MAURITIUS SUGAR SYNDICATE

FROM OUR FIELDS TO THE WORLD

Annual Report 2025/26

ABOUT THIS REPORT

Mauritius sugar has a story to tell the world

A story shaped by generations of knowledge, passion, and perseverance. It is best told by the women and men who, in many ways, are helping to write it. This year's Annual Report of the Mauritius Sugar Syndicate brings this narrative to life.

Page after page, we open the doors of a centuries-old industry that continues to move with the times.

Enjoy the read.

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Crop 2025 at a glance

Rs 10,351 M
Total sugar sales revenue

220,305 tons
Total sugar production

Rs 24,095
Ex-Syndicate Price (per ton sugar)

85,040 tons
White sugar production

15,112%
Fairetrade-certified sugar produced by 21 smaller certified sugar producing organisation

132,598 tons
Special sugars production

80,685 tons
Bonsucro-certified sugar

33,805 ha
Harvested area

6,892
Individual and corporate growers

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60%
Share of special sugars in production mix

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Serving our markets across *85 ports* worldwide

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The Year *in* Perspective

Sugar is Mauritius' most precious product.

Over the past year, it has extended its reach. A testament to its enduring appeal among discerning international connoisseurs. Amid a challenging global landscape, our precious crystals continue to hold the key to prosperity.

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Crop 20***25***

Presi*dent's* Let*t*er

"The MSS managed to mitigate the impact of the decline in sugar prices on its export revenue."

Nicolas *Maigrot*

Dear Stakeholders,

The decline in sugar prices, which began at the end of 2023 amid expectations of a rise in global production, continued over the crop year under review and weighed on the selling prices obtainable for Mauritius sugars. Over the last quarter of 2025, the prices fell more sharply than anticipated, though the Mauritius Sugar Syndicate (MSS) had reasonably expected the exceptional circumstances under which sales over 2022 and 2023 crops had been undertaken to normalize. Those previous crops benefited from an environment shaped by an increased production deficit combined with a surge in energy prices, especially in our traditional export destinations within the European Union.

Commercial agility

MSS nevertheless managed to mitigate the impact of the decline in sugar prices on its export revenue. It did so by increasing the share of high value special sugars in its production mix, while assuring the flexibility of diversifying the delivery of its white refined sugar to the most remunerative destinations. The commercial strategy was supported by a proactive FOREX approach, capitalizing on a 7% year-on-year appreciation of the Euro against the Mauritian Rupee, generating a hedging gain of approximately Rs 220 M.

As a result, total proceeds from sales of Crop 2025, including export of white sugar produced from imported raw sugar feedstock, attained Rs 10,351 M, compared with Rs 11,037 M in the previous year.

The ex-Syndicate price, based on the net proceeds paid to producers for the reporting year, was finalized at Rs 24,095 per ton of sugar, a 12.3% decline from their Crop 2024 receipt of Rs 27,478 per ton of sugar. The sugar revenue was complemented with the disbursement of Rs 3,087 per ton of sugar equivalent for bagasse and, for growers, an additional Rs 2,426 per ton of sugar equivalent for molasses, including the distiller-bottler levy.

Falling revenues amid rising production costs

Producers' cumulated revenue for Crop 2025 fell short of their operational costs, which have meanwhile surged with the impact of the 2026 Middle East war, weighing heavily on energy and fertilizer prices. More vulnerable sugarcane growers, who produce up to 60 tons of sugar, have been supported with the minimum guaranteed price of Rs 35,000 per ton of sugar, requiring a Government top-up of Rs 5,393 per ton of sugar – an important and welcome measure in this difficult time. Unfortunately, other categories of producers have faced financial losses.

Their situation was aggravated by the reimposition of Global Cess, producers' contributions for the financing of the sugar industry support providing institutions, capped at 4% of the ex-Syndicate price under the Mauritius Cane Industry Authority Act of 2011. Had the waiver introduced for Crop 2018 – when producers' revenue had fallen below their viability price levels – been maintained, producers' revenue would have improved by roughly Rs 1,000 per ton sugar.

The long-term challenge for the sugarcane industry is to maintain a minimum production level to sustain economies of scale, maintain market power and allow flexible adjustments to sales in an increasingly volatile market environment. The harvested area for Crop 2025 has already fallen to an alarming 33,805 hectares, resulting in a sugar production outturn of 220,305 tons tel quel, while more than 10,000 hectares are estimated to have been abandoned.

Strategic for Mauritius' energy transition

We will continue to emphasize that these unutilized resources not only represent significant loss of revenue for the sector but also increase the country's food and energy security risks, as bagasse and molasses are reliable sources of renewable energy. These co-products represent readily available and proven alternatives that could contribute to meeting the government's target of producing at least 60% of the national energy needs from renewable sources by 2035.

In this regard, it is essential that these resources are adequately remunerated to ensure their viability. For instance, imported wood pellets, used as biomass for energy production, cost almost twice the price paid for bagasse, which has remained unchanged since 2021 at Rs 3.50 per KWh.

Beyond financial viability, the sector faces several challenges, including labor shortage, irrigation restrictions, deviation of agricultural land for other purposes, and a persistent increase in operational costs amidst declining productivity. The continued decline in yield is a major cause for concern. Over the last 12 years, yields have decreased from 79.78 tons of cane and 7.89 tons of sugar per hectare to mere values of 68.68 tons of cane and 6.54 tons of sugar per hectare for Crop 2025. Such deterioration reflects the impact of climate change but also a gradual weakening of agricultural practices over time. An urgent reversal of this tendency is warranted to ensure that the industry remains competitive.

Rs 10, 351 m

TOTAL SUGAR PROCEEDS FOR 2025 CROP

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Supporting the low-carbon transition

Sugarcane is widely recognized globally as an energy cultivation, being even referred to as a sucro-energetic plant. It also supports a circular economy where "waste" can be optimally utilized. As a matter of fact, the Mauritian sugar industry has been making use of sugar co-products for decades, namely bagasse for electricity production and molasses for ethanol and rum. That is why the market is increasingly recognizing its contribution in reducing global carbon footprint and mitigating climate change.

According to a study undertaken in 2020 with the support of Fairtrade International, the sector's net carbon footprint was estimated at -0.17 kg CO2 per kg sugar produced. This result was achieved thanks to electricity generation from bagasse since the 1950s, whilst most producers in our traditional market destination emit at least +0.30 kg CO2 for equivalent sugar production. While this data needs to be updated, it represents a pertinent selling point for Mauritius sugars, bearing in mind customers' increasing concern for carbon emissions in acquiescence with the UN Sustainable Development Goal 13 relating to climate action.

The ex-Syndicate price, based on the net proceeds paid to producers for the reporting year, was finalized at Rs 24,095 per ton of sugar, a 12.3% decline from their Crop 2024 receipt of Rs 27,478 per ton of sugar. The sugar revenue was complemented with the disbursement of Rs 3,087 per ton of sugar equivalent for bagasse and, for growers, an additional Rs 2,426 per ton of sugar equivalent for molasses, including the distiller-bottler levy.

95,797 *tons*

SUGARS CERTIFIED SUSTAINABLE FOR CROP 2025

Building market differentiation

In the same vein, the industry has pursued the adoption of certified sustainability standards, namely Bonsucro and Fairtrade. For Crop 2025, ER Agri, Omnicane and Alteo corporate plantations produced 80,685 tons of Bonsucro-certified sugar, of which 49,125 tons were successfully sold by MSS to industrial users.

Following Omnicane and Alteo, Terra Milling is expected to become the last mill on the island to obtain certification during Crop 2026, alongside additional growing companies like Medine and Beau Vallon, bringing total Bonsucro-certified sugars to at least 90,000 tons. This progress was duly recognized by the jury of the annual Bonsucro Inspire Awards and MSS received the 'Best Value-Chain Initiative' in May 2026.

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Expanding our market reach

With regard to Fairtrade-certified sugars, 15,112 tons were produced by 21 certified small-scale sugar producing organizations (SPOs) during Crop 2025, and the entire production was sold to 12 destinations worldwide. It is worth highlighting that demand from Mauritius is higher than its prevailing supply capability, which has incited the Ministry of Industry, SMEs and Cooperatives to extend full support to additional eligible SPOs to prepare for Fairtrade certification. At the time of printing, five new SPOs have embarked on the Fairtrade certification process which, if successful, will increase certified sugar production by some 3,000 tons by 2027. A medium-term target has been set to increase annual availability to around 25,000 tons, which will open new commercial opportunities for Mauritius sugars, while ensuring that participating planters adopt best agricultural practices and benefit from the Fairtrade premium.

The sector prides itself in being close to achieving sustainability certification, both Bonsucro and Fairtrade, for almost half of its crop outturn, and the objective of 100% certification is now clearly within reach. While the groundwork has been laid to differentiate Mauritius sugars in the marketplace and strengthen our presence in our main export destinations, a boost in market conditions is required to ensure the sector's financial viability. It is reassuring to note that the challenges we face are not specific to the Mauritian sugar industry, though its risk exposure as an export-orientated sector is higher. Indeed, in most countries, producers, at least those not benefiting from domestic support, have faced dire financial difficulties over the last few years. They have thus been disinclined to expand production or invest in the best cultural practices, which is likely to lead to global deficit again.

Global outlook

The EU provides a particularly striking example. Annual average sugar prices there fell by 33% from 2023/24 to 2024/25, causing severe financial losses for both growers and millers. As a result, at least five sugar factories were closed in 2025 in Austria, France, Slovakia and Spain. Likewise, the acreage under beet cultivation was reduced by 12% over that period and is estimated to have declined by a further 8% in 2026. Meanwhile, average sugar yields for Crop 2026 were also expected to decline, by up to 10% compared with the previous campaign, owing to the hot and dry weather conditions which had prevailed over most Western Europe in July and August. At time of writing, sugar production in EU and UK was foreseen to decline by some 3M tons, compared with a crop outturn of 17.1M tons in the previous year.

This should necessitate larger import volumes over 2026/27, hence a strong likelihood of price improvements over the following quarters as stocks accumulated over the previous campaigns are gradually depleted. Globally, the risk of El Niño is rising, and could adversely affect sugarcane crops in India and Thailand. Despite stronger production prospects in Brazil, overall world sugar supply could come under pressure.

Ultimately, market conditions can only improve toward a new equilibrium as producers cannot continue to incur financial losses. The timing of a reversal after three consecutive years of declining prices is therefore critical. In the coming campaign, MSS will have to remain agile and vigilant in monitoring market evolution to ensure that it secures the best value for Mauritius sugars.

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CEO's *In*sights

"The intricacies (of Special Sugars) are widely recognized in the 60+ destinations where they are being sold"

Devesh Dukhira

How have sugar prices evolved over the past years?

After remunerative sugar prices over 2023 and 2024, which had incited sugar producers to enhance capacity both in the fields and in crystallization, global production rose from 175.5 M tons in 2022/23 to 181.0 M tons in 2023/24, according to the ISO World Sugar Balance of August 2026. This growth was supported by favorable weather conditions in key producing countries and was driven mostly by Brazil, where sugar production reached a record high 46.7 M tons in 2023/24, compared with 43.3 M tons in the preceding year and a mere 32.0 M tons in 2021/22. Western and Eastern European countries also recorded an increase in production, from 14.3 M to 16.2 M tons and from 8.7 M to 10.0 M tons, respectively, over the same period.

This increase in production exerted downward pressure on prices as from end of 2023, especially supported by sales of non-trade speculators' funds, which persisted over the two following years. This occurred despite sustained global consumption over that period increasing from 177.3 M tons in 2022/23 to 181.2 M tons in 2023/24, while the depletion of global stock triggered in 2021/22 continued. The stock-to-consumption ratio, which stood at 56.12% in that year, fell to 53.40% in 2023/24 and further to a nine-year low of 52.44% in the following year.

The average price of raw sugar on the free world market, which had attained US 23.68 cts/lb in July 2023 fell to US 19.27 cts/lb after 12 months and fell further to US 16.70 cts/lb by July 2025, i.e. a drop of almost 30% over these 2 years, when our Crop 2025 sugars were being sold. The ISO White Sugar Price Index likewise fell from US 30.51 cts/lb to US 21.45 cts/lb over that period, i.e. a decline of some USD 200 per ton of white sugar.

While the market had anticipated a price softening after the record levels reached in 2023, the pace at which it fell was surprising, especially given that global stocks had been declining for six consecutive years. In fact, no surplus was felt in most market destinations and domestic prices did not follow the downward trend of global sugar prices.

How did the European market react?

The European market, which has been the traditional export destination for Mauritius sugars, thanks to the margin of preference offered under the Economic Partnership Agreements, has experienced the same trend. After a 70% increase in average market price for white sugar from 2021/22 to 2022/23 – triggered by a year-on-year reduction of 2 M tons in the EU crop outturn and a surge in energy prices resulting from the Russian invasion of Ukraine in early 2022 – and another 8% in the following year, according to the EU Sugar Market Observatory, beet prices increased and growers were incentivized to enhance cultivation. From a prior 5 years' average of EUR 28 per ton, they rose to EUR 40-65 per ton in 2023 and accordingly the acreage rose to 1.42 M hectares (Ha) in that year and 1.51 M Ha in 2024. This resulted in a production increase of 1.0 M tons of sugar in 2023 and another 1.0 M tons in the following year, reaching 16.6 M tons in 2024. Stocks were amplified by the surge in imports over the 2 preceding years, especially the unforeseen 1.0 M tons from Ukraine, after imports into EU had been liberalized following the 2022 Russian invasion.

EU prices already started declining from the beginning of 2024, after the average ex-factory price of white sugar had attained EUR 857 in December 2023. The average price for 2024/25 reached EUR 555 per ton of sugar, i.e. 33% below the average price in the preceding year. As high beet prices were no longer sustainable, growers were encouraged to plant less, resulting in a 12% decrease in acreage from 2024 to 1.34 M Ha in 2025. However, near-to-perfect weather conditions prevailed, and yields reached a record 8-year high of 12.3 tons of sugar per hectare. As a result, production level remained unchanged at 16.6 M tons of sugar in that year, and pressure on market prices persisted.

When our Crop 2025 sugars were being sold, the EU was no longer the most attractive destination for white sugar. Only some 30,200 tons of such sugars were finally exported to this destination, comparable with the 26,800 tons in the previous year, but only half of the 60,500 tons delivered in 2023/24. These sales were undertaken under the commercial partnership with Cristalco, which was renewed for an additional 3-year period in November 2025 during the French President Macron's visit to Mauritius. Despite oversupply in the EU market, the Cristalco team has been proactive in positioning Mauritius white refined sugar in niche market segments requiring cane origin or Bonsucro certification, and even bottlers' grade and extra fine white sugar quality, in which Omnicane's refinery has developed the necessary expertise.

Beyond the European market, what opportunities existed for our white sugar?

After meeting domestic requirements with 24,200 tons, the remaining white sugar from the 85,040 tons produced over Crop 2025 was delivered to regional markets, namely Kenya and Madagascar, benefiting from the margin of preference provided under the trade provision of the Common Market for Eastern and Southern Africa (COMESA), as well as to China, where it is admitted against the in-quota tariff under the bilateral preferential trade agreement signed in 2021. Thanks to the flexible rules of origin under COMESA, another 76,124 tons of white sugar were delivered to Eastern African destinations after imported raw sugar was blended into locally produced feedstock prior to refining. Exports of white sugar to the regional market consequently reached 102,741 tons.

Despite market opportunities in the South African Customs Union (SACU), where Namibia and Botswana remain deficit markets, it is unfortunate that exports in 2025/26 were restricted to the TRQ of 3,160 tons allocated to Mauritius under Annex VII of the SADC Trade Agreement, a thorough review of which is long awaited.

60%

SHARE OF SPECIAL SUGARS IN PRODUCTION MIX

What about the sale of special sugars?

Sales of premium-value Mauritius special sugars have been more consistent in terms of value and export destinations. Total exports from the 2025 crop having attained 122,524 tons, compared with 116,142 tons in the previous year, out of the 132,598 tons produced by Alteo Milling and Terra Milling. It is worth noting that the share of special sugars has increased to 60% of the crop production, compared with 54% in the previous year and 52% in 2020.

Thanks to the strengthening of its marketing resources, MSS has managed to increase its sales in the EU & UK to 93,100 tons, from 81,400 tons in the previous year, whilst exports to the US and other world market destinations have remained rather stable at 10,000 tons and 18,000 tons, respectively.

Meanwhile, competition is intensifying, especially in the EU, as new preferential origins in Central America, and also neighboring Eswatini, prioritize production of brown cane sugar while selling them as special sugars. It is unfortunate that such thoughtless actions are gradually eroding the premium value that Mauritius, as a pioneer in these unrefined special sugars, has built over almost half a century. Paradoxically, consumer prices for these sugars have barely decreased, while the producers are needlessly incurring revenue shortfalls.

