

MAURITIUS COSMETICS LIMITED

*(A Public Company limited by shares
registered in Mauritius under the Companies Act 2001)*

PROSPECTUS

**IN RESPECT OF THE ISSUE AND ADMISSION TO LISTING OF 3,000,000 NEW
ORDINARY SHARES ON THE DEVELOPMENT & ENTERPRISE MARKET OF THE
STOCK EXCHANGE OF MAURITIUS LTD AT THE PRICE OF RS 37.50 PER SHARE
BY WAY OF RIGHT ISSUE**

AD NUMBER: LEC/RI/02/2019

Rule 2.3 THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Prospectus includes particulars given in compliance with the rules for the Development & Enterprise Market (the 'DEM'), the Securities Act 2005, the Securities (Public Offers) Rules 2007, and the regulations promulgated under it for the purpose of giving information with regard to the issuer.

Rule 2.1 The Directors, whose names appear on pages 13 and 14 of this Prospectus, collectively and individually accept responsibility for the contents of the Prospectus and that, to the best of their knowledge and belief, and after making reasonable enquiries, the information contained in the Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect the import of such information.

The Directors also state that the financial statements have been prepared in accordance with the Act and the International Financial Reporting Standards and collectively and individually accept responsibility for these financial statements.

Sch3 Sec (e) Application is being made for the admission of 3,000,000 new Ordinary Shares by way of right issue of **MAURITIUS COSMETICS LIMITED (MCL)** to be issued at a price of Rs 37.50 per share on the Development & Enterprise Market of the Stock Exchange of Mauritius Ltd. The purpose of the right issue is to generate fund for financing the acquisition of two strategic properties at Port Louis, thus improving the asset base of the Company.

Sch3 Sec (c) The Prospectus will be available at the Company's registered office at Bonne Terre, Vacoas, Mauritius and at St James Secretaries Limited, 5th Floor, C&R Court, 49 Labourdonnais Street, Port Louis, Mauritius.

MAURITIUS COSMETICS LIMITED

(A Company registered in Mauritius under the Mauritius Companies Act 2001)

Prospectus in respect of the further issue and admission to listing of 3,000,000 new Ordinary Shares on the Development & Enterprise Market of the Stock Exchange of Mauritius Ltd (AD Number: LEC/RI/02/2019) at Rs 37.50 per share by way of right issue.

The distribution of this Prospectus and the sale or delivery of the Ordinary Shares is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Prospectus are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Prospectus may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

This document should be read in its entirety before making any application for the Ordinary Shares. All questions and inquiries relating to this Document should be directed to Mr. Seedheshwar Mojee on telephone no: +230 402 0852 or Mrs Shenaz Rughoonauth of St James Secretaries Limited, 5th Floor, C&R Court, 49 Labourdonnais Street, Port Louis, Mauritius, Telephone: +230 213 7000.

Rule 2.2 Neither the Listing Executive Committee of The Stock Exchange of Mauritius Ltd, nor The Stock Exchange of Mauritius Ltd, nor the Financial Services Commission assumes any responsibility for the contents of this Document. The Listing Executive Committee of The Stock Exchange of Mauritius Ltd, the Stock Exchange of Mauritius Ltd and the Financial Services Commission make no representation as to the accuracy or completeness of any of the statements made or opinions expressed in this document and expressly disclaim any liability whatsoever for any loss arising from or in reliance upon the whole or any part thereof.

Furthermore, the Financial Services Commission takes no responsibility for the contents of the Prospectus and shall not be liable to any action in damages suffered as a result of any prospectus registered by the Commission.

The Stock Exchange of Mauritius Ltd, the Listing Executive Committee of the Stock Exchange of Mauritius Ltd and the Financial Services Commission do not vouch for the financial soundness of the Company or for the correctness of any statements made or opinions expressed with regard to it.

If you are in any doubt about the contents of this document you may consult an independent qualified person who may advise you accordingly.

The Directors also wish to highlight that as at date of this Prospectus:

Rule 19.7 No material adverse change in the financial or trading position of the Company has taken place since the last audited or any later interim financial statements that have been published;

Investors in the Company are not protected by any statutory compensation arrangements in Mauritius in the event of the Company's failure.

Rule 2.1 _____
Mr. Seedheshwar Mojee

Mr Aymeric Jadoo Hermann Dookun

Date : 15 August 2019

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DEFINITIONS

The following definitions apply throughout this Document, unless the context requires otherwise:

“Act”	the Companies Act 2001 in force in Mauritius and any subsequent amendments to it or any regulations promulgated under it;
“Board”	the board of Directors as constituted from time to time or any duly constituted committee of the board of Directors acting within its authority;
“Company”	MAURITIUS COSMETICS LIMITED, a company registered under the laws of Mauritius under registration number C1511;
“Company Secretary”	St James Secretaries Limited, a company incorporated under the laws of Mauritius and having its registered office at 5th Floor, C&R Court, 49 Labourdonnais Street, Port Louis, Mauritius;
“Constitution”	the Constitution of the Company as may be amended from time to time;
“Controlling Shareholder”	Any person who is (or in the case of a Related Party Transaction only was within the 12 months preceding the date of that transaction) entitled to exercise, or control the exercise of 20 percent or more of the voting power at general meetings of the Company or one which is in a position to control the appointment and/or removal of directors holding a majority of voting rights at board meetings on all or substantially all matters;
“Directors”	the Directors of the Company as at the date of this Prospectus, whose details are given on pages 13 and 14 of this document;
“Expenses”	All costs, fees and expenses related to the Company’s organization and operations, to the extent permitted by law and the Constitution;
“FMCG”	Fast moving consumer goods;
“FSC”	Financial Services Commission;
“IFRS”	International Financial Reporting Standards;
“Law”	the laws, statutes, rules, regulations, ordinances and other pronouncements having the effect of law in Mauritius;
“MCL”	Mauritius Cosmetics Limited;
“Meeting”	a meeting of Members;

DEFINITIONS (Cont'd)

“Member”	a registered holder of shares in the Company;
“Rs”	Mauritian Rupees, the lawful currency of the Republic of Mauritius;
“Person”	an individual, a corporation, a trust, the estate of a deceased individual, a partnership or an unincorporated association of persons;
“Register”	the register of Members to be kept pursuant to the Law;
“Related Party”	in relation to a company means a director, chief executive or Controlling Shareholder of the company or any of its subsidiaries or associates of any of them;
“Related Party Transaction”	<ul style="list-style-type: none">(i) a transaction (other than a transaction of a revenue nature in the ordinary course of business) between the Company, or any of its subsidiaries, and a Related Party; or(ii) any arrangements pursuant to which the Company, or any of its subsidiaries, and a Related Party each invests in, or provides finance to, another undertaking or asset;
“Secretary”	St James Secretaries Limited, a company incorporated under the laws of Mauritius and having its registered office at 5th Floor, C&R Court, 49 Labourdonnais Street, Port Louis, Mauritius;
“SEM”	The Stock Exchange of Mauritius Ltd established under the repealed Stock Exchange Act 1988 and now governed by the Securities Act 2005;
“Special Resolution”	A resolution approved by 75% percent of the votes of those Members entitled to vote and voting on the matter which is the subject of the resolution or a written a resolution signed by Members holding not less than 75% percent of the Members who would be entitled to vote on that resolution at a Meeting who together would hold not less than 75% percent of the votes entitled to be cast on that resolution;
“Special Meeting”	Special Meeting of Shareholders

PART I

KEY INFORMATION

The following information must be read in conjunction with the information set out in the remainder of this document, and with the Constitution of the Company. Prospective investors should read the whole of this document, and not rely solely on the following summarised information.

1 THE COMPANY

Rule 5.1.1-5.1.5 **Mauritius Cosmetics Limited** (the ‘Company’ or ‘MCL’) was incorporated in Mauritius as a private company limited by shares according to the Act on 25 January 1966 with registration number C1511. The Company is domiciled in Mauritius. The Company was converted into a public company under the Act by way of a Special Resolution of its shareholders on 18th September 1968. The Company has an unlimited life. Its registered office address is Bonne Terre, Vacoas (telephone no. +230 402 0852).

Rule 6.1.1 & 20.2.1 Since starting its operation in 1966, **MCL** has been producing toothpaste under licence first from a German family-owned company “Blendax Werke GmbH” (BWG). BWG was acquired by an USA multi-national “Procter & Gamble Inc” (PGI) that ceased worldwide sales of our flagship toothpaste brand “Blendax” because of low sales except in Mauritius where it was the market leader. PGI let our license expire by December 2015. Since, the Company is manufacturing and distributing its own toothpaste brands, namely ‘Ultradent’, ‘Dentaweiss’ and ‘Dentamax’. MCL also manufactures cosmetic products such as ‘Kamill’ creams and lotions, perfumes, eau de Colognes and eau de toilettes, soap & detergents, insect repellents and lastly ‘Poliboy Werke’ furniture care. These products are manufactured either under licence, using purchased formulae or are self-developed. MCL is also a licenced supplier of GM products & Sultane de Saba both from France amenities for hotels.

