Ciel

Beyond Horizons

2017

INTEGRATED REPORT

Reporting **Principles**

Our aim in producing this report is to provide a balanced, concise and comprehensive overview of our Group.

We are pleased to present CIEL Limited's ("CIEL") Report, following our Board of Directors' decision to provide all our stakeholders with additional and transparent information. It has been developed following the guidelines of the International Integrated Reporting Council ("IIRC") and with the support of an advisory firm.

This report is not aimed at covering all our operations in details. It rather provides key information - considered material at Group level - to understand and assess the governance, performance, and strategy of our Group and its five clusters. More in-depth information can be found in each company's annual report. Similarly, sustainability initiatives are further detailed in CIEL's Sustainability Initiative report available on our website.

In the light of CIEL Group's diversity in terms of industries, countries, and business models, a number of decisions had to be made to offer our readers a hopefully simple and compelling read. Reporting from a majority shareholder perspective, we have used a common template to provide insights on our five clusters. A specific focus has been put however on presenting CIEL's overarching strategy, governance, risk management, and sustainability journey.

Reporting Scope

This report covers the financial year ended 30 June 2017 in terms of performance as well as some key material initiatives that occur in the first quarter of the current financial year. We have included only what we believe is material, issues that we think have or can have a significant positive or negative impact on the operations, profitability or brand equity of CIEL.

The report contains forward-looking statements which, by their nature, involve risk and uncertainty because they relate to future events and circumstances that may be beyond our control. We therefore advise readers to use caution in interpreting any forward-looking statements in this report.

It was prepared by CIEL's head office, in close collaboration with our clusters' management teams. We see this as a first major step towards the integrated reporting journey and will be looking at improving year-over-year. We welcome your feedback on the report's content and/or design and invite you to share your comments or questions to: investorrelations@cielgroup.com.

Content

About CIEL

Strategy and Performance

Portfolio Review

Risk Management

Sustainability

Corporate Governance

Facts & Figures

CIEL at a Glance

1912 – 1971

OUR BEGINNINGS

- Mainly sugar – growth through acquisitions

1972 – 1989

INROADS TOWARDS DIVERSIFICATION

- Diversification in Textile and Tourism
- Vertical Integration
- Growth: Both organic & acquisition

1990 – 2012

INTERNATIONALISATION

- Growth through investment and diversification
- Regionalisation (Madagascar)
- Internationalisation (Tanzania, India & Bangladesh)

Key Figures

GROUP CONSOLIDATED REVENUE

▲ 9% **20.26** MUR bn

MUR 18.53 bn - 30 June 2016

GROUP EBITDA

▲ 5% **2,860** MUR M

MUR 2,736 M - 30 June 2016

GROUP PROFIT ATFER TAX

▼ 3% **1,144** MUR M

MUR 1,182 M - 30 June 2016

2012 - 2016

RESTRUCTURING AND LAUNCH OF CIEL BEYOND HORIZONS

- New structure around 5 clusters
- New brand
- Mergers (Alteo Limited - Deep River Investment Limited + CIEL Investment Limited)
- Take-overs (Sun Limited, The Medical and Surgical Centre Limited & CIEL Textile Limited)
- Improved shareholding
- Listing on main market of The Mauritius Stock Exchange of Mauritius

Today

A GLOBAL INVESTMENT GROUP

5 clusters

10+ countries

Approx. 35,000 **employees**

MUR **11.8bn** market capitalisation

Listed on on The Stock Exchange of Mauritius

PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT	COMPANY NAV PER SHARE	DIVIDEND PER SHARE
▲ 0.4% **479** MUR M	▲ 11% **9.37** MUR	▲ 11% **0.20** MUR
MUR 477 M - 30 June 2016	MUR 8.47 - 30 June 2016	MUR 0.18 - 30 June 2016

Our **Values**

During the financial year, CIEL has conducted a strategic and collaborative exercise to refresh its brand values and focus on 3 key themes that represent CIEL's way of doing business:

EXCELLENCE AT CORE

PEOPLE AT HEART

ETHICAL & SUSTAINABLE

Our **Purpose**

CIEL recently adopted its Purpose Statement, which reflects the Group's ambitions. It aims at bringing together all companies of the CIEL Group, its employees and stakeholders around a common goal that everybody can contribute towards.

HOTEL

FACTORY

HOSPITAL

COMPANY

For a WORLD we can all feel proud of

COUNTRY

SOCIETY

COMMUNITY

TEAM

Beyond Horizons

2017 in Review

Reopening of Sun Resorts' 5 star hotel, the Kanuhura in Maldives

10TH ANNIVERSARY OF ACTOGETHER.MU, AN INITIATIVE LAUNCHED AND MANAGED BY FONDATION CIEL NOUVEAU REGARD

ACTogether.mu
la plateforme citoyenne

10th Edition of CIEL Ferney Trail, the largest sports event in Mauritius in terms of participants

Rating of CIEL by Care Rating: rated as A1+ for short-term debt and AA for long-term debt

A1+

Voluntary offer on CIEL Textile Limited, leading to an increase of CIEL's shareholding in that company to 88.48%

Ciel
Beyond Horizons

Successful short-term note programme launched by CIEL

Appointment of Jean-Pierre Dalais as Group Chief Executive

Acquisition of Wellkin Hospital in Mauritius

(previously known as Apollo Bramwell Hospital)

Rights Issue and Private Placement, leading to a healthier balance sheet for Sun Limited; CIEL remains majority shareholder with 50.1% of its share capital

Group **Structure**

CIEL AGRO & PROPERTY

- **CIEL AGRO & PROPERTY**
  - ALTEO
  - CIEL PROPERTIES
  - EBÈNE SKIES
  - FERNEY
    - LA VALLÉE DE FERNEY

CIEL FINANCE

- **CIEL FINANCE**
  - BANK ONE
  - BNI MADAGASCAR
  - IPRO
  - MITCO
  - THE KIBO FUND
- **CIEL CORPORATE SERVICES**

ABOUT CIEL STRATEGY & PERFORMANCE PORTFOLIO REVIEW RISK MANAGEMENT SUSTAINABILITY CORPORATE GOVERNANCE FACTS AND FIGURES

CIEL HOTELS & RESORTS

- **ANAHITA GOLF & SPA RESORT**
- **SUN**
  - AMBRE
  - FOUR SEASONS RESORT AT ANAHITA
  - KANUHURA
  - LA PIROGUE
  - LONG BEACH
  - SHANGRI-LA'S LE TOUESSROK
  - SUGAR BEACH

CIEL TEXTILE

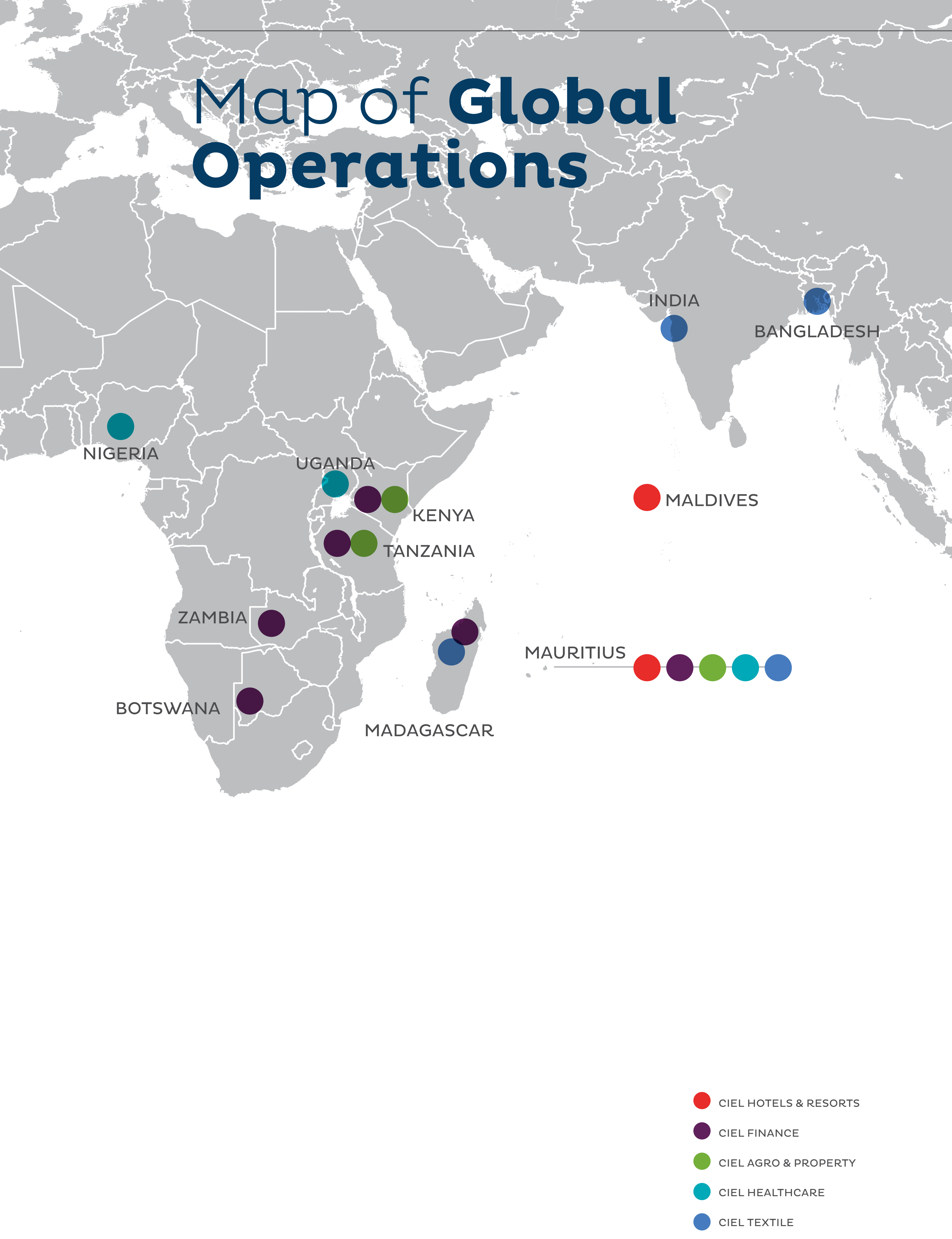
- **CIEL TEXTILE**
  - **WOVEN**
    - AQUARELLE CLOTHING
    - CONSOLIDATED FABRICS
    - LAGUNA CLOTHING
  - **FINE KNITS**
    - TROPIC KNITS
    - CDL KNITS
  - **KNITWEAR**
    - FERNEY SPINNING MILLS
    - FLOREAL KNITWEAR

CIEL HEALTHCARE

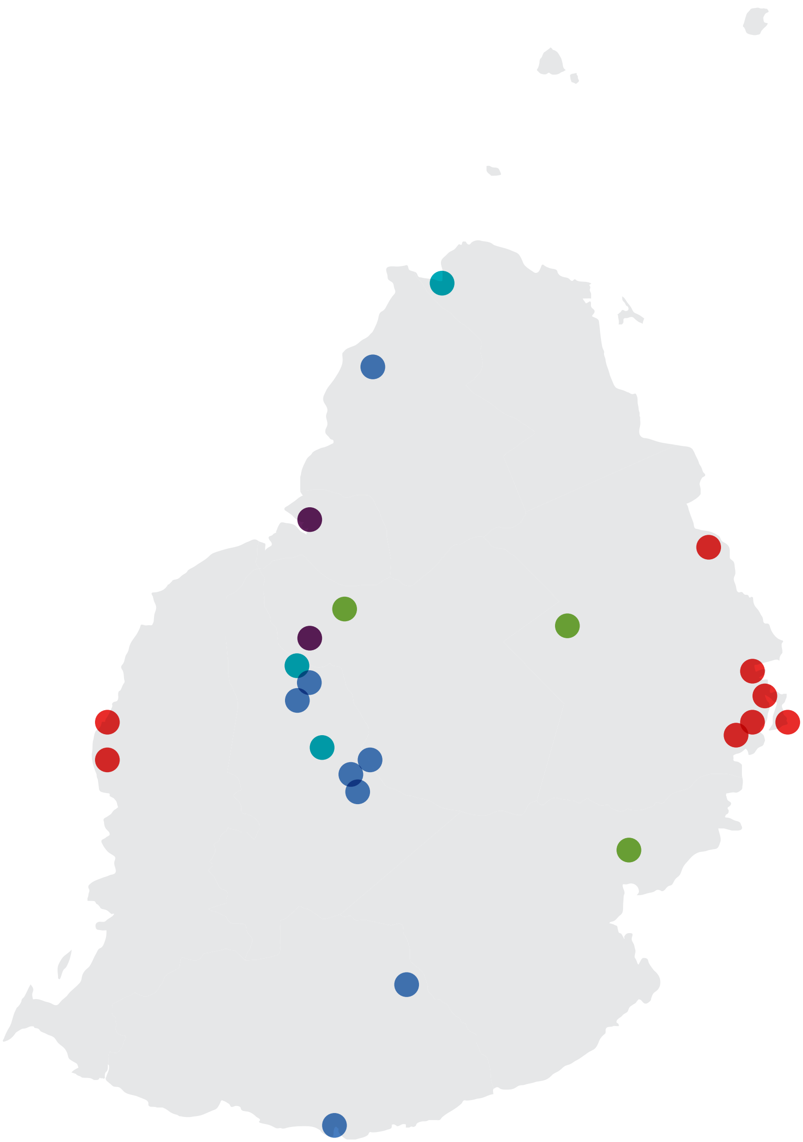
- **CIEL HEALTHCARE**
  - CIEL HEALTHCARE AFRICA
  - THE MEDICAL AND SURGICAL CENTRE

    (FORTIS CLINIQUE DARNÉ & WELLKIN HOSPITAL)
  - INTERNATIONAL MEDICAL GROUP (IMG)
  - HYGEIA NIGERIA
  - LABORATOIRE INTERNATIONAL DE BIO ANALYSE (LIBA)

Map of **Global Operations**



Zoom on **Mauritius**



North

- Bank One Head Office
- Consolidated Fabrics
- Fortis Darné La Croisette

Center

- Ebène Skies (CIEL Head Office, Sun Head Office, CIEL Finance, MITCO, IPRO, Kibo LLC), LIBA
- Wellkin Hospital
- Fortis Clinique Darné
- Tropic Knits Group
- CDL Knits
- Ferney Spinning Mills
- Aquarelle/Laguna Clothing
- Floreal Knitwear
- Alteo Head Office

East

- Long Beach Golf & Spa Resort
- Ambre Resort & Spa
- Shangri-La's le Touessrok Resort and Spa
- Alteo Union Flacq
- Anahita Golf and Spa Resort
- Four Seasons Resort Mauritius at Anahita & Four Seasons Golf Club
- Ile aux Cerfs Golf Club
- La Vallée de Ferney

West

- Sugar Beach Golf & Spa Resort
- La Pirogue Resort & Spa

South

- Aquarelle Grand Bois
- Aquarelle Surinam

Clusters Overview

BUSINESS SEGMENTS	POSITION IN MARKET	MAIN PARTNERS	KEY FACTS
AGRO & PROPERTY	Alteo is #1 sugar producer in Mauritius	Tereos Albioma Quadran	**3** countries **3** sugar factories **3** power plants **2,800** hectares of land in Ferney **200** hectares of nature reserve Approx. **6,350** employees
TEXTILE	Leading textile operator in Mauritius positioning itself as best alternative to China	Key clients include: Marks & Spencer, Levi's, ASOS, J. Crew, etc.	**3** clusters (Knits, Knitwear, Woven) **4** countries **20** production units **34M** garments exported Approx. **20,000** employees
HOTELS & RESORTS	Sun Resorts recognised as Best Hotel Chain by le Quotidien du Tourisme in 2017	Four Seasons, Shangri-La, Dentressangle Initiatives	**9** owned and managed properties in the Indian Ocean **2** tour operators More than **1,500** rooms Approx. **4,500** employees
HEALTHCARE	Leading private healthcare provider in Mauritius, Uganda, and Nigeria	Fortis, International Finance Corporation, Proparco, IFHA-II, Kibo	**3** countries **6** hospitals **35** clinics **1** lab **2** Health Membership Organisations Approx. **2,700** employees
FINANCE	BNI Madagascar is the #2 bank in Madagascar from loan book and network size indicators	Amethis Finance, Proparco, I&M Bank, Axian, Telma	**4** countries **2** banks **1** asset management company **1** fiduciary company **1** private equity business with 2 funds Approx. **1,400** employees

KEY BRANDS (logos)	CONTRIBUTION TO GROUP	PERFORMANCE VARIATION
Alteo Ferney La Vallée de Ferney Anahita Ebène Skies	**28% of portfolio** **0% of revenue*** * Alteo's share of results are not consolidated at the revenue level as it is an associated undertaking	+ No change
Aquarelle Tropic Knits Floreal Knitwear	**19% of portfolio** **52% of revenue**	+ -
Sun Resorts: • Ambre • Long Beach • La Pirogue • Sugar Beach • Kanuhura Shangri-La's Le Touessrok Four Seasons at Anahita Anahita Golf and Spa Resort Solea World Leisure Holiday	**30% of portfolio** **30% of revenue**	- -
Wellkin Hospital Fortis Clinique Darné International Medical Group Lagoon Hospitals Gold Cross Hospital LIBA	**7% of portfolio** **8% of revenue**	No change +
BNI Madagascar Bank One MITCO IPRO Kibo Capital Partners	**16% of portfolio** **10% of revenue**	No change No change

Board of **Directors**

A highly qualified Board to set CIEL's strategy and control its execution

Mauritian entrepreneurs with a deep understanding of their country which they have contributed to develop. They have a proven track-record of developing successful businesses or effectively leading them through transformation.

P. Arnaud Dalais
Chairman of CIEL and key instigator of CIEL's growth journey for the past 30 years

Jean-Pierre Dalais
Group Chief Executive of CIEL and driving force behind CIEL's recent international expansion in Hotels & Resorts, Healthcare and Finance

L. J. Jérôme De Chasteauneuf
Group Finance Director of CIEL, overseeing the Group's finances

Roger Espitalier Noël
Corporate Sustainability Committee Chairman and former executive of CIEL Textile, leading the group's expansion in Madagascar in early 2000

Marc Dalais
Founder and current CEO of Celero group, a leading logistics and shipping group operating mainly in Mauritius and Madagascar

R. Thierry Dalais
Founder and the Executive Chairman of Metier, a proven leader in private equity, alternative assets and related advisory services

M.A. Louis Guimbeau
Former executive within several companies in Mauritius

J. Harold Mayer
CEO of CIEL Textile, in the driver's seat of CIEL Textile's global strategy and expansion for the past 20 years

Catherine McIraith
Proven investment banker who held senior positions in corporate and specialised finance for Ridge Corporate Finance, BoE, NatWest and Investec amongst others

CIEL's Board is further enhanced with recognised international business professionals lending their global expertise, network and investment experience

Sébastien Coquard
Head of investments at FFP, an investment company controlled by the Peugeot family Group and listed on Euronext Paris

Pierre Danon
French entrepreneur, Chairman of Solocal Group, Volia, the Ukrainian leading cable and broadband company and TDC in Copenhagen

Antoine Delaporte
Founder and Managing Director of Adenia Partners Ltd, a private company managing private equity funds in the Indian Ocean region

Marc Ladreit de Lacharrière
Founder of Fimalac which owns significant stakes in Fitch Ratings and Group Lucien Barrière amongst others

Xavier Thiéblin
Manager and administrator of several companies, including OXACO, a family holding company

Jean-Louis Savoye
Deputy General Manager of the Dentressangle Initiatives company, the investment holding company of the Dentressangle family

Executive **Management Team**

An international and experienced executive management team dedicated to nurturing investments and improving the performance of their respective cluster's operations.

Jean-Pierre Dalais
Group Chief Executive of CIEL overseeing all five clusters of the Group

L. J. Jérôme De Chasteauneuf
Group Finance Director of CIEL overseeing the Group's finances and General Manager of CIEL's shared services

Hélène Echevin
Chief Officer – Operational Excellence of CIEL, Executive Chairperson of CIEL Healthcare Limited

J. Harold Mayer
CEO of CIEL Textile overseeing the growth strategies of Aquarelle, Tropic Knits and Floreal Knitwear

Marc-Emmanuel Vives
CEO of CIEL Finance Limited with 25 years' experience as a senior executive at Société Générale

David J. Anderson
CEO of Sun Limited with a leadership experience in the international hospitality industry

Patrick de L. d'Arifat
CEO of Alteo Limited and experienced professional in the sugar industry in the region

Go
Beyond

Strategy & Performance

Chairman's Statement

In today's global world where the competition can come from anywhere, what will make us unique and successful in the long-term is indeed our capacity to drive talent and energies around a common purpose: "For a World We Can All Feel Proud of". Focusing on our capacity to bring together people around a common set of values and principles in how we do business.

Dear Fellow Shareholder and CIEL Stakeholder,

It is my renewed pleasure to report on CIEL's financial year ended 30 June 2017 and beyond. CIEL continued to execute its long-term strategy which, during the past twelve months, has taken shape with three major transactions. These have enabled us to consolidate our positions while leveraging on market opportunities.

The following strategic moves reflect the dynamism of our Group and the entrepreneurial spirit that continues to guide us:

- The acquisition of ex-Apollo Bramwell Hospital (now renamed Wellkin Hospital) in January 2017, consolidating our leadership in the healthcare sector in Mauritius;
- A Voluntary Offer on CIEL Textile Limited which led to an increased shareholding of CIEL in CIEL Textile Limited from 56.31% to 88.48% in August 2017;
- The subscription to Sun Limited's right issue, as well as an agreement with Dentressangle Initiatives, to inject fresh equity in this important subsidiary. These combined operations led to the reduction of CIEL's majority share ownership to 50.10% in Sun Limited but brought a major improvement at the level of its balance sheet.

OUR PURPOSE STATEMENT AND VALUES

With the recent expansion of the Group both in Mauritius and abroad, we felt it important to reaffirm who we are (our values) and where we are going (our purpose statement).

In today's global world where the competition can come from anywhere, what will make us unique and successful in the long-term is indeed our capacity to drive talent and energies around a common purpose: "For a World We Can All Feel Proud of". Focusing on our capacity to bring together people around a common set of values and principles in how we do business.

We strongly believe that this value system – centered around: "People at Heart" - "Excellence at Core"- "Ethical and Sustainable" - has been and will continue to bolster the trust from our employees, customers, shareholders and business partners. It will continue to help us moving forward in a complex business environment, going Beyond Horizons and successfully deliver on our commitments.

GOVERNANCE

Governance in the Group is aimed at improving corporate performance and ultimately enhancing value for our stakeholders. The Board of Directors ("the Board") believes that sound corporate governance creates value in the business through mitigated risk, improved sustainability, enhanced accountability, consistent financial performance, sound stakeholder relationships, high levels of legislative compliance and reputational integrity.

The Board has further reinforced the Group's governance this year with the adoption of CIEL's Code of Ethics which has been disseminated to CIEL Head Office employees and to the companies of the Group. The Board has also pre-empted the application of the new National Code of Corporate Governance (enforceable by June 2018) by organising a workshop, conducted by the Mauritius Institute of Directors, for CIEL Group's executives and directors. We have adopted since most of the new Code's recommendations and specifically a share dealing policy as well as a related party transactions/conflict of interest policy. Finally, I am pleased to report that we have made significant improvements on governance disclosures on CIEL's website.

Chairman's Statement (cont'd)

RISK MANAGEMENT

In today's world where change occurs at an ever-increasing pace and with an increased exposure to risks, our capacity to govern effectively in a timely manner is essential. It is not about what we have done but more about what we will be doing. It is about looking forward, innovating, and constantly reinventing ourselves. I am pleased to report that we now have a solid Enterprise Risk Management system, which enables a more effective control over our main risks for CIEL. We have also this year further enhanced our capacity to respond to change at CIEL's Head Office level through the implementation of a new organisational model, centred around facilitating and accelerating the growth of our portfolio companies.

OUR FINANCIAL PERFORMANCE

In the financial year ended 30 June 2017, CIEL Group's revenue increased by 9% to MUR 20.26bn. This relatively significant growth is mainly driven by the consolidation of Wellkin Hospital since January 2017 and the full operations of some of our hotels after renovation the preceding year. Our Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") saw a 5% rise to MUR 2,860M, mainly attributable to our Hotels & Resorts cluster, while EBITDA margin remained stable at 14%.

However, our profit after tax slightly declined at MUR 1.14bn (2016: MUR 1.18bn) given the expected losses incurred at Wellkin Hospital and an impairment of MUR 138M of our Healthcare investment in Hygeia, Nigeria given the depreciation of the Naira. Our profitability has also been negatively impacted by the losses incurred by the Kanuhura.

9%

INCREASE ON CIEL GROUP'S REVENUE

11%

INCREASE IN NET ASSET VALUE PER SHARE

The hotel was partly closed during the financial year ended and is now facing low occupancy rates since reopening in December 2016 given the challenging geopolitical situation in Maldives and the ramping up of our rates which are now more in line with standards of this five-star luxury property. On the other hand, CIEL Textile (particularly the Woven cluster) and CIEL Finance (mainly Banking with BNI Madagascar and Bank One) continued to significantly drive our profitability although at a slower pace. Alteo Limited, our associate company with our Agro & Property cluster posted a solid year attributable mainly to its international operations in Tanzania and Kenya and which positively contributed to our results.

Group wise, in this challenging year, we were able to maintain the profits attributable to ordinary shareholders at MUR 479M (2016: MUR 477M). The Board also decided to increase dividends from 18 cents per share last year to 20 cents per share. These figures demonstrate our commitment to shareholders and our confidence in a stronger medium-term performance from our existing asset base.

The Net Asset Value ("NAV") of the Company increased by 11 percentage points to MUR 9.37 per share.

MOVING FORWARD - FOCUSING ON OPERATIONS

The focus of this year will be on improving the profitability of our operations, working on bringing efficiencies at all levels. With a solid asset base, the Board has mandated the management to focus on optimising the Group's revenue, EBIDTA and profit attributable while carefully managing our

"Group wise, in this challenging year, we were able to maintain the profits attributable to ordinary shareholders at MUR 479M (2016: MUR 477M). The Board also decided to increase dividends from 18 cents per share last year to 20 cents per share. These figures demonstrate our commitment to shareholders and our confidence in a stronger medium-term performance from our existing asset base."

main risks. This effort, driven by our Group Chief Executive, in collaboration with our head office and cluster management teams, aims at nurturing champion companies, delivering best-in-class practices through operational excellence at all levels, with a view to generate sustainable profit growth in the medium term.

This key strategic objective has been cascaded throughout our clusters and companies which have set clear plans supporting this objective.

CIEL Textile is focusing this current financial year on improving the performance of its Knitwear and Knits clusters. CIEL Healthcare is concentrating on consolidating and stabilising its investments in Africa while turning around Wellkin Hospital in Mauritius. On the Hotels & Resorts front, focus is put on turning around the Kanuhura Maldives and Long Beach in Mauritius while growing rates and increasing direct bookings from a full inventory. CIEL Finance will pursue BNI Madagascar's growth strategy and Bank One's transformation journey for asset optimisation.

Finally, CIEL Agro & Property will be busy managing an important transition year for the sugar industry with the removal of the sugar quota for the European Union.

ACKNOWLEDGEMENT

I would like to express my appreciation to my fellow Directors for their very constructive support in CIEL's governance. On 29 September 2017, Norbert Dentressangle and his Alternate Director, Vincent Ménez, resigned and were replaced by Jean-Louis Savoye. I would like to place on records my appreciation to Norbert Dentressangle and Vincent Ménez for their contribution to the affairs of the Company during the time of their mandate and welcome Jean-Louis Savoye, a French national, on our Board.

On behalf of the Board of Directors as well as in my personal capacity, it is also my pleasure to acknowledge the excellent work done by our new Group Chief Executive, the new Group Finance Director, the CEOs of our subsidiaries and associated companies, as well the entire dedicated management teams across the Group and our 35,000 team members for their hard work and commitment.

To conclude, it is the first year we are reporting using the Integrated Reporting framework. It reflects our ambition as a sustainable group to bring further connectivity, transparency and cohesion between our five business clusters as well as towards our key stakeholders. I hope you will enjoy reading this report.

Thank you for your trust.

P. Arnaud Dalais
Chairman

29 September 2017

CIEL BUSINESS MODEL

INPUT
VALUE WE DRAW FROM

FINANCIAL CAPITAL
Strong balance sheet

SOCIAL & RELATIONSHIP CAPITAL
115 years heritage

Long-term partnerships with investors and leading brands (Four Seasons, Shangri-La, Fortis, Tereos, etc.)

HUMAN CAPITAL
Decentralised approach with 35,000 talent spread across more than 10 countries and over 50 professions

INTELLECTUAL CAPITAL
CIEL brand & reputation

Leading processes in clusters' operations

MANUFACTURED CAPITAL
Fixed assets such as land and buildings, factories, hotels, and equipment

NATURAL CAPITAL
Strategically located beach-front land

2,800 hectares of land in Ferney, Mauritius)

Our Investment Approach

- An entrepreneurial attitude with 115 years track-record
- Mostly controlling stakes in the business we invest in
- A hands-on approach to protect and manage shareholders' interest, promote synergies and cross-fertilisation of best practices among investee companies
- Long-term strategic partnerships bringing capital and expertise to our operations and expansion

OUR FOOTPRINT
10+ countries

EMPLOYEES
35,000

WHO WE ARE
A Mauritian-based investment Group

PURPOSE
For a world we can all feel proud of

5 clusters

CIEL AGRO & PROPERTY

CIEL TEXTILE

CIEL HOTELS & RESORTS

CIEL HEALTHCARE

CIEL FINANCE

MAIN OUTPUT
DURING THE YEAR

FINANCIAL CAPITAL

- Revenue: MUR 20.26bn
- Profit after tax: MUR 1,144M
- EPS: MUR 0.31
- Dividend: MUR 0.20 per share
- Total assets: MUR 63.06bn
- Rated as A1+ for short-term debt and AA for long-term debt by Care Rating

SOCIAL & RELATIONSHIP CAPITAL

- Active participation in Business Mauritius
- New Purpose Statement and CIEL values
- Campaign to increase awareness of ACTogether.mu as a citizen platform
- 10th Edition of CIEL Ferney Trail
- MUR 5.4M distributed through Fondation CIEL Nouveau Regard

HUMAN CAPITAL

- 5,000 new Group employees primarily through acquisitions

INTELLECTUAL CAPITAL

- New brand launched – Wellkin Hospital
- New CIEL Head Office model

MANUFACTURED CAPITAL

- Acquisition of state of the art healthcare facility (Wellkin Hospital)
- Reopening of Kanuhura Maldives

NATURAL CAPITAL

- Approx. 13,000 endemic plants planted and 150 endemic birds released at La Vallée de Ferney Conservation Trust since project inception
- Sustainability initiative report published
- 2 environment initiatives launched at CIEL's Head Office: Alime Tengn and Pa zete, Resikle

MAIN OUTCOMES
DURING THE YEAR

- New leadership with appointment of Jean-Pierre Dalais as Group Chief Executive and L. J. Jérome De Chasteauneuf as Group Finance Director
- New operational excellence, corporate finance and risk management capabilities at Head Office level
- Increased shareholding in CIEL Textile from 56.8% to 88.48%
- Successful Rights Issue at Sun level
- Continuously reinforced CIEL brand
- Good progress in sustainability with governance structure and impactful initiatives

TARGETS

- Increase profitability to better reward shareholders
- Become or remain industry leaders in the sectors we operate in
- Capitalise on our presence in emerging markets
- Become a leader of sustainable development in our world
- Nurture a strong employer brand to attract and retain top talent
- Commitment to nation-building for a sustainable development of Mauritius

Interview with **CIEL's Group Chief Executive**

> **Our main priority for this year is to continue to focus on our operations. We have expanded rapidly in the last few years and we have yet to reap the full benefits of all our operations.**
>
> **Jean-Pierre Dalais,**
> **CIEL Group Chief Executive**

1. You're the new Group Chief Executive since 1 January 2017, what is your take on the state of CIEL?

CIEL has reached a stage where it is properly structured and strategically well positioned. Following the Group's restructuring in 2014 and a significant investment phase, we now have growth companies and controlling stakes in five strategic sectors, namely Agro & Property, Textile, Hotels & Resorts, Finance and Healthcare. We also benefit from a balanced global exposure between Mauritius, our home base, and emerging economies of Africa and Asia. Today, with our size and strong dynamism, we are able to attract top talent, Mauritians and foreigners alike, to further improve our operations and strategic development. We have now transformed the company as per our strategic intents defined three years ago, but that said, we are in a fast changing world and we will need to constantly reinvent ourselves to stay ahead of the curve.

2. You're operating in 5 different sectors and more than 10 countries, what's your approach to managing a diversified portfolio?

Our approach is very simple. As seasoned investors, we carefully look for fundamentals that we know are essential to run a business successfully. The emerging business environments in which we operate offer incredible growth opportunities.

As entrepreneurs, we know that you need a solid on-the-ground presence and sector expertise to be the best at what you are doing. Therefore, we trust our expert sectorial teams to excel in their respective fields while remaining competitive on the global scene.

We provide all the necessary support and empower the management teams to take the strategic decisions to foster the profitable growth of their businesses.

Finally, we want to leverage the Group's collective know-how and increase the sharing of best practices between our clusters. We have therefore reorganised our Head Office and shared services to act as accelerator and catalyst for all our companies.

50%

OF OUR GROUP REVENUES COME FROM EMERGING ECONOMIES

3. CIEL has completed three major transactions this year, can you please share your rationale behind these?

It has been indeed quite an active year from a deal standpoint with the successful completion of three important transactions:

- **Firstly,** with the acquisition of the ex-Apollo Bramwell Hospital, now rebranded as Wellkin Hospital, we have secured a long-term leadership position in the growing private healthcare sector in Mauritius. Our ambition is to build on our assets to provide excellent medical care with the strategic aim of positioning Mauritius as a regional medical hub for neighbouring countries.
- **Secondly,** we have completed a voluntary offer on CIEL Textile, thus increasing our shareholding in this blue chip to 88.48%. This represents an important move as we truly believe in the potential of CIEL Textile which has been performing extremely well over the past few years. Further value will be unlocked through its international expansion in the medium to long-term. This year, we will be looking at different options to further increase our shareholding and ultimately taking the company private, as this will give us the flexibility to seal potential partnerships for long-term prospects.
- **Finally,** we have participated in the MUR 1.86bn rights issue launched by Sun Limited ('Sun'). CIEL fully subscribed to its share of this issue alongside Dentressangle Initiatives, a current partner of CIEL, and the other minority shareholders of the company. This new capital structure will provide Sun with a healthier balance sheet in a year when we expect a turnaround in profitability. Following the transaction, CIEL remains Sun's majority shareholder with 50.10% of the share capital. The strong property development expertise of Dentressangle Initiatives will prove further useful when Sun will be engaging in its new development phase.

4. What have been your key challenges this year and how did you resolve them?

We have made a number of strategic investments recently and it takes a little while before the adequate return is generated from them. An example is the acquisition of the Wellkin Hospital. Although it is an essential move for us, it comes with its load of operational and financial challenges. The team is working flat out on structuring the business to improve the patient experience whilst obtaining more efficiency. We are also actively looking at synergies between our Mauritian's operations, namely Wellkin Hospital and Fortis Clinique Darné to reduce expenses. These combined actions should lead to a turnaround as we drive our business plan forward.

Similarly, the opening in 2015/2016 of a new factory for Tropic Knits in India and a new automated factory for Floreal Knitwear in Antsirabe, Madagascar – shifting Floreal's entire production from Mauritius to Madagascar – weighted on our financial performance this fiscal year ended. The CIEL Textile's management team is focused on improving the performance of these two production units, which we are confident will deliver positive results over time.

Finally, the late reopening of Kanuhura Maldives in December 2016, after a closure period of more than a year, certainly impacted our results. We now have an exceptional resort, rightly positioned on the market, but the challenging macro-environment in Maldives remains an area of concern for us to grow occupancy. The Sun team is mobilised in ensuring we grow the occupancy to the level this truly unique site of the Maldives deserves.

5. What are your key priorities for CIEL?

Our main priority for this year is to continue to focus on our operations. Again, we have expanded rapidly in the last few years and we have yet to reap the full benefits of all our operations.

Interview with **CIEL's Group Chief Executive** (cont'd)

Specifically, we will put our energy and efforts, along with the respective cluster management teams, on improving the performance of the following operations:

- Floreal Knitwear's automated factory in Antsirabe, Madagascar
- Tropic Knit's factory in Coimbatore, India
- Kanuhura Resort & Spa Hotel in Maldives
- The repositioning in terms of rate of the Long Beach Golf & Spa Resort and Shangri-La's Le Touessrok Resort and Spa
- The turnaround of Wellkin Hospital

We also want to build on the Group dynamism whilst fully leveraging our scale, network, expertise, and talents. We have thus launched several Group initiatives – including the release of CIEL's Purpose statement and values – which are extremely important. Our Purpose – For a World We Can All Feel Proud of – brings us together. It guides us to do the right thing and go beyond in our day-to-day work to constantly improve our actions so we can be proud of what we are doing every day. We have also appointed a Chief Officer, Operational Excellence and a Chief Officer, Talent and Culture (starting in January 2018) which will increase the connectivity between our operations whilst allowing for best practices and common processes to flow through the Group when and where appropriate.

Continuously building on the excellence of our Management teams is a key priority for us. There are a number of important initiatives at different level of the CIEL group currently under way in that respect. We will make sure that the Human Capital aspect remains high on all agendas. Our future success is totally dependent on how good we are in attracting and developing our talent pool.

6. Do you see any risks to your business?

There are certainly a number of risks that we have identified (please refer to the risk management section for more information) that require and have our full attention. Beyond the internal risks which I have referred to earlier, there are several external risks, including foreign exchange risk and political instability in some African countries, that we are actively monitoring. While our exposure to emerging economies is certainly an opportunity, we cannot overlook the risks that are associated with having operations in these countries. We have therefore reinforced our capacity to address such risks with the set-up of an Enterprise Risks Management system at the Group level, which we believe will help us adjust our strategies and better anticipate a potential impact on our performance.

7. Where do you see CIEL five years from now?

I am confident about the future of CIEL. As mentioned earlier, we are now well-structured and know what immediate challenges we need to fix to grow our profitability. In the medium-term, we have also clearly identified growth opportunities with operations, that can be further optimised and which should reduce our risk profile. These areas include:

- Our banking assets, which we believe can grow further, in particular BNI Madagascar which is on a strategic plan to regain its market leadership position.
- Our textile operations internationally and particularly in Asia with the opening of a new Aquarelle factory this year in India and medium-term plans to open an additional production base in South-East Asia.
- Our unique and recently renovated hotel portfolio has a strong prospect in growing its gross operating profit margin.
- And finally, our leadership position in Healthcare in each of the countries we operate in will benefit from a fast-growing market in need of such quality services.

In terms of outlook, we are anchored on solid foundations with a presence in sectors and companies that have proven their capacity to reinvent themselves. We are more confident than ever in our ability to grow exponentially in the years to come.

We have a solid and promising exposure to fast growing sectors such as Finance and Healthcare in Africa. With 50% of our Group revenues coming from emerging economies, we are well positioned to benefit from the dynamism of the emerging world.

As we unfold our development, it will be essential that we manage carefully the risks associated with the emerging market environment in which we operate.

A constant push towards operational excellence and the highest customer's satisfaction levels is a key element of our current strategy. I would like to take this opportunity to thank our 35,000 "intrapreneurs" for their commitment and hard work. We will do our best to enable their growth and encourage their ideas, talents and ambitions through an increased Group dynamic.

CIEL's Medium Term **Strategic Directions**

Ciel
Beyond Horizons

1. **Drive operational excellence through**
   - Processes and best practices
   - Synergies
   - Talent management

2. **Consolidate and leverage our strong international footprint in emerging economies**

3. **Focus on customer experience and satisfaction to drive our businesses**

4. **Foster additional value through existing assets**

Optimise Revenue, EBIDTA and Profit Attributable from existing Asset Base

Strategic **Directions**

CIEL's strategic directions are cascaded and implemented by its clusters to enable growth within its operations and create value for its stakeholders

CIEL Strategies	Specific Strategies: CIEL Textile	Specific Strategies: CIEL Finance
DRIVE OPERATIONAL EXCELLENCE THROUGH • PROCESSES AND BEST PRACTICES • SYNERGIES • TALENT MANAGEMENT	• Pursue Floreal Knitwear restructuring and focus on Tropic Knits India operation • Nurture sustainable development of operations maintaining competitiveness	• Facilitate synergies between portfolio companies
CONSOLIDATE AND LEVERAGE OUR STRONG INTERNATIONAL FOOTPRINT IN EMERGING ECONOMIES	• Pursue and carefully manage globalisation strategy	• Regionalise activities
FOCUS ON CUSTOMER EXPERIENCE AND SATISFACTION TO DRIVE OUR BUSINESSES	• Facilitate customer interactions through digital transformation, reducing production time and offering innovative products	• Embrace and facilitate digital transformation, compliance and Environment & Social responsibility for better customer experience
FOSTER ADDITIONAL VALUE THROUGH EXISTING ASSETS	• Continue product-led marketing approach versus manufacturing-led approach • Marketing towards emerging and fast growing e-commerce retailers (shifting existing markets)	• Nurture growth by supporting portfolio companies

CIEL Agro & Property	CIEL Hotels & Resorts	CIEL Healthcare
• Maximise sugar production capacities and pursue operational excellence	• Continue to grow average room rate and increase direct bookings to ensure sustainable growth • Continue operational excellence journey to reduce expenses and create synergies at Sun Resorts level	• Drive operational efficiencies, reducing expenses at all operations • Develop synergies within network and particularly between Fortis Clinique Darné and Wellkin Hopital in Mauritius
• Consolidate operations in Kenya and Tanzania, driving Alteo's profitability	• Ensure return to profitability for recently renovated Kanuhura in Maldives	• Consolidate investments in Nigeria and Uganda
• N/A	• Elevate guests experience through refining our brand promise and hotels positioning	• Nurture strong patient-centric culture for improved patient experience
• Optimise the potential from the sugar industry's buy products, namely bagasse and molasses • Maximise long term value from the land assets of the group in Mauritius • Investigate new property development projects for long-term prospects	• Create value through potential real-estate development and management contracts	• Introduction of new specialties and increase sharing of expertise between medical facilities

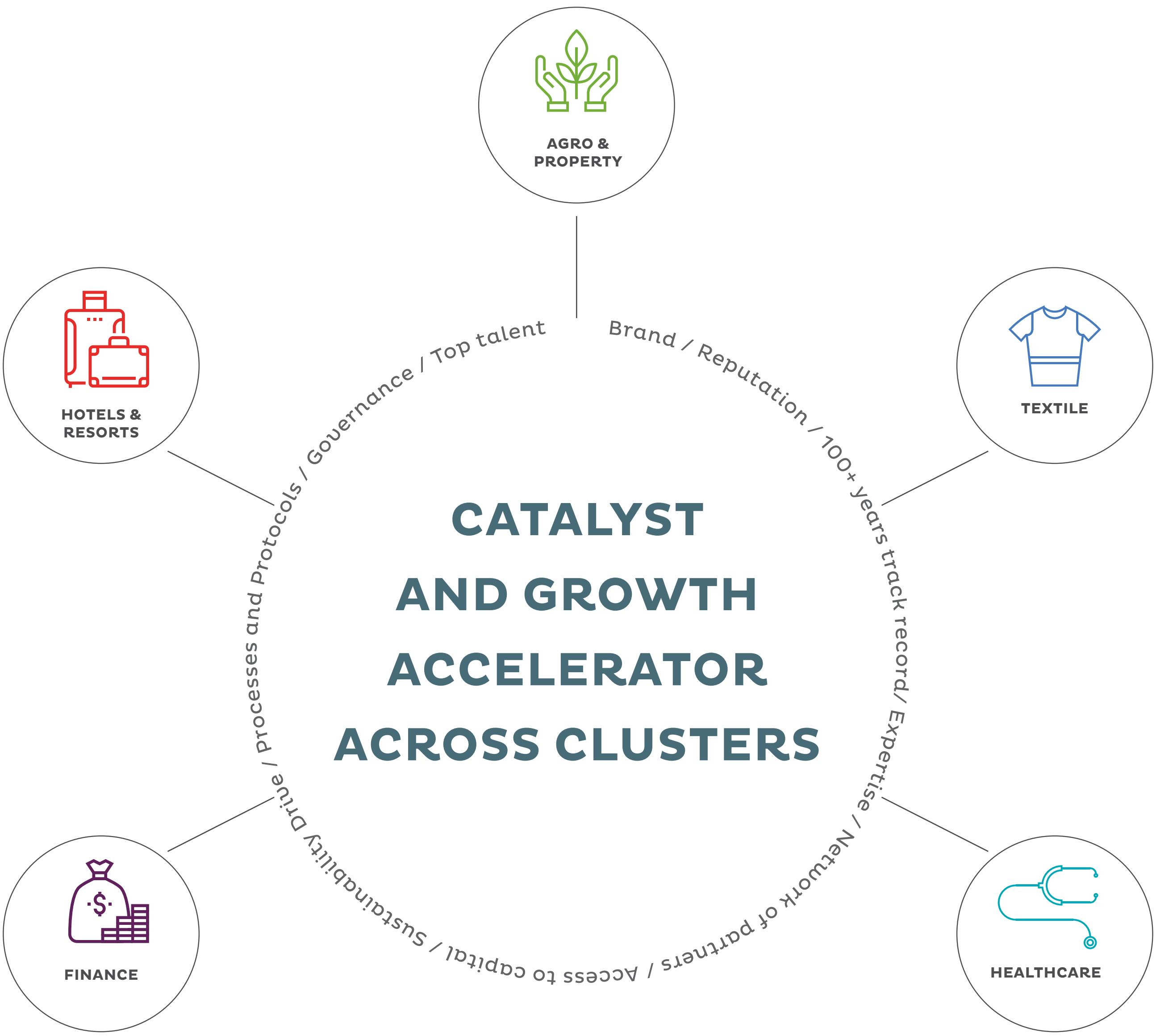
Strategic **Directions** (cont'd)

Our strategic directions are regularly assessed by the management and are further illustrated below:

CIEL Strategies	What does it involve
DRIVE OPERATIONAL EXCELLENCE THROUGH • PROCESSES AND BEST PRACTICES • SYNERGIES • TALENT MANAGEMENT	• Reduce operational costs • Benchmark against the best • Empower companies/employees • Group common practices • Increase sharing of best practices • Increase mobility and connectivity between clusters
CONSOLIDATE AND LEVERAGE OUR STRONG INTERNATIONAL FOOTPRINT IN EMERGING ECONOMIES	• Carefully monitor and manage risks • Identify growth opportunities
FOCUS ON CUSTOMER EXPERIENCE AND SATISFACTION TO DRIVE OUR BUSINESSES	• Understand and anticipate market and customer expectations • Improve customer/guest/patient experience
FOSTER ADDITIONAL VALUE THROUGH EXISTING ASSETS	• Optimise capital allocation • Close monitoring of global markets with capacity to anticipate • Nurture innovation and intrapreneurship

Demonstrated by	Which material issues do they link to (please refer to risk section for more details)	Which KPIS do we use
• Appointment of Chief Officer – Operational Excellence and Chief Talent and Culture Officer • New CIEL Head Office model to accelerate CIEL companies growth journeys with more efficient shared services • Restructuring at Floreal Knitwear • Group Finance, HR and CSR forums • Launch of note programme • Launch of rights issue at Sun level	• Talent management • Sun turnaround plan • Wellkin turnaround plan	• Monitoring of operational costs, profitability • # of Group forums • # of function forums • Employee engagement scores
• Group risk management function set-up • Voluntary offer on CIEL Textile benefiting from strong international exposure • New Tropic factory in India • Construction of new Aquarelle factory in India • Investment and reopening of Kanuhura 5* hotel in Maldives • Acquisition of Gold Cross Hospital by Hygeia Nigeria Limited in Nigeria	• Political instability in African and Asian countries • Foreign Exchange Risk • IAA (CHL) partnership agreement • Fine Knits India - opening of new factory • Natural disasters and epidemics	• Performance of international operations within portfolio • New developments internationally whether new operation or new country
• Multiple customer initiatives throughout the Group • Implementation or improvement of customer satisfaction monitoring and customer engagement tools	• Changing consumer preferences & competitive environment • Reputation of CIEL, CIEL Corporate Services, and brand-established subsidiaries	• Customer satisfaction scores • Profitability increase
• Real estate programs throughout Agro & Property cluster	• EU sugar production liberalisation • Technology disruption • Client concentration at CIEL Textile Limited	• # new projects, innovations, patents • # intrapreneurs within the Group

CIEL **Head Office** Model



EMPOWERING SECTOR SPECIFIC EXPERTISE AND BUSINESSES

- CLUSTER AUTONOMY
- APPOINTMENT OF STRONG MANAGEMENT TEAMS
- ACCESS TO CAPITAL

SUPPORTING CLUSTERS THROUGH STRATEGIC AND VALUE-ADDED COUNSEL AND SERVICES

- STRATEGIC INPUT AND GUIDANCE FROM CIEL KEY EXECUTIVES
- EFFICIENT SHARED SERVICES (LEGAL, ACCOUNTING, COMPANY SECRETARY, COMMUNICATIONS, ETC.) AND SUBJECT-MATTER EXPERTS (RISK MANAGEMENT, CORPORATE FINANCE, OPERATIONAL EXCELLENCE, TALENT AND CULTURE, ETC.)

FACILITATING THE SHARING OF BEST PRACTICES / CROSS-FERTILISATION

- CIEL GROUP FORUMS
- INCREASED SHARING OF INFORMATION
- THEMATIC NEWSLETTERS
- GROUP FUNCTION FORUMS (E.G. FINANCE, HR, COMMUNICATIONS, CSR, ETC.)

Group Finance Director's **Review**

L. J. Jérôme De Chasteauneuf
Group Finance Director

Group revenue for the year increased by 9% to MUR 20.26bn and Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") saw a 5% rise to MUR 2,860M while EBITDA margin remained stable at 14%.

Group Profit after Tax ("PAT") stood at MUR 1.14bn (2016: MUR 1.18bn). Group Profit attributable to ordinary shareholders was maintained at MUR 479M (2016: MUR 477M) and earnings per share remained steady at 31 cents for the year under review.

Cash generated from operations improved by 26% to MUR 2,514M (2016: MUR 2,079M).

We have made good progress on our Net Asset Value per share with a well-structured portfolio centered on our different lines of investment. The Net Asset Value ("NAV") of the Company stands at MUR 9.37, up 11 percentage points from MUR 8.47 in 2016, reflecting mainly the increased contributions from the Textile, Finance and Agro and Property clusters to the Company's portfolio.

We ended the year with a net interest bearing debt position of MUR 14,901M (2016: MUR 13,242M), an increase of 13% which reflect the different requirements of the Healthcare, Hotels and Resorts and Textile clusters. Dividend per share kept an upward trend and rose to 20 cents at the end of the financial year (2016: 18 cents).

FINANCIAL OVERVIEW

MUR million		**2017**	2016	% change	2015	2014
Revenue		**20,258**	18,533	9%	16,454	9,718
Earnings Before Interests, Taxation, Depreciation and Amortisation (EBITDA)		**2,860**	2,736	5%	2,581	893
EBITDA margin		**14%**	15%		16%	9%
Profit attributable to:		**1,144**	1,182	(3%)	2,090	(53)
Owners of the Parent		**479**	477	0.4%	1,072	(383)
Non controlling interests		**665**	705	(6%)	1,018	330
Earnings per share (EPS)	**MUR**	**0.31**	0.31	-	0.70	(0.38)
Cash generated from operations		**2,514**	2,079	21%	1,014	449
Company Net Asset Value per share (NAV)	**MUR**	**9.37**	8.47	11%	8.60	7.22
Net interest bearing debt		**14,901**	13,242	13%	10,266	7,700
Equity		**23,664**	23,134	2%	22,044	17,907
Gearing = Debt/(Debt+Equity)		**38.6%**	36.0%		31.8%	30.1%
Dividend per share	**MUR**	**0.20**	0.18	11%	0.16	0.14
Market capitalisation		**11,756**	9,333	26%	10,963	10,526

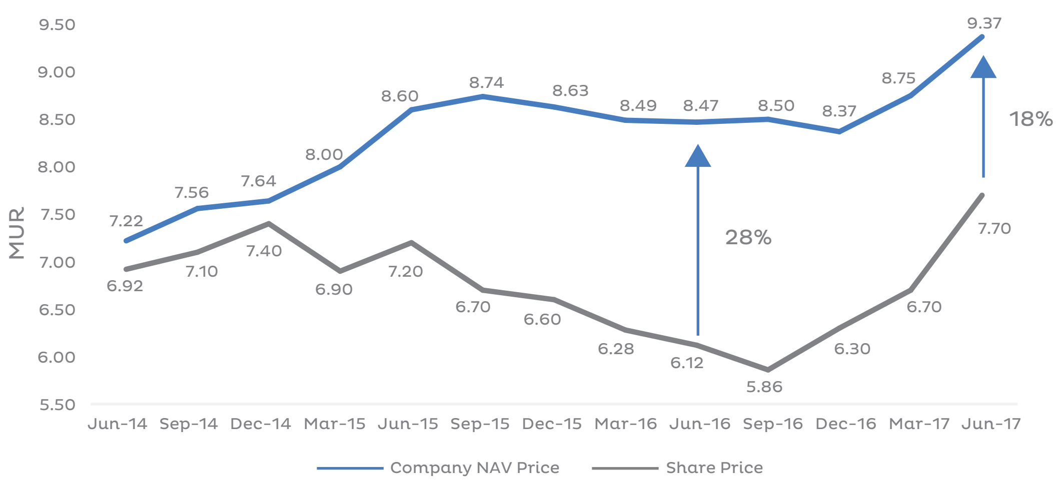
+11%

Company NAV
MUR 9.37

DIVIDEND PER SHARE

MUR per share
Dividend Yield - 2.60%

SHAREHOLDERS' RETURN

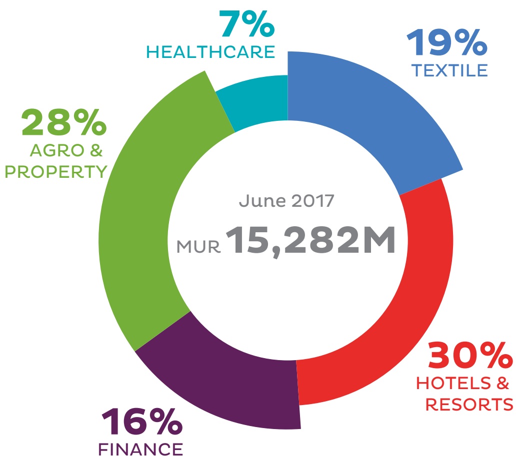


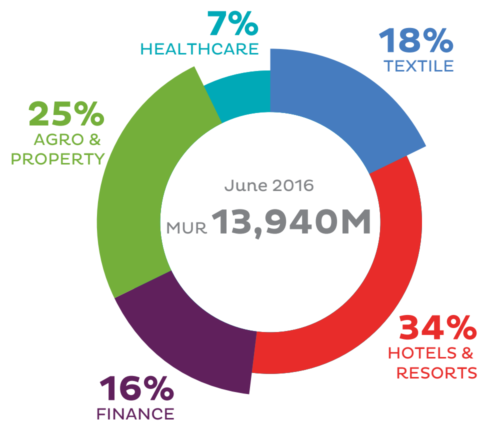
Share Price gained 26% since June 2016 and is trading at 18% discount to NAV, 10 percentage points lower than June 2016

ABOUT CIEL
STRATEGY & PERFORMANCE
PORTFOLIO REVIEW
RISK MANAGEMENT
SUSTAINABILITY
CORPORATE GOVERNANCE
FACTS AND FIGURES

Group Finance Director's **Review** (cont'd)

COMPANY INVESTMENT PORTFOLIO





Listed subsidiaries are valued on the higher of the NAV or market price.

The Company's investment portfolio has grown by 10% from MUR 13,940M in June 2016 to MUR 15,282M in June 2017 with the Agro & Property, Textile and Finance clusters as major contributors.

Alteo Limited's (Agro & Property cluster) share price gained 25%, from MUR 27.30 as at 30 June 2016 to MUR 34.25 as at 30 June 2017.

The Finance cluster has increased in value due to an improvement in the underlying fundamentals of the banking investments.

