



# ADMISSION DOCUMENT

Happy World Property Ltd



# INTRODUCTION

## **ADMISSION DOCUMENT of Happy World Property Ltd ("HWP")** *(formerly known as Newton Development Limited)*

This Admission Document has been issued by HWP in accordance with the rules applicable to the Development Enterprise Market (the "DEM") of The Stock Exchange of Mauritius Ltd (the "SEM") in respect of the listing of the entire share capital of HWP, i.e. 40,000,000 ordinary shares of no par value (the "Shares") on the DEM at a price of MUR 9.50 per Share by way of introduction.

**LEC number:** LEC/I/01/2020

**Transaction Advisor:** MCB Capital Markets

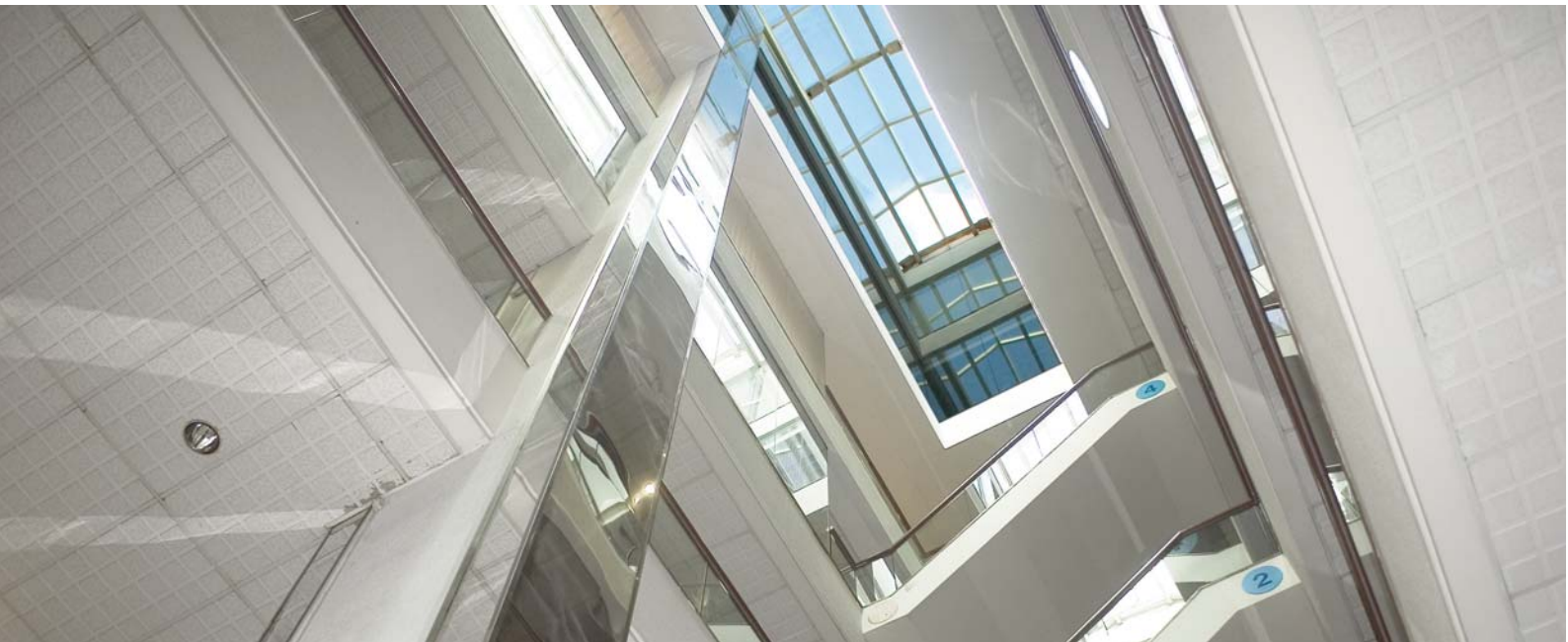
**Issued on:** 4 December 2020

### **HAPPY WORLD PROPERTY LTD** **("HWP" or the "Company")**

Incorporated in the Republic of Mauritius on 14 February 1986 as a private company limited by shares and bearing business registration number CO7005194. HWP has been converted to a public company limited by shares on 25 November 2020.

#### **Registered Office**

Level 8, Happy World House  
37, Sir William Newton Street  
Port Louis 11328, Mauritius





## IMPORTANT INFORMATION

This admission document (the "Admission Document") should be read in its entirety. The Admission Document is issued in the context of the listing of the entire share capital of HWP, i.e. 40,000,000 Shares on the DEM at a price of MUR 9.50 per Share. As a result, the Admission Document includes particulars given in compliance with the rules of the DEM governing the listing of securities for the purpose of giving information with regard to the Company.

The DEM is a market designed to include emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. DEM securities are not admitted to the Official Market of the SEM. Prospective investors should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with a professional financial advisor.

The circulation and distribution of this Admission Document in certain jurisdictions may be restricted by law. Persons who may come into possession of this Admission Document are required to inform themselves of and to observe any such restrictions. This Admission Document does not constitute an offer to sell, or a solicitation of an offer to buy, a security in any jurisdiction in which it is unlawful to make such an offer or to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.

This Admission Document does not constitute an offer to sell Shares to the public in Mauritius and accordingly this Admission Document shall not be construed as a prospectus under the Securities Act 2005.

An application has been made to the SEM for the listing and permission to deal in the Shares of HWP as described herein. Approval has been granted by the Listing Executive Committee of the SEM (the "LEC") on 4 December 2020.

A copy of this Admission Document will be filed with the Financial Services Commission ("FSC"). The FSC makes no representation as to the accuracy or completeness of any of the statements made or opinions expressed in this Admission Document and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon the whole or any part thereof. The FSC does not vouch for the financial soundness of the Company or for the correctness of any statements made or opinions expressed with regard to it.

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

If you have any doubt as to the action you should take, please consult an independent professional advisor who may guide you accordingly.

# IMPORTANT INFORMATION

Any forward-looking statements in this Admission Document are made based upon the Directors' expectations and beliefs concerning future events impacting the Company and therefore involve a number of known and unknown risks and uncertainties. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which it operates, which may prove to be inaccurate. The Company cautions that these forward-looking statements are not guaranteed and actual results could differ materially from those expressed or implied in these forward-looking statements.

The statements and information contained in this Admission Document have been compiled as of 13 November 2020. Neither the delivery of this Admission Document nor any offer or issue of any shares shall under any circumstances create an implication or constitute a representation that the information given in this Admission Document is correct as at any time subsequent to the date thereof.

The Transaction Advisor and the other professional advisors have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by them as to the accuracy or completeness of the information contained in this Admission Document or any other information provided by the Company. The Transaction Advisor and the other professional advisors do not accept any liability in relation to the information contained in this Admission Document or any other information provided by the Company and in connection with this Admission Document.

Any information on taxation contained in this Admission Document is a summary of certain tax considerations but is not intended to be a complete discussion of all tax considerations. The contents of this Admission Document are not to be construed as investment, legal or tax advice. Moreover, investment in the Shares entails a number of risks, a non-exhaustive list of which is described in this Admission Document. Investors should therefore consult their own independent professional advisors on such matters before making an investment.

There has been no material adverse change, from the end of last audited financial period until the date of admission, in the financial or trading position of the Company.

The historical audited financial information of HWP for the three years ended 30 June 2018 ("FY18"), 30 June 2019 ("FY19") and 30 June 2020 ("FY20") is set out in Appendix 1 of this Admission Document together with the Independent Reporting Accountants' reports on the historical audited financial information.

As of the last reporting financial year ended 30 June 2020, HWP has undertaken a Restructuring (as defined below) of its capital structure by converting its shareholder loan into issued share capital and its operational activities by transferring advisory and data management services to its holding company. Unaudited pro forma financial statements for HWP is presented in Section 5 of this document for illustrative purposes to provide comparable information had the Restructuring occurred on 1 July 2017. The pro forma financial statements enable prospective investors to better assess the historical trend of HWP and business performance as if they were effective since 1 July 2017.

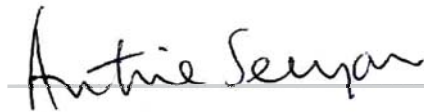
# IMPORTANT INFORMATION

The preparation of the unaudited pro forma financial information falls under the responsibility of HWP's Directors.

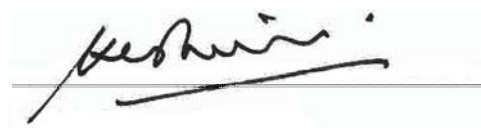
To the best of its knowledge and belief, the Board (as defined below) has taken all reasonable care to ensure that the information contained in this Admission Document is in accordance with the facts and does not omit anything likely to affect the import of such information and the content hereof is as required by law and the rules of the DEM. Unless otherwise indicated herein, the opinions expressed in this document are those of the Board.

**The Directors, whose names appear in paragraph 3.4 collectively and individually:**

- (i) accept full responsibility for the accuracy and completeness of the information contained in this Admission Document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, this Admission Document complies with the rules of the DEM and that there are no other facts the omission of which would make any statement herein misleading;
- (ii) are of opinion that the working capital available to HWP is sufficient for HWP's requirements for at least the next twelve months from the date of issue of this Admission Document.



Director  
**Mr. Antoine SEEYAVE**



Director  
**Mr. Khushhal Chand KHUSHIRAM**

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## 1.0 INTERPRETATION AND DEFINITIONS

### 1.1 Interpretation

Capitalised terms used herein and not otherwise defined shall have the same meaning as ascribed to them under this Admission Document.

Words denoting the singular number shall include the plural number also and vice versa and words importing the masculine gender shall include the feminine gender and vice versa.

### 1.2 Definition

In this Admission Document, the words in the first column of the following table shall bear the meanings set opposite them respectively in the second column, if not inconsistent with the subject or context.

<b>Act</b>	The Companies Act 2001, as amended from time to time.
<b>Admission Document</b>	This document prepared pursuant to the rules of the DEM for the purpose of the listing of the Shares on the DEM.
<b>Applicable Procedures</b>	The rules, guidelines and operating procedures of the SEM and/or CDS, as the case may be.
<b>Board</b>	The Board of Directors of the Company.
<b>CDS</b>	The Central Depository & Settlement Co. Ltd.
<b>Commercial Property</b>	"Happy World House" building situated at 37 Sir William Newton Street, Port Louis.
<b>Company or HWP</b>	Happy World Property Ltd, a public company incorporated in the Republic of Mauritius bearing business registration number Co7005194 and having its registered office at level 8 Happy World House, 37 Sir William Newton Street, Port Louis.
<b>Constitution</b>	The constitution of HWP, as may be amended from time to time.
<b>Controlling Shareholder</b>	HWL which owns 85% of HWP.
<b>CPI</b>	Consumer Price Index.
<b>Current Liabilities</b>	Short-term financial obligations that are due within one year.
<b>Debt to Capital Employed</b>	Calculated as (Current Liabilities + Non-Current Liabilities) divided by (Equity attributable to owners of the Company + Current Liabilities + Non-Current Liabilities).
<b>DEM</b>	The Development and Enterprise Market.
<b>Directors</b>	The directors of HWP.
<b>EPS</b>	Earnings per share calculated as PAT divided by number of ordinary shares in issue in the Company.



<b>Equity attributable to owners of the Company</b>	Shareholders' equity is calculated by subtracting total liabilities from total assets.
<b>Expenses</b>	Any recovery costs, applicable fees, costs and expenses.
<b>First Day of Trading</b>	The day on which the Shares commence trading on the DEM.
<b>FSC</b>	Financial Services Commission.
<b>FY</b>	Financial year ending 30 June.
<b>GRI</b>	Gross Rental Income.
<b>Gross Yield</b>	Gross yield on the property calculated as the rental income divided by the net book value of the property as per the balance sheet of the Company.
<b>Gross Rental Income or GRI</b>	Rental income consisting of the basic monthly rental adjusted by the escalation rate.
<b>HWL</b>	Happy World Ltd, a private company, incorporated in the Republic of Mauritius bearing business registration number C07000811 and having its registered office at Level 8, Happy World House, Sir William Newton Street, Port Louis.
<b>IFRS</b>	International Financial Reporting Standards.
<b>Independent Valuer</b>	P. Ramrekha, MSc FRICS, Chartered Valuation Surveyor.
<b>LEC</b>	The Listing Executive Committee of the SEM.
<b>Mauritius</b>	The Republic of Mauritius.
<b>MUR</b>	The lawful currency of Mauritius.
<b>NAV</b>	Net Asset Value.
<b>Net Yield</b>	Net yield on the property calculated as Rental Income + Other Income - (Operating expenses + Admin expenses) divided by the net book value of the property as per the balance sheet of the Company.
<b>Non-Current Liabilities</b>	Long-term financial obligations that are not due within one year.
<b>Normalised PAT</b>	Profit after tax excluding gains/losses on fair value measurement.
<b>Normalised EPS</b>	Earnings per share excluding non-recurring items.