What has been the marketing strategy for special sugars?

Mauritius has always pursued a rational strategy by prioritizing its special sugars over alternative sweeteners and insisting, for instance, on their additive-free characteristics. Their strengths remain their wholesomeness and consistency, but also the terroir and the production environment under strict food safety and sustainability standards control to respond to the needs of the most discerning buyers. These intricacies are widely recognized in the 60+ destinations where they are sold and most often hold a dominant market position.

This distinctiveness was recognized in December 2024 through the Geographical Indication of the 'Mauritius Unrefined Sugar', probably the first admission of its kind. Furthermore, thanks to the support of the EU Commission through the 'deepened' Economic Partnership Agreement finalized in June 2026, such recognition should soon be extended to countries comprising the European Union. This will strengthen comfort for more than 60 buyers across the continent, who have been leaving no stone unturned to safeguard market share.

The supremacy of the Mauritius special sugars produced by Alteo Milling and Terra Milling, anchored around a long-proven savoir-faire, extends to other parts of the world, including Eastern Europe, the Middle East, North America, and Southern and South-East Asia, where, with the support of our buyers, end-users are being enticed to the value they bring in terms of natural flavor, texture and nutritional content.

What is the outlook?

As highlighted in recent years, in the absence of guaranteed prices, market flexibility is key to optimizing sugar sales revenue. In addition to the cyclical global surpluses and deficits, the impact of climate change is being increasingly felt, with the prospect of a strong El Niño over the second half of 2026, creating uncertainty across agricultural markets. For sugar in particular, the widely anticipated 2026/27 surplus is being restrained by dry weather conditions in key producing regions, especially in Asia and Europe, which could curb production and tighten balances.

Meanwhile, the U.S.-Iran conflict that intensified in February 2026 disturbed some of the world's most important shipping routes, let alone triggering a surge in oil prices, resulting in increased volatility in freight markets and in supply-demand dynamics, including for fertilizers, whose impact will be even more long-lasting.

Unfortunately, uncertainty remains a constant. This requires MSS to stay very close to its market while remaining agile and proactive in order to seize the best commercial opportunity at any one time.

What about our white sugar? What are the challenges specific to this product segment?

Of course, this superiority for Mauritius sugars extends to the white sugar produced by Omnicane, a flexi-factory model comprising, in addition to the mill, a state-of-the-art refinery with a capacity of 250,000 tons, a power producing plant and a distillery. Thanks to this facility, all waste streams – bagasse ash, factory filter cake or vinasse – are optimally utilized. It is a clear reflection of the circular economy principles that the sugarcane industry has been embracing for decades.

As a result of the decline in crop outturn, and therefore the reduction in raw sugar feedstock since its commissioning some 15 years ago, the refinery has had to complement its throughput with imported Plantation White Sugar to fill its capacity and maintain a competitive refining fee for MSS. The processed sugar is delivered mostly within the COMESA, where a margin of preference exists, but it must be blended with local raw sugar to meet the rules of origin. MSS has therefore been involved in the purchase of the raw materials and sales of the finished product against a management fee, while all risks and rewards remain with the refinery.

In this context, some 94,000 tons of such white refined sugar, mainly of bottlers' grade, have been exported over the year under review, representing a quarter of its total export proceeds. The purchase of raw sugar consignments accounted for 46% of its total direct operating expenses. Given the fluctuating market conditions in Europe, where the average ex-factory price of white sugar has ranged between EUR 396 to EUR 857 per ton over the last five years, it is essential that MSS ensures a thorough market presence, including in alternative destinations, so that exports can be redirected to the most remunerative outlets from one year to the next.

155k ***tons***

TOTAL WHITE SUGAR EXPORTED OVER THE YEAR

2025 Crop Year

Production and Sales

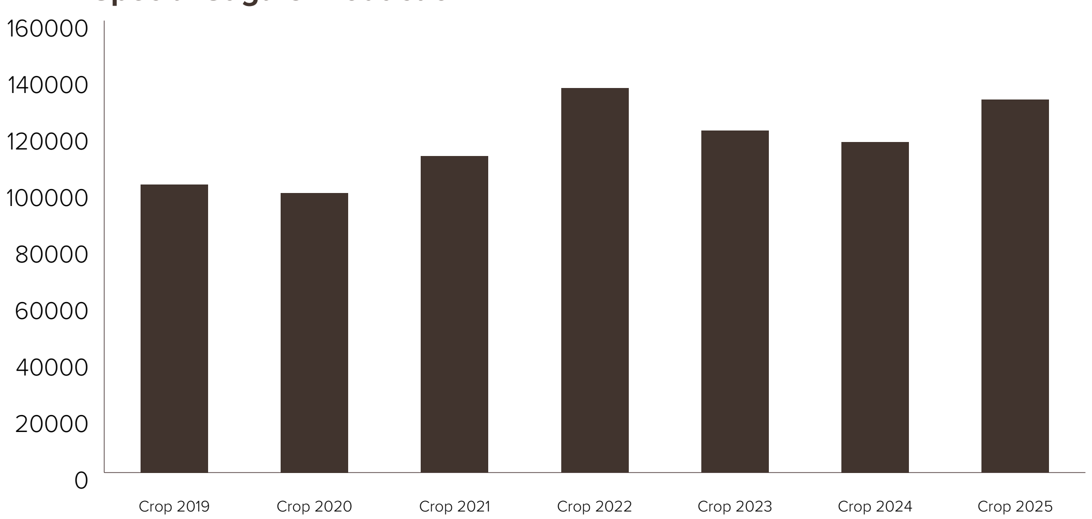
The 2025 crop year was marked by a more demanding commercial environment for sugar. International prices softened, while competition remained strong across both commodity and value-added segments. At the same time, logistics costs, freight volatility and evolving customer requirements continued to influence market conditions. Against this background, the Mauritius Sugar Syndicate remained focused on optimizing value for producers through orderly market allocation, reliable execution and close monitoring of customer requirements.

The year reinforced the importance of managing white refined sugar and special sugars according to their distinct market dynamics, while balancing market opportunities, production availability, logistics constraints and long-term customer relationships. It also highlighted the need for closer integration across sales, planning, logistics, quality, compliance and finance. In a more volatile environment, protecting value depends on the ability to allocate sugar effectively, execute shipments reliably, manage costs, safeguard product integrity and respond swiftly to customer requirements. These dynamics were closely reflected in both production and sales performance.

Special sugar production recovers

Crop 2025 marked a recovery in special sugar production which reached **132,598 tons**, representing an increase of approximately **11% c**ompared with the previous crop. This improvement was achieved despite the structural pressures facing the cane sector, including climatic variability, land abandonment, labor constraints and increasing competition from other sugar-producing origins.

Of the total special sugar production, **Alteo Milling Ltd accounted for 74,633 tons,** while the remaining volume was supplied by **Terra Milling Ltd.** This production base remains central to the positioning of Mauritius as a recognized origin for high-quality cane sugars.



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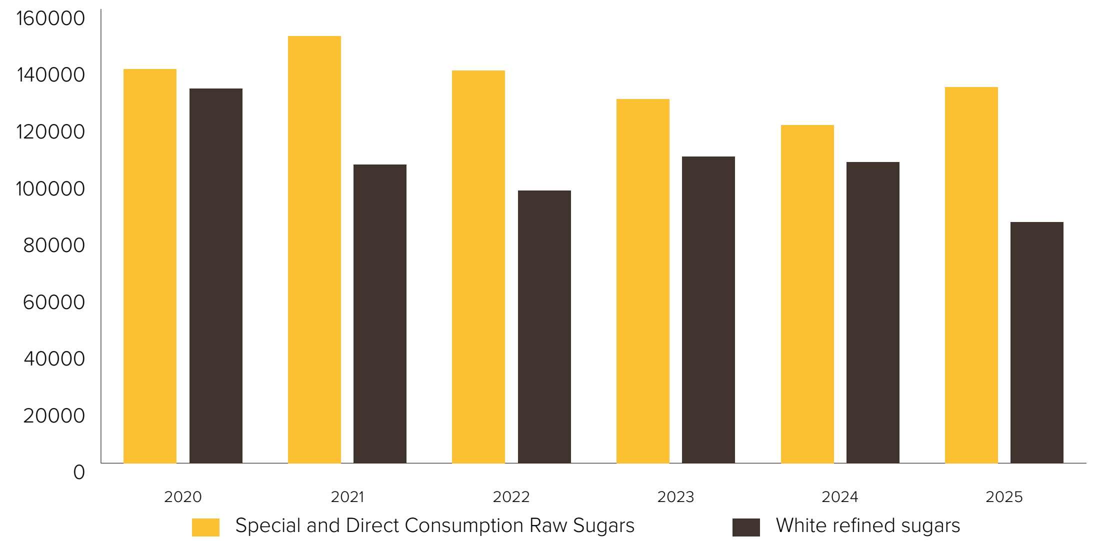
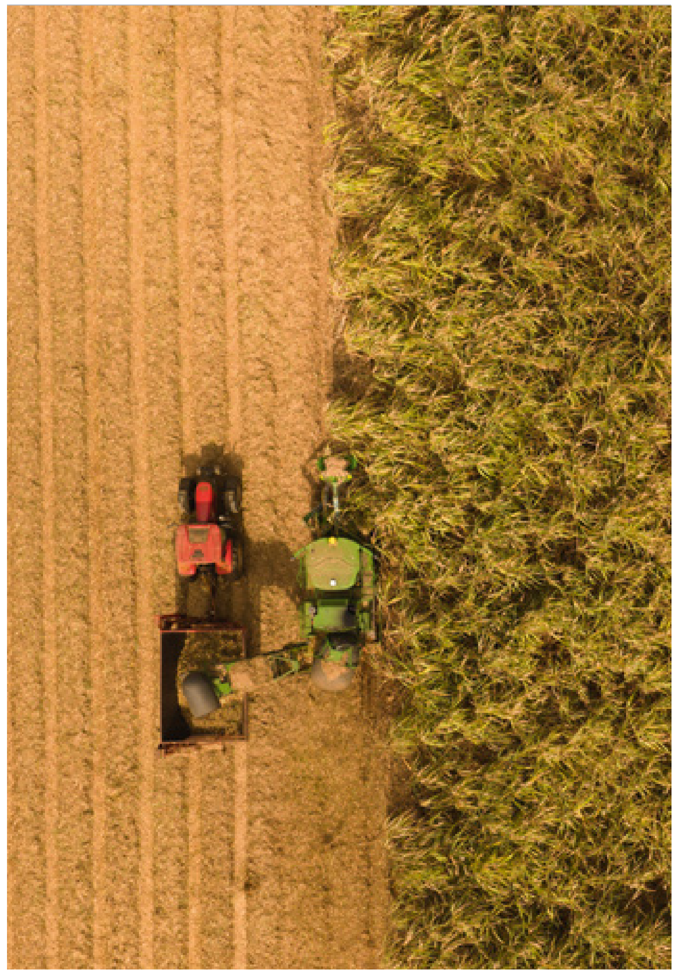
White refined sugar also remained an important component of MSS portfolio. Omnicane Refinery continued to support the supply of refined sugar for export and local market requirements. This segment remained relevant where market conditions, customer specifications, certification requirements and reliable supply supported value creation.

The product mix for Crop 2025 reflected MSS's continued objective of reinforcing Mauritius's position in special sugars, while pursuing opportunities for white refined sugar where market conditions, customer requirements and quality expectations supported value creation.



Challenging commercial environment



The marketing of Crop 2025 required careful management in a context of softer international prices and strong competitive pressure. Europe remained the leading destination for Mauritian special sugars and continued to provide an important outlet for value-added products. The United States remained constrained by quota availability, while other destinations in Asia, the Middle East and regional markets provided selected opportunities. The year also underscored that the competitiveness of special sugars depends on consistent quality, customer confidence, origin recognition, responsible production and the ability to demonstrate relevance across food, beverage and retail applications.

White refined sugar performed above initial expectations, supported by export demand and domestic requirements, with sales attaining approximately **83,000 tons,** almost 30% of which was delivered on the domestic market.

The performance of white refined sugar underlined the continuing importance of maintaining a broad and flexible market approach. While this segment remains more exposed to benchmark price movements, it can still support value where customers require reliable supply, consistent quality, certification, traceability and service assurance.

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Local market remains strategic

The local market remains strategically important, both for domestic food security and for maintaining the presence of Mauritian sugars among local industrial, retail and foodservice users. Local sales, however, were lower than in the previous year, mainly due to imports of refined white sugar during part of the period, while brown sugar sales remained more stable.

The year highlighted the need to continue monitoring import trends, market requirements and customer demand closely, while ensuring that local sales remain aligned with the broader objective of optimizing producers' revenue. MSS continued to serve the local market with a strong focus on supply reliability, product quality and customer service, while maintaining discipline in allocating available sugar across local and export opportunities.

Optimizing storage to support operational resilience

Storage remained a key element of operational performance during the year. Plans to build a new warehouse at Jin Fei did not materialize after the earmarked site was found non-compliant with the required geo-technical conditions. MSS therefore continued to operate through existing storage arrangements while seeking to optimize stock movement and mitigate the impact of rising warehousing costs.

Total stock throughput, including white sugar destined for the domestic market, across the main warehousing facilities increased from 131,084 tons for Crop 2024 to 143,879 tons for Crop 2025. Throughput at MCIA warehouse reached 94,871 tonnes, while MFD and Velogic handled 34,664 tons and 14,344 tons, respectively.

Warehouse (mt)	Storage Capacity	2024 Crop Throughput	2025 Crop Throughput
MCIA	95,000	92,062	94,871
MFD	25,000	30,344	34,664
VELOGIC	9,000	8,678	14,344
Total	129,000	131,084	143,879

In August 2025, MSS and MCIA finalized a Service Level Agreement covering storage and handling activities at the MCIA Sugar Storage & Handling Unit. This agreement marked an important step in clarifying operating principles, responsibilities and standards for the storage and handling of bagged sugars.

During the period under review, MSS was also consulted by the relevant authorities regarding the possible use of Shed 2 of the Bulk Sugar Terminal for national energy-related purposes. MSS remains supportive of national priorities, provided that adequate sugar storage capacity is preserved and that any transition does not undermine product integrity, operational efficiency or producers' interests.

Remaining competitive, trusted and relevant

The 2025 crop year confirmed the need for MSS to continue strengthening its portfolio management approach. In an increasingly competitive market environment, value creation depends not only on the quality of the sugar produced, but also on market selection, customer confidence, certification, traceability, supply chain reliability and operational discipline.

For white refined sugar, the priority remains reliable supply, consistent quality and customer assurance. For special sugars, the focus is on further strengthening differentiation through origin, quality, applications and customer engagement.

MSS will continue to work closely with producers, millers, customers and service providers to ensure that Mauritian sugars remain competitive, trusted and relevant in both established and emerging markets.

Delivering *Mauritius Sugars* *Amid* Global Supply Chain *Disruptions*

Despite a more volatile global environment marked by geopolitical tensions, congestion at transshipment hubs, and rising freight costs, MSS continued to serve customers across a wide international network while safeguarding supply continuity and operational performance. During the year, export deliveries were maintained across a broad international footprint.

Container shipments and deliveries remained relatively fluid during the 2025/26 period, with no major disruption affecting the performance of the Cargo Handling Corporation Ltd (CHCL) or shipping lines until February 2026, when geopolitical tensions escalated in the Middle East led to the outbreak of the Iran war.

Showcasing agility

These developments significantly affected deliveries to key Middle Eastern ports, notably Jebel Ali, Dammam and Shuwaikh, due to temporary port closures and the suspension of services by certain shipping lines. To ensure continuity of supply and minimize disruptions to customers in the UAE, Kuwait and Saudi Arabia, cargoes were diverted to less impacted ports, particularly Salalah and Khor Fakkan, and complemented by inland trucking solutions.

Exports to other destinations were also subject to occasional delays, mainly due to congestion at transshipment hubs in the Indian subcontinent. Nevertheless, proactive logistical measures, including preponing shipments on customers' demand, helped maintain the integrity of supplies and minimize disruption for customers.

Rising freights costs

In addition to these operational challenges, the escalation in fuel prices led shipping lines to pass higher costs on to global trade. The most significant impact was observed following the introduction of emergency bunker surcharges, which resulted in all-in freight rates increasing by 344% for Middle Eastern ports. Rates to ports in the EU, USA and Far East Asia increased to a much lesser extent by up to 22%.

These developments reinforced the importance of proactive shipment planning, freight monitoring and contract management in protecting the reliability and competitiveness of Mauritian sugar exports.

