of **The United Basalt Products Limited** (the "Company" and the "Public Interest Entity") and its subsidiaries (the "Group") set out on pages 178 to 271, which comprise the consolidated and separate statements of financial position as at June 30, 2024, 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, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and the Company as at June 30, 2024, and of their consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and comply with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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.

Key audit matters	How our audit addressed the key audit matter
Employee benefit liabilities	
The Group and the Company have defined benefit plans and residual liability on retirement gratuities arising from Workers' Rights Act 2019 for its employees and have recognized employee benefit liabilities of Rs 301.5 million and Rs 193.5 million respectively at June 30, 2024. In determining the employee benefit liabilities, management has made certain assumptions, judgement and has involved an actuary to assist with the IAS 19 Employee Benefits provisions and disclosures. Changes in the assumptions can lead to a material movement in the net employee benefit liabilities. Employee benefit liabilities are considered a key audit matter due to the significance of the balance in the consolidated and separate financial statements as a whole, combined with the significant assumptions and judgements in determining the amount of provision. The significant assumptions and judgements used in respect of the employee benefit liabilities have been disclosed in Note 21.	We assessed the competence, capabilities, and objectivity of management's independent actuaries. We assessed and challenged the assumptions that the actuaries and management made in determining the value of the net employee benefit liabilities: • Independently recalculated the discount rate used based on the duration of the employee benefit liabilities; • Assessed the reasonableness of future salary increase; • Tested the salary data used in the valuation report by reconciling to payroll records for completeness and accuracy; and • Verified the retirement benefits plan assets to independent correspondences with the plan assets administrators. • Assessed whether the disclosures made in the financial statements are as per the requirements of IAS 19 – Employee Benefits.

Key audit matters	How our audit addressed the key audit matter
Impairment assessment of goodwill	
The goodwill balance stood at Rs 125.6 million as at June 30, 2024. Management conducted an annual impairment test before the end of the reporting period to assess the recoverability of the carrying value of goodwill. This was performed by calculating the cash generating unit's ("CGU") value-in-use by discounting the estimate of the future cash flows the Group expects to derive from the CGU or the fair value less cost to sell of the CGU. As disclosed in Note 9(a), there is inherent uncertainty and significant judgements involved in preparing future cash flow forecasts and applying the appropriate discount rate to determine the value-in-use amount of the CGU. There is also significant judgement in estimating the fair value less cost to sell amount of the CGU. The impairment assessment of goodwill is thus considered as a key audit matter.	In evaluating the impairment of goodwill, we reviewed the CGU's value in use or fair value less cost to sell calculations prepared by management. We performed various procedures, including the following: • Reviewed the inputs used in the cash flow forecast against historical performance; • Verified the mathematical accuracy of the cash forecast; • Compared the growth rate used to historical data regarding economic growth rate in the cash generating unit; • Reviewed appropriateness of discount factor used; • Performed sensitivity analyses on discount rates to evaluate the extent of impact on the value in use; and • Assessed the reasonableness of the fair value less cost to sell of properties.

Other information

The Directors are responsible for the other information. The other information comprises the Operating and Financial Review, Financial Highlights, Corporate Governance Report, Risk Report, Other Statutory Disclosures, Statement of Directors' Responsibilities and Company Secretary's Certificate but does not include the consolidated and separate financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report and the other reports, which is expected to be made available to us after that date.

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

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

When we read the other reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

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 as issued by the IASB, and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004 and they are also responsible for such internal control as the Directors determine is necessary to enable the preparation of 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.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF THE UNITED BASALT PRODUCTS LIMITED

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

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

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

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

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on other legal and regulatory requirements

Mauritius Companies Act 2001

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interest in, the Company and its subsidiaries other than in our capacity as auditor;
- we have obtained all information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Financial Reporting Act 2004

Corporate Governance Report

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

Use of this report

This report is made solely to the Company's shareholders, as a body, in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters 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.

Deloitte
Chartered Accountants
September 26, 2024

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STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2024

	Notes	THE GROUP 2024 Rs'000	THE GROUP 2023 Rs'000	THE COMPANY 2024 Rs'000	THE COMPANY 2023 Rs'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	4,895,973	4,880,285	2,086,505	2,308,074
Right of use assets	6	362,015	346,586	128,482	139,936
Investment properties	7	48,055	46,716	520,924	219,426
Bearer biological assets	8	4,260	1,125	-	-
Intangible assets	9(a)	250,289	268,902	15,655	18,499
Land conversion rights	9(b)	27,198	27,198	-	-
Investment in subsidiaries	10(a)	-	-	1,600,744	1,605,870
Advance towards equity	10(b)	-	-	1,357,688	-
Investment in associates	11	42,726	75,182	7,163	7,163
Non-current financial assets	12	2,351	2,292	1,502	1,502
Deferred tax assets	13(c)	20,302	23,151	-	-
Total non-current assets		5,653,169	5,671,437	5,718,663	4,300,470
Current assets					
Consumable biological assets	14	130,682	103,351	-	-
Inventories	15	1,397,614	1,260,879	599,993	543,242
Trade and other receivables	16	620,226	561,534	589,941	651,612
Income tax receivable	13(b)	16,308	15,827	16,307	12,689
Restricted cash	18	1,357,637	-	-	-
Cash at bank and on hand	18	281,545	100,543	140,093	1,112
Total current assets		3,804,012	2,042,134	1,346,334	1,208,655
TOTAL ASSETS		9,457,181	7,713,571	7,064,997	5,509,125
EQUITY AND LIABILITIES					
Equity					
Issued capital and share premium	19(a)	272,454	272,454	272,454	272,454
Reserves	19(b)	4,025,561	3,942,988	2,759,258	2,641,708
Equity attributable to owners of the parent		4,298,015	4,215,442	3,031,712	2,914,162
Non-controlling interests		99,818	46,189	-	-
Total equity		4,397,833	4,261,631	3,031,712	2,914,162
Non-current liabilities					
Loans	20(a)	2,970,372	459,034	2,842,000	429,536
Lease liabilities	20(b)	281,085	279,324	94,522	110,327
Deferred tax liabilities	13(c)	147,153	153,030	69,398	73,407
Employee benefit liabilities	21	301,493	288,650	193,543	200,351
Total non-current liabilities		3,700,103	1,180,038	3,199,463	813,621
Current liabilities					
Loans and bank overdrafts	20(a)	443,006	1,515,677	363,560	1,422,320
Lease liabilities	20(b)	97,334	83,282	40,121	34,171
Trade and other payables	22	755,252	668,104	383,748	324,851
Dividend payable	29	55,249	4,291	46,393	-
Income tax payable	13(b)	8,404	548	-	-
Total current liabilities		1,359,245	2,271,902	833,822	1,781,342
Total liabilities		5,059,348	3,451,940	4,033,285	2,594,963
TOTAL EQUITY AND LIABILITIES		9,457,181	7,713,571	7,064,997	5,509,125

These financial statements were approved by the Board of Directors on September 26, 2024 and signed on its behalf by :

Jean-Claude Béga
Chairman

Stéphane Ulcoq
Group CEO

The notes on pages 184 to 271 form an integral part of these financial statements.
Auditor's report on pages 174 to 177.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2024

	Notes	THE GROUP 2024 Rs'000	THE GROUP 2023 Rs'000	THE COMPANY 2024 Rs'000	THE COMPANY 2023 Rs'000
Continuing operations					
Revenue	24	5,118,175	4,667,217	2,312,013	2,157,826
Operating profit	25	330,769	256,319	164,948	113,107
Allowance for expected credit losses on financial assets	25(d)	369	(19,099)	367	(3,766)
Impairment of subsidiaries	25(c)	-	-	(1,314)	(6,560)
Finance income	26	465	957	134,881	87,534
Finance costs	27	(151,047)	(107,276)	(129,726)	(95,953)
Share of results of associates	11	16,467	13,523	-	-
Profit before tax		197,023	144,424	169,156	94,362
Tax (expense) / income	13(a)	(23,665)	6,546	(158)	6,408
Profit for the year from continuing operations		173,358	150,970	168,998	100,770
Discontinued operation					
Profit/(loss) for the year from discontinued operation	38	35,231	(8,960)	-	-
Profit for the year		208,589	142,010	168,998	100,770
Other comprehensive income					
Items to be reclassified to profit or loss in subsequent years:					
Exchange differences on translation of foreign operations		(9,165)	1,413	-	-
Reclassification adjustment relating to foreign operations disposed of in the year	38	(28,535)	-	-	-
Net other comprehensive (loss) / income to be reclassified to profit or loss in subsequent years		(37,700)	1,413	-	-
Items not to be reclassified to profit or loss in subsequent years:					
Net gain on equity instruments at FVTOCI	12(a)	-	7,157	-	7,157
Re-measurement (losses) / gains on employee benefit liabilities	21	(37,449)	129,951	(15,659)	110,944
Deferred tax effect on re-measurement losses / (gains) on employee benefit liabilities	13(a)	6,075	(21,200)	2,662	(18,860)
Revaluation of land and buildings	5	-	621,969	-	323,332
Deferred tax on revaluation gain on buildings	13(a)	-	(90,809)	-	(48,338)
Share of other comprehensive income of associates	11	(1,893)	4,623	-	-
Net other comprehensive (loss) / income not to be reclassified to profit or loss in subsequent years		(33,267)	651,691	(12,997)	374,235
Other comprehensive (loss) / income for the year, net of tax		(70,967)	653,104	(12,997)	374,235
Total comprehensive income for the year, net of tax		137,622	795,114	156,001	475,005
Profit for the year attributable to:					
Equity holders of the parent		197,281	133,660	168,998	100,770
Non-controlling interests		11,308	8,350	-	-
		208,589	142,010	168,998	100,770
Total comprehensive income for the year attributable to:					
Equity holders of the parent		128,966	773,694	156,001	475,005
Non-controlling interests		8,656	21,420	-	-
		137,622	795,114	156,001	475,005
Earnings per share(Rs)	28	7.44	5.04		

The notes on pages 184 to 271 form an integral part of these financial statements.
Auditor's report on pages 174 to 177.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2024

THE GROUP	Attributable to equity holders of the parent									
	Issued capital	Share premium	Associate companies	Revaluation reserve	Fair value reserve of financial assets at FVOCI	Translation reserve	Retained earnings	Attributable to owners of the parent	Non-controlling interests	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At July 01, 2022	265,100	7,354	84,993	1,861,283	17,414	7,071	1,198,533	3,441,748	29,660	3,471,408
Profit for the year	-	-	-	-	-	-	133,660	133,660	8,350	142,010
Other comprehensive income	-	-	4,623	516,736	7,157	3,336	108,182	640,034	13,070	653,104
Total comprehensive income for the year	-	-	4,623	516,736	7,157	3,336	241,842	773,694	21,420	795,114
Transfer to retained earnings	-	-	-	(61,048)	(24,571)	-	85,619	-	-	-
Dividends (note 29)	-	-	-	-	-	-	-	-	(4,891)	(4,891)
At June 30, 2023	265,100	7,354	89,616	2,316,971	-	10,407	1,525,994	4,215,442	46,189	4,261,631
At July 01, 2023	265,100	7,354	89,616	2,316,971	-	10,407	1,525,994	4,215,442	46,189	4,261,631
Profit for the year	-	-	-	-	-	-	197,281	197,281	11,308	208,589
Other comprehensive income	-	-	(1,893)	-	-	(36,228)	(30,194)	(68,315)	(2,652)	(70,967)
Total comprehensive income for the year	-	-	(1,893)	-	-	(36,228)	167,087	128,966	8,656	137,622
Shares pending allotment to non-controlling interest (note 10 (b))	-	-	-	-	-	-	-	-	54,429	54,429
Dividends (note 29)	-	-	-	-	-	-	(46,393)	(46,393)	(9,456)	(55,849)
At June 30, 2024	**265,100**	**7,354**	**87,723**	**2,316,971**	**-**	**(25,821)**	**1,646,688**	**4,298,015**	**99,818**	**4,397,833**

The notes on pages 184 to 271 form an integral part of these financial statements.
Auditor's report on pages 174 to 177.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2024

THE COMPANY	Issued capital	Share premium	Revaluation reserve	Fair value reserve of financial assets at FVOCI	Retained earnings	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At July 01, 2022	265,100	7,354	819,248	17,414	1,330,041	2,439,157
Profit for the year	-	-	-	-	100,770	100,770
Other comprehensive income	-	-	274,994	7,157	92,084	374,235
Total comprehensive income for the year	-	-	274,994	7,157	192,854	475,005
Transfer to retained earnings	-	-	-	(24,571)	24,571	-
At June 30, 2023	265,100	7,354	1,094,242	-	1,547,466	2,914,162
At July 01, 2023	265,100	7,354	1,094,242	-	1,547,466	2,914,162
Profit for the year	-	-	-	-	168,998	168,998
Other comprehensive income	-	-	-	-	(12,997)	(12,997)
Total comprehensive income for the year	-	-	-	-	156,001	156,001
Dividends (note 29)	-	-	-	-	(46,393)	(46,393)
Merger reserve (note 10(a))	-	-	-	-	7,942	7,942
At June 30, 2024	**265,100**	**7,354**	**1,094,242**	**-**	**1,665,016**	**3,031,712**

The notes on pages 184 to 271 form an integral part of these financial statements.
Auditor's report on pages 174 to 177.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2024

	Notes	THE GROUP		THE COMPANY	
		2024	2023	**2024**	2023
OPERATING ACTIVITIES		**Rs'000**	Rs'000	**Rs'000**	Rs'000
Profit/(loss) before tax from:					
Continuing operations		**197,023**	144,424	**169,156**	94,362
Discontinued operation		**35,231**	(8,960)	**-**	-
Profit before tax		**232,254**	135,464	**169,156**	94,362
Adjustment to reconcile profit before tax to net cash flows:					
Depreciation of property, plant and equipment	5	**329,435**	278,484	**209,616**	179,707
Depreciation of right of use assets	6	**93,827**	80,136	**36,933**	30,669
Depreciation of investment properties	7	**2,701**	2,104	**24,026**	18,053
Allowance for expected credit losses on financial assets		**(369)**	19,099	**(367)**	3,766
Amortisation of intangible assets	9(a)	**28,422**	27,443	**5,299**	5,432
Derecognition of lease	25(b)	**-**	(716)	**-**	-
Impairment of assets	25(c)	**-**	-	**1,314**	6,560
Fair value loss of financial assets at FVTPL	12	**(59)**	29	**-**	-
Write-off of property, plant and equipment	5	**20,104**	1,111	**12,721**	-
Movement in retirement benefit liabilities	21	**(24,604)**	(8,536)	**(22,466)**	(12,325)
Profit on disposal of property, plant and equipment	25	**(5,118)**	(8,548)	**(4,533)**	(6,396)
Profit on disposal of investment in subsidiary	38	**(40,600)**	-	**(35,460)**	-
Share of results of associates	11	**(16,467)**	(13,523)	**-**	-
Finance costs	27	**151,395**	107,574	**129,726**	95,953
Finance income	26	**(465)**	(957)	**(134,881)**	(87,534)
Movement in working capital:					
Increase in consumable biological assets	14	**(27,331)**	(26,265)	**-**	-
(Increase)/decrease in inventories	15	**(152,390)**	25,444	**(56,751)**	(35,496)
(Increase)/decrease in trade and other receivables	16	**(170,813)**	20,007	**126,148**	(59,927)
Increase in trade and other payables	22	**284,176**	33,646	**58,897**	90,527
Cash generated from operations		**704,098**	671,996	**519,378**	323,351
Interest paid		**(151,240)**	(101,453)	**(127,889)**	(89,000)
Interest income		**465**	-	**13,040**	12,917
Income tax paid	13(b)	**(13,243)**	(25,131)	**(5,123)**	(8,036)
Net cash flows generated from operating activities		**540,080**	545,412	**399,406**	239,232
INVESTING ACTIVITIES					
Proceeds from disposal of property, plant and equipment		**16,832**	10,984	**8,797**	7,200
Advance towards equity	10(b)	**-**	-	**(1,357,688)**	-
Purchase of property, plant and equipment	18	**(401,751)**	(595,260)	**(196,313)**	(438,361)
Expenditure on bearer assets	8	**(3,135)**	(1,125)	**-**	-
Additions to investment in subsidiaries	10(a)	**-**	-	**(1,314)**	(248,118)
Purchase of investment properties	7	**-**	-	**(134,243)**	(6,692)
Purchase of intangible assets	9(a)	**(9,620)**	(24,447)	**(2,455)**	(4,383)
Consideration paid to aquire additional shares in financial asset and subsidiary	37	**-**	(244,841)	**-**	-
Cash on disposal of subsidiary	37	**151**	-	**-**	-
Cash on acquisition of subsidiary	37	**-**	839	**-**	-
Dividend received from associates	11	**18,975**	12,765	**18,975**	12,765
Dividend received from other equity investment	26	**-**	957	**74,552**	61,852
Net cash flows used in investing activities		**(378,548)**	(840,128)	**(1,589,689)**	(615,737)

The notes on pages 184 to 271 form an integral part of these financial statements.
Auditor's report on pages 174 to 177.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2024

	Notes	THE GROUP		THE COMPANY	
		2024	2023	**2024**	2023
		Rs'000	Rs'000	**Rs'000**	Rs'000
FINANCING ACTIVITIES					
Proceeds from borrowings	20(c)	**7,633,044**	3,856,685	**7,643,609**	3,940,652
Repayment of term loans	20(c)	**(5,296,798)**	(3,521,579)	**(5,327,479)**	(3,617,541)
Repayment of lease liabilities	20(c)	**(94,390)**	(77,109)	**(35,202)**	(28,159)
Long Term Secured Promissory Note	20(c)	**(670,490)**	(3,382)	**(670,490)**	(3,382)
Transactions with non-controlling interest		**54,429**	-	**-**	-
Dividend paid - Minority shareholders		**(9,456)**	(7,348)	**-**	-
Net cash flows from financing activities		**1,616,339**	247,267	**1,610,438**	291,570
Increase/(decrease) in cash and cash equivalents		**1,777,871**	(47,449)	**420,155**	(84,935)
MOVEMENT IN CASH AND CASH EQUIVALENTS					
At July 01,		**(335,939)**	(298,710)	**(339,366)**	(254,431)
Cash and cash equivalent balance represented as continuing operations	38	**-**	9,907	**-**	-
Exchange difference		**(11,987)**	313	**-**	-
Increase/(decrease) in cash and cash equivalents		**1,777,871**	(47,449)	**420,155**	(84,935)
At June 30,	18	**1,429,945**	(335,939)	**80,789**	(339,366)

The notes on pages 184 to 271 form an integral part of these financial statements.
Auditor's report on pages 174 to 177.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

1. CORPORATE INFORMATION

The United Basalt Products Limited ("the Company") is a public company incorporated and domiciled in Mauritius and listed on the official market of the Stock Exchange of Mauritius. Its registered office is situated at Trianon, Quatre-Bornes.

The main activities of the Company and its subsidiaries, together referred to as the 'Group', are the manufacturing and selling of building materials, provision of workshop services, manufacture of ready-mixed concrete and the production and sale of agricultural products.

The consolidated and separate financial statements for the year ended June 30, 2024 were authorised for issue by the Board of Directors on September 26, 2024 and the statements of financial position were signed on behalf of the Board by Messrs Jean-Claude Béga and Stéphane Ulcoq. The consolidated and separate financial statements will be submitted to the shareholders for approval at the annual meeting.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The consolidated and separate financial statements of the Group and the Company have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and complies with the Mauritius Companies Act 2001 and Financial Reporting Act 2004.

The consolidated and separate financial statements have been prepared on a historical cost basis except for freehold land and buildings classified under property, plant and equipment, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and consumable biological assets that have been measured at their fair values as disclosed in the material accounting policy information hereafter.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The consolidated and separate financial statements are presented in Mauritian Rupees and all values are rounded to the nearest thousand (Rs'000) except where otherwise indicated.

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of The United Basalt Products Limited and entities controlled by the Company (its subsidiaries) as at June 30, 2024.

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Company's voting rights and potential voting rights.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Company gains control until the date the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their material accounting policies in line with the Group's material accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences, recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Company had directly disposed of the related assets or liabilities.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

(a) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively; and
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets held for sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(a) Business combinations (Continued)

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

(b) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- 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 on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for fair value measurement, such as unquoted financial assets at fair value through other comprehensive income and unquoted financial assets at fair value through profit or loss.

Financial assets that are unquoted are fair valued by management at least annually at the reporting date. The use of external valuers is decided by the management when the situation dictates it, taking into consideration the relevant factors.

