MDIT

ANNUAL REPORT 2018

CONTENTS

MDIT'S OBJECTIVE IS TO **SECURE** FOR INVESTORS THE **BENEFITS** OF A GOOD **DIVIDEND** YIELD AS WELL AS LONG-TERM CAPITAL **GROWTH**

COMPANY PROFILE

The Mauritius Development Investment Trust Company Ltd (MDIT), incorporated in 1967, is the first approved Investment Trust in Mauritius and a Collective Investment Scheme (CIS), authorised as a Closed-end Fund by the Financial Services Commission under the Securities Act 2005.

MDIT is also one of the first five companies to be listed on the Official List of the Stock Exchange of Mauritius Ltd (SEM) on 29 June 1989, at the same time as MCB Group Holdings Ltd, formerly The Mauritius Commercial Bank Ltd, and Omnicane Ltd, formerly Mon Trésor and Mon Désert Ltd, which was MDIT's main shareholder until 31 March 2010, and United Basalt Products Ltd (UBP).

At 30 June 2018, MDIT had 4,847 shareholders, with Golden Foundation Ltd as a substantial shareholder. The board of MDIT is made up of non-executive and independent directors who have a vast experience in their respective fields of expertise and participate actively in the board and committee meetings. MDIT is managed by Golden Fund Management Services Ltd, formerly Omnicane Fund Management Services Ltd, a wholly-owned subsidiary of Golden Foundation Ltd.

MDIT's objective is to secure for investors the benefits of a good dividend yield as well as long-term capital growth. Its portfolio of investments was, at 30 June 2018, well spread in 104 local companies covering all sectors of the Mauritian economy, with Official Market (OM), Development and Enterprise Market (DEM) and Unquoted shares accounting for 83% of the total portfolio value, and the balance 17% held in diversified overseas securities.

MDIT has been playing a major role over the last 50 years in the development of the financial sector as well as capital markets in Mauritius. Through its active involvement on the SEM, placing daily buy and sell orders through stock-broking companies, MDIT exerts a significant influence in the advancement of an industry which is one of the main contributors to the country's economic growth.

At 30 June 2018, MDIT's main local portfolio value was in the sectors of Investment holdings, funds and trust companies (48%), the share prices of which are at a substantial discount to the Net Asset Value (NAV), Finance (16%), Hotels (8%), Industry (5%), and Commerce (3%). MDIT share price was Rs 4.77 at 16 November 2018, which is 10.4% higher than its NAV per share of Rs 4.32 at 31 October 2018.

MDIT's main income streams are derived from dividends and profits on sales of investments. As the investments of MDIT are in shares of companies that retain, on average, some 45% of their earnings, its policy is to distribute up to 90% of its profit after tax on a cost basis. This policy, together with the good past performance of its well diversified portfolio, have enabled dividend distributions, yielding a high average of 5.58% p.a. for investors during the past five years, as well as bonus share distributions from time to time through capitalisation of revaluation reserves.

MDIT shares ranked amongst the top 10 Official List securities and, in terms of the SEM Total Return Index (SEMTRI), it ranked 9th at 31 October 2018 with a very high annualised return of 16.97% since its listing.

NOTICE OF ANNUAL MEETING OF **SHAREHOLDERS**

Notice is hereby given that the fifty-first Annual Meeting of Shareholders of The Mauritius Development Investment Trust Company Ltd (the Company) will be held in the Private Room, 2^{nd} Floor, La Bonne Marmite Restaurant Complex, Sir William Newton Street, Port Louis, on Friday 28 December 2018 at 15.30 hrs to transact the following business:

1. To consider and adopt the audited financial statements, to receive the auditors' report and to consider the Annual Report for the year ended 30 June 2018.

2. to 6. To elect the following directors as separate resolutions:

   Messrs Roger Leung Shin Cheung, Georges Leung Shing and Francois Montocchio retire under Section 138 (6) of the Companies Act 2001 and being eligible, offer themselves, separately, for re-election until the next Annual Meeting.

   Messrs Marc Ah Ching and Stephen Scali be elected as directors.

7. To ratify the payment of the interim and final dividends per share of 11 cents and 13 cents respectively declared by the Directors and paid.

8. To fix the Directors' fees for the year ending 30 June 2019.

9. To re-appoint Messrs Ernst & Young as auditors of the Company under Section 200 of the Companies Act 2001 and to authorise the Directors to fix their remuneration.

A member may appoint a proxy to attend, speak and vote in his/her stead. The proxy need not be a member of the Company but the proxy forms should be forwarded to reach the Company's registered office, 7^{th} Floor, Newton Tower, Sir William Newton Street, Port-Louis, not less than twenty-four hours before the time for holding the meeting.

By order of the Board

Fabrice Parsooramen FCCA

For and behalf of

JLP Company Secretarial Services Ltd
Company Secretary

16 November 2018

CORPORATE INFORMATION

CIS Manager
Golden Fund Management Services Ltd
(Formerly Omnicane Fund Management Services Ltd)

Registrars and Transfer Office
MCB Registry & Securities Ltd
Sir William Newton Street
Port Louis

Custodian
MCB Capital Markets
Sir William Newton Street
Port Louis

Manager
Vicky Ducasse, FCCA

Accountant
Stephane Choo Pak Choon

External Auditor
Ernst & Young

Telefax
(230) 213 2636

Website
www.mdit.mu

Notary
Me Jean Pierre Montocchio

Bankers
Bank One Ltd
Barclays Bank Mauritius Ltd
State Bank of Mauritius Ltd
The Mauritius Commercial Bank Ltd

Registered Office and Postal Address
7th Floor, Newton Tower
Sir William Newton Street
Port Louis

Company Secretary
JLP Company Secretarial Services Ltd

Internal Auditor
KPMG

Telephone
(230) 213 2298

Email
mdit@intnet.mu

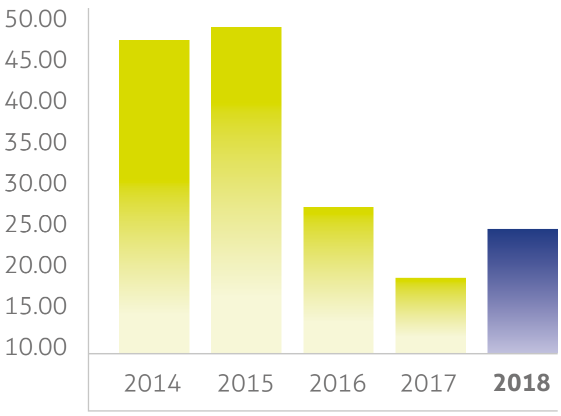
FINANCIAL HIGHLIGHTS

COMPANY	**2018**	2017	2016	2015	2014
	YEAR ENDED 30 JUNE				
Earnings/(loss) per share	**0.05**	0.55	(0.36)	0.26	0.23
Earnings per share (cost basis)*	**0.24**	0.18	0.26	0.47	0.46
Dividend per share	**0.24**	0.24	0.24	0.32	0.32
Net asset value per share**	**3.47**	3.67	3.35	3.94	4.00
Dividend yield	**5.17**	5.22	5.93	5.97	5.33
Share price	**4.42**	4.60	4.05	5.36	6.00

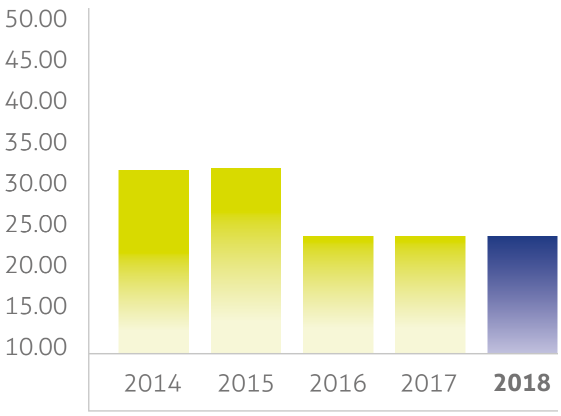
* Excludes revaluation surplus/ (deficit) / ** Includes final dividend declared

For the quarter ended 30 September 2018, the EPS at valuation was Rs 0.81 (2017: Rs 0.13). At cost excluding revaluation surplus, EPS amounted to 10 cents (2017: 6 cents). At 30 September 2018, NAV per share amounted to Rs 4.29 (2017: Rs 3.79) which is lower than the share price Rs 4.64 (2017: Rs 4.75).

Earnings per share (cost basis)** - cents

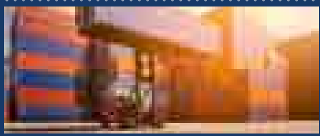
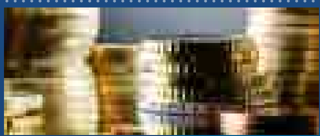
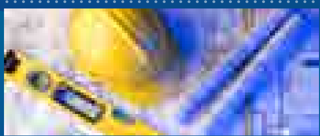
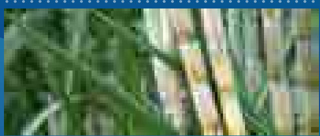
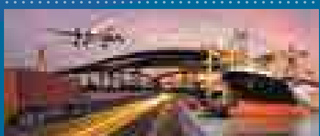
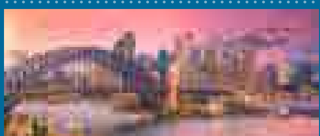


Dividend per share - cents



LOCAL MARKET	**2018**	**2017**	**2016**	**2015**	**2014**
	30 JUNE				
SEMDEX	**2,245**	2,123	1,752	1,981	2,085
SEM-10 (Previously SEM-7)	**430**	412	337	378	403
SEMTRI	**8,124**	7,472	5,974	6,550	6,703
DEMEX	**240**	213	194	207	185
DEMTRI	**329**	282	250	259	225

PORTFOLIO BY **SECTOR** AS AT 30 JUNE 2017

Sector		%
BANKS, INSURANCE & OTHER FINANCE		> 15
COMMERCE		> 3
INDUSTRY		> 6
INVESTMENT CONGLOMERATE		> 42
INVESTMENT EQUITIES		> 6
INVESTMENT TRUST, FUNDS & REAL ESTATE		> 1
HOSPITALITY LEISURE & HOTELS		> 7
PROPERTY DEVELOPMENT		> 1
SUGAR		> 1
TRANSPORT		> 1
OVERSEAS		> 17

CLASSIFICATION OF INVESTMENTS

SECURITIES		June 2018 Valuation Rs M	June 2018 Holding %	June 2017 Valuation Rs M	June 2017 Holding %
Bank, Insurance & Other Finance	- OM	**220**	**15**	214	14
	- DEM	**-**	**-**	-	-
	- Unquoted	**5**	**-**	4	-
		225	**15**	218	14
Commerce	- OM	**9**	**1**	14	1
	- DEM	**4**	**-**	3	-
	- Unquoted	**24**	**2**	24	2
		37	**3**	41	3
Industry	- OM	**37**	**3**	45	3
	- DEM	**10**	**1**	10	1
	- Unquoted	**28**	**2**	13	1
		75	**6**	68	5
Investments	- OM	**221**	**15**	305	20
	- DEM	**385**	**28**	417	27
	- Unquoted	**81**	**6**	89	6
		687	**49**	811	52
Leisure and Hotels	- OM	**60**	**4**	99	6
	- DEM	**50**	**3**	39	3
	- Unquoted	**-**	**-**	1	-
		110	**7**	139	9
Sugar	- OM	**3**	**-**	3	-
	- DEM	**19**	**1**	17	1
	- Unquoted	**-**	**-**	-	-
		22	**1**	20	1
Property Development	- OM	**1**	**-**	4	-
	- DEM	**16**	**1**	13	1
		17	**1**	17	1
Transport	-OM	**22**	**1**	23	1
All Sectors	- OM	**582**	**40**	708	45
	- DEM	**484**	**33**	500	32
	- Unquoted	**139**	**10**	131	8
LOCAL INVESTMENTS		**1,205**	**83**	1,339	86
OVERSEAS INVESTMENTS		**243**	**17**	211	14
TOTAL INVESTMENTS		**1,448**	**100**	1,550	100

REPORT OF THE **DIRECTORS**

The directors have pleasure in submitting the Annual Report and the audited financial statements for the year ended 30 June 2018.

MARKET REVIEW

Stock Exchange of Mauritius (SEM)

Official Market (OM)

The SEMDEX of 2,123 at 30 June 2017 moved on an upward trend to reach 2,211 on 28 July 2017, before falling to 2,186 on 18 August 2017 and to 2,167 on 6 September 2017. It then increased to 2,207 on 13 November 2017, and to 2,291 on 21 February 2018. At 15 March 2018, it reached an all-time high of 2,307 but was down to 2,245 on 30 June 2018, representing a rise over the year of 5.7% (2017: 21.1%).

The share price of MCBG price decreased marginally by 0.4%, while SBMH price increased by 0.6% and CIM price went up by 7.0%, owing to the continued progression of its finance and property cluster. For insurance companies, SWAN, MUA and MEI, their prices went up higher by 18.4%, 16.9% and 15.3% respectively attributable to improved underwriting results.

For the commercial sector companies, their share prices rose even higher, HML by 26.2%, Innodis by 24.3%, driven by better performance, and IBL Ltd by 24.3% including a one-off gain from the sale of ABAX Ltd and a continued organic growth for its leading brand Winners coupled with a positive result for newly acquired CMPL's supermarkets. Other increases were 8.1% for Vivo Energy and 1.4% for ENL Commercial

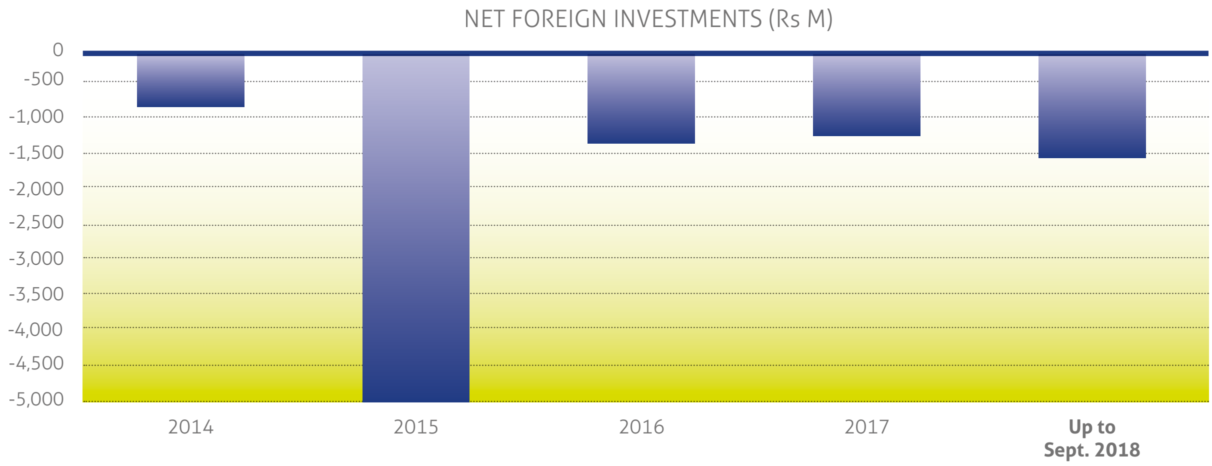
The implementation of several major projects increased the construction sector share prices of Gamma and UBP by 50.8% and 9.1% respectively. Increases for other industries include PBL by 31.9%, attributable to increased sales volumes in a competitive market, and 10.1% for Moroil but PIM fell by 17.8% mostly after the publication of less good results for the year ended 30 June 2017.

Investment sector share price increases were for UTDL (65.4%), owing to revaluation of properties, and BMHL (22.6%) following the better performance of its hotel subsidiaries. Other increases include Rogers (17.2%), ENL Land P (6.1%) but, due to lower sugar prices and production, ALT, TERA and ENL Land O prices dropped by 25.3%, 17.5% and 11.3% respectively.

Both leisure share prices rose, Lottotech by 71.1%, attributable mostly to the satisfactory arbitration of its legal action against the Gambling Regulatory Authority, and ASL by 15.4%. With the continuing increase in tourist arrivals, LUX and NMHL O prices were also higher, by 22.9% and 7.6% respectively.

BLL share price was up by 19.1%, despite continued losses. Sugar company, Omnicane, price fell by 29.7% and Air Mauritius by 16.6% following reduced profit due to the rise in fuel price and the EUR against USD.

Below is the chart of the net foreign investments over the past five years on the OM, which shows net disinvestment from 2014 to 2017, mainly due to sales of shares of the two-leading banks. For the nine months to 30 September 2018, net disinvestment amounted to Rs 1,546M (2017: net investment of Rs 401M).



Development and Enterprise Market (DEM)

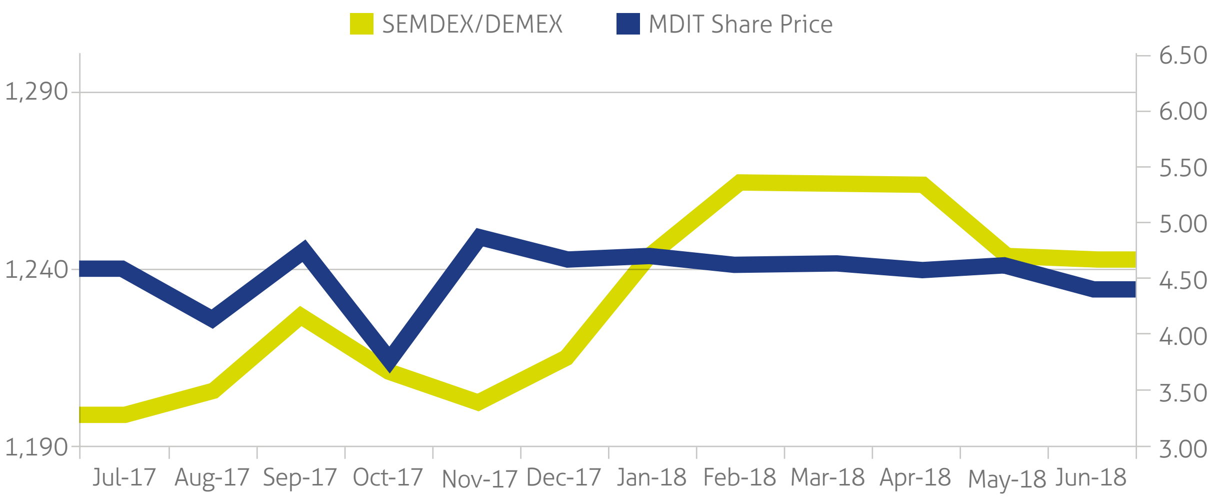
The DEMEX of 212.83 at 30 June 2018 rose almost continuously to reach 219.98 on 18 August 2017, 223.86 on 15 September 2017, 229.35 on 13 November 2017, 231.51 on 16 January 2018, 236.27 on 16 March 2018 and 240.31 on 31 May 2018. Thereafter, it decreased slightly to 239.65 at 30 June 2018, representing a 12.6% during the year (2017: 9.8%).

Share price sharply increased for BEE Equity Partners Ltd (58.3%), following the good performance of its subsidiary Flacq Associated Stonemasters Ltd, MCOS (51.5%), due to an increase of 2.5 times in PAT, ASCE A (50.4%), with the opening of So Flo and the renewal of the leases of anchor tenants Somags (Jumbo Score), and LFL O (49.8%), with significant growth in its Madagascar operations. Other significant increases were 47.0% for RHT, 46.6% for PHIN, 44.9% for BYCH, 42.1% for Covifra, 34.1% for CIMO, 26.3% for UNSE, 22.7% for EUDC, 21.0% for APL, 20.0% for MFDG, 18.2% for Swan Life and 14.9% for QBL.

On the other hand, the share price went down for MASC (-22.1%) attributable to the adverse results of Wellkin (ex-Apollo Hospital) acquired in January 2017, GIL (-19.3%), due to increased competition and the unplanned outage of their main plant, and FTL (-18.0%) which realised net losses over the past two years. Other lower decreases were for CHSL (11.6%), ENL P (10.9%), LMLC (7.3%), HTLS (7.1%) and SCT (4.9%).

At 30 June 2018, the OM and DEM listed shares represented 40.16% and 33.45% of MDIT's portfolio respectively. After the listing of the amalgamated ENL group of Companies in January 2019, the % held in OM listed shares will substantially increase due to ENL P being listed on the DEM and ENL O being unquoted. On the other hand, the % held in DEM listed and Unquoted shares will substantially decrease.

The graph below shows that during the seven months to 31 January 2018, MDIT share price was above the SEMDEX and DEMEX weighted average, but was below the latter average for the remaining five months to 30 June 2018.