Over the past years, MCL has largely expanded while regularly introducing new manufacturing technologies and state-of-the-art equipment, to stay on the cutting edge of production. Quality has stayed the main focus of the Company which has many certifications such as: ISO, GMP and ECOCERT.

MCL also has a property arm holding investment properties directly and through its subsidiaries. At the date of this Prospectus, the Group holds the following investment properties in Mauritius:

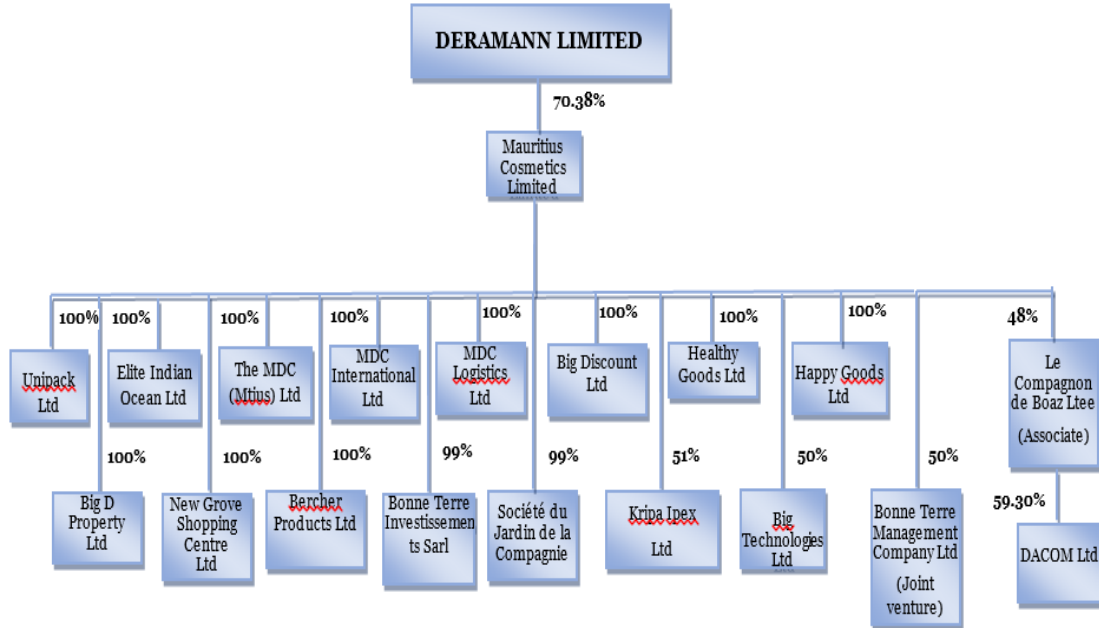
Name	Place
Dentamax House	Port Louis
MCL Bonne Terre	Bonne Terre
The MDC (Mtius) Ltd	Terre Rouge
New Grove Shopping Centre	New Grove
Montagne Blanche Shopping Centre	Montagne Blanche
Astor Court	Port Louis

PART I

KEY INFORMATION (Cont'd)

1 THE COMPANY (Cont'd)

MCL is a subsidiary of Deramann Limited, which is a property and investment holding company. The Group structure of MCL is provided below:



Note: All the subsidiary companies are incorporated in Mauritius except for Bonne Terre Investissements SARL which is incorporated in Madagascar.

PART I

KEY INFORMATION (Cont'd)

Salient Features of the Rights Issue

Issuer	Mauritius Cosmetics Limited
Offer	Rights Issue of 3,000,000 new Ordinary Shares with par value of Rs 10 at an issue price of Rs 37.50 each. A shareholder of MCL will be entitled to subscribe for one (1) new Ordinary Share for every five (5) Ordinary Shares registered in his/her name on the record date, rounded down to the nearest integer where fractions occur.
Offer Price	Rs 37.50 per share
Amount to be raised	<p>- The total proceeds that it is expected to be raised by the offer is Rs 112,500,000 and the expected net proceeds of the offer to be Rs 112,155,000 (see section 7 for details of the COSTS OF THE OFFER).</p> <p>- Deramann Limited, the holding company, has given its commitment in writing to subscribe to any shares which have not been subscribed for after all procedures have been followed. Consequently, there is no minimum amount to be raised below which the rights issue will not proceed.</p> <p>- Confirmation has already been received from the main shareholders, being Deramann Limited and Mr Jadoo Hermann Dookun, that they are going to participate in the rights issue.</p>
Description of the shares	<p>Class of share – Ordinary shares</p> <p>The rights attached to these shares are:</p> <ul style="list-style-type: none"> - Voting - Dividends - Distribution on the winding up of the issuer <p>As there is no variation to any of these rights, no consent is required.</p>
Net Asset Value per share	Rs 88.91 (i.e. Rs 1,333,586,002/15,000,000 outstanding shares)
Purpose of the issue	The funds would be exclusively used for financing the acquisition of two strategic properties at Port Louis, thus improving the asset base of the Company.
Underwriter of the offer	None
Transfer & registration agents	None
Broker	Axys Stockbroking Ltd
Rights subscription period	26 th September 2019 to 16 th October 2019
Trading of rights	3 rd October 2019 to 9 th October 2019
Allotment date	31 st October 2019
Listing of the New Ordinary Shares	7 th November 2019
Payment terms	<ul style="list-style-type: none"> • By Cheque • By Bank transfer to MCL's bank accounts at: <ul style="list-style-type: none"> - Barclays Bank, Sir William Newton Street, Port Louis, Call Account, Account Number 147019777 - Bank of Baroda, Vacoas, Current Account, Account Number 90330200000579

PART I

KEY INFORMATION (Cont'd)

Calendar of events

Events	Dates
Board decision for Rights Issue	22 April 2019
Issue of Cautionary Announcement by Company	29 April 2019
Special Meeting of Shareholders	25 June 2019
Approval received from relevant authorities	15 August 2019
Issue of Communiqué after receipt of approval from relevant authorities and Board of Directors approval of Rights Issue	16 August 2019
First cum rights trading session	16 August 2019
Last day to deposit share certificates at CDS in order to trade rights	04 September 2019
Sending of Prospectus for Rights Issue to shareholders	05 September 2019
Last cum rights trading session	06 September 2019
Shares traded ex-rights	10 September 2019
Close of shareholders' register after Cum Rights trading	12 September 2019
Sending of Offer Letter to shareholders	19 September 2019
Opening of subscription	26 September 2019
First date to deposit letter of allotment at CDS for trading of rights	26 September 2019
Last date to deposit letter of allotment at CDS for trading of rights	02 October 2019
First day for trading of rights	03 October 2019
Last day for trading of rights	09 October 2019
Closure of rights subscription	16 October 2019
Allotment of shares	31 October 2019

The offer shall terminate on the date of closing indicated in the prospectus, which shall not be later than 60 days from the date registration is granted.

Securities shall not be issued under the prospectus more than 6 months after the date the prospectus is granted effective registration.

The time for the opening and closing of rights subscription is as follows: 09:00 hrs to 16:30 hrs on business days.

PART I

KEY INFORMATION (Cont'd)

2 SHARE CAPITAL

Rule 20.1.1 & 26.3.1 The stated capital of the Company is Rs 150,000,000 made up of 15,000,000 fully paid ordinary shares of Rs 10 each. The Company has only one class of shares.

On 22 April 2019, the Board of Directors (the 'Board') of **Mauritius Cosmetics Limited** (the 'Company') has approved the application for the admission of the 3,000,000 new ordinary shares of the Company on the Development & Enterprise Market ("DEM") of the Stock Exchange of Mauritius Ltd ("SEM") at the price of Rs 37.50 each.

In accordance with section 27 of the constitution of the Company, the Company's shareholders will be called to vote, by way of a Special Resolution at a Special Meeting of shareholders to be held on 25th June 2019, on the issue of 3,000,000 new ordinary shares at the price of Rs 37.50 each by way of a right issue.

The 3,000,000 ordinary shares from the right issue shall be allotted and distributed in the proportion of one (1) ordinary share for every five (5) ordinary shares held.

3 APPLICATION FOR LISTING

Rule 25.1, 25.3 (a) An application is being made for the listing of 3,000,000 new ordinary shares at the price of Rs 37.50 each. The new shares carry rights similar to the existing ordinary shares.

