

LUX ISLAND RESORTS LTD AND IT'S SUBSIDIARIES

2026 INTEGRATED ANNUAL REPORT



Dear Stakeholder,

Your Board of Directors is pleased to present the Integrated Annual Report of Lux Island Resorts Ltd for the year ended 30 June 2026. This report was approved by the Board of Directors on 23 September 2026.

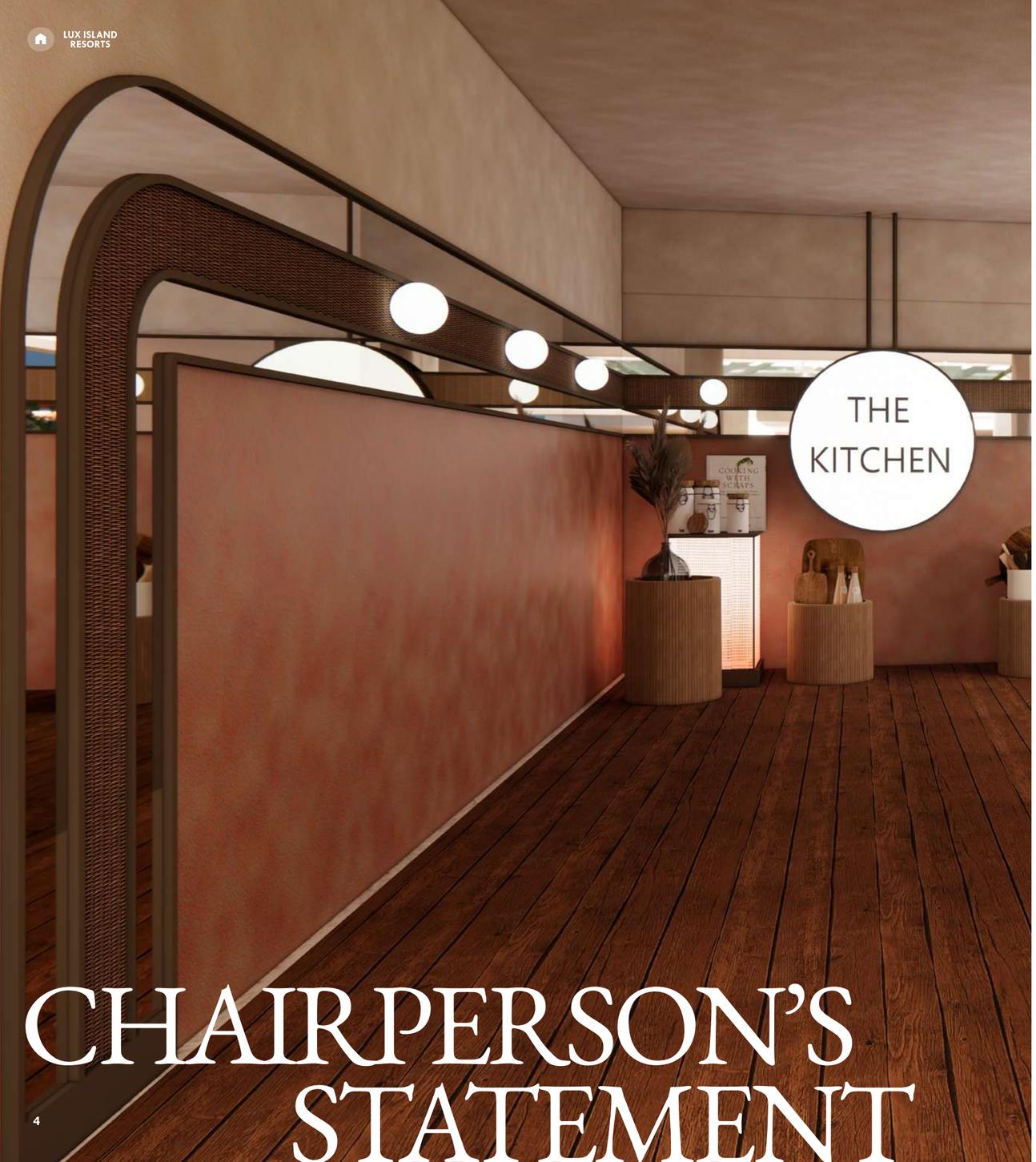
Pascale Lagesse
Chairperson

23 September 2026

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CHAIRPERSON'S STATEMENT



Dear Shareholders,

As the new Chairperson of Lux Island Resorts, it gives me great pleasure to present, for the very first time, the company's Integrated Annual Report for the financial year ended 30 June 2026.

Lux Island Resorts is financially solid and I am looking forward to furthering its success by carrying out the strategy established by the Board, which involves looking for new and interesting acquisition opportunities in Mauritius and abroad, while maintaining the financial discipline.

BUSINESS PERFORMANCES

Despite persistent geopolitical instability and the ongoing war in the Middle East, the Group has delivered an improved performance over the prior year. Across the three destinations in which we operate, Mauritius stood out, achieving an occupancy rate of 87% for the year against 85% a year earlier, together with a 10.2% increase in total income. Our hotel in Reunion Island performed fairly well, with occupancy of 78% and total income growth of 1.6%. The Maldives was the destination most affected by the conflict, given that Middle Eastern carriers transport approximately 70% of the island's visitors in a normal year; against this backdrop, LUX* South Ari Atoll recorded an occupancy rate of 67% and a 1.6% decrease in total income. On a consolidated basis, the Group grew its total income by 6.9% and the profit attributable to shareholders by 28.4%, from Rs 1.21bn to Rs 1.55bn. Consequently, Group basic earnings per share advanced from Rs 8.81 to Rs 11.32.

Reflecting this improved performance, the Company declared a dividend of Rs 3.00 per share for the year ended 30 June 2026, up 20% on the Rs 2.50 paid in respect of the previous financial year. The Board gave eligible shareholders the choice of receiving their final dividend in Euro. The response was most encouraging: shareholders holding 77% of the Company's share capital took up the option.

CAPITAL PROJECTS

We will continue to maintain our existing hotels while pursuing opportunities for expansion. In that vein, we have acquired the land on which our Reunion Island hotel, LUX* Saint Gilles, stands. With the land now secured, Management is working on a renovation plan for the property. Works will commence in March 2027 with the rooms, renovated block by block so that the hotel continues to operate throughout. The hotel will then close for a period of six months in 2028 to allow for the renovation of the public areas, the restaurants and the remaining rooms, with the objective of having the entire hotel renovated by October 2028.

In Mauritius, we will renovate the public areas and restaurants of LUX* Le Morne, whose rooms were last renovated in 2021, and construct seven villas. The construction period will span six months, from May 2027 to October 2027.

In the Maldives, with the increase in room supply driving greater competition, we have also planned a refurbishment of LUX* South Ari Atoll in order to protect our market share and improve our rates. The works will start on or around June 2027 and will span three years. Given the size of the island, the hotel will remain in operation throughout, without disturbance to our guests.

The Group continues to look for opportunities to grow the business, and I would like to stress that these developments are possible on the back of our strong balance sheet.

"I would like to express my gratitude to each and every Lux Island Resorts employee for their valuable commitment; their hard work and dedication have been key in ensuring the success of the Group in 2025-2026."

BOARD AND GOVERNANCE

On 30 June 2026, Jean-Claude Béga resigned from the Board, both as Director and Chairperson of the Company. I would like to take this opportunity to thank him for his 23 years of wise counsel and support. I succeeded Jean-Claude Béga as Chairperson on 01 July 2026 and John Brennan took over the Chairmanship of the Corporate Governance Committee.

We are pleased to welcome Cédrik Le Juge de Segrais as Non-Executive Director of the company as from 01 July 2026.

The Board remains committed to further strengthening its composition by bringing on board additional expertise and more diverse perspectives, which will enhance its effectiveness and support the creation of long-term strategic value. We are engaged in identifying and appointing an Independent Director whose skills, experience and expertise will complement the existing Board structure and assist the Company in achieving its long-term objectives. This appointment should also enable Lux Island Resorts to align the composition of its Board and Board Committees with all applicable legal and regulatory requirements.





ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG)

The Board remains firmly of the view that the long-term success of the Group is inseparable from the resilience of the environments and communities in which we operate. As custodians of properties situated in some of the most environmentally sensitive coastal destinations of the Indian Ocean, we consider it both a responsibility and a strategic imperative to ensure that sustainability is embedded at the heart of our governance and decision-making.

This year, the Board dedicated increased time and attention to sustainability matters, and has in that context, appointed PwC to help defining its sustainability journey, satisfying itself that the necessary foundations are being put in place across the Group to strengthen oversight and sharpen our priorities.

Climate and nature-related risks are of particular relevance to our sector, and the Board will continue to pay close attention to how these risks are identified, anticipated and managed across our operations.

While our sustainability journey is still at an early stage, I am encouraged by the direction taken this year. On behalf of the Board, I want to acknowledge the commitment shown by management and teams across the Group, and to reaffirm our determination to continue strengthening transparency, accountability and long-term value creation in this area.

ACKNOWLEDGEMENT

I would like to express my gratitude to each and every Lux Island Resorts employee for their valuable commitment; their hard work and dedication have been key in ensuring the success of the Group in 2025-2026.

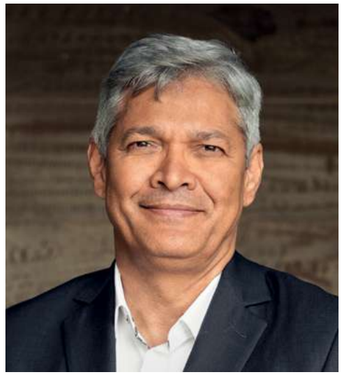
My thanks also go to Lux Island Resorts' CEO, Désiré Elliah, as well as my fellow Directors on the Board, for their warm welcome and their help and guidance throughout the transition.

Finally, our shareholders, for their renewed loyalty and support.

Pascale Lagesse
Chairperson

23 September 2026

CHIEF EXECUTIVE OFFICER'S INTERVIEW



"I am very grateful to all our team members across our three destinations, for yet another year of hard work and dedication in overcoming challenges and keeping up with the Lux Island Resorts standards."

HOW WOULD YOU RATE LUX ISLAND RESORTS' PERFORMANCE IN 2025-2026?

Lux Island Resorts' performance in 2025-2026 has been solid as in previous financial years. Our balance sheet is healthy and the key metrics are strong across the board.

- Group total income rose from Rs 10.66bn in 2024-2025 to Rs 11.40bn this year, reflecting growth of 6.9%.
- EBITDA was Rs 3.16bn, compared with Rs 2.74bn in 2024-2025, representing an increase of 15.3%.
- Operating profit for the year 2025-2026 was Rs 2.31bn, compared with Rs 1.93bn in 2024-2025, an increase of 19.7%.
- Net finance costs were Rs 429.63m, compared with Rs 474.67m in 2024-2025, thanks to the cash generated from operations and a total loan repayment of Rs 674.57m during the year.
- Profit before tax was Rs 1.88bn, up 29.0% on last year, and profit attributable to owners was Rs 1.55bn, a growth of 28.4% year on year.
- Basic earnings per share increased by 28.5% from Rs 8.81 to Rs 11.32.
- Total borrowings as at 30 June 2026 stood at Rs 3.45bn, compared with Rs 3.24bn a year earlier. The bank balance at year-end was Rs 0.91bn, against Rs 1.51bn as at 30 June 2025.
- The gearing of the Group, despite increasing by 4% to 19% as at 30 June 2026, is healthy.

Total borrowings edged up over the year as we drew on bank facilities to partly finance the acquisition of the land of the LUX* Saint Gilles hotel in Reunion Island. Our balance sheet has more headroom today than it has had at any point since the pandemic.

A milestone in that regard was the prepayment, during the year, of the Rs 750m facility extended to the Group by the Mauritius Investment Corporation (MIC) since 2021, which helped carry us through the Covid-19 pandemic.

This year again, our three destinations fared very well, with Mauritius posting an EBITDA of Rs 2.38bn, representing 75.2% of the Group's overall performance, while Reunion and the Maldives registered an EBITDA of Rs 180.85m and Rs 605.21m, respectively.

We faced some challenges, of course, the main one being the recurring issue of labour shortages impacting the Mauritian hospitality industry since the Covid-19 pandemic. It has not been easy to attract local talent, and recruiting foreign manpower has proved equally challenging. Our focus thus remains on retaining employees by continuing the range of financial and non-financial incentives launched in recent years.

Coastal erosion also remains a concern. Our beaches are among our greatest assets, and more needs to be done to preserve them. Having contributed for several years to both the Environmental Protection Fund (EPF) and the Corporate Climate Responsibility Levy, we hope to see some positive changes in the years to come.

Another issue we face is the growing number of stray dogs roaming the beaches of our Mauritian hotels, threatening employees' and tourists' safety. Lux Island Resorts is working hard to reduce this risk, organising adoption days and sponsoring sterilisation drives in the regions where we operate. More information on this initiative is available in our sustainability report, on pages 80 to 105.

WHAT IS LUX ISLAND RESORTS' APPROACH TO RETAINING TALENT?

Learning and development remain central to our commitment to growing and empowering our people. In 2025–2026, we continued to invest in leadership, professional qualifications, well-being, financial literacy, generative AI and service excellence, with more than 1,100 team members participating in development and capability-building initiatives. This included 96 senior leaders strengthening their commercial and decision-making skills through an AI-powered business simulation, while more than 700 team members were trained on the industry leading Forbes Travel Guide standards.

Our commitment to excellence was recognised through strong results at The Lux Collective's inaugural Excellence Awards, where our properties secured all three Pinnacle Awards, alongside several category wins across brand reputation, guest experience, learning and culture. We also maintained our Great Place to Work® certification across our corporate office and all resorts in Mauritius and the Maldives, marking eight consecutive years of certification for our Mauritian hotels and four for LUX* South Ari Atoll.

These achievements reaffirm our belief that investing in our people strengthens our culture, elevates guest experiences and builds a more resilient and sustainable future for Lux Island Resorts.

TELL US MORE ABOUT SUSTAINABILITY AT LUX ISLAND RESORTS.

Sustainability has become increasingly important for our business, our stakeholders and the destinations within which we operate. As a hospitality group whose properties are closely connected to some of the most unique and environmentally sensitive coastal locations in the Indian Ocean, we recognise our responsibility and long-term interest in ensuring our business remains resilient, responsible and adaptable in the face of evolving environmental, social and economic challenges.

In 2025-2026, we embarked on a significant sustainability transformation initiative to strengthen the integration of sustainability considerations into our governance, strategy and decision-making processes, while ensuring our focus remains aligned with the issues that matter most to our stakeholders and our business's long-term success.

Important foundations have already been established and a comprehensive assessment of our current sustainability maturity has been completed, providing valuable insights into existing strengths, opportunities for enhancement and future priorities. The Board, leadership and management teams have also participated in dedicated capacity-building initiatives to further strengthen our collective understanding of sustainability-related responsibilities and emerging expectations. In parallel, stakeholder engagement activities have been undertaken across the Group's operations in Mauritius, Reunion and the Maldives, to help inform the development of a more focused and impactful sustainability agenda.

This work is particularly relevant given the increasing significance of climate and nature-related risks to our sector. Many of our assets are located in coastal environments exposed to the physical impacts of climate change and biodiversity pressures; understanding, anticipating and managing these risks will be essential to preserving the resilience of our operations, protecting the destinations upon which our business depends and creating sustainable value over the long term.

While our sustainability journey is still evolving, the progress achieved this financial year provides a strong platform for the future. The Board and I remain committed to embedding sustainability as a core element of our strategy, strengthening transparency and accountability and ensuring Lux Island Resorts is well positioned to respond to the opportunities and challenges of a rapidly changing environment.

WHAT ARE LUX ISLAND RESORTS' OBJECTIVES FOR THE FINANCIAL YEAR 2026-2027?

Going forward, we will continue advancing on our five-year Capital Expenditure plan, including:

- The construction of villas at LUX* Le Morne, as well as the renovation of the restaurant and public areas.
- The renovation of LUX* Saint Gilles, following the acquisition of the land during the 2025-2026 financial year.
- The renovation of LUX* South Ari Atoll.

We also remain on the lookout for new opportunities both locally and internationally, with a view to maintaining sustainable growth and increasing our dividend payout.

ACKNOWLEDGEMENTS

I am very grateful to all our team members across our three destinations, for yet another year of hard work and dedication in overcoming challenges and keeping up with the Lux Island Resorts standards.

My sincere thanks also go to Olivier Chavy, Chief Executive Officer of our management company, The Lux Collective Ltd, and to his teams, whose expertise and commitment have been instrumental in the performance Lux Island Resorts has delivered this year.

My warm thanks also go to my fellow Directors for their wise counsel, as well as our shareholders, financial partners and guests, for their renewed trust and loyalty in Lux Island Resorts.

I would like to take this opportunity to express my deepest gratitude to Jean-Claude Béga, our former Chairperson, for the many years we have worked side by side. Throughout this long journey, he has been a constant source of guidance, encouragement and genuine dedication for the Group. On a personal note, I have greatly valued his trust and leadership.

Finally, my thanks go to our guests, who continue to choose our hotels, year after year.



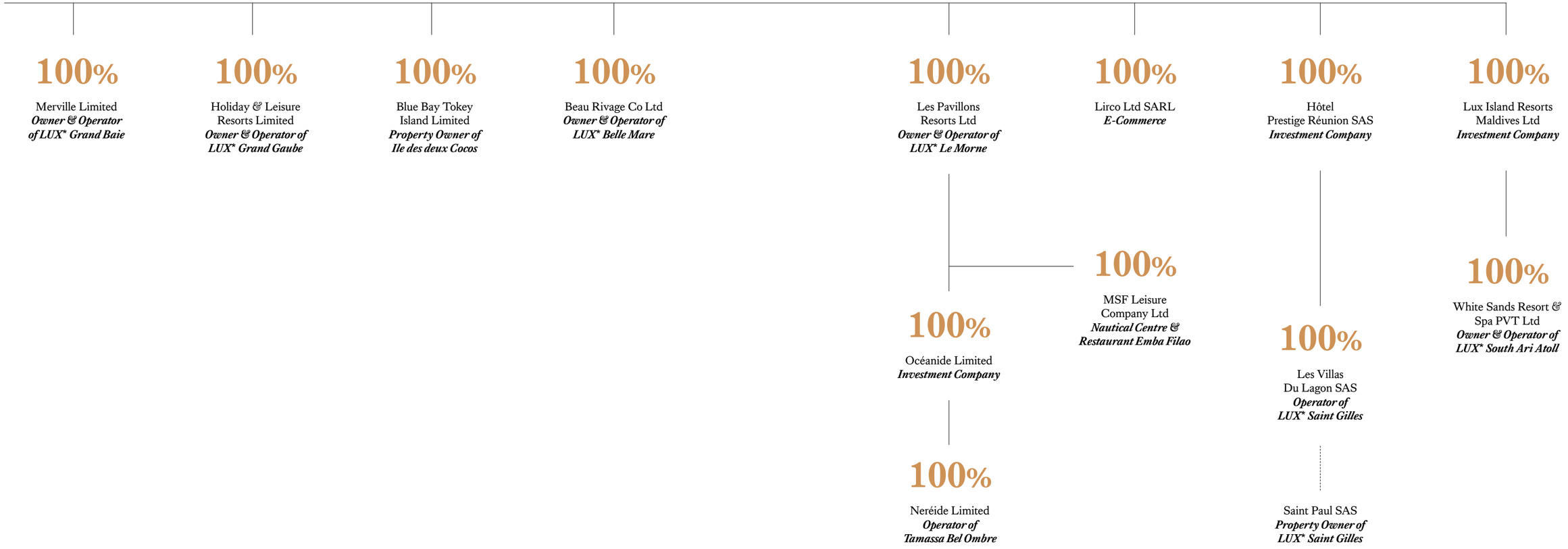
Désiré Elliah
Chief Executive Officer

23 September 2026

GROUP STRUCTURE

AS AT 30 JUNE 2026

LUX ISLAND RESORTS LTD (HOLDING)



Note: The group structure presented relates to the operating companies only.

BOARD & COMMITTEES

BOARD OF DIRECTORS

Directors

Pascale Lagesse *(appointed as Chairperson on 01.07.2026)*
Désiré Elliah *(Chief Executive Officer)*
Jan Boullé
John Brennan
Jenifer Chung Wong Tsang
Laurent de la Hogue
Thierry Lagesse
Cédrik Le Juge de Segrais *(appointed on 01.07.2026)*

Jean-Claude Béga (resigned as Director and Chairperson on 30.06.2026)

Audit and Risk Committee

Jenifer Chung Wong Tsang *(Chairperson)*
John Brennan
Laurent de la Hogue

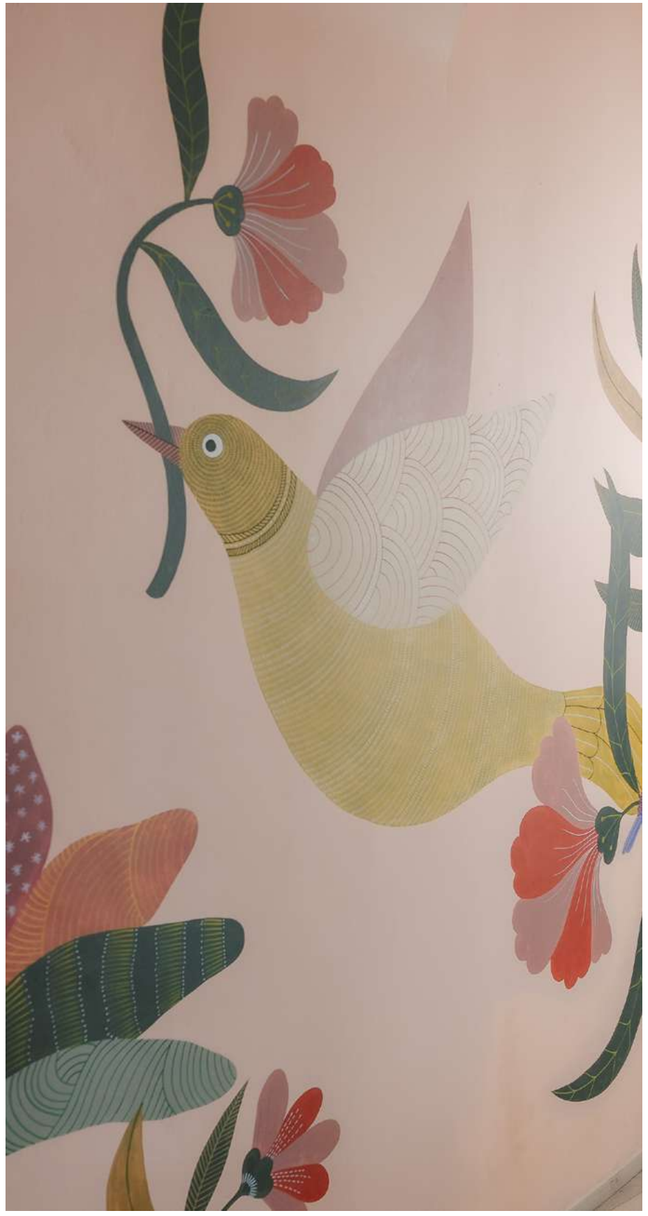
Corporate Governance Committee

John Brennan *(appointed as Chairperson on 01.07.2026)*
Pascale Lagesse *(resigned as Chairperson on 01.07.2026)*
Jan Boullé

Jean-Claude Béga (resigned on 30.06.2026)

Company Secretary

IBL Management Ltd



MANAGEMENT & ADMINISTRATION

HEAD OFFICE

Désiré Elliah – Chief Executive Officer
Hurrydeo Ramlagun – Chief Financial Officer
Riad Chonee – Chief Asset Management Officer

HOTELS

Stephan Anseline – General Manager – LUX* Grand Baie
Ashok Bhugoo – General Manager – LUX* Le Morne
Nitish Dhuromsingh - General Manager - LUX* Grand Gaube
Priscilla Maba – Directrice d'Exploitation et Financière – LUX* Saint Gilles
Sheila Malloo – General Manager – LUX* Belle Mare
John Rogers – General Manager – LUX* South Ari Atoll
Krishen Virasami – Resort Manager – Tamassa Bel Ombre & Ile Des Deux Cocos

CHIEF INTERNAL AUDITOR

Pritila Joynathsing-Gayan

LEGAL ADVISORS

Clarel Benoit
André Robert
Hervé Duval
Didier Dodin
ENSafrica (Mauritius)

COMMUNICATION ADVISOR

Blast Communications Ltd

AUDITORS

PricewaterhouseCoopers
Mauritius

REGISTERED OFFICE

58 Pierre Simonet Street
Floréal
Mauritius

NOTARY

Jean-Pierre Montocchio

REGISTRY AND TRANSFER OFFICE

58 Pierre Simonet Street
Floréal
Mauritius

BANKERS

ABC Banking Ltd
AfrAsia Bank Ltd
Absa Bank (Mauritius) Ltd
Bank One Limited
Bank of Ceylon
Banque Française Commerciale Océan Indien
Caisse d'Epargne-Provence-Alpes-Corse
HSBC Limited
Maubank Ltd
SBM Bank (Mauritius) Ltd
Standard Bank (Mauritius) Limited
State Bank of India (Mauritius) Ltd
The Mauritius Commercial Bank Ltd

DIRECTORSHIP

FOR THE YEAR ENDED 30 JUNE 2026



Note : LIR Properties Ltd and Lux Island Resorts Foundation have been wound up on 11 June 2026

DIRECTORS' PROFILES

PASCALE LAGESSE
Non-Executive Chairperson of the Company



Member of the Corporate Governance Committee
Tenure on the Board: 9 years
Core competencies: Legal Professional, Labor and Employment Law

Pascale Lagesse is a lawyer with over 30 years of experience handling domestic and international matters for large corporations.

She advises international corporate clients on a wide range of legal issues, with a particular focus on the employment aspects of mergers and acquisitions and corporate restructurings.

A frequent speaker and author of legal publications, she is recognised as one of the leading labor and employment lawyers on the French market.
Pascale is presently the Vice Chair of the LPD Division of the International Bar Association (IBA).

She is also the "Responsable Pédagogique du Parcours de Droit Social" at the Paris Bar School and a Member of the "Conseil Académique et Commission de la Recherche du Conseil Académique" of the University of Paris II Panthéon Assas. She was elected to the National Bar Council of France in 2005.

Pascale was appointed as Director of the Company in April 2017 and was the Chairperson of the Corporate Governance Committee since January 2019. On 01 July 2026, Pascale was appointed as Non-Executive Chairperson of the Company and is also a member of its Corporate Governance Committee.

Directorships in other listed companies: None.

DÉSIRÉ ELLIAH
Chief Executive Officer & Executive Director



Tenure on the Board: 22 years
Core competencies: Finance, Audit, Mergers and Acquisitions, Strategic Development

Désiré Elliah is the Chief Executive Officer of Lux Island Resorts Ltd (LIR) since 01 January 2019. He joined the Company in 2003 as Chief Financial Officer and has been a Director on the Board since October 2004. During his career with LIR, Désiré has gain significant executive experience in numerous aspects of the tourism industry. Prior to joining the Group, he worked at De Chazal Du Mée from 1984 to 2002, where he became a partner in the Audit and Business Advisory Department, in charge of a portfolio of prestigious clients operating in the main sectors of the Mauritius economy. He also acted as financial adviser on a number of World Bank funded projects in mainland Africa.

He was the Chairman of the Association des Hôteliers et Restaurateurs de l'île Maurice in 2021 and 2022. He is a member of its Finance Commission.

Désiré Elliah is a Fellow of the Association of Chartered Certified Accountants.

Directorship in other listed companies: None.

JAN BOULLÉ
Non-Executive Director



Member of the Corporate Governance Committee
Tenure on the Board: 8 years
Core competencies: Strategic Development, Hospitality and Real Estate Development

Jan Boullé is an 'Ingénieur Statisticien Economiste', France and pursued post graduate studies in Economics at Université Laval, Canada. He worked for the Constance Group from 1984 to 2016 and occupied various executive positions and directorships, his latest position being the Group Head of Projects and Development.

He was appointed Non-Executive Chairman of IBL Ltd on 01 July 2016 and is also a member of the Board of Directors of several major companies within the IBL Group.

He was appointed Director of the Company and as member of the Audit and Risk Committee in April 2018. He then resigned as member of the Audit and Risk Committee in January 2019. He is a member of the Corporate Governance Committee since January 2019.

Directorships in other listed companies :
Bluelife Limited, IBL Ltd, Phoenix Beverages Limited, Phoenix Investment Company Limited and The United Basalt Products Ltd.

JOHN BRENNAN
Independent Director



Member of the Audit & Risk Committee and Chairperson of the Corporate Governance Committee
Tenure on the Board: 3 years
Core competencies: Management, Hospitality, Strategic Development

John Brennan is non-Executive Chairman of a leading hotel investment and management group, Klarent Hospitality, owned by Henderson Park. He is also the Founder and Managing Director of Cloudbrook Partners, a boutique investment and advisory firm that provides advice to investors in the hospitality sector.

Between 2015 and 2018, John was the Chief Executive Officer of Amaris Hospitality which grew to comprise 89 hotels, operating over 14,000 rooms and employing 8,000 employees. Established by Lone Star, the business was subsequently sold to a range of international investors realising over €1.7 billion for its owners.

Previously, John was Chief Executive Officer of Jurys Inn Group where, from 2009, he repositioned the brand, added 30 percent more rooms, right-sized the cost base and created a market-leading hotel management platform, before leading its successful sale in 2015. During this period, the business achieved a 10 percent EBITDA CAGR.

Prior to working in the Jurys Inn Group, John was the Head of Hospitality at Dublin based Avestus Capital Partners. In this role, John oversaw acquisitions, disposals, asset management and investor reporting on Avestus hotel investments across Europe.

John started his career with Four Seasons Hotels and Resorts in 1984. John worked for Four Seasons for 23 years and during this period he worked in 12 different hotels in 7 countries. John's last position with Four Seasons was as Regional Vice-President with responsibility for hotels in Dublin, Budapest and Prague.

John has an MA and BSc (Management) from Trinity College Dublin.

He was appointed as Director of the Company in January 2023 and as member of the Audit & Risk Committee and of the Corporate Governance Committee of the Company. Since 01 July 2026, John is the Chairperson of the Corporate Governance Committee.

Directorship in other listed companies:
Scandic Hotels Group AB.

JENIFER CHUNG WONG TSANG

Independent Director



Chairperson of the Audit & Risk Committee
Tenure on the Board: 5 years
Core competencies : Finance, Accounting, Audit, Tax and related services, Corporate Governance

Jenifer Chung Wong Tsang is a Fellow member and a Business & Finance Professional (BFP) of the Institute of Chartered Accountants in England & Wales (ICAEW).

Jenifer has over 20 years of experience in audit and tax spanning over numerous sectors including hospitality, financial services, oil & gas, telecommunications, mining, real estate and manufacturing. She started her career in the UK, having worked predominantly for PwC LLP, before returning to Mauritius in 2013 where she worked for PwC Mauritius for a few years.

Jenifer is an independent business and tax adviser, and the founding director of a boutique corporate service provider of secretarial services to domestic companies; including corporate governance accompaniment. She is also an independent non-executive director of a leading local offshore management company and of a public company, MCB Factors Ltd.

She was appointed as Director of the Company and as Chairperson of the Audit and Risk Committee in November 2021.

Directorship in other listed companies: None.

LAURENT DE LA HOGUE

Non-Executive Director



Member of the Audit & Risk Committee
Tenure on the Board: 15 years
Core competencies: Management, Finance, Treasury, Merger & Acquisitions

Laurent de la Hogue holds a Master's degree in Management and Finance from the 'Ecole Supérieure de Gestion et Finance' of Paris, France. He also completed a Risk Management Programme from INSEAD, Singapore and a General Management Programme from ESSEC Business School.

Laurent is the Group CEO of DTOS since 01 July 2026. He started his career with an international bank before joining GML Group in 2001 as Treasurer, where he was involved in setting up of the group's central treasury management unit. In his last position, he was Head of Financial Services at IBL from July 2016 to June 2026, where he played a central role in shaping IBL's financial services portfolio. Over the years, he occupied various executive-level positions and was involved in the development of projects including capital raising, mergers and acquisitions, and company restructuring.

He has served as Director on a number of organisations operating in the industrial, commercial, financial (regulated entities) and investment sectors. He is currently the Non-Executive Chairman of Eagle Insurance Limited, and also a Board member of other entities related to the IBL Group.

He was appointed as Director of the Company in February 2011 and as member of the Audit and Risk Committee in January 2019.

Directorship in other listed companies: None.

THIERRY LAGESSE

Non-Executive Director



Tenure on the Board: 10 years
Core competencies: Entrepreneurship, Business Development and Finance, Strategic Development, Hospitality, Manufacturing, Textile, Media

Thierry Lagesse holds a 'Maîtrise des Sciences de Gestion' from the University of Paris Dauphine. He was the non-executive Chairman of IBL Ltd, Alteo Limited, Phoenix Beverages Limited and The United Basalt Products Ltd. Thierry Lagesse is presently a director of several well-known companies listed on the Stock Exchange of Mauritius namely: Alteo Limited, IBL Ltd, Lux Island Resorts Ltd, Phoenix Beverages Limited, The United Basalt Products Ltd and Phoenix Investment Company Limited.

He was appointed as Director of the Company in July 2016.

Directorship in other listed companies :

Alteo Limited, IBL Ltd, Phoenix Beverages Limited, Phoenix Investment Company Limited, The United Basalt Products Ltd.

CÉDRIK LE JUGE DE SEGRAIS

Non-Executive Director
(appointed on 01 July 2026)



Core competencies: Business Finance, M&A, restructuring and capital advisory

Cédrik Le Juge de Segrais holds a Master's degree from Essec Business School (Grande École program), France. He currently serves as Group CFO for IBL Ltd.

Cédrik previously served as Principal at Greenhill & Co. in Singapore, an international independent investment bank with a focus on M&A, restructuring, financing and capital advisory. Prior to this, Cédrik spent over a decade with Barclays' investment banking division in Hong Kong, Singapore and London, and also worked for ABN Amro and Danone in Hong Kong, Singapore and Shanghai.

He was appointed IBL's Group CFO in August 2024. Among others, he is a member of the Board of Directors of Alteo Limited, Bloomage Ltd, Seafood Hub Limited, Winhold Limited, IBL East Africa Holding Co Ltd, IBL East Africa SEZ Ltd, IBL Treasury Ltd, and Nouvelle Clinique Du Bon Pasteur Ltée.

He was appointed as Non-executive Director of the Company on 01 July 2026.

Directorship in other listed companies:
Alteo Limited.

JEAN-CLAUDE BÉGA

Resigned as Non-Executive Chairperson and Director on 30 June 2026



Tenure on the Board: 22 years
Core competencies: Finances, Leadership, Entrepreneurship, Strategic Thinking

Born in 1963, Jean-Claude Béga is a Chartered Certified Accountant and has retired from IBL Ltd on 30 June 2023 after 26 years of service.

He was appointed as Director of Lux Island Resorts Ltd in June 2004 and as Non-Executive Chairperson on 01 January 2019. He was also a member of the Corporate Governance Committee of the Company.

He resigned as Non-Executive Chairperson and Director of the Company on 30 June 2026.

Directorship in other listed companies up to 30 June 2026: Bluelife Limited and The United Basalt Products Ltd.

BUSINESS MODEL

CAPITAL	INPUTS/ACTIONS/ACTIVITIES	KEY BUSINESS PROCESSES	RESULTS/OUTCOMES
FINANCIAL	Manage cashflow and treasury operations. Minimise foreign currency exposure impact. Improve operational efficiency. Ensure operational effciency and compliance using internal control systems. Identify and mitigate risks, control solutions. Develop a solid investment relations plan.	Financial Management. Asset Management. Compliance. Risk Management.	Growth in Equity Value. Increased revenue and profitability. Safeguard the assets of the group. Growth in Earnings per Share. Ensure adequate liquidity to meet financial commitments. Stabilise the group's business.
HUMAN	Equip employees with adequate skills to carry out operations. Foster an ethical environment. Establish a culturally diverse workforce. Establish a gender-balanced workforce. Acquire & retain skilled people. Initiate a rotation scheme with our global talent pool. Effectively manage employee performance. Protect human rights and dignity. Implement health and safety measures. Initiate ongoing training and development.	Hotel operations. Hotel management. Social relationship management. Risk Management. Capacity Building.	Engaged Team Members. High-quality service and enhanced guest satisfaction. Increased loyalty. Grooming of talented leaders. Increased productivity. Skilled workforce to maintain sustainable, profitable growth. Low turnover and optimised training costs.
NATURAL	Physical Location. Ensure energy efficiency. Reduce water use. Increase resource productivity. Lessen carbon footprint. Reduce and manage waste.	Sustainability SOPs & Procedures. Project Management. Risk Management.	Efficient utilisation of resources. Optimised costs. Enhanced corporate reputation as Responsible Business. Maximised positive impact. Sustainable growth. Light footprint.
PRODUCTS & SERVICES	Carefully select destinations. Curate innovative design and architecture. Train and empower dedicated teams to provide services. Establish efficient, streamlined operations & processes. Maintain assets efficiently. Conceive inventive packages. Adopt modern Information Technology. Create innovative and differentiated experiences.	Compliance. Customer Satisfaction Surveys. Feedback Mechanism. Communication channels.	High quality locations. World-class resorts. Outstanding products and services. Improved Guest Satisfaction. Boost in revenue. Enhanced guest experience with technology and comfort. Increased local and international guest loyalty.
INTELLECTUAL	Propriety knowledge. Systems and Operations. Leadership expertise.	Finance. Maintainance & Engineering. Human Resources. Information Technology. Legal and secretarial. Sales and marketing/Revenue management. Property development. Sustainability & CSR. Operations.	Innovation-driven culture. Efficient operations with relevant policies and procedures. Development of a culture founded on trust and respect.
SOCIAL	Build and nurture trust within various teams. Deliver exceptional design and architecture experience to guests. Develop strong relationships with suppliers. Create lasting relationships with business partners. Consistently create value for investors and shareholders. Purposeful interactions with the community.	Social Relationship Management. Stakeholder Inclusion & Engagement.	Top-rated guest satisfaction. Loyal supplier base. Empowered community. Increased industry participation and engagement. Positive corporate reputation. Inclusive business.
DIGITAL	Data automation for KPIs monitoring and reporting. Implementing best technology for resources optimisation. Building Management System. Tools for Sustainable Asset Management. Low-cost Devices.	Operations. Engineering Team. Design Team for upcoming projects. Asset Manager. Sustainability Team. IT Team. Sales & Marketing Team.	Asset Management. Smart Building/Resorts/Properties. Energy Efficiency. Reduce costs. Increase revenue. Decarbonisation. Resources optimiation. Purpose-driven.

FINANCIAL HIGHLIGHTS & RATIOS

	YEAR ENDED 30 JUNE				
	2026	2025	2024	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
STATEMENT OF PROFIT OR LOSS					
Total income	**11,402,305**	10,661,854	9,762,976	8,265,011	6,810,220
EBITDA before impairment and other gains and losses	**3,124,651**	2,777,158	2,666,344	2,338,481	1,987,502
Other gains/(losses)	**38,852**	(35,369)	18,422	559,669	(160,115)
EBITDA	**3,163,503**	2,741,789	2,684,766	2,898,150	1,827,387
Depreciation and amortisation	**(856,499)**	(812,155)	(743,405)	(625,791)	(657,478)
Operating profit	**2,307,004**	1,929,634	1,941,361	2,272,359	1,169,909
Net finance charges	**(429,634)**	(474,668)	(568,720)	(538,968)	(454,412)
Profit before tax	**1,877,370**	1,454,966	1,372,641	1,733,391	715,497
Income tax expense	**(325,736)**	(246,682)	(238,079)	(275,608)	(236,821)
Profit attributable to the group	**1,551,634**	1,208,284	1,134,562	1,457,783	478,676
DIVIDEND DECLARED	**411,348**	342,790	342,790	274,232	-
STATEMENT OF FINANCIAL POSITION					
Total assets	**20,472,286**	19,290,800	18,964,730	19,230,108	17,174,737
Equity	**10,581,542**	9,840,544	8,768,798	8,063,486	6,621,971
Total liabilities	**9,890,744**	9,450,256	10,195,932	11,166,622	10,552,766
Interest bearing loans net of cash balance	**2,541,998**	1,738,927	3,118,242	3,774,993	3,993,854
FINANCIAL RATIOS					
Earnings per share	**11.32**	8.81	8.27	10.63	3.49
Dividend per share	**3.00**	2.50	2.50	2.00	-
Net assets per share	**77.17**	71.77	63.95	58.81	48.29
EBITDA margin (Note a)	**27%**	26%	27%	28%	29%
Interest cover (Note a)	**7.27**	5.85	4.69	4.34	4.37
Dividend cover	**3.77**	3.52	3.31	5.32	NA
Return on equity	**15%**	12%	13%	18%	7%
Debt to equity (Note b)	**0.24**	0.18	0.36	0.47	0.60

Note a EBITDA margin and Interest Cover have been calculated using EBITDA before impairment and other gains and losses. Finance charge includes interest on lease liabilities arising upon adoption of IFRS 16.

Note b. Debt used to calculate the ratio excludes lease liabilities arising upon adoption of IFRS 16.