Involvement of external valuers for the valuation of its properties is decided upon by management after discussion with and approval of the audit committee, usually every three years. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case. Management assesses the changes in the inputs, as well as those in the environment, from both internal and external sources, that affect the fair value of the property since the last valuation, and thereafter decides on the involvement of external valuers.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured 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 relevant documents.

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

The fair values of the Group's consumable biological assets are determined by Management at least annually at the reporting date through the income approach. Inputs and assumptions used in the determination of the fair value are verified and validated to their respective sources and documents.

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

(c) Property, plant and equipment

Except for freehold land and buildings, all other items of property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land and buildings are carried at revalued amounts less accumulated depreciation on buildings and impairment losses recognised. Valuations are performed with sufficient frequency (3 to 5 years) to ensure that the value of a revalued asset does not differ materially from its carrying amount.

A revaluation surplus is recorded in other comprehensive income and credited to the revaluation reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case, the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the revaluation reserve.

When an item of property, plant and equipment is revalued, the carrying amount of that asset is adjusted to the revalued amount. At the date of the revaluation, the accumulated depreciation is eliminated and any remaining balance is adjusted against the gross carrying amount of the asset.

Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(c) Property, plant and equipment (continued)

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	%
Buildings	2 to 20
Leasehold improvements	Over lease period
Land improvements	2
Plant and equipment	7 to 100
Motor vehicles	20

Land and assets in progress are not depreciated.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

The useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(d) Investment properties

Investment properties which are properties held to earn rentals and/or capital appreciation are initially measured at cost, including transaction costs and subsequently at cost net of accumulated depreciation and accumulated impairment losses, if any.

The cost includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

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

Depreciation is calculated on the straight-line method at the rate of 2% to 5% per annum.

(e) Biological assets

Bearer biological assets

Bearer biological assets comprising of sugar cane ratoons and plantation costs are capitalised and amortised over the period during which the Group expects to benefit from the asset, usually up to seven years. The Group account for bearer plants in the same way as property, plant and equipment. Such biological assets are measured at cost (direct costs incurred including cost of purchase if any) less any accumulated depreciation and any accumulated impairment losses.

Consumable biological assets

Consumable biological assets represent standing cane, vegetables and plants and are stated at fair value less costs to sell. The fair value is measured as the expected net cash flows from the sale of the cane and plants discounted at the relevant market determined pre-tax rate. The changes in fair value less cost to sell of the consumable biological assets is recognised in profit or loss.

(f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination and recognised separately from goodwill, is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated impairment losses and/or any accumulated amortisation. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset. The intangible assets are amortised over a period of 6 years.

Other Intangible assets

Other intangible assets include trademarks, computer software and land conversion rights. Intangible assets acquired separately are measured on initial recognition at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised but are recognised as expenses in the period in which they are incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight line basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised.

The following intangible assets with finite life are amortised on a straight line basis, over its estimated useful life as follows:

Computer software	6 years
Customer relationship	5 years

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are in profit or loss when the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(g) Land conversion rights

Land conversion rights are in relation to the reform of the Sugar Industry in the years 2000, which 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. 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) under the Sugar Industry Efficiency Act 2001 based on the qualifying costs incurred by an entity. An LCR is recognised as a non-current asset and is initially measured at fair value at the date on which the Company 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. LCRs are derecognised upon disposal (i.e. the date the recipient obtains control) or use for converting agricultural land into residential land for land projects. Any gain or loss on derecognition of the LCR is included in profit or loss.

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.

(h) Investment in subsidiaries

Subsidiaries are those entities controlled by the Company. Control is achieved when the Company is exposed to, or has right to, variable returns from its investment with the entity and has the ability to affect those returns through its power over the entity.

Separate financial statements

Investments in subsidiaries in the separate financial statements of the Company are carried at cost, net of any impairment. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is recognised in profit or loss. Upon disposal of the investment, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

When investment in subsidiary is acquired in stage, the cost of investment in subsidiary in the separate financial statement is measured at the fair value of the previously held interest (initial interest) at the date of obtaining control of the subsidiary, plus any consideration paid for the additional interest ('the fair value as deemed cost approach'). Any difference between the fair value (and, therefore, carrying amount under IFRS 9) of initial interest and the original consideration is recognised in profit or loss regardless of the classification of initial interest under IFRS 9.

(i) Investment in associates

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associates are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not amortised but is individually tested for impairment annually.

The profit or loss reflects the Group's share of the results of operations of the associate. Any change in other comprehensive income of those investees is presented as part of the Group's in other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss and other comprehensive income outside operating profit and represents profit or loss after tax.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associates. At each reporting date, the Group determines whether there is objective evidence that the investment in the associates is impaired.

If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognises the loss in profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

In the Company's separate financial statements, investment in associates is stated at cost. The carrying amount is reduced to recognise any impairment in the value of the investment.

(j) Foreign currency translation

The financial statements of the Group and the Company are presented in Mauritian rupees, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(j) Foreign currency translation (Continued)

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Mauritian rupees at the rate of exchange prevailing at the reporting date and their profit or loss is translated at exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

(k) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies "Revenue from contracts with customers".

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

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

- Financial assets at amortized cost (debt instruments) ;
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments) ;
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments) ; and
- Financial assets at fair value through profit or loss.

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables and cash and cash equivalent.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as finance income in profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify part of its equity investments under this category. Refer to note 12.

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(k) Financial instruments (Continued)

Financial assets (Continued)

Financial assets at fair value through profit or loss (Continued)

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in profit or loss.

This category includes both listed and unlisted equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Refer to note 12.

Dividends on these equity investments are also recognized as Finance income in profit or loss when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statement of financial position) when:

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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

Impairment of financial assets

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

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

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

Some other receivables are of the same nature as trade receivables but given that these are not the activities of the Group, these are not classified as trade receivables. As those other receivables have a maturity of 1 year or less, the Group has applied the practical expedient of IFRS 9. Where the balance due is repayable on demand and the borrower has enough liquid assets to settle the balance due on demand, the probability of default is minimal. Where the Borrower does not have enough liquid assets to settle the balance on demand but own other assets that can be sold to settle the balance due, the loss given default is nil as the net realisable value of the assets cover the outstanding balance. In that case, the ECL is limited to the effect of discounting the amount due of the loan over the period until the cash is realised and since those companies can realise cash within a short period of time, the effect of discounting is immaterial.

The Group considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Write-off policy

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures. Any recoveries made are recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instrument

An equity instrument is any contract that evidences a residual interest in the asset of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and trade and payables.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(k) Financial instruments (Continued)

Financial liabilities (Continued)

The Group's financial liabilities include trade and other payables, loans, lease liabilities and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Amortised cost

Loans and borrowings, lease liabilities and trade and other payables.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

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

This category generally applies to interest-bearing loans and borrowings including bank overdraft and trade and other payables.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in profit or loss for financial liabilities.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(l) Inventories

Inventory items are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw Materials: Purchase costs on an average cost method; and
- Finished Goods: Costs of direct materials and direct expenses based on normal operating capacity.

Work-in-progress consists of cost incurred on works performed but not yet completed and invoiced at the reporting date.

Net realisable value (NRV) is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

When inventories arise from a change in use of investment properties such as by the commencement of development with a view to sell, the properties are reclassified as inventories at their deemed cost, which is the fair value at the date of reclassification. They are subsequently carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less costs to complete redevelopment and selling expenses.

Land development inventory consists of cost of land and related expenditure incurred on conversion of land to saleable condition. Land earmarked for development is stated at the lower of cost or net realisable value and is included in inventories.

(m) Retirement benefit liabilities

Defined contribution plan

Payments to defined contribution retirement plans are charged as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plan

The Group operates a final salary defined benefit plan, the assets of which are held independently and administered by Swan Life Ltd. The cost of providing benefits under defined benefit plan is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income;
- Remeasurement

The Group presents the first two components of defined benefit costs in profit or loss as part of staff costs. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(m) Retirement benefit liabilities (Continued)

State plan

State plan and contributions to Contribution Sociale Generalisée are expensed in profit or loss in the period in which they fall due.

Other retirement gratuity – The Workers Rights Act 2019

For employees that are not covered or who are insufficiently covered under pension plans, the net present value of retirement gratuity payable under the Workers' Rights Act 2019 (WRA) is calculated independently by qualified actuaries, AON Solutions Ltd and Swan Actuarial Services Ltd. The expected cost of these benefits is accrued over the service lives of employees on a similar basis to that for the defined benefit plan. The present value of these retirement gratuities have been disclosed as unfunded obligations under employee benefit liability.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of vacation leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company and the Group in respect of services provided by employees up to the reporting date.

(n) Cash and cash equivalents

In the statement of financial position, cash and bank balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

Bank balances for which use by the group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed in note 18. If the contractual restrictions to use the cash extend beyond 12 months after the end of the reporting period, the related amounts are classified as non-current in the statement of financial position.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the group's cash management. Such overdrafts are presented as short-term borrowings in the statement of financial position.

(o) Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in profit or loss in expense categories of the impaired asset, except for a property previously revalued with the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

The following criteria are also applied in assessing impairment of specific assets:

Goodwill

Goodwill is initially recognised and measured as set out above. Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(p) Leases

The Group and the Company as lessee

The Group and the Company assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones).

For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(p) Leases (Continued)

The Group and the Company as lessee (Continued)

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); and
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies IAS 36 Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has applied this practical expedient.

The Group and the Company as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties. The Group also rents equipment to retailers necessary for the presentation and customer fitting and testing of footwear and equipment manufactured by the Group.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

(q) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(r) Revenue

The Group is involved in the sale of building materials and manufactures aggregates, rocksand, concrete blocks and other construction materials for resale. The Group is also involved in the sale of various concrete building components including decorative items, agricultural products and garden accessories. Revenue from contracts with customers is measured based on the consideration to which the Company expects to be entitled in exchange for those goods and services and excludes amount collected on behalf of third parties. Revenue is recognised when or as the entity satisfies a performance obligation by transferring control of a promised goods or services to a customer. Control either transfers over time or at a point in time. When revenue from services is received upfront by client, a contract liability is recognised for revenue relating to services not yet delivered to the customer. The Group has generally concluded that it is the principal in its revenue arrangements.

Revenue from sale of goods

Revenue from sale of goods is recognised at a point in time when control of the asset is transferred to the customer generally on delivery of the goods. The normal credit term is 30 days.

Revenue from workshop, leisure and landscaping

Services provided by the Group include workshop, leisure and landscaping. Revenue from rendering of these services is recognised either at a point in time or over time depending whether the service is one-off or over a duration of a period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(r) Revenue (Continued)

Project revenue

The Group generates revenue from supply and fixing contracts (project revenue) agreed with customers. Where the contracts contain only the supply of goods, revenue is recognised at the point of time the goods are delivered. However, where the contract consists of both supply and fixing services and each of these obligations can be capable of being distinct on its own or together with other services that are readily available to the customer and is distinct within the context of the contract itself, the good or service is accounted as a separate obligation. In these cases, revenue for the supply of goods is recognised at the time of delivery whereas revenue for the fixing part is recognised over time as the services are rendered.

The transaction price is allocated between the product and the fixing services on a relative stand-alone selling price basis.

(s) Taxes

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date, in the countries where the Group operates and generates taxable income.

Current tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will be reversed in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry-forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside of profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

Value Added Tax

Revenues, expenses and assets are recognised net of the amount of value added tax except:

- where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Corporate Social Responsibility

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 shown on the statement of profit or loss and other comprehensive income and the income tax liability on the statement of financial position.

The CSR charge for the current period 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.

(t) Segmental reporting

An operating segment is a component of an entity:

(a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);

(b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and

(c) for which discrete financial information is available.

The Group's business segments consist of core business activities, retail and agriculture. Most of its activity is performed in Mauritius.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

2.3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(u) Other income

Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in profit or loss.

Dividend income

Dividend income is recognised when the Group's right to receive the payment is established, which is generally when the Board of Directors of the investee declare the dividend.

(v) Distribution to equity holders

The Group and the Company recognise a liability to make distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. A distribution is authorised when it is approved by the Board of Directors. A corresponding amount is recognised directly in equity.

(w) Spare parts

Spare parts held by a Group which will be used to replace broken parts on its production machineries have been classified as inventory and are expensed to profit or loss when these are replaced on the production machineries.

Spare parts which can be used on a specific production machinery and which extend the life of the production machineries and economic benefit derived from its use are capitalised as part of property, plant and equipment. Depreciation on such spare parts is charged to profit or loss.

(x) Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group and the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using cash flows estimated to settle present obligation, its carrying amount is the present value of these cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(y) Related parties

For the purpose of these financial statements, parties are considered to be related to the Group and the Company if they have the ability, directly or indirectly, to control the Group and the Company or exercise significant influence over the Group and the Company in making financial and operating decisions, or vice versa, or where the Company is subject to common control or common significant influence. Related parties may be individual or other entities.

(z) Non-current assets held for sale

Classification as non-current assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

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 the 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 an associate that has not been classified as held for sale continues to be accounted for using the equity method.

Changes to plan for sale

If the Group and the Company have classified an asset (or disposal group) as held for sale or as held for distribution to owners, but the criteria for held for sale or for held for distribution to owners are no longer met, the Group and the Company shall cease to classify the asset (or disposal group) as held for sale or held for distribution to owners respectively. The Group and the Company shall measure the non-current asset (or disposal group) that ceases to be classified as held for sale or as held for distribution to owners at the lower of:

(a) its carrying amount before the asset (or disposal group) was classified as held for sale or as held for distribution to owners, adjusted for any depreciation, amortisation or revaluations that would have been recognised has the asset (or disposal group) not been classified as held for sale or as held for distribution to owners, and
(b) its recoverable amount at the date of the subsequent decision not to sell or distribute.

(aa) Comparative figures

Where necessary, comparative figures have been restated or reclassified to conform to the current year's presentation.

(ab) Customer loyalty programme

The Group has a customer loyalty programme whereby customers are awarded with reward credits (loyalty points) which are effectively used as cash back against future purchases. Loyalty points granted to customers participating in the loyalty programme provide rights to customers that need to be accounted for as a separate performance obligation.

The fair value of the consideration received under loyalty programme is allocated between the sale of goods supplied and the loyalty points granted. The consideration allocated to the loyalty points is measured by reference to their relative stand-alone selling price which is calculated as the amount for which the loyalty points could be separately exchanged, adjusted for an expected forfeiture rate. Such consideration is not recognised as turnover at the time of the sales transaction but is recognised as a deferred revenue liability until the loyalty points have been redeemed or forfeited. The likelihood of redemption, based on management's judgement of expected redemption rates, is reviewed on a regular basis and any adjustments to the deferred revenue liability is recognised in turnover.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

2.4 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

In the current year, the Group and the Company have applied all of the new and revised IFRS Accounting Standards and Interpretations issued by the International Accounting Standards Board ("IASB") that are relevant to its operations and effective for accounting periods beginning on July 01, 2023.

New and revised IFRS Accounting Standards that are effective for the current year

The following relevant revised IFRS Accounting Standards have been applied in these financial statements. Their application has not had any significant impact on the amounts reported for the current and prior periods but may affect the accounting treatment for future transactions or arrangements.

IAS 1	Presentation of Financial Statements – Amendments regarding the disclosure of accounting policies
IAS 8	Accounting Policies, Change in Accounting Estimates and Errors – Amendments regarding the definition of accounting estimates
IAS 12	Income Taxes – Amendments regarding deferred tax on leases and decommissioning obligations
IAS 12	Income Taxes – Amendments to provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes

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

At the date of authorisation of these financial statements, the following relevant IFRS Accounting Standards were in issue but effective on annual periods beginning on or after the respective dates as indicated:

IAS 1	Presentation of Financial Statements – Amendments regarding the classification of liabilities (effective January 01, 2024)
IAS 1	Presentation of Financial Statements – Amendments to defer the effective date of the January 2020 amendments (effective January 01, 2024)
IAS 1	Presentation of Financial Statements – Amendments regarding the classification of debt with covenants (effective January 01, 2024)
IAS 7	Statement of Cash Flows – Amendments regarding supplier finance arrangements (effective January 01, 2024)
IFRS 7	Financial Instruments: Disclosures – Amendments regarding supplier finance arrangements (effective January 01, 2024)
IFRS 7	Financial Instruments: Disclosures – Amendments regarding the classification and measurement of financial instruments (effective January 01, 2026)
IFRS 9	Financial Instruments – Amendments regarding the classification and measurement of financial instruments (effective January 01, 2026)
IFRS 16	Leases – Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions (effective January 01, 2024)
IFRS 18	Presentation and Disclosures in Financial Statements – Original issue (effective January 01, 2027)
IFRS 19	Subsidiaries without Public Accountability: Disclosures – Original issue (effective January 01, 2027)
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information – Original issue (effective January 01, 2024)
IFRS S2	Climate-related Disclosures – Original - issue (effective January 01, 2024)

The Directors anticipate that these IFRS Accounting Standards will be applied on their effective dates in future periods. The Directors have not yet assessed the potential impact of the application of these amendments.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Judgements

In the process of applying the Group's material accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Capitalisation of spare parts

Spare parts and servicing equipment which have an expected life of more than one year, usually in connection to the life of specific item of property, plant and equipment are classified as property, plant and equipment. They are depreciated over the shorter of the life of the spare parts or the item of property, plant and equipment they are attached to. All other spare parts are recognised as inventories and expensed in profit or loss upon consumption.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Useful lives and residual values of property, plant and equipment

Determining the carrying amounts of property, plant and equipment requires the estimation of the useful lives and residual values of these assets which carry a degree of uncertainty. The Directors have used historical information relating to the Group and the relevant industries in which the Group's entities operate in order to best determine the useful lives and residual values of property, plant and equipment. There has been no impact on the re-assessment made by management.

The Group measures land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. The fair values are determined by independent professional valuers by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the properties. Refer to note 5.

Allowance for slow moving inventories

The basis and assumptions used for determining impairment allowance for slow moving inventories is based on a combinations of factors including past experience of management, turnover, customer preferences and market trends.

Valuation of standing cane

The fair value of biological assets is based on the estimated net present value of future cash flows for the coming crop. The standing cane valuation has been arrived at based on an estimate of the future cash flows arising on a normal crop with sugar proceeds being adjusted for the drop in sugar price and budgeted costs and applying a suitable discount rate in order to calculate the net present value. Refer to note 14 for key assumptions used to determine valuation of standing cane.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (Continued)

Valuation of plants (Bearer biological assets)

The fair value of plants is based on the estimated net present value of future cash flows for the coming crops. The actual life of the bearers are assessed annually, taking into account the life of the ratoons, yields, estimated price of sugar and other items and the discount rate. The valuation of plants has been arrived at based on an estimate of the future cash flows arising on a normal crop less budgeted costs discounted at a suitable rate in order to calculate the net present value. Refer to note 14 for key assumptions used to determine valuation of plants.

Provision for expected credit losses of trade receivables

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 customer type and rating).

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, the historical default rates are adjusted. At every reporting date, the historical default rates are updated and changes in the forward looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. Refer to notes 16.

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash generating units and a suitable discount rate in order to calculate present value. Refer to note 9 (a), for key assumptions used.

Employee benefit liabilities

The cost of defined benefit pension plans and the present value of pension obligation are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Refer to note 21.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair values are determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer to note 12.

Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less cost to sell and its value in use. The recoverable amount of the investments in foreign subsidiaries has been determined using the fair value less cost to sell model. Main assumptions to the valuation model included the fair value of property, plant and equipment and discount for liquidity (refer to note 9).

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's principal financial liabilities comprise bank loans and overdrafts, finance leases, loan from shareholders and trade and other payables. The main purpose of these financial liabilities is to finance the Group's and the Company's operations. The Group's and the Company's principal financial assets included other current financial asset, trade and other receivables, and cash at bank and in hand that arise directly from its operations. The Group and the Company also holds equity investments classified at Fair value through profit or loss and Fair value through other comprehensive income.

The Group and the Company are exposed to market risk, credit risk and liquidity risk. The Group's and the Company's senior management oversees the management of these risks. Senior management ensures that the Group's and the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with group policies and group risk objectives.

A description of the various risks to which the Group and the Company are exposed are shown below as well as the approach taken by management to control and mitigate those risks.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk to which the Group and the Company are exposed comprise three types of risk: interest rate risk, foreign currency risk, and equity price risk. Financial instruments affected by market risk include loans and borrowings, non-current financial assets, and trade and other payables.

