

## STATEMENTS OF FINANCIAL POSITION

	GROUP	
	30 September 2019	31 December 2018
	Rs'000	Rs'000
<b>ASSETS</b>		
Non-current assets	2,460,363	2,431,429
Current assets	1,748,349	2,200,863
<b>Total assets</b>	<b>4,208,712</b>	<b>4,632,292</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Owners' interest	1,667,139	1,843,842
Non controlling interests	240,273	293,068
<b>Total equity</b>	<b>1,907,412</b>	<b>2,136,910</b>
Non-current liabilities	623,135	519,994
Current liabilities	1,678,165	1,975,388
<b>Total equity and liabilities</b>	<b>4,208,712</b>	<b>4,632,292</b>
Net assets per share (Rs)	148.07	163.76
Number of ordinary shares	11,259,388	11,259,388

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	GROUP			
	Three months to 30 Sep 2019	Three months to 30 Sep 2018	Nine months to 30 Sep 2019	Nine months to 30 Sep 2018
	Rs'000	Rs'000	Rs'000	Rs'000
<b>Revenue</b>	<b>915,549</b>	<b>952,802</b>	<b>2,551,092</b>	<b>2,902,201</b>
<b>Profit/(Loss) before finance costs</b>	<b>19,502</b>	<b>4,073</b>	<b>(25,838)</b>	<b>2,583</b>
Finance costs	(17,083)	(15,726)	(50,455)	(46,190)
Share of results of associates & joint ventures	24,443	24,001	71,282	83,069
<b>Profit/(Loss) before tax and exceptional items</b>	<b>26,862</b>	<b>12,348</b>	<b>(5,011)</b>	<b>39,462</b>
Restructuring costs	(22,007)	-	(41,078)	(7,819)
Impairment of assets	(13,194)	-	(54,525)	-
<b>(Loss)/profit before tax</b>	<b>(8,339)</b>	<b>12,348</b>	<b>(100,614)</b>	<b>31,643</b>
Income tax	(7,534)	(4,752)	(9,538)	(15,419)
<b>(Loss)/profit for the period from continuing operations</b>	<b>(15,873)</b>	<b>7,596</b>	<b>(110,152)</b>	<b>16,224</b>
<b>Discontinued operations</b>				
Post tax loss from discontinued operations	-	(1)	-	(1,924)
Profit/(loss) on disposal of subsidiary	-	232	-	(142)
	(15,873)	7,827	(110,152)	14,158
<b>Attributable to:</b>				
Owners of the parent	(4,071)	11,105	(78,162)	21,541
Non controlling interests	(11,802)	(3,278)	(31,990)	(7,383)
(Loss)/profit for the year	(15,873)	7,827	(110,152)	14,158
Other comprehensive loss for the period net of tax	(6,195)	(2,455)	(14,228)	(9,982)
<b>Total comprehensive (loss)/profit for the period</b>	<b>(22,068)</b>	<b>5,372</b>	<b>(124,380)</b>	<b>4,176</b>
<b>Other comprehensive income attributable to:</b>				
Owners of the parent	(6,406)	(5,864)	(13,680)	(7,370)
Non controlling interests	211	3,409	(548)	(2,612)
	(6,195)	(2,455)	(14,228)	(9,982)
Basic (loss)/earnings per share from continuing operations (Rs/cents)	(0.36)	0.97	(6.94)	2.08
Earnings/(loss) per share from discontinued operations (Rs/cents)	-	0.01	-	(0.17)

## PROFILE

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

## PERFORMANCE

For the nine months ended 30 September 2019, the Group achieved a consolidated revenue from continuing operations of Rs 2.6 billion, down by 12% from 2018, attributable to lower revenues in both the Chemicals and Technology segments.

The drop in revenue registered within our Technology Equipment sub-division, and its flow-on impact on the profitability of our Equipment & Systems segment was mitigated by the positive contribution from Corexsolar. Excluding a provision for bad debts of Rs 7 million, the segment's Profit before tax is at par with last year's results.

The Chemicals segment achieved lower sales than last year following measures taken during the period under review to contain the segment's financial exposure within the agricultural sector both locally and in the region. The resulting drop in margins together with exceptional restructuring costs and provisions on receivables have had a significant impact on the segment's results to date.