BALANCE SHEET STATUS AT A GLANCE

AS AT 30 JUNE 2026

CONSOLIDATED STATEMENT OF CASH FLOW

YEAR ENDED 30 JUNE 2026

	Rs'000
Net cash flows from operating activities	**2,463,504**
Net cash flows used in investing activities	**(1,831,953)**
Net cash flows used in financing activities	**(1,235,751)**
Net decrease in cash & cash equivalents	**(604,200)**
Exchange difference	**4,709**
Cash and Cash equivalents on 30th June 2025	**1,504,815**
Cash and Cash equivalents on 30th June 2026	**905,324**

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

	Rs'000
ASSETS	
Cash and Cash Equivalents net of bank overdraft	1,504,815
Current Assets	899,421
Investment & Other	4,052,672
Property Plant and Equipment	12,833,367
Total Assets	19,290,275
LIABILITIES & EQUITIES	
Current liabilities excluding bank overdraft	3,090,175
Non Current liabilities	6,359,556
Share Capital, Premium & Reserves	5,253,780
Retained Earnings	3,126,481
Convertible bonds	1,460,283
	19,290,275

CONSOLIDATED STATEMENT OF INCOME

YEAR ENDED 30 JUNE 2026

	Rs'000
Total Income	**11,402,305**
Profit for the year	**1,551,634**

SHARE CAPITAL & RESERVES

AS AT 30 JUNE 2026

	Rs'000
Balance at 30th June 2025	**5,253,780**
Foreign exchange and other reserve	**333,080**
Balance at 30th June 2026	**5,586,860**

RETAINED EARNINGS

AS AT 30 JUNE 2026

	Rs'000
Balance at 30th June 2025	**3,126,481**
Profit for the year	**1,551,634**
Dividends	**(411,348)**
Interest on bonds and others	**13,832**
Balance at 30th June 2026	**4,280,599**

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

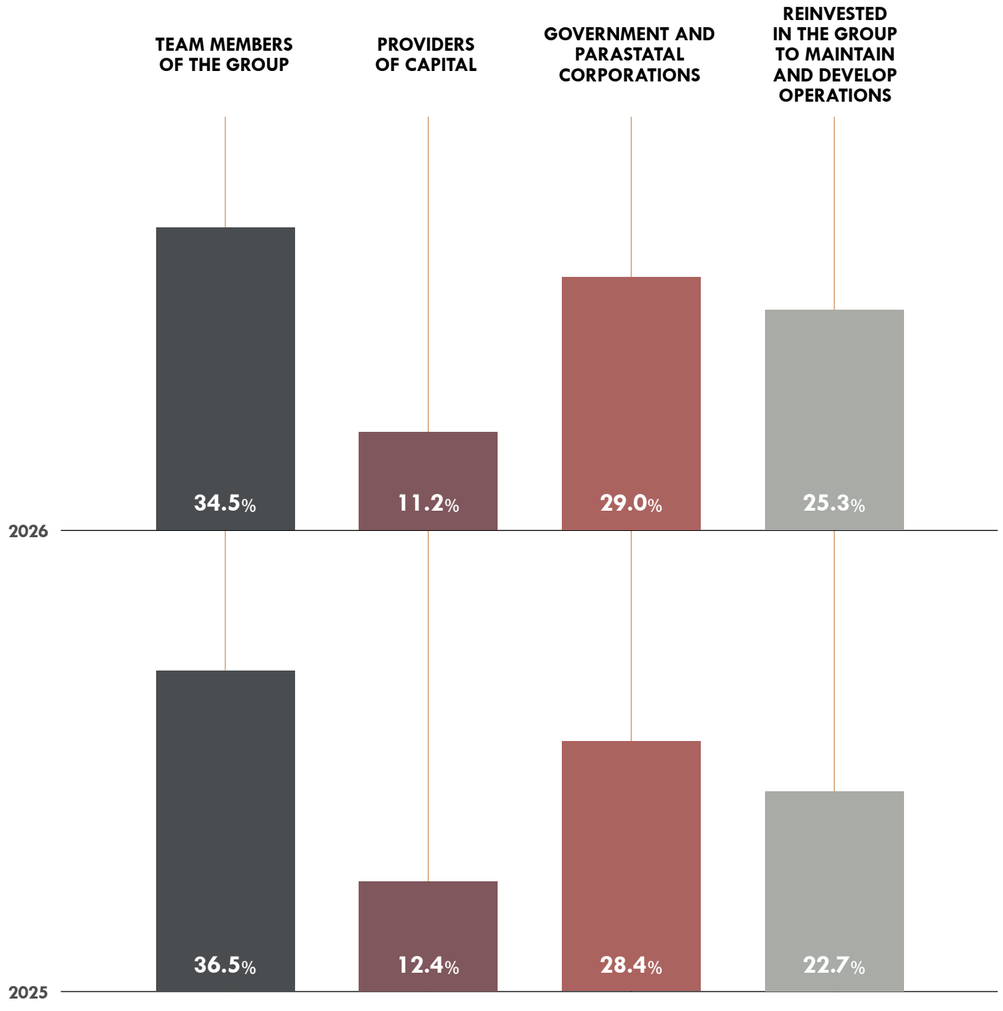
	Rs'000
ASSETS	
Cash and Cash Equivalents net of bank overdraft	**905,324**
Current Assets	**1,018,734**
Investment & Other	**4,159,757**
Property Plant and Equipment	**14,388,169**
Total Assets	**20,471,984**
LIABILITIES & EQUITIES	
Current liabilities excluding bank overdraft	**3,036,016**
Non Current liabilities	**6,854,426**
Share Capital, Premium & Reserves	**5,586,860**
Retained Earnings	**4,280,599**
Convertible bonds	**714,083**
	20,471,984

VALUE ADDED STATEMENT

AS AT 30 JUNE 2026

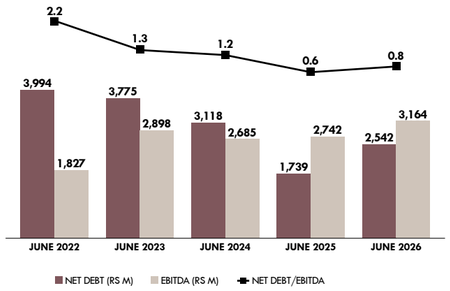
	YEAR ENDED 30 JUNE	
	2026	2025
	Rs'000	Rs'000
Total Income	**11,402,305**	10,661,854
Value Added Tax	**1,676,916**	1,530,177
Total Revenue	**13,079,221**	12,192,031
Paid to suppliers for materials and services	**5,335,184**	5,046,162
Value added	**7,744,037**	7,145,869
Other gains and losses	**38,852**	(35,369)
Total wealth created	**7,782,889**	7,110,500
Distributed as follows:		
TEAM MEMBERS OF THE GROUP		
Salaries and other benefits	**2,686,916**	2,593,140
PROVIDERS OF CAPITAL		
Dividend to ordinary shareholders	**411,348**	342,790
Interest paid on borrowings net of finance income	**429,634**	474,668
Interest to MIC	**26,690**	64,681
	867,672	882,139
GOVERNMENT AND PARASTATAL CORPORATIONS		
Value Added Tax	**1,676,916**	1,530,177
Income tax (Current and deferred)	**325,736**	246,682
Environment Protection Fee	**129,249**	108,986
Licences, permits and levies	**13,384**	15,724
Lease costs	**112,921**	120,684
	2,258,206	2,022,253
REINVESTED IN THE GROUP TO MAINTAIN AND DEVELOP OPERATIONS		
Depreciation and amortisation	**856,499**	812,155
Retained profit	**1,113,596**	800,813
	1,970,095	1,612,968
	7,782,889	7,110,500

SHARED VALUE CREATION

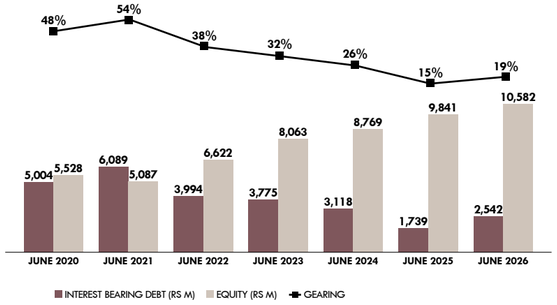


FINANCIAL HIGHLIGHTS

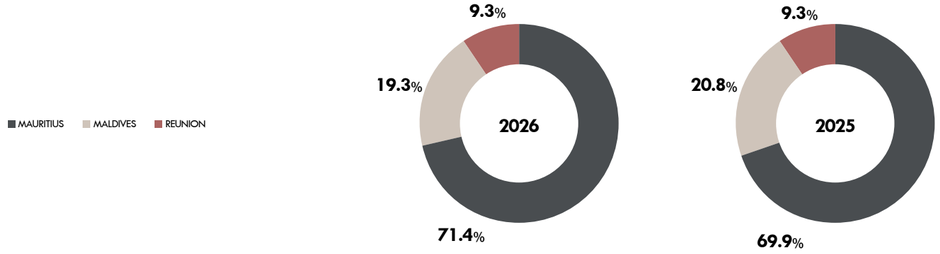
EVOLUTION OF DEBT, EBITDA & DEBT/EBITDA RATIO



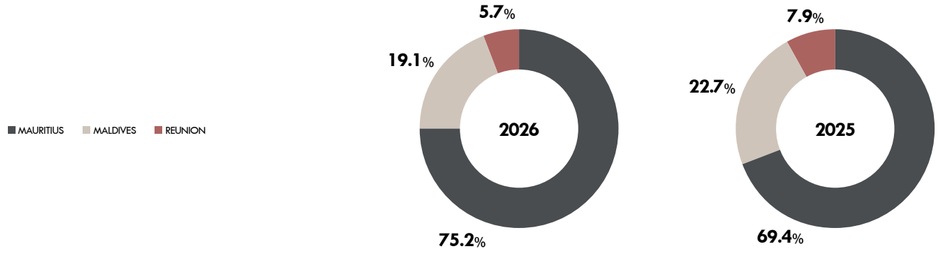
EVOLUTION OF DEBT, EQUITY & GEARING



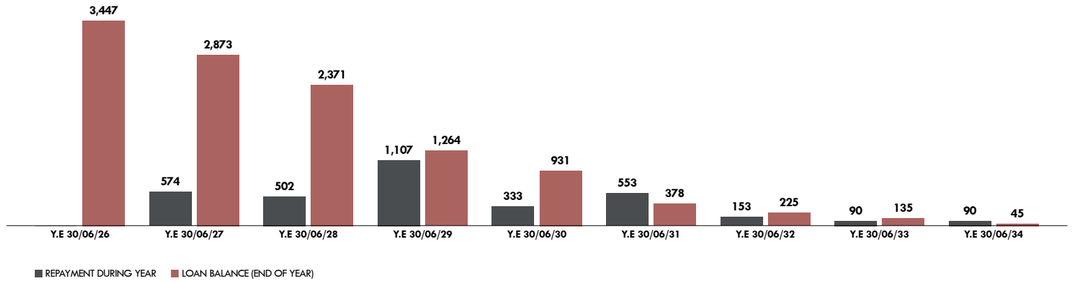
REVENUE BY DESTINATION



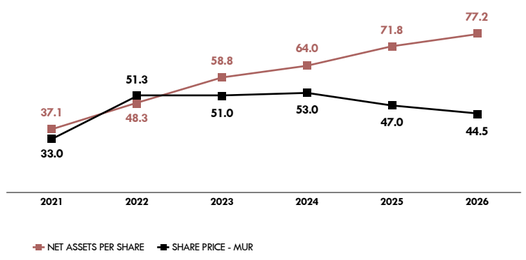
EBITDA BY DESTINATION



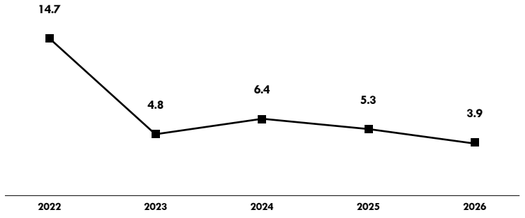
LOAN BALANCE AND REPAYMENT PLAN - EXISTING LOANS (RS M)



EVOLUTION OF SHARE PRICE (MUR) & NET ASSETS PER SHARE (MUR)



PRICE EARNING RATIO



OVERVIEW OF HOTEL PROPERTIES AND DATE OF LAST REFURBISHMENT

HOTEL	LOCATION	RATING	LEASE EXPIRY (YEAR)	NO. OF KEYS	LAST RENOVATION	YEARS FROM LAST RENOVATION
LUX* Belle Mare	Mauritius	5* Luxury	2069	186	Oct 23	2.5 years
LUX* Grand Baie	Mauritius	5* Luxury	2064	116	Dec 21	4.5 years
LUX* Le Morne	Mauritius	5*	2069	149	Nov 20	5.5 years
LUX* Grand Gaube	Mauritius	5*	2068	186	Dec 17	8.5 years
LUX* South Ari Atoll	Maldives	5*	2094	192	Sep 16	9.5 years
LUX* Saint Gilles	Reunion	5*	Freehold	174	Oct 08	18 years

NOTE FOR TAMASSA BEL OMBRE:
BUILDING OF TAMASSA IS LEASED. LEASE AGREEMENT BETWEEN LIR AND THE OWNER, MARA DELTA, EXPIRES IN YEAR 2027.

MATERIAL ELEMENTS & CONNECTIVITY TO ACHIEVE STRATEGIC PLANS & OBJECTIVES

VALUE DRIVERS

	FINANCIAL	HUMAN	PRODUCTS & SERVICES	NATURAL	DIGITAL	EXTERNAL LINKS
CAPITAL						
OBJECTIVES	Revenue Growth. Cost Optimisation. Project Development.	The Welfare of People.	Brand Strength and Optimal Distribution.	Environmental Sustainability.	Asset Management, Efficiency and Risk Management.	Elevate the Partnership Quality.
OUTCOMES	Profitable Growth (Earnings per Share). Capital and Cost Efficiency.	Human Resources and Training. Company Culture.	Best in class hotel operation. Sustain a well established brand name.	Energy & water. Waste, Elements & Biodiversity.	Automation of data.	Systems.

MATERIAL ISSUES

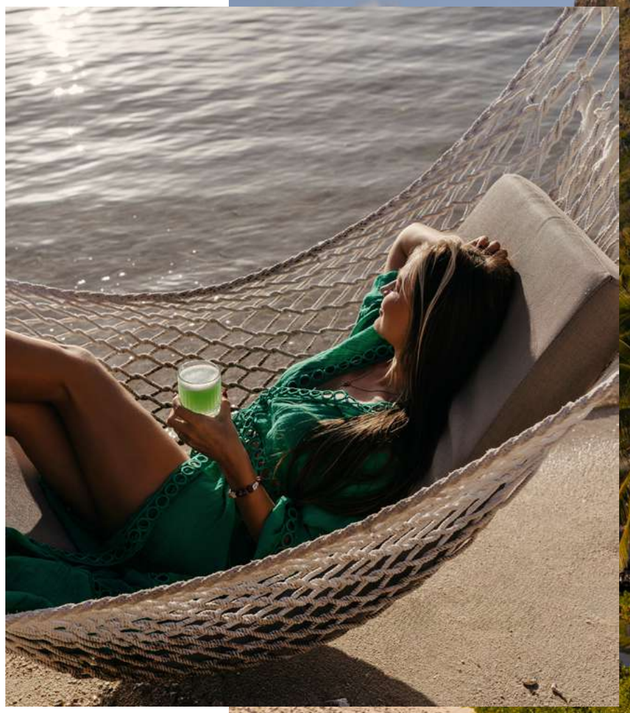
SHORT TERM	Managing exchange rate impact. Sustainaning optimal level of working capital.	Employ talented and fully engaged people. Investment to give the best trainings to Team Members.	Positive feedback, such as on online platforms like TripAdvisor (high guest satisfaction scores).	Deployment plan for full implementation of energy management system to reduce energy consumed by heating and air conditioning. Reduce solid waste through waste management system (measure, benchmark and reduce year on year).	Plan for digitalisation and data automation. Focus on Efficiency and Asset Management.	Work with experts in this area for low cost devices, tools, building management systems.
MEDIUM TERM	Grow into new markets. Efficient capital structure. Improve international competitiveness. Cost optimisation and cost-reduction programs.	Talent and skills management. Retention of talent through training initiatives and competitive remuneration package. Develop and adopt 'one company' culture.	Effective communication of values, mission and vision to Team Members and guests. Refreshed and reinvented properties, with enhanced amenities, plus a continuous focus on our hospitality standards for best guest experience and satisfaction. Enhance promotion and marketing investment. Win industry awards.	Invest in Renewable energy technologies aiming to reduce carbon footprint. Optimise use of fresh water and ensure efficient consumption. Continuous deployment of the "Tread Lightly" initiative to offset carbon and support biodiversity conservation projects (endemic fauna and flora).	Optimise use of Low-cost devices and automated data tools and enhance reporting. Invest in Systems and technologies which will reduce energy consumption, hence reduce carbon footprint.	Engage with suppliers, partners, and consultant for efficient properties. Maintenance facilities and tools. Reduce impact on the environment.
LONG TERM	Strategic acquisitions into new territories. Optimal funding sources.	Engage professional services of firms committed to creating value through leadership and talent.	Superb and unique experience to each and every guest.	Research, test and invest in technologies to reduce energy consumption. Ensure strict compliance with water protection legislations, against pollution, conduct regular water quality tests and control.	Invest in technologies to optimise on resources and manage risks. Low impact Technologies and properties.	Focus on sustainable properties and asset management.

STAKEHOLDER INCLUSIVENESS

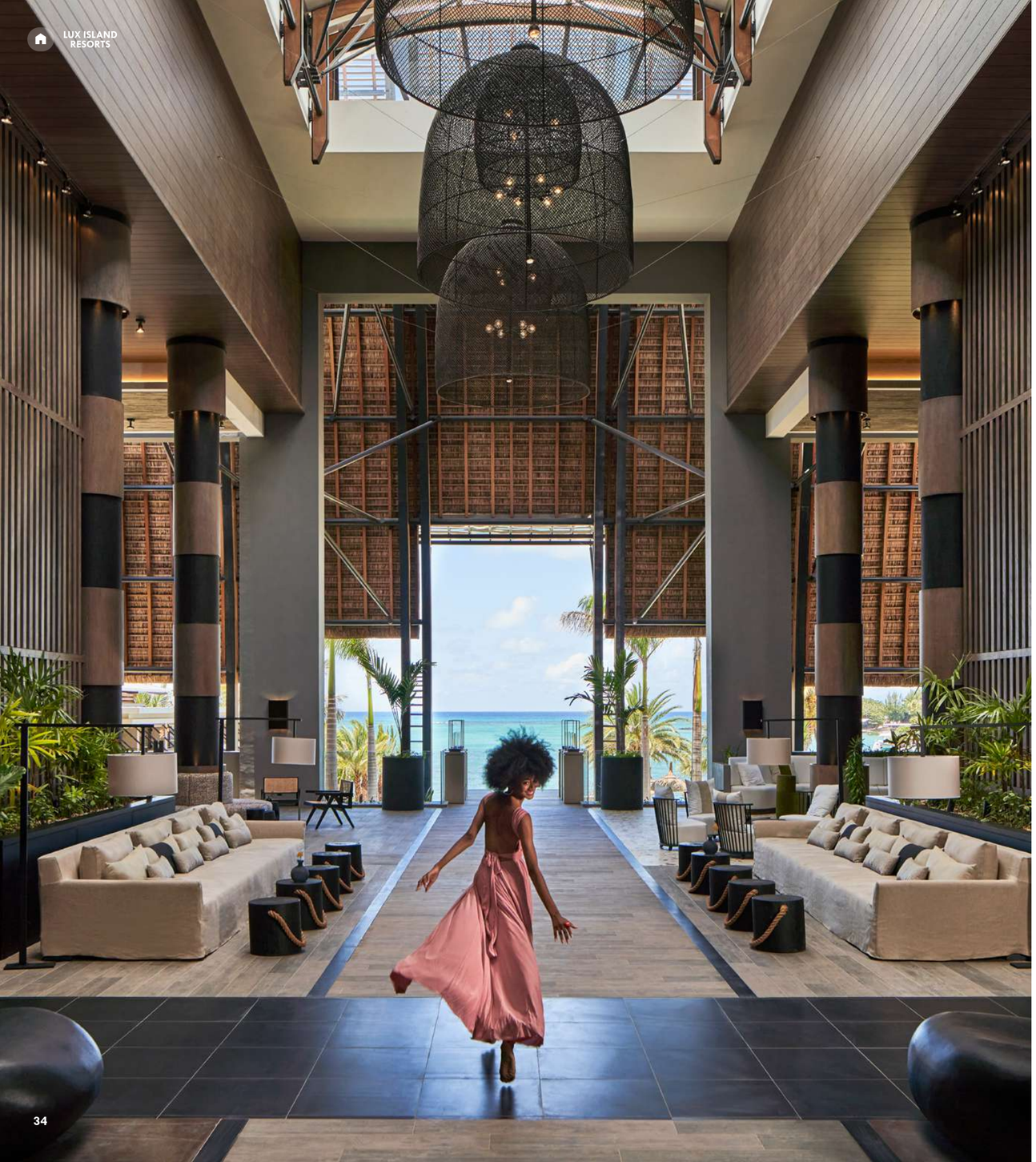
	OUR PEOPLE AND THE MANAGEMENT	SHAREHOLDERS AND INVESTORS	GUESTS	LOCAL COMMUNITY	ACCREDITED ORGANISATIONS, LEGISLATIONS, POLICIES AUTHORITIES & GOVERNMENT	SOCIAL
HOW WE ENGAGE WITH OUR STAKEHOLDERS	Internal newsletters. Intranet Platform. CEO roadshows. Executive committees. Regular updates via email/Memos. Employee surveys. Induction programs. On-going training and education. Performance management programs.	Regular presentations and roadshows. External newsletters. Integrated reports and financial statements. Media releases and published results. Annual General Meeting. Dedicated analyst and investor meetings. LUX Island Resorts website.	Online satisfaction surveys (e.g TripAdvisor). Dedicated customer relationship managers and call centres. Active website, X and Facebook engagement. Personal, one-to-one interactions. Live Chat.	Events and sponsorships. Corporate Social. Responsibility programmes. Donations. Media channels.	Establish and maintain constructive relationships. Comment on developments in legislation. Participate in forums. Regulatory surveillance, reporting and interaction. Membership of industry bodies (e.g MTPA).	One-to-one meetings. Tender and procurement processes. Supplier forums.
THEIR CONTRIBUTION TO VALUES CREATION	Team Members are our most important asset and are the foundation of our business by their being productive and elevating guest experiences to LUX* Shining level.	Investors provide the financial capital necessary to sustain growth, development and innovation.	Their perceptions and behaviours help us to understand their needs and deliver relevant experiences, leading to brand enhancement and increase in revenue.	The empowerment of local communities contributes to the long-term viability of our business.	Government and other regulatory bodies provide us with our licence to trade and the regulatory frameworks within which we operate.	Suppliers are vital to the success of our business by enabling us to deliver consistent guest experience.
WHAT OUR STAKEHOLDERS EXPECT FROM US AND THEIR CONCERNS	**EXPECTATION:** Provide a safe, stimulating and rewarding work environment that offers opportunities for personal and career development. **CONCERN:** Health and safety performance. Job security. Performance management. Decent Work & Labour Practices. Equal Opportunity. Gender Equality. Ongoing training programmes and education. Open communication between Team Members and Management. Provision of competitive remuneration and benefits packages.	**EXPECTATION:** Provide sustained returns on investment through sound risk management, strategic growth opportunities and good governance practices. Hotel reputation (Responsible Business). **CONCERN:** Deliver sustainable growth and returns. Dividends. Leadership and strategic direction. Corporate governance and ethics. Projects progression. Capital expenditure plans for current and future periods (risks and opportunities of expansion). Liquidity and gearing.	**EXPECTATION:** Provide consistent quality experiences that meet their expectations and needs. **CONCERN:** Unique, consistent and quality experience. Simple and quick interaction with Team Members. Value offerings. Recognition for loyalty. Innovative products and services.	**EXPECTATION:** Help provide a better environment by offering job opportunities, organising social events and sponsorships. **CONCERN:** Investment in disadvantage communities (education, health, poverty and empowerment). Employment opportunities. Sponsorships.	**EXPECTATION:** Provide incentives for community empowerment through job creation, compliance with laws and regulations, and generate taxation revenue. **CONCERN:** Taxation revenue. Compliance with legislation and licence conditions. Job creation. Investment in public and tourism infrastructure. Investment in disadvantaged communities. Environmentally-friendly operations and reduction in energy and water consumption.	**EXPECTATION:** Provide a framework for transparent supplier selection and effectuate payments in a timely manner. **CONCERN:** Timely payment and favourable terms. Fair treatment.
IMPACT ON OBJECTIVES AND STRATEGY	Elevate Team Member engagement.	Growth revenue. Cost optimisation. Project development.	Increase in direct bookings and retain guests.	Environmental sustainability and Inclusive Business.	Elevate the experience & Stakeholder relationship.	Stakeholder Relationship.

LUX*
LE
MORNE

Blessed with the best sunset of the island, life's a beach at LUX* Le Morne. The chic and serene boutique resort at the foot of Le Morne mountain calls all lovers of mindful luxury. The postcard beach barely needs an introduction. As for the hotel, it's a gem that not only embodies the spirit of island living - it enhances it.

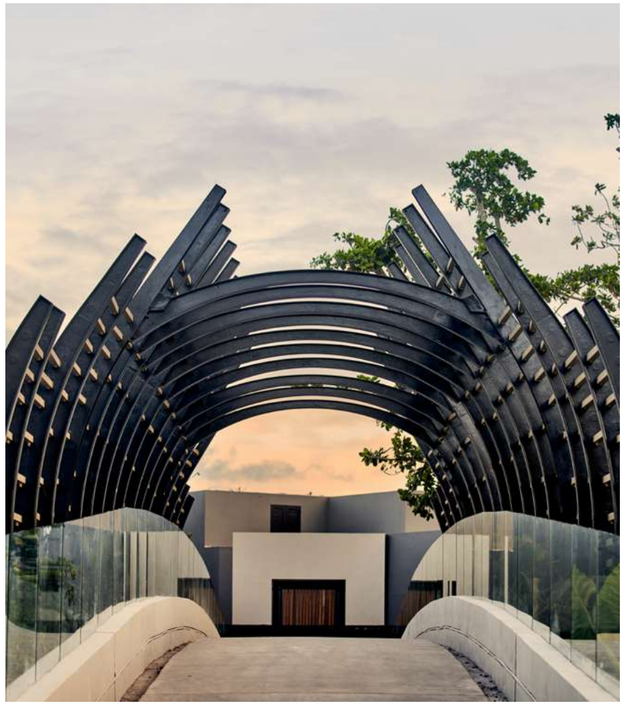


MAURITIUS



LUX* GRAND BAIE

LUX* Grand Baie, a modernist marvel seemingly dropped onto a crescent of sand on the northern shores of Mauritius, turns heads. This new generation boutique-style resort introduces travelers to the seductive, slow pace of island living. But not too slow... LUX* Grand Baie, mirroring the adjacent beach town from which it takes its name, is exciting and playful. Whether it's the unparalleled culinary scene or the breath-taking rooftop experience, there is truly no other celebratory place to be. A real invitation to seize the moment.



MAURITIUS

LUX* GRAND GAUBE

The totally reimagined retro-chic tropical retreat tucked away on a peninsula bordering two coves, celebrates life in the tropics the LUX* way. The eye-catching design of Kelly Hoppen blends perfectly with the surrounding tropical greenery, and each room, suite, and villa is made to feel like a home—that is, if home is having an outdoor bathtub overlooking the Indian Ocean. The resort is known for its focus on wellness and its culinary gems, which include a fabulous Peruvian restaurant, an overwater Turkish restaurant, and even a rum treehouse.



MAURITIUS

LUX* BELLE MARE

There's the iconic postcard beach, the striking design in shades of sand white, coral and greens, a wild variety of dining experiences, mindful wellness... The spirit of tropical island living permeates throughout our beloved resort, calling travellers of all ages to live Life Extraordinary.



MAURITIUS

LUX* SAINT GILLES

Life is sweet at LUX* Saint Gilles, Reunion Island's only five-star. The island is ripe for exploration and LUX* Saint Gilles is the perfect base from which to experience what is known as "l'île intense"—the wild island. Tucked away under the filao trees on the beach facing L'Hermitage, the prettiest lagoon, it will quickly become your colonial-style home in the tropics.



LA REUNION



LUX* SOUTH ARI ATOLL

The Maldives is one of those places that continue to pop up on travellers' bucket lists, beckoning with luxurious resorts such as LUX* South Ari Atoll. And for a very good reason. If you've fantasized about experiencing a Maldives resort on a faraway tropical island, embodying a Robinson Crusoe lifestyle, you're in the right place. At LUX* South Ari Atoll, you will ride your bicycle along the jetty, swim alongside whale sharks, hang out in your bungalow on stilts, dine at any of the eight restaurants, dance the night away, and partake in marine conservation... Whatever it is you love, you'll find it here at our Maldives resort.

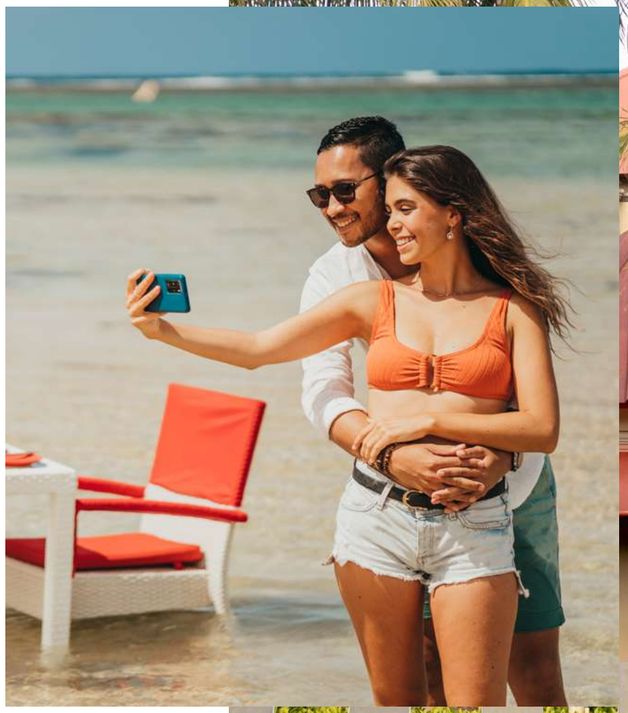


MALDIVES

TAMASSA BEL OMBRE

Set on a dazzling white beach, Tamassa Bel Ombre is surrounded by dramatic mountains and dense sugarcane fields. Edged by a postcard-perfect turquoise lagoon with the Indian Ocean as our backdrop, we're blessed with some of the best sunsets on the island.

Fabulous drinking and dining experiences available any time of day -all the more enjoyable when you're on All Inclusive, four spectacular swimming pools fringed by swaying palms and lush tropical gardens, a bedazzling lagoon fit for snorkelling and kitesurfing, an upbeat spa and a world of adventure waiting on both land and sea... Paradise is calling your name.



MAURITIUS



ILE DES DEUX COCOS

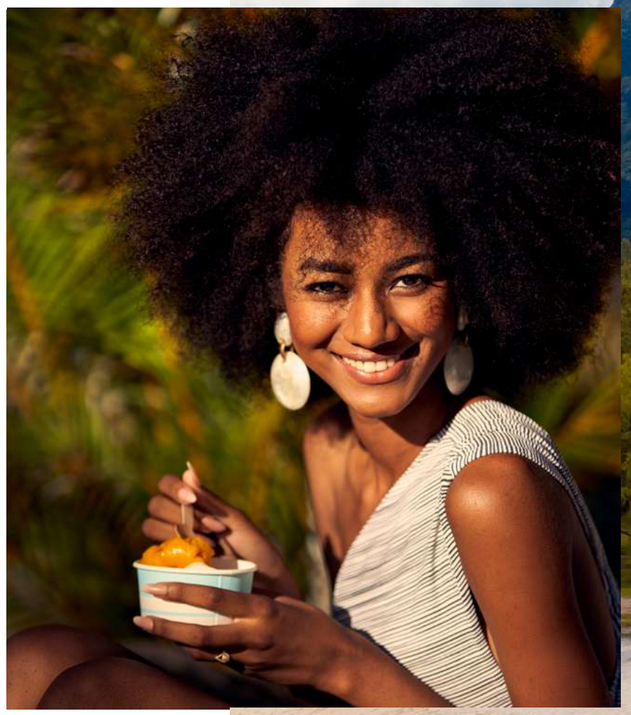
This beautiful jewel surrounded by turquoise ocean lies just off the south east coast of Mauritius. Reserve this island resort in Mauritius for an overnight stay, visit for day trips, or host your own exclusive party or special event, including weddings and anniversaries.



MAURITIUS

EMBA FILAO

Emba Filao is the only beachside public restaurant on the west coast of the island. The restaurant sits directly on Le Morne public beach and offers gorgeous panoramic views on the azure lagoon. Popular to both local residents and tourists, it offers a menu filled with fresh seafood and local specialties.



MAURITIUS

AWARDS & ACCOLADES 2026

LUX* GRAND BAIE, MAURITIUS

2026

Forbes Travel Guide Star Awards
Awarded 5-Star Rating - Resorts
Awarded 5-Star Rating - LUX* ME Spa
Trip Advisor Travelers' Choice Awards
Recognised among the Top 10% of Resorts Worldwide

2025

Forbes Travel Guide Star Awards
Awarded 5-Star Rating - Resorts
Awarded 5-Star Rating - LUX* ME Spa
Condé Nast Johansens Awards
Awarded as Best Dining Experience

LUX* GRAND GAUBE, MAURITIUS

2026

British Airways Holidays
Customer Excellence Award - The only resort in Mauritius honored for 10 consecutive years.

2025

British Airways Holidays
Customer Excellence Award - The only resort in Mauritius honored for 9 consecutive years.
Forbes Travel Guide Star Awards
Awarded 4-Star Rating - Resorts



LUX* BELLE MARE, MAURITIUS

2026

Forbes Travel Guide Star Awards
Awarded 5-Star Rating – Resorts
Trip Advisor Travelers' Choice Awards
Recognised among the Top 25 Hotels in Africa

2025

Forbes Travel Guide Star Awards
Awarded 5-Star Rating – Resorts
Awarded 4-Star Rating - LUX* ME Spa

LUX* SAINT GILLES, REUNION

2025

World Travel Awards - Africa & Indian Ocean
Awarded as Reunion Island's Leading Hotel



LUX* SOUTH ARI ATOLL, MALDIVES

2026

Forbes Travel Guide Star Awards
Awarded 5-Star Rating – Resorts
Awarded 4-Star Rating - LUX* ME Spa
Travel + Leisure Luxury
Ranked 10th – Best Resorts Pools in Maldives
Ranked 10th – Best Resorts for families in the Maldives
Ranked 7th – Best House Reefs in the Maldives
Trip Advisor Travelers' Choice Awards
Recognized among the Top 10% of Resorts Worldwide
British Airways Holidays
Holidays Customer Excellence Award

2025

Forbes Travel Guide Star Awards
Awarded 5-Star Rating - Resorts
Condé Nast Johansens Awards
Awarded Best Dining Experience
Awarded Best for Families

LUX* LE MORNE, MAURITIUS

2026

Trip Advisor Travelers' Choice Awards
Recognized among the Top 10% of Resorts Worldwide

2025

Forbes Travel Guide Star Awards
Awarded 4-Star Rating - Resorts



TAMASSA

2026

British Airways Holidays
Holidays Customer Excellence Award

2025

Kayak Travel Awards
Awarded as Top-rated property

MALDIVES

CORPORATE GOVERNANCE





LUX* SOUTH ARI ATOLL

CORPORATE GOVERNANCE

STATEMENT OF COMPLIANCE BY THE BOARD

Lux Island Resorts Ltd ('the Company' or 'LIR') and its subsidiaries (together 'the Group') have always been committed to observing high standards of Corporate Governance, promoting corporate transparency and enhancing shareholder value.

We are pleased to confirm that we have complied with all of the requirements and provisions of the National Code of Corporate Governance for Mauritius 2016 (NCCG) for the year ended 30 June 2026, except for:

- the composition of the Board and of its Committees: The Board is composed of seven non-executive directors and one executive director. The Board is of the view that a strong management presence is important. In this context, depending on the subject on the agenda, the Board invites executives with the relevant expertise to participate in the discussion. The Board is considering appointing one additional non-executive independent female director.
- Other directorships of the Board: The list of directorships of the directors in listed companies is disclosed on pages 16 to 19. Directorships (other than those in listed companies) are available upon request at the registered office of the Company.

This report, along with the Annual Report, is published in its entirety on the Company's website.

RELATIONS WITH SHAREHOLDERS AND KEY STAKEHOLDERS

Company Constitution

A copy of the Constitution is available at the registered office of the Company and on its website: www.luxislandresorts.com

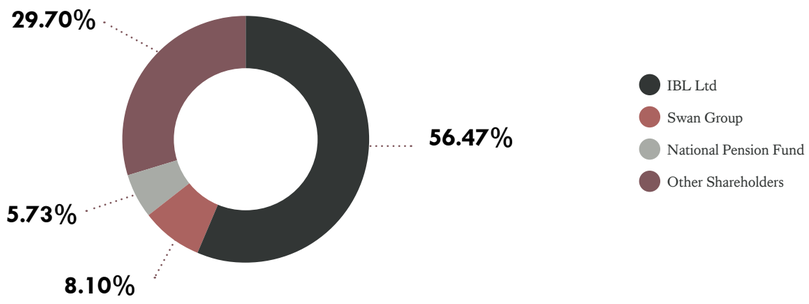
Shareholding

The directors view IBL Ltd as the ultimate holding company and as at 30 June 2026, two directors were common to the Company and IBL Ltd, namely Mr Jan Boullé and Mr Thierry Lagesse.

As at 30 June 2026, the Company's share capital was Rs 1,371,159,430 (137,115,943 shares) and 4,618 shareholders (30 June 2025: 4,699) recorded on the shareholder's registry. There has been no change in the share capital during this financial year.

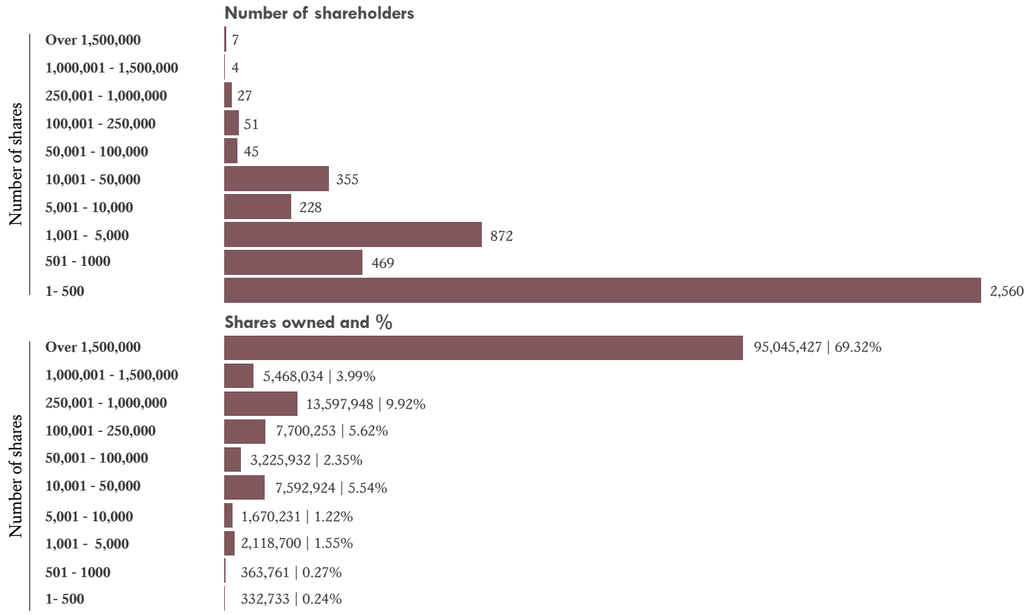
The following shareholders had more than 5% of the capital of the Company at 30 June 2026:

Shareholders with more than 5% of the capital

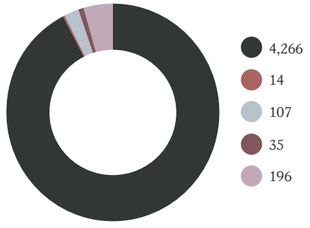


Shareholding profile and category

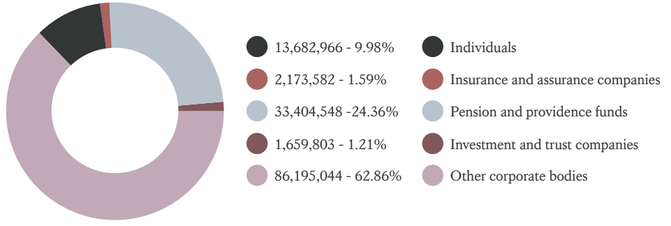
The Company's shareholding profile by defined brackets and the summary by category of shareholders as at 30 June 2026 was as follows:



Shareholders category - Number of shareholders (4,618)



Shares owned (137,115,943) and %



CORPORATE GOVERNANCE (CONT.)

Share Price Information

As at 30 June 2026, the share price of the Company was Rs 44.50, compared to Rs 47 as at 30 June 2025.

Shareholder Rights

The Company recognises the importance of maintaining transparency and accountability to its shareholders. The Board ensures that the Company's shareholders are treated fairly and equitably, and that their rights are protected.

The Directors are committed to providing shareholders with adequate, timely, and sufficient information pertaining to the Company's and the Group's business which could have a material impact on the Company's share price.

All the shareholders of the Company are entitled to attend and vote at shareholders' meetings, in person, by proxy or by postal vote. The shareholders also receive the annual reports of the Company and the notice of Annual Meeting of shareholders, which is also published in the newspapers.

Should the shareholder wish to retain his/her right to receive a hard copy of the Annual Report, he/she can do so by sending a notification to the Company to that effect and the Annual Report shall be sent to the shareholder within three working days after notification.

Similar to the previous financial year, in line with the Practice Direction on the circulation of Annual Reports and financial statements ("the Practice Direction"), the shareholders are invited to access the Annual Report for the year ended 30 June 2026 via a QR Code or on the website www.luxislandresorts.com.

The notice and proxy form of the Annual Meeting have been sent to all shareholders via registered post.

Communication with shareholders and stakeholders

Engagement with the shareholders and wider stakeholder groups plays a vital role throughout the business, therefore the Company actively engages with its shareholders and stakeholders to promote regular, effective and fair communication.

The Board recognises the importance of two-way communications with its shareholders and stakeholders. In addition to giving a balanced report of results and progress at each annual meeting, the board ensures that transparency and disclosure are at the centre of the Company's communication with the shareholders. The Company is committed to delivering thorough and updated information to the global investing community in order to support informed investment decisions. The Company does not practice selective disclosure of material information. The Company conveys material information in its quarterly results through published announcements, in accordance with the provisions of the Stock Exchange of Mauritius's Listing Rules under the continuous disclosure obligations. Results and annual reports are announced and issued within the specified period. All announcements are posted immediately on the Company's website.

The Company conducts regular analysts and media meetings. At those meetings, the Company provides material information, including the financial statements and Management discussions and analysis. The Chairperson and the Chief Executive Officer review the most recent performance, analyse the business key-value drivers and metrics, and share the Company's and the Group's insights and business strategy. The analysts, fund managers and journalists have the opportunity to ask questions to the Chairperson and the Chief Executive Officer. Any figures or information presented during the media meetings are posted on the Company's website.

Dividend Policy

The amount of dividends declared and paid depends on many factors, including the results of the operations, cash flow projections, capital expenditure and working capital requirements, future projects, and other factors deemed relevant by the Board.

In that context, subject to internal cash-flow requirements and the need for future capital investments, the Board decides the amount of dividend to be declared. The Audit & Risk Committee and the Board ensure that the Company satisfies the solvency test before declaring any dividend.

For this financial year, the Board has declared an interim dividend of Rs 1.25 per share in January 2026 and a final dividend of Rs 1.75 per share in April 2026, thus bringing the total dividend paid to Rs 3.00 per share as at 30 June 2026. The shareholders have also been offered the option to receive the final dividend of Rs 1.75 in Euro at a rate of Euro 0.032 per share.

Summary of dividend per share declared over the past five years in Mauritian rupees:

PERIOD	FINAL PAID
Year ended 30 June 2022	-
Year ended 30 June 2023	2.00
Year ended 30 June 2024	2.50
Year ended 30 June 2025	2.50
Year ended 30 June 2026	3.00

Conduct of Shareholder Meetings

During the Annual Meeting of Shareholders, which is held in Mauritius, the shareholders are given the opportunity to share their views and to discuss with the Board and Management of the Company, with regard to the Company's and the Group's business activities and financial performance.

Directors are encouraged to attend Shareholders' meetings.

The external auditors are also present at such meeting.

The Constitution also allows a shareholder of the Company to appoint a proxy (in the case of an individual shareholder) or a representative (in the case of a body corporate which is a shareholder of the Company, by way of a proxy), whether a shareholder or not, to attend and vote on their behalf.

At the shareholders' meeting, each item is proposed in a separate resolution:

- The Annual Report
- The approval of the audited financial statements
- The election or re-election of each Director of the Board
- The approval of the remuneration of the Non-Executive Directors for the next financial year and the ratification of the remuneration of the Non-Executive
- Directors for the financial year under review
- The ratification of the remuneration paid to the Auditor
- The appointment or re-appointment of Auditor under section 200 of the Mauritian Companies Act 2001
- Any other matter which may require the Shareholder's approval

CORPORATE GOVERNANCE (CONT.)

Director's Interests Register

The table below outlines each Director's respective direct and indirect interests and number of other directorships in listed companies as at 30 June 2026.

DIRECTORS	DIRECT INTEREST		INDIRECT INTEREST	NUMBER OF OTHER DIRECTORSHIPS IN LISTED COMPANIES
	Shares	%	%	
Jan Boullé	-	-	0.05	5
John Brennan	-	-	-	1
Jenifer Chung Wong Tsang	-	-	-	-
Laurent de la Hogue	25,000	0.02	-	-
Désiré Elliah	72,025	0.05	0.50	-
Pascale Lagesse	-	-	-	-
Thierry Lagesse	1,378	0.00	0.06	5
Jean-Claude Béga *(resigned on 30 June 2026)*	79,651	0.06	0.04	2

Other than having shares in the holding company, none of the directors have any interest in the subsidiaries of the Company as at 30 June 2026.

During the year under review, there were no share dealings by the directors.

The Company complies with Appendix 6 (Model Code for Securities transactions by Directors of Listed Companies) of the Listing Rules established by the Stock Exchange of Mauritius Ltd and ensures that all dealings in which a Director is or is deemed to be interested is conducted in accordance with the model code.

The Company keeps an Interests Register in accordance with the Mauritian Companies Act 2001 and an Insider Register pursuant to the Securities Act 2005. The registers are regularly updated with the information submitted by the directors and/or other insiders as applicable.

CALENDER OF IMPORTANT EVENTS WITH RESPECT TO THE FORTHCOMING FINANCIAL PERIOD

The table below outlines each Director's respective direct and indirect interests and number of other directorships in listed companies as at 30 June 2026.

Annual Meeting of shareholders (FY 2026)	Dec 26
Declaration/payment of interim dividend (if applicable) (FY 2027)	Jan 27
Publication of half-yearly results (FY 2027)	Jan 27
Publication of 3rd-quarter results (FY 2027)	Apr 27
Declaration /payment of final dividend (FY 2027)	Jun 27
Publication of abridged audited results (FY 2027)	Sep 27
Publication of 1st quarter results (FY 2028)	Oct 27

GOVERNANCE STRUCTURE

Lux Island Resorts Ltd is a public interest entity (PIE), as defined by law.