The sensitivity analysis in the following sections relate to the position as at June 30, 2024 and 2023.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to the risk of changes in market interest rates relates primarily to the Group's and the Company's debt obligations with floating interest rates.

The Group's and the Company's income and operating cash flows are subject to the risks of changes in market interest rates.

The Group's and the Company's policy is to manage its interest risk using a mix of fixed and variable rate debts.

Interest rate sensitivity

The following table demonstrates through the impact on floating rate borrowings the sensitivity of the Group's and the Company's profit before tax and equity to a reasonable possible change in interest rates with all other variables held constant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (Continued)

(i) Interest rate risk (Continued)

Interest rate sensitivity (Continued)

Increase / (decrease) in basis point	THE GROUP 2024	THE GROUP 2023	THE COMPANY 2024	THE COMPANY 2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
+50	**17,067**	9,874	**16,028**	9,259
-25	**(8,533)**	(4,937)	**(8,014)**	(4,630)

(ii) Currency profile

	THE GROUP 2024	THE GROUP 2023	THE COMPANY 2024	THE COMPANY 2023
Financial assets	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Euro	**63,570**	26,814	**34,269**	72
United States Dollars	**33,387**	29,955	**39**	40
Mauritian Rupees	**22,343**	499,409	**51,092**	611,029
Malagasy Ariary	**-**	10,722	**-**	-
Sri Lanka Rupee	**3,084**	2,365	**-**	-
	122,384	569,265	**85,400**	611,141

	THE GROUP 2024	THE GROUP 2023	THE COMPANY 2024	THE COMPANY 2023
Financial liabilities	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Euro	**81,971**	54,976	**12,112**	26,703
United States Dollars	**19,277**	8,935	**4,083**	1,665
Pound Sterling	**-**	-	**-**	-
Mauritian Rupees	**4,431,769**	2,847,115	**3,737,430**	2,268,812
South African Rand	**3,455**	5,575	**623**	3,452
Malagasy Ariary	**-**	25,710	**-**	-
Sri Lanka Rupee	**4,695**	10,324	**-**	-
	4,541,167	2,952,635	**3,754,248**	2,300,632

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures. Such exposure arises from sales or purchases by an operating unit in currencies other than the unit of the functional currency. While revenue is generated principally in the functional currency, significant expenditures are incurred in Euro, US Dollars and Malagasy Ariary. The Group does not have a policy to hedge against foreign currency risk.

Foreign currency sensitivity

The following table demonstrates due to changes in the fair value of monetary assets and liabilities the sensitivity of the Group's and the Company's profit after tax and equity to a reasonably possible change in Euro, US Dollars and Malagasy Ariary exchange rates, with all other variables held constant.

Increase / (decrease) in exchange rate	THE GROUP 2024	THE GROUP 2023	THE COMPANY 2024	THE COMPANY 2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
Euro +5%	**(920)**	(1,408)	**1,108**	(1,332)
Euro -10%	**1,840**	2,816	**(2,216)**	2,663
US Dollar +5%	**706**	1,051	**(202)**	(81)
US Dollar -10%	**(1,411)**	(2,102)	**404**	163
Malagasy Ariary +5%	**-**	(749)	**-**	-
Malagasy Ariary -10%	**-**	1,499	**-**	-

Equity price risk

The Group's and the Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities.

The following table demonstrates the impact of a reasonably possible change in the equity prices, with all other variables held constant, on the Group's and the Company's profit after tax or equity, depending on whether the decline is significant or prolonged.

Increase/(decrease) in equity prices	THE GROUP 2024	THE GROUP 2023	THE COMPANY 2024	THE COMPANY 2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
+ 5%	**118**	115	**75**	75
- 10%	**(235)**	(229)	**(150)**	(150)

(b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group and the Company are exposed to credit risk from its operating activities and from its financing activities, including trade and other receivables and cash at bank.

Trade receivables

Customer credit risk is managed by the Group's and the Company's established policy, procedures and control relating to customer credit risk management. The Group and the Company have established internal policies to determine the credit worthiness and reliability of potential customers.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 16.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (Continued)

Trade receivables (Continued)

Set out below is the information about the credit risk exposure on the Group's and the Company's trade receivables using a provision matrix:

THE GROUP

2024	Total	Current	1-30 days	31-60 days	61-90 days	91-180 days	>180 days
Expected credit loss rate		**-**	**2.03%**	**2.88%**	**5.28%**	**14.10%**	**100.00%**
Total gross carrying amount (Rs'000)	**476,760**	**-**	**168,537**	**93,911**	**30,100**	**31,474**	**152,738**
Expected credit loss (Rs'000) *	**111,899**	**-**	**281**	**1,165**	**582**	**1,133**	**108,738**

* Adjusted taking into consideration bank guarantees

2023	Total	Current	1-30 days	31-60 days	61-90 days	91-180 days	>180 days
Expected credit loss rate		2.35%	3.49%	5.36%	7.12%	15.83%	100.00%
Total gross carrying amount (Rs'000)	570,240	9,712	166,637	115,795	36,605	37,955	203,536
Expected credit loss (Rs'000) *	180,983	(131)	3,116	2,677	563	2,144	172,614

* Adjusted taking into consideration bank guarantees

THE COMPANY

2024	Total	Current	1-30 days	31-60 days	61-90 days	91-180 days	>180 days
Expected credit loss rate		**-**	**2.01%**	**2.19%**	**3.68%**	**32.32%**	**100.00%**
Total gross carrying amount (Rs'000)	**139,056**	**-**	**60,587**	**22,298**	**6,602**	**6,003**	**43,566**
Expected credit loss (Rs'000) *	**32,182**	**-**	**789**	**583**	**342**	**762**	**29,706**

* Adjusted taking into consideration bank guarantees

2023	Total	Current	1-30 days	31-60 days	61-90 days	91-180 days	>180 days
Expected credit loss rate		2.05%	2.36%	2.59%	4.38%	14.89%	100.00%
Total gross carrying amount (Rs'000)	249,715	3,340	76,014	74,599	28,975	20,517	46,270
Expected credit loss (Rs'000) *	43,839	57	1,463	785	604	55	40,875

* Adjusted taking into consideration bank guarantees

Financial instruments and cash at bank

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. The Group and the Company limits its credit risk by carrying out transactions with reputable banking institutions. Counterparty credit limits are reviewed by the Group's Senior Management on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure. The Group's maximum exposure to credit risk for the components of the statement of financial position is the carrying amounts as disclosed below:

	THE GROUP	
	2024	2023
	Rs'000	Rs'000
Non-current financial assets	**2,351**	2,292
Cash at bank	**281,545**	100,543

	THE COMPANY	
	2024	2023
	Rs'000	Rs'000
Non-current financial assets	**1,502**	1,502
Cash at bank	**140,093**	1,112

Other receivables

Other receivables are neither past due nor impaired for the year ended 30 June 2024 and 2023.

(c) Categories of financial instruments

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
Financial assets	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Financial assets at FVTPL	**2,337**	2,278	**1,488**	1,488
Financial assets at FVTOCI	**14**	14	**14**	14
Financial assets at amortised cost	**120,033**	49,068	**83,898**	27,667
	122,384	51,360	**85,400**	29,169
Financial liabilities				
Financial liabilities at amortised cost	**4,541,167**	2,952,635	**3,754,248**	2,300,632

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk

Liquidity risk refers to the possibility of default by the Group and the Company to meet its obligations because of unavailability of funds to meet both operational and capital requirements. The Group and the Company monitor its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g. accounts receivables and other financial assets), the maturity of its financial obligations and projected cash flows from operations. Moreover, the Group and the Company have access to various types of funding such as leasing, loans and share capital.

The following table summarises the maturity profile of the Group's and the Company's financial liabilities at June 30, based on contractual undiscounted payment.

THE GROUP

At June 30, 2024	On demand	Less than 3 months	3-12 months	1 to 5 years	Above 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Interest bearing loans, leases and borrowings	226,812	33,407	486,597	2,147,936	1,684,675	4,579,427
Trade and other payables	369,708	364,430	15,692	-	-	749,830
	596,520	397,837	502,289	2,147,936	1,684,675	5,329,257

At June 30, 2023	On demand	Less than 3 months	3-12 months	1 to 5 years	Above 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Interest bearing loans, leases and borrowings	437,812	124,504	1,064,728	721,449	260,793	2,609,286
Trade and other payables	311,668	288,417	17,695	-	-	617,780
	749,480	412,921	1,082,423	721,449	260,793	3,227,066

THE COMPANY

At June 30, 2024	On demand	Less than 3 months	3-12 months	1 to 5 years	Above 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Interest bearing loans, leases and borrowings	203,554	8,002	329,328	1,837,719	1,606,806	3,985,409
Trade and other payables	257,049	94,907	15,693	-	-	367,649
	460,603	102,909	345,021	1,837,719	1,606,806	4,353,058

At June 30, 2023	On demand	Less than 3 months	3-12 months	1 to 5 years	Above 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Interest bearing loans, leases and borrowings	365,689	103,144	967,900	469,705	242,564	2,149,002
Trade and other payables	199,947	87,388	16,963	-	-	304,298
	565,636	190,532	984,863	469,705	242,564	2,453,300

(e) Climate-related risks

The table below lists the climatic impacts that are most likely to affect the business operations of the Group and the Company.

Geophysical, meteorological, hydrological, climatological events	Implications
Warmer temperatures	• Health and Safety risks • Failure to meet customer demands due to disruption in production output and delay in delivery of items • Temporary interruption of operations and production process • Rising insurance costs • Changes in resource/input price (water, energy) • Damage to infrastructure • Changes in consumer consumption patterns
Increase in frequency of intensity of heavy rainfall episodes	
Increase in intensity and length of droughts	
Decrease or increase in annual rainfall	
Rising sea levels	
Increase in frequency and intensity of tropical cyclones	

All potential effects of climate-related hazards are systematically evaluated and the Group has extensive processes in place aimed at monitoring and mitigating these risks through proactive management and early detection.

(f) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders value.

The Group and the Company manage its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes during the years ended June 30, 2024 and June 30, 2023.

The Group monitors capital using a gearing ratio which is interest bearing loans and borrowings divided by equity. The Group's policy is to keep the gearing ratio between 30% and 60%. The gearing ratio has increased this year owing to the loan contracted in view of the investment in the Reunion Group of companies. The loan facility will be almost fully repaid by the sale of some non-core assets of the Company. Capital comprises of equity attributable to the equity holders of the parent. The Group and Company do not have any externally imposed capital requirements.

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Interest bearing loans, leases and borrowings	**3,791,797**	2,337,317	**3,340,203**	1,996,354
Equity	**4,397,833**	4,261,631	**3,031,712**	2,914,162
Gearing ratio	**86%**	55%	**110%**	69%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

5. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	Freehold land and buildings	Land improvements	Plant and equipment	Motor vehicles	Asset in progress	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST OR VALUATION						
At July 01, 2022	3,074,713	83,933	3,024,070	182,773	127,963	6,493,452
Additions	64,740	-	299,088	11,475	219,166	594,469
Disposals	-	-	(28,272)	(26,721)	-	(54,993)
Write-off	(4,428)	-	(87,002)	-	(465)	(91,895)
Revaluation adjustments	439,817	-	-	-	-	439,817
Transfer to intangible assets (note 9 (a))	-	-	-	-	(94)	(94)
Transfer (to)/from right of use asset (note 6)	(214)	-	5,351	762	-	5,899
Transfer to inventories*	-	-	(21,761)	-	-	(21,761)
Transfer from investment property (note 7)	10,826	-	-	-	-	10,826
Acquisition of subsidiary (note 37)	95,932	-	111,249	1,258	-	208,439
Transfer from / (to) assets in progress	66,082	-	19,288	-	(85,370)	-
Transfer from held for sale (note 38)	44,304	4,704	76,840	10,707	7,023	143,578
Transfer within classes of assets	(34,260)	-	34,999	(739)	-	-
At June 30, 2023	3,757,512	88,637	3,433,850	179,515	268,223	7,727,737
Additions	156,161	-	196,051	20,330	28,373	400,915
Disposals	-	-	(112,761)	(12,117)	-	(124,878)
Write-off	(827)	-	(57,826)	-	(7,368)	(66,021)
Transfer to intangible assets (note 9 (a))	-	-	-	-	(189)	(189)
Transfer from right of use asset (note 6)	-	-	-	9,094	-	9,094
Transfer (to) / from inventories*	(743)	-	(1,333)	-	383	(1,693)
Transfer to investment property (note 7)	(4,722)	-	-	-	-	(4,722)
Disposal of subsidiary (note 38)	(43,458)	-	(46,730)	(9,402)	-	(99,590)
Transfer from / (to) assets in progress	4,230	-	23,746	800	(28,776)	-
Exchange differences	2,506	231	4,135	775	345	7,992
At June 30, 2024	**3,870,659**	**88,868**	**3,439,132**	**188,995**	**260,991**	**7,848,645**
ACCUMULATED DEPRECIATION						
At July 01, 2022	119,640	43,212	2,414,354	138,985	884	2,717,075
Charge for the year	67,782	4,108	180,595	18,837	-	271,322
Disposals	-	-	(26,951)	(25,626)	-	(52,577)
Write-off	(4,115)	-	(86,669)	-	-	(90,784)
Revaluation adjustments	(182,152)	-	-	-	-	(182,152)
Transfer from right of use asset (note 6)	504	-	5,351	762	-	6,617
Transfer from intangible assets (note 9 (a))	70	-	-	-	-	70
Acquisition of subsidiary (note 37)	(9,587)	-	88,466	482	-	79,361
Reclassified as held for sale (note 38)	26,593	2,544	58,119	11,264	-	98,520
Transfer within classes of assets	10,279	-	(9,298)	(981)	-	-
At June 30, 2023	29,014	49,864	2,623,967	143,723	884	2,847,452
Charge for the year	80,269	2,993	226,102	20,071	-	329,435
Disposals	-	-	(101,047)	(12,117)	-	(113,164)
Write-off	(747)	-	(43,263)	(1,907)	-	(45,917)
Transfer to investment properties (note 7)	(682)	-	-	-	-	(682)
Transfer from right of use asset (note 6)	-	-	-	9,094	-	9,094
Disposal of subsidiary (note 38)	(28,615)	-	(41,492)	(8,877)	-	(78,984)
Exchange differences	1,508	125	3,140	665	-	5,438
At June 30, 2024	**80,747**	**52,982**	**2,667,407**	**150,652**	**884**	**2,952,672**
CARRYING AMOUNT						
At June 30, 2024	**3,789,912**	**35,886**	**771,725**	**38,343**	**260,107**	**4,895,973**
At June 30, 2023	3,728,498	38,773	809,883	35,792	267,339	4,880,285

* In the financial year 2024, Rs 1.7m (2023: Rs 21.8m) was transferred to/(from) inventory.

Bank borrowings are secured by fixed and floating charges over the assets of the Group.

Following the representation of the discontinuing operation to continuing operation Rs 7.2m has been included in depreciation charge for the year in the statement of cash flows in 2023.

THE COMPANY	Freehold land and buildings	Land improvements	Plant and equipment	Motor vehicles	Asset in progress	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST OR VALUATION						
At July 01, 2022	1,348,606	43,126	2,168,608	107,150	86,058	3,753,548
Additions	50,217	-	205,491	3,644	178,357	437,709
Disposals	-	-	(20,340)	(16,286)	-	(36,626)
Write-off	(4,115)	-	(19,639)	-	-	(23,754)
Transfer to inventories *	-	-	(21,761)	-	-	(21,761)
Transfer from assets in progress	63,344	-	712	-	(64,056)	-
Revaluation adjustments	236,249	-	-	-	-	236,249
Transfer within classes of assets	(34,260)	-	34,999	(739)	-	-
Transfer to investment property (note 7)	(16,495)	-	-	-	-	(16,495)
Transfer to right of use asset (note 6)	(214)	-	-	-	-	(214)
At June 30, 2023	1,643,332	43,126	2,348,070	93,769	200,359	4,328,656
Additions	10,801	-	149,495	10,185	25,832	196,313
Disposals	-	-	(100,818)	(2,920)	-	(103,738)
Write-off	(827)	-	(57,881)	-	-	(58,708)
Transfer from / (to) assets in progress	4,210	-	20,088	800	(25,098)	-
Transfer to investment property (note 7)	(21,553)	(43,126)	-	-	(175,260)	(239,939)
At June 30, 2024	**1,635,963**	**-**	**2,358,954**	**101,834**	**25,833**	**4,122,584**
ACCUMULATED DEPRECIATION						
At July 01, 2022	106,279	35,014	1,769,895	74,488	-	1,985,676
Charge for the year	40,421	2,156	125,325	11,805	-	179,707
Disposals	-	-	(19,945)	(15,877)	-	(35,822)
Revaluation adjustments	(87,083)	-	-	-	-	(87,083)
Write-off	(4,115)	-	(19,639)	-	-	(23,754)
Transfer within classes of assets	10,109	-	(9,128)	(981)	-	-
Transfer from investment property (note 7)	1,284	-	-	-	-	1,284
Transfer from right of use asset (note 6)	504	-	-	-	-	504
Transfer from intangible assets (note 9 (a))	70	-	-	-	-	70
At June 30, 2023	67,469	37,170	1,846,508	69,435	-	2,020,582
Charge for the year	41,958	-	156,765	10,893	-	209,616
Disposals	-	-	(96,555)	(2,920)	-	(99,475)
Write-off	(827)	-	(45,160)	-	-	(45,987)
Transfer to investment property (note 7)	(11,487)	(37,170)	-	-	-	(48,657)
At June 30, 2024	**97,113**	**-**	**1,861,558**	**77,408**	**-**	**2,036,079**
CARRYING AMOUNT						
At June 30, 2024	**1,538,850**	**-**	**497,396**	**24,426**	**25,833**	**2,086,505**
At June 30, 2023	1,575,863	5,956	501,562	24,334	200,359	2,308,074

* In the financial year 2024, there were no transfers to inventory (2023: Rs 21.8m was transferred to inventory).

Bank borrowings are secured by fixed and floating charges over the assets of the Company.

(b) *Revaluation of land and buildings*

The fair value of the freehold land and buildings were determined by Chasteau Doger De Speville Ltd, an independent and qualified valuer. The date of the revaluation was June 30, 2023.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Revaluation of land and buildings (Continued)

Freehold land is revalued by reference to market based evidence; that is, the valuations are based on active market prices, adjusted for any differences in the nature, location or condition of a specific property. Freehold land is classified as level 2. The significant input is the price per square metre which ranges between Rs 119 and Rs 7,699.

The fair value of buildings was determined using the depreciated replacement cost approach, which reflects the value by computing the current cost of replacing the property and subtracting any depreciation resulting from one or more of the following factors: physical deterioration, functional obsolescence and economic obsolescence. Buildings have been classified as level 3. The significant unobservable input is the depreciation rate which ranges between 4%-75%.

Details of the Group's and Company's buildings and information about the fair value hierarchy as at June 30, 2024 are as follows:

	Buildings			
	2024		2023	
Reconciliation of carrying amount	THE GROUP	THE COMPANY	THE GROUP	THE COMPANY
	Rs'000	Rs'000	Rs'000	Rs'000
Carrying amount as at July 01,	1,647,707	719,357	906,862	361,875
Additions for the year	156,161	10,801	64,740	50,217
Transfers	(492)	4,210	84,340	63,344
Revaluation	-	-	554,098	284,342
Depreciation for the year	(80,269)	(41,958)	(67,782)	(40,421)
Acquisition of subsidiary (note 37)	-	-	105,519	-
Disposal of subsidiary (note 38)	(14,843)	-	-	-
Reclassification (depreciation)	-	-	(70)	-
Carrying amount and fair value as at June 30,	1,708,264	692,410	1,647,707	719,357

The cost, accumulated depreciation and net book values of the land and buildings, had they been stated at historical cost would be as follows:

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Cost	1,985,815	1,829,654	1,276,220	1,265,419
Accumulated depreciation	(959,823)	(879,554)	(589,247)	(521,465)
Net book value	1,025,992	950,100	686,973	743,954

The Directors have reviewed the carrying value of the land and buildings and other items of property, plant and equipment and are of the opinion that as at June 30, 2024, the carrying value has not suffered any impairment except those disclosed elsewhere.