<b>PAT</b>	Profit after tax.
<b>Person</b>	References to a person (or to a word importing a person) shall be construed so as to include that person's successors in title and assigns or transferees; and references to a person shall also be construed as including an individual, firm, partnership, trust, joint venture, company, unincorporated body, association, organisation, any government, or state or any agency of a government or state, or any local or municipal authority or other governmental body (whether or not in each case having separate legal personality).
<b>Pro Forma</b>	Unaudited pro forma financial statements prepared for illustrative purposes only to provide information on how the Restructuring would have impacted HWP should it have happened as from FY18 to FY20.
<b>Registrar Agreement</b>	The agreement entered into by the Company and the Registrar and Transfer Agent for the purposes of appointing the latter as registrar, calculation, transfer and paying agent pertaining to the Shares.
<b>Registrar and Transfer Agent</b>	The person acting as registrar, transfer agent, calculation and paying agent pursuant to the terms of the Registrar Agreement, such person being for the time being MCB Registry & Securities Ltd.
<b>Restructuring</b>	The capital restructuring of Happy World Property Ltd which involved the conversion of its shareholder loan into equity and the review of its operations through a Service Agreement with its parent company.
<b>Risks</b>	Investment risks linked to an investment in the Shares. A non-exhaustive list of risk factors is provided in Section 7 of this Admission Document.
<b>SEM</b>	The Stock Exchange of Mauritius Ltd.
<b>Service Agreement</b>	Agreement entered between HWP and HWL for the provision of advisory services and property management as described in section 3.3.
<b>Shares</b>	The ordinary shares of no par value of the Company with rights set out in the Constitution.
<b>Sq ft</b>	Square feet.
<b>USD</b>	The lawful currency of the United States of America.
<b>VAT</b>	Value Added Tax.
<b>WALE</b>	Weighted average lease expiry.

## 2.0 PRINCIPAL TERMS OF THE LISTING

<b>Nature of instrument</b>	Ordinary shares with rights as described in Section 11 of this Admission Document
<b>Company</b>	Happy World Property Ltd
<b>Listing of the Shares</b>	<p>The share capital of the Company comprises of 40,000,000 Shares of no par value each.</p> <p>The Company made an application for the listing of the 40,000,000 Shares on the DEM to the LEC and the listing has been approved by the LEC on 4 December 2020.</p>
<b>Price offered</b>	<p>MUR 9.50 per Share.</p> <p>For information, the Net Asset Value per share of HWP at 30 June 2020 stood at MUR 11.21.</p>
<b>Form of the shares</b>	Legal ownership of the Shares will be reflected in book entries recorded by the CDS and such records shall constitute the definitive evidence of the title of the holders of the Shares to the number of Shares shown in their relevant CDS accounts.
<b>Status and ranking of the Shares</b>	The Shares form part of the existing share capital of the Company and rank junior to all creditors of the Company. The Shares are classified as equity under IFRS in the Company's financial statements. The Shares are fully paid shares.
<b>Listing and First Day of Trading on DEM</b>	<p>18 December 2020</p> <p>On the first day of trading, the shareholders of the Company will make 1,000 Shares available for trading at a price of MUR 9.50 each.</p>
<b>Transaction Advisor</b>	<p>MCB Financial Advisers (trading name MCB Capital Markets) 9-15 Sir William Newton Street, Port Louis Mauritius</p>
<b>Registrar and Transfer Agent</b>	<p>MCB Registry &amp; Securities Ltd 9-15 Sir William Newton Street, Port Louis Mauritius</p>
<b>Risks Factors</b>	Investors should be aware that investing in the Shares involve a number of risks, including the possibility of losing the whole of the capital invested. Investors are strongly recommended to carefully consider the "Risk Factors" section in this Admission Document for a detailed explanation of the risk factors linked to this investment and should consult an independent financial advisor in case of doubt as to its suitability.

**Taxation**

Capital gains and dividends are not taxable under the laws of Mauritius. Some individual investors may be subject to the solidarity levy on their dividends. Investors are advised to consult their tax advisors for a better understanding of the tax implications of investing in the Shares.

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**Governing Law**

The laws of Mauritius.

### 3.0 DESCRIPTION OF THE COMPANY

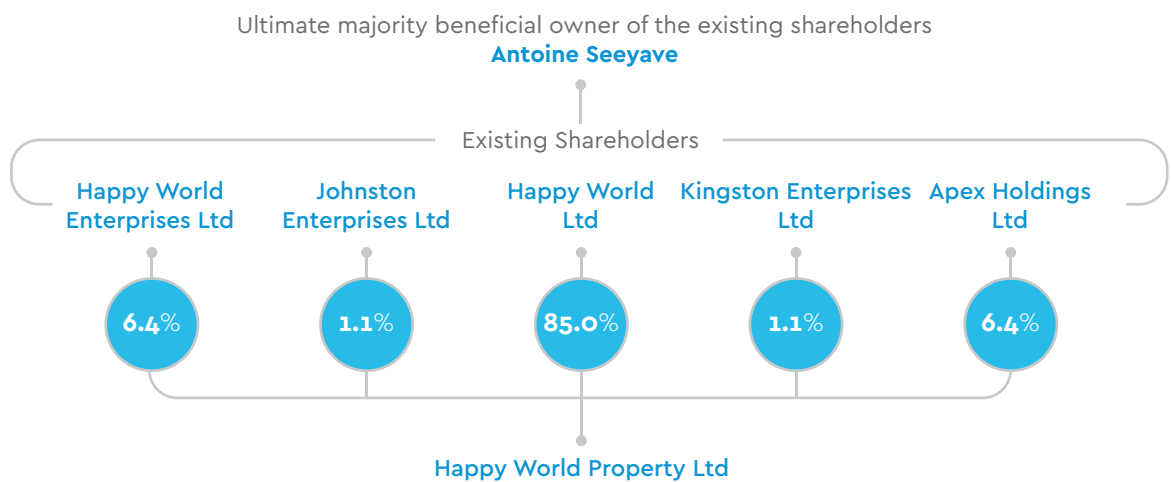
#### 3.1 Overview of the Company

HWP was incorporated on 14 February 1986 as a private company limited by shares under the laws of the Republic of Mauritius. It was converted into a public company limited by shares on 25 November 2020. The registered office address of the Company is Level 8, Happy World House, 37 Sir William Newton Street, Port Louis 11328, Mauritius. The main activity of the Company is the rental of its Commercial Property providing office and retail spaces. The Company will be registered as a reporting issuer with the Financial Services Commission in line with the Securities Act 2005.

#### 3.2 Shareholding Structure

The shareholding structure of the Company as it stands currently is depicted below:

##### Current Shareholding Structure



Currently, HWP is owned by five shareholders with Happy World Ltd ("HWL") being the controlling shareholder. HWL business activities comprise of trade services including commercial property, shipping agency and solutions in copiers and printers.

##### The five existing shareholders' holding are as follows:

- Apex Holdings Limited: **2,550,000** Shares
- Happy World Ltd: **34,000,000** Shares
- Happy World Enterprises Ltd: **2,550,000** Shares
- Johnston Enterprises Ltd: **450,000** Shares
- Kingston Enterprises Ltd: **450,000** Shares

All the existing Shareholders have their registered address at Level 8, Happy World House, Sir William Newton Street, Port Louis.

It is intended that the five shareholders of HWP, i.e. Apex Holdings Limited, Happy World Ltd, Happy World Enterprises Ltd, Johnston Enterprises Ltd and Kingston Enterprises Ltd will transfer part of their respective shares in HWP on the First Day of Trading to targeted investors following a private placement and that thereafter, such shareholders will retain an aggregate of 60% of the shareholding of HWP.

### 3.3 Management and Operations

The management of the Commercial Property has been entrusted to HWL under a Service Agreement, the key terms of which are as follows:

- Key services to be provided to HWP by HWL:
  - Advising on strategic, financial and operational issues of HWP
  - Management of retail, office and parking facilities owned by HWP
- Annual management fees payable by HWP to HWL:
  - Monthly fee of MUR 120,000+VAT; and
  - Performance fee of up to 5% of annual PAT above a threshold of MUR 20 million based on profitability and cash flows of HWP
- Annual escalation: CPI
- Duration: 3 years and renewable

The day-to-day administration of the business is currently carried out by seven (7) employees covering operations, finance and maintenance to preserve the value of the investment property and provide timely reporting to all the different stakeholders.

### 3.4 Board of Directors

The Board currently comprises the following members:

NAME	POSITION	DATE OF APPOINTMENT	AGE	NATIONALITY
Mr. Antoine SEEYAVE	Chairman and Non-Executive Director	27-09-2004	73	Mauritian
Mr. Nicolas SEEYAVE	Executive Director	26-10-2020	36	Mauritian
Mrs. Nathalie DESCELLES-POCHÉ	Independent Director	24-11-2020	41	Mauritian
Mr. Jason HAREL	Independent Director	26-10-2020	49	Mauritian
Mr. Khushhal Chand KHUSHIRAM	Independent Director	26-10-2020	68	Mauritian
Mr. Jean Pierre MONTOCCHIO	Independent Director	26-10-2020	57	Mauritian
Mr. Mushtaq OOSMAN	Independent Director	26-10-2020	66	Mauritian
Mr. Jonathan SEEYAVE	Non-Executive Director	01-01-2015	42	Mauritian

### 3.4.1 Directors' Profile and Directorships



Mr. **Antoine SEEYAVE**

Sloan Fellow of the London Business School

Mr. Antoine Seeyave has a long-standing and continuing association with Happy World Ltd as a core shareholder. He is co-Founder of Innodis Ltd, and held leadership positions from its inception in 1973 to 1998. He is a co-Founder of Floreal Knitwear Ltd, and a former Member of the National Committee on Corporate Governance.

Directorships in related companies: Happy World Ltd, Apex Holdings Ltd, Happy World Enterprises Ltd, Johnston Enterprises Ltd and Kingston Enterprises Ltd. Mr. Antoine Seeyave is a director of several companies and sociétés related to or forming part of the Happy World Group in addition to the above.

Directorships in other companies: JP Morgan Indian Investment Company (Mauritius) Ltd, The Bank of Mauritius, Derby Trading Ltd, Ironbridge Enterprises Ltd, Trento Leisure Ltd.



Mr. **Nicolas SEEYAVE**

ACCA, MA Global Management (Finance), Regents Business School (London), BSc Honours University of London, School of Oriental and African Studies

Mr. Nicolas Seeyave is the General Manager of Happy World Ltd. He previously worked as accountant at Cohen Arnold LLP, London UK (February 2016-August 2019).

Directorships in related companies: Apex Holdings Ltd, Happy World Enterprises Ltd, Johnston Enterprises Ltd, Kingston Enterprises Ltd.

Directorship in other companies: Trento Leisure Ltd.



Mrs. **Nathalie DESCHELLES-POCHÉ**

Company Secretary – BSc (Hons) in Financial Services Management, Associate member of the Institute of Chartered Secretaries (ACIS)

Mrs Descelles-Poché is a qualified Company Secretary and acts as the Company Secretary on several boards.

Directorship in other companies: None



Mr. **Jason HAREL**

Member of Institute of Chartered Accountants, Barrister-at-Law (England & Wales and Mauritius)

Mr. Jason Harel is a co-founding Partner of BLC Robert, a leading law firm in Mauritius which is ranked as tier one firm by legal directories such as Legal 500, Chambers and Partners and IFLR1000. He is a qualified Chartered Accountant and as a Barrister both in England and Wales and the Republic of Mauritius. He possesses substantial experience in real estate, banking, corporate finance, corporate transactions, mergers & acquisitions and taxation law. Jason is consistently identified as a 'leading practitioner' in his field by the legal directories whilst he acts for public and private companies.

Directorships in other companies: IBL Ltd, African Legal Network (ALN).



### Mr. Khushhal Chand KHUSHIRAM

Post-graduate degree in economics, M.A. in Economics from the University of Delhi and the University of Western Ontario, Canada.

Following a post-graduate degree in economics, Mr. Khushhal Chand Khushiram started his career in 1976 at the Research Department of the Bank of Mauritius; in 1989, he set up a stockbroking and investment business. Elected Chairman of the Stock Exchange of Mauritius in 1993 and 1994, he expanded trading and issuance activities, and enhanced stock market infrastructure. In 2000, he was elected a Member of Parliament in Mauritius, and was appointed Minister of Economic Development, Financial Services and Corporate Affairs, and also later Minister of Industry, until July 2005. In this capacity, he led a wide-ranging program of economic and financial reforms. Between October 2005 and June 2008, he acted as Senior Advisor to the President of the African Development Bank, dealing mainly with strategic, finance and private sector issues. From 2008 until his retirement from the Bank in 2011, he was the AFDB Resident Representative in Egypt. He then completed a six-month consultancy as Counselor to the President of the African Export Import Bank, to set up a Private Sector African Trade Policy Committee. He resettled in Mauritius in 2012. Mr. Khushiram also acts as Chairman of The Kibo II Fund LLC

Directorships in other companies: IPRO Funds Ltd (IPRO African Market Leaders Fund – Class (I2) Institutional Class).



### Mr. Jean Pierre MONTOCCHIO

Notary Public

Mr. Jean-Pierre Montocchio was appointed Notary Public in Mauritius in 1990. He participated in the National Committee on Corporate Governance as a member of the Board of Directors' Sub-Committee.

Directorships in other companies: Les Moulins de la Concorde Ltee, New Mauritius Hotels Limited, Rogers and Company Limited, CIE de ces Bois Ltd, Dolphin Coast Marina Ltd, Semaris Ltd.



### Mr. Mushtaq OOSMAN

Chartered Accountant, Fellow of the Institute of Chartered Accountants in England and Wales.

Mr. Mushtaq Oosman has over 30 years professional experience in audit and financial advice, with a diversified portfolio of clients in sectors such as banking, insurance, manufacturing, sugar companies, the hospitality industry, betting operator, textiles and trading.

Mr. Mushtaq Oosman trained and qualified as a Chartered Accountant with Sinclairs in the UK. He joined Roger de Chazal & Partners (founders of PriceWaterhouse in 1988 in Mauritius), serving as a partner from 1991 until his retirement in 2015. He was primarily an Assurance Partner, also responsible for Business Recovery Services as well as the Chief Operating Partner for Mauritius. In January 2016, Mushtaq Oosman formed his own Insolvency Practice. He has served on the Africa Central Governance Board and is well versed with the working and responsibilities of a Governance Board.

Directorships in other companies: Automatic Systems Ltd, Mauritius Union Assurance Co. Ltd, United Docks Ltd, Forges Tardieu Ltd, ENL Limited.





