

ANNUAL REPORT 2024-25

Nature's gentle sweetness



**MAURITIUS
SUGAR
SYNDICATE**

ABOUT THIS REPORT

This report takes a fresh approach to showcasing Mauritius Sugar.

It brings together food applications from Mauritius unrefined sugars to demonstrate how they perform in world-class culinary environments. Each recipe reflects the precision, quality, and creativity that define our brand.

More than a format shift, this is a strategic expression of how Mauritius Sugar continues to grow in relevance as both an ingredient of origin and a partner in innovation.



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ROLE & STATUS OF MAURITIUS SUGAR SYNDICATE

In 1951, following the recommendation of the Mauritius Economic Commission 1947-48, the Mauritius Sugar Syndicate (the “Syndicate”), which originated in 1919, was legally constituted pursuant to the Mauritius Sugar Syndicate Act 1951.

The Syndicate’s role, structure and obligations are enshrined in its Articles of Association dated 1967, which were updated in 2024. As an authorized body under the Mauritius Cane Industry Authority (MCIA) Act 2011, the Syndicate is the only organization marketing and selling sugars produced in the country. It brings together all growers, individual and corporate, who numbered 7,507 for the 2024 Crop, and the three milling companies (Alteo, Omnicane and Terra). Its key role is to sell sugars received from these mills, produced from sugarcane received from their factory area planters, and subsequently distribute the proceeds of such sales to them after deduction of common expenses.

In fulfilling its role, the Syndicate’s primary objective is to optimize producers’ revenue through the adoption of commercial strategies and targets designed to capture the highest values obtainable on a sustainable basis. It, moreover, endeavors to minimize costs along the supply chain, from production at the sugar mill to delivery to customers, and likewise its finance charges. Its operations are structured into specialised departments geared to provide services of direct relevance to its core business, namely marketing and sales, planning and delivery, finance and accounts, and ensuring quality and food safety for the sugars supplied, while providing the relevant support to producers. In addition to payment of the net sugar sales revenue to its members, the Syndicate facilitates disbursement of other proceeds due to them, pertaining namely to bagasse, molasses, SIFB compensation and any Government compensation applicable.

The Syndicate is managed and administered by a statutory committee known as “the Committee” which comprises 22 members, of whom 14 are representatives of the corporate sector of the industry, including corporate growers and millers, and 8 are the representatives of large and small cane planters. The representatives of the corporate sector are appointed by the relevant members while the planters’ representatives are appointed by the Ministry of Agro Industry, Food Security, Blue Economy and Fisheries upon the recommendation of their respective associations.

The President of the Syndicate is elected every year at its Annual General Meeting (AGM) in the month of September. Since 1976, the President’s Chair alternates between corporate and planters’ representatives. The Committee also approves the composition of the Executive and Selling Committee (ESC), which comprises ten members: six representatives of the corporate sector and four planters’ representatives. The CEO of the MCIA is invited to attend as a government representative, alongside the Secretary General of the Mauritius Chamber of Agriculture.

The ESC, which meets every 6-8 weeks, is the steering body of the Syndicate, and decisions are made by consensus. The Main Committee meets at least twice a year to ratify these decisions. For improved governance, sub-committees consisting of members of the ESC have been established to provide support to the Syndicate’s Management in specific areas. The sub- committees include the Marketing Committee, the Forex Committee, and the Audit and Risk Management Committee. A Remuneration Committee meets when required to address issues relating to remuneration, promotion and recruitment for key posts within the Syndicate.





MAURITIUS SUGAR SYNDICATE

MAIN COMMITTEE (2024-25)

President

Dhanunjay Kheedoo (Large Planter)

Vice President

Nicolas Maigrot (Corporate Sector)

Corporate Sector Representatives

Olivier Baissac

Gregory Bathfield

Javesh Boodnah

Fabien de Marassé Enouf

Jérôme Jaen

Denis Lagesse

Jean Li Yuen Fong

Sebastien Mamet

Arnaud Marrier d'Unienville

Jacques Marrier d'Unienville, G.O.S.K

Thierry Merven

Dhiren Ponnusamy (until May 2025)

Clement Rey

Large Planters' Representatives

Nominated by the Ministry of Agro-Industry, Food Security, Blue Economy and Fisheries

Viraj Bagiruth

Gunness Bhuruth

Heymant Rao Anand Sonoo

Small Planters' Representatives

Nominated by the Ministry of Agro-Industry, Food Security, Blue Economy and Fisheries

Sardanund Nursing

Kamless Seeam

Sandip Seeburrun

Sachin Sookna

EXECUTIVE & SELLING COMMITTEE (2024-25)

President

Dhanunjay Kheedoo (Large Planter)

Vice President

Nicolas Maigrot (Corporate Sector)

Members

Olivier Baissac

Fabien de Marassé Enouf

Jean Li Yuen Fong

Jacques Marrier d'Unienville, G.O.S.K

Dhiren Ponnusamy (until May 2025)

Sandip Seeburrun

Heymant Rao Anand Sonoo

Sachin Sookna

In attendance

Jacqueline Sauzier, C.S.K (Secretary General of the Mauritius Chamber of Agriculture)

Luckraj Jhurry (Officer in Charge of MCIA)



STAFF

Chief Executive Officer & Secretary to the Committee

Devesh Dukhira

MARKETING & SALES

Chief Marketing Officer

Sébastien Giraud

Other Staff Members

Zaynab Abdool Gaffoor (from December 2024)

Glen Baniaux

Shreeya Boyjoo (from February 2025)

Nitish Doodee

Honorine Huet- Surette

Dany Jaune

Stephan Keble

Swesta Kowlessur (from October 2024)

Darmen Moonesamy

Reshma Nowbuth-Roopun

Karine Ribet

Hema Narainee Surujbhali

FINANCE & ACCOUNTS

Chief Finance Officer

Rajendra Puddoo

Other Staff Members

Kritika Bhoyroo (from Oct 2024)

Nitish Chinnee (until March 2025)

Krishtina Garewan (from Oct 2024)

Indira Goboodun

Yudhisthir Gopaul

Zubeir Peerun (from May 2025)

Rewteesingh Rampul

SUPPLY CHAIN

Head of Supply Chain

Khemraj Jhurry

Other Staff Members

Abhijeet Achoybar (from February 2025)

Dessigun Gounden (until January 2025)

Loic Keble (until January 2025)

Raamiz Rajbally (from January 2025)

Kurmdeo Ramtohum (from February 2025)

Ian Samuel

QUALITY & COMPLIANCE

Head of Quality & Compliance

Sanjaye Goboodun

Other Staff Members

Bhavna Burhooa Hurry (from July 2025)

Clifford Davy

Faisal Earally (until August 2025)

Radhika Fokeerah

Akhtar Jamalooddeen

Dany Payne

Belinda Punchaye

Sailesh Seebaluck

SUSTAINABILITY & COMPLIANCE AND PRODUCERS' SERVICE

Head of Compliance and Producers' Service

Chetanand Dookhony

Other Staff Members

Varsha Boolakee

Purshotam Lutchmun Roy

Administrative Staff

Anja Chooleswaree Gogay (until December 2024)

Riya Lollmun Energeet (from December 2024)

Manoj Mohun

Gooroodeo Noyan

IT Executive

Bilal Hymabaccus

EU Market Consultant

B & T Consult

Jérôme de Peyrolle (from March 2025)

HR Consultant

Veena Ghurburrun

IT Consultant

Kaviraj Ghurburrun

Legal Counsel

ENSafrica (Mauritius)

US Trade Counsel

Ryberg and Smith LLC

External Auditors

Ernst & Young (EY) Mauritius

Internal Auditors

Baker Tilly Mauritius

BIO-DATA OF THE MAURITIUS SUGAR SYNDICATE'S EXECUTIVE & SELLING COMMITTEE MEMBERS

DHANUNJAY KHEEDOO (PRESIDENT)

Dhanunjay Kheedoo has had a 35-year career in the banking sector before retirement. His work experience includes Money Markets and Foreign Exchange, Credit Operations, Corporate and Retail Banking, as well as the implementation of various financial crime risk-related projects. He continues to look after his sugar cane cultivation.

NICOLAS MAIGROT (VICE PRESIDENT)

Nicolas Maigrot has been Managing Director of Terra Mauricia Ltd since January 2016. He previously operated in various manufacturing industries, as well as in the finance and services sectors, and has acquired during his career a wealth of experience at executive levels. He is a Director of the following listed companies: Terra Mauricia Ltd, Swan General Ltd, Swan Life Ltd and United Docks Ltd.

OLIVIER BAISSAC

Olivier Baissac is the CEO of ER Agri (ex ENL Agri). He graduated with a Degree in Agriculture from the University of Western Australia and holds an MBA from Heriot-Watt University. He has over ten years' working experience in the agricultural sector and is currently Vice-President of the Mauritius Chamber of Agriculture. Olivier is passionate about sustainable farming practices that are in harmony with the terroir.

FABIEN DE MARASSÉ ENOUF

Fabien de Marassé Enouf has been the CEO of Alteo Group since January 2022, after having held the role of Chief Finance Executive. Over the years, he has led several decisive projects linked to the restructuring and expansion of Alteo's operations and has played an active role within several cane sector institutions. He is currently the Chairperson of the Sugar Industry Pension Fund. Fabien holds a BCom (Accounting and Finance) from Curtin University, Australia, and is a fellow of the Institute of Chartered Accountants in England and Wales (ICAEW).



JEAN LI YUEN FONG

Jean Li Yuen Fong was Director of the Mauritius Sugar Producers' Association (MSPA) until its dissolution in November 2015. His services have subsequently been retained by the main sugar producing companies for matters relating specifically to the sugar sector. He sits on the Board of Directors of the following organizations: Business Mauritius, Mauritius Cane Industry Authority, Sugar Insurance Fund Board, Sugar Industry Pension Fund, and Capital Horizons Ltd. He is also the Chairperson of the Regional Training Centre.

JACQUES MARRIER D'UNIENVILLE, G.O.S.K.

Jacques Marrier d'Unienville holds a Bachelor's degree in Commerce and has more than 30 years' work experience in France, the Seychelles and Mauritius. His expertise lies in the strategic development of new projects in the following sectors: sugar production and refining, independent power production, waste and environment management, and renewable energy projects. He joined Société Usinière du Sud in 2005 as CEO and is currently the CEO of Omnicane Limited as well as the Chairperson of Omnicane Thermal Energy Operations (La Baraque) Limited and Omnicane Thermal Energy Operations (St Aubin) Limited. Jacques is a Board Member of several sugar sector institutions, served as President of the Mauritius Sugar Producers' Association in 2005/06 and 2009/10, and as President of the Mauritius Sugar Syndicate in 2012/13 and 2022/23.

DHIREN PONNUSAMY (UNTIL MAY 2025)

Dhiren Ponnusamy holds a BSc (Hons) in Economics from London School of Economics and Political Science and is a CFA Charterholder. With over 20 years of international experience in global finance and banking across three continents, he is a former Managing Director at Standard Chartered Bank Plc in London and previously held several senior CFO positions in South Korea, Singapore, Africa, the Philippines and the UK. He relocated to Mauritius to join the Medine Group in January 2018 and was Chief Operating Officer until his appointment as Chief Executive Officer and Executive Director on 1st July 2021. He resigned in May 2025.

SANDIP SEEBURRUN

Sandip Seeburrun is a stalwart of the transport industry, with over four decades' experience as a self-employed professional. His journey began in sugar cane planting, where he honed his skills and knowledge over the years, beyond his professional pursuits, he is a respected figure within his community and beyond. Known for his affable nature and unwavering commitment to excellence, he has earned admiration in socio-cultural spheres. Whether navigating the intricacies of business or tending to his agricultural roots, Sandip embodies resilience, integrity and a passion for making a positive impact.

HEYMANT RAO ANAND SONOO

Heymant Rao Anand Sonoo is the Director of Sonoo Estates Ltd, a family-owned enterprise engaged primarily in sugar cane cultivation over 85 hectares of land in the Eau Bleue / Mare Chicose region. He has held numerous leadership roles across the sugar industry, including serving as the President of the Mauritius Sugar Syndicate in 2012/13. His extensive board-level experience spans key organizations such as the Farmers Service Agency, MCIA, SIT, SIT Land Holdings, and SIT Property Development, among others. He has also contributed actively as a member of strategic committees such as the Joint Technical Committee on the Cane Industry and the Marketing Committee of MSS. Mr. Sonoo holds a BSc (Hons) in Agriculture, a Diploma in Sugar cane Analysis, and professional certificates in Entrepreneurship.

SACHIN SOOKNA

Sachin Sookna is the CEO of the Mauritius Co-operative Agricultural Federation Ltd (MCAF Ltd), bringing over a decade's experience in agriculture and strategic management. He holds a BSc (Hons) in Agriculture (Natural Resource Management) and an MSc in Project Management from the University of Mauritius. He started his career at Medine Limited in 2008 and joined the MCAF Ltd in 2012 as a Technical Officer. He became Marketing Manager in 2016, overseeing key departments including R&D, Marketing and Mechanization, and in 2022, following a strategic restructuring, he was appointed CEO. Mr. Sookna has received specialized training in biofertilizer production with IFFCO in India and currently serves as President of CropLife (Mauritius), promoting sustainable agricultural practices across the industry.

Behind a Signature Dish







PRESIDENT'S REPORT

DHANUNJAY KHEEDOO
PRESIDENT

After two years of exceptional market conditions for Mauritius sugars, sales revenue over the 2024/25 delivery period, which relates to the 2024 crop production, started to normalize. Firstly, global prices, which had attained a 13-year high when the preceding crop sugar was being sold, have been declining since the end of that same year. Secondly, EU production, the traditional export destination for Mauritius sugars, has reverted to domestic consumption levels after the noteworthy shortfall in 2022. Likewise, further to the surge in energy prices in the EU, after the Russian invasion of Ukraine in early 2022, which had triggered a significant rise in the cost of beet sugar production and cane sugar refining, they also started declining as from the end of that same year.

Thanks to the value-added special sugars, henceforth accounting for over 50% of the local sugar production, and the Mauritius Sugar Syndicate's agility in shifting sales in favour of the most remunerative destinations, the fall in market prices has, however, been mitigated. Hence, despite the year-over-year decrease of over 30% in the average price of white sugar in the EU, its sales revenue decreased by only 15.6% in 2024/25 thanks to increasing sales diversion to the regional market: it in fact attained Rs 11,037 M, compared with Rs 13,074 M in the previous year. This resulted in an ex-Syndicate price of Rs 27,478 per ton sugar for the 2024 crop, compared with Rs 30,951 in 2023 and Rs 25,554 in 2022. Together with bagasse and molasses proceeds, total revenue for planters attained Rs 32,564 per ton sugar.

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PRESIDENT'S REPORT (CONT'D)

The year-over-year depreciation of the Rupee, estimated at 2-3% vis à vis both Euro and USD, though lower than the fall of up to 5% encountered in the preceding campaign, also helped in alleviating the decrease in sugar sales revenue. The proactive hedging strategy adopted by the Syndicate has enabled it to optimize its sales of Forex earnings, hence maximizing its returns in Rupees. Moreover, the supply chain has been closely monitored to limit cost increases, mainly driven by the growing uncertainty in sea freight rates as the Russia/Ukraine and Israel/Palestine wars persist, but also by the surge in local labour costs.

While further explanation is provided by the CEO on the trade dynamics having impacted on our sugar sales over the period under review, I would like to emphasize the growing concerns that, notwithstanding the remunerative price levels over the last 3 years, the declining sugarcane cultivation trend of the preceding years has not been reversed. In fact, compared with the 39,199 hectares harvested in 2022, the area declined by an annual average of over 2,200 hectares, attaining a mere 34,759 hectares in 2024. Likewise, the number of planters decreased from 8,958 to 7,507 over that same period. We can only conclude that the different revenue streams from sugar cane, despite exceeding growers' viability price levels, do not suffice in retaining them in production nor reversing the declining trend.

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It goes without saying that a critical production mass should be preserved to ensure firstly the competitiveness of the sugar industry and secondly the market flexibility required by the Syndicate as it has expanded its product range and market coverage to be able to derive in any year the highest value per ton of sugar produced. It is observed that the different financial support measures provided by Government over previous years, including the minimum price guarantees for growers producing up to 60 tons sugar, though helpful, have unfortunately not been sufficiently effective in restoring sugarcane cultivation. While the ageing planters' population is a foregone conclusion, those willing to pursue their activities have been facing continuous operational constraints that have forced retrenchment, and even abandonment, of cane growing. On the other hand, given the agricultural land conversion incentives provided over recent years, owners have been lured towards property development projects, which provide them with higher returns over a shorter time period, though not necessarily sustainable from a cane sector perspective.

Obviously, the financial viability of cane cultivation and sugar processing is a prerequisite to assure a minimum production level. While the responsibility to seek the highest value for our sugars is entrusted to the Syndicate which, we should recall, is driven by the producers themselves, the other revenue streams need regular reviews to ensure they reflect prevailing market dynamics. Hence, an adjustment to the price of Rs 3.50 per kilowatt hour energy production that had been determined for bagasse in 2021, is overdue and should reflect the actual import costs of alternative biomass, which have now exceeded twice that value, or even higher if we were to consider the carbon credit achieved therefrom.

Nonetheless, the sustainability of the sugarcane industry goes beyond its revenue streams and long outstanding structural reforms are also needed to reverse the declining production trend. While financial incentives have been provided by Government for cane replantation, namely a soft term Cane Revolving Fund from the Development Bank of Mauritius and grants from the MCIA under the Cane Replantation Scheme for the smaller planters, coupled with subsidies on fertilizers, which should improve productivity in the fields, the largest bottleneck remains the shortage of labour. The recruitment of foreign workers has not been made possible so far owing to inherent constraints within the sector. Firstly, most workers are required over the harvest period, ie for some 6 months only, and therefore need flexibility to be engaged elsewhere during the intercrop. Secondly, the prevailing labour regulations for the

sugar industry are quite restrictive, hence rendering the imports of such workers much more costly than for the same level of skills in other sectors. The rising labour costs have also impacted independent contractors, whether for harvesting or transport of canes, and growers consequently have poor visibility on their operational costs. While Government decision announced in June 2025 to standardize the cost of transport for cane is well received, a regulatory framework is still awaited for contractors in general.

The 2025 Government budget refers to several measures being implemented to 'expedite the recruitment of foreign labour and skills', which should ensure timely and cost-efficient harvesting of cane at the earliest. In the same vein, it calls for a 'resource repurposing' aimed at optimizing the productivity of our lands while ensuring that prime agricultural plots are not converted. The Ministry of Agro-Industry, Food Security, Blue Economy & Fisheries has on its side set a target to increase annual sugar production to at least 300,000 tons, which is highly commendable. In addition to curtailing further agricultural land conversion and addressing the above-mentioned hindrances, they announced the recovery of over 30,000 arpents of abandoned land for cane cultivation. If successful, it will not only ensure the competitiveness of the sector, including its market force and flexibility, but also improve the country's energy security from renewable sources. The 2025 Government budget highlights in this regard the 'unlocking of some Rs 30 billion investment over the next 3 years in the renewable energy sector,' which will comprise biomass projects, hence impacting positively on the sector.

Not only sugar is wholly produced, hence with 100% local value-addition, but the industry is having a multiplier effect on the national GDP, bearing in mind the other domestic operations and activities depending thereon. Attaining the production target of 300,000 tons of sugar will therefore have even wider implications for the country's economy.

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CEO'S REPORT

DEVESH DUKHIRA
CEO

When the Mauritius Sugar Syndicate started selling sugar prior to the beginning of the 2024 crop harvest, prices in the EU market were already under pressure, having started to decline from the peak levels reached in end 2023. The world market price had also fallen since that time: though still at mid-2022 levels, its evolution remained uncertain given the influence of the macro-economic environment, including non-trade speculation. After the exceptional price levels attained for the preceding 2023 crop, the Syndicate's priority for the new campaign was therefore to mitigate as far as possible the decline in sales revenue.

In Europe, after the 12% year-over-year decrease in domestic production to 14.6 M tons in 2022, against an opening stock of only 1.5 M tons and the last 5 years' average consumption of 16.3 M tons, which had contributed to the surge in market prices, there has been an inflow of imports, reaching some 2.3 M tons (excluding sugar in processed products) over the 2022/23 marketing year. This was almost 1.0 M above the preceding years' import levels, much more than the market needed. Meanwhile, the 2022 price rise triggered an expansion in the area under beet cultivation, in fact by 5.8% in 2023 and another 6.8% in 2024, as the price paid for beet strengthened, attaining an average of EUR 47.60 per ton over the two subsequent crops, compared with EUR 25 levels over the 2017-21 period. This resulted in 1 M tons production growth in each of the two ensuing crops and the EU consequently had ample sugar supplies. The EU then returned to becoming a surplus market, a situation which was last seen after its bumper 2017 crop when production quotas had just been liberalized. Compounded in the meantime with a likely cutback

in sugar consumption, triggered by high inflation levels but also less warmer Spring and Summer months, growing anti-sugar campaigns, buyers were long on stocks and had no pressure to purchase at the beginning of the 2024/25 campaign, which therefore continuously reduced sugar prices. Hence, the average ex-works price of white sugar published by the EU Market Observatory, which had reached EUR 762 and EUR 823 on average over the exceptional 2022/23 and 2023/24 marketing

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years respectively, fell to EUR 619 per ton sugar in October 2024 and attained a mere EUR 559 in January 2025. At time of writing, the reported price for the month of June 2025 stood at EUR 536 per ton, i.e. 35% below the preceding year's average price.

It is worth recalling that EUR 98 per ton sugar used to be a secure premium level over global prices when European production and duty-free supplies failed to meet domestic demand. It represents the duty paid on raw sugar imported under CXL from the world market - most of which would be from Brazil - for refining

in the EU & UK after having exhausted traditional preferential imports. This premium has diminished substantially after an influx of new zero-tariff imports, namely from new preferential origins in Central America and Andean Pact countries and, more recently, from Ukraine. Whilst the latter had a historical annual duty-free quota of 20,070 tons of sugar in the EU, its supplies increased after quota restriction was waived as a relief to the Russian invasion of 2022. They reached almost 400,000 tons in that year and surged to 510,000 tons in 2023/24. These sugars have, moreover, been sold through informal channels, thereby accelerating the decline in EU prices as from end 2023. It should be noted that the European Commission proposed in early July 2025 the introduction of an annual TRQ of 100,000 tons Ukrainian sugar under the revised agreement but with the conditional alignment with EU production standards. This proposal has been submitted to the EU Council which should vote thereon by September, for the revised agreement to enter into force over the following month. Sugar prices in the UK have also plummeted with the annual import of 260,000 tons duty-free raw sugars from any origin under the Autonomous Tariff Quota implemented after BREXIT. Traditional ACP/LDC producers like Mauritius, which had enjoyed duty-free access into the EU and UK for decades, have been the most impacted by these new preferential supplies, with their overall exports falling from almost 550,000 tons in 2022/23 to just over 350,000 tons in 2023/24, and most likely to less than half of that quantity over the year under review. For the sake of comparison, these countries used to consistently supply over 1.6 M tons of sugar to the EU and UK markets before liberalization of production quotas in 2017.

CEO'S REPORT (CONT'D)

While the Syndicate had taken advantage of the exceptional market environment in the EU in 2022, triggered by the beet sugar shortage and surge in cost of production, which had resulted in a 19% year-over-year (YoY) increase in its sales revenue, its exports over the two subsequent crops were increasingly diverted to other destinations. The share of the EU market in its overall sales mix declined from 78% in 2022/23 to 66% in 2023/24 and reached only 59% in 2024/25. White sugar exports were the most impacted, with only 26% of sales having been delivered over the period under review, compared with 81% in 2022/23, yet focusing on specialized products to derive additional price premium. The balance was sold in priority on the local market, which has been the most remunerative outlet over the year, followed by the regional market. As regards special sugars, sales in the EU were affected by an inflation-afflicted drop in consumption and growing competition from new preferential origins. From record sales of 104,168 tons in 2022/23, they fell to 79,340 tons in 2023/24 but recovered to 83,217 tons over the year under review after the Syndicate had fine-tuned its marketing strategy to recover the market share lost to such origins.

Despite the price volatility driven by cyclical production excesses, the EU market remains an important destination for Mauritius sugars considering the EUR 419 per ton MFN import tariff in place, whilst they enjoy duty-free access under the Economic Partnership Agreement. Meanwhile, considering EU producers' evolving cost structure, namely the rising costs of beet growing and energy, or their respective commitments towards decarbonization, a minimum market price level is required to assure financial

viability. At 2024/25 prices, which fell to almost world market price levels, most EU beet sugar producers have been unable to cover their operational costs, let alone their longer-term investment plans. At time of writing, several large sugar producers have declared financial losses over the period under review while five sugar mills namely in France, Spain, Czech Republic and Austria, are to be closed in 2025.