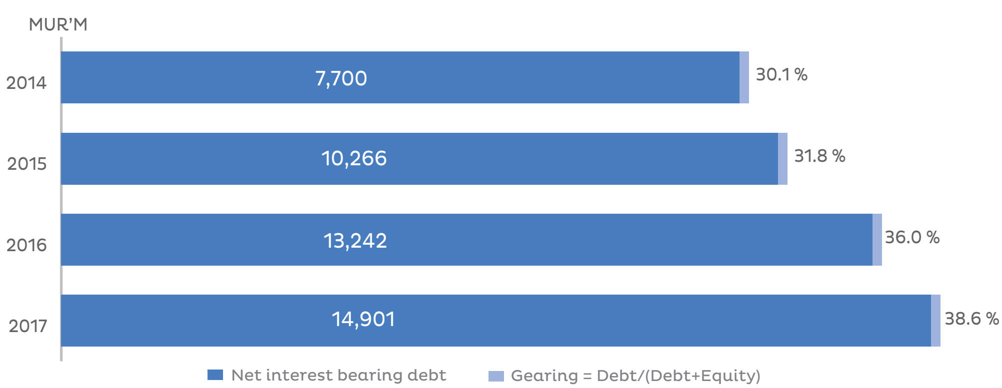
CIEL Textile Limited's (Textile cluster) has been valued at the latest transaction price of MUR 50* at the end of the financial year – which represents an increase of 16% over the NAV per share used in the prior year valuation.

MSCL (Healthcare cluster) is valued on its share price which has increased by 55% from MUR 2.20 in June 2016 to MUR 3.40 in June 2017.

The increase in the portfolio has been mitigated by a fall of 4% in the NAV of SUN year on year. The NAV per share of SUN stood at MUR 59.37 as at June 2017.

* Takeover price per share offered to the shareholders of CTL following Voluntary Takeover scheme closed on 20 July 2017

GROUP NET DEBT AND GEARING



The increase in net debt from June 2016 to June 2017 reflects the impact of the acquisition of Wellkin by the Healthcare cluster, additional funding required to complete renovation of the Kanuhura Resort and Spa at SUN level and the financing of CIEL Textile working capital and capital expenditure requirements.

Following the rights issue of SUN and as performance improvement measures implemented in all clusters help improve the Group's cash position, we expect the consolidated gearing ratio and net indebtedness to slowly decrease over the long term.

KEY INCOME STATEMENT FIGURES

+9%

Group Revenue
MUR 20.26bn

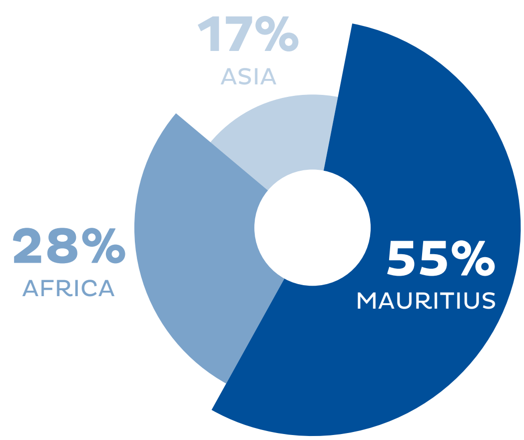
The Group's revenue was 9% up on 2016 revenue of MUR 18.53bn mainly due to the first full year of operation of the Hotels & Resorts cluster's two Mauritian luxury resorts – Shangri La's Le Touessrok and Four Seasons Anahita and the re-opening of Kanuhura Resort and Spa, Maldives in mid-December 2016. The Hotels and Resorts cluster has contributed MUR 1,018M to the Group's revenue in the 2017 financial year.

The consolidation of Wellkin Hospital in the Healthcare cluster also helped boost revenue.

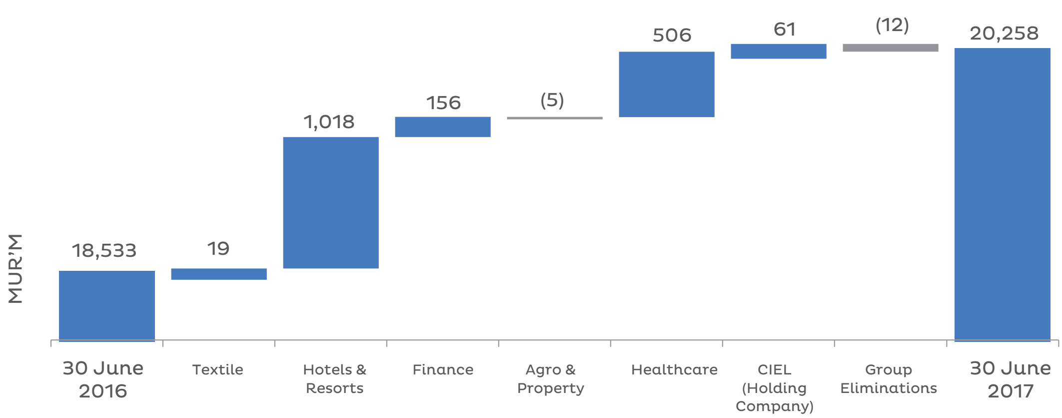
The improved performance of the Finance cluster primarily attributable to the banking activities of BNI Madagascar S.A. and the fiduciary operations at the MITCO Group have contributed to the Group's increase in revenue.

Our presence in Africa was marked by the Textile and the Finance clusters. 17% of total revenue was generated by our Asian Textile activities.

REVENUE BY GEOGRAPHICAL AREA



MOVEMENT IN GROUP CONSOLIDATED REVENUE



Group Finance Director's **Review** (cont'd)

KEY INCOME STATEMENT FIGURES

+5 **%**

Group EBITDA
MUR 2,860M

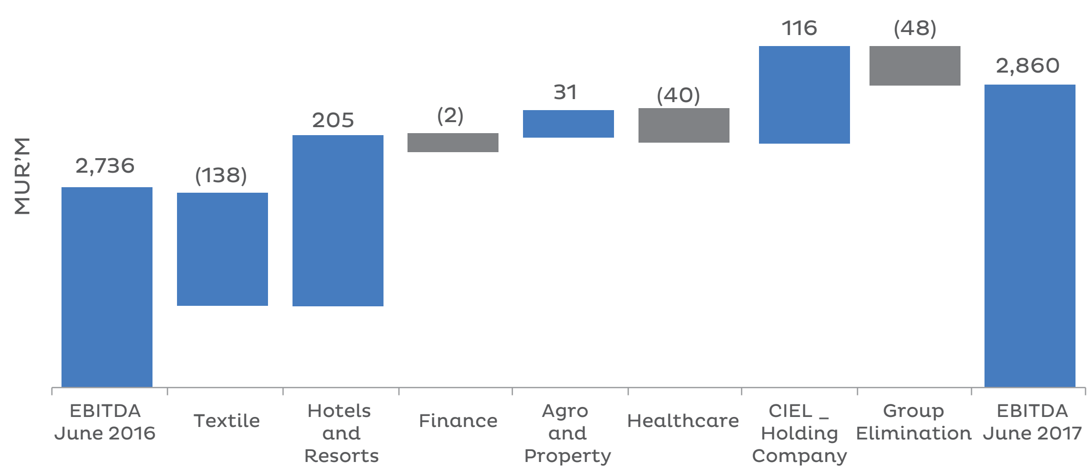
EBITDA for the year rose by 5% from MUR 2,736M in 2016 with the improvement of the Hotels & Resorts cluster which has benefitted from the now fully operational luxury resorts based in Mauritius. Effective since November 2016, SUN's new rate strategy also contributed to the positive results of the cluster.

The performance was however somewhat mitigated by the lower contribution from the Textile cluster, notably the Knits operations in India and the Knitwear segment.

The Knits segment's performance was adversely affected by the activities of the factory in India. The Knitwear segment had experienced a tough year owing to challenges posed by the upcoming departure of the UK from the EU, lower sales volumes and margins and reorganisation costs incurred.

EBITDA was also adversely affected by the recently acquired Wellkin in the Healthcare cluster.

EBITDA 2016-2017



+29%

Group Depreciation and amortisation
MUR 969M

The year-on-year increase was a direct consequence of the higher asset base in the Hotels & Resorts cluster following the renovations of Kanuhura Resort and Spa, Maldives and La Pirogue Resort & Spa.

+16%

Finance costs
MUR 645M

Finance costs were driven up by mainly by the higher net debt contracted to finance the Hotels & Resorts cluster's renovations and to a lesser extent by investments in the Textile cluster.

-5%

Share of results of joint ventures net of tax
MUR 140M

The decrease was mainly attributable to Anahita Golf Spa & Resort, a part of Anahita Residences & Villas, which re-opened in October 2016 after renovation works. Our improved operations at Bank One (Finance cluster) had helped limit the fall in the share of results of joint ventures net of tax.

+86%

Share of Results of Associates Net of Tax
MUR 104M

The increase was primarily driven by improved contributions from Alteo Limited in the Agro & Property cluster. Alteo Limited has achieved excellent results at its Tanzanian and Kenyan sugar operations. Its results were also lifted by a one-off gain on the disposal of land.

Group Finance Director's **Review** (cont'd)

−9%

Profit before non-recurring items and tax
MUR 1,490M

Profit before Non-Recurring Items and Tax fell from MUR 1,634M to MUR 1,490M in the year under review due to the reduced contribution from the Knitwear & Knits segments of CIEL Textile. The international retail environment and foreign exchange risks put pressure on margins.

The Healthcare cluster also contributed to the fall in profit before non-recurring items and tax due to the acquisition of Wellkin.

−81%

Non-recurring items
MUR 57M

Non-recurring costs fell from MUR 299M in 2016 to MUR 57M in 2017, as major refurbishment works at SUN were complete and closure & marketing relaunch costs decreased significantly. An increase of MUR 226M in fair value of investment properties of Ferney Limited - Agro & Property cluster also contributed to the 81% fall in non-recurring items.

However, a partial impairment of MUR 138M of an associated undertaking of the Healthcare cluster, Hygeia Nigeria Limited ("HNL"), caused by the significant depreciation of the Nigerian Naira limited the fall in non-recurring items.

+89%

Taxation
MUR 289M

Prior-year taxation figures were low owing to a tax credit of MUR 198M in the 2016 financial year at SUN level arising on the first-time consolidation of Anahita Residences & Villas in the Hotels and Resorts cluster.

−3%

Profit after Tax
MUR 1,144M

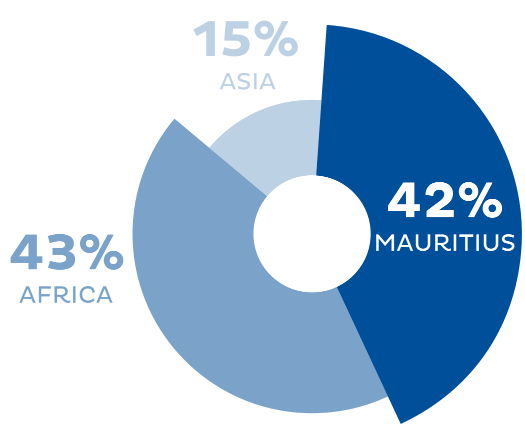
Group Profit After Tax fell 3% from MUR 1,182M in 2016 mainly due to the Healthcare, Finance and Textile clusters.

We have deployed a turnaround plan to drive sustainable efficiencies at Wellkin which had weighed on the Group's results.

The Finance cluster's results had fallen due to one-off exits recorded by the Private Equity arm of the cluster - Kibo Fund and an increase in the fair value of BNI Madagascar's investment properties in 2016 which were not repeated in 2017.

As far as the Textile cluster is concerned, the plan is to restore the Knitwear cluster's profitability and turn around the Knits operations in India.

Alteo's African operations and BNI Madagascar had contributed to the results in Africa.



PROFIT AFTER TAX BY GEOGRAPHICAL AREA

OUTLOOK

Our medium-to-long-term targets remain focused on developing strategies to improve EBITDA margin whilst optimising asset utilisation in order to improve our Return on Equity ("ROE") which currently stands at 5%. Gearing is at the top of our priority list and our objective is to bring the ratio down in the coming years.

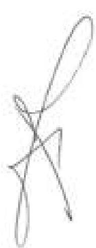
The six months ahead will also entail finalising the implementation of IFRS 9. Industry working groups at CIEL Finance level together with audit firms have been established to ensure broad consistency of modelling and disclosure approaches across our banking operations.

The primary challenge of implementing IFRS 9 will be the inclusion of macroeconomic forecasts, particularly under current volatile and uncertain macroeconomic conditions where forecast risk is high.

For IFRS 15: Revenue Recognition (effective from 1 January 2018) we have treated this as an area of emphasis during for the financial year and we have engaged in training our resources to implement the standard promptly.

We continue to execute on our strategic initiatives and are more than ever dedicated to consolidating our position while enhancing group-wide synergies within our five clusters. We are confident that these will drive operational efficiencies and improve profitability, thus leading to higher returns for our shareholders over the medium to long term.

I would like to conclude by thanking our stakeholders for their support during 2017 and, most of all, our finance teams across the Group for their hard work and ongoing commitment in producing quality financial reporting.



L. J. Jérôme De Chasteuneuf
Group Finance Director

Increased **Stakeholder** Engagement

CIEL has developed since its beginnings and continue to nurture strategic and long-term partnerships with its key stakeholders, starting with employees, shareholders, business partners and local authorities.

Stakeholders	Main Expectations	Preferred Channels
Investors	• Access to management team • Access to information for non-listed companies	☑ Bi-annual analyst meetings ☑ Roadshows ☑ One-to-one meetings ☑ Annual Meetings of Shareholders ☑ Teleconferences
Shareholders	• Regular and transparent communication	
Analysts	• Access to management team • Access to information for non-listed companies • Regular and transparent communication	
Regulatory bodies	• Transparency and dialogue	
Employees	• More interactions between clusters and Head Office • Information about Group activities • Request for Group discount card	☑ Group forums ☑ Group function forums (Finance, HR, Comms, etc.) ☑ Sports events ☑ Corporate magazine Horizons ☑ Monthly e-news
Business partners and suppliers	• Opportunities to connect with other parts of the Group	
Community	• Financial support • Partnerships	
Government	• Support of government initiatives (Vision 2030, 50th anniversary of the Independence of Mauritius, public celebrations)	☑ Website ☑ Social media (Facebook and LinkedIN) ☑ Specific emailing ☑ Public relations ☑ Trade organisations ☑ Public policy forums
Trade organisations	• Participation in sectorial forums	
NGOs	• Financial support and consideration • Partnerships and visibility	

Our Response	Engagement	Targets
• Held bi-annual analyst meetings with focus on non-listed companies and annually with full management team • Engaged with analysts and investors on regular basis • Held roadshow in South Africa • Hold one board meeting in Paris, France • Organised two shareholders' meetings • Completed two major transactions, Voluntary offer on CIEL Textile and Rights Issue at Sun level – information memorandum and offer document shared with shareholders • Revamp CIEL's website with the addition of a new FAQ section • Start of integrated reporting journey • Held Mauritius Golf Masters at Anahita	● ● ● ●	Compelling integrated report Disclosure of KPIs for increased transparency
• Regular on-site visits by the management • Launched CIEL Stories blog • Launched monthly e-news • Improved onboarding experience at Head Office level • Presentation of new CIEL Purpose and Values • Held Corporate Governance Seminar • Held management trainings at Head Office level to nurture empowerment techniques • Held management talks with external speakers (e.g. Fabien Galthié) • CIEL Ferney Trail special 10th Edition gathering 3,500 participants from all horizons around the theme of *Bouze Moris*	○ ○	Investigation of CIEL Group employee card possibility Facilitate Group contracts and preferred suppliers network
• Active participation in Business Mauritius and sectorial trade organisations • Regular meetings with government authorities • Publication of sustainability initiative report • ACTogether.mu unique platform for NGOs and citizens – specific online campaign launched for the platform's 10th anniversary • Sponsoring of various initiatives including Porlwi by Light, Festival Ile Court, Festival Mama Jazz, 25th anniversary of Republic of Mauritius, cultural shows, TedX Alu Conference, theatre, rugby clubs, triathlon, Mauritius Open Golf Tournament • MUR 5.4M shared through Fondation CIEL Nouveau Regard • Partnership with Inclusion Mauritius on CIEL Ferney Trail	● ● ● ●	Nurture and amplify Actogether.mu platform Continue support cultural, sports and community initiatives Continue on-going, open and frank dialogue with public authorities

Embrace

Diversity

Portfolio Review

CIEL TEXTILE BUSINESS MODEL

INPUT
VALUE WE DRAW FROM

FINANCIAL CAPITAL
Reliable operational cash flow; easy access to capital given low gearing ratio

SOCIAL & RELATIONSHIP CAPITAL
Long-term business relationships with trusted suppliers and clients including Marks & Spencer, ASOS, Levi's, Celio, or J.Crew

HUMAN CAPITAL
Learning and development organisation with a decentralised approach empowering 20,000 people to manage their tasks and factories as if it was their own

INTELLECTUAL CAPITAL
- Technical expertise
- Strategic and managerial knowhow to run global textile company
- Unique culture

MANUFACTURED CAPITAL
20 production sites equipped with automated manufacturing equipment

NATURAL CAPITAL
Raw materials (wool and cotton), water, energy (HFO, diesel, LPG, electricity)

Our Value Proposition
- High quality designed products
- Deliver unbeatable value to medium and upmarket retailers
- Vertically integrated business across 3 clusters (Knits, Knitwear and Woven)
- Excellent quality and service at competitive price
- Multi-location sourcing platforms (Mauritius/Madagascar, India and Bangladesh)
- Duty free access to EU and US from Mauritian and Malagasy markets
- Member of Sustainable Apparel Coalition
- Listed on The Development and Enterprise Market and The Stock Exchange of Mauritius Sustainability Index

WHO WE ARE
World-class global player in textile and garments operations

VISION
TBe the best alternative to China with the objective to deliver unbeatable value to medium and upmarket retailers

Our Activities
4 Countries

3 clusters
- Knits
- Knitwear
- Woven

34M Garments exported every year

20 production units

MAIN OUTPUT
DURING THE YEAR

FINANCIAL CAPITAL

- Turnover: MUR 10,5bn
- Profit after tax: MUR 562M
- Consistent and solid dividend

SOCIAL & RELATIONSHIP CAPITAL

- Successful launch of Act for our Community global initiative
- World Environment Day celebrated throughout operations
- 10th Edition of CIEL Textile Chairman's Manufacturing Excellence Awards rewarding best practices

HUMAN CAPITAL

- Learning and development investment and launch of unique leadership academy
- Appointment of Chief Operation Officer and new CEO for Floreal Knitwear

INTELLECTUAL CAPITAL

- Innovative designed products winning customers' hearts
- Implementation of digital tools to facilitate customer interactions
- First member of the Sustainable Apparel Coalition in Africa

MANUFACTURED CAPITAL

- 34M garments exported
- Building works for new Aquarelle factory in India to be delivered in 2018

NATURAL CAPITAL

- Fabric waste, wastewater, CO_2 emissions, energy consumption

MAIN OUTCOMES
DURING THE YEAR

- Reinforced leadership team including the nomination of a Chief Operating Officer of CIEL Textile as of 1 October 2017
- Highly structured design capabilities
- Laguna Clothing back to profitability
- Successful launch of garment dipping in Madagascar for Aquarelle
- Coordinated sustainability approach gaining recognition with all stakeholders
- Successful launch of *winning well** philosophy through key employee initiatives
- Improved shareholding with CIEL as majority shareholder at 88.48%

TARGETS

- Reposition Floreal Knitwear operations
- Improve India operations for Knits cluster
- *Winning well** concept deeply rooted in employee behaviours
- Innovative products and processes in anticipation of fast evolving consumer trends (ecology, technology, connectivity, etc.)
- Launch new factory for Aquarelle in India
- Maintain cost-competitive operations in the region despite labour costs

* Delivering excellent results while nurturing a win-win environment for all stakeholders

Progress Report

Last Year's Priorities	Progress Report
Pursue CIEL Textile globalisation strategy	Tropic Knits has started its new production unit in India and Aquarelle has started building works for a new factory in Bangalore, India which will be delivered in 2018; Aquarelle is also looking at having a new production base in South East Asia to better serve China, Japan and US markets. Country and targets have been identified but timing is subject to market conditions.
Engineer an upmarket move for Aquarelle's operations in Mauritius and Madagascar	Aquarelle is leveraging its speed to market capabilities in Mauritius and its increased capacity in Madagascar to serve upper segments; design capabilities and presentations have been upgraded leading to an increased sale of Aquarelle own design to customers.
Consolidation of operations and costs competitiveness improvements for Floreal's regional operations	Floreal's production centers have been regrouped around 3 factories (2 in Madagascar and 1 in Bangladesh); strategic, design, marketing and planning functions will be centralised in Mauritius in new location; new management is in place but more needs to be done to improve operational excellence, attract upper segments with higher value customers.
Focus on Tropic Knits' new operations in India	Tropic's new factory in India is well set-up but showing delay to run at full capacity and according to Tropic's operational excellence standards; The management will continue to focus on this operation in FY18.
Talent management to accompany CIEL Textile's dynamism	MOE academy is being launched throughout the Group to nurture leaders internally; key investments have been made for learning and development; Oracle Human Capital Management system software will be implemented in 2018 at Aquarelle. Eric Dorchies has been appointed Chief Operating Officer of CIEL Textile while he will continue to lead Aquarelle; Guillaume Dalais has taken the leadership of both Tropic Knits and Floreal Knitwear; Jean-François de Comarmond and Ayaz Tajoo have been appointed General Managers of Aquarelle's operations in Mauritius and Madagascar respectively; key mid-managers have been recruited throughout CIEL Textile.

2017 Financial Performance

Income Statement	MUR 'M	MUR 'M	MUR 'M
	2017	2016	Var
Revenue	10,527	10,508	19
EBITDA	1,015	1,153	(138)
Profit after Tax	562	704	(142)
Profit attributable to owners of parent	258	353	(94)

- The Woven cluster continues to excel on the operational front in the Indian Ocean region and in Asia. Benefitting from a strong sales momentum, profitability continues to improve while customer satisfaction remains high.

- The Knits cluster's performance was adversely affected by the activities of the factory in India. The Knitwear cluster has experienced a tough year owing to challenges posed by the upcoming departure of the UK from the EU, lower sales volumes and margins and reorganisation costs incurred.

- The current international retail environment and the foreign exchange risks are putting pressure on margins. The recent fiscal and monetary policies set by the Mauritian government, should however benefit the Textile industry through enhanced competitiveness and more modern processes.

- The plan is to restore the Knitwear cluster's profitability and turn around the Knits operations in India while establishing more effective marketing platforms to support front end activities across all segments.

Focus Areas for **2018**

While CIEL Textile performed relatively well in 2017, the company will continue its journey towards excellence and will focus in particular on the following priorities:

- Focus on Tropic Knits India and Floreal operations to return to profitability
- Nurture sustainable development of operations as a key differentiator while maintaining competitiveness
- Continue product-led marketing approach versus manufacturing-led approach
- Marketing towards emerging and fast growing e-commerce retailers (shifting existing markets)
- Manage globalisation strategy
- Facilitate customer interactions through digital transformation, reducing production time and offering innovative products

Outlook

Current Market Dynamics

- Shift of retail industry with new e-commerce retailers
- Growing captive markets in emerging markets (Africa, India and Asia)
- Currency fluctuations including depreciation of Pound Sterling and US Dollars
- Talent shortage
- Regulations and trade barriers

- The Aquarelle group which has reported record earnings this year, is facing reduced margins in its order book. On the other hand, CIEL Textile expects to reduce its losses in the Floreal group and Tropic Knits India operations.
- Based on current order books, CIEL Textile expects a first semester which is close to last year's results. The full year results will depend a lot on the marketing teams' ability to deliver on the sales and margins objectives in a difficult and volatile market.

CIEL AGRO & PROPERTY BUSINESS MODEL

INPUT
VALUE WE DRAW FROM

FINANCIAL CAPITAL
Large asset base
Healthy balance sheet with low gearing ratio at Alteo's level

SOCIAL & RELATIONSHIP CAPITAL
- Strategic partnerships at CIEL level with The Mauritian Wildlife Foundation, UNDP GEF Small Grants Program, and the Mauritian government
- Strategic partnerships at Alteo level with Tereos, Albioma, The Tanzanian government and local authorities

HUMAN CAPITAL
Decentralised approach with more than 6,350 employees

INTELLECTUAL CAPITAL
- Historical knowhow and 100+ years track-record in sugar cane industry
- Property development expertise and track record
- R&D expertise in Agro and Irrigation techniques

MANUFACTURED CAPITAL
Alteo factories, power plants and manufacturing equipments

NATURAL CAPITAL
- 200 hectares of natural reserve
- Water, land, energy, biodiversity & ecosystem health

Our Value Proposition
- Regional sugar cane industry player creating value throughout the sugar cane value chain with the production of raw sugars, refined sugars, bagasse, molasses and energy
- Pioneer in establishing dual bagasse-coal power plants
- Strategically located high-value land bank for property development
- High-end luxury property development expertise

WHO WE ARE
CIEL Agro & Property regroups CIEL's 20.96% stake in Alteo Limited and all the property assets of CIEL Group

VISION
To be a sustainable regional leader in sugar cane industry, renewable energy and property

Our Assets

Own :

Ferney Vallée
(3,000 hectares of land)

Ebène Skies
(5 storey office building in Mauritius)

Through Alteo :

33,600 hectares of land

3 sugar factories

1 sugar refinery

3 presence in countries

3 power plants

MAIN OUTPUT
DURING THE YEAR

FINANCIAL CAPITAL

- Revenue: MUR 86M
- Profit after tax: MUR 370M
- PS growth
- Share price appreciation
- ROCE/ROE

SOCIAL & RELATIONSHIP CAPITAL

- New partnership with Quadran and Albioma for energy projects
- Trusted relationships with governments and public authorities

HUMAN CAPITAL

- Launch of Leadership development center at Alteo
- Launch of new Alteo vision, mission, values, code of Ethics to enhance Group dynamic

INTELLECTUAL CAPITAL

- 5th anniversary of Alteo Group and brand following merger of Deep River-Beau Champ and FUEL

MANUFACTURED CAPITAL

- 335,000 tons of raw sugar produced
- 340 GWh exported to national grids – 11% of energy production in Mauritius

NATURAL CAPITAL

- Wastewater, CO_2 emissions, energy consumption, ashes, solid waste
- Approx. 13,000 endemic plants planted and 150 endemic bird released at La Vallée de Ferney Conservation Trust since project inception

MAIN OUTCOMES
DURING THE YEAR

- Record year for Alteo in terms of production and profits
- Successful launch of Anahita northern parcel
- Signature of Power Purchase Agreement for the development of new solar plant in Mauritius
- Successful relaunch of Anahita Golf Resort and Spa

TARGETS

- Optimisation of sugar industry by-products in all operations
- Maintain competitiveness and increase operational excellence to face worldwide increasing production costs, sugar price volatility and the removal of EU quotas
- Become a regional leader in sugar cane, energy and property
- Valuation of land base though property development projects for long-term prospects

Progress Report

Last Year's Priorities	Progress Report
Interesting prospects with 2016 increase in World sugar price associated with a sugar production deficit	Alteo has benefited from a production deficit and high sugar prices this year in all markets. This context associated with a record production led to a strong performance of Alteo.
Launch of the Anahita high-end northern parcel	Sales of the northern parcel have started and will be recognised in the next financial year.
Re-opening of Anahita the Resort in October 2016	Rebranded Anahita Golf and Spa Resort, the resort benefited from the addition of 25 rooms in its inventory while its F&B outlets have been successfully renovated and a luxury spa added to its offering.
Potential opportunity to increase energy capacity in Mauritius	Discussions with public authorities are still on-going; in the meantime, energy production has been at par with previous year.

2017 Financial Performance

Income Statement	**MUR 'M**	**MUR 'M**	**MUR 'M**
	2017	**2016**	**Var**
Revenue	**86**	87	(1)
EBITDA	**60**	29	31
Non-Recurring Items	**242**	128	114
Profit after Tax	**370**	183	187
Profit attributable to owners of parent	**305**	151	154

The strong performance of the Agro and Property cluster is mainly attributable to the excellent results of Alteo Limited's sugar operations in Tanzania and Kenya. Alteo Limited's results were also lifted by a one-off gain on the disposal of land and other ah-hoc income relating to the value of Land Conversion Rights. The results were further boosted by the rise in the fair value of land at Ferney Limited of MUR 226M.

ALTEO
Geographic and sector-specific results are further detailed below:

AGRI AND SUGARS

- Tanzanian sugar operations - TPC Limited ("TPC") - achieved better results as sugar prices, sucrose levels and production capacities were all favourable this year.
- High sugar prices and enhanced production capacities have also benefitted Transmara Sugar Company Ltd ("TSCL") in Kenya.
- Despite favourable sugar prices and improved sucrose levels, the results for the sugar cluster in Mauritius were adversely affected by a lower valuation of standing crop as sucrose levels are expected to be on the downside in 2017.
- In anticipation of the serious challenges facing the export sector in Mauritius, the government has announced a set of measures which should partially help the Mauritian operations overcome the falling sugar prices and lower sucrose levels. Sugar production volumes in East Africa are expected to be relatively lower compared to current year commendable results.

ENERGY

On the energy front, revenue was higher with a better offtake during the year mitigated by high coal prices in the second part of the financial year. Coal prices should adjust through the indexation mechanisms and help Alteo Energy Ltd perform better.

PROPERTY AND HOSPITALITY

Revenues of the property cluster were down due to limited inventory for sale following the completion of Anahita's southern and central phases. The sale of Anahita's high-end northern parcels as well as the newly refurbished Anahita Golf & Spa Resort should benefit the property cluster.
CIEL's share of profit from Alteo increased from MUR 55M in 2016 to MUR 102M in 2017.

Focus Areas for **2018**

ALTEO

- Maintain competitiveness and increase operational excellence to face worldwide increasing production costs, sugar price volatility and the removal of EU quotas since 30 September 2017
- Optimise sugar cane industry by-products in all operations to diversify revenue sources
- Accelerate sales of Anahita northern parcel properties
- Initiate new property development projects for long-term prospects

CIEL PROPERTY

- Investigating land/property development project in Ferney for long-term prospects
- Sale of non-core assets

Outlook

Current Market Dynamics

- Sugar price volatility
- Ever increasing cost base
- Abolition of sugar production quotas in EU
- Ever increasing demand for sugar in Africa
- Strong competition in the property sector for high-end properties

Mauritian sugar operations are expected to be affected by lower sucrose and lower sugar price, albeit supported by the export sector measures announced by Government. Sugar production volumes in Tanzania and Kenya also expected to be lower following the record year of FY 2017.
Energy activities of Alteo should benefit from tariff adjustment through indexation mechanism and therefore positively contribute to next year's results.
Property activities are expected to benefit from the recognition of the first sales of the Anahita northern parcels together with an improved performance of Anahita Golf & Spa following refurbishment.

CIEL HOTELS & RESORTS BUSINESS MODEL

INPUT
VALUE WE DRAW FROM

FINANCIAL CAPITAL
Solid shareholders but highly geared company

SOCIAL & RELATIONSHIP CAPITAL
Strategic partnerships with Four Seasons, Shangri-La and Dentressangle Initiatives

HUMAN CAPITAL
Approx. 4,500 employees

INTELLECTUAL CAPITAL
Sun Resorts brand, iconic hotels heritage (La Pirogue, Le Touessrok, etc.)

MANUFACTURED CAPITAL
9 owned and managed strategically located properties/land in the Indian Ocean

NATURAL CAPITAL
Biodiversity & ecosystem health, water, land, energy

Our Value Proposition

- Strategically located hotels on the nicest beaches of Mauritius
- Most recently renovated hotel properties in Mauritius
- Strategic partners (Four Seasons and Shangri-La) elevating the hotel industry standards in Mauritius and offering career development opportunities to Mauritians
- In-house Tour Operators (Solea and World Leisure Holiday) bringing complementarity to hotel business
- Owner of strategically located land in Mauritius for potential property development

WHO WE ARE

CIEL Hotels and Resorts regroups all our hospitality assets and represents mainly our 50.10% shareholding in Sun Limited

OUR ACTIVITIES

- Hotel Management
- Centralised Services
- Asset Management
- Real Estate

Our Assets

More than 1,500 rooms

3 ★★★★★+ hotels

3 ★★★★★ hotels

2 ★★★★ hotels

2 Tour Operators

2 golf courses

MAIN OUTPUT
DURING THE YEAR

FINANCIAL CAPITAL
- Revenue: MUR 6bn
- Profit after tax: MUR (121M)
- Lower finance costs

SOCIAL & RELATIONSHIP CAPITAL
- Guest satisfaction score with implementation of new reputational management tool
- New partner with Dentressangle Initiatives

HUMAN CAPITAL
- New leadership team at Corporate Office and reorganisation of Sales structure

INTELLECTUAL CAPITAL
- Re-launch of Kanuhura with unique hotel positioning

MANUFACTURED CAPITAL
- Renovated property assets

NATURAL CAPITAL
- Wastewater
- Emissions and energy consumption
- Solid and organic waste

MAIN OUTCOMES
DURING THE YEAR

- Reopening of Kanuhura, Maldives
- Successful implementation of new rate strategy
- All hotels operational
- Successful listed Bond Issue, Rights Issue and Private Placement
- Increased brand recognition with Tour Operators and customers
- Well structured management team at Sun leading return to profitability
- Launching of MICE capabilities which should lead to new revenue
- Launching of golf positioning
- Successfully re-negotiated UK Exclusive Contract and worked on attracting customers from other markets

TARGETS

- Improve our guest profile for higher spend
- Drive operational excellence
- Greater focus on Learning and Development for employees
- Grow occupancy at Kanuhura in Maldives
- Repositioning of all our hotels in their competitive sets
- Strong focus on guest experience
- Improve shareholder value by successful development of Real Estate Projects

Progress Report

Last Year's Priorities	Progress Report
New rate positioning	New pricing strategy has been implemented and yielding positive results so far; on-going efforts to continue growing average room rates.
Debt restructuring	Successful bond issue, rights issue and private placement have led to a healthier balance sheet.
Reopening of unique and iconic Kanuhura, Maldives	Kanuhura reopened in December and has been rated 3rd Best Hotel renovation in the world but is facing challenges due to geopolitical situation in Maldives.
Strategic Golf and MICE positioning	Strategic partnership with #Tamarina Golf Club, Ile aux Cerfs Golf Club and Anahita Golf Course. Recruitment of MICE expert and launch of MICE capabilities.

2017 Financial Performance

Income Statement	MUR 'M	MUR 'M	MUR 'M
	2017	**2016**	**Var**
Revenue	**6,007**	4,989	1,018
EBITDA	**919**	714	205
Non-recurring Items	**(124)**	(534)	410
Profit after Tax	**(121)**	(378)	257
Profit attributable	**(77)**	(188)	111

- The rise of 20% in revenue of the Hotels and Resorts cluster can be mainly attributed to Shangri-La's Le Touessrok and Four Seasons at Anahita luxury resorts being fully operational the entire financial year and to Kanuhura's re-opening in mid-December 2016.
- Effective since November 2016, Sun's new rate strategy is also contributing to the positive results of the cluster. However the renovation of phase one of La Pirogue and closure in June 2017 as well as the operational loss of Kanuhura since its re-launch weighed on the year's financial performance.
- Non-recurring closure, restructuring and branding costs have substantially decreased while finance costs have slightly risen due to higher renovation-related indebtedness.
- Sun Group is currently expecting a reduction in the gearing ratio from 55% as at 30 June 2017 to 42% by the end of the 2018 financial year following the MUR 5bn multi-currency note programme and the rights issue and the private placement of MUR 1.86bn.
- With a full room inventory as from August 2018 and a fully renovated asset base, the 2018 financial year should reflect a gradual improvement in profits.

Focus Areas for **2018**

Continue to grow revenue and increase sustainable profitability

- Capitalise on our commitment to Operational Excellence
- Achieve best-in-class in our competitive set across each of the categories in which we operate
- Diversify our distribution channels with increased share of direct bookings, MICE markets and Golf offers

Elevate guests experience through refining our brand promise and hotels positioning

- Refine and amplify our Brand Promise, Timeless Memories, through multiple activations
- Reposition Long Beach to 5* Deluxe

Continue operational excellence journey to improve margins and enhance customer experience

- Focus on training of associates
- Optimisation of Business Intelligence with live operational and financial KPIs
- Management empowered to deliver financial and operational KPI’s

Create value through real-estate development and management contracts

- Diversify cash-flow generation through real-estate development and third-party management contract

Outlook

Current Market Dynamics

- Growing tourists arrivals in Mauritius
- Challenging geopolitical situation in Maldives
- Brexit’s impact of UK clients
- Exchange rate movement against Mauritian rupee

Sun is presently embarking on its growth phase and the management team remains of the view that the Group is now well positioned to fully benefit from its revamped asset base and as a result, to progressively improve its profitability as from FY 2018.

CIEL FINANCE BUSINESS MODEL

INPUT
VALUE WE DRAW FROM

FINANCIAL CAPITAL

Partnership with Amethis Finance with a total investment capacity of USD 530M

SOCIAL & RELATIONSHIP CAPITAL

Strategic partnerships with Amethis Finance, Proparco, I&M Holdings and Axian Group

HUMAN CAPITAL

1, 400 employees throughout our portfolio companies

INTELLECTUAL CAPITAL

Financial services product offering, core banking systems, softwares and processes

MANUFACTURED CAPITAL

Buildings and IT equipment

NATURAL CAPITAL

Energy, water, forests

WHO WE ARE

CIEL Finance regroups all banking and financial services activities of the Group

OUR ACTIVITIES

Banking (BNI Madagascar and Bank One), Fiduciary (MITCO), Asset Management (IPRO) and Private Equity (Kibo Capital Partners)

Our Value Proposition

- Value creation for both our customers, employees and partners.

Focus within our portfolio companies on:

- Customer satisfaction and innovation (starting with but not limited to cutting-edge information technology)
- Employee engagement, through a participative approach (up to "intrapreneurship") and based on the effective application of our / each company's values
- Risk management and culture
- Permanent search for higher operational efficiency
- Developing synergies (within each company, within the Group and with our partners)
- Transparent and open governance facilitating the dialogue and interaction with our shareholders and partners
- High priority given to compliance and the community at large through the sustainable development of our activities, within a broad understanding of E&S responsibility

MAIN OUTPUT
DURING THE YEAR

FINANCIAL CAPITAL

- Revenue: MUR 2.1bn
- Profit after tax: MUR 636M
- Total assets: MUR 21.6bn
- Consistent and solid dividend

SOCIAL & RELATIONSHIP CAPITAL

- Customer satisfaction and innovation scores
- Regulators inspection reports

HUMAN CAPITAL

- Recruitment of key executives at the level of BNI and MITCO
- Onboarding of a Transformation team at Bank One
- Opening of 3 new representative offices in Africa for MITCO

INTELLECTUAL CAPITAL

- New core banking system successfully launched at BNI
- Brand refresh at the level of Bank One with new corporate values

MANUFACTURED CAPITAL

- Opening of BNI's 61st retail branch in Madagascar
- Bank One HQ fully revamped

NATURAL CAPITAL

- Energy consumption
- Wastewater
- Paper waste

MAIN OUTCOMES
DURING THE YEAR

- BNI became # 2 in Madagascar at end 2016 on 2 indicators (loan book and size of branch network
- Successful implementation of the new core banking system at BNI delivered within budget
- Focus on improving customer service at the banks
- Implementation of a risk matrix and risk heat map to monitor the risks faced by our portfolio companies
- Definition of an IT Transformation and Digitalisation roadmap for the cluster

TARGETS

- Maximising the profitability and value of the existing portfolio of activities, by strengthening their management and enhancing their competitive position
- Promoting business development and cost savings synergies within the CIEL Group and with its partners
- Integration of a unique Mauritius-based platform (Bank One + MITCO + IPRO + Kibo Capital Partners), to serve entrepreneurs and HNWI from Africa and beyond
- Expanding by acquisitions in sub-Saharan Africa as regards banking and related financial services (as well as private equity investments), and in international financial centres as regards the fiduciary business line

Progress Report

Last Year's Priorities	Progress Report
Maximising the value of existing investments	Strategic plan 2020 being implemented at the level of BNI, after having been fully accepted by all stakeholders. Bank One has successfully launched its new corporate values following a brand refresh & new visual identity initiated in early 2016, and has adopted its Vision 2020.
Reinforcing synergies within portfolio of companies and with its partners	Synergies taking more time than expected to be generated, as managerial & cultural context was not as favourable as expected – but now progressing.
Strengthening operational excellence	New Core Banking System successfully implemented at BNI in April 2017. Bank One started its transformation journey, including full processes review, integral management of service quality and adopting a new Core Banking System and digital banking platform (end 2018). Reorganisation progressing within MITCO.
Developing mobile financial services in Madagascar	First mobile payments services implemented in partnership with Mvola. Next step will be launching broader financial services for the unbanked.
Increased focus on risk management	The Risks, Compliance and Control Unit has been put in place and now has overall 'supervision' of risks and compliance at the level of the investee companies. Regular reporting done to the Audit & Risks Committee of CIEL Finance Limited.

2017 Financial Performance

Income Statement	MUR 'M	MUR 'M	MUR 'M
	2017	2016	Var
Revenue	2,088	1,932	156
EBITDA	789	791	(2)
Non-Recurring Items	-	137	(137)
Profit after Tax	636	792	(156)
Profit attributable to owners of parent	186	315	(128)

- The Finance cluster has posted an 8% revenue increase primarily explained by the continued good performance of its banking activities. Profit after tax, however, has fallen due to one-off exits recorded by the Private Equity arm of the cluster - Kibo Fund - and an increase in the fair value of BNI Madagascar's investment properties in 2016 which were not repeated in 2017.

- Despite adverse foreign exchange fluctuations and a subdued banking market growth over the January to June 2017 period, BNI Madagascar has posted higher revenues compared to prior year. The bank has successfully started to implement its "CAP LEADER 2020" strategy and is endeavouring to deliver more efficient operations following the deployment of a new core banking system during the financial year. A slowdown in the market and increased competition are putting pressure on the bank's commercial dynamism.

- Bank One has achieved improved results as it progressively implements its strategic plan and strengthens its management team. Competition on the domestic front remains fierce but the bank is proactively working on its international and private banking operations and on an upgrade of its banking software to boost efficiency and service quality.

- MITCO's revenue lines have been positively impacted by the recent measures implemented by the new CEO. New representative offices have been set up in Nairobi, Abidjan and Johannesburg to facilitate business flow. Management has devised a new strategic plan and is continuing efforts to provide value-added services to its clients.

Focus Areas for **2018**

CIEL Finance

- Nurture growth by supporting portfolio companies
- Embrace and facilitate digital transformation, ensure compliance and E&S responsibility
- Facilitate synergies between portfolio companies
- Regionalise activities

CIEL Finance strategic plan is further implemented by its portfolio companies, mainly:

BNI

- Grow market share and become a leader by 2020, both by profit and volume indicators (number of branches, loan book, number of clients)
- Develop more aggressively the retail segment, to become one of the leading banks on that market, while nurturing the existing corporate banking franchise
- Capture the underbanked or unbanked markets, through an asset-light approach (based on mobile banking and agency banking), in partnership with Telma, both for individuals and for SMEs

BANK ONE

- Pursue transformation agenda with a positive and dynamic contribution from all 6 business lines
- Develop and/or nurture a solution oriented, qualitative service offering approach
- Increase flexibility, reactivity and use of technologies, streamlining processes
- Embrace and bring all staff along an ambitious vision, becoming a real service hub for the rest of CIEL Finance and for its partners, in cooperation with other Mauritian CIEL Finance affiliates

MITCO

Given changing operating environment, reinvent the company via:

- entering new services and markets to reduce MITCO's dependency on Mauritius' tax advantages
- transforming its culture and organisation, towards sustainable quality and efficiency, as well as more added-value services
- becoming an international actor through partnerships, representation offices and acquisitions

Outlook

Current Market Dynamics

- Low financial services penetration rate in Africa
- Challenging macro-economic environment
- Changing regulatory environment
- Cybersecurity

- CIEL Finance believes that the strengthening of its different teams will contribute to its affiliates meeting their medium term objectives and achieving their respective growth strategies.

- CIEL Finance will pursue its banking growth strategy during the next financial year through organic growth whilst targeting potential acquisitions over the medium term. On the trust and corporate front, the management believes that a strategic acquisition notably in Luxembourg/Netherlands or Singapore/Hong Kong, may be timely and thus considering opportunities on that front.


BANK ONE

CIEL HEALTHCARE BUSINESS MODEL

INPUT
VALUE WE DRAW FROM

FINANCIAL CAPITAL
Recognised and solid shareholders facilitating expansion – International Finance Corporation ("IFC"), Proparco, Investment Funds for Health in Africa II, The Kibo Fund II

SOCIAL & RELATIONSHIP CAPITAL
Strategic partnerships with Fortis, IFC, Investment Funds for Health in Africa, etc.

Two Health Membership Organisations

HUMAN CAPITAL
Over 2,700 medical and non-medical staff

INTELLECTUAL CAPITAL
Medical expertise in over 40 specialties

MANUFACTURED CAPITAL
Strategically located prime facilities - 497 operational beds, 35 clinics, and several laboratories

NATURAL CAPITAL
Energy, water

Our Value Proposition

- A unique investment portfolio of prime hospitals and Health Membership Organisations in the Indian Ocean and Sub-Saharan Africa
- Strategic investors and a solid shareholders' base
- International and experienced partner bringing world-class standards and processes to reinforce operations
- Synergies across our network

WHO WE ARE
Investors in & operators of private healthcare facilities in Sub-Saharan Africa

VISION
Create an integrated network of private healthcare service provision in Sub-Saharan Africa

Our Network

3 countries

6 Hospitals

1 Lab

35 clinics

2 Health Membership Organisations

MAIN OUTPUT
DURING THE YEAR

FINANCIAL CAPITAL

- Revenue: MUR 1,730M
- Profit after tax: MUR (194M)
- Early repayment of the US$ loan for Hygeia investment given depreciation of USD

SOCIAL & RELATIONSHIP CAPITAL

- Implementation of Fortis Operating Systems ("FOS") and Medical Operating Systems ("MOS") scorecards
- Over 13,000 surgeries performed
- c. 320k lives covered
- Hygeia Health membership organisation awarded best Health Membership Organisation and Lagoon Hospitals voted Private Healthcare Provider of the Year in Nigeria

HUMAN CAPITAL

- Key Management hires at operational level
- Employee engagement surveys conducted/in process at Fortis Clinique Darné, Wellkin Hospital and International Hospital Kampala

INTELLECTUAL CAPITAL

- New Wellkin Hospital brand launched
- Process of re-accreditation of International Hospital Kampala and Lagoon Hospitals, for Cohsasa and Joint Commission International underway

MANUFACTURED CAPITAL

- Acquisition of state-of-the-art healthcare facility (Wellkin Hospital) and Gold Cross Hospital in Nigeria
- 7 high-end medical equipment purchased

NATURAL CAPITAL

- Emissions/energy consumption, wastewater, solid medical waste

MAIN OUTCOMES
DURING THE YEAR

- Consolidation of leadership position in Mauritius with acquisition of state-of-the-art hospital
- Expanded network with new facilities i.e. acquisition of 35 bedded-hospital in Nigeria and new clinics in Uganda
- Introduction of new medical services
- Focus on patient centric initiatives

TARGETS

- Achieving operational excellence across our facilities
- Performance Stablisation
- Turnaround of Wellkin Hospital
- Improve patient experience across our facilities
- Improve employee engagement scores
- Develop Mauritius as a regional healthcare hub to attract medical tourism
- Stronger brand equity

Progress Report

Last Year's Priorities	Progress Report
Strengthening of operational excellence across all investments	Progress made in terms of better financial management; Further efforts needed in terms of operational excellence.
Acquiring talent to strengthen top management	• Key Management hires at operational level at International Medical Group, Hygeia Nigeria Limited and Wellkin Hospital • Stronger Governance with the appointment of Hélène Echevin as Chairperson of CIEL Healthcare Limited and The Medical and Surgical Centre Limited ("MSCL") and with the appointment of Roger Hogarth as Chairman of CIEL Healthcare Africa (the management company of CIEL Healthcare)
Introduction of new specialties in Mauritius	• Acquisition of Wellkin Hospital (Ex-Apollo Bramwell Hospital) reinforcing our service offering • Various measures taken to improve patient experience
Further cluster-wide implementation of patient-centric initiatives	Implementation of Fortis Operating Systems ("FOS") and Medical Operating Systems ("MOS") to track clinical outcomes and Service Quality System.
Implementation of a performance optimisation plan for Hygeia	Plan implemented; however, given the persistent challenging macro-economic situation in Nigeria, close performance monitoring is required together with additional support to the team on the ground.

2017 Financial Performance

Income Statement	**MUR 'M**	**MUR 'M**	**MUR 'M**
	2017	**2016**	**Var**
Revenue	**1,730**	1,224	506
EBITDA	**134**	174	(40)
Non-Recurring Items	**(175)**	(30)	(145)
Profit after Tax	**(194)**	69	(263)
Profit attributable	**(98)**	35	(133)

- The Healthcare cluster's results include the newly acquired (January 2017) Wellkin Hospital ("Wellkin") and, therefore, cannot be compared directly with last year's results.
- The 40% year-on-year increase in revenue can be primarily attributed to the consolidation of Wellkin in The Medical and Surgical Centre Limited's ("MSCL") figures and to a higher contribution from the cluster's Ugandan operations.
- The drop in the profitability reflects the recently acquired Wellkin and a MUR 138M impairment of an associated undertaking, Hygeia Nigeria Limited ("HNL"), due to the significant depreciation of the Nigerian Naira.
- Management has started to deploy a turnaround plan to drive sustainable operational efficiencies at Wellkin while enhancing optimal synergies between Fortis Clinique Darné ("FCD") and Wellkin. MSCL remains entirely focused on clinical excellence as the group nurtures a strong patient-centric culture.
- Despite the stable performance of hospitals and clinics, the International Medical Group ("IMG") has been impacted by the lower performance of its Health Membership Organisation ("HMO") - a wholly owned subsidiary.
- The operations of HNL have slowly started picking up as the economy improves though the depreciation of the Naira remains a challenge. A performance optimisation plan has been put in place during the year and HNL is working on the integration of the newly acquired Gold Cross Hospital.

Focus Areas for **2018**

Develop operational efficiencies, reducing expenses at all operations

- Develop synergies between Fortis Clinique Darné and Wellkin Hospital in Mauritius
- Optimise reporting system for timely and effective information
- Implement proper internal controls and procedures
- Focus on talent management and team strengthening

Nurture strong patient-centric culture for improved patient experience

- Nurture confidence in our facilities
- Welcome new doctors and specialities
- Increase focus on quality

Consolidate investments in Nigeria and Uganda

- Stabilise existing operations
- Grow Hygeia business with Gold Cross Hospital

Outlook

Current Market Dynamics

- Growing private healthcare market in Sub-Saharan Africa
- Limited number/fragmentation of healthcare operators
- Significant interest from investors
- Macro-economic instability in certain African countries
- Talent shortage

Performance improvement in our Sub-Saharan African operations:

- Stabilisation of the Nigerian economy
- Improved management in Nigeria and Uganda
- Improved reporting

Transition year for The Medical and Surgical Center Limited following acquisition of Wellkin Hospital, which will have an overall impact on performance.


OUTPATIENT DEPARTMENT

Act with Discernment

Risk Management

Enterprise **Risk Management** Journey

This financial year ended marked CIEL's significant leap forward along the Enterprise Risk Management ("ERM") journey – a journey that began with a vision, that is, to instill a culture of risk management in every employee and to embed a mature and effective ERM system in the organisation. CIEL recognises that to achieve this vision there is a long road ahead. Nonetheless, CIEL has made remarkable progress thus far.

KEY ACHIEVEMENTS IN 2016/2017

- Employed and set-up a risk management department at CIEL's head office.
- Developed and approved an ERM policy and framework.
- Appointed risk champions and trained staff at CIEL's head office.
- Set-up an ERM governance structure at head office, namely the CIEL Corporate Services ("CCS") Risk Team and the CIEL Group Risk Oversight Committee ("ROC").
- Performed a risk assessment exercise for CCS.
- Created awareness of CIEL's ERM system at each of the clusters and established the necessary lines of communication.
- Appointed risk champions for each cluster.
- Developed and approved an automated tool to assist the risk champions in the tracking of risks and control measures.
- Performed a risk assessment exercise for CIEL Group and had this vetted and ratified by the Group ROC and Audit & Risk Committee ("ARC") before reporting to Board.

NEXT STEPS

- Standardise the way in which risks are assessed, controlled, monitored and reported.
- Establish an enterprise-wide governance structure that is integrated and that can communicate risk-related information in an efficient manner.
- Develop and approve CIEL's risk appetite.
- Develop and approve an integrated business continuity plan for the Group.
- Develop the expertise to advise senior management on its strategic decisions by providing insights on emerging risks as well as assessments of the external environment such as global economic trends.
- Pave the way for cross-fertilisation by implementing a unified ERM system for the Group.

ERM System

CIEL defines risk as the potential outcome, other than what is expected, arising from the pursuit or achievement of a given objective. In other words, risk may be viewed as a consequence (positive or negative), or a combination of consequences, that is derived from uncertainty.
CIEL summarises its risks into three main types:

- **Preventable risks:** these are risks that arise from events that occur internally and that may be controlled. They offer no benefit to the enterprise and as such should be eliminated completely or at least mitigated as far as CIEL is concerned.
- **Strategy risks:** these are risks that are intentionally accepted or undertaken with the prospect of a reward and are almost completely dependent on the risk appetite of the enterprise.
- **External risks:** these risks arise from events that lie beyond the influence and control of the enterprise and may come as a benefit or a cost to the enterprise.

For reporting purposes, CIEL further subdivides its risk into the following factors (reflecting the internal and external environment in which it operates):

Risk Factors (External)	Definition
Political	These factors consider the extent to which government and government policy may impact on an organisation or a specific industry.
Economic	Economic factors consider the current and future state of the economy. This includes the business cycle as well as supply & demand dynamics.
Sociological	These factors relate to the current social environment and the awareness of emerging social trends.
Technological	These factors consider the rate of technological innovation and development that could affect a market or industry.
Legal	These factors relate to the understanding of what is legal and allowed within the territories operated in. These factors also related to the awareness of any change in legislation and the impact this may have on business operations.
Environmental	These factors relate to the influence of the surrounding environment and the impact of ecological and health-related issues in countries where CIEL operates.
Risk Factors (Internal)	**Definition**
Financial	Financial factors relate to the uncertainty behind the extent of financial loss and the availability of financial resources.
Reputational	Reputational factors relate to the risk of loss arising from damage to a firm's reputation.
Operational	Operational factors relate to the prospect of loss resulting from inadequate or failed procedures, systems, people or policies.
Strategical	Strategical factors relate to the potential for loss arising from strategies that turn out to be defective or inappropriate.

Governance Structure

CIEL has adopted an ERM governance structure that is characterised by three lines of defence:

FRONT LINE

Employees are responsible for managing their day-to-day risks. Among these are the appointed risk champions who express leadership characteristics and are ERM optimists. Risk champions periodically assess, control, monitor and report on the risks associated with their designated line of business.

SECOND LINE

Risk Oversight Committees. The roles of the ROC are to ensure that key risks are objectively prioritised. In addition, the ROC highlights the steps taken to address the key risks, drives the implementation of control measures and ensures risks are reported on in a timely, presentable and accurate fashion.

THIRD LINE

Audit & Risk Committees with the support of internal and external audit. The primary role of this line of defence is to obtain reasonable assurance that the ERM system is effective. The Board of Directors take full responsibility for the effectiveness of the ERM system.

CIEL GROUP BOARD OF DIRECTORS

CIEL Group Audit & Risk Committee

▲

CIEL Group Risk Oversight Committee

▲

OPERATIONS

CIEL Textile	**CIEL** Finance	**CIEL** Healthcare	**CIEL** Hotels & Resorts	**CIEL** Agro & Property
Board of Directors and Audit & Risk Committee	Board of Directors and Audit & Risk Committee	Board of Directors and Audit & Risk Committee	Board of Directors and Audit & Risk Committee	Board of Directors and Audit & Risk Committee
Risk Oversight Committee	Risk Oversight Committee	Risk Oversight Committee	Risk Oversight Committee	Risk Oversight Committee

Process

CIEL manages risk through effective communication and consultation with all relevant parties along the extended value chain to ensure that it is aligned with its strategy. CIEL responds proactively and undergoes its risk management process in a stepwise manner:

Understand and assimilate the internal and external environment of the organisation.

▼

Identify potential events, their sources and consequences.

▼

There may be consequences to five different elements of the business: stakeholder value, financial resources, talent & culture, value chain, and environment & society.