### Mr. Jonathan SEEYAVE

MBA – ESSEC Business School, France, BA Hons – University of Reading, UK.

Mr. Jonathan Seeyave is the General Manager of Happy World Enterprises Ltd. He formerly held positions as General Manager of Newton Development Limited (2007–2019) and Business Development Manager, Sopral Ltd (2005–2007).

Directorships in related companies: Apex Holdings Ltd, Happy World Enterprises Ltd, Johnston Enterprises Ltd and Kingston Enterprises Ltd. Mr. Jonathan Seeyave is a Director of several companies and sociétés related to or forming part of the Happy World Group in addition to the above.

Directorships in other companies: Derby Trading Ltd, Ironbridge Enterprises Ltd, Blue Magic Quest Ltd, Rockhopper Ltd, Trento Leisure Ltd.

#### 3.4.2 Directors' Interests

The interests of the Directors in the stated capital of the Company as at the date of this Admission Document are as follows:

DIRECTOR	INTEREST %:	DIRECT	INDIRECT
Mr. Antoine SEEYAVE		None	27.81%
Mr. Nicolas SEEYAVE		None	14.88%
Mrs. Nathalie DESCELLES-POCHÉ		None	None
Mr. Jason HAREL		None	None
Mr. Khushhal Chand KHUSHIRAM		None	None
Mr. Jean Pierre MONTOCCHIO		None	None
Mr. Mushtaq OOSMAN		None	None
Mr. Jonathan SEEYAVE		None	14.88%

#### 3.4.3 Shareholders Holding more than 5%

Shareholders owning more than 5% of the issued share capital of the company as at the date of this Admission Document:

NAME OF SHAREHOLDER	INTEREST %:	DIRECT	INDIRECT
Happy World Ltd	85.0%		Nil
Happy World Enterprises Ltd	6.4%		85% held by Happy World Ltd; 1.1% held by Johnston Enterprises Ltd and 1.1% held by Kingston Enterprises Ltd
Apex Holdings Limited	6.4%		1.1% held by Johnston Enterprises Ltd and 1.1% held by Kingston Enterprises Ltd

### 3.4.4 Conflicts of Interest

Potential investors are hereby advised that the below mentioned Directors are directors of the Controlling Shareholder as at the date of the Admission Document which may give rise to conflict between the financial interests of the Company and the interest of other entities within the group of companies of the Controlling Shareholder and/or shareholders directly and/or indirectly as disclosed in the table below and in the Admission Document.

DIRECTOR	CONFLICT OF INTEREST
<b>Mr. Antoine SEEYAVE</b>	Director and shareholder directly and/or indirectly of Apex Holdings Limited, Happy World Enterprises Ltd, Johnston Enterprises Ltd, Kingston Enterprises Ltd and Happy World Ltd.
<b>Mr. Jonathan SEEYAVE</b>	Shareholder directly and/or indirectly of Apex Holdings Limited, Happy World Enterprises Ltd, Johnston Enterprises Ltd, Kingston Enterprises Ltd and Happy World Ltd. Director of Apex Holdings Limited, Happy World Enterprises Ltd, Johnston Enterprises Ltd, and Kingston Enterprises Ltd.
<b>Mr. Nicolas SEEYAVE</b>	Shareholder directly and/or indirectly of Apex Holdings Limited, Happy World Enterprises Ltd, Johnston Enterprises Ltd, Kingston Enterprises Ltd and Happy World Ltd. Director of Apex Holdings Limited, Happy World Enterprises Ltd, Johnston Enterprises Ltd, and Kingston Enterprises Ltd.

### 3.4.5 Loans and Guarantees to Directors

As at date of this Admission Document, the Company has not granted any loans and/or guarantees to its Directors.

### 3.4.6 Directors' Remuneration

No remuneration and benefits in kind were paid to the Directors up to the financial year ended 30 June 2020. As from the financial year 2020/2021, the following directors' remuneration policy will be applicable:

BOARD/COMMITTEE	MEMBERS	REMUNERATION
Board meeting	Chairperson	Flat fee of MUR 50,000 p.a. and attendance fee of MUR 10,000 per meeting
	Directors	Flat fee of MUR 30,000 each p.a. and attendance fee of MUR 10,000 per meeting
Audit and Risk Committee	2 Independent Directors	Attendance fee of MUR 15,000 per member per meeting
Corporate Governance, Nomination and Contracts Committee	2 Independent Directors	Attendance fee of MUR 10,000 per member per meeting

### 3.4.7 Material Contracts entered outside the ordinary course of business

There is currently no service contract between the Company and its Directors. The Directors, the Company or any member of the Company has not entered into any material contracts, other than contracts entered into in the ordinary course of business, over the past two years.

### 3.5 Stated Capital

The share capital of the Company is made up of 40,000,000 fully paid ordinary shares of no par value each and rank pari passu among themselves.

The holders of Shares shall have the following rights in accordance with the Constitution of HWP (an extract of which is set out in section 11 of this Admission Document):

- (i) one vote per Share at any meeting of the Company on any resolution;
- (ii) an equal share in dividends authorised by the Board in respect of Shares;
- (iii) an equal share in the distribution of surplus assets of the Company.

FINANCIAL YEAR ENDED	30 JUNE 2018	30 JUNE 2019	30 JUNE 2020
No. of Shares	19,200,000	19,200,000	40,000,000

The share capital of the Company has been increased by a conversion of a shareholder's loan from Happy World Ltd into Shares as at 30 June 2020.

## 4.0 THE VALUE PROPOSITION

### 4.1 A yielding Commercial Property with high-quality tenants

#### A yielding Commercial Property

The Company's long term business objective is to be a yielding real estate services provider. The Company owns the "Happy World House" building, whose gross rental yield is 6.7% with a weighted average lease expiry ("WALE") of 5.5 years.

"Happy World House" is a significant commercial property located in the centre of the capital city, Port Louis, at the intersection of 37 Sir William Newton Street and 11 Sir Seewoosagur Ramgoolam Street.

The building consists of an office block supported by parking facilities in the basement, and retail shops on the ground floor. "Happy World House" embodies a distinctive, contemporary glass and steel structure designed by Tay Kheng Soon of Akitek Tenggara from Singapore.

For the comfort of tenants and visitors, the design puts emphasis on natural light and space planning. This is achieved with an all-glass central atrium and the frameless floor-to-ceiling glass panels in the atrium, offices and shops. "Happy World House" is a pioneer in the introduction of external aluminium cladding and frameless glass panels in Mauritius. Good space planning provides ample distance between pillars, comfortable ceiling height and adequate pathways in public areas.

In total, the building comprises approximately 58,139 square feet of lettable area and the current occupied space is 45,857 square feet, leaving a vacancy rate of approximately 20%. The Company expects the occupancy rate to increase to 86% by next year, on account of new tenants having accepted an offer to rent office spaces located on the mezzanine floor which is currently unoccupied.

Overall, the results are in line with the decision to re-develop the property in order to dedicate all the upper floors to corporate office premises.

#### A commercial space in the heart of the financial district

At its opening, "Happy World House" has been positioned as a reference for retail shops given its accessibility and proximity with offices, banks and governmental agencies in the surroundings. The ease of access and parking facilities provided to tenants makes it a highly sought after commercial property both for offices as well as shops. The Commercial Property, consistently revalued upwards on a regular basis by an Independent Valuer over the past 5 years, is credited with a high quality and well diversified tenant base in various sectors such as offshore banking, legal and corporate headquarters in addition to general retailing including food outlets. The Company has a mix of retail and office tenants with the latter contributing to more than 80% of revenues. Corporate offices typically provide longer term stability in the Company's earnings via longer lease terms than retail properties, whilst retail tenants play an important role in introducing new offerings and generating footfall.

#### Summarised property description as at 30 June 2020

Property type	<b>Commercial Property</b>
Year constructed	<b>1992</b>
Last refurbished	<b>2018</b>
HWP ownership	<b>100%</b>
Number of floors	<b>8 (including basement, ground and mezzanine)</b>
Parking lots	<b>75 (Basement: 30 and nearby on-grade: 45)</b>
Lettable surface area	<b>58,139 square feet</b>
Rented surface area	<b>45,857 square feet (c.80%)</b>
Gross rental yield	<b>6.7% p.a.</b>
WALE	<b>5.5 years</b>
Latest independent valuation	<b>MUR 435 million</b>

### Sources of revenues of the Company

The primary source of revenue of the Company comes from rental income associated with the rental of its commercial space to corporate offices (representing 80% of rentals) and retail shops (representing 20% of rentals) under lease agreements with a tenor ranging from 1 to 10 years.

#### Retail shops

Rental income generally consists of basic monthly rentals (subject to an up-front deposit) based on the surface area occupied and is subject to an annual escalation clause linked to CPI. Service charges and other operating costs are charged separately on a monthly basis. Retailers also contribute annually to a marketing contribution fund.

#### Offices

Rental income derived by the Company from corporate offices comprises a monthly rent based on the surface area occupied and is subject to an annual escalation clause linked to CPI. Service charges and other operating costs are charged separately on a monthly basis. Leases for office spaces are usually for a minimum period of five years and extendable upon expiry subject to renegotiation between the tenants and the Company.

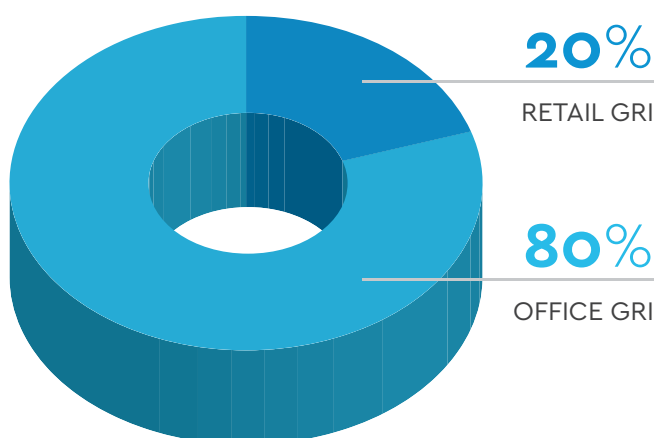
#### Other sources of revenue of the Company

Parking and service charges account for approximately 18% of HWP's Turnover. Parking charges are charged separately to tenants for both the basement bays situated at "Happy World House" and the nearby on-grade bays located at Dauphine Street, Port Louis. HWP also charges its tenants separately for common services provided by the landlord and for the management and operation of the building (including lifts and other equipment).

#### Rechargeable expenses

Tenants are charged separately for costs relating to electricity, water, waste water, gas and power consumption.

## 4.2 Robust Tenant Base and Lease Agreements



HWP benefits from a high-quality and well-diversified tenant base split into offices and shops totalling 17 tenants across more than 8 trade and business sectors. Approximately 80% of HWP Gross Rental Income (GRI) is derived from office tenants and the remaining 20% is contributed by the Retail business. By virtue of the lease agreements in force, a significant share of the Gross Rental Income is derived in US Dollars. Under the present conditions, this is generally considered to be a positive factor although exchange rates can move in either direction in the future.

Summary of key terms of lease agreements:

TYPE	AVERAGE INITIAL TENOR	WALE	LOCK-IN-CLAUSE	ANNUAL ESCALATION
Offices	7 years	5.9 years	Yes	CPI
Retail	1 year	0.6 years	Yes	CPI

As per the operating model of HWP, retail tenants are for proximity and visibility purposes strategically situated on the ground floor leaving the upper floors dedicated to office spaces. Except on non-renewal, retail tenants are renewed on an annual basis at the expiry of their lease term to reflect evolving consumer tastes. HWP expects WALE of office tenants to be significantly higher than WALE of retail given their prominence in generating stable long term rental income and that only ground floor area is allocated to retail tenants given the nature of their business.

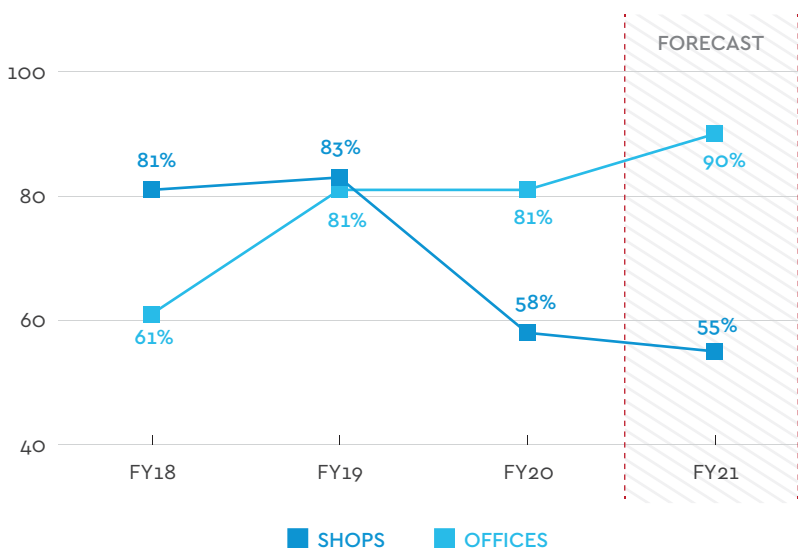
4.3 Strong Track Record

HWP is a value generating business with healthy operating metrics and has been performing strongly over the past three years since its re-development into an office-focused property:

WALE of approximately 5.5 years

The Company had lease agreements of an average initial tenor of 7 years and 1 year for office and retail tenants respectively as at 30 June 2020. Following the extension of lease agreements by office tenants, the WALE of the Commercial Property stands at 5.5 years.