In light of a possible return to better market conditions in the forthcoming years as the surface under beet cultivation has already decreased by some 11% in 2025, according to the EU Commission, and after a recent decline in beet prices which may put further pressure on production in the following crop, the Syndicate has renewed its commercial partnership with Cristalco for an additional period of 3 years. Over the last term, its French partner has helped in the positioning of Mauritius white sugar in niche market segments, hence with an added premium, among industrial users looking for Pure Sucre de Canne, Bonsucro and/or Fairtrade certification, or Extra Fine White or bottlers' grade sugars. The objective set under the renewed contract with Cristalco is to further increase sales of these value-added sugars and to complement same with the unrefined special sugars to be targeted towards their industrial customers.

Whilst the EU and the UK are sophisticated markets, providing sales opportunities for such specialized sugars, our major concern remains the continuous erosion of our trade preferences. After finalization of several free trade agreements with sugarcane regions such as in Central America, and more recently with MERCOSUR and Australia, there have been growing supplies from these origins, often at prices below regular market levels, thereby displacing ACP/LDC sugars. In addition, there seems to have been a surge of import of white sugar, not only from Ukraine over the last 3 years, but from various non-preferential origins under the Inward Processing Relief (IPR) scheme. The IPR compensates for exports of EU sugar in sugar-containing goods by allowing duty-free imports of a corresponding quantity of sugar used; since September 2024 to date, most of EU27 imports of bulk raw cane sugar for refining has been imported under IPR terms, thus fully displacing preferential origins for this product. While no stone is left unturned at the level of the London-based ACP/LDC Sugarcane Industries Group to ventilate our apprehensions on the wearing down of our preferential access in our traditional EU and UK markets, Government economic diplomacy is essential to ensure that it can be preserved in a sustainable manner.

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The world sugar market meanwhile remains erratic with prices often falling below average production costs. Firstly, it is a residual market, with less than 40% of global production being traded internationally, hence with a risk of cross-subsidized export prices. Secondly, price distortion intensifies with domestic support provided to producers in a number of countries given local political sensitivities of the sector. Thirdly, price volatility is exacerbated by non-trade speculation as financial funds are influenced by day-to-day market news, especially with the world's increasing dependence on Brazil, which now accounts for over 50% of global sugar exports. Hence, despite the estimated global production decrease from 181 M tons in 2023/24 to 175 M tons in 2024/25, according to August 2025 estimates of the International Sugar Organization (ISO), world sugar prices adopted a declining trend, the New York (NY) #11 raw sugar futures falling from the US 24 cts/lb in mid-2023 to the US 18 cts/lb by mid-2024. Pursuant to a short recovery over the 3rd quarter of that year, after announcement of a reduced Indian crop owing to a suboptimal monsoon - the 2024/25 sugar production forecast in fact decreased from 30 M tons in the ISO estimate of August 2024 to 26 M tons in its August 2025 estimate, compared with the previous year's outturn of 32 M tons – it fell again as from the end of that year as firstly the Indian authorities announced a prioritization of sugar production over ethanol, and secondly crop prospects in Brazil improved while its Real weakened. The Syndicate managed to take opportunity of this window of improved price levels to finalize sales of its white sugar in the regional market, especially in Madagascar. World sugar prices unfortunately continued falling, especially over the 2nd quarter of 2025, driven by improved production prospects having been influenced by enhanced acreage and investment in crystallization in Brazil, after the last few years of remunerative prices, coupled with favourable weather conditions. The global trade war and consequential macroeconomic environment, as well as the exceptional level of speculation, have also been weighing on the world sugar market prices. The NY #11 raw sugar futures attained the US 16 cts/lb level by mid-2025, which will impact negatively on sales of sugar from the 2025 crop.

At such price levels, small and vulnerable producers like Mauritius would find it difficult to remain financially sustainable without privileged access into protected markets and without an unrelenting focus on the production of high value-added sugars targeted at niche market segments. In addition to the Economic Partnership Agreements, the trade agreements under the Common Market for Eastern and Southern Africa (COMESA) and South African

... a minimum sugarcane production level needs to be maintained ... to assure firstly the competitiveness of the industry and secondly the market flexibility to seek the best sales opportunities...

CEO'S REPORT (CONT'D)

Development Community (SADC) provide for duty-free access for our sugars in the region, which therefore offer the next best opportunity for white refined sugar when the EU and UK markets are relatively satisfied. However, a noteworthy margin of preference does not always prevail to restore a fair competition with price-distorted world market sugars and all too often non-tariff barriers impede smooth trade flows. In this regard, as Madagascar has increased its import tariff on sugar from 10 to 20% over the first quarter of 2024, it became a more interesting destination for Mauritius white sugar with deliveries increasing to over 30,000 tons over the year under review. Additionally, some 66,000 tons, refined after mixing with imported raw sugar feedstock, as permitted under the COMESA rules of origin, were shipped to Kenya.

In the US, another traditional market destination for Mauritius unrefined sugars, they enjoy duty-free access, compared with the normal tariff of US\$ 338 per ton, under its 1995 Uruguay Round Tariff Rate Quota (TRQ) commitment for an annual minimum of 1,117,195 metric tons raw value. Mauritius access is, however, limited to its historical 1.2% share of this allocation, which the Syndicate fulfills through sales of its range of special sugars. For the Fiscal Year (FY) 2025, the allocation stood at 12,229 metric tons, after the Nicaragua TRQ reallocation, which were all committed for. Shipments were, however, disrupted by the reciprocal tariff of 40% imposed by the new President Trump Administration on 2 April 2025 but thanks to the subsequent grace period of 90 days, deliveries were accelerated and fulfilled in a timely manner. The import tariff was adjusted to 15% as from 1 August 2025, though Government has meanwhile initiated discussions with the USTR office to find a sustainable solution for Mauritian exports which can help the Syndicate maintain, or even enhance, its market share in the US.

As for other countries having signed free trade agreements with Mauritius, namely China and India since 2021, our special sugars have already been introduced in a few niche market segments, namely in the retail and food service sectors amongst a rapidly rising number of affluent consumers. New market opportunities accordingly seem to unfold, though sales growth can be modest because, firstly these sugars are not yet widely known, secondly the markets are not as mature as in the EU or the US, and thirdly because they will be in competition with local sugars being produced at competitive price levels. Unfortunately, the prevailing decline in global prices, coupled with growing anti-sugar campaigns, is not supportive of a faster sales development of the value-added sugars.

Sales of special sugars have otherwise been growing in the Gulf Cooperation Council (GCC) region, especially in the United Arab Emirates (UAE), the Kingdom of Saudi Arabia (KSA) and Oman, with the support of on-site commercial partners. Although these countries do not provide a margin of preference for Mauritian products, there is an appreciation of the premium quality of the sugars which, in addition to the wholesomeness, simplify their ingredient listings in a number of food applications. In this regard, our sugars have recently been enlisted as ingredients by Chef Middle East, a highly regarded player in the foodservice sector in the GCC, with presence in the UAE, Qatar and Oman: its business model lies on the personalized consultations and technical support provided by inhouse chefs to industry professionals, thereby promoting sales of the specialized products meeting their specific requirements.

Although the Syndicate is already exporting the Mauritius special sugars to 65 countries worldwide, where it is often perceived as a market pioneer, it is increasingly challenged by new competition with high polarization raw sugar for direct consumption being portrayed as special sugars. Even EU sugar producers are enticed by the premium obtainable and add molasses or other colouring to white beet sugar which they subsequently sell as "Demerara" or "Muscovado". While competition is healthy, it should be on a level playing field. The Syndicate has consequently embarked onto a thorough communication campaign to distinguish Mauritius special sugars. After having firstly repositioned the Mauritius Sugar Label in 2021, it launched an MSS Virtual Club, Les Grands Sucres, to facilitate sharing of information amongst

... the 'Mauritius Unrefined Sugar' was awarded the Geographical Indication (GI) recognition by the Intellectual Property Office of Mauritius in December 2024...

its buyers so they can be kept abreast on its range of products and utilization while being aligned on defending their market position. The support of Chef Philippe Bertrand, *Meilleur Ouvrier de France*, has been solicited in this regard to assist in ventilating the appropriate usage for these wholesome sweeteners, hence supporting different customers worldwide. In the same vein, a recipe book and a special 'packaging' have been developed, with his help, to target Chefs in the gourmet food market segment with the view to encouraging them to adopt the utilization of these natural ingredients.

In light of their distinct characteristics and the close association to the origin over the last 5 decades, the 'Mauritius Unrefined Sugar' was awarded the Geographical Indication (GI) recognition by the Intellectual Property Office of Mauritius in December 2024. The first of its kind in the country, and also for sugars globally, this prestigious award demarcates the authenticity of these unique sugars which are derived through the natural processing of cane juice extracted from locally cultivated sugar cane on our unique volcanic "terroir". The Syndicate plans to extend this recognition to its main market destinations.

Obviously, the inherent characteristics do not solely suffice in differentiating the Mauritius sugars. Much emphasis is placed on the sustainability front, a journey on which the sector embarked over 15 years ago. After the Fairtrade certification of a number of cooperative societies since 2008, the larger growers and millers started adopting the Bonsucro standards as from 2019. Over the 2024 crop, 15,807 tons of Fairtrade sugars produced by 22 certified cooperative societies and another 51,225 tons Bonsucro sugars from 3 certified sugarcane farms were available for sales, representing 30% of the island's total sugar outturn.

While a minimum sugarcane production level needs to be maintained, as highlighted by the President, to assure firstly the competitiveness of the industry and secondly the market flexibility to seek the best sales opportunities, product differentiation remains key for small producers like Mauritius. While it can be its strength, given its size and restricted domestic market, it might be less relevant for larger producers with economies of scale and having a readily available market outlet. The sugar industry in Mauritius has no other alternative than to pursue its adventure in the production and sales of value-added sugars but whilst ensuring that the stringent requirements of such niche market segments can be satisfied, whether with regard to food safety, traceability, consistency and sustainable production environment, amongst others. Though already recognized as such, its motto is to strengthen these qualities further to stay ahead of the competition.

The sugar industry in Mauritius has no other alternative than to pursue its adventure in the production ... of value-added sugars but whilst ensuring that the stringent requirements of such niche market segments can be satisfied.

Taste of Refinement





GOVERNANCE, RISK MANAGEMENT, AUDIT AND INTERNAL CONTROLS

MAIN COMMITTEE AND EXECUTIVE & SELLING COMMITTEE (ESC)

The Mauritius Sugar Syndicate (MSS) remains committed to the highest standards of governance, accountability and ethical conduct. At the core of its governance framework is the Main Committee (*Comité de Direction*), composed of twenty-two members, drawn from diverse professional and production backgrounds, who bring along a wealth of expertise and technical skills, with unwavering integrity and independent judgment, to gear the strategic direction of the MSS. To ensure broad and fair representation, the Committee is made up of fourteen members from the corporate sector, four planters and four small planters.

The Executive and Selling Committee (ESC), a subset of the Main Committee, comprising ten members, plays a vital role in steering the operational and strategic functions of the MSS by ensuring efficient decision making. Meeting every 6–8 weeks, the ESC collaborates closely with senior management to review performance, monitor progress and approve key decisions. The ESC met eight times over the year under review.

To enhance focus and efficiency, the ESC has delegated specific responsibilities to three specialized sub-committees, namely:

- Marketing Committee,
- FOREX Committee,
- Audit and Risk Management Committee (ARMC).

Additionally, a Remuneration Committee is convened on an ad hoc basis to handle matters related to compensation, recruitment and promotions to strategic positions. All sub-committees operate within clearly defined terms of reference and their recommendations are reported to and validated by the ESC.

MARKETING COMMITTEE

The Marketing Committee serves as an advisory body to the ESC and plays a critical role in shaping the Syndicate's marketing strategies with the view to optimizing sales opportunities, hence revenue. During the year under review, it met five times to deliberate on:

- Market opportunities and communication strategies,
- Annual crop production planning,
- Product mix, sales channel strategies and pricing objectives.

The Marketing Committee comprises a representative of each of the mills, a corporate grower representative, a small planter representative and the Chief Executive Officer and Chief Marketing Officer of the MSS.

In light of the growing competition in the traditional EU market, especially with the introduction of high value-added sugars by new preferential suppliers, the Marketing Committee recommended a physical presence in order to assure proximity with the MSS customers and improve reaction time to sales threats and new opportunities. The service of Paris-based B&T Consult, represented by Mr Jérôme de Peyrolle, has been solicited in this regard, working under the responsibility of the Chief Marketing Officer.

FOREX COMMITTEE

Tasked by the ESC to manage the foreign exchange risks of the MSS, the FOREX Committee ensures prudent risk mitigation and foreign currency management strategies. Its key responsibilities include:

- Defining the MSS objectives in foreign exchange risk management,
- Approving hedging policies and instruments,
- Setting acceptable risk parameters to achieve the targeted ex Syndicate price for each crop year.

Composed of the MSS President, Vice President, a corporate sector member, a small planter representative, the Chief Executive Officer and Chief Finance Officer, the FOREX Committee met three times during the year. Forex reports are sent to members on a weekly basis, providing firstly market updates and secondly status of realized foreign exchange deals performance in comparison with set targets, thus ensuring timely responsiveness to currency fluctuations and global market developments.

AUDIT AND RISK MANAGEMENT COMMITTEE (ARMC)

The ESC delegates its responsibility for Internal Controls and Risk Management to the Audit and Risk Management Committee (ARMC). It ensures that financial reporting is transparent, accurate and compliant with applicable standards, while also monitoring the overall risk environment of the organization.

The ARMC's terms of reference include:

- Continuous review of the financial reporting process,
- Evaluation of the integrity and reliability of financial statements,
- Oversight of the internal control and risk management systems,
- Approval and follow-up of internal audit plans and outcomes,
- Liaison with external auditors on audit findings and recommendations,
- Recommendation of appointments for both internal and external auditors.

The ARMC comprises at least two members of the corporate sector and two planters' representatives, the Chief Executive Officer and Chief Finance Officer of the MSS. Internal Auditors and External Auditors are invited to attend meetings when deemed necessary. The ARMC met four times over the year under review.



GOVERNANCE, RISK MANAGEMENT, AUDIT AND INTERNAL CONTROLS (CONT'D)



Risk Management

Risk management is embedded across the MSS's operations. It adopts a proactive, structured approach to identifying, assessing and mitigating risks that could hinder its strategic goals. The Management team is directly accountable to the Main Committee, through the ESC, for maintaining an effective risk management system.

Given the dynamic and evolving risk landscape, key and emerging risks are continuously monitored. This allows for timely reporting and responsive strategy adjustments by the ESC and the Main Committee, thereby safeguarding MSS's long-term sustainability and resilience.

AUDITS

Internal Audit

In March 2024, Baker Tilly Mauritius was appointed as the Internal Auditors of the MSS. Their mandate is to provide independent assurance on the adequacy and effectiveness of the MSS's governance, risk management and control systems. Internal audit reviews were carried out in line with an agreed intervention plan, and findings were reported directly to the ARMC for corrective and preventive actions. During the year under review, the Internal Auditors carried independent audits of the Inventory Management process and the Procurement to Payment cycle. In both areas, they provided "Satisfactory" ratings, implying that risk management is generally sound and consistently applied.

External Audit

In September 2024, Ernst & Young (EY) was appointed as External Auditors for a second term, following their satisfactory audit of the 2023/24 financial accounts. They were granted full and unrestricted access to records and personnel, enabling them to perform their duties efficiently and independently. As per good governance, they also have an unrestricted communication line with the Chairman and Members of the ARMC. Management cooperated fully, ensuring prompt submission of all required documentation to ensure timely audit reporting.

Reports issued by EY, including the Audit Report and Management Letter, were diligently addressed by both MSS Management and the ARMC, ensuring continual improvement in their financial governance and accountability practices.

IT GOVERNANCE AND CONTROLS

Following the new ERP go-live on 3 July 2025, all legacy systems within MSS were transitioned to a read-only mode, wherever technically possible, pending data transition to the new Oracle NetSuite as the central platform for end-to-end Order-to-Cash integration.

Throughout the financial year, change management has presented both challenges and opportunities. The MSS team has driven extensive process improvements and systems fine-tuning to align with its evolving business needs and customer expectations. The new ERP environment has been carefully tailored to reflect the operational realities of the industry while remaining scalable and adaptable to new business requirements.

One of the major achievements has been the establishment of complete batch traceability for all sugar categories — from production at the mills right through to delivery to MSS customers. The next priority is the setting up of real-time dashboards and reporting tools to enable cross-departmental visibility and enhance data-driven decision-making and productivity.

From a compliance and security standpoint, the ERP is compliant with General Data Protection Regulation (GDPR) and operates within a highly secure infrastructure. Additionally, the file server has been upgraded, though users are encouraged to leverage cloud-based platforms for efficient and secure file sharing.

To reinforce cybersecurity, MSS has strengthened its network defences by upgrading its firewall, enforcing multifactor authentication, enabling BitLocker and applying strict idle time policies. These measures aim at safeguarding company data, minimizing browsing-related risks and mitigating cyber threats. In parallel, it is progressing with a series of systems enhancements aimed at improving operational efficiency while upholding strict adherence to its IT security policy, governance standards and internal controls.

DATA PROTECTION

The General Data Protection Regulation (GDPR) remains a cornerstone of data privacy legislation within the European Union, governing the protection and handling of personal data both within and beyond EU borders. It empowers individuals with greater

control over their personal information and enforces a unified framework for data protection across member states.

At MSS, data protection continues to be a top priority. It involves safeguarding sensitive information against loss, corruption and unauthorized access. As regulatory expectations evolve under the GDPR and CCPA regulations, staying compliant requires consistent diligence. MSS maintains full adherence to applicable national and international data protection laws, ensuring that personal data is managed responsibly and in alignment with GDPR requirements.

The data protection strategy is not only designed to secure information but also to support business continuity in the face of potential disruptions. In an increasingly complex digital landscape — characterized by the expansion of cloud computing and the proliferation of connected devices — MSS continues to strengthen its data governance approach. Recognizing the persistent threat of cyber risks, such as ransomware, phishing, and cyber-attacks, it has implemented comprehensive safeguards including regular backups and continuously enhancing its cybersecurity infrastructure.

While human error remains a leading cause of data incidents, MSS places strong emphasis on continuous employee education. Policy updates reinforce the importance of data protection and promote a culture of shared responsibility across the organization. By clearly communicating expectations and maintaining an ongoing dialogue, MSS fosters a workforce that is alert, informed and engaged in protecting sensitive data.

The implementation of the Oracle Netsuite ERP within MSS supports and facilitates GDPR compliance. It provides the tools, controls and contractual assurances that enable it to comply with GDPR requirements. With improved access control and monitoring capabilities, the system enhances visibility into data use and enforces role-based permissions, ensuring that employees only access data necessary for their functions and responsibilities. This integration has streamlined operations and embedded data protection practices more deeply into the MSS daily workflow, reaffirming its commitment to responsible data stewardship.

Heritage in Every Taste





2024 CROP PRODUCTION & SALES PERFORMANCE

2024 CROP PRODUCTION

The 2024 sugar cane harvest faced numerous challenges that reversed much of the promising recovery seen over the prior campaign. Unfavourable agroclimatic conditions, including an extended dry spell during and after the critical growth phase, adversely affected cane quality and disrupted both cane and sugar production. Quality was also impacted by delays in delivering adequate feedstock to processing mills, largely driven by shortages in workforce availability and transportation logistics among outgrowers.

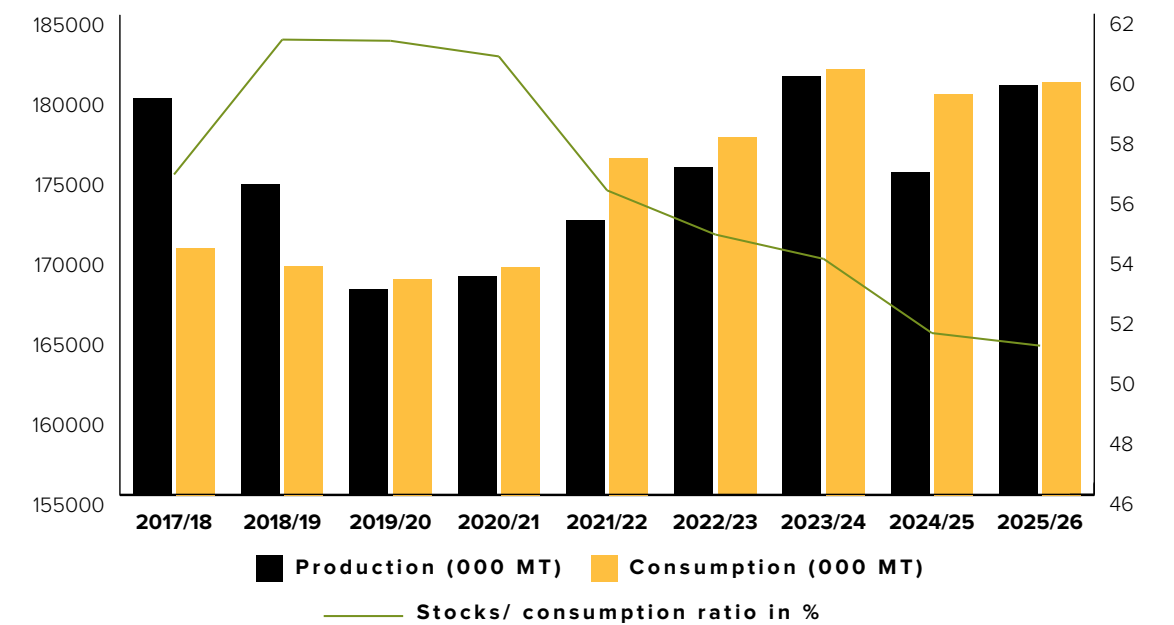
The harvested area contracted by 3.1% from 2023 to 2024, declining from 35,863 to 34,759 hectares. Though lower than the 5.5% annual average decrease over the 5 previous years, this fall below the 35,000 hectares threshold is seen as a major concern with regard to a minimum throughput required to assure the industry’s competitive edge.

Coupled with a 7.6% drop in average cane productivity from 68.39 tons per hectare (TCH) to 63.17 TCH over the same period, this resulted in total cane output falling from 2.45 M tons to 2.20 M tons. Although the average sucrose extraction rate improved from 9.74% to 10.28%, this enhanced efficiency only partially mitigated the impact of reduced cane output. As a result, overall sugar production fell by 5.6%, from 238,854 metric tons sugar tel quel (mttq) in 2023 to 225,547 mttq in 2024. This outturn was 10% below the crop estimate of 250,000 mttq established by the Crop Estimate Coordinating Committee in May 2024, the decline having been exacerbated by the irrigation restrictions under the Dry Season Regulations

WORLD SUGAR MARKET

The sugar market was marked by a return to a global deficit in 2024/25. According to the International Sugar Organisation (ISO) World Sugar Balance report of August 2025, world sugar production was estimated at 17.2 M tons over the October 2024 - September 2025 period, decreasing by 3.3% from the previous year’s harvest of 181.2 M tons. This compares with an annual average growth of 2.4% over the 3 preceding years. In contrast, global consumption continued rising, in fact by an annual average of 1.6% over these 4 years, attaining an estimated 180.1 M tons in 2024/25. As global production has been short of consumption over the last 6 years, there has been a continuous depletion of stocks and the stocks-to-consumption ratio declined from 61.1% to 51.4% over this period, thereby reinforcing the tightening of global sugar inventories, hence intensifying the market’s sensitivity to supply disruptions, and consequently increasing price volatility.