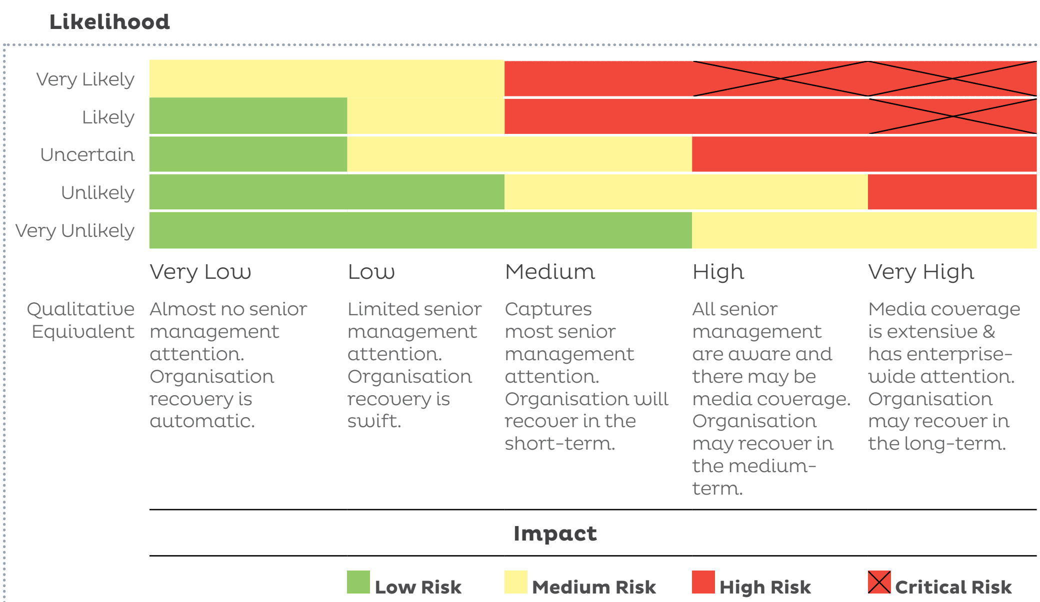
Derive a risk measure from each (impact x likelihood).

▼

Derive a final risk measure that is a function of the weighted average of these five elements as well as a function the organisation's ability to control the risk.

The weighting is based on the strategy of the organisation.

▼



▼

Develop and action a mitigation plan.

▼

Continuously monitor and update risks and controls.

Process & Governance Walkthrough

The risk champion at CIEL Healthcare ("CHL") identified talent management as a potentially high risk, with the assistance of the HR department. Using the automated tool and manual, the risk champion could adequately capture the risk in terms of the event, sources and consequences.

▼

With the help of the HR department, the risk champion inferred that talent management does not only have consequences to the "Talent & Culture" of the business but also to its "Stakeholder Value". CHL places strong emphasis on these two elements and therefore the automated tool calculated it to be a high risk.

▼

At the following ROC meeting for CHL, the members discussed the results of the risk assessment done for that quarter. It was at the meeting that the risk assessment was vetted and finally a consensus view on the key risks for CHL was achieved. Among these key risks was talent management.

▼

A senior member of the ROC of CHL reported this information to the ARC of CHL where reasonable assurance of the key risks and the efficacy of the process were obtained before reaching the Board of CHL. A representative of the ARC presented the key risks to the Board of CHL and an agreement was reached that talent management needed to be treated accordingly.

▼

The ARC representative informed the respective risk champion of the Board's decision, who then arranged a meeting with executives and the HR department to discuss a potential mitigation plan.

▼

The risk officer of CIEL Group followed the same process of acquiring and reporting the key risks for the Group. With this information, the Group Risk Officer convened a meeting with CIEL Group's ROC. The objective of this meeting was to vet all incoming information and arrive at a consensus view of the key risks for the Group. Talent management was of course among these key risks.

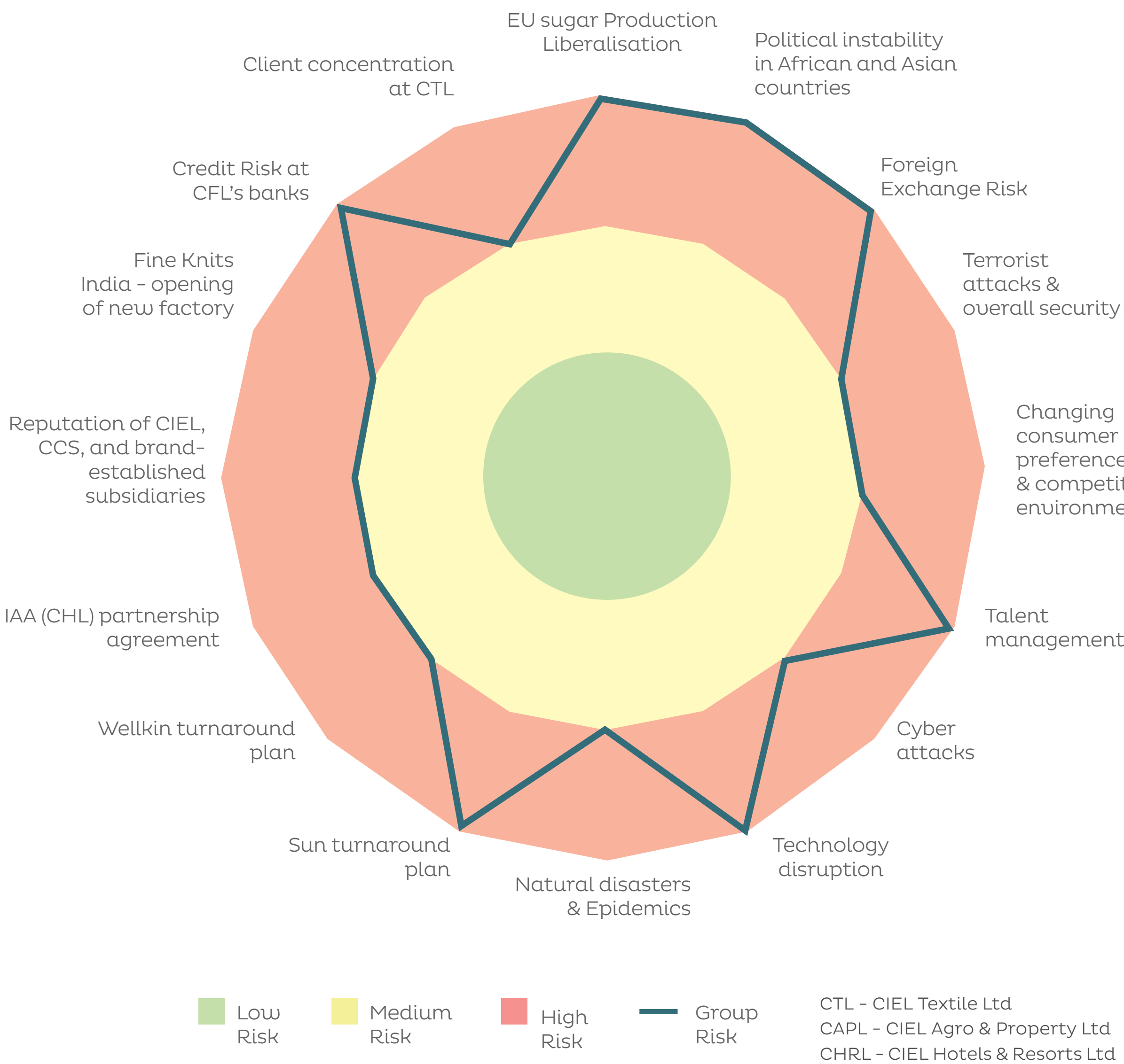
▼

The Group risk information was then reported to the Group ARC and Board. It was in these meetings that talent management was further discussed. An agreement was reached to provide full support to CHL in achieving a successful mitigation plan.

Material Risks

A risk assessment exercise across all our operations, support and corporate areas identified and evaluated a total of 36 risks in 2016-2017. Executive Management, supported by the Group Risk Officer, then reviewed and challenged each perceived level through the evaluation of certain controls and relative risk levels. This produced a list of major risks monitored by the Group ROC and the ARC, which was then narrowed down into 16 principal risks, material to the Group, and monitored by the Board of Directors.

CIEL GROUP RISKS



CTL - CIEL Textile Ltd
CAPL - CIEL Agro & Property Ltd
CHRL - CIEL Hotels & Resorts Ltd
CFL - CIEL Finance Ltd
CHL - CIEL Healthcare Ltd

Material Risks (cont'd)

Risk Factors	Risk Nature	Risk Description	Affects	Management Comments
POLITICAL	**Political instability in African and Asian countries**	Corruption and a lack of government expertise leads to poor and erratic government policy decisions which places pressure on businesses. This appears to be the case in some of the countries in which CIEL operates.	CIEL ↑ CAPL CTL CFL CHL CHRL	The affected clusters have adequately diversified their business into various regional countries to mitigate political risks. Building healthy and sustainable relationships with representatives of the relevant governmental bodies to advise on government policy decisions is key to the strategy of CIEL.
	EU sugar production liberalisation	It is expected that all sugar exports to the EU (EU imports) will be reduced by 50% over the next five years. This may have a drastic effect on Alteo Ltd ("Alteo") since it imports a significant portion of sugar to the EU.	CIEL ↑ CAPL	Alteo has diversified its business into the property and energy sector. It has also placed more focus on sugar exports to, and production in, regional countries (Tanzania and Kenya). Sugar consumption is increasing in developing countries (more than in developed countries) – this is due to the growing populations, rising incomes, and westernisation of consumer diets. This increases incentives to further diversify into Africa.
ECONOMIC	**Foreign Exchange Risk**	Some of the countries in which the clusters operate in are more prone to foreign exchange volatility due to economic and political instability.	CIEL ↑ CTL CAPL CHL CFL	Azur Financial Services Ltd, a subsidiary of CIEL, is effective in managing the FX risk. This in accordance with Management policy and is therefore in line with CIEL's strategy. The clusters further mitigate the risk by diversifying their business activities into more than one country.
SOCIOLOGICAL	**Terrorist attacks & overall security**	Although a low likelihood event, terrorist attacks and threats to the overall security of tourists could have significant impact to the hotel industry.	CIEL ↑ CHRL	Sun Management is very aware of the security risks facing the hotel industry. The necessary measures are in place to mitigate the risks as far as possible and improvements are also being considered.
	Changing consumer preferences & competitive environment	Operating in industries where consumer preferences are constantly changing presents serious challenges - more so in an age of globalisation and disruptive technologies. The most versatile competitors now have the edge.	CIEL ↑ CTL CHRL CFL	Management has employed, and are always employing, a strong versatile workforce to drive new marketing and sales strategies.

Risk Factors	Risk Nature	Risk Description	Affects	Management Comments
	Talent management	The effort to attract, nurture and retain talent is made difficult by operating in countries far removed from first world giants and in industries that are highly competitive and dynamic.	CIEL ↑ CTL CHL CFL CHRL	CTL Management have added a new position at each of its clusters to focus on talent research & development. CHL Management mitigates the risk through association with Fortis Healthcare, through deputation of skilled management personnel, and exchange programmes with Fortis. Going forward, the aim is to skill build internally through cross fertilisation with all subsidiaries.
TECHNOLOGICAL	**Cyber attacks**	Valuable and sensitive information on the servers is held by the various clusters, and at head office, and it is recognised that the likelihood of cyberattacks is increasing at a rate that is difficult to manage in today's modern world.	CIEL ↑ CFL CHRL CHL CTL	Existing firewalls automatically relay regular reports for proper monitoring. Penetration tests are conducted on a yearly basis at most of our clusters to identify flaws on the firewalls and the network. A health check is also conducted on all the servers on a yearly basis to ensure that necessary updates are installed and required ports secured.
	Technology disruption	The fast progress in technology has reshaped the social and business landscape. It has influenced customer lifestyle and has allowed businesses to reap the benefits by better understanding customer needs. Customers are now beginning to redefine their expectations. Businesses are also taking advantage of the fact that technology provides solutions that are cost-effective and efficient.	CIEL ↑ CFL CHRL CHL CTL	Management are in discussion to employ talented technology and information officers to drive the innovation culture.
ENVIRONMENTAL	**Natural disasters & epidemics**	As history suggests, Island nations and developing countries are, in general, at greater risk of the effects of climate change and are more vulnerable to the damage caused by natural disasters and epidemics.	CIEL ↑ CAPL CHRL CTL CHL	CIEL is in the process of establishing disaster recovery and business continuity plans at CIEL level and at each of the clusters.

Material Risks (cont'd)

Risk Factors	Risk Nature	Risk Description	Affects	Management Comments
FINANCIAL	**Sun turnaround plan**	Sun Ltd ("Sun") has been loss making over the last few years and has not been able to make any distribution of dividends to its shareholders. This is mainly due to the poor EBITDA generated by Sun.	CIEL ↑ CHRL	Now that the major hotels are complete with their renovations, Sun should turn around to profits. The strategy of increasing average room yield at Long Beach and increasing occupancy at Kanahura and Shangri-La's Le Touessrok will be key to the success of the operations in the year to come.
	Wellkin turnaround plan	The recently acquired Wellkin Hospital ("Wellkin") is currently loss making. A turnaround plan is being implemented but is dependent on several conditions - if Wellkin can increase its market share, internally reengineer its operations, and if it can adequately manage its Capex and working capital.	CIEL ↑ CHL	Wellkin management is actively pursuing the achievement of said conditions.
	IAA (CHL) partnership agreement	IAA, a subsidiary of IMG, is a HMO in Uganda that provides medical insurance. Four years ago, IAA entered into a partnership with Resolution Health East Africa Ltd ("RHEAL") to provide regional health cover to Ugandan-based corporate clients. RHEAL did not perform well on its contractual obligations and as such it was decided to unwind the partnership.	CIEL ↑ CHL	IAA is in discussion with RHEAL to try and resolve the matter amicably, and is investigating the possibility of taking over RHEAL's book. A due diligence exercise is being conducted to assess the potential impact on IAA.
REPUTATIONAL	**Reputation of CIEL, CCS, and brand-established subsidiaries**	CIEL has a multinational footprint and is large enough to have widespread public awareness. CIEL therefore has a reputation to uphold. CIEL has invested in companies which are, in general, susceptible to reputational damage and therefore require active management.	CIEL ↑ CTL CHRL CHL CFL CAPL	Management are investing more in making the brand resilient, proactively managing reputational risks and keeping the CIEL culture alive. Management are in discussion to develop a groupwide response plan to mitigate the effect of a reputational crisis.

Risk Factors	Risk Nature	Risk Description	Affects	Management Comments
STRATEGICAL	**Fine Knits India – opening of new factory**	Fine Knits are expanding their business into India. The first factory has recently been acquired and is in operation. However, it is currently loss making due to the factory processing complex orders, the quality issues on fabrics and a soft order book.	CIEL ↑ CTL	Management are taking necessary steps on the marketing and production front to ensure that the operational concerns may be handled effectively.
	Credit Risk at CFL's banks	Credit Risk is an inherent top risk for the banking activity. Historically, the banks in the CFL's portfolio have had a relatively high non-performing ratio due to legacy loan book issues. Although the quality of their inflows has significantly improved over the last years, both banks have a high concentration in corporate (for BNI) / international (for Bank One) with big ticket sizes due to the relatively low size of portfolios and are hence vulnerable to a single non-performing loan.	CIEL ↑ CFL	CFL have set up a governance framework to manage and mitigate credit risk, with due consideration to the aggressive growth plan of each bank. The main features of the framework are: - Adequate credit risk policies (general and individual per products and segments); - Clear mandate for approving loans (Management and Board levels, with "veto" power to CRO) - Active participation of CFL in all credit committees and approval of loans above Management's powers - CFL provides on-site training for BNI. - CFL actively engages with senior members of the banks, including the CROs.
	Client concentration at CTL	Certain business units of CTL (Aquarelle, Tropic Knits, and Floreal International) are each highly exposed to one or two clients.	CIEL ↑ CTL	Management argue that an immediate and entire loss of a client is highly unlikely. More likely is the scenario that it slowly diminishes its business over time. In response, Fine Knits are slowly diversifying their client base to international giants. Fine Knits are also in the process of proposing a new sales strategy with diversification in mind. Knitwear are also in the process of implementing a new long-term sales strategy to diversify across the globe. The Woven cluster have an effective sales strategy in place.

Do the Right Thing

Sustainability

Our **Sustainability** Journey

We firmly believe that sustainability cannot be reduced to an action item on our to-do list, but rather consists of a way of looking at things, a way of doing business.

Sustainability implies looking at the bigger picture, thinking long-term. Thus, creating value while seeking balance between economic, social and environmental dimensions.

Now in its second year, CIEL Limited still follows its five-year roadmap. This is done through the empowerment of its clusters and operational units, which are responsible and accountable for embedding sustainability as a management practice.

As at last year, 50% of the Sustainability Committees had been set-up. We had projected full implementation of our Sustainability Governance Structure by the end of this financial year. Despite relentless efforts, CIEL's Sustainability Governance Structure has, as at date, reached 80%. This can be explained by the inclusion of new investments in our portfolio, to which CIEL Limited is giving priority attention.

Purpose

For a world we can all feel proud of

COMMITMENTS

- Compliance with national and international laws and regulations
- Good International environmental, social, economic Industry Practices
- Best sustainable practices

MISSION

We create and nurture lasting value for our stakeholders and country through transparent, ethical, and responsible business management

VISION

To be the leader of sustainable development in our world

VALUES

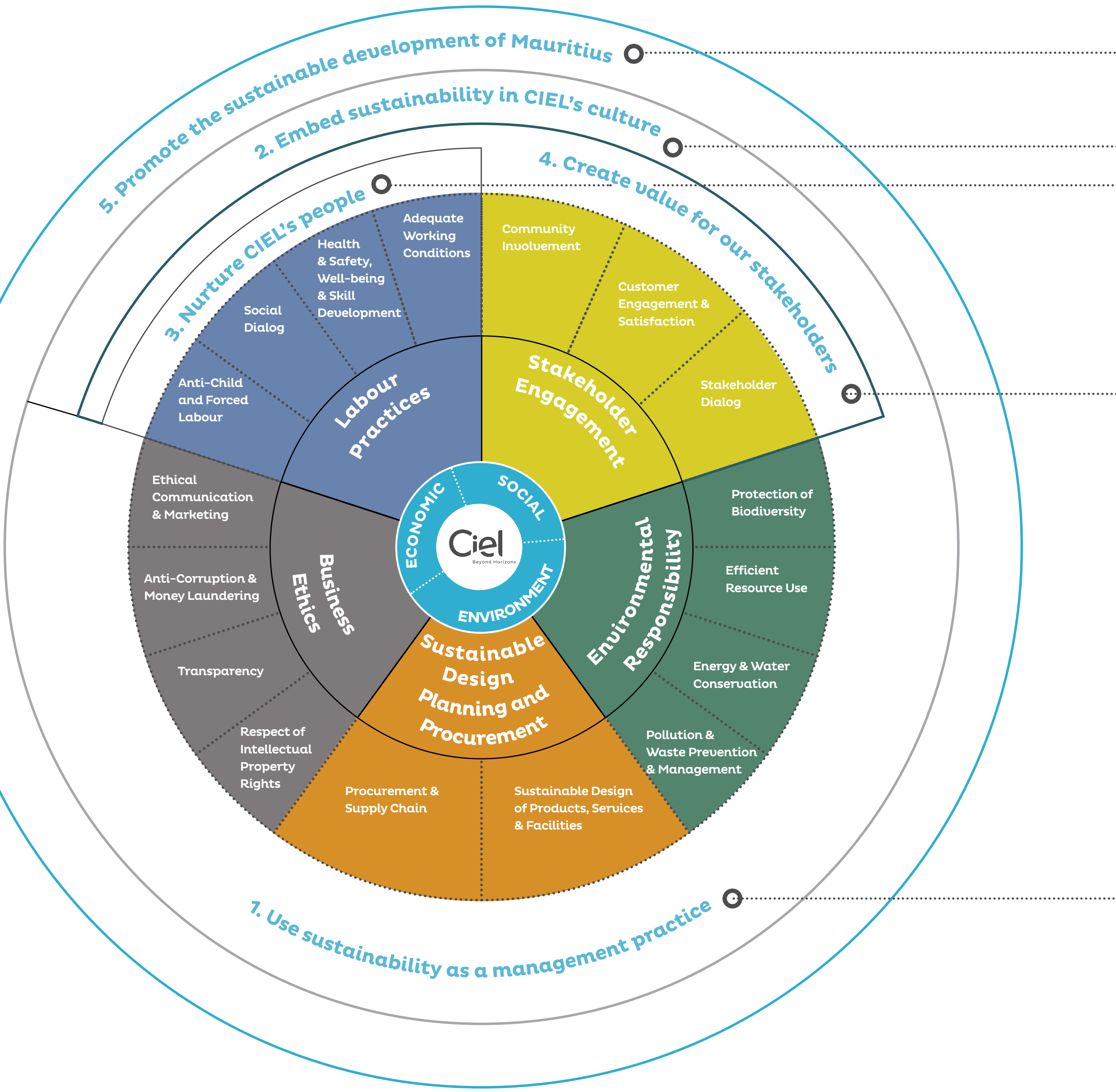
PEOPLE AT HEART

EXCELLENCE AT CORE

ETHICAL & SUSTAINABLE

Our **Integrated Approach** to Sustainability

This 360° chart depicts an integrated approach to sustainability and provides an overview of how this is achieved. It puts forward the multiple overlapping layers of our philosophy, and gives a synopsis of its components.



How?

- By raising awareness about sustainability issues in Mauritius
- By initiating/supporting sustainability related initiatives

- By having a governance structure to drive the sustainability agenda
- By embedding sustainability in business processes and reporting

- By developing mechanisms to attract, train and retain best talent
- By increasing and improving collaboration among teams and individuals in different clusters

- By engaging and communicating with our various stakeholders through differentiated and adequate media
- By becoming involved in community projects

- By changing the perception of sustainability to a value adding practice
- By promoting the implementation and execution of sustainability

Key **Sustainability** Initiatives

Business Ethics

- **Governance at the Forefront of Discussions**

A workshop on the National Code of Corporate Governance, conducted by the Mauritius Institute of Directors, was held in March 2017, with managers and executives from the 5 clusters of the Group.

- **Ethical and Sustainable**

CIEL released its Code of Ethics which addresses Business Integrity, Workplace Culture, Data Privacy, Reputation & Goodwill, Environmental & Social Issues.

It aims at encouraging our investee companies to build upon this code to promote business ethics within their respective context.

5

KEY AREAS

Business Integrity

Workplace Culture

Data Privacy

Reputation & Goodwill

Environmental & Social Issues

Sustainable Design, Planning and Procurement

- **Industry Collaboration**

CIEL Textile joined the Sustainable Apparel Coalition ("SAC") this year. The Higg Index, a standardised management tool, developed by the SAC, is now used by CIEL Textile to measure sustainability, address inefficiencies, improve practices, and achieve the social and environmental transparency that its customers, and ultimately consumers, are starting to demand.

1st

MEMBER OF THE SAC ACROSS AFRICA

Sustainable Apparel Coalition

Higg Index

- **From Bronze to Silver**

The commitment of CIEL Hotels & Resorts to sustainability has been recognised through the EarthCheck Silver accreditation (following a bronze accreditation in 2014) of Sun Resorts hotels in Mauritius.

4 **SILVER CERTIFIED HOTELS**

EarthCheck

Labour Practices

- **Nurturing Talent**

A talent management workshop was held together with the Group's human resources managers, as part of CIEL's willingness to facilitate discussion and change mindsets on talent development and retention, and ultimately, shift the role of HR from support function to strategic partner.

- **Creating Stronger Relationships**

Team Building activities are regularly organised throughout most entities of the Group. This with the aim of nurturing team spirit and improving communication and collaboration among colleagues.

Environmental Responsibility

- **Ensuring Biodiversity Protection and Conservation**

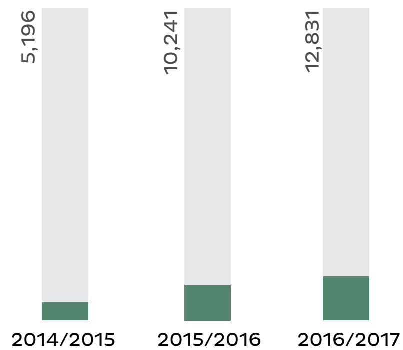
As part of the Mauritius endemic bird release programme at La Vallée de Ferney, many endemic birds have found their new habitats in this biodiversity sanctuary. La Vallée de Ferney Conservation Trust, in partnership with the Mauritian Wildlife Foundation and the GEF Small Grants Programme, the National Parks and Conservation Services, released 30 pink pigeons this year, in the presence of special guests including children and public authorities.

- **I'm with Nature**

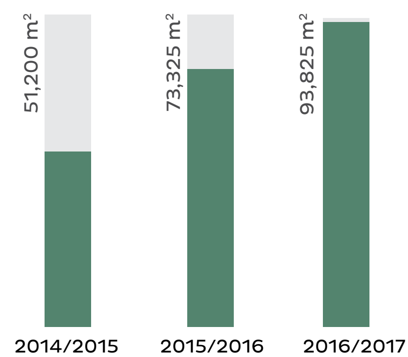
World Environment Day observed every year across the globe on 5 June, was celebrated at several entities of the Group this year. Under the theme *Connecting People to Nature*, events ranged from clean-ups, to tree planting and sharing, to awareness activities around energy saving and waste recycling.

5 BIRD SPECIES RELEASED SINCE 2014 INCLUDING PINK PIGEONS, ECHO PARAKEETS, KESTRELS, CUCKOO SHRIKES AND FLYCATCHERS

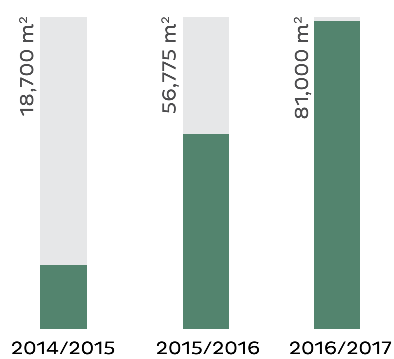
350 PINK PIGEONS IN MAURITIUS OF WHICH **30** RELEASED THIS YEAR IN FERNEY



Native plants planted



Total weeding area



Maintenance weeding

la vallée de ferney
FOREST AND WILDLIFE RESERVE

Key **Sustainability** Initiatives (cont'd)

Stakeholder Engagement

- **TEDx ALC Event**

TEDx ALC 2017

"WHAT IF... ACTUALISING ENDLESS POSSIBILITIES"

CIEL was the proud sponsor of the 2017 TEDx ALC talk, an inspiring event bringing together a community of change-makers and influencers from across Africa to perform in Mauritius, including students of 30+ nationalities and successful entrepreneurs. This year's theme aimed at challenging the status quo, rethinking and tackling problematics experienced worldwide.

- **Bouze Moris!**

First launched in 2008, CIEL Ferney Trail rendez-vous celebrated its 10th Edition and welcomed more than 3,500 participants of 12 different nationalities on its four-race series.

3,500

PARTICIPANTS OF WHICH

31

YOUNGSTERS WITH DISABILITIES

This 10th Edition was marked by the participation of 30 mentally disabled youngsters on the 4km race, each accompanied by some of CIEL employees. This was made possible thanks to a partnership between Fondation CIEL Nouveau Regard ("FNCR") and Inclusion Mauritius, a group of NGOs fighting for the inclusion of people with disabilities. A physically handicapped eleven-year-old also participated to the 10km race, thanks to 20 volunteers who took turns in pushing/ carrying him all the way.

Being a not-for-profit event, CIEL Ferney Trail made a contribution of MUR 400,000 to Inclusion Mauritius and La Vallée Conservation Trust.

ACTogether.mu
la plateforme citoyenne

10

YEARS AT THE SERVICE OF NGOS

- **ACTogether.mu**

ACTogether.mu, an online platform launched and managed by FCNR, celebrated its 10th anniversary. The portal, initially developed as an online tool to promote and help NGOs, added a citizen section to encourage citizens to help, donate, recycle and get involved within their community. A national social media campaign has also been launched, aiming at encouraging Mauritians to get involved into their communities.

- **Supporting Local Events**

CIEL was the proud sponsor of Festival MAMA JAZ 2017, one of the only Jazz festivals organised during a whole month in the world, with 70 international and Mauritian artists.

CIEL has lent its support for over 5 years to Festival Ile Courts presented by the Association Porteurs d'Images. For the occasion, a 'Café Courts' was organised in our offices, showcasing short films directed by Mauritians as well as foreigners.

CIEL was the proud sponsor of Porlwi By Light Festival. Under the theme 'People', last year's festival not only showcased the pieces of artwork, but also the artists behind each one of them.

CIEL participated into the first *Initiative for Gender Diversity in Leadership* conference, organised by the Mauritius Institute of Directors. The debate involved representatives from public and private sectors; including CIEL's Head of Human Resources, who addressed the case of gender diversity at board level and how it could add value to a company and its stakeholders.

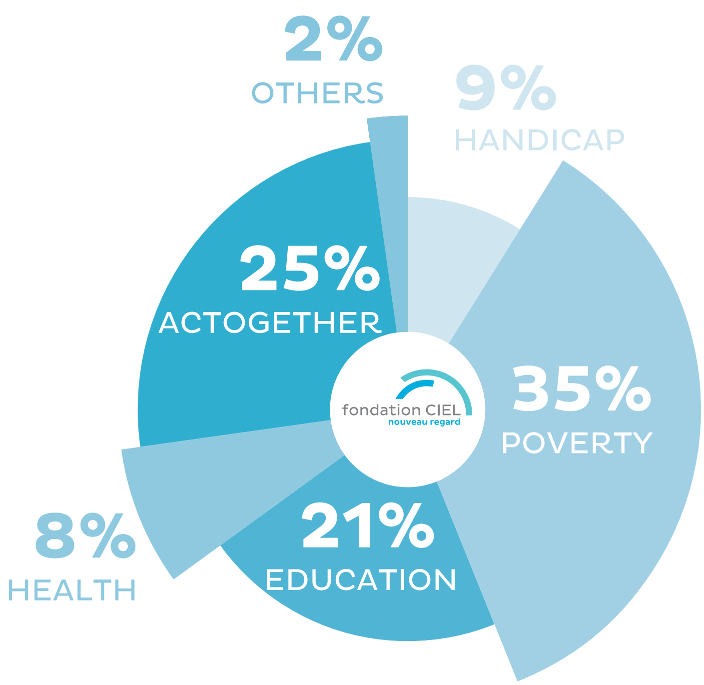
Zoom on Fondation CIEL **Nouveau Regard**

CIEL continuously endeavours to contribute to the welfare of the communities in which the Group conducts business. It manages this commitment through Fondation CIEL Nouveau Regard ("FCNR").

Established in 2004, FCNR is engaged in the fight against poverty and exclusion, and the promotion of education and disability rights. Since February 2010, FCNR has been empowered to receive CSR tax through funding from subsidiary companies of CIEL. Since 2005, FCNR has invested MUR 84M in various projects managed by local NGOs, with whom it has developed close partnerships.

Those partnerships take the form of focus projects and satellite projects. Both funded by FCNR, the distinction between the two lies in reach and scope. Satellites projects serve as 'support service' to focus projects, which are more significant.

This Financial year ended, FCNR has received MUR 7.5M of CSR tax from the various entities of the Group, of which MUR 5.3M has been allocated as follows:



MUR
84M
INVESTED IN
13
YEARS

Zoom on Fondation CIEL
Nouveau Regard (cont'd)

Focus Projects

FOCUS PROJECTS	DESCRIPTION	START DATE & AMOUNT INVESTED	IMPACT	NEXT STEPS
Lakaz Lespwar Solitude	Managed by Caritas, this community development project offers a wide range of services to the vulnerable population of the area	**SEPTEMBER 2010** **MUR 12.7M INVESTED; 90% IN RUNNING COSTS AND 10% IN SETTING-UP**	4,300 direct & 12,900 indirect beneficiaries since 2010 Year 2016/2017 – 450 direct & 1,350 indirect beneficiaries 90% of the families that have received services from this community development project are now autonomous	• Maintain the level of services provided to the community • Stay close to the field in order to better understand beneficiaries' needs and adapt the services offered accordingly • Empower teenagers to ensure the project's leadership and continuity by the community, for the future • Keep the evaluation process accurate and updated • Build on emotional recovery of the beneficiaries
Society for the Welfare of the Deaf – secondary pre-vocational section	School for deaf children: The secondary section runs from form I to IV with the last year focused on employability	**JANUARY 2010** **MUR 5.5M INVESTED; 90% IN RUNNING COSTS AND 10% IN SETTING-UP**	250 direct beneficiaries amongst whom 80% are now employed	• Empower students towards employability by developing partnerships with other institutions
ANFEN – Adolescent Non-Formal Education Network **Social workers programme**	ANFEN is a NGO network that regroups 18 centers welcoming about 1,000 kids, all drop-outs from the classic schooling system The 8 ANFEN social workers do the link between the families and the school	**JULY 2010** **MUR 4.2M INVESTED IN SALARIES OF THE SOCIAL WORKERS**	700 direct & 3,500 indirect beneficiaries More than 10,000 kids have received education from the ANFEN network over 15 years	• An impact assessment has revealed that the needs of the youngsters have changed; they require more employability-focused programmes in order to develop their employability skills. FCNR intends to accompany ANFEN and some of the centers to adapt their services accordingly
Lakaz Lespwar Olivia	Managed by Caritas, this community development project intends to offer services to the vulnerable population of the area	**JULY 2015** **MUR 833,000 INVESTED**	About 100 families have been identified and services are put together to accompany them The concept is based on the success of Lakaz Lespwar Solitude but the actual context of the area is different and more challenging	• Establish a trusting environment whereby the local population naturally comes to the center • Continue to identify local needs and adapt services accordingly, taking into consideration the challenging context • Set up an efficient evaluation process • Pursue collaboration with the financial partner namely Alteo Group

Lakaz Lespwar Solitude

4300 direct & 12,900 indirect beneficiaries since 2010.

450 direct & 1350 indirect beneficiaries in 2016/2017.

90% of the families that have received services from this community development project are now autonomous.

ACTogether.mu

Online communication platform promoting inclusive development

Empower students towards employability by developing partnerships with other institutions

ANFEN

Adolescent Non-Formal Education Network

Lakaz Lespwar Solitude

Zoom on Fondation CIEL
Nouveau Regard (cont'd)

Satellite Projects

Satellite projects consist of smaller projects, that FCNR chooses to finance in exchange of services rendered by these, to its focus projects. Satellite projects enable FCNR to better understand the social context experienced by the target population; but also to initiate collaborations, so as to facilitate social integration of communities in future developments.

SATELLITE PROJECTS	DESCRIPTION	BUDGET INVESTED	IMPACT
DLD Teen Hope	An ANFEN center in Port-Louis area	**MUR 250,000**	It allows FCNR to better understand the reality behind school drop-out
Étoile d'Espérance	A day care center offering services to women with alcoholic addiction	**MUR 295,000**	The NGO has given awareness sessions on alcoholism to the beneficiaries of the related focus project
ICJM (Institut Cardinal Jean Margéot) Psychosocial dept	A team of psychologists and counsellors offering training and counselling on various issues	**MUR 112,500**	Training on "Positive Psychology" was made available to social workers and animators of the related focus project
Link to Life	An NGO offering services to cancer patients	**MUR 110,000**	The NGO has given awareness sessions on cancer prevention to the beneficiaries of the related focus project
Mahebourg Espoir Education Centre	An ANFEN center in Ville Noire	**MUR 250,000**	A long-term partnership could be set up with this NGO to facilitate the social integration of the community in future development in the region

Be Accountable

Corporate Governance

Statement Of **Compliance**

SECTION 75(3) OF THE FINANCIAL REPORTING ACT

Name: CIEL Limited ("the Public Interest Entity - PIE")

Reporting Period: Year ended 30 June 2017

We, the Directors of CIEL Limited, confirm to the best of our knowledge that the PIE has not complied with the following sections of the Code of Corporate Governance for Mauritius. The reason for non-compliance is:

Section not complied with	Reason for non-compliance
2.8.2 – Remuneration of Directors	The remuneration paid to the Directors has not been disclosed on an individual basis due to the market sensitivity of such information.

P. Arnaud Dalais
Chairman

Catherine McIlraith
Director

29 September 2017

Corporate **Governance** Report - 2017

COMPLIANCE

CIEL Limited ("CIEL"/"the Company") is a public interest entity as defined by law. Disclosures included in this report are in line with the prevailing Code of Corporate Governance for Mauritius. The Company has started its journey towards the implementation of the new code (National Code for Corporate Governance – 2016) which will be reported in next year's report.

BOARD ROLE AND FUNCTION

The Board of Directors ("the Board") of CIEL is responsible for the stewardship of the Company, overseeing its conduct and affairs to create sustainable value for the benefit of its stakeholders. As a unitary Board, it acknowledges its responsibility for leading and controlling the Company, ensuring that strategic directions and management structures are in place to meet legal and regulatory requirements.

Corporate **Governance** Report - 2017 (cont'd)

BOARD OF DIRECTORS

P. ARNAUD DALAIS (62)

Chairman/Non-Executive Director, joined the Board in November 1991

Skills and Experience:

- Joined the CIEL Group in August 1977
- Appointed Group Chief Executive and Director in November 1991
- Under his leadership, the CIEL Group at large went through an important growth both locally and internationally
- Played and continues to play an active role at the level of the Mauritian private sector and has assumed the chairmanship of several organisations including the Joint Economic Council from 2000 to 2002
- Chairman of Business Mauritius between 2015 and 2017

Directorships in other listed companies on the SEM:

Alteo Limited (Chair), CIEL Textile Limited (Chair), Sun Limited

SÉBASTIEN COQUARD (42)

Non-Executive Director, joined the Board in May 2014

Skills and Experience:

- Head of Investments at FFP, the listed investment company majority-owned by the Peugeot family
- Representative of FFP Invest on the Board of Directors of IDI Emerging Markets SA, OPCI Lapillus II and member of the Advisory Board of IDI Emerging Markets SA
- Former representative of FFP Invest on the Board of Directors of Onet, Ipsos and LT Participations
- Held long-term investments positions at Allianz France, worked at Oddo Corporate Finance on M&A and ECM transactions and in the corporate banking division of Paribas

Directorship in other companies listed on the SEM: *none*

JEAN-PIERRE DALAIS (53)

Executive Director and Group Chief Executive, joined the Board in February 1995

Skills and Experience:

- Played an active role in the management and development of the operations of the CIEL Group, both in Mauritius and internationally
- CIEL's Group Chief Executive since 1 January 2017

Directorships in other companies listed on the SEM:

Alteo Limited, CIEL Textile Limited, Phoenix Beverages Limited (Alternate Director), Sun Limited (Chairman)

MARC DALAIS (53)

Non-Executive Director, joined the Board in June 2017

Skills and Experience:

- Founder and current CEO of Celero group, a leading logistics and shipping group operating mainly in Mauritius and Madagascar
- Previous International working experience with Nedlloyds shipping in RSA and the Bollore group in Paris
- Worked at IBL group as General Manager of a trading division then heading and growing its Aviation, Logistics & Shipping division in the Indian Ocean
- Served on boards of Mauritius Export Association and a company pioneering Freeport operations in Mauritius

Directorships in other companies listed on the SEM: *none*

R. THIERRY DALAIS (58)

Non-Executive Director, joined the Board in August 2013

Skills and Experience:

- More than 30 years' experience in the financial services and private equity investment industry
- Co-founder of two private equity investment firms and acted as a key person and principal in numerous private investment programs over the last 25 years
- Former director and trustee on numerous boards, including listed companies in Mauritius and abroad

Directorships in other companies listed on the SEM: *Sun Limited*

PIERRE DANON (61)

Independent Non-Executive Director, joined the Board in January 2014

Skills and Experience:

- Chairman of Volia in Kiev, the Ukrainian leading cable and broadband company and Chairman of TDC in Copenhagen
- Vice Chairman of AgroGeneration, a public company listed on the Alternext of NYSE, Euronext in Paris and a non-executive Director of Standard Life in Edinburgh
- Former Chairman of Eircom in Dublin, Chief Operating Officer of the Capgemini Group, one of the world's foremost providers of consulting, technology and outsourcing services and Chief Officer of British Telecom Retail
- Chairman of Solocal Group, the European leader in digital communication

Directorships in other companies listed on the SEM: *none*

Corporate **Governance** Report - 2017 (cont'd)

BOARD OF DIRECTORS (CONT'D)

L. J. JÉRÔME DE CHASTEAUNEUF (51)

Executive Director and Group Finance Director, joined the Board in April 2012

Skills and Experience:

- Former working experience with PriceWaterhouse in the UK, where he qualified as Chartered Accountant
- Key leading position within the CIEL Group, becoming its Head of Finance in 2000
- Involved in the financial reengineering which accompanied the development of the CIEL Group
- Assumes the role of CIEL Group Finance Director since 1 January 2017

Directorships in other companies listed on the SEM:

Alteo Limited, CIEL Textile Limited, Harel Mallac & Co. Limited, The Medical and Surgical Centre Limited, Sun Limited

ANTOINE DELAPORTE (57)

Non-Executive Director, joined the Board in August 2013

Skills and Experience:

- Founder and Managing Director of Adenia Partners Ltd, a private company managing private equity funds in Africa with €400 million under management. Adenia's offices are in Ghana, Ivory Coast, Cameroun, Madagascar and Mauritius
- Director of several companies in Mauritius and in other African countries

Directorships in other companies listed on the SEM: *CIEL Textile Limited*

ROGER ESPITALIER NOËL (62)

Non-Executive Director, joined the Board in January 2014

Skills and Experience:

- Corporate Sustainability Advisor of CIEL
- Former General Manager of Floreal Knitwear Limited
- Holds more than 35 years' experience in the textile industry
- Involved in the restructuring and restart of the Madagascar Production Units after the political unrest of 2001, and as from 2008, acting as consultant for the CIEL Textile Limited where his activities were focused on the environmental, logistics, utilities as well as the retail aspects of the Knits division

Directorships in other companies listed on the SEM:

CIEL Textile Limited, ENL Commercial Limited, ENL Land Limited, ENL Limited

M. A. LOUIS GUIMBEAU (67)

Non-Executive Director, joined the Board in July 1991

Skills and Experience:

- Held senior positions in different sectors of the Mauritian economy, gaining a vast experience in strategy development, administration, finance and accounting until his retirement in 2010
- Co-founder of La Meule Permaculture Farm in 2014, a sustainable living project
- Former Director of Sun Limited

Directorships in other companies listed on the SEM: *none*

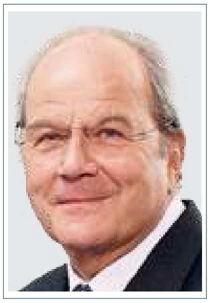
J. HAROLD MAYER (52)

Non-Executive Director, joined the Board in January 2014

Skills and Experience:

- Chief Executive Officer of the CIEL Textile group since 2006
- Held key positions within the CIEL Textile group since 1990

Directorships in other companies listed on the SEM:
CIEL Textile Limited, Sun Limited



MARC LADREIT DE LACHARRIÈRE (76)

Non-Executive Director, joined the Board in September 2014

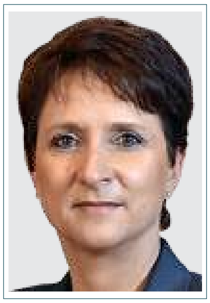
Skills and Experience:

- Founder of Fimalac, a listed company held in majority by Group Marc de Lacharrière, whose main investments comprise of 40% of the Lucien Barrière hotel group, 20% of the Fitch Group, a global leader in financial information services ratings through Fitch Ratings and 96% of Webedia
- Chairman of the Board of Directors of Fitch Group, Inc (United States) and Agence-France Museums
- Former Executive of Banque de Suez et de l'Union des Mines, which was renamed Indosuez following the integration of Banque de l'Indochine
- Former CFO of L'Oréal where he progressively became Vice-Chairman Deputy CEO

Directorships in other companies listed on the SEM: *none*

Corporate **Governance** Report - 2017 (cont'd)

BOARD OF DIRECTORS (CONT'D)



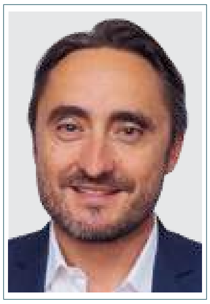
CATHERINE MCILRAITH (53)

Independent Non-Executive Director, Joined the Board in January 2015

Skills and Experience:

- Member of the South African Institute of Chartered Accountants since 1992
- Fellow Member of the Mauritius Institute of Directors
- Served her articles with Ernst & Young in Johannesburg before joining the investment banking industry where she held senior positions in corporate and specialised finance for Ridge Corporate Finance, BoE NatWest and BoE Merchant Bank in Johannesburg
- Former Head of Banking at Investec Bank (Mauritius Branch)

Directorships in other companies listed on the SEM: *Astoria Investments Ltd*



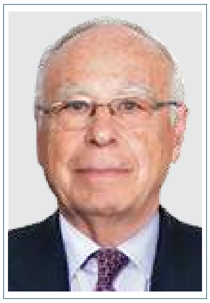
JEAN-LOUIS SAVOYE (43)

Non-Executive Director, Joined the Board in September 2017

Skills and Experience:

- Deputy General Manager of the Dentressangle Initiatives company, the investment holding company of the Dentressangle family
- Has been instrumental in helping the Dentressangle Initiatives company realise its investment strategy during the last 14 years
- Prior to joining Dentressangle Initiatives in 2003 as CFO, Jean-Louis Savoye, served with PwC and ran due-diligences acquisitions in M&A for various Private Equity firms and French leading industrial companies
- Is a graduate of the Toulouse Business School with a major in Finance

Directorships in other companies listed on the SEM: *Sun Limited*



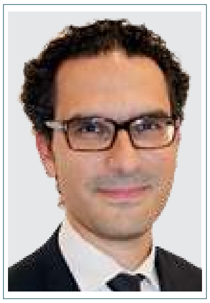
XAVIER THIÉBLIN (74)

Non-Executive Director, Joined the Board in December 2013

Skills and Experience:

- Started in the banking sector before joining, in 1970, Société Sucrière de Quartier Français
- Former Chairman of that group which became a major player of the sugar industry
- Played important roles in the sectors of sugar and rhum, in Reunion, Paris and Brussels
- Manages and administers several companies, including OXACO, a family holding which invests in the Indian Ocean and Europe and assumes some professional responsibilities in several enterprises

Directorships in other companies listed on the SEM: *none*



JACQUES TOUPAS (39)

Joined the Board as Alternate Director of Marc Ladreit de Lacharrière in February 2016

Skills and Experience:

- Joined Fimalac Group in 2009 and is responsible of financial portfolio monitoring and investment, working directly with the Chairman and the CFO
- Serves as Board member of various Fimalac Group's subsidiaries
- Former working experience in investment banking, both in Paris and London and started his career at Arthur Andersen in Paris as a financial auditor prior to moving to PwC as a senior auditor and later as a manager in the Transaction Services department
- Worked in Private Equity as a manager at European Capital

Directorships in other companies listed on the SEM: *none*

Corporate **Governance** Report - 2017 (cont'd)

APPOINTMENTS/RESIGNATIONS ON THE BOARD DURING THE YEAR

- G. Christian Dalais resigned on 30 June 2017 and was replaced by Marc Dalais.
- Norbert Dentressangle and his alternate Vincent Ménez resigned on 29 September 2017 and were replaced by Jean-Louis Savoye.

The Corporate Governance, Ethics, Nomination & Remuneration Committee reviews all new appointments on the Board and Board Committees prior to recommending same to the Board for approval until submission to the shareholders for approval. Directors are re-elected on an annual basis at the Annual Meeting of the Shareholders.

INDUCTION OF THE DIRECTORS

With the collaboration of the Company Secretary, newly appointed Directors go through a comprehensive induction process to familiarise themselves with the Company's operations, business environment and senior management. All Directors have unrestricted access to the Company's records. The orientation programme also includes a meeting with the CEOs of the Group.

THE ROLES OF THE CHAIRMAN AND EXECUTIVE DIRECTORS

The roles of the Chairman of the Board and that of Group Chief Executive are held separately. In line with the succession planning that was agreed by the Board, Jean-Pierre Dalais assumes the role of the Group Chief Executive since 01 January 2017, while P. Arnaud Dalais assumes the role of the Non-Executive Chairman. L. J. Jérôme De Chasteauneuf assumes the role of Group Finance Director since 01 January 2017, reporting to the Group Chief Executive.

BOARD CHARTER

A charter was approved by the Board on 30 September 2016; it defines, amongst other items, the composition, role and duties of the Directors and the Chairman, as well as the responsibilities assigned to sub-committees of the Board. The Board charter can be consulted on the Company's website www.cielgroup.com.

FOCUS AREAS OF THE BOARD DURING THE FINANCIAL YEAR

In addition to the normal agenda items (approval of budget, financial statements, dividends, amongst others), the Board has approved and/or communicated on the following during the year:

- Nominations of Jean-Pierre Dalais as Group Chief Executive and L. J. Jérôme De Chasteauneuf as Group Finance Director, effective on 01 January 2017.
- The acquisition of the business operations of Apollo Bramwell Hospital by The Medical & Surgical Centre Limited, which has since been renamed to Wellkin Hospital.
- The voluntary take over scheme proposed to the minority shareholders of CIEL Textile Limited to acquire their ordinary shares for a total consideration of MUR 50.00 per share, made up of 50% consideration in cash and 50% consideration in ordinary shares of CIEL, being MUR 25.00 and 3.472 ordinary shares for every CIEL Textile share. The stake of CIEL in CIEL Textile Limited post take over, has increased from 56.31% to 88.48%.
- The Rights Issue of MUR 746.1M made by Sun Limited and a Private Placement of MUR 1.12 billion to Dentressangle Initiative SAS, through its wholly-owned subsidiary DI Cirne HLT Ltd. In addition to the Private Placement, Dentressangle Initiatives has underwritten the Rights Issue. Thus, CIEL's stake in Sun Limited has decreased from 59.96% to 50.10%.
- The amendment of the initial Multicurrency Note Programme from MUR 2 billion to MUR 4 billion to strengthen CIEL's ability to further boost the performance of its diverse business verticals. Number of notes allotted under the Multicurrency Note Programme totals MUR 2,154M.

TRAINING OF DIRECTORS

In collaboration with the Mauritius Institute of Directors, a training session was organised for the Directors and Officers of the CIEL Group in March 2017, at which the eight principles of the National Code of Corporate Governance for Mauritius (2016) were explained and discussed.

CIEL'S GOVERNANCE STRUCTURE

Corporate **Governance** Report - 2017 (cont'd)

THE ROLE OF BOARD COMMITTEES

The Board delegates certain roles and responsibilities to its sub-committees. Whilst the Board retains the overall responsibility, sub-committees probe subject matters more deeply and then report to the Board on the matters discussed, decisions taken, and where appropriate, make recommendations to the Board on matters requiring its approval. Minutes of the Board and sub-committee meetings (except for the CGENR Committee) are circulated to the Board and the chairs of each of the committees report verbally to the Board on their activities. The committees play a key role in supporting the Board. The Company Secretary acts as secretary to these Board Committees.

Terms of reference of the committees, duly approved by the Board, can be consulted on the Company's website www.cielgroup.com.

The Board is satisfied that the committees are appropriately structured and competent to deal with both the Company's existing and emerging issues, and that they have effectively discharged their responsibilities during the year under review.

STRATEGIC & ADVISORY COMMITTEE ("SAC")

R. Thierry Dalais, Chair Sébastien Coquard P. Arnaud Dalais Antoine Delaporte	**4**	Non-Executive Directors
Jean-Pierre Dalais L. J. Jérôme De Chasteauneuf	**2**	Executive Directors
Tom Rostand (up to 29 September 2017) Anne-Sophie Rakoutz (as from 29 September 2017)	**1**	Co-opted member, representative of Proparco, one of the main strategic investors that entered the share capital of CIEL under a private placement in May 2014

Main Responsibilities of the SAC

- Share with management the key objectives for the enterprise and its investment and development strategies that reasonably meet these objectives
- Recommend strategies to be adopted and reflect on investments/divestments prior to making recommendations to the Board
- Ensure that effective and regular access exists for the debate of the Group's investment strategy options and changes thereto. The committee sees to a rigorous analysis and the application of relevant criteria/features in asset allocation and investment selection
- Ensure regular review and analysis of the Group's current asset allocation and the investment performance implied in its holdings
- Understand the ranking of investment and divestment choices available to the Group
- Understand and match the Group's investment strategy options with its financing and treasury strategies
- Be a forum to debate deal flow opportunities

What has been on the SAC's agenda for the year

- Business plan 2017-2021 that helped in the reflection of the capital allocation
- The transfer of the investments held by CIEL Agro & Property cluster to CIEL Agro & Property Limited, a wholly-owned subsidiary of CIEL
- Acquisition of the business operations of Apollo Bramwell (now Wellkin Hospital) by The Medical & Surgical Centre Limited
- Voluntary offer to the minority shareholders of CIEL Textile Limited to acquire their shares – CIEL's shareholding in CIEL Textile Limited post take over process has increased from 56.31% to 88.48%
- Additional investment in Sun Limited's through the rights issue
- Budget review for the financial year ending 30 June 2018 prior to submission to the Board for approval

The SAC develops and evolves an analysis and reporting format to cover above items. It has implemented a Corporate Strategy Framework which enables the committee drive the corporate strategy process and has the necessary relevant information to discuss questions on behalf of the organisation and to propose solutions the business units would be unlikely to arrive at independently. The framework helps the SAC take purposeful decisions that enhance the Company's overall long-term value and strategic coherence.

Corporate **Governance** Report - 2017 (cont'd)

AUDIT & RISK COMMITTEE ("ARC")

Catherine McIlraith, Chair Pierre Danon	**2**	Non-Executive Independent Directors
M. A. Louis Guimbeau	**1**	Non- Executive Director
Main Responsibilities of the ARC		
• Monitor the integrity of the financial statements of the Company and the Group and any formal announcements relating to the Company's financial performance, before submission to the Board • Review the Company's internal controls including the systems established to identify, assess, manage and monitor risks, and receive reports from management on the effectiveness of the systems they have established and the conclusions of any testing carried out by internal and external auditors • Review the effectiveness of the Company's internal control and risk management systems • Oversee the process for selecting the external auditor, assess the continuing independence of the external auditor and approve the audit fees • Monitor and supervise the effective function of the internal audit		
What has been on the ARC's agenda for the year		
• The 2016 audited financial statements and the relevant abridged consolidated results for publication • Management letter submitted by the external auditors • The unaudited quarterly financial statements for the periods ended 30 September 2016, 31 December 2016 and 31 March 2017 and their relevant abridged consolidated results for publication • Reports from the internal auditors on the defects detected in the internal control systems arising from fieldworks performed by them (please refer to the section Internal Audit) • Overview of the risk management programme at CIEL • Recommendation to the Board on the nomination of the new external auditors of CIEL and its subsidiaries as from the financial year 2017/2018 following a tendering process • CIEL's financing requirements and recommendation to issue a new tranche of the Notes under the Multicurrency Note Programme • Renewal of the Group Directors' and Officers' Liability Insurance Cover • Impact of IFRS 9 on CIEL's accounts		

The Board is satisfied that the members of the ARC have recent and relevant financial experience and is confident that the collective experience of the members enables them to act as an effective committee. The committee relies on the expertise and knowledge of the management, the internal and the external auditors in carrying out its oversight responsibilities and may seek further professional advice at the Company's expense, if required.

CORPORATE GOVERNANCE, ETHICS, NOMINATION & REMUNERATION COMMITTEE ("CGENR")

Antoine Delaporte, Chair R. Thierry Dalais Xavier Thiéblin	**3**	Non- Executive Directors
Main Responsibilities of the CGENR		
• Recommend corporate governance provisions to be adopted so that the Board remains effective and complies with prevailing corporate governance principles • Approve the bonus/remuneration of the Executives • Recommend to the Board the Directors' remuneration • Recommend new Board and senior executive nominations		
What has been on the CGENR's agenda for the year		
• Succession planning through (i) the nomination of Jean-Pierre Dalais as Group Chief Executive and L. J. Jérôme De Chasteauneuf as Group Finance Director (both effective since 1 January 2017) (ii) the review of CIEL's representatives on its subsidiaries (iii) composition of the Boards of subsidiaries • Feedback on the Board appraisal which was conducted by Insync Surveys/BDO – the focus being on remedial actions to improve the conduct of board sessions • The National Code of Corporate Governance for Mauritius (2016) ("the Code") – the Secretary briefed the members on the implementation of the new Code and improvements that could be brought by the Company on governance and disclosure requirements • Executives' bonus for the financial year 2017 • Board nominations following the resignation of G. Christian Dalais, Norbert Dentressangle and Vincent Ménez - CVs of the proposed candidates were analysed by the committee prior to recommendations being submitted to the Board • Approval of (i) Code of Ethics (ii) Board Charter (iii) Share Dealing Policy (iv) Related Party Transactions Policy (v) 2017 Corporate Governance Report		

Corporate **Governance** Report - 2017 (cont'd)

CORPORATE SUSTAINABILITY COMMITTEE ("CSC")

Roger Espitalier Noël, Chair Jean-Pierre Dalais	**2**	Non-Executive Directors
Amélie Audibert Eric Dorchies Noëlle Gourrège Sandrine Petit Jean-Marc Rivet Kamini Vencadasmy Alex Alexander	**7**	Co-opted members representing clusters of the Group
Odile Conchou	**1**	Representative of Proparco with which CIEL has entered an Environment & Social Action Plan upon their entry in the capital of CIEL in 2014

Main Responsibilities of the CSC

- Define and approve the CIEL Group's environment and social policies
- Define and approve an environmental and social management system
- Supervise and implement any environmental and social action plans
- Identify and manage the environment and social risks of each of its main subsidiaries and material investee companies (and, on a best effort basis, of its other investee companies)
- Define actions to achieve compliance with the environmental and social in a defined timeframe
- Report the environment and social performances of the Company and each of its subsidiaries and material investee companies

What has been on the CSC's agenda for the year

- Environmental and Social Action Plan – update on the status of implementation of action points at Group/subsidiary levels
- The Corporate Sustainability Manual which defines the scope of CIEL's Sustainability Management System and provides links between applicable documents and various elements of IFC Performance Standard 1
- Crisis Reporting Process – feedback from clusters following the dissemination of the crisis risk and reporting matrix to the clusters
- CIEL Sustainability Management System – update on implementation of the sustainability governance structure across the CIEL Group and on the definition of sustainability roadmaps by clusters
- Sustainability Action Plan 2015-2020 – feedback on status of implementation of actions points
- Report of the sustainability initiatives of the clusters which can be consulted on the Company's website www.cielgroup.com

Over and above the aforesaid responsibilities, the CSC also assists the Board in meeting its responsibilities in relation with the Company's sustainability policies and practices and maintains an overview on policies relating to occupational health and safety, human rights and international labour organisation.