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

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

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

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

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

## STATEMENTS OF CHANGES IN EQUITY

GROUP
<b>Balance at 1 January 2019</b>
Effect of changes in accounting policies (IFRS 16)
Loss for the period
Other comprehensive losses
Change in ownership interest in subsidiary that does not result in loss of control
<b>Balance at 30 September 2019</b>
Balance at 1 January 2018
Profit/(loss) for the period
Other comprehensive losses
Change in ownership interest in subsidiary that does not result in loss of control
Acquisition of subsidiary
Balance at 30 September 2018

## STATEMENTS OF CASH FLOWS

<b>Operating activities</b>
Net cash absorbed in operating activities from operations
<b>Investing activities</b>
Net cash (absorbed in)/generated from investing activities
<b>Financing activities</b>
Net cash absorbed in financing activities
<b>Decrease in cash and cash equivalents</b>
<b>Movement in cash and cash equivalents</b>
At 1 January
Decrease
Effect of foreign exchange difference
<b>At 30 September</b>

## NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

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

	Equipment & Systems	Chemicals	Technology	Asset Management and Others	Consolidation adjustments	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<b>Nine months ended 30 September 2019</b>						
Total segment revenues	1,026,660	1,202,415	458,341	238,253	-	2,925,669
Inter-segment revenues	(111,430)	(49,036)	(13,106)	(11,372)	(189,633)	(374,577)
<b>Revenues from external customers</b>	<b>915,230</b>	<b>1,153,379</b>	<b>445,235</b>	<b>226,881</b>	<b>(189,633)</b>	<b>2,551,092</b>
<b>Segment Profit/(loss)</b>	<b>40,294</b>	<b>(37,558)</b>	<b>5,505</b>	<b>(14,135)</b>	<b>(19,944)</b>	<b>(25,838)</b>
Share of results of associates & joint ventures	-	-	-	71,282	-	71,282
Finance costs	(14,534)	(8,271)	(7,178)	(40,416)	19,944	(50,455)
Restructuring costs	-	(41,078)	-	-	-	(41,078)
Impairment of assets	(7,034)	(47,491)	-	-	-	(54,525)
<b>Profit/(loss) before tax</b>	<b>18,726</b>	<b>(134,398)</b>	<b>(1,673)</b>	<b>16,731</b>	<b>-</b>	<b>(100,614)</b>
<b>Total assets</b>						
<b>30 September 2019</b>	<b>675,075</b>	<b>1,305,330</b>	<b>336,489</b>	<b>1,891,818</b>	<b>-</b>	<b>4,208,712</b>
31 December 2018	704,596	1,616,495	436,335	1,874,866	-	4,632,292
<b>Nine months ended 30 September 2018</b>						
Total segment revenues	1,011,646	1,493,028	565,341	206,084	-	3,276,099
Inter-segment revenues	(59,560)	(55,975)	(10,463)	(9,836)	(238,064)	(373,898)
<b>Revenues from external customers</b>	<b>952,086</b>	<b>1,437,053</b>	<b>554,878</b>	<b>196,248</b>	<b>(238,064)</b>	<b>2,902,201</b>
<b>Segment profit/(loss)</b>	<b>38,222</b>	<b>(1,802)</b>	<b>1,774</b>	<b>(13,756)</b>	<b>(21,855)</b>	<b>2,583</b>
Share of results of associates & joint ventures	-	-	-	83,069	-	83,069
Finance costs	(12,582)	(7,041)	(6,509)	(41,913)	21,855	(46,190)
Restructuring costs	-	(7,819)	-	-	-	(7,819)
<b>Profit/(loss) before tax</b>	<b>25,640</b>	<b>(16,662)</b>	<b>(4,735)</b>	<b>27,400</b>	<b>-</b>	<b>31,643</b>
<b>Total assets</b>						
<b>30 September 2018</b>	<b>586,547</b>	<b>1,510,418</b>	<b>373,671</b>	<b>2,041,645</b>	<b>-</b>	<b>4,512,281</b>
31 December 2017	551,081	1,809,958	344,351	1,921,299	-	4,626,689

The Technology segment is performing better than last year even though the turnover was negatively affected by delays in the materialisation of key projects.