Global Supply & Demand

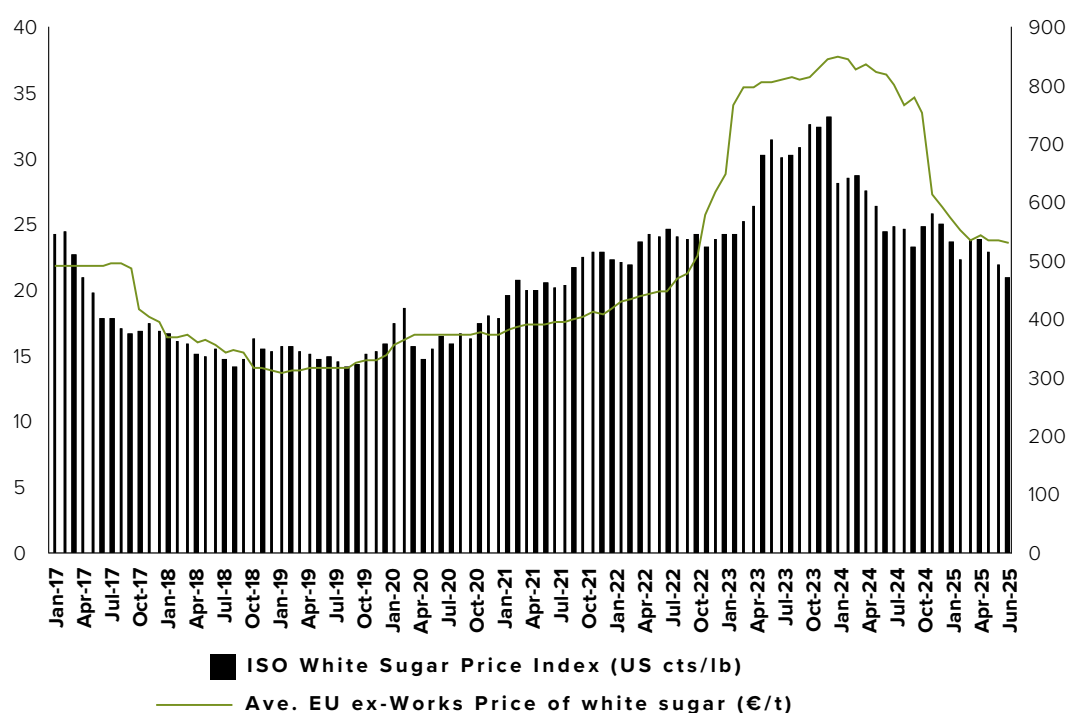


Source: ISO (Aug 2025)

The 2024/25 world production decline is primarily attributed to adverse weather conditions in Brazil and India. India alone would have produced at least 6 M tons less sugar in 2024/25 compared with the preceding campaign, while Brazil's output would have fallen almost 4 M tons. These reductions are only partially offset by increased production in the EU (+1.0 M tons) and Thailand (+1.6 M tons).

As regards global sugar consumption, annual growth has been decelerating, from an average of 2.5 M tons between 2001 and 2016, to 1.0 M tons over the following 10 years. This reduction has been prompted by stronger health consciousness, anti-sugar campaigns and the increased use of sugar substitutes. Consumption per capita is expected to have reached 22 kg globally in 2025, with declines in Western countries offset by gains in Asia and Africa.

EVOLUTION OF SUGAR PRICES IN THE EU AND WORLD MARKET



Source: EU Sugar Market Observatory and ISO (August 2025)

Despite the shrinking of global stocks, sugar prices followed a declining trajectory from end 2023, through 2024 and into 2025. In fact, a global production of almost 180 M tons was initially anticipated for 2024/25 and the NY#11 raw sugar price decreased from the US 24 cts/lb level in early 2024 to some US 18 cts/lb by mid-year and fell further to below US 16 cts/lb by mid-2025. It nevertheless experienced a couple of rebounds over the period, triggered by Brazilian and Indian crops concerns as a result of adverse weather conditions. It also dropped sharply in December 2024 and March 2025 — by US\$50 and US\$40 per ton respectively — driven by a depreciating Brazilian real and stronger-than-expected late harvest results. Price volatility was exacerbated by speculative fund activity and uncertainty regarding India's export availability.

Looking ahead to the 2025/26 campaign, global sugar production is forecast to rise, driven by expansion in production capacity after 3 consecutive years of remunerative price levels and favourable monsoon conditions in Asia. India and Thailand are expected to be major contributors to this production increase, potentially pushing global output by 7 - 10 M tons, though trade flows may remain constrained in early 2026 due to depleted inventories and domestic policy choices.

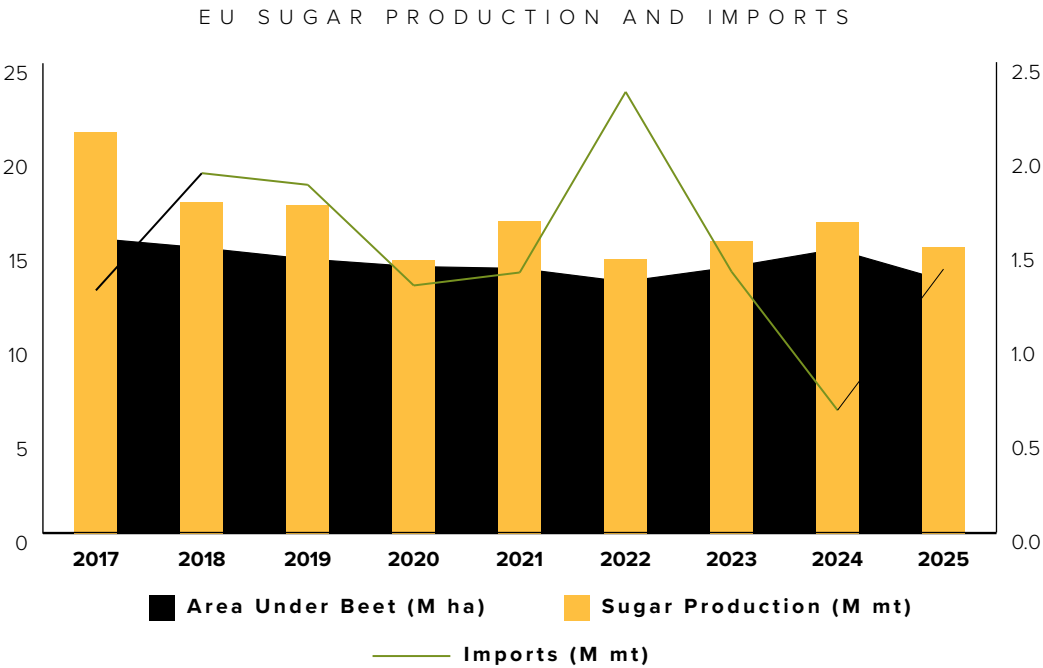
While short-term market conditions remain tight due to low sugar stocks and consequently resilient domestic prices, the medium-term outlook shows easing pressure as global production recovers. Market direction will hinge largely on export policies from major producers, particularly India, and the global macroeconomic environment impacting commodity fund flows.

2024 CROP PRODUCTION AND SALES PERFORMANCE (CONT'D)

EU MARKET

The high price levels over the 2022 EU beet crop, triggered by the weather- and virus-afflicted production shortfall coupled with the surge in energy costs, enticed an expansion in acreage which consequently rose from 1.34 M hectares (Ha) in that year to 1.42 M Ha in the following year and 1.51 M Ha in 2024. Sugar production consequently increased by some 1 M tons in each of these years, attaining 16.6 M tons in 2024 according to the July 2025 estimate of the EU Sugar Market Observatory. Meanwhile, consumption has declined from an estimated 14.0 M tons in 2022/23 to 13.6 M tons in 2023/24, with a slight recovery back to 14.0 M tons in 2024/25. This stagnation is attributed to weakened purchasing power due to high inflation and also declining demand for sugar-sweetened beverages following anti-sugar campaigns across the continent. The surplus EU sugar production was exacerbated by the surge in imports from Ukraine which was granted duty-free and quota-free access pursuant to the Russian invasion in 2022. From a historical 20,070 tons, they attained 400,000 tons in 2022/23 and 510,000 tons in the following year, making up almost 40% of all sugar imports into the EU.

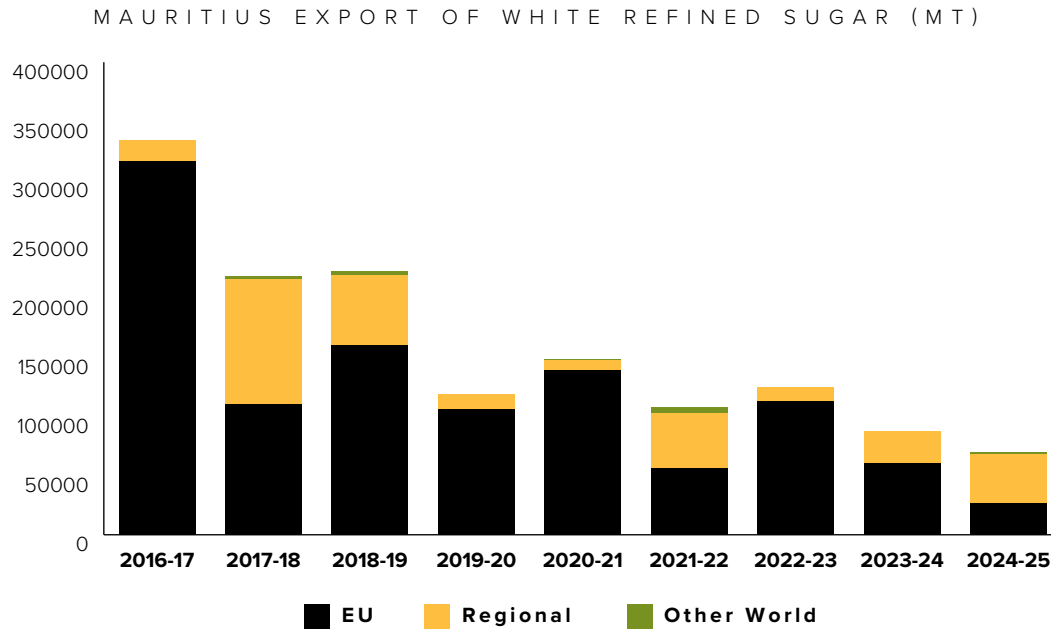
The average ex-factory price for white sugar consequently dropped from a peak of € 857 per ton in December 2023 to € 760 in September 2024. EU prices continued falling over the 2024/25 campaign, reaching € 536 per ton in June 2025, as reported by the Sugar Market Observatory. The average price for the 2024/25 season stood at € 563 per ton as at that month, hence causing significant losses for EU sugar producers, especially those having maintained the previous year's beet prices of around € 45 per ton. Exports, which had consequently risen from 0.6 M tons in 2022/23 to an expected 1.5 M tons in 2024/25, did not suffice in mitigating the market surplus. In anticipation of further deterioration in market conditions, certain producers negotiated lower beet prices for the 2025 crop, which drove a reduction in the cultivated area to some 1.35 M Ha according to the same source. Further reduction in beet prices can be anticipated over the 2026 crop which would put additional pressure on the acreage under cultivation.



Source: EU Sugar Market Observatory Balance Sheet (July 2025)

EXPORT SALES

White Refined Sugar



Ahead of the commencement of the 2024 harvest, the MSS conducted a comprehensive assessment of price evolution across its diversified market base. This included traditional destinations within the EU — where sugar is typically sold at fixed annual prices — and regional markets, which are generally priced over the London #5 white sugar futures, factoring in sea freight costs and the EUR/USD exchange rate. In light of its rising surplus, namely with domestic production growth and the surge in Ukrainian supplies, the EU market was experiencing a continuous decrease in market prices. Indeed, by September 2024, the average price of white sugar on an ex-mill basis had already decreased to € 760 per ton, which was 10% below that in the corresponding month in 2023, falling to € 580 by the end of the year and reaching a low of € 540 by April 2025. Meanwhile, although global prices were also declining, the MSS took advantage of occasional rallies to finalise sales in regional destinations.

The sales target for the 2024 crop white sugar was set at approximately 110,000 tons and exports reached 74,500 tons, in addition to 30,000 tons of domestic sales. The EU accounted for 26% of these sales, down significantly from 60% in 2023/24, while the share of regional sales rose from 27% to 42% over the same period.

The contraction in EU sales highlighted a strategic pivot by MSS towards more lucrative market destinations. The regional market, particularly within the Common Market for Eastern and Southern Africa (COMESA), emerged as a preferred destination due to Mauritius' duty-free access, hence margin of preference over third country supplies, and the recognized quality of its sugars among industrial users and wholesalers. Sales to Kenya remained stable, while exports to Madagascar almost doubled thanks to the increase in their import tariffs to 20% while Mauritius, as a COMESA and SADC member, enjoys duty-free and quota-free access.

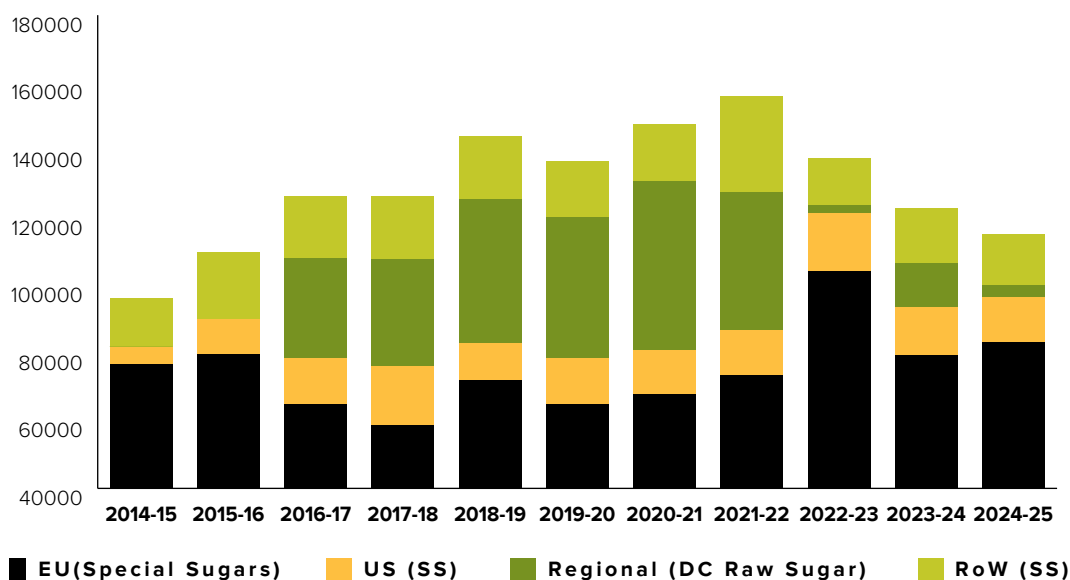
However, from April 2025, the Madagascar market became saturated, especially with preferential supplies from other SADC sugar producers, thereby depressing price premiums. In response, MSS proactively secured new sales in China and within the Southern African Customs Union (SACU) market, which proved more advantageous economically. It should nevertheless be highlighted that while the preferential TRQ applicable for Mauritius in China is set at 35,000 tons for 2025, it was limited in SACU at 3,129 tons for the April 2024 / March 2025 period.

2024 CROP PRODUCTION (CONT'D)

SPECIAL SUGARS

The persistent decline in white sugar prices in the EU and UK has intensified pressure on prices of special sugars, thus affecting overall revenue from higher-value segments. This reinforces the necessity for ongoing diversification and optimization of market allocation based on evolving global demand and pricing conditions.

MAURITIUS EXPORT OF SPECIAL SUGARS (MT)



Over the 2024/25 season, Mauritius exported a total of 119,700 tons of Special Sugars, reflecting a marginal decline compared with 122,900 tons in the previous year. This reduction is mainly attributed to softened global demand, inflationary pressures — particularly in Europe — and a shift in buyers' behaviour marked by more cautious and phased purchasing strategies. Reduced consumption due to persistent inflation in Europe in fact prompted buyers to delay their purchase commitments or split orders into multiple phases. Many customers opted to secure only partial volumes while placing purchase options for the remaining quantity, depending on the evolution of end-market demand.

The EU and UK nevertheless continue to be Mauritius' largest market destinations, absorbing 83,400 tons, which represented 70% of these exports over the year under review. This marks an increase in market share from 65% in the previous season, despite the overall volume decline.

The retail market for sugar in Europe is estimated to be declining by 2 to 4%, depending on the country, due to (i) a decline in consumer interest in unrefined sugars; (ii) a decrease in interest in Fairtrade in the United Kingdom and Italy; (iii) an increase in demand for local and sustainable sugars (including organic beet sugar and coloured beet sugar. Meanwhile prices have also been under pressure with the rise in discount stores with low price offers and an increase in private labels within sugar category versus market leading brands seeking for the cheapest sugar offer.

Mauritius has otherwise been benefiting from a duty-free tariff-rate quota (TRQ) access for unrefined sugar to the U.S., with a minimum allocation of 12,910 metric tons raw value (mtrv), equivalent to 12,230 metric tons sugar. At time of writing, MSS has already fulfilled this TRQ for 2024/25 with the export of its Special Sugars to 17 buyers. This was 22% less than the delivery over the previous campaign, when additional TRQs had been reallocated by the USTR. Market access uncertainty was, however, triggered following the introduction of a 'reciprocal' tariff of 40% by the Trump Administration on 2 April 2025, based on the U.S. trade imbalance with commercial partners like Mauritius. After a grace period, the tariff was reviewed to 15% on 1 August 2025.

Export of special sugars to the Gulf region have experienced sustained and notable growth, reaching over 10,000 tons in 2024/25, a 63% increase over the 6,200 tons delivered in the previous year. This surge is largely attributed to evolving consumer preferences toward aromatic, flavorful sugars across countries such as the United Arab Emirates, Kingdom of Saudi Arabia and Oman. Demand is also supported by growing interest from the Hotels, Restaurants and Catering (HORECA) sector and high-end retailers.

The Chinese market is proving increasingly strategic, with exports rising to 10,900 tons in 2024/25, from just 2,600 tons in the prior year. While emphasis has been on the delivery of unrefined special sugars, almost 78% of

these exports comprised white refined sugar, given the premium obtainable over the world market price. These deliveries were fulfilled under the China-Mauritius Free Trade Agreement (FTA), which provides in-quota access at 15% duty, significantly lower than the 50% Most Favoured Nation (MFN) rate. The quota for 2025 stands at 35,000 tons, increasing annually by 5,000 tons till a cap of 50,000 tons in 2028.

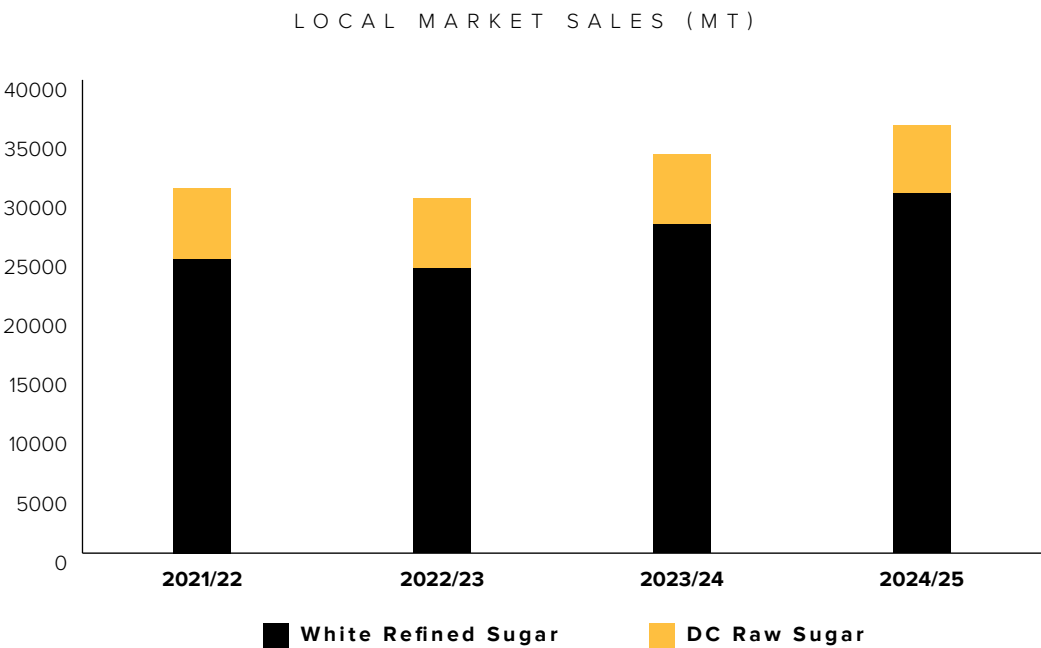
Sales of direct consumption raw sugars to the regional market dropped sharply to 2,900 tons in 2024/25, compared with 12,900 tons in the previous year. Most of this comprised brown cane sugar to Madagascar, under COMESA / SADC trade preferences, bearing in mind that Kenya, once a key regional destination, remained uncompetitive due to oversupply, hence depressed prices (<US\$650/ton), after the decision taken in October 2023 to import duty-free sugars from third countries for 250,000 metric tons. This window had been extended until June 2024.

Meanwhile, despite tariff preferences granted under the Mauritius-India CECTA, market penetration in India remains minimal due to several structural and regulatory constraints, namely lack of clarity on import requirements under this regime, cumbersome import procedures, including mandatory sugar testing and long delays in issuing import licenses from the Directorate General of Foreign Trade (DGFT), and price controls on domestic sugars which widen the retail price gap.

Mauritius meanwhile continues to reinforce its value-added positioning by focusing on premium and gourmet sugar offerings. A strategic partnership with Chef Middle East has been established to distribute a product range across UAE and Qatar, targeting the fine foods, hospitality, and culinary sectors. This initiative supports brand visibility and aligns with evolving market demand for high-end, special sugars with unique taste, texture and provenance.

DOMESTIC SALES

The MSS local sugar sales remained firm over the 2024/25 campaign, reaching 36,151 tons, including to industrial users, retail packers and food-related segments. This represents a 7.1% growth over the previous year's deliveries of 33,765 tons. White refined sugar accounted for over 84% of these sales. Despite intensified price competition from duty-free sugar imports, particularly from Mozambique under SADC, the consistent product quality and strong consumer loyalty towards Mauritian sugar helped retain and grow market share. The special sugar category saw the highest year-on-year growth of + 14.5 % - 710 tons compared with 620 tons in the previous year, fueled by support provided to local artisans and targeted digital campaigns highlighting its unique applications, namely social media activations focused on recipe sharing and promotion of their versatility in baking, gourmet foods and cosmetics. These initiatives broadened the appeal for special sugars beyond traditional consumers and opened new niche market segments.



DELIVERIES

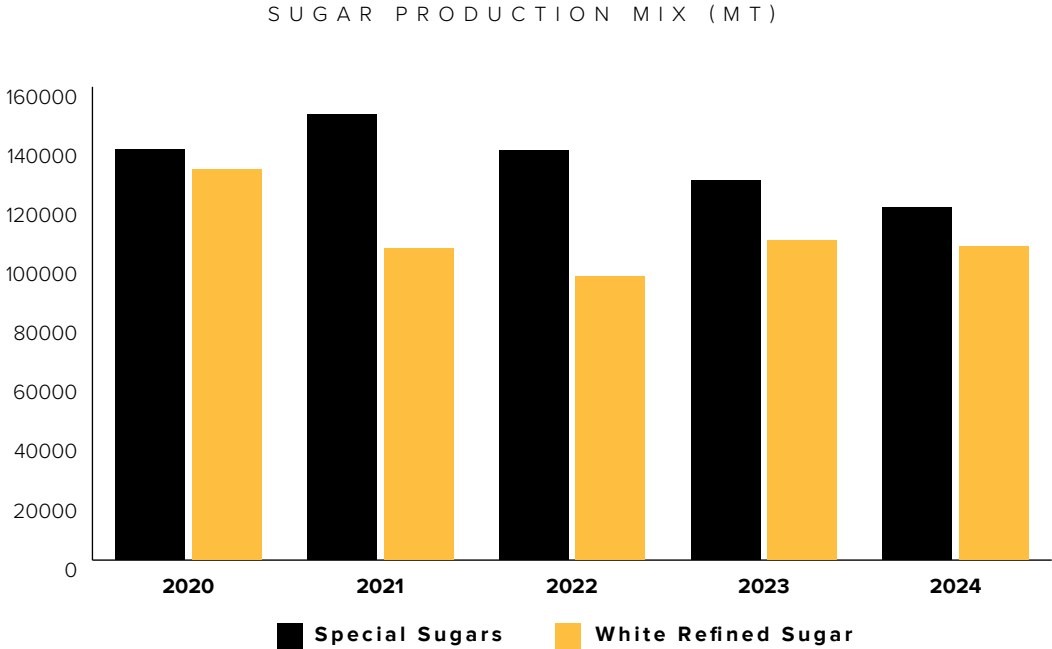
SUGAR PRODUCTION

During the period under review, Omnicane refinery loaded and delivered approximately 6,316 containers, equivalent to 159,034 metric tons of white sugar, including sugar refined from nonoriginating feedstock (NOS), to the CHCL and Associated Container Services (ACS) for export. The average waiting time was approximately 40 days before the containers were loaded on a First-in First-Out (FIFO) basis onto outbound vessels. The whole production planning and container movement process has henceforth been integrated into the new Oracle NetSuite ERP system, which should help towards a seamless and holistic management of key operational processes, including sales, planning, stock control, quality assurance, container movements and invoicing. The new system is expected to drive greater efficiency, visibility and responsiveness across the supply chain.