MEETINGS AND ATTENDANCE

The attendance record for the financial year ended 30 June 2017 is as follows:

Directors/Alternate Directors/Committee Members	Board Meetings	Audit & Risk Committee	Corporate Governance, Ethics Nomination & Remuneration Committee	Strategic & Advisory Committee	Corporate Sustainability Committee
Directors					
P. Arnaud Dalais[1]	5/5		3/3	4/6	2/3
Sébastien Coquard	4/5			6/6	
G. Christian Dalais	4/5				
Jean-Pierre Dalais[2]	5/5		3/3	6/6	0/1
R. Thierry Dalais	5/5		3/3	6/6	
Pierre Danon	5/5	4/5			
L. J. Jérôme De Chasteauneuf	5/5		3/3	6/6	
Antoine Delaporte	5/5		3/3	6/6	
Norbert Dentressangle	0/5				
Roger Espitalier Noël	4/5				4/4
M. A. Louis Guimbeau	5/5	5/5			
Marc Ladreit De Lacharrière	1/5				
J. Harold Mayer	5/5				
Catherine McIlraith	5/5	5/5			
Xavier Thiéblin	4/5		2/3		
Alternate Directors					
Vincent Ménez (Alternate to Norbert Dentressangle)	5/5				
Jacques Toupas (Alternate to Mr. Marc Ladreit De Lacharrière)	4/5				
Alex Alexander[2]					1/1
Amélie Audibert					4/4
Odile Conchou					3/4
Gregory De Clerck[3]					1/2
Eric Dorchies[4]					2/3
Noëlle Gourrège					4/4
Sandrine Petit[2]					0/1
Jean-Marc Rivet					3/4
Tom Rostand				5/6	
Kamini Vencadasmy					4/4

Notes:

1. Resigned as member of the Corporate Sustainability Committee on 25 January 2017
2. Appointed member of the Corporate Sustainability Committee by the Board on 15 February 2017
3. Resigned as member of the Corporate Sustainability Committee on 15 February 2017
4. Appointed member of the Corporate Sustainability Committee by the Board on 30 September 2016

Corporate **Governance** Report - 2017 (cont'd)

SENIOR MANAGEMENT

P. ARNAUD DALAIS
Chairman of CIEL
Please refer to the section Board of Directors

JEAN-PIERRE DALAIS
Group Chief Executive of CIEL
Please refer to the section Board of Directors

L. J. JÉRÔME DE CHASTEAUNEUF
Group Finance Director of CIEL
Please refer to the section Board of Directors

J. HAROLD MAYER
Chief Executive Officer of CIEL Finance Limited
Please refer to the section Board of Directors

MARC-EMMANUEL VIVES (55)

Chief Executive Officer of CIEL Finance Limited

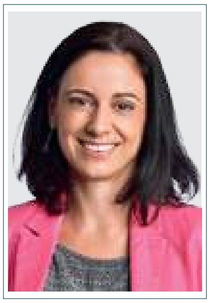
- More than 25 years' experience at Société Générale ("SG"). After initial steps within the General Inspection of the group, he spent the next 18 years of his career in various assignments in emerging countries, first in Argentina as Commercial Director, then as Chairman and CEO of SG Argentina
- Moved then to Russia as CEO of SG Vostok, before becoming First Deputy Chairman of Rosbank, and finally to India as Country Manager
- Holds a Master's Degree in Business Administration from HEC Business School France and a degree in History from Sorbonne University in Paris

DAVID J. ANDERSON (49)

Chief Executive Officer of Sun Limited

- More than 25 years of experience in the hotel industry
- Served as the Regional Vice President of Wyndham Hotel Group, a portfolio of 182 hotels across 5 brands
- Former Managing Director of Dolce Hotels and Resorts for four years, a respected leader in the Whyndam Hotel group, meeting and conference space and luxury accommodation. The Wyndham Hotel Group acquired Dolce Hotels & Resorts in April 2015

Prior to joining the Dolce Hotels & Resorts in January 2012, David J. Anderson held senior leadership roles at Louvre Hotel Group, Northern Europe where he was the Vice President of Operations



HÉLÈNE ECHEVIN (40)

Executive Chairperson of CIEL Healthcare Limited

- Has been president of The Mauritius Chamber of Commerce and Industry in 2015/2016
- Joined CIEL Group in March 2017 as Chief Officer – Operational Excellence after 17 years of working experience in similar position. Her main role is to support the consolidation and growth of the global operations of the CIEL Group through the deployment of new principles and tools of operational excellence and heading the Healthcare Cluster of CIEL Group
- Holds a degree in Food Sciences and Technology from Polytech Engineering School, Montpellier, France and followed a Management Executive Program at INSEAD

Corporate **Governance** Report - 2017 (cont'd)

THE ROLE OF THE COMPANY SECRETARY

The company secretariat function is fulfilled by CIEL Corporate Services Ltd, through a service agreement it holds with CIEL. The Company Secretary plays a pivotal role in the continuing effectiveness of the Board, ensuring that all Directors have full and timely access to the information that helps them to perform their duties and obligations properly, and enables the Board to function effectively.

BOARD EVALUATION

The evaluation of the Board was performed in August 2017 by the financial services department of BDO, in association with Insync Surveys, using a benchmark survey approach. The Board is of the view that this exercise can be conducted every two years, and this year, new questions have been added to the survey. The benchmark with best practices helped in the identification of areas of improvement. The anonymity of all respondents was ensured throughout the process to encourage frank exchange of views. The results of the survey were analysed by the CGENR committee prior to being reported at Board level.

CODE OF ETHICS

CIEL has over the years and since the beginnings of the Group in 1912, developed a unique way of doing business. Based on international ethical standards and a strong value system, the Group has grown to become a Mauritian-based international investment Group, employing more than 30,000 people, through its investee companies across 5 different sectors and in more than 10 countries.

CIEL constantly wants to reaffirm to its stakeholders its strong commitment in doing business ethically and sustainably and believes that ethics start at the top, with its Board, senior management extended to employees of the Group, business partners and other stakeholders. It is in that spirit that the Board has approved a Code of Ethics which can be consulted on the Company's website www.cielgroup.com.

The Code of Ethics highlights key areas which CIEL believes are crucial in doing business fairly and ethically:

BUSINESS INTEGRITY

WORKPLACE CULTURE

DATA PRIVACY

REPUTATION & GOODWILL

ENVIRONMENTAL & SOCIAL VALUES

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

A Directors' and Officers' Liability insurance policy has been subscribed to by CIEL covering the Company, its subsidiaries and some of its associates.

CONSTITUTION

The constitution of the Company, adopted on 30 December 2013, is in conformity with the provisions of the Companies Act 2001 and the Listing Rules of the SEM and can be consulted on the Company's website www.cielgroup.com.

SHAREHOLDING STRUCTURE

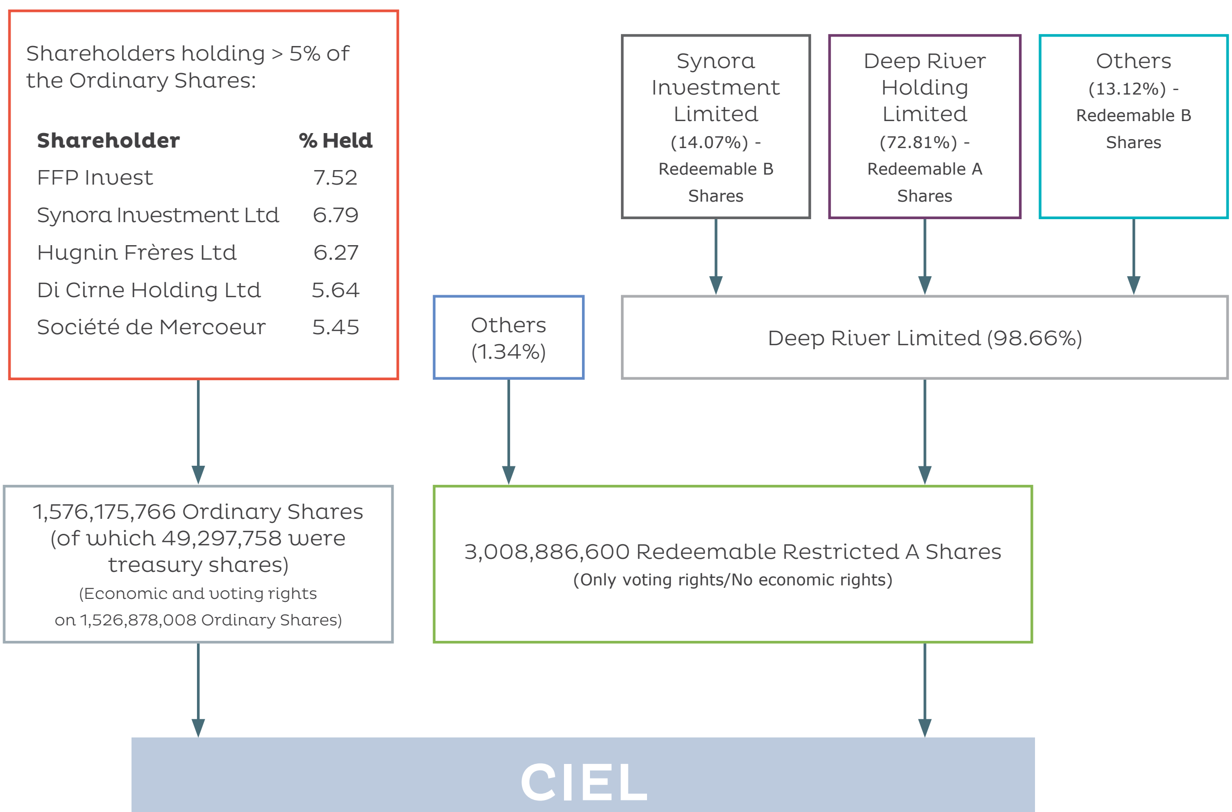
As at 30 June 2017, the stated capital was made up of:

- 1,576,175,766 Ordinary Shares of no par value (of which 49,297,758 were held as treasury shares) worth MUR 4,251,152,785; and
- 3,008,886,600 RRAS of no par value worth MUR 39,232,934.50.

POST BALANCE EVENT

Following the Voluntary Takeover Scheme proposed by CIEL to the shareholders of CIEL Textile Limited ("CTL") to acquire all the ordinary shares not held by CIEL in CTL, and which closed on 20 July 2017, 113,725,443 new ordinary shares, for a total value of MUR 818,875,600, were issued in CIEL on 8 August 2017, as part consideration for the shares of CIEL Textile that were acquired. As of 8 August 2017, the ordinary stated capital of the Company was made of 1,689,901,209 shares worth MUR 5,070,028,385.

CASCADE HOLDING STRUCTURE AS AT 30 JUNE 2017



- Ordinary Shares and Redeemable Restricted A Shares ("RRAS") issued by CIEL hold voting rights.
- Ordinary Shares are listed on the Stock Exchange of Mauritius ("SEM") and are entitled to dividends.
- RRAS are not listed on the SEM and are not entitled to dividends.

Corporate **Governance** Report - 2017 (cont'd)

COMMON DIRECTORS WITHIN THE HOLDING STRUCTURE AS AT 30 JUNE 2017

	FFP Invest	**Synora Investment Ltd**	**Les Ternans Ltd**	**Di Cirne Holding Ltd**	**Société de Mercoeur**	**Deep River Ltd**	**Hugnin Frères Ltd**	**Deep River Holding Ltd**
P. Arnaud Dalais			Director		Administrator	Director		Director
Sébastien Coquard	Nominee							
Jean-Pierre Dalais						Director		Director
Marc Dalais						Alt. Director		Alt. Director
R. Thierry Dalais						Director		Director
Antoine Delaporte		Director				Director		
Norbert Dentressangle				Director				
M. A. Louis Guimbeau						Director		
Roger Espitalier Noël						Alt. Director	Director	Alt. Director
Xavier Thiéblin						Director		

DIRECTORS' INTERESTS IN THE SHAREHOLDING OF THE COMPANY AS AT 30 JUNE 2017

	Direct	**Indirect**
P. Arnaud Dalais	1,077,202	83,228,443
Sébastien Coquard	Nil	Nil
Jean-Pierre Dalais	18,435,100	18,631,279
Marc Dalais	12,484,116	Nil
R. Thierry Dalais	Nil	38,819,460
Pierre Danon	1	1,049,138
L. J. Jérôme De Chasteauneuf	1,184,995	Nil
Antoine Delaporte	Nil	Nil
Roger Espitalier Noël	2,500	1,688,392
M. A Louis Guimbeau	11,611,365	Nil
Marc Ladreit De Lacharrière	Nil	50,263,138
J. Harold Mayer	30,765	Nil
Catherine McIlraith	Nil	Nil
Jean-Louis Savoye	Nil	Nil
Xavier Thiéblin	Nil	30,736,500
Alternate Director		
Jacques Toupas (Alternate to Mr. Marc Ladreit de Lacharrière)	Nil	Nil

None of the Directors hold Redeemable Restricted A Shares ("RRAS") in the Company. P. Arnaud Dalais, Jean-Pierre Dalais, R. Thierry Dalais, Xavier Thiéblin and M. A. Louis Guimbeau indirectly hold less than 10% of the RRAS.

SHARE DEALINGS BY THE DIRECTORS

The Directors ensure that their dealings in the shares of the Company are conducted in accordance with the principles of the Model Code for Securities Transactions by Directors of Listed Companies, as detailed in Appendix 6 of Listing Rules of the SEM. In that spirit, the Board has approved a Share Dealing Policy that reiterates the procedures to provide clear guidance to the Directors and Officers of CIEL on the practice to be followed when dealing in shares of the Company to avoid the abuse of price-sensitive information (insider dealing). That policy can be consulted on the Company's website www.cielgroup.com. The Company Secretary usually reminds the Directors of close periods on a quarterly basis.

During the year under review, the following Directors increased/(decreased) their shareholding in the Ordinary Shares of the Company as follows:

	Direct No. of Shares	Indirect No. of Shares
P. Arnaud Dalais	435,934*	5,758,330
Jean-Pierre Dalais	3,959,401**	1,987,826
Marc Dalais	(392,884)	-
L. J. Jérôme De Chasteauneuf	532,372*	-
Roger Espitalier Noël	-	100,000
Xavier Thiéblin		2,500,000

The Executive Directors have participated in a Share Appreciation Rights Scheme (SARS), scheme which was operated previously under ex-CIEL Investment Ltd before the amalgamation with Deep River Investment Ltd in January 2014. The last issue of the SARS dates to April 2013 and the scheme ended since that date. Please refer to note 23 of the Financial Statements.
*Ordinary shares received under the SARS/** Ordinary shares received under the SARS and acquired

STATEMENT OF REMUNERATION POLICY

CIEL's remuneration policy aims to ensure that it remunerates its key people in a manner that supports the achievements of its strategic objectives, while attracting a ond retaining scarce skills and rewarding high levels of performance.

The remuneration offered by the Group needs to be competitive in order to attract, retain and incentivise high calibre staff. The remuneration is based on the principles of affordability and fairness.

The remuneration approach that furthermore guides the level of salaries of key people across the Group is aimed, amongst others at:

- Recognising exceptional and value-adding performance;
- Encouraging team performance and participation;
- Promoting cost-effectiveness and efficiency; and
- Achieving the strategic objectives of the Group.

In order to balance external equity with affordability and to ensure that market-related salaries are offered to staff, the Group participates in several salary surveys and uses that information for benchmarking purposes.

Corporate **Governance** Report - 2017 (cont'd)

REMUNERATION OF THE DIRECTORS AS AT 30 JUNE 2017

The emoluments of the Directors have not been disclosed on an individual basis due to the commercial sensitivity of such information.

	THE COMPANY		SUBSIDIARIES	
	2017	2016	**2017**	2016
	MUR'000	MUR'000	**MUR'000**	MUR'000
Directors of the Company				
Executive Directors	**-**	-	**35,708**	43,450
Non-Executive Directors	**5,450**	5,540	**59,005**	67,653
Independent Directors	**1,250**	1,250	**582**	391
Directors of Subsidiaries				
Executive Directors	**-**	-	**235,277**	227,387
Non-Executive Directors	**-**	-	**4,766**	6,395
Independent Directors	**-**	-	**3,510**	3,412

The remuneration of the Executive Directors of CIEL is composed of a basic pay and an incentive scheme linked to (i) market capitalisation growth with an annual high watermark principle, (ii) annual ordinary dividend pay out and (iii) Group profit after tax. The main objective of that scheme is to motivate the executives towards increasing the total value of the Company and reward them for the creation of long-term value. The bonus is payable either in cash or in ordinary shares, out of the treasury shares held by the Company.

SHAREHOLDERS' INFORMATION AND CALENDAR OF EVENTS

Event	**Month**
Financial year end	June
Annual Meeting of shareholders	12 December 2017
Declaration/payment of dividend:	
• Interim	December/January
• Final	June/July
Publication of first quarter results	November
Publication of half yearly results	February
Publication of third quarter results	May
Publication of full year results	September

SHAREHOLDERS' AGREEMENTS

Following a private placement which was completed in May 2014, the Company entered shareholders' agreements with some of the main strategic investors to provide amongst other things some usual reserved matters, seats on Board and sub-committees of the Board and tag along rights.

MANAGEMENT AGREEMENTS

- CIEL holds an agreement with CIEL Corporate Services Ltd ("CCS") (a subsidiary of CIEL) for the provision of strategic support & Group strategy harmonisation, legal, company secretarial and payroll services to the companies of the Group. Amount paid to CCS for the financial year ended 30 June 2017 - MUR 39.1M.

  P. Arnaud Dalais, Jean-Pierre Dalais and L. J. Jérôme De Chasteauneuf do not receive Director's fees from CIEL, being directly remunerated by CCS Ltd.

- CIEL holds a treasury agreement with Azur Financial Services Ltd (a subsidiary of CIEL) for the provision of cash management services, treasury advisory services and foreign exchange & money market brokerage services to the Group. CIEL pays a fixed monthly fee for the cash management together with a variable fee, based on the volume of intercompany transactions processed by Azur Financial Services Ltd for the Group. An amount of MUR 0.7M was paid to Azur Financial Services Ltd for the financial year ended 30 June 2017.

DIVIDEND

Policy: A minimum of 75% of net profits after tax, depending on the cash flow and financial needs of the Company	Interim dividend – December 2016 **MUR 0.07 per share**	Final dividend – June 2017 **MUR 0.13 per share**	**Total dividend paid for the year** MUR 0.20 - an increase of MUR 0.02 per share v/s 2016

Corporate Governance Report - **2017** (cont'd)

RELATED PARTY TRANSACTIONS

Transactions with related parties are disclosed in detail in note 44 of the financial statements.

A Conflict of Interest/Related Party Transactions Policy has been approved by the Board to ensure that the deliberations and decisions made by CIEL are transparent and in the best interests of the Company. It also aims to protect the interests of the Officers from any appearance of impropriety and to ensure compliance with statutory disclosures and law. That policy can be consulted on the Company's website www.cielgroup.com.

Notwithstanding the above, Directors of CIEL are also invited by the Company Secretary, on an annual basis, to notify the Company of any direct and interest in any transactions or proposed transaction with the Company.

RISK MANAGEMENT AND INTERNAL CONTROL

Effective risk management is critical to the Group's operations and is crucial to its continued growth and success. The system of internal control is based on a continued process of identifying, evaluating and managing risks. All controls systems that are derived from regular internal and external audit reports are reviewed by the Audit & Risk Committee prior to being reported to the Board.

The identification of the keys risks for the Company and how they are managed are detailed in the Risk Report.

INTERNAL AUDIT

The internal audit function of CIEL is outsourced to KPMG Advisory Services Ltd ("KPMG"). They report to the Audit & Risk Committee and maintain an open and constructive line of communication with management. Following their appointment, KPMG performed a strategic risk analysis and enterprise risk assessment which led to the development of an internal audit plan. The three-year internal audit plan, proposed by KPMG, has been approved by the Audit & Risk Committee.

In line with its deliverables, KPMG discusses its findings with management, provides recommendations on corrective measures to be adopted to eliminate or mitigate the risks. A detailed written report on the results of the work performed and findings is presented to the Audit & Risk Committee. The internal auditors review and monitor the responsiveness of management to the findings and recommendations made in internal audit reports.

The following audits have been performed and considered by the Audit & Risk Committee of CIEL during the year under review:

- CIEL Limited: Investment Process
- CIEL Limited: Consolidation and Financial Reporting
- CIEL Corporate Services Ltd: Cyber Security Services Report
- CIEL Corporate Services Ltd: Human Resources and Payroll Processes

Additional assignments were performed by KPMG on the subsidiaries and were tabled at the Audit & Risk Committees of these companies:

- Azur Financial Services Ltd: Financial Reporting Close and Compliance with Sun Limited's Treasury Services Agreement
- CIEL Healthcare Limited: Valuation Process
- CIEL Finance Limited: Valuation Process

RETIREMENT BENEFIT OBLIGATIONS

The details of the total amount of provisions booked or otherwise recognised by the Group are provided in note 26 of the financial statements.

ENVIRONMENT, HEALTH AND SAFETY

The Group aims to act as a good employer in providing and maintaining a safe and healthy work environment for all its employees. The objective being the optimisation of work efficiency and the prevention of accidents at work, through the implementation of safety standards in all its operations across the Group. In this respect, the Corporate Sustainability Committee assists the Board in fulfilling its oversight responsibilities by monitoring and reviewing performance and recommending for approval policies and management systems with respect to health, environmental, safety and social responsibility related matters affecting the whole Group.

This report has been approved by the Board upon recommendation of the Corporate Governance, Ethics, Nomination & Remuneration Committee.

Antoine Delaporte
Chair of the CGENR Ctee

Clothilde de Comarmond, ACIS
Per CIEL Corporate Services Limited
Company Secretary

29 September 2017

Statutory **Disclosures**

(Including disclosures made pursuant section 221 of the Companies Act 2001)

PRINCIPAL ACTIVITY AND HISTORY

CIEL Limited, formerly known as Deep River Investment Limited, incorporated on 31 August 1948, is a public company listed on the Official Market of the SEM since 4 February 2014. On 24 January 2014, CIEL Investment Limited was amalgamated with and into Deep River Investment Limited ("DRI"). DRI, as surviving company post Amalgamation, was renamed CIEL Limited. CIEL is also registered as a Reporting Issuer with the FSC since the promulgation of the Securities Act 2005.

CIEL is an investment holding company, with investments in five distinct clusters:

- CIEL Agro & Property
- CIEL Finance
- CIEL Hotels & Resorts
- CIEL Textile
- CIEL Healthcare

DIRECTORS' SERVICE CONTRACTS

Jean-Pierre Dalais and L. J. Jérôme De Chasteauneuf hold service contracts with CIEL Corporate Services Ltd, a subsidiary of CIEL, with no expiry terms.

The persons who held office as Directors of CIEL as at 30 June 2017 are disclosed in the corporate governance report under the section 'Board of Directors'.

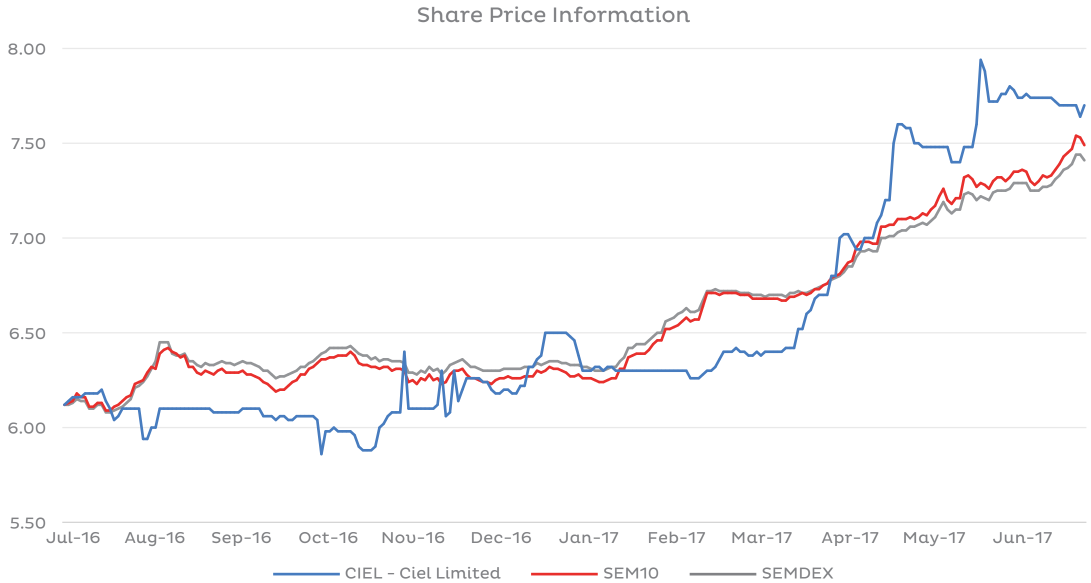
SHAREHOLDING PROFILE

Ownership by Size of Shareholding	Ordinary Shares		
	Shareholder Count	Number of Shares	Percentage Held
1 - 500	491	81,550	0.01
501 - 1,000	178	143,569	0.01
1,001 - 5,000	500	1,283,729	0.08
5,001 - 10,000	296	2,240,247	0.15
10,001 - 50,000	560	13,639,169	0.89
50,001 - 100,000	217	15,493,891	1.01
100,001 - 250,000	220	36,830,598	2.41
250,001 - 500,000	95	34,524,314	2.26
500,001 - 1,000,000	59	40,643,116	2.66
Over 1,000,001	113	1,381,997,825	90.52
Total	**2,729**	**1,526,878,008**	**100.00**

Ownership by Category of Shareholding	Ordinary Shares		
	Shareholder Count	Number of Shares	Percentage Held
Individuals	2,382	504,704,995	33.05
Insurance and Assurance Companies	20	49,190,391	3.22
Pension and Provident Funds	53	122,317,113	8.01
Investment and Trust Companies	75	161,111,096	10.55
Other Corporate Bodies	199	689,554,413	45.17
Total	**2,729**	**1,526,878,008**	**100.00**

The above number of shareholders is indicative due to consolidation of multi portfolios for reporting purposes.

SHARE PRICE INFORMATION



DIRECTORS OF SUBSIDIARIES

The list of Directors of subsidiaries of CIEL as at 30 June 2017 is given in Annexure A.

AUDIT FEES AS AT 30 JUNE 2017

The fees paid to the auditors, BDO & Co and other auditors, for audit and other services were as follows:

	THE COMPANY		SUBSIDIARIES	
	2017	2016	**2017**	2016
	MUR'000	MUR'000	**MUR'000**	MUR'000
Local External Auditors:				
Audit Fees	**467**	445	**13,156**	12,545
Other Fees	**929**	123	**8,018**	4,317
Foreign External Auditors:				
Audit Fees	**-**	-	**9,904**	8,351
Other Fees	**-**	-	**1,089**	1,063

The fees in respect of other services pertain to review of quarterly financial statements, tax computation and compliance, group accounts consolidation as well as fees paid with regard to transaction advisor.

Statutory **Disclosures**

(Including disclosures made pursuant section 221 of the companies act 2001) (Cont'd)

DONATIONS AS AT 30 JUNE 2017

	THE COMPANY		SUBSIDIARIES	
	2017	2016	**2017**	2016
	MUR'000	MUR'000	**MUR'000**	MUR'000
Charitable*	**328**	632	**10,185**	7,293
Political	**675**	350	**750**	350

*Includes CSR donations which have been channelled to Fondation CIEL Nouveau Regard ("FCNR"), registered as a special purpose vehicle accredited to receive CSR contributions.

SHARE REGISTRY & TRANSFER OFFICE

CIEL's Share Registry & Transfer Office is administered by MCB Registry & Securities Limited. If you have any queries regarding your account, wish to change your name or address, or have questions about lost certificates, share transfers or dividends, you may contact the Share Registry and Transfer Office, whose contact details are as follows:

MCB Registry & Securities

2nd Floor, MCB Centre

9-11 Sir William Newton Street

Port Louis

Tel: +230 202 5397

Fax: +230 208 1167

On Behalf of the Board

P. Arnaud Dalais
Chairman

Catherine McIlraith
Director

29 September 2017

ANNEXURE A
DIRECTORSHIP LIST OF SUBSIDIARIES AS AT 30 JUNE 2017

Alain Lepatre Lamontagne	BNI Madagascar SA Indian Ocean Financial Holdings Ltd
Alain Rey	CIEL Textile Ltd
Alastair Nairn	MITCO Advisory Ltd
Alex Alexander	International Hospital Kampala Ltd International Medical Group Ltd International Medical Centre Ltd IMG Pharmaceuticals Ltd International Air Ambulance Ltd The Medical & Surgical Centre Ltd
Alexandre Espitalier-Noel	Solea Vacances SA
Amal Autar	Mauritius International Trust Co Ltd MITCO Services Ltd Halifax International Ltd MITCO Fund Services Ltd MITCO Ltd MITCO Advisory Ltd MITCO Corporate Services Co Ltd
Amélie Vitry Audibert	Fondation CIEL Nouveau Regard
Ampaire Sheila	IMG Pharmaceuticals Ltd
Antoine Delaporte	CIEL Corporate Services Ltd CIEL Textile Ltd
Aquarelle Madagascar SA	Antsirabe Knitwear Ltd
Arnaud Leclézio	IPRO Stockbroking Ltd
Ashish Bhatia	The Medical & Surgical Centre Ltd
Ayaz Tajoo	Aquarelle Madagascar SA
Bernardette Suzanne Julie	SRL Maldives Ltd SRL Management Ltd

ANNEXURE A
DIRECTORSHIP LIST OF SUBSIDIARIES AS AT 30 JUNE 2017 (Cont'd)

Bertrand Rivalland	Azur Financial Services Ltd Ajax Sweaters Ltd Aquarelle Madagascar SA CIELtex Pty SA Floreal Madagascar SA Floreal Trading Ltd Société Bonneterie Malagasy - SOBOMA Société Textile d'Andraharo SA - Texaro Tinka International Ltd TKL Knits (India) Private Ltd Tropic Mad SA
Bertrand Thevenau	CDLKnits Ltd Société Bonneterie Malagasy - SOBOMA Tinka International Ltd TKL International Ltd TKL Knits (India) Privat Ltd Tropic Knits Ltd Tropic Mad SA
Bishwarnath Bachun	Mauritius International Trust Co Ltd MITCO Services Ltd Halifax International Ltd MITCO Ltd MITCO Advisory Ltd MITCO Corporate Services Co Ltd MITCO Fund Services Ltd (Alternate to Amal Autar)
Brinda Devi Dabysing	IPRO Funds Ltd
Bruno Monti	Laguna Clothing (Mauritius) Ltd Laguna Clothing Private Ltd
Catherine McIlraith	CIEL Finance Ltd
Chad Menton	MITCO Fund Services Ltd
Christine Sauzier	C Healthcare (EA) Ltd Healthcare East Africa Ltd TBLIMG Ltd CIEL Healthcare Ltd Ferney Trail Ltd International Hospital Kampala Ltd International Medical Group Ltd International Medical Centre Ltd IMG Pharmaceuticals Ltd Mauritius International Trust Co Ltd MITCO Services Ltd Halifax International Ltd

Christine Sauzier (continued)	MITCO Ltd MITCO Corporate Services Co Ltd Investment Professionals Ltd IPRO Funds Ltd The Medical & Surgical Centre Ltd
CIEL Textile Ltd	Antsirabe Knitwear Ltd
Clair Mathe-Lisenda	IPRO (Botswana) (Propriety) Ltd
Damien Braud	CIEL Healthcare Ltd
Daniella Hoareau	SRL Maldives Ltd (Alternate to Stephanie Germain and Bernardette Suzanne Julie) SRL Management Ltd (Alternate to Stephanie Germain and Bernardette Suzanne Julie)
David J. Anderson	Ambre Resort Ltd Anahita Hotel Ltd City & Beach Hotels (Mauritius) Ltd GreenSun Management Ltd Loisirs des Iles Ltée (Formerly known as Hotel des Iles Ltd) Long Beach IHS Ltd Long Beach Resort Ltd Solea Vacances SA SRL FS, Ltd SRL Kanuhura Ltd SRL Maldives Ltd SRL Management Ltd SRL Marketing Ltd SRL Property Ltd SRL Touessrok Hotel Ltd SRL Touessrok Residences &Villas Ltd Sun Centralised Services Ltd Sun Hotel Holdings Ltd Sun Hotel Investment Ltd Sun Leisure Hotels Ltd Sun Leisure Investments Ltd Sun Ltd Sun Logistics Ltd Sun Real Estates Ltd Sun Resorts CSR Fund Ltd Sun Resorts Hotel Management Ltd Sun Resorts International Ltd Sun Styled Boutiques Ltd (Formerly known as Alamanda Ltd) Sun Support Ltd

ANNEXURE A
DIRECTORSHIP LIST OF SUBSIDIARIES AS AT 30 JUNE 2017 (Cont'd)

David J. Anderson (continued)	SUN Training Institute Ltd (Formerly known as Sun Continuous Learning Group Ltd) Supply Chain Experts Ltd Washright Services Ltd Wolmar Sun Hotels Ltd World Leisure Holidays (Pty) Ltd
Didier Harel	Sun Ltd
Dora Brocchetto	CIELTex Pty SA
Dr. Ian Clarke	International Hospital Kampala Ltd International Medical Group Ltd International Medical Centre Ltd IMG Pharmaceuticals Ltd International Air Ambulance Ltd
Eddy Yeung Kan Ching	Fondation CIEL Nouveau Regard CIEL Textile Ltd Aquarelle Clothing Ltd Aquarelle International Ltd CDL Knits Ltd Consolidated Fabrics Ltd CTL Retail Ltd Ferney Spinning Mills Ltd Floreal International Ltd Floreal Knitwear Ltd Floreal Property Ltd TKL International Ltd Tropic Knits Ltd
Elvis Cateaux	New Island Clothing Madagascar SA
Emmett Moriarty	CIEL Healthcare Ltd
Eric Dorchies	CIEL Textile Ltd Aquarelle Clothing Ltd Aquarelle India (Private) Ltd Aquarelle International Ltd Aquarelle Madagascar SA Consolidated Fabrics Ltd International Fabrics Ltd Laguna Clothing (Mauritius) Ltd Laguna Clothing Private Ltd New Island Clothing Madagascar SA Tinka International Ltd
Florence Linval	Solea Vacances SA

Françoise Ip	Ajax Sweaters Ltd Aquarelle Madagascar SA Floreal Madagascar SA Tropic Mad SA
George Allan Pavey	CIEL Finance Ltd
Guillaume Dalais	Antsirabe Knitwear Ltd CDL Knits Ltd Ferney Spinning Mills Ltd Floreal International Ltd Floreal Knitwear Ltd Floreal Trading Ltd TKL International Ltd TKL Knits (India) Private Ltd Tropic Knits Ltd Tropic Mad SA
Guy Adam	The Medical & Surgical Centre Ltd
Haingo Fanaperana Rabesisoa	BNI Madagascar SA
Hassane Muhieddine	BNI Madagascar SA
Hassanein Hiridjee	Indian Ocean Financial Holdings Ltd
Hélène Echevin	The Medical & Surgical Centre Ltd Le Café du Volcan Ltée CIEL Healthcare Ltd La Vallée de Ferney Company Ltd Sun Ltd
Henri de Simard de Pitray	CIEL Textile Ltd
Henri Rabarijohn	BNI Madagascar SA
J. Harold Mayer	Aquarelle Clothing Ltd Aquarelle India (Private) Ltd Aquarelle International Ltd Aquarelle Madagascar SA CDL Knits Ltd CIEL Textile Ltd Consolidated Fabrics Ltd CTL Retail Ltd Ferney Spinning Mills Ltd Floreal International Ltd Floreal Knitwear Ltd Floreal Madagascar SA

ANNEXURE A
DIRECTORSHIP LIST OF SUBSIDIARIES AS AT 30 JUNE 2017 (Cont'd)

J. Harold Mayer (continued)	Floreal Property Ltd Fondation CIEL Nouveau Regard International Fabrics Ltd Laguna Clothing Private Ltd New Island Clothing Madagascar SA Société Bonneterie Malagasy - SOBOMA Société Textile d'Andraharo SA - TEXARO Sun Ltd TKL International Ltd TKL Knits (India) Private Ltd Tropic Knits Ltd Tropic Mad SA
Jacques Edouard-Betsy	Floreal Madagascar SA Société Bonneterie Malagasy - SOBOMA Societe Civile Immobiliere des Mascareignes Société Textile d'Andraharo SA - TEXARO
Jane Yee Sak Chan	TKL Knits (India) Private Ltd
Jean Louis Savoye	Sun Ltd
Jean Marc Rivet	La Vallée de Ferney Company Ltd
Jean-Baptiste Doger de Spéville	Ajax Sweaters Ltd CDL Knits Ltd Floreal Madagascar SA Floreal Property Ltd Floreal Trading Ltd Tropic Knits Ltd
Jean-Pierre Bosquet	SRL Marketing Ltd
Jean-Pierre Dalais	Ambre Resort Ltd Anahita Hotel Ltd Aquarelle Clothing Ltd BNI Madagascar SA Bois Des Amourettes Ltd C Healthcare (EA) Ltd CDL Knits Ltd Ciel Agro & Property Ltd Ciel Corporate Services Ltd Ciel Finance Ltd CIEL Healthcare Africa Ltd CIEL Healthcare Ltd CIEL Hotels & Resorts Ltd CIEL Properties Ltd CIEL Textile Ltd City & Beach Hotels (Mauritius) Ltd

Jean-Pierre Dalais (continued)	Consolidated Fabrics Ltd CTL Retail Ltd Ebène Skies Ltd Ferney Ltd Ferney Spinning Mills Ltd Ferney Trail Ltd Floreal Knitwear Ltd Floreal Property Ltd Fondation CIEL Nouveau Regard Healthcare East Africa Ltd IMG Pharmaceuticals Ltd Indian Ocean Financial Holdings Ltd International Air Ambulance Ltd International Hospital Kampala Ltd International Medical Centre Ltd International Medical Group Ltd Laguna Clothing (Mauritius) Ltd Loisirs des Iles Ltée (Formerly known as Hotel des Iles Ltd) Long Beach IHS Ltd Long Beach Resort Ltd Rivière Champagne Ltd Rockwood Textiles Ltd Solea Vacances SA SRL Kanuhura Ltd SRL Maldives Ltd SRL Management Ltd SRL Marketing Ltd SRL Property Ltd SRL Touessrok Hotel Ltd Sun Centralised Services Ltd Sun Hotel Holdings Ltd Sun Hotel Investment Ltd Sun International Hotel Holdings Ltd Sun International Investment Ltd Sun International Management Ltd Sun International Realty Development Ltd Sun Leisure Hotels Ltd Sun Leisure Investments Ltd Sun Ltd Sun Logistics Ltd Sun Real Estates Ltd Sun Resorts (Seychelles) Ltd Sun Resorts CSR Fund Ltd Sun Resorts Hotel Management Ltd Sun Resorts International Ltd Sun Styled Boutiques Ltd (Formerly known as Alamanda Ltd) Sun Support Ltd

ANNEXURE A
DIRECTORSHIP LIST OF SUBSIDIARIES AS AT 30 JUNE 2017 (Cont'd)

Jean-Pierre Dalais (continued)	SunTraining Institute Ltd (Formerly known as Sun Continuous Learning Group Ltd) Supply Chain Experts Ltd TBLIMG Ltd Tropic Knits Ltd Washright Services Ltd Wolmar Sun Hotels Ltd World Leisure Holidays (Pty) Ltd
Jérôme Couve de Murville	Tropic Knits Ltd
L. J. Jérôme De Chasteauneuf	Azur Financial Services Ltd Bois Des Amourettes Ltd CIEL Agro & Property Ltd CIEL Corporate Services Ltd CIEL Finance Ltd CIEL Healthcare Ltd CIEL Hotels & Resorts Ltd CIEL Properties Ltd Ebène Skies Ltd Fondation CIEL Nouveau Regard La Vallee de Ferney Company Ltd Rockwood Textiles Ltd Mauritius International Trust Co Ltd MITCO Services Ltd Halifax International Ltd MITCO Ltd MITCO Corporate Services Co Ltd MITCO Group Ltd IPRO (Botswana) (Propriety) Ltd IPRO Stockbroking Ltd IPRO Fund Management Ltd BNI Madagascar SA Anahita Hotel Ltd SRL Touessrok Hotel Ltd Ajax Sweaters Ltd Aquarelle Clothing Ltd Aquarelle Madagascar SA CDL Knits Ltd CTL Retail Ltd Ferney Spinning Mills Ltd Floreal Knitwear Ltd Floreal Madagascar SA Floreal Property Ltd Société Bonneterie Malagasy - SOBOMA Tropic Knits Ltd Tropic Mad SA The Medical & Surgical Centre Ltd Investment Professionals Ltd

L. J. Jérôme De Chasteauneuf (continued)	Indian Ocean Financial Holdings Ltd Consolidated Fabrics Ltd (Alternate to Eddy Yeung Kan Ching) Ferney Ltd Rivière Champagne Ltd CIEL Textile Ltd Sun Ltd CIEL Healthcare Africa Ltd
José Pierre Yvon Raserijaona	Indian Ocean Financial Holdings Ltd
Kate Li Wong Wing	Mauritius International Trust Co Ltd MITCO Services Ltd Halifax International Ltd MITCO Ltd MITCO Corporate Services Co Ltd
Khushhal Chand Khushiram	Investment Professionals Ltd IPRO Funds Ltd
Krishna Kant Gangwar	TKL Knits (India) Private Ltd
Laureen Kouassi-Olsson	CIEL Finance Ltd
Laurent Demey	CIEL Finance Ltd
Lebang Mogaetsho Mpotokwane	IPRO (Botswana) (Propriety) Ltd
Liliane Joelisoa	BNI Madagascar SA
Louis Baron Stephane Fromet De Rosnay	New Island Clothing Madagascar SA (in process of liquidation)
M. A. Louis Guimbeau	CIEL Corporate Services Ltd Ferney Ltd
Madhu Ramachandra Rao	SRL Touessrok Hotel Ltd SRL Touessrok Residences &Villas Ltd
Manuel Monti	Laguna Clothing (Mauritius) Ltd
Marc Amelot	GreenSun Management Ltd
Marc-Emmanuel Vives	CIEL Finance Ltd MITCO Fund Services Ltd Investment Professionals Ltd IPRO Fund Management Ltd Indian Ocean Financial Holdings Ltd BNI Madagascar SA IPRO (Botswana) (Propriety) Ltd IPRO Funds Ltd

ANNEXURE A
DIRECTORSHIP LIST OF SUBSIDIARIES AS AT 30 JUNE 2017 (Cont'd)

Marten Coppoolse	CIEL Healthcare Ltd
Maurice Dalais	CIEL Corporate Services Ltd
Michel Thomas	The Medical & Surgical Centre Ltd
Michel Mayer	CDL Knits Ltd
Micheline Hery Manantenasoa	BNI Madagascar SA
Mukoza Herbert	International Air Ambulance Ltd
Murali Nagesh	Aquarelle India (Private) Ltd
Naderasen P. Veerasamy	Sun Ltd Sun Resorts CSR Fund Ltd
Neelmanee Ramlagun	Sun Training Institute Ltd (Formerly known as Sun Continuous Learning Group Ltd)
Neera Munisamy	Ajax Sweaters Ltd Antsirabe Knitwear Ltd Floreal Trading Ltd
Olivier Riché	Sun Ltd
P. Arnaud Dalais	Bois Des Amourettes Ltd CIEL Agro & Property Ltd CIEL Corporate Services Ltd CIEL Hotels & Resorts Ltd CIEL Properties Ltd Ebène Skies Ltd Rockwood Textiles Ltd CIEL Textile Ltd Sun Ltd Sun Resorts (Seychelles) Ltd Solea Vacances SA Aquarelle Clothing Ltd Aquarelle India (Private) Ltd Aquarelle International Ltd Aquarelle Madagascar SA CDL Knits Ltd Consolidated Fabrics Ltd CTL Retail Ltd Ferney Spinning Mills Ltd Floreal International Ltd Floreal Knitwear Ltd Floreal Madagascar SA Floreal Property Ltd

P. Arnaud Dalais (continued)	International Fabrics Ltd New Island Clothing Madagascar SA Société Bonneterie Malagasy - SOBOMA Société Textile d'Andraharo SA - TEXARO TKL International Ltd Tropic Knits Ltd Tropic Mad SA SRL Kanuhura Ltd World Leisure Holidays (Pty) Ltd Ferney Ltd Rivière Champagne Ltd Fondation CIEL Nouveau Regard
Paolo Monti	Laguna Clothing Private Ltd
Pascal Walter	Consolidated Fabrics Ltd
Philippe Koch	IPRO Fund Management Ltd IPRO Funds Ltd
Pierre Danon	CIEL Finance Ltd
Rajesh Kumar	Laguna Clothing Private Ltd
Rajiv Puri	The Medical & Surgical Centre Ltd
Ramasubramanian Sundaram	CDL Knits Ltd Tropic Knits Ltd TKL Knits (India) Private Ltd World Leisure Holidays (Pty) Ltd
Ravneet Chowdhurry	Neo Investments Ltd
Robert Hovenier	MITCO Group Ltd
Roger Espitalier Noël	CIEL Textile Ltd Ferney Ltd Fondation CIEL Nouveau Regard Aquarelle Clothing Ltd Aquarelle Madagascar SA CDL Knits Ltd Consolidated Fabrics Ltd CTL Retail Ltd Ferney Spinning Mills Ltd Floreal Knitwear Ltd Floreal Madagascar SA New Island Clothing Madagacar SA Société Textile d'Andraharo SA - TEXARO Tropic Knits Ltd Tropic Mad SA

ANNEXURE A
DIRECTORSHIP LIST OF SUBSIDIARIES AS AT 30 JUNE 2017 (Cont'd)

Roger Hogarth	Ciel Healthcare Ltd CIEL Healthcare Africa Ltd
Samila Sivaramen	Azur Financial Services Ltd Mauritius International Trust Co Ltd MITCO Services Ltd Halifax International Ltd MITCO Ltd MITCO Corporate Services Co Ltd Neo Investments Ltd Investment Professionals Ltd (Alternate to Marc-Emmanuel Vives)
Sarbajit Ghose	Laguna Clothing (Mauritius) Ltd Laguna Clothing Private Ltd
Satisha	Aquarelle India (Private) Ltd
Satuda Runghen	Azur Financial Services Ltd
Sébastien Daruty	Investment Professionals Ltd (Alternate to Jérôme De Chasteauneuf)
Seewoosagur Domun	CIEL Healthcare Ltd (Alternate to Thierry Hugnin)
Shane Peters	MITCO Fund Services Ltd
Sheela Baguant	Fondation CIEL Nouveau Regard
Stéphane Henry	IPRO Fund Management Ltd Neo Investments Ltd IPRO Funds Ltd Investment Professionals Ltd IPRO (Botswana) (Propriety) Ltd
Stéphanie Germain	SRL Maldives Ltd SRL Management Ltd
R. Thierry Dalais	Sun Ltd
Thierry Hugnin	CIEL Healthcare Ltd Ferney Trail Ltd Mauritius International Trust Co Ltd MITCO Services Ltd Halifax International Ltd MITCO Ltd MITCO Corporate Services Co Ltd IPRO Funds Ltd
Thierry Lagesse	Ferney Ltd

Tommy Wong Yun Shing	Azur Financial Services Ltd Sun Ltd City & Beach Hotels (Mauritius) Ltd Sun Styled Boutiques Ltd (Formerly known as Alamanda Ltd) Sun Leisure Hotels Ltd Washright Services Ltd Wolmar Sun Hotels Ltd SRL Property Ltd Long Beach IHS Ltd Loisirs des Iles Ltée (Formerly known as Hotel des Iles Ltd) Anahita Hotel Ltd Sun Resorts International Ltd SRL Kanuhura Ltd World Leisure Holidays (Pty) Ltd Solea Vacances SA SRL Marketing Ltd Sun Training Institute Ltd (Formerly known as Sun Continuous Learning Group Ltd) Sun Leisure Investments Ltd Sun Resorts CSR Fund Ltd Sun Resorts France SARL SRL Touessrok Residences &Villas Ltd SRL FS, Ltd Sun Hotel Holdings Ltd Ambre Resort Ltd Long Beach Resort Ltd Sun Hotel Investment Ltd Sun Real Estates Ltd Sun Support Ltd Sun Centralised Services Ltd Sun Logistics Ltd Supply Chain Experts Ltd Sun Resorts Hotel Management Ltd Sun International Hotel Holdings Ltd Sun International Realty Development Ltd Sun International Investment Ltd Sun International Management Ltd GreenSun Management Ltd
Tropic Mad SA	Antsirabe Knitwear Ltd
Unnati Negi	Le Café du Volcan Limitée
Vaidyanathan Pudugramam Venkata Subramanian	TKL Knits (India) Private Ltd
Véronique Perdigon	BNI Madagascar SA

Statement of **Directors'** Responsibilities

In Respect of the Preparation of Financial Statements

Directors acknowledge their responsibilities for:

(i) Adequate accounting records and maintenance of effective internal control systems;

(ii) The preparation of financial statements which fairly present the state of affairs of the Company as at the end of the financial year and the results of its operations and cash flows for that year and which comply with International Financial Reporting Standards (IFRS);

(iii) The selection of appropriate accounting policies supported by reasonable and prudent judgments.

The external auditors are responsible for reporting on whether the financial statements are fairly presented.

The Directors report that:

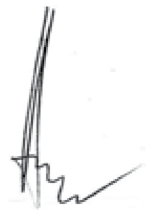
(i) Adequate accounting records and an effective system of internal controls and risk management have been maintained;

(ii) Appropriate accounting policies supported by reasonable and prudent judgments and estimates have been used consistently;

(iii) International Financial Reporting Standards have been adhered to. Any departure in the interest in fair presentation has been disclosed, explained and quantified.

(iv) The code of Corporate Governance has been adhered to in all material aspects and reasons provided for non-compliance.

On behalf of the Board



P. Arnaud Dalais
Chairman

Catherine McIlraith
Director

29 September 2017

Be Transparent

Facts and Figures

Certificate from the Company **Secretary**

Year ended 30 June 2017

In our capacity as Company Secretary, we hereby confirm that, to the best of our knowledge and belief, CIEL Limited has filed with the Registrar of Companies, for the financial year ended 30 June 2017, all such returns as are required of the Company under the Companies Act 2001, and that all such returns are true, correct and up to date.

Clothilde de Comarmond, ACIS
Per CIEL Corporate Services Ltd
Company Secretary

29 September 2017

Independent **Auditor's Report** to the Members of CIEL Limited

This report is made solely to the members of CIEL Limited (the "Company"), as a body, in accordance with Section 205 of the Mauritian Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of CIEL Limited and its subsidiaries (the Group), and the Company's separate financial statements on pages 158 to 264 which comprise the statements of financial position as at 30 June 2017, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 158 to 264 give a true and fair view of the financial position of the Group and of the Company as at 30 June 2017, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Mauritian Companies Act 2001.

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 Financial Statements* section of our report. We are independent of the Group and of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent **Auditor's Report** to the Members of CIEL Limited (cont'd)

Report on the audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

1. Land and Buildings and Investment Properties

Key Audit Matter

Land and buildings and investment properties are carried at fair value. The fair value is determined by directors subsequent to valuation carried out by external valuers. Fair value is a significant accounting estimate and involves a range of judgemental assumptions. The significance of the land, buildings and investment properties on the statement of financial position and the estimates and judgements applied in assessing the fair values resulted in them being identified as a key audit matter.

Related Disclosures

Refer to notes 2(a), 4 and 5 of the accompanying financial statements.

Audit Response

Our audit procedures included testing of design, existence and operating effectiveness of internal control procedures implemented as well as test of details to ensure completeness, reliability and accuracy of the carrying values of the land and buildings through the following:

- Ensured the estimated remaining useful lives and residual values of land and buildings are reasonable through discussion with the independent valuer.
- Reviewed the Group's depreciation policy for buildings and verified the inputs to the calculation.
- Performed predictive tests on depreciation charge.
- Checked consistency and reasonableness of the component allocation with previous years.

We tested the key inputs to the valuation of the Group's land and buildings and investment properties as follows:

- Assessment and discussion of management's process for the valuation exercise and appointment of the external valuers. We also assessed the competence, independence and integrity of the external valuers.
- Obtained the external valuation reports and discussed with the external valuers about the results of their work on a sample of properties. We discussed and challenged the valuation process, significant judgments and assumptions applied to the valuation model. We benchmarked and challenged the key assumptions to external industry data where available.

2. Recoverability of Goodwill

Key Audit Matter

Management tests goodwill for impairment annually and whether there are indications of impairment. The major component of the goodwill is from the hotel segment which accounts for approximately 63% of the goodwill figure. This test and assessment are largely based on management expectations and estimates of future results of the cash generating units extrapolated on the basis of long term revenue expected growth rates and assumptions with regard to terminal values and discount rates. We focus on this area due to the complex judgements and estimates applied in carrying out the impairment test.

Related Disclosures

Refer to notes 2(a) and 6 of the accompanying financial statements.

Report on the audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

2. Recoverability of Goodwill (continued)

Audit Response

- We checked the validity and reasonableness of the forecasts in line with the assumptions used.
- We performed procedures relating to the disclosures on impairment testing included in the financial statements, looking specifically at the disclosure of assumptions that have the most significant effect on the determination of the recoverable amount of goodwill. In connection with this, we verified whether these disclosures are adequate and provide sufficient insight into the disclosed assumptions and sensitivities of the assumptions underlying the valuation.
- We reviewed the latest management decision with regards to the business model to assess whether the assumptions are in line with the valuation assumptions made.
- We performed sensitivity analyses to determine the impact on the assumptions used.

3. Valuation of financial assets held at fair value

Key Audit Matter

In the Company's separate financial statements, financial assets are carried at fair value. In assessing the fair value of financial assets, the Company uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Many of the inputs required can be obtained from readily available liquid market prices and rates. Where observable market data is not available, in particular for level 3 equity instruments, estimates were developed based on the most appropriate source data and are subject to significant judgement. Changes in assumptions about these factors could affect the fair value of the financial assets. The valuation of the Company's financial assets held at fair value was a key area of audit focus due to the complexity involved in the valuation process.

Related Disclosures

Refer to note 2(a), 7, 8, 9 and 10 of the accompanying financial statements.

Audit Response

- We tested the design and implementation and operating effectiveness of the key controls over the investment valuation process. We tested, on a sample basis, the valuation at reporting date and we ascertained that the valuation techniques used are appropriate and consistent with prior years.
- We performed audit procedures over the valuation and accounting of investments in financial assets. We ensure the financial assets are being classified, accounted and disclosed in line with the respective IFRS.
- For unquoted financial assets classified as level 3, we tested that the valuation techniques adopted reflect the best appropriate basis for valuation of the investments. We checked the reasonableness of inputs to the valuation techniques used.
- We reviewed and discussed with management and those charged with governance the company's assessment of whether there is objective evidence that a financial asset is impaired and the identification and completeness of impaired assets.

Independent **Auditor's Report** to the Members of CIEL Limited (cont'd)

Report on the audit of the Financial Statements (Continued)

4. Impairment of loans and advances to customers

Key Audit Matter

The Group has loans and advances portfolio of MUR 10,096,076 as at 30 June 2017, through one of its subsidiary operating in Madagascar. Impairment allowances represent management's best estimate of the losses incurred within the loan portfolio at the reporting date. They are calculated on an individual basis for significant loans. The calculation of impairment allowances is inherently judgemental and is based on the identification of impaired loans and applying the requirements as prescribed by the Guidelines issued by the Commission de Supervision Bancaire et Financière.

For specific impairments, judgement is required to determine when an impairment event has occurred and then to estimate the expected future cash flows related to that loan. The audit was focused on impairment due to the materiality of the balances and the subjective nature of the calculation.

Related Disclosures

Refer to note 2(a) and 18 of the accompanying financial statements.