The primary function of the Board of Directors of the Company ("Board") is to provide effective leadership and direction to enhance the long-term value of the Company to its shareholders and other stakeholders as enumerated in the Board Charter as approved by the Board and which is published on the Company's website. The Board has, inter alia, the responsibility to fulfil its role, which entails the following:

- Ensure that the long-term interests of the Company and its shareholders are being served, and to ensure the proper safeguard of the Group's assets;
- Assess major risk factors relating to the Company's and the Group's operations and review measures, including internal controls, to address and mitigate such risks;
- Review and approve Management's strategic and business plans, including understanding the business and questioning the assumptions upon which plans are based, in order to reach an independent judgement and to determine the feasibility of the plans and/or forecasts being realised;
- Monitor the performance of the group regarding budgets and forecasts prepared by Management;
- Monitor the execution of the strategy by Management;
- Review and approve significant corporate actions and major transactions;
- Assess the effectiveness of the Board in accomplishing its function and meeting its objectives;
- Ensure ethical behaviour and compliance with laws and regulations, accounting principles and the Company's own governing documents;
- Identify key stakeholder groups and acknowledge that their perceptions affect the Company's reputation;
- Consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation; and
- Perform such other functions as prescribed by law, or assigned to the Board in the Company's governing documents.

The Board has approved a 'Statement of Accountabilities', under its Board Charter, describing the major accountabilities within the organisation.

The Board Charter is reviewed on an annual basis.

Chairperson of the Board

The Board is headed by the Chairperson and there is a clear separation of responsibilities between the leadership of the Board and the Executives responsible for managing the Company's business. The Board notes that the Chairperson plays an instrumental role in developing the business of the Company and the Group and that he provides the Company and the Group with strong leadership and vision. Mr Jean-Claude Béga has resigned as Chairperson and Director of the Company as at 30 June 2026, and Mrs Pascale Lagesse has been appointed Chairperson of the Company as from 01 July 2026.

The Chairperson is responsible, inter alia, for:

- Leading the Board to ensure its effectiveness in all aspects of its role;
- Setting the agenda and ensuring that adequate time is granted to discuss all agenda items particularly strategic issues;
- Ensuring that the Directors receive complete and adequate information in a timely manner;
- Ensuring effective communication with shareholders;
- Encouraging constructive relations within the Board and between the Board and Management;
- Facilitating the effective contribution of non-executive directors in particular; and
- Promoting high standards of Corporate Governance.

Code of Ethics

The Company has a commitment to moral conduct, to ethical behavior and to operations within the letter and spirit of the law. In carrying out their duties, Officers of the Group should adhere to local and all other applicable laws, regulations, principles and standards, in everything that they do and be aware that compliance with such laws, regulations, principles and standards is the basis of sound business conduct.

CORPORATE GOVERNANCE (CONT.)

The Board has adopted a Code of Ethics for the directors and the employees which is available for consultation on its website.

The Audit & Risk Committee (ARC) and the Corporate Governance Committee (CGC) regularly monitor and evaluate compliance with its Code of Ethics respectively. Appropriate actions are taken in case of non-compliance.

STRUCTURE OF THE BOARD

Board Size and composition

The Board is a unitary board that currently consists of 8 directors as shown below, along with their roles and responsibilities on the various Committees.

Each year, the Board examines the size, composition, skills and core competencies of its members to ensure there is an appropriate balance and diversity of gender, skills, experience and knowledge. The Board includes Directors from different industries and backgrounds, with business and management experience, who, collectively, provide the core abilities for the leadership of the Company. Taking into account the scope and nature of the Group's operations, the Board considers that the current Board of 8 Directors is appropriate for enabling effective decision-making.

The directors of the Company and their functions in the various Committees as at the date of approval of this annual report are as follows:

NAME	BOARD APPOINTMENT	GENDER	NATIONALITY	BOARD COMMITTEE APPOINTMENT
Pascale Lagesse *(appointed as Chairperson on 01 July 2026)*	Non-Executive Chairperson of the Board	Female	Mauritius	CGC (Board Chairperson)
Désiré Elliah	Executive Director and Chief Executive Officer	Male	Mauritius	
Jan Boullé	Non-Executive Director	Male	Mauritius	CGC
John Brennan	Independent Director	Male	Ireland	CGC, ARC (Committee Chairperson)
Jenifer Chung Wong Tsang	Independent Director	Female	Mauritius	ARC (Committee Chairperson)
Laurent de la Hogue	Non-Executive Director	Male	Mauritius	ARC
Thierry Lagesse	Non-Executive Director	Male	Mauritius	
Cédrik Le Juge de Segrais (appointed on 01 July 2026)	Non-Executive Director	Male	Mauritius	

CGC Corporate Governance Committee

ARC Audit and Risk Committee

Male

Female

Board Chairperson

Committee Chairperson

The Company is compliant with Section 133 of the Mauritian Companies Act with regards to women representation on the Board.

The diversity of the Board with respect to gender is currently as per below.



All Board members are non-executive, except for:

- The Chief Executive Officer

Director's independence review

Having at least 3 independent directors plays a crucial role in ensuring that we have a strong and impartial Board. The objective is to facilitate the exercise of independent and objective judgement on corporate affairs, and to ensure that discussion and review of key issues take place in a critical, yet constructive, manner. As Mrs Pascale Lagesse is no longer considered an independent director, having served more than nine years as a director, the Board is currently seeking to appoint another independent director.

The Board evaluates, on an annual basis, and as and when the circumstances require, whether or not a director is independent, bearing in mind the provisions of the NCCG, and any other salient factors.

The following Directors are Independent Directors:

- Ms Jenifer Chung Wong Tsang
- Mr John Brennan

Ms Jenifer Chung Wong Tsang was appointed as an Independent Director on 25 November 2021 and Mr John Brennan on 24 January 2023.

The Board believes that the Independent Directors have and will continue to demonstrate a high commitment in their roles as Directors.

Delegation by the Board

The Board has delegated certain functions to 2 Committees, namely the Audit & Risk Committee (ARC) and the Corporate Governance Committee (CGC). Each committee has its own written terms of reference, which are available on the Company's website. Please refer to pages 62 to 64 of this report for further information on these Committees.

CORPORATE GOVERNANCE (CONT.)

Directors' time, commitment, and multiple directorships

The NCCG recommends that Directors collectively come to a consensus on the maximum number of listed companies' boards that each Director may serve on, in order to properly address time commitment that may arise due to one individual serving on multiple boards.

The Board believes that each Director who already serves on several boards, when accepting yet another appointment, has the individual responsibility to personally determine the demands of his competing directorships and obligations, and ensure that he/she can allocate sufficient time and attention to the affairs of each Company.

The Board considers that setting a limit on the number of listed companies directorships a Director may hold, is arbitrary, given that time requirements for each person vary. Therefore, the Board prefers not to be prescriptive. As a safeguard, the CGC reviews each Director's ability to devote sufficient time and attention to the affairs of the Company during the CGC's annual assessment process. The CGC is currently satisfied with the time committed and participation by each Director.

Company secretary

The Company Secretary is IBL Management Ltd. IBL Management Ltd comprises a team of experienced company secretaries providing support and services to the Company. As a governance expert, the Company Secretary guides the Board on corporate governance principles and on its statutory duties and responsibilities.

In its advisory role, the Company Secretary provides support and advice to the Company on corporate transactions/projects.

The Company Secretary is responsible for the efficient administration of the Company, particularly with regard to ensuring compliance with statutory and regulatory requirements and for ensuring that the Board's decisions are implemented.

Directors may separately and independently contact the Company Secretary or its nominee who attends and prepares minutes for all Board meetings. The Company Secretary's role is defined, and includes the responsibility for ensuring that Board procedures are followed and that applicable rules and regulations are abided by.

The appointment and dismissal of the Company Secretary are matters requiring the Board's approval.

Audit & Risk Committee (ARC)

The ARC is presently chaired by Ms Jenifer Chung Wong Tsang.

The ARC is governed by a Charter, which is reviewed periodically, in line with the provisions of the NCCG and is available on the website of the Company.

The Board considers that the members of the ARC are appropriately qualified to discharge the responsibilities of the ARC. The ARC has the explicit authority to investigate any matter within its terms of reference. In addition, the ARC has full access to, and co-operation of Management as well as full discretion to invite any Director or executive officer to attend its meetings. Reasonable resources are made available to enable the ARC to discharge its functions properly.

In addition to its statutory functions, the ARC considers and reviews any other matters as may be agreed by the ARC and the Board. The duties of the ARC include amongst others:

a. Examining and reviewing the quality and integrity of the financial statements of the Company and the Group, and any formal announcement relating to the Company's and the Group's financial performance; including reviewing and reporting to the Board significant financial reporting issues and judgement which these financial statements contain;
b. Reviewing and reporting to the Board, at least annually, on the adequacy and effectiveness of the Company's and the Group's internal controls, including financial, operational, compliance and information technology controls;
c. Reviewing the effectiveness of the Company's and the Group's internal and external audit functions;
d. Reviewing the scope and results of the external audit, and the independence and objectivity of the external auditors; and
e. Making recommendations to the Board on the proposals to the shareholders with regards to the appointment, re-appointment and dismissal of external auditors, and approving the remuneration and terms of engagement of the external auditors.

The ARC reviews with Management, and where relevant, the auditors, the results of the current financial year, annual report and financial statements, interested person transactions and the corporate governance report, before recommendation to the Board for approval and adoption.

In performing its functions, the ARC meets with the internal and external auditors, and reviews the audit plans and overall scope of both internal and external audits, and the co-operation and assistance given by Management to the respective auditors. Where necessary, the ARC also meets separately with the internal and external auditors whereby any issues may be raised directly with the ARC, without the presence of Management. The internal and external auditors have unrestricted access to the ARC.

For the year ended 30 June 2026, the ARC has discussed with external auditors and Management on matters of material significance to the financial statements, which include the following:

- Impairment assessment of property, plant and equipment, Right of use assets and Goodwill
- Impairment assessment of investment in subsidiary companies

These matters as well as any other issues identified by the ARC are discussed with both the internal and external auditors. Depending on the issue, independent expert advice is sought. Some of the matters listed above have also been addressed by the auditors under the "Key Audit Matters" section in the Independent Auditor's Report. The ARC is satisfied that these matters have been appropriately addressed. The ARC recommended to the Board the approval of the audited financial statements of the Company and the Group for the financial year ended 30 June 2026 ("FY 2026 Financial Statements"). The Board has approved the FY 2026 Financial Statements on 23 September 2026.

The ARC met 6 times during the year and has considered, inter alia, the following:

- Review of the financial statements as at 30 June 2026;
- Review of the results for Q1, Q2 and Q3;
- Meeting with the external auditors on planning of the audit;
- Recommendation of an interim and a final dividend for the year ended 30 June 2026;
- Review of the proposals received for the appointment of the new external auditor following the tender exercise undertaken by the Company;
- Review of the budget for the financial year ending 30 June 2027;
- Review of the Audit & Risk Committee Charter;
- Review of the Risk Register and the Risk Appetite Statement;
- Taking cognisance of the internal audit reports issued.

The members of the ARC are as follows:

• Jenifer Chung Wong Tsang (Chairperson)	Independent Director
• John Brennan	Independent Director
• Laurent de la Hogue	Non-Executive Director

Profiles and qualifications of the members of the ARC are disclosed on pages 16 to 19.

Corporate Governance Committee (CGC)

The Committee is governed by a Charter, which is reviewed periodically, that determines its objects and functions.

The Charter of the Committee is available on the website of the Company and has been reviewed during this financial year.

CORPORATE GOVERNANCE (CONT.)

The main objects and functions of the Committee, amongst others are :

- To advise and make recommendations to the Board on all aspects of Corporate Governance which should be followed by the Company, so that the Board remains effective while complying with sound and recommended corporate practices and principles.
- The approval of a general framework of remuneration for the key management personnel;

The members of the CGC are :

- John Brennan *(appointed as Chairperson as from 01 July 2026)* — Independent Director
- Pascale Lagesse — Non-Executive Chairperson of the Board
- Jan Boullé — Non-Executive Director

Jean-Claude Béga (resigned on 30 June 2026)

Profiles and qualifications of the members of the CGC are disclosed on pages 16 to 19.

Following the resignation of Mr Jean-Claude Béga on 30 June 2026 and Mrs Pascale Lagesse having served for more than nine years as director, the Board is considering the appointment of an additional independent director to be compliant in terms of the composition of the Audit & Risk Committee and of the Corporate Governance Committee.

Attendance

Below are details on the number of Board meetings and Board Committee meetings held during the last financial exercise, as well as the attendance of Directors and Board Committee members at those meetings:

NAME	BOARD MEETINGS	ARC MEETINGS	CGC MEETING
Executive Director			
Désiré Elliah	●●●●●●●	●●●●●● *in attendance*	●●●●● *in attendance*
Non-Executive Directors			
Jean-Claude Béga *(resigned on 30 June 2026)*	●●●●●●●		●●●●●
Jan Boullé	●●●●●●●		●●●●●
John Brennan	●●●●●●●	●●●●●○	●●●●●
Jenifer Chung Wong Tsang	●●●●●●○	●●●●●●	
Laurent de la Hogue	●●●●●●○	●●●●●○	
Pascale Lagesse	●●●●●●●		●●●●●
Thierry Lagesse	●●●●●●○		
Number of Meetings held	7	6	5

● Present ○ Excused

DIRECTOR APPOINTMENT PROCEDURES

Role of the CGC in the Director's appointment

The CGC is responsible for selecting and appointing new Directors.

All new Board members are first considered, and recommended by the CGC, before being brought up to the Board for approval. Potential candidates for casual vacancies are sourced with recommendations from Directors, or the Shareholders as provided in article 13.1.5 of the Constitution of the Company. The CGC then evaluates the suitability of potential candidates for the position, taking into account, inter alia, the skills, knowledge, experience and ability to contribute to the Board's effectiveness.

Upon the CGC recommendation, the Board reviews and approves the appointment of the new Director.

In accordance with the provisions of the NCCG governing the election and re-election of Directors, all Directors are to present themselves for re-election every year at the Annual Meeting of Shareholders. Newly-appointed Directors, during the year under review, are proposed for election at the forthcoming Annual Meeting of Shareholders.

Under Section 138 of the Mauritian Companies Act 2001, the office of a Director shall become vacant at the conclusion of the Annual Meeting of Shareholders commencing next after the Director attains the age of 70 years and shall then be subject to yearly re-appointment. The Board is satisfied with the current practice. In that respect, Mr Thierry Lagesse will submit his re-election as Board Member under Section 138 of the Mauritian Companies Act 2001.

Mr Cédrik Le Juge de Segrais has been appointed as non-executive director on 01 July 2026 and his election will be proposed at the forthcoming Annual Meeting of Shareholders.

The other directors have submitted their re-election as Board Members.

The CGC has recommended the re-election and/or election of all Board members who present themselves for election, after taking into consideration each one's attendance, participation, contribution and performance during the past financial year.

Board orientation and training for new directors

A procedure has been put in place to ensure that newly-appointed Directors receive an induction and orientation upon joining the Board.

New Directors are provided with the Board Charter, which clearly outlines their duties and obligations. The Company's relevant governing documents are also handed over to the new Directors.

Newly-appointed non-executive directors who are not familiar with the Company's and the Group's business or the Hospitality Sector's activities are invited to visit each hotel and meet their General Manager to get acquainted with each resort's operations, strengths and weaknesses.

Management is also responsible for briefing new directors on the Company's and the Group's business. This process ensures the creation of a well-informed and competent Board.

Continuing development of Directors

As part of the Group's commitment to continuous learning and effective governance, Directors have been given the opportunity to attend training programmes and courses offered by the Mauritius Institute of Directors (MIoD). These enable Board members to deepen their knowledge, strengthen their governance capabilities and stay abreast of evolving best practices, regulatory developments and emerging trends relevant to their roles.

The Board also benefited from a strategic workshop facilitated by Professor François Viruly, a leading South African property economist, Associate Professor at the University of Cape Town and Director of its Urban Real Estate Research Unit. Drawing on his extensive academic and industry experience,

CORPORATE GOVERNANCE (CONT.)

he guided the discussions on the key short and long-term global trends shaping the tourism and travel industry, and their implications for Mauritius and for Lux Island Resorts. The session gave participants valuable insight into the opportunities and challenges emerging from these trends, together with their business and financial implications. These discussions have fed into the long-term strategic planning and reinforced our commitment to anticipating industry developments in a rapidly evolving global environment.

Succession Planning and Directors service contract

The Board believes that good succession planning is a key contributor to the delivery of the Company's and of the Group's strategy and its ability to create value in the long term. The Board is committed to recognising and nurturing talent across the Company's and the Group's executive and management teams in order to develop current and future leaders. Succession planning, at leadership level including the CEO, is reviewed on an annual basis within the purview of the Corporate Governance Committee.

The Executive Director has a contract of employment which runs up to 30 November 2029.

Directors profile

Please refer to pages 16 to 19 for the Directors profile.

Please refer to pages 14 to 15 for the list of directors of each subsidiary including the name of any director who ceased to hold office during the year under review.

DUTIES, REMUNERATION AND PERFORMANCE

Key features of Board processes

To assist the Directors in planning their attendance at meetings, the dates of Board Meetings, Board Committees meetings, Annual Meetings together with the agenda of items or matters to be discussed, are scheduled up to one year in advance, with Board Meetings occurring at least each quarter. In addition to the regular scheduled meetings, ad-hoc Committees are convened as and when circumstances warrant. Besides physical meetings, the Board and the Board Committees may also make decisions by way of written resolutions under the Company's Constitution and their respective Terms of Reference.

Board meetings are generally held and chaired in Mauritius, while the Company's Constitution permits Board Members to also participate by teleconference or other similar means of communication.

From 01 July 2025 to 30 June 2026, the Board met 7 times for the purpose of considering and approving, amongst others, the following items:

- Approval of the budget as at 30 June 2026;
- The review of the performance of the LIR hotels with the representative of The Lux Collective (TLC), the Management Company;
- The audited financial statements for the year ended 30 June 2025 and relevant publications including the annual report for the year ended 30 June 2025;
- Approval of Q1 results, Q2 and Q3 results;
- Approval of an interim and a final dividend for the year ended 30 June 2026;
- Approval of new projects and renovation plans for the various properties;
- Approval of the budget for the year ending 30 June 2027.

Complete, adequate, and timely information

To ensure that the Board is able to fulfil its responsibilities, Management provides the Board with complete and adequate information in a timely manner. Such information extends to documents on matters to be brought up at Board and Board Committee meetings which, as a standard procedure, are circulated to Board and Board Committees' members, in advance for their review and consideration.

Senior Management, Senior Executives of the Management Company (TLC), the Company's auditors and other professionals who can provide additional insights into matters to be discussed at Board and/or Board committee meetings are also invited to be present at these meetings, when necessary.

As Directors may have further queries on the information provided, they have separate and independent access to the Company's Senior Management, which addresses individual Directors' requests for additional information/documents accordingly.

Management provides the Board with the Group's Financial Statements and Management Reports on a quarterly basis and, upon request, as and when required. Explanations are given by Management for material variance (if any) between budgeted and actual results.

There are no restrictions over the right of access to information for the directors.

Related party transactions

For the purpose of these financial statements, parties are considered to be related to the Company or the Group if they have the ability, directly or indirectly, to control the Company or the Group or exercise significant influence over the Company or the Group in making financial and operating decisions, or vice versa, or if they and the Company or the Group are subject to common control. Related party transactions are disclosed in note 34 on pages 194 to 195 in the financial statements.

Related party transactions have been conducted at arm's length and in accordance with the laws.

Conflicts of Interests

The Company's Code of Ethics which includes a section on conflict of interest, is applicable to the directors and all the employees of the Group. The Whistleblowing Policy, which is an extension of the Code of Ethics, provides employees and other stakeholders a reporting channel on suspected misconduct or malpractice within the Company or the Group without fear of reprisal or victimisation. It also outlines the complaint handling and reporting processes to improve transparency.

All directors and employees of the Group receive training on the Code of Ethics and the Whistleblowing policy. The Company Secretary maintains an interest register and in case he or she notices any potential conflict of interest, timely reporting is made to the Board. No addition has been made to the interest register during the year under review for the Company and its subsidiaries. The interest register is available for inspection upon written request from the shareholders.

The Company has a policy in place where a Board member shall immediately report to the Chairperson of the Board about any conflict of interest or potential conflict of interest with respect to a transaction under consideration and shall provide all information in that respect. The conflicted Board member should not take part in any discussion or decision regarding such transaction.

All conflicts of interest have been dealt with in accordance with the Company's Code of Ethics.

There was no major transaction to disclose as per section 130 (2) of the Mauritian Companies Act 2001 for the financial year ended 30 June 2026.

Board Evaluation Process

The CGC is tasked with carrying out the processes implemented by the Board, assessing the effectiveness of the Board as a whole and the contribution by each individual Director to the effectiveness of the Board every two years. An independent Board appraisal was performed during the financial year ended 30 June 2024 and will occur periodically.

This exercise is conducted by means of a questionnaire completed by each Director.

The questions are categorised as follows:

- The Company's relationship and communication with its shareholders;
- The functions of the Board;
- The size, composition and independence of the Board;
- The Board meetings and Chairperson's appraisal;

CORPORATE GOVERNANCE (CONT.)

- The Audit & Risk Committee appraisal;
- The Corporate Governance Committee appraisal;
- The director's individual assessment/evaluation.

During the evaluation process, each Director is required to complete the respective forms for self-assessment of the performance of the Board, based on predetermined and approved performance criteria.

If ever there is a deliberation on the performance of a particular Director who is also a member of the CGC, that member abstains from the discussion in order to avoid any conflict of interests. The Board considers that the current assessment process of the Board and Individual Directors is sufficient for the Company.

Independent Professional Advice

The Directors, either individually or as a group, in the discharge of their duties, may require professional advice. The Company Secretary can assist them in obtaining independent professional advice at reasonable cost to be borne by the Company.

REMUNERATION MATTERS

Statement of Remuneration Philosophy

All directors receive a fixed fee and an additional fee for each board meeting attended. In addition, members of the committees also receive an annual fee and a committee fee. The fee for the Board Members and the fee for the ARC & CGC Members, for the current financial year, have been approved at the previous Annual Meeting and are as per below.

BOARD	RS
Chairperson Board	700,000
Meeting Fee for Chairperson	55,000
Board Members	400,000
Meeting Fee for Board Members	40,000

AUDIT & RISK COMMITTEE (ARC)	RS
Chairperson ARC	200,000
Meeting Fee for Chairperson	50,000
Members ARC	125,000
Meeting Fee for Members	25,000

CORPORATE GOVERNANCE COMMITTEE (CGC)	RS
Chairperson CGC	150,000
Meeting Fee for Chairperson	50,000
Members CGC	100,000
Meeting Fee for Members	25,000

The level of Directors' fees shall be reviewed periodically by the Board, taking into account factors such as regulatory changes, responsibilities and market benchmarks.

Remuneration of the Executive Director and key management personnel

In designing the compensation structure, the Company seeks to ensure that the level and mix of remuneration is competitive, relevant and suitable.

The remuneration structure for the executive director and key management personnel consists of (a) fixed remuneration (b) variable bonus and/or (c) other benefits. The Executive Director does not receive directors' fees.

The level of remuneration is determined by various factors including group performance, industry practices and the individual's performance for the year under review.

Directors remuneration for the year ended 30 June 2026

Remuneration and benefits (including bonuses and commissions) paid and payable by the Company and its subsidiaries were as follows:

	YEAR ENDED 30 JUNE 2026		YEAR ENDED 30 JUNE 2025	
	Executive	Non-Executive	Executive	Non-Executive
	Rs	Rs	Rs	Rs
The Company	**18,385,092**	**8,433,708**	23,854,523	6,455,421
Subsidiaries (Note 1)	**17,825,887**	-	15,232,049	189,822

	YEAR ENDED 30 JUNE 2026	YEAR ENDED 30 JUNE 2025
Non Executives	Rs	Rs
Jean-Claude Béga (resigned on 30 June 2026)(Note 2)	**1,310,000**	966,000
Jan Boullé	**905,000**	675,000
John Brennan	**1,811,854**	1,338,790
Laurent de La Hogue (Note 2)	**890,000**	705,000
Pascale Lagesse	**1,736,854**	1,254,381
Thierry Lagesse	**640,000**	560,000
Jenifer Chung Wong Tsang	**1,140,000**	790,000
Maxime Rey (resigned on 09 December 2024)	-	166,250
	8,433,708	6,455,421
Executive director of the holding company		
Désiré Elliah	**18,385,092**	23,854,523

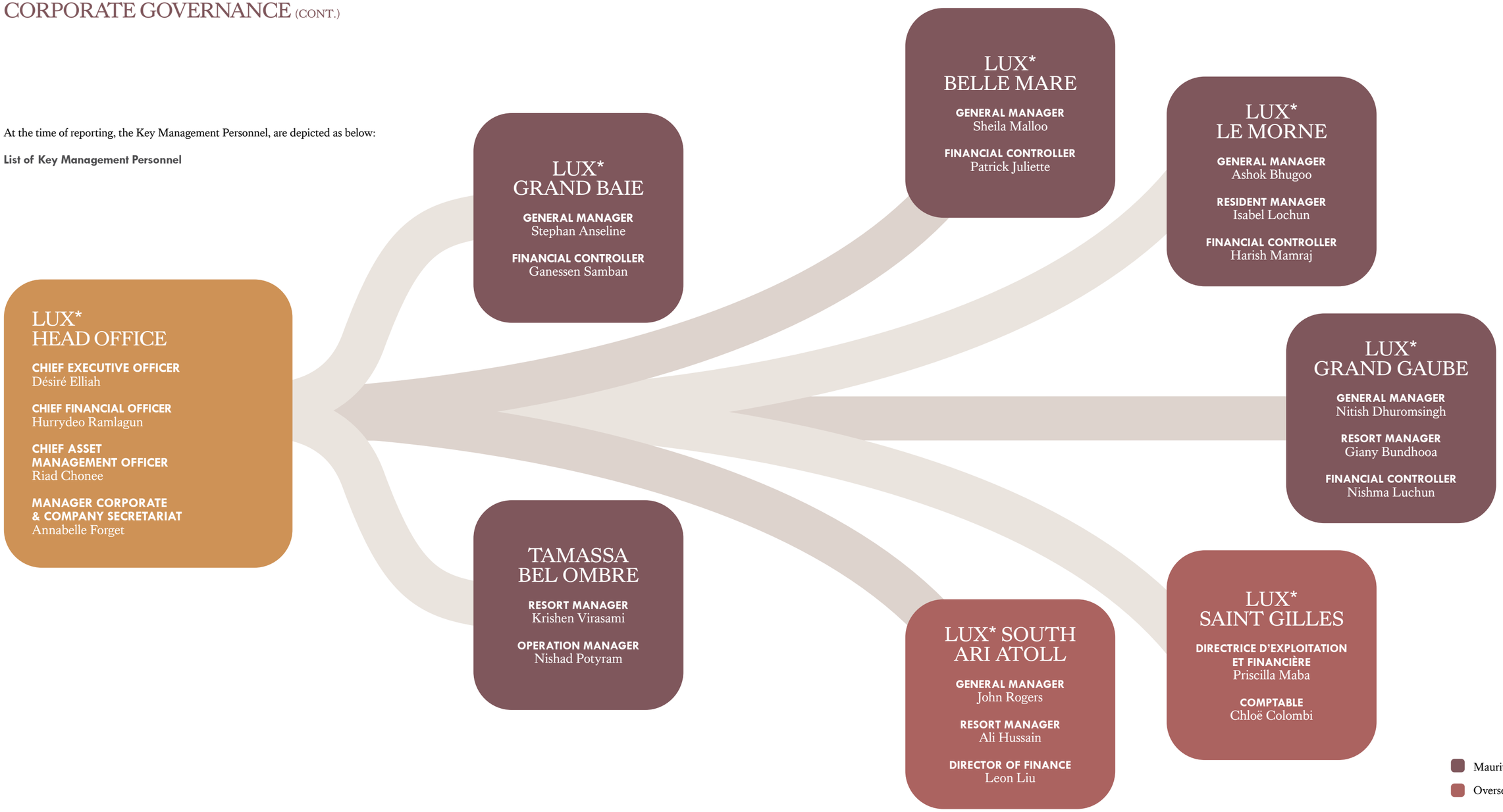
Note 1 : The remuneration paid in the subsidiaries relates to the remuneration of executives directors employed by those subsidiaries.

Note 2 : The fees of Mr Jean-Claude Béga and Mr Laurent de la Hogue are paid to IBL Management Ltd.

CORPORATE GOVERNANCE (CONT.)

At the time of reporting, the Key Management Personnel, are depicted as below:

List of Key Management Personnel



CORPORATE GOVERNANCE (CONT.)

The job description of the above Executives has been approved by the Corporate Governance Committee.

The organisation chart of the Group can be consulted on the Company's website.

Remuneration of the Non-Executive Directors

The Non-Executive Directors are not permitted to participate in any of the Company's incentive arrangements in line with the NCCG that stipulates that "they should not normally receive remuneration in the form of share options or bonuses associated with organisational performance".

The aim of a Non-Executive Director basic fee is to provide a fair remuneration, at a rate that attracts and retains high-calibre Non-Executive Directors, and that acknowledges the scope of their role and required time commitment.

RISK GOVERNANCE AND INTERNAL CONTROL

Responsibilities for Risk Management and Internal Controls

Responsibility for risk management and internal controls lies with the management company, The Lux Collective ("TLC"), for all hotel operations. The internal auditors are employed by TLC, but also report to the LIR ARC on matters of internal controls for all hotels. The Company collaborates with TLC to ensure that the system of risk governance is appropriate to safeguard shareholders' interests and the Group's assets.

ARC processes regarding management of risks

The Board has the ultimate responsibility for the governance and oversight of the risk management process. The ARC assists the Board in their oversight of the process, financial reporting risk and the effectiveness of the Company's and the Group's internal control and compliance systems. Management is responsible for assuring the Board as to the adequacy and effectiveness of the risk management lifecycle and ensuring the quality and timeliness of information.

Assurance from the Chief Executive Officer and the Chief Financial Officer

The Board has received assurance from the Chief Executive Officer and the Chief Financial Officer that:

a. The financial records of the Company and the Group for the financial year ended 30 June 2026 have been properly maintained, and the financial statements give a true and fair view of the Company's and the Group's operations and finances in accordance with the applicable financial reporting framework and are free from material misstatement; and
b. The system of risk management and internal controls in place within the Company and the Group is adequate and effective in addressing the material risks that the Company and the Group may face in their current business environment including material financial, operational, compliance and information technology risks.

Opinion on adequacy and effectiveness of internal controls and risk management systems

The ARC is responsible for making the necessary recommendations to the Board so that the Board can form an opinion concerning the adequacy and effectiveness of the Company's and the Group's risk management and internal control systems.

The Board is satisfied that the ARC's review of the Company's and the Group's internal controls, including operational, compliance, and information technology controls, financial risks, and risk management policies and systems established by Management was adequate. The ARC was assisted by the internal auditor in its review, which is conducted at least once a year.

Over the course of the audit, the external auditors have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

Internal control deficiencies noted during the audit, together with the recommendations of the external auditors have been presented to the ARC.

Based on the framework established and maintained, the work performed by the ARC, and the internal audit function as well as the assurance received from the Chief Executive Officer and the Chief Financial Officer, the Board with the concurrence of the ARC, is of the opinion that the Company's and the Group's internal controls including financial, operational, compliance and information technology controls, and risk management systems, were adequate and effective in meeting the needs of the Company and the Group in their current business environment.

IT Governance

Through its management company, the Group has an IT Security policy in place in all its hotels and relevant parts of this policy are communicated to its Team Members. This is regularly reviewed by the Board and Executive Management to ensure it is up to date with changes in technology and security standards. The Board also approves all major IT expenditures to ensure value is obtained from the investments in information technology.

Risk Appetite Statement

The corporate strategy of LIR is to deliver superior, risk-adjusted returns to stakeholders through active asset management and a disciplined external growth strategy while maintaining a strong and flexible balance sheet. The following are the three key pillars of LIR corporate strategy:

Operational excellence through active asset management

LIR is focused on continually improving operating performance at property level through proactive asset management efforts together with its Management Company, The Lux Collective Ltd. LIR continues to identify revenue enhancement opportunities and drives cost efficiencies to maximise the operating performance, cash flow and value of each property.

Prudent capital allocation

LIR aims to leverage its scale, liquidity and transactions expertise to create value throughout all phases of the hospitality cycle through opportunistic acquisitions, disposals and/or corporate transactions, in addition to value-enhancing return on investment ("ROI") projects, which LIR believes will diversify its portfolio.

Strong balance sheet

LIR strives to maintain a strong balance sheet that will enable it to navigate the various phases of the hospitality cycle. LIR expects to maintain sufficient liquidity and access to multiple types of financing, including corporate Bonds, credit facilities and the sale of a small proportion of its inventory in accordance with applicable laws in the destinations where it operates.

Risk appetite forms an integral part of LIR's risk management and governance frameworks. It refers to the amount and type of risks that LIR is willing to take to achieve its strategic objectives. The Company faces several risks which are inherent to its operations, and which have to be managed within a tolerance scale. However, where risks fall outside its tolerance boundaries, LIR will take a zero tolerance stand.

The risk appetite statements, set out below, aim to put into words the Company's risk appetite so as to ensure clarity and direction for the leadership team in its decision-making process. They will also serve as a systematic reminder to consider risk factors and mitigation strategies in all crucial projects and initiatives.

Deviations from the risk appetite statements can be accepted for strategic reasons or for arising opportunities where the reward overrides risks taken. Those deviations should however be exceptional, justified, closely monitored, time-barred and approved by the Board or other relevant Board committee.

When setting its risk appetite statements, LIR's management team has been guided by the Company's corporate strategy and values, leadership statements, corporate disclosures, policies and its risk register.

CORPORATE GOVERNANCE (CONT.)

The risk appetite statements have been regrouped under the Company's main risk categories set out below:

STRATEGIC	FINANCIAL	OPERATIONAL	COMPLIANCE
Risks that relate to the Company's effective utilisation of its resources to accomplish its goals and objectives	Risks that relate to the effectiveness of the Company's financial management governance	Risks that relate to the effectiveness and efficiency of the Company's operations, including performance and profitability goals	Risks that relate to the Company's compliance with applicable laws and regulations

The Company's risk document has been approved by the Board and may be reviewed as and when required.

RISK CATEGORY	RISK AREAS	RISK DESCRIPTION	RISK APPETITE STATEMENTS/ MITIGATING FACTORS
STRATEGIC	Market Concentration	Heavy exposure to Mauritius and Maldives increases vulnerability to regional disruptions.	Currently, the Mauritian and Maldives destinations represent more than 90% of our turnover/EBITDA. In the medium to long-term, we aim to hold a more diversified portfolio of resorts in terms of destinations.
	Geopolitical & Macroeconomic Environment	Risk that geopolitical events, armed conflicts, pandemics, airline disruptions or macroeconomic conditions significantly impact travel demand, costs and financial performance.	We already operate resorts in three locations. In the medium to long-term, we aim to diversify further our portfolio. Mauritius and Reunion, being geographically remote from areas of current conflict, remain resilient operating environments. These destinations contribute significantly to Group results.
	Asset Management & Performance	The ability of LIR to achieve its strategic goals depends on the performance of the Management Company (e.g. market share expansion, business continuity and growth).	The Lux Collective is our preferred partner to manage our hotels under the LUX* brand. However, LIR may also consider working with other luxury hotel brands to diversify its portfolio if an opportunity arises outside Mauritius and where TLC cannot operate. We will only select commercial partners which align with our values and work ethics
	Reputation	Damage to brand perception due to poor guest experiences or negative social media, resulting in reputational damage and loss of business.	We will adopt and promote the highest standards of ethics in our operations and towards our workforce to avoid damaging our reputation. We will nurture our reputation through clear and transparent communication with all our stakeholders, directly or through our Management Company. It is essential that our branded hotels be clearly separated from other brands operated by our Management Company to avoid cross-reputational damage. Operating across multiple jurisdictions through TLC requires brand delivery consistency. This is mitigated through Group-wide standards, centralised training and regular quality audits, ensuring that execution in every region and hotel is aligned to the benchmark set in Mauritius.

Risk Ranking High Medium

RISK CATEGORY	RISK AREAS	RISK DESCRIPTION	RISK APPETITE STATEMENTS/ MITIGATING FACTORS
STRATEGIC	Sustainability *	Risk from adverse consequences of climate change compromising the sustainability of LIR's operations.	Sustainability is of strategic relevance to LIR; sustainability considerations are therefore embedded in our ways of working, decision making and investment decisions aiming to create community, business, environmental and destination resilience, and facilitating access to sustainable financing. Given the possible impact of climate change on beaches, we aim to diversify our portfolio to mitigate that risk.
	Innovation and Artificial Intelligence	Risk of falling behind in technology adoption, including AI, or hotel sector trends to optimise guest experience and efficiency.	We collaborate with TLC to promote innovation initiatives while assessing the related risks, in line with our corporate strategy to be at the forefront of the industry for innovative guest services, by allocating reasonable resources, and training where applicable.
FINANCIAL	Funding	Risk that LIR cannot fund its ongoing or new projects.	Funding is essential for LIR to develop its portfolio. LIR will seek to find the most appropriate funding option(s) and financial partners after assessing key financial ratios and covenants. LIR will maintain a healthy gearing ratio, considering industry norms, refurbishment (and renovation) cycles and projected new investments.
	Financial Management	Risk of excessive fluctuations in exchange rates (foreign currency to MUR), resulting in volatile financial performance.	LIR will manage its finances in a prudent and sustainable manner having regards to cost optimisation best practices. Foreign currency volatility is a priority concern for LIR. To that effect, we will implement adequate hedging and treasury management solutions to mitigate this risk. 75% of our revenue is in foreign currency and we aim to increase this percentage.
OPERATIONAL	People	Risk that LIR is unable to attract, develop and retain talent, which has a direct effect on hotel operations and guest satisfaction.	Our people are a fundamental asset of our operations and crucial to our success. We will do our best to create an inspiring and safe work environment where our team members can embrace their talent and also openly raise their concerns. To enforce this culture of openness, we will closely collaborate with our management companies in the recruitment, development and performance management of key positions within our resorts. Given the scarcity of talents in the hospitality sector, LIR will do its best to attract and retain key talents (local and foreign young talents), whilst trying to maintain a "Mauritian hospitality" culture and at the same time facilitating the integration of foreign talents.
	Safety & Health	Risk that the health and safety of guests and Team Members is compromised through various hazards (security, fire, disaeases, food safety) resulting in reputational damage.	The safety and health of our people and guests are essential for LIR. We will invest in safety and health measures and initiatives in our resorts. This principle is non-negotiable, and all third-party contractors including management company will have to comply with it when operating our resorts.

*Please refer to pages 80 to 105 regarding the sustainability initiatives

CORPORATE GOVERNANCE (CONT.)

RISK CATEGORY	RISK AREAS	RISK DESCRIPTION	RISK APPETITE STATEMENTS/ MITIGATING FACTORS
OPERATIONAL	Infrastructure	Risk that LIR's infrastructure is not adequately and timeously maintained and/ or upgraded, resulting in high costs, shorter economic useful lives and guest dissatisfaction.	In view of the substantial capital investment required with hotel construction and renovation, LIR consistently ensures that superior preventive maintenance procedures are in place to maximise the life of its assets and therefore extend the renovation cycle. LIR will ensure the best-in-class project deliveries by collaborating with renowned designers and consultants. Our infrastructure, technology and architectural design shall continuously meet required standards. LIR will consider promoting "smart" resorts and investing in new technologies to meet the expectations of our guests and operations. Our properties, which are our principal revenue assets are exposed to fire and other allied perils. LIR, as owner, will ensure that adequate protective measures and insurances are in place to mitigate the impact of these perils on its assets and profits.
	Cybersecurity	Risk that cyber-related incidents disrupt business operations, or lead to breaches in guest or corporate data.	Given the progress in technology and artificial intelligence, cyber criminals are finding new ways to sophisticate cyberattacks. To protect its assets and stakeholders, LIR will continue investing in cyber security solutions and promote awareness to strengthen cyber resilience at all levels of the organisation.
COMPLIANCE	Laws and Regulations	Risk of non-compliance with laws and regulations, resulting in reputation damage, losses and fines.	As a public listed company, we endeavour to comply with all applicable laws and regulations including listing and governance requirements. We appreciate and will promote compliance as a value-added practice and necessary culture to strengthen our stakeholders' trust. As a responsible citizen, LIR is committed to ESG practices and has embedded ESG into its strategy.
	Financial Crimes	Risk of fraud and money laundering resulting in reputation damage and sanctions.	We have zero-tolerance for financial crimes and corruption. We will endeavour to fight these plagues by putting in place appropriate internal measures to prevent and detect occurrences of such crimes and take immediate remedial actions against offenders. Furthermore, LIR will not allow any of its activities to be a channel for money laundering or terrorism financing.

Risk Ranking High Medium

Data Protection

Regulations on data protection, including the EU General Data Protection Regulation (GDPR), remain a focus area for the Company and the Group. Through the Management Company, TLC, the Company and the Group ensure that all their operations are compliant with the data protection regulations.

INSURANCE

Overview of the Group's insurance policy

The Company's and the Group's risk management policy is part of a dynamic process: the systematic and centralised identification of risks, the implementation and coordination of insurance as part of worldwide activities, the organisation of preventive and protective measures for property and persons and the deployment of a crisis management structure, internationally.

ACCOUNTABILITY AND AUDIT

The Board should present a balanced and comprehensible assessment of the Company's and the Group's performance, position and prospects.

Accountability

The Board reviews and approves the results announcements, before the release of each announcement. In presenting the annual and quarterly financial statements to the shareholders, the Board aims to provide shareholders with a balanced and clear assessment of the Company's and the Group's performance, position and prospects.

For interim financial statements, the Board gives its approval for the publication of the said accounts.

INTERNAL AND EXTERNAL AUDIT

Internal audit

The Group shares an in-house internal audit function with its management company, TLC. The primary role of the internal audit team is to assist the ARC to ensure that the Group maintains a sound system of internal control.

The Chief Internal Auditor ("CIA") is independent of Executive Management and reports to the ARC. On administrative matters, the CIA reports to the Chief Executive Officer of LIR & TLC. The ARC approves the hiring and dismissal of the CIA and ensures that the internal audit function is adequately staffed and has appropriate standing within the Company. The internal audit function works in accordance with the Standards for the Professional Practice of Internal Audit set by the Institute of Internal Auditors.

The annual internal audit plan is established in consultation with, but independently of Management, and is reviewed and approved by the ARC. The CIA presents audit reports regularly to the ARC and discusses key issues contained therein.

There was no limitation of scope placed on the internal auditors in conducting the audits.

External Audit Independence

The ARC reviews the independence of the external auditors. During this process, the ARC also reviews all non-audit services provided by the external auditors to ensure the nature and extent of such non-audit services do not affect their independence. The ARC confirms that after reviewing all non-audit services, if any, by the external auditors during the financial year, they do not, in the ARC's opinion, affect the external auditor's independence.

In appointing the audit firms for the Group, the ARC is satisfied by the Company's compliance with the provisions of the Listing rules of the Stock Exchange of Mauritius Ltd.

Following a tender exercise in 2020, PricewaterhouseCoopers (PwC) was appointed as external auditor. PricewaterhouseCoopers Ltd (PwC) was re-appointed as auditors of the Company and some of its subsidiaries for the year ended 30 June 2026 at the last Annual Meeting. As per the Financial

CORPORATE GOVERNANCE (CONT.)

Reporting Act where an audit firm shall not audit the accounts of a listed company for a continuous period of more than 7 years, the financial year ended 30 June 2026 was the final year of PwC to act as external auditor. A tender exercise was launched in February 2026 and the appointment of the new external auditor, as recommended by the Board, will be submitted for approval to the Shareholders at the forthcoming Annual Meeting.

The fees paid to the auditors and other advisors, for audit and other services were as follows:

	THE GROUP		THE COMPANY	
	30 June 2026	**30 June 2025**	**30 June 2026**	**30 June 2025**
	Rs	Rs	**Rs**	Rs
(a) PWC				
Audit services	**7,900,000**	7,000,000	**2,800,000**	2,365,000
Other services	**3,170,000**	200,000	**3,170,000**	100,000
Tax services	**661,000**	344,000	**138,000**	36,000
	11,731,000	7,544,000	**6,108,000**	2,501,000
(b) Other Auditors				
Audit services	**1,606,700**	1,676,000	-	-
Other services	**436,212**	317,636	-	-
Tax services	**110,784**	109,369	-	-
	2,153,696	2,103,005	-	-
Total	**13,884,696**	9,647,005	**6,108,000**	2,501,000

The details of the audit fees, other services and tax services for the Group are disclosed below:

	AUDIT FEES	OTHER SERVICES	TAX
	Rs	Rs	Rs
Holiday & Leisure Resorts Ltd	950,000	-	46,000
Beau Rivage Co Ltd	950,000	-	246,000
Les Pavillons Resorts Ltd	950,000	-	46,000
Merville Limited	950,000	-	40,000
White Sands Resort & Spa Pvt Ltd	605,850	436,212	110,784
Les Villas du Lagon SAS	1,000,850	-	-
Néréide Limited	950,000	-	40,000
Lux Island Resorts Ltd	2,800,000	3,170,000	138,000
Lux Island Resorts Maldives Ltd	182,500	-	11,000
Océanide Limited	167,500	-	6,000
Blue Bay Tokey Island Limited	-	-	29,000
MSF Leisure Company Ltd	-	-	29,000
FMM Ltee	-	-	6,000
LTK Ltd	-	-	6,000
Merville Beach Hotel Ltd	-	-	6,000
Lux Island Resorts Foundation	-	-	6,000
LIR Properties	-	-	6,000
TOTAL	**9,506,700**	**3,606,212**	**771,784**

OTHER DISCLOSURE

Donations

Donations, other than contributions made under CSR projects, made by the the Company and its subsidiaries amounted to **Rs 895,567** (2025: Rs 552,766) and are disclosed as per below:

No politicial donation was made for the financial year ended 30 June 2026 (2025 : Rs 3,000,000).