Exporting to 85 ports worldwide

During the period under review, MSS exported bagged sugar to 85 ports worldwide, including 39 destinations in the European Union, five in the United States, 13 within the regional market and 28 in other international markets. Shipments were facilitated through the services of three shipping lines operating from Port Louis, namely Mediterranean Shipping Company (MSC), Maersk Line and CMA CGM. These service providers ensured reliable access to and connectivity with key export destinations.

It is worth noting that all containers used at various loading locations met food grade standards and underwent stringent quality controls to ensure compliance with the guidelines established by MSS's Quality Assurance Department. Containers tracing, FIFO, storage days monitoring and quality release are fully managed on MSS Oracle NetSuite, an integrated ERP system.

85
ports served
worldwide

Improved container dwell time

The facilities used for accommodating full container loads in transit prior to export are Cargo Handling Corporation Ltd (CHCL) and Associated Container Services (ACS). Improved Vessel berthing regularity at Port Louis harbor during the second half of 2025 – and sustained so far – contributed significantly to reducing the average container dwell time from approximately 40 to 25 days. This improvement supported better control of operational costs and enhance container cycle efficiency.

Maintaining Port Louis' competitiveness

Further strengthening the connectivity and efficiency of Port Louis remains a strategic priority in support of Mauritius' ambition to position itself as a regional logistics hub. Economic operators have high expectations regarding the transformation of the port through investments in state-of-the-art handling equipment, the adoption of artificial intelligence for improved data management and operational efficiency, and the development of an inland terminal to expand overall capacity.

The timely implementation of these initiatives, supported by clearly defined milestones and measurable outcomes, is critical to maintaining the competitiveness of Port Louis. Failure to act decisively could result in the port being relegated to a secondary role, particularly as competing ports in Madagascar and South Africa continue to strengthen their infrastructure and embrace innovation at an accelerated pace.

Against this backdrop, the port development program announced by the Government, in collaboration with the Government of India, is eagerly awaited by stakeholders. Its successful implementation is expected to play a pivotal role in securing Port Louis' long-term position as a leading maritime gateway in the region.

Our History & Terroir

Sugarcane cultivation and sugar production have shaped both Mauritius' history and landscape.

The unique volcanic soil and century-old savoir-faire have earned our industry a reputation beyond our shores. As you gaze across sugarcane fields, remember that you are looking at history in the making.

Mauritius Sugar Syndicate: Rooted in Excellence since 1919

For over a century, the Mauritius Sugar Syndicate has been the exclusive custodian of Mauritius' most prized product: sugar. In 1919, in the aftermath of World War I, local producers struggled to sell their product amid growing competition from other producing countries. They decided to join forces, hence giving birth to MSS.

However, it was not until 1951, upon the recommendation of the Mauritius Economic Commission 1947-48, the non-profit organization was legally established following the adoption of the Mauritius Sugar Syndicate Act 1951.

For Crop 2025, MSS brought together 6,892 individual and corporate growers and the three milling companies in service, namely Alteo, Omnicane and Terra. As an authorized body under the Mauritius Cane Industry Authority (MCIA) Act 2011, it is the only organization permitted to market and sell Mauritian sugars and, subsequently, distribute the proceeds of such sales to them after deducting common expenses.

Optimizing producers' revenue

In fulfilling its role, MSS's primary objective is to optimize producers' revenue through commercial strategies and targets designed to generate sustainable value. It also endeavors to minimize costs along the supply chain, from production at the sugar mill to delivery to customers, including its financial charges.

MSS's operations are structured into specialized departments geared to provide relevant services to its core business, namely marketing and sale, planning and delivery, finance and accounts, while ensuring quality and food safety for the sugars supplied, and providing the relevant support to producers. In addition to payment of the net sugar sales revenue to its members, MSS facilitates the distribution of proceeds derived from the sale of by-products, namely bagasse and molasses, as well as disbursements of SIFB and Government compensations, when applicable.

Governance structure

The MSS 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 MSS is elected every year at the first meeting of the Committee following the Annual General Meeting (AGM) in 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 MSS, 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 MSS'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 as and when required to address issues relating to remuneration, promotion, and recruitment.

Milestones  *in the* Mauritius' sugar *industry*

For nearly four centuries, sugarcane has been deeply woven into Mauritius' history, economy, and identity. From the Dutch period to the development of a sophisticated export industry, the sector has continually evolved in response to changing markets, trade policies and technologies. Here are some key milestones that have shaped its transformation.

1638
Sugarcane introduced in Mauritius by the Dutch when they returned to settle on the island, which they had accidentally discovered in 1598. The plant was initially used to produce arrack.

1694
Sugar was manufactured locally for the first time, in Flacq.

1715
The French took over the island, which the Dutch had abandoned in 1710.

1743
French governor Mahé de Labourdonnais launched large-scale sugar production across the island. By the beginning of the 1800s, 10,000 arpents were under sugarcane cultivation, with some 80 mills operating during the French period.

1810
The British took over Mauritius after their forces captured the island from the French in November.

1825
Under British rule, sugar production reached 10,800 tons, with over 110 mills in operation and more than 26,000 arpents under cultivation.

1834
The first group of Indian indentured laborers arrived in Mauritius in anticipation of abolition of slavery in 1835. By 1924, when the indentured labor system officially came to an end, almost half a million laborers had arrived from India.

1860
The industry experienced a boom, with more than 110,000 arpents under cultivation, 259 mills in operation and sugar production reaching 130,000 tons.

1919
The Mauritius Sugar Syndicate was created under the auspices of the Mauritius Chamber of Agriculture.

1951
The Commonwealth Sugar Agreement (CSA) was signed between the UK and the Commonwealth sugar-exporting territories. It guaranteed long-term markets and stable, negotiated prices for specific export quotas of raw sugar. It ended in 1974, when the UK joined the European Economic Community (EEC). The MSS was legally constituted pursuant to the Mauritius Sugar Syndicate Act 1951.

1953
The Mauritius Sugarcane Industry Research Institute (MSIRI) was established "to promote by means of research and investigation the technical progress of the sugar industry".

1957
Bagasse first used to produce electricity, providing energy and steam to the sugar mill, and exporting the extra energy to the national grid.

1968
Mauritius became an independent country.

1973
Sugar production reached an all-time record high of 719,928 tons.

1975
Mauritius became the main beneficiary of the Lomé Convention's Sugar Protocol, which guaranteed the annual purchase of 500,000 tons of Mauritius sugar by the EEC at fixed prices.

1978
Two varieties of special sugars, namely Demerara and Golden Granulated, were produced in Mauritius and exported to the United Kingdom.

1994
Milling companies opened their equity to the Sugar Investment Trust (SIT), with 20% of their share capital sold to SIT under an agreement with Government, facilitating wider ownership by sugar-industry employees and cane planters.

1997
The Blueprint on the Centralization of Sugar Milling Operations was introduced by Government in May 1997.

1999
Setting up of first independent bagasse/coal power plant at Centrale Thermique de Belle Vue (now Terragen Ltd) for regular supply of electricity to the national grid, one of the country's pioneers in renewable electricity generation using bagasse biomass during the crop season.

2005
In anticipation of the reform of the EU Sugar Regime, calling for abolition of the Sugar Protocol, a Multi Annual Adaptation Strategic Plan was established for the sugar sector after consultation with all stakeholders. The EU consequently provided funding under Accompanying Measures to allow the industry to adapt to the new market environment.

2008
MSS became a Fairtrade-certified sugar exporter, after certification of the first batch of 5 cooperatives of small cane planters.

2009
The abolition of the Sugar Protocol brought an end to guaranteed market access into the EU. This major development prompted local producers to shift from essentially raw sugar processing to producing sugar exclusively for direct consumption, while aligning with EU Food safety standard. MSS consequently entered into a long-term commercial partnership agreement with German Suedzucker, Europe's largest sugar producer, for supply of its white sugar to the deficit regions of the continent.

2010
Two state-of-the-art back-end refineries came into operation, producing white refined sugar of EEC Grade 2 quality to supply the deficit market of Europe.

2011
The sugar industry's service providing institutions, including the MSIRI, were reformed and merged, leading to the Mauritius Cane Industry Authority (MCIA).

100% of sugar exported from Mauritius was for direct consumption, including white sugar to the tune of 300,000 tons destined to the EU mainly and some 120,000 tons of special sugars, annual sales having been doubled thanks to an expansion of the market base.

2015
MSS finalized a multi-annual commercial agreement with Cristalco, the marketing arm of French producer Cristal Union. The agreement has been renewed 3 times, the last version having been signed in Port Louis in November 2025 during the visit of French President Macron.

Milestones in the Mauritius' sugar industry (cont'd)

2017

A new reform of the EU Sugar Regime called for abolition of production quotas which triggered a significant increase in EU beet sugar production. As a result, MSS had to diversify its export market base, especially for white sugar, targeting mainly the deficit Eastern African market.

2019

Corporate growers and millers embarked onto Bonsucro certification, demonstrating the industry's commitment to adopting global standards for sustainable sugarcane production and processing.

2020

Government introduced a minimum guaranteed price for vulnerable planters to assure their viability over dire market conditions.

2021

Review of Mauritius Sugar Label based on 6 pillars, namely Wholesomeness, Taste, Healthy Benefits, Traceability, Sustainability and Easy & Convenient Sourcing.

Payment mechanism for bagasse as a biomass was revisited, from the previous Bagasse Transfer Price formula to Rs 3.50 per kWh, which encouraged planters in consolidating their cultivation.

Bilateral Free Trade Agreements were signed between Mauritius and China, and subsequently India, containing tariff rate quotas for Mauritius special sugars, hence opening these fast-growing markets to the local produce.

2022

Creation of MSS Club to support the 150+ buyers of Mauritius sugars.

2023

The ex-Syndicate price paid to producers for the sales of their sugar by MSS reached a record level of Rs 30,951 per ton.

2024

'Mauritius Unrefined Sugar' recognized under Geographical Indication, a first of its kind globally.

2025

Total production of sugar certified sustainable reached almost 45% of the crop outturn.

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Unveiling *the* Secret *"Ingredients"* of Mauritius sugar

Long before Mauritius became known for its beaches and lagoons, it was known for one thing: sugar. Since the 17th century, sugarcane has shaped the island's landscape, economy, and society. Even today, Mauritius sugar – particularly its range of "special sugars" – is prized by chefs, bakers, and gourmets worldwide. What makes it stand out could be summed up in one word: terroir. It is the unique combination of soil, climate and savoir-faire found on a tiny piece of land in the Indian Ocean.

A naturally rich volcanic soil

Mauritius rose out of the sea as a volcanic island, and the soil bears the mark of its origins. Naturally rich in minerals, its deep, well-drained, humid soils provide ideal conditions for sugarcane cultivation. It contributes to both yields and flavor.

The soil, however, was historically so rocky that extensive de-rocking of fields was required before mechanized planting and harvesting could be introduced. Some fields are still undergoing the process, though those located on steep terrains – including some on mountain slopes – continue to require manual labor, as they cannot be accessed by machinery.

A climate built for sugarcane

Mauritius lies in the tropics, and its climate is tailored to meet almost all of sugarcane needs. With year-round sunshine, relatively warm temperatures and humid conditions, the island offers the perfect setting for this crop.

The seasonal cycle matches the plant's needs: vegetative growth takes place during the warm, wet summer, while maturation and sugar concentration occur during the cooler, drier winter. The canes naturally ripen in the fields. This natural rhythm, coupled with abundant sunshine, helps explain why Mauritius sugarcane can achieve high sucrose content.

However, the island features distinct regional micro-climates, shaped by mainly its topography and trade winds. The central plateau and its surrounding areas are cooler and wetter as they receive the highest levels of rainfall. Coastal regions, by comparison, are warmer and drier.

Much like grapes in a wine-producing region, sugarcane variety can differ from one locality to another, with variations in sugar content, color, and even aromatic character.

From cane to crystal

As soon as the sugarcane stalks reach the factory, they follow a meticulous process, whose techniques have been refined over centuries. The canes are first cleaned and shredded before being crushed to extract the juice. Impurities are then removed through a multi-step process, after which the juice goes through an evaporation stage to become a concentrated syrup.

The water content is further reduced to create what is known as massecuite. This product is put into a high-speed centrifuge to separate sugar crystals and molasses. This stage is carefully controlled to create the exquisite range of special sugars. The retained molasses is key to what makes Mauritius sugars distinctive.

Since they have not been stripped down to pure sucrose, these sugars retain minerals and aromatic compounds naturally present in cane juice. Some producers even say that tasting Mauritius special sugars is like tasting the terroir itself: the volcanic soil, the sunshine and the cane variety.

A diversity of varieties

Sugar quality starts with the plant. Mauritius has spent over a century researching and breeding cane varieties suited to its specific combination of soils and micro-climates. The first breeding program was launched in 1891, while the creation of the Mauritius Sugarcane Industry Research Institute in 1953 marked a significant milestone in this field.

Over time, the country has developed several varieties that are disease-resistant while delivering the required level of sucrose and fiber content. Early- and late-maturing varieties are cultivated together so that harvest can be staggered, thereby ensuring that each variety is harvested at its peak sucrose concentration.

New varieties have also been introduced in recent years as part of the industry's climate change adaptation agenda. In total, Mauritius currently cultivates around 20 varieties, none of which has been genetically modified.

How *the* Sugar *Industry* Is Reinventing Itself for *the* Future

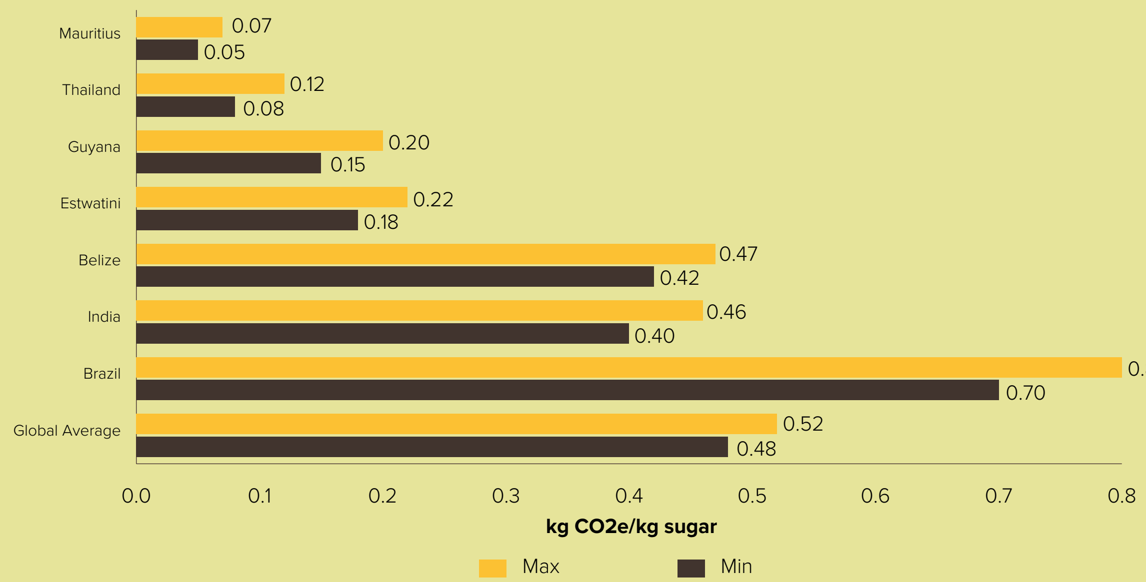
For over three centuries, sugarcane has been the crop that helped build Mauritius. It brought the wealth that financed the island's development and supported its subsequent transformation into the diversified economy it has today. Far from being a legacy industry looking back to the past, the Mauritian sugar industry keeps reinventing itself to prepare for the future.

Leading low-carbon innovation

The Mauritius Sugar Syndicate's sustainable initiatives converge to position Mauritius sugars as a confirmed low-carbon industry. By adopting Bonsucro and Fairtrade-certified practices and transforming by-products into renewable energy, biofertilizers, ethanol, and recycled water, the Mauritian sugar industry has contributed to reducing greenhouse gas emissions while strengthening energy security and agricultural resilience.

These efforts demonstrate clear alignment with international carbon reduction objectives and establish Mauritius sugars as a viable, sustainable, and leading source of low-carbon innovation, as confirmed by global data benchmarks.

Carbon Footprint data



Source: Adapted from International Sugar Organization 2024: 'Sustainability and Carbon Footprint Benchmarks in Sugar Production. Reproduced for comparative benchmarking purposes.'

Promoting climate-smart agricultural practices

The Farmpact represents a significant innovation. It provides a customizable software designed to collect and analyze primary data across the agricultural Fairtrade sugar supply chain for accurate tracking of greenhouse gas emissions. The platform enables data-driven Scope 3 emissions reporting, supplier engagement, climate action monitoring, and compliance with internationally recognized climate action frameworks.