Audit Response

- We assessed and tested the design and operating effectiveness of the controls over specific impairment calculations including the quality of underlying data and systems.
- We reviewed and assessed the quality of the portfolio and timely identification of the non-performing portfolio through:
    - Our review of minutes of the risk and credit committee
    - Reviewing and testing loan arrears report and
    - Discussions with management on loans which we have identified as impaired but which have not been classified as impaired by management, and ensured that appropriate evidence are available to substantiate the non-classification.
- We checked whether the impairment of loans and advances to customers is in compliance with International Financial Reporting Standards (IFRS).
- For specific impairment loss on individual loans, we reviewed the completeness of the loan portfolio which are individually impaired, the external collateral valuation used and controls over the approval of significant individual impairments.
- For specific allowances, the modelling policy and methodology used for individual loans were independently assessed for a sample basis.

Report on the audit of the Financial Statements (Continued)

4. Impairment of loans and advances to customers (Continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Chairman Statement, Financial Highlights, Portfolio Review Report and the Risk Management Report, but does not include the financial statements and our auditor's report thereon. The Chairman Statement, Financial Highlights and Portfolio Review Report are expected to be made available to us after the date of this auditor's report.

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

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

When we read the Chairman Statement, Financial Highlights and Portfolio Review Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

Those charged with governance are responsible for overseeing the Group and the Company's financial reporting process.

Independent **Auditor's Report** to the Members of CIEL Limited (cont'd)

Report on the audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

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

Report on the audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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

Report on Other Legal and Regulatory Requirements

Mauritian Companies Act 2001

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

We have obtained all information and explanations we have required.

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

Financial Reporting Act 2004

The Directors are responsible for preparing the corporate governance report. Our responsibility is to report the extent of compliance with the Code of Corporate Governance as disclosed in the annual report and on whether the disclosure is consistent with the requirements of the Code.

In our opinion, the disclosure in the annual report is consistent with the requirements of the Code.

BDO & Co
Chartered Accountants

29 September 2017

Ameenah Ramdin, FCCA, ACA
Licensed by FRC

Port Louis
Mauritius

Statements of **Financial Position**

Year ended 30 June 2017

	Notes	THE GROUP 2017 MUR'000	THE GROUP 2016 MUR'000	THE COMPANY 2017 MUR'000	THE COMPANY 2016 MUR'000
NON SPECIFIC BANKING ASSETS					
Non-current assets					
Property, plant and equipment	4	**24,086,146**	22,146,186	**-**	-
Investment properties	5	**1,575,640**	1,437,716	**-**	-
Intangible assets	6	**3,600,635**	3,232,586	**-**	-
Investments in subsidiary companies	7	**-**	-	**11,459,158**	10,630,964
Investments in joint ventures	8	**1,367,847**	1,226,806	**1,142,308**	985,960
Investments in associates	9	**4,807,429**	5,068,765	**2,535,601**	2,137,896
Investments in other financial assets	10	**254,734**	225,993	**145,093**	184,686
Deposit on investments	11	**-**	-	**115,673**	86,505
Leasehold rights and land prepayments	12	**421,612**	437,706	**-**	-
Non-current receivables	13	**29,441**	115,228	**-**	-
Deferred income tax assets	25	**141,641**	82,212	**-**	-
		36,285,125	33,973,198	**15,397,833**	14,026,011
Current assets					
Inventories	14	**3,365,320**	3,088,659	**-**	-
Trade and other receivables	15	**5,047,494**	4,805,746	**234,604**	231,930
Cash and cash equivalents	16	**5,430,297**	5,583,351	**2,908**	1,852
		13,843,111	13,477,756	**237,512**	233,782
Non-current assets classified as held for sale	17	**49,812**	19,693	**-**	-
		50,178,048	47,470,647	**15,635,345**	14,259,793
SPECIFIC BANKING ASSETS					
Non-current asset					
Loans and advances to customers	18	**4,364,504**	3,479,115	**-**	-
Current assets					
Loans and advances to customers	18	**5,731,572**	5,035,548	**-**	-
Investments in securities	19	**2,792,163**	1,298,545	**-**	-
		8,523,735	6,334,093	**-**	-
		12,888,239	9,813,208	**-**	-
TOTAL ASSETS		**63,066,287**	57,283,855	**15,635,345**	14,259,793

The notes on pages 169 to 264 form an integral part of these financial statements.

Auditor's report on pages 151 to 157.

Statements of **Financial Position**

Year ended 30 June 2017

	Notes	THE GROUP 2017 MUR'000	THE GROUP 2016 MUR'000	THE COMPANY 2017 MUR'000	THE COMPANY 2016 MUR'000
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	20	**4,251,153**	4,249,417	**4,251,153**	4,249,417
Redeemable restricted A shares	21	**39,233**	39,233	**39,233**	39,233
Retained earnings		**7,141,535**	7,026,654	**2,600,675**	2,595,209
Revaluation, fair value and other reserves		**2,715,693**	2,774,026	**7,659,171**	6,291,130
		14,147,614	14,089,330	**14,550,232**	13,174,989
Less treasury shares	20	**(243,188)**	(255,061)	**(243,188)**	(255,061)
Owners' interest		**13,904,426**	13,834,269	**14,307,044**	12,919,928
Non-controlling interests		**9,759,140**	9,749,787	**-**	-
Total equity		**23,663,566**	23,584,056	**14,307,044**	12,919,928
NON SPECIFIC BANKING LIABILITIES					
Non-current liabilities					
Borrowings	24	**11,074,287**	5,367,355	**700,050**	1,000,050
Deferred tax liabilities	25	**1,014,469**	1,042,479	**-**	-
Retirement benefit obligations	26	**707,880**	569,774	**-**	-
Provisions for other liabilities and charges	27	**12,919**	20,469	**-**	-
Other payables	28	**60,000**	-	**-**	-
		12,869,555	7,000,077	**700,050**	1,000,050
Current liabilities					
Borrowings	24	**5,410,203**	8,952,563	**364,255**	96,948
Trade and other payables	28	**4,865,898**	4,195,012	**65,372**	74,889
Current tax liabilities	29	**81,831**	117,341	**130**	210
Proposed dividend	30	**198,494**	167,768	**198,494**	167,768
		10,556,426	13,432,684	**628,251**	339,815
		23,425,981	20,432,761	**1,328,301**	1,339,865
SPECIFIC BANKING LIABILITY					
Non-current liability					
Deposits from customers	31	**636,428**	6,323	**-**	-
Current liability					
Deposits from customers	31	**15,340,312**	13,260,715	**-**	-
		15,976,740	13,267,038	**-**	-
TOTAL LIABILITIES		**39,402,721**	33,699,799	**1,328,301**	1,339,865
TOTAL EQUITY AND LIABILITIES		**63,066,287**	57,283,855	**15,635,345**	14,259,793
Net asset value per share	MUR	**9.11**	9.07	**9.37**	8.47

These financial statements have been approved for issue by the Board of Directors on 29 September 2017.

P. Arnaud Dalais
CHAIRMAN

Catherine Mcilraith
DIRECTOR

The notes on pages 169 to 264 form an integral part of these financial statements.

Auditor's report on pages 151 to 157.

Statements of **Profit or Loss** and **Other Comprehensive Income**

Year ended 30 June 2017

	Notes		THE GROUP 2017 MUR'000	THE GROUP 2016 MUR'000	THE COMPANY 2017 MUR'000	THE COMPANY 2016 MUR'000
REVENUE	32		**20,258,331**	18,532,552	**407,752**	346,691
Earnings before interests, taxation, depreciation and amortisation	33		**2,859,779**	2,735,617	**371,581**	256,455
Depreciation and amortisation			**(969,471)**	(749,554)	**-**	-
Earnings before interests and taxation			**1,890,308**	1,986,063	**371,581**	256,455
Finance costs	34		**(644,938)**	(555,110)	**(59,924)**	(66,768)
Share of results of joint ventures	8(d)		**140,181**	146,998	**-**	-
Share of results of associates	9(d)		**104,258**	56,254	**-**	-
Profit before non-recurring items			**1,489,809**	1,634,205	**311,657**	189,687
Closure, marketing launch, restructuring, branding and transaction costs	36		**(160,748)**	(534,208)	**-**	-
Increase in fair value of investment properties	5		**241,880**	265,135	**-**	-
Impairment of goodwill	6(b)		**-**	(29,917)	**-**	-
Profit on sale of investment			**-**	-	**-**	125,115
Impairment on investment in associated companies	9		**(137,918)**	-	**-**	-
Profit before taxation			**1,433,023**	1,335,215	**311,657**	314,802
Income tax	29		**(288,932)**	(153,281)	**(936)**	(1,075)
Profit for the year			**1,144,091**	1,181,934	**310,721**	313,727
Profit attributable to:						
Owners of the parent			**479,258**	477,150	**310,721**	313,727
Non-controlling interests			**664,833**	704,784	**-**	-
			1,144,091	1,181,934	**310,721**	313,727
Earnings per share	37	MUR	**0.31**	0.31	**0.20**	0.21
Earnings per share before non-recurring items	37	MUR	**0.30**	0.46	**0.20**	0.12

The notes on pages 169 to 264 form an integral part of these financial statements.

Auditor's report on pages 151 to 157.

Statements of **Profit or Loss** and **Other Comprehensive Income**

Year ended 30 June 2017

		THE GROUP		THE COMPANY	
	Notes	**2017**	2016	**2017**	2016
		MUR'000	MUR'000	**MUR'000**	MUR'000
Profit for the year		**1,144,091**	1,181,934	**310,721**	313,727
Other comprehensive income:	22				
Items that will not be reclassified to profit or loss:					
Gain on revaluation of land and buildings		**371,157**	209,880	**-**	-
Deferred tax on revaluation gain	25(c)	**(13,468)**	(59,916)	**-**	-
Share of other comprehensive income of associates and joint ventures		**(17,343)**	8,605	**-**	-
Remeasurements of post employment benefit obligations	26	**(63,538)**	(59,621)	**-**	-
Deferred tax on remeasurements of post retirement benefit obligations	25(c)	**7,195**	8,170	**-**	-
Items that may be reclassified subsequently to profit or loss:					
Change in value of available-for-sale financial assets		**(90,851)**	(14,374)	**1,371,799**	(216,115)
Share of other comprehensive income of associates and joint ventures		**(198,441)**	(102,721)	**-**	-
Exchange difference charged to profit or loss		**137,918**	-	**-**	-
Currency translation differences		**(163,369)**	67,144	**-**	-
Cash flow hedges		**(48,955)**	(4,700)	**-**	(3,545)
Deferred tax on cash flow hedges	25(c)	**(2,279)**	8,279	**-**	-
Other comprehensive income for the year		**(81,974)**	60,746	**1,371,799**	(219,660)
Total comprehensive income for the year		**1,062,117**	1,242,680	**1,682,520**	94,067
Total comprehensive income attributable to:					
Owners of the parent		**385,518**	425,803	**1,682,520**	94,067
Non-controlling interests		**676,599**	816,877	**-**	-
		1,062,117	1,242,680	**1,682,520**	94,067

The notes on pages 169 to 264 form an integral part of these financial statements.
Auditor's report on pages 151 to 157.

Statements of **Changes in Equity**

Year ended 30 June 2017

STATEMENT OF CHANGES IN EQUITY

THE GROUP

	Attributable to owners of the parent			
	Stated Capital	Redeemable Restricted A Shares	Treasury Shares	Share Appreciation Rights & Other Scheme
	MUR'000	MUR'000	MUR'000	MUR'000
Balance at 1 July 2016	4,249,417	39,233	(255,061)	34,117
Profit for the year	-	-	-	-
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	-	-
Issue of shares	1,736	-	11,873	(13,609)
Treasury shares acquired	-	-	-	-
Issue of shares to non-controlling interests	-	-	-	-
Change in ownership interest that do not result in a loss of control	-	-	-	-
Employee share option scheme	-	-	-	9,851
Dividends and tax paid by foreign subsidiary	-	-	-	-
Dividends	-	-	-	-
Other movements	-	-	-	-
Total transactions with owners of the parent	1,736	-	11,873	(3,758)
Movement in reserves of joint ventures	-	-	-	-
Balance at 30 June 2017	**4,251,153**	**39,233**	**(243,188)**	**30,359**

The notes on pages 169 to 264 form an integral part of these financial statements.

Auditor's report on pages 151 to 157.

Attributable to owners of the parent					
Fair Value Reserve	Revaluation and Other Reserves	Retained Earnings	Total	Non-Controlling Interests	Total Equity
MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
191,171	2,548,738	7,026,654	13,834,269	9,749,787	23,584,056
-	-	479,258	479,258	664,833	1,144,091
(118,007)	24,267	-	(93,740)	11,766	(81,974)
(118,007)	24,267	479,258	385,518	676,599	1,062,117
-	-	-	-	-	-
-	-	-	-	(7,784)	(7,784)
-	-	-	-	2,683	2,683
-	-	2,306	2,306	(22,965)	(20,659)
-	-	-	9,851	-	9,851
-	-	(14,509)	(14,509)	(37,368)	(51,877)
-	-	(305,255)	(305,255)	(601,812)	(907,067)
-	23,595	(24,460)	(865)	-	(865)
-	23,595	(341,918)	(308,472)	(667,246)	(975,718)
-	15,570	(22,459)	(6,889)	-	(6,889)
73,164	**2,612,170**	**7,141,535**	**13,904,426**	**9,759,140**	**23,663,566**

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

THE GROUP

	Attributable to owners of the parent			
	Stated Capital	Redeemable Restricted A Shares	Treasury Shares	Share Appreciation Rights & Other Scheme
	MUR'000	MUR'000	MUR'000	MUR'000
Balance at 1 July 2015				
- As previously stated	4,248,354	39,233	(264,636)	38,469
- Prior year adjustment	-	-	-	-
- As restated	4,248,354	39,233	(264,636)	38,469
Profit for the year	-	-	-	-
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	-	-
Issue of shares	1,063	-	9,575	(10,638)
Issue of shares to non-controlling interests	-	-	-	-
Redemption of shares to non-controlling interests	-	-	-	-
Change in ownership interest that do not result in a loss of control	-	-	-	-
Employee share option scheme	-	-	-	6,286
Dividends	-	-	-	-
Other movements	-	-	-	-
Total transactions with owners of the parent	1,063	-	9,575	(4,352)
Movement in reserves of joint ventures	-	-	-	-
Balance at 30 June 2016	**4,249,417**	**39,233**	**(255,061)**	**34,117**

The notes on pages 169 to 264 form an integral part of these financial statements.

Auditor's report on pages 151 to 157.

Attributable to owners of the parent					
Fair Value Reserve	Revaluation and Other Reserves	Retained Earnings	Total	Non-Controlling Interests	Total Equity
MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
214,278	2,495,259	6,883,231	13,654,188	8,390,208	22,044,396
-	-	53,728	53,728	36,134	89,862
214,278	2,495,259	6,936,959	13,707,916	8,426,342	22,134,258
-	-	477,150	477,150	704,784	1,181,934
(23,107)	(28,240)	-	(51,347)	112,093	60,746
(23,107)	(28,240)	477,150	425,803	816,877	1,242,680
-	-	-	-	-	-
-	-	-	-	999,185	999,185
-	-	-	-	(47,310)	(47,310)
-	-	(36,319)	(36,319)	36,319	-
-	-	-	6,286	-	6,286
-	-	(274,380)	(274,380)	(483,829)	(758,209)
-	94,512	(89,549)	4,963	2,203	7,166
-	94,512	(400,248)	(299,450)	506,568	207,118
-	(12,793)	12,793	-	-	-
191,171	**2,548,738**	**7,026,654**	**13,834,269**	**9,749,787**	**23,584,056**

Statements of **Changes in Equity**

Year ended 30 June 2017

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

THE COMPANY

	Note	Stated Capital	Redeemable Restricted A Shares	Treasury Shares	Hedge Reserve	Share Appreciation Rights & Other Schemes	Fair Value Reserves	Retained Earnings	Total Equity
		MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Balance at 1 July 2016		4,249,417	39,233	(255,061)	-	34,117	6,257,013	2,595,209	12,919,928
Profit for the year		-	-	-	-	-	-	310,721	310,721
Other comprehensive income for the year		-	-	-	-	-	1,371,799	-	1,371,799
Total comprehensive income for the year		-	-	-	-	-	1,371,799	310,721	1,682,520
Issue of shares	20	1,736	-	11,873	-	(13,609)	-	-	-
Dividends	30	-	-	-	-	-	-	(305,255)	(305,255)
Employee share option scheme		-	-	-	-	9,851	-	-	9,851
Total transactions with owners of parent		1,736	-	11,873	-	(3,758)	-	(305,255)	(295,404)
Balance at 30 June 2017		**4,251,153**	**39,233**	**(243,188)**	**-**	**30,359**	**7,628,812**	**2,600,675**	**14,307,044**

The notes on pages 169 to 264 form an integral part of these financial statements.

Auditor's report on pages 151 to 157.

Statements of **Changes in Equity**

Year ended 30 June 2017

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

THE COMPANY

	Note	Stated Capital	Redeemable Restricted A Shares	Treasury Shares	Hedge Reserve	Share Appreciation Rights & Other Schemes	Fair Value Reserves	Retained Earnings	Total Equity
		MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Balance at 1 July 2015		4,248,354	39,233	(264,636)	3,545	38,469	6,473,128	2,555,862	13,093,955
Profit for the year		-	-	-	-	-	-	313,727	313,727
Other comprehensive income for the year		-	-	-	(3,545)	-	(216,115)	-	(219,660)
Total comprehensive income for the year		-	-	-	(3,545)	-	(216,115)	313,727	94,067
Issue of shares	20	1,063	-	9,575	-	(10,638)	-	-	-
Dividends	30	-	-	-	-	-	-	(274,380)	(274,380)
Employee share option scheme		-	-	-	-	6,286	-	-	6,286
Total transactions with owners of parent		1,063	-	9,575	-	(4,352)	-	(274,380)	(268,094)
Balance at 30 June 2016		4,249,417	39,233	(255,061)	-	34,117	6,257,013	2,595,209	12,919,928

The notes on pages 169 to 264 form an integral part of these financial statements.

Auditor's report on pages 151 to 157.

Statements of **Cash Flows**

Year ended 30 June 2017

	Notes	THE GROUP 2017 MUR'000	THE GROUP 2016 MUR'000	THE COMPANY 2017 MUR'000	THE COMPANY 2016 MUR'000
Cash flows from operating activities					
Cash generated from operations	38(a)	**2,514,154**	2,079,344	**317,037**	243,985
Interest paid		**(696,228)**	(630,428)	**(61,111)**	(69,549)
Interest received		**26,255**	44,723	**5,393**	6,837
Rent received		**24,095**	40,506	**-**	-
Tax paid	29(b)	**(362,764)**	(314,243)	**(1,016)**	(1,275)
Net cash generated from operating activities		**1,505,512**	1,219,902	**260,303**	179,998
Cash flows from investing activities					
Purchase of property, plant and equipment	4(a)	**(2,260,110)**	(2,678,326)	**-**	-
Purchase of investment properties	5	**(3,066)**	(1,218)	**-**	-
Acquisition of interests in subsidiary company	39(b)	**(21,150)**	-	**(2,650)**	(105,596)
Net cash outflow from acquisition of business operations	39(a)	**(619,799)**	-	**-**	-
Disposal of interest in subsidiary company	39(c)	**491**	-	**-**	-
Changes in deposit on investments		**-**	-	**(19,317)**	(27,547)
Purchase of investments in associated companies	9(a)	**(10,810)**	(580,140)	**(2,649)**	-
Purchase of investments in joint ventures	8(a)	**(19,318)**	(86,500)	**-**	-
Purchase of available-for-sale financial assets		**(30,722)**	(32,505)	**-**	-
Purchase of intangible assets	6(a)	**(184,346)**	(139,400)	**-**	-
Net movement in restricted cash		**-**	52,185	**-**	-
Redemption of investment		**-**	-	**3,371**	147,883
Proceeds from disposal of property, plant and equipment		**35,374**	26,696	**-**	-
Proceeds from disposal of investment property		**36,406**	-	**-**	-
Dividends received from associates and joint ventures		**67,739**	52,796	**-**	-
Proceeds from disposal of available-for-sale financial assets		**82,158**	6,185	**69,220**	25
Proceeds from disposal of subsidiary companies		**-**	-	**-**	384,241
Proceeds from disposal of associated companies		**-**	188,766	**-**	-
Net cash (used in)/generated from investing activities		**(2,927,153)**	(3,191,461)	**47,975**	399,006
Cash flow from financing activities					
Net borrowings		**3,125,642**	2,284,799	**-**	(8,000)
Issue of shares to non-controlling interests		**2,683**	999,185	**-**	-
Redemption of shares to non-controlling interests		**-**	(47,310)	**-**	-
Dividends paid to non-controlling interests		**(601,812)**	(483,829)	**-**	-
Dividends and tax paid by foreign subsidiary		**(51,877)**	-	**-**	-
Dividends paid	30	**(274,529)**	(274,111)	**(274,529)**	(274,111)
Net cash generated from/(used in) financing activities		**2,200,107**	2,478,734	**(274,529)**	(282,111)
Increase		**778,466**	507,175	**33,749**	296,893
Movement in cash and cash equivalents					
At July 1,		**3,186,477**	2,550,088	**(95,096)**	(391,989)
Exchange differences		**13,528**	129,214	**-**	-
Increase		**778,466**	507,175	**33,749**	296,893
At June 30,	38(b)	**3,978,471**	3,186,477	**(61,347)**	(95,096)
Cash and cash equivalents:					
Banking segment		**4,054,294**	4,516,564	**-**	-
Non banking segment		**(75,823)**	(1,330,087)	**(61,347)**	(95,096)
		3,978,471	3,186,477	**(61,347)**	(95,096)

The notes on pages 169 to 264 form an integral part of these financial statements.
Auditor's report on pages 151 to 157.

Notes to the **Financial Statements**

Year ended 30 June 2017

1. GENERAL INFORMATION

On 24 January 2014, CIEL Investment Ltd has been amalgamated with and into Deep River Investment Ltd (DRI). The surviving company was subsequently renamed CIEL Limited, which is listed on the Stock Exchange of Mauritius.

Its main activity is to provide long term growth and dividend income for distribution to investors.

CIEL Limited invests in a diversified portfolio of equity and equity related investments.

The address of its registered office is 5th Floor, Ebene Skies, Rue de L'Institut, Ebene Cybercity.

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

2. BASIS OF PREPARATION

The financial statements of CIEL Limited are prepared in compliance with the Companies Act 2001 and in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board ('IASB'). The financial statements are prepared on a going concern basis and include the consolidated financial statements of the parent company and its subsidiary companies (The Group) and the separate financial statements of the parent company (The Company).

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Where necessary comparative figures have been amended to conform to change in presentation in the current year.

As at 30 June 2017, the Company has net current liability of MUR 391M (2016: MUR 106M). The Board of directors has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to meet its liabilities in foreseeable future. Furthermore, the Board is not aware of any uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. The financialstatements are prepared on a going concern basis.

A discussion on the Group's critical accounting judgements and key sources of estimation uncertainty is detailed below. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

Amounts in the financial statements are stated in Mauritian Rupees and all values are rounded to the nearest thousands, except when otherwise indicated.

IFRS requires the Directors to adopt accounting policies that are the most appropriate to the Group's circumstances. In determining and applying accounting policies, Directors and management are required to make judgements in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the Group's reported financial position, results or cash flows; it may later be determined that a different choice may have been more appropriate.

This section describes the critical accounting judgements that management has identified as having a potentially material impact on the Group's consolidated financial statements and sets out the significant accounting policies that relate to the financial statements as a whole. Where an accounting policy is generally applicable to a specific note to the financial statements, the policy is described within that note.

We have also detailed below the new accounting pronouncements that we will adopt in future years and where relevant, the Group is still evaluating the effect of these Standards, amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

2. BASIS OF PREPARATION (CONTINUED)

Standards, Amendments to published Standards and Interpretations effective in the reporting period

IFRS 14 Regulatory Deferral Accounts provides relief for first-adopters of IFRS in relation to accounting for certain balances that arise from rate-regulated activities ('regulatory deferral accounts'). IFRS 14 permits these entities to apply their previous accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral accounts. The standard is not expected to have any impact on the Group's financial statements.

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11). The amendments clarify the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business. Existing interests in the joint operation are not remeasured on acquisition of an additional interest, provided joint control is maintained. The amendments also apply when a joint operation is formed and an existing business is contributed. The amendment has no impact on the Group's financial statements.

Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38). The amendments clarify that a revenue-based method of depreciation or amortisation is generally not appropriate. Amendments clarify that a revenue-based method should not be used to calculate the depreciation of items of property, plant and equipment. IAS 38 now includes a rebuttable presumption that the amortisation of intangible assets based on revenue is inappropriate. This presumption can be overcome under specific conditions. The amendment has no impact on the Group's financial statements.

Equity method in separate financial statements (Amendments to IAS 27). The amendments allow entities to use the equity method in their separate financial statements to measure investments in subsidiaries, joint ventures and associates. IAS 27 currently allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value in their separate financial statements. The amendments introduce the equity method as a third option. The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively. The amendment has no impact on the Group's financial statements.

Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41). IAS 41 now distinguishes between bearer plants and other biological asset. Bearer plants must be accounted for as property plant and equipment and measured either at cost or revalued amounts, less accumulated depreciation and impairment losses. The amendment has no impact on the Group's financial statements.

Standards, Amendments to published Standards and Interpretations effective in the reporting period (continued)

Annual Improvements to IFRSs 2012-2014 cycle

- IFRS 5 is amended to clarify that when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution' or vice versa, this does not constitute a change to a plan of sale or distribution and does not have to be accounted for as such. The amendment has no impact on the Group's financial statements.
- IFRS 7 amendment provides specific guidance for transferred financial assets to help management determine whether the terms of a servicing arrangement constitute 'continuing involvement' and, therefore, whether the asset qualifies for derecognition. The amendment has no impact on the Group's financial statements.
- IFRS 7 is amended to clarify that the additional disclosures relating to the offsetting of financial assets and financial liabilities only need to be included in interim reports if required by IAS 34. The amendment has no impact on the Group's financial statements.
- IAS 19 amendment clarifies that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise. The amendment has no impact on the Group's financial statements.
- IAS 34 amendment clarifies what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report' and adds a requirement to cross-reference from the interim financial statements to the location of that information. The amendment has no impact on the Group's financial statements.

2. BASIS OF PREPARATION (CONTINUED)

Disclosure Initiative (Amendments to IAS 1). The amendments to IAS 1 provide clarifications on a number of issues. An entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance. Line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals. Confirmation that the notes do not need to be presented in a particular order. The share of Other Comprehensive Income arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

Investment entities: Applying the consolidation exception (Amendments to IFRS 10, IFRS 12 and IAS 28). The amendments clarify that the exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities. An investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities. Entities which are not investment entities but have an interest in an associate or joint venture which is an investment entity have a policy choice when applying the equity method of accounting. The fair value measurement applied by the investment entity associate or joint venture can either be retained, or a consolidation may be performed at the level of the associate or joint venture, which would then unwind the fair value measurement. The amendment has no impact on the Group's financial statements

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 July 2017 or later periods, but which the Group has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

IFRS 9 Financial Instruments

IFRS 15 Revenue from Contract with Customers

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

IFRS 16 Leases

Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)

Amendments to IAS 7 Statement of Cash Flows

Clarifications to IFRS 15 Revenue from Contracts with Customers

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)

Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)

Annual Improvements to IFRSs 2014-2016 Cycle

IFRIC 22 Foreign Currency Transactions and Advance Consideration

Transfers of Investment Property (Amendments to IAS 40)

IFRS 17 Insurance Contracts

IFRIC 23 Uncertainty over Income Tax Treatments

Where relevant, the Group is still evaluating the effect of these Standards, amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

IFRS 9 is of particular importance to the Group. In July 2014, the IASB issued IFRS 9 'Financial Instruments', which is the comprehensive standard to replace IAS 39 'Financial Instruments: Recognition and Measurement', and includes requirements for classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

2. BASIS OF PREPARATION (CONTINUED)

Classification and measurement

The classification and measurement of financial assets will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. These factors determine whether the financial assets are measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVPL'). In many instances, the classification and measurement outcomes will be similar to IAS 39, although differences will arise. For example, under IFRS 9, embedded derivatives are not separated from host financial assets and equity securities are measured at FVPL or, in limited circumstances, at FVOCI. The combined effect of the application of the business model and the contractual cash flow characteristics tests may result in some differences in the population of financial assets measured at amortised cost or fair value compared with IAS 39. The classification of financial liabilities is essentially unchanged. For certain liabilities measured at fair value, gains or losses relating to changes in the entity's own credit risk are tobe included in other comprehensive income.

Impairment

The impairment requirements apply to financial assets measured at amortised cost and FVOCI, and lease receivables and certain loan commitments and financial guarantee contracts. At initial recognition, allowance (or provision in the case of commitments and guarantees) is required for expected credit losses ('ECL') resulting from default events that are possible within the next 12 months ('12-month ECL'). In the event of a significant increase in credit risk, allowance (or provision) is required for ECL resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL'). Financial assets where 12-month ECL is recognised are considered to be 'stage 1'; financial assets which are considered to have experienced a significant increase in credit risk are in 'stage 2'; and financial assets for which there is objective evidence of impairment so are considered to be in default or otherwise credit impaired are in 'stage 3'.

The assessment of whether credit risk has increased significantly since initial recognition is performed for each reporting period by considering the change in the risk of default occurring over the remaining life of the financial instrument, rather than by considering an increase in ECL.

The assessment of credit risk, and the estimation of ECL, are required to be unbiased and probability-weighted, and should incorporate all available information which is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL should take into account the time value of money. As a result, the recognition and measurement of impairment is intended to be more forward-looking than under IAS 39 and the resulting impairment charge will tend to be more volatile. It will also tend to result in an increase in the total level of impairment allowances, since all financial assets will be assessed for at least 12-month ECL and the population of financial assets to which lifetime ECL applies is likely to be larger than the population for which there is objective evidence of impairment in accordance with IAS 39.

Hedge accounting

The general hedge accounting requirements aim to simplify hedge accounting, creating a stronger link between it and risk management strategy and permitting the former to be applied to a greater variety of hedging instruments and risks. The standard does not explicitly address macro hedge accounting strategies, which are being considered in a separate project. To remove the risk of any conflict between existing macro hedge accounting practice and the new general hedge accounting requirements, IFRS 9 includes an accounting policy choice to remain with IAS 39 hedge accounting.

Transition

The classification and measurement and impairment requirements are applied retrospectively by adjusting the opening balance sheet at the date of initial application, with no requirement to restate comparative periods.

The mandatory application date for the standard as a whole is 1 January 2018, but it is possible to apply the revised presentation for certain liabilities measured at fair value from an earlier date.

2. BASIS OF PREPARATION (CONTINUED)

(a) Critical accounting judgements and key sources of estimation of uncertainty

Management has identified accounting estimates and assumptions relating to the items below that it considers to be critical due to their impact on the Group's financial statements.

(i) Impairment of non-financial assets

Assets that have an indefinite useful life (including Goodwill) are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

In determining the carrying amount of goodwill, the Group carries out the test on impairment of goodwill on an annual basis. This exercise requires an estimation of the value in use of the cash-generating units to which goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the generating unit and also to choose a suitable discount rate in order to compute the present value of future cash flows.

(ii) Impairment of financial assets

Financial assets classified as available-for-sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a Group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in equity is removed from equity and recognised in profit or loss.

If the fair value of a previously impaired debt security classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed and the reversal recognised in profit or loss.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale are not reversed through profit or loss.

Financial assets carried at amortised cost

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying value and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying value of the asset is reduced and, the amount of the loss is recognised in profit or loss. If a loan or held to maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

An allowance for loan impairment is established if there is the objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms of the loans.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

2. BASIS OF PREPARATION (CONTINUED)

(a) Critical accounting judgements and key sources of estimation of uncertainty (continued)

(iii) Pension benefits

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

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

Other key assumptions for pension obligations are based in part on current market conditions.

(iv) Revaluation of property, plant and equipment and investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in the profit or loss. In addition, it measures land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. The fair value is determined by the directors' valuation based on independent valuation by valuers.

(v) Fair value of securities

The fair value of securities not quoted in an active market may be determined by the Group using valuation techniques including third party transactions values, earnings, net asset value or discounted cash flows, whichever is considered to be appropriate. The Group would exercise judgement and estimates on the quantity and quality of pricing sources used. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Determination of fair value

The fair value of publicly traded available-for-sale securities is based on their market value which is calculated by reference to the Stock Exchange and the Development Enterprise Market (DEM) - quoted prices at the close of business at the end of reporting period except for listed subsidiaries. In assessing the fair value of unquoted investments, the Group uses a combination of discounted cash flow, price to book, earnings multiple, net asset base and dividend yield basis. The valuation policy is summarised below:

- For listed subsidiary companies, the fair value is the higher of the market value or share of net asset value.
- 50% stake or more in investee companies - price earnings multiple or discounted cash flow, except for listed subsidiaries, new investments, banks and property companies.
- Less than 50% stake in investee companies - earnings multiple
- Property investee companies - net asset basis whereby properties are revalued on a regular basis on their open market value
- Investments in new ventures are valued at cost for the first year less any impairment loss recognised to reflect irrecoverable amounts
- Investment entities - net asset basis
- Banking sector - mix of price to book and price earnings ratios or dividend discounting model as appropriate
- Recent transaction price, where applicable

2. BASIS OF PREPARATION (CONTINUED)

(a) Critical accounting judgements and key sources of estimation of uncertainty (continued)

(vi) Limitation of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Group's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Group's view of possible near-term market changes that cannot be predicted with any certainty.

(vii) Asset lives and residual values

Property, plant and equipment are depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

(viii) Depreciation policies

Property, plant and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Group would currently obtain from disposal of the asset, if the asset were already of the age and in condition expected at the end of its useful life.

The Directors therefore make estimates based on historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

(ix) Impairment of assets

Goodwill is considered for impairment at least annually. Property, plant and equipment, and intangible assets are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself.

Future cash flows expected to be generated by the assets or cash-generating units are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are impaired to the present value. The impairment loss is first allocated to goodwill and then to the other assets of a cash-generating unit.

Cash flows which are utilised in these assessments are extracted from formal business plans which are updated annually. The Group utilises the valuation model to determine asset and cash-generating unit values supplemented, where appropriate, by discounted cash flow and other valuation techniques.

(x) Deferred tax on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties, the Directors reviewed the Group's investment property portfolio and concluded that the investment properties are held under a business model whose objective is to consume substantially all the economic benefits embodied in the investment properties over time, rather than through sale.

2. BASIS OF PREPARATION (CONTINUED)

(a) Critical accounting judgements and key sources of estimation of uncertainty (continued)

(xi) Provision for slow-moving inventories

Management is required to exercise significant judgement in estimating the provision for slow-moving inventories.

The following are considered to provide for inventories write-off:
- Apply appropriate procedures to identify slow-moving and obsolete stocks;
- Make reasonable and prudent estimates of the prices obtainable in the market in which the goods are expected to be sold at the time at which they will be available for sale; and
- Take into account projected time to completion and sale.

(xii) Determination of functional currency of the Group entities

The determination of the functional currency of the Group's entities is critical since the way in which every transaction is recorded and whether exchange differences arising are dependent on the functional currency selected. The directors have determined that the functional currency of the company and local subsidiaries is the Mauritian rupee. The choice of the functional currency of the foreign subsidiaries has been based on factors such as the primary economic environment in which each party operates, the currency that mainly influences revenues and costs.

(xiii) Recognition of revenue on sale of Invest Hotel Scheme ('IHS')room

Management has considered the detailed criteria for the recognition of revenue on sale of IHS rooms set out in IAS 18 - Revenue, IAS 11 - Construction contracts and IFRIC 15 - Agreements for the Construction of Real Estates. Based on those criteria, management is satisfied that revenue on sale of IHS rooms is recognised under IAS 18.

(b) Significant accounting policies applied to the current reporting period that relate to the financial statements as a whole

The financial statements are prepared under the historical cost convention except that :-

(i) certain property, plant and equipment are carried at revalued amounts;

(ii) investment properties are stated at fair value;

(iii) available-for-sale investments and relevant financial assets and financial liabilities are stated at fair value; and

(iv) loans receivable and relevant financial assets and financial liabilities are carried at amortised cost.

2. BASIS OF PREPARATION (CONTINUED)

(c) Foreign currencies

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in equity as qualifying cash-flow hedges and qualifying net investment hedges.

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

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

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from that of the presentation currency of the Company, are translated as follows:

(a) assets and liabilities are translated at the closing rate at the end of that statement of financial position;

(b) income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(c) the resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. In the event of disposal of a foreign operation, such exchange differences are recognised in the profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(d) Non-recurring items

Non-recurring items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the performance of the Group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

3. SEGMENT INFORMATION

The reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.
The Group has six reportable segments:
Textile derives income mainly from the sale of knitwear, woven and fine knits products.
Agro and Property earns income mainly from sugar production, land and property development.
Hotels and Resorts derives income through the ownership and management of portfolio of hotels.
Financial services derives income mainly from banking, fiduciary products and portfolio management.
Healthcare derives income through the running of healthcare facilities.
CIEL - Holding Company derives income through dividend derived from its investments.
The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. The Group evaluates performance on the basis of profit or loss from operations.

THE GROUP

Year ended 30 June 2017	Textile	Agro & Property	Hotels & Resorts	Financial Services	Healthcare	Holding Company	Eliminations/ Unallocated	**Total**
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	**MUR'000**
Interest income	17,680	1,300	-	1,607,724	4,162	5,393	(32,453)	**1,603,806**
Other segment revenues	10,509,069	84,496	6,007,284	479,958	1,725,913	402,359	(554,554)	**18,654,525**
Total revenue	10,526,749	85,796	6,007,284	2,087,682	1,730,075	407,752	(587,007)	**20,258,331**
Earnings before interest and taxation	764,464	44,737	466,959	641,885	29,361	371,581	(428,679)	**1,890,308**
Finance costs	(99,800)	(13,530)	(435,162)	(42,887)	(26,063)	(59,924)	32,428	**(644,938)**
Share of result of joint ventures	-	(43)	(17,088)	157,312	-	-	-	**140,181**
Share of result of associates	-	102,087	(1,400)	6,703	(3,132)	-	-	**104,258**
	664,664	133,251	13,309	763,013	166	311,657	(396,251)	**1,489,809**
Increase in fair value of investment properties	-	241,880	-	-	-	-	-	**241,880**
Closure, marketing launch, restructuring, branding and transaction costs	-	-	(124,138)	-	(36,610)	-	-	**(160,748)**
Impairment on investment in associated companies	-	-	-	-	(137,918)	-	-	**(137,918)**
Profit before taxation	664,664	375,131	(110,829)	763,013	(174,362)	311,657	(396,251)	**1,433,023**
Income tax								**(288,932)**
Profit for the year								**1,144,091**
Assets excluding Associates & Joint Ventures	10,349,490	5,013,085	20,814,025	20,264,689	2,726,305	11,957,436	(14,234,019)	**56,891,011**
Joint Ventures	-	(3,288)	61,607	1,309,528	-	-	-	**1,367,847**
Associated Companies	-	3,516,589	702,445	264,062	324,333	-	-	**4,807,429**
Segment Assets	10,349,490	8,526,386	21,578,077	21,838,279	3,050,638	11,957,436	(14,234,019)	**63,066,287**
Segment Liabilities	5,616,361	361,561	13,206,370	18,035,701	1,468,673	1,328,301	(614,246)	**39,402,721**
Capital Expenditure	639,402	12,632	1,363,813	181,178	63,084	-	-	**2,260,109**
Depreciation and Amortisation	(250,218)	(15,915)	(451,833)	(147,293)	(104,212)	-	-	**(969,471)**

3. SEGMENT INFORMATION (CONT'D)

THE GROUP

Year ended 30 June 2016	Textile	Agro & Property	Hotels & Resorts	Financial Services	Healthcare	Holding Company	Eliminations/ Unallocated	**Total**
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	**MUR'000**
Interest income	23,990	5,975	-	1,464,225	6,981	1,360	(40,117)	**1,462,414**
Other segment revenues	10,483,829	80,691	4,989,237	467,335	1,217,237	345,331	(513,522)	**17,070,138**
Total revenue	10,507,819	86,666	4,989,237	1,931,560	1,224,218	346,691	(553,639)	**18,532,552**
Earnings before interest and taxation	937,745	18,760	356,965	690,527	111,921	256,455	(386,310)	**1,986,063**
Finance costs	(76,167)	(15,900)	(382,996)	(34,435)	(19,162)	(66,768)	40,318	**(555,110)**
Share of result of joint ventures	-	399	(8,299)	154,898	-	-	-	**146,998**
Share of result of associates	-	55,378	(6,799)	16,342	(8,667)	-	-	**56,254**
	861,578	58,637	(41,129)	827,332	84,092	189,687	(345,992)	**1,634,205**
Increase in fair value of investment properties	-	127,830	-	137,305	-	-	-	**265,135**
Closure, marketing launch, restructuring, branding and transaction costs	-	-	(534,208)	-	-	-	-	**(534,208)**
Impairment of goodwill	-	-	-	(29,917)	-	-	-	**(29,917)**
Profit before taxation	861,578	186,467	(575,337)	934,720	84,092	189,687	(345,992)	**1,335,215**
Income tax								**(153,281)**
Profit for the year								**1,181,934**
Assets excluding Associates & Joint Ventures	9,772,219	2,503,755	20,218,901	17,035,983	1,873,468	11,135,937	(11,551,979)	**50,988,284**
Joint Ventures	-	(3,129)	60,231	1,169,704	-	-	-	**1,226,806**
Associated Companies	-	3,506,925	808,259	306,820	446,761	-	-	**5,068,765**
Segment Assets	9,772,219	6,007,551	21,087,391	18,512,507	2,320,229	11,135,937	(11,551,979)	**57,283,855**
Segment Liabilities	5,048,532	289,973	12,381,103	14,902,444	566,936	1,339,865	(829,054)	**33,699,799**
Capital Expenditure	905,171	6,617	1,568,756	147,979	49,884	-	-	**2,678,407**
Depreciation and Amortisation	(215,728)	(14,740)	(356,894)	(100,112)	(62,080)	-	-	**(749,554)**

3. SEGMENT INFORMATION (CONT'D)

THE GROUP
Geographical information

	Revenues from External Customers		Non-Current Assets	
	2017	2016	**2017**	2016
	MUR'000	MUR'000	**MUR'000**	MUR'000
Mauritius	**14,853,375**	13,707,758	**28,895,118**	27,992,848
Madagascar	**1,634,084**	1,480,734	**6,422,328**	5,117,996
Asia	**2,122,158**	2,068,598	**550,026**	501,397
Maldives	**210,925**	31,545	**4,507,963**	3,543,732
South Africa	**520,440**	416,711	**738**	422
Others	**917,349**	827,206	**273,456**	295,918
	20,258,331	18,532,552	**40,649,629**	37,452,313

Revenues from external customers are presented based on the respective subsidiaries' country of domicile.

4. PROPERTY, PLANT AND EQUIPMENT

Accounting policies

Land and buildings are stated at their fair value based on periodic valuations by directors of the Group subsequent to valuation carried out by external valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Increases in the carrying amount arising on revaluation are credited to other comprehensive income and shown as revaluation surplus in shareholders' equity. Decreases that offset previous increases of the same asset are charged against revaluation surplus directly in equity; all other decreases are charged to profit or loss.

Properties in the course of construction for production, administrative purposes or for purposes not yet determined are carried at cost less any recognised impairment loss. Cost includes professional fees and for qualifying assets borrowing costs capitalised. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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

	Rate per annum
Buildings	2% to 5%
Buildings on leasehold land	2%
Plant, equipment and machinery	10% to 20%
Motor vehicles and boats	20%
Furniture, fittings and equipment	5% to 20%
Farming buildings and equipment	2.5% to 10%
Office, computer and other equipment	10% to 33%

Land is not depreciated.

The assets' residual values, useful lives and depreciation method are reviewed, and adjusted prospectively, if appropriate at end of each reporting period. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds to carrying amount and are included in profit or loss. On disposal of revalued assets, the amounts included in revaluation surplus are transferred to retained earnings.

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

Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in profit or loss.

On disposal of revalued assets, the amounts included in revaluation surplus are transferred to retained earnings.

(a) THE GROUP

THE GROUP	Land and Buildings	Plant and Machinery	Motor Vehicles	Furniture Fittings & Equipment	Office and Other Equipment	Deer Farming Buildings & Equipment	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
COST OR VALUATION							
At 1 July 2016	20,207,732	5,000,591	278,915	2,780,686	880,317	47,096	29,195,337
Revaluation surplus	298,370	-	-	-	-	-	298,370
Additions	1,475,691	461,881	50,950	135,044	132,803	3,741	2,260,110
Acquisition of business operations (Note 39(a))	-	-	9,751	248,039	-	-	257,790
Transfer from investment properties	64,876	-	-	-	-	-	64,876
Transfer to intangible assets	(4,952)	-	-	-	(15,643)	-	(20,595)
Transfer (to)/from work in progress	(3,633)	3,412	-	221	-	-	-
Transfer to non-current assets held for sale	(19,334)	-	-	-	-	-	(19,334)
Transfers	(404,749)	209,946	8,062	207,594	(20,853)	-	-
Write offs	(469)	(100,976)	(838)	(47,198)	(3,232)	-	(152,713)
Translation adjustment	(16,699)	10,124	2,685	(6,081)	8,127	-	(1,844)
Disposals	(11,623)	(85,059)	(19,477)	(2,018)	(747)	-	(118,924)
At 30 June 2017	**21,585,210**	**5,499,919**	**330,048**	**3,316,287**	**980,772**	**50,837**	**31,763,073**
DEPRECIATION							
At 1 July 2016	1,141,550	3,214,815	164,216	1,878,958	625,639	23,973	7,049,151
Revaluation surplus	(72,787)	-	-	-	-	-	(72,787)
Charge for the year	309,383	262,321	41,127	221,814	88,859	2,379	925,883
Transfer to intangible assets	-	-	-	-	(2,457)	-	(2,457)
Transfers	415	24,637	-	(5)	(25,047)	-	-
Write offs	(465)	(94,570)	(838)	(47,161)	(3,184)	-	(146,218)
Translation adjustment	14,402	5,635	1,696	1,122	6,362	-	29,217
Disposal adjustment	(258)	(84,903)	(18,213)	(1,946)	(542)	-	(105,862)
At 30 June 2017	**1,392,240**	**3,327,935**	**187,988**	**2,052,782**	**689,630**	**26,352**	**7,676,927**
NET BOOK VALUES							
At 30 June 2017	**20,192,970**	**2,171,984**	**142,060**	**1,263,505**	**291,142**	**24,485**	**24,086,146**
Split as follows:							
Banking segment	662,139	71,942	31,211	24,428	84,390	-	874,110
Non-banking segment	19,530,831	2,100,042	110,849	1,239,077	206,752	24,485	23,212,036
	20,192,970	2,171,984	142,060	1,263,505	291,142	24,485	24,086,146

Notes to the **Financial Statements**

Year ended 30 June 2017

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

(b) THE GROUP	Land and Buildings	Plant and Machinery	Motor Vehicles	Furniture Fittings & Equipment	Office and Other Equipment	Deer Farming Buildings & Equipment	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
At 1 July 2015	18,713,899	4,651,214	253,799	2,977,336	687,741	41,178	27,325,167
Opening balance adjustment	(70,952)	105,230	(264)	(196,791)	(30)	-	(162,807)
Revaluation surplus	209,880	-	-	-	-	-	209,880
Additions	1,813,157	595,624	63,546	123,629	76,452	5,918	2,678,326
Transfer to investment properties	(50,538)	-	-	-	-	-	(50,538)
Transfer to intangible assets	-	-	-	-	(12,745)	-	(12,745)
Transfer (to)/from work in progress	1,181	5,900	-	(7,256)	175	-	-
Transfers	(262,149)	(259,476)	37	124,244	333,278	-	(64,066)
Write offs	(27,042)	(96,309)	-	(232,172)	(195,217)	-	(550,740)
Reclassification	(370)	105,600	-	(105,230)	-	-	-
Translation adjustment	(105,994)	(111)	(2,241)	132,086	4,540	-	28,280
Disposals	(13,340)	(107,081)	(35,962)	(35,160)	(13,877)	-	(205,420)
At 30 June 2016	**20,207,732**	**5,000,591**	**278,915**	**2,780,686**	**880,317**	**47,096**	**29,195,337**
DEPRECIATION							
At 1 July 2015	859,057	3,298,060	164,447	2,133,373	563,484	22,212	7,040,633
Opening balance adjustment	658	76,309	(50)	(171,371)	64	-	(94,390)
Charge for the year	276,503	221,336	33,873	165,685	81,630	1,761	780,788
Transfer to intangible assets	8,994	(188,954)	297	(4,820)	179,026	-	(5,457)
Write offs	(2,668)	(95,722)	-	(210,280)	(188,938)	-	(497,608)
Translation adjustment	(994)	3,334	(1,329)	197	3,625	-	4,833
Disposal adjustments	-	(99,548)	(33,022)	(33,826)	(13,252)	-	(179,648)
At 30 June 2016	**1,141,550**	**3,214,815**	**164,216**	**1,878,958**	**625,639**	**23,973**	**7,049,151**
NET BOOK VALUES							
At 30 June 2016	**19,066,182**	**1,785,776**	**114,699**	**901,728**	**254,678**	**23,123**	**22,146,186**
Split as follows:							
Banking segment	676,052	58,690	25,970	22,619	28,087	-	811,418
Non-banking segment	18,390,130	1,727,086	88,729	879,109	226,591	23,123	21,334,768
	19,066,182	1,785,776	114,699	901,728	254,678	23,123	22,146,186

(c) If the land and buildings were stated on the historical cost basis, the carrying amounts would be as follows:

	THE GROUP	
	2017	2016
	MUR'000	MUR'000
Net book value	**13,482,910**	12,329,131

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

(d) The land and buildings are further classified as follows:

	Freehold land & buildings	Buildings on Leasehold Land	Asset Under Construction	Total
	MUR'000	MUR'000	MUR'000	MUR'000
VALUATION				
At 1 July 2015	16,744,165	1,386,599	583,135	18,713,899
Adjustment to opening balance	(70,952)	-	-	(70,952)
Additions	446,973	11,640	1,354,544	1,813,157
Reclassification	13,532	6,665	(20,567)	(370)
Transfers	883,514	1,181	(1,190,327)	(305,632)
Translation adjustment	(115,278)	(20)	3,430	(111,868)
Revaluation surplus	209,880	-	-	209,880
Write offs	(27,042)	-	-	(27,042)
Disposals	(13,179)	(161)	-	(13,340)
At 30 June 2016	**18,071,613**	**1,405,904**	**730,215**	**20,207,732**
Transfer to investment properties	64,876	-	-	64,876
Transfer to intangible assets	-	-	(4,952)	(4,952)
Transfer (to)/from work in progress	4,336	-	(7,969)	(3,633)
Transfer to non-current assets held for sale	(19,334)	-	-	(19,334)
Additions	231,632	31,249	1,212,810	1,475,691
Transfers	1,209,286	4,338	(1,618,373)	(404,749)
Translation adjustment	(24,020)	32	7,289	(16,699)
Revaluation surplus	285,830	12,540	-	298,370
Write offs	(469)	-	-	(469)
Disposals	(917)	-	(10,706)	(11,623)
At 30 June 2017	**19,822,833**	**1,454,063**	**308,314**	**21,585,210**
DEPRECIATION				
At 1 July 2015	701,151	145,912	11,994	859,057
Adjustment to opening balance	658	-	-	658
Transfers	8,994	-	-	8,994
Charge for the year	259,712	16,791	-	276,503
Translation adjustment	(409)	6,606	(7,191)	(994)
Write offs	(2,668)	-	-	(2,668)
At 30 June 2016	**967,438**	**169,309**	**4,803**	**1,141,550**
Transfers	415	-	-	415
Charge for the year	290,879	18,504	-	309,383
Translation adjustment	14,398	4	-	14,402
Revaluation surplus	(50,450)	(22,337)	-	(72,787)
Write offs	(465)	-	-	(465)
Disposal adjustments	(258)	-	-	(258)
At 30 June 2017	**1,221,957**	**165,480**	**4,803**	**1,392,240**
NET BOOK VALUES				
At 30 June 2017	**18,600,876**	**1,288,583**	**303,511**	**20,192,970**
At 30 June 2016	17,104,175	1,236,595	725,412	19,066,182

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

(e) Leased assets included above also comprise the following:

	THE GROUP			
	Plant & Machinery	Motor Vehicles	Furniture & Fittings	Office Equipment
	MUR'000	MUR'000	MUR'000	MUR'000
2017				
Cost - capitalised finance leases	277,463	32,454	90,820	4,639
Accumulated depreciation	(142,965)	(25,131)	(57,805)	(4,639)
Net book amount	**134,498**	**7,323**	**33,015**	**-**
2016				
Cost - capitalised finance leases	282,236	56,296	90,820	4,639
Accumulated depreciation	(95,961)	(41,224)	(34,904)	(4,041)
Net book amount	**186,275**	**15,072**	**55,916**	**598**

(f) Fair value of land and buildings

The Group carries its land and buildings at fair value. The revaluation surplus net of applicable deferred income taxes was credited to other comprehensive income and shown in 'revaluation surplus' in statements of changes in equity.

Details of the Group's land and buildings measured at fair value and information about the fair value hierarchy as at 30 June 2017 are as follows:

	Level 2	Level 3
THE GROUP	MUR'000	MUR'000
2017		
Freehold land and buildings	2,628,972	2,773,144
Buildings on leasehold land	3,425,035	11,062,308
	6,054,007	13,835,452
2016		
Freehold land and buildings	2,629,252	2,454,170
Buildings on leasehold land	3,357,982	9,899,366
	5,987,234	12,353,536

The Group's main land and buildings were last revalued on the following dates:

Hotel segment	30 June 2015
Textile segment	30 June 2017
Agro & Property segment	30 June 2017
Banking segment	30 June 2016
Healthcare segment	30 June 2017

Hotel segment

Freehold land and buildings were revalued on 30 June 2015 by Broll Indian Ocean Limited, Chartered Valuer.

Sales prices of comparable land in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square metre.

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

Hotel segment (cont'd)

Freehold land have been valued taking into consideration comparable sales evidences. The basis of valuation in estimating the market value has been undertaken in accordance with the principles set out by the International Valuation Standards Committee as per the International Valuation Application 1 (IVA 1) which deals with Valuation for Financial Reporting and which is to be used in the context of International Accounting Standards (IASs) published by the International Accounting Standards Board (IASB).
The buildings, structures and site improvement have been valued on a depreciated replacement cost basis taking into consideration their replacement cost, with adjustments being made for age and condition.
Included in freehold land and building is a building of one of the subsidiaries in Maldives with a carrying amount of MUR 2,296M as at 30 June 2017. The Directors are of opinion that the carrying amount of the buildings approximates their fair value as at reporting date. There has been no change in the valuation technique during the year.

Textile segment

During the year ended 30 June 2017, an independent valuation was performed by independent qualified valuers, CDDS Land Surveyors and Property Valuer, Ratsimbazafy Ihanta Evelyne, Kumar & Associates and Jorip O Paridarshan Company Limited for land and buildings held in Mauritius, Madagascar, India and Bangladesh respectively.
The external valuations of level 3 land and buildings have been performed using:
(i) sales comparison approach, and
(ii) replacement cost less depreciation approach,
where there are limited or no similar sites in the vicinity in which the land and buildings of the Group are located.
The external valuers have determined the unobservable inputs based on the size, age and condition of the land and buildings, the state of the local economy and comparable prices where relevant.

Information about fair value measurements for the textile cluster using significant unobservable inputs (Level 3)

Description	Fair Value at 30 June		Valuation Techniques	Unobservable Inputs	Range of Unobservable Inputs (probability-weighted average)
	2017	2016			
	MUR'000	MUR'000			**MUR**
Manufacturing sites – Mauritius	**1,225,010**	1,184,618	Sales comparison and replacement cost less depreciation approach	Price per square metre	MUR 995 - MUR 3,435/ square metre (land) and MUR 400 - MUR 25,708/ square metre (buildings)
Manufacturing sites – Madagascar	**541,112**	482,558			MGA 45K - MGA 1,010K/ square metre (land) and MGA 30K - MGA 1,102K (buildings)
Manufacturing sites – Asia	**483,562**	453,840		Price per acres and square feet	INR 600/sq ft for land and INR 500 - INR 1,500/square feet (buildings)

There were no transfer between level 1, 2 and 3 during the year.

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

Ferney Ltd

At 30 June 2017, an independent valuation was performed by independent qualified valuers, Messrs Chasteau Doger De Spéville. The fair value of the land was derived using the sales comparison approach. Estimates of values for each category of land is based on land transactions in the vicinity.

Significant valuation input:	Fair value 2017	Range
	MUR'000	MUR'000
Price per hectare - land	997,024	473 - 9,476

The range relates to hunting ground, sugar cane fields with no future development plans, sugar cane fields earmarked for future development and land earmarked for sales.

Banking segment

At 30 June 2016, an independent valuation was performed by an independent qualified valuer, Ratsimbazafy Ihanta Evelyne for land and buildings located at the headquarters in Madagascar. Land and buildings located elsewhere in Madagascar have been revalued by Pack Immo, independent qualified valuers.

