

LISTING PARTICULARS

ISSUED BY

SREE AGRO LIMITED

in relation to the listing of its Ordinary Shares on the Official Market of the Stock Exchange of Mauritius Ltd

LEC/I/01/2022

Transaction Advisor SEM Authorised Representative & Sponsor





(Incorporated in the Republic of Mauritius) (Company registration number: 178479/GBL) Having its registered address at c/o GlobalServe Management Limited First Floor, Standard Chartered Tower, Bank Street, Cybercity, Ebene, Mauritius LEC/I/01/2022 ("SREE AGRO" or "the Company")

LISTING PARTICULARS

The definitions commencing on page 5 of these Listing Particulars have, where appropriate, been used on this cover page.

An application has been made for the listing of 5,100,000 ordinary shares of no par value of SREE AGRO ("**SREE AGRO shares**") on the Official List of the SEM.

Accordingly, these Listing Particulars have been prepared and issued in compliance with the Listing Rules governing the listing of 5,100,000 issued SREE AGRO shares by way of an introduction, and to provide information with regard to the Company.

It is expected that dealings in SREE AGRO shares on the SEM Official Market will commence on 30 May 2022. On the first day of listing and trading on the SEM, at least 1% of the issued ordinary shares of the Company, will be made available for trading at an indicative price of USD 3.20 per share.

This document does not constitute an invitation to the public to subscribe for SREE AGRO shares.

A copy of these Listing Particulars is available in English only, accompanied by the documents referred to under "Documentation available for inspection" as set out in section five, paragraph 13 of these Listing Particulars.

These Listing Particulars include particulars given in compliance with the Stock Exchange of Mauritius Ltd Rules governing the Official Listing of Securities for the purpose of giving information with regard to the Company. The directors, whose names appear on page 36 and **Annexure 1**, collectively and individually, accept full responsibility for the accuracy and completeness of the information contained in these Listing Particulars and confirm, having made all reasonable enquiries that to the best of their knowledge and belief there are no facts the omission of which would make any statement herein misleading.

The legal advisor as to Mauritian law, SEM authorised representative & sponsor and transaction advisor, the auditors, company secretary and banker, whose names are included in these Listing Particulars, have consented in writing to the inclusion of their names in the capacity stated and have not withdrawn their written consent prior to publication of these Listing Particulars.

These Listing Particulars may include forward-looking statements. Forward-looking statements are statements including, but not limited to, any statements regarding the future financial position of the Company and its future prospects. These forward-looking statements have been based on current expectations and projections which, although the directors believe them to be reasonable, are not a guarantee of future performance.





These Listing Particulars have been approved by the Listing Executive Committee ("**LEC**") of the SEM, in conformity with the Listing Rules, on 2 May 2022.

Neither the LEC, nor the SEM, nor the FSC assumes any responsibility for the contents of these Listing Particulars. The LEC, the SEM and the FSC make no representation as to the accuracy or completeness of any of the statements made or opinions expressed in these Listing Particulars and expressly disclaim any liability whatsoever for any loss arising from or in reliance upon the whole or any part thereof.

Permission has been granted by the LEC on 2 May 2022 for the listing of 5,100,000 issued SREE AGRO shares by way of an introduction.

In these Listing Particulars, unless otherwise stated, an indicative USD:MUR exchange rate of USD1.00:MUR43.445 has been used.

A copy of these Listing Particulars has been filed with the FSC.

Company Secretary



Legal Advisor as to Mauritian law

Mr. Imteaz Bundhoo



SEM Authorised Representative & Sponsor

and Transaction Advisor

Auditors



Date and place of incorporation of the Company: 1 March 2021, Mauritius Date of issue of these Listing Particulars: 2 May 2022





CORPORATE INFORMATION

Registered office and postal address of the Company

C/o GlobalServe Management Limited First Floor, Standard Chartered Tower, Bank Street, Cybercity, Ebene, Mauritius

SEM Authorised Representative & Sponsor and

Transaction Advisor Perigeum Capital Ltd Level 4, Alexander House 35 Cybercity, Ebene, 72201 Mauritius (Postal address same as physical address)

Auditors

AMG Global Avenue Geranium, Grand Baie, Republic of Mauritius

(Postal address same as physical address)

Company Secretary

GlobalServe Management Limited First Floor, Standard Chartered Tower, Bank Street, Cybercity, Ebene, Mauritius (Postal address same as physical address)

Banker

AfrAsia Bank Limited Bowen Square 10, Dr Ferriere Street, Port Louis Mauritius (Postal address same as physical address)

Legal Advisor as to Mauritian Law

Mr. Muhammad Cader Imteaz Bundhoo 7th Floor, Tower 1, NeXTeracom, Cybercity, Ebene, Mauritius (Postal address same as physical address)

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EXECUTIVE SUMMARY

About SREE AGRO

SREE AGRO was incorporated in Mauritius in March 2021, as a domestic company, with its main business activity being that of a holding company. The Company was thereafter converted into a global business company, and subsequently into a public company limited by shares on 12 January 2022.

Following a re-structuring exercise implemented within the SREE Group, 99.99% shareholding in SREE PLC (Zambia) was transferred to the Company, and part of the trading activities of SREE PLC was also moved to SREE AGRO.

In addition to being the holding company, SREE AGRO will also be involved in the trading and distribution of a wide range of soft commodities including chicken, fish, rice, edible oil, and salt and fast-moving consumer goods like chocolates, biscuits, butter, batteries etc., which a re intended to be sold to customers in Z ambia & neighbouring African countries such as DR Congo, Tanzania, South Africa, Mozambique, Kenya, and so on.

The distribution business of soft commodities targets over 100 retailers and wholesalers in three provinces of Zambia and the neighbouring African countries.

Since the Company will derive most of its revenue outside of Mauritius (mainly through its subsidiary company and trading operations outside of Mauritius), SREE AGRO applied for and obtained a Global Business Licence issued by the Mauritian Financial Services Commission.

The main rationale for the setting up of SREE AGRO in Mauritius is to take advantage of the country's business friendly infrastructure and flexible tax regime. Mauritius is positioned as an ideal international platform for trading activities based on the following benefits, namely the absence of exchange control and the long-standing social and political stability prevailing in the country. It is envisaged that a listing on the SEM will provide SREE AGRO access to a global investor base of managed funds, high net worth individuals and other sources of capital who view Mauritius as an attractive investment destination. Any future capital raised by SREE AGRO and income derived from the Company's business will be re-injected into the Company and into its subsidiary company as well to spur future growth.

As highlighted in **Annexure 1**, SREE AGRO is led by a team of individuals with significant experience which have a successful track record in agriculture and soft commodities trading activities. A few directors of SREE PLC have also been appointed as directors of SREE AGRO, to oversee and act in the best interests of the Company and the SREE Group as a whole.

The Company will benefit from its revenue earning subsidiary, SREE PLC (which has been operating in Zambia for over 8 years). The main sources of income of SREE AGRO will include dividend income from its Zambian subsidiary and also income generating from its soft commodity trading business.

About SREE PLC (Zambia)

SREE PLC operates in the Copperbelt Province in Zambia, along the border shared with the Democratic Republic of Congo. The company was founded in 2013 by a qualified group of professionals who have over 30 years experience in agriculture, commodities, fast-moving consumer goods working across the globe.

SREE PLC was originally established as an agro processing division with the aim of enabling the people in Africa to attain self-sufficiency in agricultural production. SREE PLC is India-based results-driven and dedicated investment group that specializes in agro-business and commodity projects and programs. As growth-oriented investors, the company seeks to partner with organizations and entrepreneurs with proven ability and provide them with the resources needed to achieve extraordinary success.

SREE PLC also specializes in project planning, structuring, development and management of integrated agricultural, agro-processing, rural development and commodity supply chain projects. Its core competence resides in its knowledge and understanding of the principles and requirements of commercial agribusiness and commodity projects in the Zambian / African environment, and ability to mobilize skilled professionals and other role players that can add value, enhance profitability and ensure sustainability of interventions.



Listing on additional exchanges

To broaden its investor base and source additional capital to fund the growth aspirations for SREE AGRO and the SREE Group as a whole, the Company may consider, when appropriate, listing its shares on other recognised international stock exchanges. Such cross listing(s) will also:-

- enhance potential investors' awareness of the SREE Group;
- improve the depth and spread of the shareholder base of the Company, thereby improving liquidity in its shares;
- provide invited investors, both institutional and private, the opportunity to participate directly in the income streams and future capital growth of the SREE Group; and
- provide invited investors with an additional market for trading the Company's shares.





DEFINITIONS

In these Listing Particulars and the annexures hereto, unless the context indicates otherwise, references to the singular include the plural and *vice versa*, words denoting one gender include the others, expressions denoting natural persons include juristic persons and associations of persons and *vice versa*, and the words in the first column have the meanings stated opposite to them in the second column, as follows:

"business day"	any day other than a Saturday, Sunday or official public holiday in Mauritius;
"certificated shares"	shares in respect of which physical share certificates will be issued;
"Constitution"	the constitution of the Company dated 2 May 2022;
"directors" or "the board" or "board of directors"	the directors of the Company as at the date of these Listing Particulars, further details of whom appear in Annexure 1 of these Listing Particulars;
"FSC"	the Financial Services Commission of Mauritius;
"GBL" or "Global Business Licence"	Global Business Licence issued under the Mauritian Financial Services Act 2007;
"IFRS"	International Financial Reporting Standards;
"last practicable date"	the last practicable date prior to the fi nalisation of these Listing Particulars, being 31 March 2022;
"LEC"	Listing Executive Committee of the SEM;
"listing date"	the date of listing of the ordinary shares on the SEM Official Market, being on 30 May 2022;
"Listing Particulars"	this document and its annexures, dated 2 May 2022, which have been prepared in compliance with the Listing Rules;
"Listing Rules"	the Listing Rules of the SEM governing the Official Market;
"management"	the current management of the Company, as detailed in Annexure 1;
"Mauritian Companies Act"	the Mauritian Companies Act 2001 (Act 15 of 2001) as amended;
"Mauritius"	the Republic of Mauritius;
" MUR " or " Rs "	the Mauritian Rupee;
"Official List" or "SEM Official Market"	the list of all securities admitted for quotation on the SEM Official Market;
"Ordinary share"	a share in the capital of the Company designated as " Ordinary share " and having the rights provided for under Clause 4.7 of the Constitution.
"ordinary shareholder" or "shareholder"	a holder of ordinary shares in the share capital of the Company;
"SEM"	the Stock Exchange of Mauritius Ltd established under the repealed Stock Exchange Act 1988 and now governed by the Securities Act 2005 of Mauritius;

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"SEM listing"	the listing of the ordinary shares on the SEM Official Market which shall take place on 30 May 2022;
"SREE AGRO" or "the Company"	SREE AGRO Limited (company registration number 178479 C1/GBL), a company incorporated in accordance with the laws of Mauritius and holding a Global Business Licence issued by the FSC;
"SREE Group"	SREE AGRO Limited and its subsidiary (SREE PLC) as referred to in these Listing Particulars;
"SREE PLC"	SREE PLC (registration number 120130115286), a com pany incorporated in accordance with the laws of Zambia on 4 September 2013; and
"USD" or "US\$"	The official currency of the United States of America.







(Incorporated in the Republic of Mauritius) (Company registration number: 178479/GBL) Having its registered address at c/o GlobalServe Management Limited First Floor, Standard Chartered Tower, Bank Street, Cybercity Ebene, Mauritius LEC/I/01/2022 ("SREE AGRO" or "the Company")

Directors of the Company

Dr. Srinivasa Rao Ravuri Mr. Mahmood Bashir Nabeebokus Mr. Nageswara Rao Varanasi Mr. Nirav Dineshkumar Zala Mrs. Sujatha Rani Rallabhandi Mr. Sahjahan Ally Nauthoo Mr. Mohammad Sallah-Ud-Din Surfraz Executive Director & Chairman Non-Executive Director Independent Non-Executive Director Executive Director Non-Executive Director Independent Non-Executive Director Independent Non-Executive Director

SECTION ONE - INFORMATION ON THE COMPANY

1. INTRODUCTION

The purpose of these Listing Particulars is to provide information in relation to the Company and its activities.

2. DIRECTORS AND MANAGEMENT OF THE COMPANY

(a) SREE AGRO's board of directors

Annexure 1 contains the following information:

- (i) details of directors and executive management including their names, addresses, qualifications, occupations and experience;
- (ii) information concerning the appointment, remuneration, terms of off ice and borrowing powers of the directors;
- (iii) directors' interests; and
- (iv) directors' other directorships and partnerships.



(b) Key Service Providers

(i) Company secretary

The Board leverages off the existing operations within GlobalServe Management Limited, its duly appointed Company Secretary.

GlobalServe Management Limited is duly licensed by the FSC to provide a comprehensive range of financial and fiduciary services to international businesses. All administrative business functions of the Company will be carried out by GlobalServe Management Limited in Mauritius.

(ii) SEM authorised representative & sponsor and transaction advisor

The Company has appointed Perigeum Capital Ltd ("**Perigeum Capital**") as its transaction advisor. Perigeum Capital is a cor porate finance house which is geared towards providing businesses with the professional representation and insight they need to execute successful transactions within the precincts of their individual corporate objectives and beyond. It holds an Investment Advisor (Corporate Finance Advisory) license issued by the FSC, which allows the company to act as SEM authorized representative and sponsor and advise companies listed on the SEM on their corporate actions.

As transaction advisor, Perigeum Capital has assisted the board of directors to restructure the Company in order to enable it to be fit for listing on the SEM. Perigeum Capital has handled the listing application process with the SEM and has been engaged to advise the Company and its directors on compliance with ongoing SEM listing obligations.

(iii) Other Third-Party Service Providers

In addition, it is envisaged that the Company will outsource several functions to specialist thirdparty service providers. Such service providers may include without limitation: investor relations managers; company administrators; legal counsel; accountants and a uditors; and bankers. In this re gard, the Board will engage only with reputable, intentionally- recognized institutions with established track records for the provision of such services.

3. INCORPORATION, HISTORY AND NATURE OF BUSINESS

(a) Incorporation, name and address

The Company was incorporated in Mauritius on 1 March 2021, as a domestic company, and has its registered office at c/o GlobalServe Management Limited, First Floor, Standard Chartered Tower, Bank Street, Cybercity, Ebene, Mauritius. The Company was thereafter issued a Global Business Licence issued by the FSC, and subsequently converted into a public company limited by shares on 12 January 2022.

(b) History

The Company has no major trading history since it has recently been incorporated.

SREE AGRO leverages on the track record of the revenue earning business of its sole subsidiary, SREE PLC, which has been in operations for over 8 years in Zambia.

(c) Nature of the business

- (i) SREE AGRO mainly acts as the holding company of SREE PLC and i s also partially involved in the trading and distribution activities of a wide range of soft commodities.
- (ii) The SREE Group sells to customers in Zambia & neighbouring African countries such as DR Congo, Tanzania, South Africa, Mozambique, Kenya and so on.
- (iii) SREE AGRO is led by an experienced board and management team with an extensive track record in the trading and distribution of soft commodities.





- (iv) It is envisaged that a listing on the SEM will provide SREE AGRO access to a global investor base of ma naged funds, high net worth individuals and other sources of capital who view Mauritius as an attractive investment destination. Any future capital raised by SREE AGRO and income derived from the Company's business will be re-injected into the Company and into its subsidiary company as well to spur future growth.
- (v) No change in the nature of the Company's business and no divestment whatsoever from its subsidiary company SREE PLC, are being contemplated presently or for at least the next 3 years.

(d) Financial year-end

The financial year-end of the Company is 31 December each year, and the reporting will be made in USD.

4. SREE GROUP OVERVIEW

SREE PLC operates in the Copperbelt Province in Zambia, and is involved in (i) the project planning, structuring, development and management of integrated agricultural, agro-processing, rural development and commodity supply chain projects; and (ii) the implementation of such projects as well. SREE PLC has three main business lines, namely Farming, Manufacturing & Processing, and Trading.

Its core competence is its knowledge and understanding of the principles and requirements of commercial agribusiness and commodity projects in the Zambian environment and ability to mobilize skilled professionals and other role players that can add value to SREE PLC and the SREE Group as a whole, enhance profitability and ensure sustainability.

SREE PLC Businesses

Farming:

Land being used for	Ha of land
Farming of Maize	100
Farming of Fruits, vegetables and spices	20
Aquaculture (expansion from 70,000 m^3 to 200,000 m^3 expected)	10
Farming of Moringa and further processing (planned)	25
Infrastructure (Head Office, Maize processing plant, Reservoir, Warehousing, etc)	10
Unutilised land reserved for the following projects	
Commercial purposes	32
Ranching / Mining	600

Manufacturing & Processing:

Among the countries in the Southern African Development Community (SADC) region, Zambia usually produces the highest quantity of maize. Maize is grown all around the country and the following agronomic factors, which are abundantly present in Zambia, contribute for the favourable growth of maize:



- Abundance of rain;
- Fertile and good textured soil;
- Optimal fertilizer use; and
- Improved maize seed.

In Zambia, the cultivation of genetically engineered corn in prohibited.

The Zambian agricultural sector supports more than 80% of the population. Maize is their principal cash crop (with 60-65% of cropped land) and also the main staple crop (used not only for consumption, but also for animal feed for the poultry and livestock industries).

The per capita consumption of maize – typically ground into meal and consumed as stiff porridge – in Zambia is estimated at 105 kilograms annually.

SREE PLC has therefore strategically focused on "Maize farming, Milling, Processing, Packaging & distribution" aimed at covering up to around 5% of the market demand in Zambia. Further, maize has great potential for export to neighbouring countries.



MAIZE MILLING

Above pictures depict the Maize Milling plant of SREE PLC in Zambia, located at Ndola, Copperbelt province.





AQUACULTURE – Stages involved Stage 1: Breeding



Breeding process: Egg production - 1 Male for 3 FemalesCycle Time:23 daysWeight:0 gmCapacity P.M:1,856,803 - 928,402Mortality:50%

Stage 2: Hatchery



Process: Egg to Spawn; Spawn to FryCycle Time:4 days & 2 daysWeight:0 gmCapacity:928,402 - 519,905Mortality:30% & 20%

Stage 3: Nursery







Stage 4: Grow-Out



Process: Fingerling to grow-outCycle Time:90 daysWeight:5 gm - 250 gmCapacity:397,727 - 350,000Mortality:12%.

Stage 5: Harvest



Soft Commodities Trading:

SREE PLC is also involved in the trading and distribution of fish, chicken, maize flour, rice, edible oils, sugar, salt and other fast moving consumer goods. The company distributes to over 100 retailers and wholesalers in three provinces across Zambia and exports to neighbouring DR Congo. The company's exports currently account for 30-40% of the company sales, and targets to increase it to 50% within 3 years.

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Re-structuring of the SREE Group and creation of SREE AGRO

As part of the re-structuring exercise, the ownership of SREE PLC (up to 99.99%) was transferred to SREE AGRO in 2021, with the remaining shareholding (0.01%) being kept in the hands of the previous beneficial owners of SREE PLC.

The Group structure before and after the re-structuring exercise is as shown below.

Before re-structuring



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List of products for trading by SREE AGRO	Countries where products will be imported	Country where products will be sold	Name of buyer of products	
Chicken	Brazil & African countries (Tanzania, South Africa, Mozambique, Kenya, etc.)			
Fish	Namibia, Mozambique, China, etc.		SREE PLC customers in Zambia, Zambia-neighbouring	
Edible Oil	Malaysia, Indonesia, etc.	Zambia & Neighbouring African countries (DR Congo, Tanzania, , Malawi,		
Rice	Asian countries (India, Bangladesh, Pakistan, Taiwan, Thailand, etc.)		countries boarder areas, or directly to customers at imports	
Salt	African countries (Tanzania, South Africa, Mozambique, Kenya, etc.)	Mozambique, , etc.)	arrival port, etc.	
Fast moving consumer goods like chocolates, biscuits, butter, batteries, etc.	India, Europe (EU countries) and African countries (Tanzania, South Africa, Kenya, etc.)			

Advantages and main rationale behind the re-structuring of the SREE Group:

- Improved credit rating for SREE Group as a whole;
- Increased trading business operations in various jurisdictions;
- Currently, corporate tax in Zambia is at 35% for trading companies. The flexible tax regime in Mauritius, makes the country an ideal international platform for trading activities of the Group.

The corporate tax regime in Mauritius allows Global Business Companies to benefit from 80% exemption on their income tax payable at a rate of 15% of their net income where such companies derive income from foreign-source dividend. In the present case, SREE AGRO will be deriving its income in terms of dividend from its subsidiary SREE PLC, based in Zambia. Also, income derived from trading activities will be taxed at 3% since the shipment of goods by SREE AGRO will be made directly by the shipper in the original exporting country to the final importer in the importing country, without the goods being physically landed in Mauritius.

Any other income derived by SREE AGRO shall be taxed at the rate of 15%; and

• Agro processing tax in Zambia ranges only from 0%-10%.