All the shares to be issued by the Company will be in registered form. Details of the entity in charge of keeping the records are as follows: St James Secretaries Limited, 5th Floor, C&R Court, 49 Labourdonnais Street, Port Louis, Mauritius.

Acceptances to subscription to the rights issue should reach the Company by the closing date of 16th October 2019. Acceptances to subscription to the rights issue are irrevocable and cannot be withdrawn. A shareholder will be deemed to have rejected the offer to subscribe for his/her allotment of the new ordinary shares under the rights issue if he/she fails to meet the above deadline. Incomplete applications will be rejected and these shareholders will be deemed to have renounced their rights to their allotment of the new ordinary shares under the rights issue.

Sch3 Sec (g) (b) The first day of listing and admission to trading of the abovementioned 3,000,000 new ordinary shares has been scheduled for 7th November 2019.

Refunds

No interest will be paid on monies received in respect of applications for the new ordinary shares. All refunds by the Company in respect of unsuccessful applications or otherwise shall be effected through cheques. Monies are expected to be refunded on or about 30th November 2019.

PART I

KEY INFORMATION (Cont'd)

3 APPLICATION FOR LISTING (Cont'd)

Fractional shares

The Company will not issue fractional ordinary shares. The number of shares will be rounded down to the nearest integer when fraction occurs.

Issue Price

The share price was based on the price prevailing on SEM at the time when decision was taken at a Board meeting held on 22 April 2019.

The share price on the above date was Rs 40.

A discount of 6.25% has been given as an incentive for the existing shareholders to participate in the rights issue. The Directors confirm that they have made due enquiry and consultation and are satisfied that the issue price for the Rights Issue is fair and reasonable to the Company and all its existing shareholders under Section 56(1) of the Companies Act 2001.

The Volume Weighted Average Share Price (VWAP) of the MCL share on the DEM over the period January 2019 to April 2019 was Rs 40.00. The offer of Rs 37.50 represents a discount of 6.25% on the VWAP.

Excess Shares

The Directors of Mauritius Cosmetics Limited will in their entire discretion issue shares not subscribed for in terms of the Offer, to applicants for excess shares on an equitable basis, taking into consideration the number of shares held by an applicant and the number of excess shares applied for by the latter and the pre-emptive rights as per the Constitution of the Company.

Deramann Limited will subscribe for any shares not subscribed for.

4 DIRECTORS, SECRETARY, REGISTERED OFFICE AND ADVISERS

Rule 3.2

The following are officers and service providers of the Company:

Directors	Address
Mr Jadoo Hermann Dookun (Chairperson)	Ligne Berthaud, Floreal
Mr Aymeric Jadoo Hermann Dookun (Managing Director)	Ligne Berthaud, Floreal
Mr Uwe Hollmichel	Karl-Metz-Strasse 15, 69115 Heidelberg, Germany
Mr Assish Kumar Ganshyam Singh Jugmohun	Bonne Terre, Vacoas
Mr Navind Kumar Dookun	Lamberty Road, Vacoas
Mr Anil Kumar Shiwpursad	Avenue des Ibis, Morc Sodnac, Quatre Bornes
Mr Seedheshwar Mojee	Cactus Lane, Pamplemousses
Mr Vinod Khooshiramsing Bussawah	8 Impasse Tegally, Couvent de Lorette, Curepipe

PART I

KEY INFORMATION (Cont'd)

4 DIRECTORS, SECRETARY, REGISTERED OFFICE AND ADVISERS (Cont'd)

Rule 3.2

The following are officers and service providers of the Company (Cont'd):

Company Secretary St James Secretaries Limited
5th Floor, C&R Court
49 Labourdonnais Street
Port Louis, Mauritius
Telephone: +230 213 7000
Fax: +230 210 7878

Registered Office Address Bonne Terre
Vacoas
Mauritius
Telephone no.: 402 0852

Bankers Bank of Baroda
32, Sir William Newton Street
Port Louis
Telephone no. 208 1504

Barclays Bank Mauritius Ltd
Sir William Newton Street
Port Louis
Telephone no.: 404 1000

State Bank of Mauritius
State Bank Tower
1, Queen Elizabeth II Avenue
Port Louis, Mauritius
Telephone no: 202 1111

The Mauritius Commercial Bank Ltd
9-15, Sir William Newton Street
Port Louis, Mauritius
Telephone no. 202 5000

Bank One Ltd
16, Sir William Newton Street
Port Louis
Telephone no. 202 9200

Investment Dealer Axys Stockbroking Ltd
Bowen Square
10, Dr. Ferrière Street, Port Louis
Telephone no.: 213 3475

Rule 3.1

The auditors and Mauritius tax advisors are as at date:

PKF (Mauritius)
Public Accountants
5 Duke of Edinburgh Avenue, Port Louis
Telephone no.: 208 0877

PART I

KEY INFORMATION (Cont'd)

Rule 14.1 4.1 BOARD OF DIRECTORS

The Board of Directors of the Company is composed of eight members and is committed to achieving success of the Company by building a sustainable business for the long term and generating the highest return on shareholders' investment.

The Board of Directors is the ultimate governing body and has full powers over the affairs of the Company. The Board is made up of 1 Managing Director, 3 Executive Directors, 4 Non-Executive Directors, of which 2 are independent directors.

Directors' Profiles

Mr Jadoo Hermann Dookun (57 years)

He is currently the Chairperson of the Group.

Mr Aymeric Jadoo Hermann Dookun (26 years)

After completing his high school education in Australia, Aymeric Dookun attended Schiller International University in Heidelberg where he studied International Business and Marketing. On his return in Mauritius, he was nominated as Chief Marketing Officer for the Deramann Group and was appointed to the Board of Directors in 2014. He is currently the Managing Director of the Group.

Mr Uwe Hollmichel (62 years)

Uwe holds a degree from the Heidelberg Economic School. He started his career at Deutsche Bank AG Germany in 1974 and is a Branch Manager and Director for over 25 years. One of his main concern in both professional and personal field is Corporate Social Responsibility and the Sustainable use of Nature and Human beings. He is the President of one of the major Sport Club in Heidelberg, Advisor, independent consultant and Board Member of several companies, non-governmental, cultural and social organizations in the city of Heidelberg and in the Metropolitan region Rhein-Neckar, Germany.

Dr Assish Kumar Ghanshyamsingh JUGMOHUN (48 years)

Dr Assish Kumar Jugmohun is a holder of a Doctorate in Business Administration (DBA) (Mauritius), MBA (General Management) from South Africa. In addition, he also has an MSc (Human Resources Management) (Mauritius) and a BSc (Mathematics and Statistics) (South Africa). He is presently continuing his post-doctoral research in the field of Performance Management System, Reward and Training. He has been shouldering responsibilities at managerial level in the sugar and financial sector in Mauritius.

PART I

KEY INFORMATION (Cont'd)

Rule 14.1 4.1 BOARD OF DIRECTORS (Cont'd)

Mr Navind Kumar Dookun (59 years)

Mr Navind Kumar Dookun has a vast experience of over 25 years in the cultivation of sugarcane and other crops, and is an elected member of Managing Committee of The Mauritius Sugarcane Planters' Association. Mr Dookun manages a filling station, and he is a member of The Petroleum Retailers Association. Apart from being a member of the Board of Paper Converting Co Ltd he is also involved in various social and cultural activities.

Mr Anil Kumar Shiwpursad (60 years)

Mr Anil Kumar Shiwpursad was born in 1958. After completing his secondary education he did some courses in leadership and management and also courses in shipping line. He joined the Deramann Group of companies in 1976 where he has occupied various positions such as shipping manager, procurement manager and assistant managing director. He was appointed as Director of MCL in 2013.

Mr Seedheshwar Mojee (43 years)

Mr Seedheshwar Mojee is a graduate of the Association of Chartered Certified Accountants. He started his working career in the audit field where he works in various audit firms for 8 years. He also worked as accountant for nearly 3 years before joining the Deramann Group of companies in 2007 as financial controller. He was appointed as Director of MCL in 2013.

Mr Vinod K Bussawah (59 years)

Mr Bussawah is a finance professional with over 25 years' experience at senior management level with reputed organisations in Mauritius and the region. He was the Officer in Charge - Finance and Administration at The Mauritius Chamber of Agriculture for twelve years, following which he was appointed as Country Manager for ACCA Mauritius where he spent nine years in making ACCA the most sought-after professional qualification in the field of finance. He was also the General Manager of LCA Mauritius for more than three years. Vinod has gained his experience in the manufacturing sector by working as General Manager of Crestanks Ltd, a leading water tank manufacturer in Uganda. He is an FCCA (Fellow Chartered Certified Accountant) and also holds an MBA Finance and a Diploma in Corporate Governance. Mr Bussawah is a member of MIOD and a registered professional accountant with MIPA.