The properties were valued at MUR 676M. The external valuations have been performed using sales comparison approach and depreciated replacement cost basis. The directors have reassessed the values at 30 June 2017 and considered that the carrying value reflect the fair value.

Healthcare segment

The land and buildings are classified as level 3 on the fair value hierarchy.Medical and Surgical Centre Ltd Group (Mauritius) revalued its land and buildings in June 2017 and engaged Noor Dilmohamed & Associates, Certified Practicing Valuer. Valuation is performed by the valuer using on-market comparable method, i.e it is based on latest available market prices, significantly adjusted for difference in nature, location or condition of the specific property. The IMG Group (Uganda) engaged Messrs PBR Real Estate Ltd independent valuers to value its properties in October 2014. The directors have reassessed the values at 30 June 2017 and considered that the carrying value reflect the fair value.

The main inputs used in the valuation approach ranged as follows:

	Fair value 2017	Mauritius Range
	MUR'000	MUR
Price per square metres (sqm)	622,454	4,000 - 16,000

Relationships of unobservable input to fair value

The higher the price per square metre and acre, the higher the fair value.

(g) Leased assets are pledged as securities for the related finance lease liabilities.

(h) Bank borrowings are secured by fixed and floating charges over the assets of the Group.

(i) The acquisition of property, plant and equipment includes purchases under finance lease obligation amounting to MUR 1.0M.

5. INVESTMENT PROPERTIES

Accounting policies

Investment properties, held to earn rentals or for capital appreciation or both and not occupied by the Group are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value, representing open-market value as determined periodically by the directors subsequent to the valuation carried out by external valuer. Changes in fair values are included in profit or loss. When the use of property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

	THE GROUP	
	2017	2016
	MUR'000	MUR'000
Fair value model		
At 1 July	**1,437,716**	1,120,825
Additions	**3,066**	1,218
Disposals	**(36,406)**	-
Transfer (to)/from land & buildings	**(64,876)**	50,538
Transfer to non-current assets held for sale (Note 17)	**(10,785)**	-
Increase in fair value	**241,880**	265,135
Exchange differences	**5,045**	-
At 30 June	**1,575,640**	1,437,716
Banking segment	**143,833**	138,786
Non-banking segment	**1,431,807**	1,298,930
	1,575,640	1,437,716

(a) In June 2017 the investment properties of Ferney Limited were revalued by Messrs Chasteau Doger De Spéville, a qualified valuer. The land was derived using the sales comparison approach by reference to land transactions in the vicinity.

The investment properties are classified as level 3 on the fair value hierarchy.

	Fair value	
Significant valuation input:	**2017**	**Range**
	MUR'000	MUR'000
Price per hectare - land	1,326,433	948 - 9,476

The range relates to sugar cane fields with no future development plans and land surrounding houses being rented.

(b) In April 2016, the investment properties of BNI Madagascar (subsidiary of CIEL Finance Limited) were fair valued by Cabinet Razafindratandra, an independent professionally qualified valuer. The fair value was determined on an open-market basis by reference to market evidence of transaction prices for similar properties. The directors have reassessed the values at 30 June 2017 and considered that the carrying value reflect the fair value.

	2017	2016
	MUR'000	MUR'000
Rental income	**37,028**	40,506
Direct operating expenses arising from investment properties that generate rental income	**(589)**	(852)

The Group has pledged some of its investment properties to secure general banking facilities granted to the Group.

6. INTANGIBLE ASSETS

Accounting policies

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.
Goodwill is tested annually for impairment. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gains and losses on disposal.
Goodwill is allocated to cash generating units for the purpose of impairment testing.
Computer software
Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software and are amortised using the straight line method over their estimated useful lives (4 - 5 years).
Costs associated with developing or maintaining computer software are recognised as an expense as incurred.
Costs that are directly associated with the production of identifiable and unique software controlled by the Group and that will generate economic benefits exceeding costs beyond one year, are recognised as intangible assets.
Direct costs include the software development employee costs and an appropriate portion of relevant overheads.
Computer software development costs recognised as assets are amortised over their estimated useful lives, not exceeding 3 years.

	Computer Software	Development Cost	Goodwill	Total
	MUR'000	MUR'000	MUR'000	MUR'000
(a) THE GROUP				
2017				
COST				
At 1 July 2016	383,635	3,855	3,073,002	3,460,492
Additions	176,472	7,874	-	184,346
Acquisition of business operations (Note 39(a))	18,608	-	330,904	349,512
Transfer from plant & equipment	20,595	-	-	20,595
Translation adjustment	8,251	35	(137,534)	(129,248)
Write offs	(14,263)	-	-	(14,263)
At 30 June 2017	**593,298**	**11,764**	**3,266,372**	**3,871,434**
AMORTISATION				
At 1 July 2016	191,019	3,855	33,032	227,906
Transfer from plant & equipment	2,457	-	-	2,457
Charge for the year	50,639	938	-	51,577
Translation adjustment	2,222	(19)	-	2,203
Write offs	(13,344)	-	-	(13,344)
At 30 June 2017	**232,993**	**4,774**	**33,032**	**270,799**
NET BOOK VALUES				
At 30 June 2017	**360,305**	**6,990**	**3,233,340**	**3,600,635**
Broken down as follows:				
Banking segment				**211,670**
Non-banking segment				**3,388,965**
				3,600,635

6. INTANGIBLE ASSETS (CONT'D)

(b) THE GROUP

	Computer Software	Development Cost	Goodwill	Total
	MUR'000	MUR'000	MUR'000	MUR'000
2016				
COST				
At 1 July 2015				
-As previously reported	258,533	3,797	2,831,430	3,093,760
- Prior year adjustment	-	-	191,012	191,012
- As restated	258,533	3,797	3,022,442	3,284,772
Consolidation adjustment	-	-	18,676	18,676
Additions	139,400	-	-	139,400
Transfer from plant & equipment	12,745	-	-	12,745
Translation adjustment	(3,632)	58	32,788	29,214
Write offs	(23,411)	-	(904)	(24,315)
At 30 June 2016	**383,635**	**3,855**	**3,073,002**	**3,460,492**
AMORTISATION				
At 1 July 2015	178,807	2,488	3,115	184,410
Transfer from plant & equipment	5,457	-	-	5,457
Charge for the year	30,881	1,322	-	32,203
Translation adjustment	(1,126)	45	-	(1,081)
Impairment	-	-	29,917	29,917
Write offs	(23,000)	-	-	(23,000)
At 30 June 2016	**191,019**	**3,855**	**33,032**	**227,906**
NET BOOK VALUES				
At 30 June 2016	**192,616**	**-**	**3,039,970**	**3,232,586**
Broken down as follows:				
Banking segment				**92,312**
Non-banking segment				**3,140,274**
				3,232,586

(c) Goodwill relating to the Hotel segment, has been allocated for impairment testing purposes to the following cash generating units ('CGU')

	2017	2016
	MUR'000	MUR'000
Tour Operator CGU - Solea Vacances SA and others (note i)	**7,428**	7,461
Hotel property CGU - Property companies - Maldives (note i)	**1,691,130**	1,749,580
Hotel property CGU - Anahita Hotel Limited (note ii)	**223,689**	223,689
	1,922,247	1,980,730

(i) The recoverable amount of these CGU are determined based on its value-in-use. The expected future net cash flows for 8 years has been discounted at an appropriate discount rate and added to the estimated terminal value.
The discount rate calculation is based on the specific circumstances of the CGU and is derived from its weighted average cost of capital ("WACC") of 8.45% - 12.4%. The terminal value has been computed by capitalising the net income prevailing at the end of the cash flow projections, using a perpetual growth rate of 3% and discounting at an appropriate rate.

6. INTANGIBLE ASSETS (CONT'D)

(ii) The recoverable amount of hotel property CGU - Anahita Hotel Limited was based on the discounted cash flow method, taking into account the free cash flow projections of financial budgets approved by management covering an eight year span. Value of free cash flow at perpetuity has been assumed using a growth rate of 3%. The future cash flows are discounted to present value based on a discount rate of 10.05%.

(d) Goodwill relating to the Healthcare segment, has been allocated for impairment testing purposes to the following cash generating units ('CGU')

	2017	2016
	MUR'000	MUR'000
IMG Group (note iii)	**477,634**	556,631
The Medical & Surgical Centre Group (note iv)	**577,888**	246,984
	1,055,522	803,615

(iii) The recoverable amount of these CGU are determined based on value-in-use. The expected future cash flows for 10 years have been discounted at an appropriate discount rate and added to the estimated terminal value. The discount rate calculation is based on specific circumstances of the CGU and a rate of 15.55% has been estimated.
The terminal value has been computed by capitalising the net income prevailing at the end of the cash flow projections, using a growth rate of 5% and discounting at an appropriate rate.

(iv) The balance consists of a goodwill of MUR 247M for which the recoverable amount of this cash-generating unit has been determined using its fair value, as it is a quoted company. The recoverable amount of the cash-generating units for the remaining balance of MUR 331M has been determined based on their value in use. These calculations use cash flow projections based on financial budgets approved by senior management covering a five-year period. The discount rate applied to the cash flow projections is 10% (2016:15%). Management has used its past experience in determining the value of each assumption. As a result of the analysis, management did not identify any impairment.

(e) Goodwill amounting to MUR 256M relates to CGUs operating in the financial services segment. The directors have reviewed the carrying amount of the goodwill and are of opinion that it has not suffered any impairment.

7. INVESTMENTS IN SUBSIDIARY COMPANIES

Accounting policies

Separate financial statements

In the separate financial statements of the investor, investments in subsidiary companies are carried at fair value.
The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

7. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss as a bargain purchase gain.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount being recognised in profit and loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets and liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

	2017		
	MUR'000	**MUR'000**	**MUR'000**
	Level 1	**Level 3**	**Total**
(a) THE COMPANY			
VALUATION			
At 1 July	**7,167,537**	**3,463,427**	**10,630,964**
Additions	**-**	**2,650**	**2,650**
Fair value adjustment	**206,357**	**619,187**	**825,544**
At 30 June	**7,373,894**	**4,085,264**	**11,459,158**

7. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

	2016		
	MUR'000	MUR'000	MUR'000
	Level 1	Level 3	Total
THE COMPANY			
VALUATION			
At 1 July	7,115,420	3,659,797	10,775,217
Additions	-	105,596	105,596
Redemption	-	(142,690)	(142,690)
Disposals	-	(259,126)	(259,126)
Fair value adjustment	52,117	99,850	151,967
At 30 June	7,167,537	3,463,427	10,630,964
Proceeds from disposals	-	384,241	384,241

7. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

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

Name of subsidiary company	Class of Shares	Year End	Denomi-nated Currency	Stated Capital	Percentage Holding 2017 Indirect	Percentage Holding 2017 Direct	Proportion of ownership interests held by non-controlling interests	Country of incorporation	Main business
				000's	%	%			
CIEL LIMITED									
Azur Financial Services Limited	Ordinary	30 June,	MUR	250	100.00	-	-	Mauritius	Treasury
BNI Madagascar**	Ordinary	31 December,	MGA	10,800,000	23.88	-	76.12	Madagascar	Banking
Bois des Amourettes Limited	Ordinary	30 June,	MUR	1	-	100.00	-	Mauritius	Non-trading
Bois des Amourettes Limited	Preference	30 June,	MUR	-	-	100.00	-	Mauritius	Non-trading
CIEL Corporate Services Ltd	Ordinary	30 June,	MUR	25	-	100.00	-	Mauritius	Management services
CIEL Finance Limited	Ordinary	30 June,	MUR	1,933,231	-	75.10	24.90	Mauritius	Investment
CIEL Finance Limited	Redeemable	30 June,	MUR	160,000	-	75.10	24.90	Mauritius	Investment
CIEL Healthcare Limited	Ordinary	30 June,	MUR	1,490,895	-	53.88	46.12	Mauritius	Investment
CIEL Healthcare Africa Limited	Ordinary	31 December,	USD	****	53.88	-	46.12	Mauritius	Management services
C Healthcare (EA) Limited	Ordinary	30 June,	USD	7,002	53.88	-	46.12	Mauritius	Investment
CIEL Properties Limited	Ordinary	30 June,	MUR	47	99.96	-	-	Mauritius	Property
CIEL Properties Limited	Preference	30 June,	MUR	****	100.00	-	-	Mauritius	Property
CIEL Textile Limited	Ordinary	30 June,	MUR	685,865	-	56.31	43.69	Mauritius	Investment
Ebène Skies Ltd	Ordinary	30 June,	MUR	222,001	-	100.00	-	Mauritius	Property
Ferney Limited	Ordinary	30 June,	MUR	320,797	71.06	-	28.94	Mauritius	Property
Halifax International Limited**	Ordinary	30 June,	MUR	-	44.17	-	55.83	Mauritius	Non-trading
Healthcare East Africa Limited	Ordinary	31 December,	USD	5,400	53.88	-	46.12	Mauritius	Investment
Indian Ocean Financial Holdings Limited	Ordinary	31 December,	EUR	19,874	43.88	-	56.12	Mauritius	Investment holding
Investment Professionals Ltd **	Ordinary	30 June,	MUR	10,500	71.72	-	28.28	Mauritius	Investment adviser
IPRO Fund Management Ltd **	Ordinary	30 June,	MUR	5,000	71.72	-	28.28	Mauritius	CIS manager
IPRO Botswana (Pty) Limited**	Ordinary	30 June,	BWP	1,832	39.45	-	56.97	Botswana	Fund management
IPRO Stockbroking Ltd **	Ordinary	30 June,	MUR	1,500	71.72	-	28.28	Mauritius	Investment dealer
IMG Pharmaceuticals Limited	Ordinary	31 December,	USH	10,000	48.55	-	51.45	Uganda	Healthcare services
International Air Ambulance Limited	Ordinary	31 December,	USH	6,900,000	48.55	-	51.45	Uganda	Healthcare services
International Hospital Kampala Limited	Ordinary	31 December,	USH	100,000	48.55	-	51.45	Uganda	Healthcare services
International Medical Centre Limited	Ordinary	31 December,	USH	10,000	48.55	-	51.45	Uganda	Healthcare services
International Medical Group Limited	Ordinary	31 December,	USH	7,210,000	48.55	-	51.45	Uganda	Investment
La Vallée de Ferney Company Ltd**	Ordinary	30 June,	MUR	5,000	42.64	-	57.36	Mauritius	Conservation
La Vallée de Ferney Company Ltd**	Preference	30 June,	MUR	4,800	42.64	-	57.36	Mauritius	Conservation
Le Café du Volcan Ltée	Ordinary	30 June,	MUR	25	31.57	-	68.43	Mauritius	Food & beverages
Mauritius International Trust Company Limited **	Ordinary	30 June,	USD	32	44.17	-	55.83	Mauritius	Business services
Mitco Advisory Ltd **	Ordinary	30 June,	USD	10	30.92	-	69.08	Seychelles	Corporate services
Mitco Corporate Services Limited **	Ordinary	30 June,	MUR	25	44.17	-	55.83	Mauritius	Management services
Mitco Fund Services Ltd	Ordinary	30 June,	MUR	1,000	22.09	-	77.91	Mauritius	Registry
Mitco Group Limited **	Ordinary	30 June,	MUR	7	43.93	-	56.07	Mauritius	Management services
Mitco Limited **	Ordinary	30 June,	USD	16	44.17	-	55.83	Seychelles	Corporate services
Mitco Services Ltd**	Ordinary	30 June,	USD	-	44.17	-	55.83	Mauritius	Non-trading
Rockwood Textiles Ltd	Ordinary	30 June,	MUR	9,637	-	100.00	-	Mauritius	Property
Rivière Champagne Limited	Ordinary	30 June,	MUR	47	-	100.00	-	Mauritius	Non-trading
Rivière Champagne Limited	Preference	30 June,	MUR	-	-	100.00	-	Mauritius	Non-trading
Sun Limited	Ordinary	30 June,	MUR	3,249,287	-	59.96	40.04	Mauritius	Investment
TBL IMG Limited	Ordinary	31 December,	USD	1,200	53.88	-	46.12	Mauritius	Investment
The Medical & Surgical Centre Limited	Ordinary	30 June,	MUR	289,801	31.57	-	68.43	Mauritius	Healthcare services

7. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

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

Name of subsidiary company	Class of Shares	Year end	Denomi-nated Currency	Stated Capital	Percentage holding 2016 Indirect	Percentage holding 2016 Direct	Proportion of ownership interests held by non-controlling interests	Country of incorporation	Main business
				000's	%	%	%		
CIEL LIMITED									
Azur Financial Services Limited	Ordinary	30 June,	MUR	250	100.00	-	-	Mauritius	Treasury
BNI Madagascar**	Ordinary	31 December,	MGA	10,800,000	23.88	-	76.12	Madagascar	Banking
Bois des Amourettes Limited	Ordinary	30 June,	MUR	1	-	100.00	-	Mauritius	Non-trading
Bois des Amourettes Limited	Preference	30 June,	MUR	-	-	100.00	-	Mauritius	Non-trading
CIEL Corporate Services Ltd	Ordinary	30 June,	MUR	25	-	100.00	-	Mauritius	Management services
CIEL Finance Limited	Ordinary	30 June,	MUR	1,933,231	-	75.10	24.90	Mauritius	Investment
CIEL Finance Limited	Redeemable	30 June,	MUR	160,000	-	100.00	-	Mauritius	Investment
CIEL Healthcare Limited	Ordinary	30 June,	MUR	1,490,895	-	53.88	46.12	Mauritius	Investment
CIEL Healthcare Africa Limited	Ordinary	30 June,	USD	****	53.88	-	46.12	Mauritius	Management services
C Healthcare (EA) Limited	Ordinary	31 December,	USD	7,002	53.88	-	46.12	Mauritius	Investment
CIEL Properties Limited	Ordinary	30 June,	MUR	47	-	99.96	-	Mauritius	Property
CIEL Properties Limited	Preference	30 June,	MUR	****	-	100.00	-	Mauritius	Property
CIEL Textile Limited	Ordinary	30 June,	MUR	685,865	-	56.31	43.69	Mauritius	Investment
Ebène Skies Ltd	Ordinary	30 June,	MUR	222,001	-	100.00	-	Mauritius	Property
Ferney Limited	Ordinary	30 June,	MUR	320,797	-	71.06	28.94	Mauritius	Property
Halifax International Limited**	Ordinary	30 June,	MUR	-	44.65	-	55.35	Mauritius	Non-trading
Healthcare East Africa Limited	Ordinary	31 December,	USD	5,400	53.88	-	46.12	Mauritius	Investment
Indian Ocean Financial Holdings Limited	Ordinary	31 December,	EUR	19,874	43.88	-	56.12	Mauritius	Investment holding
Investment Professionals Ltd **	Ordinary	30 June,	MUR	10,500	41.68	-	58.32	Mauritius	Investment adviser
IPRO Fund Management Ltd **	Ordinary	30 June,	MUR	5,000	41.68	-	58.32	Mauritius	CIS manager
IPRO Botswana (Pty) Limited**	Ordinary	30 June,	BWP	1,832	25.01	-	74.99	Botswana	Fund management
IPRO Stockbroking Ltd **	Ordinary	30 June,	MUR	1,500	41.68	-	58.32	Mauritius	Investment dealer
IMG Pharmaceuticals Limited	Ordinary	31 December,	USH	10,000	48.55	-	51.45	Uganda	Healthcare services
International Air Ambulance Limited	Ordinary	31 December,	USH	6,900,000	48.55	-	51.45	Uganda	Healthcare services
International Hospital Kampala Limited	Ordinary	31 December,	USH	100,000	48.55	-	51.45	Uganda	Healthcare services
International Medical Centre Limited	Ordinary	31 December,	USH	10,000	48.55	-	51.45	Uganda	Healthcare services
International Medical Group Limited	Ordinary	31 December,	USH	7,210,000	48.55	-	51.45	Uganda	Investment
La Vallée de Ferney Company Ltd**	Ordinary	30 June,	MUR	5,000	42.64	-	57.36	Mauritius	Conservation
La Vallée de Ferney Company Ltd**	Preference	30 June,	MUR	4,800	42.64	-	57.36	Mauritius	Conservation
Le Café du Volcan Ltée	Ordinary	30 June,	MUR	25	31.57	-	68.43	Mauritius	Food & beverages
Mauritius International Trust Company Limited **	Ordinary	30 June,	USD		44.65	-	55.35	Mauritius	Business services
Mitco Advisory Ltd **	Ordinary	30 June,	USD	10	31.26	-	68.74	Seychelles	Corporate services
Mitco Corporate Services Limited **	Ordinary	30 June,	MUR	25	44.65	-	55.35	Mauritius	Management services
Mitco Fund Services Ltd	Ordinary	30 June,	MUR	1,000	22.33	-	77.67	Mauritius	Registry
Mitco Limited **	Ordinary	30 June,	USD	16	44.65	-	55.35	Seychelles	Corporate services
Mitco Services Ltd**	Ordinary	30 June,	USD	-	44.65	-	55.35	Mauritius	Non-trading
Rockwood Textiles Ltd	Ordinary	30 June,	MUR	9,637	-	100.00	-	Mauritius	Property
Rivière Champagne Limited	Ordinary	30 June,	MUR	47	-	100.00	-	Mauritius	Non-trading
Rivière Champagne Limited	Preference	30 June,	MUR	-	-	100.00	-	Mauritius	Non-trading
Sun Limited	Ordinary	30 June,	MUR	3,249,287	-	59.79	40.21	Mauritius	Investment
TBL IMG Limited	Ordinary	31 December,	USD	1,200	53.88	-	46.12	Mauritius	Investment
The Medical & Surgical Centre Limited	Ordinary	30 June,	MUR	289,801	31.57	-	68.43	Mauritius	Healthcare services

Notes to the **Financial Statements**

Year ended 30 June 2017

7. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

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

Name of subsidiary company	Class of Shares	Year End	Denominated Currency	Stated Capital	Percentage Holding Indirect 2017	Percentage Holding Indirect 2016	Proportion of Ownership Interests held by Non-Controlling Interests 2017	Proportion of Ownership Interests held by Non-Controlling Interests 2016	Country of Incorporation	Main Business
				000's	%	%	%	%		
CIEL TEXTILE LIMITED										
Ajax Sweaters Limited	Ordinary	30 June,	Taka	61,636	56.31	56.31	43.69	43.69	Bangladesh	Knitwear
Antsirabe Knitwear SA (3)	Ordinary	30 June,	MGA	1,000,000	56.31	56.31	43.69	43.69	Madagascar	Knitwear
Aquarelle Clothing Limited	Ordinary	30 June,	MUR	180,000	56.31	56.31	43.69	43.69	Mauritius	Woven
Aquarelle India Private Limited	Ordinary	31 March,	INR	24,000	56.31	56.31	43.69	43.69	India	Woven
Aquarelle International Limited	Ordinary	30 June,	MUR	7,404	56.31	56.31	43.69	43.69	Mauritius	Woven
Aquarelle Madagascar SARL	Ordinary	30 June,	MGA	225,000	56.31	56.31	43.69	43.69	Madagascar	Woven
CDL Knits Limited	Ordinary	30 June,	MUR	173,000	56.31	56.31	43.69	43.69	Mauritius	Knits
CielTex SA (Proprietary) Limited	Ordinary	30 June,	ZAR	1	56.31	56.31	43.69	43.69	South Africa	Retail
Consolidated Fabrics Ltd	Ordinary	30 June,	MUR	25,743	56.31	56.31	43.69	43.69	Mauritius	Woven
CTL Retail Ltd	Ordinary	30 June,	MUR	10,001	56.31	56.31	43.69	43.69	Mauritius	Retail
Ferney Spinning Mills Limited	Ordinary	30 June,	MUR	15,314	56.31	56.31	43.69	43.69	Mauritius	Knitwear
Floreal Trading Ltd ***	Ordinary	30 June,	Taka	800,000	56.31	-	43.69	-	Bangladesh	Knitwear
Floreal Knitwear Ltd	Ordinary	30 June,	MUR	216,450	56.31	56.31	43.69	43.69	Mauritius	Knitwear
Floreal International Ltd	Ordinary	30 June,	MUR	14,000	56.31	56.31	43.69	43.69	Mauritius	Knitwear
Floreal Madagascar SA	Ordinary	30 June,	MGA	300,000	56.14	56.14	43.86	43.86	Madagascar	Knitwear
Floreal Property Ltd	Ordinary	30 June,	MUR	1	56.31	56.31	43.69	43.69	Mauritius	Knitwear
International Fabrics Ltd (Amalagamated in Aquarelle Clothing Ltd)	Ordinary	30 June,	USD	11,328	-	56.31	-	43.69	Mauritius	Woven
Laguna Clothing (Mauritius) Ltd **	Ordinary	30 June,	MUR	20,000	28.16	28.16	71.84	71.84	Mauritius	Woven
Laguna Clothing Private Ltd **	Ordinary	31 March,	INR	74,900	28.16	28.16	71.84	71.84	India	Woven
New Island Clothing Madagascar SA	Ordinary	30 June,	MGA	10,000	55.63	55.63	44.37	44.37	Madagascar	Woven
Societe Bonnetiere Malagasy - (Soboma)	Ordinary	30 June,	MGA	150,000	56.31	56.31	43.69	43.69	Madagascar	Knits
Société Civile Immobilières des Mascareignes	Ordinary	30 June,	MGA	2,000	56.31	56.31	43.69	43.69	Madagascar	Knitwear
Société Textile d'Andraharo SA - (Texaro)	Ordinary	30 June,	MGA	260,000	47.05	47.05	52.95	52.95	Madagascar	Knitwear
TKL International Ltd	Ordinary	30 June,	MUR	3,814	56.31	56.31	43.69	43.69	Mauritius	Knits
TKL Knits (India) Private Ltd	Ordinary	31 March,	INR	100,000	56.31	56.31	43.69	43.69	India	Knits
Tinka International Ltd	Ordinary	31 March,	HKG	100	56.31	56.31	43.69	43.69	Hong Kong	Woven
Tropic Knits Limited	Ordinary	30 June,	MUR	115,000	56.31	56.31	43.69	43.69	Mauritius	Knits
Tropic Madagascar SA	Ordinary	30 June,	MGA	3,000,000	56.31	56.31	43.69	43.69	Madagascar	Knits

7. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

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

Name of subsidiary company	Class of Shares	Year End	Denominated Currency	Stated Capital	Percentage Holding Indirect 2017	Percentage Holding Indirect 2016	Proportion of Ownership Interests held by Non-Controlling Interests 2017	Proportion of Ownership Interests held by Non-Controlling Interests 2016	Country of Incorporation	Main Business
				000's	%	%	%	%		
SUN LIMITED										
Ambre Resort Ltd	Ordinary	30 June,	MUR	10	59.96	59.79	40.04	40.21	Mauritius	Hotel
Anahita Hotel Limited	Ordinary	30 June,	MUR	1,060,443	59.96	59.79	40.04	40.21	Mauritius	Hotel
City and Beach Hotels (Mtius) Limited	Ordinary	30 June,	MUR	15,532	59.85	59.68	40.15	40.32	Mauritius	Hotel
GreenSun Management Ltd	Ordinary	30 June,	MUR	10	59.96	-	40.04	-	Mauritius	Management
Loisir des Iles ltee	Ordinary	30 June,	MUR	60,800	59.94	59.77	40.06	40.23	Mauritius	Golf & Restaurant
Long Beach IHS Ltd	Ordinary	30 June,	MUR	****	59.96	59.79	40.04	40.21	Mauritius	Property Developer
Long Beach Resort Ltd	Ordinary	30 June,	MUR	10	59.96	-	40.04	-	Mauritius	Hotel
Solea Vacances SA	Ordinary	30 June,	EUR	852	59.96	59.79	40.04	40.21	France	Tour Operator
SRL Kanuhura Ltd	Ordinary	31 December	USD	50	59.96	59.79	40.04	40.21	BVI / Maldives	Hotel
SRL Maldives Ltd	Ordinary	30 June,	USD	45,000	59.96	59.79	40.04	40.21	Seychelles	Investment
SRL Management Ltd	Ordinary	30 June,	USD	21,000	59.96	59.79	40.04	40.21	Seychelles	Management
SRL Marketing Ltd	Ordinary	30 June,	GBP	1	59.96	59.79	40.04	40.21	UK	Marketing Office
SRL Property Ltd*	Ordinary	30 June,	MUR	****	59.96	59.79	40.04	40.21	Mauritius	Non-trading
SRL Tousserok Hotel Limited	Ordinary	30 June,	MUR	3,327,500	44.37	44.24	55.63	55.76	Mauritius	Hotel
Sun Centralised Services Ltd	Ordinary	30 June,	MUR	10	59.96	59.79	40.04	40.21	Mauritius	Centralised services
Sun Training Institute Ltd	Ordinary	30 June,	MUR	100	59.96	59.79	40.04	40.21	Mauritius	Training
Sun Hotel Holdings Ltd	Ordinary	30 June,	MUR	10	59.96	59.79	40.04	40.21	Mauritius	Investment
Sun Hotel Investment Ltd	Ordinary	30 June,	MUR	10	59.96	59.79	40.04	40.21	Mauritius	Investment
Sun Hotel & Resorts GMBH	Ordinary	30 June,	EUR	25	59.96	-	40.04	-	Germany	Marketing Office
Sun International Hotel Holdings Ltd	Ordinary	30 June,	MUR	35	59.96	59.79	40.04	40.21	Mauritius	Investment
Sun International Investment Ltd	Ordinary	30 June,	MUR	35	59.96	59.79	40.04	40.21	Mauritius	Investment
Sun International Management Ltd	Ordinary	30 June,	MUR	36	59.96	59.79	40.04	40.21	Mauritius	Investment
Sun International Realty Development Ltd	Ordinary	30 June,	MUR	35	59.96	59.79	40.04	40.21	Mauritius	Property
Sun Leisure Hotels Limited	Ordinary	30 June,	MUR	25	59.96	59.79	40.04	40.21	Mauritius	Property
Sun Leisure Investments Limited*	Ordinary	30 June,	MUR	14,264	59.89	59.72	40.11	40.28	Mauritius	Non-trading
Sun Logistics Ltd	Ordinary	30 June,	MUR	10	59.96	59.79	40.04	40.21	Mauritius	Logistics
Sun Real Estates Ltd	Ordinary	30 June,	MUR	10	59.96	59.79	40.04	40.21	Mauritius	Property

7. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

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

Name of subsidiary company	Class of Shares	Year End	Denominated Currency	Stated Capital	Percentage Holding Indirect 2017	Percentage Holding Indirect 2016	Proportion of Ownership Interests held by Non-Controlling Interests 2017	Proportion of Ownership Interests held by Non-Controlling Interests 2016	Country of Incorporation	Main Business
				000's	%	%	%	%		
SUN LIMITED (cont'd)										
Sun Resorts CSR Fund Ltd	Ordinary	30 June,	MUR	1	59.96	59.79	40.04	40.21	Mauritius	Charitable Fund
Sun Resorts France Sarl	Ordinary	30 June,	EUR	100	59.96	59.79	40.04	40.21	France	Marketing Office
Sun Resorts Hotel Management Ltd	Ordinary	30 June,	MUR	10	59.96	59.79	40.04	40.21	Mauritius	Management
Sun Resorts International Limited	Ordinary	30 June,	USD	50,000	59.96	59.79	40.04	40.21	Mauritius	Investment
Sun Resorts (Seychelles) Limited*	Ordinary	30 June,	SEY Rs.	10	59.96	59.79	40.04	40.21	Seychelles	Non-trading
Sun Styled Boutiques Ltd	Ordinary	30 June,	MUR	600	59.96	59.79	40.04	40.21	Mauritius	Shops
Sun Support Ltd	Ordinary	30 June,	MUR	10	59.96	59.79	40.04	40.21	Mauritius	Investment
Supply Chain Experts ltd	Ordinary	30 June,	MUR	10	59.96	59.79	40.04	40.21	Mauritius	Procurement
Washright Services Ltd	Ordinary	30 June,	MUR	10,000	59.96	59.79	40.04	40.21	Mauritius	Laundry and Retail
Wolmar Sun Hotels Limited	Ordinary	30 June,	MUR	25	59.96	59.79	40.04	40.21	Mauritius	Hotel
World Leisure Holidays (Pty) Ltd	Ordinary	30 June,	ZAR	306	59.96	59.79	40.04	40.21	South Africa	Tour Operator

* These companies were non-trading as at 30 June 2016 and 30 June 2017.

** Control of these subsidiaries is achieved either through board representation or through control of the interim investment vehicle.

*** Floreal Trading Ltd was incorporated on 12 January 2017.

**** Represents investment which is not shown due to rounding off to the nearest thousand.

7. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(c) Summarised financial information on subsidiaries with material non-controlling interests.

	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Revenue	Profit/ (loss) for the Year	Other Comprehensive Income	Dividend paid to Non Controlling Interests
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
2017								
CIEL Textile Limited - Group	6,148,404	4,201,086	4,986,803	629,558	10,509,069	561,511	(67,537)	260,674
Sun Limited - Group	1,509,981	20,006,489	3,095,936	10,110,434	6,007,284	(104,208)	(212,151)	274
CIEL Finance Limited - Group	14,064,078	7,543,868	16,618,985	1,054,126	1,917,369	648,251	3,801	322,209
CIEL Healthcare Limited - Group	495,802	2,554,836	799,403	669,270	1,730,075	(193,537)	29,288	7,079
Ferney Limited - Group	61,682	2,355,819	55,029	29,662	26,236	229,582	158,660	11,576

Summarised cash flow information:

	Operating Activities	Investing Activities	Financing Activities	Net Increase/ (decrease) in Cash and Cash Equivalents
	MUR'000	MUR'000	MUR'000	MUR'000
2017				
CIEL Textile Limited - Group	674,018	(602,553)	(75,580)	(4,115)
Sun Limited - Group	896,988	(1,320,986)	1,272,459	848,461
CIEL Finance Limited - Group	(54,828)	(343,473)	(178,683)	(576,984)
CIEL Healthcare Limited - Group	40,174	(683,969)	741,352	97,557
Ferney Limited - Group	33,536	5,802	(50,000)	(10,662)

	Profit allocated to Non-Controlling Interests during the year	Accumulated Non-Controlling Interests at 30 June 2017
	MUR'000	MUR'000
CIEL Textile Limited - Group	303,248	2,232,359
Sun Limited - Group	(44,125)	3,802,842
CIEL Finance Limited - Group	435,963	2,164,576
CIEL Healthcare Limited - Group	(95,455)	892,505
Ferney Limited - Group	65,202	666,858

The summarised financial information above is the amount before intra-group eliminations.

For subsidiary companies having a different reporting date, management accounts have been prepared as at 30 June.

7. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(d) Summarised financial information on subsidiaries with material non-controlling interests.

	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Revenue	Profit / (loss) for the Year	Other Comprehensive Income	Dividend paid to Non-Controlling Interests
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
2016								
CIEL Textile Limited - Group	6,054,750	3,721,782	4,455,396	597,449	10,482,208	703,641	8,231	144,546
Sun Limited - Group	1,694,584	19,334,310	7,669,730	4,713,072	4,989,237	(369,461)	11,267	-
CIEL Finance Limited - Group	11,678,476	6,334,568	14,075,647	260,698	1,740,725	730,607	46,318	270,538
CIEL Healthcare Limited - Group	274,391	2,045,839	468,224	98,713	1,224,218	68,905	(130,974)	16,517
Ferney Limited - Group	82,627	2,005,354	66,748	36,664	26,071	113,422	(89,697)	14,470

Summarised cash flow information:

	Operating Activities	Investing Activities	Financing Activities	Net Increase/ (decrease) in Cash and Cash Equivalents
	MUR'000	MUR'000	MUR'000	MUR'000
2016				
CIEL Textile Limited - Group	773,085	(843,516)	(52,825)	(123,256)
Sun Limited - Group	(273,037)	(1,550,825)	1,428,345	(395,517)
CIEL Finance Limited - Group	1,668,724	(508,796)	(22,745)	1,137,183
CIEL Healthcare Limited - Group	199,159	(1,073,714)	669,000	(205,555)
Ferney Limited - Group	99,242	(6,172)	(40,000)	53,070

	Profit allocated to Non-Controlling Interests during the year	Accumulated Non-Controlling Interests at 30 June 2016
	MUR'000	MUR'000
CIEL Textile Limited - Group	351,112	2,249,555
Sun Limited - Group	(189,880)	3,952,814
CIEL Finance Limited - Group	465,033	2,025,609
CIEL Healthcare Limited - Group	46,461	961,688
Ferney Limited - Group	32,058	560,121

The summarised financial information above is the amount before intra-group eliminations.

8. INVESTMENTS IN JOINT VENTURES

Accounting policies

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Separate financial statements

In the separate financial statements of the investor, investments in joint ventures are carried at fair value. The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements

Joint ventures are accounted for using the equity method (refer to Note 9).

(a) THE GROUP

	2017	2016
	MUR'000	MUR'000
At 1 July	**1,226,806**	993,147
Additions	**19,318**	86,500
Movement in reserves	**(5,458)**	161
Share of results	**140,181**	146,998
Dividend	**(13,000)**	-
At 30 June	**1,367,847**	1,226,806

	2017	2016
	MUR'000	MUR'000
Made up as follows:		
Net assets	**1,193,362**	1,052,321
Goodwill	**174,485**	174,485
	1,367,847	1,226,806

(b) THE COMPANY

	2017	2016
	MUR'000	MUR'000
Unlisted	**Level 3**	Level 3
At 1 July	**985,960**	1,093,690
Write off	**(1,250)**	-
Fair value adjustment	**157,598**	(107,730)
At 30 June	**1,142,308**	985,960

8. INVESTMENTS IN JOINT VENTURES (CONT'D)

(c) The results of the joint ventures, all of which were incorporated in Mauritius and unlisted, have been included in the consolidated financial statements.

Details of the joint ventures are as follows:

Name of joint ventures	Year end / Reporting date	Effective Percentage holding Direct %	Effective Percentage holding Indirect %	Principal activity
2017				
Anahita Residence and Villas Ltd	June	50%	-	Hotels and resorts
Bank One Limited	December	-	37.55%	Banking
Domaine de l'Etoile Limited	June	50%	-	Leisure
2016				
Anahita Residence and Villas Ltd	June	50%	-	Hotels and resorts
Bank One Limited	December	-	37.55%	Banking
Domaine de l'Etoile Limited	June	50%	-	Leisure

For the joint ventures having a different reporting date, management accounts have been prepared as at 30 June 2017 and 2016 respectively.

8. INVESTMENTS IN JOINT VENTURES (CONT'D)

(d) Summarised financial information in respect of each of the joint ventures is set out below:

	Assets	Liabilities	Revenue	Profit/ (Loss) for the year	Share of Profit/(Loss)	Other Comprehensive Income
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
2017						
Anahita Residence and Villas Ltd	**621,888**	**463,582**	**223,978**	**(34,175)**	**(17,088)**	**(1,709)**
Bank One Limited	**27,188,518**	**24,918,434**	**1,050,408**	**314,623**	**157,312**	**(8,977)**
Domaine de l'Etoile Limited	**2,399**	**8,973**	**2,252**	**(86)**	**(43)**	**(230)**
					140,181	
2016						
Anahita Residence and Villas Ltd	424,599	269,046	222,766	(16,598)	(8,299)	(940)
Bank One Limited	22,604,513	20,614,075	654,960	309,796	154,898	1,270
Domaine de l'Etoile Limited	1,733	7,991	3,663	798	399	(8)
					146,998	

The above amounts of assets, liabilities and results include the following:

	Cash & Cash Equivalents	Non-Current Financial Liabilities	Current Financial Liabilities	Depreciation & Amortisation	Interest Income	Interest Expense	Income Tax
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
2017							
Anahita Residence and Villas Ltd	**1,505**	**334,441**	**119,786**	**19,147**	**-**	**9,452**	**-**
Bank One Limited	**5,576,102**	**23,873,297**	**1,045,137**	**37,573**	**1,050,408**	**350,534**	**(44,671)**
Domaine de l'Etoile Limited	**-**	**-**	**8,908**	**365**	**-**	**60**	**-**
2016							
Anahita Residence and Villas Ltd	9,490	131,983	128,740	14,865	-	3,506	-
Bank One Limited	4,372,564	19,564,882	1,049,193	34,308	956,464	301,503	(15,501)
Domaine de l'Etoile Limited	-	-	7,846	282	-	19	28

8. INVESTMENTS IN JOINT VENTURES (CONT'D)

(e) Reconciliation of the above summarised financial information to the carrying amount recognised in the financial statements:

	Opening Net Assets	Issue of Shares	Dividends	Profit/ (loss) for the Year	Other Comprehensive for the Year	Closing Net Assets	Ownership Interest	Goodwill	Interest in Joint ventures
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
2017									
Anahita Residence and Villas Ltd*	**120,462**	**38,636**	**-**	**(34,175)**	**(1,709)**	**123,214**	**61,607**	**-**	**61,607**
Bank One Limited	**1,990,438**	**-**	**(26,000)**	**314,623**	**(8,977)**	**2,270,084**	**1,135,042**	**174,485**	**1,309,527**
Domaine de l'Etoile Limited	**(6,258)**	**-**	**-**	**(86)**	**(230)**	**(6,574)**	**(3,287)**	**-**	**(3,287)**
							1,193,362	**174,485**	**1,367,847**
2016									
Anahita Residence and Villas Ltd*	125,090	12,910	-	(16,598)	(940)	120,462	60,231	-	60,231
Bank One Limited	1,554,372	125,000	-	309,796	1,270	1,990,438	995,219	174,485	1,169,704
Domaine de l'Etoile Limited	(7,048)	-	-	798	(8)	(6,258)	(3,129)	-	(3,129)
							1,052,321	174,485	1,226,806

All the joint ventures operate in Mauritius.

* The company has undertaking towards the banks to meet the future cash-flow requirements of the investee company.

9. INVESTMENTS IN ASSOCIATES

Accounting policies

Separate financial statements

In the separate financial statements of the investor, investments in associates are carried at fair value. The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements

An associate is an entity over which the Group has significant influence but not control, or joint control, generally accompanying a shareholding between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method except when classified as held-for-sale. Investments in associates are initially recognised at cost as adjusted by post acquisition changes in the Group's share of the net assets of the associate less any impairment in the value of individual investments.

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

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

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

Where necessary, appropriate adjustments are made to the financial statements of associates to bring the accounting policies used in line with those adopted by the Group.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Dilution gains and losses arising in investments in associates are recognised in profit or loss.

(a) THE GROUP

	2017	2016
	MUR'000	MUR'000
At 1 July	**5,068,765**	4,767,586
Disposal	**(141,750)**	-
Loan converted to equity	**37,300**	-
Share of results	**104,258**	56,254
Dividends	**(54,739)**	(53,404)
Additions	**10,810**	580,140
Redemption	**-**	(188,766)
Impairment	**(137,918)**	-
Movement in reserves	**(79,297)**	(93,045)
At 30 June	**4,807,429**	5,068,765

Disposal relates to non-cash transactions.

9. INVESTMENTS IN ASSOCIATES (CONT'D)

	2017	2016
	MUR'000	MUR'000
Made up as follows:		
Net assets	**4,679,382**	4,837,520
Goodwill	**128,047**	231,245
	4,807,429	5,068,765
Group's share of net assets		
Listed	**3,516,589**	3,506,970
Unquoted	**1,162,793**	1,330,550
	4,679,382	4,837,520

(b) THE COMPANY

	Level 1	**Level 3**	**TOTAL**	
	Listed	**Unquoted**	**2017**	2016
	MUR'000	**MUR'000**	**MUR'000**	MUR'000
At 1 July	**1,792,379**	**345,517**	**2,137,896**	2,423,976
Additions	**2,649**	**-**	**2,649**	-
Fair value adjustment	**461,302**	**(66,246)**	**395,056**	(286,080)
At 30 June	**2,256,330**	**279,271**	**2,535,601**	2,137,896

Notes to the **Financial Statements**

Year ended 30 June 2017

9. INVESTMENTS IN ASSOCIATES (CONT'D)

(c) The results of the following associated companies, all of which were incorporated in Mauritius, have been included in the consolidated financial statements.

Details of the associates are as follows:

Name of associates	Year end / Reporting date	Effective percentage holding				Principal activity
		Indirect		Direct		
		2017	2016	**2017**	2016	
Alteo Limited	June	**-**	-	**20.96%**	20.96%	Agro-Property
Laboratoire Internationale Bio Analyse Ltée	June	**18.86%**	18.86%	**-**	-	Healthcare
Hygeia Nigeria Limited	December	**12.29%**	12.29%	**-**	-	Healthcare
HNL Investment Limited	December	**13.01%**	13.01%	**-**	-	Healthcare
Procontact Limited	June	**-**	-	**33.37%**	31.37%	Call centre
The Kibo Fund LLC	December	**29.79%**	29.79%	**-**	-	Investment entity
Kibo Capital Partners Ltd	December	**37.55%**	37.55%	**-**	-	Fund management
Anahita Golf Ltd *	June	**-**	14.95%	**-**	-	Operating a Golf course and restaurant activities
EastCoast Hotel Investment Ltd **	June	**17.99%**	17.94%	**-**	-	Investment holding

* For the associates having a different reporting date, management accounts have been prepared as at 30 June 2017 and 2016 respectively.

Further to a shareholder's meeting held on 28 March 2017, Anahita Golf Ltd proceeded with a rights issue of shares for which Anahita Hotel Limited did not subscribe. Further to this transaction, Anahita Hotel Limited recognised a dilution in its shareholding in Anahita Golf Ltd, decreasing its stake from 25% to 12.5%. The effective indirect holding has decreased from 14.95% to 7.47%. The investment in Anahita Golf Ltd has thus been transferred from interest in associates to investment in other financial assets.

** The effective increase in 0.05% results from an increase in the stake of the Company in Sun Limited from 59.79% to 59.96%.

9. INVESTMENTS IN ASSOCIATES (CONT'D)

(d) Summarised financial information in respect of each of the associates is set out below:

	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Revenue	Profit/(loss) for the Year Attributable to Shareholders	Share of profit / (loss)	Dividends Received during the Year
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
2017								
Alteo Limited	5,419,310	24,072,507	4,453,787	5,584,320	8,929,348	487,054	102,087	54,739
Laboratoire Internationale Bio Analyse Ltée	3,954	4,999	8,495	1,573	15,757	(2,080)	(728)	-
HNL Investment Limited (Group)	612,059	802,446	374,018	364,354	1,070,367	(10,540)	(2,404)	-
Procontact Limited	55,798	16,100	4,094	8,778	132,497	4,244	1,416	-
The Kibo Fund LLC	11,109	768,076	13,535	20,677	8,194	(7,380)	(2,928)	-
Kibo Capital Partners Ltd	39,277	6,941	10,614	4,488	61,994	16,431	8,215	-
Anahita Golf Ltd	-	-	-	-	-	(5,600)	(1,400)	-
EastCoast Hotel Investment Ltd	2,341,483	-	-	-	83,914	-	-	-
							104,258	

9. INVESTMENTS IN ASSOCIATES (CONT'D)

	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Revenue	Profit/(loss) for the Year Attributable to Shareholders	Share of profit / (loss)	Dividends Received during the Year
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
2016								
Alteo Limited	5,252,934	23,791,765	3,747,520	6,006,078	8,258,013	264,211	55,378	53,404
Laboratoire Internationale								
Bio Analyse Ltée	4,629	7,662	7,559	2,651	14,290	(5,439)	(1,903)	-
HNL Investment Limited (Group)	1,069,912	347,862	378,190	78,539	827,992	(29,654)	(6,764)	-
Procontact Limited	59,575	20,670	12,607	2,455	117,478	16,393	4,459	-
The Kibo Fund LLC	2,194	884,594	3,541	-	3,820	23,069	9,152	-
Kibo Capital Partners Ltd	24,554	4,553	13,676	4,215	54,503	5,463	2,731	-
Anahita Golf Ltd	10,701	685,661	39,802	233,168	101,839	(27,199)	(6,799)	-
EastCoast Hotel Investment Ltd	2,341,483	-	-	-	83,261	-	-	-
							56,254	

9. INVESTMENTS IN ASSOCIATES (CONT'D)

Reconciliation of the above summarised financial information to the carrying amount recognised in the financial statements:

	Opening Net Assets	Redemption/ issue of Shares	Other movement	Results Net of Dividends	Other Comprehensive Income for the Year	Closing Net Assets	Ownership Interest	Goodwill	Interest in Associates
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
2017									
Alteo Limited	**16,731,739**	**-**	**(37,000)**	**225,890**	**(142,617)**	**16,778,012**	**3,516,671**	**-**	**3,516,671**
Laboratoire Internationale Bio Analyse Ltée	**2,080**	**-**	**-**	**(2,080)**	**-**	**-**	**-**	**-**	**-**
Hygeia Nigeria Limited	**961,044**	**-**	**-**	**(10,540)**	**(38,213)**	**912,291**	**208,138**	**116,196**	**324,334**
Procontact Limited	**38,416**	**-**	**-**	**4,244**	**-**	**42,660**	**14,236**	**11,851**	**26,087**
The Kibo Fund LLC	**699,069**	**22,173**	**-**	**(7,380)**	**(153,064)**	**560,798**	**222,259**	**-**	**222,259**
Kibo capital partners Ltd	**11,214**	**4,299**	**-**	**16,431**	**(829)**	**31,115**	**15,633**	**-**	**15,633**
Anahita Golf Ltd (March 28, 2017)	**423,392**	**-**	**-**	**(5,596)**	**-**	**417,796**	**-**	**-**	**-**
EastCoast Hotel Investment Ltd	**2,341,483**	**-**	**-**	**-**	**-**	**2,341,483**	**702,445**	**-**	**702,445**
							4,679,382	**128,047**	**4,807,429**
2016									
Alteo Limited	16,801,553	-	-	9,418	(79,232)	16,731,739	3,506,893	-	3,506,893
Laboratoire Internationale Bio Analyse Ltée	3,518	4,000	-	(5,438)	-	2,080	728	-	728
Hygeia Nigeria Limited	1,149,710	-	-	(29,654)	(159,012)	961,044	226,640	219,394	446,034
Procontact Limited	22,023	-	-	16,393	-	38,416	12,051	11,851	23,902
The Kibo Fund LLC	1,034,396	(464,838)	-	23,069	106,442	699,069	277,307	-	277,307
Kibo capital partners Ltd	1,137	3,334	-	5,314	1,429	11,214	5,608	-	5,608
Anahita Golf Ltd	450,591	-	-	(27,199)	-	423,392	105,848	-	105,848
EastCoast Hotel Investment Ltd	2,341,483	-	-	-	-	2,341,483	702,445	-	702,445
							4,837,520	231,245	5,068,765

All the associates operate in Mauritius.

The fair value of the Company's interest in associates at 30 June 2017 which are listed / quoted on the Stock Exchange of Mauritius is as follows:

	2017	2016
	MUR'000	MUR'000
Alteo Limited	**2,256,331**	1,792,380

10. INVESTMENTS IN OTHER FINANCIAL ASSETS

Accounting policies

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of the reporting period.

Purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Investments are initially measured at fair value plus transaction costs, and subsequently measured at fair value. Investments in equity instruments that do not have a quoted market price and whose fair value cannot be reliably measured are measured at cost.

Unrealised gains and losses arising from changes in fair value are recognised in other comprehensive income. When the financial assets are sold or impaired, the accumulated fair value adjustments are included in profit or loss as gains and losses on financial assets.

Available-for-sale

The movement in investments in financial assets are summarised as follows:

(a) THE GROUP

	2017				2016
	Level 1	Level 1 DEM	Level 3		
	Listed	Quoted	Unquoted	Total	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
At 1 July	65,067	22,923	138,003	225,993	197,818
Additions	-	-	172,233	172,233	32,505
Translation difference	-	-	560	560	184
Disposals	(25,837)	-	(12,938)	(38,775)	(6,185)
Write offs	-	-	(3,986)	(3,986)	-
Fair value adjustment	(39,222)	1,931	(64,000)	(101,291)	1,671
At 30 June	8	24,854	229,872	254,734	225,993
Broken down as follows:					
Banking segment	-	-	10,355	10,355	19,248
Non-banking segment	8	24,854	219,517	244,379	206,745
	8	24,854	229,872	254,734	225,993

Additions include MUR 141.1M relating to non-cash transactions (2016: Nil).

(b) THE COMPANY

	2017				2016
	Level 1	Level 1 DEM	Level 3		
	Listed	Quoted	Unquoted	Total	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
At 1 July	65,059	22,923	96,704	184,686	164,157
Additions	-	-	-	-	-
Redemption	-	-	(3,371)	(3,371)	(5,193)
Disposals	(25,837)	-	-	(25,837)	(6)
Write offs	-	-	(3,986)	(3,986)	-
Fair value adjustment	(39,222)	1,931	30,892	(6,399)	25,728
At 30 June	-	24,854	120,239	145,093	184,686

10. INVESTMENTS IN OTHER FINANCIAL ASSETS (CONT'D)

(c) Details of those companies, other than subsidiary and associated companies, in which the Company holds more than 10% of the issued shares are:

Name of company	Class of shares held	Percentage Holding 2017 %	2016 %
Cathedrale Development Ltd*	Ordinary shares	**20.00**	20.00
Ipro Growth Fund	Ordinary shares	**-**	11.62

* The Company does not exercise any significant influence on the above Company and as such has not accounted for this investment as associate.

(d) Available-for-sale financial assets are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2017 MUR'000	2016 MUR'000	**2017 MUR'000**	2016 MUR'000
Rupee	**129,592**	105,423	**47,413**	93,124
US Dollar	**114,720**	101,275	**97,680**	91,562
Euro	**294**	266	**-**	-
Ariary	**10,128**	19,029	**-**	-
	254,734	225,993	**145,093**	184,686

(e) None of the financial assets are impaired.

11. DEPOSIT ON INVESTMENTS

	THE COMPANY	
	2017 MUR'000	2016 MUR'000
Share appreciation rights scheme	**40,161**	41,081
Executive share scheme	**25,567**	14,797
Deposit on shares	**43,318**	24,000
Other share based-payment scheme	**6,627**	6,627
	115,673	86,505

12. LEASEHOLD RIGHTS AND LEASEHOLD LAND PREPAYMENTS

Accounting policies

Leasehold land upfront payments to acquire long term leasehold interest in property are treated as prepayments and are amortised over the period of the leases.

	THE GROUP	
	2017 MUR'000	2016 MUR'000
COST		
At 1 July	**488,743**	463,478
Adjustment to opening balances	**-**	24,360
Translation difference	**(3,462)**	905
	485,281	488,743
ACCUMULATED AMORTISATION		
At 1 July	**51,037**	39,914
Adjustment to opening balances	**-**	(1,929)
Charge for the year	**12,933**	12,986
Translation difference	**(301)**	66
	63,669	51,037
NET BOOK VALUE		
At 30 June	**421,612**	437,706

12. LEASEHOLD RIGHTS AND LEASEHOLD LAND PREPAYMENTS (CONT'D)

Leasehold land have been valued taking into consideration comparable sales evidences and lease terms conditions.

As at 30 June 2015 the valuation carried out by Broll Indian Ocean Ltd, Chartered Valuers valued leasehold land held by the subsidiaries operating in the hotel segment in Mauritius at MUR 4,815M and the subsidiary in Maldives at USD 16M. The carrying amount of the land prepayments included above is MUR 382.5M.

13. NON-CURRENT RECEIVABLES

Accounting policies

Long term receivables with fixed maturity terms are measured at amortised cost using the effective interest rate method, less provision for impairment. The carrying amount of the asset is reduced by the difference between the asset's carrying amount and the present value of estimated cash flows discounted using the effective interest rate.

The amount of loss is recognised in profit or loss. Long term receivables without fixed maturity terms are measured at cost. If there is objective evidence that an impairment loss has been incurred, the amount of impairment loss is measured as the difference between the carrying amount of the asset and the present value (PV) of estimated cash flows discounted at the current market rate of return of similar financial assets.

	THE GROUP	
	2017	2016
	MUR'000	MUR'000
Receivable from sale of land	**-**	2,580
Long-term deposits	**12,521**	22,637
Loans under Executive Share Scheme (Note a)	**16,920**	16,920
Advance payments (Note b)	**-**	21,531
Others	**-**	51,560
	29,441	115,228

(a) Loans under Executive Share Scheme - Hotel Segment

During the year ended 30 June 2017, a Phantom Share Option Scheme (the "Scheme") has been set up to enable the Company and/or its subsidiaries to offer the Executives of the Company Phantom Share Options thereby attracting, retaining and rewarding the Executives and strengthening the mutuality of interests between the Executives and the Company.