The platform is currently in a pilot testing phase involving selected Fairtrade-certified cooperatives. Following performance evaluation and validation of the pilot results, the software is planned to be rolled out to participating planters. Once adopted, it will enable wider adoption of climate-smart agricultural practices and enhanced sustainability reporting capabilities.

This project is being implemented under the aegis of Fairtrade International, reinforcing its commitment to supporting climate resilience, transparency, and sustainability within the Mauritius Fairtrade agricultural supply chains.

Staying ahead of market trends

Beyond compliance with specific regulations and certification requirements, MSS is taking a forward-looking approach to anticipate emerging market trends and evolving customer expectations. Increasingly, customers are seeking products that not only meet quality standards but also demonstrate measurable environmental and social performance throughout the value chain.

MSS is therefore supporting initiatives that enhance the measurement, monitoring, and reporting of environmental impacts across the sugar value chain, enabling customers to better understand and reduce their own Scope 3 emissions. This increased transparency strengthens the positioning of Mauritian sugar as a credible and sustainable sourcing option in global markets.

Leveraging new technologies

MSS encourages its stakeholders to adopt new technological tools to improve productivity and address climate-related challenges, such as drones for spraying sugarcane fields.

Irrigation is another area where the sector has made significant progress, notably through the implementation of drip systems in water stressed regions. Results show higher yields, effectively addressing the water scarcity challenge. Other tools, such as harvesters, are now commonplace as a response to labor shortages.

From commodity to value-added products

The collapse of the trade arrangements the industry once relied on prompted the reinvention of its product portfolio. A deliberate transition toward special sugars began at the end of the 1970s, but this shift was accelerated once guaranteed access to EU markets was dismantled in 2009. For Crop 2025, the share of special sugars reached 60% of the total crop production.

Research and development has been central to Mauritius' success in that product segment, expanding the range to over twenty distinct varieties today, some of which stand out for their unique organoleptic profile. R&D underpins the food safety, quality and traceability that these sugars require to access demanding international markets.

R&D has also been instrumental in developing non-GMO cane varieties, in particular drought- and disease resistant varieties, which help the industry reduce its environmental footprint while continuing to deliver quality sugars across the world.

Certifications that Support Mauritius Sugar

Mauritius sugar is supplied to customers around the world, with different markets and customers having different requirements. These increasingly cover not only the quality of the sugar, but also how it is produced, traded, processed and packed.

The certifications held across the Mauritian sugar industry help meet these expectations. Beyond compliance, they support better practices across the industry and provide customers with recognized credentials when sourcing Mauritius sugar.

Responsible production & value chain

Bonsucro

Developed specifically for the sugarcane sector, Bonsucro covers environmental and social practices in sugarcane production and processing. Corporate growers and sugar matters have been securing Bonsucro certification since 2019.

For the industry & environment

Supports responsible practices across cane cultivation and milling, with greater consideration for environmental and social performance.

For customers & markets

Provides recognized sustainability credentials for international food manufacturers and other customers with responsible-sourcing requirements across global markets.

Fairtrade

Fairtrade caters specifically for small growers and covers both the way sugarcane is produced and the conditions under which the Fairtrade sugar is traded. Its standards include social, environmental and economic requirements for small-scale producer organizations, alongside specific requirements for cane sugar and the companies trading certified products. MSS has been a Fairtrade-certified sugar exporter since 2008.

For growers & communities

Fairtrade supports better farming practices, stronger producer organizations and social and environmental improvements. Fairtrade Premiums also fund initiatives benefiting planters, workers and communities, including replanting, training, protective equipment and community projects.

For customers & markets

Provides customers with independently certified sugar covering both responsible production and trading requirements. In Crop 2025, **15,112 tonnes of Fairtrade-certified Mauritius sugar were exported to 12 destinations worldwide.**

Food safety & product integrity

BRCGS (Brand Reputation through Compliance Global Standards)

BRCGS covers food safety, quality and operational controls applied during food processing and packing.

For the supply chain

Strengthens food-safety discipline and operational controls during processing and packing, helping protect product quality and integrity.

For customers & markets

Provides recognized assurance for retailers, food manufacturers and other customers operating stringent food-safety and supplier-approval requirements across international markets.

Meeting specific consumer requirements

Halal

Halal certification confirms that applicable products and processes meet recognized Halal requirements.

For the industry

Enables Mauritian producers and packers to respond to a broader range of customer and consumer requirements.

For customers & markets

Supports customers requiring Halal-certified ingredients, including those serving consumers of Islamic faith in the **Middle East, Asia and other international markets.**

Kosher

Kosher certification confirms that applicable products and processes meet recognized Kashrut requirements.

For the industry

Broadens the ability of Mauritian producers and packers to supply customers requiring Kosher-certified ingredients.

For customers & markets

Supports customers and food manufacturers requiring Kosher-certified ingredients across international markets.

Supporting confidence in Mauritius sugar

Mauritius sugars - Quality you can trust sustainably

These certifications serve different purposes and benefit different parts of the Mauritian sugar industry, from growers and communities to millers, processors and packers.

For customers, they provide recognized evidence of the standards behind the sugars they source from Mauritius, covering responsible production and trade, food safety and specific consumer requirements.

Together, they reinforce the quality, responsibility and reliability of Mauritius sugar in international markets.

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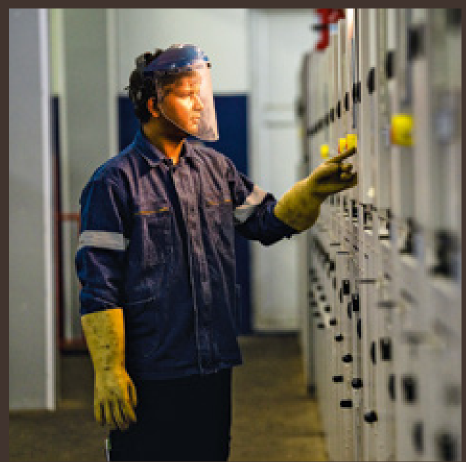
People & Operations

The sugar industry never rests on its laurels.

Today, the story it tells is one of resilience and reinvention. It draws on the experience of seasoned professionals, while leveraging fresh perspectives from younger generations, eager to take it to the next level.

Our People: The Foundation of *our* Success



At the Mauritius Sugar Syndicate, our people remain at the heart of our success and resilience. The organization is committed to building a skilled, diverse and engaged staff, equipped to meet the evolving market demands and stakeholder expectations.

MSS fosters a culture of inclusion and collaboration across all levels, bringing together complementary skills and expertise. A particular strength of our team – and of the industry as a whole – is its intergenerational diversity. Experienced professionals share invaluable knowledge and expertise, while younger colleagues bring fresh perspectives and ideas. This exchange strengthens our collective capabilities and helps ensure the knowledge needed to support the industry's future.

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MAURITIUS SUGAR

Headcount

36

Gender profile

23	13
Male	Female

Distribution by Generation

1	17	15	3
Baby Boomers	Generation X	Millennials	Generation Z

Distribution by years of experience

17	1	1	4
0-5 years	6-10 years	11-15 years	16-20 years
4	4	1	4
21-25 years	26-30 years	31-35 years	36-40 years

Committee Members & Staff

Main Committee (2025-2026)

President
Nicolas Maigrot (Corporate sector representative)

Vice President
Sachin Sookna (Small Planters' representative)

Corporate Sector Representatives
Olivier Baissac

Gregory Bathfield

Javesh Boodnah

Fabien de Marassé Enouf

Jean Li Yuen Fong

Jérome Jaen

Denis Lagesse

Patrick Lagesse

Sebastien Mamet

Arnaud Marrier d'Unienville

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

Thierry Merven

Clement Rey

Large Planters' Representatives
Nominated by the Ministry of Agro- Industry, Food Security, Blue Economy and Fisheries

Viraj Bagiruth

Amar Deerpalsing

Dhanunjay Kheedoo

Heymant Rao Anand Sonoo

Small Planters' Representatives
Nominated by the Ministry of Agro- Industry, Food Security, Blue Economy and Fisheries

Kailash Ramdhary

Kamless Seeam

Sandip Seeburrun

Executive & Selling Committee

President
Nicolas Maigrot (Corporate sector representative)

Vice President
Sachin Sookna (Small Planters' representative)

Members
Olivier Baissac

Viraj Bagiruth

Fabien de Marassé Enouf

Patrick Lagesse

Jean Li Yuen Fong

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

Kamless Seeam

Heymant Sonoo

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

Dr Suman Seeruttun (CEO of MCIA)

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STAFF

Chief Executive Officer & Secretary
Devesh Dukhira

Sales & Marketing

Chief Operating Officer
Preetam Appadu (from January 2026)

Paul Sebastien Giraud (until October 2025)

Other Staff Members
Zaynab Abdool Gaffoor

Eddie Glen Baniaux

Meenakshi Chumroo (from October 2025)

Miteeraj Nitish Doodee

Lashna Gungaram (from June 2026)

Marie Estelle Honorine Huet- Surette (until April 2026)

Jean Dany Desire Jaune

Gilbert Stephan Keble

Marie Laure Karine Ribet

Reshma Nowbuth Roopun

Mark Ian Alain Samuel

Narainee Surujbhali (until December 2025)

Finance & Accounts

Chief Finance Officer
Rajendra Puddoo

Other Staff Members
Kritika Bhoyroo (until February 2026)

Krishtina Garewan

Indira Goboodun

Yudhisthir Gopaul

Muhammad Zubeir Peerun

Rewteesingh Rampul

Producers' Service
Varsha Boolakee

Purshotum Luchmun Roy

Quality & Compliance

Head of Compliance and Producers' Service
Chetanand Dookhony (until March 2026)

Head of Quality & Compliance
Sanjaye Goboodun

Other Staff Members
Bhavna Burhooa Hurry

Clifford Davy

Radhika Fokeerah

Akhtar Jamaloodeen

Dany Payne

Belinda Punchaye

Sailesh Seeballuck

Supply Chain
Achoybar Abhijeet

Ramtohul Kurmdeo

Raamiz Rajbally

Procurement
Khemraj Jhurry

Admin Staff
Riya Lollmun Energeet

Manoj Kumar Mohun

Gooroodeo Noyan

IT Executive
Bilaal Hymabaccus (until April 2026)

HR Consultant
Veena Ghurburrun

Legal Counsel
ENSafrica (Mauritius)

US Trade Counsel
Ryberg and Smith LLC

External Auditors
BDO LLP (Mauritius)

Internal Auditors
Baker Tilly Solutions (Mauritius)

Bio-Data of MSS's Executive & *Selling* Committee *Members*

Nicolas Maigrot

Nicolas Maigrot has been the 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. During his career, he has acquired 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 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.

Jean Li Yuen Fong

Jean Li Yuen Fong was Director of the Mauritius Sugars Producers' Association (MSPA) until its dissolution in November 2015. His services have subsequently been retained by the main sugar companies for matters relating specifically to the sugar sector. He also 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 Aurevya Wealth Ltd. He is presently the Chairperson of the Regional Training Centre.

Fabien de Marassé Enouf

Fabien de Marassé Enouf is the Chief Executive Officer (CEO) of Alteo Group. Over the years, he has led several decisive projects linked to the restructuring and expansion of Alteo's operations, and he has played an active role within several cane sector institutions. He is a former chairperson of the Mauritius Sugar Syndicate and the Sugar Industry Pension Fund. Fabien holds a Bachelor of Commerce (Accounting and Finance) from Curtin University and is a fellow of the Institute of Chartered Accountants in England and Wales.

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

Jacques Marrier d'Unienville, G.O.S.K, holds a Bachelor's Degree in Commerce. He has more than 30 years of work experience in France, the Seychelles and Mauritius, with expertise in the strategic development of new projects in sugar production and refining, independent power production, waste and environment management, and renewable energy projects. He joined Société Usinière du Sud in 2005 as Chief Executive Officer (CEO) and is currently the CEO of Omnicane Limited as well as the Chairperson of Omnicane Thermal Energy Operations (La Baraque) Limited and of Omnicane Thermal Energy Operations (St Aubin) Limited. A board member of several sugar sector institutions, he served as President of the Mauritius Sugar Syndicate in 2012/13 and 2022/23 and as President of the Mauritius Sugar Producers' Association in 2005/06 and 2009/10.

Sachin Sookna

Sachin Sookna is the Chief Executive Officer of the Mauritius Co-operative Agricultural Federation Ltd (MCAF Ltd), bringing over a decade of 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. Starting his career at Medine Limited in 2008, he joined MCAF Ltd in 2012 as Technical Officer. He rose through the ranks to become Marketing Manager in 2016, overseeing key departments, including R&D, Marketing, and Mechanization. In 2022, following a strategic restructuring, he was appointed CEO by the Board of Directors. He has received specialized training in biofertilizer production from IFFCO in India and currently serves as President of CropLife (Mauritius), where he promotes sustainable agricultural practices across the industry.

Heymant Rao Anand Sonoo

Heymant Rao Anand Sonoo is the Director of Sonoo Estates Ltd, a family-owned enterprise engaged primarily in sugarcane cultivation over 85 hectares of land in the Eau Bleue/Mare Chicose region. He has held numerous leadership roles across the sugar industry, including Chairman of the Mauritius Sugar Syndicate (MSS) and the MSS Multi-purpose Co-operative Society Ltd. His extensive board-level experience spans key organizations such as the Farmers Service Centre, MCIA, S.I.T, S.I.T Land Holdings, and S.I.T Property Development, among others. He has also contributed actively through participation in strategic committees, such including the Joint Technical Committee on the Cane Industry and the MSS's Executive and Selling Committee. He holds a BSc (Hons) in Agriculture, a Diploma in Sugarcane Analysis, and professional certificates in Entrepreneurship.

Patrick Lagesse

Patrick Lagesse has over 30 years of experience in agriculture and agribusiness in Mauritius and across Africa. He holds a BSc in Agriculture from the University of KwaZulu-Natal, South Africa, and an Executive MBA from the University of Birmingham, UK. His career spans key leadership roles at Elegant Flowers Ltd, Illovo Sugar Africa, Alteo Limited, and Sucrivoire (SIFCA Group) in Côte d'Ivoire. Since June 2022, he has served as Managing Director, Agriculture at Medine Ltd, where he oversees the strategic development and operational performance of the group's agricultural activities. Under his leadership, Medine has improved productivity, through the adoption of precision agriculture technologies, while further diversifying its food crop production. He currently serves as President of the Mauritius Chamber of Agriculture.

Viraj Bagiruth

Viraj Bagiruth is a dedicated and compassionate professional who currently serves as an Elderly Support Officer. Committed to community service and the well-being of senior citizens, he actively contributes to improving the quality of life of the elderly through care, support, and social engagement. In addition to his social work, he has been involved in sugar cane plantation activities for the past 15 years, demonstrating his dedication, perseverance, and connection to the agricultural sector.

Kamless Seeam

Kamless Seeam is an experienced agricultural professional and sugarcane grower with 44 years of experience in the agricultural sector. He has worked with the Ministry of Agriculture, Farmers Service Corporation, and Mauritius Cane Industry Authority. He has extensive experience in sugarcane cultivation, food crops, and providing technical support to planters. He has also served in various positions in cooperative and sugar-sector organizations, including as Chairman of the Mauritius Cooperative Agricultural Federation Ltd. He currently serves as a member in several agricultural and sugar-sector organizations and as Secretary of cooperative societies. He continues to support and assist the planters' community through his experience and knowledge.

MAURITIUS SUGAR SYNDICATE ANNUAL REPORT 2025/2026

Two Ge*n*erations, *One* Sh*a*red Ambitio*n*

One grew up knowing that sugar would be part of his future. The other never imagined it would be. Their journeys into the Mauritian sugar industry could hardly have been more different. Yet today, Sanjaye Goboodun and Lashna Gungaram, Head of Quality & Compliance and Marketing Lead, respectively, at the Mauritius Sugar Syndicate, share the same objective: ensuring that an industry built over generations continues to evolve, compete and create value for Mauritius.

For Sanjaye Goboodun, sugar has never simply been an industry. It was part of the landscape of his childhood. Growing up in Chamouny, surrounded by sugarcane plantations, he was immersed in a community whose life was closely intertwined with the sector. His family had deep roots in the industry as planters, while his father worked at St Félix Sugar Estate. What began as familiarity gradually became fascination.

"Sugar production is far more sophisticated than many people realize," he says. "It brings together science, technology, agriculture, quality assurance and sustainability, within a highly integrated value chain."

That fascination ultimately shaped his academic path. After studying Sugar Technology and specializing in Chemical and Sugar Engineering, complemented by an MBA, Sanjaye built a career spanning manufacturing, quality management and regulatory compliance before joining the Mauritius Sugar Syndicate. Today, as Head of Quality & Compliance, he helps safeguard something that has taken generations to build: the quality, integrity and international reputation of Mauritius Sugar.