NAME OF COMPANY	DONATIONS 30.06.2026 - NORMAL	DONATIONS 30.06.2025- NORMAL	DONATIONS 30.06.2025- POLITICAL
	Rs	**Rs**	**Rs**
Beau Rivage Co Ltd	-	-	**500,000**
Holiday & Leisure Resorts Ltd	**39,042**	**18,007**	**500,000**
Les Pavillons Resorts Ltd	**92,574**	**120,943**	**500,000**
White Sands Resort & Spa Pvt Ltd	**443,136**	**130,312**	-
Merville Limited	-	-	**500,000**
Néréide Limited	**55,874**	**12,253**	**500,000**
Lux Island Resorts Ltd	**264,941**	**271,250**	**500,000**
TOTAL	**895,567**	**552,766**	**3,000,000**

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF FINANCIAL STATEMENTS, INTERNAL CONTROL AND RISK MANAGEMENT

For the year under review, the directors report that:

- the financial statements fairly present the state of affairs of the Group and the Company as at the end of the financial year and the result of operations and cash flows for that period;
- adequate accounting records and an effective system of internal controls and risk management have been maintained;
- appropriate accounting policies supported by reasonable and prudent judgement and estimates have been used consistently;
- the financial statements have been prepared in accordance with IFRS Accounting Standards and comply with the requirements of the Mauritian Companies Act 2001 and the Financial Reporting Act 2004;
- the financial statements have been prepared on the going concern basis;
- they are responsible for safeguarding the assets of the Group and of the Company; and
- they have taken reasonable steps for the prevention and detection of fraud and other irregularities.

The external auditors are responsible for reporting on whether the consolidated and separate financial statements give a true and fair view of the financial position of Lux Island Resorts Ltd (the "Company") and its subsidiaries (together the "Group") and of the Company standing alone as at 30 June 2026, and of their financial performance and their cash flows for the year then ended in accordance with IFRS Accounting Standards and in compliance with the Mauritian Companies Act 2001.

Approved by the Board of Directors on 23 September 2026 and signed on its behalf by:

Pascale Lagesse
Chairperson of the Board

John Brennan
Chairperson of the Corporate Governance Committee



MAURITIUS

SUSTAINABILITY JOURNEY

ILE DES DEUX COCOS

TRANSFORMING OUR APPROACH TO SUSTAINABILITY

OUR SUSTAINABILITY TRANSFORMATION

Building a coordinated sustainability approach

Lux Island Resorts Ltd has begun a Group-wide sustainability transformation to bring greater coordination, strategic direction and accountability to the sustainability initiatives undertaken across its properties.

Historically, many initiatives were developed and delivered at property level. While these initiatives have generated positive environmental and social outcomes, the Group recognises the opportunity to bring them together within a common sustainability framework, supported by clear priorities, governance arrangements, targets and performance measures.

During the year, the Group focused on three foundational areas:

- strengthening sustainability knowledge and oversight at Board and senior management levels;
- undertaking a structured materiality assessment informed by stakeholder perspectives; and
- preparing the foundations for a Group sustainability strategy covering the period 2027–2030.

This work represents an important step towards embedding sustainability more consistently within the Group's strategy, operations, risk management and reporting.

Our direction

A common sustainability framework that connects Group priorities with meaningful action at each property.

LEADERSHIP AND GOVERNANCE

Strengthening leadership, governance and accountability

During the year, the Group invested in building the knowledge and capability required to support more effective sustainability oversight and decision-making.

PwC delivered dedicated sustainability training to the Board of Directors and senior management. The training provided participants with an overview of the evolving sustainability landscape and the implications for governance, strategy, risk management and reporting.

Senior management also participated in specialised double materiality training. This introduced the two complementary perspectives through which sustainability matters are assessed:

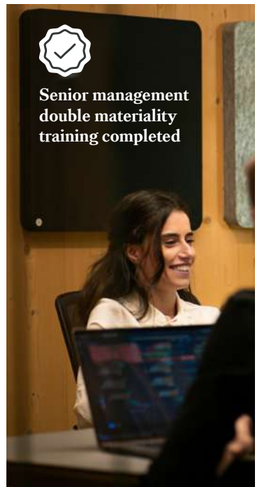
- Financial materiality: how sustainability-related risks and opportunities may affect the Group's prospects and financial performance; and
- Impact materiality: how the Group's activities and business relationships affect people and the environment.

The Group intends to build on this foundation by:

- reviewing the sustainability responsibilities of the Board and relevant management committees;
- clarifying roles and reporting lines across the Group and individual properties;
- integrating material sustainability-related risks into the Enterprise Risk Management Framework;
- and strengthening the processes used to monitor and report sustainability performance.

PROGRESS DURING FY2025/26









MATERIALITY ASSESSMENT

Identifying the sustainability matters that are most important

The Group is undertaking a structured materiality assessment using the Embedding Project methodology developed by its parent company, IBL Ltd.

The assessment is intended to identify the sustainability matters that are most significant to the Group and its stakeholders. The findings will inform the development of the Group's sustainability strategy, priorities, targets and performance indicators.

Stakeholders participating in the process include representatives from:



Local communities and non-governmental organisations | **Schools** | **Tour operators and guests** | **Suppliers** | **Financial institutions** | **The Group's management team**

During the engagement sessions, participants shared their expectations and concerns and assessed the relative significance of sustainability matters relevant to Lux Island Resorts.

Once the sessions are complete, the findings will be consolidated and submitted to management and the appropriate governance bodies for review and validation. The approved material topics will form the foundation of the Group's sustainability strategy for 2027–2030.

The materiality assessment remained in progress at the reporting date. No final materiality matrix had been approved at that date.

OUR PRIORITIES FOR THE NEXT PHASE

The Group's next phase will focus on converting the progress made during FY2025/26 into a coordinated and measurable sustainability programme.

- Complete and validate the materiality assessment: Complete the remaining stakeholder sessions, consolidate the findings and obtain management and governance approval of the Group's material sustainability topics.
- Approve the sustainability strategy: Develop and approve the Group's sustainability strategy for 2027–2030, including defined priorities, responsibilities, targets and implementation plans.
- Strengthen sustainability governance: Clarify Board, committee, management and property-level responsibilities for sustainability oversight, decision-making, implementation and reporting.
- Integrate sustainability into risk management: Identify and assess material sustainability-related risks and opportunities and incorporate them into the Enterprise Risk Management Framework and relevant management processes.
- Establish Group-wide targets and KPIs: Introduce consistent indicators and calculation methodologies across all properties, supported by baselines, annual targets, intensity measures and clear data ownership.
- Improve data quality and controls: Strengthen the collection, review, approval and retention of sustainability data to support reliable internal decision-making and external reporting.
- Scale effective property initiatives: Assess existing property-level initiatives and scale those that demonstrate measurable environmental, social or commercial value and align with approved Group priorities.
- Prepare for enhanced reporting: Progressively align disclosures with relevant sustainability-reporting expectations and assess the readiness of selected performance indicators for future independent assurance.

The Group's objective is to move from a collection of individual initiatives to an integrated sustainability programme that supports resilience, value creation and positive impact across its destinations.

OUR SUSTAINABILITY JOURNEY

FROM ACTION TO STRATEGIC INTEGRATION



BUILDING THE FOUNDATIONS *(1987-2015)*

- CSR as per legislation and beyond through NGO support
- Naiade Resorts Ltd restructured to Lux Island Resorts Ltd
- Creation of Tread Lightly
- Earth & Dance in-house water bottling project
- GRI Sustainability Reporting
- LUX* Sustainability Committee creation
- 1st Integrated Annual Report
- 1st hotel group listed on Sustainability Index of Stock Exchange of Mauritius
- Carbon Finance Agreement with AERAE
- GRI Gold Community

SCALING PROPERTY-LEVEL ACTION *(2016-2025)*

- UN Sustainable Development Goals (UNSDGs) Mapping
- International Integrated Reporting Council (IIRC)
- Code of Conduct for Child Protection from Sexual Exploitation in Travel & Tourism
- Green Key certification of LUX* Saint Gilles
- Ile des Deux Cocos off-grid photovoltaic plant
- Assessment for renewable energy projects at LUX*;
- Energy consumption reporting & reduction targets
- LUX* South Ari Atoll Maldives floating photovoltaic plant
- Tread Lightly reaches millionth room nights contribution for carbon neutrality
- GRI Covid-19 special: A Culture of Health for Business
- 5th Anniversary for GRI Gold Community



MOVING TOWARDS A GROUP-WIDE STRATEGY *(2026)*

- Partnered with independent sustainability consultant for Group-wide sustainability transformation journey
- Board & Senior Management sustainability training delivered by PwC
- Senior Management double materiality training delivered by PwC
- Embedding Project materiality assessment with both internal and external stakeholders, for all LUX*'s properties



2027–2030

- Approval and Implementation of Sustainability Strategy 2027–2030
- Introduction of Group-wide priorities, targets and key performance indicators
- Integration of sustainability-related risks into enterprise risk management
- Strengthened performance monitoring and sustainability reporting
- Continued implementation of property-level initiatives aligned with the Group strategy

SNAPSHOT OF THE GROUP'S SUSTAINABILITY INITIATIVES

FACTS FY 25-26



MUR 7.4 M
GUEST CONTRIBUTION
TO THE TREAD LIGHTLY FUND

MUR 7.8 M
AMONG 26 BENEFICIARIES
CSR FUNDS CONTRIBUTION

8 PROPERTIES
PROUDLY CERTIFIED GREATE PLACE OF WORK ®
INCLUDING OUR HQ FOR 8 CONSECUTIVE YEARS

324 TONS
WASTE DIVERTED
FROM LANDFILL

15,233 KG
FRESH PRODUCE FROM
OUR GARDENS TO TABLE

1,895,799 KWH
RENEWABLE ENERGY PRODUCED
BY OUR SOLAR PANELS
(64,667 KWH ILE DES DEUX COCOS)
(1,831,132 KWH LUX* SOUTH ARI ATOLL)

48.7
AVERAGE ENERGY INTENSITY
(KWH PER GUEST NIGHT)

<71
IDEAL SUSTAINABLE ENERGY
INTENSITY (KWH PER GUEST NIGHT)

613 K
TRAINING
HOURS

207 HRS
PER TEAM
MEMBER

Source: https://www.scribd.com/document/490719067/BEA-Fact-Sheets-hotels-Final-ed-pdf

PEOPLE: CHAMPIONING HUMAN RIGHTS, GROWTH AND WELL-BEING

Learning and development remains a cornerstone and a true reflection of our belief that growing our people is one of the most meaningful investments we can make.

In 2025-2026:

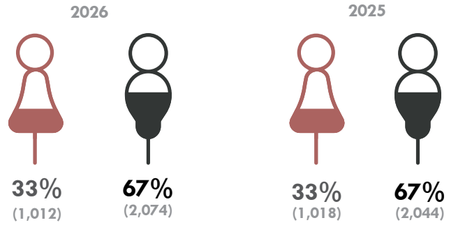
- 37 team members across our Mauritian resorts completed new modules of the Leadership Competencies Development Programme, while another 28 graduated from the Certificate in Tourism and Hospitality Operations, delivered by Polytechnics Mauritius Ltd. Of these, 21 have now been sponsored for a two-year, part-time Diploma in Tourism and Hospitality Management.
- 29 team members across our Mauritian resorts participated in a 12-month partnership with LetsBe Mauritius Ltd, bringing lasting improvements in physical and emotional confidence, resilience and healthy habits.
- 243 team members took part in our Financial Well-being Programme, building practical money management skills that support their lives far beyond the workplace.
- 63 team members from our head office and resorts were trained on generative AI for workplace productivity, led by AI specialist Sriram Iyer.
- 20 team members graduated from the National Certificate in Restaurant and Bar Service – Level 2, the only nationally recognised qualification offered by a hospitality group in Mauritius.
- More than 700 team members across our resorts were trained on Forbes Travel Guide standards.

Throughout the year, our teams' excellence was recognised, as evidenced by the awards presented by The Lux Collective across the hotels it manages.

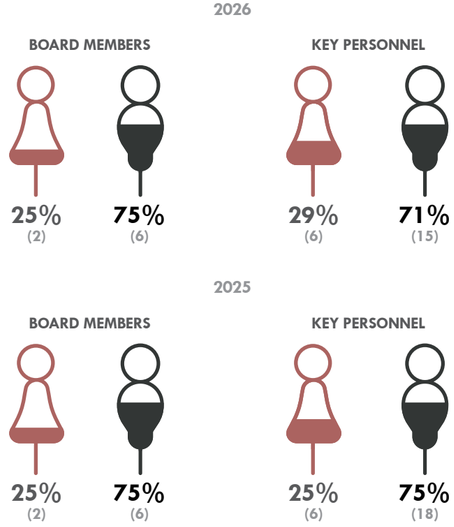
- At the Group's first-ever Excellence Awards, held at Tamassa Bel Ombre in November 2025, Lux Island Resorts properties swept all three Pinnacle Awards, with LUX* South Ari Atoll named Hotel of the Year, Tamassa Bel Ombre winning the Chairman's Award and Ashil Ramkissoon from LUX* Grand Gaube receiving the CEO's Award for a quiet act of compassion towards a colleague in need.
- LUX* Grand Baie, LUX* Belle Mare, LUX* Grand Gaube and LUX* Le Morne also picked up individual category wins across brand reputation, guest experience, learning and culture. Several of these wins, including recognitions for LUX* South Ari Atoll, LUX* Grand Baie and LUX* Le Morne in the Leadership in Business Challenge category, grew out of The Lux Collective's landmark AI-powered business-simulation leadership development programme, in which 96 of our senior leaders sharpened their commercial thinking and grew into more confident decision makers.
- Lux Island Resorts' corporate office and all resorts in Mauritius and the Maldives were again certified as Great Place to Work® for the period February 2026 to January 2027, marking the 8th consecutive year of certification for our Mauritian hotels and the 4th for LUX* South Ari Atoll.

Together, these milestones reflect what we have always believed: people are at the heart of everything we do and, by investing in them, we build a stronger, more connected future for Lux Island Resorts and everyone who calls it home.

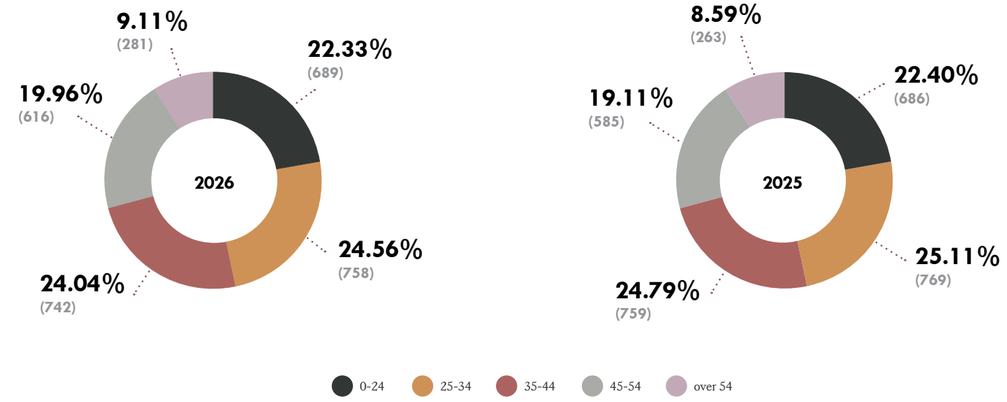
DIVERSITY BY GENDER - LUX GROUP



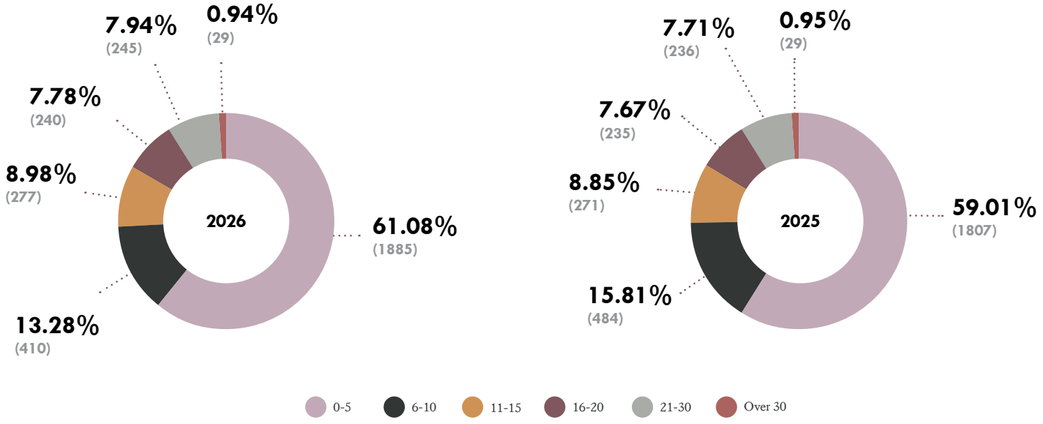
DIVERSITY BY GENDER - LUX GROUP



PERSONNEL BY AGE - LUX GROUP



PERSONNEL BY LENGTH OF SERVICE - LUX GROUP



SET TO RUN FULLY ON SOLAR ENERGY DURING DAYTIME

BACKGROUND

LUX* South Ari Atoll has run a rooftop solar system since 2019, alongside one of the world's first floating solar installations. Building on this, the resort partnered with Swimsol — the Maldives' leading solar energy provider — to roughly triple its solar capacity by adding further SolarSea floating platforms in the surrounding lagoon, together with a new battery storage system.

Once complete, the expanded system will reach approximately 2.9 MWp of total capacity, placing it among the largest resort solar installations in the Maldives. This will let the resort run entirely on solar power for around eight hours a day during peak demand, with diesel generators switched off for that period. The result is an estimated 1.1 million litres of diesel saved and roughly 3,000 tonnes of CO2 avoided every year — equivalent to the carbon captured by planting about 130,000 trees.

Swimsol, an Austrian-Maldivian company, delivered the first phase of solar power at LUX* South Ari Atoll and is now implementing this expansion. Because 99% of the Maldives is ocean and usable land is scarce, Swimsol pioneered the world's first marine-grade floating solar platform in 2014, engineered to withstand waves, salt spray and corrosion. The SolarSea platforms also function as artificial reefs: they shelter juvenile fish and invertebrates, and give coral larvae a surface to settle and grow on before being replanted.

Running on clean solar power during the day means less noise and fewer fumes from the island's powerhouse, and lower maintenance needs overall. Guests can follow the system's live output and learn more about the project through the in-villa TV channel. Together with Swimsol, LUX* South Ari Atoll continues to look at new ways to expand and make the most of its solar capacity.



SolarSea floating platforms in the lagoon at LUX* South Ari Atoll



PROGRESS UPDATE — SEPTEMBER 2026

As reported in July 2025, Swimsol's on-site team was progressing well with platform installation, with 28 of 78 new platforms in place at the time and completion of the solar component expected in early Q4 2025. Since then, installation of the SolarSea platforms and the associated PV system has been completed, and the project has moved into the battery and electrical commissioning stage.

Half of the battery bank is now operational. The remaining battery units arrived at the resort on 6 September 2026, and the second transformer and inverter are scheduled to arrive during the last week of September. With those components on site, full installation and commissioning of the complete system — solar platforms, batteries, transformer and inverters together — is targeted for completion by the second week of October 2026.

LOOKING AHEAD

Once commissioning is complete in October 2026, LUX* South Ari Atoll will join a small but growing group of Maldivian resorts running largely on solar power during the day. With the national target of 33% renewables by 2028 and further large-scale tenders in the pipeline, floating solar in particular is likely to keep expanding across the atolls, driven by the same shortage of land that led Swimsol to develop the SolarSea platform in the first place.

For LUX* South Ari Atoll, the next steps beyond commissioning are to monitor actual diesel displacement and CO2 savings against the ~1.1 million litre and ~3,000 tonne annual targets, and to assess whether further expansion — additional platforms, or extra battery capacity — could extend the daily solar-only window beyond the current eight hours.

LUX* LE MORNE

During FY2025/26, LUX* Le Morne continued to focus on community development, youth empowerment, animal welfare, responsible food production and waste management.

EACH CHILD MATTERS

LUX* Le Morne worked with Notre Dame du Mont Carmel RCA School and Case Noyale RCA School to support the education, health and wellbeing of vulnerable children.

Key activities included:

- Weekly food donations supporting 50 families through the Zero Food Waste Programme;
- Medical screening, psychological support and child-protection workshops;
- Renovation of classrooms and library facilities;
- Provision of books and learning resources.

During the year, 75 support hours were provided against a target of 50 hours, and 37 children participated in the Christmas dinner and gift-giving activity.





IN EVERY TEEN, A FUTURE

The programme supported students from La Gaulette State Secondary School through mentoring, coaching, employability and community activities.

Key outcomes included:

- 25 hours of coaching delivered against a target of 15 hours;
- Football equipment provided to 20 students; and
- An intergenerational event serving meals to 75 older persons, 25 police officers and 25 school employees.

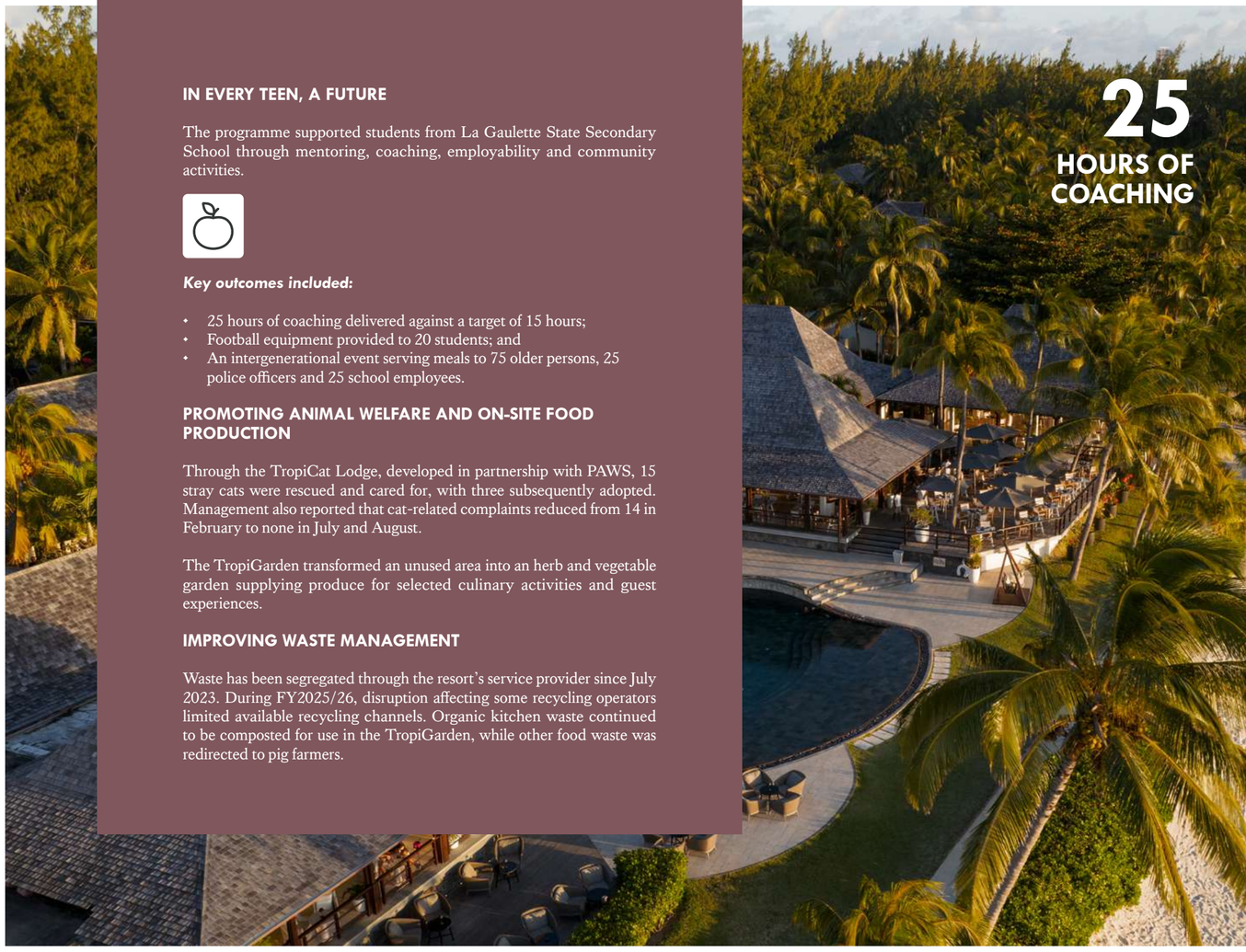
PROMOTING ANIMAL WELFARE AND ON-SITE FOOD PRODUCTION

Through the TropiCat Lodge, developed in partnership with PAWS, 15 stray cats were rescued and cared for, with three subsequently adopted. Management also reported that cat-related complaints reduced from 14 in February to none in July and August.

The TropiGarden transformed an unused area into an herb and vegetable garden supplying produce for selected culinary activities and guest experiences.

IMPROVING WASTE MANAGEMENT

Waste has been segregated through the resort's service provider since July 2023. During FY2025/26, disruption affecting some recycling operators limited available recycling channels. Organic kitchen waste continued to be composted for use in the TropiGarden, while other food waste was redirected to pig farmers.



LUX* GRAND BAIE

LUX* Grand Baie combined community partnerships, marine conservation, waste reduction and guest participation to advance sustainability during the year.

SUPPORTING COMMUNITIES THROUGH PARTNERSHIPS

The resort worked with Maison LUX* and Rays of Hope through the Suspended Coffee initiative. Guests and Team Members purchased additional refreshments that were subsequently distributed to people in need in Port Louis.

Through its partnership with Les Cuisines Solidaires, the Quality team delivered food-safety training and undertook a food-safety review. Members of the culinary team also provided practical mentoring and supported the development of recipes using donated ingredients.

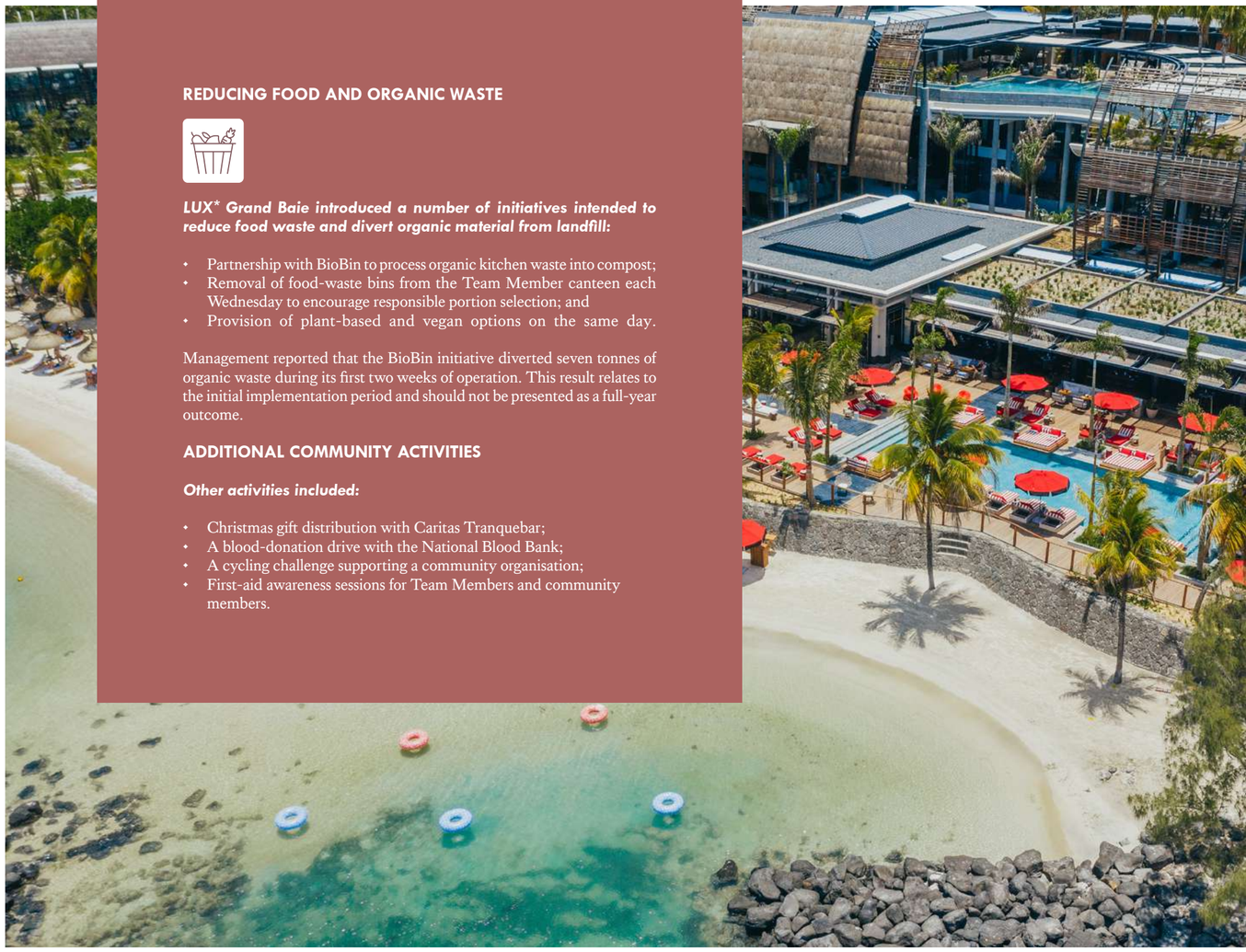
CONTRIBUTING TO MARINE CONSERVATION

Through the Drink & Save the Coral Reef initiative, a portion of sales from selected beverages was contributed to EcoSud to support coral-restoration activities in the Grand Baie lagoon.

Activities organised for World Ocean and Environment Day included lagoon clean-ups, educational sessions, glass-bottom boat activities and marine-conservation awareness. Team Members collected nearly 20 kg of waste from the lagoon.







REDUCING FOOD AND ORGANIC WASTE

LUX* Grand Baie introduced a number of initiatives intended to reduce food waste and divert organic material from landfill:

- Partnership with BioBin to process organic kitchen waste into compost;
- Removal of food-waste bins from the Team Member canteen each Wednesday to encourage responsible portion selection; and
- Provision of plant-based and vegan options on the same day.

Management reported that the BioBin initiative diverted seven tonnes of organic waste during its first two weeks of operation. This result relates to the initial implementation period and should not be presented as a full-year outcome.

ADDITIONAL COMMUNITY ACTIVITIES

Other activities included:

- Christmas gift distribution with Caritas Tranquebar;
- A blood-donation drive with the National Blood Bank;
- A cycling challenge supporting a community organisation;
- First-aid awareness sessions for Team Members and community members.

LUX* GRAND GAUBE

During FY2025/26, LUX* Grand Gaube focused on biodiversity, energy efficiency, inclusive guest experiences and circular-economy initiatives.

SUPPORTING BIODIVERSITY AND GUEST EDUCATION

The Hug Me Honey initiative introduced guests and students to the role of bees and pollinators. The resort maintained six hives with an estimated population of approximately 240,000 bees.

During the year:

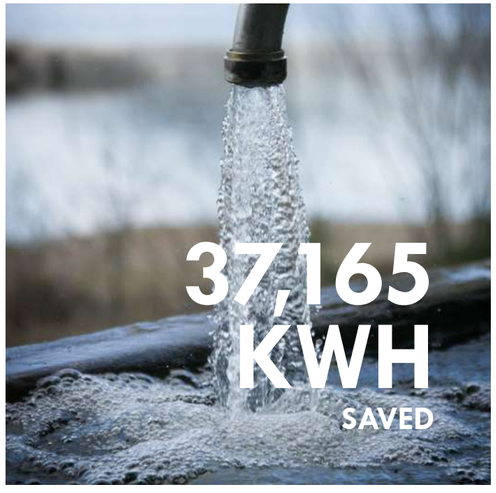
- approximately 35 kg of honey was harvested on site;
- approximately 100 participants took part in educational activities;
- and between 96 and 120 jars of honey were produced.

The resort also operated the Bee Honest Bar, a self-service guest experience based on trust and responsible consumption.

ENHANCING ON-SITE BIODIVERSITY

More than just a beautiful garden, Zardin Lontan is a living carbon sink, cleansing the air, boosting biodiversity, and building resilience. Endemic plants thrive here, restoring balance and safeguarding the island's natural heritage while contributing to climate resilience and biodiversity conservation.





IMPROVING ENERGY PERFORMANCE

A Level II energy audit was undertaken in accordance with ISO 50002 principles to identify energy-efficiency opportunities.

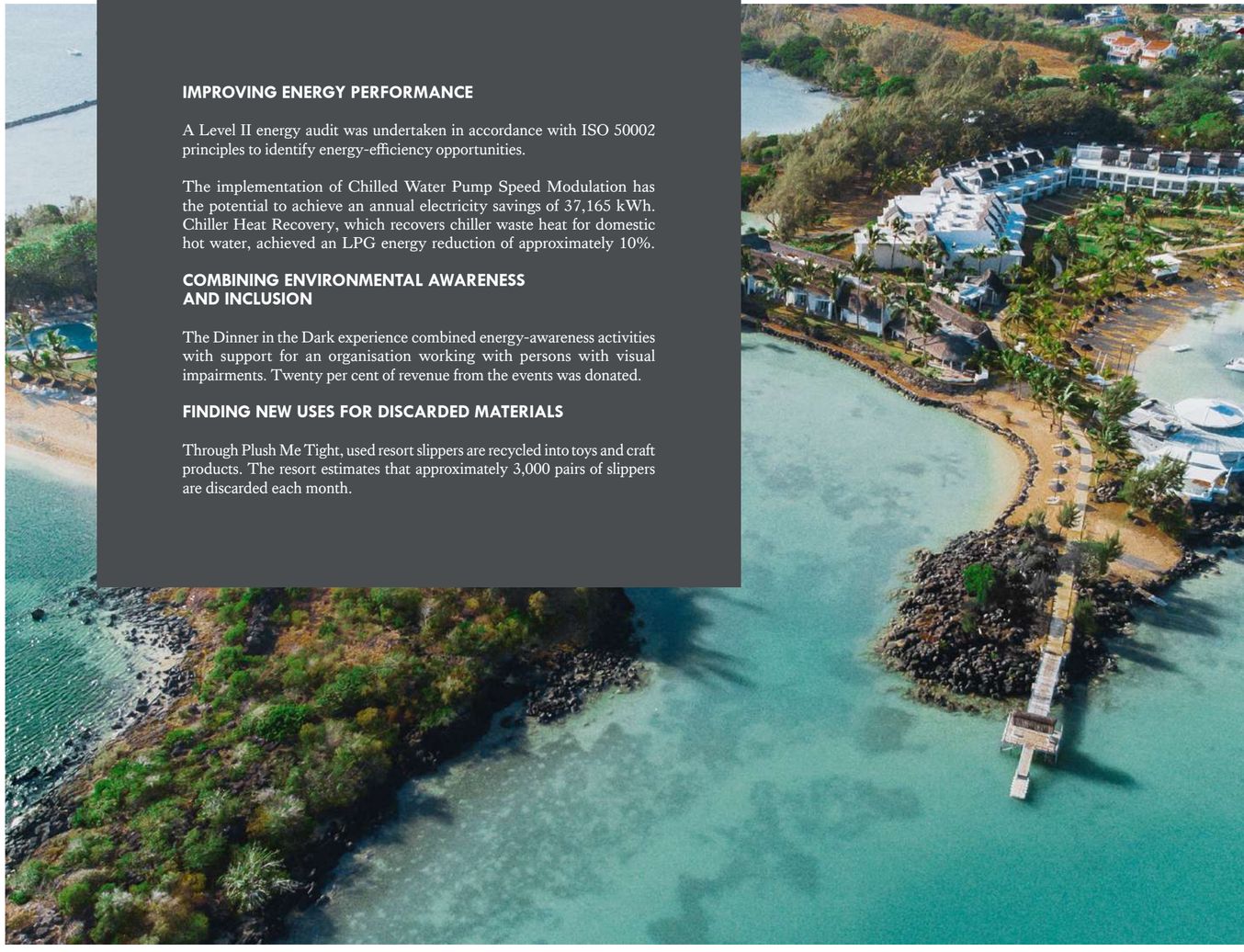
The implementation of Chilled Water Pump Speed Modulation has the potential to achieve an annual electricity savings of 37,165 kWh. Chiller Heat Recovery, which recovers chiller waste heat for domestic hot water, achieved an LPG energy reduction of approximately 10%.

COMBINING ENVIRONMENTAL AWARENESS AND INCLUSION

The Dinner in the Dark experience combined energy-awareness activities with support for an organisation working with persons with visual impairments. Twenty per cent of revenue from the events was donated.

FINDING NEW USES FOR DISCARDED MATERIALS

Through Plush Me Tight, used resort slippers are recycled into toys and craft products. The resort estimates that approximately 3,000 pairs of slippers are discarded each month.



LUX* BELLE MARE

LUX* Belle Mare's activities during the year focused on community health, coastal and marine conservation, environmental education and improved waste segregation.

LUX* Belle Mare and its partners organised a community Health Day in Flacq Coeur de Ville following two months of preparation.

The event involved:

- 30 Team Members;
- more than 10 doctors and medical officers;
- more than 200 community participants; and
- voluntary blood-donation activities.

105 registered donors with 82 successful donations.

PROTECTING COASTAL AND MARINE ECOSYSTEMS

25 LUX* Belle Mare Team Members and 16 Boat House colleagues participated in a clean-up of the Belle Mare beach, lagoon and parking area. More than 25 bags of waste were collected, including approximately 50 kg recovered from the lagoon.

The resort also continued its marine-conservation programme focusing on sea-turtle protection and lagoon ecosystems. Three awareness sessions were delivered with community members and secondary-school students in collaboration with specialist organisations from Mauritius and Réunion.



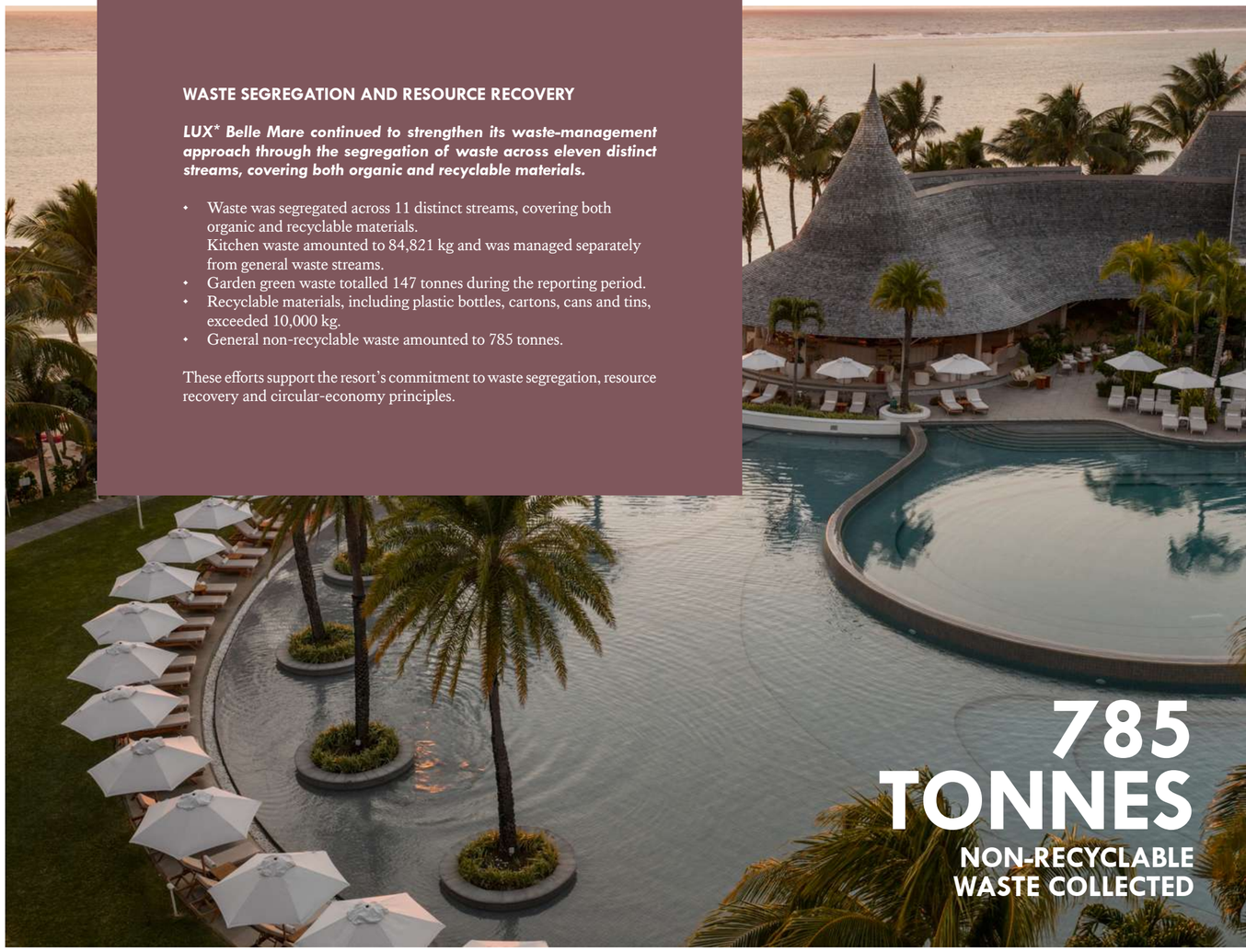


WASTE SEGREGATION AND RESOURCE RECOVERY

LUX* Belle Mare continued to strengthen its waste-management approach through the segregation of waste across eleven distinct streams, covering both organic and recyclable materials.

- Waste was segregated across 11 distinct streams, covering both organic and recyclable materials.
  Kitchen waste amounted to 84,821 kg and was managed separately from general waste streams.
- Garden green waste totalled 147 tonnes during the reporting period.
- Recyclable materials, including plastic bottles, cartons, cans and tins, exceeded 10,000 kg.
- General non-recyclable waste amounted to 785 tonnes.

These efforts support the resort's commitment to waste segregation, resource recovery and circular-economy principles.



LUX* SAINT GILLES

LUX* Saint Gilles continued to develop its approach to food-waste recovery, composting, biodiversity awareness and energy efficiency.

RECOVERING FOOD AND ORGANIC WASTE

Through its partnership with Phenix, the resort provided fruit peelings, bread and pastries to a local farming organisation for use as animal feed. Approximately 13,000 kg was redirected through this initiative during the year.

The resort's BioBin project composted approximately 3,330 kg of food waste. The resulting compost, certified against the NF U 44-051 standard, was used in the hotel's gardens.

SUPPORTING CIRCULAR-ECONOMY INITIATIVES

The resort collected plastic bottle caps for donation to an organisation that repurposes the material into sports equipment. Approximately one 20-litre container of caps was collected during the year.





PROTECTING LOCAL BIODIVERSITY

The resort delivered awareness activities focusing on endemic species and the effects of light pollution.

Activities included:

- Training for 10 employees on protected marine birds in Réunion;
- A documentary event for guests focusing on the Barau's petrel; and
- Participation in a local initiative under which lighting is reduced to protect endemic bird species.

TESTING ENERGY-EFFICIENCY SOLUTIONS

An energy-performance trial was undertaken across six rooms and selected office areas.

For May 2026, management reported:

- Electricity consumption 50 MWh lower than in May 2025.



LUX* SOUTH ARI ATOLL

LUX* South Ari Atoll focused on community capacity-building, environmental action and partnerships supporting local island communities.

BUILDING COMMUNITY CAPACITY

The resort delivered six development sessions across Adh. Dhigurah, Dhidhoo, Dhangethi and Fenfushi.

The sessions were designed for:

- secondary and higher-secondary students;
- teachers and educational leaders;
- and representatives of public- and private-sector organisations.

A total of 97 participants attended, representing 1,746 participant training hours.





SUPPORTING ENVIRONMENTAL ACTION

Four community environmental initiatives were undertaken in collaboration with the respective Island Councils under the theme"Clean the Reef, Clean the Island".