6. RIGHT OF USE ASSETS

THE GROUP

	Land and buildings	Plant and machinery	Motor vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000
COST				
At July 01, 2022	57,385	162,406	187,431	407,222
Additions	3,717	68,732	81,770	154,219
Transfer from/(to) property, plant and equipment (note 5)	214	-	(6,113)	(5,899)
Transfer from held for sale (note 38)	4,842	-	-	4,842
Derecognition	-	(4,333)	(1,487)	(5,820)
Reassessment	660	2,011	-	2,671
At June 30, 2023	66,818	228,816	261,601	557,235
Additions	17,413	41,577	50,782	109,772
Disposal of subsidiary (note 38)	(5,119)	-	-	(5,119)
Transfer to property, plant and equipment (note 5)	-	-	(9,094)	(9,094)
Exchange differences	453	-	-	453
Derecognition	-	-	(2,690)	(2,690)
Reassessment	4,165	-	-	4,165
At June 30, 2024	**83,730**	**270,393**	**300,599**	**654,722**
ACCUMULATED DEPRECIATION				
At July 01, 2022	20,531	40,099	80,791	141,421
Charge for the year	8,166	38,445	33,525	80,136
Transfer to property, plant and equipment (note 5)	(504)	-	(6,113)	(6,617)
Derecognition	-	(2,804)	(1,487)	(4,291)
At June 30, 2023	28,193	75,740	106,716	210,649
Charge for the year	11,845	43,875	38,107	93,827
Transfer to property, plant and equipment (note 5)	-	-	(9,094)	(9,094)
Exchange differences	15	-	-	15
Derecognition	-	-	(2,690)	(2,690)
At June 30, 2024	**40,053**	**119,615**	**133,039**	**292,707**
CARRYING AMOUNT				
At June 30, 2024	**43,677**	**150,778**	**167,560**	**362,015**
At June 30, 2023	38,625	153,076	154,885	346,586

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

6. RIGHT OF USE ASSETS (CONTINUED)

The Group has options to purchase certain plant and machinery and motor vehicles for a nominal amount at the end of the lease term. The Group's obligations are secured by the lessors' title to the leased assets for such leases.

The maturity analysis of the lease liabilities are presented in note 20(b)(i).

	2024	2023
Amounts recognised in profit or loss	**Rs'000**	Rs'000
Depreciation expense on right-of-use assets	**93,827**	80,136
Interest expense on lease liabilities (note 27)	**23,676**	19,405
	117,503	99,541

At June 30, 2024, the Group did not have any commitment for short-term leases.

THE COMPANY

	Plant and equipment	Land and buildings	Motor vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000
COST				
At July 01, 2022	100,323	13,992	6,397	120,712
Transfer from property, plant and equipment (note 5)	-	214	-	214
Reassessment	2,011	179	-	2,190
Additions	50,408	-	18,989	69,397
At June 30, 2023	152,742	14,385	25,386	192,513
Reassessment	-	533	-	533
Additions	21,875	-	3,071	24,946
At June 30, 2024	**174,617**	**14,918**	**28,457**	**217,992**
ACCUMULATED DEPRECIATION				
At July 01, 2022	15,596	4,494	2,322	22,412
Transfer to property, plant and equipment (note 5)	-	(504)	-	(504)
Charge for the year	24,373	2,167	4,129	30,669
At June 30, 2023	39,969	6,157	6,451	52,577
Charge for the year	30,247	2,029	4,657	36,933
At June 30, 2024	**70,216**	**8,186**	**11,108**	**89,510**
CARRYING AMOUNT				
At June 30, 2024	**104,401**	**6,732**	**17,349**	**128,482**
At June 30, 2023	112,773	8,228	18,935	139,936

The Company has options to purchase certain land and buildings and motor vehicles for a nominal amount at the end of the lease term. The Company's obligations are secured by the lessors' title to the leased assets for such leases.

	2024	2023
Amounts recognised in profit or loss	**Rs'000**	Rs'000
Depreciation expense on right-of-use assets	**36,933**	30,669
Interest expense on lease liabilities (note 27)	**8,949**	7,273
	45,882	37,942

At June 30, 2024, the Company did not have any commitment for short-term leases.

7. INVESTMENT PROPERTIES

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
COST				
At July 01,	**104,847**	115,673	**524,625**	501,438
Transfer from/(to) property, plant and equipment (note 5)	**4,722**	(10,826)	**239,939**	16,495
Additions	**-**	-	**134,243**	6,692
At June 30,	**109,569**	104,847	**898,807**	524,625
ACCUMULATED DEPRECIATION				
At July 01,	**58,131**	56,027	**305,199**	288,430
Transfer from/(to) property, plant and equipment (note 5)	**682**	-	**48,658**	(1,284)
Charge for the year	**2,701**	2,104	**24,026**	18,053
At June 30,	**61,514**	58,131	**377,883**	305,199
CARRYING AMOUNT				
At June 30,	**48,055**	46,716	**520,924**	219,426

The investment properties were revalued on June 30, 2023 by an external independent valuer, Chasteau Doger De Speville Ltd. Fair value is determined by reference to market based evidence; that is, using the sales comparison method, where the valuations are based on active market prices, adjusted for any differences in the nature, location or condition of a specific property. Based on directors' assessment, the fair value at June 30, 2024 was Rs 232.2m (2023: Rs 232.2m) for the Group and Rs 813.9m (2023: Rs 813.9m) for the Company. The rental income on investment properties arising during the year amounted to Rs 13.7m (2023: Rs 13m) for the Group and for the Company Rs 58.3m (2023: Rs 46.2m). Direct operating expenses incurred on the investment properties for the Company during the year was Rs 0.2m (2023: Rs 0.1m) and nil (2023: Nil) for the Group. Investment properties valued using the income approach have been classified as Level 2 amounting to Rs 77.1m (2023: Rs 77.1m) and those valued using the depreciated replacement cost have been classified as Level 3 amounting to Rs 155m (2023: Rs 155m). The significant input for level 2 is the price per square metre and for Level 3, it is the depreciation rate.

There has been no change in the valuation technique during the year. The Group and the Company have no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties.

The Directors have reviewed the carrying value of the investment properties and are of the opinion that as at June 30, 2024, the carrying value has not suffered any impairment.

8. BEARER BIOLOGICAL ASSETS

	THE GROUP	
Plant canes	**2024**	2023
	Rs'000	Rs'000
At July 01,	**1,125**	-
Expenditure during the year	**3,513**	1,125
Amortisation for the year	**(378)**	-
At June 30,	**4,260**	1,125

Other information:	**2024**	2023
Area harvested (Arpents)	**82**	38
Cost per Arpent (Rs)	**38,300**	29,678

The Directors made an assessment of the carrying value of the bearer plants as at June 30, 2024. The impairment assessment was based on an average sugar price of Rs 23,500 per ton over a period of 7 years. Accordingly, an impairment of Rs 0.4m was booked as at June 30, 2024.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

9(a). INTANGIBLE ASSETS

	THE GROUP					THE COMPANY
	Computer Software	Goodwill	Customer relationships	Brand name	Total	Computer Software
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST						
At July 01, 2022	156,292	474,789	20,627	60,838	712,546	52,811
Additions	23,324	-	-	-	23,324	3,260
Acquisition of subsidiary (note 37)	1,249	120,195	-	-	121,444	-
Transfer from plant and equipment (note 5)	94	-	-	-	94	-
Write-off	(959)	-	-	-	(959)	-
Work in progress	1,123	-	-	-	1,123	1,123
At June 30, 2023	181,123	594,984	20,627	60,838	857,572	57,194
Additions	9,620	-	-	-	9,620	2,455
Transfer from plant and equipment (note 5)	189	-	-	-	189	-
Write-off	(36)	-	-	-	(36)	(36)
At June 30, 2024	**190,896**	**594,984**	**20,627**	**60,838**	**867,345**	**59,613**
ACCUMULATED AMORTISATION AND IMPAIRMENT						
At July 01, 2022	89,072	469,357	2,750	-	561,179	33,333
Amortisation charge	23,318	-	4,125	-	27,443	5,432
Transfer to plant and equipment (note 5)	(70)	-	-	-	(70)	(70)
Write-off	(959)	-	-	-	(959)	-
Acquisition of subsidiary (note 37)	1,077	-	-	-	1,077	-
At June 30, 2023	112,438	469,357	6,875	-	588,670	38,695
Amortisation charge	24,297	-	4,125	-	28,422	5,299
Write-off	(36)	-	-	-	(36)	(36)
At June 30, 2024	**136,699**	**469,357**	**11,000**	**-**	**617,056**	**43,958**
CARRYING AMOUNT						
At June 30, 2024	**54,197**	**125,627**	**9,627**	**60,838**	**250,289**	**15,655**
At June 30, 2023	68,685	125,627	13,752	60,838	268,902	18,499

Before recognition of impairment losses, the carrying amount of goodwill indefinite lives have been allocated to the following cash-generating units:

	2024	2023
	Rs'000	Rs'000
Agriculture	**5,432**	5,432
Core business	**460,881**	460,881
	466,313	466,313

Agriculture

Compagnie de Gros Cailloux Limitée

The recoverable amount of that CGU has been determined using the fair value less costs to sell model of properties. Fair value less cost to sell is adjusted for with other assets and liabilities of the CGU. No impairment was required as a result of the analysis.

The fair value less costs to sell calculation is most sensitive to the following main assumption:

Selling prices - The prices are obtained from the relevant bodies and adjusted for expected changes for future periods.

Management believes that reasonably possible changes in the above assumption will not cause the carrying amount of the CGU to materially exceed its recoverable amount. A 5% decrease in the unit selling price will still result in a recoverable amount lower than the carrying amount.

Core business

Flacq Associated Stonemasters Limited (FAST)

On March 31, 2023, the Group acquired Flacq Associated Stonemasters Limited ("FAST") and recorded a Goodwill of Rs 120.2m. The recoverable amount is based on a value in use calculation which uses cash flow projections based on financial budgets covering a five year period and a discount rate of 14.39% (2023: 13.60%) per annum (refer to note 37).

The Directors have reviewed the carrying value of goodwill at June 30, 2024 and are of the opinion that no impairment losses need to be recognised.

9(b). LAND CONVERSION RIGHTS

	THE GROUP	
	2024	2023
	Rs'000	Rs'000
At June 30,	**27,198**	27,198

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.

LCR is recognised as a non-current asset and is initially measured at fair value at the date on which the Company 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. The level of the fair value hierarchy within which the fair value measurement is categorised is level 2. LCRs are derecognised upon disposal (i.e. the date the recipient obtains control), or use for converting agricultural land into residential land for land projects. Any gain or loss on derecognition of the LCR is included in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

10(a). INVESTMENT IN SUBSIDIARIES

	THE COMPANY 2024	THE COMPANY 2023
	Rs'000	Rs'000
At July, 01	**1,605,870**	1,316,261
Additions	**1,314**	248,118
Impact of amalgamation (e)	**(5,126)**	-
Transfer from financial assets at fair value through other comprehensive income (note 12 (a))	**-**	25,623
Impairment (c)	**(1,314)**	(6,560)
Transfer from assets classified as held for sale (note 38)	**-**	22,428
At June, 30	**1,600,744**	1,605,870

	THE COMPANY 2024	THE COMPANY 2023
Analysed as follows:	**Rs'000**	Rs'000
Unquoted equity instruments	**1,176,504**	1,471,239
Interest free loans	**424,240**	424,240
	1,600,744	1,895,479

The Directors have assessed the recoverable amount of the investments and are of the opinion that the carrying amount has not suffered further impairment, other than that disclosed in note (d) below.

Particulars of interests in the Group's subsidiary companies:

	Principal activities	Country of incorporation	2024 % Holding Direct	2024 % Holding Indirect	2023 % Holding Direct	2023 % Holding Indirect
OPERATIONAL						
Flacq Associated Stonemasters Limited (FAST) (b)/(f)	Investment and manufacture of building materials	Mauritius	**100.0**	**-**	100.0	-
Premix Ltd	Supplier of ready-mixed concrete	Mauritius	**100.0**	**-**	100.0	-
Espace Maison Ltée	Retail	Mauritius	**100.0**	**-**	100.0	-
Compagnie de Gros Cailloux Ltée	Agriculture	Mauritius	**100.0**	**-**	100.0	-
Société d'Investissement Rodriguais	Investment	Mauritius	**100.0**	**-**	100.0	-
Welcome Industries Ltd	Manufacture of building materials	Mauritius	**-**	**75.9**	-	75.9
UBP International Ltd	Investment	Mauritius	**100.0**	**-**	100.0	-
UBP Madagascar (c)	Manufacture of building materials	Madagascar	**-**	**-**	100.0	-
United Granite Products (Private) Limited (c)/(d)	Manufacture of building materials	Sri-Lanka	**-**	**77.0**	-	77.0
Sainte Marie Crushing Plant Limited	Manufacture of building materials	Mauritius	**76.5**	**-**	76.5	-
Société des Petits Cailloux	Investment	Mauritius	**-**	**76.5**	-	76.5
Drymix Ltd	Manufacture of building materials	Mauritius	**71.8**	**-**	71.8	-
Drymat SAS (Reunion)	Manufacture of building materials	Reunion	**-**	**80.0**	-	80.0
UBP Coffrages Ltée (e)	Manufacture of building materials	Mauritius	**-**	**-**	100.0	-
Bazalt Limited (a)	Investment	Mauritius	**100.0**	**-**	-	-
Bazalt Reunion (a)	Investment	Reunion	**-**	**90.0**	-	-
Bazalt Support (a)	Service	Reunion	**-**	**90.0**	-	-
DORMANT						
Pricom Ltd	Manufacture of building materials	Mauritius	**100.0**	**-**	100.0	-

(a) On July 07, 2022, the Company has entered into a Share Purchase Agreement ("SPA") to acquire 100.0% of the shareholding of the following entities ("Targets") in Reunion Island: (i) SAS J. Anzemberg and its subsidiaries, (ii) SARL Anzemberg Logistique Distribution, (iii) SAS Préfabéton and its subsidiary, (iv) SAS Société Réunionnaise de Concassage, (v) SAS Sita through SAS Bazalt Réunion ("Bazalt Réunion"), for a cash consideration of approximately EUR 82.0m, equivalent to approximately Rs 4.0b (the "Transaction"). In line with the SPA, the Targets were acquired on July 01, 2024 by Bazalt Réunion, a subsidiary company of UBP incorporated in Réunion Island on 01 February 2024 as a "Société par actions simplifiée" ("SAS").

In October 2023, the Company incorporated Bazalt Limited as a holding company to hold 90% of the investment in Bazalt Réunion. In February 2024, Bazalt Réunion was incorporated as a SAS with the sole purpose of holding (i) 100.0% stake in Bazalt Group post-Transaction and (ii) 100.0% stake in Bazalt Support (Réunion) which will be the managing company and will employ certain staff of the Targets. As part of the negotiations, UBP agreed to provide the Minority Shareholders with an option to invest in Bazalt Réunion for a collective stake not exceeding 10.0%.

The Transaction will be funded by way of (i) debt facilities to be contracted by Bazalt Réunion for approximately Rs 2.6b (EUR53.4m) and (ii) equity injection of approximately (Rs 1.4b) EUR 28.6m by Bazalt Limited and the non-controlling Shareholders on a pro rata basis. As part of the Transaction, Bazalt Limited will subscribe for additional shares in Bazalt Réunion such that its equity stake will be 90.0% of the shareholding of Bazalt Réunion. The subscription for additional shares by Bazalt Limited will be fully funded via a loan facility entered by UBP with a reputable local bank to the tune of approximately Rs 1.3b (EUR 25.7m). As of 30 June 2024, the sum of Rs 1.3b (EUR 25.7m) was disbursed by the bank and was deposited in an "escrow account" in the name of Bazalt Reunion. This is shown on a separate line as "Restricted cash " on the Statement of Financial Position as at June 30, 2024.

(b) On March 31, 2023, the Company acquired the remaining 90.53% shares in Flacq Associated Stonemasters Limited (FAST) for a purchase consideration of Rs 244.8m.

(c) During the year, unsecured and interest free loan of Rs 0.7m (2023: Rs 1m) and Rs 0.6m (2023: Rs 2.3m) advanced to UBP Madagascar and United Granite Products Limited respectively were accounted under investments further to management's approval.

On June 26, 2024, the company disposed of its 100% shares in UBP Madagascar for a total sales consideration of Rs 35.5m(refer to note 38).

(d) *Impairment losses, key assumptions used and sensitivity*

The Company has investment in one overseas subsidiary of Rs 22.4m at June 30, 2024 (2023: Rs 25.7m). The impairment losses recorded during the year amounted to Rs 1.3m (2023: Rs 3.3m). These subsidiaries have been making losses over the past years and are not operating at full capacity.

In determining the recoverable amount of investment in subsidiaries, management considered the estimated recoverable amounts of the main underlying asset that each subsidiary owns, that is, property. The valuation of these properties by the management was done under the guidance of in-country experts. The level of the fair value hierarchy within which the fair value measurement is categorised is level 3. The main assumptions are area of property, estimated price and discount factors. Management applied discount rates 30-55% where appropriate to the values of the property.

Management used reasonable assumptions in preparing the recoverable amount computation but recognise that continuous losses and operational challenges may have a further significant impact on the recoverable amount of the investment in overseas subsidiaries.

During the year, the Malagasy subsidiary, UBP Madagascar, has been reclassified to discontinued operation following the diposal of the entity on June 26, 2024.

(e) On June 28, 2024, the Company completed the amalgamation of its wholly-owned subsidiary, UBP Coffrages Ltée, in accordance with Section 247 of the Companies Act 2001 (Refer to note 39).

(f) Following a review of the carrying value and the recoverable amount of Flacq Associated Stonemasters Limited (FAST) and Premix Ltd as at reporting date, the Directors noted that the recoverable amount is higher than its carrying value and are of the opinion that no impairment losses need to be recognised.

Summarised financial information of subsidiaries that have material non-controlling interests, based on their IFRS financial statements and before inter-company eliminations are provided below:

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FOR THE YEAR ENDED JUNE 30, 2024

10(a). INVESTMENT IN SUBSIDIARIES (CONTINUED)

	Drymix Ltd	Welcome Industries Ltd	United Granite Products (Private) Limited	Sainte Marie Crushing Plant Limited
	Rs'000	Rs'000	Rs'000	Rs'000
2024				
Proportion of non-controlling interests	28.17%	24.10%	23.00%	23.50%
Financial position				
Non-current assets	177,729	40,032	13,264	115,987
Current assets	233,407	31,192	16,677	39,665
Non-current liabilities	(67,434)	(7,234)	(1,382)	(12,094)
Current liabilities	(143,338)	(14,009)	(173,378)	(22,577)
Net assets / liabilities	200,364	49,981	(144,819)	120,981
Carrying amounts of non-controlling interests	56,443	12,045	(33,308)	28,431
Comprehensive income				
Revenue	591,195	68,142	12,612	127,828
Profit / (loss) for the year	28,510	2,816	(7,766)	18,371
Other comprehensive income / (loss)	(3,341)	(1,711)	(4,362)	(578)
Total comprehensive income / (loss)	25,169	1,105	(12,128)	17,793
Profit / (loss) allocated to non-controlling interests	8,031	679	(1,786)	4,317
Total comprehensive income / (loss) allocated to non-controlling interests	7,090	266	(2,789)	4,181
Cash flows				
Operating activities	36,139	10,867	(4,377)	7,450
Investing activities	(8,857)	(2,230)	-	(6,619)
Financing activities	(43,642)	(6,220)	-	-
Net (decrease) / increase in cash and cash equivalents	(16,360)	2,417	(4,377)	831

	Drymix Ltd	Welcome Industries Ltd	United Granite Products (Private) Limited	Sainte Marie Crushing Plant Limited
	Rs'000	Rs'000	Rs'000	Rs'000
2023				
Proportion of non-controlling interests	28.17%	24.10%	23.00%	23.50%
Financial position				
Non-current assets	162,985	46,903	21,187	118,311
Current assets	182,893	31,460	16,279	22,969
Non-current liabilities	(46,662)	(6,492)	(1,297)	(11,838)
Current liabilities	(104,023)	(16,871)	(168,860)	(16,855)
Net assets / (shareholders' deficit)	195,193	55,000	(132,691)	112,587
Carrying amounts of non-controlling interests	54,986	13,255	(30,519)	26,458
Comprehensive income				
Revenue	523,021	70,807	8,878	109,064
Profit / (loss) for the year	27,026	7,767	(17,740)	10,993
Other comprehensive income	26,904	9,803	(8,998)	21,868
Total comprehensive income / (loss)	53,930	17,570	(26,738)	32,861
Profit / (loss) allocated to non-controlling interests	7,613	1,872	(4,080)	2,583
Total comprehensive income / (loss) allocated to non-controlling interests	15,192	4,234	(6,150)	7,722
Cash flows				
Operating activities	51,223	26,619	(5,957)	7,268
Investing activities	(21,392)	(13,839)	-	(6,874)
Financing activities	(14,515)	(16,419)	-	(2,000)
Net increase / (decrease) in cash and cash equivalents	15,316	(3,639)	(5,957)	(1,606)

10(b). ADVANCE TOWARDS EQUITY

	THE COMPANY	
	2024	2023
	Rs'000	Rs'000
Advance towards equity	**1,357,688**	-

This relates to advance made in Bazalt Limited in June 2024, pending allotment of shares.

