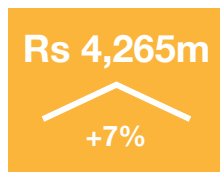


For the year 2018, Harel Mallac posts a Profit after Tax of Rs 67 million, and continues its business transformation through in-depth restructuring and new growth relays.



REVENUE

PROFIT AFTER TAX

STATEMENTS OF FINANCIAL POSITION

	GROUP	
	2018 Rs'000	2017 Rs'000
ASSETS		
Non-current assets	2,431,429	2,432,345
Current assets	2,200,863	2,194,344
Total assets	4,632,292	4,626,689
EQUITY AND LIABILITIES		
Capital and reserves		
Owners' interest	1,843,841	1,773,582
Non controlling interests	293,068	296,680
Total equity	2,136,909	2,070,262
Non-current liabilities	519,994	639,360
Current liabilities	1,975,389	1,917,067
Total equity and liabilities	4,632,292	4,626,689
Net assets per share(Rs)	163.76	157.52
Number of ordinary shares	11,259,388	11,259,388

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	GROUP	
	2018 Rs'000	2017 Rs'000
Revenue	4,265,370	3,993,082
Profit before finance costs	51,494	45,568
Finance costs	(55,103)	(49,933)
Net profit on disposal of investments	2,102	104,506
Share of results of associates & joint ventures	128,050	132,001
Net impairment of asset	(27,069)	(21,982)
Profit before tax	99,474	210,160
Income tax	(29,881)	(25,567)
Profit for the year from continuing operations	69,593	184,593
Discontinued operations		
Post tax loss from discontinued operations	(2,458)	(69,296)
	67,135	115,297
Attributable to:		
Owners of the parent	67,823	114,188
Non controlling interests	(688)	1,109
Profit for the year	67,135	115,297
Other comprehensive income/(loss) for the year net of tax	24,770	(8,073)
Total comprehensive income for the year	91,905	107,224
Total comprehensive income attributable to:		
Owners of the parent	94,543	106,335
Non controlling interests	(2,638)	889
	91,905	107,224
Earnings per share from continuing operations (Rs/cents)	6.24	15.82
Loss per share from discontinued operations (Rs/cents)	(0.22)	(5.68)

STATEMENTS OF CHANGES IN EQUITY

	Owners of the parent Rs'000	Non-controlling Interests Rs'000	Total Rs'000
GROUP			
Balance at 1 January 2018	1,773,582	296,680	2,070,262
Profit for the year	67,823	(688)	67,135
Other comprehensive income/(loss)	26,720	(1,950)	24,770
Total comprehensive income/(loss)	94,543	(2,638)	91,905
Change in ownership interest in subsidiary that does not result in loss of control	(4,017)	4,017	-
Acquisition of subsidiary	-	2,393	2,393
Dividends	(20,267)	-	(20,267)
Dividends payable to non controlling shareholders	-	(7,384)	(7,384)
	(24,284)	(974)	(25,258)
Balance at 31 December 2018	1,843,841	293,068	2,136,909
GROUP			
Balance at 1 January 2017	1,711,983	276,315	1,988,298
Profit for the year	114,188	1,109	115,297
Other comprehensive (loss)/income	(7,853)	(220)	(8,073)
Total comprehensive income	106,335	889	107,224
Non-controlling interests arising on business combination	-	79	79
Movement in reserves	13	2	15
Disposal of subsidiary	-	(28)	(28)
Change in ownership interest in subsidiaries that does not result in loss of control	5,388	(2,388)	3,000
Other movement	(29,870)	29,870	-
Dividends	(20,267)	-	(20,267)
Dividends payable to non controlling shareholders	-	(8,059)	(8,059)
	(44,736)	19,476	(25,260)
Balance at 31 December 2017	1,773,582	296,680	2,070,262

STATEMENTS OF CASH FLOWS

	GROUP	
	2018 Rs'000	2017 Rs'000
Continuing operations		
Net cash generated from operating activities	41,108	996
Net cash generated from investing activities	2,053	72,454
Net cash absorbed in financing activities	(11,069)	(87,744)
Net Increase/(decrease) in cash and cash equivalents	32,092	(14,294)
Discontinued operations		
Net increase in cash and cash equivalents	2,236	21,367
Increase in cash and cash equivalents	34,328	7,073
At 01 January	54,574	36,438
Effect of foreign exchange difference	9,577	11,063
At 31 December	98,479	54,574

PROFILE

Based in Mauritius, Harel Mallac (the Group) also operates in six countries in Africa and the Indian Ocean, and employs some 990 people. It comprises three distinct clusters of operations: *Manufacturing & Trading, Business Services* and *Asset Management*.