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The Group's Zambia Focus

About Zambia

Zambia is a large, landlocked, resource-rich country with sparsely populated land in the centre of Southern Africa. It shares its b order with eig ht countries, namely Angola, Botswana, Democratic Republic of Congo, Malawi, Mozambique, Namibia, Tanzania, and Zimbabwe that serve as an expanded market for its goods.

Zambia is experiencing a large demographic shift and is one of the world's youngest countries by median age. Its population, most of which being urban, is estimated at about 17.9 million and is growing rapidly at 2.8% per year, partly because of high fertility, resulting in the population doubling close to every 25 years.



Its unique geo-location makes Zambia a strategic nexus and a

gateway to the Common Market for Eastern and Southern Africa (COMESA), in addition to its neighbouring countries.

Zambia's GDP, Inflation & Exchange Rate				
Period 2020/2021				
GDP (USD Billions)	18.11			
GDBP Growth rate (% change)	-2.785% from 2019			
Inflation rate	22.2% @ February 2021			
Exchange rate (ZMW per USD)	1 ZMW= USD0.06059			

Source: World Bank 2021 Figures, Oanda









Political Context

Zambia is the 13th (out of 44) most peaceful country in Sub-Saharan Africa (SSA) (as per the Global Peace Index in Sub-Saharan Africa 2021), and is also considered a stable country with successful democratic elections held every five years.

The current president is Hakainde Hichilema of the United Party for National Development, who was elected in August 2021, replacing the then-incumbent President Edgar Lungu of the Patriotic Front.

The next elections will be held in 2026.

Trend in the Agri-sector in Zambia

Abundant and underused land and water resources make Zambia one of the most preferred agricultural and agribusiness destinations in Southern Africa. The country is also endowed with ample raw materials for agroprocessing.

The past few years have seen rapid increase in the demand for land suitable for agriculture by foreign investors in Africa. Zambia holds huge potential for foreign investment as the country has a stable political and emerging economic environment. Albeit the presence of million hectares of ar able land, abundance of groundwater resources, nutrient-rich soil, and fairly low population density, Zambia's agriculture sector has not yet reached its full potential.

In Zambia, agriculture plays an important role in the country's economy and could be a major driver of growth and poverty reduction. Zambia agriculture provides for livelihoods for almost half of the country's population. The sector is characterised by a dual structure, where a small number of large commercial farms co-exist with scattered subsistence smallholders & few small commercial farmers as well. It is estimated that about 40% of rural households are engaged solely in subsistence agriculture.

Since the early 1990s, Zambian agricultural policy has undergone a major change, shifting from heavy government intervention to a liberalized system aimed at bolstering private sector participation in various aspects of agricultural production including input supply, processing, marketing and extension service provision.

Zambia has created an at tractive investment climate through numerous incentives, including low levels of taxation. The relative low cost of land, perceived abundance of land and water with favourable growing conditions, central location to Southern African markets and political stability are also cited as reasons that make Zambia attractive to investors.

Aside from overall improvements in the business environment, the government of Zambia has also introduced some agriculture sector-specific incentives for both local and foreign investors, namely:

- Guaranteed input tax claim for four years prior to commencement of production for agricultural businesses;
- Zero rating of taxable agricultural products and supplies when exported;
- VAT deferment on importation of some agricultural equipment and machinery;
- Income taxed at a reduced rate of 10%;
- Farm improvement allowance at 100% on fencing, appropriate to farming and farm dwelling occupied by farm workers whose original cost is not in excess of Zambian Kwacha 20,000 (c.USD 1,100);
- Farm works allowance at 100% for the full cost of stumping and clearing, works for prevention of soil erosion, boreholes, wells, aerial and geophysical surveys and water conservation;
- Dividends paid out of farming profit are exempt from tax for the first five years the distributing company commences farming;
- Development allowance is given for any person who incurs expenditure on the growing of tea, coffee, or banana plant or citrus trees or other similar plants or trees;
- An allowance of 10% of such expenditure shall be deducted in ascertaining the gains or profits of that business;
- Increase capital allowance rate to 100% from 50% for implements, plant and machinery used in farming and agro – processing.



The impact of COVID-19

Over the past one year, the world has experienced both economic and health disruptions due to COVID 19, and Zambia has not been spared. The various measures taken to curb the spread of the virus have affected various sectors in the Zambian economy which includes the Agricultural Sector.

The businesses involved in "Essential food / healthcare" – being essential products " – have been able to withstand the pandemic's effects. Nonetheless, SREE PLC has witnessed a decline of 22% of its revenue over the past three years. The three key elements of revenue fluctuations of the SREE Group (being a Group dealing in soft commodities) are:

- 1. Soft commodity product-wise pricing difference. Albeit the revenues of SREE PLC have been decreasing over the past three years, the company has been foc ussing on maintaining higher margin products. Consequently, even though revenues have fluctuated, the bottom-lines has grown consistently;
- 2. Soft commodity, within a product, pricing difference; and
- 3. Currency translation differences. The Zambian Kwacha (ZMW) has depreciated against USD in recent years from 12.87 ZMW per 1 USD in 2019 to 18.10 ZMW in 2020 and 20.08 ZMW in 2021.

ESSENTIAL FOOD: NON-MEAT	Maize Flour	Sugar	Edible Oil	Rice	Salt
Estimated per capita consumption (in Kg)	105	9	5	2	3
Average payment value per Mt (USD)	291	631	1350	744	222
Estimated Volume- Zambia (million metric tonnes)	1.8	0.16	0.09	0.04	0.06
Estimated market (USD millions)	534	102	118	28	14

Market opportunity in Zambia

Results of market study carried out by management of SREE PLC to gauge the market size of and scope out opportunities in essential foods in Zambia, and opportunities available to SREE PLC.

Points to note:

- Maize remains the most consumed basic commodity in Zambia. A large portion of the local produce is either used to feed livestock or granted to neighbouring countries by the Zambian government.
- Based on previous trends, it was noted that competitors of SREE PLC focus mostly on a few (one or two) soft commodities; whereas SREE PLC handles a broader and better diversified the food basket i.e. meat (fish / chicken), maize flour, rice, sugar, edible oils & salt. The averages per metric tonne are lower only for products such as salt and maize.
- Most competitors also do not consolidate their position across the supply chain. SREE PLC on the other hand is involved across the various stages of farm to table starting with farming, processing, and distribution).
- The market opportunity within Zambia (excluding the neighbouring countries to where SREE PLC exports) is as follows:
 - o In soft commodities (Meat) Over USD 1 billion.
 - o In soft commodities (Non-meat) Over USD 700 million
- SREE PLC's current working capital is a bit low to compete or grab any significant market share. SREE PLC allocates its limited current working capital of USD 5 million judiciously in products which contribute to the bottom-line each month.



FOOD: SOFT COMMODITIES (MEAT)	Beef	Pork	Goat	Chicken	Fish	Eggs (tray)
Estimated per capita consumption (in Kg)	11	4	4	9	11	2 Trays
Average payment value per Mt (USD)	1239	1078	2155	1347	1347	1.24
Estimated Volume- Zambia (million metric tonnes)	0.19	0.07	0.07	0.16	0.19	35.6
Estimated market (USD millions)	239	74	147	217	260	44
Estimated Zambian Supply (Mt millions)	0.19	0.03	0.05	0.10	0.12	32
Shortall/ Opportunity for SREE PLC (Mt millions)	0.01	0.04	0.02	0.06	0.07	4
Shortall/ Opportunity for SREE PLC (USD millions)	7	38	35	84	98	5

Study carried out by the management of SREE PLC showing the Zambia market as far as consumption, demand and opportunity in the soft commodity products are concerned.

Points to note:

- Based on previous market trends, it was noted that the competitors of SR EE PLC typically focused on
 particular soft commodity i.e. the supply of beef, sugar. Maize flour which has high demand in Zambia and
 a relatively high market value.
- SREE PLC on the other hand seeks to position itself in areas where opportunity to scale is greatest, notably
 in the trading and distribution of fish and chicken.

The Opportunity

To summarise, the SREE Group has close to a decade's worth of **experience** trading in soft commodities and farming along Zambia's Copperbelt. **Exports** from Zambia into its neighbouring countries represent c.70% of its sales, which the SREE Group intends to increase in coming years in part aided by the implementation of the African Continental Free Trade Area in coming years. Although revenues translated from native currencies into US Dollars have shown a dip on account of pandemic induced depreciation, sales have remained rather **resilient** given the SREE Group's focus on dealing in essential food stuffs. The Group also benefits from having a **diversified** portfolio of staples which include fish, maize, edible oils, sugar and salt. Going forward, SREE Group intends to further diversify its portfolio so as to strive to continue delivering a solid and growing bottom-line.

Following its listing SREE AGRO intends to introduce **regular dividend payments** so as to further enhance shareholder returns.

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5. COMPANY STRUCTURE

(a) **Company structure**

The Company structure is set out below:-



(b) Share capital

Information regarding the issued share capital of the Company, the shareholders of the Company holding in excess of 5% of the voting shares immediately prior to the SEM listing, alterations of capital, a summary of offers of shares by the Company to the public since incorporation and ancillary information is set out in **Annexure 2**.

(c) Constitution

Extracts from the Company's constitution are set out in Annexure 3.

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6. EMPLOYEES

As at the last practicable date, SREE AGRO did not have any employees. Employees will be hired as and when trading activities will start.

SREE PLC on the other hand has approximately 50 employees in direct employment and more than 100 employees in indirect employment (involved in "Agro processing & Trading" activities).

7. COMMISSIONS PAID AND PAYABLE

- (a) No amount has been paid, or accrued as payable, since incorporation, as commission to any person, including commission so paid or payable to any sub-underwriter that is the holding Company or a promoter or director or officer of the Company, for subscribing or agreeing to subscribe, or procuring, or agreeing to procure, subscriptions for any securities of the Company.
- (b) Since incorporation, there have been no commissions paid or are payable in respect of underwriting by the Company.
- (c) Since incorporation, the Company has not entered into any promoter's agreements and as a result no amount has been paid or is payable to any promoter.

8. MATERIAL CONTRACTS

The Company started its operations in March 2021, and there was no material contract entered into (other than contracts entered into in the ordinary course of business) by the Company since then.

Also, as at the date of these Listing Particulars, no contract or arrangement subsists in which a director of the Company is materially interested and which is significant in relation to the business of the Group.

9. DIRECTORS AND RELATED PARTIES' INTEREST IN SHARES

As at the last practicable date, Dr. Srinivasa Rao Ravuri and Mrs Sujatha Rani Rallabhandi each held 50% of the issued shares of the Company.

None of the other directors or advisors of the Company have or have had an interest in any shares or options in respect of shares as at the last practicable date.

10. EXPENSES FOR THE SEM LISTING

The estimated expenses relating to the listing on the SEM, which have been or are expected to be incurred are set out below:

Expense	USD
SEM Listing	
Professional fees, including:-	
- Professional, advisory and sponsor fees	26,500
- Legal advisory fees	7,000
SEM application and listing fees	c.4,500
Publication costs	c.1,000
Total	
	c.39,000

Save for the expenses set out above, the Company has not incurred any other preliminary expenses relating to the SEM listing.



SECTION TWO - DETAILS OF THE SEM LISTING

1. REASONS FOR A LISTING ON THE SEM

The objective behind the listing on the SEM is to create visibility, support the Company's fund raising exercise in order to achieve its objectives as set out in paragraph 1, on page 13.

The Company has also chosen to list on the SEM with a US dollar denomination that will provide SREE AGRO with the ability to raise capital in the future, by means of placings and issue of shares to Mauritian investors as well as international investors, as and when the need arises. The SREE Group believes that its strategy of listing in Mauritius will enhance its prospects and exposure on the African continent.

Furthermore, the capital that will be raised through SREE AGRO post listing of the Company on the SEM will also be partly channelled into its subsidiary, SREE PLC, which will in turn be used towards expansion of the company's business operations in the agro processing division. The capital raised will in part be used by the Company to trade in other African countries like South Africa, DR Congo, Malawi, Tanzania, Mozambique, Kenya etc with the aim of e nabling the people in Africa to attain self-sufficiency in agriculture produce.

2. DETERMINATION OF THE LISTING PRICE

The initial listing price has been determined following a valuation exercise undertaken by the Transaction Advisor, based on Management's Financial Forecast. The two companies namely SREE AGRO and SREE PLC have been valued separately using the Discounted Cash Flow (DCF) method and under the Sum-of-the-Parts approach, the separate values have been added together to arrive at the Enterprise Value of the Group – which was in turn used to determine an equity value per share for SREE AGRO.

3. PERCENTAGE HOLDING IN PUBLIC HANDS

It is anticipated that more than 10% of the issued ordinary shares will be in public hands over the next two years.



SECTION THREE – RISK FACTORS

A number of factors may affect the result of operations, financial conditions and prospects of the Company. This section describes the risk factors which are considered by the Board to be material. However, these factors should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties. Additional risks not presently known to the Board or that the Board currently considers to be immaterial may also adversely impact the Company's business operations. The business, growth prospects, financial condition and/or results of operations of the Company could be materially adversely affected by any of these risks. The value of the shares could decline due to the materialisation of any of these risks and potential investors could lose part or all of their investment. However, the management of the Company possesses sufficient expertise to implement mitigating measures to manage the impact of such business risks. The management proactively reviews such risks periodically and remediates them through timely interventions.

1. FINANCIAL RISK

The activities of the Company's sole investee company expose it to avariety of financial risks: credit risk, liquidity risk, foreign currency risk and interest rate risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk.

2. CAPITAL AND INVESTMENT PORTFOLIO RISK

While the management of the Company will, to the best of its ability, seek to abide by all legal and regulatory frameworks, the investment in SREE PLC still carries the investment risk of a loss of capital and there can be no assurance that the Company will not incur losses. It is possible that returns generated from the Company's sole investment so far in SREE PLC may not adequately compensate shareholders for the business and financial risks assumed. An investor should be aware that it may lose all or part of its investment in the Company. Many unforeseeable events, including actions by various government agencies and domestic and international economic and political developments may cause sharp market fluctuations which could adversely affect the company's portfolios and performance both in the short and longer terms.

3. PORTFOLIO DIVERSIFICATION RISK AND RELIANCE ON SREE PLC

The success of SREE AGRO is significantly dependent upon the ability of SREE PLC to perform sufficiently well. Failure to maintain a well-diversified portfolio with a wide variety of assets, could result in a significant negative impact on shareholders' equity and the ability to pay dividends should the performance of SREE PLC be unsatisfactory.

This risk will be closely monitored by the Board of SREE AGRO. A few Board members of SREE AGRO also sit on the Board of SREE PLC, and they will in turn overview the performance of SREE PLC.

4. CURRENCY RISK

The main revenue earned by SREE AGRO will be dependent on SREE PLC. Currently all purchases made by SREE PLC are made in USD, and such will be the case after shifting the trading part to SREE AGRO as well.

Similarly, presently more than 50% of the total sales of SREE PLC are made in USD, and the company is targeting to increase same to more than 75% by selling their local produce in USD (presently only a quarter of the sales were made in USD). Eventually SREE PLC will aim at selling all USD purchases in USD only in order to minimise any currency risk.

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5. TRADING RISK

Given trading in soft commodity will also be a line of business for the Company, fluctuating prices of soft commodities that the Company trades, may negatively impact the revenue derived from trading.

SREE PLC has been trading in soft commodities since the inception of the business (which was in 2014), and the business is bottom-line focused (i.e. profit based). Various trading policies put in place by SREE PLC help the company to maintain and grow the Group's bottom-lines. Such policies *inter alia* include:

- Selling most (if not all) USD purchases in USD only;
- Conducting an annual "Supply Demand" study of the soft commodities, following which SREE PLC mainly operates on the high supply shortfall food products; and
- SREE PLC also has a wider portfolio of soft commodity products and trades in most foods in the Food Basket (Meat, Maize Flour, Rice, Edible Oil, Sugar & Salt), compared to its competitors. This gives significant advantage to the company in maintaining the trading business.

Also, shipping costs have been growing significantly during the last two year with the advent of the Covid-19 pandemic. This surge in the shipping costs may result in decrease in profit margin of the Group. The Covid-19 pandemic has adversely affected the business across the world. The risk of another wave of this pandemic still prevails, and it has the capability to negatively impact the business operations.

6. COUNTRY RISK

SREE AGRO currently leverages on the track record of the revenue earning business of its sole subsidiary, SREE PLC, which has been in operations for over 8 years in Zambia. The bulk of the trading activities of SREE Group is also carried out in Zambia.

Events that adversely affect the Zambian economy or the political situation in the country, could have a negative impact on the business and operations of SREE PLC as well, which is why SREE Group has commenced trading activities in neighbouring African countries such as DR Congo, Tanzania, South Africa, Mozambique, Kenya, and so on.

7. COMPETITOR RISK

The Group is engaged in commodity trading and entry barriers to this sector is very low. There is therefore the risk of competitors entering this arena which will have the effect of part of the Company's market share being subject to capture by those competitors, with the attendant negative impact on the Company's revenues and profitability.

Also, competitors who enter trading business of soft food commodities usually focus on either one or two products unlike SREE PLC which operates a full food basket.

Those competitors are also either Farming focussed, Aquaculture focussed or Milling focussed. SREE PLC on the other hand operates in all the three, i.e. Farming, Aquaculture & Milling all together in its developed 190 Hectare farm.

8. KEY-MAN RISK

Key man risk is the risk to the business operations if a critical employee is absent for a long period of time, which may affect business continuity and future performances. The Group has, however, appointed several experienced and trained executives to run the operations. Further details on the Management team can be found **in Annexure 1.** The Company is also implementing Good Governance practices at the level of the Board, which comprises a proper balance of independent non-executive directors and executive directors, to ensure that strategic decisions and oversight are not dependent on a sole person.



9. STAKEHOLDER RISK

As SREE Group's main investment focus is in African countries, its stakeholder relationships need to be carefully managed in order to create the required value for all participants in projects and to manage contracts efficiently. Stakeholder relations could severely impact the viability and pr of tability of a pr oject, if not managed appropriately.

10. POLITICAL RISK

Political risk, broadly referring to losses caused by the exercise of political power (or lack thereof), is identified as being of increasing importance to global markets, given the shifting political landscapes in many Western economies. While political uncertainty will continue to be a major issue for Africa-focused investors, the Continent's political situation is not uniform. There are distinct and distinguishable types of political risk which might pertain to the political stability for a country, individual sectors and individual companies or projects of national importance.

11. REGULATORY RISKS

Legal or regulatory change may affect the Company and impose potential limits on the Company's flexibility in implementing its strategy. Any change to laws and regulations relating to the areas in which the Company operates may have an adverse effect on the Company. The levels of, and relief from, taxation may change, adversely affecting the financial prospects of the Company and/or the returns to shareholders. The Company is subject to the tax authorities within the jurisdictions it operates and taxes and tax dispensations accorded to the Company may change over time. The nature and amount of tax payable is dependent on the availability of relief under tax treaties in a number of jurisdictions and is subject to changes to the tax laws or practice in any other tax jurisdiction affecting the Company. Any change in the terms of tax treaties or any changes in tax law, interpretation or practice could increase the amount of tax payable by the Company and could affect the value of the investments held by the Company or affect its ability to achieve its investment objective and alter the post-tax returns to shareholders. The level of dividends the Company is able to pay could also be potentially adversely affected.

12. ENVIRONMENTAL AND SOCIAL RISK

These risks include environmental risks such as pills, accidents, dirty energy, effluents, water contamination, climate change, natural disasters, destruction of biodiversity, and social risk such as labour unrest, human accidents, ill health and diseases, child labour and displacement of people to name a few. The Company, at Group level, has a high standard for environmental and social risk management, and as such only invests with parties that have experience in addressing environmental and social risks and who also consider appropriate mitigants.

13. TAX

The Company has structured the parent-subsidiary relationship in a manner that is tax-efficient for its shareholders. The Company also has a well laid out corporate as well as local transfer pricing guidelines, which have been vetted and implemented by design.

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SECTION FOUR - STATEMENTS AND REPORTS REGULATING THE SEM LISTING

1. WORKING CAPITAL

The directors of the Company, are of the opi nion that, following the SEM listing, the working capital available to the Company will, from the date of the SEM listing, be sufficient for its present requirements, i.e. at least for the next 12 months.

2. LISTING AND DEALINGS ON THE SEM

An application has been made for the listing of up to 5,100,000 ordinary shares of the Company on the SEM Official Market, which will be listed on 30 May 2022 by way of introduction.

3. SIGNIFICANT CHANGES

There has been no significant change in the financial or trading position of SREE AGRO since 31 December 2021, the date on which the financial information of the Company set out in **Annexure 5** was prepared.

There have been no material changes in the business of SREE AGRO since incorporation, and no change in the nature of the Company's business nor any divestment whatsoever from its subsidiary company SREE PLC is being contemplated presently or for at least the next 3 years.