REPORT OF THE **DIRECTORS**

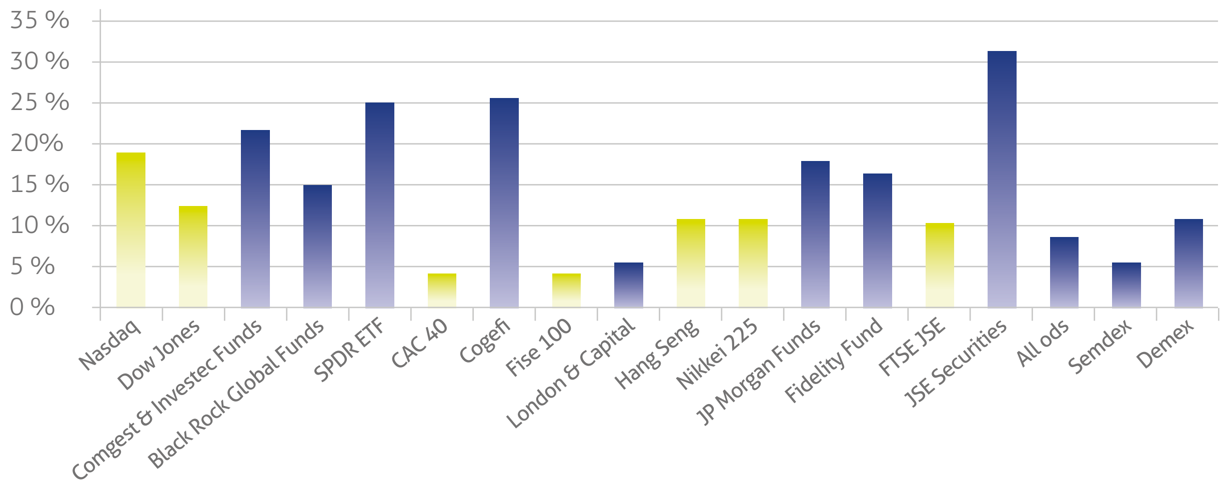
Overseas market

For the year 2017, according to the World Economic Outlook, the global growth went up 3.7% (2016: 3.1%), with notable upside in Europe and Asia that reflects the increased global momentum and signs of recovery of several commodity exporters and expected impact of tax policy changes in USA, despite increasing geopolitical tensions between the USA, China and Europe and Brexit negotiations still dragging on between Britain and Europe.

In the first quarter to 2018, the global growth was 3.8% (2017: 3.5%) with upswing in global investment and trade. For the full year 2018, 3.9% growth is forecast with a faster growth for advanced, due to the expansionary fiscal policy maintaining the US economy with higher employment. In the short to medium term, the positive momentum is expected to reverse for the US fiscal stimulus and the transition to a lower growth for China. Moreover, there are still downside risks due to trade tensions, shift towards protectionism and decreasing support for global integration.

The graph below shows positive returns for all world markets indices, with NASDAQ (18.9%), Dow Jones (12.0%), Hang Seng (11.0%), FTSE JSE (10.4%), NIKKEI 225 (10.2%), All Ods (8.4%), FTSE 100 (4.2%) and CAC 40 (3.8%), and for local indices, SEMDEX (5.4%) and DEMEX (11.2%).

World Stock Markets Return v/s MDIT Foreign Investments Return (12 months to 30.06.18)



Investment Strategy

The strategy of MDIT remains the constant re-balancing of its local investment portfolio to reduce any over-concentration in any one company or sector of the economy and the selling of those investments which have increased significantly above the average so as to realise fair value gains, particularly where their margins on costs are high. Trading activities being also one of the main characteristics of the Fund, the strategy on the trading side is to ensure that local securities are bought and sold when their prices are at relatively low and high levels respectively.

The Company invests in securities where their respective prices have fallen below their fundamentals and subscribes to rights issues of shares, bonds and depositary receipts with good growth potentials. Moreover, disinvestments would likely occur for shares held in companies involved in medium term projects which would adversely impact on their results and thus weigh down on their share prices.

The Investment Committee is consulted in respect of substantial transactions and meets regularly to monitor movements in the securities' portfolio and consider the factors that may affect not only the value of the investments but also their profitability in the short and long term.

REPORT OF THE **DIRECTORS**

CORPORATE ACTIONS AND ANNOUNCEMENTS

Official Market (OM)

MCB Group Ltd (MCBG)

On 26 October 2017, MCBG announced the completion of the acquisition of Covifra, the owner of Club Med Hotel in Pointe aux Cannoniers, by its subsidiary company, MCB Real Assets Ltd (MCBRA), and that a mandatory offer will be made to the minority shareholders at the transaction price of Rs 22.50, as per Takeover Rule, after a special dividend payment of Rs 4.70 per share.

MCB subsequently announced the issue of Rs 2 billion Floating Rate Unsecured Notes due 2023, with interest rate at Repo Rate, being 3.50% p.a. at date of prospectus, which were listed on 23 January 2018.

On 06 April 2018, MCBG announced that MCBRA mandatory offer at Rs 22.50 each was accepted by shareholders for 4,867,392 ordinary shares and increased MCBRA shareholding from 84.43% to 93.03%.

Harel Mallac Ltd (HML)

On 10 November 2017, HML announced the sale of its entire shareholding in Harel Mallac Export Ltd and Harel Mallac International Ltd to MCFI for a total cash consideration of Rs 900,000.

Swan Life Ltd (Swan Life)

Swan Life announced, on 13 November 2017, that no further regulatory action will be taken by the FSC, regarding the transaction in the shares of New Mauritius Hotels Ltd.

Alteo Ltd (ALT)

ALT announced, on 4 October 2017, the incorporation of Alteo Group Ltd (Alteo) to which the shares held by the shareholders of ALT will be exchanged for shares in Alteo in the ratio of 1:1. Subsequently, ALT announced, on 15 January 2018, that its scheme of arrangement has been sanctioned by the Supreme Court, and the listing of the new entity, Alteo, will be effective on 02 April 2018.

IBL Ltd (IBL) / Lux Island Resorts Ltd (LUX)

IBL announced, on 15 December 2017, the acquisition of 49.28% of the share capital of LUX at a price of Rs 71.50, from MCB Equity Fund Ltd. LUX, on 12 February 2018, announced that IBL will be making a voluntary offer to acquire the 69,543,494 ordinary shares or 50.72% of its share capital at a price of Rs 71.50 per share. Acceptances were received from minority shareholders representing 6.91% of LUX share capital, thus increasing IBL shareholding in LUX to 56.20%.

LUX further announced, on 22 October 2018, the restructuration of its activities involving the separation of its Management Company, The Lux Collective Ltd ("TLC"), formerly LUX Hospitality Ltd, from its real estate and hotel operations company namely LIR. LIR will distribute in specie to its shareholders, registered on 30 November 2018, of one share of TLC for every share held in LIR. Following the restructure, LIR will continue to own the real estate assets and keep the operations whereas management of the hotels will continue to be performed by TLC under long term management contracts.

Ciel Ltd (CIEL)

CIEL announced, on 18 December 2017, the approval, of a Rs 4,000,000,000 multicurrency note programme in the form of a private placement of secured notes (The 'Third Notes Issue') for an aggregate nominal amount not exceeding Rs 1,270,000,000.

New Mauritius Hotels Ltd (NMH)

On 18 December 2017, NMHL announced that the conversion factor for each redeemable convertible non-voting preference (P) share into 0.5129 ordinary share and, on 19 March 2018, that, out of 161,423,536 P shares is issue, 129,610,046 or 76.6% were converted so that the issued O and P shares amount to 547,670,201 and 37,813,490 respectively.

NMHL announced, on 26 October 2018, that its wholly owned subsidiary, Semaris Ltd, has signed on a Memorandum of Understanding with Safran Lancorp Ltd to develop its 365 arpents property at les Salines, Black River. The project will comprise 220 luxury villas and a 18-hole course of International Standard.

REPORT OF THE **DIRECTORS**

BlueLife Ltd (BLL)

BLL announced, on 19 December 2017 that a right issue of 229,599,782 new ordinary shares will be proposed at an issue price of Rs 1.96 per share, in the ratio of 0.5398 for every 1 ordinary share.

After the completion of the rights issue, BLL announced, on 26 February 2018, that a mandatory offer by IBL Ltd (IBL) to acquire all voting shares not already held at a price of Rs 2.24 per share. IBL subscribed to 19,418,944 rights on 26 January 2018 and was also allotted 170,425,671 unsubscribed shares. These acquisitions consolidated IBL position from 8.46% to 34.48%.

BLL, announced on 30 March 2018, the signature of a Share Purchase Agreement for the disposal of its 100% subsidiary, Circle Square Holding Co. Ltd for a total consideration of MUR 366M.

Grit Real Estate Income Group Ltd (GRIT)

On 19 December 2017, GRIT announced a (''Buyback Shares'') of up to 1,750,000 shares representing 0.84% of the total issued shares in order to increase the net value per share accordingly. GRIT and Freedom Asset Management Ltd ('FAM'), transferred, on 02 March 2018, the ordinary shares held by FAM to the relevant directors of GRIT in the same proportion as currently held through the FAM structure, valued at USD 59,741.70.

GRIT announced, on 10 May 2018, the submission of an application to the UK Listing Authority for the admission of its Ordinary Shares on the Official List of the London Stock Exchange (LSE) Main Market, and further intention to be listed on the premium segment of the LSE, and the issue of additional 5,567,564 ordinary shares at USD 1.5267 each for acquisition of Capital Place Ltd in Ghana. GRIT, listed on the Johannesburg Stock Exchange since 2014, was listed on the LSE on 1 August 2018.

Gamma Civic Ltd (GCL)

On 21 December 2017, GCL informed that its subsidiary company, Burford Development Ltd, has sold its HSBC Centre building in Ebene to VTCH Group III (Mauritius) Ltd for a consideration of Rs 633.75M. GCL announced on 03 May 2018, the sale of 25% in Kolos Cement Ltd by its subsidiary, Gamma Cement Ltd, to WH Investments Pte. Ltd, a private company in Singapore for US$ 15.3M.

IBL Ltd (IBL)

On 06 February 2018, IBLL announced the selling of Abax Holding Ltd to Orthrus Ltd, a global provider of specialist financial services based in Jersey but also established in Mauritius.

IBLL announced, on 09 June 2018, the sale of The Mauritian Eagle Leasing Ltd to CIM Financial Services Ltd, as an exit strategy for its non-core business segment.

Mauritius Union Assurance Co. Ltd (MUA)

On 15 May 2018, MUA announced the incorporation of a new legal entity to act as the holding company referred to as MUA Group where one ordinary share of MUA will be exchanged for one ordinary share of MUA Group, which aim is to simplify the operations of the entities within the group while maintaining its capital base.

Vivo Energy (Mauritius) Ltd (VIVO)

VIVO announced, on 17 May 2018, a change of dividend policy from 50% to up to 100% of its EPS, effective as from January 2018.

SBM Holdings Ltd (SBMH)

Following a number of recent press articles relating to facilities granted to a Kenyan based entity, SBMH announced, on 4 June 2018, that its subsidiary company, SBM Bank (Mauritius) Ltd (SBM), reviews and monitors significant exposures on a continuous basis. Despite certain factual inaccuracies contained in the press articles, for reasons of banking confidentiality, no further details can be disclosed. However, the risk appetite of SBM and its credit policies are kept under review by its Credit Committee which ensures strict compliance with Bank of Mauritius credit and lending guidelines. SBM notes that no breach of these guidelines has occurred. At this point in time, neither SBM nor SBMH have any reason to expect a financial impact on the Group arising from the facilities granted.

SBMH announced, on 10 August 2018, that an internal inquiry has been initiated by SBM Bank (Mauritius) Ltd (the Bank) into suspected fraud in respect of net facilities of USD 27 million granted to a segment B client. The Bank has commenced recovery proceedings and referred the matter to the relevant authorities for further action. Whilst this issue has arisen post the period end, the Bank will make provisions in its books in line with Bank of Mauritius guidelines, which will be reflected in its June 2018 financial statements. Further, it is pointed out that the Bank remains a strong financial institution with a solid balance sheet, with total assets of MUR 188 billion at 31 March 2018.

On 20 August 2018, SBMH announced having successfully completed the acquisition of the carved-out assets and assumption of specific liabilities of Chase Bank Kenya Ltd (CBK) on 18 August 2018 through its subsidiary SBM Bank (Kenya) Limited (SBM Kenya). CBK is a commercial bank headquartered in Nairobi, with a network of 62 branches across Kenya.

SBMH announced, on 4 October 2018, that the maximum potential loss relating to the cybercrime fraud on the India Operations of SBM Bank (Mauritius) Ltd has reduced to USD 4M. The efforts to minimise the loss will continue and the SBM Group will ensure effective resilience of its systems to such attacks, which are an increasing feature of banking.

Belle Mare Holding Ltd / BMH Ltd (BMHL)

On 30 July 2018, BMHL informed the approval of a new governance framework, a plan to strengthen its presence in the hospitality industry and a rights issue at Rs 40.00 per share. A further announcement was made to inform shareholders of dividend options for every one ordinary share held either Rs 1.00 payable in cash or receive four "Redeemable A shares" of no par value in the capital of LGH Ltd with little economic value to shareholders.

After having increased its stake in HTLS to 50.01%, BMHL made mandatory Offers to acquire the minority shares in HTLS and subsidiary CHSL, at a price of Rs 30.85 and Rs 30.50 respectively and announced, on 12 November 2018, following acceptances received, BMHL's holdings in HTLS and CHSL have increased to 69.07% and 2.30% respectively.

Sun Ltd (SUN)

On 01 August 2018, SUN informed that its subsidiary Sun Styled Boutiques Ltd agreed with Floreal Knitwear Ltd, a wholly-owned subsidiary of CIEL Textile Ltd to acquire its entire shares held by FKL in CTL to consolidate all retail operations under one single cluster of the CIEL group.

The Mauritius Chemical and Fertilizer Industry Ltd (MCFI)

MCFI informed on 27 September 2018 the proposed acquisition of 100% of Bychemex Ltd's ordinary shares at a price of Rs. 7.03 and 93.47% of Chemco's ordinary shares at Rs. 22.59 in cash to benefit from potential synergies in alignment of the ownership and of the management.

The United Basalt Products (UBP)

On 28 September 2018, UBP informed of the redemption of its Unsecured Floating Rate Bonds and the bond holders were repaid on 31 October 2018.

ENL Ltd (ENL), ENL Land Ltd (ENL Land) and ENL Commercial Ltd (ENL Commercial) merger into La Sablonière Ltd (LSL)

On 18 July 2018 was announced that the ENL Group was considering a restructuring and an amalgamation of ENL, ENL Land and ENL Commercial with and into La Sablonnière Ltd (LSL).

The implementation of the Amalgamation was announced on 8 November 2018. The exchange of shares is proposed on the basis of 1.2186 LSL shares for 1 ENL O share, 1.1617 LSL shares for 1 ENL P share, 1.3721 LSL shares for 1 ENL Land O share and 0.6678 LSL share for 1 ENL Commercial share. LSL would have a Net Asset Value (NAV) of Rs 2,783,409,000 for a total of some 375M shares i.e. Rs 74.08 per share.

Development and Enterprise Market (DEM)

ENL Ltd (ENL), ENL Land Ltd (ENL Land) and ENL Commercial Ltd (ENL Commercial) merger into La Sablonière Ltd (LSL) (continued)

This is equivalent for ENL P to Rs 86.06, for ENL Land to Rs 101.65 and for ENL Commercial to Rs 40.60.

LSL Valuation per share by Ernst & Young is Rs 22.8 billion or Rs 60.80 per share. This is equivalent to Rs 70.63 for ENL P, Rs 83.42 for ENL Land O and Rs 50.23 for ENL Commercial.

LSL is scheduled to be listed on Listing on 23 January 2019, with an Introduction Price of Rs 40.00 for 5,000 shares available for sale on the first day of trading. This is equivalent to Rs 46.47 for ENL P, Rs 54.88 for ENL Land O and Rs 26.71 for ENL Commercial.

Mauritius Cosmetics Ltd (MCOS)

On 09 April 2018, MCOS announced the proposed rights issue of 5M ordinary shares of Rs 10 at Rs 30 each in the ratio of one for two. All the 5M ordinary shares were subscribed.

Paper Converting Company Ltd (PCCL)

PCCL, on 18 May 2018, announced the proposed bonus issue in the ratio of 1 new ordinary share for every 9 ordinary shares held totalling Rs 4,000,000 of Rs 10 each. On 19 July 2018, PCCL informed of the approval to proceed with a Bonus Issue in the ratio of 1 new ordinary share for every 9 ordinary shares held, totalling MUR 4,000,000 and made up of 400,000 new ordinary shares of Rs 10 each.

Tropical Paradise Co. Ltd (TPL)

TPL announced on 25 May 2018, the amalgamation with its subsidiary Triamed, which operates the Hennessy Park Hotel in Ebene, so to achieve operational and financial synergies.

Ascencia (ASCE)

On 30 May 2018, ASCE announced that the mandatory conversion of 4,213,602 non-voting preference shares into Class A ordinary shares at a conversion rate of 1:0.862159027.

Southern Cross Tourist Co. Ltd (SCT)

SCT announced the approval of the private placement of secured notes for an aggregate nominal amount of Rs 900M. The proceeds will finance the renovation of Preskil Beach Resort.

The Medical and Surgical Centre Ltd (MSCL)

On 21 August 2018, MSCL informed the signed agreement with Fortis Healthcare International Ltd to operate, manage and market the services of both Wellkin Hospital and Clinique Darné for a 10-year period.

Compagnie des Villages de Vacances de L'ISLE DE France Ltee (Covifra)

On 28 September 2018, Covifra informed of the intention to proceed with a rights issue of 11,322,000 at a price of Rs 23.00 per share to finance the refurbishment which is currently undergoing at the hotel rather than taking additional debt.

United Investment Ltd (UIL)

On 19 October 2018, UIL has transferred its investments, assets and liabilities (except for the quoted bonds of Rs 425M which will be transferred to AXYS Ltd ("AXYS") following approval of bondholders) into two fully owned subsidiaries, AXYS and OXIA Ltd ("OXIA") holding the financial services and non-financial services clusters of the group, respectively. The aim of the restructuring is to provide greater liquidity to shareholders, improved visibility on the performance of each cluster and unlock shareholder value.

Excelsior United Development Companies Ltd (Eudcos)

Eudcos announced, on 15 November 2018, a dividend in specie, in respect of its financial year ending 30 June 2019, to shareholders registered on 03 December 2018: 0.0167 Innodis share, 0.0059 LFL O share, 0.0001 LFL P share, 0.0097 MCBG share, 0.0012 MFDG share, 0.0247 NMHL O share, 0.0082 NMHL P share, 0.0021 PAD share and 0.0031 UBP share.

PERFORMANCE REVIEW

Official Market (OM) Investments

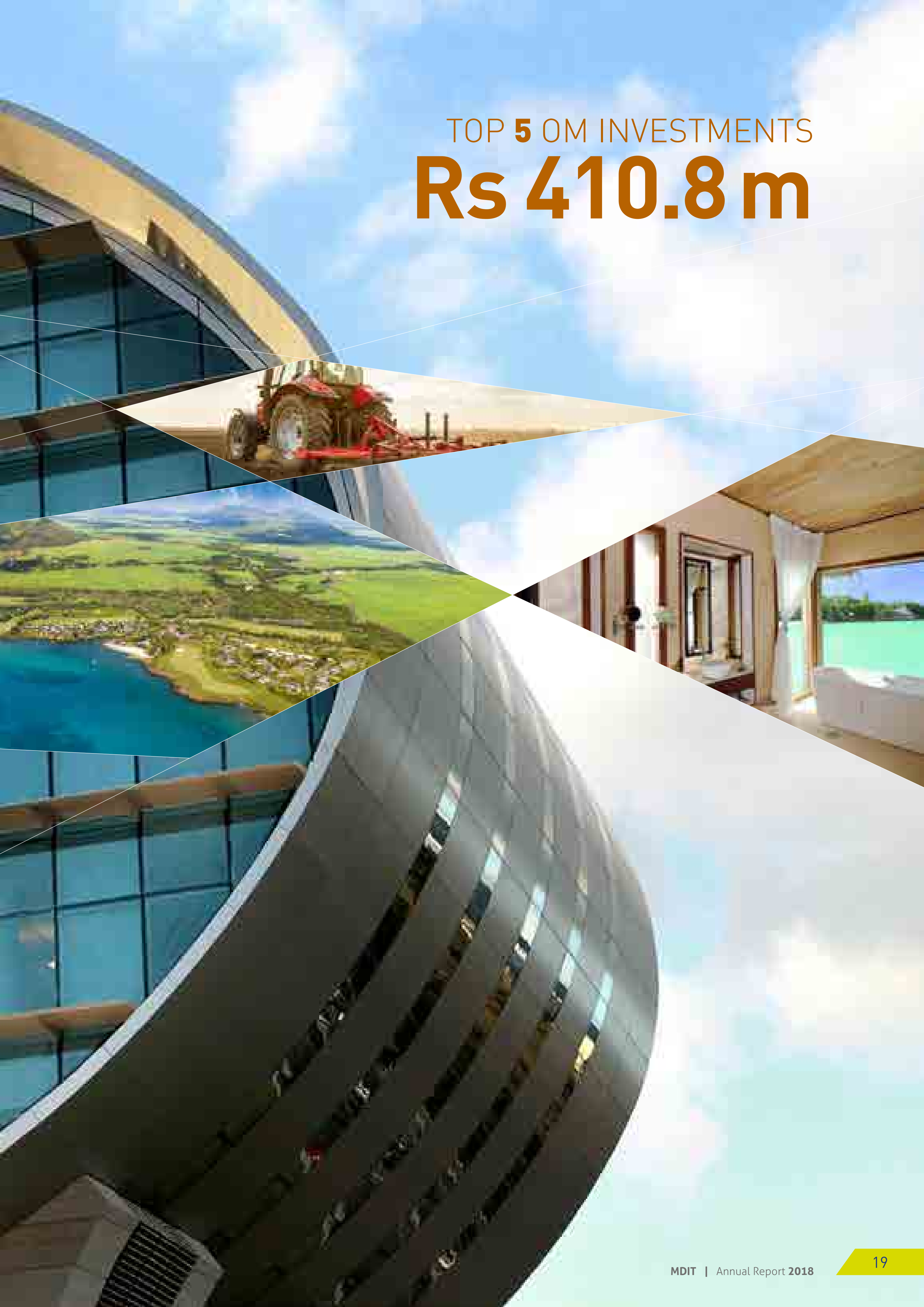
Sales of OM investments rose by 41.2% to Rs 174.2M (2017: Rs 123.4M), generating a profit on cost of Rs 69.5M, Rs 44.4M or 63.9% of which was on shares in the following OM companies:

OM COMPANIES - SHARES	Profit (Rs M)	% of Profit from OM Investments	% of total profit from local investments
Lux Island Resorts Ltd	13.3	19.1	16.5
MCB Group Ltd	11.9	17.1	14.7
Rogers & Company Ltd	9.0	13.0	11.2
Alteo Ltd	5.2	7.5	6.4
Promotion and Development Ltd	5.0	7.2	6.2
Total	**44.4**	**63.9**	**55.0**

At 30 June 2018, the value of the top 5 OM holdings of Rs 410.8M represented 70.5% of the OM portfolio value and 34.1% of the total portfolio value show in table below:

TOP FIVE OM INVESTMENTS	Value (Rs M)	% of OM Portfolio Value	% of Total Portfolio Value
Alteo Ltd	149.7	25.7	12.4
MCB Group Ltd	145.5	25.0	12.1
SBM Holdings Ltd	55.0	9.4	4.6
United Basalt Products Ltd	33.9	5.8	2.8
Sun Resorts Ltd	26.7	4.6	2.2
Total	**410.8**	**70.5**	**34.1**

TOP **5** OM INVESTMENTS
Rs 410.8 m



REPORT OF THE **DIRECTORS**

Alteo Ltd (Alteo)

Alteo, held 20.96% and 27.64% by Ciel Ltd and IBL Ltd respectively, is a regional group which has sugar and energy plants in Mauritius and in Kenya and Tanzania, owned by subsidiaries Tasmara Sugar Co. Ltd and TPC Ltd respectively. It is carrying out an integrated resort development at Beau Rivage on 250 hectares adjoining its Anahita Four Seasons Hotel and other residential and commercial projects.