4.2 COMPANY'S ADMINISTRATION AND MANAGEMENT

(i) Service contract

There were no service contracts between the Company and its directors during the year.

(ii) Contracts of significance

There were no contracts of significance during the year to which the Company or one of its subsidiaries is a party and in which a Director is or was materially interested, either directly or indirectly.

PART I

KEY INFORMATION (Cont'd)

4.2 COMPANY'S ADMINISTRATION AND MANAGEMENT (Cont'd)

(iii) Directors' remuneration and benefits

The table below provides details of directors' remuneration and benefits:

Directors	Last financial year 2018 Rs	Current financial year 2019 Rs
Mr Aymeric Jadoo Hermann Dookun (Managing Director)	75,000	75,000
Mr Assish Kumar Ganshyam Singh Jugmohun	75,000	75,000
Mr Navind Kumar Dookun	75,000	75,000
Mr Anil Kumar Shiwpursad	75,000	75,000
Mr Seedheshwar Mojee	75,000	75,000
Mr Jayantilall Shantilal Dhanjee	75,000	-
Mr Vinod K Bussawah	-	75,000

(iv) Directors' interests in Company's shares

Shares held by the Directors are as follows:

	Direct Interests	Indirect Interests
	<u>%</u>	<u>%</u>
Mr Jadoo Hermann Dookun	13.047	70.543
Mr Anil Kumar Shiwpursad	0.052	-
Mr Aymeric Jadoo Hermann Dookun	0.028	-

The other directors held no interest in the shares of the Company.

(v) Profile of directors

(a) The senior management team forms part of the Board of Directors. Please refer to Section 4.1 of the Prospectus for the business experience of each Director.

(b) Mr Aymeric Jadoo Hermann Dookun (Managing Director) is the son of Mr Jadoo Hermann Dookun (Chairperson). Mr Jadoo Hermann Dookun, Mr Anil Kumar Shiwpursad and Mr Navin Kumar Dookun are cousins

The other directors are not related.

PART I

KEY INFORMATION (Cont'd)

4.2 COMPANY'S ADMINISTRATION AND MANAGEMENT (Cont'd)

(v) Profile of directors (Cont'd)

(c) The name of directors in the Company and in each Subsidiary are:

Directors	Mauritius Cosmetics Limited (Company)	Unipack Limited	Big Discount Limited	Bonne Terre Management Co Ltd	Healthy Goods Limited	Happy Goods Ltd	MDC International Ltd	MDC (LOGISTICS) LTD	Big Technologies Ltd	Elite (Indian Ocean) Ltd	The MDC (Mauritius) Ltd	New Grove Shopping Centre Ltd	Kripa Ipex Limited	Becher Products (Mauritius) Ltd	Big D Property Ltd
Mr Jadoo Hermann Dookun	Chairman	Chairman	Chairman	Chairman	Chairman	Chairman	Chairman	Chairman		Chairman	Chairman	Chairman	Chairman	Chairman	Chairman
Mr Aymeric Hermann Dookun	√	√	√	√	√	√	√	√	Chairman	√	√		√	√	
Mr Uwe Hollmichel	√										√				
Mr Assish Kumar Ghansyam Singh Jugmohun	√														
Mr Navind Kumar Dookun	√														
Mr Vinod K Bussawah	√														
Mr Anil Kumar Shiwpursad	√		√		√	√	√	√		√		√	√		√
Mr Seedheshwar Mojee	√		√		√	√	√	√	√	√		√			

4.3 SECRETARY

Details of the company secretary are as follows: St James Secretaries Limited, a company incorporated under the laws of Mauritius and having its registered office at 5th Floor, C&R Court, 49 Labourdonnais Street, Port Louis, Mauritius.

5. RELATED PARTY TRANSACTIONS

The acquisitions of the two strategic properties qualify as related party transactions under the Development & Enterprise Market (DEM) Rules in so far as Deramann Limited is:

- (i) The controlling shareholder of MCL; and
- (ii) The current legal owner (i.e. vendor) of the two properties.

The particulars of the above transactions will be disclosed to the market by the issue of a Communiqué after receipt of approval for the Right Issue from relevant authorities. This is expected to be on 16th August 2019.

PART I

KEY INFORMATION (Cont'd)

6. REASONS FOR THE ISSUE AND USE OF THE PROCEEDS

Rules 29 & 24.2

The issue of the 3,000,000 new ordinary shares of MCL at the price of Rs 37.50 per share (thus a consideration of Rs 112,500,000) will be for the purpose of financing the acquisition of two strategic properties at Port Louis:

- (i) Plot 1 is freehold commercial plot of land which will allow the Company to secure parking space for Astor Court tenants which was unrentable until Deramann Limited purchased the plot in 2008.

The subject property is situated at the corner of Rue de la Poudrière and Georges Guibert Street, Port Louis at about 400 metres from La Chaussée Street, Port Louis. The site consists of a commercial plot of land of an extent of 1,635.10 square metres.

- (ii) Plot 2 is another freehold commercial plot of land which will unlock possibilities of future development of Plot 1 (currently a parking area) immediately behind Astor Court by transferring parking slots from Plot 1 to the new area (Plot 2).

The subject property is situated at the corner of Rue de la Poudrière and Georges Guibert Street, at about 400 metres from La Chaussée Street, itself being at about 120 metres from Port Louis – Saint Jean Road (A1). The site consists of a commercial plot of land of an extent of 802 square metres.

On 25 February 2019, an independent qualified valuer, namely Aestima Ltd, determined the fair value of Plot 1 and Plot 2 to be Rs 108,000,000 and Rs 53,000,000, respectively. As the total purchase price of Rs 161,000,000 exceeds the Rs 112,500,000 raised through the right issue, the difference of Rs 48,500,000 would be financed by the Company's own fund.

Aestima Ltd has given its consent for the inclusion of its reports in the Prospectus, the consent has been filed with the Commission, and Aestima Ltd has not withdrawn its consent as at the date the Prospectus is lodged with the Commission for an acknowledgement of filing.

The objectives of the acquisition of the two strategic properties are multi-fold:

- Increase the asset base of the Company;
- Complement the existing real-estate portfolio of the Company;
- Reinforce the property cluster of the Company;
- Increase the Company's rental generating capacity;
- Restructure the intercompany receivables/payables within the group;
- Making the Company more attractive and appealing to potential investors and lenders

The Directors also believe that the right issue will heighten the Company's profile and existing shareholders will also have the opportunity to increase their long-term investment in the Company through their participation in the right issue.

As stated in the cautionary announcement issued by MCL on 29 April 2019, the 3,000,000 new ordinary shares would be allocated to the existing shareholders of MCL at the ratio of 1:5.

The 3,000,000 new ordinary shares of MCL have been offered at a discounted price of Rs 37.50 each whilst the prevailing market price per share is Rs 40 because Directors believe that the Company would be able to:

- Reinforce its property cluster; and
- Strengthen its asset base.

PART I

KEY INFORMATION (Cont'd)

6. REASONS FOR THE ISSUE AND USE OF THE PROCEEDS (Cont'd)

The 3,000,000 new ordinary shares of MCL will be allocated to existing shareholders. It should be noted that the following 2 shareholders are considered as significant shareholders of MCL and they will fully participate in the right issue:

Name	Number of shares	% Direct shareholding	Amount Rs
Deramann Limited	10,581,493	70.543	105,814,930
Mr Jadoo Hermann Dookun	1,957,042	13.047	19,570,420
Total	12,538,535	83.590	125,385,350

7. COSTS OF THE OFFER

The estimated admission cost, payable by the Company, amounts to Rs 345,000, which represents the application fee of Rs 65,000 to be paid to the SEM, FSC fees of Rs 100,000 and publication costs of Rs 180,000.

8. FINANCIAL SUMMARY

Recent trends

Group revenues increased by Rs 37.3 M from Rs 280.9 M for the financial year ended (FYE) 31 December 2017 to reach Rs 318.2 M in FYE 31 December 2018. This is mainly attributable to the better sales performance recorded by MDC International Ltd, Elite Indian Ocean Ltd and Bonne Terre Investissements Sarl. However, although group turnover increased, group profit from operations declined by Rs 9.4 M from Rs 31.4 M in FYE 17 to Rs 22.0 M in FYE 18 for the reasons given in the following paragraph.