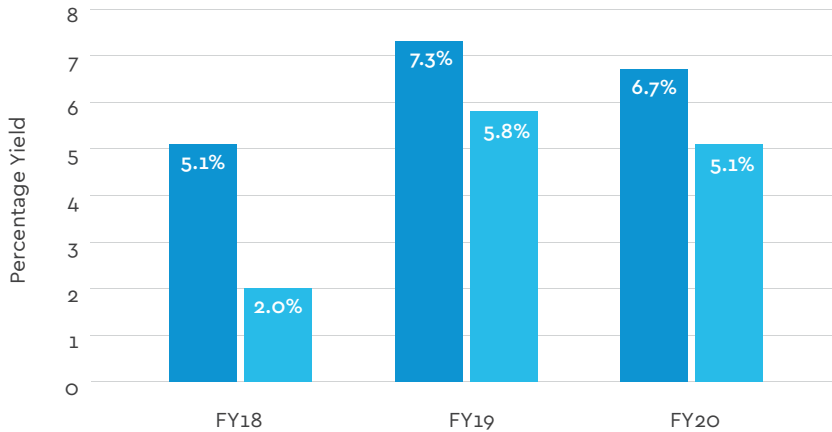
Occupancy Rates



HWP has been able to sustain increasing occupancy rates for its office tenants over the last three years as it redeveloped its offering to place more emphasis on office tenants as compared to retailers. This acknowledged the shift in the retail trade in favour of shopping malls. Office occupancy rates rose year on year to reach 81% at 30 June 2020. Management expects the occupancy rates to rise to 90% by 30 June 2021. Retail shops occupancy dropped in FY20 in line with the general business sentiment affecting the retail sector but there remains niche opportunities with attractive entry points for targeted customers.

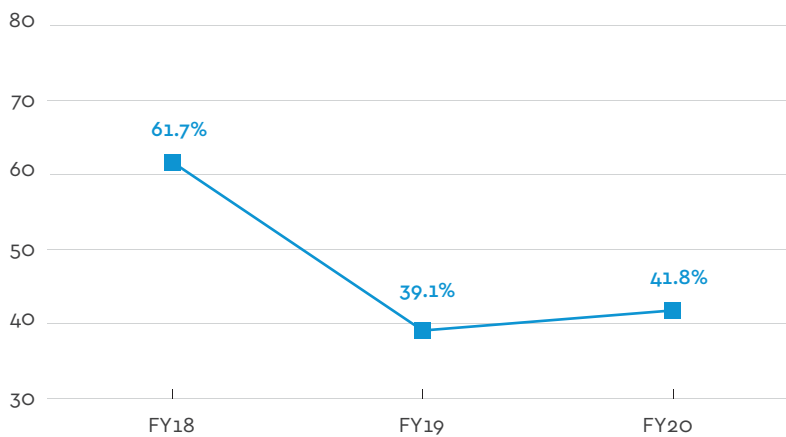
Management considers that food and beverages and lifestyle oriented tenants in selected segments are key retail demand drivers.

#### 4.4 Attractive Yields



Gross yields have averaged 6.4% over the three financial years under review. On the basis of the acceptance received from a potential office tenant and of other discussions in progress, gross yield is expected to improve in the short-to-medium term.

#### 4.5 Lean Cost Structure



The company has optimized its profits attributable to shareholders by operating a lean cost structure. Operating cost to income has flattened over the past three years from 61.7% to 41.8% on account of judicious increase in costs in line with growth in revenues. The Company has put in place a Service Agreement with HWL to contain variable costs linked to the management of the property.

#### 4.6 Rationale for the listing of the Shares on the DEM

The Directors believe that the listing of the Company will constitute a significant step towards the achievement of the following goals:

- (i) To provide a platform for future capital raising;
- (ii) To enhance the visibility of and awareness around the activities of HWP as a niche player in the real estate industry. It is the intention of the Company to build a selective portfolio of yielding real estate in the medium-to-long-term and to develop a diversified asset base;
- (iii) To allow members of the general public and other investors to participate in the future growth of the Company; and
- (iv) To provide liquidity to new shareholders who will be able to dispose their shares on the exchange to willing buyers.

#### **4.7 Assets of the Company**

The "Happy World House" building was last revalued by an Independent Valuer for financial reporting purposes in line with IFRS at MUR 435,000,000 on 4 September 2020.

The Company does not foresee any environmental issues that may affect the Company's utilization of the assets.

As at the date of this Admission Document, the Company has not registered any trademark, patent or other intellectual or industrial property right which are material in relation to the operation of its business. The Company also does not have any policy with respect to research and development of new products given the nature of its business.

#### **4.8 Property Insurance**

The building is insured against fire and allied perils for an amount of MUR 435.5 million which is assigned in favour of The Mauritius Commercial Bank Ltd and Sugar Industry Pension Fund on account of aggregate outstanding facilities of MUR 30.1 million as at 30 June 2020 granted by them. The insurance cover provides for coverage against property damage caused, inter alia, by fire, storm, floods and civil commotion, explosion, malicious damage, impact and explosion.

#### **4.9 Staffing**

As of 30 June 2020, the Company had twelve (12) staffs employed on a permanent basis. Following the operational re-organisation, the number of employees is seven (7) as of the date of this Admission Document and is not expected to increase significantly in the short-to-medium term.



## 5.0 PRO FORMA FINANCIAL INFORMATION

### 5.1 Summary pro forma Unaudited Statement of Profit or Loss and Comprehensive Income

The pro forma financial statements have been adjusted to reflect the impact of the Restructuring of HWP particularly with respect to (i) the conversion of its shareholder loan into equity and (ii) the review of its operations through a Service Agreement with its parent company, HWL. Appendix 2 provides a reconciliation of the latest audited financial statements with the pro forma unaudited financial statements.

The preparation of the unaudited pro forma financial information has been based on best available information in an endeavour to provide a fair representation of the structure and nature of business as if they were effective since 1 July 2017.

in MUR'ooo	FY18	FY19	FY20
<b>Revenue</b>	<b>23,279</b>	<b>40,263</b>	<b>41,149</b>
Gain in Fair Value of Investment Properties	-	35,800	40,900
Gain on Foreign Exchange	68	346	241
Administrative and Selling Expenses	(15,330)	(17,106)	(18,838)
Net Finance Costs	(3,335)	(2,786)	(2,215)
<b>Profit before Tax</b>	<b>4,682</b>	<b>56,517</b>	<b>61,237</b>
Tax Expense	-	-	-
<b>Profit after Tax</b>	<b>4,682</b>	<b>56,517</b>	<b>61,237</b>

There has been a major improvement in the occupancy ratio for offices from the year ended 30 June 2017 (43% occupancy ratio) to 30 June 2020 (81% occupancy ratio). The overall occupancy of the building jumped from 44% in 2017 to 72% in 2020. This improved the rental income from MUR 22.1m in 2017 to MUR 41.1m in 2020. In 2018, the building was refurbished and repositioned to accommodate office tenants and the occupancy ratio started to improve. Given that the building was not revalued in 2018, a fair value gain of MUR 35.8m was registered as at 30 June 2019. Further improvement in occupancy and WALE in 2020 led to an additional fair value gain of MUR 40.9m as at June 2020 (which represents an average fair value gain of MUR 25.5m over the last 3 years – which is commensurate with the recent major refurbishment, the transformed business model and the improved rental metrics).

## 5.2 Summary pro forma Unaudited Statement of Financial Position

in MUR'ooo	FY18	FY19	FY20
<b>Non-Current Assets</b>			
Plant and Equipment	1,014	3,920	3,986
Investment Properties	358,800	394,600	435,500
	359,814	398,520	439,486
<b>Current Assets</b>			
Trade and Other Receivables	2,230	2,413	2,903
Cash at Bank and in hand	13,715	34,316	52,638
	15,945	36,729	55,541
<b>Total Assets</b>	<b>375,760</b>	<b>435,250</b>	<b>495,027</b>
<b>EQUITIES AND LIABILITIES</b>			
Share Capital	385,000	396,000	400,000
Accumulated (Losses)/Profits	(69,434)	(12,917)	48,320
Equity attributable to Equity Owners	315,566	383,083	448,320
<b>Non-Current Liabilities</b>			
Loans Payable	40,828	31,847	28,414
<b>Current Liabilities</b>			
Loans Payable	7,375	7,437	7,510
Trade and Other payables	3,857	4,404	2,480
Contract Liabilities (Deposits)	8,133	8,479	8,303
	19,366	20,320	18,293
<b>Total Liabilities</b>	<b>60,194</b>	<b>52,167</b>	<b>46,707</b>
<b>Total Equity and Liabilities</b>	<b>375,760</b>	<b>435,250</b>	<b>495,027</b>

### 5.3 Summary pro forma Unaudited Statement of Cash Flows

in MUR'ooo	FY18	FY19	FY20
<b>OPERATING ACTIVITIES</b>			
Profit after Tax	4,682	56,517	61,237
<b>Adjustment for:</b>			
Gain in Fair Value Investment Properties	-	(35,800)	(40,900)
Depreciation	662	721	1,337
Interest Income	(9)	(1)	-
Interest Expenses	3,344	2,787	2,215
Change in Working Capital			
Trade and Other Receivables	142	(183)	(490)
Trade and Other Payables	414	892	(2,096)
	9,236	24,933	21,301
Interest Received	9	1	-
Interest Paid	(3,344)	(2,787)	(2,215)
Net Cash flow from Operating Activities	5,901	22,147	19,086
<b>INVESTING ACTIVITIES</b>			
Acquisition of PPE	(132)	(3,627)	(1,403)
Net Cash flow from Investing Activities	(132)	(3,627)	(1,403)
<b>FINANCING ACTIVITIES</b>			
Loans Received	21,461	15,332	44,763
Loans Repaid	(12,747)	(13,252)	(44,123)
<b>Net Cash flow from Financing Activities</b>	<b>8,714</b>	<b>2,080</b>	<b>640</b>
<b>Increase in Cash and Cash Equivalents</b>	<b>14,483</b>	<b>20,601</b>	<b>18,323</b>
<b>Cash and Cash Equivalents at Start</b>	<b>(767)</b>	<b>13,715</b>	<b>34,316</b>
<b>Cash and Cash Equivalents at End</b>	<b>13,715</b>	<b>34,316</b>	<b>52,638</b>

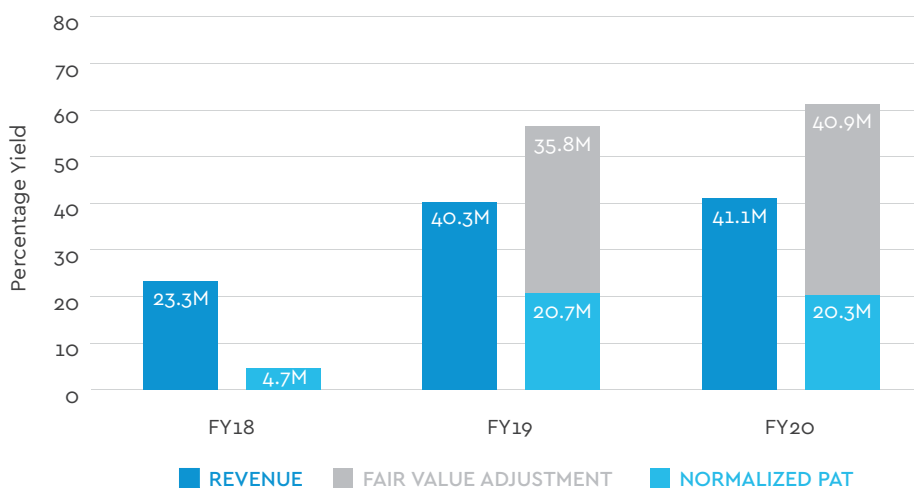
Figures are unaudited. The Directors confirm that the pro forma statements in Sections 5.1 to 5.3 have been made after due and careful enquiry.

### 5.4 Financial Ratios

The financial ratios for the last three financial years are summarized below. The ratios are calculated based on the pro forma financial statements as per Sections 5.1 to 5.3 and have been adjusted to reflect the impact of the capital restructuring.

	FY18 (PRO FORMA)	FY19 (PRO FORMA)	FY20 (PRO FORMA)
Number of Shares in issue	38,500,000	39,600,000	40,000,000
NAV per share (MUR)	8.20	9.67	11.21
EPS per share (MUR)	0.12	1.43	1.53
Normalised EPS (MUR)	0.12	0.52	0.51
Dividend per share (MUR)	Nil	Nil	Nil

### 5.5 Revenue and PAT over the past 3 years



Revenue almost doubled over the last three financial years with the arrival of long-term office tenants. Significant rise in revenue in FY19 and FY20 is attributed to the arrival of key tenants which increased the overall occupancy levels from 63% in FY18 to 81% in FY20. Adjusting for a stable level of operating and administrative expenses, the higher revenue translated to higher profitability levels over the period. The Normalised PAT for the FY20 is in line with corresponding period last year driven mainly by recurring rental income received over the financial year. Overall tenant occupancy level has remained almost stable above the 80% mark. Management believes that the occupancy rate is likely to increase to 86% by FY21 which is expected to result in an improved profitability level.

### 5.6 Gearing

The Company has a low gearing ratio with debt representing only 7.42% of its capital structure as at 30 June 2020, providing enough leeway for future borrowings without jeopardising the performance of the Company and returns to shareholders.

	FY18	FY19	FY20
Debt to Capital Employed	13.25%	9.30%	7.42%

### 5.7 Outstanding Debt Securities and Charges

As at 30 June 2020, the Company's total amount of borrowings comprised long term bank loans and overdraft facilities and shareholder loans, details of which are as follows:

NATURE OF BORROWING	AMOUNT AS AT 30 JUNE 2020 (MUR)	SECURITY
Bank loans	17.4 million	Fixed and floating charges on assets of the Company
Overdraft facilities	Not drawn	-
Loan from other financial institutions	12.7 million	Fixed charge on property
Shareholder Loans (HWL)	5.7 million	Unsecured

Shareholder loans represent unsecured facilities from HWL which has been fully repaid by HWP as of the date of this Admission Document. HWP had no contingent liabilities as at 30 June 2020.