Similarly, there has also been no significant change in the financial or trading position of SREE PLC since its last audited financial statements have been prepared. SREE PLC also changed its financial year end to 31 December in order to align with that of its parent company, SREE AGRO. The unaudited financial statements of SREE PLC for the period ended 31 December 2021 have also been included in **Annexure 6**. Reference can also be made to **Annexure 7**, which contains the Accountant's Report thereby summarising the audited financial statements of SREE PLC over the past three financial years (i.e. for the years ended 31 March 2019, 31 March 2020 and 31 March 2021).



SECTION FIVE – ADDITIONAL MATERIAL INFORMATION

1. HISTORICAL FINANCIAL INFORMATION

- (a) Given that SREE AGRO is a newly incorporated company, there is no historical financial information available.
- (b) The audited consolidated financial statements of SREE AGRO for the period ended 31 December 2021 is set out in **Annexure 5**. The preparation of the se financial information fall under the responsibility of the directors of SREE AGRO.
- (c) An Accountant's Report prepared by SREE PLC's external auditors and covering the financial years ended 31 March 2019, 31 March 2020 and 31 March 2021, is set out in Annexure 7 and falls under the responsibility of the board of directors of SREE PLC. The audited financial statements of SREE PLC for the period ended 31 December 2021 are also enclosed in Annexure 6.

2. DIVIDENDS AND DISTRIBUTIONS

- (a) Subject to the laws of Mauritius, the directors have absolute discretion as to the payment of any dividends, including interim dividends, on the shares. Any dividends will be paid in accordance with the laws of Mauritius. In addition, the directors may, in their discretion, declare scrip dividends in the form of a bonus issue of additional shares in lieu of a cash dividend.
- (b) Subject to section (c) and (d) hereof, the Company intends to distribute to ordinary shareholders 50% of the amount of profit remaining after tax as dividend, on an annual basis.
- (c) No dividend shall be declared or paid unless the directors are satisfied or have reasonable grounds that immediately after the dividend, the value of the Company's assets will exceed its liabilities plus stated capital and the Company will be able to pay its debts as they fall due.
- (d) It should be noted that as the objective of the Company is long-term capital growth, there may be periods in respect of which dividends may be low or withheld and re-injected in the Company. The amount of any dividend will be at the complete discretion of the Board and will depend on a number of factors, including expectation of future earnings, capital requirements, financial conditions, future prospects, laws relating to dividends, and other factors that the Board deems relevant.
- (e) No dividends have been declared as of the last practicable date.
- (f) No shares of the Company are currently in issue with a fixed date on which entitlement to dividends arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.

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3. INFORMATION ON SUBSIDIARIES

As at the last practicable date, the sole subsidiary of SREE AGRO consists of SREE PLC. SREE AGRO currently holds 99.99 % of the shares of SREE PLC, which acquisition was made in July 2021.

For the purpose of this acquisition, a loan amount of USD 10 million has been advanced by the shareholders to the Company, which has been used to acquire the equity stake in SREE PLC. Subsequently, in December 2021, part of the total loan advanced were capitalised in exchange of shares, i.e. a loan amount of USD 5,000,000 was converted into equity capital (USD 1.00 per share). The additional 5,000,000 ordinary shares at USD 1.00 each were issued to Dr. Srinivasa Rao and Mrs Sujatha Rani Rallabhandi (in an equal proportion).

For further information relating to SREE PLC, reference can be made to Section one, page 13.

4. ACQUISITIONS

Other than the information disclosed in Section 3 above, no other material immovable properties, fixed assets, securities and/or business undertakings have been acquired by the Company since incorporation or are in the process of being or are proposed to be acquired by the Company (or which the Company has an option to acquire).

5. DISPOSALS

No material immovable properties, fixed assets, securities and/or business undertakings have been acquired by the Company since incorporation or are in the process of being or are proposed to be acquired by the Company (or which the Company has an option to acquire).

6. ADVANCES, LOANS AND BORROWING

- (a) A loan amount of USD 10,000,000 was advanced by the shareholders to the Company, which was used to acquire their respective equity stakes in SREE PLC. In December 2021, part of that loan (USD 5 million) was capitalised through the issue of 2,500,000 additional ordinary shares to each existing shareholder at USD 1.00 per share. As at the date of these Listing Particulars, there is a loan amount of USD 5,000,000 which is due to the Shareholders. No other material loans were advanced by or to the Company (including by the issue of debentures);
- (b) An amount of USD 11,950 is recorded in the accounts of SREE AGRO as at 31 December 2021 as loan from shareholders, which loan has been advanced to SREE AGRO to facilitate payment of expenses incurred in its setting up phase. No other shareholders' loans were recorded in the Company's statement of financial position;

As at the last practicable date:-

- (a) No other loans receivable is outstanding;
- (b) No other loan capital is outstanding in the Company;
- (c) No loans have been made or security furnished by the Company to or for the benefit of any director or manager or associate of any director or manager of the Company; and
- (d) There were no outstanding convertible debt securities.

7. CORPORATE GOVERNANCE

- (a) SREE AGRO is fully committed to complying with the National Code of Corporate Governance for Mauritius (2016).
- (b) In so doing, the directors recognise the need to conduct the enterprise with integrity and in accordance with generally acceptable corporate practices. This includes timely, relevant and



meaningful reporting to its shareholders and other stakeholders and providing a proper and objective perspective of the Company and its activities.

(c) The directors shall, accordingly, establish mechanisms and policies appropriate to the Company's business according to its commitment with best practices in Corporate Governance in order to ensure compliance with the National Code of Corporate Governance for Mauritius (2016). The board will review these mechanisms and policies from time to time.

8. LITIGATION

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

It should however be noted that a supplier of edible oil to SREE PLC recently entered into a legal dispute with the company. As per the service contract in place between the supplier and SREE PLC, one month credit is provided to the company which is secured against a USD 4 million performance bond from an insurance company, FOCUS Insurance. Similarly, SREE PLC sells the product in the market passing the same one month credit to its customers.

In order to secure the liability of the company against the supplier, FOCUS Insurance mortgaged the lands of SREE PLC worth USD 4 million.

Subsequently, in 2019, the supplier refrained from supplying edible oils to SREE PLC in order to recover their credit that has been accumulated, which amounted to approximately USD 1.5 million. Given SREE PLC passes on the credit to its customers, at time the supplier wanted to recover its credit, the money was stuck in the market.

Albeit it was the insurance company's responsibility to step in and settle the outstanding amount given the supplier called on the insurance bond, the court ruled that the lands mortgaged with FOCUS Insurance had to be sold to repay the supplier. Any amount remaining out of the sale of the lands would be handed over to SREE PLC. However it should be highlighted that the lands in question do not form part of the books of SREE PLC, and accordingly there shall be no change of financial status for SREE PLC after it has satisfied the amount due to the supplier.

SREE PLC does not have any other material information to be disclosed that might affect the financial status of the latter company.

9. MATERIAL COMMITMENTS, LEASE PAYMENTS AND CONTINGENT LIABILITIES

The Company does not have any capital commitments, financial lease payments and contingent liabilities as at the last practicable date, other than in the ordinary course of business.

10. MATERIAL COMMITMENTS IN RESPECT OF ACQUISITION AND ERECTION OF BUILDINGS, PLANT AND MACHINERY

As at the last practicable date, the Company does not have any material commitments for the purchase and erection of buildings, plant or machinery.

11. PRINCIPAL IMMOVABLE PROPERTY LEASED OR OWNED

As at the last practicable date, the Company does not own any immovable property nor has the Company entered into any leases in respect of immovable property.





12. TAXATION

Mauritian taxation provisions

As from 1 January 2019, an income tax exemption of 80% (Partial Exemption Regime) applies to the following streams of income of all tax resident Companies in Mauritius including companies holding a Global Business Licence:

- a) Foreign source dividend, provided that the dividend has not been allowed as a deduction in the source country
- b) Interest
- c) Profit attributable to a permanent establishment which a resident company has in a foreign country
- d) Income derived by a Collective Investment Scheme (CIS), Closed End Fund, CIS Manager, CIS Administrator, Investment Advisor or Asset Manager licensed or approved by the FSC
- e) Foreign income derived by a company engaged in ship and aircraft leasing
- f) Income derived by a company from reinsurance and reinsurance brokering activities
- g) Income derived by a company from leasing and provision of international fibre capacity

Other than the foreign source dividend, the partial exemption shall be granted provided that the Company:

- (i) Carries out its core income generating activities in Mauritius
- (ii) Employs, directly or indirectly, an adequate number of suitably qualified persons to conduct its core income generating activities; and
- (iii) Incurs a minimum expenditure proportionate to its level of activities

Any other income derived by SREE AGRO shall be taxed at the rate of 15%, apart from income derived from trading activities which will be taxed at 3% since the shipment of goods by SREE AGRO will be made directly by the shipper in the original exporting country to the final importer in the importing country, without the goods being physically landed in Mauritius.

It is to be noted that if a company claims the partial exemption with respect to any of the specified abovementioned income, it will not be eligible to claim credit for actual foreign taxes suffered on such income.

Under the Mauritius fiscal regime as at the last practicable date:

- There are no withholding taxes on dividends distributed by a company to its shareholders and no capital gains taxes. Accordingly, the capital gains realised by a non-resident shareholder on the disposal of its shares in the company are not subject to tax in Mauritius.
- However, the nature and amount of tax payable by the company is dependent on the availability of relief under the various tax treaties in the jurisdictions in which the Board chooses to invest from time to time.
- o Royalty paid to a non-resident by the company out of its foreign source income is tax exempt.

13. DOCUMENTATION AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Company's registered office during business hours from the date of issue of the Listing Particulars for a minimum period of 14 calendar days:

- (a) the signed Listing Particulars;
- (b) the Constitution of the Company;

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- the audited consolidated financial statements of SREE AGRO for the period ended 31 December (c)2021;
- the audited financial statements of SREE PLC for the period ended 31 December 2021; (d)
- the Accountant's Report of SREE PLC dated 31 December 2021; and (e)
- the signed audited financial statements of SREE PLC for the years ended 31 March 2019, 2020 (f) and 2021.

DIRECTORS' RESPONSIBILITY STATEMENT

14.

The directors whose names are given in Annexure 1:

- have considered all statements of fact and opinion in these Listing Particulars; (a)
- collectively and individually, accept full responsibility for the accuracy of the information given; (b)
- certify that, to the best of their knowledge and belief, there are no facts the omission of which (c) would make any statement false or misleading;
- have made all reasonable enquiries in this regard; and (d)
- certify that, to the best of their knowledge and belief, these Listing Particulars contains all (e) information required by law and the Listing Rules.

SIGNED ON 2 MAY 2022 FOR AND ON BEHALF OF SREE AGRO LIMITED

R: Shim VMSa Las Dr. Srinivasa Rao Ravuri,

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who warrants that he is duly authorised thereto by resolution of the board of directors of SREE AGRO.



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DIRECTORS, EXECUTIVE MANAGEMENT, FOUNDERS, APPOINTMENT, QUALIFICATION, REMUNERATION AND BORROWING POWERS

1. FULL NAMES, NATIONALITIES, AGES, BUSINESS ADDRESSES, ROLES, QUALIFICATIONS, OCCUPATIONS AND EXPERIENCE OF EACH DIRECTOR

The full names (including former names, if applicable), ages, nationalities, qualifications, roles, business addresses, occupations and experience of each of the directors of the Company and the proposed directors of the Company and executive management are set out below:

DIRECTORS OF SREE AGRO					
Director name, age, nationality and qualification	Role	Business / Residential address	Occupation and experience (profile)		
Dr. Srinivasa Rao Ravuri 53, Indian Doctorate, Agronomics (Honorary) & Doctorate in Finance.	Executive Director & Chairman	c/o GlobalServe Management Limited First Floor, Standard Chartered Tower, Bank Street, Cybercity, Ebene, Mauritius	Dr. Srinivasa at present holds 50% shareholding in SREE AGRO.He has ex tensive experience in Soft Commodities, FMCG & OTC products. He has over 30 years of experience, out of which 20 years he was employed in management and upper management positions.		
Mahmood Bashir Nabeebokus 48, Mauritian FCCA	Non-Executive Director	Veeragoo Lane, Gebert Road, Rose- Belle, Mauritius	Bashir is the Managing Director of GlobalServe Management Limited.He reckons over 20 years of experience in the Mauritius global business sector with an enriched exposure in business development, marketing, fund/company set up, structuring and administration, company secretarial, accounting, net asset value calculation, international tax planning, compliance functions along with a strong client and people relationship management skills among others.		
Nageswara Rao Varanasi 55, Indian Chartered Accountant	Independent Non- Executive Director	Farm No. LN- 10021/20/1; Masaiti, Ndola, Copperbelt province, Zambia, 230045	Being a qualified charted accountant having close to 30 years experience in Accounting & Finance functions; out of which 15 years as CFO. Nageswara is currently the Chief Financial Officer of Sree PLC Zambia, with the responsibility to oversee the entire financial operations of the organisation with chief responsibilities towards Finance & A ccounts, Business Plans, Project Finance, Auditing, Cost Management and People Management Prior to joining SREE PLC Zambia, he was the Financial Controller at Global Plantations Limited, a farming company based in Zambia growing oil based seeds.		
Sujatha Rani Rallabhandi 51, Indian Bachelor's Degree, Maths Fellowship, Insurance Institute of India	Non-Executive Director	c/o GlobalServe Management Limited First Floor, Standard Chartered Tower, Bank Street,	Mrs. Rallabhandi at present holds 50% shareholding in SREE AGRO. Sujatha is currently the Chairman and Managing Director of the Indian Institute of Enterprise Management in India. Prior to this		

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	DIRE	CCTORS OF SREE AGE	80
Director name, age, nationality and qualification	Role	Business / Residential address	Occupation and experience (profile)
		Cybercity, Ebene, Mauritius Mauritius	she worked for Life Insurance Corporation of India in various functions & departments.
Sahjahan Ally Nauthoo 47, Mauritian FCCA	Independent non- executive director	Royal Road, Camp de Masque Pave , Mauritius	Sahjahan is the compliance director and MLRC of GlobalServe Management Limited. He has 17 years of professional experience in the globa business sector and 2 years of experience in the field of banking and finance. He previously worked for management companies like Apes Fund Services, IQEQ Mauritius and Triden Trust amongst others.
			Nirav is a qualified Mechanical Engineer with more than a decade experience in supply chair function. He has extensive experience in Soft Commodities, FMCG & OTC products Crushing Products (i.e. Soya Cake, Cottor Cake, Sunflowe Cake etc)
Nirav Dineshkumar Zala 38, Indian Bachelor's Degree, Mechanical Enginering	ndian . nelor's Degree, Executive director	Farm No. LN- 10021/20/1; Masaiti, Ndola, Copperbelt province, Zambia, 230045	Nirav is currently the Chief Executive Officer of Sree PLC Zambia. Prior to this, he worked for Batliboi Ltd in India and Global Industries Ltd in Zam bia. Over the years, Nirav has acquired significant experience in managing globally all type of import & export transit cargos, budgeting and planning funds for procurements and outsourcing of materials while ensuring optimum utilisation of materials, maximum cost savings & meeting anticipatory orders for monthly sale.
			Nirav is also a committed marketing professional with experience in the corporate arena, and possesses a proven track record or selling commodities products.
			Den is presently the Head of Compliance of Butterfield Mauritius Limited, which is a subsidiary of Butterfield Group (Banking and Fiduciary Services).
Mr. Mohammad Sallah-Ud- Din (Den) Surfraz 51, Mauritian FCCA, Certified Fraud	n (Den) Surfraz Mauritian CA, Certified Fraud	Teeluck Lane, Eau Coulee, Castel, Mauritius	He has more than 30 years' experience in Financial Crimes investigations, Risk Management and Compliance. His previous position was with Citco as Global Operations Control and KYC AML Manager. He has also worked as Head of Compliance of Barak Fund Management Limited and as investigator at the Financial Intelligence Unit of Mauritius. He
Examiner			started his career as a Police officer mainly with the Anti-Drugs and Smuggling Unit (ADSU) in 1990. Den is a Global Council Member of the Association of Certified Chartered Accountan (ACCA); Chairman of Mauritius Institute o Professional Accountant (MIPA) and is a Board member the Financial Reporting Council (FRC of Mauritius. He also occupied the position o

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DIRECTORS OF SREE AGRO					
Director name, age, nationality and qualification	Role	Business / Residential address	Occupation and experience (profile)		
			Chairperson of ACCA Mauritius Network Panel (2019-2020).		

The table below lists the companies and partnerships of which each director of the Company is currently a director or partner as well as the companies and partnerships of which each director of the Company was a director or partner over the five years preceding these Listing Particulars:

	DIRECTORS OF SREE AGRO		
Director	Directorships currently held	Directorships held in past 5 years	
Dr. Srinivasa Rao Ravuri	SREE AGRO SREE PLC	Indian Institute of Enterprise Management Limited, African Open University (Zambia) SREE HEALTHCARE LIMITED (Zambia)	
Mr. Mahmood Bashir Nabeebokus	SREE AGRO MBN Global Services Limited Seasmile Limited Bluella Travel & Tours Limited Imperial Secretarial Services Limited GlobalServe Management Limited ALLGREAT Luxuries Trading Ltd Integrated Store & Solar Power Limited Arina Group Holding Ltd Dulcet Services Limited Erudite Design Ltd Whiteweb Ltd Al Qamar Investments Limited	Nile Investment Limited	
Mr. Nageswara Rao Varanasi	SREE AGRO SREE PLC (Zambia)	Indian Institute of Enterprise Management Limited, African Open University (Zambia)	
Mrs. Sujatha Rani Rallabhandi	SREE AGRO	Indian Institute of Enterprise Management Limited,	
Mr. Sahjahan Ally Nauthoo	Imperial Secretarial Services Limited ClarityLabs Limited	Alliancebernstein India Growth (Mauritius) Limited Asia Vision Fund Avendus India Growth Leaders Fund Emerging India Focus Funds Emerging Markets Investment Fund 1a Heif Feeder Fund Hfiof Feeder Fund Hidden Champions Fund Iifl Opportunities Funds (1 to 9) Lakedale Fund Sankore FUND PCC SBI India Access Fixed Tenure Debt Fund SBI India Opportunities Fund SBI Resurgent India Opportunities Fun Strategic India Equity Fund Tantallon India Fund	

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DIRECTORS OF SREE AGRO				
Director	Directorships currently held	Directorships held in past 5 years		
		Varanium India Opportunity Ltd		
Mr. Nirav Dineshkumar Zala	SREE AGRO	African Open University (Zambia)		
	SREE PLC (Zambia)			
Mr. Mohammad Sallah-Ud-Din Surfraz	SREE AGRO	Chairperson of ACCA Mauritius		
	SREE PLC (Zambia)	Network Panel		
	Global Council ACCA – UK			
	Chairman of Mauritius Institute of			
	Professional Accountant (MIPA)			
	Board Member at the Financial			
	Reporting Council			

2. REMUNERATION OF THE DIRECTORS OF SREE AGRO

(a) The remuneration and benefits anticipated to be paid by the Company to the directors of SREE AGRO in their capacity as directors (or in any other capacity) for the financial year ending 31 December 2022 will be as set out below:

USD Director	Basic salary	Director's fees	Other fees	Performance bonus	Expense allowance	Pension scheme contribu- tions	Commi- ssions	Shares or share options or similar rights	Share of profit	Total
Dr. Srinivasa Rao Ravuri	-	-	-	-	-	-	-	-		
Mahmood Bashir Nabeebokus	-	2,500	1,000	-	-	-	-	-	-	3,500
Nageswara Rao Varanasi	-	-	-	-	-	-	-	-		
Sujatha Rani Rallabhandi	-	-	-	-	-	-	-	-		
Sahjahan Ally Nauthoo	-	2,500	1,000	-	-	-	-	-	-	3,500
Nirav Dineshkumar Zala	-	-	-	-	-	-	-	-		
Mohammad Sallah-Ud- Din Surfraz	-	2,500	1.000	-	-	-	-	-	-	3,500
Total	-	7,500	3,000	-	-	-	-	-	-	10,500

The Company is currently negotiating with the remaining directors with regard to director's fees payable to them. This process is expected to be completed in second quarter of 2022.

3. DIRECTORS' INTERESTS IN SECURITIES

The table below sets out the direct and indirect interests of the directors of the Company, including any directors who may have resigned during the last 18 months, in SREE AGRO's issued ordinary share capital as at the last practicable date:



	Number	of shares		% of issued ordinary share capital	
Directors	Indirect	Direct	Total		
Dr. Srinivasa Rao Ravuri	-	2,550,000	2,550,000	50%	
Mrs. Sujatha Rani Rallabhandi	-	2,550,000	2,550,000	50%	

4. DIRECTORS' INTERESTS IN TRANSACTIONS

- (a) Besides Dr Srinivasa Rao Ravuri and Mrs Sujatha Rani Rallabhandi (with reference to the acquisition of 99.99% shareholding in SREE PLC by SREE AGRO), who are the current sole shareholders of the Company and also form part of the Board, none of the other directors have had any material beneficial interest, direct or indirect, in transactions entered into by the Company:
 - during the current financial year; or
 - during the two preceding financial years; or
 - during any earlier financial year and which may still be outstanding.
- (b) No amount has been paid to any director (or to any Company in which he is interested (whether directly or indirectly) or of which he is a director or to any partnership, syndicate or other association of which he is a member) in the three years preceding the date of these Listing Particulars (whether in cash or securities or otherwise) by any person either to induce him to become or to qualify him as a director or otherwise for services rendered by him (or by the associate identity) in connection with the promotion or formation of the Company.