For Lashna Gungaram, the path was far less predictable. After graduating cum laude in Business Management and Marketing in Brussels, she began her career in digital marketing in the banking sector. Sugar was certainly part of the Mauritian landscape she had grown up with, but not part of her career plan.

"Banking to sugar might sound like quite a switch," she smiles, *"but I always say I changed products, not métier. Marketing is still about understanding people and markets, finding where the value is, and giving them a reason to choose you."*

Same roots, different journeys

Despite their different paths, their connection to the industry begins in much the same place: family. While Sanjaye grew up around plantations and the sugar estate where his father worked, Lashna remembers the stories her grandfather would tell her about working in the cane fields and mills.

"I never imagined that, generations later, I would find myself on a completely different side of the same industry: marketing Mauritius Sugar to the world," she says. "What was part of my grandfather's working life has, in a very different way, become part of mine."

For her, that connection became even more tangible after returning to Mauritius. *"Every time I fly back and the plane begins its descent, I'm reminded of it. Everyone talks about our beautiful blue ocean, but from above you also realize just how vast our green ocean is — the endless sugarcane fields stretching across the island."*

She laughs that the larger that green ocean looks, the larger her responsibility as Marketing Lead feels. Behind the humor lies a serious point: those fields represent people, livelihoods, heritage and an industry whose value must continually be protected and strengthened.

An industry capable of reinventing itself

Over the course of his career, Sanjaye has watched the sector navigate one of the most significant transformations in its history. The end of the Sugar Protocol and erosion of preferential market access forced Mauritius to rethink a model once centered largely on bulk raw sugar.

The response was profound: investment in new production capabilities, greater emphasis on refined and value-added sugars, technological advancement, stronger traceability and increasingly demanding sustainability standards.

"What I find most remarkable is the industry's ability to continuously adapt and reinvent itself," says Sanjaye. **"From transitioning to value-added sugars to embracing sustainability, digitalization and circular economy principles, the Mauritian sugar industry has demonstrated resilience, agility and a strong capacity for innovation."**

Today, his responsibility is helping ensure that evolution never comes at the expense of the standards on which Mauritius Sugar's reputation has been built. Quality, food safety, traceability and regulatory compliance sit at the heart of his role, alongside an increasingly important responsibility: helping strengthen the industry's sustainability agenda

MAURITIUS SUGAR SYNDICATE ANNUAL REPORT 2025/2026

Two generations, one shared ambition (cont'd)

From protecting value to creating it

If Sanjaye's work helps protect the trust built around Mauritius Sugar, Lashna's challenge is to make more people understand why that trust – and the product behind it – has value.

"My focus is on helping move the conversation from simply what we sell to why Mauritius Sugar is worth choosing," says Lashna. For her, Mauritius should not compete simply as another source of sugar. Its advantage lies in what cannot easily be replicated elsewhere: its origin, terroir, generations of savoir-faire, diversity of unrefined sugars and sustainability story.

The opportunity for marketing is therefore to translate those attributes into something meaningful for customers and consumers – through culinary applications, partnerships, storytelling and collaboration with customers in their own markets.

Ultimately, she wants names such as Demerara and Muscovado to carry greater recognition and value, and Mauritius itself to become synonymous with premium unrefined sugar.

That ambition is international. Studying overseas made Lashna realize how little many people knew about Mauritius beyond its reputation as a tourist destination. Today, representing a product of Mauritian origin internationally has consequently taken on a different meaning.

"Technology gives us the reach; Mauritius Sugar gives us the story," she says of the opportunity to use digital platforms, visual storytelling and emerging technologies to bring the island's terroir, savoir-faire and people closer to audiences around the world.

Experience meets fresh perspective

Sanjaye believes the future of the industry depends not simply on preserving knowledge, but on allowing it to evolve. **"Knowledge transfer is essential,"** he explains. Experienced professionals carry decades of technical and market understanding, while younger colleagues bring curiosity, different experiences and a willingness to question established ways of doing things.

He sees that diversity of thought as an asset. Professionals such as Lashna, coming from different sectors, can bring perspectives that complement the foundations established over many years and **"help shape the next chapter of MSS."**

Lashna sees the exchange from the other side. **"I bring a marketing perspective, but effective marketing has to be grounded in reality,"** she says. **"So I spend a lot of time asking questions."** Her instinct upon joining was to understand everything immediately. One piece of advice from a colleague stayed with her: give it time.

"This is an incredibly complex industry, and some knowledge can only come through experience and exposure. I'm learning to appreciate that process, although the impatient marketer in me is still working on it!"

It is precisely that combination – institutional knowledge meeting a fresh perspective – that she believes can generate some of the organization's most interesting ideas.

Building the next chapter

Ask Sanjaye about legacy and his answer center's not only on systems, but on people. He hopes to leave behind a stronger culture of quality, integrity, compliance and continuous improvement, while helping ensure that Mauritius Sugar remains internationally recognized for excellence, reliability, food safety and sustainability.

But he considers developing people just as important. **"Lasting success is built not only through strong systems and processes, but also through capable and motivated people."**

His greatest legacy, he says, would therefore live partly through those he has supported and the contribution they would make.

Lashna is at the opposite end of that journey. Her legacy is still to be written, but the ambition is already clear: she wants Mauritius Sugar eventually to command the kind of recognition enjoyed by the world's great ingredient origins. **"My ambition goes beyond increasing exports or growing market share. I would like to see Mauritius Sugar become one of the world's most recognized premium ingredient origins, much in the same way that people associate Champagne with France or Parmigiano Reggiano with Italy."**

While Sanjaye epitomizes the generation safeguarding what makes Mauritius Sugar exceptional, Lashna embodies the next generation that will give the world new reasons to choose it.

Ravi Dewa *Gooriah*

Sugarcane as a Family Legacy

The Gooriah family has been growing sugarcane for four generations. The youngest of three siblings, Ravi is now following in his great-grandfather's footsteps.

At 35, Ravi Dewa Gooriah is determined to write a new chapter in his family's history in the sugar industry. Alongside his father, Ashokdewa, he grows sugarcane on approximately 70 acres of land spread across the northern region and the central plateau.

Carrying on a family tradition

Ravi's journey in the fields began at a very young age. *"I was still a child when I started accompanying my father to the fields and watching him work. When the time came to choose a career, I wanted, in turn, to preserve this legacy and the expertise that has been passed down in our family for generations,"* he says.

He learned the tricks of the trade from his father, who is now 63. *"He taught me how to cultivate a field in order to maintain high yields over the long term."* From his grandfather, he remembers one piece of advice above all: keep the field clean. *"When a field is regularly weeded, it has a positive impact on the quality of the cane. Harvesting is also easier, especially in fields that must be harvested manually,"* he explains.

Learning and adapting

Today, this family knowledge is complemented by the training he regularly attends through his cooperative society or the Mauritius Cane Industry Authority. There, he learns new cultivation techniques and discovers new natural crop protection products.

Faced with a shortage of labor, Ravi and his father had no choice but to turn to harvesters. *"For the past three years, the vast majority of our fields have been harvested mechanically. Only a few small, hard-to-access plots are still harvested by hand,"* he says.

The effects of climate change are now very real, particularly through increasing water stress in the North. But Ravi remains optimistic: solutions exist. He is already exploring the possibility of creating retention ponds to collect rainwater for irrigating his fields.

When conditions are favorable, the Gooriah family can produce up to 2,000 tons of sugarcane. His fields have been Fairtrade-certified for the past three years, allowing him to benefit from a premium on sales. Ravi is currently the youngest board member of the Saint Pierre Co-operative Credit Society, which brings together over 100 small and medium-sized sugarcane growers.

Message to the youth

"Being sugarcane grower requires a great deal of patience and perseverance," Ravi observes. But he is convinced that sugarcane still has a bright future ahead. *"I encourage young people to take an interest in it while remaining open-minded about modern tools and cultivation techniques. There is a solution to every challenge,"* concludes the young grower.

Arnaud *Samouilhan*

A Career Forged in Sugar

When Arnaud Samouilhan joined Flacq United Estates Limited, known then as FUEL, in 1990, he was a young electrical and electronics engineer entering an industry he still had to discover. More than three decades later, FUEL is now Alteo Milling Ltd and Arnaud leads a factory that has changed profoundly, shaped by automation, major investments, new markets and the growing demand for special sugars.

Arnaud began his career in the Electrical and Automation Department, at a time when very few processes within the factory were automated. With no prior experience in the sugar industry, he quickly had to build a broad understanding of sugar manufacturing. **"I learned a great deal from the teams, particularly from those who had been there for many years,"** he recalls.

Over the years, he contributed to several projects that have been instrumental in the factory's development. These include the commissioning of a second thermal power plant in 1998, the construction of the refinery in 2009, and the expansion of the factory following the merger with Deep River-Beau Champ in 2012. In 2020, he also helped transform the refinery into a special sugars production plant.

Bringing people together

In 2022, drawing on his long experience of the factory and its operations, Arnaud was appointed Factory Manager. He describes his role simply: to **"ensure smooth collaboration between all the teams."** Technology now plays a much greater role in the factory than it did when he started, but for Arnaud, it can never replace human expertise. The performance of a sugar factory depends on equipment, data and processes, but also on the experience, judgement and commitment of the people who keep it running.

The sugarcane harvest is an intense period, but the off-season is just as demanding. During this time, the machinery is completely dismantled, repaired and maintained by Arnaud and his team. Worn parts are replaced, and improvements are made to strengthen performance for the next crop. Today, the factory also relies on extensive data, enabling teams to measure performance more accurately and identify areas for improvement.

"We are always trying to do better. The changes we implement are mostly aimed at improving the quality of our sugars, which is a key factor in their marketing across the world."

The challenge is to keep pace with evolving markets and respond to client expectations. The focus is also on improving efficiency and strengthening the factory's environmental performance, particularly as certifications now require regular and rigorous assessments of processes and practices.

A culture of continuous improvement

"This commitment to continuous improvement is what makes my job so rewarding. Working in a sugar factory is far from monotonous. There are always plenty of projects, and we feel great satisfaction when we see them take shape and deliver results."

Arnaud has witnessed the transformation of the sugar industry from the inside, through technological advances, more demanding markets, and higher environmental standards. Today, he is eager to pass on his knowledge and expertise to younger generations.

"The industry continues to evolve, offering many opportunities for those who want to learn and grow. Despite the changes, it has preserved its human values and continues to foster a spirit of sharing and camaraderie."

Our Sugars & *their* Uses

Made from freshly cut canes, our sugars deliver rich, distinctive flavors.

The tasting experience, however, begins with the eyes, as deep, captivating hues shine through each crystal. It is no wonder why unrefined sugars find their way into treasured recipes and everyday moments across the globe.

Geographical Indication

Protecting Mauritius' Unique Unrefined Sugar in International Markets

Origin is an important element of the value proposition of Mauritius Sugar. In April 2026, significant progress was made toward securing recognition of "Mauritius Unrefined Sugar" as a Geographical Indication across key international markets. Through collaboration with the European Union Commission as well as public and private local stakeholders, Mauritius' special sugars, are expected to receive GI recognition in Europe under the framework of the deepened Economic Partnership Agreement.

This development builds on an important milestone achieved in December 2024, when the Industrial Property Office of Mauritius granted GI recognition to "Mauritius Unrefined Sugar." The progress in Europe – Mauritius' primary export market – reflects the Mauritius Sugar Syndicate's (MSS) commitment to working with relevant stakeholders to protect the recognition and commercial identity of Mauritius' traditional sugar descriptions in key international markets.

Strengthening confidence through origin

These efforts are essential to ensure that Mauritius remains properly associated with the sugars it has supplied for decades, while enabling customers to continue relying on clear, accurate and credible product descriptions.

The focus on origin is not only about protecting a name; it is also about strengthening confidence in Mauritius as a sugar-producing country with a distinctive heritage, established know-how and a commitment to quality.

Champagne provides one of the best-known examples of an origin-protected product. The name is reserved for sparkling wine produced in the Champagne region of France in accordance with specific requirements. Consequently, sparkling wines made elsewhere cannot legally be marketed as "Champagne".

Similarly, the "Mauritius Unrefined Sugar" designation is reserved for special sugars produced by local mills, namely Alteo and Terra, in accordance with registered specifications. In Mauritius, their commercialization is protected under the Industrial Property Act 2019. Consequently, no other sugar may be sold under the "Mauritius Unrefined Sugar" designation on the local market, and subsequently in export destinations.

Extending recognition

For the past two years, MSS has worked with stakeholders to extend this recognition to other key destinations, including Eastern Europe, the Middle East, North America, and Southern and South-East Asia. Mauritius has been producing and exporting unrefined sugars since the 1970s. While the country is well positioned as a leader in this segment, thanks to the range and volumes of special sugars it produces, it also faces growing international competition.

GI recognition provides assurance of the authenticity and geographical origin of "Mauritius Unrefined Sugar." It helps prevent sugars from third-party origins from being marketed under the same designation, thereby protecting the identity and reputation of Mauritian sugars.

As Mauritius' special sugars already command premium prices, GI recognition can help protect this value and create opportunities to secure even more attractive premiums in international markets.

Protecting our heritage

Beyond its commercial value, GI recognition is also about safeguarding a long-established heritage and body of expertise. "Mauritius Unrefined Sugar" is produced through the natural processing of juice extracted from sugarcane cultivated in Mauritius over the past four centuries. Alongside this unique terroir, the manufacturing process is unique to the Mauritian sugar industry, having been developed and refined over the past five decades.

Today, Mauritius produces around twenty varieties, specially crafted to meet the requirements of users around the world. The GI designation recognizes the distinctive characteristics of these sugars and the combination of origin, expertise, and production methods that underpin them.

The initiative to distinguish Mauritius' special sugars from competing products was built around six key attributes identified by customers: their natural taste, health and nutritional characteristics, specific manufacturing environment and alignment with sustainable development requirements, end-to-end traceability, and ease of sourcing through MSS. GI recognition builds on this foundation while placing greater emphasis on the unique identity of Mauritius' terroir and the characteristics that set its unrefined sugars apart.

The successful GI recognition reflects the industry's commitment to excellence, innovation, and long-term value creation. For MSS, elevating "Mauritius Unrefined Sugar" on the world stage goes beyond protecting a name: it is about supporting producers in their long-term growth while strengthening Mauritius' position and reputation in global sugar markets.

Good to know

All stakeholders involved in the certification process worked together to develop the Code of Practices and Control Plan for "Mauritius Unrefined Sugar". This code sets out the requirement compliance with rigorous quality standards and sustainability-driven principles.

From Farm to  Fork: A Focus on Quality and Food Safety

Quality and food safety remain at the heart of the Mauritius Sugar Syndicate's operations. In recent years, MSS has further strengthened its initiatives to ensure that every product delivered to customers meets the highest international standards. These efforts are not only a matter of compliance; they also reflect MSS's commitment to safeguarding consumer trust and reinforcing Mauritius' reputation as a producer of premium sugars.

MSS ensures that rigorous quality management systems are implemented across the production chain, from sugarcane cultivation to final packaging. Regular audits and certifications of our production sites and warehousing facilities help ensure adherence to internationally recognized standards, such as BRCGS for food safety management and HACCP protocols for hazard control. Together, these frameworks provide assurance that Mauritius sugar is consistently safe, traceable, and compliant with global regulatory requirements.

Beyond certification, MSS promotes continuous testing of sugar quality, microbiological safety, and chemical composition, either internally or with accredited external laboratories. This scientific oversight guarantees that every batch meets specifications for expected quality and nutritional integrity. MSS also works closely with producers to promote good agricultural practices, minimizing pesticide use and encouraging sustainable farming methods that align with environmental and health priorities.

Accountability and authenticity

Customer due diligence is further reinforced through transparent supply chain management. MSS maintains detailed traceability records, enabling buyers to verify the origin and quality of their purchases. This transparency has become a key differentiator in international markets, where consumers increasingly demand accountability and authenticity in food products.

MSS has extended its quality assurance framework to packaging material suppliers. Regular audits and compliance checks are carried out to ensure that all packaging materials meet food safety standards, are free from contaminants, and preserve the integrity of the sugar during storage and transport. By working closely with packaging partners, MSS guarantees that the final product delivered to customers is not only of the highest quality but also safely and sustainably packaged. This follow-up process demonstrates MSS's holistic approach to food safety, covering every stage, from production to delivery.

Sustainable packaging

Looking ahead, MSS has set a clear objective to align its packaging practices with the European Union's Packaging and Packaging Waste Regulation (PPWR). This commitment includes adopting sustainable packaging solutions, reducing single-use plastics, and ensuring recyclability of the materials used.