### 5.8 Business Outlook

HWP's long term objective is to leverage on its expertise and quality tenants retention to gradually increase its occupancy levels. Management is confident that the Commercial Property is well positioned to continue to perform well in line with targets for the financial year 2021, and remains aware that the Company is operating in a challenging and competitive industry.

### 5.9 Working Capital

The Directors are of opinion that the working capital available to HWP is sufficient for HWP's requirements for at least the next twelve months from the date of issue of this Admission Document.

### **5.10 Dividend Policy**

The Company has not made any dividend distributions since its inception. As from the financial year starting 1 July 2020, the Board has committed to a dividend policy whereby at least 90% of its distributable profits in respect of its current activities will be paid as dividends to shareholders of the Company, subject to satisfying the Solvency Test and the legal provisions as per the Act. Dividends shall be distributed on a yearly basis as and when declaration are made by the Board and dividends payable to shareholders are recognised as a liability in the period in which the dividends are declared.

### **5.11 Legal and Arbitration Proceedings**

The Company is not in presence of any governmental, legal or arbitration proceedings which may have or have had in the past 12 months (with respect to the date of this Admission Document) a significant effect on its financial position or profitability. Similarly, there are no pending or threatened governmental, legal or arbitration proceedings which may have a significant effect on its financial position or profitability.

### **5.12 Material Adverse Change**

There has been no material adverse change in the financial or trading position of the Company over the last twelve months preceding this Admission Document, except for the conversion of the shareholder loan into equity capital as at 30 June 2020.

## 6.0 INFORMATION PERTAINING TO THE LISTING

### 6.1 Terms of the Listing

<b>Listing of Shares</b>	<p>The share capital of the Company comprises of 40,000,000 Shares of no par value each.</p> <p>The Company made an application for the listing of the 40,000,000 Shares on the DEM to the LEC and the listing has been approved by the LEC on 4 December 2020.</p>
<b>Description of the Shares</b>	<p>The Shares are denominated in MUR and are of no par value. The Shares confer the rights specified in Section 11 (provisions relevant to Shares) of this Admission Document. The Shares are issued in inscribed form and accordingly no share certificate will be issued unless required by the applicable laws. The Shares have been issued under the Companies Act 2001 and are not expected to be listed on any other exchanges.</p>
<b>Offer price per Share</b>	<p>MUR 9.50.</p> <p>The offer price compares fairly with the Net Asset Value of the Company of MUR 11.21 as at 30 June 2020. The offer price has been determined by the Transaction Advisor through an independent valuation exercise using a mix of valuation methodologies including the net book value approach and the discounted cash flow basis which are the most appropriate valuation techniques for businesses of this nature.</p>
<b>Listing and First Day of Trading on DEM</b>	<p>18 December 2020</p> <p>On the first day of trading, the shareholders of the company will make 1,000 Shares from their existing shareholding available for trading at a price of MUR 9.50 each.</p>
<b>Transaction Advisor</b>	<p>MCB Financial Advisers</p>
<b>Registrar and Transfer Agent</b>	<p>MCB Registry &amp; Securities Ltd</p>

## 6.2 Expenses of the Listing

The breakdown of the estimated fees relating to the listing of the Shares and payable by the Company is as follows:

<b>COST DESCRIPTION</b>	<b>AMOUNT (MUR)</b>
Advisory fees	1,900,000
SEM fees	150,000
Legal, professional and other fees and charges	150,000



## 7.0 RISK FACTORS

Prior to making an investment decision, prospective investors should carefully consider, along with the information contained in this Admission Document, the following risk factors associated with an investment in the Republic of Mauritius, the Company and the Shares.

The risks and uncertainties below are not the only ones the Company and investors face. Additional risks and uncertainties not presently known to the Company, or that the Company currently believes are immaterial, could also impair the Company's business, financial condition or results of operations and, as a result, profitability and returns to shareholders. Investors should pay particular attention to the fact that the Company is subject to the legal and regulatory environment of the Republic of Mauritius, which, in some respects, may differ from that prevailing in other countries.

The Company believes that the factors outlined below may affect its ability to fulfil its obligations under this Admission Document, but the inability of the Company to pay dividends or other amounts in connection with any Shares may occur for other reasons which may not be considered significant risks by the Company based on information currently available to it, or which it may not currently be able to anticipate. Accordingly, the Company does not represent that the statements below regarding the risks of holding any Shares are exhaustive.

Prospective investors should also read the detailed information set out in this Admission Document to reach their own views prior to making any investment decision. The information given below is as at the date of this Admission Document.

Investors are strongly recommended to consult an independent financial advisor in case of doubt as to suitability of the investment.

### 7.1 Risks associated with the Company

#### a. Risks associated with rental income

Rental income is the principal source of revenue of the Company. Changes in the industry in which the tenants operate will likely impact rentals. The evolution of future demand from existing and prospective tenants will be subject to market patterns, change in consumer behaviour, growth of e-commerce and general economic environment. In the unlikely event that tenants witness a dramatic fall in their revenues, they may not be able to honour their rental payments. The possibility that tenants may default on their rental obligations creates a consequential risk of the Company causing a decline in the Company's income and profitability.

#### b. Key tenants risk

As of last financial year ended 30 June 2020, the top five tenants contributed to 77% of the pro forma rental revenue. The occupancy level of the building as well as long term financial performance of the Company may be negatively impacted should those key tenants decide not to renew their contracts and HWP being unable to find replacement tenants in a timely manner on the same rental terms and conditions. The Company's ability to successfully negotiate new lease agreements on favourable terms rests upon the general condition of the real estate market at such time. Additionally, sourcing new tenants in difficult market conditions may require important capital expenditure to accommodate the specific requests of new tenants.

#### c. Location risk

It is generally accepted that Ebene Cybercity has emerged over the past decade as an increasingly important business location. There is a risk that it may ultimately surpass Port Louis in terms of importance as a business location with the effect that Port Louis may over time command a relatively lower demand and rental rates, impacting occupancy levels, revenues and profitability of the Company. With the dual status of capital city and the only commercial port of Mauritius, Port Louis is the seat of the executive branch of Government and of

Parliament. The inauguration of the new Supreme Court in July 2020 reaffirms the strategic importance of Port Louis. The three constitutional branches of Government – the Executive, the Legislative and the Judiciary – are based in Port Louis. The headquarters of several key institutions such as the Bank of Mauritius are found in the capital city and likewise for the largest commercial banks and many of the largest corporates. Management believes in the capacity and resourcefulness of Port Louis to consolidate the superiority of its location. Major works are in progress in order to transform the North and South bus terminals, and to implement the further development of the Caudan peninsula. As long as the three constitutional branches of government are based in the capital city, Port Louis is expected to continue to meet the key factors essential to generate demand for premium quality office accommodation in the central business district for many years to come.

#### **d. Risks associated with a downturn in real estate markets**

Real estate markets are cyclical. A fall in real estate prices in Mauritius (for example, due to adverse economic conditions) will likely impact the value of the real estate owned by the Company. The real estate market is influenced by the vacancy rate in the market which in turn is influenced by several factors on both macro and micro levels. The Company's financial performance could be materially impacted should there be a downturn in the property market in Mauritius and rental yields are eventually compressed. Rental income and the value of the property could be affected by several factors not limited to competition from other players in the same industry, tenants breach of contract or inability to pay rental income, major unplanned development expenditures to keep the property operational or competitive, tenants perception on property location and the Company's ability to innovate to attract new tenants and retain existing ones.

#### **e. Valuation of property**

The Company's largest asset is its immovable property. Immovable property is inherently difficult to value due to the individual heterogenic nature of each property. As a result, valuations are subject to uncertainty and are reliant on an Independent Valuer's opinion. There is no assurance that the estimates resulting from the valuation process will reflect its fair price. Assumptions required to be made in valuations (i.e., inflation rates, interest rates, growth, etc.) may prove to be inaccurate or flawed. Incorrect assumptions underlying the valuation reports could negatively affect the value of the Company's property and thereby have a material adverse effect on the Company's financial condition.

#### **f. Risks associated with the operation of a property business**

Tenants' ability to service their rental obligations, both operationally and from a financial perspective, will be a crucial factor when evaluating the risk of the Company. By nature of the Company's business model, operational risks inherent relate to specific clauses or restrictions in tenants lease agreements, risks of lawsuits or claims from tenants and obligations on the part of the Company. Property related costs and maintenance expenditure for various reasons may exceed the estimated costs, hence affecting the Company's financial condition and returns. Running a property rental business implies strong dependence on leadership and management for administering day-to-day operations and relationships with tenants. Planning and careful execution of the long term strategy is dependent on experienced management and clear succession planning for key positions within the organisation.

There is a risk that Management fails to implement the strategy demanded by the Company and its shareholders, which may adversely affect the Company's financial condition, operations and earnings.

#### **g. Level of dividends payable may fluctuate**

The level of dividends to be paid by the Company may fluctuate. The declaration, payment and amount of any future dividends or distributions by the Company are subject, among other things, to the performance of the Company and its ability to comply with the applicable legal requirements for paying dividends under the Act. There is the risk that the Company may not be in a capacity to pay dividends as per its proposed dividend policy included in this Admission Document or that the Company adversely changes its dividend policy in the future.

#### **h. Legal and regulatory risks**

Any change in the tax status of the Company, or in real estate policies, applicable occupational health, safety and environmental laws or in taxation legislation or any other laws in Mauritius or such other jurisdiction that may affect, in quantum, value or otherwise, may directly or indirectly affect income to be derived by the Company in the exploitation of the spaces available for rent. Legal disputes with tenants leading to the counterparty claiming for damages may lead to reduction in the value of the assets of the company or contingent liability in the meantime.

#### **i. Risks associated with natural disasters, property damage and force majeure**

Another risk factor lies with the risk of structural damage or other types of damage on the Company's property and/or business as a result of fire, theft, intentional infliction of damage, other acts of God (such as an earthquake or a tsunami) and other force majeure type events. As a preventive measure, HWP has subscribed to certain insurance against damage of property from a regulated insurer (Mauritius Union Assurance Co. Ltd) deemed to be solvent and considered to be at low-risk of not honouring its obligations. The risk shifts to the possibility of having certain events not covered by insurance policies or the insurer refusing or being unable to settle the amount required to make good of damages to HWP's properties or business. In such cases, it may result in financial loss.

#### **j. Risk of controlling shareholders**

The existing shareholders of the Company are intending to do a private placement of part of their Shares in the Company, but they will still have a majority of the issued share capital of the Company post such private placement, thus can therefore exercise a material impact on the direction and management of the Company. There are no guarantees that the position of the existing shareholders of the Company will always coincide with the opinion and interests of the Company and minority shareholders.

#### **k. Development or redevelopment expenditure**

Development or redevelopment expenditure may be necessary in the future to preserve rental income. Returns from investment in property depend largely upon the amount of rental income generated from the property and the expenses incurred in the repair, maintenance and management of the property, as well as upon changes in its market value. Development or redevelopment expenditure may be necessary to preserve the rental income generated from and/or the value of properties, and this may affect the Company's profits and/or cash flows.

#### **l. Additions to the portfolio, future capital raisings and potential dilution**

The business model of the Company requires that any future additions to the portfolio will require to be financed by either debt or equity capital or a mix of both, depending on the capital structure of the Company at the time of the additions. There is no pre-emptive right on issue of new shares in the Constitution and therefore, the Company is not obliged to offer new shares to the shareholders. Should the Company decide not to conduct a rights issue, the shareholders may be diluted in the event of a new issuance of shares by the Company.

#### **m. Material adverse effects**

There are certain unforeseen events which, being beyond the control of the Company, may have a material impact on its ability to generate adequate revenues. Such events may further result in a significant fall in value of its property. These unforeseen risks that are not currently known to the Company, or that the Company currently considers to be immaterial, could on their own or as an aggregate have a material adverse effect on the Company's business.

**n. Illiquidity risks**

Investments in property are relatively illiquid and usually more difficult to realize than listed equities or bonds. The reasons for this are mainly high transaction costs, agency transaction systems (general unavailability of information to all players simultaneously), large asset sizes and the specialised nature of buildings. A willing and able buyer has to be matched with a willing and able seller to conclude a transaction. As there is no "stock exchange type" marketplace, the time taken to match these two parties can sometimes be lengthy and expensive. Investment in property cannot therefore necessarily be converted to cash on demand.

**o. Risk related to forward looking statements (statements in the future tense)**

This Admission Document includes forward looking statements, which are based on estimates, opinions, expectations and forecasts regarding future events and financial trends that will possibly have an effect on the activities of the Company. Forward looking statements include information about possible or presumable results of the Company's activities, investment strategy, contractual relationships, borrowing plans, investment conditions, effect of future regulations and other information. The Company cannot assure that forward looking statements will reflect future events and circumstances fully and correctly. The Company, management and its employees do not undertake to adjust or modify statements in the future tense, except to the extent required by laws.

**p. Insolvency**

The Shares bear the solvency risk of the Company. Investors should be aware that they may be subordinated to the Company's creditors and incur losses should any competent court or authority grants an order for the liquidation, winding-up, conservatorship, receivership, dissolution or administration of the Company, whether provisionally or finally, or the placing of the Company under voluntary liquidation and the facing of other insolvency proceedings.

**q. Cyber threats and IT**

Cyber threats, being rampant, expose businesses to (i) paralysis and downtime of operations, (ii) ransom ware threats, (iii) loss of confidential data and business intelligence.

Risk of loss of critical and confidential data in the event of IT system failure or theft of data/piracy of electronic devices.