MCL adopted the requirements of IFRS 9 'Financial Instruments' on 1 January 2018. The impact of transitioning to IFRS 9 on the consolidated financial statements of MCL was a decrease of Rs 7.2 M in the net current assets arising from additional impairment allowances. However, the group remains strongly capitalised with a total equity of Rs 1,340.5 M in FYE 18 compared to Rs 1,201.2 M in 2017. Besides, the group's finance costs have decreased by Rs 3.5 M as a result of decreasing borrowing level during FYE 18. Moreover, the group has successfully started its new market penetration strategy.

Except the above, there has been no material change to the business operation in the last 3 years under review. For the year ending 31 December 2019, the business operation has remained unchanged and the activity level is stable.

Borrowings

The group borrowings have decreased to Rs 366.0 M (Long term and short term) in FYE 18 from Rs 467.2 M in FYE 17 due to MCL regular servicing of the secured debts and no new debts were contracted during the FYE 18.

Dividends

The dividend payment is linked to the profit achieved during the year and the financial performance of the Company and subject to internal cash flow and the need for future capital investments.

Dividends of Rs 4.9 M (Rs 0.325 per share) were proposed for the financial year ended 31 December 2018 (2017 & 2016 : Rs 5M – Rs 0.50 per share).

PART I

KEY INFORMATION (Cont'd)

8. FINANCIAL SUMMARY (Cont'd)

Contracts of significance

There were no contracts of significance entered between the Company or its subsidiaries within the 2 years immediately preceding the issue of this Prospectus.

Financial Ratios

The financial ratios of the Company for the last three financial years were as follows:

Ratios	Year end 31 Dec 2018 Rs	Year end 31 Dec 2017 Rs	Year end 31 Dec 2016 Rs
Dividend per share	0.325	0.50	0.50
Earnings per share	0.50	1.09	12.06
Net Assets Value	1,333,586,002	1,180,894,856	1,174,999,359
Ordinary shares outstanding (Number)	15,000,000	10,000,000	10,000,000
Net Assets per share*	88.91	118.09	117.50

* Net Assets per share is derived by dividing the net asset value of the Company by the number of ordinary shares outstanding.

The Company expects to pay dividend for the financial year ending 31 December 2019, depending on the financial performance of the Company.

PART II

Rule 4

RISK FACTORS

<i>Risks</i>	<i>Mitigation</i>
<p><i>Quality standards</i></p> <p>The Company works with international brands and needs to maintain quality standards to retain these licenses.</p>	<p>Regular quality checks are carried out and the international brands perform regular audits to assess quality. The Company is ISO and AFNOR compliant.</p>
<p>Risk that the Rs 112,500,000 is not raised.</p>	<p>Deramann Limited, the holding company will subscribe to any shares not subscribed for to ensure that the Rs 112,500,000 are injected in the Company. Consequently, there is no minimum amount to be raised below which the rights issue will not proceed.</p>
<p><i>Financial Risk</i></p> <p>Financial risk is the risk that the Company will not have adequate cash flow to meet financial obligations. The Company is faced with two main types of financial risks, namely Credit risk and Liquidity risk.</p> <p>(i) <i>Credit risks</i></p> <p>Credit risk represents the potential loss that the Company would incur if counter parties fail to perform pursuant to the terms of their obligations to the Company. The carrying amount of financial assets represents the maximum credit exposure. Credit risk consists of cash deposit with banks, investment in securities and receivables.</p> <p>(ii) <i>Liquidity risks</i></p> <p>Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.</p>	<p>The Company only deposits cash with major banks with high quality credit standing and limits exposure to anyone counterparty. Company invests exclusively in low risk financial instruments in order to mitigate any potential default risk. The exposure to credit risk on receivables is monitored on an ongoing basis by management and these are considered recoverable.</p> <p>The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.</p>

PART II

Rule 4

RISK FACTORS (Cont'd)

<i>Risks</i>	<i>Mitigation</i>
<p><i>Operational Risk</i></p> <p>Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.</p>	<p>These risks are monitored through the establishment of proper planning and control procedures to ensure that the risk of loss from inadequate or failed processes, people and from external events are mitigated. Besides, the Company has policies in place to continuously maintain operating equipment in good running conditions.</p>
<p><i>Compliance Risk</i></p> <p>Compliance risk is the current and prospective risk arising from violations of, or nonconformance with, applicable laws, rules, regulations, internal policies and procedures. This risk exposes the Company to fines, civil money penalties, payment of damages, and the voiding of contracts. Compliance risk can lead to diminished reputation, reduced franchise value, limited business opportunities, reduced expansion potential, and an inability to enforce contracts.</p>	<p>The Company has established effective controls and procedures to ensure segregation of duties at all levels. The Board has put in place an effective ‘whistle blowing’ mechanism to facilitate and encourage the reporting of any lack, or breach of internal controls and any unethical or irregular behaviour.</p>
<p><i>Information Technology risk</i></p> <p>It is the risk of potential loss that the Company would incur subsequent to its information system vulnerabilities because of unauthorized (malicious or accidental) disclosure, modification, or destruction of information; unintentional errors and omissions; IT disruptions due to natural or man-made disasters; and failure to exercise due care and diligence in the implementation and operation of the IT system.</p>	<p>The Company has implemented effective controls and procedures to ensure segregation of duties and logical access rights at all levels and minimise the technological risk through the establishment of an appropriate back up and continuity of systems, internal audit and protection of data.</p>
<p><i>Reputational Risk</i></p> <p>This risk arises as a result of the Company being unable to meet its professional obligation towards its stakeholders due to unintentional or negligent action.</p>	<p>The risk is mitigated by communicating regularly with its stakeholders and constantly striving to build strong business relationships.</p>
<p><i>Procurement Risk</i></p> <p>It is a risk that insufficient or poor quality raw materials are supplied to the Company by external suppliers.</p>	<p>The Company mitigates this risk by maintaining a buffer stock of raw materials. It also purchases from different suppliers.</p>

PART III

ADDITIONAL INFORMATION

1. SUBSTANTIAL INTERESTS IN SHARES AND SHARES IN PUBLIC HANDS

The list of shareholders as at 20 May 2019 is as follows:

<i>Member</i>	<i>Number of Shares</i>	<i>% shareholding</i>
Controlling shareholder - Deramann Limited	10,581,493	70.543%
Other related parties	2,419,956	16.133%
Public	1,998,551	13.324%

Rule 30.1

2. DILUTION EFFECT

The amount and percentage of immediate dilution resulting from the right issue of 3,000,000 new ordinary shares are as follows:

Prior to issue of 3,000,000 new ordinary shares

<i>Member</i>	<i>Number of Shares</i>	<i>% shareholding</i>
Controlling shareholder - Deramann Limited	10,581,493	70.543%
Other related parties	2,419,956	16.133%
Public	1,998,551	13.324%

After the issue of 3,000,000 new ordinary shares

<i>Member</i>	<i>Number of Shares</i>	<i>% shareholding</i>
Controlling shareholder - Deramann Limited	12,697,792	70.543%
Other related parties	2,903,947	16.133%
Public	2,398,261	13.324%

Dilution

The existing shareholders of MCL will suffer no dilution in their shareholding following the issue of the new 3,000,000 ordinary shares, if they subscribe to the issue in accordance to their pre-emptive right. A shareholder who does not subscribe to the Rights Issue will be diluted by up to 16.67%.

PART III

ADDITIONAL INFORMATION (CONT'D)

Rule 20.2.1

3. CONSTITUTION

Capital

The authorized share capital of the Company is Rs 180,000,000, divided into 18,000,000 ordinary shares of Rs 10 each.

The issued share capital as at the date of this Prospectus is Rs 150,000,000, divided into 15,000,000 ordinary shares of Rs 10 each.

Issue of new shares and rights/options to acquire shares

The Board may issue shares at par or at a premium, at one or different times as and when the Board shall so decide.

The said shares or any part thereof shall be offered by the Board for subscription in the first instance to all the shareholders of the Company in proportion as nearly as may be to the number of shares held by them respectively for the time being.

Annual meeting and special meeting of shareholders

An Annual meeting shall be held once at least in every calendar year at such time not being more than fifteen months after the holding of the last preceding general meeting and at such place may be determined by the Board.

The Board may whenever they think fit convene a Special meeting and they shall on the requisition of the holders of not less than one/tenth of the issued share capital of the Company upon which all calls or other sums then due have been paid, forthwith proceed to convene a Special Meeting of the Company.

No member shall be entitled to vote at any Annual meeting unless all calls and other sums presently payable by him in respect of shares in the Company have been paid.

Directors

The Directors of the Company shall be such person or persons as may be appointed from time to time by the Company in Annual and Special meetings.

The Company may by Special Resolution remove any Director.