By proactively working with suppliers to meet these requirements, MSS is not only strengthening its ability to comply with international regulations, but also demonstrating its commitment to environmental sustainability and customer expectations. This initiative underscores MSS's ambition to deliver sugar that is premium in quality, safe for consumption, and packaged in a way that supports the transition toward a circular economy.

Rigorous storage control

Food safety guidelines are rigorously applied to sugar storage at our warehouses. Each facility is closely monitored to ensure that sugar maintains its quality and remains protected from external contaminants throughout its storage period. These measures safeguard the integrity and safety of Mauritian sugar until the point of export, reinforcing MSS's commitment to due diligence and customer assurance.

Together, these measures demonstrate MSS's unwavering commitment to its customers. By combining strict compliance with rigorous quality and food safety protocols, MSS ensures that Mauritian sugar consistently meets the highest standards. This diligence strengthens customer confidence, supports export growth, and enhances Mauritius's global reputation as a trusted source of premium refined and unrefined sugars.

Key initiatives during the year

Facilitating a technical mission to China

MSS facilitated a technical mission to China for a delegation from the Mauritian sugar industry, including its Head of Quality and Compliance. Organized in collaboration with our Chinese customer COFCO, the visit aimed at addressing customer expectations and benchmarking technological advancements in sugar processing and packaging.

This mission provided valuable exposure to cutting-edge technologies and practices in China's sugar industry. It strengthened collaboration with COFCO, offered practical insights to address customer concerns, and highlighted innovations that can be adapted to the Mauritian context. The visit also deepened understanding of market-specific requirements in China, ensuring that Mauritius sugar remains competitive and compliant in this important market.

Exploring JAKIM-recognised Halal certification

A key strategic initiative under consideration is the pursuit of JAKIM-recognized Halal certification. Such recognition could further enhance the international credibility of our Halal-certified sugars and facilitate access to important markets, where JAKIM accreditation is widely regarded as a benchmark for Halal assurance.

To support this objective, MSS is engaging with the relevant authorities and certification bodies to assess the applicable requirements, implementation process, and practical steps necessary to achieve JAKIM recognition. This will help identify potential gaps against the relevant standards and establish a roadmap toward compliance and certification.

Beyond strengthening customer confidence and expanding market opportunities in South-East Asia, achieving JAKIM recognition would further reinforce the MSS's commitment to meeting internationally recognized Halal standards while maintaining robust traceability and quality assurance throughout its operations.

Staying ahead of EU's packaging regulations

MSS continues to closely monitor developments within the European Union's regulatory framework on packaging and packaging waste, particularly Regulation (EU) 2025/40 on Packaging and Packaging Waste (PPWR). In this context, MSS works closely with customers, packaging suppliers and industry partners to ensure ongoing compliance with evolving legislative and market requirements.

A key focus area is the evaluation of the traceability, sustainability credentials and supporting documentation provided by bag suppliers against the requirements of Regulation (EU) 2025/40. This assessment is intended to ensure that MSS can provide customers with a robust, transparent and verifiable Declaration of Conformity, together with the supporting evidence required under the regulation.

While MSS is fully committed to adapting to these evolving requirements, several challenges remain across the value chain. These include keeping pace with the continuous evolution of EU sustainability and packaging legislation, managing the costs associated with the transition to more sustainable packaging solutions, and ensuring alignment among suppliers, manufacturers, exporters and customers. In addition, many customers within the European market apply packaging specifications that go beyond minimum regulatory requirements, creating further complexity in achieving compliance.

Despite these challenges, MSS remains committed to identifying practical, effective and commercially viable solutions to maintain the quality, safety and competitiveness of our sugar exports to the European market.

The Richness Behind Every Crystal

Did you know that sugar can do more than simply sweeten your coffee, cakes or other favorite treats? Mauritius unrefined sugars obviously can. Unlike white refined sugar – which is essentially pure sucrose – special sugars retain some of the natural molasses from the cane juice. And it is this molasses that gives them much of their distinctive nutritional profile, color, aroma, flavor and textures.

Did you know that sugar can do more than simply sweeten your coffee, cakes or other favorite treats? Mauritius unrefined sugars obviously can. Unlike white refined sugar – which is essentially pure sucrose – special sugars retain some of the natural molasses from the cane juice. And it is this molasses that gives them much of their distinctive nutritional profile, color, aroma, flavor and texture.

A feast for the eyes

Special sugars are first and foremost a treat for the eyes. Their color palette ranges from pale gold to deep, almost dark brown. The color often provides a clue of what lies inside: generally, the higher the molasses content, the more intense the flavor and color.

For connoisseurs, appearance is part of the experience. Some can even predict the taste before the tongue confirms it.

A world of flavors

For most people, the most compelling quality of Mauritius unrefined sugars is their sensory appeal, starting with taste. This is where they truly distinguish themselves. The presence of molasses influences their aromas, ranging from a caramelized taste to a more subtle notes of vanilla or honey. Fine Demerara will have a distinctive amber hue, whereas Dark Muscovado, by contrast, delivers a more intense experience, with flavors reminiscent of dark caramel, toffee, with a subtle smokiness touch.

Given their deep flavors, dark molasses sugars can serve as ingredients in their own right rather than mere sweeteners. They add complexity and depth, and that is why many chefs describe them as adding character to their dish. Unlike white refined sugar, which is odorless, special sugars carry a genuine aroma which can be experienced even before it touches your palate.

Nutritional profile

To refine sugar, raw cane sugar crystals are spun in a centrifuge to separate them from their molasses content, leaving behind the clear white sucrose. Mauritius special sugars are minimally processed, allowing them to retain varying amounts of molasses. This can range from 2% in lighter sugars, such as the Demeraras, to 15% in Dark Muscovado. While all sugars remain high in carbohydrates and should be enjoyed as part of a balanced diet, Mauritius unrefined sugars provide small amounts of proteins and minerals, such as iron, potassium, and calcium.

The Muscovado sugars show a relatively lower glycemic index compared with white refined sugar. This is partly attributed to the molasses content, which may slow down the rate at which sugar is absorbed by the body. The contrast is even more striking when it comes to antioxidants. Dark Muscovado shows a high level of antioxidant content, whereas white refined sugar contains virtually none.

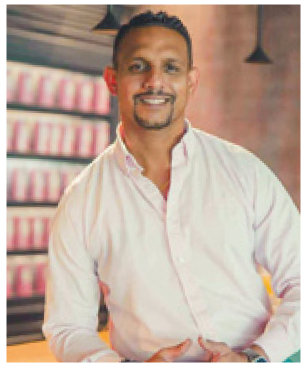
Texture that makes the difference

Special sugars span a wide range of textures. Lighter varieties, such as Fine Demerara, are dry and crunchy, adding crunch to a crust. At the other end of the spectrum, Muscovados are noticeably moist and sticky. This stickiness helps them cling to meats and vegetables for glazing, dissolve easily into sauces or hold moisture in baked goods such as fruitcakes.

For chefs and bakers around the world, these qualities make these sugars more than simple sweeteners. Mauritius Special Sugar is an ingredient on its own, capable of bringing depth, complexity, and character to every creation.

Why Do *They* *Ch*oose Maur*i*tius *Sugars...*

They are more than mere sweeteners. Mauritius sugar are ingredients that gives a dish, a pastry or a cocktail that special something that makes it truly memorable. Beyond aroma and texture, they help local chefs and mixologists tell a story through their creations – one that forges a deep connection with the island.



Bar & Mixology

David Boodhoo

Food & Beverage Manager

Buddha Bar Beach Mauritius – Sugar Beach Hotel

"Behind the bar, sugar is the fundamental anchor of balance, texture, and flavor extraction. Mauritius Sugar gives us an extraordinary canvas for mixology. Crafting syrups and shrubs with Unrefined Mauritius Sugar adds a velvety mouthfeel and complex aromatic layers that standard syrup cannot match. The toasted caramel and floral notes of local brown sugar enhance aged spirits and native rums exceptionally well, creating cocktails with real character and depth. From rich muscovado syrup in a classic Old Fashioned to crisp cane sugar shaking up a refreshing cooler, the versatility is unmatched. Working with locally produced sugar allows me to tell an authentic story in every glass we serve."

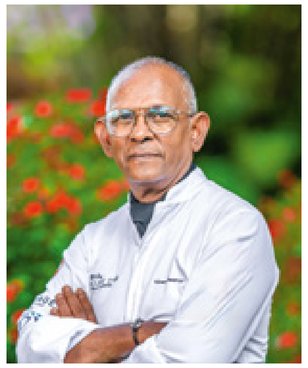
Chocolate & Confectionery

Stéphane Labastide

Executive Pastry Chef

Constance Prince Maurice

"Crafting fine chocolates and confectionery requires raw materials of great quality, and Mauritius Sugar is indispensable in our atelier. The natural molasses content in dark muscovado creates marvelous synergies with high-percentage dark cacao, bringing natural hints of fudge, raisin, and warm spice to our ganaches and pralines. In sugar work, pralines, and fruit pastes, the consistency of Mauritian sugar allows for precise temperature control and clean caramelization without unwanted graininess. Using local, unrefined sugar connects our guests to the heritage of the island while providing a superior taste profile. It offers an authentic depth of flavor that turns simple confectionery into an unforgettable sensory journey."



Gastronomy / Culinary

Chef Nizam Peeroo

President – Bocuse d'Or Team Mauritius

In gastronomy, sugar is far more than a sweetening agent; it is a balancing element that bridges textures, acidity, and depth. Working with Unrefined Mauritius Sugar allows me to bring authentic Mauritian terroir directly into savory creations. The rich molasses notes of dark muscovado provide an incredible backbone for slow-braised glazes and jus, while lighter raw sugars add a clean, delicate crunch to roasted meats and vegetable caramels. Origin and purity are non-negotiable in haute cuisine. Knowing that our sugar retains its natural mineral complexity elevates every dish it touches. Mauritius Sugar carries an unbeatable richness that honors traditional techniques while pushing modern culinary boundaries."

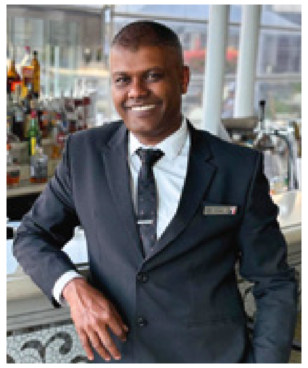
Pastry & Bakery

Simon Pacary

Executive Pastry Chef

LUX* Grand Baie

"I have a particular attachment to Mauritian Muscovado sugars, especially Dark and Light Muscovado, which I use almost daily in my pastry. I discovered Dark Muscovado when I first arrived in Mauritius in 2016, and I immediately fell in love with its very distinctive character. I particularly enjoy its deep, slightly liquorice notes, its raw character and its intensity. It works beautifully in pastry creations, especially in meringues, cakes and preparations where I want the sugar itself to bring real aromatic depth. Light Muscovado has a different role in my kitchen. I use it extensively in cookie doughs and biscuits, where it brings an incredible texture, softness and depth of flavor. For me, these are not simply sweeteners, but ingredients with an identity. They have become an essential part of my pastry since I discovered them."



Bar & Mixology

Kunal Bullywan

Bar Manager

Labourdonnais Hotel

"Unrefined sugars bring more depth and character to cocktails than refined sugar. They offer richer aromas, along with natural caramel and molasses notes. They also pair very well with fresh fruits, spices and spirits, adding complexity without overpowering the other ingredients. For me, Extra Light Muscovado stands out for its rich molasses character, depth and complexity. New Dark Demerara also impressed me with its elegant caramel notes and balanced sweetness. Beyond sweetness alone, Demerara and Muscovado bring their own flavor, aroma, and texture, allowing a cocktail to develop greater depth and complexity. This can make the drink more memorable. I see strong potential for Mauritius Unrefined Sugars in mixology. They offer quality, distinctive flavors and, most importantly, a strong local identity."

Yoann Durin

Dark Muscovado, and Nothing Else

Yoann Durin lives for sport. A true multi-sport athlete, he enjoys exploring every discipline that comes his way. But once he commits to one, he pursues it with determination. *"I do sports to perform, and I'm always eager to push my limits,"* he says.

Ten years ago, he discovered trail running and quickly developed a passion for the discipline. This led him to *La Diagonale* des Fous (the Madmen's Diagonal), the legendary ultra trail race that crosses Reunion Island from north to south. Yoann has competed in five editions of this iconic event, widely regarded as one of the most demanding footraces in the world.

For athletes competing in such extreme races, nutrition is a key component of performance. *"I eliminated all processed foods and ingredients from my diet, including refined sugar, upon the advice of my coach. The latter is a seasoned marathon runner, and most importantly, a professional dietitian."*

And that is how the Dark Muscovado found its way into his diet. Now based in Reunion Island, Yoann remains deeply connected with Mauritius, where he spent 15 years building a strong attachment to the country and its products.

According to Yoann, in addition to its flavors, Dark Muscovado offers two major advantages: *"First, there is the overall nutritional value as it retains more of its original components, such as minerals. Second, it has a lower glycemic index (GI) compared with refined sugar."* For endurance athletes, that lower GI is particularly valuable because it helps provide a more gradual and sustained release of energy, which is crucial for maintaining consistency during long races.

Dark Muscovado is not only part of Yoann's daily meals; it also sometimes accompanies him during training sessions. When he heads out for a run without having time to prepare his usual drink, he relies on a simple alternative: *"One or two spoonfuls of Dark Muscovado in my water bottle and I'm good to go,"* he says.

This special sugar has become more than a sweetener; it is now associated to a natural approach to nutrition and well-being.

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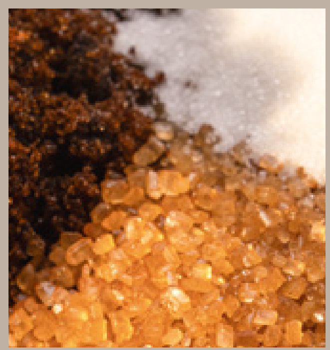
Sustain-ability

The industry is committed to embracing a more sustainable and circular future.

From the fields to the mills, our people are empowered to uphold strong ethical, environmental and social principles. While progress is being made, we recognize sustainability not as a destination, but an ongoing journey, seeking to balance economic performance with environmental and social responsibility.

Preparing Mauritius Sugar for The EU's Green Deal



The European Union's Green Deal is reshaping the global trade landscape by introducing ambitious sustainability requirements. For Mauritius, where sugar remains both a vital economic sector and an important part of the nation's cultural heritage, this transition presents both challenges and opportunities.

The industry is actively adapting to ensure uninterrupted access to European markets while positioning the country as a leader in sustainable agro-energy. With the support of the European Union Delegation in Mauritius and industry stakeholders, such as the Economic Development Board (EDB) and Business Mauritius, a series of collaborative initiatives is underway to support the Mauritian sugar sector's readiness for the EU Green Deal.

These efforts aim at deepening understanding of emerging regulatory requirements, assessing the industry's level of preparedness, and developing the appropriate capabilities to meet the relevant compliance obligations set out under the applicable European regulatory framework.

Aligning with evolving expectations

Over the past years, MSS has taken decisive steps to align the sugar industry with the EU's sustainability agenda. Compliance with carbon neutrality, biodiversity protection, and circular economy principles is being strengthened. Producers have pursued internationally recognized certifications, such as Bonsucro, Fairtrade, and GRI reporting, while securing Geographical Indication for Mauritius Unrefined Sugar.

These measures enhance brand value and market differentiation, ensuring Mauritius sugar remains competitive in Europe by complying with the rising sustainability expectations of customers and the regulatory requirements linked to the EU Green Deal.

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Producing clean energy

A central pillar of this transformation lies in renewable energy integration. Sugarcane by-products are being transformed into clean energy solutions. During the harvest season, bagasse contributes significantly to national electricity, reducing reliance on imported fossil fuels. Cogeneration plants, such as Omnicane's flexi-factory, combine sugar refining, power generation, and ethanol production, maximizing efficiency and sustainability.

MSS plays a crucial role in this transition. As the collective marketing body for all sugar producers, MSS ensures that Mauritius sugar complies with the requirements of the EU Green Deal, which will allow it to market Mauritius sugar more effectively in Europe.