**r. Mauritius identified as a high risk third country**

The European Commission ("EU") has on 7 May 2020 identified, inter alia, Mauritius as a high-risk third country with strategic deficiencies in its Anti Money-Laundering and Counter Financing Terrorism ("AML/CFT") regime following the findings of the Financial Action Task Force ("FATF"). The EU is of the view that these strategic deficiencies pose significant threats to the financial system of the European Union. The consequences for Mauritius being on the list implies that operators within the Mauritius financial services and global business sectors, shall be subject to Enhanced Due Diligence and scrutiny. This may adversely impact current and prospective tenants' acquisition, conducting business and financial transactions from the Mauritius jurisdiction, which may eventually affect the future operating results of the company.

**7.2 Risks associated with investing in the Stock Market****a. General investment risk**

In a similar manner to other listed companies on the stock market, the share price of the Company will be subject to the volatility associated with stock market movements. The Company's Board has no control over stock market movements and dealings which may affect the value of any investment. In fact, it is against the law to influence stock market price fluctuations and movements and subsequently the Board can only mitigate property-side risks to ensure a steady income stream. An investment in the Company carries a degree of risk thus there is the possibility that an investor could suffer a substantial loss as a consequence of an acquisition of shares of the Company.

### **b. Liquidity risk**

There may not be a liquid secondary market for the Shares. The market price and the realisable value of the Shares, as well as being affected by the underlying value of the Company's property, will be affected by a range of other factors not limited to interest rates, market forces, economic conditions and market sentiment. Shareholders looking to dispose of their shares will be required to sell their shares on the SEM and depending on the existence of a liquid market, the share disposal may not be realized at the Net Asset Value per share.

## 8.0 DOCUMENTS AVAILABLE FOR INSPECTION

In addition to the Admission Document, a copy of which can also be obtained free-of-charge from the Transaction Advisor or on the website of the SEM, the following documents will be made available, free of charge, for consultation at the registered office of the Company:

- The Independent Property Valuation Report
- The Audited Financial Reports of the Company for the financial years ended 30 June 2018, 30 June 2019 and 30 June 2020
- Consent letter from Auditor
- The Constitution of HWP

**9.0 DIRECTORY**

**9.1 Company Information**

<b>Company</b>	Happy World Property Ltd
<b>Date of Incorporation</b>	14 February 1986
<b>Place of Incorporation</b>	Republic of Mauritius
<b>Business Registration Number</b>	CO7005194
<b>Address</b>	Level 8, Happy World House, 37 Sir William Newton Street, Port Louis 11328
<b>Telephone</b>	(230) 212 63 64

**9.2 Third Party Information**

<b>Company Secretary</b>	Executive Services Ltd 2nd Floor, Les Jamalacs Building, Vieux Conseil Street, Port Louis
<b>Principal Banker</b>	The Mauritius Commercial Bank Limited Sir William Newton Street, Port Louis
<b>Auditors</b>	Cays Associates Johanna Street, Port Louis
<b>Transaction Advisor</b>	MCB Financial Advisers 9-15 Sir William Newton Street, Port Louis
<b>Legal Advisor</b>	BLC Robert & Associates 2nd Floor, The AXIS, 26 Bank Street, Cybercity Ebene
<b>Registrar and Transfer Agent</b>	MCB Registry & Securities Ltd 9-15 Sir William Newton Street, Port Louis

## 10.0 CORPORATE GOVERNANCE

The Financial Reporting Council (FRC) is a statutory body established under the Financial Reporting Act 2004. HWP, which will become a Public Interest Entity, as defined by the Financial Reporting Act 2004, further to the listing of its shares on the DEM, is committed to adhere to the best practices on corporate governance standards under The National Code of Corporate Governance for Mauritius (2016). It shall follow best practices on the structure of Board Composition, Appointment and Remuneration and has set up the following committees:

### 10.1 Audit and Risk Committee

The objective of the Audit and Risk Committee shall be to monitor the integrity of the financial reporting process of the company, reviewing and reporting to the Board on significant financial reporting issues and judgements, overseeing the internal audit function, compliance with laws and regulations and the Company's internal control environment. The Audit and Risk Committee shall comprise two members, both Independent Directors, namely Messrs. Khushiram and Oosman.

### 10.2 Corporate Governance Committee, Nomination and Contracts Committee

The objective of the Corporate Governance Committee, Nomination and Contracts Committee shall be to regularly assess the structure and size of the Board, provide for succession planning for Directors and any key personnel, review disclosures made in the annual report on corporate governance and make recommendations to the Board as and when required. As part of its functions, the committee shall also review and advise in respect of all material contracts of the Company. This committee shall comprise two members, both Independent Directors, namely Messrs. Harel and Montocchio.



## 11.0 EXTRACT OF CONSTITUTION

A summary of the key relevant sections of HWP's Constitution dated 25 November 2020 concerning provisions with respect to the rights, powers, duties and obligations of the Company, the Board, each director and shareholders as extracted from the Company's constitution is presented below. This summary is not exhaustive.

RELEVANT PROVISION	BRIEF DESCRIPTION
<b>Capacity and powers</b>	<p>Subject to the Act and any other enactment and the general law, the Company shall have full capacity to carry on and/or undertake any business or activity, to do any act or enter into any transaction both within and outside the Republic of Mauritius.</p> <p>The Company shall have all such powers as are necessary or conducive to the conduct, promotion or attainment of the object of the Company as set out in this Constitution.</p> <p>The Company shall have the power to purchase and sell property, to borrow money and to mortgage, pledge or create charges on its assets and to issue debentures and other securities, whether outright or as security for any debt, liability, or obligation of the Company or of any third party.</p>
<b>Shares</b>	The Company has on issue ordinary shares of no par value each.
<b>Rights attached to shares</b>	<p>A share which confers on the holder:</p> <p>(a) the right to vote at meetings of shareholders and on a poll to cast one vote for each share held;</p> <p>(b) subject to the rights of any other class of shares, the right to an equal share in dividends and other distributions made by the Company;</p> <p>(c) subject to the rights of any other Class of Shares, the right to an equal share in the distribution of the surplus assets of the Company on its liquidation.</p>
<b>Variation of class rights</b>	If at any time the share capital of the Company is divided into different classes of shares, the Company, conformably to the provisions of Section 114 of the Act, shall not take any action which varies the rights attached to a class of shares unless that variation is approved by a special resolution, passed at a separate meeting of the shareholders of that class, or by consent in writing of the holders of seventy-five per cent (75%) of the shares of the said class. To any such meeting, all the provisions of this Constitution relative to general meetings shall apply on the same basis.
<b>Issuing of further shares</b>	Subject to the Act, this Constitution and the terms of issue of any existing Shares, the Board may issue shares (including ordinary shares) of any class at any time, to any person and in such numbers as the Board thinks fit without the need for the prior shareholders' approval.

<b>Transfer of shares listed on SEM</b>	<p>Where the shares are listed on the SEM, there shall be no restrictions on the transfer of fully paid up shares in the Company and transfers and other documents relating to or affecting the title to any shares shall be registered with the Company without payment of any fee (other than brokerage fees payable in respect of such transfer).</p> <p>For so long as the Company shall be admitted for listing on the SEM, all shares transferred must be in the dematerialized form and must be conducted through the Automated Trading System in accordance with the trading procedures of the SEM.</p>
<b>Pre-emptive rights</b>	<p>No shareholder shall have any pre-emptive rights whatsoever to subscribe for any additional shares issued by the Company. The Board is expressly permitted to issue further shares at any time ranking as to voting or distribution rights or both equally with, or in priority to, shares already issued by the Company.</p>
<b>Distributions</b>	<p><b>Solvency Test</b> 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 shareholders as it thinks fit without the need for a shareholders' approval.</p> <p>The Directors who vote in favour of a distribution shall sign a certificate stating that, in their opinion, the Company will satisfy the Solvency Test immediately after the distribution.</p> <p><b>Shares in lieu of Dividends</b> The Board may issue Shares to any shareholders in lieu of a proposed Dividend or proposed future Dividends in accordance with section 64 of the Act as amended by the terms of this Constitution.</p>
<b>Dividends</b>	<p>Unless other modes of payment are agreed by the Board, any Dividend or other money payable in cash in respect of shares may be paid by electronic funds transfer into the bank account of the holder notified to the Company in writing, or, in the case of joint holders, into the bank account of the joint holder who is first named in the share register or to such person and to such bank account as the holder or joint holders may in writing direct to the Company. Any one of two or more joint holders may give effectual receipts for any dividends, bonuses or other money payable in respect of the Shares held by them as joint holders.</p>
<b>Winding up</b>	<p>Subject to the terms of issue of any shares, upon the liquidation of the Company, any assets of the Company remaining after payment of the debts and liabilities of the Company and the costs of liquidation shall be distributed among the holders of shares in proportion to their shareholding, provided however that a holder of shares not fully paid up shall receive only a proportionate share of his entitlement being an amount which is in proportion to the amount paid to the Company in satisfaction of the liability of the shareholder to the Company in respect of the shares.</p>

<b>Number of Directors</b>	The Board shall consist of not less than five (5) or more than nine (9) Directors.
<b>Appointment of Directors</b>	A Director shall hold office until his resignation, disqualification, removal or retirement in accordance with this Constitution.
<b>Executive Directors</b>	<p>The Board may from time to time appoint one or more Directors to the office of executive Director on such terms and conditions and for such period as the Board may think fit and subject to the terms of any agreement, may at any time revoke that appointment.</p> <p>An executive Director shall, subject to the terms of any agreement entered into in any particular case, receive such remuneration, directly or indirectly, whether by way of salary, commission, participation in profits, fee, or whichever way, as the Directors may determine. The Board may entrust to and confer upon an Executive Director any of the powers exercisable by the Board upon such terms and conditions and subject to such restrictions as the Board shall determine and either generally, or to the exclusion of, the Board's own powers, subject to Section 131 of the Act, and may, from time to time, revoke, withdraw, alter or vary all or any of these powers.</p>
<b>Powers and duties of the Board</b>	<p>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.</p> <p>The Board shall have all the powers necessary for managing, and for directing and supervising the management of, the business and affairs of the Company except to the extent that this Constitution or the Act expressly requires those powers to be exercised by the shareholders or any other person.</p>
<b>Quorum</b>	<p>A quorum for a meeting of the Board shall be fixed by the Board and if not so fixed shall be a majority of the Directors.</p> <p>No business shall be transacted at a meeting of Directors if a quorum is not present.</p>
<b>Proceedings of Board</b>	<p><b>Chairperson</b> The Directors shall elect one of their number as chairperson of the Board and determine the period for which he is to hold office.</p> <p><b>Notice of meeting</b> The chairperson or, if requested by the chairperson to do so, an employee of the Company, may convene a meeting of the Board by giving notice. A majority of the Directors may also convene such a meeting.</p>

**Method of holding meetings**

A meeting of the Board may be held provided that a quorum is constituted in accordance with one of the following methods:

- (a) the Directors are present at the place, date, and time appointed for the meeting; or
- (b) the Directors are present by means of audio, or audio and visual communication, such that, in the opinion of the Chairperson, the Directors constituting a quorum can simultaneously hear each other throughout the meeting save and except that the method of holding a meeting under this Clause 23.3(b) of the Constitution shall be limited to specific cases where approval in writing has been received by the Company Secretary from a majority of the Directors prior to the meeting of the Board; or
- (c) a combination of the methods set out under (a) and (b).

**Voting**

Every Director shall have one vote.  
The chairperson shall have a casting vote.

**Remuneration and other interests of Directors**

The shareholders by ordinary resolution, or the Board, instead of the shareholders if it is satisfied that to do so is fair to the Company pursuant to section 159(2) of the Act, shall approve:

- (a) the payment of remuneration (or the provision of other benefits) by the Company to a Director for his services as a Director, or the payment of compensation for loss of office; and
- (b) the making of loans and the giving of guarantees by the Company to a Director in accordance with Section 159 (6) of the Act.

**Retirement of Directors by rotation**

At the next annual meeting of the Company and at each subsequent annual meeting, two (2) Directors for the time being appointed by the general meeting shall retire from office, in addition to any Director who may be required to retire by reason of the fact that he has attained or is over the age of seventy (70) years, but shall be eligible for re-election to the office of Director.

Any retiring Director shall retain office until the dissolution of the meeting or adjourned meeting at which he is due to retire.

The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot.

The Company at the annual meeting at which a Director so retires may fill the vacated office by re-electing the retiring Directors thereto or by electing another person to the vacated office.

<b>Interested Director</b>	<p>Subject to Section 152(2) of the Act and to this Constitution, a Director who is interested in a transaction entered into, or to be entered into, by the Company, shall withdraw from a meeting of Directors when a matter relating to such transaction arises, and the Director:</p> <p>(a) may not vote on any matter relating to the transaction, and if such Director does vote, his/her vote shall not be counted;</p> <p>(b) shall not be included among the Directors present at the meeting for the purpose of a quorum;</p> <p>(c) may sign a document relating to the transaction on behalf of the Company for the sole purpose of giving effect to a decision of the Board, as if the Director were not interested in the transaction; and</p> <p>(d) may do any other thing in his capacity as a Director in relation to the transaction for the sole purpose of giving effect to a decision of the Board, as if the Director were not interested in the transaction.</p>
<b>General Meetings</b>	<p><b>Annual Meetings</b></p> <p>The Board shall call an annual meeting of shareholders to be held:</p> <p>(a) not more than once in each year</p> <p>(b) not later than nine (9) months after the balance sheet date of the Company (or such other date as may be prescribed); and</p> <p>(c) not later than fifteen (15) months after the previous annual meeting.</p> <p><b>Special Meetings</b></p> <p>A special meeting may be called at any time by the Board and shall be so called on the written request of shareholders holding shares carrying together not less than five per cent (5%) of the voting rights entitled to be exercised on the issue.</p>
<b>Resolution in lieu of meeting</b>	<p>Anything that may be done by the Company in general meeting (other than an annual meeting) under the Act or this Constitution may be done by a resolution in lieu of meeting in the manner provided for by Section 117 of the Act.</p>
<b>Notice of Meetings</b>	<p>Written notice of the time and place of a general meeting shall be sent to every shareholder entitled to receive notice of the general meeting and to every Director, secretary and auditor of the Company not less than twenty one (21) days before the general meeting.</p> <p>A printed copy or soft copy (for those shareholders who consented to receiving the annual report in soft copy) of the annual report and accounts (including the balance sheet and every document required by law to be annexed thereto and profit and loss account or income and expenditure account) shall, at least 14 days before the date of the general meeting, be delivered by hand or sent by post to the registered address of every shareholder or sent by email to the email address of every shareholder.</p>

**Voting**

Where a general meeting is held under Clause 20.6.1(a) of the Constitution, unless a poll is demanded, voting at the general meeting shall be by whichever of the following methods is decided by the chairperson of the general meeting:

- (a) voting by voice; or
- (b) voting by show of hands.

