

STATEMENTS OF FINANCIAL POSITION

	GROUP	
	30 June 2019	31 December 2018
	Rs'000	Rs'000
ASSETS		
Non-current assets	2,460,873	2,431,429
Current assets	1,771,709	2,200,863
Total assets	4,232,582	4,632,292
EQUITY AND LIABILITIES		
Capital and reserves		
Owners' interest	1,682,193	1,843,842
Non controlling interests	251,801	293,068
Total equity	1,933,994	2,136,910
Non-current liabilities	648,242	519,994
Current liabilities	1,650,346	1,975,388
Total equity and liabilities	4,232,582	4,632,292
Net assets per share (Rs)	149.40	163.76
Number of ordinary shares	11,259,388	11,259,388

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	GROUP			
	Three months to 30 June 2019	Three months to 30 June 2018	Six months to 30 June 2019	Six months to 30 June 2018
	Rs'000	Rs'000	Rs'000	Rs'000
Revenue	849,940	1,068,892	1,635,543	1,949,399
(Loss)/profit before finance costs	(42,600)	423	(105,742)	(9,309)
Finance costs	(17,747)	(15,996)	(33,372)	(30,464)
Loss on disposal of subsidiary	-	(375)	-	(375)
Share of results of associates & joint ventures	13,784	33,088	46,839	59,068
(Loss)/profit before tax	(46,563)	17,140	(92,275)	18,920
Income tax	(1,293)	(9,270)	(2,004)	(10,667)
(Loss)/profit for the period from continuing operations	(47,856)	7,870	(94,279)	8,253
Discontinued operations				
Post tax loss from discontinued operations	-	(809)	-	(1,923)
	(47,856)	7,061	(94,279)	6,330
Attributable to:				
Owners of the parent	(39,089)	5,299	(74,091)	10,435
Non controlling interests	(8,767)	1,762	(20,188)	(4,105)
(Loss)/profit for the year	(47,856)	7,061	(94,279)	6,330
Other comprehensive loss for the period net of tax	(8,033)	(7,527)	(4,570)	(15,600)
Total comprehensive loss for the period	(55,889)	(466)	(98,849)	(9,270)
Other comprehensive income attributable to:				
Owners of the parent	(7,274)	(1,506)	(3,833)	(11,934)
Non controlling interests	(759)	(6,021)	(737)	(3,666)
	(8,033)	(7,527)	(4,570)	(15,600)
Basic (loss)/earnings per share from continuing operations (Rs/cents)	(3.47)	0.54	(6.58)	1.10
Loss per share from discontinued operations (Rs/cents)	-	(0.07)	-	(0.17)

PROFILE

Based in Mauritius, Harel Mallac (the Group) operates in six countries in Africa and the Indian Ocean and employs some 950 people. It comprises four segments of activities: *Equipment & Systems, Chemicals, Technology and Asset Management & Others.*

PERFORMANCE

For the first semester, the Group achieved a consolidated revenue from continuing operations of Rs 1.7 billion, down by 16% from 2018, mainly attributable to lower revenues from the Chemicals segment.

The Equipment & Systems segment recorded an improvement in revenue, on the back of Corexolar International, which started the construction of a 5MW farm situated at Petite Rivière in the second quarter, after completing one of 2MW farm in Henrietta in March. Profit Before Tax is at par with last year.

The overall profitability of the Chemicals segment was impacted by lower sales, exceptional restructuring costs of Rs 17 million and an impairment of receivables to the tune of Rs 55 million in one of the segment's overseas subsidiary as per Group policy. Management remains confident that the amount impaired will be recovered.

The profitability of the Technology segment improved, driven by the materialisation of projects in the second quarter and the return to profitability of the Business Process Outsourcing activities.

Regarding the Asset Management & Others segment, the share of results from our associates and joint ventures is lower than 2018, resulting from the lesser performance of the group's investments in the hospitality sector in the first half of 2019, mainly due to the renovation works ongoing in one hotel.

GROUP UPDATES

In July 2019, the Group welcomed Yannick Fayd'herbe and Yannick Applasamy, two dynamic and experienced leaders to head the MCFI Group and Novengi Ltd. respectively.

The pilot-cases in digital transformation programme, Harel Mallac Technologies and MCFI Group of companies have successfully migrated to the upgraded ERP software on 1st July.