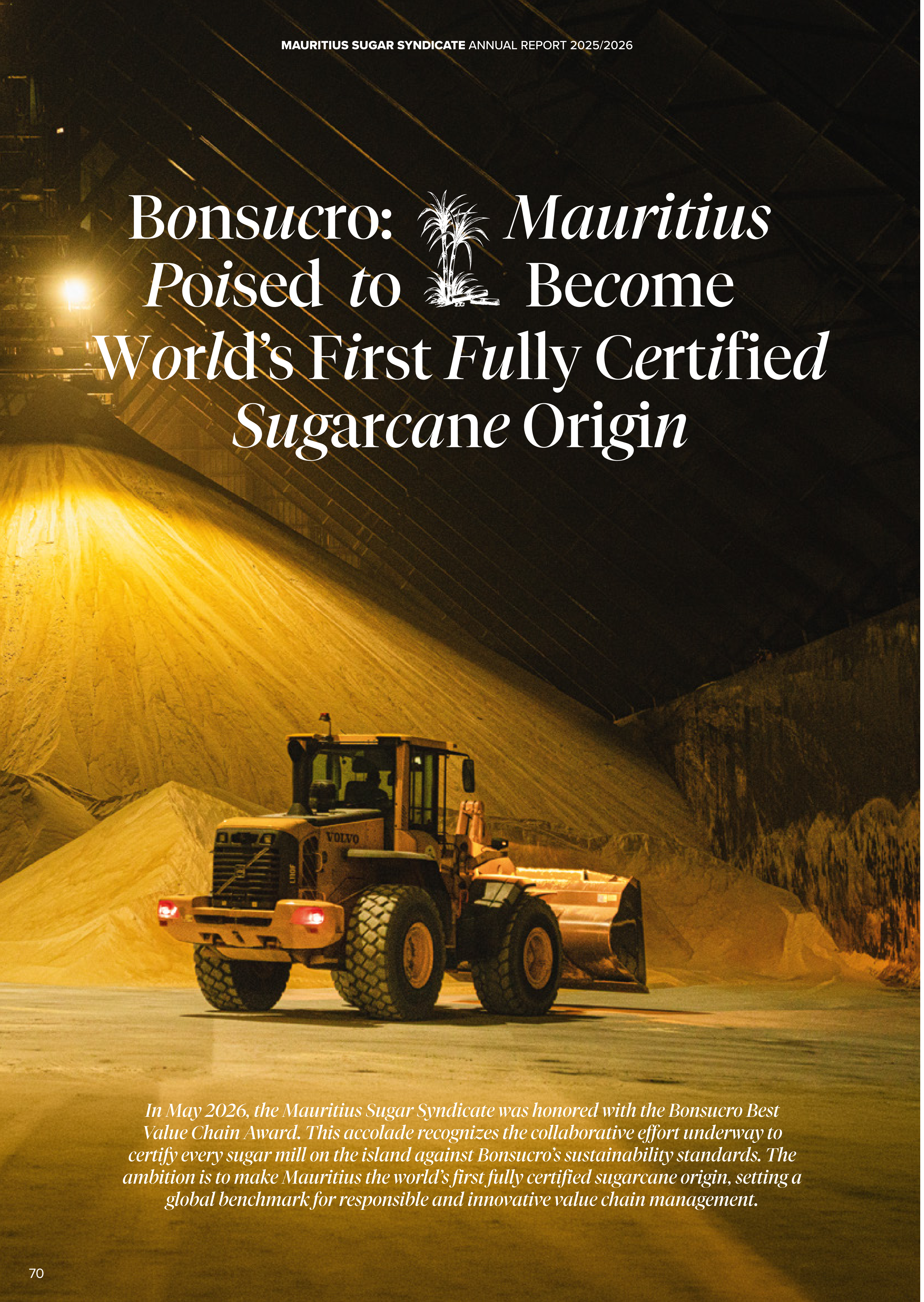
By negotiating export contracts, promoting premium branding, and supporting producers in achieving sustainability certifications, MSS safeguards market access and strengthens Mauritius' reputation as a reliable supplier of high-quality, sustainable sugar.

Addressing challenges

This journey is not without challenges. Water scarcity poses a growing threat to cane cultivation, while certification demands require continuous investment. At the same time, competition from producers adapting to the EU Green Deal is intensifying.

Yet, the industry's commitment to renewable energy, sustainable practices, and value-added diversification, demonstrates its readiness to thrive in this new era.

Mauritius is not simply preserving its sugar heritage but also shaping a future where sugarcane becomes the backbone of a sustainable agro-energy hub. This transformation reflects our nation's broader ambition to lead by example in sustainability, while ensuring that the legacy of sugar continues to create value for future generations.



Bonsucro: *Mauritius Poised to* Become World's First *Fully* Certified *Sugarcane* Origin

In May 2026, the Mauritius Sugar Syndicate was honored with the Bonsucro Best Value Chain Award. This accolade recognizes the collaborative effort underway to certify every sugar mill on the island against Bonsucro's sustainability standards. The ambition is to make Mauritius the world's first fully certified sugarcane origin, setting a global benchmark for responsible and innovative value chain management.

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The award highlights MSS's commitment to environmental stewardship, operational excellence, and community empowerment. By embedding sustainability throughout the sugarcane value chain, the MSS aims at further strengthening Mauritius' reputation as a leader in sustainable agriculture.

Building on the foundations established through internationally recognized quality and food safety certifications, Bonsucro represents an additional step in our commitment to responsible production.

Response to market expectations

The objective is clear: to make the Mauritian sugar industry more resilient, and therefore better prepared for the future. Across the world, customers are increasingly looking for transparent, verified sustainability credentials. Bonsucro certification responds to these expectations through rigorous, independent audits that assess compliance with internationally recognized standards for sustainable sugarcane production, from field to mill.

This recognition is both a milestone and a catalyst. For the MSS, it is a source of pride, but also an incentive to continue raising the bar. The certification process has prompted producers to take a closer look at how they use resources, monitor performance, and identify opportunities to improve efficiency at every production stage.

Measurable progress

Through training and capacity-building initiatives, supported by the Bonsucro regional team, producers have gained deeper understanding of how improved agricultural practices can deliver benefits well beyond the fields. Certified producers use water and fertilizer responsibly. They protect land and biodiversity. They also work to reduce greenhouse gas emissions creating lasting environmental benefits.

Bonsucro standards also address the social dimension of sustainability by promoting fair labor practices, safe working conditions and positive contribution to local communities.

Ultimately, this approach helps to create long-term value for stakeholders and for the nation. For MSS, Bonsucro certification is an opportunity to demonstrate that sustainability can be embraced across an entire national industry.

Unlocking market opportunities

The certification process has also revealed that many producers had already adopted sound and responsible practices. The next step was to support them in formalizing and documenting these practices through appropriate systems and record-keeping, ensuring that they could be effectively demonstrated during the independent audit process.

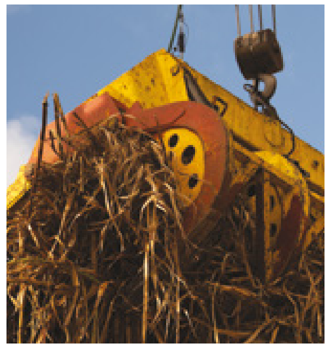
From a commercial perspective, this certification can open the door to new opportunities in premium international markets. It also reflects a broader shift in market expectations, with sustainability increasingly recognized as a strategic asset that adds long-term value.

Strategic investment in the future

Bonsucro certification is not merely another certification, but a strategic investment in the future of the Mauritian sugar industry. It will help protect its heritage and ensure it long-term competitiveness and resilience.

It reinforces the industry's reputation as a forward-looking sector that balances economic growth, environmental responsibility, and social progress. The key is to stay ahead of evolving market trends and ensure Mauritius continues to be recognized as a sugar-producing origin that embraces best practices and is prepared for the future.

Scaling Up Fairtrade Sugar Production



Over the past decade, volumes of Fairtrade-certified sugar have been on a declining trend. The Mauritius Sugar Syndicate is committed to addressing this situation through a clear and bold strategy. The aim is to expand certified supply, improve yields, ensure compliance with Fairtrade requirements and, ultimately, keep small planters at the heart of the value chain.

In 2015, production peaked at 36,808 tons, involving 38 certified small-scale sugar producing organizations. For Crop 2025, that number had fallen to 21, producing 15,112 tons of Fairtrade-certified sugars that were subsequently exported to 12 destinations worldwide. The decline in production is reflected in revenue from Fairtrade-certified sugar exports, which generated USD 900,000, compared with USD 2.16m in 2015. As a result, at least 10,000 tons of potential demand went unmet.

Expanding certified supply

In response, MSS is committed to reinforcing Mauritius's position as a trusted supplier of Fairtrade sugar in global markets. Working with stakeholders and the Ministry of Industries, SMEs and Cooperatives, it is encouraging small planters' organizations to obtain certification. It is also actively supporting existing cooperatives to maintain their status, assisting previously decertified groups to re-enter Fairtrade, and bringing non-certified cooperatives and free planters into certified structures.

This is precisely what MSS did in 2021, when it helped to establish the MSS Multi-purpose Cooperative Society Ltd. With vision and foresight, it created a cooperative built on a unique, ground-breaking model: bringing together independent planters who had long remained outside the Fairtrade fold. After 5 years' existence, this cooperative is now managed autonomously.

From 300 planters at inception, the membership has grown to nearly 400, mostly smallholders whose livelihoods are now strengthened by Fairtrade. What began as an experiment in innovation quickly became a beacon of inclusion, resilience, and empowerment. Today, the cooperative stands as the largest Fairtrade-certified cooperative in Mauritius, producing about 4,000 tonnes annually, more than a quarter of the island's Fairtrade sugar.

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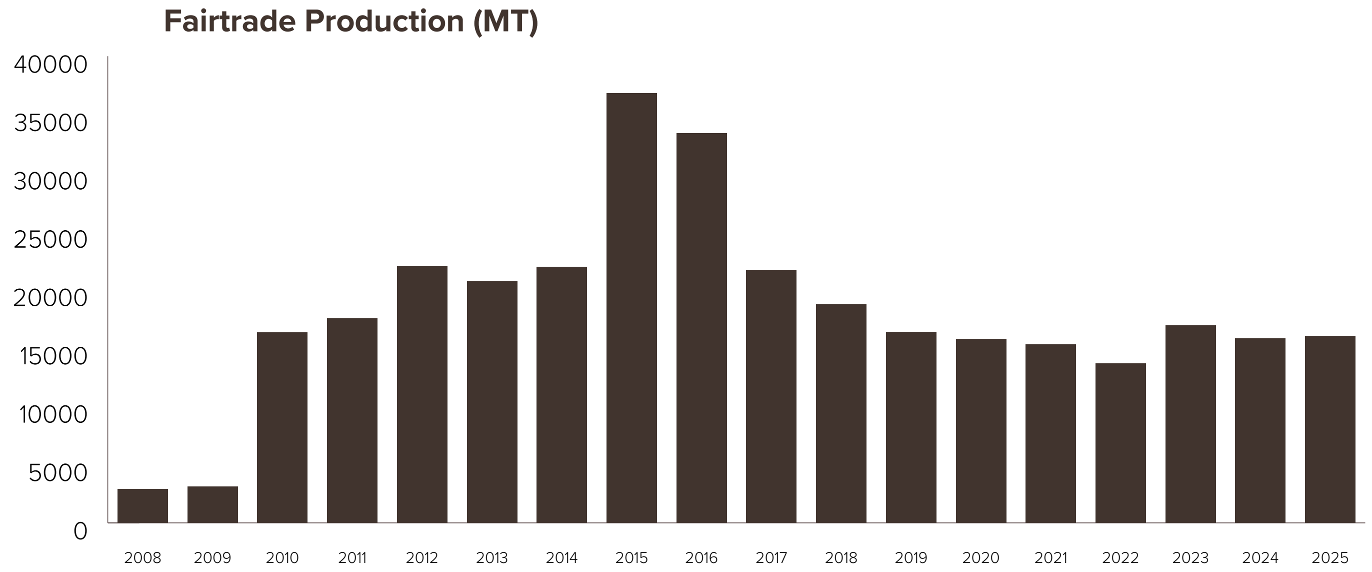
Turning challenge into opportunity

Above all, this is testament to MSS's steadfast role as both trader and partner, ensuring that every grain of Mauritian Fairtrade sugar reaches customers who value its sustainability credentials. MSS's commitment has transformed challenge into opportunity.

By implementing targeted actions with measurable objectives and robust monitoring, MSS aims to bridge the supply gap, secure premium contracts, safeguard livelihoods, and re-establish Mauritius as a reliable source of sustainable, ethical sugar. With collaboration and innovation, MSS commits to meeting international demand and positioning the country as a leader in Fairtrade sugar, upholding the values of fairness, sustainability, and inclusivity that define the movement.



Scaling up Fairtrade sugar production (Cont'd)

Testimonials

L'Escalier Cooperative Credit Society

We have been Fairtrade-Certified since 2011. Thanks to this certification, our members receive an annual premium of MUR 235 per ton of sugarcane. In addition, we also offer a cash grant of MUR 10,000 per arpent to those who replant their field. Environmental Representatives undertake regular field visits to ensure compliance with Fairtrade standards and encourage planters to use eco-friendly compost.

Regular training and awareness sessions are provided to members, contractors and workers on good agricultural practices and health and safety. Workers receive personal protective equipment and food packs, while local communities benefit from financial sponsorships (e.g. prize giving to primary schools, blood donations, sports activities). The ECCS produces its own electricity through solar panels. Thanks to the Fairtrade premium, a new building was built, part of which is leased to the Mauritius Police Force.

By choosing Mauritian Fairtrade-certified sugars, you are promoting sustainable, climate-resilient and eco-friendly environmental practices while ensuring our biodiversity is protected.

MSS Multi-purpose Cooperative Society Ltd

In just 3 years of certification, the cooperative has earned nearly Rs 30 M in Premium, much of which has been shared with our members and their workers. Beyond financial support, we have invested in training on Fairtrade Standards and requirements. A field monitoring system has been established to ensure compliance at ground level, complemented by a team of trained Environmental Representatives. First-aid kits and training have been provided to job contractors serving our members, reinforcing safety and care. Pilot projects are underway to enhance soil health and apply Fairtrade-compliant cane ripener, with further investment planned if results prove conclusive.

To buyers and consumers: when you choose Mauritian Fairtrade sugar, you are not merely sweetening your tables – you are supporting farmers, workers and communities. Our sugar carries the story of resilience, woven through the journey of our cooperative and strengthened by your solidarity. Each purchase reflects a shared commitment to fairness, dignity, and sustainability – universal principles that guide us toward a more equitable and prosperous future.

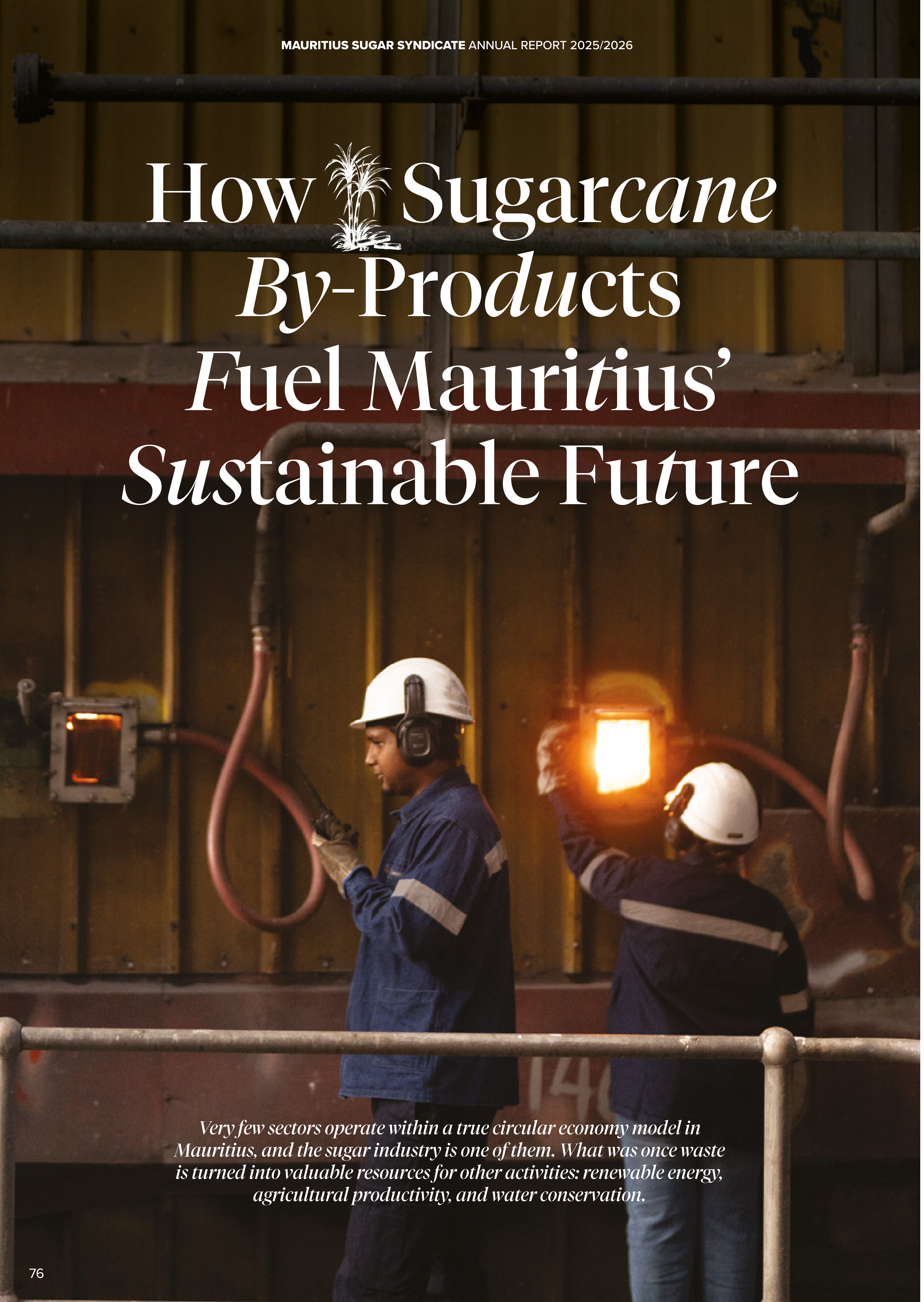
The SILVER SPOON Company

The Silver Spoon Company

At The Silver Spoon Company, we are committed to sourcing high-quality ingredients responsibly, and Fairtrade-certified Mauritius sugar is an important part of that approach. Through our long-standing partnership with MSS, we benefit from a transparent and trusted supply chain that provides confidence in the provenance of our sugar and the standards applied throughout its production.