Postal votes shall not be allowed.

**Proxies**

A shareholder shall exercise the right to vote either by being present in person or by proxy.

A proxy for a shareholder may attend and be heard at a general meeting as if the proxy were the shareholder.

A proxy shall be appointed by notice in writing signed by the shareholder and the notice shall state whether the appointment is for a particular general meeting or a specified term.

No proxy shall be effective in relation to a general meeting unless a copy of the notice of appointment is produced not less than twenty-four (24) hours before the start of the general meeting.

**Exercise of powers reserved to shareholders****Powers reserved to Shareholders**

Powers reserved to shareholders of the Company by the Act or by this Constitution may be exercised:

- (a) at a general meeting;
- (b) by a resolution in lieu of a meeting pursuant to Clause 20.3 of the Constitution; or
- (c) by a unanimous resolution.

**Special Resolutions**

Subject to the provisions of the Act, when Shareholders exercise a power to approve any of the following, that power may only be exercised by a Special Resolution:

- (a) an alteration to or revocation of this Constitution or the adoption of a new Constitution;
- (b) a major transaction pursuant to section 130(1) of the Act;
- (c) an amalgamation;
- (d) the liquidation of the Company;
- (e) a reduction of the stated capital under section 62 of the Act.

**Management review by Shareholders**

Notwithstanding anything in the Act or in this Constitution, the chairperson of any general meeting shall give the shareholders a reasonable opportunity to discuss and comment on the management of the Company.

**Share Register**

The Company shall maintain:

- (a) a share register in accordance with section 91 of the Act, which shall record all the shares issued by the Company and which shall state that there are no restrictions or limitations on their transfer; and
- (b) a register of substantial shareholders in accordance with section 91(2) of The Act.

## **12.0 APPENDIX 1: Company's Audited Financial Statements**

The financial information for the years ended 30 June 2018, 2019 and 2020 set out below has been extracted from the financial statements of HWP and which have been audited by Cays Associates.


The Directors consider that the presentation of the consolidated statements of financial position, statements of profit or loss and other comprehensive income, statements of changes in equity, statements of cash flows and notes on the related party transactions and balances are appropriate.

The Directors take full responsibility for the preparation of audited financial statements and the correct extraction of financial information from the underlying audited financial statements.

### **12.1 Consent from Auditors**

Cays Associates have given, prior to the filing of this Admission Document with SEM, their written consent to the inclusion of their name and, where applicable, reports in the form and context in which they appear and accept responsibility for them. They have not become aware, since the date of the Annual Report ending 30 June 2020, of any matter affecting the validity of that report at that date. Such consent has been filed with the SEM and Cays Associates have not withdrawn their consent as of the date of this Admission Document.

## 12.2 Independent Auditors Report (30 June 2018)



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**Report of the Independent Auditors to the Shareholders of  
Newton Development Limited**

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**Report on the audit of the financial statements**

*Opinion*

We have audited the financial statements of **Newton Development Limited** (the Company), which comprise the Statement of Financial Position as at 30 June 2018 and the Statement of Profit or Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other notes.

In our opinion, the accompanying 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 and comply with the Companies Act 2001.

*Basis of our opinion*

- We are independent of the Company in accordance with ethical requirements that are relevant to our audit.
- We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Responsibilities of the directors of the Company*

The directors of the Company are responsible:

- for the preparation and fair presentation of the financial statements in compliance with the Companies Act 2001 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.
- for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, having no realistic alternative but to do so.

*Responsibilities of the auditors for the audit of the financial statements*

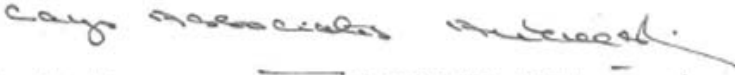
Our objectives are:

- to obtain reasonable assurance whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and
- to issue a report that includes our opinion.

**Report on other legal and regulatory requirements**

*Companies Act 2001*

- We have no relationship with, or interest in, the Company, other than in our capacity as auditors and tax advisors 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.



**Cays Associates**  
Public Accountants

**C. Ah Yuk Shing FCCA**  
Licensed by FRC

Johanna Street  
Port Louis, Mauritius.  
Tel: (230)208-0762 | Fax: (230)210-2840 | Mob: (733) 5422-4326/5255-6996  
[www.caysassociates.com](http://www.caysassociates.com)

Date: 07 DEC 2018

Member of the  
Eurasia Audit International



## 12.3 Independent Auditors Report (30 June 2019)

### Report of the Independent Auditors to the Shareholders of Newton Development Limited

#### Report on the audit of the financial statements

##### *Opinion*

We have audited the financial statements of **Newton Development Limited** (the Company), which comprise the Statement of Financial Position as at 30 June 2019 and the Statement of Profit or Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2019, and of its financial performance and its cash flows for the year then ended and comply with the Companies Act 2001.

##### *Basis of our opinion*

- We are independent of the Company in accordance with ethical requirements that are relevant to our audit.
- We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### *Responsibilities of the directors of the Company*

The directors of the Company are responsible:

- for the preparation and fair presentation of the financial statements in compliance with the Companies Act 2001 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.
- for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, having no realistic alternative but to do so.

##### *Responsibilities of the auditors for the audit of the financial statements*

Our objectives are:

- to obtain reasonable assurance whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and
- to issue a report that includes our opinion.

#### Report on other legal and regulatory requirements

##### *Companies Act 2001*

- We have no relationship with, or interest in, the Company, other than in our capacity as auditors and tax advisors 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.



**Cays Associates**  
Public Accountants

**C. Ah Yuk Shing FCCA**  
Licensed by FRC

Date: - 5 DEC 2019

Part Leish, Mountfin.  
Tel: (238)206-0762 | Fax: (238)210-2849 | Mob: (238) 5422-0226/5255-6996  
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Independent member of  
EuraAudit International

## 12.4 Independent Auditors Report (30 June 2020)

3  
(i)

### Report of the Independent Auditors to the Shareholders of Newton Development Limited

#### Report on the audit of the financial statements

##### *Opinion*

We have audited the financial statements of **Newton Development Ltd** (the Company), which comprise the Statement of Financial Position as at 30 June 2020 and the Statement of Profit or Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the Companies Act 2001.

##### *Basis of our opinion*

- We conducted our audit in accordance with International Standards on Auditing (ISAs). Refer to paragraph entitled '*Auditors' responsibilities for the audit of the financial statements*' below.
- We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements (in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code)).
- We have fulfilled our other ethical responsibilities in accordance with these requirements.
- We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### *Responsibilities of the directors of the Company*

The directors of the Company are responsible:

- for the preparation and fair presentation of the financial statements in accordance with IFRSs and the Companies Act 2001 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;
- for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, having no realistic alternative but to do so.


##### *Responsibilities of the auditors for the audit of the financial statements*

Our objectives are:

- to obtain reasonable assurance whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error; and
- to issue a 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.

## 12.4 Independent Auditors Report (30 June 2020)



3  
(ii)

**Report of the Independent Auditors to the Shareholders of  
Newton Development Limited**


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Refer to our website at: [www.caysassociates.com](http://www.caysassociates.com) for further details of our responsibilities forming part of this report.

**Report on other legal and regulatory requirements**

*Companies Act 2001*

- We have no relationship with, or interest in, the Company, other than in our capacity as auditors and tax advisors 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.



**Cays Associates**  
Public Accountants

\_\_\_\_\_  
**C. Ah Yuk Shing FCCA**  
Licensed by FRC

Date: 11 SEP 2020

## 12.5 Statement of Profit or Loss and Other Comprehensive Income as extracted from the Audited Financial Statements

in MUR'ooo	FY18	FY19	FY20
Revenue	35,848	50,031	51,217
Gain in Fair Value of Investment Properties	-	35,800	40,900
Gain on Foreign Exchange	68	346	241
Administrative and Selling Expenses	(27,246)	(29,171)	(31,678)
Net Finance Costs	(16,957)	(16,857)	(15,209)
(Loss)/Profit before Tax	(8,286)	40,148	45,471
Tax Expense	-	-	-
<b>(Loss)/Profit after Tax</b>	<b>(8,286)</b>	<b>40,148</b>	<b>45,471</b>
<b>Other Comprehensive Income</b>			-
<b>Comprehensive Income for the year</b>	<b>(8,286)</b>	<b>40,148</b>	<b>45,471</b>

## 12.6 Statements of Financial Position as extracted from the Audited Financial Statements

in MUR'ooo	FY18	FY19	FY20
<b>NON CURRENT ASSETS</b>			
Plant and Equipment	1,014	3,920	3,986
Investment Properties	358,800	394,600	435,500
	359,814	398,520	439,487
<b>CURRENT ASSETS</b>			
Trade and Other Receivables	2,230	2,413	2,903
Cash at Bank and in hand	1,437	4,980	7,533
	3,667	7,393	10,437
<b>Total Assets</b>	<b>363,481</b>	<b>405,913</b>	<b>449,923</b>
<b>EQUITIES AND LIABILITIES</b>			
Share Capital	192,000	192,000	400,000
Accumulated (Losses)/Profits	(82,403)	(42,255)	3,216
Equity attributable to Equity Owners	109,597	149,745	403,216
<b>NON CURRENT LIABILITIES</b>			
Loans Payable	227,954	229,558	28,414
	227,954	229,558	28,414
<b>CURRENT LIABILITIES</b>			
Bank Overdraft	690	-	-
Loans Payable	13,249	13,727	7,510
Trade and Other payables	3,858	4,404	2,480
Contract Liabilities (Deposits)	8,133	8,479	8,303
	25,930	26,610	18,293
<b>Total Liabilities</b>	<b>253,884</b>	<b>256,168</b>	<b>46,707</b>
<b>Total Equity and Liabilities</b>	<b>363,481</b>	<b>405,913</b>	<b>449,923</b>

## 12.7 Statements of Cash Flows as extracted from the Audited Financial Statements

in MUR'ooo	FY18	FY19	FY20
<b>OPERATING ACTIVITIES</b>			
(Loss)/Profit after tax	(8,286)	40,148	45,471
<b>Adjustment for:</b>			
Gain in Fair Value Investment Properties	-	(35,800)	(40,900)
Gain on Disposal of PPE	(261)	-	-
Depreciation & Amortisation	662	721	1,337
Interest Income	(9)	(1)	-
Interest Expenses	16,966	16,858	15,209
Change in Working Capital			
Trade and Other Receivables	142	(183)	(491)
Trade and Other Payables	414	546	(1,925)
Contract Liabilities	-	346	(176)
	9,627	22,636	18,525
Interest Received	9	1	-
Interest Paid	(16,966)	(16,858)	(15,209)
Net Cash flow from Operating Activities	(7,329)	5,778	3,316
<b>INVESTING ACTIVITIES</b>			
Acquisition of PPE	(132)	(3,627)	(1,403)
Sales Proceeds of PPE	261	-	-
Net Cash flow from Investing Activities	129	(3,627)	(1,403)
<b>FINANCING ACTIVITIES</b>			
Loans Received	21,461	15,332	44,763
Loans Repaid	(12,747)	(13,249)	(44,123)
Net Cash flow from Financing Activities	8,714	2,083	640
<b>Increase in Cash and Cash Equivalents</b>	<b>1,513</b>	<b>4,234</b>	<b>2,553</b>
<b>Cash and Cash Equivalents at Start</b>	<b>(767)</b>	<b>746</b>	<b>4,980</b>
<b>Cash and Cash Equivalents at End</b>	<b>746</b>	<b>4,980</b>	<b>7,533</b>

## 12.8 Statements of Changes in Equity from the Audited Financial Statements

in MUR'ooo	Equity attributable to owners of the company		
	SHARE CAPITAL	ACCUMULATED LOSSES/RETAINED EARNINGS	TOTAL
<b>2018</b>			
At 01 July 2017	192,000	(74,116)	117,884
(Loss) for the year	-	(8,286)	(8,286)
Other Comprehensive Income for the year	-	-	-
Comprehensive Income for the year	-	(8,286)	(8,286)
<b>At 30 June 2018</b>	<b>192,000</b>	<b>(82,403)</b>	<b>109,597</b>
<b>2019</b>			
At 01 July 2018	192,000	(82,403)	109,597
Profit for the year	-	40,148	40,148
Other Comprehensive Income for the year	-	-	-
Comprehensive Income for the year	-	40,148	40,148
<b>At 30 June 2019</b>	<b>192,000</b>	<b>(42,255)</b>	<b>149,745</b>
<b>2020</b>			
At 01 July 2019	192,000	(42,255)	149,745
Issue of share during the year	208,000	-	208,000
Profit for the year	-	45,741	45,741
Other Comprehensive Income for the year	-	-	-
Comprehensive Income for the year	-	45,741	45,741
<b>At 30 June 2020</b>	<b>400,000</b>	<b>3,216</b>	<b>403,216</b>

SHARE CAPITAL	2020 No of shares	2019 No of shares	2020 MUR'ooo	2019 MUR 'ooo
Issued and fully paid				
Ordinary Shares of no par value				
At 01 July	19,200,000	19,200,000	192,200	192,200
Issue of shares during the year	20,800,000	-	208,000	-
<b>At 30 June</b>	<b>40,000,000</b>	<b>19,200,000</b>	<b>400,000</b>	<b>192,200</b>

## 12.9 Summarised Related Party Transactions

in MUR'000	FY18	FY19	FY20
Sale of goods and services to			
<b>Fellow Subsidiaries</b>	6,679	7,006	7,478
<b>Happy World Ltd</b>	7,614	8,365	9,451
Purchase of goods and services from			
<b>Fellow Subsidiaries</b>	3	11	18
<b>Happy World Ltd</b>	1,044	1,044	1,044
Net interest expenses paid to			
<b>Happy World Ltd</b>	10,238	11,158	10,636

Transactions with related parties arise in the normal course of business and sale of goods and services relate to rental income, service charges and parking fees, advisory services and data management fees charged to fellow subsidiaries.