The share of results from our associates and joint ventures dropped compared to 2018, following lower performance from the Group's investments in the hospitality sector. This trend is however not representative of the performance of our portfolio of investments in this sector as the drop was due to the closure of one of the hotels, up to August 2019, for major renovation works.

## OUTLOOK

The local business landscape remains challenging, with the major sectors of the Mauritian economy facing their respective difficulties. The Group has engaged in operational business reviews for all its subsidiaries and approved measures bearing restructuring costs to be better equipped to meet these future challenges.

## STATEMENTS OF FINANCIAL POSITION

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

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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

## PROFILE

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

## PERFORMANCE

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

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

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

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

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

## GROUP UPDATES

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

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

## OUTLOOK

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

## STATEMENTS OF CHANGES IN EQUITY

GROUP
<b>Balance at 1 January 2019</b>
Effect of changes in accounting policies (IFRS 16)
As restated
Loss for the period
Other comprehensive losses
Change in ownership interest in subsidiary that does not result in loss of control
<b>Balance at 30 June 2019</b>
Balance at 1 January 2018
Profit for the period
Other comprehensive losses
Change in ownership interest in subsidiary that does not result in loss of control
Acquisition of subsidiary
Balance at 30 June 2018

## STATEMENTS OF CASH FLOWS

<b>Operating activities</b>
Net cash absorbed in operating activities
<b>Investing activities</b>
Net cash (absorbed in)/generated from investing activities
<b>Financing activities</b>
Net cash (absorbed in)/generated from financing activities
<b>Decrease in cash and cash equivalents</b>

## Movement in cash and cash equivalents

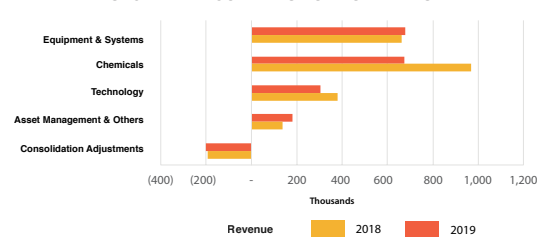
At 1 January
Decrease
Effect of foreign exchange difference
<b>At 30 June</b>

## NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

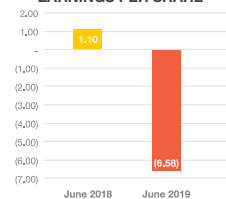
The reportable segments are strategic business units that offer different products and services.

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

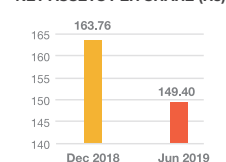
## SEGMENTAL CONTRIBUTION TO REVENUE



## EARNINGS PER SHARE



## NET ASSETS PER SHARE (Rs)



growth on the international market. Even though the second part of the year is a better one for Harel Mallac in terms of revenue and profitability, it should be noted that the local business landscape remains challenging, with the major sectors of the Mauritian economy facing their respective difficulties.

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

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By order of the Board  
HM Secretaries Ltd  
Company Secretary  
12<sup>th</sup> August 2019

For the quarter ended 31 March 2019, Harel Mallac generated Rs 785m revenue, and continues its business transformation through in-depth restructuring and new growth relays.

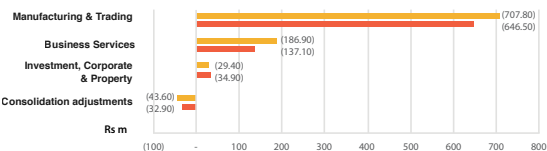
STATEMENTS OF FINANCIAL POSITION

	GROUP	
	31 March 2019	31 December 2018
	Rs'000	Rs'000
<b>ASSETS</b>		
Non-current assets	2,509,482	2,431,429
Current assets	1,830,839	2,200,863
<b>Total assets</b>	<b>4,340,321</b>	<b>4,632,292</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Owners' interest	1,786,078	1,843,842
Non controlling interests	281,669	293,068
<b>Total equity</b>	<b>2,067,747</b>	<b>2,136,910</b>
<b>Non-current liabilities</b>	<b>600,537</b>	<b>519,994</b>
Current liabilities	1,672,037	1,975,388
<b>Total equity and liabilities</b>	<b>4,340,321</b>	<b>4,632,292</b>
Net assets per share(Rs)	158.63	163.76
Number of ordinary shares	11,259,388	11,259,388