(b) Advance payments- Hotel Segment

Advance payments were made in Euro as part of the transaction agreement signed in respect of the lease of the Ambre Resort & Spa and are refundable as follows:

	THE GROUP	
	2017	2016
	MUR'000	MUR'000
Receivable within one year	**26,953**	38,875
Receivable after one year but before two years	**-**	21,531
	26,953	60,406

14. INVENTORIES

Accounting policies

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in and first-out method. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.
Costs incurred in bringing each product to its present location and condition are accounted for as follows:
Raw materials - purchase cost on a weighted average cost basis
Finished goods and work in progress - cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

	THE GROUP	
	2017	2016
	MUR'000	MUR'000
Raw materials	**1,131,495**	1,062,677
Work in progress	**944,521**	1,200,341
Finished goods	**640,808**	331,899
Other stocks	**183,384**	126,400
Food and Beverages	**61,560**	40,064
Operating Supplies	**41,452**	35,025
Spare Parts	**7,025**	9,807
IHS - Rooms	**55,258**	55,260
Operating Equipment	**122,575**	100,099
Fabric and linen	**38,715**	26,599
Goods in transit	**169,208**	163,034
Provision for obsolescence	**(30,681)**	(62,546)
	3,365,320	3,088,659

The cost of inventories recognised as an expense is MUR 6.0Bn (2016: MUR 5.9Bn)

Some of the inventories have been pledged as security for the borrowings of the Group.

15. TRADE AND OTHER RECEIVABLES

Accounting policies

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of provision is recognised in profit or loss.

15. TRADE AND OTHER RECEIVABLES (CONT'D)

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	MUR'000	MUR'000	**MUR'000**	MUR'000
Trade receivables	**2,908,816**	3,132,864	**-**	-
Provision for impairment	**(139,138)**	(114,830)	**-**	-
	2,769,678	3,018,034	**-**	-
Receivable from subsidiary companies	**-**	-	**232,655**	198,735
Receivable from associated companies	**40,619**	35,430	**-**	30,040
Receivable from related corporations	**10,566**	-	**-**	-
Prepayments and other receivables	**2,163,362**	1,649,510	**1,949**	3,155
Derivative financial instruments	**8,881**	57,414	**-**	-
Advance payments	**27,506**	40,516	**-**	-
Current tax assets (Note 29)	**21,421**	-	**-**	-
Current accounts with other financial institutions	**5,461**	4,842	**-**	-
	5,047,494	4,805,746	**234,604**	231,930
Broken down as follows:				
Banking segment	**1,184,844**	539,431		
Non-banking segment	**3,862,650**	4,266,315		
	5,047,494	4,805,746		

(a) The carrying amount of trade and other receivables approximate their fair value.

The Group does not hold any collateral as security but for the hotel segment, there is an insurance cover against irrecoverable debts.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable, net of insurance cover. At year end, trade receivables of MUR 139.1M were impaired and fully provided for.

(b) Ageing of past due trade receivables but not impaired

	THE GROUP	
	2017	2016
	MUR'000	MUR'000
0 to 3 months	**2,253,847**	479,962
3 to 6 months	**11,786**	393,057
Over 6 months	**104,045**	117,163
	2,369,678	990,182

(c) The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	THE GROUP	
	2017	2016
	MUR'000	MUR'000
Rupee	**807,416**	1,197,548
Ariary	**631,182**	376,705
US Dollar	**1,603,503**	1,477,840
Euro	**794,735**	482,740
UK Pound	**249,359**	380,382
ZAR	**371,243**	357,795
INR	**455,197**	389,594
Other currencies	**134,859**	143,142
	5,047,494	4,805,746

15. TRADE AND OTHER RECEIVABLES (CONT'D)

(d) The movement in the provision for impairment of trade receivables is as follows:

	THE GROUP	
	2017	2016
	MUR'000	MUR'000
Opening balance	**114,830**	94,774
Amounts written off	**(33,711)**	(16,515)
Unused amounts reversed	**-**	(2,001)
Provision for the year	**58,019**	38,572
	139,138	114,830

16. CASH AND CASH EQUIVALENTS

Accounting policies

Cash and cash equivalents include cash in hand, deposits at call, short term bank deposits and cash in transit.

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	MUR'000	MUR'000	**MUR'000**	MUR'000
Cash in hand	**687,974**	996,028	**-**	-
Foreign currency notes and coins	**109,728**	137,177	**-**	-
Balances with the Central Bank	**356,063**	956,403	**-**	-
Balances due in clearing	**(51,066)**	(3,949)	**-**	-
Balances with banks	**3,212,281**	2,357,248	**2,908**	722
Placements	**1,115,317**	1,140,444	**-**	1,130
	5,430,297	5,583,351	**2,908**	1,852
Broken down as follows:				
Banking segment	**4,054,294**	4,516,563		
Non-banking segment	**1,376,003**	1,066,788		
	5,430,297	5,583,351		

The balances with the central bank relates to cash heald at Central Bank of Madagascar for BNI Madagascar SA.

17. NON CURRENT ASSETS HELD FOR SALE

Accounting policies

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

17. NON CURRENT ASSETS HELD FOR SALE (CONT'D)

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	MUR'000	MUR'000	**MUR'000**	MUR'000
The movement for the year is as follows:				
At 1 July	**19,693**	19,693	**-**	-
Transfer from property, plant and equipment(note 4)	**19,334**	-	**-**	-
Transfer from investment properties(Note 5)	**10,785**	-	**-**	-
As at 30 June	**49,812**	19,693	**-**	-

Non-current assets held for sale consist of land which has been earmarked for sale and is in process of finalisation.

18. LOANS AND ADVANCES TO CUSTOMERS

Accounting policies

Loans are non-derivative financial assets with fixed or determinable payments and are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans are measured at amortised cost using the effective interest method, less any impairment.

	THE GROUP	
	2017	2016
Banking Segment	**MUR'000**	MUR'000
Retail customers:		
Mortgages	**144,580**	117,552
Other retail loans	**1,763,803**	1,558,611
Corporate customers	**9,485,749**	8,152,641
	11,394,132	9,828,804
Less:		
Allowances for credit impairment	**(1,298,056)**	(1,314,141)
	10,096,076	8,514,663
Remaining terms to maturity		
Within one year	**5,731,572**	5,035,548
Over 1 year and up to 5 years	**3,322,897**	2,580,354
Over 5 years	**1,041,607**	898,761
	10,096,076	8,514,663

19. INVESTMENTS IN SECURITIES

Accounting policies

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. Held-to-maturity investments are recognised initially at fair value plus directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

19. INVESTMENTS IN SECURITIES (CONT'D)

	THE GROUP	
	2017	2016
	MUR'000	MUR'000
Held-to-maturity		
Banking Segment		
Treasury bills	**2,666,062**	1,247,635
Interest on treasury bills	**126,101**	50,910
	2,792,163	1,298,545
Remaining terms to maturity		
Within one year	**2,792,163**	1,298,545

The investment in securities are denominated in Ariary.
The securities have coupon rates ranging from 7.25% to 13.40% (2016: 7.39% to 11.70%).
None of the financial assets are either past due or impaired.

20. STATED CAPITAL AND TREASURY SHARES

Accounting policies

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as deduction, net of tax, from proceeds. Where the Company purchases its equity share capital (treasury shares), the consideration paid, including any directly incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. When such shares are subsequently reissued, any net consideration received is included in equity attributable to the Company's equity holders.

	THE GROUP AND THE COMPANY		
	Stated Capital	Treasury Shares	Total
	MUR'000	MUR'000	MUR'000
At 30 June 2015	4,248,354	(264,636)	3,983,718
Issue of shares to executives (Note 1)	1,063	3,802	4,865
Issue of shares on exercise of rights (Note 2)	-	5,773	5,773
At 30 June 2016	**4,249,417**	**(255,061)**	**3,994,356**
Issue of shares to executives (Note 3)	**1,736**	**5,058**	**6,794**
Issue of shares on exercise of rights (Note 4)	**-**	**6,815**	**6,815**
At 30 June 2017	**4,251,153**	**(243,188)**	**4,007,965**

	THE GROUP AND THE COMPANY Number of shares		
	Stated Capital	Treasury Shares	Total
	000's	000's	000's
At 30 June 2015	1,576,176	(53,557)	1,522,619
Issue of shares to executives (Note 1)	-	480	480
Issue of shares on exercise of rights (Note 2)	-	1,940	1,940
At 30 June 2016	**1,576,176**	**(51,137)**	**1,525,039**
Issue of shares to executives (Note 3)	**-**	**1,025**	**1,025**
Issue of shares on exercise of rights (Note 4)	**-**	**814**	**814**
At 30 June 2017	**1,576,176**	**(49,298)**	**1,526,878**

The stated number of ordinary shares is 1,526,878,008 at no par value (2016: 1,525,039,944 shares at no par value).
Fully paid up ordinary shares carry one voting right and a right to dividend.

20. STATED CAPITAL AND TREASURY SHARES (CONT'D)

Note 1
In June 2015, an amount of MUR 6,917K net of tax worth of CIEL Ltd ordinary shares was granted to selected staff members of the Group. Based on the share price as at 30 June 2015 of MUR 7.20, 480,376 shares were issued in 2016.

Note 2
During the financial year 2016, executives of the Group have exercised their rights to acquire 1,940,560 of CIEL Ltd ordinary shares under the Share Appreciation Rights Scheme.

Note 3
In June 2016, an amount of MUR 6,669K net of tax worth of CIEL Ltd ordinary shares was granted to selected staff members of the Group. Based on the share price as at 30 June 2015 of MUR 7.20, 480,376 shares and on the share price as at 30 June 2016 of MUR 6.12, 544,877 shares were issued in 2017.

Note 4
During the year, executives of the Group have exercised their rights to acquire 813,810 of CIEL Ltd ordinary shares under the Share Appreciation Rights Scheme.

21. REDEEMABLE RESTRICTED A SHARES

	THE GROUP AND THE COMPANY	
	Redeemable Restricted A Shares	Number of Shares
	MUR'000	000's
At 30 June 2016 & 2017	**39,233**	**3,008,887**

At a Special Meeting held on 30th October 2013, shareholders approved that the share capital of the company be reorganised into 2 classes of shares, as follows:
- Existing Ordinary Shares which hold all economic rights including the right to dividends and voting rights.
- Redeemable Restricted A Shares, being a new class of shares, with no economic rights attached but with voting rights.

Shareholders of the company had the option for every Ordinary Share held by them after the share split, to choose between receiving:
(i) Either a cash dividend of 5 cents;
(ii) Or 4 'Redeemable Restricted A Shares'.

The rights attached to the Redeemable Restricted A Shares are as follows;
(i) The right to vote at general meetings and on a poll to cast one vote for each share held;
(ii) The right to participate in a rights issue together with the holders of Ordinary Shares on the condition that the holders of each class of shares shall be entitled to subscribe to Shares of that class only;
(iii) No right to any Distribution;
(iv) No right to any surplus assets of the company in case of winding up;
(v) No right to be transferred except with the consent of the holders of at least 75% of the shares of that class.

The Redeemable Restricted A Shares shall be redeemed at the option of the company for no consideration, should the holders either directly or indirectly through successive holding entities, in the aggregate, hold less than 10% of the issued Ordinary Shares in the capital of the company.

22. OTHER COMPREHENSIVE INCOME

(a) GROUP	Revaluation Surplus	Available-For-Sale Fair Value Reserve	Cash Flow/ Hedging Reserve	Translation of Foreign Operation	Other Reserves	Actuarial Reserves	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
2017							
Items that will not be reclassified to profit or loss:							
Remeasurement of defined benefit obligations	-	-	-	-	-	(63,538)	(63,538)
Deferred tax on remeasurements of post retirement benefit obligations	-	-	-	-	-	7,195	7,195
Gain on revaluation of land and buildings	371,157	-	-	-	-	-	371,157
Deferred tax on revaluation gain	(13,468)	-	-	-	-	-	(13,468)
Items that may be reclassified subsequently to profit or loss:							
Exchange difference charged to profit or loss	-	-	-	137,918	-	-	137,918
Fair value adjustment	-	(90,851)	-	-	-	-	(90,851)
Share of joint venture & associates	(781)	(58,795)	(854)	(137,704)	(307)	(17,343)	(215,784)
Currency translation differences	-	-	-	(163,369)	-	-	(163,369)
Cash flow hedges	-	-	(48,955)	-	-	-	(48,955)
Deferred tax on cash flow hedges	-	-	(2,279)	-	-	-	(2,279)
	356,908	(149,646)	(52,088)	(163,155)	(307)	(73,686)	(81,974)

22. OTHER COMPREHENSIVE INCOME (CONT'D)

GROUP	Revaluation Surplus	Available-For-Sale Fair Value Reserve	Cash Flow/ Hedging Reserve	Translation of Foreign Operation	Actuarial Reserves	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
2016						
Items that will not be reclassified to profit or loss:						
Remeasurement of defined benefit obligations	-	-	-	-	(59,621)	(59,621)
Deferred tax on remeasurements of post retirement benefit obligations	-	-	-	-	8,170	8,170
Gain on revaluation of land and buildings	209,880	-	-	-	-	209,880
Deferred tax on revaluation gain	(59,916)	-	-	-	-	(59,916)
Items that may be reclassified subsequently to profit or loss:						
Fair value adjustment	-	(14,374)	-	-	-	(14,374)
Share of joint venture & associates	-	38,147	-	(140,868)	8,605	(94,116)
Currency translation differences	-	-	-	67,144	-	67,144
Cash flow hedges	-	-	(4,700)	-	-	(4,700)
Deferred tax on cash flow hedges	-	-	8,279	-	-	8,279
	149,964	23,773	3,579	(73,724)	(42,846)	60,746

(b)

	2017	2016
	MUR'000	MUR'000
Revaluation surplus	**2,768,273**	2,635,744
Fair value reserve	**123,812**	254,095
Cash flow reserve	**(5,240)**	28,140
Translation reserve	**(107,359)**	37,353
Actuarial reserves	**(221,970)**	(168,001)
Other reserves	**127,818**	(47,422)
	2,685,334	2,739,909

22. OTHER COMPREHENSIVE INCOME (CONT'D)

(b) COMPANY

	Fair Value Reserve	Total	Total
	2017	**2017**	2016
	MUR'000	**MUR'000**	MUR'000
Fair value adjustment	**1,371,799**	**1,371,799**	(216,115)
Cash flow hedge	**-**	**-**	(3,545)
	1,371,799	**1,371,799**	(219,660)

(c) Revaluation surplus

The revaluation surplus relates to the revaluation of property.

Fair value reserve

Fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets that has been recognised in other comprehensive income until investments are derecognised or impaired.

Hedge reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Translation of foreign operations

The translation reserve comprises all foreign currency difference arising for the translation of the financial statements of foreign operation.

Actuarial gains/(losses)

The actuarial gains/(losses) reserve represents the cumulative remeasurement of defined benefit obligation recognised.

23. SHARE APPRECIATION RIGHTS SCHEME AND SHARE BASED SCHEME

(a) Share Appreciation Rights Scheme

The Group operates a Share Appreciation Rights Scheme (SARS) for Executives employed by subsidiaries of the CIEL Group. Selected executives only are entitled to participate in the Scheme. Under the Scheme, selected executives are granted a number of rights based on their current salary. The rights will be settled by CIEL Ltd issuing shares equivalent to the difference between the exercise price and the grant price per share of such share of such number of SARS exercised to the holder of the rights upon exercise. CIEL Ltd may buy back shares from the market, or utilise its treasury shares. Under the Scheme, the Company may repurchase the rights after the vesting date instead of issuing shares to settle the SARS at the exercise date. The rights vest after three years from grant date and lapse after seven years from grant date.
The Scheme operated previously under ex-CIEL Investment Ltd before the amalgamation with Deep River Investment Ltd in January 2014. Following the amalgamation and the issue of 344,827,586 new no par value ordinary shares by way of private placement by CIEL Ltd, the number of SARS originally granted and the grant price of the underlying shares were adjusted accordingly. The last issue of the SARS dates back to April 2013. The said scheme has been brought to an end since that date.

23. SHARE APPRECIATION RIGHTS SCHEME AND SHARE BASED SCHEME (CONT'D)

(a) Share Appreciation Rights Scheme (cont'd)

Accounting policies

The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in profit or loss and a corresponding adjustment to equity over the remaining vesting period.

The proceeds, if any, received net of any directly attributable transaction costs are credited to stated capital when the options are exercised.

Movements in the rights outstanding:

		Grant Price	Number of rights
Granted	- in respect of financial year March 2008	6.95	4,332,086
	- in respect of financial year March 2009	4.36	7,049,710
	- in respect of financial year March 2010	5.44	5,647,572
	- in respect of financial year March 2011	4.90	4,159,523
	- in respect of financial year March 2012	4.09	5,251,546
	- in respect of financial year March 2013	3.75	6,048,089
Total granted			32,488,526
Rights exercised during 2015			
- relating to financial year March 2009			(1,171,533)
- relating to financial year March 2011			(700,000)
Rights exercised during 2016			
- relating to financial year March 2009			(5,878,177)
- relating to financial year March 2010			(937,534)
- relating to financial year March 2011			(366,912)
- relating to financial year March 2012			(400,000)
Rights lapsed and not exercised			
- relating to financial year March 2008 at MUR 2.18 per right			(4,332,086)
Rights exercised during 2017			
- relating to financial year March 2010			(4,710,038)
- relating to financial year March 2012			(625,000)
Outstanding at year end			13,367,246

The exercise price of the SARS is the market value of the underlying shares on the business day immediately preceding the exercise date.

Of the outstanding rights, 13,367,246 had vested and were exercisable.

Vesting date

April 1	Number of rights
2014	3,092,611
2015	4,226,546
2016	6,048,089

23. SHARE APPRECIATION RIGHTS SCHEME AND SHARE BASED SCHEME (CONT'D)

The fair value of the rights were determined using the Black Scholes model, the assumptions of the model is tabled below:

Grant year	2014	2013	2012	2011	2010
Share Price at Grant date (in Rs)	3.75	4.09	4.90	5.44	4.36
Vesting Period (in Years)	3	3	3	3	3
Expected Volatility	36%	37%	38%	39%	40%
Expected Dividend Yield	2.2%	2.5%	2.0%	2.5%	2.5%
Risk Free Rate	4.90%	5.50%	5.25%	5.75%	6.50%
Value of SARS (in MUR)	0.96	1.07	1.34	1.50	1.26
Fair value of rights issued (in MUR'000)	5,821	5,621	5,590	8,472	8,849
Amortised SARS value	2,425	4,216	5,590	8,472	8,849

The fair value of the SARS issued is amortised over a 3 year period, i.e. between the grant date and vesting date.

The volatility assumptions, measured at the standard deviation of the expected share prices is based on statistical analysis of historical share prices.

(b) Share Based Scheme – equity settled

In July 2014, an incentive scheme was set up in order to remunerate some key executives of the Group. The annual entitlement is payable 50% in cash and 50% in terms of shares in CIEL Limited.

The entitlement for the years ended 30 June 2017 and 2016 is as follows:

	2017	2016
	MUR'000	MUR'000
Cash settlement	**11,391**	7,269
Equity settlement	**11,391**	7,269
	22,782	14,538

For the entitlement relating to 2016, based on the share price as at 30 June 2016 of MUR 6.12, this will represent 1,089,753 shares which will be issued in June 2017 and June 2018.

For the entitlement relating to 2017, based on the share price as at 30 June 2017 of MUR 7.64, this will represent 1,267,359 shares which will be issued in June 2018 and June 2019.

24. BORROWINGS

Accounting policies

Borrowings are recognised initially at fair value being their issue proceeds net of transaction costs incurred.

Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

24. BORROWINGS (CONT'D)

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.
Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.
Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss unless they are attributable to qualifying assets in which case, they are capitalised in accordance with the policy on borrowing costs.

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	MUR'000	MUR'000	**MUR'000**	MUR'000
Current				
Bank overdrafts	**1,451,826**	2,006,902	**-**	804
Bank loans repayable by instalments	**1,454,823**	4,761,450	**-**	-
Fixed rate secured notes (Note (b))	**300,000**	-	**300,000**	-
Finance lease obligation	**54,845**	54,732	**-**	-
Cash at call with subsidiaries	**-**	-	**64,255**	96,144
Debentures	**-**	86,800	**-**	-
Other loans	**70,282**	85,781	**-**	-
Money market line	**-**	389,972	**-**	-
Bills discounted	**1,109,767**	750,705	**-**	-
Import loan	**968,660**	816,221	**-**	-
	5,410,203	8,952,563	**364,255**	96,948
Non-current				
Bank loans repayable by instalments (Note (c))	**5,103,194**	4,160,355	**-**	-
Fixed rate secured notes (Note (b))	**700,050**	1,000,050	**700,050**	1,000,050
Other loans	**5,180,999**	95,229	**-**	-
Finance lease obligation	**90,044**	111,721	**-**	-
	11,074,287	5,367,355	**700,050**	1,000,050
Total borrowings	**16,484,490**	14,319,918	**1,064,305**	1,096,998
Banking segment	**207,361**	11,000		
Non-banking segment	**16,277,129**	14,308,918		
	16,484,490	14,319,918		

(a) The bank borrowings are secured by fixed and floating charges over the assets of the Group.

24. BORROWINGS (CONT'D)

(b) Break-down of the notes based on maturity and coupon rate is as follows:

Coupon rate	Maturity	No of notes issued	MUR'000
5.30%	3 years	3,000	299,999
5.85%	4 years	3,000	299,998
5.83%	5 years	4,000	400,053
			1,000,050

These notes are secured against shares held in a listed company.

(c) Non-current bank loans repayable by instalments can be analysed as follows:-

	THE GROUP	
	2017	2016
	MUR'000	MUR'000
-after 1 year and before 2 years	**719,104**	612,845
-after 2 years and before 3 years	**1,502,665**	684,572
-after 3 years and before 5 years	**1,187,721**	994,650
-after 5 years	**1,693,704**	1,868,288
	5,103,194	4,160,355

(d) Finance lease liabilities - minimum lease payments:

The obligations under finance leases are secured by the underlying assets and the maturity profiles are as follows:

	THE GROUP	
	2017	2016
	MUR'000	MUR'000
Not later than 1 year	**61,544**	62,488
Later than 1 year and not later than 2 years	**57,479**	52,111
Later than 2 years and not later than 3 years	**31,769**	49,062
Later than 3 years and not later than 5 years	**6,944**	20,749
	157,736	184,410
Future finance charges on finance leases	**(12,847)**	(17,957)
Present value of finance lease liabilities	**144,889**	166,453
The present value of finance lease facilities may be analysed as follows:		
Not later than 1 year	**54,845**	54,732
Later than 1 year and not later than 2 years	**52,194**	46,848
Later than 2 years and not later than 3 years	**31,078**	45,052
Later than 3 years and not later than 5 years	**6,772**	19,821
	144,889	166,453

Lease liabilities are effectively secured as the rights to the lease assets revert to the lessor in the event of default

The Group leases plant and machinery, motor vehicles and equipment under finance leases. The leases have varying terms and purchase options. There are no restrictions imposed on the Group by lease arrangements other than in respect of the specific assets being leased. The Group has the option to purchase equipment at the end of the lease period. The obligations under finance leases are secured by the lessors' title to the leased assets.

24. BORROWINGS (CONT'D)

(e) Debentures

	THE GROUP	
	2017	2016
	MUR'000	MUR'000
Not later than 1 year	**-**	86,800
Total	**-**	86,800

(f) The effective interest rates at the end of the reporting period were as follows:

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
Mauritian rupee	**%**	%	**%**	%
Bank overdrafts	**4.9% - 6.65%**	6.0% - 6.9%	**6.25% - 6.65%**	6.65% - 6.9%
Bank loans repayable by instalments	**4.33% - 6.9%**	7.0% - 12.50%	**-**	-
Fixed rate multicurrency notes	**5.3% - 5.85%**	5.3% - 5.85%	**5.3% - 5.85%**	5.3% - 5.85%
Finance lease obligations	**7.5% - 12.2%**	7.5% - 10.5%	**-**	-
Bills discounted	**PLR + 6.15%**	PLR	**-**	-
Debentures	**-**	7.40%	**-**	-
Money market line	**-**	3.75% - 5.5%	**4.00%**	4.3% - 5.25%
US Dollar				
Bank overdrafts	**Libor + 1.5%/+ 2.75%**	Libor + 1.5%/+ 2.75%	**-**	-
Bank loans repayable by instalments	**Libor + 2.75% - 3.75%**	3.21%	**-**	-
Finance lease obligations	**2.9% - 5.08%**	2.90%	**-**	-
Bills discounted	**Libor + 1.5%/+ 2.75%**	Libor + 1.5%/+ 2.75%	**-**	-
Money market line	**-**	2.25% - 3.00%	**-**	-
Euro				
Bank overdrafts	**Euribor + 1.5%/+ 2.75%**	Euribor + 1.5%/+ 2.75%	**-**	-
Bank loans repayable by instalments	**Euribor + 3%**	3.89%- Euribor + 2.75%	**-**	-
Finance lease obligations	**2.75%**	2.75%	**-**	-
Bills discounted	**Euribor + 1.5%/+ 2.75%**	Euribor + 1.5%/+ 2.75%	**-**	-
Money market line	**-**	1.75% - 3.5%	**-**	-
Indian Rupee				
Bank overdrafts	**10.15%**	11%	**-**	-
Bills Discounted	**9.60% -10.25%**	10.00% - 12.00%	**-**	-

(g) The carrying amounts of the borrowings are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	MUR'000	MUR'000	**MUR'000**	MUR'000
Rupee	**5,385,960**	5,794,069	**1,064,305**	1,096,998
Euro	**6,167,677**	3,927,057	**-**	-
US dollars	**4,051,355**	4,014,617	**-**	-
UK Pound	**503,618**	485,771	**-**	-
INR	**136,993**	52,940	**-**	-
Ariary	**224,307**	41,434	**-**	-
Others	**14,580**	4,030	**-**	-
	16,484,490	14,319,918	**1,064,305**	1,096,998

(h) The carrying amounts of borrowings are not materially different from their fair values.

(i) The bills discounted and the import loans are secured by fixed and floating charges over the assets of the CIEL Textile Limited.

25. DEFERRED INCOME TAXES

Accounting policies

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

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

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences can be utilised.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Deferred income taxes are calculated on all temporary differences under the liability method at the rate of 15% (2016 - 15%).

(a) There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax assets and liabilities when the deferred taxes relates to the same fiscal authority.

The following amounts are shown in the statement of financial position:

	THE GROUP	
	2017	2016
	MUR'000	MUR'000
Deferred tax liabilities	**1,014,469**	1,042,479
Deferred tax assets	**(141,641)**	(82,212)
	872,828	960,267

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

	THE GROUP	
	2017	2016
	MUR'000	MUR'000
At 1 July	**960,267**	1,100,435
Adjustment to opening balance	**-**	(12,157)
Acquisition of business operations	**(83,019)**	-
Translation difference	**122**	5,018
Credited to profit or loss (Note 29)	**(13,094)**	(176,496)
Charged to other comprehensive income	**8,552**	43,467
At 30 June	**872,828**	960,267

25. DEFERRED INCOME TAXES (CONT'D)

(c) The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same fiscal authority, is as follows:

THE GROUP

	Accelerated Tax Depreciation MUR'000	Revaluation of Properties MUR'000	Total MUR'000
Deferred tax liabilities			
At 1 July 2015	682,281	556,587	**1,238,868**
Adjustment to opening balance	(12,157)	-	**(12,157)**
Translation difference	4,674	900	**5,574**
Credited to profit or loss	(61,623)	(54)	**(61,677)**
Charged to other comprehensive income	-	59,916	**59,916**
At 30 June 2016	613,175	617,349	**1,230,524**
Translation difference	1,772	121	**1,893**
Credited to profit or loss	(3,439)	(4,971)	**(8,410)**
Charged to other comprehensive income	-	13,468	**13,468**
At 30 June 2017	611,508	625,967	**1,237,475**

	Provisions/ Others MUR'000	Retirement Benefit Obligation MUR'000	Tax Losses Carried Forward MUR'000	Share Appreciation Rights Scheme MUR'000	Total MUR'000
Deferred tax assets					
At 1 July 2015	49,427	65,893	19,289	3,824	**138,433**
Translation difference	(127)	-	683	-	**556**
Credited/(charged) to profit or loss	(17,973)	3,226	130,774	(1,208)	**114,819**
Credited to other comprehensive income	8,279	8,170	-	-	**16,449**
At 30 June 2016	39,606	77,289	150,746	2,616	270,257
Acquisition of business operations	-	-	83,019	-	**83,019**
Translation difference	141	-	1,630	-	**1,771**
Credited/(charged) to profit or loss	2,408	3,708	65	(1,497)	**4,684**
(Charged)/credited to other comprehensive income	(2,279)	7,195	-	-	**4,916**
At 30 June 2017	39,876	88,192	235,460	1,119	**364,647**

Unused tax losses for which no deferred tax asset has been recognised MUR 1,210M (2016:MUR 309M).

26. RETIREMENT BENEFIT OBLIGATIONS

Accounting policies

Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement usually dependent on one or more factors such as age, year of service and compensation.

26. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) is recognised immediately in other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income shall not be reclassified to profit or loss in subsequent period.

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

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

CIEL Textile Limited, CIEL Corporate Services Ltd, The Medical & Surgical Centre Ltd and Sun Limited, subsidiary companies of CIEL Limited, contribute to a defined benefit plan for certain employees.

Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Payments to defined contribution plans are recognised as an expense when employees have rendered service that entitle them to the contributions.

Gratuity on retirement

For employees who are not covered (or who are insufficiently covered by the above pension plans), the net present value of gratuity on retirement payable under the Employment Rights Act 2008 (Amended) is calculated by a qualified actuary and provided for. The obligations arising under this item are not funded.

Termination benefits

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

26. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

	THE GROUP	
	2017	2016
	MUR'000	MUR'000
Amounts recognised in the statement of financial position:		
Defined pension benefits (note (a)(ii))	**211,577**	150,996
Other post retirement benefits (note (b)(i))	**496,303**	418,778
	707,880	569,774
Analysed as follows:		
Non-current liabilities	**707,880**	569,774
Amounts charged to profit or loss:		
- Defined pension benefits (note (a)(v))	**54,496**	56,422
- Other post retirement benefits (note (b)(iii))	**61,347**	52,297
	115,843	108,719
Amounts charged to other comprehensive income:		
- Defined pension benefits (note (a)(vi))	**28,683**	38,291
- Other post retirement benefits (note (b)(iv))	**34,855**	21,330
	63,538	59,621

(a) Defined pension benefits

(i) Some companies of the Group operate defined benefit pension plans. The plan is a final salary plan, which provides benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement. Group companies participate in the United Mutual Superannuation Fund, CIEL Group Segregated Fund and Sugar Industry Pension Fund and other pension schemes present in respective companies.
The assets of the plan are independently administered separately. The present value of the defined benefit obligations, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(ii) The amounts recognised in the statement of financial position are as follows:

	2017	2016
	MUR'000	MUR'000
Fair value of plan assets	**828,102**	753,500
Present value of funded obligations	**(974,114)**	(851,222)
Deficit of funded plans	**(146,012)**	(97,722)
Present value of unfunded obligations	**(65,565)**	(53,274)
Liability in the statement of financial position	**(211,577)**	(150,996)

The net defined benefit liability is arrived at as follows:

	2017	2016
	MUR'000	MUR'000
Balance at 1 July	**150,996**	115,908
Acquisition of business operations	**21,048**	-
Charged to profit or loss	**54,496**	56,422
Charged to other comprehensive income	**28,683**	38,291
Contributions paid	**(43,646)**	(59,625)
Balance at 30 June	**211,577**	150,996

26. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(iii) The movement in the defined benefit obligation is as follows:

	THE GROUP	
	2017	2016
	MUR'000	MUR'000
Balance at 1 July	**904,498**	864,274
Acquisition of business operations	**22,455**	-
Current service cost	**41,563**	35,812
Interest expense	**61,601**	58,836
Past service cost	**115**	10,721
Experience losses	**4,297**	-
Employees contributions	**5,530**	5,669
Actuarial gains/(losses)	**29,204**	(31,482)
Liability losses due to change in financial assumptions	**9,048**	-
Benefits paid	**(38,632)**	(39,332)
Balance at 30 June	**1,039,679**	904,498

(iv) The movement in the fair value of plan assets of the year is as follows:

	THE GROUP	
	2017	2016
	MUR'000	MUR'000
Balance at 1 July	**753,500**	748,366
Acquisition of business operations	**1,407**	-
Expected return on plan assets	**48,038**	47,672
Return on plan assets, excluding amounts included in interest expense	**3,349**	(51,138)
Actuarial gains/(losses)	**4,100**	(14,641)
Scheme expenses	**(1,389)**	(1,231)
Cost of insuring risk benefits	**(1,705)**	(1,490)
Experience losses	**10,257**	-
Employer contributions	**41,810**	57,265
Employee contributions	**5,530**	5,669
Benefits paid	**(36,795)**	(36,972)
Balance at 30 June	**828,102**	753,500

	THE GROUP	
	2017	2016
	MUR'000	MUR'000
(v) The amounts recognised in profit or loss are as follows:		
Current service cost	**41,563**	35,812
Scheme expenses	**1,389**	1,231
Cost of insuring risk benefits	**1,705**	1,490
Expected return on plan assets	**(3,839)**	(3,996)
Past service cost	**115**	10,721
Interest expense	**13,563**	11,164
Total, included in employee benefit expense	**54,496**	56,422

26. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

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

	THE GROUP	
	2017	2016
	MUR'000	MUR'000
Remeasurement on the net defined benefit liability:		
(Gains)/losses on pension scheme assets	**(14,357)**	14,641
Liability experience losses	**11,096**	(31,483)
Changes in assumptions	**22,406**	-
Actuarial losses	**19,145**	(16,842)
Return on plan assets excluding interest income	**490**	55,133
Liability losses due to change in financial assumptions	**9,048**	-
	28,683	38,291

(vii) The fair value of the plan assets at the end of the reporting period were:

	THE GROUP	
	2017	2016
	MUR'000	MUR'000
Cash and cash equivalents	**75,693**	30,447
Local equities	**149,406**	119,096
Overseas equities	**359,770**	349,788
Debt instruments	**243,177**	254,169
Property	**56**	-
Total Market value of assets	**828,102**	753,500

The fair value of the above equity and debt instruments are determined based on quoted market prices in active markets. The fair value of properties are not based on quoted market prices in active markets.

The breakdown of the assets above corresponds to a notional allocation of the underlying investments based on the long term strategy of each fund.

In terms of the individual expected returns , the expected return on equities has been based on an equity risk premium above a risk free rate. The risk free rate has been measured in accordance to the yields on government bonds at the measurement date. The fixed interest portfolio includes local and foreign deposits.

The expected return for this asset class has been based on these fixed deposits at the measurement date.

(viii) The principal actuarial assumptions used for accounting purposes were:

	THE GROUP	
	2017	2016
	%	%
Discount rate	**6.0-7.0**	6.2-7.0
Expected return on plan assets	**6.0-7.0**	6.5-7.0
Future salary increases	**4-5.5.0**	4.5-5.5
Future pension growth rate	**nil-1.0**	nil-1.0

26. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

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

	Increase	Decrease
	MUR'000	MUR'000
Discount rate (1% increase)	-	145,245
Future long term salary assumption (1% increase)	43,998	-

The sensitivity above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The present value of the defined benefit obligation has been calculated using the projected unit credit method.

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

(x) The defined benefit pension plan exposes the group to actuarial risks, such as longevity risk, salary risk, interest rate risk and market (investment) risk.

Longevity risk
The obligation for the members is calculated based on the best estimate of plan participants' mortality after retirement. Sensitivity has also been performed in respect of the mortality assumption. An increase in the life expectancy of the plan participants will increase the liability.

Salary risk
The present value of the liability is calculated based on the future salary increase of the non-members and members of the plan. Sensitivity analysis of salary increase assumption has been performed to assess its impact on the liability. An increase in salary increase assumption leads to an increase the present value of the obligations.

Interest rate risk
The present value of the obligation is calculated using a discount rate based on the yields of long term government bonds. An increase or decrease in the discount rate can have a significant impact on the liabilities.

Market (investment) risk
Market risk is the risk that the value of an investment will decrease due to moves in market factors. The fair value of the plan assets depends on all the components of the investment value. Hence, an increase or decrease in the components of investment value may have a significant impact on the fair value of the plan assets.

(xi) The funding requirements are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan.

26. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(xii) The Group expects to pay MUR 38.7M in contributions to its post-employment benefit plans for the year ending 30 June 2018.

(xiii) The weighted average duration of the defined benefit obligations ranges between 8 and 25 years at the end of the reporting period.

Experience adjustment on plan liabilities MUR 3.3M

(b) Other post retirement benefits

Other post retirement benefits comprise pensions to be paid on retirement or on death before retirement as per the Sugar Industry Remuneration Order and gratuity on retirement under the Employment Rights Act 2008.

(i) The amounts recognised in the statement of financial position are as follows:

	THE GROUP	
	2017	2016
	MUR'000	MUR'000
Defined benefit liability	**496,303**	418,778

(ii) Movement in the liability recognised in the statement of financial position:

	2017	2016
Balance at 1 July	**418,778**	364,926
Total expense	**61,347**	52,297
Liability experience gain	**8,343**	-
Actuarial losses recognised in other comprehensive income	**26,512**	21,330
Benefits paid	**(18,677)**	(19,775)
Balance at 30 June	**496,303**	418,778

(iii) The amounts recognised in the profit or loss are as follows:

	THE GROUP	
	2017	2016
	MUR'000	MUR'000
Current service cost	**29,266**	26,048
Past service cost	**453**	741
Interest cost	**31,628**	25,508
At 30 June	**61,347**	52,297

(iv) Amounts for the current year are as follows:

	THE GROUP	
	2017	2016
	MUR'000	MUR'000
Present value of defined benefit obligation	**496,303**	418,778
Actuarial losses	**34,855**	21,330

26. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(v) The principal actuarial assumptions used for accounting purposes were:

	2017	2016
	%	%
Discount rate	6.0-6.5	6.5-8.0
Future salary increases	4.0-5.0	4.5-5.0
Future pension increases	0.5	nil

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

	Increase	Decrease
	MUR'000	MUR'000
Discount rate (1% increase)	-	45,905
Future long term salary assumption (1% increase)	12,737	-

The sensitivity above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The present value of the defined benefit obligation has been calculated using the projected unit credit method.

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

(vii) The weighted average duration of the defined benefit obligations ranges between 9 and 20 years at the end of the reporting period.

27. PROVISIONS FOR OTHER LIABILITIES AND CHARGES

Accounting policies

Provisions are recognised when : the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources that can be reasonably estimated will be required to settle the obligation.

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

	THE GROUP	
	2017	2016
	MUR'000	MUR'000
Legal claims, severance allowances and penalties	12,919	20,469

28. TRADE AND OTHER PAYABLES

Accounting policies

Trade and other payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	MUR'000	MUR'000	**MUR'000**	MUR'000
Trade payable	**1,255,360**	1,186,133	**-**	-
Client advances	**138,147**	216,253	**-**	-
Payable to subsidiary companies	**-**	-	**30,139**	48,179
Payable to related companies	**49,873**	54,963	**-**	-
Other payables and accruals	**3,375,209**	2,636,652	**35,233**	26,710
Current accounts with other banks	**14,716**	16,039	**-**	-
Other payables to banks	**28,961**	4,134	**-**	-
Derivative financial instruments	**34,386**	59,506	**-**	-
Employee related expenses	**29,246**	21,332	**-**	-
	4,925,898	4,195,012	**65,372**	74,889
Less non-current portion:				
Other payables	**(60,000)**	-	**-**	-
	4,865,898	4,195,012	**65,372**	74,889
Broken down as follows:				
Banking segment	**947,770**	564,512		
Non-banking segment	**3,918,128**	3,630,500		
	4,865,898	4,195,012		

The carrying amount of trade and other payables approximate their fair value.

Other payables include as amount of MUR 77M (current: MUR 17M & non-current: MUR 60M) which relates to acquisition of Wellkin Hospital and is payable in 4 yearly installments as from January 2018. The payable relates to the outstanding lease balance for medical equipment of the previous owner of Wellkin Hospital that the Group has agreed to settle as part of the business acquisition.

Payables are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	MUR'000	MUR'000	**MUR'000**	MUR'000
USD	**1,037,353**	685,939	**-**	35,555
EURO	**202,288**	229,960	**-**	-
MUR	**2,278,287**	2,039,068	**65,372**	39,334
GBP	**47,631**	77,200	**-**	-
INR	**372,879**	416,557	**-**	-
ARIARY	**536,453**	298,784	**-**	-
OTHERS	**451,007**	447,504	**-**	-
	4,925,898	4,195,012	**65,372**	74,889

29. INCOME TAX

Accounting policies

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

29. INCOME TAX (CONT'D)

Current tax

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

		THE GROUP		THE COMPANY	
		2017	2016	**2017**	2016
		MUR'000	MUR'000	**MUR'000**	MUR'000
(a)	CHARGE				
	Current tax on the adjusted profit for the year	**282,823**	326,599	**936**	1,075
	Under provision in previous years	**19,203**	3,178	**-**	-
	Deferred tax (note 25)	**(13,094)**	(176,496)	**-**	-
	Charge for the year	**288,932**	153,281	**936**	1,075
(b)	LIABILITY				
	At 1 July	**117,341**	117,183	**210**	410
	Opening balance adjustment	**(4,565)**	(15,376)	**-**	-
	Under provision in previous years	**19,203**	3,178	**-**	-
	Charge for the year	**282,823**	326,599	**936**	1,075
	Paid during the year	**(192,068)**	(197,045)	**(1,016)**	(1,275)
	Advance payment for current year	**(116,218)**	(85,078)	**-**	-
	Exchange difference	**8,372**	-	**-**	-
	Tax deducted at source	**(54,478)**	(32,120)	**-**	-
	At 30 June	**60,410**	117,341	**130**	210
	Analysed as follows:				
	Current tax liabilities	**81,831**	117,341	**130**	210
	Current tax assets (Note 15)	**(21,421)**	-	**-**	-
		60,410	117,341	**130**	210

The tax on the profit before taxation differs from the theoretical amount that would arise using the basic tax rate:

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	MUR'000	MUR'000	**MUR'000**	MUR'000
Profit before taxation	**1,433,023**	1,335,215	**311,657**	314,802
Tax calculated at a rate of 15% (2016: 15%)	**214,953**	200,282	**46,749**	47,220
Tax effect of :				
Income not subject to tax	**(109,105)**	(130,383)	**(66,846)**	(69,709)
Expenses not deductible for tax purposes	**170,091**	72,724	**21,033**	23,564
Tax on turnover of overseas subsidiaries	**-**	2,465	**-**	-
Effect of different tax rate	**49,899**	14,341	**-**	-
Under provision in previous years	**19,203**	5,225	**-**	-
Foreign tax credit	**(38,887)**	(26,082)	**-**	-
Investment tax relief	**(56,434)**	(4,963)	**-**	-
Other adjustments	**39,212**	19,672	**-**	-
Tax charge	**288,932**	153,281	**936**	1,075

30. DIVIDENDS PER SHARE

Accounting policies

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are declared.

	THE GROUP & THE COMPANY	
	2017	2016
	MUR'000	MUR'000
Amounts recognised as distributions to equity holders in the year:		
Final dividend payable for year ended 2017		
of 13 cents per share (2016: 11 cents per share)	**198,494**	167,768
Interim dividend paid for the year ended 2017		
of 7 cents per share (2016: 7 cents per share)	**106,761**	106,612
	305,255	274,380

31. DEPOSITS FROM CUSTOMERS

Accounting policies

Deposits from cutomers are classified as financial liabilities at amortised cost. They are initially measured at fair value and subsequently carried at amortised cost.

	THE GROUP	
	2017	2016
	MUR'000	MUR'000
Banking Segment		
Demand deposits	**12,041,528**	10,152,070
Savings deposits	**2,442,089**	2,072,102
Time deposits with remaining terms to maturity:		
Within 1 year	**856,695**	1,036,543
Over one year and up to five years	**636,428**	6,323
	15,976,740	13,267,038

32. REVENUE

Accounting policies

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns, value added taxes, rebates and other similar allowances and after eliminating sales within the Group.

Sale of goods

Sales of goods are recognised when the goods are delivered and titles have passed, at which time all of the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be reliably measured;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

32. REVENUE (CONT'D)

Rendering of services

Revenue from rendering of services are recognised in the accounting year in which the services are rendered (by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of total services to be provided).

Other revenue includes:

• Dividend income - when the shareholder's right to receive payment is established;

• Sale of Invest Hotel Scheme rooms - Revenue on sale of rooms is recognised when there is a legal transfer of ownership and customer acceptance.

• Interest income - on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised either as cash is collected or on a cost-recovery basis as conditions warrant;

• Management fees - as it accrues;

• Rental income - as it accrues;

• Information and communication technology income - as it accrues;

• Income from foreign exchange dealings - on a settlement basis;

• Fees and commission - on an accrual basis.

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	MUR'000	MUR'000	**MUR'000**	MUR'000
Revenue from:				
- Textile	**10,509,069**	10,482,208	**-**	-
- Hotel	**6,007,115**	4,989,237	**-**	-
- Healthcare	**1,667,030**	1,189,014	**-**	-
Net interest income from banking	**1,577,551**	1,457,808	**-**	-
Dividend income				
- Listed	**-**	975	**727**	54,532
- DEM	**1,054**	1,054	**173,049**	187,382
- Unquoted	**4,584**	164	**225,089**	95,339
Others:				
Management and service fees	**317,261**	278,552	**-**	-
Interest income	**26,255**	44,723	**5,393**	6,837
Rental income	**24,095**	40,506	**-**	-
Other income	**124,317**	48,311	**3,494**	2,601
	20,258,331	18,532,552	**407,752**	346,691

33. EARNINGS BEFORE INTERESTS, TAXATION, DEPRECIATION AND AMORTISATION

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	MUR'000	MUR'000	**MUR'000**	MUR'000
Revenue	**20,258,331**	18,532,552	**407,752**	346,691
Profit on disposal of property, plant and equipment	**22,312**	924	**-**	-
Profit on disposal of investment in other financial assets	**43,383**	-	**43,383**	-
Investment and other write off	**(3,986)**	-	**(6,055)**	-
Other operating income	**333,509**	334,584	**-**	-
Cost of sales - textile	**(5,056,218)**	(5,276,732)	**-**	-
Cost of sales - hotel	**(1,307,161)**	(1,125,823)	**-**	-
Cost of sales - healthcare	**(587,649)**	(438,886)	**-**	-
Employee benefit expenses (Note 35)	**(5,996,042)**	(5,094,616)	**-**	-
Management fees and services	**(196,320)**	(169,311)	**(39,120)**	(49,195)
Professional, legal and consultancy fees	**(167,852)**	(159,429)	**(2,206)**	(4,373)
Rental and leases	**(687,040)**	(454,886)	**-**	-
Logistics and utilities	**(1,193,124)**	(1,080,258)	**-**	-
Office expenses	**(303,979)**	(197,122)	**-**	-
Transport expenses	**(141,457)**	(121,888)	**-**	-
Marketing expenses	**(575,884)**	(398,937)	**-**	-
Repairs and maintenance	**(503,706)**	(420,507)	**-**	-
Social and events	**(32,691)**	(39,813)	**-**	-
Provision for impairment	**(14,534)**	(119,298)	**-**	-
Other expenses	**(1,030,113)**	(1,034,937)	**(32,173)**	(36,668)
	2,859,779	2,735,617	**371,581**	256,455

34. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	MUR'000	MUR'000	**MUR'000**	MUR'000
Interest expense:				
Bank overdrafts	**59,663**	52,357	**685**	793
Loans repayable by instalments	**334,363**	434,457	**2,575**	4,943
Bills discounted	**24,373**	17,116	**-**	-
Import loans	**25,731**	16,815	**-**	-
Debentures	**171,214**	6,993	**-**	-
B shares dividend	**6,108**	6,618	**-**	-
Interest on bank guarantee	**-**	1,155	**-**	-
Loans at call	**449**	1,653	**1,036**	6,563
Finance leases	**9,355**	12,120	**-**	-
Fixed rate secured notes	**56,815**	56,815	**56,815**	56,815
Other loans	**8,157**	24,329	**-**	435
	696,228	630,428	**61,111**	69,549
Net foreign exchange transactions gain	**(51,290)**	(75,318)	**(1,187)**	(2,781)
	644,938	555,110	**59,924**	66,768

35. EMPLOYEE BENEFIT EXPENSE

	THE GROUP	
	2017	2016
	MUR'000	MUR'000
Wages and salaries	**5,217,638**	4,463,877
Social security costs	**260,300**	184,388
Pension costs - defined contribution plans	**66,665**	81,678
Pension costs - defined benefit plans	**54,496**	56,422
Severance	**-**	2,297
Other post-retirement benefits	**61,347**	52,297
Others	**335,596**	253,657
	5,996,042	5,094,616

36. CLOSURE, MARKETING LAUNCH, RESTRUCTURING, BRANDING AND TRANSACTION COSTS

	THE GROUP	
	2017	2016
	MUR'000	MUR'000
Closure costs	**85,654**	333,832
Marketing launch	**17,562**	79,312
Depreciation	**20,922**	76,423
Relocation and relaunching costs	**36,610**	31,018
Re-branding costs	**-**	13,623
	160,748	534,208

37. EARNINGS PER SHARE

		THE GROUP		THE COMPANY	
		2017	2016	**2017**	2016
Basic earnings per share					
Profit attributable to owners of parent (MUR'000)		**479,258**	477,150	**310,721**	313,727
Weighted average number of ordinary shares		**1,525,360,291**	1,523,353,773	**1,525,360,291**	1,523,353,773
Earnings per share	MUR	**0.31**	0.31	**0.20**	0.21

		THE GROUP		THE COMPANY	
		2017	2016	**2017**	2016
Earnings per share before non-recurring items					
Profit attributable to owners of parent (MUR'000)		**462,914**	702,843	**310,721**	188,612
Weighted average number of ordinary shares		**1,525,360,291**	1,523,353,773	**1,525,360,291**	1,523,353,773
Earnings per share before non-recurring items	MUR	**0.30**	0.46	**0.20**	0.12

Notes to the **Financial Statements**

Year ended 30 June 2017

38. NOTES TO THE STATEMENTS OF CASH FLOWS

(a) Cash flow from operating activities

	THE GROUP		THE COMPANY	
	2017 MUR'000	2016 MUR'000	**2017 MUR'000**	2016 MUR'000
Reconciliation of profit before taxation to cash generated from operations:				
Profit before taxation	**1,433,023**	1,335,215	**311,657**	314,802
Amortisation of intangible assets	**51,577**	32,203	**-**	-
Depreciation	**925,883**	780,788	**-**	-
Rental income	**(24,095)**	(40,506)	**-**	-
Interest expense	**696,228**	630,428	**61,111**	69,549
Interest income	**(26,255)**	(44,723)	**(5,393)**	(6,837)
Amortisation of leasehold land	**12,933**	12,986	**-**	-
Impairment of goodwill	**-**	29,917	**-**	-
Fair value gain on investment property	**(241,880)**	(265,135)	**-**	-
Impairment on investment in associated companies	**137,918**	-		
Share of result of joint ventures	**(140,181)**	(146,998)	**-**	-
Share of result of associated companies	**(104,258)**	(56,254)	**-**	-
Share based scheme	**9,851**	6,286	**-**	-
Intangible assets written off	**919**	1,315	**-**	-
Property, plant & equipment written off	**6,495**	53,132	**-**	-
Loss on disposal of associate	**239**	-	**-**	-
Provision	**41,934**	17,770	**-**	-
Investment and other write off	**3,986**	-	**6,055**	-
Profit on disposal of investment in subsidiary company	**-**	-	**-**	(125,115)
Retirement benefit obligations	**53,520**	29,319	**-**	-
Unrealised exchange difference	**(97,180)**	39,263	**-**	-
Profit on disposal of investment	**(43,383)**	-	**(43,383)**	(19)
Profit on disposal of plant and equipment	**(22,312)**	(924)	**-**	-
	2,674,962	2,414,082	**330,047**	252,380
Changes in working capital:				
- trade and other receivables	**(145,893)**	(483,302)	**(3,493)**	18,867
- loans and advances	**(1,195,203)**	(1,115,865)	**-**	-
- investment securities	**(1,420,733)**	530,341	**-**	-
- inventories	**(249,135)**	(92,603)	**-**	-
- trade and other payables	**646,336**	(842,121)	**(9,517)**	(27,262)
- deposits from customers	**2,203,820**	1,668,812	**-**	-
Cash generated from operating activities	**2,514,154**	2,079,344	**317,037**	243,985

(b) Cash and cash equivalents

	THE GROUP		THE COMPANY	
	2017 MUR'000	2016 MUR'000	**2017 MUR'000**	2016 MUR'000
Cash in hand and at bank	**687,974**	996,028	**2,908**	1,852
Foreign currency notes and coins	**109,728**	137,177	**-**	-
Balances with Central Bank	**356,063**	956,403	**-**	-
Balances due in clearing	**(51,066)**	(3,949)	**-**	-
Balances with bank	**3,212,281**	2,357,248	**-**	-
Placements	**1,115,317**	1,140,444	**-**	-
	5,430,297	5,583,351	**2,908**	1,852
Bank overdrafts	**(1,451,826)**	(2,006,902)	**-**	(804)
Cash at call	**-**	-	**(64,255)**	(96,144)
Money market line	**-**	(389,972)	**-**	-
	3,978,471	3,186,477	**(61,347)**	(95,096)

Cash and cash equivalents include an amount of MUR 156M (2016: MUR 391M) which has been deposited with a financial institution as a guarantee for letter of credit.

Restricted cash represents cash secured in an escrow account for the purpose of purchasing property, plant and equipment.

39. BUSINESS COMBINATION

(a) Acquisition of business operations

Healthcare segment

On January 6, 2017, the Group acquired the business operations of Ex-Apollo Bramwell Hospital ("ABH") which is now known as Wellkin Hospital and which are run from premises located at Moka, Mauritius. It includes the acquisition of equipment, furniture and fittings, motor vehicles, hardware and software forming part of the IT Systems, consumable and inventories and patient data and employee database. The total consideration agreed was MUR 700M. The final consideration paid is MUR 619M after deducting for the lease liability and inventories older than 3 months.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Wellkin Hospital as at the date of acquisition were:

	Fair value recognised on acquisition
	MUR'000
Assets	
Plant and equipment	257,790
Intangible assets	18,608
Deferred tax assets	83,019
Inventories	27,526
	386,943
Liabilities	
Employee benefit obligations	21,048
Lease liability	77,000
	98,048
Total identifiable net assets at fair value	288,895
Goodwill arising on acquistion	330,904
Purchase consideration transferred	619,799
Purchase consideration transferred	619,799
Goodwill arising on acquisition	330,904

(i) Plant and equipment and intangibles have been revalued by an independent valuer which has the relevant expertise in the field.

(ii) The deferred tax asset recognised relates to accumulated tax losses transferred to the company on acquisition of Ex-Apollo Bramwell Hospital (ABH) which may be set off against future taxable income of the company.

(iii) The employee benefit obligations have been calculated by an independent qualified actuary as at 6 January 2017.

39. BUSINESS COMBINATION (CONT'D)

(a) Acquisition of business operations (cont'd)

The goodwill of MUR 330,903,719 is largely based on estimated future income, synergies and non-recognisable intangible assets generated by the acquisition. The goodwill is mainly attributable to future growth expectations of Wellkin Hospital, the assembled workforce and know-how, customer relationships, expected synergies and economies of scale from combining the operations of Fortis Clinic Darné and Wellkin Hospital.

Analysis of cash flows on acquisition:

	MUR'000
Transaction costs of the acquisition (included in cash flows from operating activities)	(13,897,784)
Net cash acquired with the business oeprations (included in cash flows from investing activities)	
Net cash flow on acquisition	(13,897,784)

Transaction costs of MUR 13,897,784 were expensed and are included in administrative expenses.

From the date of acquisition, Wellkin Hospital contributed MUR 380,017,529 of revenue and MUR 113,208,145 to loss before tax from continuing operations of the Group.

As the initial accounting of the business combination can be determined provisionally by the end of this accounting year, the goodwill calcualtion is based on provisional amounts. Adjustment to provisional amounts, and recognition of the new identified assets and liabilities if any, will be made within one year from the acquisition date.

(b) Increase in interests in subsidiary companies

Financial services segment

In September 2016, the Group acquired an additional 40% interest in Investment Professional Ltd through CIEL

Finance Limited for MUR 21.2M in cash, increasing its effective ownership from 41.68% to 71.72%.

The carrying amount of Investment Professional Ltd (Group) net assets attributable to owners in the consolidated financial statements on the date of the acquisition of the 40% stake was MUR 31.8M.

The following summarises the effect of changes in the Group's ownership interest in Investment Professional Ltd (Group):

	MUR'000
Decrease in retained earnings	10,753
Decrease in non-controlling interests	10,397
	21,150

Hospitality segment

Following a share buy back by Sun Limited, the Group shareholding in Sun Limited increased from 59.79% to 59.96%. An amount of MUR 12.8M has been transferred from non-controlling interests to retained earnings.

(c) Disposal of interest in a subsidiary without loss of control

Financial services segment

During the year, the Group disposed of 5% of its interest in IPRO Botswana (Proprietary) Limited through Investment Professional Ltd. The proceeds on disposal of MUR 491,179 were received in cash. An amount of MUR 119,420 has been transferred to non-controlling interests. The difference of MUR 371,760 between the increase in the non-controlling interests and the consideration received has been credited to retained earnings.