PART III

ADDITIONAL INFORMATION (CONT'D)

Rule 20.2.1 3. CONSTITUTION (Cont'd)

Authority to remunerate directors

- (a) The Board may approve the payment of remuneration (or the provision of other benefits) by the Company to a Director for his services as a Director, or the payment of compensation for loss of office;
- (b) The Board shall ensure that, prior to authorising any payment under Section 67 of the Constitution, such payment shall be deemed fair and reasonable to the Company and its existing shareholders;
- (c) The Board shall ensure that, forthwith after authorising any payment under Section 67 of the Constitution, particulars of such payment are entered in the Interests Register.

Directors' Interests

The Company shall keep an interests register and each Director must declare to the Board any interest that he may have in relation to a proposed resolution.

A Director and alternate Director shall be counted in the quorum at any Board meeting in relation to any resolution in respect of which he has declared an interest but may not vote thereon.

Rule 25.5 4. RIGHTS ATTACHED TO THE SHARES

- **Dividend rights:**

The Directors may declare a dividend to be paid to the members according to their rights and interest in the profits and may fix the time for payment. No dividend shall be payable out of the capital of the Company and the declaration of the Board as to the amount available for dividend shall be conclusive.

The Board may from time to time pay to the members such interim dividend, as in their judgement the position of the Company justifies. Dividends may be authorised and declared by the Board at such time and for such amount (subject to the solvency test required by the Companies Act) as it thinks fit. All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed.

Dividends paid during the last 3 years are as follows:

Year ended	Amount - Rs
31 Dec 2016	5,000,000
31 Dec 2017	5,000,000
31 Dec 2018	4,875,000

The Company intends to pay further dividend next year. Dividend payment is linked to the profit achieved during the year and to the financial performance of the Company and is subject to internal cash flow and the need for future capital investments.

PART III

ADDITIONAL INFORMATION (CONT'D)

Rule 25.5

4. RIGHTS ATTACHED TO THE SHARES (Cont'd)

- *Voting rights*

Each share shall carry one vote. Ordinary resolutions put to vote at an Annual or Special meeting may be approved by a simple majority of votes. In case of equality of votes, the Chairperson of the meeting shall be entitled to a casting vote.

- *Pre-emption rights in offers for subscription of securities of the same class.*

Subject to any direction to the contrary in the resolution deciding on the creation of new shares, all new shares shall be offered in the first instance and either at par or at a premium for subscription to all the then existing shareholders of the Company in proportion to such shares held by them. Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as if they formed part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalment, transfer and transmission, forfeiture, lien, surrender voting and otherwise.

Procedures

Only the shareholders who were registered in shareholders' registry can exercise their pre-emptive right. The shareholder willing to exercise his/her pre-emptive right should notify the Company about it by completing the subscription forms. Together with the subscription forms, the shareholder must also send the payment for shares to be purchased. The subscription forms will not be accepted if it has not been filled in properly and presented in appropriate form, or there is no payment document or in case it is impossible to identify the shareholder or it has been presented after the subscription period has expired. The pre-emptive right is exercised proportionally and the number of shares due is determined by the number of shares owned by shareholders. If the number of shares due to shareholders is fractional, it is rounded down.

- *Right to share in the Company's profits.*

Subject to the rights of holders of shares issued upon special conditions and to any arrangement that may be made by the Company to the contrary, the profits of the Company shall be divisible among the members in proportion to the capital paid or credited as paid on the shares held by them respectively.

- *Rights to share in any surplus in the event of liquidation.*

In case of winding up, the proceeds from the sale of the Company's assets shall be used to repay the Company's debts and other liabilities, including the costs of liquidation. Any surplus remaining shall then be distributed amongst the Company's shareholders in proportion to their respective holdings.

- *Rights to redemption.*

The Articles of Association of MCL does not provide for redemption.

5. LITIGATION

Rule 19.6

The Company is not involved in any governmental, legal or arbitration proceedings and, so far as the Directors are aware, there are no governmental, legal or arbitration proceedings pending or threatened against them, or being brought by the Company since the date of incorporation of the Company which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Company.

APPENDIX 1

VALUATION REPORT – PLOT 1 - COMMERCIAL LAND, PORT LOUIS

25 February 2019

The Board of Directors
Mauritius Cosmetics Limited
Bonne Terre
Vacoas

AESTIMA

Aestima Ltd

165, Allée Brillant Branch Road,
Floreale, Mauritius
T: (230) 697 0909

E: info@aestima.mu | W: www.aestima.mu
BRN: C14126127 | VAT 27312905

Dear Sir,

RE: Property Valuation

We refer to your instruction dated 18 February 2019 to carry out a Valuation Report of a property situated at Port Louis currently owned by Deramann Limited on the basis of the Market Value of the freehold interest in the subject property and this report is to determine Market Value of the subject property. The subject property was inspected on 20 February 2019 and the Valuation Report is as at 25 February 2019.

The table below summarises the valuation of the subject property as at date:

Market Value	MUR 108,000,000 (RUPEES ONE HUNDRED AND EIGHT MILLION)
---------------------	---

We remain available for any further information and or clarifications that you may require.

Yours faithfully,



S. M. Ikhlās Belath MRICS,
Chartered Valuation Surveyor,
For and on behalf of Aestima Ltd
Encls: Valuation Report



APPENDIX 2

VALUATION REPORT – PLOT 2 - COMMERCIAL LAND, PORT LOUIS

25 February 2019

The Board of Directors
Mauritius Cosmetics Limited
Bonne Terre
Vacoas

AESTIMA

Aestima Ltd
165, Allée Brillant Branch Road,
Floreale, Mauritius
T: (230) 697 0909
E: info@aestima.mu | W: www.aestima.mu
BRN: C14126127 | VAT 27312905

Dear Sir,

RE: Property Valuation

We refer to your instruction dated 18 February 2019 to carry out a Valuation Report of a property situated at Port Louis currently owned by Deramann Limited on the basis of the Market Value of the freehold interest in the subject property and this report is to determine Market Value of the subject property. The subject property was inspected on 20 February 2019 and the Valuation Report is as at 25 February 2019.

The table below summarises the valuation of the subject property as at date:

Market Value	MUR 53,000,000 (RUPEES FIFTY THREE MILLION)
---------------------	--

We remain available for any further information and or clarifications that you may require.

Yours faithfully,



S. M. Ikhlās Belāth *MRICS*,
Chartered Valuation Surveyor,
For and on behalf of Aestima Ltd
Encls: Valuation Report



APPENDIX 3

REPORT OF THE INDEPENDENT AUDITORS ON THE SUMMARY FINANCIAL STATEMENTS OF MCL

STATEMENTS OF FINANCIAL POSITION

STATEMENTS OF PROFIT OR LOSS

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

STATEMENTS OF CHANGES IN EQUITY

STATEMENTS OF CASH FLOWS

**REPORT OF THE INDEPENDENT AUDITORS ON THE SUMMARY FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF MAURITIUS COSMETICS LIMITED**

Opinion

The summary financial statements set out on pages 31 to 37, which comprise the statements of financial position as at 31 December 2016, 2017 and 2018, the statements of profit or loss, statements of other comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, are derived from the audited financial statements of Mauritius Cosmetics Limited, the Group and the Company, for the years ended 31 December 2016, 2017 and 2018.

In our opinion, the accompanying summary financial statements of Mauritius Cosmetics Limited for the years ended 31 December 2016, 2017 and 2018, are consistent, in all material respects, with the audited financial statements which were prepared in accordance with International Financial Reporting Standards and in compliance with the Mauritius Companies Act 2001.

Summary financial statements

The summary financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the Mauritius Companies Act 2001. Reading the summary financial statements and the auditors' report thereon, therefore, is not a substitute for reading the audited financial statements and the auditors' reports thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of the audit reports on the audited financial statements.

The audited financial statements and our reports thereon

We expressed an unmodified audit opinion on the audited financial statements for the years ended 31 December 2016, 2017 and 2018. Those reports also include the communication of key audit matters.

Directors' responsibility for the summary financial statements

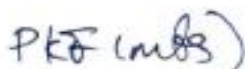
Directors are responsible for the preparation of the summary financial statements in accordance with International Financial Reporting Standards and in compliance with the Mauritius Companies Act 2001.

Auditors' responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), "Engagements to Report on Summary Financial Statements".

Consent

We consent to the inclusion of our report in the prospectus and accept responsibility for them, and have not become aware, since the date of our last audit report dated 22 April 2019 of any matter affecting the validity of our report at that date.