For the year ended 30 June 2018, Group turnover dropped by 8.3% mainly attributable to lower sugar sales in Kenya and Tanzania and 31.2% drop in the local sugar price. PAT decreased 28.9% to Rs 702.4M but due to Rs 590.6M of mostly gains realised on the revaluation of land and Rs 231.2M of prior year loss relating to the harmonisation of the treatment of Land Conversion Rights, EPS was only 3.1% down to Rs 1.25.

Group turnover increased by 25.5% for the quarter to 30 September 2018 mostly due to higher sugar sales in East Africa but with lower margins on imported sugar sales in Tanzania. Despite improved results of the Energy and Property clusters, PAT decreased by 14.2% to Rs 249.4M, highly influenced by adverse performance of the Mauritian sugar operations in which Alteo holds relatively high effective interests.

Alteo share price of Rs 34.25 at 30 June 2017 fell to Rs 28.50 on 19 March 2018, and decreased further to Rs 25.60 on 30 June 2018, and Rs 23.00 on 16 November 2018. The latter price is attractive since it is at a substantial discount of 56.3% of its NAV of Rs 52.68 at 30 June 2018.

MCB Group Ltd (MCBG)

MCBG owns The Mauritius Commercial Bank Ltd, the leading bank in Mauritius since 1838 and a major financial services provider in the region, with a presence in eight countries. It has as associates Promotion and Development Ltd (PAD) and Banque Francaise Commerciale Ocean Indien Ltée (BFCOI) and has the highest market capitalisation of around USD 1.9 billion representing a share of some 24.5%.

Though operating in a challenging and difficult market context, profit attributable to MCBG equity holders rose by 7.7% to reach Rs 7,221M. Net interest income was up by 12.3%, resulting from an increase in loans and advances and driven by improved margins on foreign currency loans. Other income increases were net fees and commissions (7.1%) and other income (1.6%), attributable to higher profit from foreign currency dealing whilst cost increases by 7.3%, impairment charge higher by Rs 266M and losses from PAD reduced profit from associates by 9.3%.

During the quarter to 30 September 2018, MCBG recorded enhanced performance across all its clusters. Attributable profits rose by 26.7% to reach Rs 2,155M, with higher net interest income of 25.1%, net fees and commission of 5.7%, and other income of 12.5%. Operating expenses were up by 11.0%, net impairment charges were Rs 87M higher but contribution of PAD and foreign banking associates rose by Rs 51.7M. Shareholders's fund reached Rs 50.2M and the BIS ratio improved to 17.5%, 15.4% being in Tier 1 capital.

MCBG share price of Rs 277 on 30 June 2017 rose to reach a record price of Rs 289 on 26 September 2018, but was down to Rs 276 on 30 June 2018 and Rs 275.00 on 16 November 2018. Its P/E ratio of Rs 9.07 is one of the best on the SEM whilst its dividend yield of 3.4% is slightly below average.

SBM Holdings Ltd (SBMH)

SBMH owns State Bank of Mauritius Ltd, the second largest local bank, and has Non-Bank Financial and Non-Financial subsidiaries or associates. It is present in Madagascar, India, Kenya and Myanmar and its market capitalisation of USD 0.5 billion is the second highest on the SEM, representing a share of 7.0%.

During the third quarter to 30 September 2018, net interest income rose 10.5% to Rs 1,386.6M and non-interest income by Rs 1,371.1M inclusive of a fair value gain of Rs 1,260.9M on the assets and liabilities taken over. Non-interest expense was up Rs 793.3M to Rs 1,702.9M after writing off goodwill of Rs 417M and an operational expense of Rs 93M following the cyberattack in India. As a result, PAT increased from Rs 553.7M to Rs 1,258.5M.

SBM Holdings Ltd (SBMH)
(continued)

For the nine months to 30 September 2018, PAT decreased by 24.1% to Rs 1,415M, owing to increase in credit loss on financial assets of Rs 1,228M mainly is respect of loans to a group in Kenya, further to implementation of IFRS 9. Net interest income rose by Rs 618M while the higher non-interest income of Rs 1,363M and 47.2% non-interest expenses is due to the reasons already mentioned above. The cost to income ratio increased to 48.5% (2017: 44.8%) and the Group capital adequacy ratio was 24.06%, compared to 19.98% at 31 December 2017.

SBMH share price of Rs 7.24 at 30 June 2017, rose to Rs 7.86 on 19 February 2018 but fell to Rs 7.28 at 30 June 2018, following an impairment provision announcement. After two further announcements, a suspected fraud in respect of net facilities of USD 27M and a potential loss cybercrime fraud of USD 7M, it fell sharply to Rs 6.14 on 16 November 2018. Based on the expected dividend of 35 cents for the year to 31 December 2018, the current price has an attractive dividend yield of 5.7% p.a. which is 67.6% than MCBG.

United Basalt Products Ltd (UBP)

UBP is a leading group on construction in which IBL Ltd is the largest shareholder, owning 33.1% of its capital. It operates plants for core building materials in Mauritius, Madagascar, Rodrigues and Sri Lanka, five retail outlets of Espace Maison and cane cultivation activities at Gross Cailloux in the Black River district.

For the year ended 30 June 2018, UBP revenue increased by 10.4% to reach Rs 2.9 billion, whilst operating profit grew marginally by 0.9%, mainly due to adverse impact of bad weather conditions and higher legal fees for the case at the Privy Council. Profit from associates fell by 57.8% due to a significant write off after a review of the Madagascar's business and the loss suffered by the Sri Lanka operation. PAT dropped by 61.6% and EPS was Rs 4.94 compared to Rs 6.02 in the previous year ended 30 June 2017.

Revenue for the quarter ended 30 September 30 2018 rose by 9.4%, 16.3% in the core business but a drop of 6.9% in the retail segment. Operating profit was up 1.9% to Rs 92.1M, despite the adverse effects of a one-off administrative and marketing expenses and the negative results in Madagascar, due to unavailability of raw-materials at one of the sites, and in Sri Lanka, where production resumed but a permit to produce premium manufactured sand is awaiting a court decision. Share of results from ready-mixed concrete associate improved and helped to increase Group profit by 6.9% to Rs 80.5M

UBP share price of Rs 115.00 on 30 June 2017, followed an upward trend to reach Rs 125.50 on 30 June 2018. Its price of Rs 128.00 on 16 November 2018 has a high P/E of 25.91, which should reduce with the construction industry boom and non-recurrent prior year expenses, and a low dividend yield of 2.73% p.a.

Sun Resorts Ltd (SUN)

SUN, a leading hotel group, owns and manages five hotels in Mauritius, namely Shangri-La Le Touessrok, Long Beach, Sugar Beach, Ambre and La Pirogue. It also owns one hotel in Kanuhara, Maldives and four tour operators in France, South Africa, and is part of CIEL group.

For the year ended 30 June 2018, group revenue increased by 11.9% to Rs 6.7 billion further to the re-opening of the hotels in Maldives, coupled with an increase in revenue across all the resorts. The decrease in finance costs by 4.8% and no loss from associate, compared to Rs 1.4M in 2017, resulted in a profit of Rs 896M, compared to a loss of Rs 200M last year after excluding renovation costs of Rs 124M.

For the first quarter to 30 September 2018, turnover increased by 12.1% to Rs 1,288M, attributable to an increase in tourist arrivals of 6.0% for Mauritius and 3.1% for Maldives and a substantial increase in revenue for La Pirogue which re-opened in August 2017. Operating loss reduced from Rs 54.9M to Rs 20.6M and with lower finance cost by Rs 40.2M to Rs 160.7M, the net loss amounted to Rs 217.8M (2017: Rs 398.3M).

SUN share price of Rs 41.50 at 30 June 2017, after payment of the first dividend after six years (an interim of 50 cents per share, rose 24.0% to Rs 51.50 on 31 March 2018 but was marginally down to Rs 51.00 on 30 June 2018. Its price of Rs 50.25 on 16 November 2018 is a discount of 6.6% of its NAV of Rs 53.79 at 30 June 2018.

REPORT OF THE DIRECTORS
(continued)

Development and Enterprise Market (DEM)

Sales of DEM investments during the year under review amounted to Rs 28.9M and yield a profit on cost basis of Rs 11.3M, Rs 9.4M or 84.1% of which were on shares in the following companies:

DEM COMPANIES	Profit (Rs M)	% of Profit from DEM Investments	% of total profit from local investments
The Bee Equity Partners Ltd	4.3	38.2	5.4
Ascencia Ltd (A) shares	3.1	27.4	3.8
Phoenix Investment Company Ltd	1.1	10.0	1.4
Bychemex Ltd	0.5	4.6	0.7
Ascencia Ltd (P) shares	0.4	3.9	0.5
Total	**9.4**	**84.1**	**11.8**

At 30 June 2018, the value of the top five DEM holdings was Rs 424.7M and represented 87.6% of the DEM portfolio value and 35.3% of the total portfolio value as shown below:

TOP FIVE DEM INVESTMENTS	Value (Rs M)	% of DEM Portfolio Value	% of Total Portfolio Value
ENL Ltd (P)	324.2	66.9	26.9
Phoenix Investments Co. Ltd	47.3	9.8	3.9
Cie des Villages de L'Isle de France Ltée	18.9	3.9	1.6
Medine Ltd	17.6	3.6	1.5
Hotelest Ltd	16.7	3.4	1.4
Total	**424.7**	**87.6**	**35.3**

TOP **5** DEM INVESTMENTS

Rs 424.7 m

REPORT OF THE **DIRECTORS**

ENL Ltd (ENL)

ENL is a major group with five business units, ENL Agri, ENL Commercial, ENL Investment, ENL Property, reorganised under Ascencia Ltd, and ENL Lifestyle. Its Moka Smart City, launched in April 2017, covers 466 arpents, out of a total development plan of 1,600 arpents. At 30 June 2018, the value of our ENL P shares (Rs 324.2M), ENL O shares (Rs 86.4M at ENL P price), ENL Land O shares (Rs 22.7M) and ENL Commercial shares (Rs 3.3M) amounted to Rs 436.6M and represented 30.1% of MDIT total portfolio of Rs 1,448M.

For the year ended 30 June 2018, ENL turnover increased by 10.3% driven by the commerce, hospitality and real estate segments, however operating profit fell by 4.3%, adversely affected by the losses suffered by the sugar segment due to reduced sugar price (31.2%) and tonnage. Share of profits from associate doubled to reach Rs 367.0M, whist fair value gains decreased by 4.0% to Rs 1,089M. These factors together with impairment losses and higher tax costs resulted in PAT increasing to Rs 1,299M (Rs 1,293M).

For the quarter to 30 September 2018, turnover rose by 17.0%, with progression across all operations, except agroindustry adversely affected by a further 9.5% lower sugar price. Commerce and industry segment recorded a slightly higher rise, driven by higher sale of new vehicle. Group PAT amounted to Rs 63.1M, compared to a loss of Rs 236.3M in 2017, mainly attributable to a higher operating profit, with the re-opening of three hotels which was closed last year for renovation, and a profit of Rs 70M on sale of Cogir Ltee.

ENL P share price of Rs 27.50 on 30 June 2017, increased to Rs 29.50 on 16 November 2017, before falling 16.9% to Rs 24.50 at 30 June 2018. However, after ENL mega restructuration announcement on 18 July 2018, the share price rose substantially and was Rs 48.50 on 16 November 2018. The latter increased price is still attractive since it is still at an attractive discount of 39.3% to NAV of Rs 79.87 at 30 June 2018.

Phoenix Investment Co Ltd (PHIN)

PHIN, held 20.96%.by IBL Ltd, holds only an investment of 31.0% in Phoenix Beverages Ltd (PBL). The latter produces world known brand Coca-Cola products in Mauritius and also the famous local beer producer Phoenix and has a subsidiary in Reunion, Edena S.A., the owner of one of the main water bottling plants.

For the year 30 June 2018, Revenue rose by 13.0% attributable to an increase of 9.5% and 20.6% in sales volume for the local and Reunion markets. PAT increased by 19.6% to reach Rs 469.9M. Turnover for the quarter to 30 September 2018 rose by 13.6% to Rs 1,639M, mainly due to 7.8% growth in local markets. However, PAT was down by Rs 8.3M due to temporary production constraint in Reunion Island.

PHIN share price of Rs 283.25 on 30 June 2017, increased to Rs 345.00 on 15 February 2018 and Rs 438.00 on 22 March 2018. It then fell to Rs 415.00 at 30 June 2018 and was Rs 418.00 on 16 November 2018. Its P/E ratio of 19.62 is 26.9% better than for PBL (24.90) as well as the 27.77 average for Industry sector average for OM listed companies and its dividend yield of 2.24% p.a is higher than 1.82 p.a. for PBL.

Cie Des Villages De L'isle De France Ltée (Covifra)

Covifra. in which MCB Real Assets Ltd has a 93.03% interest. is the owner of the Club Med resort with 286 rooms located on 11.8 hectares of prime beachfront land at Pointe aux Canonniers, Mauritius. It is operated by Holiday Villages Management Services, a wholly-owned subsidiary of Club Med, since 1972.

For the year ended 30 June 2018, Covifra income fell by 10.5% to EUR 3.4M resulted in a lower PAT of EUR 1.5M (2017: EUR 3.1M inclusive a one-off fair value gain on revaluation of investment property of EUR 5.5M). A special dividend of Rs 4.70 was declared for payment for shareholders registered at 16 November 2017 and was paid in January 2018.

Covifra income, for the quarter to 30 September 2018, rose 62.0% to exceed EUR 1.5M and enabled PAT to increase by 50.1% to EUR 593,861.

Covifra share price of Rs 16.50 at 30 June 2017, went up to Rs 20.00 on 10 September 2017 and Rs 23.45 at 30 June 2018. At Rs 23.50 on 16 November 2018, Covifra PE ratio of 19.58 and dividend yield of 5.49% p.a. are better than all the other listed hotel companies on the OM or DEM.

REPORT OF THE **DIRECTORS**

Medine Ltd (Medine)

Medine has 3 major clusters, namely property development, leisure and agriculture. Its masterplan from 2005 to 2025 focus on the integrated development of 3,000 hectares in the west coast. The completed first phase comprised the Cascavelle Shopping Mall, the Business Park at Clarens Field, primary and secondary schools, and one phase of the Student Life Residences. Its education hub, started in July 2014. is incorporated in the Medine Smart City project and the second phase called the "Uniciti" was launched in September 2017 to cover 333 hectares between Bambous, Cascavelle and Flic en Flac.

For the year ended 30 June 2018, the lower sugar price (31.2%) and sugar production adversely impacted on revenue which was partially offset by increase in revenue from property cluster fell by 1.3% to Rs 1,703M. Loss on the sugar cluster amounted to 680M, including an impairment loss of Rs 476.9M in respect of the equipment after submission of its notice to close down its factory with effect from the 2019 crop year. Group loss reached Rs 844.7M (2017: Profit of Rs 62.3M).

Revenue for the quarter to 30 September 2018 fell by Rs 6M to Rs 612M, Rs 54M down for the Agriculture cluster due to a further 9.5% fall ex-Syndicate sugar price and in spite support measures, offset by increases of Rs 17M for the Property cluster and Rs 33M for the Leisure Cluster with the launching of unique gold roller coaster ride in the Indian Ocean at Casela. However, profit on sale of land of Rs 114M (2017: Rs 19M) enabled PAT to reach Rs 121M (2017: Rs 1M).

MSE share price of Rs 63.25 on 30 June 2017, rose to Rs 71.00 on 22 March 2018, and then went down to Rs 65.25 on 30 June 2018. At Rs 60.00 on 16 November 2018, it is at substantial discount of 56.9% to NAV (Rs 139.14) and its dividend yield of 4.42% p.a is above the average for DEM listed companies.

Hotelest Ltd (HTLS)

HTLS only holds an investment of 51% of Constance Hotels Services Ltd (CHSL) the owner of two hotels in Mauritius, namely Constance Le Prince Maurice and Belle Mare Plage Hotel, and Constance Halaveli in Maldives and has as Associate, Constance Lemuria and Ephélia in Seychelles.

For the three months to 30 September 2018, Revenue fell by 11.5% to Rs 637M and EBITDA was reduced by Rs 61M to a loss of Rs 17M. Depreciation and finance costs was down by Rs 11M, whilst share of profit from associate from Seychelles and Madagascar was up by Rs 15M to Rs 60M. As a result, loss after tax rose by 31.8% to Rs 203M including one off pre-opening cost of Rs 21M.

For the nine months to 30 September 2018, Revenue rose by Rs 73M to Rs 2,629M following increases in tourist arrivals of 4.3% and 8.3% for Mauritius and Maldives respectively, though occupancy was down to 66.2% (2017: 71.7%). The loss for the period was reduced from Rs 131M last year to Rs 88M, mainly due to finance cost being 3.9% lower and Rs 31M of higher share of profit from associate.

HTLS share price of Rs 32.45 at 30 June 2017, fell to Rs 30.00 on 27 April 2018, before rising marginally to Rs 30.15 at 30 June 2018. At 16 November 2018, the share price of Rs 30.85 is at a discount of 39.7% to NAV (Rs 51.17) and 27.5% to Ernst & Young's independent valuation of Rs 42.55 on a minority marketable basis made in September 2018.

Overseas Investments

Investment Funds	Classification	Value of investments at 30 June 2018 Rs M	Value of investments at 30 June 2017 Rs M	% Return for year ended 30 June 2018 (excluding exchange rate conversion effect)
JF Funds	Equities	71.3	65.6	7.6
Fidelity Funds	Equities	54.2	28.7	48.6
Cogefi Funds	Equities	43.1	47.9	10.7
Comgest & other Funds	Equities	39.4	35.6	9.3
Black Rock Global Funds	Equities	29.6	26.7	3.4

At 30 June 2018, the value of overseas investments reached Rs 243.3M and represented 16.8% of the total investment portfolio (2017: 13.5%).

All the funds show positive annual returns, with Fidelity Funds of 48.6% being above the Dow Jones return of 12.0%, and Cogefi Funds (10.7%) and Comgest & other Funds of 9.3% better than CAC 40 (3.8%). However, JF Funds return of 7.6% was less than Hang Seng (11.0%) and Black Rock Global Funds return was lower at 3.9%.

