

ABRIDGED AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| | 2018 MUR Audited | 2017 MUR Audited |
|-------------------------------------|------------------------|------------------------|
| ASSETS | | |
| Non-current assets | 686,582,105 | 485,914,329 |
| Current assets | 282,319,903 | 149,765,188 |
| Total assets | 968,902,008 | 635,679,517 |
| EQUITY AND LIABILITIES | | |
| Capital and reserves | | |
| Stated capital | 270,000,000 | 270,000,000 |
| Revaluation reserve | 92,675,877 | 88,160,551 |
| Retained earnings | 119,609,606 | (6,495,269) |
| Total equity | 482,285,483 | 351,665,282 |
| Non-current liabilities | 223,815,503 | 48,538,926 |
| Current liabilities | 262,801,022 | 235,475,309 |
| Total liabilities | 486,616,525 | 284,014,235 |
| Total equity and liabilities | 968,902,008 | 635,679,517 |

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | 2018 MUR Audited | 2017 MUR Audited |
|---|------------------------|------------------------|
| Revenue | 1,125,025,900 | 1,029,809,022 |
| Operating profit | 260,756,517 | 231,410,860 |
| Net finance costs | (14,842,231) | (6,930,958) |
| Profit before taxation | 245,914,286 | 224,479,902 |
| Taxation | (44,712,927) | (35,615,833) |
| Profit for the year | 201,201,359 | 188,864,069 |
| Other comprehensive income - net of Tax | 5,018,842 | 5,975,991 |
| Total comprehensive income | 206,220,201 | 194,840,060 |
| Earnings per share (Basic & diluted) | 7.45 | 6.99 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Stated Capital Rs Audited | Revaluation Reserve Rs Audited | Retained Earnings Rs Audited | Total Equity Rs Audited |
|--|------------------------------------|---|---------------------------------------|----------------------------------|
| At 1 January 2017 | 270,000,000 | 84,037,374 | 75,727,848 | 429,765,222 |
| Profit for the year | - | - | 188,864,069 | 188,864,069 |
| Realised on depreciation of building | - | (1,907,570) | 1,907,570 | - |
| Gain on revaluation of building | - | 7,265,960 | - | 7,265,960 |
| Deferred tax remeasurement of gain on revaluation of building | - | (1,235,213) | - | (1,235,213) |
| Remeasurement actuarial gain on retirement benefits obligation | - | - | (65,971) | (65,971) |
| Deferred tax remeasurement of loss on retirement benefits obligation | - | - | 11,215 | 11,215 |
| Other comprehensive income for the year | - | 6,030,747 | (54,756) | 5,975,991 |
| Total comprehensive income for the year | - | 4,123,177 | 190,716,883 | 194,840,060 |
| Transactions with owners | - | - | - | - |
| Dividends | - | - | (272,940,000) | (272,940,000) |
| At 31 December 2017 | 270,000,000 | 88,160,551 | (6,495,269) | 351,665,282 |
| At 1 January 2018 | 270,000,000 | 88,160,551 | (6,495,269) | 351,665,282 |
| Profit for the year | - | - | 201,201,359 | 201,201,359 |
| Realised on depreciation of building | - | (2,315,635) | 2,315,635 | - |
| Gain on revaluation of building | - | 8,230,073 | - | 8,230,073 |
| Deferred tax remeasurement of gain on revaluation of building | - | (1,399,112) | - | (1,399,112) |
| Remeasurement actuarial gain on retirement benefits obligation | - | - | (2,183,276) | (2,183,276) |
| Deferred tax remeasurement of loss on retirement benefits obligation | - | - | 371,157 | 371,157 |
| Other comprehensive income for the year | - | 6,830,961 | (1,812,119) | 5,018,842 |
| Total comprehensive income for the year | - | 4,515,326 | 201,704,875 | 206,220,201 |
| Transactions with owners | - | - | - | - |
| Dividends | - | - | (75,600,000) | (75,600,000) |
| At 31 December 2018 | 270,000,000 | 92,675,877 | 119,609,606 | 482,285,483 |

CONSOLIDATED STATEMENTS OF CASH FLOWS

| | 2018 MUR Audited | 2017 MUR Audited |
|--|------------------------|------------------------|
| Net cash generated from operating activities | 274,791,987 | 273,316,691 |
| Net cash used in investing activities | (49,627,104) | (14,251,676) |
| Net cash used in financing activities | (48,477,506) | (342,940,000) |
| Net increase/(decrease) in cash and cash equivalents | 176,687,377 | (83,874,985) |
| Net foreign exchange differences | 832,732 | (1,045,589) |
| Cash and cash equivalents at start of the year | (151,467,322) | (66,546,748) |
| Cash and cash equivalents at end of the year | 26,052,787 | (151,467,322) |

COMMENTS

Principal Activity

The principal activities of the company comprise of unloading, storing, bagging, trading and distribution of cement and other cementitious products.

Results

Revenue for the year ended 31 December 2018 amounted to Rs1125M versus Rs1030M in the corresponding prior year. Operating Profit of MUR261M was achieved for the year compared to MUR231M in the corresponding prior year, an increase of 13% mainly attributed to an exceptional other income of MUR24M (2017: MUR4.7m) received for the hire of equipment to a third party. Profit after tax was Rs201M compared to Rs189M in the corresponding prior year.

The results achieved for the year 2018 are satisfactory. Nevertheless there is an increasing pressure on freight cost due to the introduction worldwide of the marine fuel sulphur regulations which will impact cost of raw materials.

Dividend

On 13 April 2018 and 31 July 2018 an interim dividend of Rs28.35M and Rs47.25M were declared and paid in respect of the year ended 31 December 2018.

Other

The accounting policies adopted to prepare the above abridged consolidated financial statements are consistent with prior year except for new accounting standards effective as from 1 January 2018 as adopted in the consolidated financial statements. In addition IFRS 16 Leases was early adopted as from 1 January 2018 using the modified approach and resulted in an increase in total assets as well as total liabilities on the consolidated statements of financial position.

By Order of the Board

Gamma Corporate Services Ltd

Company Secretary

26 March 2019

Copies of the abridged audited consolidated financial statements are available, free of charge, upon request made to the Company Secretary at its registered office, Royal Road Chapman Hill, Beau Bassin.

The Statement of direct and indirect Interests of insiders pursuant to Rule 8 (2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007, is available, free of charge, upon request made to the Company Secretary.

These abridged audited consolidated financial statements are issued pursuant to DEM Rule 18 and Rule 8 of the Securities (Disclosure Obligations of the Reporting Issuers) Rules 2007. The Board of Directors of Kolos Cement Ltd accepts full responsibility for the accuracy of the information contained in these abridged audited consolidated financial statements.