Of the total containers shipped, 1,130 were destined for the EU, 5,139 for the regional market, and the remaining consignments to other destinations.

In addition to exports, the Omnicane refinery also supplied sugar on the domestic market. Some 17,925 tons of white refined sugar were delivered directly to MSS customers' premises while a further 11,870 tons were dispatched to the Mauritius Cane Industry Authority (MCIA) warehouses in Port Louis for subsequent collection by other buyers.

As regards special sugars, some 119,214 tons were produced from the 2024 crop, reflecting a 7% decline compared with the previous year. Terra Milling Ltd accounted for 66% of the production outturn whilst Alteo Milling Ltd produced the difference.



STORAGE

The combined production of special sugars and white refined sugars from the 2024 crop was stored across three warehousing facilities in Port Louis, with the following capacity and throughput figures.

Warehouse	Storage Capacity (tons)	2024 Crop Stock Throughput (tons)
MCIA	95,000	92,062
MFD	25,000	30,344
VELOGIC	9,000	8,678
Total	129,000	131,084

This distribution reflects the strategic and optimal use of available warehousing infrastructure to accommodate the storage and dispatch of both domestic and export consignments.

In order to define accountabilities and deliverables, a Service Level Agreement (SLA) between MSS and MCIA Sugar Storage and Handling Unit (SSHU) was finalised in August 2025.

As regards the new bagged sugar warehouse which was to be constructed at Jin Fei in Riche Terre Business Park, the tender exercise launched over the period under review has been cancelled following advice received from the Central Procurement Board. According to the MCIA, a new tender exercise for the design and construction of the warehouse is under consideration but will be subject funding by Government.



DELIVERIES (CONT'D)

SHIPMENTS

During the period under review, MSS exported bagged sugar to 85 ports worldwide, comprising 39 destinations in the EU, 5 in the US, 13 in the regional market, and the remaining 28 across other geographical areas. It worked with three shipping lines servicing Port Louis, namely Mediterranean Shipping Co. Ltd (MSC), Maersk Line, and CMA-CGM.

Shipments to EU have been facing significant delays due to geopolitical instability in the Red Sea, which has necessitated rerouting of vessels around the Cape of Good Hope rather than through the Suez Canal. As a result, the average transit time to EU ports has increased to approximately 65 days, from a historical 45 days. Similarly, shipments to the United States have been impacted, with average transit times of around 60 days and delays reaching up to 120 days. These disruptions have had direct implications on customers' supply chains but have also resulted in shipments falling beyond the US FY 2024 Tariff Rate Quota (TRQ) delivery period.

Moreover, in light of the revised tariff policy introduced by the newly elected US Administration — which includes an imposition of 40% import duty on sugar as from 2 April 2025 — MSS has taken proactive steps to mitigate the financial impact on its exports. Specifically, acting upon the request of its U.S. buyers, it has accelerated their shipments to capitalize on the temporary 'grace period', during which a reduced import tariff of 10% applied.

In the local context, the last quarter of 2024 was marked by significant congestion at the Port Louis cargo terminal, leading to frequent delays and vessel omissions across all major shipping lines. The situation became particularly acute in December, when Maersk was compelled to temporarily suspend its bookings due to overwhelming container backlogs. Services resumed at the end of January 2025, following the clearance of the accumulated cargoes. These operational challenges had a direct impact on the MSS export planning, entailing inventory shortages for its customers and resulting in missed sales opportunities.

However, a notable turnaround was noted in 2025, coinciding with the appointment of a new management team at Cargo Handling Corporation Ltd (CHCL). Since then, there has been a marked improvement in port productivity, with vessel movements becoming more regular and efficient. Looking ahead, strategic investments are essential to sustain and build on these gains. CHCL has announced its strategic priorities, including the recruitment of skilled crane operators, acquisition

of modern ship-to-shore cranes, inland handling equipment, and Rubber Tyred Gantry (RTG) cranes. These developments would not only enhance operational capacity but also support the port's ambition to position Port Louis as a regional transshipment hub, thereby attracting new shipping lines, increasing cargo throughput, and generating positive spillover effects across the broader economy and the logistics sector in particular.

As regards availability of food-grade empty containers essential for the export of sugar, it remained stable over the year, though shortages were reported on a few occasions, but eventually addressed. The MSS Quality Assurance Department has maintained rigorous control over container selection and preparation through regular audits while sensitising stakeholders (shipping lines, depots, warehouses and the Omnicane Refinery) on the importance of adhering to food grade standards in the supply chain as per the MSS Container Preparation Guidelines.





A Legacy of Flavour





THE MARKETING OF MAURITIUS SUGARS:

SUSTAINING VALUE-CREATION THROUGH PARTNERSHIPS

DELIVERING EXCELLENCE: MAURITIUS SUGAR SYNDICATE'S COMMITMENT TO ITS GLOBAL PARTNERS

The Mauritius Sugar Syndicate (MSS) is dedicated to more than the supply of premium unrefined and refined sugars. We are committed to upholding the highest standards of efficiency, transparency and excellence across the entire value chain.

With a clearly defined mandate to promote and market Mauritius-origin sugars globally, MSS operates in alignment with key corporate values that define its service and performance.

Our Core Values

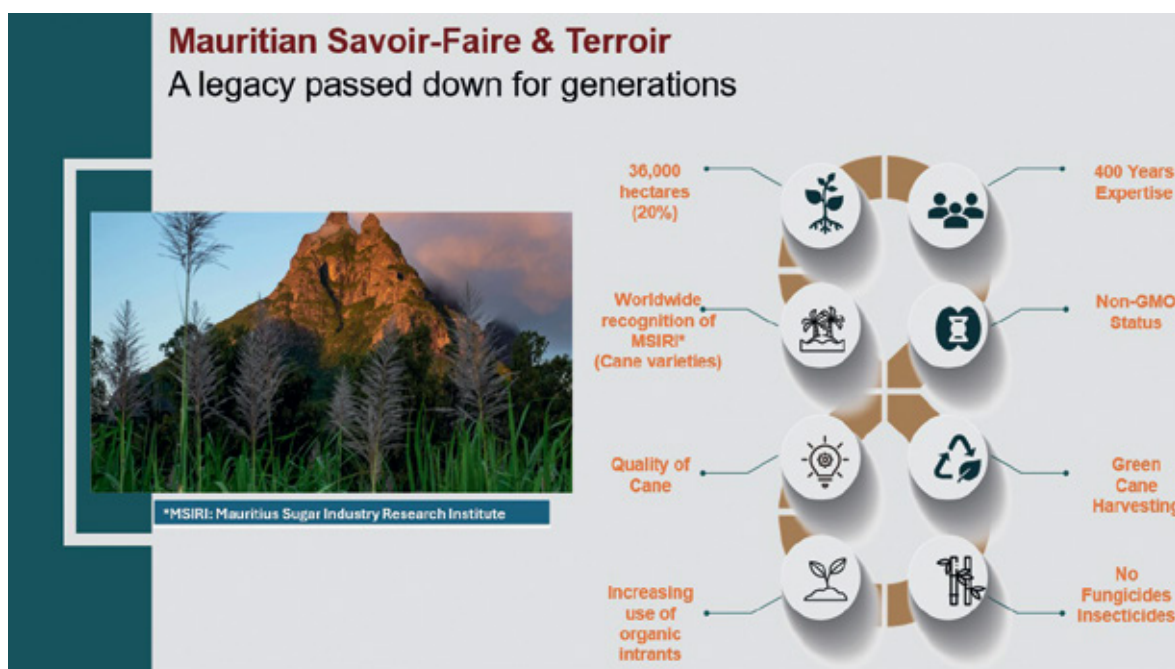
- Comprehensive Solutions**
 As a one-stop supplier, we offer a full spectrum of sugar packaging options — from consumer-ready retail packs to industrial-scale bulk formats — tailored to the diverse requirements of our international clientele.
- Assured Quality**
 Our products adhere to internationally recognized quality standards, as validated through regular and rigorous third-party audits and certifications.
- Extensive Global Reach**
 MSS serves a network of over 160 partners in 65 countries, managing the shipment of more than 15,000 containers annually. This is achieved through strategic collaboration with global shipping lines, ensuring consistent and timely deliveries.
- Client-Focused Service**
 We prioritize the needs of our commercial partners by offering a seamless and responsive order management process. Our approach is designed to foster long-term success through convenience, reliability and attentive support.



At MSS, we are steadfast in nurturing enduring business relationships based on mutual trust, operational accuracy and a strong culture of service excellence. We take pride in being a dependable partner for stakeholders across the global sugar industry.

FROM FIELD TO SPOON: THE ARTISTRY AND TERROIR OF MAURITIUS SUGARS

The **savoir-faire** and unique **terroir** of Mauritius sugars are the result of a deeply rooted, sustainable approach that spans across every stage along the supply chain — from farm to fork. Drawing on decades of experience in the development, cultivation and harvesting of non-GMO sugar cane, Mauritius has embraced environmentally responsible practices. These include green harvesting and the use of organic inputs, free from fungicides and insecticides. This holistic approach reflects its unwavering commitment to both quality and sustainability.



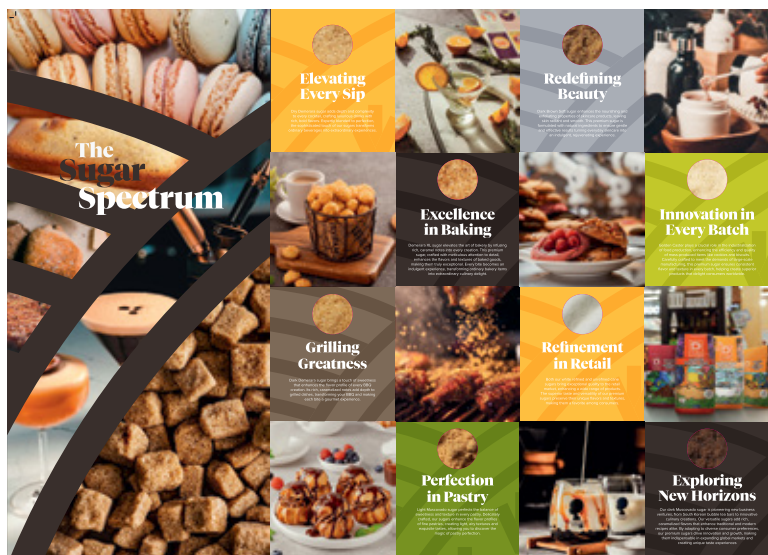
VERSATILE SOLUTIONS ACROSS UNREFINED AND REFINED SUGARS

MSS offers a comprehensive range of refined and unrefined sugars for direct consumption designed to meet — and exceed — the expectations of a wide array of users and applications. Its sugars serve as ready-to-use, natural solutions across multiple industries and culinary contexts, including:

- As a natural ingredient in the formulation of an expanding variety of food and beverage products;
- As a natural sweetener for health-conscious and clean-label formulations;
- In haute cuisine where purity, texture and flavour complexity are essential;
- As a key ingredient in the baking and pastry industry, offering depth of flavour and functional benefits;
- In the retail and catering sectors, meeting the needs of both consumers and food service professionals.

THE MARKETING OF MAURITIUS SUGARS: SUSTAINING VALUE-CREATION THROUGH PARTNERSHIPS (CONT'D)

With a commitment to quality, traceability and sustainability, Mauritius Sugars provide trusted and versatile solutions that enhance taste, authenticity and value across the global food landscape.



This versatility and performance are made possible through the core attributes that define our Mauritian sugars:

1. Naturally Produced : free from additives, colourings, flavourings or preservatives, ensuring purity and authenticity in every crystal;
2. Extensive Product Range: a selection of 18 unique sugar varieties, each offering distinct granulometry, colour profiles and functional characteristics, tailored to diverse applications;
3. Exceptional Aroma : a signature natural aroma that enhances and elevates recipes, adding depth and complexity to culinary creations.

Collectively, these attributes position Mauritian unrefined sugars as a compelling alternative to white refined sugar, offering a less sweet profile while delivering richer flavour, greater texture and superior taste.



WHY WHITE REFINED SUGAR SHOULD NOT BE YOUR ONLY CHOICE

While white sugar is commonly used in recipes worldwide, it is important to understand its limitations. Despite being derived from natural sources such as sugar cane or beet, refined sugar undergoes extensive chemical processing that strips away all naturally occurring nutrients, offering no nutritional value beyond calories. In contrast, Mauritius' unrefined cane sugars present a more wholesome and flavorful alternative. Produced from freshly extracted sugar cane juice, these sugars are minimally processed and retain their natural molasses, along with essential minerals and trace vitamins. Free from additives, colourants, and preservatives, Mauritius unrefined cane sugars offer a rich, authentic taste. Their distinct flavour and golden hue come from the molasses, a naturally occurring syrup that coats each crystal during the crystallisation process.

Choosing Mauritius unrefined sugars not only enhances the taste and character of culinary creations but also supports more sustainable and natural sugar production.

100% Natural. 100% Delicious. 100% Mauritius.



Comparing White Refined Sugar vs. Mauritius Unrefined cane Sugars

To truly understand the uniqueness of our specialty sugars and the differences between white refined sugar and unrefined alternatives, we must consider the following factors:



Sugar is not only about sweetness – it's a delicious experience waiting to be savoured.

1. Sweetening power

	WHITE REFINED SUGAR	UNREFINED SUGARS					
		DARK MUSCOVADO	DARK BROWN SOFT	LIGHT MUSCOVADO	FINE DEMERARA	GOLDEN CASTER	DEMERARA XL
Molasses	0%	15%	9%	7%	1%	1%	2%
Sucrose	100%	85-92%	91-95%	93-97%	99%	99%	98%

The higher the sugar content in molasses, the higher the aroma intensity.

Key takeaway: Unrefined sugars from Mauritius have a lower sweetening power ranging from 1% to 15% compared to refined white sugar.

"Sugars which taste less sweet but have more flavour."

THE MARKETING OF MAURITIUS SUGARS: SUSTAINING VALUE-CREATION THROUGH PARTNERSHIPS (CONT'D)

MAURITIUS SUGARS: ENDORSED BY EXPERTS FOR THEIR UNIQUENESS AND QUALITY

Mauritius’ unrefined cane sugars have been widely recognised by professionals across the pastry, bakery, chocolate, confectionery and ice cream industries for their exceptional quality. Described as “unique”, “highly qualitative”, and possessing an “extraordinary aroma”, these sugars continue to earn praise from chefs and artisans who value both flavour and authenticity in their creations.

Testimonies

about Mauritius Unrefined cane Sugars by a selection of chefs and artisans

(BAKERS, CONFECTIONERS, PASTRY AND ICE CREAM CHEFS)

‘Another sugar alternative for Professionals’

‘Their rich and authentic taste restores sugar to its full nobility, while offering a uniquely soft and moist effect to your pastries’

‘a fresh avenue for future creativity and innovation to add value to the pastry’

‘Excellent quality’

‘full-fledged ingredients that bring real added value to recipes’

‘a smart sugar, less sweet but offering more taste and aroma’

‘Easy to work with as they do not destabilise the original recipe’

‘A range of extraordinary, subtle and intense aroma’



P.B, Pastry Chef & Chocolatier:

Apart from their taste, the nutritive value of Mauritius Sugars is also interesting. There is no need to change recipes, as the sweetening power is also lower. This is what I call a ‘sucre intelligent’. Special decoration sugars like Demerara XL Sugar are truly exceptional for Chouquettes; offering more crunch and withstanding all freezing conditions. In terms of workability, there is a wide range of sugars, each suited for a different pastry application. Of course, sugars with a higher molasses content are much more compact, but the wide range offers the possibility to select a sugar that acts exactly like white sugar in most cases. Mauritius Sugars bring added value to a recipe. Introducing a fresh, new taste, they open up avenues for future creativity and innovation. Furthermore, the health benefits and flavour enhancement are major plus points!

K.T, Pastry Chef & Ice Cream Specialist:

First of all, I was pleased to note that Mauritius Unrefined Sugar is engaged in helping the small planters’ communities. We’re de-sugaring today. With unrefined sugars from Mauritius, we’re restoring sugar to its former glory by giving it flavour, as well as the nutrients it provides. As a result, we’re using less sugar in our recipes. While Dark Brown Soft Sugar is ideal for ice creams and crèmes brûlées, the Fine Demerara is aesthetically pleasing and immediately impresses people. In terms of taste, specialty sugars offer real added value compared to refined sugar, providing both subtle and intense flavours. The total amount of sugar in recipes is hence reduced; there is less sugar but more flavour! The aromatic notes of liquorice give a lovely aroma to the hazelnut praline.



S.S, Pastry Chef:

Muscovado is the caviar of sugars, with its unique aromas of vanilla and spices enhancing the taste of butter. From a crepe that is sprinkled with muscovado; releasing notes of vanilla, honey, and lemon, to a coconut mousse tinged with muscovado, reminiscent of delicate coffee, the specialty sugars are much more than simple sweeteners—they are full-fledged ingredients that bring real added value to recipes through their unique aromatic profiles.”

A.M, Pastry Chef:

Easy to work with, these unrefined sugars will bring more value and originality to your creations. Let your culinary creativity run wild by incorporating them into your most daring experiments. Their beautiful range of natural colours will brighten up your creations and make them visually stunning. Moreover, thanks to their antioxidant content and other nutrients, these sugars promote health and wellness. Their rich and authentic taste restores sugar to its full nobility, while offering a uniquely soft and moist effect to your pastries. A combination of flavour and well-being with every bite.

B.C, Baker & Pastry Chef

The Mauritius Unrefined Sugars, by its natural attributes, bring a variety of gustative, visual and sensorial possibilities. The Dark muscovado, which I use both as a decorative sugar as well as a sugar, is an ingredient used as a spice. This sugar is not one sugar to make it sweet. It illustrates perfectly how the art of pastry-making can promote the importance of high-quality, nutritionally rich ingredients. This sugar, rich in flavour, brings aromas and tastes that conventional white sugar cannot offer. Such ‘smart’ sugars are real treasures for lovers of fine and indulgent pastries, who seek flavourful experiences with unique accents.

T.L, Master Chocolatier & Confectioner

Having extensive experience in the chocolate and confectionery industry, I have observed the notable effects of using Mauritius unrefined sugars. Muscovado sugars, for example, are excellent for making caramels and pralines. They retain a distinctive liquorice note and a discerning taste in pralines. However, their use requires greater precision and increased monitoring of the cooking process. Proper evaporation of water, without burning the product, is one of the advantages of unrefined sugars. Beyond the technical aspects, the traceability of the product and its origin have become major concerns for us, professionals. Unrefined sugars, still too little known, represent an opportunity to evolve and work on renewed textures and flavours. These constitute an exciting new challenge for the chocolate and confectionery industry. We must adapt and rethink our techniques, while rediscovering authentic and unique flavours on the ‘bin to bar product segment. The Mauritius Unrefined Sugars, with its lower sucrose content, do also help in reducing the sweetening of our pastry while keeping and enhancing the taste. As such, pastry remain a pleasure with a natural product with health benefits.



PARTNERING WITH OUR CUSTOMERS – A MILESTONE TO ADDING VALUE

MSS firmly believes that its customers are the primary creators of value.

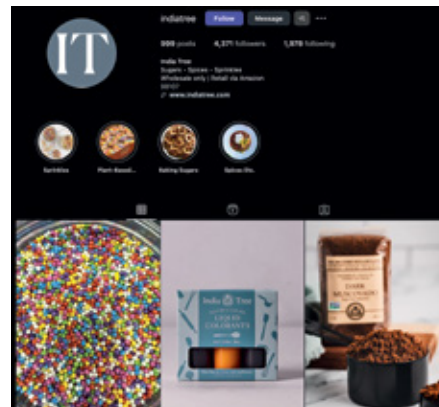
With this conviction at the core of its philosophy, it has developed and sustained a range of innovative and commercially driven initiatives aimed at enhancing the overall experience of Mauritius Sugars. From tailored support to creative collaborations, every effort is designed to elevate how its customers engage with, enjoy and promote the unique qualities of its sugars. A few examples are illustrated hereunder.

INDIA TREE BRINGS THE TASTE OF MAURITIUS TO THE U.S.

Since 1990, India Tree has been a trusted supplier of premium, non-GMO and Fairtrade-certified sugars in the United States, including the finest unrefined sugars from Mauritius. Their elegantly transparent packaging showcases the natural richness of the Dark and Light Muscovado and Demerara sugars, sustainably sourced and minimally processed to preserve their authentic flavour and nutritional integrity.

India Tree's robust marketing approach — spanning social media engagement, targeted Amazon advertising, email campaigns, and dedicated sales representation — has successfully positioned the Mauritius sugars among a diverse customer base, including home bakers, culinary professionals and major retailers across the nation.

MSS is proud to partner with India Tree in delivering the distinctive taste of Mauritius to kitchens throughout the United States, while jointly championing sustainability and quality.



THE MARKETING OF MAURITIUS SUGARS: SUSTAINING VALUE-CREATION THROUGH PARTNERSHIPS (CONT'D)

MAURITIAN SUGARS MAKE A SWEET IMPRESSION ON PÉPITES-CLUB

In a strategic collaboration with La Route du Sucre and Pépites-Club, MSS recently launched a targeted promotional campaign aimed at showcasing the exceptional qualities of Mauritian unrefined sugars to a distinguished culinary audience in France.

Pépites-Club, a renowned French platform connecting chefs with hand-selected artisanal products, provided an ideal stage to share the story, heritage and craftsmanship behind Mauritius' 100% natural, non-GMO sugars. Cultivated on volcanic soils without the use of insecticides or fungicides and processed using traditional methods, these sugars stand out for their authenticity, flavour and ethical production.

The campaign received overwhelmingly positive feedback from the culinary community, generating strong interest and increased sales across the full range of Mauritian sugars. It reaffirmed their place in modern gastronomy, where provenance, taste and sustainability are increasingly valued by chefs and food professionals.

Hosted exclusively on www.pepites-club.com from 2 to 13 April 2024, the initiative reached Pépites-Club's engaged community of chefs and culinary experts — individuals who are passionate about quality ingredients and the stories behind them. Throughout the two-week campaign, participants were introduced to the diversity and richness of Mauritian sugars through a variety of engaging content, including:

- A dedicated newsletter sent to over 10,000 industry contacts;
- Exclusive video features highlighting the origins and production of these sugars;
- Social media storytelling to deepen engagement and brand awareness;
- An insightful article authored by esteemed food journalist Stéphane Méjanès.

This initiative not only elevated the profile of Mauritian Sugars in the French culinary market but also strengthened our commitment to promoting sustainably produced, high-quality sugars to global audiences who value craftsmanship and authenticity.



MAURITIAN SUGARS MAKE THEIR MARK IN THE BAKERY AND PASTRY SEGMENT IN FRANCE

Through a strategic packaging, logistics and commercial partnership among Cristalco, La Route du Sucre and the MSS, Mauritian unrefined sugars are now being distributed to leading distributors across France serving the bakery and pastry sector.

This collaboration has facilitated the integration of Mauritius' high-quality sugars into the supply chains of renowned professional distributors in providing premium ingredients to artisan bakers and pastry chefs. These referencings have been done through the participation in specialized bakery/pastry fairs as well as face-to-face meetings where Cristalco has positioned itself as one-stop-shop for all sugar solutions, including the Mauritius Sugar Dark and Light Muscovados.



By expanding into this specialised segment, Mauritian sugars continue to demonstrate their relevance and appeal in professional culinary applications, offering natural flavour, authenticity and exceptional quality that meet the expectations of discerning industry experts.

NOUVEAUX PRODUITS

MUSCOVADO DARK ET LIGHT

100% PURE CANNE
Origine île Maurice

Cristalco est enthousiaste de vous présenter les sucres Muscovado, Dark et Light. Leur richesse aromatique et leur texture fondante en font des incontournables en cuisine !

Cristalco
BETTER BY NATURE

(*Mélasse : Sirop très visqueux, non-cristallin)

Une histoire de mélasse*
 Les sucres Muscovado sont obtenus par un procédé de fabrication simple qui préserve la mélasse naturelle de la canne à sucre et leur confère une humidité naturelle ouvrant un champ infini de possibilités.

LES +

- Apporte un moelleux incomparable aux pâtisseries et autres préparations.
- Améliore la texture des recettes avec une douceur naturelle.
- Profondeur aromatique --> des créations innovantes.

2 sucres

LIGHT MUSCOVADO

Humide
 7 % de Mélasse et 93 % de sucre
+ Chair
 Grande diversité d'utilisation
 Peu / pas d'impact couleur sur produit final
Aromes
 Miel, vanille, beurre, caramel doux

DARK MUSCOVADO

Humide
 15 % de Mélasse et 85 % de sucre
 + de mélasse donc plus de fondant !
+ Fondant
 plus de caractère
Aromes
 épice, fumé, caramel, beurre

Conditionnement
 Conditionnement : Cartons de 6 sachets de 1 kg

QUELQUES IDEES RECETTES...
 DANS LE SUCRÉ COMME DANS LE SALÉ.