Income and Dividend

For the year ended 30 June 2018, the top five dividends received from the local investments amounted to Rs 25.7M and represented 63.8% of the total dividend income as shown in the table below:

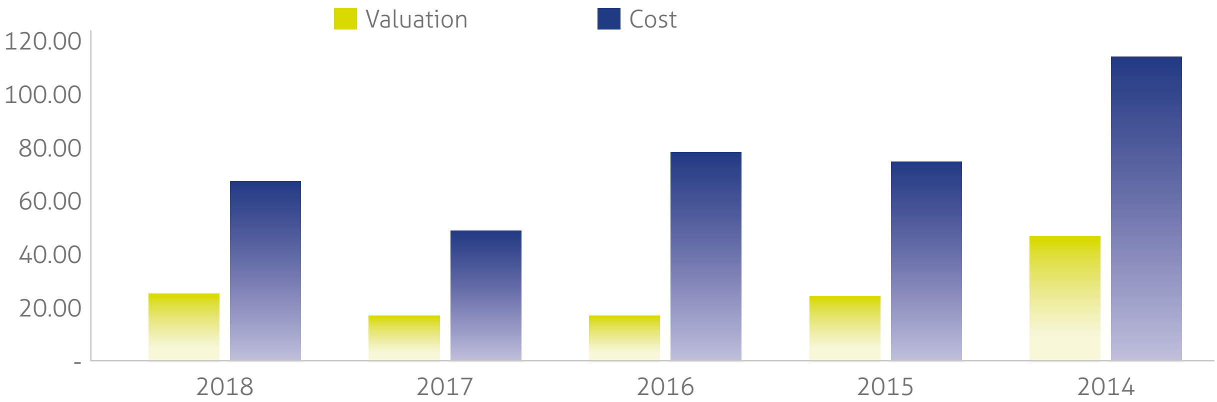
Local Companies	Dividend income (Rs M)	% of total dividend income
ENL Ltd (P)	9.2	22.9
MCB Group Ltd	4.8	11.9
Alteo Ltd	4.5	11.3
Cie des Villages de L'Isle de France Ltée	4.3	10.6
SBM Holdings Ltd	2.9	7.1
Total	**25.7**	**63.8**

During the year ended 30 June 2018, Earnings Per Share (EPS) decreased to 5 cents (2017: 55 cents), mainly attributable to a fair value deficit of Rs 18.5M (2017: Gain of Rs 207.8M) and despite increases of Rs 4.7M in dividend income, Rs 2.6M in net interest income and Rs 7.5M in profit on sales of investments. At cost excluding revaluation surplus/deficit, EPS increased to 24 cents (2017: 18 cents) and Dividend per share amounted to 24 cents, inclusive of final dividend of 13 cents paid on 28 September 2018. Based on share price of Rs 4.42 at 30 June 2018, the dividend yield of 5.43% p.a remained one of the highest yields amongst the OM and DEM listed companies.

OVERSEAS INVESTMENTS
Rs 25.7 m

Yield on Investments

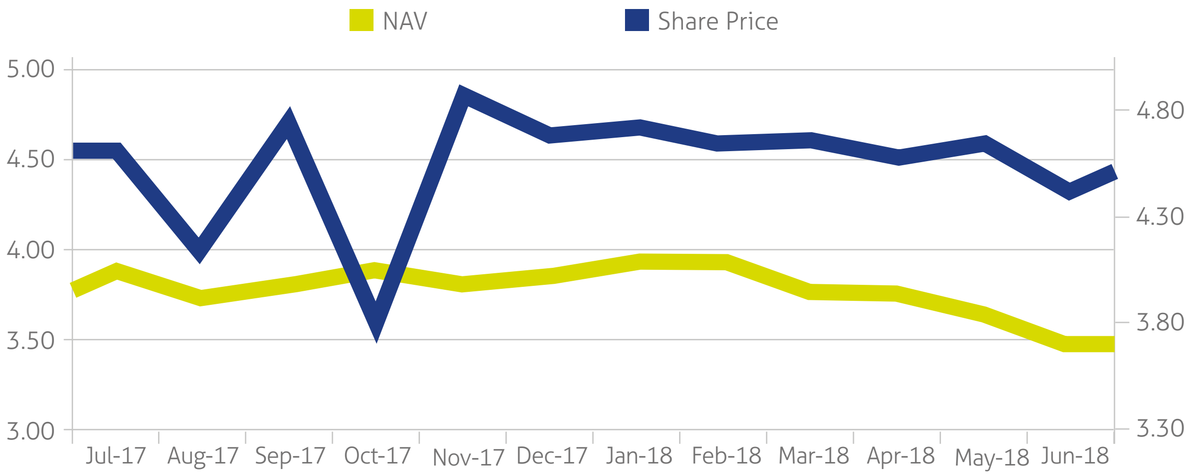
After crediting interest receivable and exclusive of revaluation surplus/deficit, the net yield on equity capital for the year ended 30 June 2018 rose to 26.41%, from 17.00% in 2016/17. On a cost basis, the net yield amounted to 69.13%. (2017: 49.77%).



Share price and NAV

Between 30 June 2017 and 2018, the MDIT share price fell by 3.9% to Rs 4.42 and the NAV by 5.4% to 3.47, whilst the SEMDEX and DEMEX increased by 5.7% and 12.6% respectively.

The graph below shows that the share price followed a downward trend up to October 2018, compared to low fluctuations for the NAV, and that, from November to June 2018, the share price movements were more or less in line with the NAV from with an upward trend. At 30 June 2018, MDIT share price was Rs 4.42 (2017: Rs 4.60) was at a premium of 27.4% above its NAV (2017: 20.2%).



However, during first four months of the next year 2018-2019, MDIT share price and NAV per share rose by 8.1% and 24.5% to reach Rs 4.78 and Rs 4.32 respectively at 31 October 2018 compared to decreases of 0.2% and 1.9% in the SEMDEX and DEMEX respectively.

REPORT OF THE **DIRECTORS**

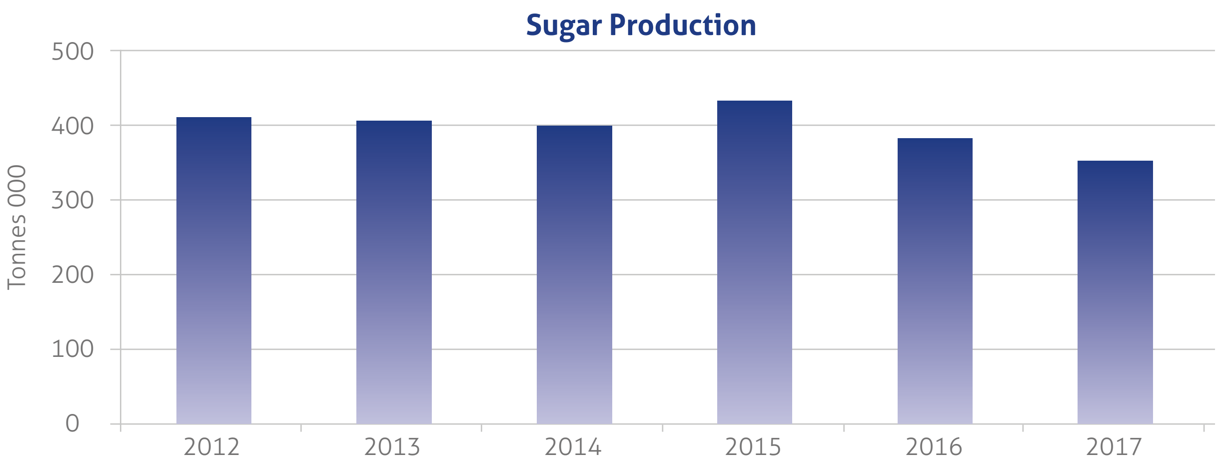
The Economy

The economic growth in 2017 remained at 3.8% (2016: 3.8%). The sector increases were: construction (7.5%), accommodation and food (5.6%), information and communication (5.5%), finance and insurance (5.5%), and manufacturing (1.2%) but agriculture decreased by 0.2%. Investment rose by 5.0%, higher than 3.1% for consumption, and the annual inflation and savings rates were up to 3.1% and 11.2% respectively.

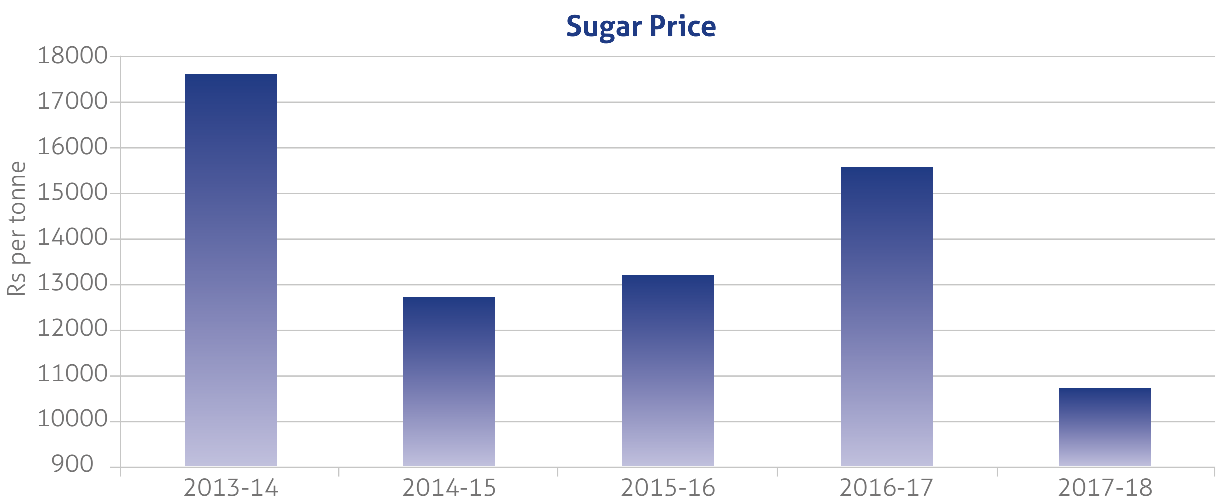
In 2018, the domestic economy is expected to expand by 3.8%, with a growth of 9.5% in construction, 5.6% in information and technology, 5.5% in finance and insurance and 0.9% in manufacturing whilst agriculture would decline by 3.7%. Other estimates are: Increase in investment of 5.5%, higher than 3.4% for consumption, and lower savings rate at 9.7%, whilst inflation rate would increase to 3.5%.

Sugar and other agricultural production

Sugar production in 2017 decreased by 8.0% to 353,213 tonnes (2016: Increase of 5.5%), 67.5% of which were in the form of Refined Sugar (2016: 71%), and 32.5% as Special Sugar (2016: 29%). Other agricultural products grew by 2.3% (2016: 3.2%). The latest Official Estimate by the Mauritius Chamber of Agriculture is 330,000 tonnes of raw sugar in 2018 and the chart below shows actual sugar productions during the crop years 2012 to 2017.



The chart below shows that the Mauritius Sugar Syndicate price to producers at 98.5⁰ pol. (ex-Syndicate price) per tonne dropped sharply by 39.0% from Rs 17,573.32 in 2012-13 to Rs 10,716.64 in 2017-18. For 2018-19, the ex-Syndicate price per tonne is estimated to decline further by 9.5% to Rs 9,700.



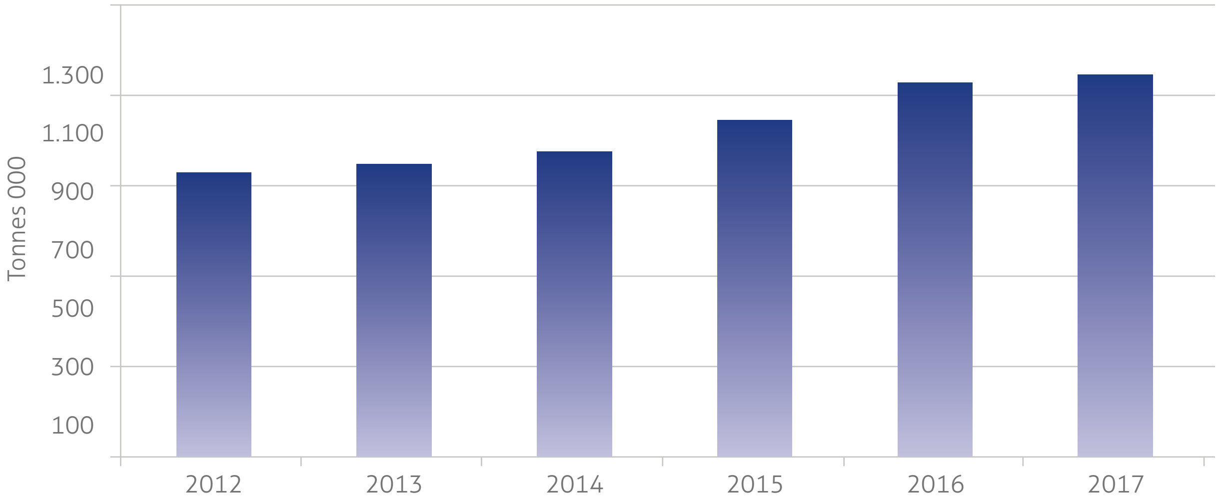
REPORT OF THE **DIRECTORS**

Tourism

Tourist arrivals rose by 5.2% to reach 1,341,860 in 2017 (2016: 1,275,227). This was mainly owing to increases in our main markets, 14.5% for Germany, 7.0% for South Africa, 5.6% for United Kingdom and 0.5% for France, whilst Reunion Island fell marginally by 0.1%. The increase from the emerging markets was 20.0% for Russia and 4.4% for India but China decreased by 8.1%.

Tourist earnings for 2017 went up by 7.3% to Rs 60.3 billion (2016: Rs 56.2 billion). For the first semester of 2018, tourist arrivals amounted to 646,865, representing an increase of 3.4% over the corresponding period of 2017.

Tourist Arrivals



For 2017, the CSO and BOM estimate tourist arrivals and earnings to rise by 4.0% and 2.4% respectively to reach 1,395,000 and Rs 58.8 billion. The sector is expected to continue its expansion in 2018, with new flights operated by Kenyan Airways and Saudi Airlines and the enhanced capacity provided by Air Mauritius with its new Airbus aircrafts, two A330-900neo and two A350-900.

OTHER SECTORS

Manufacturing & Food Processing

Though facing difficult market conditions and competition from imported goods, the manufacturing sector, excluding sugar, is expected to grow by 1.5% (2017: 0.2%). Growth in food processing and other manufacturing are also forecast to be higher 2.3% in 2018 (2017: 1.5%) and 2.2% (2017: 1.5%) respectively.

Financial services

The financial services sector grew by 5.5% same as in 2017, with good performance for the banking sector except SBMH, affected by higher impairment provisions, and challenging times for the global business segment looking for new markets and adapting to the changes to the international reporting requirements.

Construction

The construction sector showed a growth of 9.5% in 2017, compared to no growth in 2016. A growth of 7.5% is expected for 2018 with work continuing on the major construction sites across the country and the implementation of other governmental and private sector projects.

Information, communication and technology

The information, communication and technology grew by 5.6% in 2017, a lower growth than 5.9% of 2016 and a slightly lower forecast is expected for 2018 of 5.5%.

REPORT OF THE **DIRECTORS**

Future Prospects

The SEMDEX of 2,245 at 30 June 2018 has fluctuated within a narrow range. It decreased to 2,241 on 31 July 2018 and 2,221 on 31 August 2018 before going up to reach 2,251 on 30 September 2018 but was down again to 2,239 at 31 October 2018. At 16 November 2018, it was also at 2,239, representing a very minimal 0.3% decrease since 1 July 2018.

For the four months to 31 October 2018, EPS reached 84.2 cents (2017: 20.5 cents), mainly attributable to fair value gains of Rs 355.1M (2017: 82.2M) and profit on sales of investments of Rs 54.7M (2016: Rs30.9M). At cost excluding revaluation surplus, EPS rose to 13.3 cents (2017: 8.3 cents) and increased Net Asset Value per share by 11.5% to Rs 4.32 at 31 October 2018.

The last quarterly results of the reviewed TOP 5 OM and DEM investments showed mixed results and below is a review of two conglomerates, CIEL Ltd and IBL Ltd, not included amongst the latter investments.

For the year ended 30 June 2018, CIEL Ltd revenue rose by 2% to 5.4 billion and PAT reached Rs 925M (2017: Loss of Rs 25.2M) despite the lower performance of the textile cluster impacted by the fierce competition in retail markets for woollen goods. However, the Banking activities of the cluster contributed favourably to the overall results boosted by a one-off cash settlement following the resolution of an international court case. The reorganisation plan at Wellkin and the recent measures implemented impacted favourably on performance.

CIEL revenue for the quarter ended 30 September 2018 increased by 10% to Rs 6.1 billion. EBITDA rose 58.9% to Rs 615M and PAT was higher by Rs 78M to Rs 129M explained by the improved performance of most clusters within the Group except sugar adversely affected by the 9.5% decrease in the ex-Syndicate sugar price to Rs 9,700 per tonne for 2018-19. Profit attributable to ordinary shareholders stood at Rs 88M (2017: Rs 25M).

For IBL Ltd, EPS rose during the year ended 30 June 2018 by 35.3% to Rs 2.22. However, for the quarter to 30 September 2018, EPS was down from 36 cents to 14 cents, with a 13% operating profit decrease, with a loss of Rs 45M by newly acquired businesses (CMPL, BlueLife and La Palmeraie Hotel) whilst existing businesses, on the other hand, contributed to an increase of Rs 8M (3%).

The 2018-2019 budget measures included creation of income tax bracket at 10%, elimination of GBC 2 licence as from January 2019 for the global business sector, the development of Fintech for innovation and to digitalise the capital markets and increase duty to 80% on imports of sugar to assist local sugar production which is suffering from declining price, the construction of new cruise terminal and the development of the port and airport area.

In light of the above, your Company should realise a good performance for the financial year 30 June 2019.

CHANGE IN DIRECTORSHIP

The Board would like to thank Messrs Lloyd Coombes and Christian Foo Kune for their valuable contributions as directors, for 21 and 12 years respectively, until their resignations on 23 May 2018 and are pleased to welcome Messrs Marc Ah Ching and Stephen Scali as new directors.

By order of the Board

Georges Leung Shing
Chairperson

16 November 2018

SUBSTANTIAL **SHAREHOLDINGS**

Shares, Bonds and Depositary Receipts	AT 30 JUNE 2018		
	Shares, Bonds and Depositary Receipts	Market Value per Share	Valuation
	Number	Rs	Rs
ENL Ltd (P)	13,234,492	24.50	324,245,054
Alteo Ltd	5,847,866	25.60	149,705,370
MCB Group Ltd	527,026	276.00	145,459,176
ENL Ltd (O)	3,129,608	24.50	76,675,396
SBM Holdings Ltd	7,553,830	7.28	54,991,882
Phoenix Investment Company Ltd	114,074	415.00	47,340,710
United Basalt Products Ltd	270,146	125.50	33,903,323
Sun Resorts Ltd	521,888	51.00	26,616,288
Pharmacie Nouvelle Ltd	1,217,238	19.37	23,575,669
ENL Land Ltd (O)	544,041	41.80	22,740,914
Allied Motors Company Ltd	112,750	197.18	22,232,450
Air Mauritius Ltd	1,780,329	12.10	21,541,981
Compagnie Des Villages De L'Isle De France Ltée	806,835	23.45	18,909,728
Terra Mauricia Ltd	698,866	26.25	18,345,232
Medine Ltd (O)	270,624	65.25	17,658,216
Hotelest Ltd	552,058	30.15	16,644,549
Attitude Property Ltd	1,311,500	12.40	16,262,600
New Mauritius Hotels Ltd (P)	568,661	24.00	13647,864
New Mauritius Hotels Ltd (O)	1,038,800	12.25	12,725,300
Swan General Ltd	23,118	369.75	8,547,880
The Bee Equity Partners Ltd	191,387	38.00	7,272,706
United Docks Ltd	68,887	100.50	6,923,143
Fincorp Investment Ltd	285,179	24.00	6,844,296
Tropical Paradise Company Ltd - (O)	1,053,134	6.16	6,487,305
Policy Ltd	957,982	6.74	6,456,799
AfrAsia Bank Ltd	69,108	72.00	4,975,776
Lux Island Resorts Ltd	65,444	71.50	4,679,246
Innodis Ltd	82,081	46.00	3,775,726
Southern Cross Tourist Company Ltd	839,645	4.42	3,711,231
Omnicane Ltd	76,953	45.00	3,624,885
ENL Commercial Ltd	234,963	14.00	3,289,482
Excelsior United Development Companies Ltd	143,591	22.70	3,266,326
Mauritius Union Assurance Company Ltd	44,837	69.00	3,093,753
Convertible Bonds and Debentures			
Afrexim Bank - Depository Receipts	57,244	135.19	7,738,931
SBM Holdings Ltd – Class A 1 Series Bonds	430	10,017.81	4,307,658

CORPORATE GOVERNANCE **REPORT**

Introduction

The Mauritius Development Investment Trust Company Ltd ('MDIT' or 'the Company'), incorporated in 1967, is the first approved Investment Trust in Mauritius and a Collective Investment Scheme (CIS), authorised as a Closed-end Fund by the Financial Services Commission under the Securities Act 2005. The Company is listed on the Official Market of the Stock Exchange of Mauritius Ltd (SEM).

MDIT's objective is to secure for investors the benefits of a good dividend yield as well as long-term capital growth.

Governance Structure

MDIT, a Public Interest Entity as defined under the Financial Reporting Act 2004 is required to adopt The National Code of Corporate Governance ("Code"). Its board of Directors is committed to best practices, business integrity, transparency and professionalism in all its activities. The Company's views of Corporate governance go beyond the compliance function and aims at incorporating the principles of the Code in its strategy and activities.

The Company is headed by an effective Board. It has an approved Charter that clearly provides for the terms and reference for the Board and is also governed by the provisions of its Constitution.