5. DIRECTORS' INTERESTS IN PROPERTY ACQUIRED OR TO BE ACQUIRED

Besides Dr Srinivasa Rao Ravuri and Mrs Sujatha Rani Rallabhandi, none of the other directors have had any material beneficial interest, direct or indirect, in any property acquired or proposed to be acquired by the Company or otherwise in the three years preceding the date of issue of these Listing Particulars and no amount has been paid during this period, or is proposed to be paid to any director.

6. TERMS OF OFFICE

None of the directors have entered into a service contract with the Company and accordingly the appointment of the directors is indefinite but remains subject to all applicable laws and the provisions of the Company's Constitution.

7. CONSTITUTION

The relevant extracts of the Constitution of the Company providing for the appointment, qualification, retirement, remuneration and borrowing powers of the directors and the powers enabling a director to vote on a proposal, arrangement or contract in which he is materially interested are set out in **Annexure 3**.

8. BORROWING POWERS

As set out more fully in **Annexure 3**, the borrowing powers of the Company exercisable by the directors are unlimited and, accordingly, have not been exceeded since incorporation.

9. SUMMARY OF EXISTING OR PROPOSED CONTRACTS (WHETHER WRITTEN OR ORAL) RELATING TO DIRECTORS' AND MANAGERIAL REMUNERATION, RESTRAINT PAYMENTS, ROYALTIES AND SECRETARIAL AND TECHNICAL FEES

- (a) There are no existing or proposed contracts (whether written or oral) relating to directors or managerial remunerations, restraint payments, royalties or secretarial and technical fees.
- (b) There were no other contracts or arrangements in which the directors were materially interested, and which were significant in relation to the business of the Company.

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SHARE CAPITAL AND SHAREHOLDING

1. MAJOR AND CONTROLLING SHAREHOLDERS

As at the date of these Listing Particulars, the following shareholders held 5% or more of the issued ordinary shares in SREE AGRO:

Name o	of Shareholder	Number of shares held	Percentage of issued ordinary share capital
1.	Dr Srinivasa Rao Ravuri	2,550,000	50%
2.	Mrs Sujatha Rani Rallabhandi	2,550,000	50%
Total			100%

Note: All shares issued as at the Last Practicable Date, are in registered form.

2. SHARES ISSUED OTHERWISE THAN FOR CASH

No shares have been issued or agreed to be issued otherwise than for cash by the Com pany since incorporation.

3. COMPANY'S SHARE CAPITAL

The issued share capital of the Company, immediately before the SEM listing is as follows:

Stated Capital	USD
Issued shares	
5,100,000 ordinary shares of no par value	5,002,350
Total	5,002,350

- (a) The Company does not hold any treasury shares.
- (b) As per Clause 10.4 of the Constitution, the members in general meeting may authorise the Board to issue shares and/or grant options at any time to any person.
- (c) The capital of the Company shall consist of the following class of shares and confer the rights set out below:

(i) Ordinary shares

The ordinary shares shall be no par value listed shares (on the Official Market of the SEM) in the share capital of the Company.

(ii) Ordinary shares shall confer on the holders thereof the rights as provided under the Companies Act 2001 and its Constitution, i.e.:-

- the right to one vote on a poll at a meeting of the Company on any resolution;
- the right to an equal share in dividends authorised by the Board; and
- the right to an equal share in the distribution of the surplus assets of the Company.

- (d) All the ordinary shares to be issued in terms of these Listing Particulars will be of the same class and will rank *pari passu* with all other issued ordinary shares of the Company (if any).
- (e) In terms of Mauritian law, the Company does not have an authorised share capital. Under Mauritian law, the stated capital of the Company is made up of the shares issued by the Company.

4. ALTERATIONS TO SHARE CAPITAL OF THE COMPANY

- (a) The Company was incorporated on 1 March 2021 as a domestic company with a share capital of 100,000 ordinary shares of no par value (issued at MUR 1 per share), and were allotted to Dr. Srinivasa Rao and Mrs Sujatha Rani Rallabhandi (in an equal proportion).
- (b) The Company was thereafter converted into a global business company, following which the existing stated capital of MUR 100,000 was converted into stated capital of USD 2,350 (i.e. 1 ordinary share was valued at USD 0.0235 per share).
- (c) In December 2021, the Company issued an additional 5,000,000 ordinary shares at USD 1.00 each to Dr. Srinivasa Rao and Mrs Sujatha Rani Rallabhandi (in an equal proportion).

The shares were issued as part of the shareholder loan capitalisation process, whereby part of the total loan advanced by the current shareholders to the Company (to acquire the equity stake in SREE PLC and to facilitate payment of expenses in the setting up phase) were capitalised in exchange of shares, i.e. a loan amount of USD 5,000,000 was converted into equity capital. The remaining loan of USD 5,011,950 is still repayable to the current shareholders.

- (d) As at the date of this document, the total number of ordinary shares in issue by the Company is 5,100,000.
- (e) Other than the information provided above, since the last practicable date, there have been no further alterations to the Company's share capital. Accordingly:
 - (i) there have been no issues or offers of securities of the Company since the last practicable date;
 - (ii) there have been no other consolidation or subdivision of shares in the Company since the last practicable date;
 - (iii) no offer for shares in the Company was made to the public since the last practicable date;
 - (iv) no share repurchases were undertaken by the Company since the last practicable date; and
 - (v) there has been no amount payable by way of premium on any share issued by the Company since the last practicable date.

5. FOUNDERS AND MANAGEMENT SHARES

Save for the details set out in paragraph 3 of Annexure 1:

- (a) There are no deferred shares.
- (b) As at the last practicable date, Dr. Srinivasa Rao Ravuri and Mrs Sujatha Rani Rallabhandi each held 50% of the issued shares of the C ompany. There are other no shares held as at the last practicable date by any other director of the Company.
- (c) As SREE AGRO does not own any physical property nor has entered into agreement to acquire any physical property as at the last practicable date, the directors of SREE AGRO do not have any material interest in any acquisition or disposal of any properties.



6. OPTIONS AND PREFERENTIAL RIGHTS

- (a) There are no other preferential conversion, redemption and/or exchange rights in respect of any of the shares or other securities.
- (b) There are no contracts, arrangements or proposed contracts or arrangements whereby any option or preferential right of any kind was or is proposed to be given to any person to subscribe for or acquire any shares in the Company.

7. FRACTIONS

No fractions of shares have been or will be issued.





EXTRACTS FROM THE CONSTITUTION OF THE COMPANY

"CAPITAL

- 4.1 Subject to the provisions of the Listing Rules of the Stock Exchange of Mauritius Ltd ("SEM Rules"), the requirements of any other exchange on which the company is listed and pursuant to Section 52 of the Mauritian Companies Act, 2001 (Act 15 of 2001) as amended ("Companies Act 2001"), the board may only issue unissued shares where shares of that particular class are listed and/or grant options if such shares have first been offered to existing Members in proportion to their shareholding on such terms and in accordance with such procedures as the board may determine, unless such shares are issued for the acquisition of assets by the company. Notwithstanding the foregoing, Members in a meeting of Members may authorise the directors to issue unissued securities, and/or grant options to subscribe for unissued securities, as the directors in their discretion deem fit, provided that the corporate action(s) to which any such issue or grant of options relates, has/have to the extent required been approved by the Stock Exchange of Mauritius Ltd ("SEM").
- 4.2 No shares or any interest or right to the shares shall be issued or granted by the company to bearer.
- 4.3 The company may by way of special resolution from time to time and in accordance with the Companies Act 2001:
 - 4.3.1. create any class of shares;
 - 4.3.2. increase or decrease the number of shares of any class of the company's shares;
 - 4.3.3. consolidate and reduce the number of the company's shares of any class;
 - 4.3.4. subdivide its shares of any class by increasing the number of its issued shares of that class without an increase of its capital;
 - 4.3.5. change the name of the company;
 - 4.3.6. convert one class of shares into one or more other classes, save where a right of conversion attaches to the class of shares created; or
 - 4.3.7. subject to paragraph 14.6, vary any preference rights, limitations or other terms attaching to any class of shares.
- 4.4 Where the company issues shares which do not carry voting rights, the words "non-voting" shall appear in the designation of such shares.
- 4.5 Where the company issues shares with different voting rights, the company shall designate each class of shares, other than those with the most favorable voting rights, by inserting the words "restricted voting" or "limited voting".
- 4.6 The shares, shall unless otherwise stated, be fully paid up when issued and rank *pari passu* in all respects as amongst themselves including as to participation in the profits of the company.
- 4.7 The capital of the company shall consist of ordinary no par value shares and having attached to them the following rights: -
 - (i) The right to one vote on a poll at a meeting of the company on any resolution;
 - (ii) The right to an equal share in dividends authorised by the board; and
 - (iii) The right to an equal share in the distribution of the surplus assets of the company.



4.8 After the first allotment of shares by the directors, any further shares proposed to be issued wholly for cash consideration (which shall include a release of a liability of the c ompany for a liquidated sum or an undertaking to pay cash to the company at a further date) shall first be offered to the Members in proportion as nearly as may be to the number of the existing shares held by them respectively unless the Members by special resolution and the board by resolution otherwise direct.

5. ALTERATION OF CONSTITUTION

The company may in accordance with the Companies Act 2001 alter its Constitution or any provision therein by special resolution of the Members provided that prior written approval has been sought and obtained from the SEM for such alteration.

6. SPECIAL RESOLUTIONS

A special resolution must be passed by a majority of not less than 75% (seventy-five percent) of the votes cast by all Members entitled to do so, present in person or represented by proxy, at a general meeting of which notice of not less than 21 days specifying the intention to propose the resolution has been duly given.

7. TYPE OF COMPANY

The company is a public company limited by shares.

8. REGISTERED OFFICE

The Registered Office of the company will be at c/o GlobalServe Management Limited, 1st Floor Standard Chartered Tower, Bank Street, Cybercity, Ebene, Mauritius or in such other place as the board of directors of the company (the "**Board**") may from time to time determine.

9. BALANCE SHEET DATE

The Balance Sheet Date of the company is 31 December. A copy of the annual report must be distributed to Members at least 14 days before the date of the Annual Meeting at which they will be considered. (For the purpose of this Constitution, "Annual Meeting" shall mean the annual meeting of the Members in accordance with Section 115 of the Companies Act 2001 and Special Meeting" mean a meeting of Members in accordance with Section 116 of the Companies Act 2001 and "meeting of Members" shall mean either an Annual Meeting or a Special Meeting).

The company shall deliver a copy of its annual report to the Registrar of Companies for registration at the same time as it delivers its financial statements to the Registrar of Companies.

10. TRANSFER OF SHARES

- 10.1 Subject to the provisions of this Constitution, where shares are listed on the SEM or on another securities exchange, the shares of the company shall be freely transferable and free from any lien. Each Member may transfer, without payment of any other charges, save Brokerage Fees payable in relation to such transfer, all or any of his shares which have been fully paid.
- 10.2 For so long as the company shall be admitted for listing on the SEM, a Member wishing to transfer its shares, shall where physical Share Certificates have been issued to that Member, cause its shares to be dematerialised.
- 10.3 For so long as the company shall be admitted for listing on the SEM, all shares transferred must be in the dematerialized form and must be conducted through the Automatic Trading System in accordance with the Trading Procedures.
- 10.4 In respect of shares held in certificated form and where such shares have not been listed on the SEM, every instrument of transfer shall be executed by or on behalf of the transferor. Every instrument of transfer shall be left at the registered office of the company (or such other place as the board may from time to time determine) at which it is presented for registration accompanied by the certificate of the shares so



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transferred, and/or such other evidence as the company may require, to prove the title of the transferor of his rights to transfer the shares. All authorities to sign instruments of transfer granted by Members for the purpose of transferring shares which may be lodged, produced or exhibited with or to the company at its registered office (or such other place as the Board may from time to time determine) shall, as between the company and the grantor of such authorities, be taken and deemed to continue and remain in full force and effect and the company may allow the same to be acted upon until such time as express notice in writing of the revocation of the same shall have been given and lodged at the company's registered office (or such other place as the board may from time to time determine) at which the authority was lodged, produced or exhibited. Even after the giving and lodging of such notice, the company shall be entitled to give effect to any instrument signed under the authority to sign, and certified by any officer of the company, as being in order before the giving and lodging of such notices. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect of it.

- 10.5 Transmission of shares
 - 10.5.1 If title to a share passes to a Transmittee, the company may only recognise the Transmittee as having any title to that share.
 - 10.5.2 A Transmittee who produces such evidence of entitlement to shares as the directors may properly require
 - 10.5.2.1 may, subject to the provisions of this Constitution choose either to become the holder of those shares or to have them transferred to another person; and
 - 10.5.2.2 subject to the provisions of this Constitution, and pending any transfer of the shares to another person, has the same rights as the holder had.
 - 10.5.3 Transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.
- 10.6 The company shall not be bound to register more than four persons as the joint holders of any share or shares and in the case of a share held jointly by several persons. The company shall not be bound to issue more than one certificate therefor (where applicable), and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all.
- 10.7 The company shall not take any action to sell the shares of a member who is untraceable unless: -
 - (i) during a period of 12 years, at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed; and
 - (ii) on expiry of the 12 years, the company gives notice of its intention to sell the shares by way of an advertisement published in at least two widely circulated daily newspapers in Mauritius and notifies the SEM of such intention.

11. MEETINGS OF MEMBERS

- 11.1 Meetings and resolutions in lieu of meetings
 - 11.1.1 The board may convene meetings of the Members of the company at such time and in such manner and places within the Republic of Mauritius as the directors consider necessary or desirable.
 - 11.1.2 The board shall in each year convene an Annual Meeting of the Members of the company, and such Annual Meeting shall be held;
 - 11.1.2.1 not more than once in each year;
 - 11.1.2.2 not later than six months after the Balance Sheet Date of the company; and



- 11.1.2.3 not later than fifteen months after the previous Annual Meeting.
- 11.1.3 Subject to the provisions of paragraph 11.3.3, a resolution in writing signed by Members who would be entitled to vote on that resolution at a meeting of Members and who together hold not less than 75% of the votes entitled to be cast on that resolution, is as valid as if it had been passed at a meeting of those Members.
- 11.1.4 For the purposes of paragraph 11.1.3, any resolution may consist of one or more similar documents in similar form (including letters, electronic mail, or other similar means of communications) each signed or assented to by or on behalf of one or more of the Members specified in paragraph 11.1.3.
- 11.2 Procedure at Meetings of Members
 - 11.2.1 Chairperson
 - 11.2.1.1 Where the directors have elected a chairperson of the board, and the chairperson of the board is present at a meeting of Members, he shall chair the meeting.
 - 11.2.1.2 Where no chairperson of the board has been elected or if, at any meeting of Members, the chairperson of the board is not present within 15 minutes of the time appointed for the commencement of the meeting, the directors present shall elect one of their numbers to be chairperson of the meeting.
 - 11.2.1.3 Where no director is willing to act as chairperson, or where no director is present within 15 minutes of the time appointed for holding the meeting, the Members present may choose one of their numbers to be chairperson of the meeting.
 - 11.2.2 Notice of Meetings
 - 11.2.2.1 Written notice of the time and place of a meeting of Members shall be sent to every Member entitled to receive notice of the meeting and to every director, secretary and auditor of the company not less than 21 days before the scheduled date of the meeting. The giving of notice to Members whose registered address is outside Mauritius shall not be prohibited.
 - 11.2.2.2 The notice shall state:
 - 11.2.2.2.1 the nature of the business to be transacted at the meeting in sufficient detail to enable a Member to form a reasoned judgment in relation to it; and
 - 11.2.2.2.2 the text of any Special Resolution to be submitted to the meeting.
 - 11.2.2.3 Any irregularity in a notice of a meeting shall be waived where all the Members entitled to attend and vote at the meeting attend the meeting without protest as to the irregularity, or where all such Members agree in writing to the waiver.
 - 11.2.2.4 Any accidental omission to give notice of a meeting to, or the failure to receive notice of a meeting by, a Member shall not invalidate the proceedings at that meeting.
 - 11.2.2.5 The chairperson may, or where directed by the meeting, shall, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place, if the board so resolves.
 - 11.2.2.6 When a meeting of Members is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.



- 11.2.2.7 Notwithstanding anything to the contrary contained herein, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 11.3 Methods of holding meetings

A meeting of Members may be held either:

- 11.3.1 by a number of Members who constitute a quorum, being assembled together at the place, date, and time appointed for the meeting; or
- 11.3.2 by means of audio, or audio and visual, communication by which all Members participating and constituting a quorum, can simultaneously hear each other throughout the meeting.
- 11.3.3 To the extent required, a meeting called for in terms of the SEM Rules must be held in person.

11.4 Quorum

- 11.4.1 No business shall be transacted at any meeting of Members and at an adjourned or postponed meeting unless a quorum is present. The presence of three (3) Members or their proxies who are between them able to exercise, in aggregate, at least 25% of the votes to be cast on the business to be transacted by the meeting, shall constitute a quorum.
- 11.4.2 Where a quorum is not present within 30 minutes after the time appointed for the meeting:
 - 11.4.2.1 in the case of a meeting called under section 118(1)(b) of the Companies Act 2001 the meeting shall be dissolved;
 - 11.4.2.2 in the case of any other meeting, the meeting shall be adjourned to the same day in the following week at the same time and place, or to such other date, time and place as the directors may appoint; and
 - 11.4.2.3 where, at the adjourned meeting, a quorum is not present within 30 minutes after the time appointed for the meeting, the Members or their proxies present shall be quorum.
- 11.4.3 Notwithstanding anything to the contrary contained herein, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting provided that an announcement must be released on SENS and the SEM's website which announcement must address the following:
 - 11.4.3.1 the reason for the adjourned/postponed meeting;
 - 11.4.3.2 the location and time for the adjourned/postponed meeting; and
 - 11.4.3.3 the Members present in person or by proxy at the adjourned/postponed meeting will be deemed to constitute a quorum.

11.5 Voting

11.5.1 Where a meeting of Members is held in terms of paragraph 11.3.1 unless a poll is demanded, voting at the meeting shall be by whichever of the following methods is determined by the chairperson of the meeting:

11.5.1.1 voting by voice; or

11.5.1.2 voting by show of hands.



11.5.2 Where a meeting of Members is held under paragraph 11.3.2, unless a poll is demanded, voting at the meeting shall be by the Members signifying individually their assent or dissent by voice.

11.5.3 A declaration by the chairperson of the meeting that a resolution is carried by the requisite majority shall be conclusive evidence of that fact unless a poll is demanded in accordance with paragraph 11.5.4.

- 11.5.4 At a meeting of Members, a poll may be demanded by:
 - 11.5.4.1 not less than five Members having the right to vote at the meeting;
 - 11.5.4.2 a Member or Members representing not less than 10 percent of the total voting rights of all Members having the right to vote at the meeting;
 - 11.5.4.3 by a Member or Members holding shares in the company that confer a right to vote at the meeting and on which the aggregate amount paid up is not less than 10 percent of the total amount paid up on all shares that confer that right; or
 - 11.5.4.4 the chairperson of the meeting.
- 11.5.5 A poll may be demanded either before or after the vote is taken on a resolution
- 11.5.6 Where a poll is taken, votes shall be counted according to the votes attached to the shares of each Member present in person or by proxy and voting.
- 11.5.7 The chairperson of Members' meeting shall not be entitled to a casting vote.
- 11.5.8 For the purposes of paragraph 11.5:
 - 11.5.8.1 the instrument appointing a proxy to vote at a meeting of the company shall confer authority to demand or join in demanding a poll and a demand by a person as proxy for a Member shall have the same effect as a demand by the Member;
 - 11.5.8.2 subject to any rights or restrictions for the time being attached to any class of shares, every Member present in person or by proxy and voting by voice or by show of hands and every Member voting by postal vote (where this is permitted) shall have one vote.

11.6 Proxies

- 11.6.1 A Member may exercise the right to vote either by being present in person or by proxy.
- 11.6.2 A proxy for a Member may attend and be heard at a meeting of Member as if the proxy were the Member.
- 11.6.3 A proxy shall be appointed by notice in writing signed by the Member and the notice shall state whether the appointment is for a particular meeting or a specified term.
- 11.6.4 No proxy shall be effective in relation to a meeting unless:
 - 11.6.4.1 a copy of the notice of appointment is produced before the start of the meeting;
 - 11.6.4.2 any power of attorney or other authority under which the proxy is signed or a notarially certified copy shall also be produced;
 - 11.6.4.3 a proxy form shall be sent with each notice calling a meeting of the company;
 - 11.6.4.4 the instrument appointing a proxy shall be in writing under the hand of the appointer or of his agent duly authorised in writing or in the case of a corporation under the hand of an officer or of an agent duly authorised;





11.6.4.5 the instrument appointing a proxy shall be in the following form:

I/we of being Mem	bers of the abl	e named		
company hereby appointor	failing hi	m/her,		
of as my/our pro	oxy to vote for	me/us at		
the meeting of the company to be held on and at an adjournment of the meeting.				