11. INVESTMENT IN ASSOCIATES

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
Unquoted				
At July 01,	**75,182**	69,801	**7,163**	7,163
Share of profit	**16,467**	13,523	**-**	-
Share of other comprehensive income	**(1,893)**	4,623	**-**	-
Dividend in specie	**(28,055)**	-	**-**	-
Dividend received	**(18,975)**	(12,765)	**-**	-
At June 30,	**42,726**	75,182	**7,163**	7,163

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

11. INVESTMENT IN ASSOCIATES (CONTINUED)

Non cash Transactions

Dividend received from associates includes Rs 28.1m as dividend in specie from Compagnie Mauricienne d'Entreprise Ltée. The dividend in specie consists of two portions of land which have been distributed to shareholders as an alternative to a cash dividend.

Details pertaining to the interests in associates are as follows:

Name of company	Principal activities	Country of incorporation	Proportion of ownership interest (direct & indirect) 2024	2023
Cement Transport Ltd	Operating a fleet of bulk cement transport truck, tractors and tankers.	Mauritius	**25.0%**	25.0%
Terrarock Ltd	Manufacture and sale of building materials.	Mauritius	**46.0%**	46.0%
Compagnie Mauricienne d'Entreprise Ltée	Renting of properties.	Mauritius	**20.0%**	20.0%

(a) On June 26 2024, the Group disposed its 34% shareholding in Prochimad Mines et Carrieres SARL, being part of the agreement to dispose UBP Madagascar to the third party. Details of each of the Group's and the Company's material associates at the end of the reporting period are as follows:

THE GROUP	Terrarock Ltd	Compagnie Mauricienne d'Entreprise Ltée
2024	**Rs'000**	**Rs'000**
Financial position		
Non-current assets	101,836	50,815
Cash and cash equivalents	3,828	4,020
Other current assets	47,487	3,727
Current trade and other payables	(28,839)	(319)
Non-current liabilities	(11,526)	(1,979)
Equity	112,786	56,264
Proportion of Group's ownership	46%	20%
	51,882	11,253
Carrying amount of investments	51,882	11,253
Statement of profit or loss and other comprehensive income		
Revenue	220,598	1,472
Other income	2,103	377
Depreciation and amortisation	(10,962)	-
Other expenses	(171,543)	(4,946)
Profit before tax	40,196	(3,097)
Income tax (expense) / income	(1,682)	928
Profit for the year	38,514	(2,169)
Other comprehensive income	(4,116)	-
Total comprehensive income	34,398	(2,169)
Group's share of profit / (loss)	17,716	(434)
Group's share of total comprehensive income / (loss)	15,823	(434)

THE GROUP	Terrarock Ltd	Compagnie Mauricienne d'Entreprise Ltée
2023	**Rs'000**	**Rs'000**
Financial position		
Non-current assets	110,592	74,913
Cash and cash equivalents	4,192	10,389
Other current assets	42,814	600
Current trade and other payables	(20,083)	(404)
Non-current liabilities	(17,877)	(2,967)
Equity	119,638	82,531
Proportion of Group's ownership	46.0%	20.0%
Carrying amount of investments	55,033	16,506
Statement of profit or loss and other comprehensive income		
Revenue	198,606	3,860
Other income	7,690	967
Depreciation and amortisation	(12,168)	-
Other expenses	(163,281)	(1,953)
Profit before tax	30,847	2,874
Income tax expense	(1,541)	(562)
Profit for the year	29,306	2,312
Other comprehensive income	57,883	-
Total comprehensive income	87,189	2,312
Group's share of profit	13,481	462
Group's share of total comprehensive income	40,107	462

Aggregate information on individually immaterial associates.

	GROUP 2024	2023
	Rs'000	Rs'000
Carrying amount of investments	**2,827**	3,643
Group's share of loss for the year	**(815)**	(422)
Group's share of total comprehensive loss	**(815)**	(422)

The associates had no other capital commitments or contingent liabilities as at June 30, 2024 and 2023 except as disclosed in note 32 and note 33 respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

12. NON-CURRENT FINANCIAL ASSETS

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
Financial assets at fair value through other comprehensive income (note 12 (a))	**14**	14	**14**	14
Financial assets at fair value through profit or loss (note 12 (b))	**2,337**	2,278	**1,488**	1,488
	2,351	2,292	**1,502**	1,502

(a) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Unquoted equity shares
THE GROUP AND THE COMPANY	**Rs'000**
At July 01, 2022	18,480
Transfer to investments (note 10)	(25,623)
Fair value movement	7,157
At June 30, 2024 & June 30, 2023	**14**

(b) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Quoted equity shares	Unquoted equity shares	Total
THE GROUP	**Rs'000**	**Rs'000**	**Rs'000**
At July 01, 2022	506	1,801	2,307
Fair value movement (note 25(b))	(12)	(17)	(29)
At June 30, 2023	494	1,784	2,278
Fair value movement (note 25(b))	36	23	59
At June 30, 2024	**530**	**1,807**	**2,337**

	Unquoted equity shares
THE COMPANY	**Rs'000**
At June 30, 2024 & June 30, 2023	**1,488**

(c) FAIR VALUE HIERARCHY

The following table provides an analysis of financial assets at FVOCI and FVTPL categorised according to the fair value hierarchy disclosures in note 2.3 (b).

2024	THE GROUP			
	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Financial assets at fair value through other comprehensive income	**-**	**-**	**14**	**14**
Financial assets at fair value through profit or loss	**530**	**-**	**1,807**	**2,337**

2024	THE COMPANY			
	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Financial assets at fair value through other comprehensive income	-	-	**14**	**14**
Financial assets at fair value through profit or loss	-	-	**1,488**	**1,488**

2023	THE GROUP			
	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Financial assets at fair value through other comprehensive income	-	-	14	14
Financial assets at fair value through profit or loss	494	-	1,784	2,278

2023	THE COMPANY			
	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Financial assets at fair value through other comprehensive income	-	-	14	14
Financial assets at fair value through profit or loss	-	-	1,488	1,488

Movement in level 3 financial assets

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 01,	**1,798**	20,281	**1,502**	19,968
Transfer to investments (note 10)	**-**	(25,623)	**-**	(25,623)
Net unrealised changes in fair value of financial assets	**23**	7,140	**-**	7,157
At June 30,	**1,821**	1,798	**1,502**	1,502

Valuation techniques

Unlisted equity investments classified as level 3

The Group invests in companies which are not quoted in an active market. Transaction in such investments do not occur on a regular basis. The Group uses a market based valuation technique for these positions. The valuation process for the investments is completed on a yearly basis and is designed to determine a reasonable fair value while subjecting the valuation of such investment to an appropriate level of review. Yearly valuations are performed at Group level by the Directors. For assets classified as Level 3, the finance professionals are responsible for documenting preliminary valuations based on their collection of financial and operating data, company specific developments, market valuation of comparable companies and model projections, among other factors. The Board then reviews the preliminary valuations and all inputs for accuracy and reasonableness. The Board finally approves all investment valuations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

13. INCOME TAX

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
(a) In the statements of profit or loss and other comprehensive income:				
Income tax on the adjusted profit for the year	11,259	3,701	-	-
Corporate social responsibility tax	4,788	2,994	1,529	1,579
Under provision of corporate social responsibility tax	23	1,660	(250)	1,253
Under provision of income tax in previous year	4,548	4,303	226	1,657
Under / (over) provision of deferred tax in previous years	2,898	(6,631)	3,546	(6,993)
Deferred expense / tax (credit)	149	(12,573)	(4,893)	(3,904)
Tax expense / (income)	23,665	(6,546)	158	(6,408)
Amount in other comprehensive income / (loss)				
Deferred tax on actuarial gains and losses	6,075	(21,200)	2,662	(18,860)
Deferred tax on revaluation gain on building	-	(90,809)	-	(48,338)

Income tax is calculated at the rate of 17% (2023: 17%) on profit for the year as adjusted for income tax purposes inclusive of Corporate Social Responsibility (CSR) charged at 2% (2023: 2%). Following the amendments introduced by the Finance (Miscellaneous Provisions) Act 2021, the Company is eligible to a 15% tax credit on capital expenditure over 3 years, as from the year the investment is made, less any investment tax it has been allowed in the past in respect of the same capital expenditure.

The Finance (Miscellaneous Provisions) Act 2024 which was gazetted on July 27, 2024, introduced a new Corporate Climate Responsibility (CCR) Levy at 2 % of chargeable income as from year of assessment commencing on July 01, 2024. This new levy is not considered as substantively enacted as at the reporting date within the meaning of IAS 12 - Income Taxes, and hence not provided for in these financial statements. The amount payable in year of assessment 2024-2025 in respect of the year ended June 30, 2024 is estimated to be around Rs0.7m and Rs0.3m for the Group and Company.

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
(b) In the statements of financial position:				
At July 01,	(15,279)	(2,342)	(12,689)	(9,142)
Payment during the year	(9,054)	(29,300)	(1,413)	(8,036)
Tax withheld	(4,189)	(121)	(3,710)	-
Under / (over) provision of corporate social responsibility tax	23	1,660	(250)	1,253
Under provision of income tax in previous year	4,548	4,303	226	1,657
Acquisition through business combination	-	(463)	-	-
Refund received during the year	-	4,290	-	-
Income tax expense	16,047	6,694	1,529	1,579
At June 30,	(7,904)	(15,279)	(16,307)	(12,689)
Analysed as:				
Income tax receivable	(16,308)	(15,827)	(16,307)	(12,689)
Income tax payable	8,404	548	-	-
	(7,904)	(15,279)	(16,307)	(12,689)
(c) Deferred tax:				
Deferred tax assets	20,302	23,151	-	-
Deferred tax liabilities	(147,153)	(153,030)	(69,398)	(73,407)
Net deferred tax liabilities	(126,851)	(129,879)	(69,398)	(73,407)
(d) Deferred tax liabilities				
Movement in deferred tax:				
At July 01,	(129,879)	(32,018)	(73,407)	(17,106)
Income tax effect recognised in other comprehensive income	6,075	(112,009)	2,662	(67,198)
(Under) / over provision of deferred tax in previous years	(2,898)	6,631	(3,546)	6,993
Acquisition of subsidiary	-	(5,056)	-	-
Deferred tax (credit) / expense	(149)	12,573	4,893	3,904
At June 30,	(126,851)	(129,879)	(69,398)	(73,407)

Deferred tax asset on unused tax losses of Rs 72m (2023: Rs 54.4m) has not been recognised in respect of these tax losses due to the unpredictability of future profit streams to utilise these losses.

	THE GROUP
	Rs'000
Expiry of tax losses	
2025	(10,394)
2026	(18,115)
2027	(17,482)
2028	-
2029	(11,222)
2030	(14,759)
	(71,972)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

13. INCOME TAX (CONTINUED)

(e) Deferred tax assets and liabilities are attributable to the following:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
Deferred tax liabilities	**Rs'000**	Rs'000	**Rs'000**	Rs'000
- Accelerated capital allowances	**(103,882)**	(112,143)	**(73,819)**	(84,300)
- Deferred tax on revaluation gain	**(116,045)**	(120,220)	**(48,337)**	(48,337)
	(219,927)	(232,363)	**(122,156)**	(132,637)
Deferred tax assets				
- Employee benefit liabilities	**50,698**	49,203	**32,902**	34,060
- Allowance for expected credit losses	**19,570**	29,003	**5,496**	9,494
- Provision for obsolete stock	**17,273**	19,432	**14,360**	15,676
- Unutilised tax losses	**5,535**	4,846	**-**	-
	93,076	102,484	**52,758**	59,230
Net deferred tax liabilities	**(126,851)**	(129,879)	**(69,398)**	(73,407)

(f) The tax on profit before taxation differs from the theoretical amount that would arise using the basic income tax rate as follows:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit before tax	**232,254**	135,464	**169,156**	94,362
Tax calculated at the rate of 17%	**40,366**	23,544	**28,757**	16,042
Tax effect of :				
Non-allowable expenses	**45,201**	32,268	**7,749**	12,016
Income exempt from tax	**(33,618)**	(27,298)	**(28,291)**	(14,428)
Under / (over) provision of corporate social responsibility tax	**23**	1,660	**(250)**	1,253
Under provision of income tax in previous year	**4,548**	4,303	**226**	1,657
Under / (over) provision of deferred tax in previous years	**2,898**	(6,631)	**3,546**	(6,993)
Other deductibles	**(6,419)**	(16,027)	**-**	(4,112)
Investment tax credit	**(24,374)**	(18,365)	**(11,579)**	(11,843)
Tax expense / (income)	**28,625**	(6,546)	**158**	(6,408)

(g) There are no income tax consequences attached to the payment of dividends in either 2024 or 2023 by the Group to its shareholders.

14. CONSUMABLE BIOLOGICAL ASSETS

	THE GROUP			
	Vegetables	Standing Cane	Plants	Total
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
At July 01, 2022	23,132	7,027	46,927	77,086
Production	49,535	14,992	49,538	114,065
Sales	(49,082)	14,401	(52,909)	(87,590)
Fair value movement	7,321	(24,944)	17,413	(210)
At June 30, 2023	30,906	11,476	60,969	103,351
Production	55,499	18,306	62,328	136,133
Sales	(41,879)	(24,336)	(62,182)	(128,397)
Fair value movement	(13,482)	7,681	25,396	19,595
At June 30, 2024	**31,044**	**13,127**	**86,511**	**130,682**

The consumable biological assets are measured at fair value determined in accordance with the level 3 of the fair value hierarchy.

(a) The main assumptions for estimating the fair values are as follows:

Vegetables	**2024**	2023
Expected area to harvest (ha)	**52**	58
Discount factor (%)	**10**	9
Standing cane	**2024**	2023
Expected area to harvest (ha)	**100**	97
Estimated yields (%)	**10.60**	10.24
Estimated price of sugar - Rs (per ton)	**23,500**	25,000
Plants	**2024**	2023
Expected area to harvest (ha)	**8**	8
Maximum maturity of plants at June 30,	**1 year**	1 year

(b) Description of significant inputs to valuation:

	Valuation technique	Significant unobservable inputs	Sensitivity of the input to value:
Standing cane	Discounted cash flows	Cane yield per hectare: 40.1 ton/Ha (2023: 35.0 ton/Ha)	1% increase/(decrease) in cane yield per Ha would result in increase/(decrease) in fair value by Rs 201,459 (2023: Rs 163,184)
		Price of sugar: Rs 23,500/ton: (2023: Rs 25,000/ton)	5% increase/(decrease) in the price of sugar would result in increase/(decrease) in fair value by Rs 1,007,295 (2023: Rs 844,331)
		WACC: 9.14% (2023: 10.5%)	1% increase/(decrease) in WACC would result in (decrease)/increase in fair value by Rs -14,420 (2023: Rs 1,407)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

14. CONSUMABLE BIOLOGICAL ASSETS (CONTINUED)

(b) Description of significant inputs to valuation (Continued):

	Valuation technique	Significant unobservable inputs	Sensitivity of the input to value:
Plants	Discounted cash flows	Average price of plants : Rs 413 (2023: Rs 329)	5% increase/(decrease) in price of plants would result in increase/(decrease) in fair value by Rs 4,881,961 (2023: Rs 3,106,687)
		Mortality rate: 6% (2023: 3%)	5% increase/(decrease) in mortality rate would result in (decrease)/increase in fair value by Rs 5,111,440 (2023: Rs 3,352,133)
		WACC: 18.0% (2023: 18.5%)	"1% increase/(decrease) in WACC would result in (decrease)/increase in fair value by Rs -1,141,495 (2023: Rs 753,576)
Vegetables	Discounted cash flows	Discount factor: 9.6% (2023: 9.1%)	1% increase/(decrease) in discount factor would result in (decrease)/increase in fair value by Rs -6,801 (2023: Rs 76,786)
		Price of vegetables: Rs 20,000-Rs 34,000 (2023: Rs 15,000-Rs 29,000)	5% increase/(decrease) in the price of vegetables would result in increase/(decrease) in fair value by Rs 2,061,505 (2023: Rs 2,120,240)

15. INVENTORIES

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Raw materials and spares (at cost)	563,851	550,838	424,268	401,396
Properties under development (a)	10,691	9,528	-	-
Work in progress (at cost)	27,045	25,390	13,848	17,244
Finished goods (at lower of cost and net realisable value)	710,465	631,140	138,051	107,742
Goods in transit	85,562	43,983	23,826	16,860
	1,397,614	1,260,879	599,993	543,242

The amount of write down of inventories, recognised as an expense in cost of sales was Rs 12.3m (2023: 10.5m) for the Group and Rs 9.7m (2023: Rs 5.2m) for the Company. Included in finished goods are inventories carried at net realisable value of Rs 0.2m (2023: Rs 1.6m) for the Group.

(a) Properties under development

In 2022, Compagnie de Gros Cailloux Ltée announced its intention to develop and sell some plots of agricultural land and consequently these assets are presented as inventory. The costs are assigned by specific identification and include the cost of acquisition and ongoing development costs.

16. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Trade receivables	366,088	417,362	114,641	137,217
Loan receivable from subsidiary	-	-	118,955	218,601
Receivables from subsidiaries	-	-	223,334	225,042
Receivables from associates	8,804	60	38,749	12,153
Other receivables	111,229	49,008	45,149	15,514
Prepayments	134,105	95,104	49,113	43,085
	620,226	561,534	589,941	651,612

Trade receivables are non-interest bearing and are generally on 30 days' terms.

Other receivables comprise of advances made to suppliers, amounts due from related entities amongst others.

Other receivables are non-interest bearing and having an average term of 6 months.

For terms and conditions relating to receivables from related parties, refer to note 30.

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

As at June 30, 2024, the Group's and the Company's trade receivables amounting to Rs 112m (2023: Rs 181m) and Rs 32.2m (2023: Rs 43.8m) were impaired and provided for.

See note 4(b) on credit risk of trade receivables, which explains how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.

The movement in the allowance for credit loss of trade receivables were as follows:

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Individually and collectively impaired				
At July 01,	180,983	160,470	43,839	42,204
Movement for the year excluding write off	(1,184)	17,281	(1,182)	1,948
Write-off / (write-back)	(67,900)	3,232	(10,475)	(313)
At June 30,	111,899	180,983	32,182	43,839

An allowance for expected credit loss has also been charged for other receivables amounting to Rs 12.9m (2023: Rs 11.5m) for Company and a charge of Rs 1.5m (2023: Rs 1.6m) for Group.

17. OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Other receivables	15,603	6,675	-	-

This balance is included in note 16 under other receivables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

18. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash at banks and on hand comprise of the following at June 30:

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Cash at banks and on hand	281,545	100,543	140,093	1,112
Bank overdraft (note 20)	(209,237)	(436,482)	(59,304)	(340,478)
	72,308	(335,939)	80,789	(339,366)
Restricted cash (note 10(a))	1,357,637	-	-	-

The acquisition of property, plant and equipment and assets under right of use were financed as follows:

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
Non-cash transactions	Rs'000	Rs'000	Rs'000	Rs'000
Total acquisition cost	510,687	748,688	221,259	507,106
Financed by cash	(401,751)	(595,260)	(196,313)	(438,361)
Financed by leases	108,936	153,428	24,946	68,745

19. EQUITY

(a) Issued capital

	THE GROUP AND THE COMPANY			
	2024	2023	2024	2023
	Number of shares	Number of shares	Rs'000	Rs'000
Ordinary shares - At June 30,	26,510,042	26,510,042	265,100	265,100
Share premium (iv)	-	-	7,354	7,354
	26,510,042	26,510,042	272,454	272,454

(b) Reserves

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Associate companies (i)	87,723	89,616	-	-
Revaluation reserve (ii)	2,316,971	2,316,971	1,094,242	1,094,242
Translation reserve (iii)	(25,821)	10,407	-	-
Retained earnings	1,646,688	1,525,994	1,665,016	1,547,466
	4,025,561	3,942,988	2,759,258	2,641,708

(i) Associate companies represent reserves other than retained earnings arising on equity accounting of associates.