Sucrée

Cookies : cacahuètes, café & miel de pécan, caramel & macadamia, noisettes cœur praliné, pistache & fleur d'oranger

Crème brûlée, glaze café & vanille, meringues, tiramisu, mousse au chocolat, brioche

Macarons, financiers...

Salée

Pure au caramel : une touche sucrée-salée irrésistible

En sauce...

Sauce caramel épicée pour viandes grillées, Sauce soja & Muscovado pour wok et sautés

Marinade sucrée-salée au gingembre et ail

Tel : +33 2 43 91 00 88 - Siège social : 81 Avenue de la Grande Arrière 97224 Petit-Port S.A.S. au capital social de 2 050 700 euros - R.C.S. Petit-Port 548 119 728 - SIRET 548 119 728 00015 - N° T.V.A. : - Société commerciale - PS 63 548 119 728

CRISTALCO ADDED INNOVATION TO ITS 'DADDY' SUGAR RANGE WITH MAURITIUS SUGAR

As part of its commitment to offering a diverse portfolio of quality sugars, Daddy (Cristal Union group) is introducing two new Muscovado sugars to its lineup. These wholegrain sugars are crafted through a minimalist manufacturing process that preserves the natural molasses of the sugar cane, resulting in a soft and moist texture, and rich and aromatic flavor.

They are produced directly from sugar cane juice, thus maintaining their authenticity and nutritional richness.

With this launch, Daddy continues to reinforce its position as a leader in the premium sugar segment, catering for both culinary enthusiasts and health-conscious consumers looking for natural, less refined alternatives.



THE MARKETING OF MAURITIUS SUGARS: SUSTAINING VALUE-CREATION THROUGH PARTNERSHIPS (CONT'D)

MAURITIUS SUGAR LAUNCHES ITS OWN BRAND IN THE GOURMET SEGMENT IN THE MIDDLE EAST

The MSS will be launching its exclusive gourmet sugar range in the United Arab Emirates, Oman and Qatar, in partnership with Chef Middle East — a subsidiary of The Chefs' Warehouse, renowned for delivering premium ingredients, exceptional service and world-class culinary support to the hospitality industry.

This launch marks a significant milestone in the international development of Mauritian Sugars, as MSS expands beyond its traditional retail channels into the high-end gastronomy and HORECA (Hotels, Restaurants, Cafés) sectors.

Chef.

Our **Crafting** Professionals.

Our team of experts provides industry professionals with personalized consultations and cutting-edge technical support.



A carefully curated selection of six unrefined sugars will be promoted as an exclusive offering by Chef Middle East and showcased at the prestigious *Salon du Chocolat et de la Pâtisserie* in Dubai, from 30th September to 2nd October 2025. This initiative is further elevated by the involvement of Chef Philippe Bertrand, holder of the prestigious *Meilleur Ouvrier de France* title in *Pâtisserie et Chocolaterie*. His expertise brings credibility and creative vision to this premium positioning strategy.

By entering the Gourmet and Culinary Excellence segment, MSS aims at enhancing the perceived value of Mauritian Sugars internationally and open new markets beyond retail. This launch in the GCC region forms the foundation of its broader expansion strategy.

Looking ahead, the MSS is preparing similar launches in Singapore and the United States. Additionally, it is developing a new product line that pairs its unrefined sugars with locally produced Mauritian rum, targeting the global duty-free and travel retail markets.

This dynamic evolution underscores MSS's commitment to innovation, value creation and the global celebration of Mauritius' exceptional sugar heritage.

MAURITIUS UNREFIND SUGARS:
THE ‘AROMATIC’ SUGARS



Dark Muscovado

Dark caramel and smoky flavour
*with a slightly bitter aftertaste,
with hints of burnt sugar
A very dark brown, almost black colour
Soft wet sand, clumpy and moist texture
Aroma intensity: 5/5



Dark brown soft

Caramelised to burnt notes, with hints of molasses,
caramel or even dried fruits.
Soft and slightly moist texture
Aroma reminiscent of maple syrup or dark rum
Amber-coloured
Aroma intensity: 4/5



Light Muscovado

Rich taste with hints of spice,
butter, and caramel flavour.
Pale brown to light brown crystals
A soft wet sand, clumpy and moist texture
Aroma intensity: 3/5

MAURITIUS UNREFIND SUGARS:
THE ‘FINE’ SUGARS



Fine Demerara

A delightful combination of honey
and caramel flavours
Fine sparkling amber crystals
Golden beige colour
Aroma intensity: 2/5



Golden Caster

Typically white with a slight golden hue
Subtle taste
A soft and crunchy texture
Smooth grains, ultra-fine crystals
The epitome of specialty sugars!
Aroma intensity: 1/5

MAURITIUS UNREFIND SUGARS:
THE ‘DECORATIVE’ SUGARS



Demerara XL

Pale golden brown colour
Large, dry and fluid crystals
Crunchy texture
Subtle notes of caramel and vanilla
Aroma intensity: 2/5

THE MARKETING OF MAURITIUS SUGARS: SUSTAINING VALUE-CREATION THROUGH PARTNERSHIPS (CONT'D)



Celebrating and Rewarding Our Global Partnerships -2nd Edition of the MSS Club Event – Paris, October 2024

On 21 October 2024, the MSS hosted the second edition of the MSS Club Event in Paris, bringing together 74 buyers from 20 countries to celebrate strategic partnerships and recognize exceptional contributions to the global success of Mauritius unrefined sugars.

The event served as a platform to showcase the versatility and quality of Mauritius sugars, reinforce relationships with international partners, and reward outstanding achievements in business development, innovation and marketing.

Key Highlights and Award Recipients:

- Innovative Product Development**
 Pinin Pero was recognized for the successful launch of Primero, a premium sugar brand that enhances flavour profiles in patisserie and ice cream applications.
- Global Market Expansion**
 Sunenge received accolades for introducing Mauritius sugars in South Korea, expanding their presence across supermarkets, food manufacturers and coffee franchises.
- Collaborative Ventures**
 Cristalco and La Route du Sucre were celebrated for incorporating Mauritius sugars into their bakery and pastry product lines, demonstrating the power of strategic collaboration.
- Marketing Excellence**
 The Billington's brand, belonging to the Silver Spoon Company, was commended for its innovative marketing initiatives that successfully positioned Mauritius Demerara Sugar as a premium offering for discerning coffee consumers.

MSS expressed appreciation for the unwavering dedication and strategic vision of its partners, whose continued collaboration has played a pivotal role in enhancing the global presence and value of Mauritius sugars.

Together, we are building a sweeter, stronger and more sustainable future.





MSS Award Ceremony to reward the best marketing practices implemented by customers in promoting Mauritius Sugar.

GEOGRAPHICAL INDICATION RECOGNITION

GEOGRAPHICAL INDICATION RECOGNITION

The MSS was awarded the prestigious Geographical Indication (GI) certification for “Mauritius Unrefined Sugar” by the Industrial Property Office of Mauritius (IPOM) on 6 December 2024. This landmark recognition, the first of its kind for Mauritius, not only celebrates the exceptional quality and heritage of Mauritian sugars but also enhances their prestige in global markets.

“Mauritius Unrefined Sugar” encompasses two families of special sugars: Demeraras and Muscovados. Crafted from locally grown, non-GMO canes and processed without artificial additives for colour or flavour, these sugars offer a unique sensory profile that sets them apart from conventional offerings. The GI certification safeguards their authenticity while reinforcing their distinctive characteristics, strengthening consumer trust in their provenance and quality.

Beyond reinforcing Mauritius’ agricultural legacy, GI status grants “Mauritius Unrefined Sugar” a competitive advantage in premium market segments. Globally, origin-certified products often command higher value, benefiting producers through stronger brand positioning and potential pricing advantages. This certification also aligns with evolving consumer preferences for traceable, high-quality ingredients, opening new opportunities and reinforcing the MSS’s commitment to sustainable production.

The GI certification is the result of extensive collaboration among key stakeholders,

including the Mauritius Chamber of Agriculture, the Terra and Alteo mills, and the Mauritius Sugar Cane Industry Research Institute, with the support of the European Union Intellectual Property Office (EUIPO) and the Intellectual Property Rights & Innovation in Africa (AfrIPI). Led by the MSS, these partners developed the Code of Practice and Control Plan for “Mauritius Unrefined Sugar”, ensuring rigorous quality standards and compliance with sustainability-driven agricultural principles.

Building on this milestone, the MSS, in collaboration with the International Trade Division of the Ministry of Foreign Affairs, Regional Integration and International Trade, is actively pursuing GI recognition within the EU, Mauritius’ primary export market. Securing EU endorsement would not only bolster the reputation of Mauritian sugars but also enhance their marketability. The certification process involves navigating complex regulatory requirements which, once achieved, would open doors for premium branding, greater international visibility, and stronger positioning alongside other globally recognised origin-certified products.

Mauritius’ successful GI recognition affirms the industry’s commitment to excellence and innovation. By elevating “Mauritius Unrefined Sugar” to an internationally recognised status, the MSS continues to champion quality, sustainability, and tradition, ensuring long-term growth for producers while setting new standards in the global sugar trade.





TIMELINE OF MAURITIUS SUGAR EVENTS

October 2024

**Fairtrade Global Sugar Advisory Summit 2024
Mauritius**



A Collaborative Future

Mauritius proudly hosted, together with Fairtrade International and Fairtrade Africa, the Fairtrade Global Sugar Advisory Summit, bringing together global sugar cane stakeholders to shape the future of Fairtrade sugar and tackle pressing industry challenges for smallholders.

October 2024

MSS Club Event 2024

Celebrating Innovation in Paris

MSS hosted the second edition of the MSS Club Event, welcoming 74 buyers from 20 countries. This evening celebrated partnerships, showcased Mauritius unrefined sugars, and awarded outstanding achievements in new business developments.



2024

2024

October 2024

SIAL Paris 2024

MSS participated in the world's leading hub for food innovation. During the event, it engaged with some 30 existing customers across the EU, Africa and Far East markets strengthening relationships with importers, distributors, retailers and industrial users.



November 2024

**7th China International Import Expo (CIIE) -
Shanghai**

Mauritius Unrefined Muscovados and Demerara sugars were put forward in the limelight by our trusted Chinese partner COFCO Sugar. Presentation of Mauritius' exceptional sugars to the Shanghai Municipal's congress and Economic Development Board, reinforced the industry's reputation for quality and innovation.



November 2024

Fine and Gourmet Food Festival

Mauritius Sugars shine in Dubai

MSS proudly put forward its premium unrefined sugars by presenting a marketing toolbox to 5 -star hotel pastry chefs and master distributors in the Middle East Region with the collaboration of French Pastry Chef Phillipe Bertrand.



December 2024

Mauritian Unrefined Sugars Awarded Geographical Indication status



A first for Mauritius, MSS was awarded the GI certification for “Mauritius Unrefined Sugar” by the Industrial Property Office of Mauritius in recognition of the Demerara and Muscovado sugar families unique origin, traditional production methods, and distinctive sensory qualities derived from locally grown, non-GMO sugar cane.

2024

2025

November 2024

17th Bakery Business Expo 2024 - Mumbai



MSS, in collaboration with Chenab Impex Pvt. Ltd, was present at India's leading event for bakery and pastry- a premier platform for the culinary and hospitality sectors. Through engaging presentations, MSS distinguished its unrefined sugars from the competition, attracting professionals and home bakers alike.

April 2025

Annual Africa Sugar Conference in Nairobi

Voices from the Global Stage

On 15-16 April, the CEO of MSS who participated in a Leadership Panel, took the stage by sharing the best practices in Mauritius with regards to the innovations in sugar and ethanol production.

May 2025

Sugar & Bioenergy International Conference in Dubai

On 6-7 May, the CEO of MSS took part in a Leadership Panel, ventilating about the Mauritius experience in sugar and bioenergy production and commercialization.

Crafted for Masters





SUSTAINABILITY

STRENGTHENING OUR COMMITMENT TO SUSTAINABLE SUGAR PRODUCTION

Sustainability remains central to the industry's approach to sugar cane cultivation and sugar production. Last year's annual report provided a comprehensive overview of key sustainability initiatives, including eco-friendly cultivation practices, the circular economy, carbon emissions reduction, water and waste management, and the importance of sustainability certifications. These principles continue to guide stakeholders in advancing their greening efforts.

Among these initiatives, green cane harvesting stands out as a transformative practice that has shaped Mauritius' sugar industry for over a century. This year, particular attention is given to this method, emphasising its environmental benefits, historical evolution and ongoing impact on sustainable farming practices. As a fundamental pillar of responsible agriculture, green cane harvesting plays a critical role in reducing emissions, preserving soil health and fostering a healthier environment for workers and surrounding communities.

The following section explores this essential practice in greater details, reinforcing the commitment to sustainability and demonstrating how green cane harvesting contributes to both people and the planet.

GREEN CANE HARVESTING

Green cane harvesting continues to be the cornerstone of sustainable sugar production on the island. Mauritius holds a special place in this practice, being among the first countries in the world to adopt green cane harvesting in the early 1900s. The French agronomist Phillipe Bonâme advocated for this method due to its benefits in controlling sugar cane pests, laying the groundwork for environmentally conscious farming practices.

This approach was temporarily overtaken by pre-harvest burning between 1975 and 1995, during the era of push-piling cane loading. However, with the introduction of chopper-harvesters in

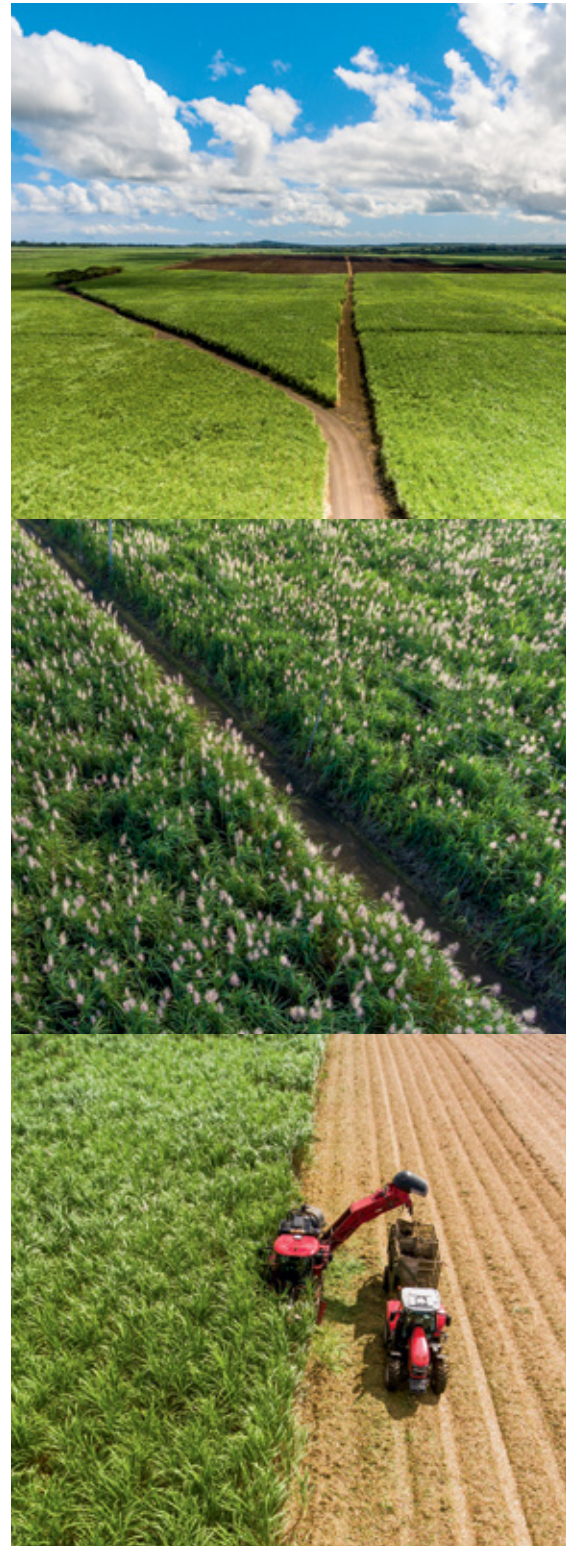
1990, the island gradually reverted to green cane cutting. Today, over 95% of Mauritius' sugar cane fields adhere to this sustainable harvesting method.

Green cane harvesting ensures the production of high-quality sugars while safeguarding the well-being of our people, communities and the natural environment. Unlike the prevalent method in many cane sugar producing regions, where pre-harvest burning is standard, our approach avoids the harmful emissions and environmental degradation associated with cane burning.

Beyond its environmental advantages, green cane harvesting brings significant health benefits to agricultural workers as this method drastically reduces exposure to airborne dust, ash and fine particulate matter – common pollutants that are prevalent in regions relying on burnt cane harvesting. Studies have linked prolonged inhalation of these pollutants to respiratory ailments and an increased risk of chronic kidney disease (CKD), a condition that disproportionately affects workers in environments where burnt cane harvesting is the norm. By prioritising green cane harvesting, we mitigate these health hazards, fostering safer working conditions and contributing to the long-term well-being of those who sustain our industry.

By harvesting cane in its natural state, greenhouse gas (GHG) emissions are significantly reduced, contributing to global efforts to combat climate change. This method also enhances soil health and biodiversity, as the residual plant matter left behind acts as a natural mulch, suppressing weeds and retaining soil moisture. Furthermore, green cane harvesting minimises air pollution, ensuring cleaner and healthier living conditions for nearby communities.

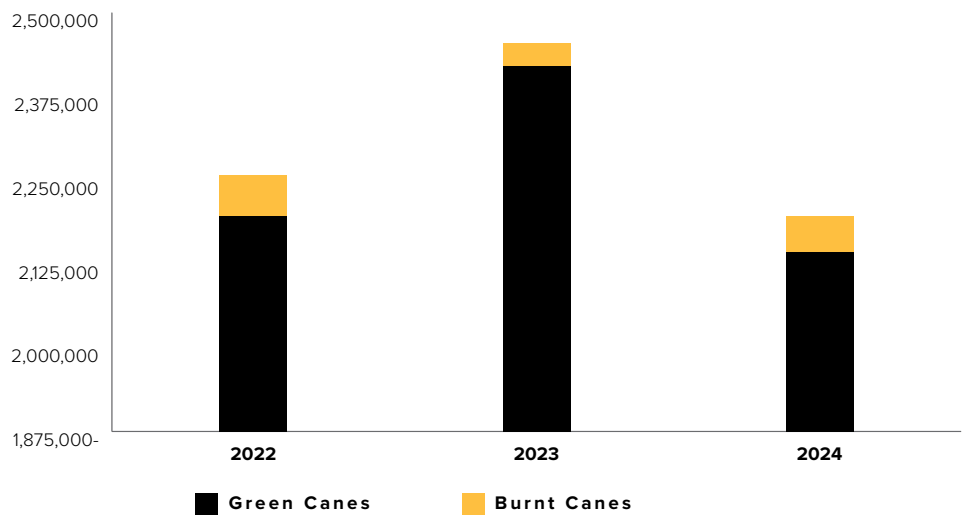
For fields that require burning due to replantation needs, strict adherence to the industry's Code of Cane Burning Practice is recommended. This code mandates cool burning techniques, which involve setting small, low-intensity fires during cooler periods, such as at night or early morning, when dew helps to mitigate the intensity of the flames. These controlled burns are conducted with utmost care to minimise environmental impact and ensure safety.



SUSTAINABILITY (CONT'D)

The volume of burnt cane supplied to mills has remained minimal over recent years, highlighting our commitment to sustainable practices. Burnt cane deliveries accounted for 2.7% of the total harvest in 2022, 1.4% in 2023, and 2.4% in 2024. While fluctuations can occur mainly due to accidental or criminal fires, the overall percentage remains low. This consistent trend demonstrates our ability to limit burning while maintaining the efficiency of our operations and prioritising environmental stewardship.

GREEN & BURNT CANES SUPPLIED TO MILLS (MT)



SUSTAINABILITY CERTIFICATION

The MSS, attuned to the evolving expectations of its customers and the broader market, places substantial emphasis on advancing sustainability principles and practices. By highlighting the achievements of its members and providing customers with credible assurances, the MSS reaffirms its steadfast commitment to sustainability through active dialogue and collaboration with supply chain partners. Integral to this strategy is adherence to globally recognised sustainability standards and participation in independent reporting frameworks, which have yielded promising results.

During the 2024 crop campaign, Bonsucro-labelled sugar production from canes supplied by 3 certified farms feeding the accredited Alteo and Omnicane mills, totaled 51,225 tons - a 3.4% decrease compared with the 53,057 tons produced in the previous year. This reduction, however, remains modest relative to the island-wide sugar production decline of 5.6% over the same period, underscoring the positive impact of adopting sustainability principles embedded within certification systems. Furthermore, sales of

Bonsucro-certified sugar demonstrated significant improvement, rising from a modest 6.6 tons in 2023 to 43,125 tons during the period under review. This sharp increase reflects shifting market preferences, heightened awareness of sustainability initiatives among buyers, and the growing demand for ethically sourced sugar within global supply chains. Additionally, the uptake was influenced by corporate sustainability commitments, where food and beverage manufacturers are increasingly integrating certified raw materials into their production lines to meet environmental and social governance (ESG) targets. These sales included 19,223 tons from the 2023 crop, converted to VIVE, a continuous improvement sustainability initiative operated by a global sugar company and tailored to food ingredient supply chains. While premiums for these certified sugar sales remain relatively low, the substantial increase in uptake marks encouraging progress and provides fertile ground for future growth. The surge in demand for Bonsucro-certified sugar reinforces the MSS's long-term vision of expanding sustainable sugar production and positioning Mauritius as a key player in global sustainability-driven markets.

Notably, in addition to the Omnicane and Alteo mills, which are already certified, Terra Milling has reignited interest in obtaining accreditation. The visit of the Bonsucro's Regional Director to Mauritius in early 2025 has provided further impetus to this movement, with other major corporate growers expressing keen interest in achieving certification.

Regarding Fairtrade sugar production, all 22 supplying cooperatives retained their certification over the period under review, although production experienced a modest year-over-year decline from 16,916 tons to 15,807 tons. As in previous campaigns, the MSS ensured that most of these certified sugars got sold under Fairtrade terms, thus guaranteeing that certified producers received the maximum premium of USD 60 per ton across their total production. This continued success reinforces the value of Fairtrade certification in securing stable market access and supporting producers in achieving fair remuneration for their efforts.

Additionally, the MSS Multi-purpose Co-operative Society Ltd, which became certified in June 2024, continues to benefit from the MSS's administrative and technical support. This cooperative supplied 3,556 tons of sugar during the 2024 campaign, an increase from 3,195 tons in 2023. Notably, this cooperative, composed of 342 previously-free-planters and only in its second year of certification, accounts for nearly 25% of the island's total Fairtrade sugar production. Plans are in place to recruit further members for the 2025 crop campaign, thereby bolstering the cooperative's certified sugar output and contributing to the expansion of Fairtrade sugar exports from Mauritius.

Encouraging outcomes were recorded for the bio-fertiliser project involving two cooperatives, which was funded by Fairtrade International. The success of this initiative has led to an additional Rs. 3.0 M in funding for all certified cooperatives to invest in the project. Its aims include reducing greenhouse gas emissions, enhancing soil health and fertility, lowering production costs, and increasing farmers' income through improved yields. Furthermore, in continuation of its partnership with Fairtrade International, the MSS remained actively involved in the development of an application for measuring carbon emissions at farm level. This application, developed by Sustainable AG (formerly Soil and More Impacts), an EU consultancy firm, is scheduled for testing by producers during the 2025 crop campaign.

FAIRTRADE GLOBAL SUGAR ADVISORY SUMMIT 2024

In October 2024, Mauritius hosted the Fairtrade Global Sugar Advisory Summit, a landmark event that brought together over 60 stakeholders from across

the global sugar industry – including producers from Belize, Costa Rica, El Salvador, Eswatini, Fiji, Malawi, Mozambique, and Mauritius, as well as buyers from Europe and the United States. Driven by Fairtrade International and Fairtrade Africa, the Summit served as a vital platform for dialogue on sustainability, market trends and the evolving role of Fairtrade certification in a rapidly changing global landscape. Apart from the MSS, which, as a member of the Fairtrade Global Sugar Product Advisory Council, played a central role in organising the event, local institutions like the Mauritius Sugar cane Industry Research Institute and the Farmers' Service Agency also participated in the discussions, contributing valuable insights from the Mauritian context. The Summit's inauguration was marked by the participation of the Mauritian Minister of Cooperatives, underscoring Government's support for inclusive and sustainable development in the sugar sector.