Compliance

For the year under review, MDIT complied with all the provisions of the Code, except for the following, as mentioned in the respective sections of this report:

Principle 2

- Board Composition – Independent Chairperson& Executive Directors
- Board Committees – Chairperson of the Investment Committee

Principle 4

- Individual Directors evaluation

Principle 5

- Whistle-blowing Policy

The Board of Directors

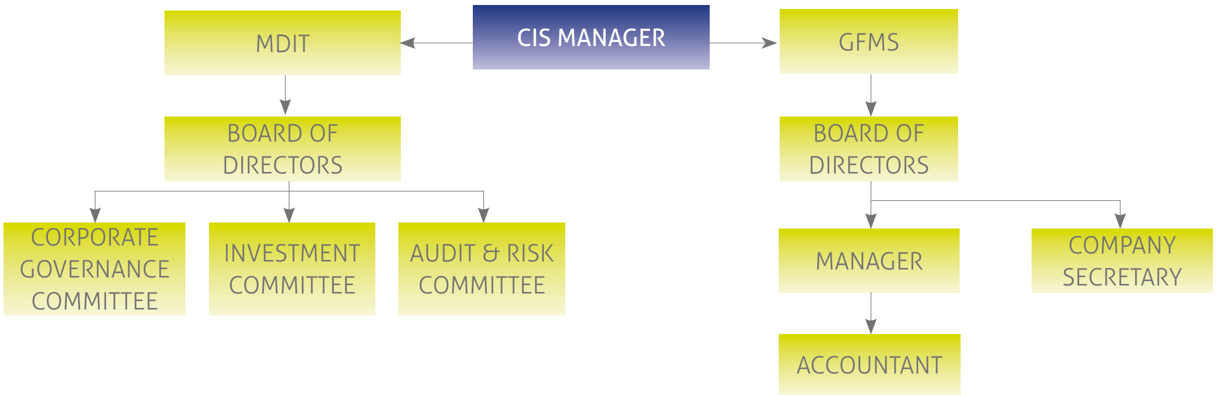
The Board of MDIT is responsible for the successful running of the Company and to ensure that the Company complies with all relevant legislation, the regulatory requirements of the Stock Exchange of Mauritius and the Financial Services Commission and the principles of good governance including the Code.

The role of the Chairperson and the Manager are distinct and separated. The Chairperson is primarily responsible for the management and effective performance of the Board, and the implementation of good governance practices. The Chairperson participates in the implementation of the Company's strategic objectives and is the link between management and the Board. The Manager is responsible for the implementation of the Board's strategy and the management of the Company on a day-to-day basis.

The Board meets as often as necessary, but not less than, four (4) times a year. If possible, meetings are scheduled annually in advance according to an annual Board calendar. Meetings of the Board are convened by the Company Secretary who consults with the Chairperson and the Manager prior to convening the meeting on the content of the Agenda. The Board may also take decisions by way of written resolutions under the Company's Constitution.

CORPORATE GOVERNANCE REPORT
(continued)

Organisational Structure



MDIT has a management contract with CIS Manager Golden Fund Management Services Ltd ('GFMS' or 'CIS Manager') whereby management and company secretarial services are provided by the latter. Thus, in pursuance of the management contract, the Manager and Company Secretary of GFMS hold the same positions in MDIT and are in attendance at all the MDIT Board and Committee meetings.

The main responsibilities of the following key positions are described below.

Chairperson

The Chairperson of the Board is primarily responsible for the activities of the Board and its committees. S/he acts as the spokesperson for the Board and is the principal contact for the Manager. The Chairperson of the Board and the Manager meet regularly. The Chairperson of the Board presides over the Annual Meeting of shareholders.

The Chairperson ensures that:

- the Board satisfies its duties;
- Board members, when appointed, participate in an induction programme and, as needed, additional education or training programmes;
- the Board members receive all information necessary for them to perform their duties;
- the Agenda of Board meetings are determined;
- the Board meetings are chaired in an effective manner;
- the Board has sufficient time for consultation and decision-making
- minutes are kept of Board and Committee meetings;
- the Committees function properly;
- there is consultation with external advisors appointed by the Board;
- the performance of the Board and its members is evaluated every year;
- internal disputes and conflicts of interest concerning individual Board members are addressed, as well as the possible resignation of such members as a result; and the Board has proper contact with the Management.

Manager

The Manager is responsible for:

- implementing the overall strategy of the Board and respective Committees;
- directing the daily operating and investment activities of the Company;
- monitoring financial or operational performance of individual investments to ensure portfolios meet risk goals;
- reviewing offer documents and present investment information for the Board and Committees to take investment decisions;
- liaising with stockbrokers and ensuring execution of trades;
- evaluating the potential of new investment products or opportunities;
- the proper valuation of the Company's investments including the development and monitoring of valuation guidelines;
- liaising with overseas fund managers;
- responding to regulatory compliance;
- overseeing the finance, accounting and reporting functions;
- attending Board and Committee meetings and provide report on performance of the Company and analysis of local and foreign markets;
- ensuring regulatory compliance.

Company Secretary

The Company Secretary sees to it that the Board follows correct procedures and that the Board complies with its obligations under the Company's Constitution and law, including the Companies Act 2001 namely:

- providing the Board with guidance as to its duties, responsibilities and powers;
- informing the Board of all legislation relevant to or affecting meetings of shareholders and Directors and reporting at any meetings and the filing of any documents required of the company and any failure to comply with such legislation;
- ensuring that minutes of all meetings of shareholders or Directors are properly recorded in accordance with paragraph 8 of the Fifth Schedule and all statutory registers be properly maintained;
- certifying the return to be filed, together with the Company's annual financial statements with the Registrar of Companies and any other returns required;
- ensuring that a copy of the company's annual financial statements and, where applicable, the annual report is sent, in accordance with sections219 and 220, to every person entitled to such statements or report.

The Company Secretary also assists the Chairperson of the Board in organising the Board's activities (including providing information, preparing an agenda, reporting of meetings, evaluations and training programs).

Key documents

MDIT has an approved Constitution, a Board Charter as well as a Charter for its respective Committees. The Company has a Code of Ethics for its Directors and the employees of its CIS Manager follow a similar Code of Ethics. These documents are approved by the Board and are regularly reviewed, with the assistance of the respective Committees, and any proposed amendments require the approval of the Board. A copy of these documents will be posted shortly on the Company's website.

The Company's Constitution is in conformity with the provisions of the Mauritius Companies Act 2001 and the Stock Exchange regulations. A copy is available for consultation at the Company's Registered Office.

The salient features of the Company's Constitution are:

- The Company may purchase or otherwise acquire its Shares
- If the Company proposes to purchase or otherwise acquire more than twenty five percent (25%) of a Class of Shares, it must make a tender offer to all the holders of the relevant Class of Shares.
- Shares to be freely transferable.
- The Board may refuse or delay the registration of a transfer.
- The Board may, if it is satisfied on reasonable grounds that the Company will satisfy the Solvency Test immediately after the Distribution, authorise a Distribution by the Company to Shareholders of any amount and to any Shareholder as it thinks fit.
- The Directors on making a Distribution and/or on declaring a Dividend may resolve that the payment of such Distribution or Dividend be made wholly or in part by the Distribution of specific assets, and in particular of paid up shares, debentures, debenture stock, bonds or other obligations of any other company or in any one or more or such ways.
- The Board may pursuant to a discount scheme resolve that the Company shall offer to Shareholders discounts in respect of some or all goods sold, or services provided by, the Company.
- A quorum for a General Meeting shall be present where two (2) Shareholders, their representatives, or proxies are representing at least twenty-five per cent (25%) of the voting rights present, or have cast postal votes, on the business to be transacted at the Annual Meeting.
- The Board shall consist of not less than nine (9) or more than twelve (12) Directors.
- The Directors shall have power at any time, and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors but so that the total number of Directors shall not at any time exceed the number fixed in accordance with this Constitution. The Director appointed to fill up the vacancy shall hold office only until the next following Annual Meeting and shall then be eligible for re-election.
- At the next Annual Meeting and at each subsequent Annual Meeting, a total of four (4) of the Directors for the time being appointed by the Annual Meeting shall retire from office.
- Subject to any restrictions in the act or this Constitution, the business and affairs of the Company shall be managed by or under the direction or supervision of the Board.
- The Directors shall elect one of their number as Chairman of the Board and determine the period for which he is to hold office.

The Structure of the Board and its Committes

Board Structure and size

The Company has a unitary Board. The Board of MDIT comprises of independent as defined by the Code, non-independent and non-executive Directors having a vast experience in their respective fields of expertise and who participate actively in Board meetings which are held on a quarterly basis. The Board regularly examines its size, composition, skills of its members to ensure that there is an appropriate balance and range of knowledge, experience, competencies and gender diversity.

As per the Company's Constitution and Board Charter, the Board shall consist of not less than nine (9) or more than twelve (12) Directors. A quorum of six (6) Directors is currently required for a Board Meeting of the Company. The Board currently comprises nine (9) Directors and is thus of view that it has the right size and set of skills to manage the affairs of the Company.

Board composition

The Board is headed by a Chairperson who is a Non-Executive Director. The Code provides as guidance that a Board should have a Chairperson that may be independent. One of the guidelines set by the Code to determine whether a Director is independent or not is the number of years of service as Director which should not exceed nine (9) years.

The Board is of view that, although the Chairperson has been a Director for more than nine (9) years, his independence is not underpinned as he has always demonstrated independent high levels of professional judgement and objectivity in his participation at both Board and Committee levels which have always been in the best interests of the Company.

The Code also recommends that a Board should have at least two executive Directors. However, the Company does not have any executive Directors, as the management of the Company's operations is undertaken by the CIS Manager, Golden Fund Management Services Ltd (GFMS), who has a management contract with MDIT. Thus, in pursuance of the management contract, the Manager and Company Secretary of GFMS hold the same positions in MDIT and are in attendance at all the MDIT Board and Committee meetings.

The guidance of the Code that a Board should have at least two (2) independent Directors is fully complied with as the Company's Board has seven (7) independent Directors. Another guidance of the Code that all organisations should have Directors from both genders as members of the Board i.e. at least one male and one female Director is also complied with since the Board consists of 7 male and 2 female members.

The list of the Board and Committee members, who are all resident in Mauritius, is as follows:

Names of Directors	Gender	Board	Committee
Georges Leung Shing	M	Chairperson and Non-Executive Director	Chairperson of the Investment Committee and member of the Corporate Governance Committee
Catherine Ahnee-Gouerec	F	Independent Non-Executive Director	Member of the Audit & Risk Committee
Marc Ah Ching (Appointed on 24 May 2018)	M	Independent Non-Executive Director	Chairperson of the Audit & Risk Committee and member of the Investment Committee (from 24 May 2018)
Bhagwansing (Girish) Dabeesing	M	Independent Non-Executive Director	Member of the Corporate Governance Committee

Names of Directors	Gender	Board	Committee
Roger Leung Shin Cheung	M	Non-Executive Director	Member of the Investment Committee Audit & Risk Committee
François Montocchio	M	Independent Non-Executive Director	Chairperson of the Audit & Risk Committee (up to 23 May 2018)
Aruna Radhakeesoon	F	Independent Non-Executive Director	Chairperson of the Corporate Governance Committee
Stephen Scali (Appointed on 24 May 2018)	M	Independent Non-Executive Director	Member of the Investment Committee (from 24 May 2018)
Benu Servansingh	M	Independent Non-Executive Director	
Lloyd Coombes (Resigned on 23 May 2018)	M	Independent Non-Executive Director	Member of the Investment Committee (up to 23 May 2018)
Christian Foo Kune (Resigned on 23 May 2018)	M	Independent Non-Executive Director	Member of the Investment Committee (up to 23 May 2018)

The profiles of the Directors are disclosed on pages 41 to 44.

Board Committees

The Code provides for the establishment of an Audit Committee as a minimum. The Board of MDIT is ultimately responsible for the performance Company and has established the following committees to assist it in its decision-making process and help it to carry out all its duties and responsibilities:

- Audit and Risk Committee (ARC)
- Corporate Governance Committee (CGC)
- Investment Committee (IC)

Each Committee acts according to its respective Charter approved by the Board and reports to the Board on matters discussed at Committee meetings. The respective Committee Charters are reassessed by the Board every three (3) years and were last approved on 27 June 2018.The Company Secretary acts as secretary to the Board Committees.

Audit and Risk Committee (ARC)

The ARC was set up to provide a link between the Board, internal audit and external auditors and is also responsible for the Company's Risk Management function. The ARC comprises two (2) independent Directors out of three (3) which is in line with the guidelines of the Code that the majority of the members of an Audit Committee should be independent.

The ARC Charter, approved by the Board, sets out the terms of reference of the Committee. The Chairperson of the Committee informs the board of Directors of any matter which, in its opinion, the Board should be made aware of.

The members of the ARC are:

- Marc Ah Ching (Chairperson) – from 24 May 2018
- Francois Montocchio – up to 23 May 2018
- Catherine Ahnee-Gouérec
- Roger Leung Shin Cheung

The ARC roles and responsibilities, per its Charter, include reviewing the appropriateness of the Company's accounting policies, assessing the effectiveness of the internal control processes, reviewing the financial statements and the reporting function, ensuring compliance with relevant laws and regulations, discussing the results of the external audit processes with the external auditors, and with the support of the internal and external auditors directing the Risk Management function.

As may be required, the ARC also meets with the internal and external auditors without the presence of Management. The internal and external auditors have free access to the ARC to report on any matters or findings.

Corporate Governance Committee (CGC)

The CGC is committed to best practices of corporate governance and also acts as Nomination and Remuneration Committee. The terms of reference are defined in its Charter approved by the Board.

The members of the CGC are:

- Aruna Radhakeesoon (Chairperson)
- Georges Leung Shing
- Girish Dabeesing

The main objective of the CGC is to review and make recommendations to the Board in relation to Corporate Governance matter of the Company including fulfilling its oversight responsibilities for the Company's compliance with the Code.

Investment Committee (IC)

The IC, in accordance with its Charter approved by the Board, has been set up to review that the investment policies being adopted by the CIS Manager regarding its investment portfolio is in line with the Board's strategy, examine purchases and sales of local securities and to approve all loans and substantial investments. It also ensures proper liaison with the Fund Managers responsible to look after the Company's interests, oversees and considers avenues which may give opportunities for growth.

This IC comprises the following members:

- Georges Leung Shing (Chairperson)
- Marc Ah Ching (as from 24 May 2018)
- Roger Leung Shin Cheung
- Stephen Scali
- Lloyd Coombes (up to 23 May 2018)
- Christian Foo Kune (up to 23 May 2018)

The Code recommends that the Chairperson of each of the Board committees should not normally be the Chairperson of the Board. For MDIT, the Chairperson of the IC is also the Chairperson of the Board. Taking into consideration the proven professional experience of the Chairperson of the Board in the investment sector, the Board considers it appropriate that he also chairs the Investment Committee.

Board and Committee meetings and attendance

The Board meets on a quarterly basis to review business operations and monthly reports are circulated to the Directors by the Manager. The Chairperson in collaboration with the Company Secretary and the Manager, agree on meeting agendas and board packs are usually sent to Directors in advance.

The minutes of the proceedings of each Board and Committee meeting are recorded by the Company Secretary and are submitted at their next meeting for approval by the Board and signature by the Chairperson and the Company Secretary.

The Directors' attendance at Board and Committee meetings held during the year ended 30 June 2018 is shown below:

Names of Directors	Board	ARC	CGC	IC
Marc Ah Ching (appointed on 24 May 2018)	1 out of 1	1 out of 1	N/A	1 out of 1
Catherine Ahnee-Gouerec	4 out of 4	4 out of 4	N/A	N/A
Girish Dabeesing	4 out of 4	N/A	4 out of 4	N/A
Roger Leung Shin Cheung	4 out of 4	4 out of 4	N/A	4 out of 4
Georges Leung Shing	4 out of 4	N/A	4 out of 4	4 out of 4
François Montocchio	1 out of 4	3 out of 3	N/A	N/A
Aruna Radhakeesoon	3 out of 4	N/A	4 out of 4	N/A
Stephen Scali (appointed on 24 May 2018)	1 out of 1	N/A	N/A	1 out of 1
Benu Servansingh	3 out of 4	N/A	N/A	N/A
Lloyd Coombes (resigned on 23 May 2018)	3out of 3	N/A	N/A	3 out of 3
Christian Foo Kune (resigned on 23 May 2018)	3 out of 3	N/A	N/A	3 out of 3

Directorships held by Board Members in other listed companies

Details of other Directorships held by Board members of the Company in listed companies are:

Names of Directors	Name of Listed Companies	Director Category
Marc Ah Ching (appointed on 24 May 2018)	Ascencia Ltd	Non-Executive
Roger Leung Shin Cheung	Vivo Energy Mauritius Ltd	Non-Executive
Aruna Radhakeesoon	Rogers & Co. Ltd	Executive

Company Secretary

The Company Secretary is JLP Company Secretarial Services Ltd, represented by Mr Fabrice Parsooramen (FCCA) who was a former Manager of MDIT from 2010 to 2012. All Directors have access to the advice and services of the Company Secretary and also have the authority to request independent professional advice at the reasonable expense of the Company. The Company Secretary administers, attends and prepares minutes of Board, Committee and Shareholders' meetings. The Company Secretary is responsible for the external communication of the Company and assists the Chairperson and the Board in implementing good governance practices and processes to maximise shareholders' wealth.

Director Appointment Procedures

The Board is responsible for succession planning and for the appointment of new members including their respective induction.

Election and re-election

The process of Directors election and re-election is set out in the Company's Constitution and Board Charter. The CGC is responsible for recommending to the Board nominations to be put before the Annual Meeting of shareholders. The Board approves these nominations.

Board members retire as per the provisions of the Company's Constitution. At each Annual Meeting, a total of four (4) Directors retire from office and are eligible for re-election. Before recommending a member of the Board for reappointment, the Board carefully considers his or her past performance on the Board and the Chairperson ensures that the individual member has maintained effective performance and commitment in his/her role. Directors' election are approved at yearly Annual meetings by separate resolutions.

Induction and orientation

An induction pack, which includes an overview of the Company's profile and operations as well as major Company documents, is provided by the Company Secretary to all new Directors. The induction pack is regularly reviewed by the Chairperson to ensure continued quality and relevance.

Professional development

The Board will consider regular training and development needs of Directors and the senior management, as appropriate, to ensure constant professional update.

Succession Planning

The Board, with the assistance of the CGC, regularly reviews the aspect of succession planning for both the Board and senior management positions to ensure continued balance of knowledge, skills and experience whilst also ensuring gradual renewal of the Board.

Directors' Profile

The Directors of the Company, whose profiles are set out below, are not related. The Chairperson of the Board is also the Chairperson of substantial shareholder Golden Foundation Ltd but is subject to re-election at the end of each year.

Georges Leung Shing

Appointed to the Board in 1995

Georges Leung Shing holds a Bachelor's degree in Economics and is a Chartered Tax Adviser and a Fellow Chartered Accountant. After working as Senior Economist at the Mauritius Chamber of Agriculture (MCA), he joined Lonrho Mauritius and was, in 1996, appointed Executive Chairman of the Group which comprised Mon Trésor and Mon Désert Ltd (subsequently called Omnicane Ltd), with hotel subsidiary companies and 18% interest in MDIT. After the take-over by Illovo Sugar Ltd in July 1997 and Omnicane Holdings Ltd in April 2001, he continued as Managing Director and consultant until 31 March 2008 and as Director until 30 June 2016.

He is presently a Director of Pharmacie Nouvelle Ltd and the Sugar Insurance Fund Board and a Member of the Advisory Council of the CFA Society Mauritius, the Directors' Forum and Audit Committee Forum of the Mauritius Institute of Directors (MIOD). He is also the Chairman of the Review Committee of the Financial Reporting Council (FRC) a former Chairman of MCA, MIOD and Stock Exchange of Mauritius Ltd (SEM) Listing Committee, a former Director of companies in the Banking, Commercial, Energy, Industrial and Insurance sectors, and was a member of the FRC and FRC Monitoring Panel, Business Mauritius, formerly Joint Economic Council and Mauritius Employers' Federation, Mauritius Sugar Syndicate and SEM.

Catherine Ahnee-Gouérec
Appointed to the Board in 2011

Catherine Ahnee-Gouérec holds a DESS (Master) d'Affaires Internationales and a Maitrise d'Economie Appliquée of Université Paris IX-Dauphine. She started her career in Mauritius in 1988 as Consultant at Price Waterhouse before joining the Food and Allied Group as Economist of Management and Development Company. Since 2008, she is Chargée d'Etudes at Les Moulins de la Concorde Ltée, contributing to projects and marketing strategy and is in charge of corporate communication and CSR activities.

Cheong Shaow Woo (Marc) Ah Ching
Appointed to the Board in 2018

Marc Ah Ching is a member of the Chartered Institute of Management and Accountants (CIMA) and a member of the Chartered Institute of Bankers UK (ACIB). He has a strong grasp on corporate finance, deal structuring and financing, with thorough knowledge in risk assessment and management, international banking and trade finance. Marc has been with the Rogers Group since 2005.