OUTLOOK

Harel Mallac is pursuing the re-engineering of its traditional trading activities by mainstreaming technology and environment-linked opportunities, while seeking organic

STATEMENTS OF CHANGES IN EQUITY

GROUP	Owners of the parent	Non-controlling Interests	Total
	Rs'000	Rs'000	Rs'000
Balance at 1 January 2019	1,843,842	293,068	2,136,910
Effect of changes in accounting policies (IFRS 16) As restated	(25,059)	-	(25,059)
Loss for the period	(74,091)	(20,188)	(94,279)
Other comprehensive losses	(3,833)	(737)	(4,570)
Change in ownership interest in subsidiary that does not result in loss of control	(58,666)	(20,342)	(79,008)
Balance at 30 June 2019	1,682,193	251,801	1,933,994
Balance at 1 January 2018	1,773,582	296,680	2,070,262
Profit for the period	10,435	(4,105)	6,330
Other comprehensive losses	(11,934)	(3,666)	(15,600)
Change in ownership interest in subsidiary that does not result in loss of control	(4,017)	-	(4,017)
Acquisition of subsidiary	-	11,457	11,457
Balance at 30 June 2018	1,768,066	300,366	2,068,432

STATEMENTS OF CASH FLOWS

GROUP	Six months to 30 June 2019	Six months to 30 June 2018
	Rs'000	Rs'000
Operating activities	(113,831)	(135,667)
Net cash absorbed in operating activities		
Investing activities	(91,049)	39,182
Net cash (absorbed in)/generated from investing activities		
Financing activities	(89,562)	4,626
Net cash (absorbed in)/generated from financing activities		
Decrease in cash and cash equivalents	(294,442)	(91,859)

Movement in cash and cash equivalents

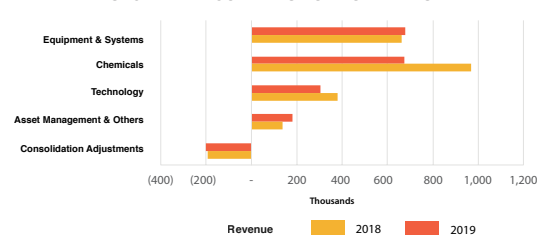
At 1 January	At 30 June
98,479	200,421
Decrease	
(294,442)	(40,296)
Effect of foreign exchange difference	
(4,458)	(40,296)

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

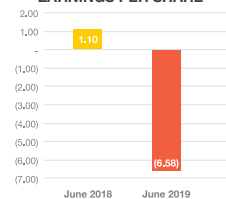
The reportable segments are strategic business units that offer different products and services.

	Equipment & Systems	Chemicals	Technology	Asset Management and Others	Consolidation adjustments	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Six months ended 30 June 2019						
Total segment revenues	719,617	710,053	317,424	184,766	-	1,931,860
Inter-segment revenues	(43,216)	(35,986)	(12,954)	(2,911)	(201,250)	(296,317)
Revenues from external customers	676,401	674,067	304,470	181,855	(201,250)	1,635,543
Segment profit/(loss)	28,041	(104,607)	11,128	(25,521)	(14,783)	(105,742)
Loss on disposal of subsidiary	-	-	-	-	-	-
Share of results of associates & joint ventures	-	-	-	46,839	-	46,839
Finance costs	(9,424)	(4,924)	(5,742)	(28,065)	14,783	(33,372)
Profit/(loss) before tax	18,617	(109,531)	5,386	(6,747)	-	(92,275)
Total assets						
30 June 2019	709,882	1,257,745	352,083	1,912,872	-	4,232,582
31 December 2018	704,596	1,616,495	436,335	1,874,866	-	4,632,292
Six months ended 30 June 2018						
Total segment revenues	699,667	987,155	381,253	141,081	-	2,209,156
Inter-segment revenues	(39,164)	(20,242)	(3,079)	(2,415)	(194,857)	(259,757)
Revenues from external customers	660,503	966,913	378,174	138,666	(194,857)	1,949,399
Segment profit/(loss)	25,839	(6,609)	2,741	(16,969)	(14,311)	(9,309)
Loss on disposal of subsidiary	-	-	-	(375)	-	(375)
Share of results of associates & joint ventures	-	-	-	59,068	-	59,068
Finance costs	(7,779)	(4,760)	(3,945)	(28,291)	14,311	(30,464)
(Loss)/profit before tax	18,060	(11,369)	(1,204)	13,433	-	18,920
Total assets						
30 June 2018	622,448	1,550,259	401,638	1,937,936	-	4,512,281
31 December 2017	551,081	1,809,958	344,351	1,921,299	-	4,626,689

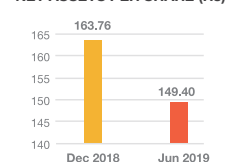
SEGMENTAL CONTRIBUTION TO REVENUE



EARNINGS PER SHARE



NET ASSETS PER SHARE (Rs)



The quarterly condensed financial statements have been prepared using the same accounting policies as for the statutory financial statements for the year ended 31 December 2018, except for the adoption of published Standards that are now effective.

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.

By order of the Board
HM Secretaries Ltd
Company Secretary
12th August 2019