STATEMENTS OF PROFIT OR LOSS

	GROUP	
	Quarter to 31 March 2019	Quarter to 31 March 2018
	Rs'000	Rs'000
<b>Revenue</b>	<b>785,603</b>	<b>880,507</b>
<b>Loss before finance costs</b>	<b>(63,142)</b>	<b>(9,732)</b>
Finance costs	(15,625)	(14,468)
Share of results of associates & joint ventures	33,055	25,980
(Loss)/profit before tax	(45,712)	1,780
Income tax	(711)	(1,397)
<b>(Loss)/profit for the period from continuing operations</b>	<b>(46,423)</b>	<b>383</b>
<b>Discontinued operations</b>		
Post tax loss from discontinued operations	-	(1,114)
	<b>(46,423)</b>	<b>(731)</b>
<b>Attributable to:</b>		
Owners of the parent	(35,002)	5,136
Non controlling interests	(11,421)	(5,867)
<b>Loss for the year</b>	<b>(46,423)</b>	<b>(731)</b>
Other comprehensive income/(loss) for the period net of tax	3,463	(8,073)
<b>Total comprehensive loss for the period</b>	<b>(42,960)</b>	<b>(8,804)</b>
<b>Other comprehensive income attributable to:</b>		
Owners of the parent	3,441	(10,428)
Non controlling interests	22	2,355
	<b>3,463</b>	<b>(8,073)</b>
(Loss)/earnings per share from continuing operations(Rs/cents)	(3.11)	0.56
Loss per share from discontinued operations(Rs/cents)	-	(0.10)

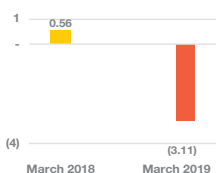
SEGMENTAL CONTRIBUTION TO REVENUE



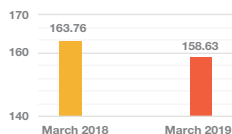
Revenue

2018 2019

EARNINGS PER SHARE



NET ASSETS PER SHARE (Rs)



STATEMENTS OF CHANGES IN EQUITY

	Owners of the parent	Non-controlling Interests	Total
	Rs'000	Rs'000	Rs'000
<b>GROUP</b>			
<b>Balance at 1 January 2019</b>	1,843,842	293,068	2,136,910
Effect of changes in accounting policies(IFRS 16)	(26,203)	-	(26,203)
As restated	1,817,639	293,068	2,110,707
Loss for the period	(35,002)	(11,421)	(46,423)
Other comprehensive income for the period	3,441	22	3,463
Total comprehensive loss income for the period	(31,561)	(11,399)	(42,960)
<b>Balance at 31 March 2019</b>	<b>1,786,078</b>	<b>281,669</b>	<b>2,093,950</b>
Balance at 1 January 2018	1,773,582	296,680	2,070,262
Profit/(loss) for the period	5,136	(5,867)	(731)
Other comprehensive (loss)/income for the period	(10,428)	2,355	(8,073)
Total comprehensive loss for the period	(5,292)	(3,512)	(8,804)
<b>Balance at 31 March 2018</b>	<b>1,768,290</b>	<b>293,168</b>	<b>2,061,458</b>

STATEMENTS OF CASH FLOWS

	GROUP	
	Quarter to 31 March 2019	Quarter to 31 March 2018
	Rs'000	Rs'000
<b>Continuing operations</b>		
Net cash absorbed in operating activities	(11,800)	(99,423)
Net cash absorbed in investing activities	(7,310)	(3,704)
Net cash absorbed in financing activities	(104,507)	(12,104)
Net decrease in cash and cash equivalents	(123,617)	(115,231)
<b>Discontinued operations</b>		
Net decrease in cash and cash equivalents	-	(1,047)
<b>Decrease in cash and cash equivalents</b>	<b>(123,617)</b>	<b>(116,278)</b>
At 01 January	98,479	54,574
Effect of foreign exchange difference	501	(10,561)
<b>At 31 March</b>	<b>(24,637)</b>	<b>(72,265)</b>