Bhagwansing (Girish) Dabeesing
Appointed to the Board in October 2016

Bhagwansing Dabeesing holds an MBA (Specialisation in Finance) and a BSC (Hons)in Agriculture from the University of Mauritius as well as an MSC Land and Water Management from Cranfield Institute of Technology, Silsoe College, UK. He is a member of the Institution of Agricultural Engineers UK (MIAgrE) and a Fellow member of the Mauritius Institute of Directors (FMIoD). He works as individual consultant after his retirement in 2015 from the State Land Development Co. Ltd (SLDC) as Chief Executive Officer.

He was a former member of the Mauritius Sugar Authority, the Employees Real Estate Investment Trust, Rose Belle Sugar Estate and the National Empowerment Foundation. He is also a member of the Directors' Forum of the Mauritius Institute of Directors (MIOD) and was its Chairman in 2014 and 2015. As from 1st March 2018, he has been appointed as Independent Member of the Procurement Policy Office, an institution operating under the aegis of the Ministry of Finance and Economic Development, Government of Mauritius.

Kim Foong (Roger) Leung Shin Cheung
Appointed to the Board in 2000

Roger Leung Shin Cheung is an Associate of the Chartered Institute of Bankers in UK and a Fellow of the Mauritius Institute of Directors. He retired from Barclays Bank Plc as Regional Corporate Director (Africa) and was a Director of Barclays Leasing Company (Mauritius) Ltd and a trustee of the Barclays Employees Pension Fund (Mauritius).

He was an Independent Non-Executive Chairman of Bank One Ltd and a previous Independent Non-Executive Director of Banque BNI (Madagascar), Dolberg Asset Finance Ltd, Dolberg Financial Holding Ltd, Indian Financial Holding Ltd and IPRO Funds Ltd. He is presently a Consultant in business restructuring and performance optimisation and an Independent Non-Executive Director of Vivo Energy Mauritius Ltd.

François Montocchio
Appointed to the Board in 2010

François Montocchio is a Fellow of the Association of International Accountants (UK). He was an Executive Director of Harel Mallac & Co Ltd (HML) from 1967 to 1982 and held financial and administrative positions in South Africa until 1994. He then occupied senior positions within HML and was Chief

Executive Officer from 2005 until his retirement in 2007 and remained a Board member until May 2010. He is a past Chairman of the Mauritius Chemical and Fertiliser Industry Ltd, The Mount Sugar Estates Co Ltd and Union Sugar Estates Ltd, and was a Director of Terra Mauricia Ltd until June 2016.

Aruna Radhakeesoon
Appointed to the Board in 2012

Aruna Radhakeesoon holds a BA (Hons) degree in Jurisprudence from Balliol College, Oxford University. She is a Solicitor of England and Wales (NP) and an Attorney-at-Law. She served a two-year articleship with Sinclair, Roche and Temperley, a Solicitors' firm in the City of London. She joined Rogers & Company Ltd in 2001 where she was Project Analyst, Group Company Secretary in July 2001 and then Chief Legal Executive in 2007 and Chief Legal and Compliance Executive in 2018. She was appointed Executive Director of Rogers in 2012. Aruna is currently the Chairman of the National Committee on Corporate Governance and the Vice Chairman of the Central Depository & Settlement Co. Ltd. She is also a Director of a number of other companies.

Stephen Scali
Appointed to the Board in 2018

Stephen Scali obtained his J.D. from Harvard Law School in 2001, an M.A. from Warwick Business School, United Kingdom, and B.A. from the University of British Columbia, Canada. A consultant and lawyer, he formerly acted as the head of the Mauritius office of an international law firm and a licensed management company. He has acted as a Director of leading Mauritius companies. He began his career with the major global law firm Freshfields Bruckhaus Deringer and also worked at Vodafone Group and Bank of America Merrill Lynch. A Fellow of the Mauritius Institute of Directors, he is also a Barrister in Mauritius, Attorney-at-Law in New York State, USA, Solicitor of England & Wales (currently non-practising) and admitted to the Bar of England & Wales (non-practising).

Tahen Kumar (Benu) Servansingh
Appointed to the Board in 2014

Benu Servansingh holds a Bachelor's degree in Physics and started his career as Physics Teacher. After serving as Adviser in 1992 to the Minister of Finance, he was appointed Senior Adviser from 2005 to 2010 where he contributed in the formulation and implementation of national economic policies, capacity building, national economic empowerment programme and corporate social responsibility framework.

He is a former Chairman of SICOM Group, and has been a Director of the State Investment Corporation Ltd, the Mauritius Duty Free Paradise Ltd, the National Equity Fund, the Real Estate Investment Trust, and a board member of the Gambling Regulatory Authority. He is a past Chairman of the Mauritius Institute of Directors and a former member of the Financial Reporting Council. He is presently the Strategic Adviser to GFin Corporate Services and is a Director of Building and Civil Engineering Ltd.

Senior Management

Vicky Ducasse
Manager

Vicky Ducasse is a Fellow of the Chartered Association of Certified Accountants. She started her career in the Audit Department of Margeot and Associates in 2000 and worked as Accounts Supervisor at La Sentinelle Ltd from 2004 to 2006. She joined the Company in December 2012, after having been an Executive in the Advisory Department of Ernst and Young and Supervisor at DTOS Ltd, a subsidiary of IBL Ltd.

Stephane Choo Pak Choon
Accountant

Stephane Choo Pak Choon is an affiliate of the Association of Chartered Certified Accountants. He started his career in January 2006 as Corporate Officer of CKLB International Management Ltd and was appointed, with effect from April 2009, as Accountant at DTOS Ltd, a subsidiary of Ireland Blyth Ltd. He then worked as Trust Accountant at Standard Bank Trust Company Mauritius Ltd before joining the Company in January 2015.

Directors Duties, Remuneration and Performance

Legal duties

The Directors are aware of their legal duties as described in the Companies Act 2001 and the Company's Board Charter.

Code of Ethics

The Company does not have any employee and has a Code of Ethics for its Directors. The Board regularly monitors and evaluates compliance with the Code of Ethics for its Directors.

Conflicts of Interest

The Company's Board Charter sets out the guidelines relating to situation of conflicts of interests that may be faced by the Directors including the duty of a Director to immediately report to the Chairperson any conflict of interest or potential conflict of interest, not take part in any discussion or decision-making regarding any subject or transaction in which s/he has a conflict of interest with the Company. Decisions to enter into transactions in which there are conflicts of interest with Board members require the approval of the Board.

The Board confirms that all conflicts of interest and related party transactions have been conducted in accordance with the conflicts of interest and related party transactions sections of the Board Charter the and Code of ethics. The Company Secretary maintains an Interests register which is available for consultation to shareholders upon written request.

Interest of Directors in the Equity Capital & Dealing in shares by Directors

The Directors ensure that their dealings in the Company's shares are conducted in accordance with the principles of the Model Code for Securities Transactions by Directors, as detailed in Appendix 6 of the Listing Rules issued by the SEM and the Mauritius Companies Act 2001.

Shares held by Directors at 30 June 2018

Name of Directors	% holding	Directly	Indirectly
Marc Ah Ching	-	-	-
Catherine Ahnee-Gouerec	0.09	300,215	78,979
Girish Dabeesing	-	-	-
Roger Leung Shin Cheung	-	-	-
Georges Leung Shing	2.29	5,304	9,696,746
François Montocchio	0.63	749,880	1,939,349
Aruna Radhakeesoon	-	-	-
Benu Servansingh	-	-	-
Stephen Scali	-	-	-

Information, Information Technology and Information Security Governance

The Board is responsible the information governance function and has put in place an information technology and security policy. The Board is assisted by the ARC in the regular review of the effectiveness of the policy ensuring that any associated risks are addressed and mitigated as well as the monitoring of any significant expenditure on information technology.

Board Information

The Company Secretary assists the Chairperson of the Board in organising the Board's activities including providing relevant information, preparing an agenda, reporting of meetings, evaluations and training programs.

At Board meetings, a report is presented by the Manager, which comprises a review of the local market and an analysis of the Company's performance. The summaries of Corporate Announcements as well as the Purchases and Sales during the quarter are also commented on.

The Board and its members each have responsibility for obtaining all information needed from the Management as well as the Internal and External Auditor to carry out their duties.If the Board thinks it is necessary, may obtain information from officers and external advisers of the Company.

In accordance with the Company's Board Charter, Directors shall not disclose any information of a confidential nature regarding the business of the Company, unless required to do so by law. Board members are also required not to use any confidential information for his or her personal benefit and to return, at the term of their office, all confidential documents to the Company in a manner that ensures confidentiality is preserved.

The Company has a Directors and Officers Liability insurance in place for all Board members and senior officers.

Board Evaluation and Development

A formal evaluation of the collective performance of the Board of Directors and its committees, through an internal Board evaluation questionnaire, was carried out during the year under review with the assistance of the Company Secretary. The questionnaire included the following areas:

- Duties and responsibilities of the Board
- Board size, composition, frequency and materials
- The Board's relationship with its committees
- The Board's relationship with its shareholders
- Board improvement areas

The Board reviewed and addressed the areas of concern highlighted following this exercise. For the year under review, the evaluation exercise confirmed that the Board is viewed as effective. An evaluation of Directors on an individual basis was however not undertaken.

Board Remuneration

The present Directors' fee structure, as approved by the Board, following the recommendations of the CGC, consists of a fixed fee and an attendance fee per Board and Committee meeting. The remuneration received by Directors is disclosed per below:

Names of Directors	2017/2018	2016/2017
	Rs'000	Rs'000
Marc Ah Ching (appointed on 24May 2018)	35	-
Catherine Ahnee-Gouérec	101	107
Girish Dabeesing	92	58
Roger Leung Shin Cheung	130	138
Georges Leung Shing	225	259
François Montocchio	86	116
Aruna Radhakeesoon	93	99
Stephen Scali (appointed on 24 May 2018)	26	-
Benu Servansingh	71	82
Lloyd Coombes (resigned on 23 May 2018)	79	122
Christian Foo Kune (resigned on 23 May 2018)	79	112
Total	1,017	1,093

The Directors do not receive any salary or benefits in kind from the Company. The Company does not have any share option plan.

Risk Governance and Internal Control

Risk Governance

The Directors acknowledge the ultimate responsibility of the Board for the risk governance and for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objective as well as the necessity of having the relevant processes in place within the Company. Risk issues are systematically addressed at both the ARC and IC meetings and reviewed at Board level.

The Company's approach to risk management is to make it an integral part of the conduct of every aspect of its business. Proactive management ensures that decisions are taken to achieve the most appropriate balance between risks and returns at all times, to transfer risks wherever possible, and to take the necessary measures to mitigate the key risks.

Some of the more prominent risks to which the Company is exposed are:

- **Compliance Risk**: Failure to comply with laws and regulations may lead to penalties.
- **Political, Economic and Financial Market Events**: Investment values and returns which may adversely affect the Company's operation and financial results.
- **Technologies and Systems**: To varying degrees, the Company is reliant upon certain technologies and systems for the smooth and efficient running of its business. Disruption to these technologies could adversely affect its operating costs and efficiency.
- **Reputation**: Any event capable of damaging the reputation of the Company and its appeal to its shareholders and putting at risks the market value and attractiveness of the Company.

The Board, assisted by the ARC and IC regularly monitors and reviews the following, with the risks identified on a yearly basis:

- risk identification, measurement and prioritization methodologies, internal control systems and procedures for reporting unusual high risk transactions.
- the management reports on the adequacy and overall effectiveness of the Company's Risk Management and Internal Control and ensure the implementation of any recommendations to remedy weaknesses.
- and approve any changes to the Company's Investment Policies, Procedures and Strategy, including Risk Tolerance, overall asset allocation ranges/concentration limits.

Internal Control System

The Company has put in place policies and procedures to implement strong internal control and identify measure and control risk as well solutions to mitigate risks exposures, at strategic and operational level. The ARC provides assurance to the Board on the performance of the internal control system, after examination of internal and external audit reports.The internal controls are regularly reviewed by the Internal auditors.

Although the Company does not have a whistle-blowing policy in place, stakeholders are encouraged to report any complaints or suspected wrong practice within the Company to the ARC.

Reporting with Integrity

Financial Statements

In respect of the preparation of Financial Statements, Directors acknowledge their responsibilities for:

- adequate accounting records and maintenance of effective internal control systems;
- the preparation of financial statements which fairly present the state of affairs of the Company as at the end of the financial year and the financial performance and cash flows for that period and which comply with International Financial Reporting Standards (IFRS) and the Companies Act 2001
- the selection of appropriate accounting policies supported by reasonable and prudent judgements.

The full version of the Annual Report is published on the Company's website.

Environmental, Social and Health & Safety

In its endeavour to achieve sustainable growth and return on capital, MDIT has laid emphasis on managing corporate reputation to maintain its financial credibility and credit worthiness by implementing measures to improve its operational efficiency through a:

- Reduction in waste from operation through paper saving and intensive usage of mails;
- Reduction of energy use in operations;
- Leveraging sustainability of existing products to reach new investors and retain existing ones;
- Mitigating operational risk related to climate change especially in Mauritius where major disturbances within the environment such as natural calamities can impact on performances on share in specific sectors hence investments;
- Promotion of health and safety compliance framework;
- Non-discriminatory policy on Board appointments.

Corporate Social Responsibility (CSR)

The Company made no CSR contributions during the year in view of the previous year tax losses.

Charitable and Political Contributions

The Company made no charitable or contributions donations during the year.

Related party transactions

The related party transactions are set out in Note 21 of the Financial Statements.

Audit

Internal Audit Function

The Board is ultimately responsible for the Company's internal control system and assessing its effectiveness. The Board has outsourced the Internal Audit Function to KPMG Advisory Services since June 2011. They independently and objectively report to the ARC on the Company's financial and internal controls and review the extent to which its recommendations have been implemented. They are entitled to meet the ARC Chairperson or its members without management presence.

During 2017/18, KPMG Advisory Services assessed the internal control system and procedures put in place by the Company and their compliance with laws and regulations. The following areas were audited during the year:

- Investments
- Information Technology
- Accounts Receivable
- Loans and Payables
- Treasury

KPMG Advisory Services had unrestricted access to all information required and the full co-operation of management in the course of their audits. The findings highlighted following the respective audits have been addressed by the Company.

External Audit Function

The ARC regularly reviews the independence of the external auditors including the nature and scope of any non-audit services which might have an impact on their independence. In line with the requirements of Finance Act regarding rotation of auditors whereby an audit firm, appointed by a listed company, shall not audit the accounts of that company for a continuous period of more than (7) seven years, the Board appointed Ernst & Young as external auditors of the Company as from the financial year ended 30 June 2017.

The external auditors independently report to the ARC on the financial statements including critical judgements and estimates used in reporting. They also review the effectiveness and adequacy of the Company's internal controls and advise the ARC on any material non-compliance and weaknesses noted during the course of their audit, and proposed recommendations. The ARC has reviewed the effectiveness of the external audit process and has recommended to the Board that Ernst & Young be nominated for reappointment at the next Annual Meeting.

CORPORATE GOVERNANCE REPORT
(continued)

Independent Auditors' Remuneration

	2017/2018	2016/2017
	Rs'000	Rs'000
Fees paid to Ernst & Young for:		
External Audit services	302	263
Fees paid to KPMG for:		
Internal Audit services	225	205

Relations With Shareholders and Key Stakeholders

Shareholders' Analysis at 30 June 2018

Size of shareholding (Number of shares)	Shareholders		Ordinary Shares	
	Number	%	Number	%
1 – 500	740	15.30	149,409	0.03
501 – 1,000	369	7.60	290,294	0.07
1,001 – 5,000	1,190	24.70	3,078,813	0.73
5,001 – 10,000	538	11.10	3,996,418	0.94
10,001 – 50,000	1,091	22.60	25,899,634	6.11
50,001 – 100,000	330	6.80	23,919,657	5.65
100,001 – 250,000	291	6.00	46,408,616	10.96
250,001 – 500,000	130	2.70	48,459,087	10.73
500,001 & Above	148	3.20	274,185,590	64.78
Total	**4,827**	**100.00**	**423,387,518**	**100.00**

The above number of shareholders is indicative, due to consolidation of multi-portfolios for reporting purposes. The total number of active shareholders as at 30 June 2018 was 4,847. The only substantial shareholder is Golden Foundation Ltd with a holding of 12.2%.

Summary by Shareholder Category

Category	Number	%	Number	%
Individuals	4,463	92.46	256,129,026	60.49
Insurance Companies	8	0.17	21,743,896	5.13
Pension Funds	44	0.91	11,067,688	2.61
Investment Companies and Unit Trusts	27	0.56	10,675,871	2.52
Other Corporate Bodies	285	5.90	123,771,037	29.25
Total	**4,827**	**100.00**	**423,387,518**	**100.00**

Share Option Plan

The Company does not have any Executive Director or employee or share option plan.

Shareholders information

Dividend Policy

MDIT's policy is to distribute around 95% of its profit after tax, as adjusted for profit on sales of investments on a cost basis, and excluding year end revaluation surplus/deficit.

The Board ensures that the Company satisfies the solvency test for each declaration of dividend and a certificate of compliance with the solvency test is signed in accordance with the provisions of the Mauritius Companies Act 2001.

Share Price Information

The evolution of the share price over the past six years has been as follows:

30 June	Share Price Rs
2013	5.40
2014	6.00
2015	5.36
2016	4.05
2017	4.60
2018	4.42

Communication with shareholders for the year ended 30 June 2018

The Company communicates with its shareholders through its Annual Report, Press Communiqués and Annual Meeting. The calendar of events during the year is set out below:

Financial year end	June
Annual meeting	December
Reports and profit statements	
Half-yearly	March
Preliminary report for the year	September
Annual report and financial statements	December
Dividends	
Interim	
- Declared	22 December 2017
- Paid	27 March 2018
Final	
- Declared	27 June 2018
- Paid	28 September 2018

CORPORATE GOVERNANCE REPORT
(continued)

Annual Meeting

At the Annual Meeting of shareholders, the Manager reports of the financial performance of the Company during the year and the Chairperson comments on the various sectors of the economy and the impact of same on the Company's performance and prospects.

Directors are encouraged to attend the Annual Meeting while the shareholders are invited to share their views with the Board and Management and request relevant clarifications. The next Annual Meeting will be held on 28 December 2018. The Board ensures that notice of the Annual Meeting and related papers are sent to shareholders at least (14) fourteen days before the meeting in accordance with the Companies Act.

The following items are placed on the Agenda of the Annual Meeting by way of separate resolutions:

- Consideration and adoption of the audited financial statements including the consideration of the Annual report and the receipt of the Auditors report.
- The election and re-election of Directors in accordance with the Company's Constitution and the Companies Act 2001.
- Approval of the payment of dividends declared by the Directors and paid.
- Fixing of the Directors fees.
- Re-appointment of the external auditors under section 200 of the Companies Act 2001.

Interest of Directors in Contracts

All the Directors have confirmed that they are not, either directly or indirectly, materially interested in any contract of significance with the Company. The Company has no service contract with any of its Directors.

Agreements with third parties

MDIT has a management contract with Golden Fund Management Services Ltd (GFMS) to provide management and company secretarial services to the Company.

The Registrar and Custody services are undertaken by MCB Registry & Securities Ltd and MCB Capital Markets Ltd respectively.

The Company does not have any agreement with its shareholders.

STATEMENT OF
DIRECTOR'S RESPONSIBILITIES

In respect of the preparation of Financial Statements, Directors acknowledge their responsibilities for:

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

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

iii) the selection of appropriate accounting policies supported by reasonable and prudent judgements.

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

The Directors report that:

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

ii) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;

iii) applicable accounting standards have been adhered to. Any departure has been disclosed, explained and quantified.

iv) the Code of Corporate Governance has been adhered to in all material aspects and reasons provided in case of non-compliance.

Georges Leung Shing
Chairperson

Bhagwansing Dabeesing
Director

Date: 28 September 2018

STATEMENT OF **COMPLIANCE**

(Section 75(3) of the Financial Reporting Act)

Name of Public Interest Entity ('PIE'): **The Mauritius Development Investment Trust Company Limited (MDIT)**

Reporting Period: **1st July 2017 to 30th June 2018**

We, the Directors of MDIT confirm to the best of our knowledge that the PIE has complied with all of its obligations and requirements under The National Code of Corporate Governance, except for those mentioned under the Governance Section of the Corporate Governance Report.

SIGNED BY:

Georges Leung Shing	**Bhagwansing Dabeesing**
Chairperson	*Director*

Date: 28 September 2018

SECRETARY'S **CERTIFICATE**

This is to certify that all returns as required by the Company under Section 166(d) of the Companies Act 2001 have been filed with the Registrar of Companies.