PERFORMANCE

The Group achieved a consolidated revenue from continuing operations of Rs 4.3 billion, representing an increase of 7% over 2017, driven by both the Manufacturing & Trading and Business Services clusters.

This increase in revenue resulted in a marginal improvement in the profitability, as the Group posted a Profit before Finance Costs of Rs 51 million in 2018, compared to Rs 46 million in 2017.

The profitability of the *Manufacturing & Trading cluster* is lower than 2017. The Equipment & Systems division recorded a significant improvement in 2018, driven by increased sales of consumer electronics, and the acquisition of Corexsolar International (a company operating in the photovoltaic energy sector) during the year. However, the overall profitability of the cluster was impacted by the ongoing difficulties faced by the sugarcane and textile industries and subsequent restructuring costs incurred in its Chemicals division.

The core activity of the *Business Services cluster* lies within its Technology division. Whilst the latter recorded an improvement in its revenue during 2018, the lower margins and higher provisions related to the implementation of IFRS 9, resulted in losses in 2018.

Regarding the *Asset Management cluster*, the share of results from our associates and joint ventures is lower than 2017, even though their performance were better than prior year as the cluster benefited from a non-recurring gain of Rs 17 million.

Overall, the Group posted a Profit after Tax of Rs 67 million in 2018, compared to Rs 115 million last year.

GROUP UPDATES

In 2018, the Group confirmed its interest in the photovoltaic energy business as a new growth relay, and on the other side, halted its training and digital agency activities, by respectively selling *The Professional Learning Centre* and discontinuing the *CZAM* activity.

Harel Mallac started a group-wide digital transformation program to review and modernise its processes and embrace a culture of innovation and consumercentricity.

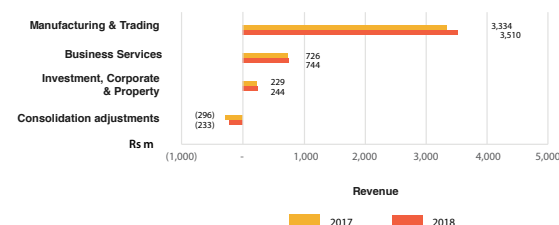
The leadership team of the Group was reinforced by the appointment of Patrice Marie (COO of the Chemicals Division) and Jean-Michel Colin (Group Head of Finance).

OUTLOOK

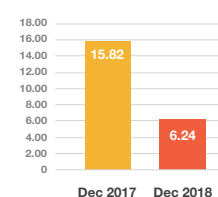
As previously announced, Harel Mallac is actively re-engineering its traditional trading activities by mainstreaming technology and environment-linked opportunities, while seeking organic growth on the international market. The key priorities for 2019 remain the reorganisation of our businesses around modern and to the point offerings to our customers, and improve our operational results.

By order of the Board
HM Secretaries Ltd
Company Secretary
29 March 2019

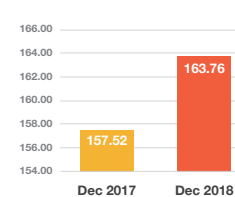
SEGMENTAL CONTRIBUTION TO REVENUE



EARNINGS PER SHARE



NET ASSETS PER SHARE (Rs)



These abridged financial statements, prepared in line with International Financial Reporting Standards and audited by BDO & Co., were authorised for issue by the Board of Directors on 29 March 2019.

The statement of direct and indirect interests of officers of the Company required under the rule 8(2)m of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available upon request from the Company Secretary, HM Secretaries Ltd, 18 Edith Cavell street, Port Louis.

Copies of the abridged audited financial statements are available free of charge upon request at the Company's registered office, 18 Edith Cavell street, Port Louis.

This report is issued pursuant to Listing Rule 12.14 and the Securities Act 2005. The Board of Directors of Harel Mallac & Co. Ltd accepts full responsibility for the accuracy of the information contained therein.