Signed this day of.....

11.6.5 The instrument appointing a proxy shall not be effective unless it is produced at least 24 hours before the start of a meeting.

11.7 Minutes

- 11.7.1 The board shall ensure that minutes are kept of all proceedings at meetings of Members.
- 11.7.2 Minutes which have been signed as being correct by the chairperson of the meeting are prima facie evidence of the proceedings.

11.8 Members Proposals

- 11.8.1 A Member may give written notice to the board of a matter the Member proposes to raise for discussion or resolution at the next meeting of Members at which the Member is entitled to vote.
- 11.8.2 Where the notice is received by the board not less than 28 days before the last day on which notice of the relevant meeting of Members is required to be given by the board, the board shall, at the expense of the c ompany, give notice of the Members' proposal and the te xt of any proposed resolution to all Members entitled to receive notice of the meeting.
- 11.8.3 Where the notice is received by the board not less than 7 days and not more than 28 days before the last day on which notice of the relevant meeting of Members is required to be given by the board, the board shall, at the expense of the company, give notice of the Members' proposal and the text of any proposed resolution to all Members entitled to receive notice of the meeting.
- 11.8.4 Where the notice is received by the board less than 7 days before the last day on which notice of the relevant meeting of Members is required to be given by the board, the board may, where practicable, and at the expense of the Member, give notice of the Members' proposal and the text of any proposed resolution to all Members entitled to receive notice of the meeting.
- 11.8.5 Where the directors intend that Members may vote on the proposal by proxy vote, they shall give the proposing Members the right to include in or with the notice given by the board a statement of not more than 1000 words prepared by the proposing Members in support of the proposal, together with the name and address of the proposing Members.
- 11.8.6 The board shall not be required to include in or with the notice given by the board a statement prepared by a Member who the directors consider to be defamatory, frivolous, or vexatious.
- 11.8.7 Where the costs of giving notice of the Member's proposal and the text of any proposed resolution are required to be met by the proposing Member, the proposing Member shall, on notice by the board, deposit with the company or tender to the company a sum sufficient to meet those costs.
- 11.9 Corporations may act by representative

A body corporate which is a Member may appoint a representative to attend a meeting of Members on its behalf in the same manner as that in which it could appoint a proxy.





11.10 Votes of joint holders

Where two or more persons are registered as the holder of a share, the vote of the person named first in the share register and voting on a matter shall be ac cepted to the exclusion of the votes of the other joint holders.

- 11.11 Postal Votes
 - 11.11.1 A Member may exercise the right to vote at a meeting by casting a postal vote in accordance with this paragraph 11.11.
 - 11.11.2 The notice of a meeting at which Members are entitled to cast a postal vote shall state the name of the person authorised by the Board to receive and count postal votes at that meeting.
 - 11.11.3 Where no person has been authorised to receive and count postal votes at a meeting, or where no person is named as being so authorised in the notice of the meeting, every director shall be deemed to be so authorised.
 - 11.11.4 (i) A Member may cast a postal vote on all or any of the matters to be voted on at the meeting by sending a notice in the manner in which his shares are to be voted to a person authorised to receive and count postal votes at that meeting.
 - (ii) The notice shall reach that person not less than 48 hours before the start of the meeting.
 - 11.11.5 A person authorised to receive and count postal votes at a meeting shall:
 - (i) collect together all postal votes received by him or by the company;
 - (ii) in relation to each resolution to be voted on at the meeting, count:
 - (A) the number of Members voting in favour of the resolution and the number of votes cast by each Member in favour of the resolution; and
 - (B) the number of Members voting against the resolution, and the number of votes cast by each Member against the resolution;
 - (iii) sign a certificate that he has carried out the duties set out in subparagraphs (i) and (ii) which sets out the results of the counts required by subparagraph (ii); and
 - (iv) ensure that the certificate required by subparagraph (iii) is presented to the chairperson of the meeting.
 - 11.11.6 Where a vote is taken at a meeting on a resolution on which postal votes have been cast, the chairperson of the meeting shall:
 - (i) on a vote by show of hands, count each Member who has submitted a postal vote for or against the resolution;
 - (ii) on a poll, count the votes cast by each Member who has submitted a postal vote for or against the resolution.
 - 11.11.7 The chairperson of a meeting shall call for a poll on a resolution on which he holds sufficient postal votes that he believes that, where a poll is taken, the result may differ from that obtained on a show of hands.
 - 11.11.8 The chairperson of a meeting shall ensure that a certificate of postal votes held by himis annexed to the minutes of the meeting.



12. DIRECTORS

- 12.1 Number
 - 12.1.1 Subject to any subsequent amendment to change the number of directors, the number of the directors shall not be less than three (3) and shall include at least two (2) directors who are ordinarily resident in Mauritius. If the number falls below three (3), the remaining directors shall as soon as possible, and in any event not later than three months from the date the number of directors falls below the minimum, fill the vacancy or call a general meeting to fill the vacancy. After the expiry of the three month period the remaining directors shall only be permitted to act for the purpose of filling vacancies or calling general meetings of Members.
 - 12.1.2 Any director appointed under paragraph 12.1.1 shall hold office only until the next following Annual Meeting and shall then retire, but shall be eligible for re-election at that meeting.
 - 12.1.3 The quorum for all board meetings shall be three directors.

12.2 Qualification

No director shall be required to hold shares in the company to qualify him for an appointment.

12.3 Appointment

The directors of the company shall be appointed by the company in general meeting or at meetings of the board provided that, in the case of director/s having been appointed by the boar d, such director/s appointment/s are approved by Members at the next Annual Meeting if re-elected by the members and if not re-elected, that director's appointment shall lapse. Section 137 of the Companies Act 2001 shall not apply in respect of the ap pointment of more than one person in a single resolution as directors of the company.

- 12.4 Retirement of directors
 - 12.4.1 Life directorships are not permissible.
 - 12.4.2 At each Annual Meeting of Members all the directors shall retire from office and may make themselves available for re-election.
 - 12.4.3 The company at the meeting at which a director retires under any provision of this Constitution may by ordinary resolution fill the office being vacated by electing thereto the retiring director or some other person eligible for appointment. In default, the retiring director shall be deemed to have been re-elected except in any of the following cases:
 - 12.4.3.1 where at such meeting it is expressly resolved not to fill such office or a resolution for the re-election of such director is put to the meeting and not approved by the requisite majority of directors;
 - 12.4.3.2 where such director has given notice in writing to the company that he is unwilling to be re-elected;
 - 12.4.3.3 where such director has attained any retiring age applicable to him as director.
 - 12.4.4 The retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring director or a resolution for his re-election is put to the meeting and not approved by the requisite majority of directors and accordingly a retiring director who is re-elected will continue in office without a break.
 - 12.4.5 At least 7 days' notice shall be given to the company of any intention to propose a person for election as a director at a meeting of the Members and the consent of such person in relation thereto shall be communicated to the company at least seven days before the date of the meeting.



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12.4.6 Notwithstanding anything to the contrary contained herein and subject to as may otherwise be provided by law, any director, managing director or other executive director may, by ordinary resolution passed at a meeting of Members called for purposes that include their removal or ceasing to hold office pursuant to section 139 of the Companies Act 2001, be removed from office before the expiry of their period of office subject however, to the right of any such director to claim damages under any contract.

12.5 Remuneration of directors

- 12.5.1 The remuneration of directors shall be proposed by the relevant Board Committee to board for approval.
- 12.5.2 The board may determine the terms of any service contract with a managing director or other executive director.
- 12.5.3 The directors may be paid all travelling, hotel and other expenses properly incurred by them in attending any meetings of the board or in connection with the business of the company.
- 12.5.4 If by arrangement with the board any director shall perform or render any special duties or services outside his or dinary duties as a dir ector and not in his capacity as a holder of employment or executive office, he may be paid such reasonable additional remuneration (whether, by way of salary, commission, participation in profits or otherwise) as the Corporate Governance Committee may, from time, to time determine.
- 12.5.5 A director shall not vote on any contract or arrangement or any other proposal in which he or his associates have a material interest nor shall he be co unted in the quorum present at the meeting.
- 12.5.6 Notwithstanding paragraph 12.5.5 above, a director shall be entitled to vote and be counted in the quorum at the meeting in respect of the following matters: -
 - 12.5.6.1. the giving of any security or indemnity either:
 - (a) to the director in respect of money lent or obligations incurred or undertaken by him at the request of or for the benefit of the issuer or any of its subsidiaries; or
 - (b) to a third party in respect of a debt or obligation of the issuer or any of its subsidiaries for which the director has himself assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
 - 12.5.6.2 any proposal concerning an offer of shares or debentures or other securities of or by the issuer or any other company which the issuer may promote or be interested in for subscription or purchase where the director is or is to be interested as a participant in the underwriting or sub-underwriting of the offer;
 - 12.5.6.3 any proposal concerning any other company in which the director is interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the director is beneficially interested in shares of that company, provided that he, together with any of his associates, is not beneficially interested in five percent or more of the issued shares of any class of such company (or of any third company through which his interest is derived) or of the voting rights;
 - 12.5.6.4. any proposal or arrangement concerning the benefit of employees of the issuer or its subsidiaries including:
 - (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which he may benefit; or

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- (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to directors and employees of the issuer or any of its subsidiaries and does not provide in respect of any director as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- 12.5.6.5. any contract or arrangement in which the director is interested in the same manner as other holders of shares or debentures or other securities of the issuer by virtue only of his interest in shares or debentures or other securities of the issuer.
- 12.5.7 For the purposes of paragraph 12.5.6, associate shall have, in relation to any director, the following meanings: -
 - 12.5.7.1 his spouse and any child or stepchild under the age of 18 years of the director ("the individual's family") and;
 - 12.5.7.2 the trustees (acting as such) of any trust of which the individual or any of the individual's family is a beneficiary or discretionary object; and
 - 12.5.7.3 any company in the equity capital of which the individual and/or any member or members of the individual's family (taken together) are di rectly or indirectly interested so as to exercise or control the exercise of 20 percent or more of the voting power at meetings of Members, or to control the appointment and/or removal of directors holding a majority of voting rights at board meetings on all or substantially all matters, and any other company which is its subsidiary.
- 12.5.8 For the purposes of paragraph 12.5.6.3, associate shall have, in relation to a director, the following meaning: -
 - (i) a spouse, a director living "*en concubinage*" under the common law, any child or stepchild or any relative residing under the same roof as that director,
 - (ii) a succession in which the director has an interest;
 - (iii) a partner of that director;
 - (iv) any company in which the director owns securities assuring him of more than 10 per cent of a class of shares to which are attached voting rights or an unlimited right to participate in earnings and in the assets upon winding up;
 - (v) any controller of that director;
 - (vi) any trust in which the director has a substantial ownership interest or in which he fulfills the functions of a trustee or similar function;
 - (vii) any company which is a related company.
- 12.6 Proceedings of directors
 - 12.6.1 Chairperson
 - 12.6.1.1 The directors may elect one of their number as chairperson of the board and determine the period for which he is to hold office.
 - 12.6.1.2 Where no chairperson is elected, or where at a meeting of the board the chairperson is not present within 15 minutes after the time appointed for the commencement of the meeting, the directors present may choose one of their number to be chairperson of the meeting.



12.6.2 Notice of Meeting

- 12.6.2.1 A director or, if requested by a director to do so, an employee of the company, may convene a meeting of the board by giving notice in accordance with this paragraph.
- 12.6.2.2 A notice of a meeting of the board shall be sent to every director and the notice shall include the date, time, and place of the meeting and the matters to be discussed.
- 12.6.2.3 Any meeting at which the business of the meeting is to appoint a director whether as an additional director or to fill a casual vacancy shall be called by at least 10 business days' notice. Any person appointed by the directors to fill a casual vacancy on or as an addition to the board shall hold office only until the following Annual Meeting of Members, and shall then be eligible for re-election.
- 12.6.2.4 An irregularity in the notice of a meeting is waived where all directors entitled to receive notice of the meeting attend the meeting without protest as to the irregularity or where all directors entitled to receive notice of the meeting agree to the waiver.
- 12.6.3 Methods of holding meetings
 - 12.6.3.1 The board or any committee thereof may meet at such times and in such manner and places within the Republic of Mauritius as the board may determine to be necessary or desirable.
 - 12.6.3.2 A director shall be deemed to be present at a meeting of the board if he participates by telephone or other electronic means and all directors participating in the meeting are able to hear and communicate with one another.

12.6.4 Alternate directors

A director may by a written instrument appoint an alternate who need not be director and an alternate is entitled to attend meetings in the absence of the director who appointed him and to vote or consent in the place of the director.

12.6.5 Voting

- 12.6.5.1 Every director has one vote.
- 12.6.5.2 The chairperson shall not have a casting vote.
- 12.6.5.3 A resolution of the board is passed if it is agreed to by all directors present without dissent or if a majority of the votes cast on it are in favour of it.
- 12.6.5.4 A director present at a meeting of the board is presumed to have agreed to and to have voted in favour of a resolution of the board unless he expressly dissents from or votes against the resolution at the meeting.
- 12.6.6 Minutes

The board shall ensure that minutes are kept of all proceedings at meetings of the board.

- 12.6.7 Resolution in writing
 - 12.6.7.1 A resolution in writing, signed or assented to by all directors then entitled to receive notice of a board meeting, is as valid and effective as if it had been passed at a meeting of the board duly convened and held.
 - 12.6.7.2 Any such resolution may consist of several documents (including facsimile or other similar means of communication) in like form each signed or assented to by one or more directors.



- 12.6.7.3 A copy of a ny such resolution must be entered in the minute book of board proceedings.
- 12.6.8 Directors may delegate
 - 12.6.8.1 Subject to this Constitution, the directors may delegate powers which are conferred on them:
 - 12.6.8.1.1 to such person or committee;
 - 12.6.8.1.2 by such means (including by power of attorney);
 - 12.6.8.1.3 to such an extent;
 - 12.6.8.1.4 in relation to such matters or territories; and
 - 12.6.8.1.5 on such terms and conditions as they think fit.
 - 12.6.8.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.
 - 12.6.8.3 The directors may revoke any delegation in whole or part, or alter its terms and conditions.
- 12.6.9 Committees
 - 12.6.9.1 Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the Constitution which govern the taking of decisions by directors.
 - 12.6.9.2 The directors may not make rules including rules of procedure for all or any committees, which are inconsistent with this Constitution.

13 POWERS AND DUTIES OF DIRECTORS

13.1 Borrowing Powers

The directors may exercise all powers of the company to borrow or raise or secure the payment of money or the performances or satisfaction by the company of any obligation or liability and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue mortgages, charges, bonds, notes and other securities and other instrument whether outright or as security, for any debt liability or obligation of the company or of any third party. In addition, such power shall be exercised, in compliance with Section 143 of the Companies Act 2001.

- 13.2 Overseas Seal and Branch Registers
 - 13.2.1 The company may exercise the powers conferred by the Companies Act 2001 with regard to having an official seal for use abroad, and those powers shall be vested in the directors.
 - 13.2.2 The company may exercise the powers conferred by the Companies Act 2001 relating to the keeping of branch register and the directors may (subject to the provision of that section) make and vary such regulations as they think fit regarding the keeping of any such branch register.
- 13.3 Management of company

The business of the company shall be managed by the directors in Mauritius who may pay all expenses incurred in promoting or registering the company and who may exercise all such powers of the company as are, by the Companies Act 2001 or by this Constitution, required to be exercised by the company in



general meeting, subject, nevertheless, to the provisions of this Constitution and to the provisions of the Companies Act 2001.

13.4 Indemnity

Subject to the provisions of the Companies Act 2001, and any other statute for the time being in force, every director or other officer of the company shall be entitled to be indemnified out of the assets of the company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, and no director or other officer shall be liable for any loss, damage or misfortune which may happen to, or be incurred by the company in the execution of his office, or in relation thereto.

13.5 Directors expenses

The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at:

- 13.5.1 meetings of directors or committees of directors;
- 13.5.2 general meetings of Members, or
- 13.5.3 separate meetings of the holders of any class of share or of debentures of the company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

[...]

16. DIVIDENDS AND RESERVES

16.1 Declaration of Dividends

16.1.1 The company in general meeting may declare dividends but may not declare a larger dividend than that declared by the directors and no dividend shall be declared and paid except out of profits and unless the directors determine that immediately after the payment of the dividend:

16.1.1.1 the company shall be able to satisfy the solvency test in accordance with Section 6 of the Companies Act 2001; and

16.1.1.2 the realisable value of the assets of the company will not be less than the sum of its total liabilities, other than deferred taxes, as shown in the books of account, and its capital.

16.1.2 Dividends may be declared and paid in money, shares or other property.

16.1.3 The company may cease sending dividend warrants by post if such warrants have been left uncashed on two successive occasions.

16.1.4 Notwithstanding paragraph 16.1.3 above, the company may cease sending dividend warrants after the first occasion on which such warrant is returned undelivered where after reasonable enquiries, the company has failed to establish any new address of the registered holder.

16.2 Computation of Profit

In computing the profits for the purpose of resolving to declare and pay a dividend, the directors may include in their computation the net unrealised appreciation of the assets of the company.

16.3 Interim Dividends

The directors may from time to time pay to the Members such interim dividends as appear to the directors to be justified by the surplus of the company.



16.4 Entitlement to dividends

16.4.1 Subject to the rights of holders of shares entitled to special rights as to dividends, all dividends shall be declared and paid equally on all shares in issue at the date of declaration of the dividend.

16.4.2 If several persons are registered as joint holders of any share, any of them may give effectual receipt for any dividend or other monies payable on or in respect of the share.

16.4.3 Any amount paid up in advance of calls on any share may carry interest, but shall not entitle the holder of the share to participate in respect thereof in a dividend subsequently declared.

16.5 Reserves

The directors may, before recommending any dividend, set aside out of the profits of the company such sums as they think proper as a reserve or reserves which shall, at the discretion of the directors, be applicable for meeting contingencies, or for any other purpose to which the profits of the company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the company or be invested in such investments as the directors may from time to time think fit.

16.6 Notice

Notice of any dividend that may have been declared shall be given to each Member in the manner hereinafter mentioned and all dividends unclaimed for five years after having been declared may be forfeited by resolution of the directors for the benefit of the company. The company shall hold monies other than dividends due to Members in trust indefinitely until lawfully claimed by such Member.

16.7 Interest

No dividend shall bear interest against the company.





CORPORATE GOVERNANCE STATEMENT

SREE AGRO is fully committed to complying with the National Code of Corporate Governance for Mauritius (2016).

In so doing, the directors recognise the need to conduct the enterprise with integrity and in accordance with generally acceptable corporate practices. This includes timely, relevant and meaningful reporting to its shareholders and other stakeholders and providing a proper and objective perspective of the Company and its activities.

The directors have, accordingly, established mechanisms and policies appropriate to the Company's business according to its commitment with best practices in Corporate Governance in order to ensure compliance with the National Code of Corporate Governance for Mauritius (2016). The directors will review these mechanisms and policies from time to time.

The formal steps taken by the directors are summarised below:

1. BOARD OF DIRECTORS

The Board of directors (the "**Board**") currently comprises four executive directors, two independent nonexecutive directors and one no n-executive director. It is the Company's intention to have at least fo ur independent non-executive directors on the Board.

The Board will ensure that there is an appropriate balance of power and authority on the Board, such that no one individual or block of individuals dominates the Board's decision-taking. The independent nonexecutive directors are individuals of calibre, credibility and have the necessary skills and experience to bring independent judgement on issues of strategy, performance, resources, standards of conduct and evaluation of performance.

The Board is responsible for the strategic direction of the Company. It sets the values which the Company shall adhere to.

The current Board's diversity of professional expertise and demographics make it a highly effective Board with regard to SREE AGRO's current strategies. The Board shall ensure that, in appointing successive board members, the Board as a whole will c ontinue to reflect, whenever possible, a diverse set of professional and personal backgrounds.

The information needs of the Board is reviewed annually and directors have unrestricted access to all Company information, records, documents and property to enable them to discharge their responsibilities efficiently. Efficient and timely methods of informing and briefing Board members prior to board meetings has been developed.

The Board has established a suitable induction programme to familiarise incoming directors with the Company's operations, senior management and its business environment, and to in duct them in their fiduciary duties and responsibilities. Directors receive further briefings from time to time on relevant new laws and regulations as well as on changing economic risks.

Directors ensure that they have a working understanding of applicable laws. The Board ensures that the Company complies with applicable laws and considers adherence to non-binding industry rules and codes and standards. In deciding whether or not non-binding rules shall be complied with, the Board factors the appropriate and ethical considerations that must be taken into account. New directors with no or limited board experience will receive appropriate training to inform them of their duties, responsibilities, powers and potential liabilities.