(ii) The revaluation reserve represents the cummulative fair value movements on revaluation of land and buildings.

(iii) The translation reserve represents cummulative exchange differences arising from the translation of the financial statements of overseas operations.

(iv) Out of the 26,510,042 ordinary shares issued and fully paid, 1,431,673 shares were issued at par value.

20. INTEREST-BEARING LOANS AND BORROWINGS

(a) Loans and bank overdrafts

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Non-current				
Bank loans (note (i))	2,970,372	459,034	2,842,000	429,536
Current				
Bank overdrafts (note 18)	209,237	436,482	59,304	340,478
Bank loans (note (i))	212,383	415,486	160,000	400,657
Unsecured loans (note (ii))	21,386	7,734	144,256	25,210
Long Term Secured Promissory Note (note(iii))	-	655,975	-	655,975
	443,006	1,515,677	363,560	1,422,320
Total borrowings	3,413,378	1,974,711	3,205,560	1,851,856

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
(i) Bank loans are payable as follows:				
Within one year	212,383	415,486	160,000	400,657
After one year and before two years	2,970,372	459,034	2,842,000	429,536
	3,182,755	874,520	3,002,000	830,193

Bank loans and overdrafts are secured by fixed and floating charges on the Group's assets and bear interest between +6.75% and +8.05% per annum. (2023: +4.08% and 7.75%)

(ii) Unsecured loans are repayable at call, the rates of interest per annum at June 30, 2024 was 5.5% (2023: 7.41%).

(iii) In October and November 2018, the Company issued a Long Term Secured Promissory Note of Rs 650m bearing interest at a key rate + 1.0%. These were fully repaid in October 2023 and March 2024 through a bank loan. These notes were secured by a floating charge over all assets.

(b) Lease liabilities

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Lease liabilities are split as follows:				
Non-current	281,085	279,324	94,522	110,327
Current	97,334	83,282	40,121	34,171
	378,419	362,606	134,643	144,498

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

20. INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)

(b) Lease liabilities (Continued)

(i) Maturity analysis of lease payments

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Year 1	117,038	104,970	48,012	42,623
Year 2	104,549	95,982	41,926	42,732
Year 3	88,183	76,541	33,854	36,649
Year 4	58,484	65,047	14,708	28,683
Year 5	40,533	37,939	7,745	9,450
Onwards	19,405	28,926	7,100	5,568
	428,192	409,405	153,345	165,705

The Group does not face significant liquidity risk with regards to its lease liabilities. All the lease obligations are denominated in Mauritian Rupees.

(c) Changes in financial liabilities arising from financing activities

2024	July 01,	Cash inflows	Other	Cash outflows	June 30,
THE GROUP	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Lease liabilities	362,606	-	110,203	(94,390)	378,419
Bank loans	874,520	5,675,328	-	(3,367,093)	3,182,755
Unsecured loans	7,734	1,943,201	156	(1,929,705)	21,386
Long Term Secured Promissory Note	655,975	14,515	-	(670,490)	-
	1,900,835	7,633,044	110,359	(6,061,678)	3,582,560
THE COMPANY					
Lease liabilities	144,498	-	25,347	(35,202)	134,643
Bank loans	830,193	5,521,558	-	(3,349,751)	3,002,000
Unsecured loans	25,210	2,107,536	1,695	(1,990,185)	144,256
Long Term Secured Promissory Note	655,975	14,515	-	(670,490)	-
	1,655,876	7,643,609	27,042	(6,045,628)	3,280,899

2023	July 01,	Cash inflows	Other	Cash outflows	June 30,
THE GROUP	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Lease liabilities	282,952	-	156,763	(77,109)	362,606
Bank loans	521,000	1,327,933	-	(974,413)	874,520
Unsecured loans	25,990	2,528,752	158	(2,547,166)	7,734
Long Term Secured Promissory Note	653,386	-	5,971	(3,382)	655,975
	1,483,328	3,856,685	162,892	(3,602,070)	1,900,835
THE COMPANY					
Lease liabilities	101,721	-	70,936	(28,159)	144,498
Bank loans	465,000	1,324,400	-	(959,207)	830,193
Unsecured loans	66,317	2,616,252	975	(2,658,334)	25,210
Long Term Secured Promissory Note	653,386	-	5,971	(3,382)	655,975
	1,286,424	3,940,652	77,882	(3,649,082)	1,655,876

The 'Other' column includes non-cash transactions such as additions to finance leases, dividend declaration during the year, movement in discontinued operations during the year and interest accrued but not yet paid on interest-bearing loans and borrowings. The Group classifies interest paid as cash flows from operating activities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

21. EMPLOYEE BENEFIT LIABILITIES

The Group operates defined benefits scheme and defined contribution scheme. It also provides for retirement gratuities under the Workers' Rights Act 2019 (WRA).

The liabilities in respect of the schemes are analysed as follows:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
Defined benefit plan - IBL Pension Fund (note a)	**172,155**	165,972	**112,165**	122,058
Defined benefit plan - Deposit Administration Policy (note b)	**6,581**	7,871	**-**	-
Retirement gratuities under the Workers' Rights Act (WRA) (note c)	**113,811**	104,953	**72,432**	68,812
Retirement gratuities under pension for life (note d)	**-**	373	**-**	-
Retirement gratuities under unfunded pensioners' (note e)	**8,946**	9,481	**8,946**	9,481
	301,493	288,650	**193,543**	200,351

(a) Defined benefit plan - IBL Pension Fund

The assets of the plan are invested in the IBL Pension Fund which includes a diversified portfolio of asset classes. In view of exposure to equities, we expect some volatility in the return from one year to the other.

(i) The amounts recognised in the statements of financial position in respect of defined benefit obligation are as follows:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
Present value of funded obligation	**641,184**	575,621	**476,330**	443,047
Fair value of plan assets	**(469,029)**	(409,649)	**(364,165)**	(320,989)
Benefit liability	**172,155**	165,972	**112,165**	122,058

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 01,	**165,972**	259,917	**122,058**	210,418
Amounts recognised in profit or loss	**27,368**	33,804	**18,126**	22,864
Amounts recognised in other comprehensive income	**14,738**	(90,576)	**264**	(81,667)
Employer's contribution	**(35,923)**	(37,173)	**(28,283)**	(29,557)
At June 30,	**172,155**	165,972	**112,165**	122,058

(ii) Changes in the present value of the defined benefit obligation are as follows:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 01,	**575,621**	645,681	**443,047**	515,692
Amounts recognised in profit or loss:				
Current service cost	**16,490**	21,191	**10,759**	13,521
Interest cost	**30,117**	25,683	**22,813**	19,703
	46,607	46,874	**33,572**	33,224
Benefit paid	**(27,366)**	(22,467)	**(25,566)**	(21,156)
Amounts recognised in other comprehensive income:				
Losses / (gains) due to changes in financial assumptions	**30,426**	(84,256)	**25,277**	(84,713)
Actuarial losses / (gains)	**15,734**	(10,292)	**-**	-
	46,160	(94,548)	**25,277**	(84,713)
Employee's contribution	**162**	81	**-**	-
At June 30,	**641,184**	575,621	**476,330**	443,047

(iii) Changes in the fair value of plan assets are as follows:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 01,	**409,649**	385,764	**320,989**	305,274
Amounts recognised in profit or loss:				
Current cost	**(1,328)**	(1,416)	**(1,032)**	(1,085)
Cost of insuring risk benefits	**(910)**	(950)	**(564)**	(590)
Interest income	**21,477**	15,436	**17,042**	12,035
	19,239	13,070	**15,446**	10,360
Benefit paid	**(27,366)**	(22,467)	**(25,566)**	(21,156)
Amounts recognised in other comprehensive income:				
Gains / (losses) due to changes in financial assumptions	**25,013**	(1,625)	**25,013**	(3,046)
Actuarial gains / (losses)	**6,409**	(2,347)	**-**	-
	31,422	(3,972)	**25,013**	(3,046)
Employer's contribution	**35,923**	37,173	**28,283**	29,557
Employee's contribution	**162**	81	**-**	-
At June 30,	**469,029**	409,649	**364,165**	320,989

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

21. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

(a) Defined benefit plan - IBL Pension Fund (Continued)

(iv) Return on assets

The actual return on plan assets for the Company was Rs 42m for the year ended June 30, 2024.

The actual return on plan assets the Group was Rs 52.9m for the year ended June 30, 2024.

(v) Maturity profile of the defined benefit obligation.

The weighted average duration of the liabilities for the Group and the Company as at June 30, 2024 is 12.25 years and 11 years respectively.

(vi) Expected contribution for the next year

The Group and the Company are expected to contribute Rs 39.3m and Rs 29.6m respectively to the pension scheme for the year ending June 30, 2025.

The main actuarial assumptions used for accounting purposes were:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	%	%	**%**	%
Discount rate	**5.0-6.0**	5.0-6.0	**5.2**	5.3
Future salary increase	**1.0**	1.0	**1.0**	1.0

Mortality during active service is assumed to follow that of the standard table known as A67/70 Ultimate. Mortality after retirement is assumed to follow that of the standard table known as the SWAN anuity rates 2023/PNA00.

Employees are assumed to retire at 60. No allowance has been made for early retirement on the grounds of ill-health or otherwise, or for late retirements.

(vii) Settlements and curtailments

There have been no events that would need to be treated as settlements or curtailments under IAS 19.

(viii) Risks associated with the plans

The Defined Benefit Plans expose the Group and the Company to actuarial risks such as longevity risk, interest rate risk, market (investment) risk and salary risk.

Longevity risk

The liabilities disclosed are based on the mortality tables SWAN annuity rates 2023/PNA00 and PA90.

The liabilities will increase if:

1. the experience of the pension plans is less favourable than the standard mortality tables; and

2. there is an improvement in mortality and the buyout rate is reviewed.

Interest rate risk

If the bond interest rate decreases, the liabilities would be calculated using a lower discount rate and would therefore increase.

Investment risk

The present value of the liabilities of the plan are calculated using a discount rate. Should the returns on the assets of the plan be lower than the discount rate, a deficit will arise. (For funded benefits only).

Salary risk

If salary increases are higher than assumed in our basis, the liabilities would increase giving rise to actuarial losses.

Sensitivity analysis on defined benefit obligation at the end of the year:

	THE GROUP		THE COMPANY	
	Impact		Impact	
	2024	2023	**2024**	2023
Discount rate	**Rs'000**	Rs'000	**Rs'000**	Rs'000
1% increase	**(70,943)**	(63,397)	**(51,012)**	(47,538)
1% decrease	**87,499**	77,857	**62,255**	57,849
Salary increase				
1% increase	**30,234**	28,484	**19,199**	19,087
1% decrease	**(26,740)**	(25,100)	**(17,118)**	(16,940)

The sensitivity analyses above have been determined based on sensibly possible changes of the discount rate or salary increase rate occurring at the end of the reporting period if all other assumptions remain unchanged.

The funded retirement benefit obligations have been based on the report dated August 08, 2024 from Swan Actuarial Services Ltd, calculated for the Group and the Company for the year ended June 30, 2024.

(ix) The major categories of the planned assets are as follows:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	%	%	**%**	%
Local equities	**31.2**	31.9	**31.4**	32.0
Overseas equities and mutual funds	**29.9**	34.5	**29.9**	34.8
Fixed interest	**38.5**	33.1	**38.7**	33.2
Property	**0.4**	0.5	**-**	-
	100.0	100.0	**100.0**	100.0

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

21. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

(b) Defined benefit plan - Deposit Administration Policy

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

(i) The amounts recognised in the statements of financial position in respect of defined benefit obligation are as follows:

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Present value of funded obligation	29,858	33,296	-	-
Fair value of plan assets	(23,277)	(25,425)	-	-
Benefit liability	6,581	7,871	-	-

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
At July 01,	7,871	9,559	-	-
Amounts recognised in profit or loss	1,669	1,933	-	-
Amounts recognised in other comprehensive income	1,152	(2,169)	-	-
Employer's contribution	(4,111)	(1,452)	-	-
At June 30,	6,581	7,871	-	-

(ii) Changes in the present value of the defined benefit obligation are as follows:

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
At July 01,	33,296	34,620	-	-
Amounts recognised in profit or loss:				
Current service cost	1,074	1,355	-	-
Interest cost	1,568	1,568	-	-
	2,642	2,923	-	-
Benefit paid	(7,535)	(2,530)	-	-
Amounts recognised in other comprehensive income:				
Actuarial losses / (gains)	1,455	(1,717)	-	-
At June 30,	29,858	33,296	-	-

(iii) Changes in the fair value of plan assets are as follows:

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
At July 01,	25,425	25,061	-	-
Amounts recognised in profit or loss:				
Current cost	(156)	(59)	-	-
Cost of insuring risk benefits	(122)	(100)	-	-
Interest income	1,251	1,149	-	-
	973	990	-	-
Benefit paid	(7,535)	(2,530)	-	-
Amounts recognised in other comprehensive income:				
Actuarial gains	303	452	-	-
	303	452	-	-
Employer's contribution	4,111	1,452	-	-
At June 30,	23,277	25,425	-	-

(iv) Return on assets

The actual return on plan assets the Group was Rs 1.6m for the year ended June 30, 2024.

(v) Maturity profile of the defined benefit obligation

The weighted average duration of the liabilities for the Group as at June 30, 2024 is 13 years.

(vi) Expected contribution for the next year

The Group is expected to contribute Rs 2.0m to the pension scheme for the year ending June 30, 2025.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

21. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

(b) Defined benefit plan - Deposit Administration Policy (Continued)

(vi) Expected contribution for the next year (Continued)

The main actuarial assumptions used for accounting purposes were:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	%	%	**%**	%
Discount rate	**5.3**	5.3	**-**	-
Future salary increase	**1.0**	1.0	**-**	-
Future guaranteed pension increase	**0.0**	0.0	**-**	-
Post retirement mortality	**Swan Annuity Rates 2023**	Swan Annuity Rates 2023	**-**	-

Sensitivity analysis on defined benefit obligation at the end of the year:

	THE GROUP Impact		THE COMPANY Impact	
	2024	2023	**2024**	2023
Discount rate	**Rs'000**	Rs'000	**Rs'000**	Rs'000
1% increase	**(3,419)**	(3,361)	**-**	-
1% decrease	**3,970**	3,936	**-**	-
Salary increase				
1% increase	**2,506**	2,858	**-**	-
1% decrease	**(2,224)**	(2,495)	**-**	-

The sensitivity analyses above have been determined based on sensibly possible changes of the discount rate or salary increase rate occurring at the end of the reporting period if all other assumptions remain unchanged.

The funded retirement benefit obligations have been based on the report dated August 08, 2024 from Swan Life Ltd, calculated for the Group and the Company for the year ended June 30, 2024.

(vii) The major categories of the planned assets are as follows:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	%	%	**%**	%
Qualifying insurances policies	**100.0**	100.0	**-**	-

(c) Retirement gratuities under the Workers' Rights Act (WRA)

WRA provides for a lump sum at retirement or death, whichever occurs earlier, based on final salary and years of service. Prior to the implementation of the Portable Retirement Gratuity Fund (PRGF), these benefits were unfunded as at December 31, 2019 and employees who resign as from 2020, are eligible for a portable gratuity benefit based on service with the employer as from January 01, 2020 and remuneration at exit (same benefit formula as for retirement/death gratuity). However, as from January 2022, the Group and the Company have started to contribute to PRGF.

The Group and the Company have recognised a net defined liabilities of Rs 113.8m and Rs 72.4m respectively in the statements of financial position as at June 30, 2024 (2023: Group Rs 105m and Company Rs 68.8m) in respect of any retirement gratuities that are expected to be paid out of the Company's cash flow to its employees under the Workers Rights Act 2019.

The retirement gratuities have been based on the report dated September 20, 2024 from AON Solutions Ltd, calculated for the Group and the Company for the year ended June 30, 2024.

The amounts recognised in the statements of financial position in respect of retirement gratuities are as follows:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
Present value of retirement gratuities	**140,819**	120,799	**90,379**	80,016
Fair value of PRGF assets	**(27,008)**	(15,846)	**(17,947)**	(11,204)
Benefit liability	**113,811**	104,953	**72,432**	68,812

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 01,	**104,953**	137,224	**68,812**	100,750
Acquisition of subsidiary	**-**	6,276	**-**	-
Amounts recognised in profit or loss	**16,048**	15,080	**9,894**	9,938
Benefit paid	**-**	1	**-**	-
Amounts recognised in other comprehensive income	**21,590**	(35,208)	**15,066**	(27,183)
Employer's contribution	**(28,780)**	(19,717)	**(21,340)**	(14,693)
Transfer from discontinuing operation (note 38)	**-**	1,297	**-**	-
At June 30,	**113,811**	104,953	**72,432**	68,812

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

21. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

(c) Retirement gratuities under the Workers' Rights Act (WRA)

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
(i) Movement in the liability recognised in the statements of financial position:	Rs'000	Rs'000	Rs'000	Rs'000
Present value of retirement gratuities	140,819	120,799	90,379	80,016
(ii) Movement of the retirement gratuities				
At July 01,	120,799	143,339	80,016	105,433
Acquisition of subsidiary	-	6,723	-	-
Amounts recognised in profit or loss:				
Current service cost	11,083	9,229	6,644	5,702
Interest expense	5,827	6,069	4,064	4,592
Past service cost	314	267	-	-
	17,224	15,565	10,708	10,294
Amounts recognised in other comprehensive income:				
Liability experience losses / (gains)	13,351	(10,985)	11,241	(9,817)
Losses / (gains) due to changes in financial assumptions	7,064	(24,708)	3,011	(17,722)
	20,415	(35,693)	14,252	(27,539)
Benefit paid	(17,619)	(10,432)	(14,597)	(8,172)
Transfer from discontinued operation (note 38)	-	1,297	-	-
At June 30,	140,819	120,799	90,379	80,016

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
(iii) Changes in the fair value of PRGF assets are as follows:				
At July 01,	15,846	6,115	11,204	4,683
Acquisition of subsidiary	-	447	-	-
Amounts recognised in profit or loss:				
Interest income	1,176	485	814	356
	1,176	485	814	356
Benefit paid	(17,619)	(10,433)	(14,597)	(8,172)
Amounts recognised in other comprehensive income:				
Actuarial losses	(1,175)	(485)	(814)	(356)
	(1,175)	(485)	(814)	(356)
Employer's contribution	28,780	19,717	21,340	14,693
Employee contribution	-	-	-	-
At June 30,	27,008	15,846	17,947	11,204

Principal assumptions used were as follows:

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
Financial assumptions:	%	%	%	%
Discount rate	4.5 - 5.5	4.7 - 5.5	5.3	5.5
Future salary increase	1.0 - 4.0	1.0 - 4.0	1.0 - 4.0	1.0 - 4.0
Future pension increase	0.0	1.9	0.0	1.9

Demographic assumptions:	
Withdrawal before retirement	5.5% per annum to age 40, reducing to nil after age 45.
Mortality before retirement	A67/70 Ultimate
Mortality in retirement	Swan Annuity rates 2023/ PNA00
Average retirement age	60.

(iv) Sensitivity analysis on retirement gratuities at the end of the year:

	THE GROUP		THE COMPANY	
	Impact		Impact	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
1% increase in discount rate	(13,900)	(11,598)	(8,631)	(7,348)
1% decrease in discount rate	16,418	13,663	10,139	8,620
1% increase in future salary increase	16,690	13,699	10,370	8,660
1% decrease in future salary increase	(15,142)	(12,873)	(9,756)	(8,438)

The above sensitivity analysis has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the discount rate and future salary increase while leaving all other assumptions unchanged. Any similar variation in the other assumptions would have shown smaller variations in the defined benefit obligation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

21. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

(c) Retirement gratuities under the Workers' Rights Act (WRA) (Continued)

(v) Future cash flows

-The funding policy is to pay benefits out of the reporting entity's cashflow as and when due.

-The expected employer contribution for the next year is Rs 12.3m. (2023: Rs 13.9m)

-The weighted average duration of the defined benefit obligation for the Group is 9.8 years and 12 years for the Company.

(d) Retirement gratuities under pension for life

The plan provides for a pension for life paid from one of the subsidiary of the Group's cashflow.