Activities included island and reef clean-ups, environmental awareness and the collection of plastic waste for recycling.

The resort reported:

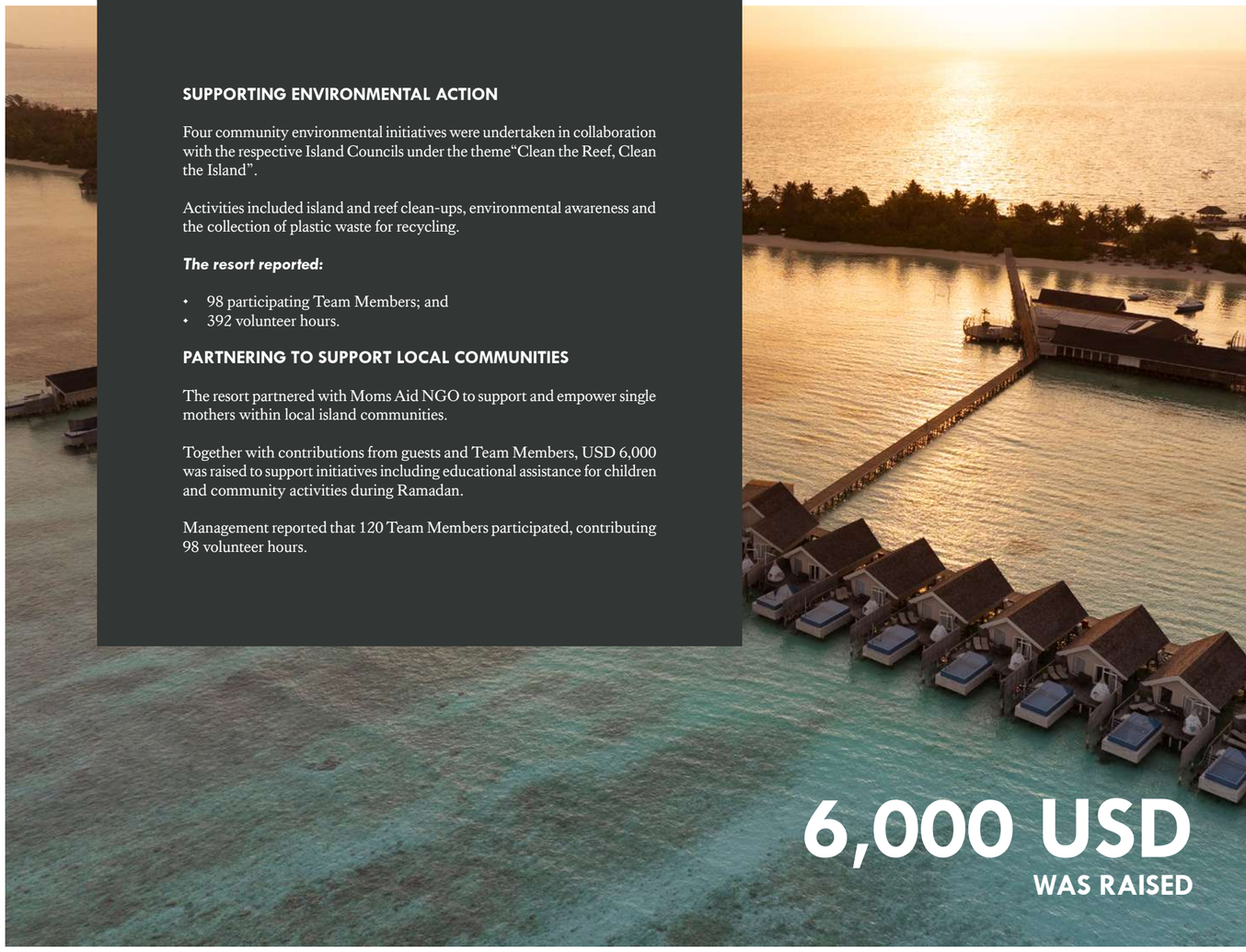
- 98 participating Team Members; and
- 392 volunteer hours.

PARTNERING TO SUPPORT LOCAL COMMUNITIES

The resort partnered with Moms Aid NGO to support and empower single mothers within local island communities.

Together with contributions from guests and Team Members, USD 6,000 was raised to support initiatives including educational assistance for children and community activities during Ramadan.

Management reported that 120 Team Members participated, contributing 98 volunteer hours.



TAMASSA BEL OMBRE

Tamassa continued to develop initiatives focusing on waste recovery, on-site food production, environmental education, skills development and community inclusion.

IMPROVING WASTE RECOVERY

Waste is segregated at source and monitored by waste stream through the resort's sustainability dashboard.

During the reporting period:

- 47% of reported waste was recycled or recovered; and
- 53% was classified as general non-recyclable waste.

Organic and biological waste is redirected through dedicated recovery channels, while used cooking oil is collected for recovery.

RECOVERING COFFEE GROUNDS

The resort collected 1,458 kg of used coffee grounds during the year. The grounds were reused as a soil amendment and as an input into composting activities.

GROWING PRODUCE ON SITE

Through the Tamassa Fresh hydroponic project, the resort completed eight lettuce-growing cycles during the year.

Management reported an average yield of approximately 44 kg to 56 kg per cycle. Based on these reported yields, estimated annual production ranged from approximately 352 kg to 448 kg.

The initiative supplies selected produce for resort kitchens and reduces the transport distance associated with externally sourced produce.





ENGAGING YOUNG PEOPLE IN ENVIRONMENTAL ACTION

A total of 388 students participated in the Kids Go Green environmental-education initiative during the year.

SUPPORTING SKILLS DEVELOPMENT AND INCLUSION

The resort partnered with two local non-governmental organisations to provide training and internship opportunities.

During the year:

- 11 children received 68 hours of practical pastry-making instruction; and
- three students requiring additional support completed internships of 560 hours each, representing 1,680 internship hours in total.

SUPPORTING THE SOUTHERN HANDICAPPED ASSOCIATION

The resort continued to support the Southern Handicapped Association by:

- developing plans to revamp an underused area into a safer and more accessible therapy and activity space; and
- providing a retail area where members can sell handmade products.

Proceeds from the retail area support the Association's programmes and workshop activities.



STATEMENT OF COMPLIANCE BY THE BOARD

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

Name of PIE: Lux Island Resorts Ltd

Reporting Period: 30 June 2026

We, the Directors of Lux Island Resorts Ltd, confirm that to the best of our knowledge, Lux Island Resorts Ltd has complied with all of its obligations and requirements under the Code of Corporate Governance, except for the following:

- The composition of the Board and of its Committees: The Board is composed of seven non-executive directors and one executive director. The Board is of the view that a strong management presence is important. In this context, depending on the subject on the agenda, the Board invites executives with the relevant expertise to participate in the discussion. The Board is considering appointing one additional non-executive independent female director.

- Other directorships of the Board: The list of directorships of the directors in listed companies is disclosed on page 16 to 19. Directorships (other than those in listed companies) are available upon request at the registered office of the Company.

Signed by

Pascale Lagesse
Chairperson

John Brennan
Chairperson of the Corporate Governance Committee

23 September 2026

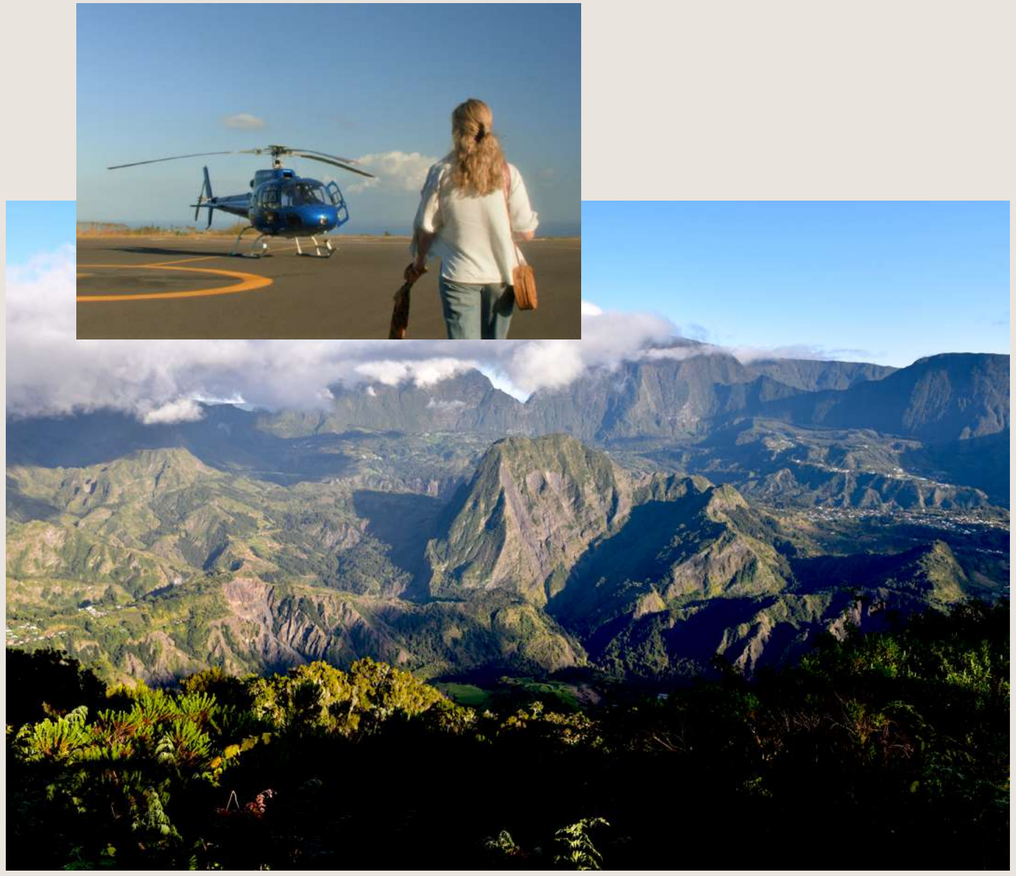
COMPANY SECRETARY'S CERTIFICATE

We hereby certify that to the best of our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Mauritian Companies Act 2001 in terms of Section 166 (d).

IBL Management Ltd
Company Secretary

23 September 2026

LA REUNION



LUX* SAINT GILLES



FINANCIAL REPORT

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Lux Island Resorts Ltd

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our Opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the financial position of Lux Island Resorts Ltd (the "Company") and its subsidiaries (together the "Group") and of the Company standing alone as at 30 June 2026, and of their financial performance and their cash flows for the year then ended in accordance with IFRS Accounting Standards and in compliance with the Mauritian Companies Act 2001.

What we have audited

Lux Island Resorts Ltd's accompanying consolidated and separate financial statements comprise:

- the consolidated and separate statements of financial position as at 30 June 2026;
- the consolidated and separate statements of profit or loss for the year then ended;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the separate statement of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include material accounting policy information and other explanatory information.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the "IESBA Code") as applicable to audits of financial statements of public interest entities. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key Audit Matters

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

Key Audit Matters (continued)

KEY AUDIT MATTER - GROUP	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Impairment assessment of Property, Plant and Equipment, Right-of-use assets and Goodwill (see notes 4, 5 and 7 to the financial statements) The Group has Property, Plant and Equipment, Right-of-use assets and Goodwill amounting to MUR 14.4 billion, MUR 3.4 billion and MUR 0.5 billion respectively as at 30 June 2026 (2025: MUR 12.8 billion, MUR 3.4 billion and MUR 0.5 billion respectively). The ongoing conflict in the Middle East has increased uncertainty over air traffic flows to certain destinations served by the Group. As a result of these heightened market risks and their potential impact on future cash flows, management performed an impairment assessment of the Group's Property, Plant and Equipment, Right-of-use assets and Goodwill as at 30 June 2026 using discounted cash flows to determine the recoverable amounts of the respective cash generating units (CGUs) to which the assets relate. The recoverable amount of each CGU has been determined based on their fair value less cost to sell. The assessment of the recoverable amount of each cash generating unit requires the use of a number of key assumptions and judgement, including the estimated future cash flows, long-term growth rates, profitability levels and discount rates applied. This was an area of focus in light of the amounts involved and the level of judgement and estimation required from management.	We discussed with management triggering events and indicators of impairment for Goodwill, Property, Plant and Equipment and Right-of-use assets. We obtained management's assessment of the recoverable amounts of the different CGUs. With the support of our internal valuation experts: i. we tested the key assumptions used in the discounted cash flow models by comparing these assumptions to our independently derived expectations, which are based on the historical performance of the businesses and expectations for the markets in which the CGUs operate. ii. we considered reasonable possible changes in key assumptions, such as occupancy rate and average room rate using our knowledge and experience of the hospitality industry. iii. the budgeted figures used in the discounted cash flow models were compared to the historical performance of the respective CGUs in order to assess the reasonableness of the forecasted cash flows. iv. the terminal growth rates were assessed for reasonableness based on market expected long-term growth rates. v. we determined the reasonableness of the discount rates used in the cash flow models by comparing them to point estimates independently calculated by us based on the markets in which the CGUs operate, taking into consideration the nature of the CGUs. We verified the mathematical accuracy of the discounted cash flow models. We also assessed whether appropriate disclosures were made by management in the financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Lux Island Resorts Ltd (continued)

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

Key Audit Matters (continued)

KEY AUDIT MATTER - COMPANY	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Impairment assessment of investment in subsidiary companies (see note 8 to the financial statements) The Company holds investments in subsidiary companies which amounted to MUR 3.8 billion as at 30 June 2026 (2025: MUR 3.5 billion). Management determines at the end of each reporting period the existence of any indication of impairment or reversal of previously recognised impairment on the Company's investments in subsidiary companies. If there are indicators of impairment or reversal of impairment, management would assess the recoverable amounts of the investment in subsidiary companies. Any excess or shortfall between the recoverable amounts of the subsidiary companies and their carrying value is recognised in profit or loss. The assessment of recoverable amounts involves significant judgement, particularly in light of the uncertainty arising from the ongoing Middle East conflict and its potential impact on the future performance of certain subsidiary companies. The recoverable amounts were determined using a fair value less cost to sell model based on discounted cash flow, which incorporate key assumptions relating to future cash flows, profitability levels, long-term growth rates and discount rates. This was an area of focus in light of the amounts involved and the level of judgement and estimation required from management.	We independently considered whether there were internal and external indicators of impairment or reversal of impairment for investments in subsidiary companies. For those investments in subsidiary companies whereby indicators of impairment or reversal of impairment were identified, we obtained management assessment of the recoverable amounts, which were based on a discounted cash flow model. With the support of our internal valuation experts: i. we obtained an understanding of management's planned business strategies around revenue and cost initiatives and challenged management's forecasted revenues and growth rates based on our knowledge of the subsidiary companies' operations, and compared them against past performance. ii. we assessed the terminal growth rates used in the discounted cash flow models by comparing them to market expected long-term growth rates. iii. we assessed the reasonableness of the discount rates used by comparing them to point estimate discount rates independently calculated by us based on the markets in which the businesses operate, taking into account the nature of the individual businesses. We assessed whether appropriate disclosures were made by management in the financial statements.

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated and separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

The directors are responsible for overseeing the Group's and Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Lux Island Resorts Ltd (continued)

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements (continued)

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Mauritian Companies Act 2001

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

a. we have no relationship with or interests in the Company or any of its subsidiaries other than in our capacity as auditor, tax advisor and business advisor of the Company and of some of its subsidiaries and dealings in the ordinary course of business;
b. we have obtained all the information and explanations we have required; and
c. in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Mauritian Financial Reporting Act 2004

Our responsibility under the Mauritian Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance ("Code") disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the annual report, the Company has, pursuant to section 75 of the Mauritian Financial Reporting Act 2004, complied with the requirements of the Code.

OTHER MATTER

This report, including the opinion, has been prepared for and only for the Company's shareholders, as a body, in accordance with Section 205 of the Mauritian Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers

Harrykrishna Veerapen
licensed by FRC

23 September 2026

(The original set of annual report is available for inspection at the registered address of Lux Island Resorts Ltd)

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	Notes	THE GROUP		THE COMPANY	
		2026 Rs'000	2025 Rs'000	**2026 Rs'000**	2025 Rs'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	**14,388,169**	12,833,367	**34,146**	37,779
Right-of-use assets	5 (a)	**3,443,946**	3,431,390	**-**	-
Investment property	6	**-**	-	**98,817**	95,518
Intangible assets	7	**496,656**	482,911	**-**	187
Investment in subsidiary companies	8	**-**	-	**3,766,824**	3,471,954
Deferred tax assets	9	**163,680**	84,800	**-**	-
Investment in associated company	12	**51,576**	49,827	**51,576**	49,827
Post-employment benefit	17 (b)	**3,899**	3,744	**3,899**	3,744
		18,547,926	16,886,039	**3,955,262**	3,659,009
Current assets					
Inventories	10	**270,894**	246,409	**217**	165
Trade and other receivables	11	**734,871**	653,012	**2,259,768**	1,707,545
Current tax assets	20 (d)	**12,969**	-	**8,192**	-
Cash and cash equivalents	30 (a)	**905,626**	1,505,340	**732,755**	1,263,343
		1,924,360	2,404,761	**3,000,932**	2,971,053
TOTAL ASSETS		**20,472,286**	19,290,800	**6,956,194**	6,630,062
EQUITY AND LIABILITIES					
Equity					
Issued capital	13 (a)	**1,371,159**	1,371,159	**1,371,159**	1,371,159
Share premium	13 (b)	**1,320,986**	1,320,986	**1,320,986**	1,320,986
Other reserves	14	**2,894,715**	2,561,635	**43,995**	43,627
Retained earnings		**4,280,599**	3,126,481	**1,405,910**	1,317,053
		9,867,459	8,380,261	**4,142,050**	4,052,825
Convertible bonds	15	**714,083**	1,460,283	**714,083**	914,083
Total equity		**10,581,542**	9,840,544	**4,856,133**	4,966,908
Non-current liabilities					
Interest-bearing loans and borrowings	16	**2,873,403**	2,472,909	**-**	-
Lease liabilities	5 (a)	**2,657,430**	2,674,874	**-**	-
Deferred tax liabilities	9	**1,126,673**	976,258	**14,262**	1,811
Post-employment benefit	17 (b)	**196,920**	235,515	**11,207**	12,774
		6,854,426	6,359,556	**25,469**	14,585
Current liabilities					
Interest-bearing loans and borrowings	16	**574,221**	771,358	**6**	6
Lease liabilities	5 (a)	**172,858**	214,938	**-**	-
Contract liabilities	21 (a)	**617,881**	445,902	**-**	-
Provision for vacation leave	18	**22,679**	20,146	**569**	517
Trade and other payables	19	**1,454,833**	1,446,241	**2,074,017**	1,644,807
Current tax liabilities	20 (d)	**193,846**	192,115	**-**	3,239
		3,036,318	3,090,700	**2,074,592**	1,648,569
Total liabilities		**9,890,744**	9,450,256	**2,100,061**	1,663,154
TOTAL EQUITY AND LIABILITIES		**20,472,286**	19,290,800	**6,956,194**	6,630,062

These financial statements have been approved for issue by the Board of Directors and signed on its behalf on 23 September 2026:

Name of Directors:

Pascale Lagesse

Jenifer Chung Wong Tsang

The notes set out on pages 122 to 208 form an integral part of these financial statements.
Independent Auditor's report on pages 110 to 115.

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE 2026

	Notes	THE GROUP		THE COMPANY	
		2026 Rs'000	2025 Rs'000	**2026 Rs'000**	2025 Rs'000
Revenue from contracts with customers	21	**11,234,129**	10,555,607	**-**	-
Other operating income	22	**168,176**	106,247	**338,279**	786,210
Total income		**11,402,305**	10,661,854	**338,279**	786,210
Direct operating expenses	23	**(2,768,176)**	(2,715,734)	**-**	-
Employee benefit expenses	24	**(2,686,916)**	(2,593,140)	**(95,734)**	(88,930)
Other operating expenses	25	**(2,822,562)**	(2,575,822)	**(56,848)**	(50,063)
		(8,277,654)	(7,884,696)	**(152,582)**	(138,993)
Earnings before interest, tax, depreciation, amortisation and impairment		**3,124,651**	2,777,158	**185,697**	647,217
Reversal of impairment/ (impairment) of property, plant and equipment	4	**41,597**	(5,685)	**-**	-
Fair value gain on investment property	6	**-**	-	**3,299**	4,373
Reversal of impairment/ (impairment) of investment in subsidiary companies	8	**-**	-	**294,895**	(338,228)
Impairment of financial assets	11 (iii)	**(2,745)**	(357)	**-**	-
Impairment of right-of-use assets	5 (a)	**-**	(29,327)	**-**	-
		38,852	(35,369)	**298,194**	(333,855)
Earnings before interest, tax, depreciation and amortisation		**3,163,503**	2,741,789	**483,891**	313,362
Depreciation and amortisation	26	**(856,499)**	(812,155)	**(5,013)**	(5,744)
Operating profit		**2,307,004**	1,929,634	**478,878**	307,618
Finance income	27	**36,879**	42,506	**118,690**	94,265
Finance costs	28	**(466,513)**	(517,174)	**(55,593)**	(52,986)
Profit before income tax		**1,877,370**	1,454,966	**541,975**	348,897
Income tax (expense)/ credit	20 (a)	**(325,736)**	(246,682)	**(20,649)**	11,042
Profit for the year		**1,551,634**	1,208,284	**521,326**	359,939
Profit for the year attributable to:					
- Owners of the parent		**1,551,634**	1,208,284	**521,326**	359,939
		Rs	Rs		
Basic Earnings per share attributable to equity holders of the parent:	29	**11.32**	8.81		
Diluted Earnings per share attributable to equity holders of the parent:	29	**9.59**	7.34		

The notes set out on pages 122 to 208 form an integral part of these financial statements.
Independent Auditor's report on pages 110 to 115.

CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2026

	Notes	THE GROUP		THE COMPANY	
		2026	2025	**2026**	2025
		Rs'000	Rs'000	**Rs'000**	Rs'000
Profit for the year		**1,551,634**	1,208,284	**521,326**	359,939
Other comprehensive income that will not be reclassified to profit or loss subsequently					
Revaluation of property, plant and equipment	14	**180,957**	384,540	**454**	855
Deferred tax relating to revaluation of property, plant and equipment	14	**(25,127)**	(78,921)	**(86)**	(162)
Remeasurements of post-employment benefit	17(f)	**52,925**	(24,619)	**2,928**	3,912
Deferred tax relating to remeasurements of post-employment benefit		**(8,603)**	4,401	**(556)**	(743)
		200,152	285,401	**2,740**	3,862
Other comprehensive income that may be reclassified to profit or loss subsequently					
Cash flow hedge movement	14	**(33,037)**	(47,237)	-	-
Cash flow hedge - reclassified to profit or loss	14	**94,766**	74,556	-	-
Exchange difference on translation of foreign operations	14	**115,521**	(41,787)	-	-
		177,250	(14,468)	-	-
Total other comprehensive income, net of tax		**377,402**	270,933	**2,740**	3,862
Total comprehensive income for the year, net of tax		**1,929,036**	1,479,217	**524,066**	363,801
Other comprehensive income attributable to:					
- Owners of the parent		**377,402**	270,933	**2,740**	3,862
Total comprehensive income attributable to:					
- Owners of the parent		**1,929,036**	1,479,217	**524,066**	363,801

The notes set out on pages 122 to 208 form an integral part of these financial statements.
Independent Auditor's report on pages 110 to 115.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2026

		Attributable to the equity holders of the parent						
		Issued capital	**Share premium**	**Other reserves**	**Retained**		**Convertible bonds**	**Total**
THE GROUP	**Notes**	**(Note 13)**	**(Note 13)**	**(Note 14)**	**earnings**	**Total**	**(Note 15)**	**Equity**
		Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
At 01 July 2024		1,371,159	1,320,986	2,270,484	2,345,886	7,308,515	1,460,283	8,768,798
Other comprehensive income for the year		-	-	291,151	(20,218)	270,933	-	270,933
Profit for the year		-	-	-	1,208,284	1,208,284	-	1,208,284
Total comprehensive income for the year, net of tax		-	-	291,151	1,188,066	1,479,217	-	1,479,217
Interest on convertible bonds		-	-	-	(64,681)	(64,681)	-	(64,681)
Transaction with owners:								
Dividends (Note 38)		-	-	-	(342,790)	(342,790)	-	(342,790)
At 30 June 2025		1,371,159	1,320,986	2,561,635	3,126,481	8,380,261	1,460,283	9,840,544
At 01 July 2025		**1,371,159**	**1,320,986**	**2,561,635**	**3,126,481**	**8,380,261**	**1,460,283**	**9,840,544**
Other comprehensive income for the year		-	-	**333,080**	**44,322**	**377,402**	-	**377,402**
Profit for the year		-	-	-	**1,551,634**	**1,551,634**	-	**1,551,634**
Total comprehensive income for the year, net of tax		-	-	**333,080**	**1,595,956**	**1,929,036**	-	**1,929,036**
Repayment of convertible bonds		-	-	-	-	-	**(750,000)**	**(750,000)**
Settlement of transaction cost attributable to convertible bonds		-	-	-	**(3,800)**	**(3,800)**	**3,800**	-
Interest on convertible bonds		-	-	-	**(26,690)**	**(26,690)**	-	**(26,690)**
Transaction with owners:								
Dividends (Note 38)		-	-	-	**(411,348)**	**(411,348)**	-	**(411,348)**
At 30 June 2026		**1,371,159**	**1,320,986**	**2,894,715**	**4,280,599**	**9,867,459**	**714,083**	**10,581,542**

The notes set out on pages 122 to 208 form an integral part of these financial statements.
Independent Auditor's report on pages 110 to 115.

SEPARATE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2026

THE COMPANY	Notes	Attributable to the equity holders of the Company: Issued capital (Note 13) Rs'000	Share premium (Note 13) Rs'000	Other reserves (Note 14) Rs'000	Retained earnings Rs'000	Total Rs'000	Convertible bonds (Note 15) Rs'000	Total Equity Rs'000
At 01 July 2024		1,371,159	1,320,986	42,934	1,324,718	4,059,797	914,083	4,973,880
Other comprehensive income for the year		-	-	693	3,169	3,862	-	3,862
Profit for the year		-	-	-	359,939	359,939	-	359,939
Total comprehensive income for the year, net of tax		-	-	693	363,108	363,801	-	363,801
Interest on convertible bonds		-	-	-	(27,983)	(27,983)	-	(27,983)
Transaction with owners:								
Dividends (Note 38)		-	-	-	(342,790)	(342,790)	-	(342,790)
At 30 June 2025		1,371,159	1,320,986	43,627	1,317,053	4,052,825	914,083	4,966,908
At 01 July 2025		**1,371,159**	**1,320,986**	**43,627**	**1,317,053**	**4,052,825**	**914,083**	**4,966,908**
Other comprehensive income for the year		-	-	**368**	2,372	2,740	-	2,740
Profit for the year		-	-	-	**521,326**	**521,326**	-	**521,326**
Total comprehensive income for the year, net of tax		-	-	**368**	**523,698**	**524,066**	-	**524,066**
Repayment of convertible bonds		-	-	-	-	-	**(200,000)**	**(200,000)**
Interest on convertible bonds		-	-	-	**(23,493)**	**(23,493)**	-	**(23,493)**
Transaction with owners:								
Dividends (Note 38)		-	-	-	**(411,348)**	**(411,348)**	-	**(411,348)**
At 30 June 2026		**1,371,159**	**1,320,986**	**43,995**	**1,405,910**	**4,142,050**	**714,083**	**4,856,133**

The notes set out on pages 122 to 208 form an integral part of these financial statements.
Independent Auditor's report on pages 110 to 115.

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2026

	Notes	THE GROUP 2026 Rs'000	THE GROUP 2025 Rs'000	THE COMPANY 2026 Rs'000	THE COMPANY 2025 Rs'000
OPERATING ACTIVITIES					
Profit before tax		**1,877,370**	1,454,966	**541,975**	348,897
Adjustments for:					
- Impairment of right-of-use assets	5 (a)	-	29,327	-	-
- Impairment of financial assets	11 (iii)	**2,745**	357	-	-
- (Reversal of impairment)/ impairment of investment in subsidiary companies	8	-	-	**(294,895)**	338,228
- (Reversal of impairment)/ impairment of property, plant and equipment	4	**(41,597)**	5,685	-	-
- Movement in provision for slow moving stock		**3,240**	(500)	-	-
- Foreign exchange differences		**93,456**	73,364	**(64,951)**	57,750
- Depreciation and amortisation	26	**856,499**	812,155	**5,013**	5,744
- Gain on lease extinguishment	22 (b)	**(11,386)**	-	-	-
- Loss/ (profit) on disposal of property, plant and equipment	22 (c)	**1,683**	(953)	-	-
- Post-employment benefit		**25,079**	26,383	**1,205**	1,360
- Provision for vacation leaves	18	**2,533**	701	**52**	95
- Interest income	27	**(36,879)**	(42,506)	**(118,690)**	(94,265)
- Interest expense	28	**466,513**	517,174	**55,593**	52,986
- Winding up of subsidiary		-	-	**25**	-
- Fair value gain on investment property	6	-	-	**(3,299)**	(4,373)
		3,239,256	2,876,153	**122,028**	706,422
Changes in working capital:					
- (Increase)/ decrease in inventories		**(24,140)**	516	**(53)**	(165)
- (Increase)/ decrease in trade and other receivables		**(82,317)**	95,043	**(418,649)**	321,577
- Increase/ (decrease) in trade and other payables		**90,719**	150,887	**373,617**	(194,240)
Cash generated from operations		**3,223,518**	3,122,599	**76,943**	833,594
Interest received		**36,879**	42,506	**36,879**	42,506
Benefits paid	17 (q)	**(11,447)**	(4,979)	-	-
Income tax paid	20 (d)	**(297,609)**	(198,195)	**(20,271)**	(38,880)
Interest paid		**(487,837)**	(581,855)	**(23,493)**	(27,983)
Net cash flows generated from operating activities		**2,463,504**	2,380,076	**70,058**	809,237
INVESTING ACTIVITIES					
Purchase of shares in associated company	12	**(1,749)**	(49,827)	**(1,749)**	(49,827)
Acquisition of property, plant and equipment	30 (b)	**(1,831,059)**	(427,937)	**(739)**	(8,171)
Purchase of intangible assets	7	**(53)**	(1,193)	-	-
Proceeds from sale of property, plant and equipment	22 (c)	**908**	5,259	-	3,941
Net cash flows used in investing activities		**(1,831,953)**	(473,698)	**(2,488)**	(54,057)
FINANCING ACTIVITIES					
Repayment of convertible bonds	15	**(750,000)**	-	**(200,000)**	-
Proceeds from long term borrowings	16 (c)	**803,250**	-	-	-
Payments of long term borrowings	16 (c)	**(674,570)**	(924,047)	-	-
Principal elements of lease payments	5 (a)	**(203,083)**	(181,214)	-	-
Dividend paid	38	**(411,348)**	(342,790)	**(411,348)**	(342,790)
Net cash flows used in financing activities		**(1,235,751)**	(1,448,051)	**(611,348)**	(342,790)
Net (decrease)/ increase in cash and cash equivalents		**(604,200)**	458,327	**(543,778)**	412,390
Cash and cash equivalents at 01 July		**1,504,815**	1,044,915	**1,263,337**	852,544
Effects of exchange rate changes on cash and cash equivalents		**4,709**	1,573	**13,190**	(1,597)
Cash and cash equivalents at 30 June	30 (a)	**905,324**	1,504,815	**732,749**	1,263,337

Refer to note 30 (b) for non-cash transactions.

The notes set out on pages 122 to 208 form an integral part of these financial statements.
Independent Auditor's report on pages 110 to 115.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2026

1. CORPORATE INFORMATION

Lux Island Resorts Ltd is a public company incorporated in Mauritius and its shares are listed on the Stock Exchange of Mauritius. Its registered office is situated at 58, Pierre Simonet Street, Floréal. The main activity of the Group and the Company is investment in hotel properties as well as operations of those hotels. The management of the different hotels is entrusted to its sister company, The Lux Collective Ltd, under a long term management contract.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared on a historical cost basis, except for the following:

- land and buildings and investment property – measured at fair value or revalued amount, and
- plan assets for post-employment benefit – measured at fair value

The consolidated and separate financial statements are presented in Mauritian rupees and all values are rounded to the nearest thousand (Rs'000) except when otherwise indicated.

Statement of Compliance

The consolidated and separate financial statements of Lux Island Resorts Ltd and its subsidiaries have been prepared in accordance with IFRS Accounting Standards and in compliance with the requirements of the Mauritian Companies Act 2001.

The consolidated financial statements comprise the financial statements of Lux Island Resorts Ltd and its subsidiaries as at 30 June 2026. Where necessary, comparative figures have been amended to conform with change in presentation in the current year.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's and the Company's accounting policies. The areas including a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed Note 3.

During the year, the Group made a profit after tax of **Rs 1.6 billion** (2025- Rs 1.2 billion) while the company made a profit of **Rs 0.5 billion** (2025- Rs 0.4 billion). At 30 June 2026, the Group's current liabilities exceeded its current assets by **Rs 1.1 billion** (2025- Rs 0.7 billion) and was in a net asset position of **Rs 10.6 billion** (2025- Rs 9.8 billion) while the Company's current assets exceeded its current liabilities by **Rs 0.9 billion** (2025- Rs 1.3 billion) and was in a net asset position of **Rs 4.9 billion** (2025- Rs 5.0 billion).

Based on the above performance, the Group has satisfied all the financial covenants applicable at 30 June 2026 for all its bankers as well as those of the Mauritius Investment Corporation (MIC). Furthermore, at 30 June 2026, the Group has **Rs 0.9 billion** surplus cash which has been earmarked for project development but which could also be used to prepay some loans and convertible bonds.

Future Outlook

The Group has achieved outstanding results during FY 25-26 despite the Geopolitical instability and conflict in the Middle East. Among the three destinations where the Group operates, Mauritius and Reunion, have not been impacted as their main feeder market is Europe and are serviced by many flights which do not transit through the Middle East. Maldives on the other hand has been impacted as the majority of its tourists travel through the Middle East, principally Dubai. However, the authorities in the Maldives have been pro-active to address this issue with an increase in direct flight from Europe. The Group has prepared its 2026-2027 budget under normal operating conditions for Mauritius and Reunion Island but with a slight impact on occupancy in the Maldives. The main factors impacting the budget of the Group are as follows:

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont.)

2.1 Basis of preparation (cont.)

Future Outlook (cont.)

- All its hotels, except Les Pavillons Resorts Ltd and Nereide Ltd, will be fully operational during FY 2026-2027.
- The lease between Nereide Ltd and Mara Delta will expire on 31 March 2027, and at this stage there is no indication of renewal or extension of the lease.
- Les Pavillons Resorts Ltd will close for renovation from 01 May 2027 to 31 October 2027.
- Furthermore, Lux Saint Gilles also will be subject to a renovation by phase, with some rooms out of inventory as from March 2027.
- Bookings on hand for Quarter 1 of financial year 2026-2027 is encouraging and the Group expects to achieve better results than budget on all three destinations.

The group is forecasting to have a surplus cash balance of above Rs 1 billion after payments of loan capital of Rs 574m and dividend payout similar to last year, as at end of 30 June 2027.

Based on the above, the financial statements have been prepared on a going concern basis, which assumes that the Group and the Company will continue in operational existence for the foreseeable future. The directors believe that it is appropriate for the financial statements to be prepared on the going concern basis since based on the financial forecast, the Group and the Company will have sufficient cash to sustain their operations over at least the next twelve months.

New standards, amendments to existing standards and interpretation issued and effective for the first time for the financial year beginning on 01 July 2025

In the current year, the Group and the Company have assessed all of the new standards, amendments to existing standards and interpretations issued by the International Accounting Standards Board ("IASB") that are relevant to their operations and effective for accounting periods beginning on 01 July 2025. None of these have a material effect on the financial statements of the Group and the Company.

New standards, amendments to existing and interpretations issued but effective for financial years beginning after 01 July 2025 which are applicable to the Group and the Company and which have not been early adopted

Amendments to IFRS 9 and IFRS 7, 'Amendments to the Classification and Measurement of Financial Instruments' (effective for annual periods beginning on or after 1 January 2026)

On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system,
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion,
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets), and update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

These amendments are not expected to have a material impact on the financial statements the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont.)

2.1 Basis of preparation (cont.)

New standards, amendments to existing and interpretations issued but effective for financial years beginning after 01 July 2025 which are applicable to the Group and the Company and which have not been early adopted (cont.)

IFRS 18, 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 1 January 2027)

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of profit or loss and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's and the Company's financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of IFRS 18 will have no impact on the Group's and the Company's net profit, the Group and the Company expect that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group and the Company have performed, the following items might potentially impact operating profit:

  (a) Foreign exchange differences currently aggregated in the line item 'other income and other gains/(losses) – net' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.

- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the statement of financial position, the Group and the Company will disaggregate goodwill and other intangible assets and present them separately in the statement of financial position.

- The Group and the Company do not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

  (a) management-defined performance measures,

  (b) a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses, and

  (c) for the first annual period of application of IFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.

- From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

There are no other new standards, amendments to existing standards and interpretations that are effective for annual period beginning after 01 July 2025 that would be relevant or have a material impact on the Group's and on the Company's financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont.)

2.2 Principles of consolidation

Separate financial statements of the Company

In the separate financial statements of the Company, investment in subsidiary companies are carried at cost net of impairment losses. The carrying amounts are reduced to recognise any impairment in the value of individual investments.

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets given, liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of recognised amounts of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously-held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Inter-company transactions, balances and expenses on transactions between group companies are eliminated. Profits or losses resulting from inter-company transactions that are recognised in assets are also eliminated.

Disposal of subsidiaries

When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture, or financial asset.

In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont.)

2.2 Principles of consolidation (cont.)

Investment in subsidiaries

Investments in subsidiaries are carried at cost in the separate financial statements. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the recoverable amount of an investment in subsidiary is less than its carrying amount, the investment is written down immediately to its recoverable amount and the impairment loss is recognised as an expense in profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position.

Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

Investment in associate

An associate is an entity over which the Group has significant influence but not control, or joint control, generally accompanying a shareholding between 20% and 50% of the voting rights.

Separate financial statements

In the separate financial statements, investment in associated company is carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investment.

Consolidated financial statements

Investments in associate is accounted for using the equity method except when classified as held-for-sale. Investments in associates are initially recognised at cost as adjusted by post acquisition changes in the Group's share of the net assets of the associate less any impairment in the value of individual investment.

Any excess of the cost of acquisition and the Group's share of the net fair value of the associate's identifiable assets and liabilities recognised at the date of acquisition is recognised as goodwill, which is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of identifiable assets and liabilities over the cost of acquisition, after assessment, is included as income in the determination of the Group's share of the associate's profit or loss.

When the Group's share of losses exceeds its interest in an associate, the Group discontinues recognising further losses, unless it has incurred legal or constructive obligation or made payments on behalf of the associate.

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, appropriate adjustments are made to the financial statements of associate to bring the accounting policies used in line with those adopted by the Group.

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont.)

2.2 Principles of consolidation (cont.)

Consolidated financial statements (cont.)

If the ownership in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

Dilution gains or losses arising in investments in associates are recognised in profit or loss.

2.3 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). For the purpose of the consolidated and the separate financial statements, the results and financial position of each entity are expressed in Mauritian rupee ("Rs"), which is the functional currency of the Company, and the presentation currency for the consolidated and separate financial statements.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in equity as qualifying cash-flow hedge.

Foreign exchange gains and losses are presented in profit or loss on a net basis within other operating income/expense.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

The results and financial position of foreign operations that have a functional currency different from the presentation currency of the Group are translated into the Group's presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the statement of financial position date;
- share capital are stated at their historical value on the statement of financial position;
- income and expenses for each statement of profit or loss and statement of other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont.)

2.4 Property, plant and equipment

All property, plant and equipment are initially recorded at cost. Land and buildings are subsequently shown at fair value, based on valuations carried out by an external independent valuer, less accumulated depreciation for buildings and impairment losses recognised after the date of revaluation. The Group's policy is to revalue its property every three years unless there is evidence that the fair value of the assets differs materially from the carrying amount. During the financial year 2026, the Mauritian entities were revalued using a full valuation exercise while for the two other hotels which are outside Mauritius, a desktop valuation was carried out to assess the fair value of the land and buildings. All other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group or the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Construction in progress are stated at cost and are not depreciated. When completed, construction in progress are transferred to plant and equipment.

Increases in the carrying amount arising on revaluation are credited to the revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged through other comprehensive income against the revaluation reserve to the extent that the decrease does not exceed the amount held in the revaluation reserve in respect of that same asset; all other decreases are charged to profit or loss. The carrying values of property, plant and equipment are reviewed for impairment at each reporting date or when events or changes in circumstances indicate that the carrying value may not be recoverable.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining the operating profit. On disposal of revalued assets, amounts in the revaluation and other reserves relating to that asset are transferred to retained earnings.

Depreciation is calculated on the straight-line method to write off the cost of each asset, or the revalued amounts, to their residual values over their estimated useful lives. The useful life, residual value and method of depreciation of an item of property, plant and equipment are reviewed at the end of each financial year and adjusted prospectively if appropriate. The residual values and remaining useful lives of buildings for the Mauritian entities have been estimated by the independent external valuer and for other types of assets, these are determined by the directors.

The annual rate of depreciation is as follows:

Buildings	2% - 9.45 %
Plant and equipment	10% - 20%
Furniture and fittings	10% - 33.33%
Motor vehicles	20%
Computer equipment	10% - 33.33%

Leased assets are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont.)

2.5 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual valuation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. The amount of consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price in IFRS 15.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group and the Company account for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

2.6 Intangible assets

Goodwill

Goodwill acquired in a business combination is initially measured as the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets and liabilities assumed. If after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree, the excess is recognised in profit or loss as a gain on bargain purchase. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or group of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment based on either the Group's primary or the Group's secondary reporting format determined in accordance with IFRS 8 Segment Reporting.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units), to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. Where goodwill forms part of a cash-generating unit (group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Gain on bargain purchase represents the excess of the acquirer's interest in the fair values of the identifiable net assets and liabilities acquired over the cost of acquisition. It is recognised immediately as income in profit or loss.

Gain on bargain purchase arising from the acquisition of an associated company is included as income in the determination of the Group's share of the associate's profit or loss of the period in which the associate was acquired.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont.)

2.6 Intangible assets (cont.)

Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profit or loss in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset. The estimated useful lives of intangible assets with finite useful lives are as follows:

Computer software & Licenses	-	5 years

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

2.7 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section 2.22 Revenue from contracts with customers.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments);
- Financial assets at fair value through profit or loss.

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont.)

2.7 Financial assets (cont.)

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade and other receivables (excluding prepayments) and cash and cash equivalents.

Financial assets at fair value through OCI (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange gains or losses and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation, and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Changes in the fair value of equity investments at fair value through other comprehensive income are not recycled to profit or loss. Dividends are recognised as other operating income in profit or loss when the right to receive payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont.)

2.7 Financial assets (cont.)

Trade and other receivables

Trade and other receivables are initially recognised at original invoice amount and are subsequently carried at amortised cost using the effective interest rate method less any allowance for impairment (i.e expected credit loss). Gains and losses are recognised in profit or loss when the receivables are derecognised or impaired, as well as through the amortisation process.

Trade receivables are amounts due from customers for goods sold or services provided in the ordinary course of business. If collection is expected within one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest rate method.

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

The Group considers a financial asset to be in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. The information about the ECLs on the Group's trade receivables is disclosed in note 35 (c) (iv).

Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purpose of presentation in the consolidated and separate statements of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Such financial assets are carried at amortised cost using the effective interest rate method. Bank overdrafts are classified as part of interest bearing loans and borrowings under current liabilities.

2.8 Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of interest bearing loans and borrowings, lease liabilities, dividend payable and trade and other payables, these are accounted net of directly attributable transaction costs.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont.)

2.8 Financial liabilities (cont.)

Borrowings (cont.)

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

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group or the Company has the right, at the end of the reporting period, to defer settlement of the liability for at least twelve months after the reporting period. That right exists only if the Group or the Company complies with any conditions (covenants) required to be met at or before the reporting date, irrespective of whether the lender tests compliance at a later date. Classification is unaffected by the likelihood that the entity will exercise its right to defer settlement.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group or the Company prior to the end of financial year which are unpaid at year end. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

The Group's financial liabilities which are measured at amortised cost, include trade and other payables, bank overdrafts, interest-bearing loans and borrowings, lease liabilities and dividend payable.

2.9 Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

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

Where the Company or the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's or the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company or the Group could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Company's or the Group's continuing involvement is the amount of the transferred asset that the Company or the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Company's or the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont.)