The Board discloses details in their directors' report of how it has discharged its responsibilities to establish an effective compliance framework and process.

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A sub-committee appointed by the Board, will appraise the performance of the chief executive officer at least annually.

All directors will be subject to retirement by rotation and re-election by SREE AGRO's shareholders every year in accordance with the Company's constitution.

Board meetings are held at least quarterly, with additional meetings convened when circumstances necessitate.

The Board as a whole and individual directors will have their overall performance periodically reviewed in order to identify areas for improvement in the discharge of individual director's and the Board's functions on an annual basis. This review will be undertaken by a sub-committee appointed by the Board and, if so determined by the Board, an independent service provider. An overview of the appraisal process, results and action plan will be disclosed in the directors' report. Nominations for the re-appointment of a director will only occur after the evaluation of the performance and attendance of the director at board meetings.

The Board has delegated certain functions to the Audit and Risk Committee, Committee of Directors (responsible to support in overseeing administrative matters at the Company's level), and Corporate Governance Committee. The Board is conscious of the fact that such delegation of duties is not an abdication of the Board members' responsibilities. The various committees' terms of reference shall be reviewed annually and such terms of reference will be disclosed in the Company's directors' report.

External advisors and executive directors who are not members of specific committees shall attend committee meetings by invitation, if deemed appropriate by the relevant committees.

The Board's independence from executive management team is ensured by the following:

- separation of the roles of the chairman and chief executive officer;
- the Board being dominated by independent non-executive directors;
- the Audit and Risk Committee and the C orporate Governance Committee having a majority of independent non-executive directors;
- non-executive directors not holding service contracts;
- all directors having access to the advice and services of the company secretary; and
- with prior agreement from the chairman, all directors are entitled to seek independent professional advice concerning the affairs of the Company, at the Company's expense.

2. AUDIT AND RISK COMMITTEE

In an endeavor to assist the Company in supporting its objectives, an Audit and Risk Committee has been set up by the Company to assist the Board in fulfilling its oversight responsibilities for risk management, the financial reporting process, the system of internal control over financial reporting, and the audit process.

a) Membership

- The current members of the Audit and Risk Committee are:
 - a. Dr. Srinivasa Rao Ravuri;
 - b. Mr. Sahjahan Ally Nauthoo;
 - c. Mr. Venkateswara Rao Samsani; and
 - d. Mr Mohammad Sallah-Ud-Din Surfraz





- Mr Venkateswara Rao Samsani is currently not a member of the Board, but shall assist the Board, as an external party, by being part of the Audit and Risk, and Corporate Governance Committees.
- The Board has established an Audit and Risk Committee of which one independent non-executive director shall be the chairperson, namely Mr. Mohammad Sallah-Ud-Din Surfraz.
- All of the members of the committee are financially literate (and the board will ensure that any future • appointees are financially literate). The committee's primary objective will be to provide the board with additional assurance regarding the efficacy and reliability of the financial information used by the directors, to assist them in the discharge of their duties. The committee will be re quired to provide satisfaction to the board that adequate and appropriate financial and operating controls are in place; that significant business, financial and other risks have been identified and are being suitably managed; and that satisfactory standards of governance, reporting and compliance are in operation. The Audit and Risk Committee will be responsible for overseeing the directors' report. In this regard the Audit and Risk Committee will have regard to all factors and risks that may impact on the integrity of the directors' report, and the board will review and comment on the financial statements and the disclosure of sustainability issues included in the directors' report. In addition, the Audit and Risk Committee will have gene ral oversight over and report on the sustainability issues, will review the directors' report to ensure that the information contained therein is reliable and does not contradict the financial aspects of the report and will oversee the provision of assurance over sustainability issues. The Audit and Risk Committee will review the content of the Company's financial results and will engage external auditors to provide assurance on the summarised financial information.
- Within this context, the Board is responsible for the Company's systems of internal, financial and operational control. The executive directors will be charged with the responsibility of determining the adequacy, extent and operation of these systems. Comprehensive reviews and testing of the effectiveness of the internal control systems in operation will be performed by the Audit and Risk Committee. These systems are designed to provide reasonable, but not absolute, assurance as to the integrity and reliability of the financial statements, to safeguard, verify and maintain accountability of its assets and to identify and minimise significant fraud, potential liability, loss and material misstatement while complying with applicable laws and regulations. An Audit and Risk Committee charter is to be prepared and reported to the board.
- The Audit and Risk Committee will meet at least three times a year. Executives and managers will be responsible for finance and the external auditors will be in attendance. The Audit and Risk Committee will review the finance function of the company on an annual basis.
- The Audit and Risk Committee may authorise engagements for non-audit services with the appointed external auditors or any other practising firm of auditors, after consideration of the following:
 - the essence of the work being performed may not be of a nature that any reasonable and informed observer would construe as being detrimental to good corporate governance or in conflict with that normally undertaken by the accountancy profession;
 - the nature of the work being performed will not affect the independence of the appointed external auditors in undertaking the normal audit assignments;
 - the work being done may not conflict with any requirement of generally accepted accounting practice or principles of good corporate governance;
 - the operational structure, internal standards and processes being adopted by the audit firm in order to ensure that audit independence is maintained in the event that such audit firm is engaged to perform accounting or other non-audit services to its client base. Specifically:
 - the company may not appoint a firm of auditors to improve systems or processes where such firm of auditors will later be required to express a view as to the functionality or effectiveness of such systems or processes;





- the company may not appoint a firm of auditors to provide services where such firm of auditors will later be required to express a view on the fair representation of information the result of these services to the company; and
- the total fee being earned by an audit firm for non-audit services in any financial year of the company, expressed as a percentage of the total fee for audit services, may not exceed 35% without the approval of the board;
- a firm of auditors will not be engaged to perform any management functions (e.g. acting as curator) without the express prior approval of the board. A firm of auditors may be engaged to perform operational functions, including that of bookkeeping, when such firm of auditors are not the appointed external auditors of the company and work is being performed under management supervision.
- Information relating to the use of non-audit services from the appointed external auditors of the company shall be disclosed in the notes to the annual financial statements. Separate disclosure of the amounts paid to the appointed external auditors for non-audit services as opposed to audit services, shall be made in the annual financial statements.
- The Audit and R isk Committee must consider on an annual basis and satisfy itself of the appropriateness of the expertise and experience of the financial director and the company must confirm this by reporting to shareholders in its annual report that the Audit and Risk Committee has executed this responsibility.
- With regards to the appointment of directors, the Audit and Risk Committee will undertake background and reference checks before the appointment of directors. The board shall make full disclosures regarding individual directors to enable shareholders to make their own assessment of the directors.
- The Audit and Risk Committee will report at the Company's annual meeting how it has discharged its duties during the financial year to be reported on.

b) <u>Risk management and internal controls management</u>

Risk and internal controls management will be under the responsibility of the Audit and Risk Committee.

The Audit and Risk Committee will participate in management's process of formulating and implementing the risk management plan and will report on the plan adopted by management to the board.

The objective of risk management is to identify, assess, manage and monitor the risks to which the business is exposed, including, but not limited to, information technology risk. The board will be responsible for ensuring the adoption of appropriate risk management policies by management. The board will also ensure that there are processes in place between itself and management enabling complete, timely, relevant, accurate and accessible risk disclosure to shareholders.

To enable the Audit and Risk Committee to meet its responsibilities, the Audit and Risk Committee will set standards and management will implement systems of internal control and an effective risk-based internal audit, comprising policies, procedures, systems and information to assist in:

- safeguarding assets and reducing the risk of loss, error, fraud and other irregularities;
- ensuring the accuracy and completeness of accounting records and reporting;
- preparing timely, reliable financial statements and information in compliance with relevant legislation and generally accepted accounting policies and practices; and
- increasing the probability of anticipating unpredictable risk.

The Board will, in its directors' report, comment on the effectiveness of the system and process of risk management.



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The board will ensure that management considers and implements the appropriate risk responses and IT strategy.

c) <u>Secretary</u>

The company secretary of the Company shall act as the Secretary of the Committee.

d) <u>Quorum</u>

The quorum necessary for the transaction of business shall be two members and at least one must be an independent non-executive director.

e) Compliance, whistleblowing and fraud

The Committee shall:

- Review the adequacy and security of the Company's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action;
- Review significant transactions not directly related to the Company's normal business as the Committee might deem appropriate;
- Review significant cases of employee conflicts of interest, misconduct or fraud, or any other unethical activity by employees or the Company.

f) External audit

The Committee shall:

- Consider and make recommendations to the Board, to be put to shareholders for approval at the A nnual Meeting, in relation to the appointment, re-appointment and removal of the Company's external auditor;
- Ensure that at least once every seven years the audit services contract is put out to tender to enable the Committee to compare the quality and effectiveness of the services provided by the incumbent auditor with those of other audit firms; and in respect of such tender oversee the selection process and ensure that all tendering firms have such access as is necessary to information and individuals during the duration of the tendering process. Several firms should be screened and the Committee should obtain written or v erbal proposals to enable it to arrive at its recommendation;
- If an auditor resigns, investigate the issues leading to this and decide whether any action is required;
- Oversee the relationship with the external auditor including (but not limited to):
 - Recommendations on their remuneration, including both fees for audit and non-audit services, and that the level of fees is appropriate to enable an effective and high-quality audit to be conducted;
 - Approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
 - Assessing annually their independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services;
 - Satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the Company (other than in the ordinary course of business) which could adversely affect the auditor's independence and objectivity;
 - Agreeing with the Board a policy on the employment of former employees of the Company's auditor, and monitoring the implementation of this policy;
 - Monitoring the auditor's compliance with relevant ethical and professional guidance on the rotation of audit partner, the level of fees paid by the Company compared to the overall fee income of the firm, office and partner and other related requirements;
 - Assessing annually the qualifications, expertise and resources of the auditor and the effectiveness of the audit process, which shall include a report from the external auditor on their own internal quality procedures;
 - Seeking to ensure co-ordination between audit firms (where more than one audit firm is involved)
 - Seeking to ensure co-ordination with the activities of the internal audit function; and



- Evaluating the risks to the quality and effectiveness of the financial reporting process and consideration of the need to include the risk of the withdrawal of their auditor from the market in that evaluation.
- Meet regularly with the external auditor (including once at the planning stage before the audit and once after the audit at the reporting stage) and at least once a year, without management being present, to discuss the auditor's remit and any issues arising from the audit.
- Review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement, having regard to the seniority, expertise and experience of the audit team.
- Consider whether any significant ventures, investments or operations are not subject to external audit.
- Obtain assurance from the external auditor(s) that adequate accounting records are being maintained.
- Review the findings of the audit with the external auditor. This shall include but not be limited to, the following:
 - o A discussion of any major issues which arose during the audit;
 - Key accounting and audit judgments;
 - Levels of errors identified during the audit; and
 - The effectiveness of the audit process.
- Review any representation letter(s) requested by the e xternal auditor before they are signed by management.
- Review the management letter and management's response to the auditor's findings and recommendations.
- Develop and implement policy on the supply of non-audit services by the external auditor to avoid any threat to auditor objectivity and independence, taking into account any relevant ethical guidance on the matter.
- Give recommendations on any potential conflict of interest or questionable situations of a material nature.

g) <u>Reporting responsibilities</u>

- The Committee Chairperson shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report to the Board on how it has discharged its responsibilities. This Audit and Risk report shall include:
 - the significant issues that it considered in relation to the financial statements and how these were addressed;
 - its assessment of the effectiveness of the external audit process and its recommendation on the appointment or reappointment of the external auditor;
 - and
 - any other issues on which the Board has requested the Committee's opinion.
- The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- The Committee shall compile a report on its activities to be included in the Company's accounts. The report shall include an explanation of how the Committee has addressed the effectiveness of the external audit process; the significant issues that the Committee considered in relation to the financial statements and how these issues were addressed, having regard to matters communicated to it by the auditor.
- In compiling the report, the Committee should exercise judgment in deciding which of the issues it considers in relation to the financial statements are significant but should include at least those matters that have informed the Board's assessment of whether the company is a going concern.

h) **Remuneration**

Having regard for the functions performed by the members of the Committee in addition to their functions as directors in relation to the activities of the Committee, members of the C ommittee may be paid such special remuneration in respect of their appointment as shall be fixed by the Board. Such special remuneration shall be in addition to the annual fees payable to directors.

i) Other Matters

The Committee shall:

- Have access to outside or other independent professional advice as it considers necessary to carry out its duties;
- Have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
- Be provided with appropriate and timely training, both in the form of an induction program for new members and on an ongoing basis for all members;



- Give due consideration to laws, regulations and any other applicable rules, as appropriate;
- Be responsible for co-ordination of the internal and external auditors;
- Oversee any investigation of activities which are within its terms of reference;
- Work and liaise as necessary with all other Board Committees; and
- Arrange for periodic reviews of its own performance and, at least annually, review its Charter and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board.

j) <u>Authority</u>

The Committee is authorised to:

- Seek any information it requires from any employee of the Company in order to perform its duties;
- Obtain, at the Company's expense, independent legal, accounting or other professional advice on any matter it believes it necessary to do so;
- Call any employee to be questioned at a meeting of the Committee as and when required; and
- Have the right to publish in the Company's annual report, details of any issues that cannot be resolved between the Committee and the Board.

Any disagreement within the Board, including disagreement between the Committee members and the rest of the Board should be resolved at Board level.

3. CORPORATE GOVERNANCE COMMITTEE

The members of the Corporate Governance Committee are:

- Mr. Mahmood Bashir Nabeebokus;
- Mrs. Sujatha Rani Rallabhandi;
- Mr. Sahjahan Ally Nauthoo; and
- Mr. Venkataeswara Rao Samsani.

The Board has established a Corporate Governance Committee which will be chaired by Mr. Mahmood Bashir Nabeebokus.

The role of the Corporate Governance Committee will be to work on behalf of the board and be responsible for recommendations with regard to:

- a) ensuring that the reporting requirements on corporate governance, whether in the annual report or on an ongoing basis are in accordance with the National Code of Corporate Governance for Mauritius (2016);
- b) determining, developing and agreeing the company's general policy or executive and senior management remuneration;
- c) determining specific remuneration packages for executive directors of the company, including but not limited to basic salar y, benefits in kind, annual bonuses, performance incentives, share incentives, pensions and other benefits;
- d) determining any cr iteria necessary to measure the performance of executive directors in discharging their functions and responsibilities; and
- e) determining the level of non-executive and independent non-executive fees to be recommended to the shareholders at the meeting of shareholders.

The Committee, in carrying out its tasks, may obtain such outside or other independent professional advice as it considers necessary.



No member of the Corporate Governance Committee can be involved or vote on committee decisions in regard to his/her own remuneration.

4. COMMITTEE OF DIRECTORS

The members of the Committee of Directors are:

- Dr. Srinivasa Rao Ravuri;
- Mr. Mahmood Bashir Nabeebokus; and
- Mr. Sahjahan Ally Nauthoo.

The Board has established a Committee of Directors which will be chaired by Mr Mahmood Bashir Nabeebokus.

The role of the Committee of Directors will be to w ork on behalf of the board and be r esponsible for recommendations with regard to non-strategic or routine operational matters.

The Committee of Directors will have the responsibility to recommend and approve (where required, and where full Board approval is not required) non-strategic/routine operational matters instead of calling a full Board. Matters approved at committee meetings will be tabled at Board meetings for noting.

5. DIRECTORS' DEALINGS

The Company will operate a policy of prohibited dealings by directors and the company secretary during the period of one month immediately preceding the announcement of the issuer's annual results and the publication of the interim (quarterly) report together with dividends and distributions to be paid or passed and at any other time deemed necessary by the board.

The directors will follow the principles of the model code on securities transactions by directors as detailed in Appendix 6 of the SEM Listing Rules.

All directors trading must take place exclusively outside the close periods prescribed by the SEM and require written authorization from the board.

6. THE COMPANY SECRETARY

The company secretary of the Company provides the Board as a whole and directors individually with detailed guidance as to how their responsibilities should be properly discharged in the best interests of the company. The Board is satisfied that the company secretary of the Company maintains an arms-length relationship with the Board and is sufficiently qualified and experienced to execute the required duties.

The company secretary of the Company provides a central source of guidance and advice to the Board, and within the Company, on matters of ethics and good corporate governance and assists with the appointment of directors to the Board. The directors have unlimited access to advice and services of the company secretary.

The Board has considered the competence, qualification and experience of the company secretary, to act as the company secretary of the Company. The Board considers the company secretary fit to fulfil this function and its relationship with the Board is considered to be at arm's length.

Nothing has come to the attention of the Board of directors that indicate non-compliance by the Company with applicable laws and regulations.

The company secretary of the Company is subject to an annual evaluation by the Board.

7. COMMUNICATION WITH SHAREHOLDERS

It will be the policy of SREE AGRO to meet regularly with institutional shareholders, private investors and investment analysts for discussion on the performance and management of the Company and it shall promote a stakeholder inclusive approach.





The Board appreciates that shareholders' perceptions affect the Company's reputation and in this regard will establish policy for the engagement of the Company's stakeholders. The Board will encourage shareholders to attend annual general meetings through effective communication whether by means of the press or otherwise.

8. DIRECTORS' REPORT

The Company's annual report and accounts will include detailed reviews of the Company, together with a detailed review of the financial results and financing positions. In this way, the Board will seek to present a balanced and understandable assessment of the Company's position and prospects.

The Company has established comprehensive management reporting disciplines which include the preparation of monthly management accounts, detailed budgets and forecasts. Monthly results, the financial position and cash flows of operating units are reported against approved budgets and compared to the prior period. Any profit and cash flow forecasts and working capital levels published by the company will be reviewed regularly.

Sustainability reporting and disclosure shall be integrated with the Company's financial reporting. The financials will state the Company's positive and negative impact and detail whatever steps have been taken to improve on the negative impact.

The Board will ensure the integrity of the directors' report.





AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF SREE AGRO LIMITED FOR THE PERIOD ENDED 31 DECEMBER 2021

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SREE AGRO LIMITED

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 MARCH 2021 (DATE OF INCORPORATION) TO 31 DECEMBER 2021

SREE AGRO LIMITED AUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 MARCH 2021 (DATE OF INCORPORATION) TO 31 DECEMBER 2021 CONTENTS PAGES CORPORATE INFORMATION 2 COMMENTARY OF THE DIRECTORS 3 SECRETARY'S CERTIFICATE 4 INDEPENDENT AUDITORS' REPORT 5 - 8 9 CONSOLIDATED STATEMENT OF FINANCIAL POSITION CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 10 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 11 - 12 CONSOLIDATED STATEMENT OF CASH FLOWS 13

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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SREE AGRO LIMITED CORPORATE INFORMATION

		Date appointed
DIRECTORS	 Mr Mahmood Bashir Nabeebokus Mr Nageswara Rao Varanasi Mr Sahjahan Ally Nauthoo Mr Nirav Dineshkumar Zala Mrs Sujatha Rani Rallabhandi Mr Srinivasa Rao Ravuri Mr Mohammad Sallah-Ud-Din Surfraz 	1-Mar-21 5-Apr-21 9-Jul-21 30-Sep-21 7-Oct-21 7-Oct-21 10-Dec-21
REGISTERED OFFICE	 With effect as from 15 December 2021 C/o GlobalServe Management Limited Bank Street, First Floor Standard Chatered Tower Cybercity, Ebene REPUBLIC OF MAURITIUS Up to 14 December 2021 C/o KFS (Mauritius) Ltd Block 8, 1827 Building, Vivea Business Park Moka REPUBLIC OF MAURITIUS 	
ADMINISTRATOR AND SECRETARY	 With effect as from 15 December 2021 GlobalServe Management Limited Bank Street, First Floor Standard Chatered Tower Cybercity, Ebene REPUBLIC OF MAURITIUS Up to 14 December 2021 KFS (Mauritius) Ltd Block 8, 1827 Building, Vivea Business Park Moka REPUBLIC OF MAURITIUS 	
EXTERNAL AUDITORS	: AMG GLOBAL Avenue Geranium Grand-Baie REPUBLIC OF MAURITIUS	
BANKER	 Afrasia Bank Limited Bowen Square 10, Dr Ferriere Street Port Louis REPUBLIC OF MAURITIUS 	

SREE AGRO LIMITED COMMENTARY OF THE DIRECTORS FOR THE PERIOD FROM 01 MARCH 2021 (DATE OF INCORPORATION) TO 31 DECEMBER 2021

The directors are pleased to present their commentary together with the audited consolidated financial statements of **SREE AGRO LIMITED** and its subsidiary (together referred as the "Group") for the period ended 31 December 2021.

Principal activities

The principal activities of the Group are that; to involve in trading, farming, farming services and distribution of edible oil and soaps, investment holding and trading activities of edible products and fast moving consumer goods in Africa from country of import.

Results

The results for the period are shown in the consolidated statement of comprehensive income and related notes.

Dividends

No dividends were declared for the period under review.