Fabrice Parsooramen, FCCA

For and on behalf of

JLP Company Secretarial Services Ltd
Company Secretary

Date: 28 September 2018

INDEPENDENT AUDITOR'S **REPORT**

TO THE MEMBERS OF THE MAURITIUS DEVELOPMENT INVESTMENT TRUST COMPANY LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Mauritius Development Investment Trust Company Limited (the "Company") set out on pages 59 to 87 which comprise the statements of financial position as at 30 June 2018, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001 and the Financial Reporting Act 2004.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants's Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matter	How the matter was addressed in the audit
Fair Valuation of Unquoted Investments Included in the financial assets designated at fair value through profit or loss are unquoted investments of Rs153.3m (2017: Rs131.1m). Fair value measurement and associated valuation adjustments can be a subjective area and more so for unquoted investments based on valuation models or with weak liquidity and price discovery. Valuation technique used such as market approach, income approach or asset approach can be subjective in nature and involve various assumptions such as risk premium and marketability discounts.	We reviewed the methodologies used by management to fair value the significant unquoted investments ensuring that those methodologies are in line with the international private equity and venture capital valuation guidelines. For the sample selected, we reviewed those inputs, including discount rates, PE ratio, net asset value (NAV) and last traded prices, applied in the different models. For discounts applied by client to factor in lack of marketability, we understood management rationale for the percentage used and evaluated their reasonableness. Where market comparables have been used, we corroborated same with those of listed companies operating in similar industries and where NAV have been used we ensured that these are based on the most recent financial statements.

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Key Audit Matter	How the matter was addressed in the audit
The use of different assumptions could produce significantly different estimates of fair value. Associated risk management disclosure is complex and dependent on high quality data.	We independently recalculated the fair value of the sample of investments selected and developed a range of values ensuring that the client valuation fall within the range. For fair value disclosures, we recomputed the sensitivities and ensured that those instruments carried at fair value have been properly disclosed in the appropriate fair value level.

Other Information

The directors are responsible for the other information. The other information comprises the Corporate Governance Report and the Secretary's Certificate as required by the Companies Act 2001 which we obtained prior to the to the date of the audit report, The Annual Report is expected to be made available to us after that date. Other Information does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2001 and the Financial Reporting Act 2004, and for such internal control as the directors determine is 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 intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Report on the Audit of the Financial Statements (Continued)

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the Company financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

INDEPENDENT AUDITOR'S REPORT
(continued)

Report on the Audit of the Financial Statements (Continued)

Use of Our Report

This report is made solely for the Company's members, as a body, in accordance with Section 205 of the 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

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.

Financial Reporting Act 2004

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

In our opinion, the disclosures in the Corporate Governance Report are consistent with the requirements of the Code.

ERNST & YOUNG
Ebène, Mauritius

André Lai Wan Loong, F.C.A
Licensed by FRC

Date: 28 September 2018

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Notes	**2018 Rs'000**	2017 Rs'000
ASSETS			
Non-current assets			
Financial assets designated at fair value through profit or loss	7	**1,448,244**	1,549,962
Current assets			
Loans receivable at call	8	**106,139**	34,687
Trade and other receivables	9,13	**41,809**	35,348
Bank and cash balances		**14,246**	18,168
		162,194	88,203
Total assets		**1,610,438**	1,638,165
LIABILITIES AND EQUITY			
Current liabilities			
Borrowings	11	**67,841**	17,342
Trade and other payables	12	**15,708**	13,596
Current tax liabilities	13	**886**	-
Dividends payable	14	**55,040**	55,040
		139,475	85,978
Capital and reserves			
Stated capital	10	**423,388**	423,388
Retained earnings		**1,047,575**	1,128,799
Total equity		**1,470,963**	1,552,187
Total liabilities and equity		**1,610,438**	1,638,165
Net asset value per share	15	**Rs 3.47**	Rs 3.68

Approved by the Board of Directors and authorised for issue on 28 September 2018.

Georges Leung Shing
Director

Marc Ah Ching
Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 Rs'000	2017 Rs'000
Dividend income	16	**40,354**	38,260
Interest income		**4,688**	3,207
Net foreign exchange gain/(loss)	17	**80**	(349)
		45,122	41,118
Realised and unrealised gain on investments:			
Profit on sale of investments		**18,046**	10,567
Unrealised (loss)/gain on revaluation of investments	7	**(18,460)**	207,881
Net (loss)/ gain on financial assets at fair value		**(414)**	218,448
		44,708	259,566
Expenses			
Management fees	18	**(12,606)**	(12,668)
Directors' fees & Secretarial fees		**(1,256)**	(876)
Listing fees		**(450)**	(412)
Closed-end fund expenses	19	**(1,536)**	(1,732)
Professional fees		**(929)**	(983)
Other expenses		**(2,180)**	(2,573)
Bad debts written off on loans at call	8	**(3,467)**	(5,813)
Finance costs		**(940)**	(748)
		(23,364)	(25,805)
Profit before tax		**21,344**	233,761
Income tax (expense)/reversal	13	**(955)**	512
Profit for the year		**20,389**	234,273
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**20,389**	234,273
Basic and diluted earnings per share	20	**4.8 cents**	55 cents

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Note	Stated capital Rs'000	Retained earnings Rs'000	Total Rs'000
Balance at 1 July 2016		**423,388**	**996,139**	**1,419,527**
Profit for the year		**-**	**234,273**	**234,273**
Other comprehensive income		**-**	**-**	**-**
Total comprehensive profit for the year		**-**	**234,273**	**234,273**
Dividends for the year	14	**-**	**(101,613)**	**(101,613)**
Balance at 30 June 2017		**423,388**	**1,128,799**	**1,552,187**
Balance at 1 July 2017		**423,388**	**1,128,799**	**1,552,187**
Profit for the year			**20,389**	**20,389**
Other comprehensive income			**-**	
Total comprehensive profit for the year		**-**	**20,389**	**20,389**
Dividends for the year		**-**	**(101,613)**	**(101,613)**
Balance at 30 June 2018		**423,388**	**1,045,575**	**1,470,963**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	2018 Rs'000	2017 Rs'000
Cash flows from operating activities		
Profit before tax	**21,344**	233,761
Adjustments for:		
Profit on sales of investments	**(18,046)**	(10,567)
Loss/(gain) on revaluation of investments	**18,460**	(207,881)
Interest income	**(4,688)**	(3,207)
Finance costs	**940**	748
Bad debts written off on loan at call and investments	**3,467**	5,813
Net foreign exchange (gain)/loss	**(80)**	349
Operating profit before working capital adjustments and other cash generated from operations	**21,397**	19,016
Increase in trade and other receivables	**(4,467)**	(9,399)
Net (increase)/decrease in loans receivable	**(74,500)**	22,500
Proceeds from sales of investments	**201,779**	138,397
Purchases of investments	**(100,886)**	(63,936)
Increase in trade and other payables	**1,016**	2,997
Interest received	**3,794**	4,188
Interest paid	**(253)**	(943)
Income tax refunded/(paid)	**23**	(453)
Net cash flows from operating activities	**44,389**	109,575
Cash flows from financing activities	**47,903**	112,367
Dividends paid	**(101,613)**	(101,613)
Proceeds from borrowings	**123,850**	113,000
Repayment of borrowings	**(72,300)**	(128,500)
Net cash flows used in financing activities	**(50,063)**	(117,113)
Net decrease in cash and cash equivalents	**(2,160)**	(4,746)
Cash and cash equivalents at beginning of year	**16,326**	21,421
Effect of exchange rate changes on cash and cash equivalents	**80**	(349)
Cash and cash equivalents at end of year	**14,246**	16,326
Represented by:		
Cash at bank	**14,246**	18,168
Bank overdraft	**-**	(1,842)
	14,246	16,326

1. PRINCIPAL ACTIVITIES

The Mauritius Development Investment Trust Company Limited (the "Company" or MDIT) is a public company incorporated in Mauritius and listed on the Stock Exchange of Mauritius. Its registered office and principal place of business is situated at 7th floor, Newton Tower, Sir William Newton Street, Port Louis.

The Company is a Collective Investment Scheme (CIS) with the objective of holding and managing securities and is a Closed-end Fund authorised by the Financial Services Commission under the Securities Act 2005.

2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements are prepared under the historical cost convention, except for financial assets held at fair value through profit or loss which are stated at fair value.

The financial statements are prepared in Mauritian Rupees (Rs) which is the functional currency of the company and all values are rounded to the nearest thousand rupees (Rs'000), except where otherwise stated.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted are consistent with those of the previous financial year except for the following new and amended IFRS and IFRIC interpretations adopted in the year commencing 1 July 2017:

	Effective for accounting period beginning on or after
<u>Amendments</u>	
Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)	1 January 2017
Disclosure Initiative (Amendment to IAS 7)	1 January 2017
Annual Improvements 2014 – 2016 Cycle	1 January 2017

Where the adoption of the standard or interpretation or improvement is deemed to have an impact on the financial statements or performance of the Company, its impact is described below:

IAS 7 Disclosure Initiative – Amendments to IAS 7 - effective January 1, 2017

The amendments to IAS 7 Statement of Cash Flows are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. Please refer to Note 22.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

Annual Improvements 2014 – 2016 Cycle - 1 January 2017

The following amendments were made to these standards:

- IFRS 12 – Disclosure of Interests in Other Entities – Clarification of the scope of disclosure requirements in IFRS 12

This annual improvement did not have any impact on the financial statements.

4. ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following standards, amendments to existing standards and interpretations were in issue but not yet effective. They are mandatory for accounting periods beginning on the specified dates, but the Company has not early adopted them:

New or revised standards	**Effective for accounting period beginning on or after**
IFRS 9 *Financial Instruments*	1 January 2018
IFRS 15 *Revenue from Contracts with Customers*	1 January 2018
IFRS 16 *Leases*	1 January 2019
IFRS 17 *Insurance contracts*	1 January 2021
Amendments to IFRS 10 and IAS 28: *Sale or Contribution of Assets between an Investor and its Associate or indefinitely Joint Venture*	Effective date deferred indefinitely
IFRS 2 *Classification and Measurement of Share-based Payment Transactions - Amendments to IFRS 2*	1 January 2018
Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts - *Amendments to IFRS 4*	1 January 2018
Transfers of Investment Property (Amendments to IAS 40)	1 January 2018
IFRIC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*	1 January 2018
IFRS 1 *First-time Adoption of International Financial Reporting Standards - Deletion of short-term exemptions for first-time adopters*	1 January 2018
IAS 28 *Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment - by - investment choice*	1 January 2019
IFRIC *Interpretation 23 Uncertainty over Income Tax Treatments*	1 January 2019
Prepayment Features with Negative Compensation - Amendments to IFRS 9	1 January 2019
Long-term Interests in Associates and Joint Ventures - Amendments to IAS 28	1 January 2019
Plan Amendment, Curtailment or Settlement - Amendments to IAS 19	1 January 2019
AIP IFRS 3 Business Combinations - Previously held Interests in a joint operation	1 January 2019
AIP IFRS 11 Joint Arrangements - Previously held Interests in a joint operation	1 January 2019
AIP IAS 12 Income Taxes - Income tax consequences of payments on financial instruments classified as Equity	1 January 2019
AIP IAS 23 Borrowing Costs - Borrowing costs eligible for capitalisation	1 January 2019
The Conceptual Framework for Financial Reporting	1 January 2020

4. ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (continued)

The above new standards and amendments to existing standards issued but not yet effective are not expected to have an impact on the Company except for IFRS 9 as listed below:

IFRS 9 Financial Instruments

IFRS 9 introduces new requirements for classifying and measuring financial assets, as follows:

(a) Classification and measurement of financial assets

The Company does not expect a significant impact on its balance sheet or equity on applying the classification and measurement requirements of IFRS 9. It expects to continue measuring at fair value all financial assets currently held at fair value.

The classification and measurement requirements of IFRS 9 will be adopted retrospectively as of the date of initial application on 1 July 2018. However, the Company will take advantage of the option not to restate comparatives. Therefore, the 30 June 2018 figures will be presented and measured under IAS 39. The following table shows the original measurement categories in accordance with IAS 39 and the new measurement categories under IFRS 9 for the Company's financial assets and financial liabilities as at 1 July 2018.

	IAS 39		IFRS 9	
	Classification	Measurement	Classification	Measurement
1 January 2018		**Rs'000**		**Rs'000**
Financial assets designated at fair value through profit or loss	Fair value through profit or loss	1,448,244	Fair value through profit or loss	1,448,244
Loans receivable at call	Loans and receivables	106,139	Amortised cost	105,862
Trade and other receivables	Loans and receivables	41,809	Amortised cost	41,798
Bank and Cash balances	Loans and receivables	14,246	Amortised cost	14,246
Borrowings	Financial liabilities	67,841	Amortised cost	67,841
Trade and other payables	Financial liabilities	15,708	Amortised cost	15,708

(b) Impairment

IFRS 9 requires the Company to record expected credit losses on all of its loans and trade receivables, either on a 12 month and/or lifetime basis. The Company expects to apply the simplified approach and record lifetime expected losses on all loans and trade receivables. The Company will need to perform a more detailed analysis which considers all reasonable and supportable information, including forward-looking elements to determine the extent of the impact.

The measurement of expected credit loss will involve increased complexity and judgement including estimation of probabilities of default, loss given default, a range of unbiased future economic scenarios, estimation of expected lives and estimation of exposures at default and assessing significant increases in credit risk. It is expected to have a financial impact and impairment charges will tend to be more volatile. Impairment will also be recognised earlier and the amounts will tend to be higher. Unsecured products with longer expected lives, are expected to be most impacted.

4. ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (continued)

(b) Impairment (continued)

The Company estimates that the changes in measurement arising on the initial adoption of IFRS 9 results in an increase in the Company's loan impairment provisions from MUR 3.0 million under IAS 39 to approximately MUR 3.3 million at 1 July 2018. This will result in decrease in shareholders' equity of approximately MUR 288,000 at 1 July 2018 under IFRS 9.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies of the Company are:-

(a) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss and loans and receivables. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include cash and cash equivalents, trade and other receivables and investments held at fair value through profit or loss.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described below:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as net gain or loss on financial assets at fair value through profit or loss.

Financial assets designated upon initial recognition at fair value through profit or loss are designated at their initial recognition date and only if the criteria under IAS 39 are satisfied. The Company has designated its investments at fair value through profit or loss as these are managed and performance of which is evaluated on a fair value basis.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Financial instruments (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ("EIR") method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in profit or loss.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired;
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss or loans and borrowings. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables and borrowings.

Subsequent measurement

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Determination of fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price or dealer price quotations (bid price for long position and ask price for short positions), without any deduction for transaction costs. For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation technique, comparison to similar instruments for which market observable prices exist, options pricing model and other relevant valuation models and following International Private Equity and Venture Capital guidelines.

Fair value investments are measured at subsequent reporting dates at fair value. Realised and unrealised gains and losses on such investments are included in profit or loss in the period in which they arise. On disposal, the profit or loss recognised in profit or loss is the difference between the proceeds and the carrying amount of the asset.

The Company classifies its investments as Fair Value Through Profit or Loss ("FVTPL").

Management determines the appropriate classification of the investments and re-evaluates such classification on a regular basis. Investments designated at FVTPL at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Company's investment strategy on a fair value basis, together with other relevant information.

(c) Impairment of financial assets

The Company assesses at each reporting date whether a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtor, or a group of debtors, is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and, where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future Expected Credit Loss (ECL) that have not yet been incurred) discounted using the asset's original effective interest rate. The carrying amount of the asset is reduced by the amount of bad debt written off and the amount is recognised in profit or loss.

Impaired debts, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company. If a previous write-off is later recovered, the recovery is credited to the credit loss expense.

Interest revenue on impaired financial assets is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Net gain or loss on financial assets

Net gains or losses on financial assets at FVTPL are changes in the fair value of financial assets and exclude interest and dividend income and expenses.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of the prior period's unrealised gains and losses for financial instruments which were realised in the reporting period. Realised gains and losses on disposals of financial instruments classified as at FVTPL are calculated using the difference between an instrument's average cost of acquisition and disposal amount.

(e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is generally not the case with master netting agreements unless one party to the agreement defaults and the related assets and liabilities are presented gross in the statement of financial position.

(f) Dividend income

Dividend income is recognised in profit or loss when the Company's right to receive payment is established.

Dividend income is presented gross of any non-recoverable withholding taxes which are disclosed separately in the statement of profit or loss.

(g) Interest income

Interest income is accounted for on a time basis using the effective interest method which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(h) Functional and Presentation Currency

The functional currency is the currency of the primary economic environment in which the Company operates. The Company's majority of returns are Mauritian rupee based, the capital is raised in rupees and the performance is evaluated and its liquidity is managed in rupees. Therefore the Company concludes that the Mauritian Rupee is its functional currency.

The Company's presentation currency is also Mauritian Rupee.

(i) Foreign currency transactions

Monetary assets and liabilities outstanding at year-end in foreign currencies are translated into Mauritian rupees at the closing rates of exchange. Revenue items denominated in foreign currencies are converted into rupee at the rates of exchange ruling at the date of the transaction. Exchange differences arising on the settlement and retranslation of monetary assets and liabilities are recognised in profit or loss in the period in which they arise. Non-monetary items carried out at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Cash and cash equivalents

Cash and cash equivalents comprises cash at bank and in hand, net of bank overdraft.

(k) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either profit or loss or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(l) Stated capital

Stated capital classified as equity consists of issued ordinary shares.

6. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in accordance with IFRS requires the directors and management to exercise judgements in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability afftected in future periods.Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgement that has a significant effect on the amounts recognised in the financial statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e an exit price) regardless of whether that price is observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value please see Note 23.

Impairment assessment of loans receivables

The Company reviews its individually significant loans at each reporting date to assess whether an impairment loss should be recorded in profit or loss.

The Company's impairment methodology for assets at amortised cost results in the recording of provisions for:

Specific impairment losses on individually singnificant or specifically identified exposures.

This exercise includes an element of management's judgement, in particular for the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses. These estimates are driven by a number of factors, the changing of which can result in different levels of allowances.

7. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

30 June 2018

	Listed in Mauritius				
	Official Market Rs'000	**Development & Enterprise Market Rs'000**	**Unquoted Rs'000**	**Overseas Quoted Investment Rs'000**	**Total Rs'000**
At beginning of year	**708,247**	**500,530**	**131,187**	**209,998**	**1,549,962**
Additions	**81,705**	**19,128**	**396**	**333**	**101,562**
Disposals	**(162,501)**	**(21,900)**	**-**	**-**	**(184,401)**
Write off	**-**	**-**	**(418)**	**-**	**(418)**
Fair value changes	**(45,388)**	**(13,170)**	**7,042**	**33,055**	**(18,460)**
At end of year	**582,063**	**484,588**	**138,207**	**243,386**	**1,448,244**

30 June 2017

	Listed in Mauritius				
	Official Market Rs'000	Development & Enterprise Market Rs'000	Unquoted Rs'000	Overseas Quoted Investment Rs'000	Total Rs'000
At beginning of year	660,077	436,268	123,675	185,954	1,405,974
Additions	44,816	16,526	-	2,462	63,804
Disposals	(113,601)	(11,790)	-	(2,359)	(127,750)
Fair value changes	116,955	59,526	7,512	23,941	207,934
At end of year	708,247	500,530	131,187	209,998	1,549,962

The revaluation of the local and overseas investments, on the basis set out in note 5, resulted in a net deficit of Rs 18.5M (2017: surplus of Rs 207.9M).

(a) The net proceeds on sales of local and overseas investments amounted to Rs 203.2M (2017: Rs 138.4M).

8. LOANS RECEIVABLE AT CALL

	2018 Rs'000	2017 Rs'000
At beginning of year	**34,687**	63,000
Additions	**163,500**	15,500
Repaid	**(89,000)**	(38,000)
	109,187	40,500
Less: Bad debt written off	**(3,048)**	(5,813)
At end of year	**106,139**	34,687

(i) The loans receivable at call earn average interest of 7.64% (2017: 7.53%) per annum.

(ii) The collateral received is not included in the assets of the Company and the amount and type of collateral required depends on an assessment of the credit risk of the counterparty, and included in the loan receivable are an amount of Rs 19,187,500 (2017: Rs 19,187,500) secured on the corporate assets of the borrower and/or the personal assets of the directors of the borrower.

9. TRADE AND OTHER RECEIVABLES

	2018 **Rs'000**	2017 Rs'000
Trade receivables	**15,164**	16,585
Interest receivable	**814**	507
Tax receivable (Note 13)	**-**	29
Prepayments	**20,679**	478
Receivables from related parties	**5,152**	17,749
	41,809	35,348

Trade receivables are non interest bearing and consist of dividends receivable from and proceeds receivable from sales of local investments.

(i) Receivables from related parties earn average interest of 4.46% (2017: 4.92%) per annum.

(ii) As at 30 June, the ageing of receivables neither past due nor impaired was as follows:

	2018 **Rs'000**	2017 Rs'000
Between 1 and 6 months	**36,507**	17,121
At call	**5,302**	18,227
	41,809	35,348

10. STATED CAPITAL

	2018 **Rs'000**	2017 Rs'000
Issued share capital		
423,387,518 Shares of no par value	**423,388**	423,388

	2018 **Rs'000**	2017 Rs'000
Number of shares authorised	**423,388**	423,388

Ordinary shares are not redeemable, carry voting rights, and carry entitlement to dividends or distributions and on winding up to any surplus assets of the Company.

11. BORROWINGS

		2018 Rs'000	2017 Rs'000
Loans from third party			
Loans	(i)	**20,000**	10,000
Bank loans & overdraft			
Bank overdraft	(ii)	**-**	1,842
Bank loans	(iii)	**47,050**	5,500
Accrued interest on loans		**791**	-
		67,841	17,342

(i) Loans from third party

The loans carry an average interest of 3.50% (2017: 3.75%) per annum, are unsecured and repayable at call.

(i) Bank overdraft

The bank overdraft are secured by floating charges on the Company's assets and carry interest of 5.75% (2017: 6.25%) per annum.