Key discussions focused on the challenges of climate change, labour shortages and regulatory compliance, while also highlighting innovations in sustainable farming practices such as the use of bio-fertilisers and cover crops to reduce greenhouse gas emissions. The Summit underscored the importance of Human Rights and Environmental Due Diligence (HREDD) and reaffirmed the shared commitment to ethical sourcing and fair compensation for smallholder farmers.

The Summit also served as a valuable platform for peer learning and cross-regional exchange. Delegates engaged in in-depth discussions on market dynamics, including the evolving demand for Fairtrade sugar in key markets. These conversations provided participants with a clearer understanding of the regulatory frameworks, compliance expectations and commercial opportunities shaping the future of Fairtrade sugar exports. A highlight of the Summit was the visit to the Omnicane flexi-factory and the sugar cane field of a Fairtrade-certified planter. Delegates observed the full production cycle, gaining firsthand insight into the operational realities and sustainability practices of Mauritius' sugar industry. These visits underscored both the strengths and challenges of certified sugar production, particularly in the context of labour shortages and climate-related pressures and reinforced the importance of continued collaboration across the global Fairtrade network.

Mauritius' leadership in Fairtrade sugar was further strengthened by its strong export performance and the active role of the MSS in supporting certified cooperatives. The summit concluded with a collective commitment to bolstering the Fairtrade system and ensuring that producers remain at the heart of decision-making processes – an ethos that continues to guide the MSS's sustainability strategy.

QUALITY AND FOOD SAFETY

QUALITY AND FOOD SAFETY

The Mauritius Sugar Syndicate (MSS) is committed to delivering high-quality sugars that meet both domestic and international standards, ensuring consumer safety, consistency and compliance. The MSS Quality Department works closely with customers, manufacturers and regulatory bodies to define precise product specifications, catering for various market segments, including industrial applications, retail packaging and food service needs.

Before the start of the harvest, the MSS provides mills and storage facilities with detailed guidelines outlining best practices for production, handling and storage, ensuring adherence to the highest quality and safety protocols. These guidelines define essential parameters such as sugar purity, moisture control, granulation uniformity, packaging integrity and contamination prevention, all crucial to maintaining the industry's reputation for excellence in global markets. To reinforce compliance, it conducts regular audits and inspections at production and storage facilities sites, evaluating manufacturing processes, hygiene practices, and packaging standards. Additionally, laboratory testing is conducted to verify chemical and microbiological safety, ensuring all sugar products meet strict regulatory requirements.

Ensuring trust, accuracy, and competence remains at the heart of the MSS laboratory services. Building on its ongoing commitment, the MSS Quality Department continues its pursuit of ISO/IEC 17025 accreditation — a globally recognized benchmark for testing and calibration laboratories. While meaningful progress has been made, the accreditation process remains ongoing. The team is currently working to meet specific technical requirements of the standard involving independent external audits.

The Quality team continuously collaborates with stakeholders to refine its processes, integrating advanced monitoring technologies and innovative quality management systems to enhance supply chain efficiency. Through proactive engagement, customer responsiveness and industry leadership, the MSS remains dedicated to ensuring that Mauritian sugar consistently meets the highest standards, reinforcing its global standing as a trusted supplier of premium-quality sugar.

CUSTOMER SUPPORT AND COMMITMENT TO EXCELLENCE

The MSS values the insights and perspectives of its customers, recognizing their essential role in shaping market expectations and driving continuous improvements. Feedback received from buyers allows it and its industrial partners to maintain the highest standards of quality for Mauritian sugar products, ensuring that production and supply processes align with evolving consumer demands. Its commitment to excellence extends across all aspects of its operations, including product quality enhancement, supply chain optimization and strong industry collaboration.

The MSS also places great emphasis on customer support, ensuring that all concerns regarding product quality or food safety are swiftly and effectively addressed. Through a structured complaint resolution process, it conducts detailed investigations, quality assessments and proactive engagement with buyers to provide timely solutions that uphold trust and satisfaction. Additionally, the MSS provides support to its customers in managing insurance claims arising from loss of use of sugar products due to unforeseen circumstances. Its team provides expert guidance, documentation and support to streamline claims processing, hence mitigating financial risks for both producers and customers.

TECHNICAL VISITS

As part of its ongoing commitment to enhancing operational efficiency and leveraging technological advancements in sugar production and packaging, MSS facilitated the participation of a technical delegation from the Alteo, Terra and Omnicane mills to visit key facilities of Silverspoon in the United Kingdom and Cristalco in France in January 2025. This initiative aimed at exploring automation and instrumentation technologies that could optimize their processes. The visits provided valuable insights into various aspects of modern sugar processing and packaging. At British Sugar mills, cutting-edge automation and instrumentation technologies were observed, showcasing how precision and efficiency are maximized while reducing manual intervention. The delegation also visited Silverspoon's warehouses where barcoding technology is used to streamline stock inventory management and improve product traceability, and the retail packaging site where advanced process controls ensure consistency, quality assurance and waste reduction. In France,

Cristalco's facilities demonstrated effective logistics practices within the storage warehouse for special sugars, minimising spoilage and optimising distribution. At their retail packaging plant, stringent quality controls safeguard packaging integrity and maintain product consistency. Additionally, insights were gained from the beet sugar production plant, where advanced processing techniques contribute to yield efficiency and uphold high-quality production standards. The findings from these visits will play a crucial role in the Mauritian sugar sector's strategic initiatives to implement best practices, enhance automation and optimize supply chain operations, thereby ensuring that industry-leading standards are maintained and continuously improved.

34TH ICUMSA SESSION

The MSS Head of Quality & Compliance participated in the 34th ICUMSA Session, held from 2 to 5 March 2025 in New Delhi, India. This is a significant platform for discussions on advancements in sugar processing and analytical methodologies. Organized by the Sugar Technologists Association of India (STAI), in collaboration with the Indian National Committee of ICUMSA, the session focused on upgrading industry standards and improving techniques across various general subjects. Among the 18 working papers presented, 10 were particularly relevant to Mauritius Sugars, with key discussions on White Sugar, Special Sugars and Plantation White Sugar. The session addressed the finalisation of an iodometric method for sulphite determination in White Sugar, with ongoing studies to compare its performance against the established ICUMSA colorimetric method GS2-33.

Findings confirmed that sulphite content is lower in cane sugar than in beet sugar, and comparative studies showed promising alignment between the two techniques, though further validation is required for broader sulphite concentrations. In the Special Sugars segment, the introduction of ICUMSA Method GS3-31 (2023) for 5-Hydroxymethylfurfural (HMF) determination in sugar syrups using HPLC marked an important step, now designated as an Official Method. Further collaborative studies will assess the applicability of color determination methods in Demerara and Muscovado sugars, reflecting industry feedback that visual color assessment is more pertinent to buyers than color in solution analysis. Discussions on Plantation White Sugar led to the extension of GS2-33 for sulphite determination in plantation white sugar and modifications to GS2/3/9-19 to improve filtration processes, with further studies planned. The session provided valuable insights into

the latest advancements in sugar analytics, reinforcing MSS's commitment to global industry standards. ICUMSA methods updates and new nomenclatures were also approved during the session. Active participation in discussions led to the confirmation of MSS Head of Quality & Compliance as Associate Referee for GS2 White Sugar, GS3 Specialty Sugars, and GS9 Plantation White Sugar, ensuring continued involvement in critical research initiatives and collaborative studies aimed at refining ICUMSA methodologies and advancing industry standards.

BAG SUPPLIER AUDIT

The MSS Head of Quality & Compliance conducted a series of audits with its key Poly Propylene bags suppliers. The audits confirmed that they all fully adhere to MSS's quality and compliance standards, ensuring consistency in manufacturing processes, durability and supply chain reliability. Beyond adherence to industry norms, each supplier showcased technological innovations in automation and process control, highlighting advancements designed to enhance production efficiency, optimize material performance and improve sustainability. These developments align with MSS's commitment to strengthening supply chain integrity, ensuring high-quality packaging solutions and fostering strategic partnerships that support innovation within the industry.

BARCODE TECHNOLOGY INTEGRATION IN THE SUGAR SUPPLY CHAIN

As part of its commitment to operational excellence and digital transformation, MSS has initiated a project to implement barcode technology across the sugar packaging, transportation, and warehousing chain. Currently in the design and stakeholder consultation phase, this initiative is being developed in collaboration with key internal and external partners to ensure a seamless and effective rollout. The objective is to transition from manual processes to a streamlined, automated system incorporating barcode labeling, scanner technology and ERP integration. This will enable real-time inventory tracking, improve accuracy and strengthen traceability across the supply chain. This initiative highlights the MSS's forward-looking approach and reinforces its strategic focus on innovation-driven growth.

A Continuous Journey Towards Excellence



2021.

Creation of the Mauritius Sugar Logo to promote Mauritius Origin

2020.

Definition of the Mauritius Sugars 6 pillars

- 01. WHOLESOMENESS
- 02. TASTE
- 03. HEALTHY BENEFITS
- 04. TRACEABILITY
- 05. SUSTAINABILITY
- 06. EASY & CONVENIENT SOURCING



2022.

Launch of MSS Club 'Les Grands Sucres'

2022.

Rewarding customers with the
MSS Awards ceremony in EU
and Middle East



2025.

MSS Branding–
Launch of Mauritius
Sugars targeted at
Gourmet market



2024.

**G.I Recognition for
Mauritius Unrefined Sugars:**

- MAURITIUS MUSCOVADO SUGARS
- MAURITIUS DEMERARA SUGARS

PAYMENT TO PRODUCERS

CROP FINANCING

For the 2024 crop, advance payments were initially disbursed to producers on the basis of a conservative ex-Syndicate price estimate of Rs 22,000 per ton sugar. Payments were made in alignment with their categorization, distinguishing between Growers cultivating less than 100 hectares and Other Producers, as outlined in the table below. By June 2025, the sugar advance rates for the two categories had reached Rs 23,300 per ton of sugar, before the final settlement of Rs 4,178 on 17 July 2025.

Period	Growers cultivating less than 100 hectares		Other Producers	
	Advances	Cumulative Advances	Advances	Cumulative Advances
July 2024	17,600	17,600	13,200	13,200
September 2024	800	18,400	600	13,800
December 2024		18,400	2,000	15,800
March 2025	1,200	19,600	1,500	17,300
April 2025		19,600	1,000	18,300
May 2025	1,700	21,300	3,000	21,300
June 2025	2,000	23,300	2,000	23,300
July 2025	4,178	27,478	4,178	27,478

Producers are entitled not only to sugar proceeds paid by the Mauritius Sugar Syndicate (MSS) but also to remuneration for the co-products of sugar manufacturing, namely molasses and bagasse. For the 2024 crop season, the price of molasses, inclusive of the Distiller–Bottler Contribution of Rs. 40 per litre of absolute alcohol, amounted to Rs. 4,671.68 per ton, reflecting a slight reduction from the previous year’s price of Rs. 4,687.16. As for the price of bagasse which was originally set by the Government at Rs. 3,300 in 2021, it was finalised at Rs. 2,984.75 during the 2024 campaign, slightly exceeding the Rs. 2,971.92 recorded in 2023. This pricing structure reflects the electricity exported to the national grid at the prevailing rate of Rs. 3.50 per kWh. Additional financial details are provided in the Financial Section of this report.

The total revenue derived by planters therefore attained Rs 32,564, which was higher than the minimum price of Rs 30,000 per ton sugar guaranteed by Government for growers producing up to 60 tons sugar, hence requiring no topping-up by the latter. As for millers, who are not entitled to molasses payment, total revenue per ton sugar reached Rs 30,463.

FINANCIAL SUPPORT TO PRODUCERS

The Cane Revolving Replantation Fund, introduced by the Development Bank of Mauritius (DBM) in 2022 to provide loans to larger growers at a preferential annual interest rate of 2.5%, was extended for an additional year by Government, as announced in the 2024/25 national budget. Out of the 14,477 hectares earmarked under this scheme, approximately 6,995 hectares have been replanted to date. Moreover, the Cane Replantation Scheme, which provides financial support for smaller growers for replantation, saw its grant per arpent increase from Rs. 50,000 to Rs. 60,000. In 2023, this scheme had benefited 935 sugar cane farmers cultivating 670 hectares of land, while another 757 farmers, covering an area of 560 hectares, took advantage of the facility in 2024. At time of writing, some 323 hectares had already been planted and land preparation works are in progress on the remaining extent. Loan repayments under both schemes are facilitated through an agreement between the MSS and the DBM, ensuring repayment by channeling a portion of the producers’ sugar proceeds to the latter. Replantation efforts were nevertheless hindered over the period under review by a prolonged drought and inadequate irrigation facilities.



The MSS otherwise maintained its long-standing cost deduction arrangements with cane management and harvest service providers for planters in the Alteo and Omnicane factory areas. These deductions were made directly from their sugar earnings to repay service providers, eliminating additional charges for the concerned planters. During the 2024 campaign, there was a slight decline in harvested sugar cane volumes, with 29,362 tons supplied by 263 growers across 745 hectares, compared with 30,336 tons from 292 planters over 771 hectares in the preceding crop.

In line with agreements established with millers, the MSS enabled payments to eligible planters, covering refunds for transport costs exceeding 4 miles (6.4 km) as well as compensation for weighbridge closures. For the 2024 crop, a total of Rs. 35.1 M was distributed to planters, reflecting a slight decrease compared with Rs. 37.5 M allocated in the previous year.

Additionally, under the Fertiliser Subsidy Scheme, the MSS, acting on instructions from the Mauritius Cane Industry Authority (MCIA), deducted 50% of the cost of fertilisers supplied to planters cultivating less than 100 hectares directly from their sugar proceeds. Whereas this initiative recovered Rs. 110.7 M from 6,413 planters for the 2023 crop, Rs. 83.5 M were deducted from 6,164 planters for the 2024 crop and subsequently remitted to the MCIA.

Finally, during the period under review, fire and flood compensation for the 2024 harvest amounting to Rs. 6.9 M was disbursed to eligible producers on behalf of the Sugar Insurance Fund Board (SIFB).

A key development in the 2024 crop season was the MSS's decision to internalise the processing of all payments related to sugar and other cane proceeds, which had previously been outsourced. By adopting the Oracle NetSuite application, a platform for payment handling, the MSS achieved greater ownership of its payment processes and reduced dependence on external service providers. While this strategic move has streamlined the payment system, further enhancements are in progress to comprehensively meet its requirements and optimise its effectiveness.

FINANCIAL REVIEW

HIGHLIGHTS - 2024 - 25

TOTAL SUGAR SALES REVENUE

Rs 11,037 M

2023 - 24: Rs 13,074 M

SUGAR SALES REVENUE EXCLUDING FROM IMPORTED SUGAR

Rs 8,328 M

2023 - 24: Rs 10,522 M

Rs 6,237 M

NET REVENUE DISTRIBUTED TO PRODUCERS

2023 - 24 : Rs 7,429 M

Rs 2,195 M

TOTAL EXPENDITURE EXCLUDING IMPORTED SUGAR (FOR OMOL REFINING)

2023 -24 : Rs 3,400 M

309,813 MT

SALES VOLUME (INCLUDING FROM IMPORTED RAW SUGAR FEEDSTOCK)

2023 - 24: 332,725 MT

Rs 27,478
PER TON SUGAR

EX- SYNDICATE PRICE

2023 - 24: Rs 30,951
PER TON SUGAR



PERFORMANCE

Summary Statement of Income and Expenditure - Determination of Ex Syndicate Price

	Crop 2024	Crop 2023
	Rs M	Rs M
Revenue	11,115	13,138
Expenditure		
Direct operating costs	4,487	5,484
Other operating costs	500	403
	4,987	5,887
Net Revenue before Net Finance costs	6,128	7,251
Net Finance costs	178	161
Gain exchange	-287	-339
Net Revenue to distribute to Producers	6,237	7,429
Production - Pol Basis - MT	226,972	240,011
Ex Syndicate Price - Rs/MT	27,478	30,951

Sales Volume & Revenue Analysis

	Crop 2024	Crop 2023
Sales Volume		
Special Sugars MT	118,471	131,208
White Refined Sugar MT	191,342	201,518
	309,813	332,726
Sales Revenue		
Special Sugars Rs M	5,034	5,474
White Refined Sugar	6,003	7,600
	11,037	13,074

Total revenue for the 2024 crop year, including sales generated from both locally produced sugars and non-originating raw sugar, stood at Rs 11,115 M, down by 15% compared with the previous year's revenue of Rs 13,138 M. Along the same line, sales volume reached 309,813 MT, recording a 7% decrease from the previous crop figure. The year under review witnessed a general decline in sugar prices on the world market as well as in the MSS traditional EU market.

Direct operating costs amounted to Rs 4,487 M, a decrease of 18% from the previous year when they stood at Rs 5,484 M, in line with the decline in sales volume and revenue.

The MSS's administrative and other charges stood at Rs 89 M as compared to Rs 65 M for the previous year, explained mainly by a credit in retirement benefit obligations expenses obtained in the previous year, and increased computer expenses related to the implementation of the new ERP system in the year under review.

Net finance costs increased by 10% to reach Rs 178 M, mainly due to a general increase in interest rates on both rupee and foreign currency borrowings. Rigorous foreign exchange management within a highly volatile market albeit resulted in a net foreign exchange gain of Rs 287 M

The ex-Syndicate price for Crop 2024 finally closed at Rs 27,478 per ton sugar, down by 11% from the previous crop price.

PERFORMANCE (CONT'D)

TREASURY MANAGEMENT AND BORROWINGS

Throughout the 2024 crop season, the Mauritius Sugar Syndicate (MSS) disbursed advances based on the estimated ex-Syndicate sugar price, set at 80% for planters cultivating up to 100 hectares and 60% for other producers. As of 30 June 2025, cumulative disbursements reached Rs 5.3 billion. These advances were financed via existing banking facilities and the issuance of Money Market Instruments.

The MSS consistently aims to secure the most competitive financing terms to support its working capital, despite evolving and challenging market dynamics. At the outset of the 2024 crop year, the Bank of Mauritius Key Rate stood at 4.50%. This was revised downward by 50 basis points on 20 September 2024, before returning to 4.50% on 4 February 2025.

FOREIGN EXCHANGE RECEIPTS AND HEDGING PERFORMANCE

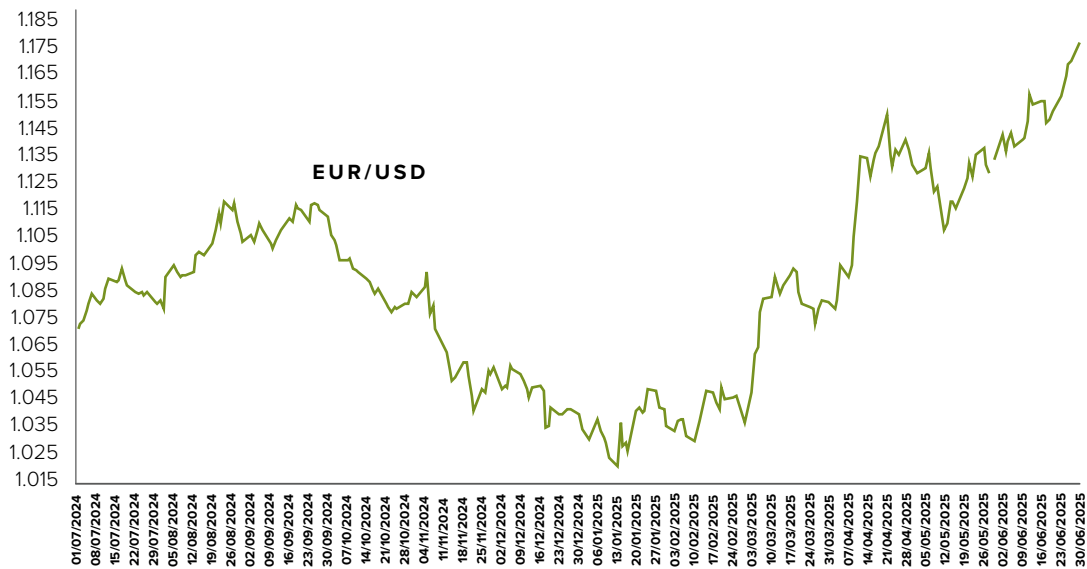
Total revenue from sugar sales during the 2024 crop year amounted to Rs 11.03 Bn, including Rs 1.3 Bn from domestic sales. Export proceeds totalled Rs 9.7 Bn where 37%, 54% and 9% were denominated EUR , USD and GBP respectively.

Foreign currency hedging commenced in August 2024, when the EUR traded at USD 1.10. At that time, the Mauritian Rupee was trading against the EUR, USD and GBP at Rs 50.48, Rs 45.90 and Rs 58.80 respectively.

In response to inflation and economic challenges, the European Central Bank initiated a decisive monetary easing cycle from June 2024, lowering its rate from 3.75% to 2% through seven successive cuts. While rates are expected to hold steady, caution prevails amid geopolitical tensions and risks to global growth.

Conversely, the Federal Reserve undertook four rate reductions during 2024—from 5.25% to 4.25%—although no changes occurred during the first semester of 2025 due to persistent inflation. Market expectations point to two further potential cuts by year-end, contingent on labour and inflation fundamentals.

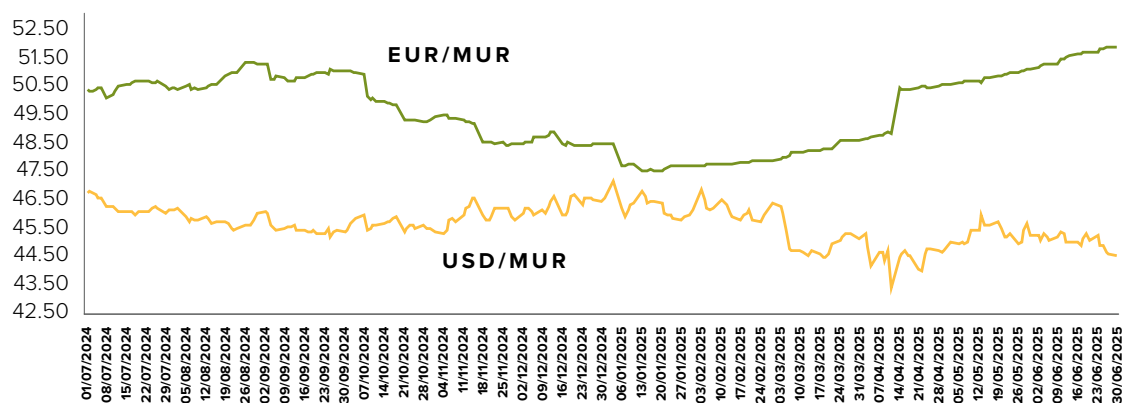
Volatility marked the EUR/USD exchange rate throughout FY 2024/25, ranging from a low of 1.02 in January 2025 to a high of 1.1779 as of 30 June 2025 as depicted in the table below:



During the same period, the Mauritian Rupee depreciated against the Euro by approximately 3%, from Rs 50.45 in July 2024 to Rs 52.00 by end-June 2025, while an appreciation was recorded against the US Dollar by 5%, from Rs 46.80 in July 2024 to Rs 44.59 in June 2025.

The Bank of Mauritius intervened 19 times between July 2024 and April 2025, injecting USD 415 million at an average exchange rate of Rs 46.30.

EVOLUTION EUR/MUR AND USD/MUR – 1 JUL 2024 to 30 JUNE 2025



Perfected to the Grain





REPORT OF THE INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS

TO THE MEMBERS OF THE MAURITIUS SUGAR SYNDICATE

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Mauritius Sugar Syndicate (the "Syndicate") set out on pages 75 to 106 which comprise the statement of financial position as at 30 June 2025, and the statement of income and expenditure and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Syndicate for the year ended 30 June 2025 are prepared in all material respects, in accordance with the basis of preparation of the Syndicate described in note 2(a).

Basis for Opinion

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

Emphasis of Matter- Basis of preparation and restriction on use

We draw attention to note 2(a) to the financial statements, which describes the Basis of Preparation of the financial statements. The financial statements are prepared to assist the Syndicate in meeting its obligation to prepare financial statements for its members in accordance with the mandate of the Syndicate. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Syndicate and its members and should not be used by parties other than the members of the Syndicate. Our opinion is not modified in respect of this matter.