Statement of directors' responsibilities in respect of the consolidated financial statements

Company law requires the directors to prepare consolidated financial statements for each financial period which present fairly the financial position, financial performance, changes in equity and the cash flows of the Group. In preparing those consolidated financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors confirm that they have complied with the above requirements in preparing the consolidated financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the consolidated financial statements are in accordance with the International Financial Reporting Standards and comply with the Mauritius Companies Act 2001. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors have made an assessment of the Group's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

Auditors

The auditors, AMG Global, have indicated their willingness to continue in office.


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SECRETARY'S CERTIFICATE UNDER SECTION 166 (D) OF THE MAURITIUS COMPANIES ACT 2001

We certify, to the best of our knowledge and belief, that we have filed with the Registrar of Companies all such returns as are required for **SREE AGRO LIMITED** under the Mauritius Companies Act 2001 for the period from 01 March 2021 (date of incorporation) to 31 December 2021.

Corporate Secretary

GlobalServe Management Limited Bank Street, First Floor Standard Chartered Tower Cybercity, Ebene REPUBLIC OF MAURITIUS

Date: 11 April 2022



Avenue Geranium Grand-Baie Mauritius Telephone: +230 289 0376 Email: info@amgglobal-mu.com BRN : F16000028

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SREE AGRO LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **SREE AGRO LIMITED AND ITS SUBSIDIARY** together referred to as (the "Group"), set out on pages 9 to 36 which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period ended 31 December 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards and comply with the requirements of the Mauritius 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 Consolidated Financial Statements section of our report. We are independent 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 consolidated 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.

Other Information

The directors are responsible for the Other Information. The Other Information comprises mainly of information included under the Corporate Data, Commentary of the Directors and Report from the Company's secretary as required by the Mauritius Companies Act 2001, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.



INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF SREE AGRO LIMITED

Report on the Audit of the Consolidated Financial Statements (Continued)

Other Information (continued)

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

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

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

In preparing the consolidated financial statements, the directors are responsible for assessing the Group'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 or to cease operations, or have no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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



INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF SREE AGRO LIMITED

Report on the Audit of the Consolidated Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's 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's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and the Company 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.



INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF SREE AGRO LIMITED

Report on the Audit of the Consolidated Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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.

Use of our report

This report is made solely to the members of **SREE AGRO LIMITED** (the "Company"), as a body, in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's 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 Other Legal and Regulatory Requirements

Mauritius Companies Act 2001

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

We have obtained all the 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.

Aprilt Global

AMG Global Grand-Baie, Mauritius

MBat.

Sakir Babooa Licensed by FRC

Date: 11 April 2022

SREE AGRO LIMITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

ASSETS Non-current assets	Notes	The Group 	The Company 2021 USD
Property, plant and equipment	10	18,198,633	
Investment in subsidiary	11	-	10,000,000
Total non-current assets		18,198,633	10,000,000
Current assets			
Inventories	12	2,958,624	-
Trade and other receivables	13	2,428,327	4,350
Cash and cash equivalents	14	573,242	19,656
Total current assets		5,960,193	24,006
TOTAL ASSETS		24,158,826	10,024,006
EQUITY AND LIABILITIES			
Stated capital	15	5,002,350	5,002,350
Retained earnings/(accumulated losses)		4,819,664	(42,594)
Translation reserve		2,882,198	-
Total equity		12,704,212	4,959,756
Non-current liabilities			
Borrowings	16	1,565,237	-
Other payables	17	5,000,000	5,000,000
Deferred tax liability	26	1,245,911	-
Total non-current liabilities		7,811,148	5,000,000
Current liabilities			
Due to shareholder	18	11,950	11,950
Trade and other payables	19	3,435,030	52,300
Tax liability	26	196,486	
Total current liabilities		3,643,466	64,250
TOTAL EQUITY AND LIABILITIES		24,158,826	10,024,006

Approved by the Board of Directors and authorised for issue on11 April 2022...... and signed by :

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R. Strinivasa Rav

Director

Director

SREE AGRO LIMITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 01 MARCH 2021 (DATE OF INCORPORATION) TO 31 DECEMBER 2021

	Notes	The Group 2021 USD	The Company 2021 USD
Revenue Cost of sales	20 21	8,667,110	-
Gross profit	21	<u>(7,414,350)</u> 1,252,760	<u>-</u>
Selling and distribution expenses	22	(88,768)	-
Administrative expenses Operating profit/(loss)	23	(109,999) 1,053,993	(42,594) (42,594)
Finance costs	24	(342,503)	-
Bargain purchase Profit/(loss) before tax	25	<u>4,311,461</u> 5,022,951	(42,594)
Tax expense	26	(203,287)	<u> </u>
Profit/(loss) for the period		4,819,664	(42,594)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Translation of foreign subsidiaries		2,882,198	-
Other comprehensive income for the period		2,882,198	
Total comprehensive income for the period		7,701,862	(42,594)

SREE AGRO LIMITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 01 MARCH 2021 (DATE OF INCORPORATION) TO 31 DECEMBER 2021

<u>The Group</u>

	Stated capital	Retained earnings/ (Accumulated losses)	Translation reserve	Total equity
	USD	USD	USD	USD
On consolidation	5,002,350			5,002,350
Profit for the period	-	4,819,664	-	4,819,664
Other comprehensive income		<u> </u>	2,882,198	2,882,198
Total comprehensive income for the period		4,819,664	2,882,198	7,701,862
At 31 December 2021	5,002,350	4,819,664	2,882,198	12,704,212
The Company				
Issue of shares	5,002,350			5,002,350
Transaction with the shareholders	5,002,350	<u> </u>		5,002,350
Loss for the period	-	(42,594)	-	(42,594)
Other comprehensive income	-	-		-
Total comprehensive loss for the period		(42,594)		(42,594)
At 31 December 2021	5,002,350	(42,594)	-	4,959,756

SREE AGRO LIMITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 01 MARCH 2021 (DATE OF INCORPORATION) TO 31 DECEMBER 2021

	The Group 2021 USD	The Company 2021 USD
Cash flows from operating activities Profit/(loss) before tax	5,022,951	(42,594)
	5,022,751	(+2,374)
Adjustments for:	(4 311 4(1)	
Bargain purchase	(4,311,461)	-
Non-cash based transaction	5,011,950	(4,988,050)
Depreciation	-	-
Change in trade and other receivables	45,650	(4,350)
Change in trade and other payables	2,300	2,300
Total adjustments	748,439	(4,990,100)
Tax paid	(131,877)	-
Net cash generated used in operating activities	5,639,513	(5,032,694)
Cash flows from investing activities		
Acquisition of subsidiary	(9,446,414)	-
Issue of share capital	5,002,350	5,002,350
Net cash used in investing activities	(4,444,064)	5,002,350
Cash flows financing activities		
Loan from subsidairy company	-	50,000
Net cash from financing activities		50,000
Net change in cash and cash equivalents	1,195,449	19,656
Foreign exchange differences	(622,207)	19,030
Cash and cash equivalents at end of period	573,242	19,656
		<u>,</u>
Non-cash based transaction*		
Acquisition of subsidiary	-	(10,000,000)
Loan payable to shareholders	11,950	11,950
Other payables	5,000,000	5,000,000
	5,011,950	(4,988,050)
Acquisition of subsidiary		
Property, plant and equipment	18,198,633	-
Inventories	2,958,624	-
Trade and other receivables	2,473,977	-
Cash at bank and in hand	553,586	
Short term borrowing	(2,671,038)	-
Trade and other payables	(761,691)	-
		-

SREE AGRO LIMITED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED) FOR THE PERIOD FROM 01 MARCH 2021 (DATE OF INCORPORATION) TO 31 DECEMBER 2021

Acquisition of subsidiary (continued)	The Group 2021 USD	The Company 2021 USD
Current tax liability	(196,486)	
Deferred taxation	(1,245,911)	-
Long term borrowing	(1,565,237)	-
Pre acquisittion reserves	(3,432,996)	-
Total identifiable net assets at fair value	14,311,461	-
Gain on bargain purchase arising from acquisition	(4,311,461)	-
Total purchase consideration	10,000,000	-
Less cash and cash equivalents in subsidiary acquired	(553,586)	-
Net cash outflow for the acquisition of subsidiary	9,446,414	

1. General information

SREE AGRO LIMITED (the 'Company') was incorporated on 01 March 2021 in the Republic of Mauritius as a private company with liability limited by shares in accordance with the Mauritius Companies Act 2001. The Company was incoporated as a domestic company and was then converted to Global Business Company on 30 August 2021. The Company holds a Global Business Licence under the Financial Services Act 2007. The Company's registered office is GlobalServe Management Limited, Bank Street, First Floor, Standard Chartered Tower, Cybercity, Ebene. The Company was converted to a public Company on 12 January 2022. The principal activities of the Group are that; to involve in trading, farming, farming services and distribution of edible oil and soaps, investment holding and trading activities of edible products and fast moving consumer goods in Africa from country of import.

2. Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

The consolidated financial statements are presented in United States Dollar (USD), which is the Group's functional and presentation currency.

(d) Use of estimates and judgements

The preparation of consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 31 December 2021.

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

- Power over the investee (i.e. existing rights that give it the current ability to direct the revelant activities of the investee);

- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

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

3. Basis of consolidation (continued)

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and

- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

4. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements.

(a) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the Group's functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting year.

4. Significant accounting policies (continued)

(a) Foreign currency (continued)

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into currency units using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

(b) Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instruments.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

Classification and initial measurement of financial assets

All financial assets are initially measured at fair value adjusted for transaction costs.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

(i) amortised cost

(ii) fair value through profit or loss (FVTPL)

(iii) fair value through other comprehensive income (FVOCI)

Classification and initial measurement of financial assets (continued)

The classification is determined by both:

(i) the entity's business model for managing the financial asset

(ii) the contractual cash flow characteristics of the financial asset

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

(i) they are held within a business model whose objective is to hold the financial assets and collect its contractual cashflows.

(ii)the contractual terms of the financial assets give rise to cashflows that are solely payments of principal and interest on the principal amount outstanding.

4. Significant accounting policies (continued)

(b) Financial instruments (continued)

Financial assets at amortised cost (continued)

After initial recognition, these are measured at amortised cost using the effective interest method.

Discounting is omitted where the effect of discounting is immaterial. The Group's due from related parties, loan and advances to customers, trade and other receivables and cash and cash equivalent fall into this category of financial instruments.

The Group did not have any financial assets classified as fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI).

Impairment of financial assets

IFRS 9 impairment requirements use more forward-looking information to recognise expected credit losses - 'the expected credit loss (ECL) model'.

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For other receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the receivables and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Classification and measurement of financial liabilities

As the acccounting for financial liabilities remains largely the same under the IFRS 9 compared to IAS 39, the Group's financial liabilities were not impacted by the adoption of IFRS 9.

The Group's financial liabilities include due to related parties and trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

4. Significant accounting policies (continued)

(b) Financial instruments (continued)

Financial assets at amortised cost (continued)

Classification and measurement of financial liabilities

Subsequently, financial liabilities are measured at amortised cost using the effective interest methods except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

(c) Property, plant and equipment

Recognition and measurement

Property, plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Costs may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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.

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-%
Leasehold land and buildings	2
Motor Vehicles	20
Furniture and fittings	20
Plant, machinery and medical equipment	20

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively, if appropriate, at the end of each reporting period.

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 amount included in revaluation surplus are transferred to retained earnings.

Impairment

At the end of each reporting period, the Group reviews the carrying amounts of its items of property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the carrying amount of the asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

4. Significant accounting policies (continued)

(d) Investments in subsidiaries

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.

Investments in subsidiaries in the separate financial statements of the Company are carried at cost, net of any impairment. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is recognised in profit

Upon disposal of the investment, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

(e) Equity and reserves

Stated capital are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from proceeds.

Retained earnings/(accumulated losses) include all current and prior years results.

Exchange differences arising on translation of the foreign controlled entities are recognised in other comprehensive income and accumulated in a separate reserve within equity.

(f) Impairment of non-financial assets

Assets that have an indefinite useful life, for example 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. Any 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).

(g) Inventories

Inventories comprise finished goods and raw materials. They are measured at the lower of cost and net realizable value on weighted average basis.

The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. The basis of costing is as follows:

The cost of inventories is assigned using the formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

4. Significant accounting policies (continued)

(g) Inventories (continued)

The cost of inventories of items that are not ordinary interchangeable and goods or services produced and segregated for nature and use to the entity. When inventories are sold, the carrying amount of those inventories are recongnised as an expense in the period in which the related revenue is recongnised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recongnised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recongnised as a reduction in the amount of inventories recongnised as an expense in the period in which the reversal occurs.

(h) Provisions

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 will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pretax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(i) Revenue

To determine whether to recognise revenue, the Company ensures that the following 5 conditions are satisfied:

- 1. Identifying the contract with a customer.
- 2. Identifying the performance obligations.
- 3. Determining the transaction price.
- 4. Allocating the transaction price to the performance obligations.
- 5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue arises from the sale of goods and the rendering of services. It is measured at the fair value of consideration received or receivable, excluding value added tax, rebates and trade discounts.

Interest income is recognised on a time basis using the effective interest method.

(j) Expenses

Expenses are recognised in the profit or loss on an accrual basis.

(k) Trade and other receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance.

4. Significant accounting policies (continued)

(l) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(n) Related party transactions

For the purpose of these financial statements, a related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged. Parties are considered to be

(o) Income tax expense

Income tax expense comprises current tax.

Current tax is the expected tax payable on the taxable income for the year using the tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of prior years. Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nortaxable profit or loss;
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4. Significant accounting policies (continued)

(p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facilities as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

5. Critical accounting judgements and key sources of estimation uncertainty

When preparing the consolidated financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and

Significant management judgement

Determination of functional currency

The determination of the Group's financial currency is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. The directors consider the United States Dollar ("USD") as the currency that most faithfully reflects the underlying transactions, events and conditions that are relevant to the Group.

Going concern

Management has made an assessment of the Group's and the Company's ability to continue as a going concern and is satisfied that the Group and the Company have the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's and the Company's ability to continue as a going concern. Therefore, the Group's and the Company's ability to be prepared on the going concern basis.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. At year end, management considered that the useful lives represent the expected utility of the assets of the Group. The carrying amounts are analysed in Note 10.

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

Significant management judgement (continued)

Estimation uncertainty (continued)

Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Estimation of recoverable amount of investment in subsidiary

In preparing these financial statements, the Directors have made estimates of the recoverable amount of the investment in subsidiary. Determining whether there is an impairment in value of the subsidiary requires an estimation of the recoverable amount of the subsidiary. The recoverable amount calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit, a suitable discount rate in order to calculate present value or a suitable earnings multiple to be applied to the expected earnings.

Determination of significant increase in credit risk on amount due from related parties

The Group uses the general approach to calculate ECL's for amount due from related parties. The loss allowance is therefore based on the 12 months ECL and the Group continues to apply this method until a significant increase in credit risk has occurred, at which point the loss allowance will be measured based on lifetime ECLs.

The determination of whether a significant increase in credit risk has occurred is a significant judgment. The Group has assessed that credit risk has not increased significantly at the reporting date as the amounts due from related party is determined to have a low credit risk. The borrowers have a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term will not necessarily reduce the ability of the borrowers to fulfil its contractual cash flow obligations.

6. New and revised standards and interpretations (continued)

(a) New and revised standards that are effective for periods beginning on 01 March 2021

In the current period, the following new and revised standards issued by the IASB became mandatory for the first time for the financial period beginning on 01 March 2021:

IFRS 16: Covid-19-Related Rent Concessions (Amendment to IFRS 16) IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

(b) Standards, amendments to existing standards and interpretations that are not yet effective and have not been adopted early by the Group (continued)

Managemement anticipates that all of the relevant pronouncements, as relevant to the Group's activities, will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncements. Information on new standards, amendments and interpretations is provided below:

IFRS 17: Insurance Contracts IAS 16: Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16) IFRS 3: Reference to the Conceptual Framework (Amendments to IFRS 3) IAS 8: Definition of Accounting Estimates (Amendments to IAS 8) IFRS 3: Definition of a business (Amendments to IFRS 3) IAS 37:Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37) IAS 1: Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) IAS 1 and IFRS Practice Statement 2 :Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) IFRS 10 and IAS 28 : Sale or contribution of assets between an investor and its associate or joint venture.

IFRS 10 and IAS 28 : Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28)

Annual Improvements to IFRS Standards 2018–2020

7. Financial risk management

7.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk, operational risk.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

7. Financial risk management (continued)

7.1 Financial risk factors (continued)

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. Such risks are managed through regular analysis of the recoverable amounts of the receivables when due. The Group's credit risk is primarily attributable to due from related party,trade and other receivables and cash and cash equivalents.

Exposure to risks

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date were:

	The Group 2021 USD	The Company 2021 USD
Trade and other receivables	2,423,977	-
Cash and cash equivalents	573,242	19,656
	2,997,219	19,656
Total financial assets	2,997,219	19,656

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The table below analyses the contractual maturities of financial liabilities:

The Group	Carrying amount USD	Within 1 year USD	More than 1 year USD
<u>2021</u>			
Trade and other payables	8,435,030	3,435,030	5,000,000
Borrowings	1,565,237	-	1,565,237
Due to shareholder	11,950	11,950	-
	10,012,217	3,446,980	6,565,237
<u>The Company</u> 2021			
Due to shareholders	11,950	11,950	-
Other payables	52,300	52,300	-
	64,250	64,250	-

7. Financial risk management (continued)

7.1 Financial risk factors (continued)

(c) Foreign currency risk (continued)

Foreign currency sensitivity (continued)

The Group manages its foreign currency exposures by forecasting its need for foreign currencies and retaining such amounts that will be necessary to settle purchases denominated in foreign currencies.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. The amounts shown translated into USD at the closing rate.

	The Subsidiary	
	Financial	Financial
	assets	liabilities
	2021	2021
	USD	USD
ZMW	2,977,563	4,997,967

The following table illustrates the sensitivity of (loss)/profit and equity with regards to the Group's and Company's financial assets and financial liabilities and the ZMW/USD exchange rate 'all other things being equal'. It assumes a +/- 3% change of ZMW/USD exchange rate for the year ended at 31 December

The percentage has been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Group's foreign currency financial instruments held at each reporting date.

If the USD had strengthened against the ZMW by 3% then this would have had the following impact:

	The Group
	Profit and
	equity
	2021
	USD
ZMW	60,612

If the USD had weakened against the ZMW by 3% then this would have had the following impact:

	The Group Profit and equity 2021 USD
ZMW	(60,612)

7. Financial risk management (continued)

(d) Operational risk

The primary responsibility for the development and implementation of controls to address operational risk is assigned to operating team. This involves managing operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions;

- requirements for the reconciliation and monitoring of transactions;
- documentation of controls and procedures;

- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;

- requirements for the reporting of operational losses and proposed remedial action;
- development of contingency plans;
- training and professional development;
- ethical and business standards; and
- risk mitigation, including insurance where this is effective.

(e) Market risk

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has transactional currency exposures. Such exposure arises from the purchase by the Group in currencies other than the unit's functional currency. The Group limits exposure to exchange rate fluctuations by either pre-paying for purchases or retaining stock until the foreign currency to settle the related liability has been secured.

Foreign currency sensitivity

The Group transactions are carried out in the US Dollars (USD). Exposure to currency exchange rates arise from the Group's overseas purchases, which are primarily denominated in Zambian kwacha (ZWM). The Group does not use any financial instruments to hedge its foreign exchange risk.

Exposures to foreign exchange rates vary during the year depending upon the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group exposure to currency risk.

Interest rate risk

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longerterm borrowings are therefore usually at fixed rates. At 31 December 2021, the Group has interest bearing financial liabilities in the form of bank loan. The Company is exposed to interest rate risk as it borrowed funds at fixed interest rates. Interest on bank loan is based on the market rates.

The sensitivity analysis below has been determined based on the exposure to interest rates at the reporting date. The analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year.

If interest rate on the financial liabilities had been 25 basis points higher/lower, the effect on profit for the period would have been USD 404,056 lower/higher for the period ended 31 December 2021.

8. Capital management policies and procedures

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern and to provide an adequate return to its members and other stakeholders.

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The Group sets the amount of capital in proportion to its overall financing structure, that is, equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the 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, reduce capital, issue new shares, or sell assets to reduce debts.

The gearing ratio of the Company is as follows:

	The Group
	2021
	USD
Debts (i)	1,565,237
Cash and cash equivalents	(573,242)
Net debt	991,995
Equity (ii)	12,704,212
Total capital	13,696,207
Gearing ratio	7%

- (i) Debt is defined as long and short term borrowings, as detailed in Note 16.
- (ii) Equity includes both capital and reserves.

9. Fair value measurement of financial instruments

The Group's financial assets and liabilities are measured at their carrying amounts which approximate their fair values.

9.1 Fair value measurement of non-financial assets and non-financial liabilities

The Group's non-financial assets consist of property, plant and equipment, investments in subsidiaries, inventories, prepayments. For non-financial assets, the fair value measured is not applicable since these are not measured at fair value on a recurring or non-recurring basis in the consolidated statement of financial position.