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

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

	Investment, Corporate & Property	Business Services	Manufacturing & Trading	Consolidation adjustments	Total
	Rs'000	Rs'000	Rs'000		
<b>Quarter ended 31 March 2019</b>					
Total segment revenues	36,301	148,691	712,844	-	897,836
Inter-segment revenues	(1,434)	(11,591)	(66,308)	(32,900)	(112,233)
<b>Revenues from external customers</b>	<b>34,867</b>	<b>137,100</b>	<b>646,536</b>	<b>(32,900)</b>	<b>785,603</b>
<b>Timing of Revenue recognition</b>					
At a point in time	34,867	137,100	611,373	(32,900)	750,440
Over time	-	-	35,163	-	35,163
	<b>34,867</b>	<b>137,100</b>	<b>646,536</b>	<b>(32,900)</b>	<b>785,603</b>
<b>Continuing operations</b>					
<b>Segment loss</b>	<b>(4,741)</b>	<b>(11,482)</b>	<b>(39,245)</b>	<b>(7,674)</b>	<b>(63,142)</b>
Share of results of associates & joint ventures	33,055	-	-	-	33,055
Finance costs	(14,646)	(2,250)	(6,403)	7,674	(15,625)
<b>Profit/(loss) before tax</b>	<b>13,668</b>	<b>(13,732)</b>	<b>(45,648)</b>	<b>-</b>	<b>(45,712)</b>
<b>Total assets</b>					
<b>31 March 2019</b>	<b>1,877,669</b>	<b>445,474</b>	<b>2,017,178</b>	<b>-</b>	<b>4,340,321</b>
31 December 2018	1,813,902	495,805	2,322,585	-	4,632,292
<b>Quarter ended 31 March 2018</b>					
Total segment revenues	29,393	188,417	736,299	-	954,109
Inter-segment revenues	-	(1,497)	(28,513)	(43,592)	(73,602)
<b>Revenues from external customers</b>	<b>29,393</b>	<b>186,920</b>	<b>707,786</b>	<b>(43,592)</b>	<b>880,507</b>
<b>Continuing operations</b>					
<b>Segment (loss)/profit</b>	<b>(1,507)</b>	<b>(1,824)</b>	<b>886</b>	<b>(7,287)</b>	<b>(9,732)</b>
Share of results of associates & joint ventures	25,980	-	-	-	25,980
Finance costs	(14,472)	(1,287)	(5,996)	7,287	(14,468)
<b>Profit/(loss) before tax</b>	<b>10,001</b>	<b>(3,111)</b>	<b>(5,110)</b>	<b>-</b>	<b>1,780</b>
<b>Total assets</b>					
31 March 2018	1,900,525	447,999	2,027,562	-	4,376,086
31 December 2017	1,853,697	389,793	2,383,199	-	4,626,689

PROFILE

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

PERFORMANCE

For the first quarter, the Group achieved a consolidated revenue from continuing operations of Rs 786 million, down by 11% from 2018. This is driven by lower revenues from both Manufacturing & Trading and Business Services clusters.

Coupled with a lower gross profit margin witnessed across various divisions of the Group, this decrease in revenue resulted in a deterioration in profitability in the first quarter, with a Loss before Finance Costs of Rs 63 million in 2019.

In the **Manufacturing & Trading cluster**, although the Equipment & Systems division recorded an improvement on the back of higher sales of consumer electronics in particular, the overall profitability of the cluster remains under the negative influence of the ongoing difficulties faced by the sugarcane and textile industries and subsequent restructuring costs incurred in its Chemicals division.

The profitability of the **Business Services cluster** was affected by the delay encountered in the materialisation of a few projects in its Technology division, which also impacted the latter's margins.

Regarding the **Asset Management cluster**, the share of results from our associates and joint ventures is better than in 2018, on the back of continued good performance of the Group's investments in the hotels sector.

GROUP UPDATES

During the first quarter of 2019, our subsidiary Corexsolar International delivered its first photovoltaic farm (PV) project (in Henrietta) to CEB (Green Energy) Co. Ltd, and initiated the Petite Rivière PV Farm. Our Chemicals division continued its reshaping exercise, as MCFI took control of its sister companies Bychemex and Chemco, in mid-April. The Group engaged in Design Thinking initiative and carried on with the rollout of its digital transformation programme.

OUTLOOK

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

**By order of the Board**  
**HM Secretaries Ltd**  
 Company Secretary  
 14 May 2019

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

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

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

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