2.9 Derecognition of financial assets and liabilities (cont.)

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.10 Impairment of financial assets

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

2.11 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated and separate statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.12 Fair value of financial instruments

Determination of fair value

The Company and the Group determine the fair value of their financial instruments, such as equities and other interest-bearing investments, at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company and the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price or binding dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

Where the Company and the Group have financial assets and financial liabilities with offsetting positions in market risks or counterparty credit risk, they have elected to use the measurement exception provided in IFRS 13 to measure the fair value of its net risk exposure by applying the bid or ask price to the net open position as appropriate.

For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont.)

2.12 Fair value of financial instruments (cont.)

Determination of fair value (cont.)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair valuemeasurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company and the Group determine whether transfers have occurred between levels in the hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the beginning of each reporting period.

2.13 Share Capital

Ordinary shares are classified as 'issued capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity. Incremental costs directly attributable to the issue of the new shares or options are shown in equity as deduction, net of tax, from proceeds.

2.14 Hedge accounting

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or
- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; or
- hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash flow Hedge

The Group currently has only cash flow hedges as it is exposed to foreign currency risk, most significantly to the Euro, Pound Sterling and US Dollar, on the Group's sales denominated in these currencies. The Group hedges these exposures by entering into foreign currency loans and leases ("hedging instruments") with future principal payments that will match the future sales ("hedged item") in these currencies. The Group has elected to continue applying the accounting policies for hedge accounting under IAS 39.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont.)

2.14 Hedge accounting (cont.)

Cash flow Hedge (cont.)

The group does not hedge 100% of its future foreign currency denominated revenue, therefore the hedged item is identified as a proportion of the future foreign currency denominated revenue up to the carrying amount of the loans/leases. As all critical terms matched during the year, there is an economic relationship.

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income, while any ineffective portion is recognised immediately in profit or loss.

Amounts taken to other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts taken to other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, amounts previously recognised in other comprehensive income are transferred to profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in other comprehensive income remains separately in equity until the forecast transaction or firm commitment affects profit or loss.

Financial risk management strategy

The hedge on the foreign currency revenues by the foreign currency loans and leases are treated as cash flow hedge and the purpose is to hedge the foreign currency risks relating to the Euro ("EUR"), Great Britain Pound ("GBP") and United State dollars ("USD") sales. Refer to Note 35 for more details on the risk management policies.

2.15 Impairment of non-financial assets

The Group assesses at each reporting date whether there is any indication that an asset may be impaired. Non-financial assets are considered to be impaired when there is an objective evidence that, as a result of one or more events that occurred after the initial recognition of the non-financial asset, the estimated future cash flows of the non-financial asset has been affected. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the fair value (using a fair value less cost to sell model), the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont.)

2.16 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition, are accounted for on a weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Cost of inventory expensed comprise of food and beverage costs attributable to food and beverage revenue in the various outlets of the hotels of the Group as well as Room and other amenities and cost of boutique items. Further details are provided in note 23.

2.17 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

Provision for vacation leaves

The amendments to the Workers' Rights Act (WRA) came into force on 24 October 2019, whereby an employee earning less than Rs 50,000, who remains in continuous employment with the same employer for a period of at least 5 consecutive years is entitled to vacation leaves of not more than 30 days, for every period of 5 consecutive years. This is already provided in the legislation since 2019. As such, a number of workers who have stayed with the Group or the Company since then are eligible to the vacation leave as from October 2024.

2.18 Post employment benefit

The Group operates a defined benefit plan for some of its employees. For the remaining employees, the Group contributes to an unitised defined contribution pension scheme that was established on 01 July 2002.

In addition, for the Contribution Social Généralisée (CSG) employers deduct the employee's contribution from his or her wage or salary and pay that contribution together with the employer's contribution to the Mauritius Revenue Authority (MRA). For employees earning less than Rs 50,000 per month the employee's contribution is 1.5% of the wage or salary and the employer's share is 3%. For employees earning more than Rs 50,000 per month the employee's contribution is 3% of the wage or salary and the employer's share is 6%.

Defined benefits schemes

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding net interest and the return on plan assets (excluding net interest), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment; and
- The date that the Group recognises restructuring-related costs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont.)

2.18 Post employment benefit (cont.)

Defined benefits schemes (cont.)

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit under 'employee benefit expenses' in profit or loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

Defined contributions schemes

Payments to defined contribution retirement plans are charged as an expense as they fall due. Unpaid contributions are recognised as a liability.

Other retirement benefits

For employees who are not covered (or who are insufficiently covered by the above pension plans), the net present value of gratuity on retirement payable under the Workers Rights Act (WRA) 2019 is calculated by a qualified actuary and provided for. The obligations arising under this item are not funded.

Liabilities with respect to above schemes and the provision for the vacation leave are calculated by Swan Life Ltd (Actuarial Valuer) annually.

Right of set off

The Group does not offset the asset relating to one plan against a liability relating to another plan as it:

- does not have a legally enforceable right to use a surplus in one plan to settle obligations under the other plan; and
- does not intend to either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Employee benefit expenses comprise of total basic salaries and bonuses of all team members employed by the Group. Bonuses include incentive bonus for all team members determined on the basis of achievable financial targets. Other payroll costs include contributions to post retirement benefit obligations as well as other costs associated with the employment of the team members such as travelling, meals, uniforms, medical etc. Further details are provided in note 24.

2.19 Taxes

Current income tax

Tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont.)

2.19 Taxes (cont.)

Deferred income tax (cont.)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profits will be available against which the temporary differences can be utilised.

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

The principal temporary differences arise from depreciation on property, plant and equipment, revaluations of certain non-current assets, provisions for loss allowance on trade receivables, provision for slow moving stock, tax losses carried forward, lease liabilities, provision for vacation leaves and post employment benefit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted by the end of the reporting period in the countries where the company and its subsidiaries operate and generate taxable income.

Current and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont.)

2.19 Taxes (cont.)

Value Added Tax

Revenues, expenses and assets are recognised net of the amount of value added tax except:

- Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of trade and other receivables or trade and other payables in the statement of financial position.

Corporate Social Responsibility (CSR) tax

Corporate Social Responsibility (CSR) tax was legislated by the Government of Mauritius in July 2009. The Group and the Company are entitled to allocate 2% of their chargeable income of the preceding year to a CSR programme approved by the National Social Inclusion Foundation and the remaining to the Mauritius Revenue Authority (MRA).

Corporate Climate Responsibility Levy ("CCR")

In July 2024, the Finance Act 2024 was enacted and any Company meeting the prescribed condition of earning a yearly turnover of more than Rs 50m is required to pay a Corporate Climate Responsibility Levy ("CCR") equivalent to 2% of its chargeable income.

Fair share contribution ("FSC")

On 09 August 2025, the Finance (Miscelleneous Provisions) Act 2025 was published and introduced the FSC which is applicable for every company having a chargeable income exceeding Rs 24m in an accounting year and will be at the rate of 5% of the company's chargeable income. The FSC will be applicable from 01 July 2025 to 30 June 2028.

Alternative minimum tax ("AMT")

On 09 August 2025, the Finance (Miscelleneous Provisions) Act 2025 was published and introduced the AMT which is applicable for companies where tax payable is less than 10% of their adjusted book profit, the tax payable for that income year shall be deemed to be 10% of the adjusted book profit.

Tourist Fee

Following the introduction of the Tourist Fee in Mauritius with effect from 01 October 2025, the Group is required to collect a fee of EUR 3 per tourist per night from eligible tourists staying at its hotels.

The Tourist Fee is collected by the Group on behalf of the MRA and is subsequently remitted to the MRA in accordance with the applicable regulations. As the Group acts as an agent in respect of the fee, amounts collected are not recognised as revenue in the Group's financial statements but are instead recognised as a payable to the MRA until remittance.

The Tourist Fee applies to tourists aged 12 years and above, subject to the exemptions provided under the applicable legislation.

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont.)

2.20 Leases

The group leases land, buildings, vehicles, computer and other equipment. Rental contracts are typically made for fixed periods of 5 to 99 years but may have extension options as described below.

Contracts may contain both lease and non-lease components. However, the Group has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the group under residual value guarantees;
- the exercise price of a purchase option if the group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease agreement. If that rate cannot be readily determined, which is generally the case for leases of the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third-party financing; and
- makes adjustments specific to the lease, eg term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group uses that rate as a starting point to determine the incremental borrowing rate.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Whenever there are adjustments relating to timing of lease payments, the lease liability is reassessed and adjusted in profit or loss.

Lease payments are allocated between principal and finance cost (interest charge). The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont.)

2.20 Leases (cont.)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use land and buildings held by the group.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

Variable lease payments

The Group has four property leases which contain variable payment terms that are linked to revenue and profit. For the lease of Nereide Ltd, over and above the fixed element of the lease, there is a variable element of the lease representing 20% of the gross operating profit after fixed rental. For Beau Rivage Co Ltd, the rental payment of IHS villas is determined on the basis of 38% of room revenue, subject to a minimum guaranteed return of 5% of amount invested over the first 10 years of the lease while for Merville Limited, the rental is determined on the basis of 38% of room revenue, subject to a minimum guaranteed return of 3% of amount invested over the first 5 years of the lease. For White Sand Resorts & Spa Pvt Ltd the lease payment for the land lease includes a variable element representing 15% of profit for the year.

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the group. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

Lessor

The Company derives income from rental of its investment property. Lease rental from operating leases where the Company is a lessor is recognised as an income on a straight-line basis over the lease term. Given that the Company is renting spaces to its subsidiaries, the building is no longer considered as an investment property in the Group's financial statements and as such no income has been recorded for the Group.

2.21 Convertible bonds

The convertible bonds issued by the Mauritius Investment Corporation (MIC) has been treated as equity where both the principal and interest components have been classified as equity on initial recognition based on the subscription proceeds received, net of transaction costs, and is not subsequently remeasured. The terms of the funding arrangement are included in Note 15.

2.22 Revenue recognition

(i) Revenue from contracts with customers

The Group is in the business of hotel operation. Revenue is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer.

Recognition of packages sales to tour operators.

The Group derives package revenue (room revenue and food and beverage revenue) via tour operators ("TO"). The TOs receives or retains a percentage of the package revenue – usually called a commission - collected from the guests. Revenue from packages sales are recognised net of commission.

The mainstream of revenue of the Group is as follows:

Hotel Revenues

It corresponds to all the revenues received from guests by the hotels. The services rendered (including room rentals, food and beverage sales and other ancillary services) are distinct performance obligations. Where services are sold individually, the price invoiced is representative of the stand-alone selling price; where sold as part of a package, the transaction price is allocated to each performance obligation on a relative stand-alone selling price basis. These obligations are fulfilled over time when they relate to room rentals, along the stay in the hotel, and at a point in time for other goods or services, when they have been delivered or rendered.

Room Revenue

Recognised as revenue when performance obligation is performed. Revenue is recognised over the duration of stay of the guests. Where the Group acts as the principal, the gross revenue is recognised as income.

Food & Beverage revenue

F&B revenue is recognised upon consumption at the different restaurants or bars (i.e at a point in time).

Other Operating Departments

Minor other departments include the provision of services such as laundry, spa and boutique sales. The Group acts as an agent from time to time (e.g. for diving, big game fishing, horse riding, etc.).

In an agency relationship, the gross inflows of economic benefits include amounts collected on behalf of the principal and which do not result on increases in equity for the entity. The amounts collected on behalf of the principal are not revenue. Instead revenue is the amount of commission received/ receivable by the Group.

(ii) Other revenues

Other revenues earned by the Company are recognised on the following basis:

- Management fees are recognised on an accrual basis.

Contract liabilities

A contract liability is an obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont.)

2.23 Operating expenses

(i) Other operating expenses

Other operating expenses are accounted for in profit or loss on an accrual basis. Other operating expenses comprise of administrative costs and other expenses which are not directly allocated to the main operating departments, namely room and food and beverage. Further details are provided in note 25.

(ii) Direct operating expenses

Direct operating expenses are accounted for in profit or loss on an accrual basis. Direct operating expenses comprise main operating departments, namely room and food and beverage. Further details are provided in note 23.

2.24 Earnings before interest, tax, depreciation, amortisation and impairment

Earnings before interest, tax, depreciation, amortisation and impairment is stated after adding to earnings before interest, tax, depreciation, amortisation (EBITDA) significant items of a non-recurring nature such as impairment charges and reversal of impairment.

Due to the nature of the exceptional items, certain one-off and non-trading items are classified separately in order to draw the attention of the users of the financial statements. In the judgement of the Directors, this presentation shows the underlying performance of the Group and the Company more accurately.

2.25 Segmental reporting

The Group presents segmental information using business segments as its primary reporting format and geographical segments as its secondary reporting format. This is based on the internal management and financial reporting systems and reflects the risks and earnings structure of the Group. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the financial statements.

2.26 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont.)

2.27 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group and the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.28 Finance costs

Finance costs are included as part of profit or loss on the following:

- Leases - interest is charged over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.
- Bank borrowings and bank overdraft– borrowing cost on non-qualifying assets is calculated using the effective interest rate method.

2.29 Finance income

The Group earns finance income such as interest on its bank accounts and the Company earns interest both on its bank accounts and amount due from its subsidiaries. These are accounted for as follows:

- Interest income - as it accrues (using the effective interest rate) unless the collectability is in doubt.

2.30 Other operating income

The Company earns dividend income from subsidiaries. These are accounted for as follows:

- Dividend income - when the shareholder's right to receive payment is established.

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of the Group's consolidated and the Company's separate financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (cont.)

Estimates and assumptions

The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Revaluation of land and buildings

Land and buildings are carried at fair value and it is the Group's policy to revalue its land and buildings every three years unless there is evidence that the fair value of the assets differ materially from the carrying amount. The land and buildings for the Mauritian entities were revalued by an independent professional valuer using a full valuation exercise while for the two other hotels which are outside Mauritius, a desktop valuation review was performed during the current financial year. The valuation takes into consideration recent market transactions, the income generating capacity of the assets being revalued as well as expected yield.

(ii) Assets lives and residual values

Property, plant and equipment are depreciated over their useful lives taking into account their residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing assets' lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

Property, plant and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Group and the Company would currently obtain from disposal of the asset, if the asset was already of the age and in the condition expected at the end of its useful life.

The directors therefore make estimates based on historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

(iii) Impairment of other non-current assets

Property, plant and equipment, intangible assets and right of use assets are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration by management in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself. Directors have made use of approved cash flow projections based on financial budgets covering up to a five-year period. These cash flow projections make use of growth rate, occupancy rate, average room rate which are based on estimates.

(iv) Impairment of goodwill

The Group tests whether goodwill has suffered any impairment on an annual basis. For the 2026 and 2025 reporting periods, the recoverable amount of the cash-generating units (CGUs) was determined based on fair value less cost to sell models which require the use of assumptions pertaining mainly to occupancy rate and discount rate. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. The carrying amount of goodwill as at 30 June 2026 amounted to **Rs 491.4m** (2025: Rs 475.0m). Further details are given in note 7.

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (cont.)

(v) Impairment or reversal of impairment of investment in subsidiary companies

Investments in subsidiaries are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may differ from the recoverable amount. An impairment loss or reversal of impairment is recognised for the amount by which the investment's carrying value differs its recoverable amount, which represents the investment's fair value less cost to sell, which require the use of assumptions. The calculations use cash flow projections of the subsidiaries based on financial forecasts prepared by management covering a five-year period. The main assumptions driving the cash flow projections are occupancy rate and discount rate. The carrying amount of the investment as at 30 June 2026 amounted to **Rs 3.8 billion** (2025: Rs 3.5 billion). During the year an amount of **Rs 294.9m** was accounted in relation to reversal of impairment of investment in Oceanide Ltd and White Sand Resorts & Spa Pvt Ltd (2025: impairment of Rs 338.2m in relation to investment in Oceanide Ltd and White Sand Resorts & Spa Pvt Ltd). Further details are provided in note 8.

(vi) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that future taxable profits will be available against which the losses can be utilised. Recoverability of deferred tax assets have been assessed for each subsidiary based on the forecasted taxable profits to be generated during the next financial periods.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Main assumptions used in the determination of future taxable profits include inter-alia: occupancy rates of the hotels, room rates and margins. At 30 June 2026 and 30 June 2025, the status of unused tax losses of the Group was as follows:

	2026		
	Tax losses on which deferred tax has been recognised	**Tax losses on which no deferred tax has been recognised**	**Total**
	Rs'000	**Rs'000**	**Rs'000**
Tax losses	**891,606**	**262,977**	**1,154,583**

	2025		
	Tax losses on which deferred tax has been recognised	Tax losses on which no deferred tax has been recognised	Total
	Rs'000	Rs'000	Rs'000
Tax losses	579,797	810,907	1,390,704

(vii) Post employment benefit

The cost of defined benefit pension plans and related provision, as disclosed in note 17 to the financial statements requires the use of actuarial valuations. The actuarial valuation involves the use of significant estimates in respect of inter-alia, discount rate, expected return on plan assets, future salary increases, mortality rate and future pension increases. Any change in these assumptions will impact the carrying amount of pension obligations. The Group and the Company determine the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. Other key assumptions for pension obligations are based in part on the current market conditions. The net post-employment benefit at 30 June 2026 is **Rs193.0m** (2025: Rs 231.8m). Further details are set out in note 17.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (cont.)

(viii) Determining the lease term

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination, including: whether there are significant penalties to terminate (or not extend); whether any leasehold improvements are expected to have a significant remaining value; historical lease durations; the importance of the underlying asset to the Group's operations; and the costs and business disruption required to replace the leased asset. The lease term is reassessed if a significant event or a significant change in circumstances occurs which affects the assessment of reasonable certainty.

During the financial year ended 30 June 2026, no option has been exercised.

(ix) Hedge ineffectiveness

The Group is exposed to foreign currency risk, most significantly to the EUR, GBP and USD, on the Group's sales denominated in these currencies. The Group hedges these exposures by entering into foreign currency loans or leases ("hedging instruments") with future principal payments that will match the future sales ("hedged item") in these currencies. To apply hedge accounting, a condition is that the forecast transaction must be "highly probable". The Group has applied judgement in assessing whether the forecasted foreign currency revenue remain "highly probable", still expected to occur or is no longer expected to occur. In making this assessment, the Group has considered the most recent approved budgets and plans. There were no hedging ineffectiveness for the current year which impacted the profit or loss of the Group as disclosed in note 14 (2025: Rs Nil).

(x) Tax assessment

The Group and the Company are subject to tax assessments raised by the Revenue Authorities in certain jurisdictions in respect of tax matters relating to previous years' tax filings. As at 30 June 2026, the assessments total approximately **Rs 371 million** and **Rs 59 million** respectively.

The assessment of the potential tax exposure involves significant judgement and estimation uncertainty. Management is required to determine whether an obligation exists at the reporting date and whether an outflow of economic benefits is probable. In making this assessment, management considers the facts and circumstances of each assessment, the tax treatments adopted by the Group and the Company, the status of the objection proceedings, relevant tax legislation and regulations, and advice obtained from external tax advisors.

Based on the information available at the reporting date, management considers that it is probable that the relevant Revenue Authorities will accept the tax treatments applied by the Group. Accordingly, management has concluded that an outflow of economic benefits is not probable and no liability has been recognised in respect of the assessments. Further details are set out in note 32.

4. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	Freehold Land and Buildings Rs'000	Buildings on Leasehold Land Rs'000	Plant and Equipment Rs'000	Furniture and Fittings Rs'000	Motor Vehicles Rs'000	Computer Equipment Rs'000	Construction in Progress Rs'000	Total Rs'000
COST AND VALUATION								
At 01 July 2024	513,284	11,401,929	1,674,070	1,040,296	78,009	263,825	134,316	15,105,729
Additions (Note i)	14,723	51,297	130,577	39,948	11,575	20,955	158,862	427,937
Disposal	-	-	(13,440)	(3,726)	(14,786)	(7,108)	-	(39,060)
Write off	-	-	(233)	-	-	-	-	(233)
Impairment (Note ii)	-	(271)	(3,612)	(1,180)	(11)	(611)	-	(5,685)
Transfer from construction in progress (Note iii)	-	119,132	-	37,482	-	-	(156,614)	-
Transfer from investment property (Note 6)	-	91,145	-	-	-	-	-	91,145
Revaluation adjustment	1,111	(409,788)	-	-	-	-	-	(408,677)
Exchange difference	-	(120,658)	(28,700)	(13,560)	(1,662)	(2,815)	(1,112)	(168,507)
At 30 June 2025	529,118	11,132,786	1,758,662	1,099,260	73,125	274,246	135,452	15,002,649
Additions (Note i)	**1,544,615**	**9,330**	**122,246**	**23,835**	**1,276**	**23,678**	**106,079**	**1,831,059**
Transfer from construction in progress (Note iii)	**-**	**98,662**	**3,163**	**-**	**-**	**-**	**(101,825)**	**-**
Transfer (Note v)	**372,042**	**(372,042)**	**-**	**-**	**-**	**-**	**-**	**-**
Disposal	**-**	**-**	**(15,285)**	**(3,516)**	**(2,084)**	**(1,477)**	**-**	**(22,362)**
Reversal of impairment (Note iv)	**41,597**	**-**	**-**	**-**	**-**	**-**	**-**	**41,597**
Revaluation adjustment	**(59,621)**	**(163,287)**	**-**	**-**	**-**	**-**	**-**	**(222,908)**
Exchange difference	**40,656**	**140,089**	**44,101**	**20,126**	**2,305**	**5,249**	**2,764**	**255,290**
At 30 June 2026	**2,468,407**	**10,845,538**	**1,912,887**	**1,139,705**	**74,622**	**301,696**	**142,470**	**16,885,325**
DEPRECIATION								
At 01 July 2024	54,957	503,265	1,114,805	492,962	61,434	180,355	-	2,407,778
Charge for the year (Note 26)	50,548	306,172	150,803	97,282	7,522	32,413	-	644,740
Disposal	-	-	(13,239)	(3,590)	(10,845)	(7,080)	-	(34,754)
Write Off	-	-	(233)	-	-	-	-	(233)
Revaluation adjustment	-	(793,217)	-	-	-	-	-	(793,217)
Exchange difference	-	(16,220)	(23,931)	(10,643)	(1,612)	(2,626)	-	(55,032)
At 30 June 2025	105,505	-	1,228,205	576,011	56,499	203,062	-	2,169,282
Charge for the year (Note 26)	**113,591**	**292,567**	**144,400**	**99,790**	**4,784**	**35,466**	**-**	**690,598**
Disposal	**-**	**-**	**(12,871)**	**(3,380)**	**(2,084)**	**(1,436)**	**-**	**(19,771)**
Revaluation adjustment	**(113,591)**	**(290,273)**	**-**	**-**	**-**	**-**	**-**	**(403,864)**
Exchange difference	**-**	**(127)**	**37,747**	**16,533**	**2,188**	**4,570**	**-**	**60,911**
At 30 June 2026	**105,505**	**2,167**	**1,397,481**	**688,954**	**61,387**	**241,662**	**-**	**2,497,156**
NET BOOK VALUE								
At 30 June 2026	**2,362,902**	**10,843,371**	**515,406**	**450,751**	**13,235**	**60,034**	**142,470**	**14,388,169**
At 30 June 2025	423,613	11,132,786	530,457	523,249	16,626	71,184	135,452	12,833,367

Note (i) - The main component of additions of property, plant and equipment in freehold land and building during the financial year 2026 related to Lux Saint Gilles for the acquisition of land. For financial year 2025, the major part of the addition was in relation to work-in-progress in respect of White Sand Resorts & Pvt Ltd.

(ii) - The impairment loss relates to part of property, plant and equipment of the subsidiary, Nereide Limited. This is explained by the fact that the recoverable amount of this cash generating unit was lower than its carrying value due to lower expected occupancy.

(iii) - Construction in progress principally comprises items that are not yet readily available for use and relate to the refurbishment of the hotels. The transfers from construction in progress during both the financial years 2025 and 2026 mainly relate to White Sand Resorts & Spa Pvt Ltd, where work-in-progress was transferred to other classes of assets upon completion.

(iv) - During the year, the Group recognised a reversal of impairment of Rs 41.6 million in respect of property, plant and equipment within the Lux Saint Gilles CGU. The reversal arose as a result of improved expected trading performance following the purchase of land, which increased the CGU's recoverable amount. The recoverable amount was determined based on fair value less costs of disposal using a discounted cash flow model and classified within Level 3 of the fair value hierarchy due to the use of significant unobservable inputs. The key assumptions used in determining the recoverable amount were consistent with those applied in the Group's impairment assessments. The reversal was recognised against the same class of assets previously impaired and was limited to the carrying amount that would have been determined had no impairment been recognised in prior years.

(v) - Transfer from "Buildings on leasehold land" to "Freehold land and buildings" relates to Lux Saint Gilles. During the year, the Group had finalised the acquisition of land on which the hotel was built in Reunion Island whereas previously the hotel was on a leasehold land.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

4. PROPERTY, PLANT AND EQUIPMENT (cont.)

THE COMPANY	Freehold Land and Buildings	Plant and Equipment	Motor Vehicles	Computer Equipment	Furniture and Fittings	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST AND VALUATION						
At 01 July 2024	15,393	14,428	16,371	2,429	11,932	60,553
Additions	-	1,572	5,752	533	314	8,171
Disposal	-	-	(8,442)	-	-	(8,442)
Revaluation adjustment	813	-	-	-	-	813
At 30 June 2025	16,206	16,000	13,681	2,962	12,246	61,095
Additions	-	**287**	-	**339**	**113**	**739**
Revaluation adjustment	**454**	-	-	-	-	**454**
At 30 June 2026	**16,660**	**16,287**	**13,681**	**3,301**	**12,359**	**62,288**
DEPRECIATION						
At 01 July 2024	42	7,502	5,661	847	8,063	22,115
Charge for the year (Note 26)	-	957	3,798	521	468	5,744
Disposal	-	-	(4,501)	-	-	(4,501)
Revaluations adjustment	(42)	-	-	-	-	(42)
At 30 June 2025	-	8,459	4,958	1,368	8,531	23,316
Charge for the year (Note 26)	-	**977**	**2,731**	**621**	**497**	**4,826**
At 30 June 2026	-	**9,436**	**7,689**	**1,989**	**9,028**	**28,142**
NET BOOK VALUE						
At 30 June 2026	**16,660**	**6,851**	**5,992**	**1,312**	**3,331**	**34,146**
At 30 June 2025	16,206	7,541	8,723	1,594	3,715	37,779

(a) The freehold land and buildings, structures and site improvement on leasehold land of the Group which are located in Mauritius were revalued during the year at their open market value using a full valuation exercise, by reference to recent market transactions on arm's length term, by Noor Dilmahomed & Associates, an independent professional valuer. A desktop valuation has been performed by the valuer for all land and buildings of the Group outside Mauritius and and the carrying amount for all the entities were adjusted by way of revaluation adjustment where applicable. The carrying amounts of the properties were adjusted to the fair values determined by the valuer, other than for those properties where the fair value was not materially different from the carrying amount, for which no adjustment was required.

Freehold land was valued taking into consideration the comparable sales evidences. Sales prices of comparable land in close proximity were adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square metre.

The buildings, structures and site improvement have been valued on a depreciated replacement cost basis taking into consideration their replacement cost, with adjustments being made for age and condition. This method of valuation is based on the theory of substitution and is used in situations where it is difficult to estimate inputs to be used to calculate value due to volatile market factors. The most significant input into this method of valuation is the replacement cost per square metre.

The Group's policy is to revalue its property every three years unless there is evidence that the fair value of the assets differ materially from the carrying amount.

4. PROPERTY, PLANT AND EQUIPMENT (cont.)

(b) The following table gives information about how the fair values of land and buildings were determined and sensitivity analysis of reasonable changes in key inputs.

Sensitivity analysis

Increases/(decreases) in estimated price per square metre by 100 basis points in isolation would result in a higher/ (lower) fair value on a linear basis.

	Valuation technique and key input	Fair value THE GROUP	Fair value THE COMPANY	Fair Value Hierarchy	Significant unobservable input	Sensitivity of the input to fair value THE GROUP	Sensitivity of the input to fair value THE COMPANY
		Rs'000	Rs'000			Rs'000	Rs'000
2026							
Land	Sales comparison approach	**2,147,663**	**3,900**	Level 3	Price per square metre	**21,477**	**39**
Buildings	Depreciated replacement cost	**11,058,610**	**12,760**	Level 3	Replacement cost per square metre	**110,586**	**128**
		13,206,273	**16,660**			**132,063**	**167**
2025							
Land	Sales comparison approach	487,802	3,977	Level 3	Price per square metre	4,878	40
Buildings	Depreciated replacement cost	11,068,597	12,229	Level 3	Replacement cost per square metre	110,686	122
		11,556,399	16,206			115,564	162

Transfers between levels

There were no transfers into or out of Level 1 and Level 2 of the fair value hierarchy during the year (2025: Nil).

The table below shows a reconciliation of all movements in the fair value categorised within Level 3 of the fair value hierarchy between the beginning and end of the reporting year:

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 01 July	**11,556,399**	11,356,991	**16,206**	15,351
Additions	**1,553,945**	66,020	**-**	-
Transfer from construction in progress	**98,662**	119,132	**-**	-
Depreciation	**(406,158)**	(356,720)	**-**	-
Reversal of impairment/ (impairment)	**41,597**	(271)	**-**	-
Transfer from investment property	**-**	91,145	**-**	-
Revaluation adjustment	**180,956**	384,540	**454**	855
Exchange difference	**180,872**	(104,438)	**-**	-
At 30 June	**13,206,273**	11,556,399	**16,660**	16,206

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

4. PROPERTY, PLANT AND EQUIPMENT (cont.)

If the land and buildings were stated on the historical cost basis, the amounts would be as follows:

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Buildings on leasehold land				
Cost	**9,907,219**	10,171,269	-	-
Accumulated depreciation	**(2,809,858)**	(2,611,714)	-	-
Net book value	**7,097,361**	7,559,555	-	-
Freehold land and buildings				
Cost	**2,244,229**	327,572	**8,562**	8,562
Accumulated depreciation	**(129,659)**	(84,774)	**(3,155)**	(2,984)
Net book value	**2,114,570**	242,798	**5,407**	5,578

(c) Bank borrowings are secured on all the assets of the Group and the Company. There is no restriction on title or use of the property, plant and equipment (PPE) pledged as security for bank borrowings. However in the event of potential disposal of the pledged assets by the Group or the Company, the latter should inform the banks/financial institutions with whom the borrowings have been contracted. The banks/financial institutions shall rank first in the settlement of the outstanding borrowings out of the proceeds to be received from the disposal.

(d) Borrowing costs capitalised during the year is Rs **Nil** and capitalisation rate was **Nil** (2025: Rs Nil and capitalisation rate was Nil).

(e) Refer to note 33 for capital commitments.

5. RIGHT-OF-USE ASSETS & LEASE LIABILITIES

(a) Amounts recognised in the statement of financial position

RIGHT-OF-USE ASSETS	**Land & Buildings Rs'000**	**Plant & equipment Rs'000**	**Computer equipment Rs'000**	**Total Rs'000**
Costs				
At 01 July 2024	4,857,231	2,021	454	4,859,706
Reassessment of right-of-use assets	99,619	-	-	99,619
Impairment (Note i)	(29,327)	-	-	(29,327)
Exchange Difference	(116,730)	-	-	(116,730)
At 30 June 2025	4,810,793	2,021	454	4,813,268
At 01 July 2025	4,810,793	2,021	454	4,813,268
Reassessment of right-of-use assets (Note ii)	**71,542**	-	-	**71,542**
Extinguishment of right-of-use assets (Note ii)	**(51,042)**	-	-	**(51,042)**
Exchange Difference	**150,380**	-	-	**150,380**
At 30 June 2026	**4,981,673**	**2,021**	**454**	**4,984,148**
Amortisation				
At 01 July 2024	1,229,569	2,021	339	1,231,929
Charge for the year (Note 26)	163,937	-	-	163,937
Exchange difference	(13,988)	-	-	(13,988)
At 30 June 2025	1,379,518	2,021	339	1,381,878
At 01 July 2025	1,379,518	2,021	339	1,381,878
Charge for the year (Note 26)	**163,116**	-	-	**163,116**
Extinguishment of right-of-use assets	**(27,741)**	-	-	**(27,741)**
Exchange difference	**22,949**	-	-	**22,949**
At 30 June 2026	**1,537,842**	**2,021**	**339**	**1,540,202**
Net Book Values				
At 30 June 2026	**3,443,831**	-	**115**	**3,443,946**
At 30 June 2025	3,431,275	-	115	3,431,390

Note (i) -The impairment loss recognised in the prior year of Rs 29.3 million related to right-of-use assets of the Nereide Limited CGU. The impairment arose as a result of a reduction in the estimated recoverable amount of the CGU, primarily due to lower expected occupancy levels and forecast cash flows. The recoverable amount was determined based on fair value less costs of disposal using a discounted cash flow model.

Note (ii) - Refer to Note 5 (a) for details.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

5. RIGHT-OF-USE ASSETS & LEASE LIABILITIES (cont.)

(a) Amounts recognised in the statement of financial position (cont.)

LEASE LIABILITIES	THE GROUP	
	2026	2025
	Rs'000	Rs'000
At 01 July	**2,889,812**	3,046,847
Reassessment of lease liability (Note (i))	**71,542**	99,619
Extinguishment of lease liability (Note (ii))	**(34,687)**	-
Interest expense (Note 28)	**248,139**	260,997
Interest paid	**(248,139)**	(260,997)
Principal elements of lease payments	**(203,083)**	(181,214)
Exchange difference	**106,704**	(75,440)
At 30 June	**2,830,288**	2,889,812
Analysed as follows:		
Current	**172,858**	214,938
Non-current	**2,657,430**	2,674,874
Total	**2,830,288**	2,889,812

Note (i) - The lease rental for the Mauritian and Maldivian hotels for financial year 2026 and 2025 were revised due to changes in consumer price index, leading to a reassessment of the lease liabilities and right-of-use-assets.

Note (ii) - During the year, the Group had finalised the acquisition of land on which the hotel was built in Reunion Island. This resulted in an extinguishment of the lease liability and right-of-use assets for the reunion entity. The extinguishment resulted in a gain of Rs 11.4m which has been accounted as past of other operating income (Note 22 (b)).

The lease agreement between Nereide Limited and Mara Delta will expire on 31 March 2027. At 30 June 2026, no decision has been made in relation to the renewal of the lease agreement between the two parties.

(b) Present value of minimum lease payments

	THE GROUP	
	2026	2025
	Rs'000	Rs'000
Within one year	**412,490**	445,284
Later than one year and not later than two years	**242,052**	405,394
Later than two years and not later than five years	**714,870**	690,300
After 5 years	**13,829,685**	13,155,363
	15,199,097	14,696,341
Future finance charges on finance leases	**12,368,809**	11,806,529
	2,830,288	2,889,812

5. RIGHT-OF-USE ASSETS & LEASE LIABILITIES (cont.)

(c) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	THE GROUP	
	2026	2025
	Rs'000	Rs'000
Depreciation charge of right-of-use assets (Note 26)	**163,116**	163,937
Interest expense (Note 28)	**248,139**	260,997
Expense relating to variable leases accounted as part of other operating expenses	**125,017**	102,154
Expense relating to short-term leases accounted as part of other operating expenses	**6,782**	6,780

6. INVESTMENT PROPERTY

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 01 July	**-**	91,145	**95,518**	91,145
Fair value gain	**-**	-	**3,299**	4,373
Transfer to Property, plant and equipment (Note 4)	**-**	(91,145)	**-**	-
At 30 June	**-**	-	**98,817**	95,518

The Company's investment property consists of part of the head office property situated in Floreal. The major part of the building was occupied by the sister company, The Lux Collective Ltd up to January 2025. As from April 2025, the Company is renting spaces to its subsidiaries for archiving purposes thus held to earn rental income.

Given that the Company is renting spaces to its subsidiaries, the building is no longer considered as an investment property for the Group and as such the balance was transferred to Property, plant and equipment.

The property was revalued during the current financial year at its open market value using a full valuation exercise, by reference to recent market transactions on arm's length term, by Noor Dilmahomed & Associates, an independent professional valuer.

The fair value as per the independent valuation was different from the carrying value by **Rs 3,299,000.** The gain arising on fair value of the investment property has been credited to profit or loss (2025: Rs 4,373,000).

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Rental income derived from the investment property (Note 22 (a))	**-**	3,749	**625**	3,749

Presently, all direct operating expenses, (repairs and maintenance, insurance etc) are borne by the lessor. A total of **Rs 2.8m** (2025: Rs 2.6m) has been paid during the financial year, out of which **Rs 1.3m** (2025: Rs 1.2m) relates to repairs and maintenance and **Rs 1.5m** (2025: Rs 1.4m) relates to insurance.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

6. INVESTMENT PROPERTY (cont.)

The fair value of the investment property of the Company is categorised within Level 3 of the fair value hierarchy as it is based on significant unobservable inputs. Its value is most sensitive to the price per square metre used to determine the fair value, ranging from **Rs 33,500 to Rs 43,500** (2025: Rs 32,500 to Rs 42,500) for buildings and **Rs 8,500** (2025: Rs 8,000) for land. A 1% change in the price per square metre will impact the value of the investment by **Rs 988,170** (2025: Rs 955,180).

At 30 June 2026, the property still qualifies as investment property for the Company as the subsidiary companies are renting the asset for archiving purposes since April 2025.

Maturity analysis

	THE COMPANY	
	2026	2025
	Between 1 and 5 years	Between 1 and 5 years
	Rs'000	Rs'000
Rental income derived from the investment property	**625**	496

Minimum lease payments receivable are as follows:

	THE COMPANY	
	2026	2025
	Rs'000	Rs'000
Within 1 year	**625**	496

The rental income is calculated base on the space occupied by each subsidiary and as such the Company does not have a fixed rental income from the subsidiaries.

7. INTANGIBLE ASSETS

THE GROUP	Goodwill Rs'000	Computer Software & Licences Rs'000	Total Rs'000
COST			
At 01 July 2024	488,430	25,946	514,376
Additions	-	1,193	1,193
Write off	-	(4,120)	(4,120)
Exchange difference	(13,410)	(452)	(13,862)
At 30 June 2025	475,020	22,567	497,587
Additions	-	**53**	**53**
Exchange difference	**16,421**	**825**	**17,246**
At 30 June 2026	**491,441**	**23,445**	**514,886**
AMORTISATION			
At 01 July 2024	-	15,764	15,764
Charge for the year (Note 26)	-	3,478	3,478
Write off	-	(4,120)	(4,120)
Exchange difference	-	(446)	(446)
At 30 June 2025		14,676	14,676
Charge for the year (Note 26)	-	**2,785**	**2,785**
Exchange difference	-	**769**	**769**
At 30 June 2026	-	**18,230**	**18,230**
NET BOOK VALUE			
At 30 June 2026	**491,441**	**5,215**	**496,656**
At 30 June 2025	475,020	7,891	482,911

THE COMPANY	Computer Software	
	2026	2025
	Rs'000	Rs'000
At 01 July	**187**	187
Charge for the year (Note 26)	**(187)**	-
Net book value at 30 June	-	187

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

7. INTANGIBLE ASSETS (cont.)

Impairment assessment on goodwill

Goodwill acquired is measured as the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed. Goodwill has been assessed as having an indefinite life and in accordance with IAS 36, goodwill has been assessed for impairment for each cash generating unit at year end.

	THE GROUP	
	2026	2025
	Rs'000	Rs'000
Les Pavillons Resorts Ltd	**70,000**	70,000
Holiday & Leisure Resorts Limited	**83,658**	83,658
Lux Island Resorts Maldives Ltd	**327,596**	311,175
MSF Leisure Company Ltd	**10,187**	10,187
	491,441	475,020

The Group has not impaired its goodwill for the year ended 30 June 2026 (2025: Rs Nil).

The recoverable amount of each cash generating unit (CGU) has been determined based on their fair value less cost to sell using a discounted cash flow model and are classified within Level 3 of the fair value hierarchy. The valuation technique incorporates projected cash flows derived from management-approved budgets covering a five-year period and a terminal value. The post-tax cash flow projection is based on financial budgets approved by management covering a five-year period. The post-tax discount rate applied represents the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC) which ranges between **10.78% to 15.02%** (2025: 10.70% to 15.40%) for the various entities of the Group. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service.

The fair value of the intangible assets is categorised within Level 3 of the fair value hierarchy as it is based on significant unobservable inputs.

Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with the industry in which each CGU operates.

A terminal growth of **3.4% to 4.0%** (2025: 3.0% to 4.0%) has been assumed in the calculation.

The key assumptions used for preparing the cash flow forecasts are based on management's past experience of the industry and the ability of each cash generating unit to at least maintain its market share.

7. INTANGIBLE ASSETS (cont.)

Impairment assessment on goodwill (cont.)

Key assumptions used in the impairment assessment for goodwill are: occupancy rate and discount rate. The assumptions used for 2026 and 2025 are as follows:

	Discount rate		Occupancy rate	
	2026	2025	**2026**	2025
Les Pavillons Resorts Ltd	**10.78%**	10.70%	**75.3%-83.9%**	81%-85%
Holiday & Leisure Resorts Limited	**10.78%**	10.70%	**82.6%-85.1%**	81%-83.5%
Lux Island Resorts Maldives Ltd	**14.43%**	15.20%	**68.2%-70.0%**	81%-85%
MSF Leisure Company Ltd	**15.02%**	15.40%	**54,183-56,383***	50,770-57142*

*MSF Leisure Company Ltd - The number of tickets sold is considered as one of the key assumptions used in the impairment assessment.

The Directors and management have performed a sensitivity analysis in order to consider and assess the impact of possible changes in key assumptions on the carrying value of goodwill.

The table below sets out the outcome of the sensitivity analysis and the resulting hypothetical additional impairments that would result from this modeling. It is the Directors' and management's view that no impairment charge should be recognised as at 30 June 2026.

Additional impairment to be recognised for a reasonable change in key assumptions:

Sensitivity analysis	Increase of 0.5% in Discount rate		Decrease of 1% in Occupany rate	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Les Pavillons Resorts Ltd	-	-	-	-
Holiday & Leisure Resorts Limited	-	-	-	-
Lux Island Resorts Maldives Ltd	**(88,314)**	(84,547)	**(25,574)**	(15,963)
MSF Leisure Company Ltd	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

7. INTANGIBLE ASSETS (cont.)

Impairment assessment on goodwill (cont.)

The recoverable amounts of the CGUs which have not been impaired at 30 June 2026 and 30 June 2025 would equal their carrying amount if the key assumptions were to change as follows:

	Discount rate		Occupancy rate	
	From	**To**	**From**	**To**
2026				
Les Pavillons Resorts Ltd	**10.78%**	**18.59%**	**75.3%-83.9%**	**51.7%-60.3%**
Holiday & Leisure Resorts Limited	**10.78%**	**15.00%**	**82.6%-85.1%**	**66.7%-69.3%**
Lux Island Resorts Maldives Ltd	**14.43%**	**14.62%**	**68.2%-70.0%**	**67.5%-69.3%**
MSF Leisure Company Ltd	**15.02%**	**90.92%**	**54,183-56,383***	**16,938-17625***

	Discount rate		Occupancy rate	
	From	**To**	**From**	**To**
2025				
Les Pavillons Resorts Ltd	10.70%	20.38%	81%-85%	35% - 39%
Holiday & Leisure Resorts Limited	10.70%	25.25%	81%-83.5%	66% - 67%
Lux Island Resorts Maldives Ltd	15.20%	15.27%	81%-85%	67.2% - 69.6%
MSF Leisure Company Ltd	15.40%	85.83%	50,770-57142*	23,477 - 25,242*

The directors and management have considered and assessed reasonably possible changes for other assumptions and have not identified any instances that could cause the carrying amount of the different CGUs to exceed the recoverable amount.

8. INVESTMENT IN SUBSIDIARY COMPANIES

THE COMPANY	**2026 Rs'000**	2025 Rs'000
At 01 July	**3,471,954**	3,810,182
Winding up of subsidiary	**(25)**	-
Reversal of impairment/ (impairment)	**294,895**	(338,228)
At 30 June	**3,766,824**	3,471,954

Investments in subsidiaries are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

8. INVESTMENT IN SUBSIDIARY COMPANIES (cont.)

The Company has at year end, computed the recoverable amount of its investments in subsidiaries using the Discounted Cash Flow techniques and has accounted for a reversal of impairment of its investment of **Rs 294.9m** since the recoverable amount was higher than its carrying value for the respective subsidiaries (2025: Impairment of Rs 338.2m was recognised since the recoverable amount was lower than carrying value for the respective subsidiaries).