Other Information

The members of the Main Committee are responsible for the other information. The other information comprises the information included in the 106-page document titled "Mauritius Sugar Syndicate – Audited Financial Statements for the year ended 30 June 2025", which includes Role & Status of Mauritius Sugar Syndicate, Committee Members & Staff, Bio-Data of the Syndicate's Executive & Selling Committee Members, President's Report, CEO's Report, Governance, Risk Management, Audits & Internal Controls, 2024 Crop Production & Sales Performance, Deliveries, Payment to Producers, A Continuous Journey Towards Greater Heights, Timeline of Mauritius Sugar Events, Sustainable Production Environment, Assuring Quality & Food Safety and the Financial Review. The other information does not include the financial statements and our auditor's report thereon.

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

REPORT OF THE INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS

TO THE MEMBERS OF THE MAURITIUS SUGAR SYNDICATE

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Other Information (Continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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 Members of the Main Committee for the Financial Statements

The members of the Main Committee are responsible for the preparation of the financial statements in accordance with the basis of preparation stated in note 2(a) and for such internal control as the members of the Main Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The members of the Main Committee are also responsible for determining that the basis of preparation is appropriate for the purpose the financial statements are prepared for.

In preparing the financial statements, the members of the Main Committee are responsible for assessing the Syndicate's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the members of the Main Committee either intend to liquidate the Syndicate or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Syndicate's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members of the Main Committee.

REPORT OF THE INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS

TO THE MEMBERS OF THE MAURITIUS SUGAR SYNDICATE

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

- Conclude on the appropriateness of the members of the Main Committee's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Syndicate's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Syndicate to cease to continue as a going concern.

We communicate with the members of the Main Committee 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.

Use of our report

This report is made solely to the Syndicate and its members, as a body. Our audit work has been undertaken so that we might state to the Syndicate and its members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Syndicate and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

ERNST & YOUNG
Ebene, Mauritius

JOYCE FUNG WAN SANG, F.C.C.A.
Licensed by FRC

Date: 09 September 2025

STATEMENT OF FINANCIAL POSITION

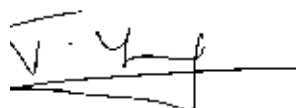
AT 30 JUNE 2025

	Notes	2025 Rs'000	2024 Rs'000
ASSETS			
NON-CURRENT ASSETS			
Equipment	4	15,536	5,830
Intangible assets	5	6,490	737
		22,026	6,567
CURRENT ASSETS			
Inventories	6	224,931	593,590
Trade and other receivables	7	4,841,818	3,809,007
Cash and cash equivalents	8	317,386	973,987
		5,384,135	5,376,584
TOTAL ASSETS		5,406,161	5,383,151
LIABILITIES			
NON-CURRENT LIABILITY			
Employee benefit liabilities	9	20,750	13,567
		20,750	13,567
CURRENT LIABILITIES			
Borrowings	10	3,733,096	2,949,716
Trade and other payables	11	1,652,315	2,419,868
		5,385,411	5,369,584
TOTAL LIABILITIES		5,406,161	5,383,151

These financial statements have been approved by the Committee for issue on 09 September 2025.



Devesh Dukhira
Chief Executive Officer



Jean Li Yuen Fong
Director

STATEMENT OF INCOME AND EXPENDITURE

FOR THE YEAR ENDED 30 JUNE 2025

MT OF SUGAR ACCRUING	Note	2024 - 2025 Crop			2023 - 2024 Crop		
		226,972			240,011		
		Rs'000	Rs per MT	%	Rs'000	Rs per MT	%
Originating Sugar Operations:							
REVENUE							
Sales proceeds	24	8,329,213	36,697	99.05%	10,521,996	43,840	99.40%
Other income	24	79,712	351	0.95%	63,681	265	0.60%
		8,408,925	37,048	100.00%	10,585,677	44,105	100.00%
Direct operating costs	24	(1,907,747)	(8,405)	(22.69%)	(3,026,403)	(12,608)	(28.59%)
Storage charges	24	(230,054)	(1,014)	(2.74%)	(195,196)	(813)	(1.84%)
Administrative and other charges	24	(105,420)	(464)	(1.26%)	(49,205)	(205)	(0.46%)
Service Providing Institutions and MCIA Levy	24	(128,028)	(565)	(1.52%)	(129,498)	(540)	(1.22%)
Sugar Insurance Reserve Fund		-	-	0.00%	(197)	(1)	0.00%
TOTAL EXPENDITURE		(2,371,249)	(10,448)	(28.21%)	(3,400,499)	(14,167)	(32.11%)
Finance income - net	24	174,904	771	2.08%	214,109	891	2.02%
Net Revenue from Originating Sugar Operations		6,212,580	27,371	73.88%	7,399,287	30,829	69.91%
Non-Originating Sugar Operations:							
Sales proceeds	24	2,707,890	11,931	32.20%	2,551,967	10,633	24.11%
Expenditure	24	(2,618,085)	(11,535)	(31.13%)	(2,486,752)	(10,361)	(23.49%)
Finance costs	24	(65,705)	(289)	(0.78%)	(35,913)	(150)	(0.34%)
Net Revenue from Non-Originating Sugar Operations		24,100	107	0.29%	29,302	122	0.28%
NET REVENUE							
DISTRIBUTABLE TO ALL PRODUCERS							
AS EX-SYNDICATE PRICE		6,236,680	27,478	74.16%	7,428,589	30,951	70.19%
MT of Non Originating Sugar Operations			86,515			79,540	

The notes on pages 78 to 106 form an integral part of these financial statements.

Independent auditor's report on pages 72 to 74.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 Rs'000	2024 Rs'000
Operating activities			
Net revenue distributable to all producers as Ex-Syndicate price		6,236,680	7,428,589
<i>Adjustments for:</i>			
Profit on disposal of equipment	13	(1,239)	-
Interest expense	18	179,627	162,383
Interest income	18	(1,348)	(1,883)
Depreciation of equipment	4	6,883	13,985
Amortisation of intangible assets	5	3,371	516
Employee benefit liabilities	9(vi)	7,183	(8,697)
Exchange Difference		732	13,393
Operating profit before working capital changes		6,431,889	7,608,286
Decrease in inventories	6	368,659	677,579
Increase in trade and other receivables	7	(1,032,811)	(450,754)
Decrease in trade and other payables		(1,694,191)	(337,842)
Cash generated from operations		4,073,546	7,497,269
Payment made to producers/planters		(5,289,957)	(7,084,310)
Interest paid		(199,712)	(105,630)
Net cash (used in)/generated from operating activities		(1,416,123)	307,329
Investing activities			
Purchase of equipment	4	(16,589)	(1,144)
Purchase of intangible assets	5	(9,124)	-
Proceeds from disposal of equipment	13	1,239	-
Interest received		1,348	1,883
Net cash (used in)/generated from investing activities		(23,126)	739
Financing activities			
Loan received	10	10,265,666	6,271,225
Loans repaid	10	(9,482,286)	(6,207,006)
Net cash generated from financing activities		783,380	64,219
Net (decrease)/increase in cash and cash equivalents		(655,869)	372,288
Movement in cash and cash equivalents			
At July 1,		973,987	615,092
Net (decrease)/increase in cash and cash equivalents		(655,869)	372,288
Exchange Difference		(732)	(13,393)
At June 30, 2025	8	317,386	973,987

The notes on pages 78 to 106 form an integral part of these financial statements.
Independent auditor's report on pages 72 to 74.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

1 GENERAL INFORMATION

In 1951, following the recommendations made by the Mauritius Economic Commission 1947-48, the Mauritius Sugar Syndicate ("The Syndicate"), which had been founded in 1919, was set up for an indefinite period in pursuance of the Mauritius Sugar Syndicate Act of 1951.

The Syndicate is the sole sugar marketing organisation in Mauritius and its objective is the sale of all sugars received by it on the account of its members, all of whom are sugar producers comprising corporate and independent sugarcane growers, and millers, and the distribution of the proceeds of such sale.

All local sugar producers are members of the Syndicate. The Syndicate's registered office and principal place of business is 7th Floor, Medine Mews Building, La Chaussee Street, Port Louis.

These financial statements are submitted for consideration and approval at the Annual General Meeting of the members of the Syndicate.

2 MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of Preparation of the Financial Statements

The financial statements are presented in Mauritian Rupees, and all values are rounded to the nearest thousand (Rs'000), except when otherwise stated. The financial statements are prepared under the historical cost convention.

In preparing these financial statements, the Syndicate had to proceed with a "hard close" at 31st May in order to finalise payment to sugar producers by beginning of July each year. The Syndicate statement of income and expenditure has been prepared up to 31st May with accruals for the forthcoming June transactions based on existing contracts for sales transactions and accruals or provisions for expenses that will be incurred whilst the statement of financial position has been prepared as at 30th June. Any adjustment between the accounting estimates used in the "hard close" exercise at 31st May and the actual figures for June transactions as well as any resulting foreign exchange differences arising on retranslation of foreign currency denominated financial instruments as at 30th June will be released to the statement of income and expenditure in the next financial year.

The basis of preparation of these financial statements is an entity specific framework based on IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and modified for the following:

- Revenue recognition,
- Direct operating costs,
- Inventory Management,
- Expected credit loss on receivables,
- Leases, and
- Presentation of statement of income and expenditure.

These modifications have been made to align the basis of preparation of the financial statements and the accounting policies with the Syndicate's mandate to act as the main seller of sugar on behalf of the members and distribute the net proceeds derived from such sales among the members, and to prepare financial statements for the relevant crop year. The Syndicate presents a statement of income and expenditure instead of a statement of profit or loss and other comprehensive income. The accounting policies, including for the above-mentioned items, are disclosed in note 2.

Comparative Information

During the current year, management reassessed the classification and presentation of certain account balances in the financial statements. Accordingly, comparative figures have been reclassified to conform with the current year's presentation. There is neither any effect on the loss for the year in the comparatives Statement of Income and Expenditure nor on the assets and liabilities in the comparative statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(b) Changes in accounting policies and disclosures

(i) New and amended standards

In the current year, the Syndicate has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Standards Interpretations Committee ("IFRS IC") of the IASB that are relevant to its operations and effective for accounting periods beginning on or after 1 July 2024.

The adoption of the below new and revised Standard and Interpretations had the following changes to the Syndicate's accounting policies

Management has reviewed the accounting policies disclosed in the financial statements and has considered these policies to be appropriate.

The adoption of these new and revised Standards and Interpretations applicable to the Syndicate has not resulted in major changes to the Syndicate's accounting policies.

- IAS 1: Presentation of Financial Statements – Amendments regarding the classification of Liabilities
- IAS 1: Presentation of Financial Statements – Amendments regarding the classification of debt with covenants
- IAS 7: Statement of cash flows – Amendments regarding supplier finance arrangements
- IFRS 7: Financial instruments: Disclosures- Amendments regarding supplier finance arrangements
- IFRS 16: Leases– Amendments to clarify how a seller-lessee subsequently measures sales and Leaseback transactions

(ii) New standards, amendments and interpretations issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Syndicate's financial statements are disclosed below. The Syndicate intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

• Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 Lack of Exchangeability to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments will be effective for annual periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed.

When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are not expected to have a material impact on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(b) Changes in accounting policies and disclosures (Continued)

(ii) New standards, amendments and interpretations issued but not yet effective (Continued)

• Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later. Disclosure to:

- clarify that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met;
- clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features
- clarify the treatment of non-recourse assets and contractually linked instruments
- require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

The amendments are not expected to have a material impact on the financial statements.

• IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements which replaces IAS 1 Presentation in Financial Statements. IFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information.

IFRS 18, and the amendments to the other accounting standards, is effective for reporting periods beginning on or after 1 January 2027 and will apply retrospectively. Early adoption is permitted and must be disclosed.

The amendments are not expected to have a material impact on the financial statements.

The Directors anticipate that the adoption of the above Standards in future years will have no material impact on the financial statements of the Syndicate in the year of initial application. There are no other standards, interpretation and amendments in issue that are expected to have a material impact on the Syndicate.

(c) Equipment

Equipment are stated at cost less accumulated depreciation and impairment loss, if any. Depreciation is recognised so as to write off the cost of the assets less their residual values over their useful lives, using the straight-line method, on the following bases:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(c) Equipment (Continued)

	%
Computer equipment	25
Furniture and equipment	10
Motor vehicles	20
Offsite equipment	33.3

The syndicate has adopted a policy whereby the following criteria must be satisfied before an asset is recognised and capitalised:

- (i) The expected future economic benefits derived from its use exceed 1 accounting period, and its useful life can be reasonably estimated,
- (ii) The cost of bringing the asset to its current location and operative condition can be singularly identified and measured,
- (iii) The cost attached to the individual asset meets the materiality floor which is set at Rs 50,000 for the year under review, such materiality floor is subject to a review annually.
- (iv) Any individual asset costing below the materiality floor shall be expensed in the year when incurred notwithstanding the fact that it satisfies criteria (i) and (ii) above.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis. An asset is derecognised upon disposal or when no future economic benefits are expected to arise from its continued use. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of income and expenditure.

(d) Intangible Assets

Acquired computer software licences with finite useful lives are capitalised on the basis of costs incurred to acquire and bring to use the specific software (carried at cost) less accumulated amortisation and impairment losses.

Amortisation is recognised on a straight-line basis over their useful economic lives which generally range from 3 to 5 years and assessed for impairment whenever there is an indication that the asset may be impaired. The estimated useful lives and amortisation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Costs associated with developing or maintaining computer software are recognised as an expense as incurred.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of income and expenditure when the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(e) Financial instruments – initial recognition and subsequent measurement

(i) Classification

In accordance with IFRS 9, the Syndicate classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

The Syndicate classifies its financial assets as subsequently measured at amortised cost or at fair value through income and expenditure on the basis of both:

1. The entity's business model for managing the financial assets
2. The contractual cash flow characteristics of the financial asset

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Syndicate includes in this category cash and cash equivalents, other receivables, excluding prepayments.

Trade receivables are amounts due from customers for sugar sold in the ordinary course of business. Also included in other receivables are the sale of sugar relating to the crop year under review, and may not yet have been shipped to the customers at the end of the reporting year. 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 asset. If not, they are presented as non-current asset.

Financial assets and financial liabilities designated at fair value through income and expenditure

Financial assets and financial liabilities classified in this category are those that have been designated by management upon initial recognition. Management may only designate an instrument at FVPL upon initial recognition when one of the following criteria are met, and designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis, or
- The assets and liabilities are part of a group of financial assets, financial liabilities, or both, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, or
- The financial instrument contains one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

Financial liabilities

Financial liabilities measured at amortised cost:

This category includes all financial liabilities. The Syndicate includes in this category other short-term payables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(e) Financial instruments – initial recognition and subsequent measurement (Continued)

(i) Classification (Continued)

Financial liabilities (Continued)

Financial liabilities measured at amortised cost (Continued)

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non current liabilities. Included in trade and other payables are direct operating costs accrued at year end with respect to the unshipped portion of sugars that relate to the current crop year.

(ii) Recognition

The Syndicate recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instruments.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market are recognised on the trade date, i.e., the date that the Syndicate commits to purchase or sell the asset.

(iii) Initial measurement

Financial assets and liabilities are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

(iv) Subsequent measurement

For the purpose of subsequent measurement, the financial assets and liabilities are categorised in the following categories:

- Financial assets designated at fair value through income and expenditure
- Financial assets and liabilities at amortised cost

Financial assets designated at fair value through income and expenditure

Financial assets and financial liabilities at FVPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in income and expenditure.

Interest earned or incurred on instruments designated at FVPL is accrued in interest income or interest expense, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVPL is recorded using contractual interest rate.

Financial assets and liabilities at amortised cost

Other receivables are measured at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in income and expenditure when the debt instruments are derecognised or impaired, as well as through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(e) Financial instruments – initial recognition and subsequent measurement (Continued)

(iv) Subsequent measurement (Continued)

Financial assets and liabilities at amortised cost (Continued)

Financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in income and expenditure when the liabilities are derecognised, as well as through the amortisation process.

The effective interest method (EIR) is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating and recognising the interest income or interest expense in income and expenditure over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or to the amortised cost of the financial liability. When calculating the effective interest rate, the Syndicate estimates cash flows considering all contractual terms of the financial instruments but does not consider expected credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

(v) Derecognition

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

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

When the Syndicate has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Syndicate's continuing involvement in the asset.

The Syndicate derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

(vi) Impairment of financial assets

A provision for impairment of financial assets is established when there is objective evidence that the Syndicate will not be able to collect all amounts due. The Syndicate has established procedures to assess the credit worthiness of customers prior to onboarding and accounts for only specific provision.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of provision is recognised in the statement of income and expenditure.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(e) Financial instruments – initial recognition and subsequent measurement (Continued)

(vii) Offsetting of financial instruments

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

(f) Derivatives financial instruments

The Syndicate uses derivative financial instruments, such as foreign currency swaps, spots and plain vanilla forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are recognised at the contract value on the maturity date. At the end of the financial year, outstanding forward contracts are measured at fair value, and any gain or loss are recognised in the statement of income and expenditure.

(g) Borrowings

Borrowings are recognised initially at fair value being their issue proceeds net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of income and expenditure over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs for the loan to the extent that it is probable that some of or all 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.

At the end of the reporting date, borrowings denominated in foreign currencies are stated at their carrying amount at the time of disbursement. Exchange differences arising on the repayment of loan are recognised in statement of income and expenditure at the time of repayment.

(h) Provisions

Provisions are recognised when the Syndicate has a present obligation (legal or constructive) as a result of a past event, 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. When the Syndicate 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 a provision is presented in the statement of income and expenditure 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, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(i) Cash and Cash Equivalents

Cash in the statement of financial position comprises cash at bank and in hand and demand deposits with a maturity of three months or less, that are held for the purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

(j) Inventories

Inventories comprise of bags, steel bars, liners, other consumables and non-originating sugar ("NOS") which are stated at the lower of cost and net realisable value using the weighted average cost method. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

In line with market exigencies and as far as possible, sugars are sold on a First In First Out basis to mitigate the risks associated with old stock, being defined as sugars aged 3 years or more. Old sugars are analysed to assess the status on quality and production specifications and consequently segregated as either still fit for sale for exports, or the local market. Old sugars identified as not fit for sale are remelted and reprocessed. Similarly damaged bagged sugars are also sent back to mills for remelting and reprocessing. Given that all unshipped sugars at end of the financial year are treated as accrued sales, there is no book inventory of sugars, hence no requirement for any provision for old sugars.

Inventory measurement is a key aspect in inventory control. Whilst stock items are subject to perpetual counts all throughout the year, the Syndicate carries a full annual stock count at year end when the income and expenditure account is finalised on 31st May. The established tolerance limit for variances between physical and book values for bagged sugars is set at 3% for the crop year under review, such limit being subject to an annual review. Inventory valuation of consumables is computed at weighted average cost and is recorded in the financial statements at 30th of June.

Cost of purchase of NOS is recorded as cost of sales and inventory in the financial statements of the Syndicate as payment is effected by the latter. Valuation of NOS is computed at landed cost and on a First In First Out basis and recorded in the financial statement on 31st May. The stocktake of the NOS stored in bulk is calculated based on weighbridge readings recorded on each stock movement. For additional comfort, an independent third-party valuation using the 3D laser scan technology, which accuracy depends on a varying density of raw sugar and the shapes and number of piles, is obtained. Stock take figures obtained from weigh bridge and 3D scan are compared and considered acceptable if they are within the established tolerance limit of 3%. The established practice is that the Syndicate adopts the weighbridge stock valuation for the accounts closure. The Syndicate considers that the cost of minor consumables that mainly include pallets, desiccants and seals are immaterial and are therefore expensed in income and expenditure when incurred. Cost of sales do not include the production costs to convert locally harvested sugarcane into ("OS") and these are recorded directly in the books of the millers.

The costs incurred to import raw sugar (Non-Originating Sugar "NOS") are accrued in the books of the Syndicate. These are imported under the Master Agreement established between the Syndicate and a third party to produce white refined sugar, mainly to be exported to customers. In line with the established agreement, all the white refined sugar for the local market shall be made either from locally harvested sugarcane or from NOS imported by MSS and refined by the third party. As such, these NOS is sent to the latter for refinery and converted into white refined sugar (WRS).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(k) Employee Benefit Liabilities

The Syndicate has both defined benefit and defined contribution plans. The Syndicate and all its employees also contribute to the appropriate National Social Security Schemes, which are defined contribution schemes.

Defined Contribution Plan

A defined contribution plan is a pension plan under which the Syndicate pays fixed contributions to a separate entity. The Syndicate has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to their service in the current and prior year periods. Payments to defined contribution plans are recognised as an expense included in income and expenditure within employee benefit expenses when employees have rendered service that entitle them to the contributions.

Defined Benefit Plan

A defined benefit plan is a retirement benefit plan that is not a defined contribution plan. Typically, defined benefit plans define the amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprises actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), is recognised immediately in the statement of income and expenditure in the period in which they occur.

The Syndicate determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset), taking into account any changes in the net defined liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense/(income) is recognised in income and expenditure.

Service costs comprising current service cost, past service cost, as well as gains and losses on curtailments and settlements are recognised immediately in the statement of income and expenditure.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts redundancy in exchange for these benefits. The Syndicate recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value. Gratuity on retirement is payable in line with the Worker's rights Act.

(l) Foreign Currencies

Functional and presentation currency

Items included in the financial statements are measured using Mauritian Rupees ("Rs"), the currency of the primary economic environment in which the Syndicate operates ("functional currency"). The financial statements are presented in Mauritian rupees, which is the Syndicate's functional and presentational currency.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(l) Foreign Currencies (Continued)

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 are recognised in the statement of income and expenditure when they arise. The translation of receivables and payables denominated in foreign currencies are done and any resulting foreign exchange gains and losses are recognised in the statement of income and expenditure on 31st May when the yearly statement of income and expenditure and the Ex-Syndicate price are finalised. Bank deposits and borrowings denominated in foreign currency are retranslated on 30th June and any resulting foreign exchange gains and losses are recorded in the statement of Financial Position on 30th June, in line with the Syndicate's established practice.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the 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. All other foreign gains and losses are presented in statement of income and expenditure within "Net foreign exchange (losses)/gains".

Borrowings and bank deposits denominated in a foreign currency, are revalued at the end of every month including the last closing month of the year under review. The resulting foreign exchange gain or loss on 31st May is recognised in the statement of income and expenditure while the accruing exchange difference resulting from the translation done on 30th June is recorded in the statement of financial position and reversed in the next accounting year. Non-monetary items that are measured in terms of historical cost foreign currency are not retranslated.

(m) Revenue recognition

Revenue consists of gross sugar proceeds derived from:

- 'Shipped' sugar exports
- 'Unshipped' sugars
- Sales of sugars on local market

Revenue is measured based on the consideration to which the Syndicate expects to be entitled in a contract with a customer. The Syndicate recognises revenue on a crop basis, that is, for 'shipped' sugar exports at the time when the sugar is shipped for export and for 'unshipped' sugars which pertain to unsold stock quantities available for sale for the current crop year. Revenue is shown net of returns, rebates and discounts. The accounting policies on revenue recognition is elaborated below:

(i) 'Shipped' Sugar exports

The Syndicate sells white refined sugar and special sugars to the European Union (EU), United States of America (USA), Regional Market (Africa) and the World Market. Revenue is recognised when control of the goods has transferred to the customer, that is, at the time the sugar is loaded on the ship. A receivable is recognised by the Syndicate when the goods have been shipped to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(m) Revenue recognition (Continued)

(ii) 'Unshipped' sugars

Unshipped' sugars at the reporting date are recognised from customers based on the remaining quantities of firm orders for exports which will be shipped after the reporting date. The amount of revenue is measured at the latest contract price agreed between the customer and the Syndicate or the best prudent estimate by management where contract is not yet secured.

Sales proceeds for unshipped contracted sugar is measured, using the remaining ton of sugar at year end and the contracted price per ton. As for unshipped uncontracted sugar, the sales value is estimated using the remaining ton of sugar at year end and the best estimated price per ton. As a further step to adopt a prudent approach, a general provision is taken to cater for any unpredictable factors that may negatively impact sales proceeds. For the year under review, expected sales proceeds relating to unshipped sugars at time of finalising the Income and Expenditure Account, have been adjusted downwards by 5%. The quantum of the provision was decided after considering the geopolitical crisis following the continued Russian /Ukraine and the Iranian/Israeli conflicts, as well as the general fall in global prices of sugars. There is no unshipped uncontracted sugar at the reporting date.

(iii) Sales of Sugar on local market

The Syndicate sells white refined sugar and special sugars to customers on the local market. Revenue is recognised when control of the goods is transferred to the customer, generally on delivery and acceptance by the customer.

(n) Expenses

Expenses are accounted for on the accrual basis and charged to statement of income and expenditure. Rental expenses are accrued as they are incurred.