PKF (MAURITIUS)
PUBLIC ACCOUNTANTS
Port Louis
MAURITIUS

Date: 23 May 2019

Tel + 230 212-0877/78 Fax +230 2081614 Email info@pkfmauriti.us.com www.pkfmauriti.us.com
Lamusse Sek Sum & Co 5 Duke of Edinburgh Ave Port Louis Republic of Mauritius BRN P07005092

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018/2017/2016

	THE GROUP		
	2018	2017	2016
	Rs	Rs	Rs
ASSETS			
Non-current assets			
Property, plant and equipment	181,320,806	189,243,109	196,835,030
Intangible assets	12,454,076	13,874,285	13,101,409
Investment properties	1,337,369,271	1,335,532,900	1,335,532,900
Investment in jointly controlled entity	1	675,571	1,363,761
Financial assets	9,473,224	9,473,224	9,473,224
	1,540,617,378	1,548,799,089	1,556,306,324
Current assets			
Inventories	72,663,954	48,342,203	46,216,110
Trade and other receivables	300,379,226	262,157,712	232,551,977
Cash in hand and at bank	4,157,960	5,447,893	3,259,703
	377,201,140	315,947,808	282,027,790
Total assets	1,917,818,518	1,864,746,897	1,838,334,114
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	150,000,000	100,000,000	100,000,000
Other reserves	704,177,669	597,400,318	606,210,725
Revenue reserves	486,352,155	503,781,250	504,816,857
Equity attributable to owners of the parent	1,340,529,824	1,201,181,568	1,211,027,582
Non-controlling interests	(42,517)	(17,650)	73,020
Total equity	1,340,487,307	1,201,163,918	1,211,100,602
Non-current liabilities			
Borrowings	256,068,475	304,715,861	320,264,482
Net deferred tax liabilities	26,363,088	26,104,056	24,718,509
Retirement benefit obligations	4,030,083	2,728,103	2,628,558
	286,461,646	333,548,020	347,611,549
Current liabilities			
Borrowings	109,959,170	162,495,098	177,003,749
Trade and other payables	176,178,609	161,172,449	96,958,763
Current tax liabilities	3,287,714	1,367,412	659,451
Dividend payable	1,444,072	5,000,000	5,000,000
	290,869,565	330,034,959	279,621,963
Total liabilities	577,331,211	663,582,979	627,233,512
Total equity and liabilities	1,917,818,518	1,864,746,897	1,838,334,114

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018/2017/2016

	THE COMPANY		
	2018	2017	2016
ASSETS	Rs	Rs	Rs
Non-current assets			
Property, plant and equipment	164,650,958	170,503,424	175,272,346
Intangible assets	6,224,636	7,436,495	6,663,619
Investment properties	996,423,830	996,423,830	996,423,830
Investments in subsidiary companies	139,808,239	139,814,339	139,814,339
Investment in jointly controlled entity	500,000	500,000	500,000
Financial assets	8,426,590	8,426,590	8,426,590
Long term receivable	199,657,162	196,909,375	171,279,430
	1,515,691,415	1,520,014,053	1,498,380,154
Current assets			
Inventories	34,256,472	25,135,406	29,439,181
Trade and other receivables	207,073,887	122,949,850	133,854,635
Cash in hand and at bank	313,075	328,829	653,618
	241,643,434	148,414,085	163,947,434
Total assets	1,757,334,849	1,668,428,138	1,662,327,588
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	150,000,000	100,000,000	100,000,000
Other reserves	617,105,466	517,105,466	517,105,466
Revenue reserves	566,480,536	563,789,390	557,893,893
Total equity	1,333,586,002	1,180,894,856	1,174,999,359
Non-current liabilities			
Borrowings	193,745,235	283,625,556	297,429,581
Net deferred tax liabilities	25,832,535	25,492,574	24,093,962
Retirement benefit obligations	1,776,311	1,270,017	1,058,567
	221,354,081	310,388,147	322,582,110
Current liabilities			
Borrowings	51,012,334	55,403,629	59,602,905
Trade and other payables	147,724,120	115,668,338	99,701,126
Current tax liabilities	2,214,240	1,073,168	442,088
Dividend payable	1,444,072	5,000,000	5,000,000
	202,394,766	177,145,135	164,746,119
Total liabilities	423,748,847	487,533,282	487,328,229
Total equity and liabilities	1,757,334,849	1,668,428,138	1,662,327,588

STATEMENTS OF PROFIT OR LOSS

FOR THE YEARS ENDED 31 DECEMBER 2018/2017/2016

	THE GROUP			THE COMPANY		
	2018	2017	2016	2018	2017	2016
	Rs	Rs	Rs	Rs	Rs	Rs
Revenue	318,169,395	280,901,067	300,659,985	52,741,254	52,838,065	56,743,533
Profit from operations	22,024,171	31,392,743	144,853,022	16,911,212	22,439,700	139,729,495
Finance costs	(20,175,736)	(23,636,222)	(33,684,041)	(6,883,789)	(9,072,423)	(12,094,185)
Share of post-tax results of joint venture	(675,570)	(688,191)	(15,585)	-	-	-
Profit before tax	1,172,865	7,068,330	111,153,396	10,027,423	13,367,277	127,635,310
Taxation	(2,817,372)	(2,767,469)	(7,239,490)	(2,461,277)	(2,471,780)	(6,995,153)
(Loss)/Profit for the year	(1,644,507)	4,300,861	103,913,906	7,566,146	10,895,497	120,640,157
(Loss)/Profit attributable to:						
-Owners of the parent	(1,619,640)	4,391,531	104,206,234	7,566,146	10,895,497	120,640,157
-Non-controlling interest	(24,867)	(90,670)	(292,328)	-	-	-
	(1,644,507)	4,300,861	103,913,906	7,566,146	10,895,497	120,640,157
(Loss) / Earnings per share (Rs./Cts.)						
-Basic	(0.11)	0.44	10.42	0.50	1.09	12.06

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2018/2017/2016

	THE GROUP			THE COMPANY		
	2018	2017	2016	2018	2017	2016
	Rs	Rs	Rs	Rs	Rs	Rs
(Loss)/Profit for the year	(1,644,507)	4,300,861	103,913,906	7,566,146	10,895,497	120,640,157
Other comprehensive income:						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Currency translation differences	-	(8,810,407)	-	-	-	-
<i>Items that will not be reclassified subsequently to profit or loss</i>						
Revaluation gain on property, plant and equipment	-	-	16,820,539	-	-	16,820,539
Other comprehensive loss for the year	-	(8,810,407)	16,820,539	-	-	16,820,539
Total comprehensive (loss)/income for the year	(1,644,507)	(4,509,546)	120,734,445	7,566,146	10,895,497	137,460,696
Total comprehensive (loss)/income for the year attributable to:						
-Owners of the parent	(1,619,640)	(4,418,876)	121,026,773	7,566,146	10,895,497	137,460,696
-Non-controlling interest	(24,867)	(90,670)	(292,328)	-	-	-
	(1,644,507)	(4,509,546)	120,734,445	7,566,146	10,895,497	137,460,696

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2018/2017/2016

THE GROUP	[-----Other reserves-----]										
	Stated capital	Capital reserve	Share premium	Revaluation reserve	Fair value reserve	Currency translation reserve	Total other reserves	Revenue reserves	Total	Non-controlling interests	Total equity
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
At 1 January 2016	45,000,000	8,021,996	10,090,093	606,834,011	6,591,260	(415,000)	631,122,360	384,154,860	1,060,277,220	209,142	1,060,486,362
Additions	55,000,000	-	20,000,000	(50,000,000)	-	-	(30,000,000)	-	25,000,000	-	25,000,000
Consolidation adjustments	-	-	-	(12,856)	-	-	(12,856)	9,736,446	9,723,590	156,205	9,879,795
Profit for the year	-	-	-	-	-	-	-	104,206,233	104,206,233	(292,327)	103,913,906
Transfers	-	-	-	(11,719,318)	-	-	(11,719,318)	11,719,318	-	-	-
Other comprehensive income	-	-	-	16,820,539	-	-	16,820,539	-	16,820,539	-	16,820,539
Dividends	-	-	-	-	-	-	-	(5,000,000)	(5,000,000)	-	(5,000,000)
At 31 December 2016	Rs 100,000,000	8,021,996	30,090,093	561,922,376	6,591,260	(415,000)	606,210,725	504,816,857	1,211,027,582	73,020	1,211,100,602
At 1 January 2017	100,000,000	8,021,996	30,090,093	561,922,376	6,591,260	(415,000)	606,210,725	504,816,857	1,211,027,582	73,020	1,211,100,602
Consolidation adjustments	-	-	-	-	-	-	-	(427,138)	(427,138)	-	(427,138)
Profit for the year	-	-	-	-	-	-	-	4,391,531	4,391,531	(90,670)	4,300,861
Other comprehensive loss	-	-	-	-	-	(8,810,407)	(8,810,407)	-	(8,810,407)	-	(8,810,407)
Dividends	-	-	-	-	-	-	-	(5,000,000)	(5,000,000)	-	(5,000,000)
At 31 December 2017	Rs 100,000,000	8,021,996	30,090,093	561,922,376	6,591,260	(9,225,407)	597,400,318	503,781,250	1,201,181,568	(17,650)	1,201,163,918
At 1 January 2018	100,000,000	8,021,996	30,090,093	561,922,376	6,591,260	(9,225,407)	597,400,318	503,781,250	1,201,181,568	(17,650)	1,201,163,918
Issue of shares	50,000,000	-	100,000,000	-	-	-	100,000,000	-	150,000,000	-	150,000,000
Consolidation adjustments	-	-	-	-	-	(2,448,056)	(2,448,056)	(1,709,048)	(4,157,104)	-	(4,157,104)
Transfer to retained earnings	-	-	-	-	-	9,225,407	9,225,407	(9,225,407)	-	-	-
Total comprehensive loss for the year	-	-	-	-	-	-	-	(1,619,640)	(1,619,640)	(24,867)	(1,644,507)
Dividends	-	-	-	-	-	-	-	(4,875,000)	(4,875,000)	-	(4,875,000)
At 31 December 2018	Rs 150,000,000	8,021,996	130,090,093	561,922,376	6,591,260	(2,448,056)	704,177,669	486,352,155	1,340,529,824	(42,517)	1,340,487,307