The amounts recognised in the statements of financial position in respect of retirement gratuities under pension for life plan are as follows:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
Present value of retirement gratuities	**-**	373	**-**	-
Fair value of assets	**-**	-	**-**	-
Benefit liability	**-**	373	**-**	-

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 01,	**373**	418	-	-
Amounts recognised in profit or loss	**18**	8	-	-
Benefit paid	**(31)**	(149)	-	-
Amounts recognised in other comprehensive income	**(360)**	96	-	-
At June 30,	**-**	373	-	-

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
(i) Movement in the liability recognised in the statements of financial position:				
Present value of retirement gratuities	**-**	373	**-**	-
(ii) Movement of the retirement gratuities				
At July 01,	**373**	418	**-**	-
Amount recognised in profit or loss:				
Interest expense	**18**	8	**-**	-
	18	8	**-**	-
Amount recognised in other comprehensive income:				
(Gains) / losses due to changes in financial assumptions	**(360)**	96	**-**	-
	(360)	96	**-**	-
Benefit paid	**(31)**	(149)	**-**	-
At June 30,	**-**	373	**-**	-

(iii) Principal assumptions used were as follows:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
Financial assumptions:	**%**	%	**%**	%
Discount rate	**N/A**	4.7	-	-
Demographic assumptions:				
Post retirement mortality tables	**0.0%**			

(iv) Sensitivity analysis on retirement gratuities at the end of the year:

	THE GROUP		THE COMPANY	
	Impact		Impact	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
1% increase in discount rate	**-**	(7)	-	-
1% decrease in discount rate	**-**	8	-	-

The above sensitivity analysis has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the discount rate and future salary increase while leaving all other assumptions unchanged. Any similar variation in the other assumptions would have shown smaller variations in the defined benefit obligation.

(v) Future cash flows

-The funding policy is to pay benefits out of the reporting entity's cashflow as and when due.

-The weighted average duration of the defined benefit obligation for the Group is 0 years. (2023: 3 years)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

21. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

(e) Retirement gratuities under unfunded pensioners

The Company pays a pension out of its cashflow to some former employees after retirement.

The amounts recognised in the statements of financial position in respect of retirement gratuities under unfunded pension plan are as follows:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
Present value of retirement gratuities	**8,946**	9,481	**8,946**	9,481
Fair value of assets	**-**	-	**-**	-
Benefit liability	**8,946**	9,481	**8,946**	9,481

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 01,	**9,481**	12,446	**9,481**	12,446
Amounts recognised in profit or loss	**476**	494	**476**	494
Benefit paid	**-**	-	**-**	-
Amounts recognised in other comprehensive income	**329**	(2,094)	**329**	(2,094)
Employer's contribution	**(1,340)**	(1,365)	**(1,340)**	(1,365)
At June 30,	**8,946**	9,481	**8,946**	9,481

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
(i) Movement in the liability recognised in the statements of financial position:				
Present value of retirement gratuities	**8,946**	9,481	**8,946**	9,481
(ii) Movement of the retirement gratuities				
At July 01,	**9,481**	12,446	**9,481**	12,446
Amount recognised in profit or loss:				
Interest expense	**476**	494	**476**	494
Amount recognised in other comprehensive income:				
Liability experience losses	**91**	489	**91**	489
Losses / (gains) due to changes in financial assumptions	**238**	(2,583)	**238**	(2,583)
	329	(2,094)	**329**	(2,094)
Benefit paid	**(1,340)**	(1,365)	**(1,340)**	(1,365)
At June 30,	**8,946**	9,481	**8,946**	9,481

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
(iii) Changes in the fair value of assets are as follows:				
At July 01,	**-**	-	**-**	-
Benefit paid	**(1,340)**	(1,365)	**(1,340)**	(1,365)
Employer's contribution	**1,340**	1,365	**1,340**	1,365
At June 30,	**-**	-	**-**	-

(iv) Principal assumptions used were as follows:

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
Financial assumptions:	**%**	%	**%**	%
Discount rate	**5-5.4**	5.4	**5-5.4**	5.4

(v) Sensitivity analysis on retirement gratuities at the end of the year:

	THE GROUP		THE COMPANY	
	Impact		Impact	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
1% increase in discount rate	**(570)**	(594)	**(570)**	(594)
1% decrease in discount rate	**662**	686	**662**	686

(vi) Future cash flows

-The funding policy is to pay benefits out of the reporting entity's cashflow as and when due.

-The expected employer contribution for the next year is Rs 1.3m. (2023: Rs 1.4m)

-The weighted average duration of the defined benefit obligation for the Group and the Company is 7 years.

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
(f) Defined contribution expenses	**16,308**	12,586	**9,722**	5,893

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
(g) State plan	**36,721**	32,649	**20,314**	18,797

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

22. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Trade payables	386,088	294,484	102,587	55,924
Payables to subsidiaries	-	-	27,644	21,742
Payables to associates	5,118	10,062	31	-
Other payables and accruals	364,046	363,558	253,486	247,185
	755,252	668,104	383,748	324,851

Trade payables are non-interest bearing and are normally settled on 60-day terms.

Other payables are non-interest bearing and have an average term of six months.

For terms and conditions relating to payables to related parties, refer to note 30.

Other payables comprise mainly of accruals, deferred income and deposits from customers amongst others.

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

As at 30 June 2024, the estimated liability for unredeemed points was Rs 4.6m (2023: Rs 4.3m) and is included in other payables and accruals for the Group.

23. OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Advance from customers	18,788	8,965	-	-

Advance from clients are included in note 22 under other payables and accruals.

24. REVENUE

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Continuing operations				
Sale of goods	4,887,082	4,441,676	2,212,675	2,001,711
Rendering of services & project revenue	231,093	225,541	99,338	156,115
	5,118,175	4,667,217	2,312,013	2,157,826
Discontinued operation				
Rendering of services (note 38)	17,420	15,679	-	-

(a) Disaggregation of revenue

Set out below is the disaggregation of the Group and Company's revenue:	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Continuing operations				
Sale of building materials	3,525,965	3,005,295	2,212,675	2,001,711
Sale of goods (interior finishes and garden accessories)	1,188,501	1,210,203	-	-
Sale of agricultural goods	172,616	161,294	-	-
Rendering of services	99,300	140,436	99,338	156,115
Project revenue	131,793	85,105	-	-
Sale of land	-	64,884	-	-
	5,118,175	4,667,217	2,312,013	2,157,826
Timing of revenue recognition				
At a point in time	4,986,382	4,582,112	2,312,013	2,157,826
Over time	131,793	85,105	-	-
	5,118,175	4,667,217	2,312,013	2,157,826
Discontinued operation				
Rendering of services (overtime) (note 38)	17,420	15,679	-	-

25. OPERATING PROFIT

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
Continuing operations	Rs'000	Rs'000	Rs'000	Rs'000
Operating profit is arrived at after:				
(a) Crediting:				
- Rental income	18,606	17,872	58,471	46,207
- Other operating income	88,671	108,638	124,913	114,844
- Profit on disposal of property, plant and equipment	5,118	8,568	4,533	6,396
- Profit on disposal of subsidiary	-	-	35,460	-
(b) Charging:				
- Cost of sales	3,527,195	3,304,300	1,576,287	1,515,697
- Administrative expenses	1,261,064	1,149,405	779,227	688,851
- Fair value loss on financial assets at fair value through profit or loss (12 (b))	(59)	29	-	-
- Selling and distribution costs	111,601	92,242	14,928	7,618
Depreciation of property, plant and equipment - owned assets	329,435	271,322	209,616	179,707
Depreciation of investment properties	2,701	2,104	24,026	18,053
Amortisation of right of use assets	93,827	80,136	36,933	30,669
Property, plant and equipment written off	20,104	1,111	12,721	-
Right of use assets derecognised	-	(716)	-	-
Cost of inventories recognised as expenses	2,792,425	1,980,409	801,683	748,160
Amortisation of intangible assets	28,422	27,443	5,299	5,432
Staff costs (note (e))	934,951	800,224	491,199	422,146

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

25. OPERATING PROFIT (CONTINUED)

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
(c) Impairment of assets				
- Impairment in interest in subsidiaries	-	-	1,314	6,560
	-	-	1,314	6,560
(d) Allowance for expected credit losses on financial assets				
- Trade receivables	(1,184)	17,281	(1,182)	1,948
- Other receivables	815	1,818	815	1,818
	(369)	19,099	(367)	3,766

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
(e) Analysis of staff costs:				
Included in cost of sales and administrative expenses are:				
- Wages and salaries	779,925	657,498	424,615	359,917
- Social security costs	38,415	33,921	20,314	18,801
- Pension costs	116,611	108,805	46,270	43,428
	934,951	800,224	491,199	422,146
Discontinued operation (note 38)				
- Charging cost of sales	14,915	14,454	-	-
- Administrative expenses	8,244	11,568	-	-

26. FINANCE INCOME

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Dividend income	65	957	121,841	74,617
Interest income	400	-	13,040	12,917
	465	957	134,881	87,534

27. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Continuing operations				
Interest expense on :				
Bank overdrafts	11,421	11,545	7,520	9,315
Bank loans	92,377	38,622	87,966	35,941
Loans at call	7,380	3,577	9,328	8,997
Long Term Secured Promissory Note	14,515	30,795	14,515	30,795
Leases (note 6)	23,676	19,405	8,949	7,273
Others	1,678	3,332	1,448	3,632
	151,047	107,276	129,726	95,953
Discontinued operation				
Others (note 38)	348	298	-	-

28. EARNINGS PER SHARE

	THE GROUP	
	2024	2023
Profit attributable to equity holders of the parent (Rs'000)	197,281	133,660
Number of shares in issue	26,510,042	26,510,042
Basic earnings per share (Rs)	7.44	5.04

29. DIVIDENDS

On June 26, 2024, the Board of Directors declared a final dividend of Rs 1.75 (2023: nil) per share which amounted to Rs 46.4m and is payable in August 2024. Dividend amounting to Rs 9.5m was declared by subsidiaries to non-controlling interests parties (2023: Rs 4.9m) and Rs 8.9m (2023: Rs 4.3m) was still unpaid at year end.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

30. RELATED PARTY DISCLOSURES

THE GROUP	Associate companies		Key management personnel		Enterprises with common major shareholders	
	2024	2023	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(a) Nature of transactions						
Purchase of goods and services	**42,687**	59,796	**-**	-	**132,675**	117,525
Sale of goods and services	**72,451**	87,598	**1,661**	1,005	**20,798**	16,275
Management fees received	**3,893**	3,603	**-**	-	**-**	5,523
Rental income	**-**	-	**-**	-	**11,242**	8,184
Interest paid	**858**	121	**-**	-	**6,316**	6,200
Dividend income	**47,030**	12,765	**-**	-	**-**	957
Contribution to Pension Fund	**-**	-	**-**	-	**40,033**	38,625
(b) Outstanding balances at June 30,						
Cash at bank	**-**	-	**-**	-	**236**	64
Amounts receivable	**8,804**	60	**5**	93	**4,442**	3,964
Amounts payable	**5,118**	10,062	**-**	-	**29,628**	26,838
Loans payable	**21,386**	7,733	**-**	-	**-**	1

(c) Compensation of key management personnel

	THE GROUP	
	2024	2023
	Rs'000	Rs'000
Short term employee benefits	**140,476**	127,772
Post-employment benefits	**15,545**	15,138
	156,021	142,910

30. RELATED PARTY DISCLOSURES

THE COMPANY	Subsidiary Companies		Associate Companies		Key management Personnel		Enterprises with Common major shareholders	
	2024	2023	2024	2023	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(a) Nature of transactions								
Purchase of goods and services	**53,528**	26,391	**377**	11,871	**-**	-	**96,519**	93,234
Purchase of property, plant and equipment	**-**	800	**-**	-	**-**	-	**183**	16,900
Sale of goods and services	**459,309**	371,793	**72,264**	87,405	**24**	155	**8,189**	27,122
Sale of Property, Plant and Equipment	**-**	163	**-**	-	**-**	-	**-**	-
Management fees received	**26,779**	12,717	**3,893**	300	**-**	-	**-**	6,449
Rental income	**48,483**	36,164	**-**	-	**-**	-	**8,184**	8,184
Interests received	**12,640**	12,917	**-**	-	**-**	-	**-**	-
Interest paid	**2,310**	1,709	**858**	121	**-**	-	**6,316**	6,469
Dividend income	**74,552**	60,925	**47,030**	12,765	**-**	-	**-**	927
Contribution to Pension Fund	**-**	-	**-**	-	**-**	-	**28,283**	29,557
(b) Outstanding balances at June 30,								
Cash at bank	**-**	-	**-**	-	**-**	-	**-**	64
Amounts receivable	**223,334**	225,042	**38,749**	12,513	**5**	-	**1,909**	14,454
Amounts payable	**27,644**	21,742	**31**	-	**-**	-	**21,072**	19,241
Loans receivable	**118,955**	218,601	**-**	-	**-**	-	**30**	-
Loans payable	**122,871**	17,246	**21,385**	7,733	**-**	-	**-**	231

(c) Compensation of key management personnel

	THE COMPANY	
	2024	2023
	Rs'000	Rs'000
Short term employee benefits	**88,687**	79,545
Post-employment benefits	**11,063**	10,813
	99,750	90,358

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

30. RELATED PARTY DISCLOSURES (CONTINUED)

Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made at normal market prices. Outstanding balances at the year end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables and payables. At each financial year, an assessment of provision for impairment is undertaken through examining the financial position of the related party and the market in which the related party operates. For the year ended June 30, 2024, the Group has no impairment of receivables relating to amounts owed by related parties (2023: Rs Nil). The Company has recorded an impairment of Rs 1.3m during the year ended June 30, 2024 (2023: Rs 6.6m) relating to related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

31. CONTRACTS OF SIGNIFICANCE

Except for transactions as disclosed in note 30 on related party transactions, the Group did not have any contract of significance as defined by the Listing Rules of the Stock Exchange of Mauritius with any of its Directors and controlling shareholders.

32. CAPITAL COMMITMENTS

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
Capital expenditure:	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Contracted for but not provided in the financial statements	**-**	2,154	**-**	-
Approved by the Directors but not contracted for	**432,785**	392,569	**190,313**	245,252
	432,785	394,723	**190,313**	245,252

The expenditure for property, plant and equipment will be financed by cash generated by Group activities and from available borrowing facilities.

The Group capital commitments relating to its associates are as follows:

	THE GROUP	
	2024	2023
Capital expenditure:	**Rs'000**	Rs'000
Approved by the Directors but not contracted for	**-**	-

33. CONTINGENT LIABILITIES

At June 30, 2024, the Group and the Company had contingent liabilities in respect of bank guarantees amounting to Rs 11.7m (2023: Rs 217.7m) and Rs 1.2m (2023: Rs 198.9m) and contingent liabilities in respect of net current liabilities of one of the Group's subsidiaries amounting to Rs 61m (2023: Rs 62.1m), both arising in the ordinary course of business from which it is anticipated that no material liabilities would arise.

Legal claim contingencies

(i) Severance allowance

Legal action has been initiated by former employees against the Group in respect of unpaid severance allowances. The estimated payout is Rs 3.7m (2023: Rs 4.8m), should the action be successful. Trials are ongoing and therefore it is not practicable to state the timing of payment, if any. The Group has been advised by its legal counsel that it is only possible, but not probable, that the action will succeed. Accordingly, no provision for any liability has been made in the financial statements.

(ii) Voluntary Retirement Scheme

In 2022, legal actions have been initiated by beneficiaries of the Voluntary Retirement Scheme against the Group in respect of unpaid benefit. The estimated payout is Rs 28.2m (2023: Rs 28.2m), should the action be successful. Trials are ongoing and therefore it is not practicable to state the timing of payment, if any. The Group has been advised by its legal counsel that it is only possible, but not probable, that the action will succeed. Accordingly, no provision for any liability has been made in the financial statements for the year ended June 30, 2024.

34. HOLDING COMPANY

The Directors regard IBL Ltd incorporated in Mauritius as the holding company. Its registered address is 4th Floor, IBL House, Caudan Waterfront, Port Louis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

35. EVENTS AFTER REPORTING DATE

On 07 July 2022, the Company has entered into a Share Purchase Agreement ("SPA") to acquire 100.0% of the shareholding of the following entities ("Targets") in Réunion Island: (i) SAS J. Anzemberg and its subsidiaries, (ii) SARL Anzemberg Logistique Distribution, (iii) SAS Préfabéton and its subsidiary, (iv) SAS Société Réunionnaise de Concassage, (v) SAS Sita through SAS Bazalt Réunion ("Bazalt Réunion"), for a cash consideration of approximately EUR 82.0m, equivalent to approximately Rs 4.0b (the "Transaction"). In line with the SPA, the Targets were acquired on 01 July 2024 by Bazalt Réunion, a subsidiary company of The United Basalt Products Limited incorporated and registered in Réunion Island on 01 February 2024 as a "Société par actions simplifiée" ("SAS"). Bazalt Réunion is a wholly-owned subsidiary of Bazalt Limited, a company incorporated and registered in Mauritius on 19 October 2023 as a limited liability company. The holding company of Bazalt Limited is The United Basalt Products Limited. As part of the negotiations, the non-controlling Shareholders invested in Bazalt Réunion a collective stake not exceeding 10.0%.

The identifiable provisional amount of assets acquired and liabilities assumed at fair value at date of acquisition are as follows:

	Unaudited July 01, 2024 Rs'000
Assets	
Property, plant and equipment	1,530,733
Right of use assets	144,572
Intangible assets	717
Non current financial assets	3,422
Deferred tax assets	121,961
Inventories	811,716
Trade and other receivables	609,191
Cash and cash equivalents	269,131
	3,491,443
Liabilities	
Trade and other payables	500,913
Borrowings	96,609
Lease liabilities	148,301
Bank overdraft	286
Deferred tax liabilities	199,740
Retirement benefit obligations	18,237
	964,086
Fair value of net assets acquired	2,527,357
Consideration paid in cash	4,187,330
Cash flow	
Consideration paid	4,187,330
Less cash and cash equivalents acquired in subsidiary	(268,845)
Net cash outflow on acquisition	3,918,485

Acquisition-related costs (included in administrative expenses) amount to Rs 14.8m.

Based on the provisional figures and information available, this business combination would generate goodwill and other intangible assets in the region of Rs 1.7b. None of the goodwill and other intangible assets are expected to be deductible for income tax purposes. As of date of authorisation and approval of the audited financial statements of UBP, the determination of the goodwill and intangible assets amount are still in progress.

There have been no other material events after the reporting date which require disclosure or adjustment to the financial statements for the year ended June 30, 2024

36. SEGMENTAL INFORMATION

Operating segment information

The building materials segment is involved in the manufacture and sale of building materials which consists principally of aggregates, rocksand, hollow concrete blocks and various concrete building components which constitutes our core business.

The retail business under the Building materials segment consist of the sale of roof tiles, imported floor and wall tiles, sanitary ware and a complete range of home building products and garden accessories.