(ii) Bank loans

The bank loans are payable within one to three months, carry average interest rates of 3.50% (2017: 3.98%) per annum and are secured on the Company's assets.

12. TRADE AND OTHER PAYABLES

	2018 Rs'000	2017 Rs'000
Trade payables	**1,258**	1,805
Accrued expenses	**12,142**	10,509
Interest accrued	**-**	105
Amount due to related parties	**2,308**	1,177
	15,708	13,596

The average credit period on trade payables is 60 days and no interest is charged on trade payables and amount due to related parties. The Company has policies in place to ensure that all payables are paid within the credit timeframe.

13. CURRENT TAX LIABILITIES

(i) Income tax

Income tax is calculated at the rate of 15% (2017: 15%) on the profit for the year as adjusted for income tax purposes.

	2018 Rs'000	2017 Rs'000
Income Tax Expense:		
Provision for the year	**858**	-
Under/(over) provision in previous year	**14**	(556)
	872	(556)
Corporate Social Responsibility Contribution	**68**	69
Overprovision in previous year – CSR fund	**-**	(39)
Foreign tax on investment income	**14**	14
Income tax expense/(reversal)	**955**	(512)

(ii) Current tax liabilities

	2018 Rs'000	2017 Rs'000
Balance at beginning of year	**(29)**	869
Over provision in prior year	**-**	(556)
Provision for the year	**872**	-
Income tax refund/ (paid)	**43**	(313)
Less: Tax paid under APS	**-**	(98)
Corporate Social Responsibility due	**-**	69
Balance at end of year	**886**	(29)

(iii) Reconciliation of the total tax charge

A reconciliation between the tax expense and the accounting profit multiplied by the domestic tax rate for the years ended 30 June 2018 and 30 June 2017 is, as follows

	2018 Rs'000	2017 Rs'000
Accounting profit/(loss) before tax	**21,344**	233,761
Tax at 17%	**3,628**	39,739
Tax effect of:		
- Exempt income*	**(14,183)**	(38,408)
- Non-allowable expenses*	**11,840**	2,890
- Tax loss carried forward	**-**	454
- CSR fund	**68**	(4,675)
- Adjustment for CSR fund	**(426)**	70
	927	70
Foreign tax on investment income	**14**	14
Over provision of tax and CSR fund prior year	**14**	(596)
Income tax expense/(reversal)	**955**	(512)

13. CURRENT TAX LIABILITIES (continued)

(iii) Reconciliation of the total tax charge (continued)

	2018 **%**	2017 %
Applicable tax rate	**17.00**	17.00
Tax effect of:		
- Exempt income*	**(66.45)**	(16.43)
- Non allowable expenses**	**55.47**	1.24
- Tax loss carried forward	**-**	0.20
- CSR fund	**0.32**	(2.00)
- Adjustment for CSR fund/Foreign tax withheld	**2.07**	0.03
	4.41	0.04
- Overprovision of tax in prior year	**0.07**	(0.26)
Effective income tax rate	**4.47**	(0.22)

*Main items of exempt income are of Dividend income received from companies resident in Mauritius and surplus on revaluation of investments.

**Main items of non-allowance expense include expenses attributable to exempt income and loss on sale of assets.

14. DIVIDENDS PAYABLE

		2018 **Rs'000**	2017 Rs'000
(a)	**Dividend declared**		
	Interim dividend for 2018: 11 cents per share (2017: 11 cents per share)	**46,573**	46,573
	Final dividend for 2018: 13 cents per share (2017: 13 cents)	**55,040**	55,040
		101,613	101,613
(b)	**Dividend paid relating to:**		
	Final dividend of 13 cents per share for the year ended 30 June 2017 paid in September 2017 (Final for June 2016; payment in September 2016: 13 cents)	**55,040**	55,040
	Interim dividend of 11 cents per share for the year ended 30 June 2018 paid in March 2018 (Interim for June 2017; payment in March 2017: 11 cents)	**46,573**	46,573
		101,613	101,613

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 30 June 2018

15. NET ASSET VALUE PER SHARE

Net Asset Value (NAV) per share is based on the net assets of Rs 1,471M (2017: Rs1,552M) and on 423,387,518 ordinary shares in issue throughout the two years ended 30 June 2018.

16. DIVIDEND INCOME

	2018 **Rs'000**	2017 Rs'000
Dividend income from investments:		
Local:		
Listed - Official Market	**18,468**	21,739
Listed – Development & Enterprise Market	**17,478**	12,146
Unquoted	**3,813**	3,582
	39,759	37,467
Overseas:		
Quoted	**595**	793
	40,354	38,260

17. NET FOREIGN EXCHANGE GAIN/(LOSS)

	2018 **Rs'000**	2017 Rs'000
Cash Net exchange gain/((loss) arising on cash and cash equivalents	**80**	(349)

18. MANAGEMENT FEES

Expenses do not include any staff costs as the Company had no employees during the two years ended 30 June 2018 and 30 June 2017.

Management fees are paid to the CIS Manager, Golden Fund Management Services Ltd, to provide management and company secretarial services to the Company.

19. CLOSED-END FUND EXPENSES

	2018 **Rs'000**	2017 Rs'000
Share registry fees	**750**	713
Custodian & other fees	**786**	1,019
	1,536	1,732

NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 30 June 2018

20. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share for the year is based on the profit for the year of Rs 21M (2017: profit of Rs 234M) and on 423,387,518 ordinary shares in issue throughout the two years ended 30 June 2018 and 30 June 2017. The basic and diluted earnings per share are equal.

21. RELATED PARTY TRANSACTIONS

During the year, the Company had the following transactions/balances receivable from and payable to related parties.

Name of company	Relationship	Nature of transaction	Value of Transactions		Receivable/ (Payable)	
At 30 June			**2018 Rs'000**	2017 Rs'000	**2018 Rs'000**	2017 Rs'000
Golden Fund Management Services Ltd (GFMS)	CIS Manager	Current account	**-**	-	**(33)**	(33)
		Management Fees	**12,601**	12,668	**(1,993)**	(957)
		Share of office expenses under common management	**1,245**	2,021	**(282)**	(187)
		Intercompany balance	**-**	-	**(2,308)**	(1,177)
Golden Foundation Ltd (GFL)	Shareholder	Short term financing	**13,067**	21,584	**3,840**	17,022
		Interest	**584**	774	**1,312**	727
		Intercompany balance	**-**	-	**5,152**	17,749

Compensation paid to key management personnel for the year amounted to Rs 1,097,868 (2017: Rs 1,079,242). The key management personnel are outsourced to GFMS.

22. CHANGES FROM LIABILITIES ARISING FROM FINANCING ACTIVITY

	Interest bearing loan and borrowings Rs'000	Bank Overdraft Rs'000	Dividend payable Rs'000	Total Rs'000
At 1 July 2017	15,500	1,842	55,040	**72,382**
Arising during the year	791	-	101,613	**102,404**
Cash flows	51,550	(1,842)	(101,613)	**(51,905)**
At 30 June 2018	**67,841**	**-**	**55,040**	**122,881**

23. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are:

(a) To safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefits to other stakeholders;

(b) To secure a good dividend yield as well as long term capital appreciation.

The capital structure of the Company consists of debt, net of cash and cash equivalents and equity. The Company manages its capital structure and make such adjustments that are required in light of changes in economic conditions. The Board meets on a quarterly basis to monitor the operations of the Company so as to ensure that it is able to continue as a going concern, while maximising returns to shareholders.

The Company monitors capital using gearing ratio, which is net debt divided by total equity. The strategy is to maintain the debt-to-adjusted capital ratio at a low level, in order to secure finance at the most competitive rates. The net debt consists of borrowings less cash at bank and in hand. Equity relates to share capital as disclosed in the Statement of Financial Position.

	2018 **Rs'000**	2017 Rs'000
Borrowings	**67,841**	17,342
Less bank and cash balances	**(14,246)**	(18,168)
Net debt	**53,595**	(826)
Total equity	**1,470,963**	1,557,932
Gearing ratio	**3.64%**	(0.05)%

The Company has no capital commitments at 30 June 2018.

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Fair value

Except as stated elsewhere, the carrying amounts of financial assets and liabilities approximate their fair values due to the short term nature of the balances involved.

Fair value measurements

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets are determined as follows:

The fair values of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

The unquoted financial assets have been valued at on the basis of accounting policy note 5.

Fair value of Company's financial assets that are measured at fair value on a recurring basis

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Fair value hierarchy

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows an analysis of financial instuments recorded at fair value by level of the fair value hierarchy:

30 June 2018	**Level 1 Rs'000**	**Level 2 Rs'000**	**Level 3 Rs'000**	**Total Rs'000**
Financial assets designated at FVTPL				
Quoted equities				
- Local Official Market	**582,062**	**-**	**-**	**582,062**
- Development & Enterprise Market	**484,588**	**-**	**-**	**484,588**
- Overseas Markets	**243,387**	**-**	**-**	**243,387**
Unquoted equities	**-**	**76,733**	**61,474**	**138,207**
Total	**1,310,037**	**76,733**	**61,474**	**1,448,244**

30 June 2017	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'00
Financial assets designated at FVTPL				
Quoted equities				
- Local Official Market	708,247	-	-	708,247
- Development & Enterprise Market	500,530	-	-	500,530
- Overseas Markets	209,998	-	-	209,998
Unquoted equities	-	90,317	40,870	131,187
Total	1,418,775	90,317	40,870	1,549,962

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Fair value hierarchy (continued)

Reconciliation of Level 3 fair value measurements.

	2018					
Sector	**At start of year Rs'000**	**Additions Rs'000**	**Disposals Rs'000**	**Reclassi-fication Rs'000**	**Fair value gain/(loss) to profit or loss Rs'000**	**At end of year Rs'000**
Consumer goods	**23,931**	-	-	-	**(355)**	**23,576**
Financial Services	**229**	-	-	-	**5,022**	**5,251**
Hospitality	**501**	-	-	-	**(366)**	**135**
Investment	**2,952**	-	-	-	**1,605**	**4,557**
Investment property	**851**	-	-	-	**633**	**1,484**
Manufacturing	**2,170**	-	-	-	**(309)**	**1,861**
Retail	**10,235**	-	-	-	**14,375**	**24,610**
Total	**40,870**	-	-	-	**20,604**	**61,474**

	2017					
Sector	At start of year Rs'000	Additions Rs'000	Disposals Rs'000	Reclassi-fication Rs'000	Fair value gain/(loss) to profit or loss Rs'000	At end of year Rs'000
Consumer goods	24,478	-	-	-	(547)	23,931
Financial Services	699	-	-	(505)	35	229
Hospitality	920	-	-	-	(418)	501
Investment	2,447	-	-	505	-	2,952
Investment property	742	-	-	-	109	851
Manufacturing	3,257	-	-	-	(1,087)	2,170
Retail	9,897	-	-	-	338	10,235
Total	42,440	-	-	-	(1570)	40,870

There was no transfer to/(from) Level 3 for the two years ended 30 June 2018 and 30 June 2017.

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Fair value measurements (continued)

For financial assets under Level 2, the entity uses a directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets in active markets, quoted prices for identical instruments in inactive markets and observable input other than quoted prices such as interest rates and yield curves, implied volatilities and credit spreads.

The following table gives information about how the fair value of signiciant financial assets under Level 3 are determined and inputs used. The sensitivity analysis below has been determined based on an increase/decrease of 5% change to the variable inputs with all other variables held constant.

30 June 2018

Sector of activity	Valuation technique	Significant unobservable input to fair value	Effect on fair value (+/- 5%) Rs'000
Consumer goods & Commerce	Average of adjusted NAV, P/E & P/NAV multiple of peers discounted by 20% to account for market condition and liquidity	Discount to account for market condition and liquidity	**1,178**
Retail	Average of adjusted NAV, P/E & P/NAV multiple of peers discounted by 60% to account for market condition and liquidity	Discount to account for market condition and liquidity	**1,230**

30 June 2017

Sector of activity	Valuation technique	Significant unobservable input to fair value	Effect on fair value (+/- 5%) Rs'000
Consumer goods & Commerce	Adjusted NAV - Discounted by 20% for lack of liquidity	Discount for lack of liquidity	1,496
Retail	Average of adjusted NAV, P/E & P/NAV multiple of peers discounted by 60% to account for market condition and liquidity	Discount to account for market condition and liquidity	1,118

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Categories of financial instruments

	2018 Rs'000	2017 Rs'000
Financial assets		
Assets at fair value through profit or loss:		
Financial Assets at FVTPL	**1,448,244**	1,549,962
Loans and Receivables:		
Loans receivable at call	**106,139**	34,687
Accounts receivable	**21,135**	34,841
Bank balance	**14,246**	18,168
	1,589,764	1,637,658

Prepayments of Rs 20.6M (2017: Rs 0.4M) have been excluded from Accounts receivable.

	2018 Rs'000	2017 Rs'000
Financial Liabilities		
Financial Liabilities at amorstised cost:		
Loans & bank overdraft	**67,841**	17,342
Accounts payable	**15,708**	13,596
Declared dividend payable	**55,040**	55,040
	138,589	85,978

Financial risk management objectives

The Company holds both domestic and overseas investments and manages the financial risks relating to its operations by monitoring the risks and implementing policies to mitigate these risk exposures. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

Market risk

Market risk represents the potential loss that can be caused by a change in the market value of financial instruments. The Company's exposure to market risk is determined by a number of factors, including interest rates, foreign currency exchange rates and market volatility.

(i) Currency Risk

The Company is exposed to the risk that the carrying amounts of financial assets and liabilities denominated in foreign currencies, namely USD, EUR and ZAR, may change due to fluctuations in foreign exchange rates. Foreign currency trends are monitored by Management on a regular basis.

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

(i) Currency Risk (continued)

The currency profile of the Company's financial assets and financial liabilities at 30 June is summarised as follows:

	2018		2017	
	Financial Assets Rs'000	**Financial Liabilities Rs'000**	Financial Assets Rs'000	Financial Liabilities Rs'000
Currency				
MUR	**1,338,730**	**138,589**	1,410,007	85,978
USD	**189,078**	**-**	172,413	-
EUR	**61,871**	**-**	55,161	-
ZAR	**85**	**-**	77	-
	1,589,764	**138,589**	1,637,658	85,978

The following table details the Company's sensitivity to a 10% movement in MUR against the relevant foreign currencies**.** 10% represents management's assessment of the reasonably possible change in foreign exchange rates. A negative number below indicates a decrease in profit and equity where the MUR strengthens 10% against the relevant foreign currencies. For a 10% weakening of the MUR against the relevant foreign currencies, there would be an equal and opposite impact on the profit and the balance below would be negative.

	USD Impact	
	2018 Rs'000	2017 Rs'000
Impact on profit	**19,499**	17,241

	EUR Impact	
	2018 Rs'000	2017 Rs'000
Impact on profit	**6,187**	5,516

	ZAR Impact	
	2018 Rs'000	2017 Rs'000
Impact on profit	**8**	8

<u>USD and EUR Impact</u>

This is mainly attributable to the foreign currency exposure on both bank and investment balances.

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

(i) Currency Risk (continued)

ZAR Impact

This is mainly attributable to the foreign currency exposure on investments held at year-end.

(ii) Interest rate risk management

The company is exposed to interest rate risk as the Company has short term loan facility at floating interest rates. The risk is managed by the company by providing floating rate loans against market average PLR.

The interest rate profile of the Company's financial assets and financial liabilities as at 30 June was:

	2018 %	2017 %
Average interest rate per annum		
Financial assets		
Financial assets at FVTPL : Debt instruments	**4.97**	5.01
Bank Balances	**-**	3.00
Loans receivable at call	**7.64**	7.53
Financial liabilities		
Borrowings	**3.50**	3.98

Interest rate sensitivity analysis

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 these instruments at the end of the reporting date was outstanding for the whole year. A 200 basis points increase or decrease is used and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 200 basis points higher and all other variables were held constant, the Company's results would be increased as follows:

	2018 Rs'000	2017 Rs'000
Impact on profit	**867**	347

Had the interest rates been 200 basis points lower and all other variables were held constant, there would be an equal and opposite impact on profit.

(iii) Equity price risks

The Company is exposed to equity price risks arising from equity investments.

Equity price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks at the reporting date.

If equity prices had been 5% higher/lower:

Profit and equity would increase/decrease by Rs 72.4M (2017: Rs 77.5M) as a result of the changes in fair value of the equity investments.

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows.

Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its financial assets and liabilities.

2018	**Interest rate %p.a.**	**At call Rs'000**	**Less than 1 month Rs'000**	**1-3 months Rs'000**	**3 months to 1 year Rs'000**	**More than 1 year Rs'000**	**Total Rs'000**
Financial assets							
Non interest bearing		-	**1,777**	**14,206**	**-**	**1,101,920**	**1,117,903**
Interest rate instruments:							
Financial assets at FVTPL:							
Debt instruments		**346,324**	**346,324**				
Accounts receivable		**5,152**	**-**	**-**	**-**	**-**	**5,152**
Loans receivable at call	**7.64**	**106,139**	**-**	**-**	**-**	**-**	**106,139**
Cash at bank		**14,246**	**-**	**-**	**-**	**-**	**14,246**
		125,537	**1,777**	**14,206**	**-**	**1,448,244**	**1,589,764**
Financial Liabilities							
Non Interest bearing		**-**	**1,256**	**59,166**	**10,326**	-	**70,748**
Interest rate instruments:							
Borrowings	**3.50**	**20,000**	**-**	**47,841**	**-**	**-**	**67,841**
		20,000	**1,256**	**107,007**	**10,326**	**-**	**138,589**

2017	Interest rate %p.a.	At call Rs'000	Less than 1 month Rs'000	1-3 months Rs'000	3 months to 1 year Rs'000	More than 1 year Rs'000	Total Rs'000
Financial assets							
Non interest bearing		-	3,256	13,836	-	1,549,962	1,567,054
Interest rate instruments:							
Accounts receivable		-	-	-	17,749	-	17,749
Loans receivable at call	7.53	34,687	-	-	-	-	34,687
Cash at bank		18,168	-	-	-	-	18,168
		52,855	3,256	13,836	17,749	1,549,962	1,637,658
Financial Liabilities							
Non Interest bearing		-	1,801	56,929	9,906	-	68,636
Interest rate instruments:							
Borrowings	3.98	11,842	-	5,500	-	-	17,342
		11,842	1,801	62,429	9,906	-	85,978

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

Wherever possible, credit risks are secured by guarantees.

The Company does not have significant concentration of credit risk which is attributable to its trade receivables. Trade receivables consist mainly of dividend receivable from a large number of investee companies spread across diverse industries.

Bank balances are held with reputable financial institutions.

The table below shows the credit quality by class of assets for all financial assets exposed to credit risk. The amounts presented are gross of impairment allowances:

2018	**Neither past due nor impaired Rs'000**	**Individually Impaired Rs'000**	**Total Rs'000**
Accounts receivable	**21,135**	**-**	**21,135**
Loan receivables at call	**106,139**	**-**	**106,188**
Cash at banks	**14,246**	**-**	**14,253**
	141,520	**-**	**144,575**

2017	Neither past due nor impaired Rs'000	Individually Impaired Rs'000	Total Rs'000
Accounts receivable	34,841	-	34,841
Loan receivables at call	34,687	-	34,687
Cash at banks	18,168	-	18,168
	87,696	-	87,696

25. SEGMENT INFORMATION

For management purposes, the Company is organised into one main operating segment, which invests in quoted and unquoted securities both on the local and overseas market. All significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

Refer to Note 7 for further details of the split of the financial assets at fair value through profit or loss between the local and overseas markets and to Note 16 for the detailed split of the income derived the financial assets held locally and overseas.

26. SUBSEQUENT EVENT DISCLOSURES

There is no significant event after the reporting period which needs to be disclosed or requires amendments to the 30 June 2018 financial statements.

PROXY FORM

For the 51st Annual Meeting

I/We

being a shareholder/s of The Mauritius Development Investment Trust Co Ltd, do hereby appoint

Mr/Ms

of

or failing him/her Mr/Ms

of

or failing him/her the Chairman of the meeting as my/our proxy to vote for me/us at the meeting of the Company to be held on 28 December 2018 and at any adjournment thereof.

I/We desire my/our votes to be cast on the Resolutions as follows:

Mark with X where applicable		FOR	AGAINST	ABSTAIN
1	To consider and approve the Annual Report including the audited financial statements for the year ended 30 June 2018.			
2	To re-appoint as director Mr Roger Leung Shin Cheung			
3	To re-appoint as director Mr Georges Leung Shing			
4	To re-appoint as director Mr Francois Montocchio			
5	To elect Mr Marc Ah Ching as director			
6	To elect Mr Stephen Scali as director			
7	To ratify the payment of the dividends with respect to the year ended 30 June 2018.			
8	To fix the directors' fees for the year ending 30 June 2019.			
9	To re-appoint Ernst & Young as auditors under section 200 of the Companies Act 2001 and to authorise the directors to fix their remuneration.			

Signed this day of 2018

Signature

A member may appoint a proxy to attend, speak and vote in his/her stead. The proxy need not be a member of the Company but the proxy forms should be forwarded to reach the Company's registered office, 7th Floor, Newton Tower, Sir William Newton Street, Port-Louis not less than twenty four hours before the time for holding the meeting.