The following describes the nature and purpose of each reserve within equity:

(i) Share premium

A share premium arises when the value of the consideration received for the issue of shares exceeds the nominal value of the shares issued. The share premium account is regarded as permanent capital of the Company and only certain expenses of a capital nature may be set-off against it.

(ii) Revaluation reserve

The revaluation reserve relates to the fair value gain on revaluation of property, plant and equipment.

(iii) Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of financial assets until the assets are derecognised or impaired.

(iv) Revenue reserve

Revenue reserve comprises all other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2018/2017/2016

THE COMPANY		-----Other reserves-----				Total other reserves	Revenue reserves	Total
		Stated capital	Share premium	Revaluation reserve	Fair value reserve			
		Rs	Rs	Rs	Rs			
At 1 January 2016		45,000,000	10,224,323	514,909,825	5,150,779	530,284,927	442,253,736	1,017,538,663
Additions		55,000,000	20,000,000	(50,000,000)	-	(30,000,000)	-	25,000,000
Profit for the year		-	-	-	-	-	120,640,157	120,640,157
Other comprehensive income		-	-	16,820,539	-	16,820,539	-	16,820,539
Dividends		-	-	-	-	-	(5,000,000)	(5,000,000)
At 31 December 2016	Rs	100,000,000	30,224,323	481,730,364	5,150,779	517,105,466	557,893,893	1,174,999,359
At 1 January 2017		100,000,000	30,224,323	481,730,364	5,150,779	517,105,466	557,893,893	1,174,999,359
Total comprehensive income for the year		-	-	-	-	-	10,895,497	10,895,497
Dividends		-	-	-	-	-	(5,000,000)	(5,000,000)
At 31 December 2017	Rs	100,000,000	30,224,323	481,730,364	5,150,779	517,105,466	563,789,390	1,180,894,856
At 1 January 2018		100,000,000	30,224,323	481,730,364	5,150,779	517,105,466	563,789,390	1,180,894,856
Issue of shares		50,000,000	100,000,000	-	-	100,000,000	-	150,000,000
Total comprehensive income for the year		-	-	-	-	-	7,566,146	7,566,146
Dividends		-	-	-	-	-	(4,875,000)	(4,875,000)
At 31 December 2018	Rs	150,000,000	130,224,323	481,730,364	5,150,779	617,105,466	566,480,536	1,333,586,002

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED 31 DECEMBER 2018/2017/2016

	THE GROUP			THE COMPANY		
	2018	2017	2016	2018	2017	2016
	Rs	Rs	Rs	Rs	Rs	Rs
Cash flows from operating activities						
Profit before taxation	1,172,865	7,068,330	111,153,396	10,027,423	13,367,277	127,635,310
Adjustments for:						
Depreciation of property, plant and equipment	8,323,852	8,436,197	11,250,637	6,057,456	5,574,386	7,817,440
Amortisation of intangible assets	2,076,621	1,859,124	-	2,076,621	1,859,124	-
Revaluation of investment properties	-	-	(122,103,619)	-	-	(122,103,619)
Share of post-tax loss of joint venture	675,570	688,190	15,585	-	-	-
Interest income	(1,294)	(27)	(700)	(1,294)	(27)	(700)
Interest expense	20,175,736	23,636,222	33,670,345	6,058,956	9,072,423	12,094,185
Impairment of trade and other receivables	7,000,000	-	-	7,567,241	-	-
Impairment of available-for-sale financial assets	-	-	17,720	6,100	-	-
Impairment of goodwill	208,350	-	-	-	-	-
Profit on disposal of property, plant and equipment	(400,000)	-	(21,094)	(400,000)	-	-
Increase/(Decrease) in provision for retirement benefit obligations	1,301,980	99,545	(574,625)	506,294	211,450	65,000
Consolidation adjustments	(5,993,475)	(568,652)	(24,905)	-	-	-
	34,540,205	41,218,929	33,382,740	31,898,797	30,084,633	25,507,616
Changes in working capital:						
(Increase)/Decrease in inventories	(24,321,750)	(1,984,589)	19,833,254	(9,121,066)	4,303,775	3,197,961
Increase in trade and other receivables	(63,782,485)	(29,605,735)	(7,592,868)	(104,189,638)	(14,725,149)	(32,847,125)
Increase in trade and other payables	15,006,160	64,213,686	466,720	32,055,782	15,967,198	24,070,845
Net cash (used in)/generated from operations	(38,557,870)	73,842,291	46,089,846	(49,356,125)	35,630,457	19,929,297
Interests received	1,294	27	700	1,294	27	700
Interests paid	(20,175,736)	(23,636,222)	(33,670,345)	(6,058,956)	(9,072,423)	(12,094,185)
Tax paid	(638,038)	(673,961)	(1,443,147)	(980,244)	(442,088)	(70,752)
Net cash (used in)/generated from operating activities	(59,370,350)	49,532,135	10,977,054	(56,394,031)	26,115,973	7,765,060
Cash flows from investing activities						
Purchase of property, plant and equipment	(401,549)	(844,276)	(1,506,045)	(204,990)	(805,464)	(1,388,176)
Purchase of intangible assets	(864,762)	(2,632,000)	(4,644,259)	(864,762)	(2,632,000)	(4,644,259)
Purchase and improvements to investment properties	-	-	(37,931,954)	-	-	(37,600,000)
Proceeds from disposal of property, plant and equipment	400,000	-	383,656	400,000	-	-
Net cash used in investing activities	(866,311)	(3,476,276)	(43,698,602)	(669,752)	(3,437,464)	(43,632,435)
Cash flows from financing activities						
Proceeds from loans	255,230,302	59,892,754	45,451,448	91,078,814	-	47,773,143
Repayment of loans and finance leases	(342,981,206)	(79,812,348)	(33,816,725)	(168,534,084)	(18,761,202)	(33,370,757)
Issue of shares	150,000,000	-	25,000,000	150,000,000	-	25,000,000
Dividends paid to Company's shareholders	(8,430,928)	(5,000,000)	(7,500,000)	(8,430,928)	(5,000,000)	(7,500,000)
Net cash generated from/(used in) financing activities	53,818,168	(24,919,594)	29,134,723	64,113,802	(23,761,202)	31,902,386
Net (decrease)/increase in cash and cash equivalents	(6,418,493)	21,136,265	(3,586,825)	7,050,019	(1,082,693)	(3,964,989)
Cash and cash equivalents - At 01 January,	(11,442,278)	(32,578,543)	(28,991,718)	(20,564,609)	(19,481,916)	(15,516,927)
Cash and cash equivalents - At 31 December,	(17,860,771)	(11,442,278)	(32,578,543)	(13,514,590)	(20,564,609)	(19,481,916)
Analysis of cash and cash equivalents:						
Cash in hand and at bank	4,157,960	5,447,893	3,259,703	313,075	328,829	653,618
Currency translation differences	-	8,810,407	-	-	-	-
Bank overdrafts	(22,018,731)	(25,700,578)	(35,838,246)	(13,827,665)	(20,893,438)	(20,135,534)
Net cash and cash equivalents - At 31 December,	(17,860,771)	(11,442,278)	(32,578,543)	(13,514,590)	(20,564,609)	(19,481,916)

Note: The full set of financial statements are available for inspection at the registered office of the Company at Bonne Terre, Vacoas, for the period from the opening and closing of the subscription.