The agriculture segment is involved in the cultivation of sugar cane, vegetables, plants, landscaping services and sale of land.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

2024	THE GROUP				
	Building materials		Agriculture	Consolidation adjustments	Total
	Retail	Core business			
<u>Continuing operations</u>	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Revenue	1,320,294	4,180,451	172,616	(555,186)	5,118,175
Operating profit / (loss)	27,862	320,876	14,370	(32,339)	330,769
Allowance for expected credit losses on financial assets	(300)	(2,457)	950	2,176	369
Net finance costs	(17,093)	(4,844)	(8,365)	(120,280)	(150,582)
Share of results of associates	-	-	-	16,467	16,467
Profit /(loss) before taxation	10,469	313,575	6,955	(133,976)	197,023
Income tax	(4,979)	(22,177)	5,687	(2,196)	(23,665)
Profit /(loss) after taxation	5,490	291,398	12,642	(136,172)	173,358
<u>Discontinued operation</u>					
Loss from discontinued operation	-	35,231	-	-	35,231
Non-controlling interests	-	(11,308)	-	-	(11,308)
Profit / (loss) for the year attributable to the parent	5,490	315,321	12,642	(136,172)	197,281

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

36. SEGMENTAL INFORMATION (CONTINUED)

2024

	THE GROUP				
	Building materials		Agriculture	Consolidation adjustments	Total
	Retail	Core business			
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Other segment information:					
Segment assets	**1,035,871**	**7,095,233**	**1,423,678**	**(140,327)**	**9,414,455**
Investment in associates	**-**	**7,163**	**-**	**35,563**	**42,726**
Total segment assets	**1,035,871**	**7,102,396**	**1,423,678**	**(104,764)**	**9,457,181**
Total segment liabilities	**636,940**	**5,272,502**	**290,917**	**(1,141,011)**	**5,059,348**
Capital expenditure:					
Property, plant and equipment	**24,517**	**226,128**	**16,027**	**134,243**	**400,915**
Investment properties	**-**	**134,243**	**53**	**(134,296)**	**-**
Intangible assets	**3,782**	**5,588**	**250**	**-**	**9,620**
Depreciation and amortisation	**89,239**	**386,287**	**16,269**	**(37,410)**	**454,385**

2023

	THE GROUP				
	Building materials		Agriculture	Consolidation adjustments	Total
	Retail	Core business			
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Revenue	1,295,308	3,652,380	226,178	(506,649)	4,667,217
Continuing operations					
Operating profit / (loss)	66,301	182,303	54,055	(46,340)	256,319
Allowance for expected credit losses on financial assets	(896)	(19,818)	(3,482)	5,097	(19,099)
Net finance costs	(13,194)	(16,018)	(8,132)	(68,975)	(106,319)
Share of results of associates	-	-	-	13,523	13,523
Profit / (loss) before taxation	52,211	146,467	42,441	(96,695)	144,424
Income tax	(9,020)	5,683	8,222	1,661	6,546
Profit / (loss) after taxation	43,191	152,150	50,663	(95,034)	150,970
Discontinuing operations					
Loss from discontinuing operations	-	(8,960)	-	-	(8,960)
Non-controlling interests	-	(8,350)	-	-	(8,350)
Profit / (loss) after taxation for the year attributable to the parent	43,191	134,840	50,663	(95,034)	133,660

36. SEGMENTAL INFORMATION (CONTINUED)

2023

	THE GROUP				
	Building materials		Agriculture	Consolidation adjustments	Total
	Retail	Core business			
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Other segment information:					
Segment assets	901,382	7,065,530	1,380,446	(1,708,969)	7,638,389
Investment in associates	-	8,914	-	66,268	75,182
Total segment assets	901,382	7,074,444	1,380,446	(1,642,701)	7,713,571
Total segment liabilities	482,679	3,779,228	254,497	(1,064,464)	3,451,940
Capital expenditure:					
Property, plant and equipment	35,980	529,706	22,093	6,690	594,469
Investment properties	-	6,692	-	(6,692)	-
Intangible assets	13,895	7,476	1,953	-	23,324
Depreciation and amortisation	70,631	326,134	16,976	(25,574)	388,167

Information about major customers

No single customer contributed 10 per cent or more to the Group's revenue in either 2024 or 2023.

The Group's revenue from external customers and information about its segment assets (non-current assets excluding financial instruments, deferred tax assets and other financial assets) by geographical location are detailed below:

	Revenue from external customers		Non current assets	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
Mauritius	**5,046,083**	4,609,495	**5,559,285**	5,515,545
Madagascar	**-**	-	**-**	30,465
Sri Lanka	**12,612**	8,878	**13,264**	21,187
Réunion	**59,480**	48,844	**15,241**	3,615
	5,118,175	4,667,217	**5,587,790**	5,570,812

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

37. BUSINESS COMBINATIONS

Acquisition of subsidiary

On March 31, 2023, the Group acquired the remaining 90.53% stake in Flacq Associated Stonemasters Limited ("FAST") for Rs 244.8m and obtained control over the subsidiary. FAST operates a stone crushing business in the east of Mauritius and is engaged in the production of aggregates and blocks. This transaction qualifies as a business combination as defined in IFRS 3.

The identifiable assets acquired and liabilities assumed at fair value at date of acquisition are as follows:

	March 31, 2023 Rs'000
Assets	
Property, plant and equipment	129,078
Intangible assets	172
Inventories	21,644
Trade and other receivables	26,802
Current tax assets	463
Cash and cash equivalents	839
	178,998
Liabilities	
Trade and other payables	17,396
Deferred tax liability	5,056
Retirement benefit obligations	6,277
	28,729
Fair value of net assets acquired	150,269
Consideration paid in cash	244,841
Fair value of previously held interests	25,623
	270,464
Goodwill	120,195
Cash flow	
Consideration paid	244,841
Less cash and cash equivalents acquired in subsidiary	(839)
Net cash outflow on acquisition	244,002

Acquisition-related costs (included in administrative expenses) amount to Rs 0.8m.

A goodwill of Rs 120.2m arose because of the wider economic and strategic benefit arising from this acquisition. None of the goodwill is expected to be deductible for income tax purposes.

FAST contributed Rs 36m revenue and generated a profit of Rs 6.7m for the period.

If the acquisition of FAST had been completed on the first day of the financial year, Group revenues for the year would have been Rs 4,720m and Group profit would have been Rs 153.8m.

38. DISCONTINUED OPERATION AND ASSETS CLASSIFIED AS HELD FOR SALE

The Group

(a) UBP Madagascar

Details of sale of the subsidiary

As referred to in note 10, on June 26, 2024 the Company disposed of its 100% shares in UBP Madagascar Ltd for Rs 35.5m and is reported in the current period as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below:

	June 26, 2024 Rs'000
Assets	
Property, plant and equipment	20,606
Right of use assets	5,119
Inventories	17,348
Trade receivables	8,878
Bank balances and cash	338
Lease liability	(3,073)
Trade payables	(25,332)
Bank overdraft	(489)
Net assets disposed of	23,395
Gain on disposal before reclassification of foreign currency translation reserve	12,065
Reclassification of foreign currency retranslation reserve	28,535
Gain on sale	40,600
Satisfied by:	
Deferred consideration	35,460
Net cash inflow arising on disposal:	
Deferred consideration	35,460
Less: cash and cash equivalents disposed of	151
	35,611

There were no disposals of subsidiaries made in 2023.

The deferred consideration will be settled in cash by the purchaser on or before 30 June 2025.

The gain on disposal is included in the profit for the year from discontinued operations.

The results for the years ended June 30, 2024 and June 30, 2023 for UBP Madagascar are shown as discontinued operation and are disclosed below:

The comparative figures have been reclassified in accordance with IFRS 5.

	2024 Rs'000	2023 Rs'000
Revenue	17,420	15,679
Operating loss	(5,021)	(8,662)
Net finance costs	(348)	(298)
Loss for the year from discontinued operations	(5,369)	(8,960)
Gain on disposal of operation including a cummulative exchange gain reclassified from foreign currency translation reserve to profit or loss (as above)	40,600	-
Profit/(loss) for the year from discontinued operations (attributable to owners of the company)	35,231	(8,960)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

38. DISCONTINUING OPERATION AND ASSETS CLASSIFIED AS HELD FOR SALE (CONTINUED)

The Group (continued)

(a) UBP Madagascar (continued)

	2024	2023
Cash flows from discontinued operations:	**Rs'000**	Rs'000
Net cash inflows from operating activities	**4,623**	(4,791)
Net cash inflows	**4,623**	(4,791)

(b) United Granite Products (Private) Limited

In June 2021, the Group initiated an active programme to locate a buyer following its intention to sell its Sri Lankan subsidiary, United Granite Products (Private) Limited. This operation, which was expected to be sold within 12 months, was classified as a disposal group held for sale and presented separately in the Group statements of financial position at June 30, 2021.As a result of the programme initiated, several potential buyers showed their interest, but the deal could not be completed as there was no agreement on the proposed consideration. Moreover, during the last one-year period, there were circumstances beyond the Group's control which took place and further complicated the negotiations. Management remained committed to their plan to sell United Granite Products (Private) Limited which continued to be classified as a disposal group held for sale and presented separately in the Group statements of financial position at June 30, 2022.

However, as at 30 June 2023, no buyer has been identified and no deal has been completed. As per the requirements of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, the Group and the Company have reviewed the events and circumstances for the delay for sale and although these are caused by events beyond the Group's and the Company's control, there are enough evidence to suggest that the Group will not be able to sell if the price of the asset is not reduced. The Group and the Company will not reduce the price as management believe they will receive the asked price in the future once the in-country market conditions improve. Hence, in this situation, the absence of a price reduction by the Group and the Company in the current market conditions demonstrate that the asset is not available for immediate sale. Management is now presenting UGPL under continuing operations in the statements of profit or loss and other comprehensive income for all periods presented.

In the financial year 2023, these major classes of assets and liabilities have been re-presented under continuing operations since the components cease to classify as held for sale.

	THE GROUP		THE COMPANY	
	2024	2023	**2024**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
Investment in subsidiaries (a)	-	-	-	22,428
Property, plant and equipment	-	45,058	-	-
Right of use assets	-	4,842	-	-
Inventories	-	23,674	-	-
Trade and other receivables	-	13,133	-	-
Cash and bank balances	-	7,237	-	-
Total assets reclassified from held for sale	-	93,944	-	22,428
Trade and other payables	-	61,386	-	-
Lease liabilities	-	2,908	-	-
Bank overdraft	-	4,783	-	-
Employee benefit liabilities	-	1,297	-	-
Total liabilities reclassified from held for sale	-	70,374	-	-
Net assets	-	23,570	-	22,428

(a) Investment in subsidiaries

Investment in subsidiaries is net of impairment.

39. MERGER RESERVE

On June 28, 2024, the Company completed the amalgamation of its wholly-owned subsidiary, UBP Coffrages Ltée, in accordance with Section 247 of the Mauritius Companies Act 2001. The identifiable assets and liabilities at date of amalgamation are as follows:

Assets	
Trade and other receivables	**13,056**
Cash and cash equivalents	**23**
	13,079
Equity and liabilities	
Share capital	**20,000**
Borrowings	**11**
	20,011
Impairment on investment in previous years	**14,874**
Transfer to retained earnings (merger reserve)	**7,942**

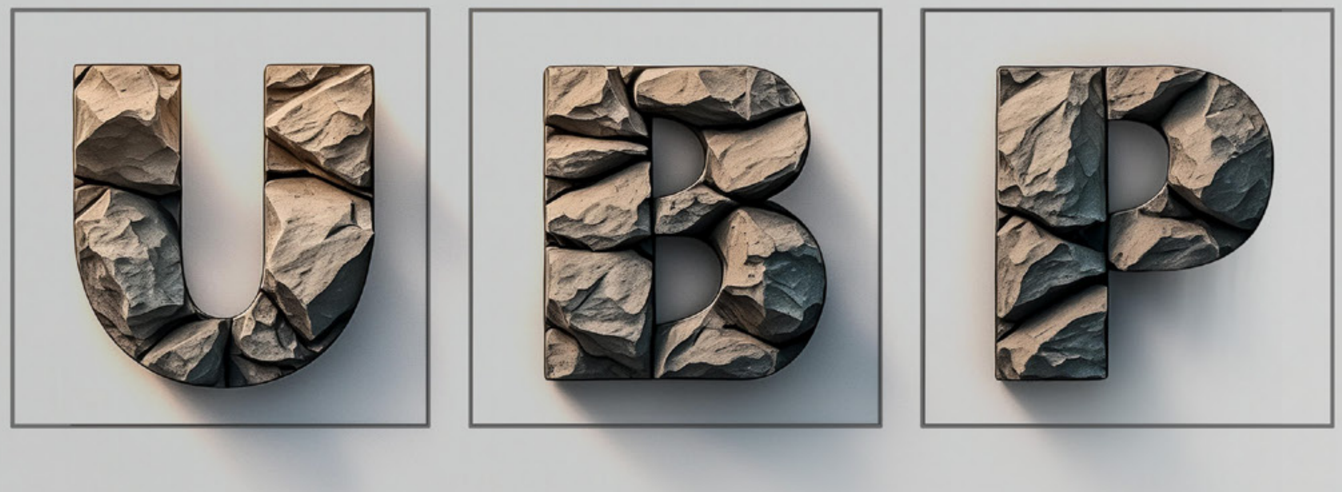
40. FINANCIAL REVIEW

THE GROUP	**2024**	2023
	Rs'm	Rs'm
Share capital and share premium	**272.5**	272.5
Reserves	**4,025.6**	3,943.0
Shareholders' interests	**4,298.0**	4,215.4
Assets	**9,457.2**	7,713.6
Liabilities	**5,059.3**	3,451.9
Revenue	**5,118.2**	4,667.2
Profit before taxation	**197.0**	144.4
Tax (expense) / income	**(23.7)**	6.5
Profit for the year	**173.4**	151.0
Dividend	**(55.8)**	-
	Rs	Rs
Basic net assets value per share	**162.13**	159.01
Basic earnings per share	**7.44**	5.04
Dividend per share	**1.75**	-

THE COMPANY	**2024**	2023
	Rs'm	Rs'm
Share capital and share premium	**272.5**	272.5
Reserves	**2,759.3**	2,641.7
Shareholders' interests	**3,031.7**	2,914.2
Assets	**7,065.0**	5,509.1
Liabilities	**4,033.3**	2,595.0
Revenue	**2,312.0**	2,157.8
Profit before taxation	**169.2**	94.4
Tax (expense) / income	**(0.2)**	6.4
Profit for the year	**169.0**	100.8
Dividend	**(46.4)**	-
	Rs	Rs
Basic net assets value per share	**114.36**	109.93
Basic earnings per share	**6.37**	3.80
Dividend per share	**1.75**	-

A BRIGHT FUTURE AHEAD

From those volcanic basalt rocks to the cutting-edge products and services of today, **UBP** Group's story is one of transformation, progress and a commitment to building a better future for all.



NOTICE OF ANNUAL MEETING TO SHAREHOLDERS

Notice is hereby given that the Annual Meeting of Shareholders of The United Basalt Products Limited (the "Company") will be held at the registered office of the Company, Trianon, Quatre Bornes, on Friday December 13, 2024 at 14.30 hours to transact the following business:

1. To consider the Annual Report 2024 of the Company.
2. To receive the report of Messrs. Deloitte Mauritius, the Auditors of the Company, for the year ended June 30, 2024.
3. To consider and adopt the Company's and the Group's Audited Financial Statements for the year ended June 30, 2024.
4. To elect as director of the Company, Mr. Thierry Lagesse, aged over 70, who offers himself for re-election upon the recommendation of the Corporate Governance Committee, to hold office, until the next Annual Meeting of the Company, in accordance with Section 138(6) of the Companies Act 2001.
5-13 To elect as directors of the Company and by way of separate resolutions, the following persons who offer themselves for re-election upon the recommendation of the Corporate Governance Committee, to hold office until the next Annual Meeting of the Company, namely:
- **5**. Mr. Jean-Claude Béga.
- **6**. Mr. Jan Boullé.
- **7**. Mr. Stéphane Brossard.
- **8**. Mr. Stéphane Lagesse.
- **9**. Mrs. Christine Marot.
- **10**. Mr. Christophe Quevauvilliers.
- **11**. Ms. Aruna Radhakeesoon.
- **12**. Mrs. Kalindee Ramdhonee.
- **13**. Mr. Stéphane Ulcoq.

14. To fix the remuneration of the non-executive directors of the Company for the year ending June 30, 2025 and to ratify the fees paid to the directors for the year ended June 30, 2024.
15. To take note of the re-appointment of Messrs. Deloitte Mauritius as Auditors of the Company for the year ending June 30, 2025, in accordance with Section 200 of the Companies Act 2001, and to authorise the board of directors to fix their remuneration.

By order of the Board

IBL MANAGEMENT LTD
Company Secretary
October 22, 2024

Notes:

1. *The profiles of the directors proposed for re-election are available in the Annual Report 2024.*

2. *For the purposes of this Annual Meeting of Shareholders (the "Meeting") and in accordance with Section 120(3) of the Companies Act 2001, the Board has resolved that the shareholders who are entitled to receive the Notice of Meeting (the "Notice") and attend such Meeting shall be those shareholders whose names are registered in the share register of the Company as at November 14, 2024.*

3. *A shareholder of the Company entitled to attend and vote at this Meeting may either appoint a proxy, whether a shareholder or not, to attend and vote on his/her behalf or cast his/her vote by post. A Proxy / Casting of Postal Votes Form (the "Form") is enclosed. The Form is also available on the Company's website* ***www.ubp.mu*** *and at the registered office of the Company, Trianon, Quatre Bornes.*

4. *The instrument appointing the proxy should reach the registered office of the Company, Trianon, Quatre Bornes, not less than twenty-four (24) hours before the time fixed for the Meeting, failing which the instrument of proxy shall not be treated as valid.*

5. *Where the Form is used for Casting of Postal Votes, it should be completed, signed and deposited to the attention of Mr. Christophe Quevauvilliers, the person authorised by the Board of the Company to receive and count the postal votes at the Meeting. The completed Form should reach the registered office of the Company, Trianon, Quatre-Bornes, not less than forty-eight (48) hours before the time fixed for the Meeting. Where the Casting of Postal Votes Form is returned without any indication of vote in respect of a resolution, the shareholder shall be deemed to have abstained on such resolution.*

6. *The minutes of proceedings of the last Annual Meeting of Shareholders held on December 15, 2023 are available for consultation by the shareholders, free of charge, during office hours at the registered office of the Company from November 22, 2024 to December 12, 2024.*

7. *This Notice is issued pursuant to Listing Rules 11.16. The board of directors of the Company accepts full responsibility for the accuracy of the information contained in this Notice.*

PROXY / CASTING OF POSTAL VOTES FORM

I/We, ... of ...., a shareholder/shareholders of **The United Basalt Products Limited (the "Company")**.

APPOINTMENT OF PROXY

I/We do hereby appoint .... of ...., failing him/her .... of ...., or failing him/her the Chairman of the Annual Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Annual Meeting of the Company to be held on Friday December 13, 2024 at 14.30 hours and at any adjournment thereof and to vote on my/our behalf on any resolution or other matter proposed thereat.

CASTING OF POSTAL VOTES

I/We desire my/our vote(s) to be cast on the proposed resolutions as follows:

		For	Against	Abstain
3.	To consider and adopt the Company's and the Group's Audited Financial Statements for the year ended June 30, 2024.			
4.	To elect as director of the Company, Mr. Thierry Lagesse, aged over 70, who offers himself for re-election upon the recommendation of the Corporate Governance Committee, to hold office, until the next Annual Meeting of the Company in accordance with Section 138(6) of the Companies Act 2001.			
5-13	To elect as directors of the Company and by way of separate resolutions, the following persons who offer themselves for re-election upon the recommendation of the Corporate Governance Committee, to hold office until the next Annual Meeting of the Company, namely:			
5.	Mr. Jean-Claude Béga			
6.	Mr. Jan Boullé			
7.	Mr. Stéphane Brossard			
8.	Mr. Stéphane Lagesse			
9.	Mrs. Christine Marot			
10.	Mr. Christophe Quevauvilliers			
11.	Ms. Aruna Radhakeesoon			
12.	Mrs. Kalindee Ramdhonee			
13.	Mr. Stéphane Ulcoq			
14.	To fix the remuneration of the non-executive directors of the Company for the year ending June 30, 2025 and to ratify the fees paid to the directors for the year ended June 30, 2024.			
15.	To take note of the re-appointment of Messrs. Deloitte Mauritius as auditors of the Company for the year ending June 30, 2025, in accordance with Section 200 of the Companies Act 2001, and to authorise the board of directors to fix their remuneration.			

Dated this .... day of .... 2024.

....
Signature(s)

Proxy / Casting of Postal Votes - Notes:

1. *The profiles of the directors proposed for re-election are available in the Annual Report 2024.*

2. *A shareholder of the Company entitled to attend and vote at this Meeting may either appoint a proxy, whether a shareholder or not, to attend and vote on his/her behalf or cast his/her vote by post. A Proxy / Casting of Postal Votes Form (the "Form") is enclosed. The Form is also available on the Company's website* ***www.ubp.mu*** *and at the registered office of the Company, Trianon, Quatre Bornes.*

3. *The instrument appointing the proxy should reach the registered office of the Company, Trianon, Quatre Bornes, not less than twenty-four (24) hours before the time fixed for the Meeting, failing which the instrument of proxy shall not be treated as valid.*

4. *Where the Form is used for Casting of Postal Votes, it should be completed, signed and deposited to the attention of Mr. Christophe Quevauvilliers, the person authorised by the Board of the Company to receive and count the postal votes at the Meeting. The completed Form should reach the registered office of the Company, Trianon, Quatre-Bornes, not less than forty-eight (48) hours before the time fixed for the Meeting. Where the Casting of Postal Votes Form is returned without any indication of vote in respect of a resolution, the shareholder shall be deemed to have abstained on such resolution.*

THE UNITED BASALT PRODUCTS LIMITED

Head Office
Trianon, Quatre-Bornes
Mauritius
Tel: 454 1964

www.ubp.mu