At the reporting date, the Group's non-financial liabilities consist of current tax liabilities, deferred tax liabilities and retirement benefit obligations.

10. Property, plant and equipment

The Group

	Leasehold Land	Buildings	Plant and machinery	Motor vehicles	WIP	Furniture and fittings	Fish Pond	Total
	USD	USD	USD	USD	USD	USD	USD	USD
Cost								
On consolidation	8,916,819	802,824	599,527	93,623	2,755,034	196,880	1,545,792	14,910,499
Additions during the period	-	-	-	-	159,992	-	-	159,992
Exchange difference	3,109,529	279,966	209,071	32,649	992,521	68,657	539,058	5,231,451
At 31 December 2021	12,026,348	1,082,790	808,598	126,272	3,907,547	265,537	2,084,850	20,301,942
Depreciation								
On consolidation	421,137	142,055	554,040	68,420	-	162,533	-	1,348,185
Charge for the period	89,708	61,307	24,670	15,803	-	33,231	13,046	237,765
Exchange difference	164,674	61,712	198,107	26,998	-	63,278	2,590	517,359
At 31 December 2021	675,519	265,074	776,817	111,221	-	259,042	15,636	2,103,309
Net book values								
At 31 December 2021	11,350,829	817,716	31,781	15,051	3,907,547	6,495	2,069,214	18,198,633

11. Investment in subsidiary

·		The Company2021USD
At start of period Additions during the period At end of period		- 10,000,000 10,000,000
Details of the subsidiaries are as follows:		
	Proportion of	

Name of entity	Country of incorporation	Principal activity	ownership interest and voting rights held by the Company	Nominal values of investment
			2021 %	2021 USD
SREE PLC	Republic of Zambia	Farming services, trading and distribution of edible oil and soaps	100	10,000,000

12. Inventories

	The Group
	2021
	USD
Consumables valuation	2,958,624

There were no impairment losses recongnised in respect of inventory during the period, hence no writedown was made during the year.

13. Trade and other receivables

	<u>The Group</u>	The Company
	2021	2021
	USD	USD
Trade receivables	323,800	-
Other receivables	2,100,177	-
Prepayments	4,350	4,350
	2,428,327	4,350

14. Cash and cash equivalents

15.

	The Group 2021 USD	The Company2021USD
Cash at bank	573,242	19,656
. Stated capital		
	The Group2021USD	The Company2021USD
Issued capital and paid		
Issued at incoporation	-	2,350
Shareholder's loan converted into equity (Note 17)	-	5,000,000
On consolidation	5,002,350	

The rights attached to each ordinary share shall be as follows:

5,100,000 ordinary shares of no par value

(i) The right to vote on a poll for every share held at a meeting of the Company on any resolution;

(ii) The right to an equal share in dividends authorized by the Board;

(iii) The right to an equal share in the distribution of the surplus assets of the Company.

16. Borrowings (Non current)

	<u>The Group</u> 2021
	USD
<u>Atlas Mara Limited (Bank loan)</u>	
On consolidation	1,565,237
At end of the period	1,565,237

The above borrowing is secured, bears an interest rate of 25.25% and is repayable by October 2024.

17. Other payables

	The Group	The Company
	2021	2021
	USD	USD
At the beginning	-	10,000,000
Loan to shareholders converted to equity (Note 15 & Note (ii) below)	-	(5,000,000)
On consolidation	5,000,000	
Due to shareholders (Note i)	5,000,000	5,000,000

<u>Note (i):</u>

The above loan is unsecured, bears an interest rate of 1.5% per annum with interest payable quaterly in arrears as from first week of April 2022. The repayment term is that the capital will be repaid half yearly over 3 years starting from 2025 to 2027.

5,002,350

5,002,350

17. Other payables (continued)

Note (ii):

Pursuant to a signed resolution dated 31 December 2021, the board of directors have approved the capitalisation of USD 5 million out of the USD 10 million shareholders' loan into equity by issuing additonal USD 5 million ordinary shares of no par value equally to the shareholders.

18. Due to shareholders (Current)

	The Group	The Company
	2021	2021
	USD	USD
Loan due to shareholders	11,950	11,950

The above shareholder's loan is unsecured, interest free and is repayable on demand.

19. Trade and other payables

		The Group 2021 USD	The Company2021USD
	Trade payables	761,691	-
	Bank overdraft	2,671,039	-
	Due to subsidiary	-	50,000
	Accurals	2,300	2,300
		3,435,030	52,300
20.	Revenue		
			The Group
			2021
			USD
	Sales of commodities		8,667,110
21.	Cost of sales		
			<u>The Group</u> 2021 USD
	Cost of sales		7,414,350
22.	Selling and distribution expenses		
			<u>The Group</u> 2021
			USD
	Selling and distribution expenses		88,768

23. Bargain purchase

	The Group
	2021
	USD
Purchase consideration	10,000,000
Less fair value of net assets at acquisition	(14,311,461)
	(4,311,461)

Pursuant to a resolution dated 28 July 2021, it is resolved that the Company acquired 4,999,998 ordinary shares of par ZMW 1, representing 99.99 % holdings of the subsidiary on 28 July 2021. The purchase consideration was USD 10,000,000 and the fair value of net assets at acquisition of the subidiary was USD 14,311,461 resulting on a bargain purchase of USD 4,311,461.

24. Administrative expenses

	The Group2021USD	The Company2021USD
Administration fees	107,699	1,750
Annual maintenance fees	- -	4,875
Professional fees	-	21,051
Legal fees	-	8,050
Regulatory fees	-	2,450
Registration fees	-	1,150
Bank charges	-	68
Set up fees	-	900
Audit fees	2,300	2,300
	109,999	42,594
Finance costs		
		The Group
		2021
		USD
Interest expense		342,503

26. Taxation

25.

26.1 Income tax expense

The Company

The Company was issued a Global Business License from the Mauritius Financial Services Commission on 30 August 2021 and is subject to income tax at the prevailing rate.

26. Taxation (continued)

26.1 Income tax expense (continued)

The Company (continued)

Pursuant to the enactment of the Finance Act 2018 ,with effect as from 01 January 2019 ,the Deemed Tax Credit has been phased out,through the implementation of a new tax regime. Under the new tax regime and subject to meeting the necessary substance and compliance requirements as required under the Financial Services Act 2007 (as amended by the Finance Act 2018) along with such guidelines issued by the competent authorities in Mauritius , the Company is entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Company's tax liability computed at 15% on such income, or (b) a partial exemption of 80% of some of the income derived, including but not limited to foreign source dividends or interest income.

The Company is expected to be exempted from income tax in Mauritius on profits or gains arising from sale of securities. In addition, there is no withholding tax payable in Mauritius in respect of payments of dividends to shareholder or in respect of redemptions or exchanges of shares. The Company is engaged in international trading activities and as such its income from the trading activities is be taxed at 3%.

The subsidiary

The subsidiary is subject to income tax in the juridisctions in which they operate. At 31 December 2021, the subsidiary had income liability of USD 110,291.

The tax on the Group's and the Company's profit /(loss) before taxation differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

	The Group 2021 USD	The Company 2021 USD
Reconciliation of effective tax		
Profit/(loss) before tax	5,022,951	(42,594)
Taxed at applicable rate per jurisdiction	137,558	(6,389)
Unauthorised deductions	24,222	135
Annual allowances	(68,784)	-
Deferred assets not recognised	-	6,254
Deferred tax liability	110,291	-
Tax expense	203,287	<u> </u>
Statement of comprehensive income		
Income tax on adjusted profit	92,996	-
Deffered tax liability	110,291	
	203,287	-

26. Taxation (continued)

26.1 Income tax expense (continued)

	The Group
	2021
	USD
Statement of financial position	
At start	131,877
Paid during the period	(131,877)
Charge for the period	92,996
On consolidation	70,939
Exchange difference	32,551
At 31 December	<u> 196,486 </u>

The Company

At the reporting date, the Company is not liable to income tax since the Company has a tax loss of USD 41,693, which can be carried forward for the next five years.

26.2 Deferred tax liability

The deferred tax liability relate to income tax in the juridiction of the subsidiary, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows;

	The Group2021USD
At beginning	750,993
Current year movement	110,291
On consolidation	84,132
Exchange difference	300,495
At 31 December	1,245,911

27. Related parties transactions

During the period ended 31 December 2021, the Group and the Company transacted with related entities at arm's length. The nature, volume of transactions and the balances with the entity are as follows:

The Group

Nature of relationship	Nature of transactions	Volume of transactions during the period	Receivable/(pa yables) balance at 31 December 2021
		USD	USD
Shareholders	Due to shareholders	5,000,000	(5,000,000)

27. Related parties transactions (continued)

During the period ended 31 December 2021, the Group and the Company transacted with related entities at arm's length. The nature, volume of transactions and the balances with the entity are as follows:

The Company

Nature of relationship	Nature of transactions	Volume of transactions during the period	Receivable/(payables) balance at 31 December 2021
		USD	USD
Subsidiary Shareholders Shareholders	Current account with subsidiary Amount Due to shareholders	50,000 11,950 5,000,000	(50,000) (11,950) (5,000,000)

28. Contingent liabilities

At 31 December 2021, the Group has no litigation claims outstanding, pending or threatened against it, which could have material adverse effect on the Group's financial position or results of operations.

29. Capital commitments

The Group had no material commitments at 31 December 2021.

30. Events after the reporting date

Pursuant to a Special Meeting of Shareholders held on 30 September 2021, the shareholders had approved the listing of the Company on the Stock Exchange of Mauritius to raise working capital through equity.

On 24 February 2022, Russian Federation launched a full-scale invasion into Ukraine sovereign state. The potential impacts from the emerging Ukraine and Russian conflict remain uncertain, including but not limited to, on global economic conditions, asset valuations, interest rate expectations and exchange rates. The extent of these impacts on the Group are unclear at this stage.

Annexure 6

UNAUDITED FINANCIAL STATEMENTS OF SREE PLC FOR THE PERIOD ENDED 31 DECEMBER 2021

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SREE PUBLIC LIMITED COMPANY

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Financial statements

Management Accounts for the period 1st April 21 to 31st Dec 21

	Management A	ccounts	Audited			
STATEMENT OF PROFIT OR LOSS	1st Apr21 to 31st Dec 21		1st Apr20 to 31st Mar21			
Period	9 Month	S	12 Months			
Currency	ZMW	USD	ZMW	USD		
Sales	299,475,054	15,278,560	385,537,314	19,462,440		
Cost of sales	241,100,652	12,300,426	308,316,691	15,564,240		
Gross profit	58,374,402	2,978,134	77,220,623	3,898,200		
Other operating income						
Operating Expenses	9,074,684	462,970	12,026,466	607,112		
Financial Expenses	11,834,539	603,772	11,867,718	599,098		
Sales and Distribution Expenses	. 3,067,219	156,483	2,599,411	131,222		
Administrative expenses	3,681,584	187,826	5,800,205	292,802		
Operating profit	30,716,376	1,567,082	44,926,823	2,267,966		
Depreciation	4,660,448	237,766	6,150,225	310,472		
Profit before tax	26,055,928	1,329,316	38,776,598	1,957,495		
Tax	3,213,300	163,936	2,908,779	146,839		
Deferred taxation	3,810,893	194,423	3,690,000	186,276		
Profit for the year after taxation	19,031,734	970,957	32,177,820	1,624,379		

K. Stindschar Director

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Dr Srinivasa Rao

Plot No. LN-1002120/1, Mushili Road, P.O. Box 230045, Ndola, Copperbelt Province, Zambia, Telephone: +260 971 733 877, Email: info@sree-africa.com

SREE PUBLIC LIMITED COMPANY

Financial statements

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Management Accounts as on 31-12-2021

STATEMENT OF FINANCIAL POSITION	Management A	Management Accounts		Audited Accounts			
	Dec 202	1	March 2021				
	ZMW	USD	ZMW	USD			
CAPITAL EMPLOYED							
Share capital	5,000,000	305,739	5,000,000	227,583			
Capital Contribution from Shareholders	141,730,216	8,666,501	141,730,216	6,451,079			
Revaluation Reserve	34,095,224	2,084,850	34,095,224	1,551,899			
Retained earnings & Reserves	109,363,852	6,687,366	90,332,118	4,111,612			
Equity attributable to the owners of the company	290,189,292	17,744,456	271,157,558	12,342,174			
Non Lurrent Liabilities				*			
Long term loan	· 25,597,569	1,565,237	11,880,619	540,766			
Deferred taxation	20,375,386	1,245,911	16,564,493	753,960			
Total Non-current liabilities	45,972,956	2,811,148	28,445,112	1,294,725			
Current liabilities							
Trade and other payables	12,456,550	761,691	13,070,786	594,938			
Overdraft/Pre-shipment Loan	43,681,616	2,671,038	40,126,751	1,826,434			
Current tax	3,213,300	196,486	2,908,779	132,398			
Total current liabilities	59,351,466	3,629,216	56,106,316	2,553,769			
Total Liabilities	395, 513, 714	24,184,820	355,708,986	16,190,668			
REPRESENTED BY				CREATE AND			
Non-current assets				10000			
Property, plant and equipment	297,616,806	18,198,633	265,046,031	12,063,998			
	, 297,616,806	18,198,633	265,046,031	12,063,998			
Current assets				1 501 01			
Inventories	48,384,740	2,958,624	33,050,540	1,504,34			
Trade and other receivables	40,458,930	2,473,977	49,859,915	2,269,45			
Cash at bank and in hand	9,053,237	553,586	7,752,500	352,86			
Total Current Assets	97,896,907	5,986,187	90,662,955	4,126,67			
Total Assets	395,513,714	24,184,820	355,708,986	16,190,668			

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Director Nirav Zala

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Date: 23rd February 2022.

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Director Dr Srinivasa Rao

Annexure 7

ACCOUNTANT'S REPORT OF SREE PLC

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Ground Floor, Minet House (TAZARA) Plot 1199, Buteko Avenue P.O. BOX 73461, Ndola Cell : +260 955 824814 Telefax: +260 212 610290 Email: info@hclcharteredaccountants.com Website: www.hclcharteredaccountants.com

Audit • Accountancy • Tax Advisory • Consultancy

HISTORICAL FINANCIAL INFORMATION OF SREE PUBLIC LIMITED COMPANY AND ACCOUNTANT'S REPORT

То

The Directors SREE Public Limited Company ("SREE PLC"), LN-1002120/1, Masaiti, Ndola, Copperbelt Province, PO Box – 230045, Zambia.

INTRODUCTION

HCL Chartered Accountants (Zambia) has been appointed by the directors of SREE PLC to report on the summary financial statements of the Company.

OPINION

The accompanying summary financial statements, which comprise the summary statements of financial position as at 31 March 2019, 31 March 2020 and 31 March 2021, summary statements of profit or loss and other comprehensive income, summary statements of changes in equity and summary statements of cash flows for the years then ended, and related notes, are derived from the audited financial statements of Sree Public Limited Company for the respective years then ended.

In our opinion, the accompanying summary financial statements are consistent, in all material aspects, with the audited financial statements prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of 2017 of the Republic of Zambia.

SUMMARY FINANCIAL STATEMENTS

The audited summary financial statements have been prepared in United States Dollars while the audited financial statements are prepared in Zambian Kwacha. They do not contain all the disclosures required by International Financial Reporting Standards ("IFRS"). Reading the summary financial statements and the accountant's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's reports thereon.

BASIS OF PREPARATION

The summary financial statements are prepared based on the IFRS framework and such other requirements which were applicable at the time of each reporting period being referred to in our report. The historical financial information was not revised to reflect the impact of subsequently issued IFRS, amendments to IFRS and such other requirements which are currently applicable as at the date of our report.

The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

DIRECTOR'S RESPONSIBILITY FOR THE SUMMARY FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the Company's financial statements in accordance with International Financial Reporting Standards and the requirements of the Mauritius Companies Act of 2017 of the Republic of Zambia, and for such internal control as the Directors determine as necessary to enable the preparation of 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 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 Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITY

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

STATEMENTS IN ACCORDANCE WITH THE LISTING RULES

- The financial statements on which the accompanying financial summaries were derived from, were audited by HCL Chartered Accountants (Zambia).
- The most recent audited financial statements which have been issued are for the year ended 31 March 2021. There are no audited financial statements which have been issued since then, up to the date of our report.
- The audited financial statements for the years 31 March 2019, 31 March 2020 and 31 March 2021 give a true and fair view of the results for the years then ended and of the assets and liabilities at the end of those years.
- We are not an associate of any directors or of any shareholders holding more than 5% of the number of . shares issued by the Company.
- We have no relationship with the Company and its subsidiaries other than in our capacity as auditor of the Company.

HCL Chartered Accountants

Date: 30/12/2021

Lucy K Mutambo Manager – Audit M/PC

AUD/F000244

HCL CHARTERED ACCOUNTANTS Ground Floor Tazara (Minet House) Buteko Avenue P.o.box 73461 Ndola



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SREE PLC - ZAMBIA

PAST FINANCIAL PERFORMANCE OF THE COMPANY

A. STATEMENT OF PROFIT OR LOSS AND OTHERT COMPREHENSIVE INCOMES

						(USD)	
For the year ended on		31.03.2021		31.3.2020		31.03.2019	
	Audited			Audited		Audited	
Revenue from Operations	\$	19,462,440	\$	23,261,368	\$	25,076,217	
Other income			\$	11,354		T.	
Total Income	\$	19,462,440	\$	23,272,722	\$	25,076,217	
Expenditure							
Cost of Goods	\$	15,564,240	\$	19,712,743	\$	21,278,500	
Operating Expenses	\$	607,112	\$	609,885	\$	392,195	
Sales & Dis Expenses	\$	131,222	\$	127,921	\$	177,762	
Admin Expenses	\$	292,802	\$	432,345	\$	931,380	
Total Expenses	\$	16,595,376	\$	20,882,893	\$	22,779,838	
EBITDA	\$	2,867,065	\$	2,389,829	\$	2,296,379	
Less Depreciation	\$	310,472	\$	470,772	\$	580,060	
Earnings before Interest and Tax	\$	2,556,593	\$	1,919,057	\$	1,716,320	
Less Finance Costs	\$	599,098	\$	248,965	\$	18,873	
Profit Before Tax	\$	1,957,495	\$	1,670,092	\$	1,697,446	
Provision for I.Tax	\$	146,839	\$	175,453	\$	182,164	
NET PROFIT AFTER TAX	\$	1,810,656	\$	1,494,639	\$	1,515,283	
Net Cash Accruals	\$	2,121,127	\$	1,965,412	\$	2,095,342	
NP Ratio		9.30%		6.42%		6.04%	

HCL CH	ARTERED ACCOUNTANTS
Ground	Floor Tazara (Minet House)
1012	Buteko Avenue
	P.o.box 73461
	Ndola

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B. STATEMENT OF FINANCIAL POSITION

					 (USD)
For the year ended on		31.03.2021		31.3.2020	31.03.2019
	Audited Audited			Audited	
CAPITAL EMPLOYED					
Share Capital	\$	227,583	\$	315,956	\$ 417,749
Surplus as per P & L A/c.	\$	4,111,612	\$	3,674,837	\$ 3,258,452
Longterm loan to Equity	\$	1,551,899	\$	-,	\$ -
Equity attributable to the owners of the company	\$	5,891,094	\$	3,990,793	\$ 3,676,201
REPRESENTED BY					
Non-current assets					
Property, plant and equipment	\$	12,063,998	\$	12,270,838	\$ 13,530,588
	\$	12,063,998	\$	12,270,838	\$ 13,530,588
Current assets					
Inventories	\$	1,504,349	\$	834,691	\$ 1,099,107
Trade Receivables	\$	2,269,454	\$	2,619,364	\$ 2,262,393
Cash & Bank Balance	\$	352,868	\$	198,555	\$ 299,357
	\$	4,126,671	\$	3,652,610	\$ 3,660,858
Current liabilities					
Trade Payables	\$	594,938	\$	728,188	\$ 524,618
Curraet tax	\$	132,398	\$	148,851	\$ 167,447
Short term borrowing	\$	1,826,434	\$	1,285,965	\$
	\$	2,553,769	\$	2,163,005	\$ 692,065
Net current assets	\$	1,572,901	\$	1,489,605	\$ 2,968,793
Non current liabilities					
Long term loans & advances	\$	6,991,845	\$	8,956,096	\$ 11,841,541
Deferred tax liability	\$	753,960	\$	813,554	\$ 981,639
	\$	7,745,805	\$	9,769,650	\$ 12,823,180
TOTAL ASSETS	\$	5,891,094	\$	3,990,793	\$ 3,676,201

HCL Chartered Accountants

Date: 07/10/202/

fff Outeo Lucy K Mutambo Manager - Audit

M/PC AUD/F000244

HCL CHARTERED ACCOUNTANTS Ground Floor Tazara (Minet House) Buteko Avenue P.o.box 73461 Ndola