Direct operating costs are accounted for on the accrual basis and charged to statement of income and expenditure. These costs represent the operational costs for processing, refining, packaging and exporting/delivery of Originating Sugars ("OS") to customers and are generally comprised of the following:

- Sugar processing and refining fees and packing cost
- Freight and export charges
- Bags and other related consumables
- Transport and storage charges

Direct operating costs related to the production, storage and shipment of the 'Unshipped' sugars that relate to the current crop year under review, are accrued and recognised in the statement of income and expenditure. Accrued freight charges related to the unshipped sugars are initially estimated based on the most representative available rates and adjusted by a further provision for any potential increase. The syndicate considers all current and short-term future economic fundamentals that may influence freight costs before finalising the provision.

For the year under review, the Syndicate has provided for a 25% increase in freight charges in anticipation of the continued political unrests in the Middle East region that may result in severe disruptions and delays in the shipment of sugars.

In line with its mandate, the Syndicate has the prime responsibility of exporting all sugars produced in Mauritius. The Syndicate also accounts for the Non Originating Sugar "NOS" purchased as inventory and upon transmission to a third party for refinery, a stock consumption adjustment is recorded in cost of sales.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the Syndicate's accounting policies, which are described in note 2, the Main Committee is required to make judgements (other than those involving estimates) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revisions affect only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Syndicate's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the Main Committee has made in the process of applying the Syndicate's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Discount rate used to determine the carrying amount of the Syndicate's employee benefit liabilities

The determination of the Syndicate's defined benefit obligation depends on certain assumptions, which include the selection of the discount rate. The discount rate is set by reference to market yields at the end of the reporting period on government bonds yields. Significant assumptions are required to be made when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of bonds include the issue size of the corporate bonds, quality of the bonds and the identification of outliers which are excluded. These assumptions are considered to be a key source of estimation uncertainty as relatively small changes in the assumptions used may have a significant effect on the Syndicate's financial statements within the next year. Further information on the carrying amounts of the Syndicate's defined benefit obligation and the sensitivity of those amounts to changes in discount rate are provided in note 9. Any change in these amounts will impact the amount for retirement gratuities.

Revenue recognition

At the end of the reporting period, the Syndicate recognises the 'Unshipped' sugars that relate to the crop year under review as revenue and the valuation of the 'Unshipped Sales' is described in note 2(m).

Depreciation

Assets are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net of the amount that the Syndicate expect to 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Direct operating costs

At the end of the reporting period, the Syndicate recognises accrued freight charges as part of direct operating costs that relate to 'Unshipped' sugars for the crop year under review. The established policy for estimating accrued freight charges is described in note 2(n).

Going concern

The members of the Main Committee have made an assessment to continue as a going concern and is satisfied the Syndicate has the resources to continue in business for the foreseeable future. Furthermore, the Main Committee is not aware of any material uncertainties that may cause significant doubt upon the Syndicate's ability to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

4. EQUIPMENT

	Offsite Equipment	Computer Equipment	Furniture and Equipment	Motor Vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST					
At July 01, 2023	48,295	4,199	16,437	4,713	73,644
Additions	-	425	719	-	1,144
At June 30, 2024	48,295	4,624	17,156	4,713	74,788
At July 01, 2024	48,295	4,624	17,156	4,713	74,788
Additions	9,519	620	1,968	4,482	16,589
Disposals	-	-	-	(4,498)	(4,498)
At June 30, 2025	57,814	5,244	19,124	4,697	86,879
DEPRECIATION					
At July 01, 2023	34,107	3,465	12,725	4,676	54,973
Charge for the year	12,420	452	1,076	37	13,985
At June 30, 2024	46,527	3,917	13,801	4,713	68,958
At July 01, 2024	46,527	3,917	13,801	4,713	68,958
Charge for the year	4,412	440	1,350	681	6,883
Disposals	-	-	-	(4,498)	(4,498)
At June 30, 2025	50,939	4,357	15,151	896	71,343
NET BOOK VALUE					
At June 30, 2025	6,875	887	3,973	3,801	15,536
At June 30, 2024	1,768	707	3,355	-	5,830

Depreciation charge of Rs'000 2,470 (2024: Rs'000 1,565) has been charged to administrative and other charges and depreciation charge of Rs'000 4,412 (2024: Rs'000 12,420) on Offsite equipment has been charged to direct operating costs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

5. INTANGIBLE ASSETS

	Computer software Rs'000
COST	
At July 01, 2023	6,653
Addition	-
At June 30, 2024	6,653
At July 01, 2024	6,653
Addition	9,124
At June 30, 2025	15,777
AMORTISATION	
At July 01, 2023	5,400
Charge for the year	516
At June 30, 2024	5,916
At July 01, 2024	5,916
Charge for the year	3,371
At June 30, 2025	9,287
NET BOOK VALUE	
At June 30, 2025	6,490
At June 30, 2024	737

Amortisation charge of Rs 3,371k (2024: Rs 516k) has been charged to administrative and other charges.

Intangible assets capitalised during the year with regard to ERP NetSuite project amount Rs 9,124k, while an amount of Rs 5,335k was expensed regarding the same project.

6. INVENTORIES

	2025 Rs'000	2024 Rs'000
At Cost		
Bags, steel bars and liners	45,220	78,459
Non Originating Sugar	179,711	515,131
	224,931	593,590

Short term loans, money market lines and money market instruments are secured by the preferential lien over the sugars registered in the name of the Syndicate as conferred by Government Ordinance No.87 of 1951. Please refer to note 10 (b).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

7. TRADE AND OTHER RECEIVABLES

	2025 Rs'000	2024 Rs'000
Trade Receivables		
Shipped sugar exports	2,344,404	2,205,038
Provision for bad debts	(3,579)	(3,579)
Unshipped sugars - Contracted	1,392,775	1,138,343
Unshipped sugars - Non Contracted	-	398,964
	3,733,600	3,738,766
Staff loans	804	1,130
Advances to producers/planters	3,516	3,516
Other receivables	1,103,898	65,595
	4,841,818	3,809,007

The average credit period on sales of sugars is between 30 and 120 days. No interest is charged on trade receivables. The Syndicate does not hold any collateral over any past due trade debtors balances. Allowances for doubtful debtors are recognised against trade receivables which are past due on a case to case basis. Out of the trade receivables, the Syndicate has recovered 41% (2024 : 55%) in value of its shipped sugar exports at the date of approval of these financial statements.

Before accepting any new customer, the Syndicate assesses the credit worthiness of the customer and defines the terms and credit limits accordingly.

The carrying amounts of trade and other receivables approximate their fair values.

Of the sales proceeds relating to unshipped sugars contracted as at 30 June 2025 (note 12), an amount of Rs'000 774,456 was realised in June 2025 (2024: Rs'000 1,002,992) and is disclosed under shipped sugar exports within trade receivables.

The Committee is of opinion that the trade receivables are recoverable and where impairment is needed a specific provision is made and this is included in the trade receivables as per table below.

	2025 Rs'000	2024 Rs'000
Provision for bad debts	3,579	3,579

As of June 30, 2025, trade receivables of Rs'000 625 (2024: Rs'000 203) were past due but not impaired. The Syndicate has recovered 7% (2024 : 44%) at the date of approval of these financial statements.

	2025 Rs'000	2024 Rs'000
Balance due current	1,189,878	610,174
Balance due for 30 to 90 days	505,135	1,251,688
Balance due for 91 to 120 days	23,746	140,499
Balance due above 121 days	625,645	202,677
	2,344,404	2,205,038

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

7. TRADE AND OTHER RECEIVABLES (CONTINUED)

The Syndicate has entered into forward contracts with financial institutions with which they agreed to sell EUR, USD and GBP for MUR on specified dates. As of June 30, 2025, other receivables include unrealised future gains amounting to Rs 22,075,000 (2024 : Rs 9,986,000) under foreign exchange forward contracts with contracted value of Rs 1,504,140,000 (2024 : Rs 272,725,000) and maturity date falling after 30 June 2025 but not exceeding 3 months.

The carrying amounts of trade and other receivables are denominated in the following currencies:

	2025 Rs'000	2024 Rs'000
Mauritian Rupee	154,727	1,746,188
US Dollar	2,788,858	573,087
Euro	1,483,358	1,185,180
GBP	414,875	304,552
	4,841,818	3,809,007

8. CASH AND CASH EQUIVALENTS

	2025 Rs'000	2024 Rs'000
Bank and cash balances	317,386	973,987

The carrying amounts of the cash and cash equivalents are denominated in the following currencies:

	2025 Rs'000	2024 Rs'000
Bank and cash balances		
Mauritian Rupee	63,022	406,471
US Dollar	77,664	396,034
Euro	128,168	81,927
GBP	48,532	89,555
	317,386	973,987

9. EMPLOYEE BENEFIT LIABILITIES

- (i) The Syndicate operates a defined benefit and a contributory pension plan. The level of benefits provided depends on the length of service of the members and their salary in their respective final year leading up to retirement.

The assets of the plan are held independently and administered by the Sugar Industry Pension Fund /Mauritius Union Assurance.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

9. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

- (ii) The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligations were carried out at June 30, 2025 by AON Hewitt. The present value of the defined benefit obligations, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.
- (iii) The amounts recognised in the statement of financial position are as follows:

	2025 Rs'000	2024 Rs'000
Present value of funded obligations	167,138	163,671
Fair value of plan assets	(146,388)	(150,104)
Liabilities recognised in the statement of financial position	20,750	13,567

The reconciliation of the opening balances to the closing balances for the net defined benefit liability is as follows:

	2025 Rs'000	2024 Rs'000
At July 1,	13,567	22,264
Recognised in the income and expenditure	8,378	(3,696)
Employer's contributions paid	(1,195)	(5,001)
At June 30,	20,750	13,567

- (iv) The movement in the defined benefit obligations over the year is as follows:

	2025 Rs'000	2024 Rs'000
At July 1,	163,671	164,053
Current service cost	3,956	2,742
Past service cost	-	(2,961)
Employees' Contributions	53	455
Interest costs	8,481	9,021
Benefits paid	(7,374)	(11,273)
Liability experience loss / (gain)	9,295	(6,756)
Liability gain due to change in financial assumptions	(10,944)	8,390
At June 30,	167,138	163,671

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

9. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

(v) The movement in fair value of plan assets of the year is as follows:

	2025 Rs'000	2024 Rs'000
At July 1,	150,104	141,789
Interest income	7,796	8,058
Employer's contributions	1,195	5,001
Employees' contributions	53	455
Benefits paid	(7,374)	(11,273)
Return on plan assets excluding interest income	(5,386)	6,074
At June 30,	146,388	150,104

(vi) Amounts recognised in the statement of profit or loss:

	2025 Rs'000	2024 Rs'000
Current service cost	3,956	2,742
Past service cost	-	(2,961)
Net interest on net defined benefit liability	685	963
Actuarial gain	3,737	(4,440)
Employer's contributions	(1,195)	(5,001)
Total included in employee benefit expense	7,183	(8,697)

	2025 Rs'000	2024 Rs'000
Actual return	(5,386)	6,074
Interest Income	7,796	8,058
Actual return and interest income on plan assets	2,410	14,132

(vii) The principal actuarial assumptions used for accounting purposes were:

	2025 %	2024 %
Discount rate	6.00	5.30
Future salary increases	4.00	3.70
Rate of pension increases	0.0	0.0
Average retirement age (ARA)	60/65	60/65

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

9. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

(viii) Sensitivity analysis on employee benefit liabilities at end of the reporting date:

	2025 Rs'000	2024 Rs'000
Increase due to 1% decrease in discount rate	18,008	19,048
Decrease due to 1% increase in discount rate	(15,198)	(16,265)

The above sensitivity analysis has been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The present value of the defined benefit obligation has been calculated using the project unit credit method.

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There were no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

- (ix) The defined benefit pension plan exposes the Syndicate to actuarial risks, such as longevity risk, currency risk, interest rate risk and market risk.
- (x) The Syndicate expects to pay Rs'000 1,130 in contributions to its post-employment benefit plans for the year ended June 30, 2026.
- (xi) The weighted average duration of the defined benefit obligation is 10 years at the end of the reporting period.
- (xii) The Syndicate participates in the (Sugar Industry Pension Fund) SIPF Defined Contribution (DC) pension plan as from 1 July 2021 for the active members, with age related contribution scale of 4%, 6%, 8% or 10% of its eligible employees' salaries depending on their age. These contributions amounted to Rs'000 1,161 for the year ended 30 June 2025 (2024: Rs'000 204)
- (xiii) For employees not covered by a pension scheme, the Company must contribute to the PRGF at the rate of 4.5% of remuneration every month. For PRGF contribution purposes, remuneration is defined as monthly basic wages paid to a worker, any productivity bonus, attendance bonus and payment for extra work performed (no contribution is payable for a worker who earns a monthly basic wage of more than Rs'000 200 or expatriates). The Syndicate contributes to the PRGF at the Mauritius Revenue Authority. At 30 June 2025, the contribution included in the Income and Expenditure amounted to Rs'000 161 (2024 : Rs'000 234).

10. BORROWINGS

	2025 Rs'000	2024 Rs'000
Current		
Banks & Institutional loans	3,733,096	2,949,716
Total borrowings	3,733,096	2,949,716

All borrowings are of a tenor of 12 months or less and with a collateral on the stock of sugar as per the Government Ordinance No.87 of 1951.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

10. BORROWINGS (CONTINUED)

Reconciliation of liabilities arising from financing activities

	At July 1, 2024	Additions	Repayments	At June 30, 2025
	Rs'000	Rs'000	Rs'000	Rs'000
Short-term borrowings	2,949,716	10,265,666	(9,482,286)	3,733,096
	At July 1, 2023	Additions	Repayments	At June 30, 2024
	Rs'000	Rs'000	Rs'000	Rs'000
Short-term borrowings	2,885,497	6,271,225	(6,207,006)	2,949,716

- (a) The interest rates on bank loans and institutional loans are secured and varied from 3.50 % to 5.05 % per annum on Rupees accounts (2024: 3.90 % to 5.50 %) and from 5.00% to 6.35% per annum on USD accounts (2024: 5.50 % to 6.00 %) while no loan in Euros was taken for year ended 30 June 2025 and 30 June 2024.
- (b) Short term loans, money market lines and money market instruments are secured by the preferential lien over the sugars registered in the name of the Syndicate as conferred by Government Ordinance No.87 of 1951. They are utilised to enable advances to be made to producers pending receipt of export proceeds.
- (c) The carrying amounts of the Syndicate's borrowings are denominated in the following currencies:

	2025	2024
	Rs'000	Rs'000
Mauritian Rupee	2,863,591	2,949,716
US Dollar	869,505	-
	3,733,096	2,949,716

11. TRADE AND OTHER PAYABLES

	2025	2024
	Rs'000	Rs'000
Amount payable to producers	1,000,796	1,483,449
Trade payables	272,221	131,375
Accrued expenses	257,638	618,051
Provisions and other payables	121,660	186,993
	1,652,315	2,419,868

- (a) The carrying amounts of trade and other payables approximate their fair value, are unsecured, interest free and payable within one year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

11. TRADE AND OTHER PAYABLES (CONTINUED)

- (b) The Syndicate has policies in place to ensure that all payables are settled within the credit timeframe.
- (c) The carrying amounts of trade and other payables are denominated in the following currencies:

	2025 Rs'000	2024 Rs'000
Mauritian Rupee	995,621	2,316,064
US Dollar	572,974	13,162
Euro	72,650	90,642
GBP	11,015	-
ZAR	55	-
	1,652,315	2,419,868

12. SALES PROCEEDS

	2025 Rs'000	2024 Rs'000
Sugar exports	7,644,348	9,136,818
Unshipped sugar - Local Market	111,651	398,964
Unshipped sugar - Exports	2,055,582	2,141,335
	9,811,581	11,677,117
Sales of Sugar on local market	1,225,522	1,396,846
Total sales proceeds	11,037,103	13,073,963

13. OTHER INCOME

	2025 Rs'000	2024 Rs'000
Insurance claim received	-	12,685
Profit on disposal of motor vehicle	1,239	-
Miscellaneous income	78,473	50,996
	79,712	63,681

14. DIRECT OPERATING COSTS

	2025 Rs'000	2024 Rs'000
Sugar processing fees and packing cost	1,202,813	1,673,262
Profit payable to OMOL on NOS operations	236,495	65,397
Freight and export charges	527,675	664,553
Bags and other related charges	189,166	126,585
Cost of imports for local market and re-export	2,263,385	2,840,388
Depreciation of offsite equipment (note 4)	4,412	12,420
Other costs	73,387	101,359
	4,497,333	5,483,964

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

14. DIRECT OPERATING COSTS (CONTINUED)

Cost of imports

Costs of imports for local market and re-export are calculated on a landed basis for 95,454MT (2024: 106,314MT) of white refined sugar and raw sugar feedstock.

15. STORAGE CHARGES

	2025 Rs'000	2024 Rs'000
MCIA (Ex-BSSD)	130,800	119,500
Other warehousing costs	127,753	89,358
	258,553	208,858

16. ADMINISTRATIVE AND OTHER CHARGES

	2025 Rs'000	2024 Rs'000
Depreciation on equipment (note 4)	2,470	1,565
Amortisation of intangible assets (note 5)	3,371	516
Rental of office	4,059	3,925
Salary and related expenses	56,549	32,456
Overseas representation and mission expenses	5,158	4,421
Professional fees including subscriptions	6,561	8,311
Others	27,252	13,469
	105,420	64,663

Salary and related expenses comprise of the following:-

Wages and salaries	36,778	27,628
Travel and other allowances	7,235	5,685
Pension & medical contributions	5,353	12,650
Movement in Employee benefit liability	7,183	(13,507)
	56,549	32,456

17. SERVICE PROVIDING INSTITUTIONS AND MCIA LEVY

	2025 Rs'000	2024 Rs'000
Levy on local sales	128,028	129,498

This relates to contribution made by the Syndicate for docker's pension fund, representing an amount of Rs 3,700 per ton for each ton of sugar sold on local market.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

18. FINANCE INCOME - NET

	2025 Rs'000	2024 Rs'000
Finance income		
Interest income	1,348	1,883
Finance costs		
Interest payable on :		
- Foreign currency loans	(25,553)	(18,748)
- Bank overdraft	(688)	(444)
- Money market instruments	(65,752)	(78,335)
- Mauritian rupee loans	(87,634)	(64,856)
Total Finance costs	(179,627)	(162,383)
Net foreign exchange gain	287,478	338,696
	107,851	176,313
Finance income - net	109,199	178,196

19. RELATED PARTY TRANSACTIONS

	2025 Rs'000	2024 Rs'000
Key management personnel remuneration	18,764	16,300

Revenue Streams to Planters

	2025 Rs'000	2024 Rs'000
Sugar proceeds paid	5,289,957	6,091,962
Sugar proceeds payable	946,723	1,336,627
Bagasse	677,412	713,292
Molasses / Distillers Bottlers	372,344	412,823

Sugar: Proceeds represent net income from the sale of sugar on both domestic and export markets, after deduction of operational costs and administrative expenses.

Bagasse: Revenue Proceeds is derived from the sale of bagasse-fired electricity to the national grid at a fixed rate of Rs3.50 per kWh

Molasses / Distillers-Bottlers Contribution: Proceeds comprise the market price of molasses plus a contribution of Rs40 per litre of absolute alcohol from distillers and bottlers.

20. FINANCIAL INSTRUMENTS

Financial Risk Management

The Syndicate's activities expose them to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Syndicate's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effect on its financial performance. The Syndicate seeks to minimise the effects of these risks by using plain vanilla instruments to hedge these risk exposures. The Syndicate does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Risk management is carried out under policies approved by the Marketing Committee, Risk Management Committee and the Forex Management Committee. These Committees are independent bodies that monitor risks and policies implemented to mitigate risk exposures.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

20. FINANCIAL INSTRUMENTS (CONTINUED)

Financial Risk Management (Continued)

The table below shows the fair values of Financial instruments namely Vanilla Forward outstanding as at year end.

	Notional Amount	Fair Value	Assets
Level 2 - at 30 June 2025	1,504,140,000	1,482,065,000	22,075,000
Level 2 - at 30 June 2024	272,725,000	262,739,000	9,986,000

Market risk

Currency risk

The Syndicate operates internationally and is exposed to foreign exchange risks arising from various currency exposures, primarily in respect of the Euro, GBP and US Dollar. Foreign exchange risks arise on future commercial transactions and assets and liabilities that are recognised in a currency that is not the Syndicate's functional currency.

The Forex Committee manages foreign exchange risks by monitoring the concentration and timing of trade receivables by type of currencies. To manage its foreign exchange risks, the Syndicate uses foreign exchange forward contracts through its foreign currency bank accounts with commercial banks.

Currency profile

The currency profile of the Syndicate's financial assets and liabilities is summarised below:

	Financial Assets		Financial Liabilities	
	2025	2024	2025	2024
	Rs'000	Rs'000	Rs'000	Rs'000
Mauritian Rupees	217,685	2,152,659	3,859,212	5,265,780
US Dollar	1,995,230	969,121	1,442,479	13,162
Euro	1,611,526	1,267,107	72,650	90,642
GBP	463,407	394,107	11,015	-
ZAR	-	-	55	-
	4,287,848	4,782,994	5,385,411	5,369,584

Financial Assets exclude prepayments and advanced payments of Rs'000 871 (2024: nil)

Foreign currency sensitivity analysis

At the end of reporting period, if the Mauritian rupee had weakened/strengthened by 5% against the following currencies with all variables remaining constant, the impact for the year on net revenue, before distribution to producers, are shown in the table below:

	Financial Assets		Financial Liabilities	
	2025	2024	2025	2024
	Rs'000	Rs'000	Rs'000	Rs'000
Impact on net revenue before distribution to producers:				
US Dollar	99,761	48,456	72,124	658
Euro	80,576	63,355	3,633	4,532
GBP	23,170	19,705	551	-
ZAR	-	-	3	-
	203,507	131,516	76,311	5,190

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

20. FINANCIAL INSTRUMENTS (CONTINUED)

Financial Risk Management (Continued)

Market risk (Continued)

Interest rate risk

The Syndicate is exposed to interest rate risks as it borrows funds at both fixed and floating rates. The risk is managed through negotiating the best interest rates available with commercial banks and institutions of the sugar industry.

The interest rate profile of the interest bearing financial liabilities at June 30, 2025 was as follows:

	2025 % per annum	2024 % per annum
Bank Loans:		
MUR accounts	3.50% to 5.05%	3.90% to 5.00%
USD accounts	5.00% to 6.35%	5.50% to 6.00%

At June 30, 2025, if interest rate on rupee-denominated borrowings had been 50 basis points higher or lower with all other variables held constant, the net amount distributed to producers would have been Rs 1,866,548 (2024: Rs 1,474,858) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

Liquidity risk

Liquidity risk is defined as the risk that the Syndicate will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Syndicate could be required to pay its liabilities.

A liquidity risk arises on advances to planters made on a weekly basis. To meet its cash outflows, the Syndicate uses overdraft and loan facilities with banks and institutions in the sugar sector to supplement its regular inflow of sugar proceeds to settle its debts as they become due.

Analysis of financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the Syndicate's financial liabilities at end of period based on undiscounted contractual repayment obligations.

Maturity analysis of financial liabilities

	Less than 1 year	Total
	MUR	MUR
2025		
Borrowings	3,733,096	3,733,096
Trade and Other payables	1,652,315	1,652,315
Total financial liabilities	5,385,411	5,385,411
2024		
Borrowings	2,949,716	2,949,716
Trade and Other payables	2,419,868	2,419,868
Total financial liabilities	5,369,584	5,369,584

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

20. FINANCIAL INSTRUMENTS (CONTINUED)

Maturity analysis of financial liabilities (Continued)

The carrying amount of trade and other receivables in the financial statements, which is net of impairment losses, represents the Syndicate's maximum exposure to credit risk without taking into account the value of any collateral obtained. The Syndicate's main debtors are its overseas buyers on account of sugar sold to them.

21. TAXATION

The Syndicate is a legally constituted non profit making organisation under the Mauritius Sugar Syndicate Act of 1951 and is exempt from taxation.

22. CONTINGENT LIABILITIES

The Syndicate has a bank guarantee with the State Bank of Mauritius Ltd for an amount of Rs 10,000 at 30 June 2025 (2024 nil) for a water still.

23. SUBSEQUENT EVENT

There has been no events subsequent to the reporting date which require adjustment or disclosure in the financial statements or notes thereto.

FOR THE YEAR ENDED 30 JUNE 2025

MT OF SUGAR ACCRUING

EXPENDITURE

Finance income - net

6,212,580	73.88%	24,100	0.88%	7,399,287	69.90%	29,302	1.80%	7,428,589
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SYNDICATE

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