	Lux Island Resorts Maldives Ltd Rs'000	**Oceanide Ltd Rs'000**	**Total Rs'000**
At 30 June 2026			
Equity value determined on the basis of discounted cash flow	**1,456,996**	**263,786**	**1,720,782**
Carrying amount of the investment	**(1,226,060)**	**(199,827)**	**(1,425,887)**
Reversal of amount previously impaired	**230,936**	**63,959**	**294,895**
At 30 June 2025			
Equity value determined on the basis of discounted cash flow	1,226,060	199,827	1,425,887
Carrying amount of the investment	(1,531,338)	(232,777)	(1,764,115)
Amount impaired	(305,278)	(32,950)	(338,228)

The recoverable amount has been determined by calculating the equity value. The discount rate has been determined using a capital asset model to calculate a post-tax rate that reflects market assessment of the time value of money.

The recoverable amount of each cash generating unit (CGU) has been determined based on their fair value less cost to sell. The post-tax cash flow projection is based on financial budgets approved by management covering up to five-year period. The post-tax discount rate applied represents the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC) which ranges between **6.73% to 15.02%** (2025: 8.61% to 15.4%) for the various entities of the Group. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service.

Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with the industry in which each CGU operates.

A terminal growth of **1.8% to 4.0%** (2025: 3.0% to 4.0%) has been assumed in the calculation except for Oceanide Limited where no terminal growth rate has been used as impairment has been calculated up to the expiry of the lease term.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

8. INVESTMENT IN SUBSIDIARY COMPANIES (cont.)

Key assumptions used in the impairment tests for investment in subsidiary companies are: occupancy rate and discount rate. The assumptions used are as follows:

	Discount rate		Occupancy rate	
	2026	2025	**2026**	2025
Les Pavillons Resorts Ltd	**10.78%**	10.70%	**75.3%-83.9%**	81% - 85%
Holiday & Leisure Resorts Limited	**10.78%**	10.70%	**82.6%-85.1%**	81%-83.5%
Lux Island Resorts Maldives Ltd	**14.43%**	15.20%	**68.2%-70%**	67.3% - 69.6%
Oceanide Limited	**10.18%**	10.70%	**79.6%-86.7%**	85% - 87.5%
Blue Bay Tokey Island Limited	**15.02%**	15.40%	**23,673-24,634#**	23,447-26,390#
Hôtel Prestige Réunion SAS	**6.73%**	8.61%	**66.1%-78.1%**	75.3% - 72%
Beau Rivage Co Ltd	**10.78%**	10.70%	**81%-82%**	81%-84.3%
Merville Limited	**10.78%**	10.70%	**70.5%-73.4%**	67% - 67.1%

#Blue Bay Tokey Island Limited - The number of guests is considered as one of the key assumptions used in the impairment assessment.

The Directors and management have performed a sensitivity analysis in order to consider and assess the impact of possible changes in key assumptions on the carrying value of investment in subsidiary companies.

The table below sets out the outcome of the sensitivity analysis and the resulting hypothetical additional impairments that would result from this modeling. It is the Directors' and management's view that no additional impairment charge should be recognised as at 30 June 2026 and 30 June 2025.

Additional impairment to be recognised for a reasonable change in key assumptions:

Sensitivity analysis	Increase of 0.5% in Discount rate		Decrease of 1% in Occupany rate	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Les Pavillons Resorts Ltd	-	-	-	-
Holiday & Leisure Resorts Limited	-	-	-	-
Lux Island Resorts Maldives Ltd	-	72,360	-	6,152
Oceanide Limited	-	-	-	-
Blue Bay Tokey Island Limited	-	-	-	-
Hôtel Prestige Réunion SAS	-	-	-	-
Beau Rivage Co Ltd	-	-	-	-
Merville Limited	-	-	-	-

8. INVESTMENT IN SUBSIDIARY COMPANIES (cont.)

The recoverable amount of the CGU which have not been impaired would equal its carrying amount if the key assumptions were to change as follows:

	Discount rate		Occupancy rate	
2026	**From**	**To**	**From**	**To**
Les Pavillons Resorts Ltd	**10.78%**	**40.48%**	**75.3%-83.9%**	**37.7%-46.3%**
Lux Island Resorts Maldives Ltd	**14.43%**	**14.24%**	**68.2%-70%**	**65.7%-67.5%**
Holiday & Leisure Resorts Limited	**10.78%**	**23.47%**	**82.6%-85.1%**	**55.4%-57.9%**
Hôtel Prestige Réunion SAS	**6.73%**	**7.52%**	**66.1%-78.1%**	**64.1%-76.1%**
Beau Rivage Co Ltd	**10.78%**	**46.04%**	**81%-82%**	**52.6%-53.6%**
Merville Limited	**10.78%**	**18.89%**	**70.5%-73.4%**	**50.2%-53.2%**

	Discount rate		Occupancy rate	
2025	**From**	**To**	**From**	**To**
Les Pavillons Resorts Ltd	10.70%	37.08%	81% - 85%	25.7% -31%
Lux Island Resorts Maldives Ltd	15.20%	28.35%	67.3% - 69.6%	64%-69%
Holiday & Leisure Resorts Limited	10.70%	29.85%	81%-83.5%	61.4% - 63.8%
Hôtel Prestige Réunion SAS	8.61%	62.42%	75.3% - 72%	60%-64.4%
Beau Rivage Co Ltd	10.70%	29.57%	81%-84.3%	53.80% - 57.66%
Merville Limited	10.70%	11.29%	67% - 67.1%	64%-64.1%

The directors and management have considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of the different CGUs to exceed its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

8. INVESTMENT IN SUBSIDIARY COMPANIES (cont.)

(a) The subsidiary companies are as follows:

Name of Companies	Country of incorporation	Effective Shareholding 2026		Effective Shareholding 2025	
		Direct %	Indirect %	Direct %	Indirect %
Les Pavillons Resorts Ltd	Mauritius	**100**	-	100	-
Beau Rivage Co Ltd	Mauritius	**100**	-	100	-
Blue Bay Tokey Island Limited	Mauritius	**100**	-	100	-
Holiday & Leisure Resorts Limited	Mauritius	**100**	-	100	-
LIR Properties Ltd	Mauritius	-	-	-	100
Merville Beach Hotel Ltd	Mauritius	-	**100**	-	100
Merville Limited	Mauritius	**100**	-	100	-
MSF Leisure Company Ltd	Mauritius	-	**100**	-	100
LTK Ltd	Mauritius	-	**100**	-	100
FMM Ltee	Mauritius	-	**100**	-	100
Naiade Holidays (Proprietary) Limited	South Africa	**100**	-	100	-
Hôtel Prestige Réunion SAS	Reunion Island	**100**	-	100	-
Les Villas Du Lagon SAS	Reunion Island	-	**100**	-	100
Saint Paul SAS	Reunion Island	-	**100**	-	100
Lux Island Resort Foundation	Mauritius	-	-	100	-
Lux Island Resorts Maldives Ltd	Mauritius	**100**	-	100	-
White Sand Resorts & Spa Pvt Ltd	Maldives	-	**100**	-	100
LIRCO Ltd SARL	Luxembourg	**100**	-	100	-
Oceanide Limited	Mauritius	**50.03**	**100**	50.03	100
Nereide Limited	Mauritius	-	**100**	-	100

The subsidiaries listed above operate in the hospitality sector or provide related services.

8. INVESTMENT IN SUBSIDIARY COMPANIES (cont.)

(b) The decrease in investment in subsidiary companies in 2026 was due to the winding up of:

	2026 Rs'000	2025 Rs'000
Lux Island Resort Foundation	25	-

In addition to the above, the investment held by Beau Rivage Co Ltd in LIR properties Ltd was also wound up during the current financial year.

9. DEFERRED TAX LIABILITIES/(ASSETS)

Deferred income taxes are calculated on all temporary differences under the liability method.

Deferred tax is reflected in the statement of financial position as follows:

	THE GROUP		THE COMPANY	
	2026 Rs'000	2025 Rs'000	2026 Rs'000	2025 Rs'000
Deferred tax assets	**(163,680)**	(84,800)	-	-
Deferred tax liabilities	**1,126,673**	976,258	**14,262**	1,811
Net deferred tax liabilities	**962,993**	891,458	**14,262**	1,811

The movement in the deferred income tax account is as follows:

	THE GROUP		THE COMPANY	
	2026 Rs'000	2025 Rs'000	2026 Rs'000	2025 Rs'000
At 01 July	**891,458**	767,045	**1,811**	36,387
Recognised in profit or loss (Note 20(a))	**38,463**	56,756	**11,809**	(35,481)
Recognised in other comprehensive income	**33,730**	74,520	**642**	905
Exchange difference	**(658)**	(6,863)	-	-
At 30 June	**962,993**	891,458	**14,262**	1,811

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

9. DEFERRED TAX LIABILITIES/(ASSETS) (cont.)

Deferred income tax at 30 June relates to the following:

THE GROUP	Balance		Movement	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Deferred tax liabilities				
Accelerated depreciation	**912,880**	884,584	**28,296**	188,916
Revaluation of property, plant and equipment	**270,345**	266,212	**4,133**	46,298
Post employment benefit	**(30,350)**	(34,080)	**3,730**	(8,880)
Tax losses	**(24,100)**	(142,176)	**118,076**	(17,145)
Lease liabilities	**8,403**	9,765	**(1,362)**	(2,329)
Provision for vacation leave	**(3,013)**	(390)	**(2,623)**	1,792
Provision for written down of inventories	**(5,638)**	(5,213)	**(425)**	(460)
Provision for loss allowance of trade receivables	**(1,854)**	(2,444)	**590**	1,021
	1,126,673	976,258	**150,415**	209,213
Deferred tax assets				
Tax losses	**(163,680)**	(84,800)	**(78,880)**	(84,800)
	(163,680)	(84,800)	**(78,880)**	(84,800)
Net deferred tax liabilities	**962,993**	891,458		
Total movement for the year			**71,535**	124,413
Recognised as follows:				
In profit or loss (Note 20(a))			**38,463**	56,756
In other comprehensive income			**33,730**	74,520
Exchange differences			**(658)**	(6,863)
			71,535	124,413

9. DEFERRED TAX LIABILITIES/(ASSETS) (cont.)

THE COMPANY	Balance		Movement	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Deferred tax liabilities				
Accelerated depreciation	**2,186**	14,598	**(12,412)**	1,826
Others	**13,668**	(11,071)	**24,739**	(36,369)
	15,854	3,527	**12,327**	(34,543)
Deferred tax assets				
Post employment benefit	**(1,592)**	(1,716)	**124**	(33)
	(1,592)	(1,716)	**124**	(33)
Net deferred tax liabilities	**14,262**	1,811		
Total movement for the year			**12,451**	(34,576)
Recognised as follows:				
In profit or loss (Note 20(a))			**11,809**	(35,481)
In other comprehensive income			**642**	905
			12,451	(34,576)

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. The Directors have assessed the recoverability of deferred tax assets for each subsidiary based on the forecasted taxable profit to be generated during the next financial periods.

Deferred tax assets have not been recognised on tax losses amounting to **Rs 263 million** (2025: Rs 811 million). Refer to Note 3(vi) for further details.

The tax losses of the Group on which deferred tax assets arising on tax losses have been recognised are available for offset against future taxable profits as follows:

		THE GROUP
Financial year ending	**Losses relating to tax year ended**	**2026**
		Rs'000
30 June 2031	30 June 2026	-
Indefinite		**262,977**
		262,977

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

10. INVENTORIES

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Food and beverages - at cost	**105,230**	96,553	**-**	-
Spare parts and maintenance - at cost	**37,307**	37,891	**-**	-
Boutique items - at Net realisable value	**30,903**	31,330	**-**	-
Others*- at cost	**97,454**	80,635	**217**	165
	270,894	246,409	**217**	165

* Others for the Group include mainly Room amenities & guest supplies, Food & Beverage supplies and printing & stationary.

IInventories amounting to **Rs 270.9m** (2025: Rs 246.4m) have been pledged as securities for bank borrowings of the Group. All inventories are stated at the lower of cost and net realisable value. Provision for write downs of inventories at 30 June 2026 amounted to **Rs 32.5m** (2025: Rs 29.3m).

The costs of individual items of inventories are determined using weighted average costs.

Amount of inventory expensed has been disclosed in note 23.

11. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade receivables	**495,315**	475,827	**-**	-
Receivable from fellow subsidiaries and other related parties (Note 34)	**1,288**	51	**-**	-
Receivable from subsidiaries (Note 34)	**-**	-	**2,229,363**	1,692,054
Prepayments	**73,757**	45,492	**-**	-
Other receivables*	**185,381**	154,751	**30,405**	15,491
	755,741	676,121	**2,259,768**	1,707,545
Less loss allowance (Note 35 c (iv))	**(20,870)**	(23,109)	**-**	-
	734,871	653,012	**2,259,768**	1,707,545

* Other receivables for the Group include amongst others refundable deposits amounting to **Rs 115.9m** (2025: Rs 105.8m), sundry debtors amounting to **Rs 42.2m** (2025: Rs 30.4m) and VAT, GST and other taxes amounting to **Rs 27.3m** (2025: Rs 18.5m). Other receivables for the Company include amongst others refundable deposits amounting to **Rs 10.4m** (2025: Rs 6.4m), sundry debtors amounting to **Rs 17.2m** (2025: Rs 6.8m) and VAT, GST and other taxes amounting to **Rs 2.8m** (2025: Rs 2.3m).

(i) Trade receivables are not secured, non interest-bearing and are generally on 30 days term. Impairment of receivables have been assessed on an individual basis and also on a collective basis under the 'Expected Credit loss' model. The Group has subscribed to a credit protection scheme for some of its trade receivables with a Global Service Provider, with a view to minimise its credit risk exposure.

11. TRADE AND OTHER RECEIVABLES (cont.)

(ii) At year end, the ageing analysis of trade receivables by due dates is as follows:

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Not past due	**197,707**	210,025	**-**	-
Due less than 30 days	**157,736**	133,604	**-**	-
More than 30 and less than 60 days	**73,364**	81,454	**-**	-
More than 60 and less than 90 days	**24,134**	20,467	**-**	-
More than 90 and less than 180 days	**20,927**	13,292	**-**	-
More than 180 days	**21,447**	16,985	**-**	-
	495,315	475,827	**-**	-

(iii) The movement in expected credit losses on trade receivables were as follows:

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 01 July	**23,109**	34,525	**-**	-
Provision for the year	**2,745**	357	**-**	-
Write off	**(5,338)**	(11,644)	**-**	-
Exchange difference	**354**	(129)	**-**	-
At 30 June (Note 35 c (iv))	**20,870**	23,109	**-**	-

Other financial assets excluding trade receivables comprise of amount due from fellow subsidiaries and other related parties, receivable from subsidiaries and other short term sundry receivables. The Group and the Company have performed an impairment assessment for other financial asset and the impairment loss is immaterial.

Bad debts written off of **Rs 5.3m** (2025: Rs 11.6m) relate to individual debtor balances which have been impaired during the year and which were previously provided for.

12. INVESTMENT IN ASSOCIATED COMPANY

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 01 July	**49,827**	-	**49,827**	-
Investment made during the year	**1,749**	49,827	**1,749**	49,827
At 30 June	**51,576**	49,827	**51,576**	49,827

During the year the Group and the Company made an investment of **EUR 33.3k (Rs 1.7m)** (2025: EUR 1m (Rs 49.8m)) in Run Sky Ltd, an investment holding company incorporated in Mauritius and not listed on any public exchange. The Group and the Company holds 33.33% of the ordinary share capital of Run Sky Ltd. The Company has significant influence over Run Sky Ltd.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

12. INVESTMENT IN ASSOCIATED COMPANY (cont.)

The following table summarises the financial information of the Group and the Company's underlying investment in Run Sky Ltd as at 30 June 2026 and 30 June 2025 :

	2026 Rs'000	2025 Rs'000
Statement of financial position		
Non-current assets	**70,732**	107,762
Current assets	**116,394**	46,811
Current liabilities	**-**	(11)
Equity	**187,126**	154,562
Proportions of the Company's ownership	**33.33%**	33.33%
Share of net assets	**62,369**	51,516
Statement of profit or loss and other comprehensive income		
Other income	**5,187**	7
Operating expenses	**(55)**	(11)
Finance income	**2,824**	620
Result before tax	**7,956**	616
Income tax expense	**-**	-
Result for the year	**7,956**	616
Other comprehensive income	**19,232**	-
Total comprehensive income	**27,188**	616
Proportions of the Company's ownership	**33.33%**	33.33%
Share of total comprehensive income	**9,062**	205

As at 30 June 2025 and 30 June 2026, the Directors did not identify any impairment on the value of the investment.

In addition, the Directors assessed the impact of applying the equity method of accounting to the investment in the associate and determined that the Group's share of the associate's profit for the respective financial years was immaterial and concluded that the cost of investment approximates the equity accounted value.

13. ISSUED CAPITAL

	THE GROUP AND THE COMPANY			
(a) **Authorised and issued capital**	**2026 Number of shares**	2025 Number of shares	**2026 Rs'000**	2025 Rs'000
Ordinary shares of Rs 10 each fully paid				
At 30 June	**137,115,943**	137,115,943	**1,371,159**	1,371,159

13. ISSUED CAPITAL (cont.)

	THE GROUP AND THE COMPANY	
(b) Share premium	**2026 Rs'000**	2025 Rs'000
At 30 June	**1,320,986**	1,320,986

14. OTHER RESERVES

(a) THE GROUP	Foreign exchange translation reserve Rs'000	Asset revaluation reserve Rs'000	Total Rs'000
At 01 July 2024	284,610	1,985,874	2,270,484
Cash flow hedge on loans and leases in foreign currency	(47,237)	-	(47,237)
Cash flow hedge reserve released on repayment of loans and leases	74,556	-	74,556
Currency translation difference	(41,787)	-	(41,787)
Revaluation of property, plant and equipment (Note i)	-	384,540	384,540
Tax on revaluation of property, plant and equipment	-	(78,921)	(78,921)
At 30 June 2025	270,142	2,291,493	2,561,635
Cash flow hedge on loans and leases in foreign currency	**(33,037)**	**-**	**(33,037)**
Cash flow hedge reserve released on repayment of loans and leases	**94,766**	**-**	**94,766**
Currency translation difference	**115,521**	**-**	**115,521**
Revaluation of property, plant and equipment (Note ii)	**-**	**180,957**	**180,957**
Tax on revaluation of property, plant and equipment	**-**	**(25,127)**	**(25,127)**
At 30 June 2026	**447,392**	**2,447,323**	**2,894,715**

Note i - During the previous financial year, there was a revaluation gain on property, plant and equipment for the Mauritian entities and Reunion entities amounting to Rs 462.5m and Rs 8.8m respectively, however this was offset against a revaluation loss recognised on the Maldivian's entity amounting to Rs 86.8m. The revaluation loss on White Sand Resorts & Spa Pvt Ltd was fully offset against previously recognised gain in the asset revaluation reserve.

Note ii - During the current financial year, there was a revaluation gain on property, plant and equipment for the Mauritian entities and Reunion entities amounting to **Rs 140.9m** and **Rs 51.0m** respectively, however this was offset against a revaluation loss recognised on the Maldivian's entity amounting to **Rs 11.0m**. The revaluation loss on White Sand Resorts & Spa Pvt Ltd was fully offset against previously recognised gain in the asset revaluation reserve.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

14. OTHER RESERVES (cont.)

(b) THE COMPANY

	Asset revaluation reserve	
	2026	2025
	Rs'000	Rs'000
At 01 July	**43,627**	42,934
Revaluation of property, plant and equipment	**454**	855
Tax on revaluation of property, plant and equipment	**(86)**	(162)
At 30 June	**43,995**	43,627

Nature and purpose of other reserves

Foreign exchange translation reserve

This reserve is in respect of cash flow hedge reserve as well as foreign currency translation reserve. The hedge reserve is used to record the exchange differences arising on the EURO, GBP and USD loans and leases of the Group and which have been designated as hedging instruments against future revenues of the Group in the respective currencies. The risk management objective is to hedge the changes in cash flows arising from foreign exchange rate risk associated with future revenues and cash flows of the Group. The hedging strategy is to enter into loans and lease agreements (the "hedging instruments"), in EURO, GBP and USD with future principal payments that will be matched by the future remittances from customers in these currencies. The movement for the year is in respect of exchange difference on conversion of loan in USD, GBP and EURO at year end rate. Upon annual repayment of long term borrowings and leases, the portion of hedge realised is released from the hedge reserve. The foreign currency translation reserve is also used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Asset revaluation reserve

The asset revaluation reserve is used to record increases in the fair value of land and buildings (net of deferred tax on the revalued asset) and decreases to the extent that such decreases relates to an asset for which a revaluation gain has been previously recognised in equity.

15. CONVERTIBLE BOND

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 01 July	**1,460,283**	1,460,283	**914,083**	914,083
Amount repaid during the year	**(750,000)**	-	**(200,000)**	-
Transaction costs on settlement of the convertible bonds	**3,800**	-	-	-
At 30 June	**714,083**	1,460,283	**714,083**	914,083

15. CONVERTIBLE BOND (cont.)

During the financial year ended 30 June 2021, Lux Island Resorts Ltd signed a subscription agreement with the Mauritius Investment Corporation Ltd ("MIC"), a wholly owned subsidiary of the Bank of Mauritius to issue redeemable convertible bonds for a total amount of Rs 1 billion comprising of 100 bonds of Rs 10 million each. Subsequently both parties have mutually agreed to reduce the subscription amount to Rs 920 million (92 bonds).

During the financial year 2022, the Group, through one of its subsidiary companies, Merville Limited also signed an agreement with the MIC to issue redeemable convertible bonds for a total amount of Rs 700 million comprising of 70 bonds of Rs 10 million each. Only Rs 550 million out of the total amount of Rs 700 million have been subscribed for up to date.Transaction costs for Lux Island Resorts Ltd and Merville Limited amounted to Rs 5.9m and Rs 3.8m respectively and were netted off against the proceeds.

On 15 July 2025, the Board of Directors resolved to proceed with the voluntary early redemption of 20 bonds issued by the Company and 55 bonds issued by its subsidiary, Merville Limited, in accordance with clause 5 ("Voluntary Redemption and Cancellation") of their respective agreements with the MIC. By so doing, the full amount of the convertible bonds was redeemed by Merville Limited.

The redemption date was set for 31 July 2025. The redemption was unconditional and the redeemed bonds were settled at nominal value, amounting to Rs 200 million for the Company and Rs 550 million for Merville Limited.

The key terms and conditions of the funding arrangements for Lux Island Resorts Ltd and Merville Limited are as follows:

- The maturity date is 9 years from disbursement of the first tranche of the subscription proceeds
- The conversion has been pre-determined prior to subscription
- Interest rates are as follows:

(a) 3.00% p.a. over the duration of the bonds for Lux Island Resorts Ltd (from issue date to the earlier of the redemption date or the conversion date). The interest is payable on the last day of each interest period. On maturity date, any unpaid capital and interest is converted into ordinary shares in accordance with the predetermined conversion price.

(b) the key repo rate plus 2.25% but subject to a floor of 4.10% p.a.over the duration of the bonds for Merville Limited (from issue date to the earlier of the redemption date or the conversion date). The interest is payable on the last day of each interest period. On maturity date, any unpaid capital and interest is converted into ordinary shares in accordance with the predetermined conversion price.

- Redemption of the bonds shall be at the option of the issuer. The issuer may redeem some or all the bonds, any time prior to the maturity date. The option price shall be determined as follows:

  - if redemption happens before the 4th anniversary of the first subscription, the redemption price shall be the nominal amount,
  - if redemption happens after the 4th anniversary of the first subscription, the redemption amount shall be 100.5% of the nominal amount.
  - All outstanding bonds will be converted into ordinary shares at a pre-agreed formula and price on maturity date.

The number of shares to be issued shall be determined as per below formula:

$$[(A+B)/C]$$

- A is the nominal amount of all bonds held by the subscriber
- B is equal to the amount of outstanding and unpaid interest in relation to the bonds held by the subscriber, and
- C is the conversion price which has been set at Rs 33.52 and Rs 405 for Lux Island Resorts Ltd and Merville Limited respectively.

A policy choice was available for the treatment of the convertible bonds, that is, the Group can either treat the convertible bonds as equity or compound financial instrument with an embedded derivative. The Directors had applied judgement in evaluating the options available and have opted to treat the convertible bonds as equity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

16. INTEREST-BEARING LOANS AND BORROWINGS

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current				
Bank loans (Note (a))	**573,919**	770,833	-	-
Bank overdrafts (Note 30(a))	**302**	525	**6**	6
	574,221	771,358	**6**	6
Non-current				
Bank loans (Note (a))	**2,873,403**	2,472,909	-	-
	2,873,403	2,472,909	-	-
Total interest-bearing loans and borrowings	**3,447,624**	3,244,267	**6**	6

		THE GROUP		THE COMPANY	
		2026	2025	**2026**	2025
		Rs'000	Rs'000	**Rs'000**	Rs'000
(a)	Bank loans can be analysed as follows:-				
	Loan repayable:				
	- Within one year	**573,919**	770,833	-	-
	- After one year and before two years	**502,433**	479,287	-	-
	- After two years and before five years	**1,992,998**	1,113,026	-	-
	- After five years	**377,972**	880,596	-	-
		3,447,322	3,243,742	-	-

			THE GROUP		THE COMPANY	
			2026	2025	**2026**	2025
			Rs'000	Rs'000	**Rs'000**	Rs'000
Denomination	**Effective interest rate**	**Maturity**				
Mauritian Rupee	PLR + 0.5% - 1.5%	Jun 2027	**69,143**	209,367	-	-
EURO	EURIBOR + 1.65%	Feb 2029	**811,580**	-	-	-
EURO	EURIBOR + 1.30%	Dec 2026	-	24,627	-	-
USD	SOFR + 2.75%	Jul 2025	-	2,672	-	-
EURO	EURIBOR+5%	Jun 2026	-	24,593	-	-
USD	SOFR +5%	Sep 2025	-	37,900	-	-
USD	SOFR +4%	Jun 2027	**268,966**	329,503	-	-
EURO	EURIBOR + 2.5%	Dec 2026	**109,501**	159,506	-	-
EURO	EURIBOR +4%	Dec 2028	**570,149**	651,929	-	-
GBP	SONIA +3.8%	Dec 2028	**501,671**	563,213	-	-
USD	SOFR + 3.5%	Mar 2029	**129,276**	163,728	-	-
USD	SOFR + 4%	Mar 2028	**154,536**	176,704	-	-
Mauritian Rupee	PLR	Jun 2036	**832,500**	900,000	-	-
Total bank loans			**3,447,322**	3,243,742	-	-

16. INTEREST-BEARING LOANS AND BORROWINGS (cont.)

(b) Financial covenants

As at 30 June 2026, the Group had obtained waiver letters relating to two of its bank loans. Accordingly, the respective banks had waived their rights arising from the covenant breaches, and the related borrowings have been classified based on their contractual maturity. For financial year 30 June 2025, the Group did not satisfy the debt covenant for one of its banks which stated that at the end of each quarter the DSCR of the subsidiary that subscribed for the loan cannot exceed 1.25 times, otherwise the bank has the right to claim the whole amount due with respect to this loan. As a consequence of the breach, the Group has reclassify Rs 106m of loan payable of more than one year to current liability at 30 June 2025. The Group had met all the financial covenants from the other borrowings at 30 June 2025.

(c) The movement in interest-bearing loans and borrowings is as follows:

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 01 July	**3,243,742**	4,163,157	-	-
Proceeds from new loan	**803,250**	-	-	-
Repayments of loans	**(674,570)**	(924,047)	-	-
Exchange difference	**74,900**	4,632	-	-
At 30 June	**3,447,322**	3,243,742	-	-
Bank overdrafts	**302**	525	**6**	6
Total interest-bearing loans and borrowings	**3,447,624**	3,244,267	**6**	6

At 30 June 2026, the Group and the Company have undrawn facilities amounting to **Rs 641.3m** and **Rs 154.4m** respectively (2025: Rs 632.5m and Rs 149m for the Group and Company respectively).

17. POST EMPLOYMENT BENEFIT

(a) The benefits of employees of the Group fall under three different types of arrangements:

(i) A defined benefit scheme which is funded. The plan assets are held independently by a pension fund;

(ii) A defined contribution scheme; and

(iii) A residual gratuity for employees under a defined contribution scheme in line with the requirements of the Workers Rights Act (WRA) 2019.

(b) The (assets)/ liabilities in respect of the defined benefit (i) and (iii) above are analysed as follows:

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Funded obligation - (Notes (c - o))	**(3,899)**	(3,744)	**(3,899)**	(3,744)
Unfunded obligation (Notes (p - u))	**196,920**	235,515	**11,207**	12,774
	193,021	231,771	**7,308**	9,030

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

17. POST EMPLOYMENT BENEFIT (cont.)

FUNDED OBLIGATION

(c) The amounts recognised in the statement of financial position in respect of the funded obligation are as follows:

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Present value of funded obligation (Note 17(h))	**56,329**	57,032	**56,329**	57,032
Fair value of plan assets (Note 17(g))	**(60,228)**	(60,776)	**(60,228)**	(60,776)
Asset in the statement of financial position	**(3,899)**	(3,744)	**(3,899)**	(3,744)

(d) Movement in the statement of financial position:

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 01 July	**(3,744)**	(22)	**(3,744)**	(22)
Total expenses (Note 17(e))	**(213)**	352	**(213)**	352
Remeasurements of post-employment benefit recognised in other comprehensive income	**58**	(4,074)	**58**	(4,074)
At 30 June	**(3,899)**	(3,744)	**(3,899)**	(3,744)

(e) The amounts recognised in profit or loss are as follows:

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current service cost	-	341	-	341
Interest cost	**(213)**	11	**(213)**	11
Total included in employee benefit expenses (Note 24)	**(213)**	352	**(213)**	352

(f) The total actuarial losses recognised in other comprehensive income are as follows:

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Funded obligation (Note 17(j))	**58**	(4,074)	**58**	(4,074)
Unfunded obligation (Note 17(s))	**(52,983)**	28,693	**(2,986)**	162
	(52,925)	24,619	**(2,928)**	(3,912)

17. POST EMPLOYMENT BENEFIT (cont.)

FUNDED OBLIGATION (cont.)

(g) Changes in the fair value of plan assets are as follows:

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 01 July	**60,776**	61,625	**60,776**	61,625
Interest on plan assets	**3,327**	3,008	**3,327**	3,008
Scheme expenses	-	(341)	-	(341)
Remeasurements of post-employment benefit	**1,023**	1,351	**1,023**	1,351
Benefits paid	**(4,898)**	(4,867)	**(4,898)**	(4,867)
At 30 June	**60,228**	60,776	**60,228**	60,776

(h) Changes in defined benefit obligation are as follows:

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 01 July	**57,032**	61,603	**57,032**	61,603
Interest cost	**3,114**	3,019	**3,114**	3,019
Remeasurements of post-employment benefit	**1,081**	(2,723)	**1,081**	(2,723)
Benefits paid	**(4,898)**	(4,867)	**(4,898)**	(4,867)
At 30 June	**56,329**	57,032	**56,329**	57,032

(i) The main categories of plan assets are as follows:

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Local equities	**20,538**	22,244	**20,538**	22,244
Overseas equities	**16,502**	18,719	**16,502**	18,719
Fixed interest	**18,309**	13,128	**18,309**	13,128
Cash	**4,879**	6,685	**4,879**	6,685
Total market value of assets	**60,228**	60,776	**60,228**	60,776

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

17. POST EMPLOYMENT BENEFIT (cont.)

FUNDED OBLIGATION (cont.)

(j) Analysis of amount recognised in other comprehensive income:

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Gains on pension scheme assets	**(1,023)**	(1,351)	**(1,023)**	(1,351)
Experience losses on the liabilities	**584**	531	**584**	531
Changes in assumptions underlying the present value of the scheme	**497**	(3,254)	**497**	(3,254)
Remeasurements of post-employment benefit recognised in other comprehensive income	**58**	(4,074)	**58**	(4,074)

(k) Sensivity analysis

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Decrease in defined benefit due to 1% increase in discount rate	**4,656**	4,788	**4,656**	4,788
Increase in defined benefit due to 1% decrease in discount rate	**5,434**	5,605	**5,434**	5,605

The sensitivity analysis above have been determined based on sensibly possible changes of the discount rate occurring at the end of the reporting period if all other assumptions remained unchanged.

The plan is a defined benefit arrangement, with benefits based on final salary, it provides for a pension at retirement and a benefit on death or disablement in service before retirement.

(l) (i) The assets of the plan are managed by IBL Pension Fund which invests in a diversified portfolio of asset classes. In view of exposure to equities, some volatility in the return from one year to the other is expected.

(ii) As the fund is expected to produce a smooth return, a fairly reasonable indication of the future returns can be obtained by looking at historical ones. Therefore, the long term expected return on asset assumption has been based on historical performance of the fund.

(iii) The fixed interest portfolio includes government bonds, debentures, mortgages and cash. The expected return for this asset class has been based on yields of government bonds at 30 June 2026.

(m) Future cash flows

- The funding policy is to pay benefits out of the reporting entity's plan asset as and when due.

- The weighted average duration of the defined benefit is **9 years.**

- Employer's contributions to be paid in the next reporting period is estimated at **Rs Nil** (2025: Rs Nil).

- The plan entitles the employees to a lump sum and pension payments at retirement age.

17. POST EMPLOYMENT BENEFIT (cont.)

FUNDED OBLIGATION (cont.)

(n) Risk Associated with the Plans

The Defined Benefit Plans expose the Group to actuarial risks such as interest rate risk and salary risk.

Interest rate risk

If the bond interest rate decreases, the liabilities would be calculated using a lower discount rate, and would therefore increase.

Salary risk

If salary increases are higher than assumed in our basis, the liabilities would increase the actuarial losses.

(o) The principal actuarial assumptions with respect to the defined benefit scheme used for accounting purposes were:

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	%	%	**%**	%
Discount rate	**5.6**	5.7	**5.6**	5.7
Future expected increase in pension scheme	**0.0**	0.0	**0.0**	0.0
Future long term salary increase	**N/A**	N/A	**N/A**	N/A
Post retirement mortality tables	**PNA00**	PNA00	**PNA00**	PNA00

UNFUNDED OBLIGATION

(p) The amounts recognised in the statement of financial position in respect of unfunded obligation are as follows:

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Present value of unfunded obligation	**196,920**	235,515	**11,207**	12,774

(q) Movement in the liability recognised in the statement of financial position:

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 01 July	**235,515**	184,348	**12,774**	10,137
Transfer	**1**	702	**1**	1,467
Total expenses (Note 17(r))	**25,292**	26,031	**1,418**	1,008
Remeasurements of post-employment benefit (Note 17(s))	**(52,983)**	28,693	**(2,986)**	162
Benefits paid	**(11,447)**	(4,979)	**-**	-
Exchange differences	**542**	720	**-**	-
At 30 June	**196,920**	235,515	**11,207**	12,774

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

17. POST EMPLOYMENT BENEFIT (cont.)

UNFUNDED OBLIGATION (cont.)

(r) The amounts recognised in the statement of profit or loss are as follows:

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current service cost	**13,146**	17,389	**703**	491
Interest cost	**12,146**	8,642	**715**	517
Total included in employee benefit expenses (Note 24)	**25,292**	26,031	**1,418**	1,008

(s) Amount recognised in other comprehensive income

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Remeasurements of post-employment benefit	**(10,076)**	45,714	**483**	970
Changes in assumptions	**(42,907)**	(17,021)	**(3,469)**	(808)
	(52,983)	28,693	**(2,986)**	162

(t) Sensivity analysis

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Decrease in defined benefit due to 1% increase in discount rate	**34,253**	28,320	**1,986**	1,446
Increase in defined benefit due to 1% increase in future long-term salary assumption	**42,557**	33,893	**2,470**	1,686

(u) The principal actuarial assumptions with respect to the unfunded scheme used for accounting purposes were as follows:

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	%	%	**%**	%
Discount rate	**5.80 to 5.90**	5.60 to 5.80	**5.80**	5.60
Future salary increases	**4.00**	4.00	**4.00**	4.00

18. PROVISION FOR VACATION LEAVE

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 01 July	**20,146**	19,445	**517**	422
Total expenses	**2,533**	701	**52**	95
At 30 June	**22,679**	20,146	**569**	517

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	%	%	**%**	%
Discount rate	**4.2**	4.6 - 4.7	**4.2**	4.6
Future long term salary increase	**4**	4	**4**	4

	THE GROUP		THE COMPANY	
Sensivity analysis	**2026**	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Decrease in defined benefit obligation due to 1% increase in discount rate	**227**	218	**3**	1
Increase in defined benefit obligation due to 1% increase in future long-term salary assumption	**231**	224	**2**	1

The sensitivity analysis above have been determined based on sensibly possible changes of the discount rate or salary increase rate occurring at the end of the reporting period if all other assumptions remained unchanged.

19. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade payables	**572,849**	503,632	**2,000**	-
Amount payable to subsidiaries (Note 34)	**-**	-	**2,021,162**	1,596,003
Amount payable to fellow subsidiaries and other related parties (Note 34)	**86,330**	175,392	**14,648**	11,312
Amount payable to key management personnel (Note 34)	**2,001**	1,887	**-**	-
Accrued expenses	**360,773**	353,115	**25,174**	15,749
Other payables	**432,880**	412,215	**11,033**	21,743
	1,454,833	1,446,241	**2,074,017**	1,644,807

Trade and other payables are non-interest bearing and are normally settled on a 60-days term.

Other payables comprises mainly of accruals for payroll related costs and other accruals made in the normal course of business.

For the term and amount payable to subsidiaries and fellow subsidiaries and other related parties refer to Note 34.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

20. TAXATION

(a) *Charge for the year*

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current tax on taxable profit for the year (Note (d))	**276,668**	167,933	**9,532**	20,636
Withholding tax	**1,959**	3,133	**-**	-
Underprovision/ (overprovision) in previous year (Note (d))	**8,646**	18,860	**(692)**	3,803
Deferred taxation movement (Note 9)	**38,463**	56,756	**11,809**	(35,481)
Income tax expense	**325,736**	246,682	**20,649**	(11,042)

(b) *Reconciliation between income tax expense and accounting profit is as follows:*

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit before tax	**1,877,370**	1,454,966	**541,975**	348,897
Tax calculated at a rate of 24% (2025: 19%)	**450,569**	276,444	**130,074**	66,290
Alternative minimum tax	**44,442**	-	**-**	-
Effect of different tax rates	**(53,432)**	2,667	**-**	-
Impairments not allowable for tax purposes	**-**	-	**(71,537)**	(831)
Expenses not deductible for tax purposes (Note(i))	**20,501**	35,121	**2,715**	2,980
Tax incentives and allowances	**(41,395)**	(23,953)	**(23,311)**	(64,875)
Underprovision/ (overprovision) of income tax in previous year (Note (a))	**8,646**	18,860	**(692)**	3,803
(Overprovision)/ underprovision of deferred tax in previous year	**(14,397)**	50,725	**(16,600)**	(18,409)
Recognition of previously unused tax losses	**(89,198)**	(113,182)	**-**	-
	325,736	246,682	**20,649**	(11,042)

Note (i) - Expenses not deductible for the Group is mainly in respect of the subsidiary, White Sand Resorts & Spa Pvt Ltd, where finance charges are capped as eligible for tax purposes.

Note (ii) - With the introduction of Fair Share Contribution, the effective tax rate has increased from 19% to 24%.

(c) *Different tax rates arise on the taxation of foreign units located in Réunion Island and Maldives.*

20. TAXATION (cont.)

(d) *Statement of financial position*

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 01 July	**192,115**	204,858	**3,239**	17,680
Change for the year inclusive of Corporate Social Responsibility (CSR) (Note (a))	**276,668**	167,933	**9,532**	20,636
Underprovision/ (overprovision) in prior year (Note (a))	**8,646**	18,860	**(692)**	3,803
Paid during the year	**(297,609)**	(198,195)	**(20,271)**	(38,880)
Exchange difference	**1,057**	(1,341)	**-**	-
At 30 June	**180,877**	192,115	**(8,192)**	3,239
Income tax is reflected in the statement of financial position as follows:				
Current tax assets	**12,969**	-	**8,192**	-
Current tax liabilities	**(193,846)**	(192,115)	**-**	(3,239)
Net current tax (liabilities)/ assets	**(180,877)**	(192,115)	**8,192**	(3,239)

21. REVENUE FROM CONTRACTS WITH CUSTOMERS

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Room revenue	**7,043,202**	6,537,991	**-**	-
Food and beverages	**3,360,694**	3,192,578	**-**	-
Others	**830,233**	825,038	**-**	-
	11,234,129	10,555,607	**-**	-
Timing of revenue recognition:				
Point in time	**4,190,927**	4,017,616	**-**	-
Over time	**7,043,202**	6,537,991	**-**	-
	11,234,129	10,555,607	**-**	-
Revenue by geographical region:				
Mauritius	**8,022,251**	7,382,623	**-**	-
Reunion	**1,047,892**	978,676	**-**	-
Maldives	**2,163,986**	2,194,308	**-**	-
	11,234,129	10,555,607	**-**	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

21. REVENUE FROM CONTRACTS WITH CUSTOMERS (cont.)

	THE GROUP					
	2026			2025		
	Mauritius Rs'000	**Reunion Rs'000**	**Maldives Rs'000**	Mauritius Rs'000	Reunion Rs'000	Maldives Rs'000
Revenue by geographical region and segment:						
Room revenue	**5,295,251**	**609,846**	**1,138,105**	4,832,647	576,263	1,129,081
Food and beverages	**2,301,284**	**396,132**	**663,278**	2,139,966	364,587	688,025
Others	**425,716**	**41,914**	**362,603**	410,010	37,826	377,202
	8,022,251	**1,047,892**	**2,163,986**	7,382,623	978,676	2,194,308

(a) Contract liabilities

The contract liabilities are in respect of deposits collected from customers for future stay at the hotels of the Group.

The following table shows the movement in deposits:

	THE GROUP	
	2026 Rs'000	2025 Rs'000
At 01 July	**445,902**	356,237
Deposit received during the year	**4,707,047**	4,207,403
Amount released to profit or loss	**(4,535,068)**	(4,117,738)
At 30 June	**617,881**	445,902

Contract liabilities relating to 30 June 2025 amounting to Rs 441.1m (30 June 2024: Rs 354.7m), have been recognised as revenue during the years ended 30 June 2026 and 30 June 2025 respectively.

22. OTHER OPERATING INCOME

(a) Operating income

	THE GROUP		THE COMPANY	
	2026 Rs'000	2025 Rs'000	**2026 Rs'000**	2025 Rs'000
Management fee from subsidiaries	-	-	**100,987**	95,320
Rental income	-	3,749	**625**	3,749
Foreign exchange gains	**140,655**	24,576	**227,665**	81,358
Dividend income	-	-	-	600,000
Others*	**16,135**	12,250	**9,002**	5,783
	156,790	40,575	**338,279**	786,210

* Others for the Group include amongst others insurance income in relation to cyclone **Rs 8.2m** (2025: Rs Nil).

22. OTHER OPERATING INCOME (cont.)

(b) Other income

	THE GROUP		THE COMPANY	
	2026 Rs'000	2025 Rs'000	**2026 Rs'000**	2025 Rs'000
Contingent consideration (Note (i))	-	65,672	-	-
Gain on lease extinguishment (Note 5(a))	**11,386**	-	-	-
	11,386	65,672	-	-
Total other operating income	**168,176**	106,247	**338,279**	786,210

Note (i)

On 01 August 2020, the group had finalised the sale of Hotel Le Recif, in Reunion Island for a total proceeds of EUR 9 million. As per the deed of sale of SAS Hotel Le Récif, a contingent fee was receivable upon Hotel le Recif achieving a target EBITDA from 01 July 2022 to 31 December 2024. Based on assessment carried out by management, the conditions for the contingent fee was crystalised and an amount of EUR 1.3 million (Rs 65.7m) was recognised during the year ended 30 June 2025.

(c) (Loss)/ profit on disposal of property, plant and equipment

	THE GROUP		THE COMPANY	
	2026 Rs'000	2025 Rs'000	**2026 Rs'000**	2025 Rs'000
Disposal proceeds	**908**	5,259	-	3,941
Net book value of assets disposed/scrapped	**(2,591)**	(4,306)	-	(3,941)
Net (loss)/ profit	**(1,683)**	953	-	-

The loss on disposal of property, plant and equipment for the current year is included as part of "Others" in note 25.The profit on disposal of property, plant and equipment for the previous year is included as part of "Others" in note (a) above.

23. DIRECT OPERATING EXPENSES

	THE GROUP		THE COMPANY	
	2026 Rs'000	2025 Rs'000	**2026 Rs'000**	2025 Rs'000
Food, beverages and room supplies	**2,139,860**	2,064,168	-	-
Others	**628,316**	651,566	-	-
	2,768,176	2,715,734	-	-

Others include minor operating departments which are directly linked with the hotel operations. The main departments are SPA and shops.