40. CONTINGENCIES

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	MUR'000	MUR'000	**MUR'000**	MUR'000
Bank guarantees in respect of expatriates	**19,200**	14,500	**-**	-
Bank guarantees in respect of bank loans	**219,045**	62,925	**-**	-
VAT assessment	**5,182**	4,392	**-**	-
	243,427	81,817	**-**	-

CIEL Finance Group has a floating charge of Euro 4M in favour of a bank to counter-guarantee BNI Madagascar in respect of credit concentration limits imposed by the Malagasy regulator.

Sun Limited has provided corporate financial guarantee for an amount of MUR 62M (30 June 2016: MUR 62M) in respect of bank loans to one of its subsidiaries. The Directors consider that no liabilities will arise as theprobability for default in respect of the guarantee is remote.

At 30 June 2017, CIEL Textile Limited Group had bank guarantees amounting to MUR 19.2M (2016: MUR 14.5M) to third parties in respect of expatriates.

During the year ended 30 June 2017, Tropic Madagascar SA (CIEL Textile Group) was subject to an assessment from the local tax authorities in Madagascar. The matter had been referred for Appeal as the company believes that claims made by local authorities are unreasonable.

One of the subsidiaries of the CIEL Healthcare Group was contigently liable as at 30 June 2017 in respect of claims lodged against a third party, the outcomes of which are unknown as at financial statement date.

At 30 June 2017, the Group had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities would arise.

41. COMMITMENTS

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	MUR'000	MUR'000	**MUR'000**	MUR'000
(a) Capital Commitments				
Authorised by the directors and contracted for	**185,408**	988,000	**-**	-
Authorised by the directors but not contracted for	**922,601**	1,083,829	**-**	-
	1,108,009	2,071,829	**-**	-

The Group capital commitments include funds earmarked for hotel refurbishment and future investment.

At 30 June 2017, the Group had commitments relating to the Voluntary Takeover Scheme of CIEL Textile Ltd and participation in the right issue of Sun Resorts Limited, which have been finalised to date and disclosed in note 46 (b)(i) and (c).

(b) Operating lease commitments

The Group leases land and motor vehicles under non-cancellable operating lease arrangements.

The future minimum lease payments are as follows:

	THE GROUP	
	2017	2016
	MUR'000	MUR'000
Not later than 1 year	**386,786**	366,370
Later than 1 year and not later than 5 years	**1,544,230**	1,489,343
After 5 years	**19,651,082**	20,273,916
	21,582,098	22,129,629

41. COMMITMENTS (CONT'D)

(b) Operating lease commitments (cont'd)

Hotel segment

The above operating lease arrangements include state leasehold land rentals for periods up to which the rental amounts have been agreed. The state leasehold land rentals terms go up to a maximum of 60 years and do not contain any option to buy at the end of the lease term. Sun Limited opted to enter into the 60 years state lease agreement offered by the Government of Mauritius in respect of three properties.

The operating lease for the corporate office has an initial lease term of 5 years with an option to buy at the end of the lease term. The Group has exercised its option in 2012 to renew the lease for a further period of four years.

Sun Limited has entered into a lease agreement under which the Company is leasing the Ambre Resort & Spa, a 297-room hotel, and sub-lease the land on which the Hotel stands for an initial period of five (5) years, effective from 1 October 2012. On 7 July 2015, the term of the lease agreement was renewed for another five years as from 1 October 2017 to 30 September 2022.

Rental of office

One of the subsidiaries leases offices under non-cancellable operating lease. The lease has varying terms, purchase options, escalation clauses and renewable rights. Renewals are at the specific entity that holds the lease.

The future minimum lease receivable are as follows:

	THE GROUP	
	2017	2016
	MUR'000	MUR'000
Not later than 1 year	**7,159**	14,367
Later than 1 year and not later than 5 years	**7,136**	30,285
	14,295	44,652

(c) Guarantees and other obligations on account customers and commitment - Banking Segment

The guarantees and other obligations on account of customers and commitments for the banking segment amounted to MUR 2.7Bn as at 30 June 2017 (2016: MUR 1.8Bn).

42. DERIVATIVE FINANCIAL INSTRUMENTS

Accounting policies

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates certain derivatives as either:

- hedges of the fair value of recognised liabilities (fair value hedge);

- hedges of a particular risk associated with a recognised liability or a highly probable forecast transaction (cash flow hedge); or

- hedges of a net investment in a foreign operation (net investment hedge).

42. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions.
The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

The Group applies only fair value hedge accounting for hedging fixed interest risk on borrowings. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in profit or loss within finance costs. The gain or loss relating to the ineffective portion is recognised in profit or loss.

Changes in the fair value of the hedge fixed rate borrowings attributable to interest rate risk are recognised in profit or loss within finance costs.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised
immediately in the profit or loss.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to profit or loss.

42. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised in profit or loss.

Gains or losses accumulated in equity are included in profit or loss when the foreign operation is partially disposed of or sold.

Derivatives at fair value through profit or loss

Certain derivative financial instruments do not qualify for hedge accounting and are accounted for at fair value through profit or loss. Changes in the fair value of these derivative instruments that do not qualify for hedge accounting are recognised immediately in profit or loss.

Some of the group companies utilise foreign currency derivatives in the management of their exchange rate exposures.

The fair values of the derivative financial instruments are detailed below:

	Level 2	Level 3	Total
	MUR'000	MUR'000	MUR'000
At 30 June 2017			
Assets			
Derivatives used for hedging	**2,165,027**	**-**	**2,165,027**
Liabilities			
Derivatives used for hedging	**2,188,470**	**2,026**	**2,190,496**
Total	**(23,443)**	**(2,026)**	**(25,469)**

	Level 2	Level 3	Total
	MUR'000	MUR'000	MUR'000
At 30 June 2016			
Assets			
Derivatives used for hedging	57,414	-	57,414
Liabilities			
Derivatives used for hedging	51,980	7,526	59,506
Total	5,434	(7,526)	(2,092)

Derivatives include forward exchange contracts and interest rate swaps with a notional amount of MUR 2.3Bn.

43. CASH FLOW HEDGE

Textile Segment

The Textile Group is involved in the production and sale of textile apparel, most of which is done through exports to foreign countries. The Textile Group is made up of Knitwear Cluster; Fine Knits Cluster and Woven Cluster and is exposed to foreign exchange risk on the sale of textile products denominated in foreign currency.
The Textile Group exports almost all of its production in foreign currencies (South African Rand 'ZAR', United States Dollars 'USD', Great Britain Pound 'GBP' and Euro 'EUR').

The Textile Group is mainly faced to the following foreign exchange exposures:

Pre-transaction foreign currency risk

This arises before the transaction ('sales') becomes contractual while a quote is given to the client in foreign currency. Even though the transaction is not confirmed, movement in exchange rate to the disfavour of the Textile Group signifies a potential risk. If a customer later accepts the quote received, there is a risk that the foreign currency price then converted to MUR will not bring the desired margin.

Transaction foreign currency risk

Transactional foreign currency risk arises as soon as there is a contractual obligation between the Textile Group and the foreign customers. If nothing is done, there is a certain risk that the foreign exchange rate may weaken and if it so happens, the Textile Group may only lose the intended margin on the transaction and may even incur losses if the exchange rate variations are drastically in disfavour of the Textile Group.

The Textile Group adopted the following strategy:

The Treasury Committee/Chief Executive of the Textile Group are responsible for the decision making, with the intention to take cover, through forward exchange contracts with a view to cover for sale transactions that are judged as being highly probable. The intention is to cover for transactional exposures as they are unveiled.

Prerogative is given to the Treasury Committee/Chief Executive of the Textile Group to decide if they would keep part of this position uncovered with the view of benefiting from potential currency appreciation against the MUR.

The Textile Group enters into forward covers to manage its foreign exchange risk on foreign denominated sales.

Forward exchange covers are taken for orders received and which are highly probable and this is designated as a cash flow hedge. Forward covers are used as a mechanism to fix the amount of foreign currency denominated sales which are used to modify cashflow between financial instrument and sales receipts upon realisation.

Financial instruments taken to hedge the Textile Group's sales are fair valued and recognised in the statement of financial position as financial assets /liabilities. For those sales on which a forward has been taken and which has materialised, the resulting fair value gain/loss on re-measurement is accounted for in profit or loss while for those transactions for which the underlying sale has not yet materialised, the fair value gain/loss is recorded in other comprehensive income. The latter is then recycled to profit or loss as soon as the sale materialise and the goods are shipped.

43. CASH FLOW HEDGE (CONT'D)

Textile Segment (cont'd)

The Textile Group enters into forward contracts (hedge instrument) to buy or to sell foreign currencies at a specified future time at a price agreed upon the contract date. The price is locked until delivery of sales order which normally will not exceed 9 months.

Hedge instruments, in this case forward exchange contracts, are expected to be highly effective to mitigate the foreign currency risk exposure on sales (hedge item). By selling forward, the Textile Group expects to mitigate long term currency exchange risk and will revalue in the opposite direction to the underlying transaction.

The objective of the Textile Group is to cover identified exposures (i.e. confirmed orders or highly probable sales orders) to the minimum of 75% and a maximum of 125%. However, this bench mark is determined on a case to case basis by the CEO and treasury committees of the respective business clusters while taking into consideration the specific transaction requirements.

For all sales not yet shipped and for which a forward exchange contract cover has been taken, the Textile Group performs a revaluation of outstanding forward contracts relating to cash flow hedges which is then recorded in the statement of other comprehensive income.

Revaluation of outstanding forex contracts relating to transaction for which an asset has already crystallised in the statement of financial position (sales already shipped and debtors raised) will be recorded in profit or loss.

Subsequently, the cash flow hedge recognised in other comprehensive income will be reversed profit or loss in the following year, as an underlying asset would already have crystallised upon the orders being shipped (Sales not shipped last year would have been shipped this year).

Hedge instruments in the form of forward foreign exchange contracts are expected to be highly effective as the unshipped sales, which represent the hedged item, have a direct economic relationship to the forward foreign exchange contract entered into to mitigate the foreign exchange exposure on the Textile Group's unshipped and confirmed sales orders at year end.

Although effectiveness is certain to be 100 % as long as plain vanilla forward contracts are used, a 10 % error margin in the hedge effectiveness is considered as acceptable. To determine effectiveness of the hedge, the list of hedge instruments (Forward contracts) are matched with list of sales not yet shipped / highly probable sales (hedge items).

43. CASH FLOW HEDGE (CONT'D)

Textile Cluster (cont'd)

The following table details the forward foreign currency (FC) contracts outstanding at the end of the reporting period:

Outstanding contracts	**2017** Average exchange rate	2016 Average exchange rate	**2017 Sell FC'000**	**2017 Buy FC'000**	2016 Sell FC'000	2016 Buy FC'000	Contract value **2017 MUR '000**	Contract value 2016 MUR '000	Fair value **2017 MUR '000**	Fair value 2016 MUR '000
Sell currency EUR and buy currency USD	**1.08**	1.12	**600**	**646**	3,625	4,075	**21,999**	143,370	**(1,422)**	1,652
Sell currency EUR and buy currency MUR	**38.96**	-	**2,350**	**91,557**	-	-	**91,557**	-	**(353)**	-
Sell currency MUR and buy currency EUR	**-**	39.68	**-**	**-**	55,151	1,390	**-**	55,151	**-**	(798)
Sell currency GBP and buy currency USD	**1.25**	1.51	**1,196**	**1,491**	7,799	11,810	**50,772**	415,489	**(2,380)**	48,254
Sell currency GBP and buy currency MUR	**44.98**	52.24	**770**	**34,632**	1,787	93,355	**34,632**	93,355	**224**	8,991
Sell currency ZAR and buy currency USD	**13.88**	16.20	**243,306**	**17,530**	278,081	17,166	**596,884**	603,908	**(28,592)**	(40,703)
Sell currency ZAR and buy currency MUR	**2.59**	2.26	**205,820**	**532,291**	226,562	510,992	**532,291**	510,992	**8,567**	(13,600)
Sell currency USD and buy currency MUR	**34.82**	37.06	**12,885**	**448,604**	1,539	57,023	**448,604**	57,023	**9,705**	2,830
Sell currency USD and buy currency EUR	**1.14**	-	**1,418**	**1,243**	-	-	**48,427**	-	**167**	-
Sell currency USD and buy currency ZAR	**13.06**	-	**4,562**	**59,579**	-	-	**156,096**	-	**(159)**	-
Sell currency USD and buy currency INR	**65.53**	69.16	**350**	**22,935**	4,300	297,403	**12,385**	153,876	**(25)**	(737)
Sell currency GBP and buy currency INR	**62.79**	-	**2,150**	**135,004**	-	-	**72,902**	-	**(874)**	-
Sell currency EUR and buy currency INR	**73.53**	77.81	**5,485**	**403,330**	1,750	136,173	**217,798**	70,456	**(5,321)**	(455)
Total							**2,284,347**	2,103,620	**(20,463)**	5,434

Recognised as follows:	**2017 MUR '000**	2016 MUR '000
On statement of financial position		
Fair value asset on forward contracts	**8,011**	61,727
Fair value liability on forward contracts	**(28,474)**	(56,293)
	(20,463)	5,434
In income statement		
Fair value movement on outstanding financial derivatives	**(1,795)**	(3,113)
In statement of other comprehensive income		
Amount recognised in cash flow hedge reserve	**(18,668)**	8,547
	(20,463)	5,434

At 30 June 2017, if rupee had weakened/strengthened by 5% against Euro/UK Pound/US Dollar with all other variables held constant, pre-tax profit for the year would have been MUR.94,164,000 (2016: MUR.50,493,000) higher/lower as a result of foreign exchange gains/losses on translation of Euro/UK Pound/US Dollar denominated trade receivables, trade payables and borrowings and is as follows:

	2017 MUR '000	2016 MUR '000
Euro	**122**	(103)
UK Pound	**(9,493)**	(83)
US Dollar	**(84,792)**	(50,860)
	(94,163)	(51,046)

43. CASH FLOW HEDGE (CONT'D)

Hotel Cluster

Interest rate swaps contract

The Hotel Group is exposed to variability in future interest cash flows as follows:

(i) One of the subsidiaries of the Hotel Group, Anahita Hotel Limited, entered into an Euro denominated debt. In 2011, Anahita Hotel Limited entered into interest rate swap contracts as cash flow hedges of these interest rate risks. The interest rate swaps are settled on a half yearly basis. The floating rate on the loan is the 6 months EURIBOR.

(ii) Under these interest rate swap contracts, the Hotel Group agrees to exchange from a floating rate of interest to a fixed rate of interest on amounts calculated on agreed notional principal amounts. All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the Hotel Group's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously. The Hotel Group will settle the difference between the floating and the fixed interest rate on a net basis.

Cash flow hedges

The notional principal value of the loan amounts for the Anahita Hotel Limited amounts to EURO 10.25M at 30 June 2017 (30 June 2016: EURO 5.3M).

The carrying amount of these interest rate swaps at year end for the Hotel Group are as follows:

	2017	2016
Carrying amount (MUR'000)	**2,026**	7,526
Carrying amount (EUR'000)	**51**	190

During the year, the Hotel Group recognised an amount of MUR 8.7M (30 June 2016: MUR 7.1M) in the profit and loss in respect of the cashflow hedge.

Below is a schedule indicating as at 30 June 2017 the periods when the hedge cash flows are expected to occur and when they are expected to affect the profit or loss:

Within	1 year	1 to 3 years	**Total**
	MUR'000	MUR'000	**MUR'000**
Cash inflows (undiscounted)	162	157	**319**
Cash outflows (undiscounted)	(2,351)	(1,869)	**(4,220)**
Net cash outflows	(2,189)	(1,712)	**(3,901)**

43. CASH FLOW HEDGE (CONT'D)

Hotel Cluster (cont'd)

The hedge of the variability of cash flows due to exchange rate fluctuations

The hedge of the variability of cash flows due to exchange rate fluctuations is considered to be a cash flow hedge. The Company bills and receives some of its revenues in Euros and GBP. This exposes the Company to variability in cash flow and profits due to fluctuations in the Euro/MUR and GBP/MUR exchange rate.
The risk management objective is to hedge the changes in cash flows arising from foreign exchange rate risk associated with future revenues and cash flows of the Group's hotels. The hedging strategy is to enter into loan agreements in Euros and GBP with future principal payments that will be matched by the future remittances from customers in Euros and GBP.

The final repayment of the bank borrowings identified as the hedge instrument range from 31 December 2025 to 31 March 2026 and this represents the period when the hedge cash flows are expected to occur and are expected to affect profit or loss.

Foreign exchange loss of MUR 4.2M (2016: MUR 11.7M) on translation of the borrowings was recognised in other comprehensive income during the year.

The fair value of the denominated bank loans as at 30 June 2017 is MUR 4,304M (2016: MUR 3,209M).

These financial assets are classified under Level 3 of the Fair Value Hierarchy.

44. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) THE GROUP		Dividend Income MUR'000	Rental and Other Income MUR'000	Management Fees Receivable MUR'000	Amount owed by Related Parties MUR'000	Amount owed to Related Parties MUR'000
Associated companies	**2017**	**-**	**40,606**	**6,298**	**40,619**	**49,873**
	2016	-	31,434	4,209	30,625	54,963
Enterprises that have a number	**2017**	**651**	**679**	**-**	**-**	**-**
of common directors	2016	980	717	-	-	-
Joint Ventures in which the	**2017**	**-**	**-**	**-**	**4,918**	**-**
company is a venturer	2016	-	-	-	7,812	-

44. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(b) THE COMPANY

		Dividend Income	Management Fees and Other Expenses	Interest, Rental and Other Income	Financial Charges	Amount owed by Related Parties	Amount owed to Related Parties
		MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Subsidiary companies	**2017**	**393,228**	**39,814**	**4,841**	**2,703**	**234,338**	**94,393**
	2016	281,668	49,976	5,476	7,437	199,830	144,324
Associated companies	**2017**	**-**	**-**	**-**	**-**	**-**	**-**
	2016	53,404	-	-	-	32,514	-
Joint Ventures in which the	**2017**	**-**	**-**	**-**	**-**	**43,318**	**-**
company is a venturer	2016	-	-	-	-	24,055	-
Enterprises that have a number	**2017**	**651**	**-**	**-**	**-**	**-**	**-**
of common directors	2016	980	-	-	-	-	-

(c) The above transactions have been made in the normal course of business. Amounts owed to/by related parties are unsecured. There has been no guarantees provided or received for any related party receivables/payables. The company has not recorded any impairment of receivables during the year. This assessment is undertaken each year through examining the financial position of the related party.
Management fees and other expenses relate to services provided for Strategic, Corporate Governance, Company Secretary & Registry, Legal Support, Communication and Corporate Finance.

(d) Key management personnel salaries and compensation

	THE GROUP	
	2017	2016
	MUR'000	MUR'000
Salaries and short-term employee benefits	**389,651**	307,188
Post-employment benefits	**17,505**	10,945
Termination benefit	**-**	4,550
Share based payments	**6,108**	6,618
	413,264	329,301

45. FINANCIAL RISK MANAGEMENT

(a) *Financial risk factors*

The Group's objective is to provide long term capital growth and regular appreciation in dividend income distribution to investors. This objective is being fulfilled through investing in a diversified portfolio of equity and equity related investments.

Non banking specific segment

The Group's activities expose it to a variety of financial risks including the effects of changes in equity market prices, foreign currency exchange rates, credit risk and interest rates. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The Group seeks to minimise these risks by investing in various sectors to avoid risk concentration in a particular industry. There is an investment committee which operates under guidelines and policies, embodied in an investment manual approved by the Board of Directors and which actively participates in the monitoring of the financial and operational performance of the various companies in which it has invested.

Banking specific segment

The Bank's activities expose it to financial risks such as market risk (including currency and interest rate risk), credit risk and liquidity risk.

(i) Credit risk

Non banking specific segment

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable. The Group does not hold any collateral security for receivables relating to the non banking segment.

Banking specific segment

Credit risk arises when counterparties are not able to fulfil their contractual obligations. The Risk and Permanent Control Department ensures that limits defined by the risk strategy are applied. It is directly involved in the validation of any demand for credit. Collateral held by the bank includes fixed and floating charges on assets.

The Credit quality of the loan portfolio is as follows:

	2017 **MUR'M**	2016 MUR'M
Neither past due nor impaired	**9,996,291**	8,378,972
Past due but not impaired	**-**	22
Impaired	**1,397,841**	1,449,809
Gross	**11,394,132**	9,828,803
Less: allowance for credit impairment	**(1,298,056)**	(1,314,141)
Net	**10,096,076**	8,514,662
Fair value of collaterals of impaired loans	**3,037,870**	865,342
The maximum exposure to credit risk before collateral for the banking segment is as follows :		
Cash and cash equivalents	**4,054,294**	4,516,563
Loans and advances	**10,096,076**	8,514,663
Investment in securities	**2,792,163**	1,298,545
Other assets	**1,184,844**	539,431

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(ii) Price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated statement of financial position as available-for-sale.

To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

Diversification of the portfolio is done in accordance with the limits set by the Group.

Sensitivity analysis

The table below summarises the impact of increases/decreases in the fair value of the investments in other financial assets on the Group's equity. The analysis is based on the assumption that the fair value had increased/decreased by 5%, with other factors remaining constant.

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	MUR'M	MUR'M	**MUR'M**	MUR'M
Available-for-sale securities	**12.7**	11.3	**7.3**	9.2

(iii) Market risk - Banking Segment

Market risk arises from activities undertaken in or impacted by financial markets generally. This includes the risk of gain or loss arising from the movement in market price of a financial asset or liability as well as ancillary risks such as liquidity and funding risk.

(iv) Interest rate risk

Non banking specific segment

The Group is exposed to interest rate cash flow and fair value risk as it borrows at variable and fixed rates. This risk is somehow mitigated by non-current receivables and loans at call being granted at variable rates.

The risk for the hotel segment is managed by maintaining an appropriate mix between fixed and floating rate borrowings, and the use of interest rate swap contracts.

Had interest rate on financial liabilities been 10% higher/lower with all other variables held constant, the effect on profit or loss would be as follows:

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	MUR'M	MUR'M	**MUR'M**	MUR'M
Profit or loss	**59.2**	53.6	**5.2**	5.9

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(iv) Interest rate risk (cont'd)

Banking specific segment

Interest rate risk is the exposure of the bank's financial condition to adverse movements in interest rates. Changes in interest rates affect a bank's earnings and the underlying value of the bank's assets and liabilities. Interest rates applied by the bank on credits are based on the key interest rate of the Central Bank of Madagascar. The Bank's basic rate was 15% during the year. Interest rates on deposits are fixed.

The interest sensitivity of assets and liabilities for the banking segment is as follows:

	< 3 months	3-6 months	6-12 months	1-3 years	> 3 years	Non-interest bearing	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Assets							
Cash and Bank balances with central bank	-	-	237,003	-	-	1,094,372	1,331,375
Investment in securities	-	662,294	110,332	1,893,436	-	126,101	2,792,163
Balance with other credit institutions	-	-	-	-	-	5,461	5,461
Balance with other banks	427,990	12,345	17,582	636,702	445,274	1,196,731	2,736,624
Loans and advances	5,506,592	-	-	224,980	4,364,504	-	10,096,076
Other investments	-	-	-	-	-	10,354	10,354
Other assets	-	-	-	-	-	2,131,055	2,131,055
	5,934,582	674,639	364,917	2,755,118	4,809,778	4,564,074	19,103,108
Liabilities							
Deposits from customers	4,421,950	113,428	395,512	636,428	-	10,409,422	15,976,740
Other liabilities	-	-	-	-	-	3,126,369	3,126,369
	4,421,950	113,428	395,512	636,428	-	13,535,791	19,103,109

(v) Foreign exchange risk

Non banking specific segment

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures.
The Group has a treasury department in place where foreign exchange exposure risk is monitored and managed. If necessary, management can also use financial instruments to hedge currency risk.
The textile segment is primarily exposed to GBP, Euro, USD, SA Rand and INR. Foreign exchange risk arises from future commercial transactions.
Forward contracts are used to mitigate foreign currency risks.
The hotel segment enters into a variety of forward contracts and swaps to manage its exposure to foreign currency risk.

Banking specific segment

Currency risk is the potential movements in foreign exchanges rates that may adversely affect the bank's financial position.
The Bank's transactions in foreign currencies are mainly in EUR and USD. The Bank's foreign currency exposure of 1.6% is within the regulatory maximum of 20% of capital applied in Madagascar.

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(v) Foreign exchange risk (cont'd)

The Group's and the Company's financial assets and financial liabilities by foreign currency is detailed below:

THE GROUP

	USD MUR'000	EURO MUR'000	ARIARY MUR'000	OTHERS MUR'000
At 30 June 2017				
Assets				
Non banking specific segment				
Investments in associates	15,633	222,259	-	324,334
Investments in other financial assets	114,720	68	-	-
Trade and other receivables	1,138,015	662,952	43,583	1,210,658
Cash and cash equivalents	521,836	161,142	9,918	503,924
	1,790,204	**1,046,421**	**53,501**	**2,038,916**
Banking specific segment				
Investments in other financial assets	-	226	10,128	-
Investments securities	-	-	2,792,163	-
Loans and advances	198,702	428,609	9,468,763	2
Trade and other receivables	465,488	131,783	587,599	-
Cash and cash equivalents	1,564,475	1,226,288	1,221,694	-
	2,228,665	**1,786,906**	**14,080,347**	**2**
	4,018,869	**2,833,327**	**14,133,848**	**2,038,918**
Liabilities				
Non banking specific segment				
Borrowings	4,051,355	6,167,677	16,947	655,191
Trade and other payables	637,179	98,851	92,135	871,517
	4,688,534	**6,266,528**	**109,082**	**1,526,708**
Banking specific segment				
Borrowings	-	-	207,360	-
Trade and other payables	400,174	103,437	444,318	-
Deposits from customers	1,585,436	1,614,144	12,754,805	22,355
	1,985,610	**1,717,581**	**13,406,483**	**22,355**
	6,674,144	**7,984,109**	**13,515,565**	**1,549,063**

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(v) Foreign exchange risk (cont'd)

THE GROUP

	USD MUR'000	EURO MUR'000	ARIARY MUR'000	OTHERS MUR'000
At 30 June 2016				
Assets				
Non banking specific segment				
Investments in associates	-	277,307	-	446,034
Investments in other financial assets	101,275	38	-	-
Trade and other receivables	1,258,278	373,211	166,366	1,270,913
Cash and cash equivalents	78,516	182,390	31,492	774,856
	1,438,069	**832,946**	**197,858**	**2,491,803**
Banking specific segment				
Investments in other financial assets	-	228	19,019	-
Investments securities	-	-	1,298,545	-
Loans and advances	194,736	325,635	7,994,285	7
Trade and other receivables	219,562	109,529	210,339	1
Cash and cash equivalents	1,599,289	1,026,476	1,844,747	1
	2,013,587	**1,461,868**	**11,366,935**	**9**
	3,451,656	**2,294,814**	**11,564,793**	**2,491,812**
Liabilities				
Non banking specific segment				
Borrowings	4,014,617	3,927,057	41,434	542,741
Trade and other payables	467,406	137,923	47,813	941,252
	4,482,023	**4,064,980**	**89,247**	**1,483,993**
Banking specific segment				
Trade and other payables	218,533	92,037	250,971	9
Deposits from customers	1,675,594	1,314,906	10,244,538	32,000
	1,894,127	**1,406,943**	**10,495,509**	**32,009**
	6,376,150	**5,471,923**	**10,584,756**	**1,516,002**

THE COMPANY

	USD MUR'000	EURO MUR'000	OTHERS MUR'000
At 30 June 2017			
Assets			
Investments in associates	29,301	221,944	-
Investments in other financial assets	97,680	-	-
Cash and cash equivalents	1,762	25	2
	128,743	**221,969**	**2**

	USD MUR'000	EURO MUR'000	OTHERS MUR'000
At 30 June 2016			
Assets			
Investments in associates	28,005	263,138	-
Investments in other financial assets	101,275	266	19,029
Cash and cash equivalents	74	71	2
	129,354	**263,475**	**19,031**

All other assets and liabilities are denominated in Mauritian Rupees.

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(v) Foreign exchange risk (cont'd)

The following table details the Group's sensitivity to a 5% increase or decrease in the rupee against the relevant foreign currencies:

THE GROUP

	2017		2016	
	Profit or loss	**Equity**	Profit or loss	Equity
	MUR'M	**MUR'M**	MUR'M	MUR'M
US Dollar	**117.7**	**4.3**	128.6	1.7
Euro	**218.9**	**-**	135.0	0.2
Ariary	**25.8**	**0.8**	40.8	0.8

THE COMPANY

	2017		2016	
	Profit or loss	**Equity**	Profit or loss	Equity
	MUR'M	**MUR'M**	MUR'M	MUR'M
US Dollar	**1.3**	**4.2**	1.2	4.3
Euro	**9.4**	**-**	11.2	-

(vi) Liquidity risk

Non banking specific segment

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.

The Group aims at maintaining flexibility in funding by keeping committed credit lines available.

The hotel segment has implemented a Refinancing Plan to match debt servicing with future cash flows based on a strategic plan, and an effective hedging whereby a portion of the MUR debt would be converted into Euro. Going forward, Sun Group continues to focus on reducing the gearing level and management expects positive cash flow with all resorts in full operation as from December 2016. Management monitors rolling forecasts of Sun Group's liquidity reserve on the basis of expected cash flow.

Banking specific segment

Liquidity risk is the risk of a lack of funds to meet immediate or short term obligations in a cost effective way. Excess cash in MGA and other currencies are deposited as treasury bonds or placement with Central Bank and short/medium terms placements respectively. The Bank may also borrow from the Central Bank of Madagascar need be.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date.

THE GROUP	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
	MUR'000	**MUR'000**	**MUR'000**	**MUR'000**
At 30 June 2017				
Borrowings	**5,410,203**	**1,100,062**	**3,369,127**	**6,605,098**
Deposits from customers	**15,340,312**	**636,428**	**-**	**-**
Trade and other payables	**4,865,898**	**15,000**	**45,000**	**-**
Proposed dividend	**198,494**	**-**	**-**	**-**
Current tax liabilities	**81,831**	**-**	**-**	**-**
Total	**25,896,738**	**1,751,490**	**3,414,127**	**6,605,098**
At 30 June 2016				
Borrowings	8,952,563	754,921	2,744,146	1,868,288
Deposits from customers	13,260,715	6,323	-	-
Trade and other payables	4,195,012	-	-	-
Proposed dividend	167,768	-	-	-
Current tax liabilities	117,341	-	-	-
Total	26,693,399	761,244	2,744,146	1,868,288

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company/Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily quoted equity investments classified as trading securities or available-
for-sale.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments are disclosed in Note 2.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cashflows at the current market interest rate that is available to the Group for similar financial instruments.

(c) Capital risk management

The Group's objective when managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

- to provide an adequate return to shareholders.

The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets in order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid, issue new shares or sell assets.

The assets of the Company are financed through equity and borrowings.

The gearing ratio, excluding banking deposits and cash and cash equivalents, as at June 30, 2017 is as follows:

	THE GROUP		THE COMPANY	
	2017	2016	**2017**	2016
	MUR'000	MUR'000	**MUR'000**	MUR'000
Total debt	**16,277,129**	14,308,918	**1,064,305**	1,096,998
Less Cash & cash equivalents	**(1,376,003)**	(1,066,788)	**(2,908)**	(1,852)
	14,901,126	13,242,130	**1,061,397**	1,095,146
Total equity	**23,663,566**	23,584,056	**14,307,044**	12,919,928
Gearing	**38.64%**	35.96%	**6.91%**	7.81%

Banking segment

The minimum required capital adequacy ratio in Madagascar is 8%. As at 30 June 2017, the capital adequacy ratio

of BNI Madagascar was 12.54% as follows:

Capital base	MUR'000	1,660
Risk weighted	MUR'000	13,241
Capital adequacy ratio		12.54%

46. EVENTS AFTER THE REPORTING PERIOD

(a) Financial services segment

(i) CIEL Limited has raised MUR 1,234,000,000 of short term notes at the weighted average yield of 2.7% pursuant to the Company's second notes issue under its multi-currency note programme.

(ii) In August 2017, Investment Professional Ltd ('IPRO')'s wholly-owned subsidiary IPRO Stockbroking Ltd ('ISL') and IPRO have entered into an agreement with another broker whereby the latter would take over ISL's book of clients and in exchange ISL will obtain a stake in the brokerage company. This transaction is subject to certain terms and conditions, including regulatory approvals. Prior to the transaction, IPRO will transfer its 100% shareholding in ISL to its holding company, CIEL Finance Limited.

(b) Textile segment

(i) On the 20 July 2017, CIEL Limited acquired an additional 32,755,024 shares in CIEL Textile Limited under the Voluntary Takeover scheme, for a total consideration of MUR 1,637,751,200, payable 50% as a cash consideration amounting to MUR 818,875,600 and 50% in shares in CIEL Limited equivalent to 113,725,443 new ordinary shares worth MUR 818,875,600, thus increasing its shareholding from 56.31% to 88.48%.

(ii) Following the Mauritius Government budget 2017/2018 presentation, it was announced and subsequently voted and gazetted, the corporate tax for export companies has been reduced from 15% to 3% on profits derived from exports of goods. This fiscal measure will apply as from the 1 July 2017..

(c) Hotel & Resorts segment

On the 28 August 2017, Sun Limited successfully completed a rights issue of 19,129,924 new ordinary shares and a Private Placement of 28,684,380 new ordinary shares both at an issue price of MUR 39.00 per share thus raising MUR 1.86Bn and reducing CIEL's stake in Sun limited from 59.96% to 50.10%.

Notes to the **Financial Statements**

Year ended 30 June 2017

47. FINANCIAL SUMMARY

	2017 MUR'000	2016 MUR'000	2015 MUR'000
THE GROUP			
(a) Statement of profit or loss and other comprehensive income			
REVENUE	**20,258,331**	18,532,552	16,454,941
Earnings before interests, taxation, depreciation and amortisation	**2,859,779**	2,735,617	2,580,597
Depreciation and amortisation	**(969,471)**	(749,554)	(649,973)
Earnings before interests and taxation	**1,890,308**	1,986,063	1,930,624
Finance costs	**(644,938)**	(555,110)	(326,413)
Share of results of joint ventures	**140,181**	146,998	93,697
Share of results of associates	**104,258**	56,254	150,933
Profit before non-recurring items	**1,489,809**	1,634,205	1,848,841
Profit on sale of properties	**-**	-	168,552
Closure, marketing launch, restructuring, branding and transaction costs	**(160,748)**	(534,208)	(265,249)
Increase in fair value of investment properties	**241,880**	265,135	-
Fair value gain on business combination	**-**	-	700,622
Impairment of goodwill	**-**	(29,917)	-
Impairment of investment	**-**	-	(17,545)
Impairment on investment in associated companies	**(137,918)**	-	-
Profit before taxation	**1,433,023**	1,335,215	2,435,221
Income tax	**(288,932)**	(153,281)	(255,154)
Profit for the year	**1,144,091**	1,181,934	2,180,067
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Gains on revaluation of land and buildings	**371,157**	209,880	823,770
Deferred tax on revaluation gain	**(13,468)**	(59,916)	(86,951)
Share of other comprehensive income of associates	**(17,343)**	8,605	(32,139)
Remeasurements of post employment benefit obligations	**(63,538)**	(59,621)	(17,178)
Deferred tax on remeasurements of post retirement benefit obligations	**7,195**	8,170	4,574
	284,003	107,118	692,076

Notes to the **Financial Statements**

Year ended 30 June 2017

47. FINANCIAL SUMMARY (CONT'D)

	2017 MUR'000	2016 MUR'000	2015 MUR'000
(a) Statement of profit or loss and other comprehensive income (cont'd)			
Items that may be reclassified subsequently to profit or loss:			
Change in value of available-for-sale financial assets	**(90,851)**	(14,374)	4,017
Release upon disposal of investment	**-**	-	(2,040)
Share of other comprehensive income of associates and joint ventures	**(198,441)**	(102,721)	(70,533)
Exchange difference charged to profit or loss	**137,918**	-	-
Currency translation differences	**(163,369)**	67,144	184,406
Cash flow hedges	**(48,955)**	(4,700)	90,226
Deferred tax on cash flow hedges	**(2,279)**	8,279	(2,838)
	(365,977)	(46,372)	203,238
Other comprehensive income for the year	**(81,974)**	60,746	895,314
Total comprehensive income for the year	**1,062,117**	1,242,680	3,075,381
Profit attributable to:			
Owners of the parent	**479,258**	477,150	1,125,990
Non-controlling interests	**664,833**	704,784	1,054,077
	1,144,091	1,181,934	2,180,067
Total comprehensive income attributable to:			
Owners of the parent	**385,518**	425,803	1,590,950
Non-controlling interests	**676,599**	816,877	1,484,431
	1,062,117	1,242,680	3,075,381
Earnings per share	**0.31**	0.31	0.74
Earnings per share before non-recurring items	**0.30**	0.46	0.48
(b) Statement of financial position			
ASSETS			
Non current assets	**36,285,125**	33,973,198	31,196,617
Current assets	**13,843,111**	13,477,756	11,724,867
Non current assets held for sale	**49,812**	19,693	19,693
Specific banking segment assets	**12,888,239**	9,813,208	9,261,493
Total assets	**63,066,287**	57,283,855	52,202,670
EQUITY AND LIABILITIES			
Capital and reserves	**13,904,426**	13,834,269	13,707,916
Non-controlling interests	**9,759,140**	9,749,787	8,426,342
Total equity	**23,663,566**	23,584,056	22,134,258
LIABILITIES			
Non current liabilities	**12,869,555**	7,000,077	7,341,350
Current liabilities	**10,556,426**	13,432,684	11,225,304
Specific banking segment liabilities	**15,976,740**	13,267,038	11,501,758
	39,402,721	33,699,799	30,068,412
Total equity and liabilities	**63,066,287**	57,283,855	52,202,670

Corporate **Information**

COMPANY SECRETARY

CIEL Corporate Services Ltd
5th Floor, Ebène Skies
Rue de l'Institut, Ebène
Mauritius
Tel: +230 404 2200
Fax: + 230 404 2201

WEBSITE

http://www.cielgroup.com

BUSINESS REGISTRATION NUMBER

C06000717

REGISTERED OFFICE

5th Floor, Ebène Skies
Rue de l'Institut, Ebène
Mauritius
Tel: +230 404 2200
Fax: +230 404 2201

LEGAL ADVISERS

Me. Thierry Koenig SA – ENSafrica (Mauritius)
Me. Maxime Sauzier SC– ENSafrica (Mauritius)
Me. Patrice Doger de Spéville SC – Etude de Spéville Desvaux

REGISTRAR & TRANSFER OFFICE

If you are a shareholder and have queries regarding your account, wish to change your name and address, or have questions about lost certificates, share transfers or dividends, please contact our Registrar & Transfer Office:

MCB Registry & Securities Ltd
2nd Floor, MCB Centre
9-11 Sir William Newton Street
Port Louis
Tel: +230 202 5397
Fax: +230 208 1167

NOTARY

Etude Montocchio – d'Hotman

AUDITORS

BDO & Co
Chartered Accountants
10, Frère Félix de Valois Street
Port Louis

MAIN BANKERS

The Mauritius Commercial Bank Ltd
Bank One Limited

INTERNAL AUDITORS

KPMG Advisory
KPMG Centre
31 Cybercity, Ebène
Mauritius

Notice of
Annual Meeting

Notice is hereby given that the Annual Meeting of the Shareholders ("the Meeting") of CIEL Limited ("the Company") will be held on 12 December 2017 at 14:00 hours at the Registered Office of the Company, 5th Floor, Ebène Skies, rue de l'Institut, Ebène, to transact the following business in the manner required for passing Ordinary Resolutions:

AS ORDINARY BUSINESS

1. To receive, consider and approve the Group's and Company's audited Financial Statements for the year ended 30 June 2017, including the Annual Report and the Auditors' Report, in accordance with section 115(4) of the Companies Act 2001.
2. To authorise, in accordance with section 138(6) of the Companies Act 2001, Mr. Marc Ladreit de Lacharrière to continue to hold office as a Director until the next Annual Meeting of the Shareholders of the Company.
3. To authorise, in accordance with section 138(6) of the Companies Act 2001, Mr. Xavier Thiéblin to continue to hold office as a Director until the next Annual Meeting of the Shareholders of the Company.
4. To appoint, as Director of the Company to hold office until the next Annual Meeting, Mr. Marc Dalais, who has been nominated by the Board of Directors on 30 June 2017.
5. To appoint, as Director of the Company to hold office until the next Annual Meeting, Mr. Jean-Louis Savoye, who has been nominated by the Board of Directors on 29 September 2017.

6-16. To re-elect, as Directors of the Company to hold office until the next Annual Meeting, the following persons who offer themselves for re-election (as separate resolutions):

6. Mr. P. Arnaud Dalais
7. Mr. Sébastien Coquard
8. Mr. Jean-Pierre Dalais
9. Mr. R. Thierry Dalais
10. Mr. Pierre Danon
11. Mr. L. J. Jérôme De Chasteauneuf
12. Mr. Antoine Delaporte
13. Mr. Roger Espitalier Noël
14. Mr. M. A Louis Guimbeau
15. Mr. J. Harold Mayer
16. Mrs. Catherine McIlraith

17. To appoint PricewaterhouseCoopers Ltd as auditors of the Company for the financial year ending 30 June 2018 and to authorise the Board of Directors to fix their remuneration.
18. To ratify the remuneration paid to the auditors for the year ended 30 June 2017.

AS SPECIAL BUSINESS

19. Multi-Currency Note Programme

"**IT IS HEREBY RESOLVED THAT**, the Multi-Currency Note Programme of up to an aggregate nominal amount of MUR 4,000,000,000 (or its equivalent in such other currency or currencies), dated 14 May 2015 (as amended on 30 June 2017) (the "Programme"), the salient features of which are set in the Annex to the Notice of Annual Meeting, as approved by the Board of Directors of CIEL Limited ("the Board"), be ratified.

IT IS FURTHER RESOLVED THAT, in relation to the Programme, the Board, be and is hereby authorised, acting in the best interest of the Company, for a period of twelve (12) months from the date of this resolution, to issue such number of notes ("Notes"), on the terms and conditions set out in the programme memorandum ("the Programme Memorandum"), at such time and on such other terms as to pricing and security as the Board finds appropriate, based on the then market conditions.

IT IS FURTHER RESOLVED THAT the Board be and is hereby authorised to take all actions as may be required to give effect to the above resolutions and complete the Programme."

By Order of the Board

Clothilde de Comarmond, ACIS
Per CIEL Corporate Services Ltd
Company Secretary

23 October 2017

Notes:

(a) A shareholder of the Company entitled to attend and vote at the Meeting may appoint a proxy, whether a member or not, to attend and vote in his/her stead. A proxy need not be a shareholder of the Company.

(b) Proxy Forms should be deposited at the Company's Share Registry & Transfer Office, MCB Registry & Securities Limited, 2nd Floor, MCB Centre, Sir William Newton Street, Port Louis, not less than 24 hours before the Meeting, and in default, the instrument of proxy shall not be treated as valid.

(c) Postal votes should reach the Company's Share Registry & Transfer Office, MCB Registry & Securities Limited, 2nd Floor, MCB Centre, Sir William Newton Street, Port Louis, not less than 48 hours before the Meeting, and in default, the postal vote shall not be treated as valid.

(d) A proxy form and postal vote are included in this Annual Report and are also available at the Registered Office of the Company.

(e) For the purpose of this Meeting, the shareholders who are entitled to receive notice and attend such Meeting shall be those shareholders whose names are registered in the share register of the Company as at 13 November 2017.

(f) The minutes of the Annual Meeting held on 13 December 2016 are available for consultation by the shareholders of the Company during normal trading office hours, at the Registered Office of the Company.

(g) The profiles and categories of Directors proposed for appointment and re-election are set out under the corporate governance section of this Report.

(h) Full documentation pertaining to the Programme is available on the Company's website (http://www.cielgroup.com) and upon request.

Annex to the Notice of Annual Meeting

This annex ("Annex") is provided to shareholders of CIEL Limited ("CIEL") pursuant to the Securities (Preferential Offer) Rules 2017 issued by the Financial Services Commission. The information set out herein provides a summary of the Programme.

Before CIEL issues any Tranche of Notes, CIEL will complete and sign the applicable pricing supplement, based on the pro forma applicable pricing supplement included in the Programme Memorandum, setting out details of such Notes.

Objectives of the Programme	Within the Programme, CIEL will have the possibility to issue notes as an instrument for cash flow management generally as well as to finance future investment plans, if the need arises. Under the Programme, CIEL can avail of the opportunity to tap into financing avenues at cheaper rates compared to bank debts.
Total number of notes to be issued	CIEL may, at any time and from time to time, issue one or more tranche(s) of Notes pursuant to the Programme, provided that the aggregate outstanding Nominal Amount of all Notes issued under the Programme from time to time does not exceed the programme amount of MUR 4,000,000,000. The total number of Notes to be issued is dependent upon market appetite and the nominal amount per Note arrived at, based on type of investors and the listing status of those Notes.
Price at which or the price band within which the issue of notes is proposed	The pricing will be determined by the Board of Directors of CIEL ("Board") acting in the best interest of the Company, based on the then market conditions.
The class or classes of persons to whom the issue of notes is proposed to be made	The Notes will be offered by way of a private placement in compliance with the applicable laws and will be issued to Qualified Investors (as defined below).
The proposed time within which the issue will be completed	Each offer of Notes will be subject to a timetable, with an offer start date and an offer end date ("Offer Period"). The Offer Period will be no more than 12 months.
The names of the proposed noteholders	Where the Notes are offered by way of private placement, the proposed noteholders will be selected by the Board and will include, without limitation, investors who are knowledgeable and understand the risks of investing in debt instruments, such as institutional investors, high net worth individuals and other eligible investors that have shown an interest in subscribing to the Notes ("Qualified Investors").

Other considerations:

- The Notes will not confer the holders thereof any rights whatsoever to the share capital of CIEL. In this respect, there will be no change in control in CIEL subsequent to the issue of Notes. Furthermore, the shareholding pattern, prior to and after the issue of Notes, will remain unchanged.
- The total number of Notes allotted under the Programme as at the date of this notice is 1,243,898 for an aggregate amount of MUR 2,233,898,000.
- The Notes will not be allotted for consideration other than cash.

Proxy Form
CIEL Limited

I/We

of

being a shareholder(s) of CIEL Limited ("the Company") hereby appoint

of

or, failing him/her

of

or, failing him/her the Chairman of the Meeting, as my/our proxy to represent me/us and vote for me/us and on my/our behalf at the Annual Meeting of the shareholders ("the Meeting") of the Company to be held on 12 December 2017 at 14.00 hours at the Company's Registered Office, 5th Floor, Ebène Skies, rue de l'Institut, Ebène and at any adjournment thereof.

I/We direct my/our proxy to vote in the following manner (Please vote with a tick):

AS ORDINARY BUSINESS – ORDINARY RESOLUTIONS		FOR	AGAINST	ABSTAIN
1.	To receive, consider and approve the Group's and the Company's audited Financial Statements for the year ended 30 June 2017, including the Annual Report and the Auditors' Report, in accordance with section 115(4) of the Companies Act 2001.			
2.	To authorise, in accordance with section 138(6) of the Companies Act 2001, Mr. Marc Ladreit de Lacharrière to continue to hold office as a Director until the next Annual Meeting of the Shareholders of the Company.			
3.	To authorise, in accordance with section 138(6) of the Companies Act 2001, Mr. Xavier Thiéblin to continue to hold office as a Director until the next Annual Meeting of the Shareholders of the Company.			
4.	To appoint, as Director of the Company to hold office until the next Annual Meeting, Mr. Marc Dalais, who has been nominated by the Board of Directors on 30 June 2017.			
5.	To appoint, as Director of the Company to hold office until the next Annual Meeting, Mr. Jean-Louis Savoye, who has been nominated by the Board of Directors on 29 September 2017.			
6-16.	To re-elect, as Directors of the Company to hold office until the next Annual Meeting, the following persons who offer themselves for re-election (as separate resolutions):			
	6. Mr. P. Arnaud Dalais			
	7. Mr. Sébastien Coquard			

AS ORDINARY BUSINESS – ORDINARY RESOLUTIONS		FOR	AGAINST	ABSTAIN
	8. Mr. Jean-Pierre Dalais			
	9. Mr. R. Thierry Dalais			
	10. Mr. Pierre Danon			
	11. Mr. L. J. Jérôme De Chasteauneuf			
	12. Mr. Antoine Delaporte			
	13. Mr. Roger Espitalier Noël			
	14. Mr. M. A. Louis Guimbeau			
	15. Mr. J. Harold Mayer			
	16. Mrs. Catherine McIlraith			
17.	To appoint PricewaterhouseCoopers Ltd as auditors of the Company for the financial year ending 30 June 2018 and to authorise the Board of Directors to fix their remuneration.			
18.	To ratify the remuneration paid to the Auditors for the year ended 30 June 2017.			

AS SPECIAL BUSINESS – ORDINARY RESOLUTION		FOR	AGAINST	ABSTAIN
19.	Multi-Currency Note Programme			
	"**IT IS HEREBY RESOLVED THAT**, the Multi-Currency Note Programme of up to an aggregate nominal amount of MUR 4,000,000,000 (or its equivalent in such other currency or currencies), dated 14 May 2015 (as amended on 30 June 2017) (the "Programme"), the salient features of which are set in the Annex to the Notice of Annual Meeting, as approved by the Board of Directors of CIEL Limited ("the Board"), be ratified. **IT IS FURTHER RESOLVED THAT**, in relation to the Programme, the Board, be and is hereby authorised, acting in the best interest of the Company, for a period of twelve (12) months from the date of this resolution, to issue such number of notes ("Notes"), on the terms and conditions set out in the programme memorandum ("the Programme Memorandum"), at such time and on such other terms as to pricing and security as the Board finds appropriate, based on the then market conditions. **IT IS FURTHER RESOLVED THAT** the Board be and is hereby authorised to take all actions as may be required to give effect to the above resolutions and complete the Programme."			

Signed this ____________ day of ________________________ 2017

Signature/s ________________________________

Notes:

(a) A shareholder of the Company entitled to attend and vote at the Meeting may appoint a proxy, whether a member or not, to attend and vote in his/her stead. A proxy need not be a shareholder of the Company.

(b) If the instrument appointing the proxy is returned without an indication as to how the proxy shall vote on any particular resolution, the proxy shall exercise his/her discretion as to whether, and if so, how he/she votes.

(c) The duly signed proxy form shall be deposited at the Company's Share Registry & Transfer Office, MCB Registry & Securities Limited, 2nd Floor, MCB Centre, Sir William Newton Street, Port Louis, not less than 24 hours before the Meeting, and in default, the instrument of proxy shall not be treated as valid.

Postal Vote CIEL Limited

I/We

of

being shareholder/s of CIEL Limited ("the Company"), do hereby cast my/our vote by post, by virtue of clause 20.10 of the Constitution of the Company, for the Annual Meeting of the Shareholders of the Company to be held on 12 December 2017 at 14.00 hours at the Company's Registered Office, 5th Floor, Ebène Skies, rue de l'Institut, Ebène and at any adjournment thereof.

I/We desire my/our vote to be cast on the Resolutions as follows (Please vote with a tick):

	AS ORDINARY BUSINESS – ORDINARY RESOLUTIONS	FOR	AGAINST	ABSTAIN
1.	To receive, consider and approve the Group's and Company's audited Financial Statements for the year ended 30 June 2017, including the Annual Report and the Auditors' Report, in accordance with section 115(4) of the Companies Act 2001.			
2.	To authorise, in accordance with section 138(6) of the Companies Act 2001, Mr. Marc Ladreit de Lacharrière to continue to hold office as a Director until the next Annual Meeting of the Shareholders of the Company.			
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4.	To appoint, as Director of the Company to hold office until the next Annual Meeting, Mr. Marc Dalais, who has been nominated by the Board of Directors on 30 June 2017.			
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	6. Mr. P. Arnaud Dalais			
	7. Mr. Sébastien Coquard			
	8. Mr. Jean-Pierre Dalais			
	9. Mr. R. Thierry Dalais			

AS ORDINARY BUSINESS – ORDINARY RESOLUTIONS		FOR	AGAINST	ABSTAIN
	10. Mr. Pierre Danon			
	11. Mr. L. J. Jérôme De Chasteauneuf			
	12. Mr. Antoine Delaporte			
	13. Mr. Roger Espitalier Noël			
	14. Mr. M. A. Louis Guimbeau			
	15. Mr. J. Harold Mayer			
	16. Mrs. Catherine McIlraith			
17.	To appoint PricewaterhouseCoopers Ltd as auditors of the Company for the financial year ending 30 June 2018 and to authorise the Board of Directors to fix their remuneration.			
18.	To ratify the remuneration paid to the Auditors for the year ended 30 June 2017.			

AS SPECIAL BUSINESS – ORDINARY RESOLUTION		FOR	AGAINST	ABSTAIN
19.	Multi-Currency Note Programme			
	"IT IS HEREBY RESOLVED THAT, the Multi-Currency Note Programme of up to an aggregate nominal amount of MUR 4,000,000,000 (or its equivalent in such other currency or currencies), dated 14 May 2015 (as amended on 30 June 2017) (the "Programme"), the salient features of which are set in the Annex to the Notice of Annual Meeting, as approved by the Board of Directors of CIEL Limited ("the Board"), be ratified. **IT IS FURTHER RESOLVED THAT,** in relation to the Programme, the Board, be and is hereby authorised, acting in the best interest of the Company, for a period of twelve (12) months from the date of this resolution, to issue such number of notes ("Notes"), on the terms and conditions set out in the programme memorandum ("the Programme Memorandum"), at such time and on such other terms as to pricing and security as the Board finds appropriate, based on the then market conditions. **IT IS FURTHER RESOLVED THAT** the Board be and is hereby authorised to take all actions as may be required to give effect to the above resolutions and complete the Programme."			

Signed this ____________ day of ______________________ 2017

Signature/s ______________________________

Note:

The duly signed postal vote shall reach the Company's Share Registry & Transfer Office, MCB Registry & Securities Limited, 2nd Floor, MCB Centre, Sir William Newton Street, Port Louis, not less than 48 hours before the Meeting, and in default, the postal vote shall not be treated as valid.

Application Form

Should you wish to receive by e-mail, future notice of shareholders' meetings, annual reports, accounts, credit advices and other shareholder documents made available to you in your capacity as shareholder of CIEL Limited, kindly fill in that section and return to:

CIEL Limited
C/o MCB Registry & Securities Ltd
2nd Floor, MCB Centre
Sir William Newton Street
Port Louis, Mauritius

Dear Sir/Madam,

Re: Authorisation to receive electronic communications

I/We,

Name of shareholder *(primary shareholder in case of joint holding)*

National Identity Card Number/Passport Number (for individuals)

Business Registration Number (for corporate bodies)

agree to receive by e-mail, notice of shareholders' meetings, annual reports, accounts, credit advices and other shareholder documents made available to me/us in my/our capacity as shareholder of CIEL Limited ("CIEL") and also agree to receive notification that documents such as annual reports and circulars have been posted on CIEL's website for consultation. I/We also agree to abide to the Terms and Conditions defined below.

Email address

Yours faithfully,

Name of signatory ____________________

Signature/s ____________________

Contact number: ____________________

Date: ____________________

Terms and Conditions:

- Upon approval of my/our request, issuance of paper notice of meetings, annual reports, accounts, credit advices and other shareholder documents shall be discontinued. However, in particular circumstances, I/we understand that CIEL reserves the right to send documents or other information to the shareholders in hard copy rather than by e-mail.
- CIEL cannot be held responsible for any failure in transmission beyond its control any more than it can for postal failures.
- My/our instruction will also apply to any shares that I/we may hold jointly.
- In case of joint holders, the person named first in the share register will be eligible to fill in and sign this document.
- In case of companies, the person/s authorised will be eligible to fill in and sign this document, and, as a corporate shareholder, we shall ensure that the e-mail address provided shall easily be read by/accessible to employees responsible for our shareholding in CIEL and that any de-activation of the said e-mail address will be notified promptly to CIEL, C/o MCB Registry & Securities Ltd, 2nd floor, MCB Centre, Sir William Newton Street, Port Louis, Mauritius.
- I/We shall be responsible for updating the designated e-mail address details, as and when necessary, to CIEL, C/o MCB Registry & Securities Ltd, 2nd floor, MCB Centre, Sir William Newton Street, Port Louis, Mauritius.
- I/We further undertake to hold CIEL and/or its agents harmless in the execution of my/our present instructions and not to enter any action against the aforesaid parties and hereby irrevocably renounce to any rights I/We might have accordingly.
- The present authorisation shall remain valid until written revocation by me/us is sent to CIEL, C/o MCB Registry & Securities Ltd, 2nd floor, MCB Centre, Sir William Newton Street, Port Louis, Mauritius.
- This instruction supersedes any previous instruction given to CIEL regarding the despatch of the documents mentioned above.

CIEL Limited
5th floor, Ebène Skies
Rue de l'Institut, Ebène
Mauritius

www.cielgroup.com

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100%
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