As from 1 July 2020, there will be no sales of goods and services (relating to advisory and data management fees which used to be charged to the related parties as a result of HWP employing executives and other key personnel to provide advisory and management services to fellow subsidiaries and the parent company). Further to the operational restructuring applicable as from FY21, these employees have been redeployed within the group and as such the fall in revenues is being compensated by lower staff charges, resulting in a leaner cost structure for the Company and higher PAT.

### 12.10 Significant accounting policies for the year ended 30 June 2020

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 1.0 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Companies Act 2001 and under the historical cost convention as modified by the revaluation of investment properties at fair value.

#### 2.0 Functional and presentation currency

The financial statements are presented in Mauritian rupees (the Company's functional currency), rounded to nearest thousand (MUR'000) unless otherwise stated. Comparative figures have been amended, where necessary, to conform to changes in presentation in the current year.



### 3.0 Critical accounting estimates and judgements

In preparing these financial statements, management makes estimates and assumptions based on historical experience and expectations of future events that are considered to be reasonable under the appropriate circumstances. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Critical estimates and assumptions made during the year that might have a significant risk of causing material adjustment to the carrying amounts of the Company's assets and liabilities are as follows:

#### Fair value of investment properties

The Company measures its investment properties at fair value with gains/losses in fair value being recognized in the profit or loss. The Company appointed an independent valuation specialist to determine the fair value based on prevailing market conditions.

### 4.0 Application of new IFRS and interpretations

#### New IFRS and interpretations to existing standards – not yet effective for the reporting period

The Company is evaluating the applicability and relevance of certain new standards and interpretations to existing standards (which are not yet effective) on the Company's operations and its impact on the financial statements of the Company in terms of results, presentation or disclosure.

#### New IFRS and interpretations to existing standards – effective for the reporting period

IFRS 16 'Leases', (effective for period beginning on or after 01 January 2019) introduces a single, on-balance sheet lease accounting model for leases. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases or leases of low-value items.

### 5.0 Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

The accounting policies set out below are, as far as possible, presented in the same chronological order, as the items/headings in the statement of financial position and statement of profit or loss. Accounting policies in respect of financial instruments are described under the relevant financial assets and liabilities.

#### 5.1 Plant and equipment

All plant and equipment are initially recognised at cost and, except for land are subsequently measured at cost less accumulated depreciation and any impairment losses.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation is calculated to write off the cost of items of plant and equipment less their estimated residual value using the straight-line method over their estimated useful lives and is recognised in profit or loss, unless it is required to be capitalised to another asset.

The estimated useful lives for the current and comparative periods are as follows:

- Furniture and equipment      4 – 5 years
- Motor vehicles                      7 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Plant and equipment are derecognised when these are disposed of or permanently withdrawn from use. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of that item and is recognised in profit or loss at the date of disposal or retirement.

### **5.2 Intangible assets**

Intangible assets which are purchased computer software are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and any impairment losses.

Amortisation of intangible assets is calculated, using the straight line basis, so as to allocate their cost over their estimated useful lives of 8 years and is recognised in profit or loss.

### **5.3 Investment properties**

Investment properties which comprise properties held for rental are initially recognised at cost and are subsequently measured at fair value. Gain or loss in fair value is recognised in profit or loss in the period in which it arises.

The gain/(loss) arising on the disposal or retirement of an investment property is determined as the difference between the sales proceeds and the carrying amount of that property and is recognised in profit or loss at the date of disposal.

### **5.4 Trade and other receivables**

Trade receivables are amounts due from customers for sales of goods or services rendered in the ordinary course of business and are classified as current assets if collection is expected within one year or less in the normal operating cycle of the business.

Trade receivables are initially recognised at fair value which is normally the invoiced price to the customers and are subsequently measured at amortised cost net of any allowance for credit losses, estimated by management based on prior experience and the economic environment.

Trade and other receivables are derecognized when the receivables have been collected or the rights to receive the cash flows have expired.

### **5.5 Impairment of assets**

If the recoverable amount of an asset is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

### **5.6 Bank loans**

Interest bearing bank loans are initially recognised at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the year. These are then classified as non-current liabilities. Bank overdrafts are classified as cash and cash equivalents in the Statement of Cash Flows.

### **5.7 Trade payables**

Trade payables are liabilities to pay for goods and services that have been acquired in the ordinary course of business from suppliers and are classified as current liabilities if payment is due within one year or less in the normal operating cycle of the business.

Trade payables are initially recognised at fair value which is normally the invoiced price by the suppliers and are subsequently measured at amortised cost using the effective interest method.

Trade and other payables are derecognised when and only when the obligations are discharged, cancelled or they expire.

Purchases of services and ancillary goods for internal use, other those related to production overheads included in inventories, are recognised as expenses (as adjusted for prepayments and accruals) in profit or loss in the period these are incurred.

### 5.8 Income tax

#### Tax expense

Tax expense comprises current and deferred tax and is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income. The tax expense is calculated using tax rates enacted or substantively enacted at the reporting date.

#### Tax payable/prepaid

Tax payable or prepaid for the current and prior periods is measured at the amount expected to be paid or recoverable to/from the tax authorities. Tax payable are derecognised when and only the obligations are discharged.

#### Deferred tax liabilities or assets

Deferred tax liabilities or assets for tax payable or recoverable in future periods are recognised on all temporary differences arising between the tax bases of the liabilities and assets and their carrying values for financial reporting purposes.

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available, against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

### 5.9 Share capital

Ordinary shares are classified as equity.

### 5.10 Foreign currency translation

Transactions in foreign currencies are initially recognised in Mauritian rupees at the rates of exchange prevailing at the date of the transactions. Difference in exchange resulting from the settlement of such transactions is recognized as gain/(loss) on foreign exchange in profit or loss.

Monetary assets and liabilities denominated in foreign currencies are subsequently retranslated into Mauritian rupees at the rates of exchange ruling at the end of the reporting period. Difference in exchange thereon is recognized as gain/(loss) on foreign exchange in profit or loss

### 5.11 Revenue recognition

#### Provision of services at a point in time

Revenue for the provision of services at a point in time is recognised in profit or loss based on the consideration to which the Company is entitled to receive net of value added tax in the accounting period in which the services are provided.

Income from the lease of property is recognised in profit or loss on a straight-line basis over the term of the operating lease.

### 5.12 Finance costs

Finance costs on borrowings directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are recognised as part of the cost of the assets until such time that the assets are substantially ready for their intended use or sale. Otherwise, finance costs are recognised in profit or loss in the period in which these are incurred.

Interest income is recognised using the effective interest method and is deducted from interest expenses shown as finance costs (net).

**5.13 Dividends payable**

Dividends declared to the Company's shareholders during the period (paid and payable at end of period) are recognised as distribution to shareholders in the statement of changes in equity. Dividends declared and payable at end of period are recognised as current liability.

## 13.0 APPENDIX 2: Reconciliation of latest Audited Financial Statements with pro forma Unaudited Financial Statements

### Reconciliation of Statement of Profit or Loss and other Comprehensive Income

in MUR'ooo	Audited	Pro forma	Adjustments	Notes
	FY20	FY20		
<b>Revenue</b>	<b>51,217</b>	<b>41,149</b>		
Rental Income	29,304	29,304		
Other Operating Income	21,913	11,845	(10,068)	A
Gain in Fair Value of Investment Properties	40,900	40,900		
Gain on Foreign Exchange	241	241		
<b>Administrative and Selling Expenses</b>	<b>(31,678)</b>	<b>(18,838)</b>		
Short Term Employee Benefits	(13,129)	(3,362)	(9,767)	B
Other Admin and Selling expenses	(17,213)	(14,140)	(3,073)	C
Depreciation of Plant & Equipment	(1,337)	(1,337)		
<b>Net Finance Costs</b>	<b>(15,209)</b>	<b>(2,215)</b>		
Bank Loans	(4,573)	(2,215)	(2,358)	D
Loans Payable to Parent	(10,636)	-	(10,036)	E
<b>Profit before Tax</b>	<b>45,471</b>	<b>61,237</b>	<b>(15,766)</b>	
Tax Expense	-	-		
Profit after Tax	45,471	61,237	(15,766)	
<b>Normalised PAT</b>	<b>45,471</b>	<b>20,337</b>	<b>(15,766)</b>	

#### Notes

A : Reclassification of advisory and data management services from its parent company

B: Short Term Employee Benefits excludes salaries of management of parent company involved in operating the business. This arrangement has been outsourced to its parent company via a management contract as per terms in section 3.3

C: Other admin and selling expenses excludes primarily expenses not applicable to parent company

D: The reclassification of part of these finance costs relate to a bank loan contracted by HWP on behalf of the parent company which was serviced by HWP and the finance costs were claimed back from the parent company. This loan has now been transferred to the parent company as part of the Restructuring to minimise related party transactions

E: Finance cost payable to the parent company has been removed with the conversion of the shareholder loan into issued capital

## Reconciliation of Financial Position

	Audited	Pro forma	Adjustments	Notes
in MUR'000	FY20	FY20		
<b>Non Current Assets</b>				
Plant and Equipment	3,986	3,986		
Investment Properties	435,500	435,500		
	439,486	439,486		
<b>Current Assets</b>				
Trade and Other Receivables	2,903	2,903		
Cash at Bank and in hand	7,533	52,638	45,105	F
	10,437	55,541		
<b>Total Assets</b>	<b>449,923</b>	<b>495,027</b>		
<b>EQUITIES AND LIABILITIES</b>				
Share Capital	400,000	400,000		
Accumulated Profits	3,216	48,320	45,104	G
Equity attributable to Equity Owners	403,216	448,320		
<b>Non Current Liabilities</b>				
Loans Payable	28,414	28,414		
	28,414	28,414		
<b>Current Liabilities</b>				
Loans Payable	7,510	7,510		
Trade and Other payables	10,783	10,783		
	18,293	18,293		
<b>Total Liabilities</b>	<b>46,707</b>	<b>46,707</b>		
<b>Total Equity and Liabilities</b>	<b>449,923</b>	<b>495,027</b>		

**Notes**

F: Restatement of Cash and Cash equivalents

G: Restatement of Retained earnings

## Reconciliation of Statement of Cash Flows

	Audited	Pro forma	Adjustments	Notes
in MUR'000	FY20	FY20		
<b>OPERATING ACTIVITIES</b>				
Profit after Tax	45,471	61,237	15,766	H
<b>Adjustment for:</b>				
Gain in Fair Value Investment Properties	(40,900)	(40,900)		
Depreciation	1,337	1,337		
Interest Income		-		
Interest Expenses	15,209	2,215	12,994	I
<b>Change in Working Capital</b>				
Trade and Other Receivables	(491)	(490)		
Trade and Other Payables	(2,101)	(2,096)		
	18,525	21,301		
Interest Received		-		
Interest Paid	(15,209)	(2,215)	12,994	I
Net Cash flow from Operating Activities	3,316	19,086		
<b>INVESTING ACTIVITIES</b>				
Acquisition of PPE	(1,403)	(1,403)		
Net Cash flow from Investing Activities	(1,403)	(1,403)		
<b>FINANCING ACTIVITIES</b>				
Loans Received	44,763	44,763		
Loans Repaid	(44,123)	(44,123)		
<b>Net Cash flow from Financing Activities</b>	<b>640</b>	<b>640</b>		
<b>Increase in Cash and Cash Equivalents</b>	<b>2,553</b>	<b>18,323</b>		
<b>Cash and Cash Equivalents at Start</b>	<b>4,980</b>	<b>34,316</b>		
<b>Cash and Cash Equivalents at End</b>	<b>7,533</b>	<b>52,638</b>		


**Notes**

H : Restatement of PAT

I: Restatement of finance costs payable to parent and bank loans

### 14.0 APPENDIX 3: Extract of Property Valuation Report

The Independent Valuer has given, prior to the filing of this Admission Document with the SEM, his written consent to the inclusion of his name and, where applicable, reports in the form and context in which they appear and accepts responsibility for them. The Independent Valuer has not withdrawn his consent as of the date of this Admission Document. The Independent Valuer has no material interest with, or interest in, the Company.

P. Ramrekha, MSc FRICS CSK Chartered Valuation Surveyor	Happy World House at Port Louis
<b>Amount of Valuation</b>	
Based on the above, I assess the Fair Value of the property on a going concern basis at around Rs 435,000,000 (Rupees Four Hundred and Thirty-Five Million).	
<b>Material Valuation Uncertainty</b>	
<p>The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.</p> <p>Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.</p> <p>Our valuation(s) is / are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of [this property] under frequent review.</p>	
<b>Date of the Valuation Report</b>	
04 <sup>th</sup> September 2020	
	
P. Ramrekha MSc FRICS Chartered Valuation Surveyor	





**HAPPY WORLD PROPERTY LTD**  
Level 8, Happy World House  
37, Sir William Newton Street  
Port Louis 11328, Mauritius