Cost of inventories included in direct operating expenses amounts to **Rs 1.83 billion** (2025: Rs 1.79 billion).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

24. EMPLOYEE BENEFIT EXPENSES

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Wages and salaries	**2,507,499**	2,421,343	**88,836**	83,040
Social security costs	**88,918**	85,456	**4,060**	3,197
Pension costs:				
Defined contribution scheme	**65,420**	59,958	**1,633**	1,333
Defined benefit scheme (Note 17(e))	**(213)**	352	**(213)**	352
Other retirement benefit (Note 17(r))	**25,292**	26,031	**1,418**	1,008
	2,686,916	2,593,140	**95,734**	88,930

25. OTHER OPERATING EXPENSES

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Marketing expenses	**434,916**	408,110	**-**	-
Heat, light and power	**446,276**	420,569	**-**	-
Repairs and maintenance	**336,568**	280,247	**1,329**	1,223
Insurance	**200,798**	224,353	**1,495**	1,387
Communication expenses	**108,763**	100,072	**4,366**	2,686
Bank charges and commissions	**206,769**	170,125	**5,054**	3,125
Management fees	**594,000**	504,180	**-**	-
Others*	**494,472**	468,166	**44,604**	41,642
	2,822,562	2,575,822	**56,848**	50,063

*Others include mainly security & yard expenses, environment protection fee, printing and stationery, loss on disposal of property, plant and equipment and motor vehicles running expenses.

26. DEPRECIATION AND AMORTISATION

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Depreciation of property, plant and equipment (Note 4)	**690,598**	644,740	**4,826**	5,744
Amortisation of intangible assets (Note 7)	**2,785**	3,478	**187**	-
Amortisation of Right-of-use assets (Note 5(a))	**163,116**	163,937	**-**	-
	856,499	812,155	**5,013**	5,744

27. FINANCE INCOME

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Interest income	**36,879**	42,506	**118,690**	94,265

Interest income computed under the effective interest rate method on financial assets at amortised costs includes interest on bank account and interest on current account with related companies.

28. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Interest expense on:				
- Bank overdrafts	**17**	259	**-**	70
- Bank loans	**218,357**	255,918	**-**	-
- Leases (Note 5(a))	**248,139**	260,997	**-**	-
- Other loans and payables	**-**	-	**55,593**	52,916
	466,513	517,174	**55,593**	52,986

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

29. EARNINGS PER SHARE

	THE GROUP	
	2026	2025
Profit attributable to equity holders of the parent (Rs' 000)	**1,551,634**	1,208,284
Weighted average number of ordinary shares	**137,115,943**	137,115,943
Basic earnings per share (Rs)	**11.32**	8.81
Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.		
Diluted Earnings per share		
Convertible bonds subscribed on 01 July by LIR (Rs' 000)	**920,000**	920,000
Payment of convertible bonds by LIR (Rs' 000)	**(200,000)**	-
Convertible bonds subscribed on 30 June by LIR (Rs' 000)	**720,000**	920,000
Conversion price (Rs)	**33.52**	33.52
Weighted number of ordinary shares to be issued upon conversion of Bonds subscribed to date	**24,693,067**	27,446,301
Existing number of shares	**137,115,943**	137,115,943
Total number of shares	**161,809,010**	164,562,244
Diluted earnings per share (Rs)	**9.59**	7.34

30. NOTES TO THE STATEMENT OF CASH FLOWS

(a) *Cash and cash equivalents*

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cash and cash equivalents	**905,626**	1,505,340	**732,755**	1,263,343
Bank overdrafts (Note 16)	**(302)**	(525)	**(6)**	(6)
	905,324	1,504,815	**732,749**	1,263,337

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

(b) *Non-cash transactions*

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Total amount of property, plant and equipment acquired (Note 4)	**1,831,059**	427,937	**739**	8,171
Financed by cash	**1,831,059**	427,937	**739**	8,171

(c) *Net Debt Reconciliation*

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Net debt				
Cash and cash equivalents (Note 30 (a))	**(905,324)**	(1,504,815)	**(732,749)**	(1,263,337)
Borrowings (Excluding bank overdraft and lease liabilities) (Note 16 (a))	**3,447,322**	3,243,742	**-**	-
Lease liabilities (Note 5 (a))	**2,830,288**	2,889,812	**-**	-
	5,372,286	4,628,739	**(732,749)**	(1,263,337)

All the above borrowings carry variable and fixed interest rates.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

30. NOTES TO THE STATEMENT OF CASH FLOWS (cont.)

(c) *Net Debt Reconciliation* (cont.)

Liabilities from financing activities - the Group

	Convertible bonds Rs'000	Borrowings Rs'000	Leases Rs'000	Sub-total Rs'000	Cash and cash equivalents Rs'000	TOTAL Rs'000
At 01 July 2024	1,460,283	4,163,157	3,046,847	8,670,287	(1,044,915)	7,625,372
Cash flows	-	(924,047)	(181,214)	(1,105,261)	(458,327)	(1,563,588)
Other movements	-	-	99,619	99,619	-	99,619
Exchange difference	-	4,632	(75,440)	(70,808)	(1,573)	(72,381)
At 30 June 2025	1,460,283	3,243,742	2,889,812	7,593,837	(1,504,815)	6,089,022
Cash flows	**(750,000)**	**128,680**	**(203,083)**	**(824,403)**	**604,200**	**(220,203)**
Other movements	**3,800**	-	**36,855**	**40,655**	-	**40,655**
Exchange difference	-	**74,900**	**106,704**	**181,604**	**(4,709)**	**176,895**
At 30 June 2026	**714,083**	**3,447,322**	**2,830,288**	**6,991,693**	**(905,324)**	**6,086,369**

Liabilities from financing activities - the Company

	Convertible bonds Rs'000	Cash and cash equivalents Rs'000	TOTAL Rs'000
At 01 July 2024	914,083	(852,544)	61,539
Cash flows	-	(412,390)	(412,390)
Exchange difference	-	1,597	1,597
At 30 June 2025	914,083	(1,263,337)	(349,254)
Cash flows	**(200,000)**	**543,778**	**343,778**
Exchange difference	-	**(13,190)**	**(13,190)**
At 30 June 2026	**714,083**	**(732,749)**	**(18,666)**

31. SEGMENTAL REPORTING

Primary segment - Business

Internal reports reviewed by the Chief Operating Decision Makers (i.e the Directors) in order to allocate resources to the segments and to assess their performance, comprise the hotel segment and the non-hotel segment. The non-hotel segment remains insignificant (i.e less than 10%) both in terms of revenue and trading results compared to the Group. The Directors therefore consider that there is no relevance in disclosing segmental information at this level.

31. SEGMENTAL REPORTING (cont.)

Secondary segment - Geographical

The contribution of the hotel units in Réunion Island via Les Villas Du Lagon SAS and for the unit in Maldives via White Sand Resorts & Spa Pvt Ltd for the year ended 30 June 2026 and 30 June 2025 are more than 10% in terms of revenue and the following disclosures are made with respect to segmental reporting.

	Mauritius Rs'000	Reunion Rs'000	Maldives Rs'000	Total Rs'000
For the year ended 30 June 2026				
Segment revenue from contract with customers	**8,022,251**	**1,047,892**	**2,163,986**	**11,234,129**
Segment interest income	**36,879**	-	-	**36,879**
Segment finance cost	**(167,107)**	**(24,057)**	**(275,349)**	**(466,513)**
Segment depreciation and amortisation	**(564,828)**	**(81,914)**	**(209,757)**	**(856,499)**
Segment result before finance charges	**1,812,607**	**98,940**	**395,457**	**2,307,004**
Segment assets	**12,089,620**	**2,323,426**	**6,059,240**	**20,472,286**
Segment liabilities	**5,559,823**	**1,025,945**	**3,304,976**	**9,890,744**
Capital expenditure	**174,952**	**1,572,265**	**83,842**	**1,831,059**
Cash flows from operating activities	**1,496,996**	**736,564**	**229,944**	**2,463,504**
Cash flows used in investing activities	**(175,793)**	**(1,572,318)**	**(83,842)**	**(1,831,953)**
Cash flows (used in)/ from financing activities	**(1,817,929)**	**768,081**	**(185,903)**	**(1,235,751)**

	Mauritius Rs'000	Reunion Rs'000	Maldives Rs'000	Total Rs'000
For the year ended 30 June 2025				
Segment revenue from contract with customers	7,382,623	978,676	2,194,308	10,555,607
Segment interest income	42,506	-	-	42,506
Segment finance cost	(246,502)	(2,968)	(267,704)	(517,174)
Segment depreciation and amortisation	(554,123)	(78,044)	(179,988)	(812,155)
Segment result before finance charges	1,347,645	139,272	442,717	1,929,634
Segment assets	12,681,753	692,484	5,916,563	19,290,800
Segment liabilities	5,897,459	303,706	3,249,091	9,450,256
Capital expenditure	263,014	28,550	136,373	427,937
Cash flows from operating activities	1,819,136	111,559	449,381	2,380,076
Cash flows used in investing activities	(308,775)	(28,550)	(136,373)	(473,698)
Cash flows used in financing activities	(1,105,182)	(42,348)	(300,521)	(1,448,051)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

32. CONTINGENT LIABILITIES

THE GROUP

At 30 June 2026, the Group had the following contingent liabilities:

(a) Bank guarantees of **Rs Nil** and guarantee for loans of **USD 11.5m** and **EUR 2m** (2025: Bank guarantees of Rs 25.0m and guarantee for loans of USD 14.8m and EUR 3m) given on behalf of subsidiaries arising in the ordinary course of business from which it is anticipated that no material losses will arise. The Directors consider that no liabilities will arise as the probability for default in respect of the guarantees is remote.

(b) Legal claims of **Rs 9.2m** (2025: Rs 7.0m) have been lodged against the Group in the Intermediary Court of Mauritius arising from claims mainly in respect of termination of employment or contracts. The directors have been advised that some claims appear unfounded and that the severance allowance/damages claim in others appear grossly exaggerated. At this stage, the Directors do not believe that the Group will be required to settle the amounts claimed, thus no provision was made at 30 June 2026.

(c) The Revenue Authorities in certain jurisdictions in which the Group operates have raised assessments totalling approximately **Rs 371 million** in respect of certain tax matters, relating to the Group's previous years tax filings.

The Group has formally objected to the assessments and the matters are currently before the respective Revenue Authorities. Having regard to the facts and circumstances of each assessment and to the advice of its external tax advisors, the Directors consider it probable that the relevant taxation authorities will accept the tax treatments applied by the Group. Accordingly, no liability has been recognised in respect of the income tax assessments, and in respect of the remaining assessments the Directors do not consider an outflow of economic benefits to be probable.

The timing and ultimate outcome of these matters are uncertain and depend on the conclusion of the objection process and, where applicable, subsequent appeal proceedings, which may extend over several years. The amounts ultimately payable, if any, could differ from the assessed amounts.

THE COMPANY

(a) Bank guarantees of Rs Nil and guarantee for loans of **USD 11.5m** and **EUR 2m** (2025: Bank guarantees of Rs 25.0m and guarantee for loans of USD 14.8m and EUR 3m) have been given on behalf of subsidiary companies with respect to long term debt contracted by the latter arising in the ordinary course of business from which it is anticipated that no material losses will arise. The Directors consider that no liabilities will arise as the probability for default in respect of the guarantee is remote.

(b) The Mauritius Revenue Authority ("MRA") has raised assessments totalling approximately **Rs 59 million** in respect of certain tax matters, relating to the Company's previous years tax filings.

The Company has lodged formal objections within the statutory delay. The objections are currently before the Objections, Appeals and Dispute Resolutions Department of the MRA.

Having regard to the facts and circumstances of each assessment and to the advice of its external tax advisors, the Directors consider it probable that the MRA will accept the tax treatments applied by the Company. Accordingly, no additional liability has been recognised in these financial statements.

The timing and ultimate outcome of these matters are uncertain. The amounts ultimately payable, if any, could differ from the amounts assessed.

33. COMMITMENTS

Capital commitments

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Authorised by directors but not yet contracted for	**1,291,606**	1,039,117	**-**	-
Contracted for but not provided for in accounts	**71,540**	-	**-**	-
	1,363,146	1,039,117	**-**	-

The above capital commitments relate only to property, plant and equipment. There are no capital commitment in relation to investment property or intangible assets.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

34. RELATED PARTY DISCLOSURES

Transaction with other related entities

		Purchase of goods and services from related parties	Other operating income from related party	Amount due to related party	Amount due from related parties	Right-of-use assets relating to related parties	Lease liabilities relating to related parties	Emoluments	Interest received from related party	Loan due to related party	Interest paid to related party	Net bank balance with related party
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
The Group												
Fellow subsidiaries (Note a)	**2026**	**1,087,582**	**-**	**77,881**	**1,288**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2025	1,020,272	-	174,189	51	-	-	-	-	-	-	-
Entities over which directors have significant influence (Note b)	**2026**	**70,683**	**-**	**8,449**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2025	35,426	-	1,203	-	-	-	-	7,497	159,506	6,095	400,652
Key management personnel (Note d)	**2026**	**8,477**	**-**	**2,001**	**-**	**11,842**	**1,277**	**107,053**	**-**	**-**	**-**	**-**
	2025	8,166	-	1,887	-	12,134	2,879	106,569	-	-	-	-
The Company												
Subsidiaries (Note c)	**2026**	**-**	**625**	**2,021,162**	**2,229,363**	**-**	**-**	**-**	**81,811**	**-**	**55,593**	**-**
	2025	-	-	1,596,003	1,692,054	-	-	-	51,759	-	52,916	-
Fellow subsidiaries (Note a)	**2026**	**1,686**	**-**	**14,648**	**-**	**-**	**-**	**-**	**32,064**	**-**	**-**	**-**
	2025	3,812	3,749	11,312	-	-	-	-	35,979	-	-	-
Entities over which directors have significant influence (Note b)	**2026**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2025	-	-	-	-	-	-	-	-	-	-	400,652
Key management personnel (Note d)	**2026**	**-**	**-**	**-**	**-**	**-**	**-**	**37,536**	**-**	**-**	**-**	**-**
	2025	-	-	-	-	-	-	40,595	-	-	-	-

Note (a) - Fellow subsidiaries are entities over which the ultimate holding company, IBL Ltd, exercises control.

Note (b) - Entities over which directors have significant influence and which are associated companies of the ultimate holding, IBL Ltd. For 30 June 2025, the bank loan from the associated company of the ultimate holding company was denominated in EURO and comprised of a term loan of EURO 5 million (the balance at 30 June 2025 is EURO 3 million) repayable by monthly installments carrying interest rate of EURIBOR +2.6% per annum. During the current year, IBL Ltd has disposed part of its stakes in AfrAsia Bank Mauritius and as such the latter is no longer considered as entities over which directors have significant influence.

Note (c) - Amount due to and receivable from subsidiaries are unsecured and bears interest at 4.50% for the first 10 months and 4.75% for the last 2 months (repo rate) (2025: 4.5% (repo rate)). Settlement occurs in cash and there is no fixed repayment terms.

Note (d) - Key management personnel includes executive directors and top level management personnel (executives at head office level and general managers at hotels level).

For the Group, lease liabilities have been recognised in respect of right-of-use assets arising from lease arrangements. The amount due to the related party relates to rental payable for the last quarter of the reporting period.

For the Group, the emoluments include short-term employee benefits of **Rs 98.7m** (2025: Rs 97.4m) as well as contributions to pension scheme for post retirement benefits of **Rs 8.4m** (2025: Rs 9.2m). For the Company, the emoluments include short term benefits of **Rs 36.3m** (2025: Rs 31.4m) and contributions to pension scheme for post retirement benefits of **Rs 1.2m** (2025: Rs 9.2m). The short-term benefits and contributions to pension scheme are included under employee benefit expenses (Note 24).

There has been no impairment of amount due to and receivable from related parties. The amount receivable from related parties are neither past due nor impaired.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) *Capital risk management*

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balances.

The Group manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. No changes were made in the objectives, policies or processes during the years ended 30 June 2026 and 2025.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus debt. The Group's policy is to keep the gearing ratio below 45% (2025: 45%) during normal trading conditions. The Group includes within net debt, interest bearing loans and borrowings and lease liabilities, less cash in hand and at bank. The gearing ratios at 30 June 2026 and 2025 were as follows:

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Debt (i)	**6,277,912**	6,134,079	**6**	6
Cash in hand and at bank	**(905,626)**	(1,505,340)	**(732,755)**	(1,263,343)
Net debt	**5,372,286**	4,628,739	**(732,749)**	(1,263,337)
Equity (ii)	**10,581,542**	9,840,544	**4,856,133**	4,966,908
Total capital plus debt	**15,953,828**	14,469,283	**4,123,384**	3,703,571
Gearing ratio	**34%**	32%	**Nil**	Nil
Gearing ratio excluding IFRS 16 leases	**19%**	15%	**Nil**	Nil

(i) Debt is defined as long and short term borrowings, as detailed in Note 16 and lease liabilities as detailed in Note 5.

(ii) Equity includes all capital and reserves as well as the Convertible Bonds of the Group and the Company respectively.

(iii) All the hotels have maintained their performance and the Group is repaying its long term borrowings, resulting in an increase in equity.

(iv) As at 30 June 2026, the Group had obtained waiver letters relating to two of its bank loans. Accordingly, the respective banks had waived their rights arising from the covenant breaches, and the related borrowings have been classified based on their contractual maturity. For financial year 30 June 2025, the Group did not satisfy the debt covenant for one of its banks which stated that at the end of each quarter the DSCR of the subsidiary that subscribed for the loan cannot be below 1.25 times, otherwise the bank has the right to claim the whole amount due with respect to this loan. As a consequence of the breach, the Group has reclassify Rs 106m of loan payable of more than one year to current liability at 30 June 2025. The Group had met all the financial covenants from the other borrowings at 30 June 2025.

(v) The Group has agreed with its bankers to exclude the impact of IFRS 16 in the computation of all financial covenants. If debt at 30 June 2026 and 2025 is adjusted with the impact of the lease liabilities, the gearing ratio would have been at **19.4%** and 15.0% respectively.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont.)

(b) *Categories of financial instruments*

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Financial assets				
Financial assets at amortised cost	**1,539,431**	2,094,344	**2,989,756**	2,968,639
	1,539,431	2,094,344	**2,989,756**	2,968,639
Financial liabilities				
Financial liabilities at amortised cost	**7,405,379**	7,324,820	**2,074,023**	1,644,496
	7,405,379	7,324,820	**2,074,023**	1,644,496

Financial assets at amortised costs include trade and other receivables and cash and cash equivalents, but exclude prepayments, advance payment and taxes amounting to **Rs 101.1m** (2025: Rs 64.0m) for the Group and Rs **2.8m** for the Company (2025: Rs 2.2m).

Financial liabilities at amortised cost consist of trade and other payables, interest bearing loans and borrowings and lease liabilities, but excludes taxes and levy refundable amounting to **Rs 327.4m** (2025: Rs 255.5m) for the Group and **Rs Nil** (2025: Rs 0.3m) for the Company.

(c) *Financial risk management*

The Group has exposure to the following risks arising from financial instruments: market risk (foreign currency risk, interest rate risk and other pice risk), credit risk and liquidity risk. The Board of Directors has the overall responsibility for the establishment and oversight of the Group's risk management framework which focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on Group's financial performance. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

(i) *Foreign currency risk management*

The Group has transactional currency exposure. It is the practice in the hospitality industry to fix tariffs yearly in advance. In order to achieve stability of tariffs in the overseas markets and as a hedge against a fall in the value of the Mauritian Rupee, contracts with tour operators are denominated in the major international currencies of the markets in which the foreign tour operators belong.

A significant number of contracts are therefore denominated in Euros, Pounds Sterling and US Dollars and invoices are raised in these currencies, with above 90% of Group's sales denominated in Euros, Pounds Sterling and US Dollars. While protecting against any fall in the parity of the Mauritian Rupee, this strategy exposes the Group to a fall in revenue should the Rupee appreciate against one or more of the international currencies. The risk management policies are detailed under Note 15. In this hedge relationship, the main source of ineffectiveness is if the forecasted sales in foreign currency is no longer "highly probable" to occur.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency risk. Currency exposure arising from the net assets of the Group's foreign operation is managed primarily through borrowings denominated in the relevant foreign currencies.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont.)

(c) *Financial risk management* (cont.)

(i) *Foreign currency risk management* (cont.)

The currency profile of the financial assets and financial liabilities at 30 June 2026 and at 30 June 2025 is as follows:

	THE GROUP		THE COMPANY	
	Financial assets Rs'000	Financial liabilities Rs'000	Financial assets Rs'000	Financial liabilities Rs'000
30 June 2026				
Euro	**363,699**	**1,685,964**	**618,993**	**178,004**
Pound sterling	**89,127**	**501,671**	**1,787**	-
US Dollar	**184,738**	**2,919,274**	**927,213**	-
Other foreign currencies	**51**	-	**51**	-
Total foreign currencies	**637,615**	**5,106,909**	**1,548,044**	**178,004**
Mauritian Rupee	**901,816**	**2,298,470**	**1,441,712**	**1,896,019**
Total	**1,539,431**	**7,405,379**	**2,989,756**	**2,074,023**
30 June 2025				
Euro	401,630	1,410,358	70,344	287,158
Pound sterling	91,132	563,213	8,149	-
US Dollar	288,483	2,840,513	1,012,799	-
Other foreign currencies	1	-	50	-
Total foreign currencies	781,246	4,814,084	1,091,342	287,158
Mauritian Rupee	1,313,098	2,510,736	1,877,297	1,357,338
Total	2,094,344	7,324,820	2,968,639	1,644,496

The following table details the Group's sensitivity to a 5% decrease and increase in the Mauritian Rupee against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in profit and equity where the Mauritian Rupee depreciates 5% against the relevant currency. There would be an equal and opposite impact on the profit and equity, if the Mauritian Rupee strengthens by 5% against the relevant currency.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont.)

(c) *Financial risk management* (cont.)

(i) *Foreign currency risk management* (cont.)

EURO IMPACT

Sensitivity Analysis	THE GROUP		THE COMPANY	
	2026 Rs'000	2025 Rs'000	**2026 Rs'000**	2025 Rs'000
Profit or loss	**(66,113)**	(52,815)	**22,049**	(10,841)
Equity	**(35,947)**	(26,268)	-	-

GBP IMPACT

	THE GROUP		THE COMPANY	
	2026 Rs'000	2025 Rs'000	**2026 Rs'000**	2025 Rs'000
Profit or loss	**(20,627)**	(23,604)	**89**	407
Equity	**(21,496)**	(28,161)	-	-

US DOLLAR IMPACT

	THE GROUP		THE COMPANY	
	2026 Rs'000	2025 Rs'000	**2026 Rs'000**	2025 Rs'000
Profit or loss	**(136,727)**	(137,055)	**46,361**	50,640
Equity	**(38,762)**	(48,682)	-	-

The equity impact of a change in rate of Euro vis-à-vis the Mauritian Rupee is attributable mainly to net investment in the subsidiary in Réunion Island and also to the hedge reserve arising on hedge accounting of Euro loans and leases.

The equity impact of a change in rate of USD vis-à-vis the Mauritian Rupee is attributable mainly to net investment in the subsidiary, Lux Island Resorts Maldives Ltd, and also to the hedge reserve arising on hedge accounting of USD loans and leases.

The equity impact of a change in rate of GBP vis-à-vis the Mauritian Rupee is attributable mainly to the hedge reserve arising on hedge accounting of Holiday & Leisure Resorts Limited's GBP loan.

(ii) *Interest rate risk management*

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

The Group analyses its interest rate exposure on a dynamic basis. The Group considers various scenarios in assessing its interest rate exposure, including refinancing, renewal of existing facilities, alternative financing and hedging. Based on these scenarios, the Group calculates the sensitivity of the Group's profit before tax to a defined interest rate shift. The scenarios are run only for liabilities that represent the major interest-bearing positions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont.)

(c) *Financial risk management* (cont.)

(ii) *Interest rate risk management* (cont.)

The interest rate profile of the Group at 30 June was:

Financial assets

	2026		2025	
	Balances with banks	**Trade receivables**	Balances with banks	Trade receivables
	Interest rate	***Interest rate***	*Interest rate*	*Interest rate*
	%	**%**	%	%
GBP	**EURIBOR-1%**	**Nil**	EURIBOR-1%	Nil
EURO	**EURIBOR-1%**	**Nil**	EURIBOR-1%	Nil
USD	**SOFR-1%**	**Nil**	SOFR-1%	Nil
Mauritian Rupee	**PLR - 4%**	**Nil**	PLR - 4%	Nil

Financial liabilities

	2026			2025		
	Bank overdrafts	**Loans**		Bank overdrafts	Loans	
	Floating interest rate	***Floating interest rate***	***Fixed interest rate***	*Floating interest rate*	*Floating interest rate*	*Fixed interest rate*
	%	**%**	**%**	%	%	%
GBP	**N/A**	**SONIA + 3.8%**	**N/A**	N/A	SONIA + 3.8%	N/A
EURO	**N/A**	**EURIBOR + 1.3% - 4.0%**	**N/A**	N/A	EURIBOR + 1.3% - 5.0%	N/A
USD	**N/A**	**SOFR + 2.6% - 5%**	**N/A**	N/A	SOFR + 2.6% - 5%	N/A
Mauritan Rupee	**PLR**	**PLR + 0.5%- 1.5%**	**1.5%**	PLR	PLR + 0.5%- 1.5%	1.5%

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates on the financial instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the balance sheet date was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel. It represents management's assessment of the reasonably possible change in interest rate.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont.)

(c) *Financial risk management* (cont.)

(ii) *Interest rate risk management* (cont.)

If interest rates had been 50 basis points higher for Mauritian Rupee borrowings (loans and leases) and 25 basis points for EURO, USD and GBP borrowings (loans and leases) impact will be as follows:

EURO IMPACT

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit or loss	**(2,303)**	(2,187)	**-**	-
Equity	**-**	-	**-**	-

US DOLLAR IMPACT

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit or loss	**(1,382)**	(1,776)	**-**	-
Equity	**-**	-	**-**	-

GBP IMPACT

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit or loss	**(1,254)**	(1,408)	**-**	-
Equity	**-**	-	**-**	-

MUR IMPACT

	THE GROUP		THE COMPANY	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit or loss	**(4,510)**	(5,354)	**-**	-
Equity	**-**	-	**-**	-

A decrease in interest rate by 50 basis points of Mauritian Rupee borrowings (loan and leases) and by 25 basis points for EURO and USD borrowings (loan and leases) will have an equal and opposite impact of an increase in the profit as shown above.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont.)

(c) *Financial risk management* (cont.)

(iii) *Other price risks*

The Group is not exposed to equity price risks arising from equity investments as the investment is not measured at fair value. In addition, the equity investments are held for strategic rather than trading purposes. The Group and the Company do not actively trade into these investments.

(iv) *Credit risk management*

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of allowances for credit losses, estimated by the Group's management based on prior experience and the current economic environment.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. The Group has subscribed to a credit protection scheme for its client portfolio across the Group with a Global Service Provider, with a view to minimise its credit risk exposure. At 30 June 2026, 54% of trade debtors of the Group were covered under the credit protection insurance policy (2025: 66% of trade debtors of the Group were covered under the credit protection insurance policy).

With respect to credit risk arising from other financial assets of the Group which are neither past due nor impaired, comprising cash and cash equivalents and other receivables, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Refer to Note 35(b) above for maximum exposure to credit risk of the Group's financial assets at 30 June 2026 and 2025.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit loss.

Loss rates are calculated using a "roll rate" method based on the probability of a receivable progressing through successive stages of delinquency to write off. No segregation has been made among the debtors due to their homogeneity.

Loss rates are based on actual credit loss experience over the past five years. These are further adjusted by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The Group considers debtors in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. The information about the ECLs on the Group's trade receivables is disclosed in note 11.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont.)

(c) *Financial risk management* (cont.)

(iv) *Credit risk management* (cont.)

The Group's trade receivable exposure to credit risk is set out below:

	Total Rs'000	Current Rs'000	< 30 days Rs'000	< 60 days Rs'000	< 90 days Rs'000	< 180 days Rs'000	>180 days Rs'000
30 June 2026							
Expected credit loss rate		***1.66%***	***1.54%***	***3.37%***	***9.10%***	***10.14%***	***39.04%***
Carrying amount	**495,315**	**197,707**	**157,736**	**73,364**	**24,134**	**20,927**	**21,447**
Expected credit loss	**20,870**	**3,276**	**2,434**	**2,469**	**2,197**	**2,122**	8,372
30 June 2025							
Expected credit loss rate		*1.59%*	*2.41%*	*1.37%*	*3.43%*	*26.50%*	*66.01%*
Carrying amount	475,827	210,025	133,604	81,454	20,467	13,292	16,985
Expected credit loss	23,109	3,337	3,219	1,115	703	3,523	11,212

(v) *Liquidity risk management*

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group aims at maintaining flexibility in funding by keeping reliable credit lines available.

The Directors are aware that the Group has a net current liability of **Rs 1.1 billion** as at 30 June 2026 (2025: Rs 0.7 billion) and this has been the case over the last few years. The Group is in a positive cash situation and at 30 June 2026, cash and cash equivalents amounted to **Rs 0.9 billion** (2025: Rs 1.5 billion). The Group achieved positive results and based on the forecasts, the performance is expected to improve further over the coming years. This can be supported by high booking on hand as at 30 June 2026. The Directors are confident and are satisfied that Group has the adequate resources to continue operating in the near future.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont.)

(c) *Financial risk management* (cont.)

(v) *Liquidity risk management* (cont.)

Liquidity and interest rate risk tables - financial liabilities - undiscounted

THE GROUP

	Weighted average effective interest rate %	At Call Rs'000	Within one year Rs'000	1 to 5 years Rs'000	More than 5 years Rs'000	Total Rs'000
30 June 2026						
Non-interest bearing	**-**	**1,127,467**	**-**	**-**	**-**	**1,127,467**
Variable interest rate instruments	**4.0%-7.7%**	**302**	**633,172**	**2,263,484**	**395,926**	**3,292,884**
Fixed interest rate instruments	**1.5%-9.3%**	**-**	**536,348**	**1,459,543**	**13,829,654**	**15,825,545**
		1,127,769	**1,169,520**	**3,723,027**	**14,225,580**	**20,245,896**
30 June 2025						
Non-interest bearing	-	1,190,741	-	-	-	1,190,741
Variable interest rate instruments	4.5%-10%	525	937,673	1,855,585	928,637	3,722,420
Fixed interest rate instruments	1.5%-9.3%	-	470,601	1,095,694	13,155,363	14,721,658
		1,191,266	1,408,274	2,951,279	14,084,000	19,634,819

THE COMPANY

	Weighted average effective interest rate %	At Call Rs'000	Within one year Rs'000	1 to 5 years Rs'000	More than 5 years Rs'000	Total Rs'000
30 June 2026						
Non-interest bearing	**-**	**2,074,017**	**-**	**-**	**-**	**2,074,017**
Variable interest rate instruments	**6.75%**	**6**	**-**	**-**	**-**	**6**
		2,074,023	**-**	**-**	**-**	**2,074,023**
30 June 2025						
Non-interest bearing	-	1,644,496	-	-	-	1,644,496
Variable interest rate instruments	6.75%	6	-	-	-	6
		1,644,502	-	-	-	1,644,502

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont.)

(d) *Fair value of financial instruments*

The carrying amounts of the Group's and the Company's financial assets and financial liabilities approximate their fair values due to the short-term nature of the balances involved. The carrying amounts of the interest-bearing loans and borrowings approximate their fair values since the majority of these facilities carry interest rates which are linked to market rates. They are classified under Level 2 of the fair value hierarchy, with the significant input in determining fair value being the applicable interest rates. A summary of the carrying amounts and fair values of the financial instruments at 30 June 2026 and 30 June 2025 are as follows:

THE GROUP

		2026		2025	
	Fair value hierarchy	Carrying value Rs'000	Fair value Rs'000	Carrying value Rs'000	Fair value Rs'000
Financial assets:					
Amortised costs:					
Trade and other receivables	Level 2	**633,805**	**633,805**	589,004	589,004
Cash and short-term deposits	Level 2	**905,626**	**905,626**	1,505,340	1,505,340
		1,539,431	**1,539,431**	2,094,344	2,094,344
Financial liabilities:					
Amortised costs:					
Interest-bearing loans and borrowings	Level 2	**3,447,624**	**3,447,624**	3,244,267	3,244,267
Lease Liabilities	Level 2	**2,830,288**	**2,830,288**	2,889,812	2,889,812
Trade and other payables	Level 2	**1,127,467**	**1,127,467**	1,190,741	1,190,741
		7,405,379	**7,405,379**	7,324,820	7,324,820

THE COMPANY

		2026		2025	
	Fair value hierarchy	Carrying value Rs'000	Fair value Rs'000	Carrying value Rs'000	Fair value Rs'000
Financial assets:					
Amortised costs:					
Trade and other receivables	Level 2	**2,257,001**	**2,257,001**	1,705,296	1,705,296
Cash and cash equivalents	Level 2	**732,755**	**732,755**	1,263,343	1,263,343
		2,989,756	**2,989,756**	2,968,639	2,968,639
Financial liabilities:					
Amortised costs:					
Borrowings	Level 2	**6**	**6**	6	6
Trade and other payables	Level 2	**2,074,017**	**2,074,017**	1,644,490	1,644,490
		2,074,023	**2,074,023**	1,644,496	1,644,496

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont.)

(d) *Fair value of financial instruments* (cont.)

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

There has been no transfers between the hierarchy levels in the current and prior year.

Refer to Note 4 for classification of Land and Buildings in the fair value hierarchy.

36. FINANCIAL SUMMARY

(a) THE GROUP

	2026 **Rs'000**	2025 Rs'000
Non-current assets	**18,547,926**	16,886,039
Current assets	**1,924,360**	2,404,761
Issued capital	**1,371,159**	1,371,159
Share premium	**1,320,986**	1,320,986
Convertible bonds	**714,083**	1,460,283
Other reserves	**2,894,715**	2,561,635
Retained earnings	**4,280,599**	3,126,481
Current liabilities	**3,036,318**	3,090,700
Non-current liabilities	**6,854,426**	6,359,556
Total income	**11,402,305**	10,661,854
Profit before tax	**1,877,370**	1,454,966
Profit attributable to owners of the parent	**1,551,634**	1,208,284

36. FINANCIAL SUMMARY (cont.)

(b) THE COMPANY

	2026 **Rs'000**	2025 Rs'000
Non-current assets	**3,955,262**	3,659,009
Current assets	**3,000,932**	2,971,053
Issued capital	**1,371,159**	1,371,159
Share premium	**1,320,986**	1,320,986
Convertible bonds	**714,083**	914,083
Other reserves	**43,995**	43,627
Retained earnings	**1,405,910**	1,317,053
Current liabilities	**2,074,592**	1,648,569
Non-current liabilities	**25,469**	14,585
Total income	**338,279**	786,210
Profit before tax	**541,975**	348,897
Profit for the year	**521,326**	359,939

37. ULTIMATE HOLDING COMPANY

The ultimate holding company is IBL Ltd, a company incorporated in Mauritius and listed on the Stock Exchange of Mauritius. The registered office is situated at 4th Floor, IBL House, Le Caudan Waterfront, Port Louis.

38. DIVIDENDS

During the current financial year, the Board of Directors declared a total dividend amounting to **Rs 3.00** (2025:Rs 2.50) per each ordinary share held.

On 21 January 2026, the Board of Directors have declared an interim dividend of **Rs 1.25** (2025: Rs 1.00) per each ordinary share held, totalling **Rs 171,394,929** (2025: Rs 137,115,943). The interim dividend was paid on 09 March 2026. Furthermore on 27 April 2026, the Board of Directors have declared a final dividend of **Rs 1.75** (2025: Rs 1.50) per each ordinary share held, totalling **Rs 239,952,900** (2025: Rs 205,673,915) with respect to the year ended 30 June 2026. The final dividend for financial year 2025 was paid on 25 June 2025 and the final dividend for financial year 2026 was paid on 29 June 2026. Dividend payable at 30 June 2026 amounted to **Rs Nil** (2025: Rs Nil).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (CONT.)

39. EVENTS OCCURING AFTER THE REPORTING PERIOD

There are no significant events occurring since the end of the reporting period which require adjustment or additional disclosures in the financial statements, except for the following:

Amendment to tax legislations

Qualified Domestic Minimum Top-up Tax (QDMTT)

The Company is a constituent entity of IBL Ltd and its subsidiaries (the "Group"), which falls within the scope of the OECD/G20 Pillar Two Global Anti-Base Erosion ("GloBE") Model Rules. The Pillar Two framework introduces a global minimum tax of 15% and comprises the Qualified Domestic Minimum Top-up Tax ("QDMTT"), Income Inclusion Rule ("IIR") and Undertaxed Profits Rule ("UTPR").

Pillar Two legislation has been enacted in Mauritius and in certain other jurisdictions (Reunion Island and Maldives) in which the Group operates, with the effective dates and implementation status varying by jurisdiction. The Mauritius QDMTT legislation is effective from 1 July 2025. The QDMTT regulations were gazetted on 8 August 2026 and are deemed to have effect from 1 July 2025.

The Pillar Two assessment is coordinated centrally at IBL Group level. Based on the Transitional Country-by-Country Reporting Safe Harbour assessment performed for the financial year ended 30 June 2026, the Mauritius jurisdiction qualified for relief under the applicable Transitional Safe Harbour tests. Accordingly, no Pillar Two top-up tax liability or related current tax expense has been recognised in the Group and the Company's financial statements for the year ended 30 June 2026.

In accordance with the amendments to IAS 12 Income Taxes, the Company applies the mandatory temporary exception from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. Pillar Two top-up tax, where applicable, is recognised as a current tax expense in the period in which it arises.



LUX ISLAND RESORTS LTD
(THE COMPANY)

NOTICE TO SHAREHOLDERS

Notice is hereby given that the Annual Meeting of Shareholders of the Company will be held at Cyril Lagesse Auditorium, 1st Floor, IBL House, Caudan Waterfront, Port Louis, on Wednesday 9 December 2026 at 10.00am with the following agenda:

RESOLUTIONS

1. To consider the Annual Report of the Company for the year ended 30 June 2026
2. To receive the Auditor's report
3. To consider and approve the audited financial statements of the Company for the year ended 30 June 2026
4. To re-elect Mrs Pascale Lagesse as Director of the Company*
5. To re-elect Mr Désiré Elliah as Director of the Company*
6. To re-elect Mr Jan Boullé as Director of the Company*
7. To re-elect Mr John Brennan as Director of the Company*
8. To re-elect Ms Jenifer Chung Wong Tsang as Director of the Company*
9. To re-elect Mr Laurent de la Hogue as Director of the Company*
10. To re-elect Mr Thierry Lagesse as Director of the Company under Section 138(6) of the Companies Act 2001*
11. To elect Mr Cédrik Le Juge de Segrais as Director of the Company*
12. To fix the remuneration of the non-executive directors for the year ending 30 June 2027 and to ratify the remuneration paid to the non-executive directors for the year ended 30 June 2026
13. To ratify the remuneration paid to PricewaterhouseCoopers as Auditor for the year ended 30 June 2026
14. To appoint Ernst & Young as Auditor for the year ending 30 June 2027 and to authorise the Board to fix their remuneration

By Order of the Board

IBL Management Ltd
Company Secretary

16 November 2026

* Biography of the directors can be found at pages 16 to 19 of the Integrated Annual Report.

NOTES:

Should a shareholder be unable to attend the meeting, he/she may opt to:

- **Either** appoint a proxy of his/her own choice to attend and vote on his/her behalf. A proxy need not be a member of the Company. Any such appointment must be made on the attached form and should reach the Registered Office of the Company, Pierre Simonet Street, Floreal, Mauritius, not less than twenty-four hours before the time appointed for the holding of the meeting or adjourned meeting.
- **Or** cast his/her vote through the Postal Vote Form. The Postal Vote Form section must be made in writing on the attached form and the document should reach the Registered Office of the Company, Pierre Simonet Street, Floreal, Mauritius, not less than forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting.

For the purpose of this Annual Meeting, the Directors have resolved in compliance with Section 120 (3) of the Companies Act 2001, that the shareholders who are entitled to receive notice of the meeting and attend such meeting shall be those shareholders whose names are registered in the share register of the Company as at 11 November 2026.

This notice is issued pursuant to Listing Rule 11.16.

The Board of Lux Island Resorts Ltd accepts full responsibility for the accuracy of the information contained in this notice.

LUX ISLAND RESORTS LTD
(THE COMPANY)

PROXY FORM

I / We .....
of .....
being a shareholder of Lux Island Resorts Ltd hereby appoint
.....
of .....
or failing him / her, ...
of .....
or failing him / her, the Chairperson of the Meeting as my / our proxy to vote for me / us on my / our behalf at the Annual Meeting of Shareholders of the Company to be held at Cyril Lagesse Auditorium, 1st Floor, IBL House, Caudan Waterfront, Port Louis on Wednesday 9 December 2026 commencing at 10.00am and at any adjournment thereof.

I / We direct my / our proxy to vote in the following manner:

POSTAL VOTE FORM

I / We .....
of .....
being a shareholder of Lux Island Resorts Ltd entitled to attend the Annual Meeting of Shareholders of the Company to be held at Cyril Lagesse Auditorium, 1st Floor, IBL House, Caudan Waterfront, Port Louis on Wednesday 9 December 2026 commencing at 10.00am and at any adjournment thereof, cast my / our votes on the proposed resolutions in the following manner:

RESOLUTIONS
(Vote with a tick)

		For	Against	Abstain
3	To consider and approve the audited financial statements of the Company for the year ended 30 June 2026			
4	To re-elect Mrs Pascale Lagesse as Director of the Company			
5	To re-elect Mr Désiré Elliah as Director of the Company			
6	To re-elect Mr Jan Boullé as Director of the Company			
7	To re-elect Mr John Brennan as Director of the Company			
8	To re-elect Ms Jenifer Chung Wong Tsang as Director of the Company			
9	To re-elect Mr Laurent de la Hogue as Director of the Company			
10	To re-elect Mr Thierry Lagesse as Director of the Company under Section 138(6) of the Companies Act 2001			
11	To elect Mr Cédrik Le Juge de Segrais as Director of the Company			
12	To fix the remuneration of the non-executive directors for the year ending 30 June 2027 and to ratify the remuneration paid to the non-executive directors for the year ended 30 June 2026			
13	To ratify the remuneration paid to PricewaterhouseCoopers as Auditor for the year ended 30 June 2026			
14	To appoint Ernst & Young as Auditor for the year ending 30 June 2027 and to authorise the Board to fix their remuneration			

Signed this 2026

Signature ..... Name .....

IMPORTANT NOTES:

1. Should a shareholder be unable to attend the meeting, he/she may **either** appoint a proxy, whether a shareholder or not, to attend and vote on his/her behalf **or** cast his/her vote by post.
2. **Appointment of Proxy:**
   a. If the form is used as a **Proxy Form**, to be valid, it must be completed and reach the Registered Office of the Company, Pierre Simonet Street, Floréal, Mauritius, not less than **24** hours before the time fixed for holding the meeting or adjourned meeting.
   b. A shareholder may appoint a proxy of his/her own choice. Insert the name of the person appointed as proxy in the space provided.
   c. If this **Proxy Form** is returned, duly signed, without any indication of proxy, the shareholder will be deemed to have authorised the Chairperson to act as his/her proxy.
   d. If this **Proxy Form** is returned without any indication as to how the person appointed proxy shall vote, the person appointed proxy will exercise his/her discretion as to how he/she votes or whether he/she abstains from voting.
3. **Postal Vote Form:**
   a. If the form is used as a **Postal Vote Form**, to be valid, it must be completed and reach the Registered Office of the Company, Pierre Simonet Street, Floréal, Mauritius, not less than **48** hours before the time fixed for holding the meeting or adjourned meeting.
   b. This **Postal Vote Form** must be signed by the shareholder, or his/her attorney duly authorised in writing.
   c. If this **Postal Vote Form** is returned without any indication of vote in respect of a resolution, the shareholder shall be deemed to have abstain on such resolution.
   d. If this **Postal Vote Form** is signed by an attorney of the shareholder, a certificate of non-revocation of the power of attorney must be attached, together with a copy of the power of attorney unless it has previously been produced to the Company.
4. If both the **Proxy Form** and the **Postal Vote Form** are completed, only the **Postal Vote Form** will be considered.
5. **Joint Shareholding:**
   a. In case of joint holders, the signature of any one holder shall be sufficient, but the names of all the joint holders should be stated.
   b. However, in case of one or more proxy/postal vote from is received from the joint holders, the proxy/postal vote form received from the shareholder whose name appear first on the register will be considered.

**** PLEASE FILL IN EITHER THE PROXY FORM OR THE POSTAL VOTE FORM, BUT NOT BOTH ****

Registered Office - Pierre Simonet Street Floreal