We see growing interest from both customers and consumers in understanding ingredients origin and sourcing of ingredients. Transparency, traceability and responsible sourcing are becoming increasingly important, and Fairtrade provides a trusted framework to help meet these expectations. The Fairtrade Mark remains a highly trusted certification, with Fairtrade Foundation research showing that 77% of consumers trust the mark and 76% choose Fairtrade products. It also helps to support our customers' sustainability ambitions and meet regulatory requirements by providing confidence that recognized social and environmental standards are embedded throughout the supply chain. This helps ensure that farmers and workers are supported while promoting the long-term sustainability of sugar production.

We value greatly our partnership with MSS and our shared commitment to building resilient supply chains, supporting farming communities and delivering high-quality Mauritian sugar. Fairtrade enables a broader conversation around provenance, responsibility and long-term value, helping elevate sugar beyond a commodity and strengthening its role within customer sustainability strategies. As expectations around responsible sourcing continue to evolve, we believe that such partnerships will play an increasingly important role in building trust, transparency and long-term resilience across the supply chain.



How Sugar*cane* *By*-Products *F*uel Mauri*t*ius' *Sus*tainable Fu*t*ure

Very few sectors operate within a true circular economy model in Mauritius, and the sugar industry is one of them. What was once waste is turned into valuable resources for other activities: renewable energy, agricultural productivity, and water conservation.

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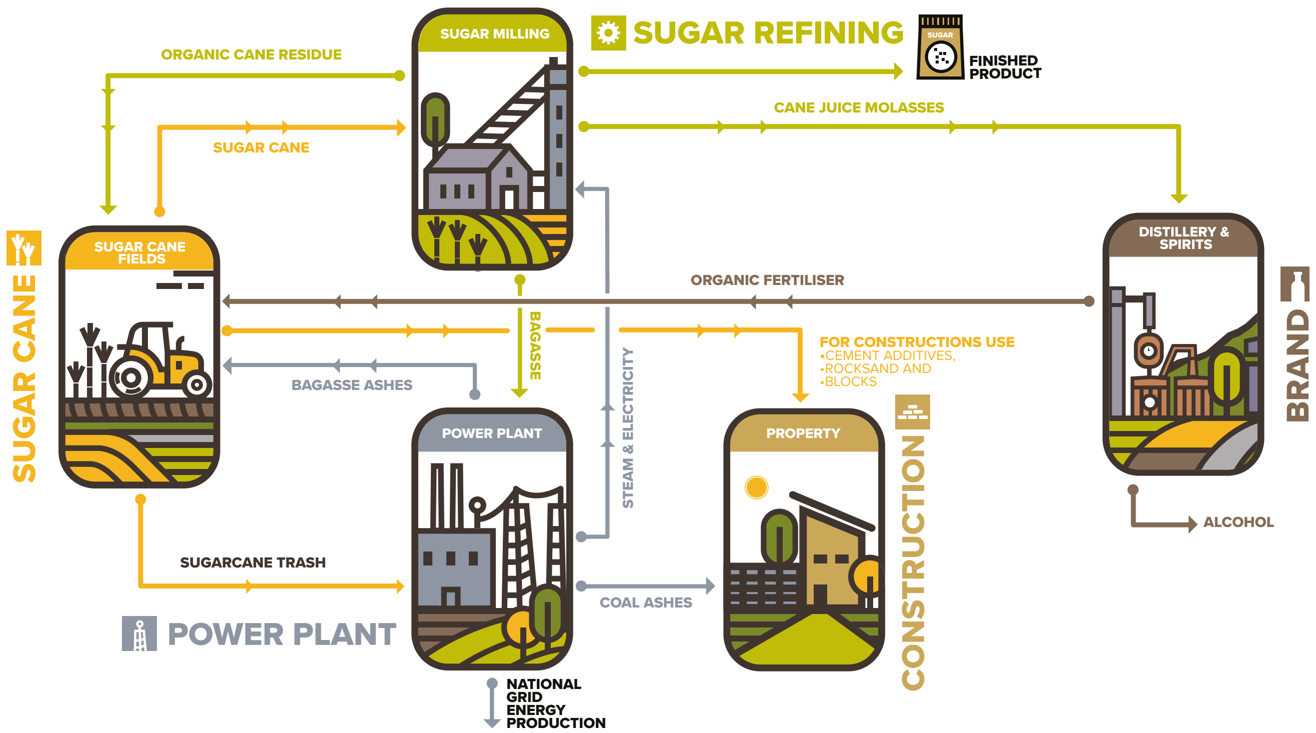
Bagasse, once discarded, now generates up to 34 megawatts of clean electricity, powering mills and supplying national grids while reducing reliance on fossil fuels. Press mud is composted into nutrient-rich fertilizer, improving soil health and reducing dependence on chemical inputs.

Molasses is repurposed for ethanol production, achieving high fermentation yields that diversify revenue streams and support biofuel adoption. Vinasse, a liquid by-product of ethanol distillation, is directed into anaerobic digestion systems that produce methane for renewable energy, with the remaining digestate reused as fertilizer to close the agricultural loop.

Water, one of the most critical resources in sugarcane cultivation, is conserved through advanced membrane bioreactor technology that recycles effluent for irrigation, easing pressure on freshwater supplies and ensuring compliance with environmental standards.

Collectively, these initiatives reduce greenhouse gas emissions, strengthen energy security, enrich soils, expand our renewable energy portfolio, and conserve scarce water resources, all of which are vital for Mauritius's agricultural resilience. Challenges remain, including seasonal variability in waste generation and the significant capital investment required for advanced technologies, but these are essential commitments to long-term sustainability.

Looking ahead, MSS will continue collaborating with stakeholders to expand waste-to-energy projects, scale up biofertilizer production, and invest further in advanced water recycling systems. These efforts reinforce our leadership in sustainable sugarcane processing and align with global sustainability goals, particularly UN Sustainable Development Goal 7 on Affordable and Clean Energy and Goal 13 on Climate Action. By transforming waste into opportunity, our sugar industry is protecting the environment while creating lasting economic and social value for Mauritius and beyond.



Our Gover*n*ance

Underpinned by a strong governance structure, the Mauritius Sugar Syndicate has stood the test of time, remaining relevant through the decades.

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Its ability to provide clear strategic direction, uphold accountability, and respond decisively to periods of adversity holds the key to its enduring resilience.

Governance,  Risk Management, Audit and *Internal* Controls

1. Governance Framework

1.1 Main Committee and Executive & Selling Committee (ESC)

The Mauritius Sugar Syndicate remains firmly committed to upholding the highest standards of governance, accountability, transparency, and ethical conduct. Its governance structure is designed to promote long-term value creation while ensuring responsible stewardship of resources and alignment with stakeholder interests.

At the apex of this framework is the Main Committee (*Comité de Direction*), comprising twenty-two members drawn from diverse professional, corporate, and agricultural backgrounds. This diversity of expertise strengthens strategic oversight and enhances the quality of decision-making. The Committee consists of fourteen representatives from the corporate sector, four representatives of large sugarcane planters, and four representatives of small sugarcane planters, ensuring balanced and inclusive representation across the industry value chain.

Operating under the authority of the Main Committee, the Executive and Selling Committee (ESC) plays a central role in translating strategic priorities into operational execution. Comprising ten members, the ESC meets on a regular basis to review performance, assess progress against strategic objectives, and approve key decisions in collaboration with senior management. During the year under review, the ESC convened seven times.

In line with good governance practices and to enhance efficiency, the ESC has delegated specific responsibilities to specialized sub-committees, namely:

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

A Remuneration Committee is also constituted on an *ad hoc* basis to address matters relating to talent management, succession planning, and leadership development – areas that are critical to sustaining institutional resilience and long-term organizational performance.

2. Strategic Committees

2.1 Marketing Committee

The Marketing Committee acts as a strategic advisory body to the ESC, supporting the development and execution of market-driven strategies aimed at maximizing revenue while strengthening MSS's global market positioning.

During the year under review, the Committee met five times to assess and strategize on matters regarding:

- Evolving market challenges and opportunities.
- Annual crop planning in alignment with market demand and sustainability considerations.
- Product mix optimization, sales channels and pricing strategies, and stakeholder engagement and communications.

The Marketing Committee comprises representatives from each milling entity, a corporate grower, a small sugarcane planter representative, as well as the Chief Executive Officer (CEO) and Chief Operations Officer (COO).

The European Union continues to represent a critical market, particularly in the special sugars segment contributing more than 50% of MSS's annual revenue, However, the competitive landscape remains increasingly dynamic, with both traditional and emerging players intensifying market pressures. In response, MSS has strengthened its customer engagement model through the appointment of Paris-based B&T Consult in April 2025. This initiative has enhanced proximity to key clients, improved responsiveness, and reinforced long-term commercial partnerships. Such actions also support sustainability objectives by fostering stable demand, reducing market volatility, and enabling better production planning.

2.2 FOREX Committee

The FOREX Committee is responsible for overseeing foreign exchange risk management, and ensuring that foreign currency exposures are managed in a prudent and structured manner. Its mandate supports financial stability by protecting revenue streams against a volatile global economic environment.

Key responsibilities include:

- Defining MSS's foreign exchange risk management strategy.
- Approving hedging policies and foreign exchange hedging products.
- Establishing acceptable risk parameters aligned with targeted returns.

The FOREX Committee is composed of the President, Vice-President, one representative from each of the corporate and planter groups, as well as the CEO and Chief Finance Officer (CFO). During the year, it convened once, while ensuring a weekly reporting on market evolution, FOREX and sales performance.

By actively monitoring global currency markets and aligning hedging strategies with commercial objectives, the FOREX Committee contributes effectively to MSS's financial sustainability and resilience against external shocks.

3. Audit and Risk Oversight

3.1 Audit and Risk Management Committee (ARMC)

The Audit and Risk Management Committee (ARMC) operates under delegation from the ESC and is responsible for overseeing the integrity of financial reporting, the effectiveness of internal controls, and the robustness of risk management framework and practices.

Its key responsibilities include:

- Continuous review of financial reporting processes.
- Ensuring the accuracy, integrity, and reliability of financial statements.
- Monitoring internal control systems and enterprise risk management frameworks.
- Approving internal audit plans and overseeing implementation of recommendations and assessing their effectiveness.
- Liaising with external auditors on audit findings and governance improvements.
- Recommending the appointment of internal and external auditors.

The ARMC comprises five representatives from both corporate and planter constituencies, as well as the CEO and CFO. Internal and external auditors attend meetings as required. The ARMC met three times during the year under review.

Through its work, the ARMC reinforces MSS's commitment to financial integrity, transparency, accountability, and sustainable governance practices.

4. Risk Management and Sustainability

Risk management is fully embedded within MSS's operational and strategic processes. The organization adopts a proactive and structured approach to identifying, assessing, and mitigating risks that may impact its ability to achieve its objectives.

Management remains accountable to the Main Committee, through the ESC, for maintaining an effective and dynamic risk management framework.

In an increasingly complex and uncertain global environment, MSS continuously monitors both existing and emerging risks, including:

- Market volatility and pricing pressures
- Foreign exchange fluctuations
- Climate-related and environmental risks affecting agricultural production
- Supply chain disruptions
- Regulatory and compliance developments

Particular attention is given to sustainability-related risks,

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Governance, Risk Management, Audit and Internal Controls (Cont'd)

including climate change, resource efficiency, and evolving stakeholder expectations. By integrating these considerations into strategic planning and operational decision-making, MSS enhances its ability to ensure long-term resilience, environmental stewardship, and value creation.

5. Audit Functions

5.1 Internal Audit

Baker Tilly Mauritius, appointed in March 2024, presently serves as the Internal Auditor of MSS. Its role is to provide independent assurance on the effectiveness of governance, risk management, and internal control systems.

Audit assignments are conducted in accordance with an agreed audit plan, with findings reported directly to the ARMC. During the year under review:

- A post-audit review of the procurement-to-payment cycle confirmed the effective implementation of corrective measures.
- The independent audit of the revenue cycle is in its final stages, with observations currently under review.

The internal audit function supports continuous improvement, operational efficiency, and strengthened control processes, all of which contribute to the organization's sustainable performance.

5.2 External Audit

BDO Mauritius was appointed as External Auditor in September 2025. The firm was granted full and unrestricted access to relevant records and personnel, enabling it to carry out its mandate independently and effectively.

In line with best governance practices, the external auditors maintain direct communication with the Chairman and members of the ARMC.

Management ensured full cooperation throughout the audit process, facilitating timely reporting. The Audit Report and Management Letter were thoroughly reviewed, and recommendations will be duly implemented to further strengthen financial governance, transparency, and accountability.

6. Commitment to Continuous Improvement

MSS remains committed to continuously enhancing its governance, risk management, and control frameworks. By embedding sustainability considerations, strengthening oversight mechanisms, and fostering a culture of accountability and ethical conduct, the organization is well-positioned to navigate future challenges while delivering long-term value to its stakeholders.

Crop  Financing & Producer Payments (2025/26)

During Crop 2025, the financing framework ensured timely cash flow to producers through advance payments based on an initial and prudent ex-Syndicate sugar price estimate of Rs 20,000 per ton. By May 2026, cumulative advances reached Rs 22,000 per ton, complemented with a final settlement of Rs 2,094.51 in July 2026, to reach the ex-Syndicate price of Rs 24,094.51 per ton sugar for the crop

In addition to sugar proceeds distributed by the Mauritius Sugar Syndicate (MSS), producers benefited from revenues derived from molasses and bagasse, which remain integral to overall earnings.

Government reaffirmed its commitment to the sugar cane sector in the 2025/26 Budget, notably increasing the guaranteed revenue mechanism for small planters (≤60 tons sugar production) from Rs 30,000 to Rs 35,000 per ton, inclusive of sugar, bagasse, and molasses. This measure, alongside initiatives such as the SIFB premium waiver, National Biomass Framework, cane replantation schemes, fertilizer subsidies, provided significant support to sustain the industry.

As a result, planters producing up to 60 tons of sugar attained the guaranteed revenue level of Rs 35,000 per ton, while other producers' revenues reflected MSS sugar proceeds supplemented by molasses and bagasse remuneration over the year.

These measures underscore the Government's continued commitment to safeguarding producer incomes and strengthening the long-term sustainability of the sugar cane sector.

The advance payment schedule implemented during the crop year is summarized below.

	Growers cultivating less than 100 Ha		Other Producers	
Period	**Advance**	**Cumulative**	**Advance**	**Cumulative**
July 2025	16,000.00	16,000.00	12,000.00	12,000.00
September 2025	1,600.00	17,600.00	1,200.00	13,200.00
December 2025	1,000.00	18,600.00	2,000.00	15,200.00
March 2026	1,600.00	20,200.00	5,000.00	20,200.00
May 2026	1,800.00	22,000.00	1,800.00	22,000.00
July 2026 (Final)	2,094.51	24,094.51	2,094.51	24,094.51

Crop Financing & Producer Payments (2025/26) (Cont'd)

Additional Revenue Streams

In addition to sugar sold by the MSS, producers benefit from proceeds derived from **molasses (inclusive of Distiller-Bottler levy)** and **bagasse**, which remain vital components of their overall earnings.

Derivation of Revenue by Category of Producer - Crop 2025

Table 1: Revenue Streams as Paid Under Current Industry Arrangements

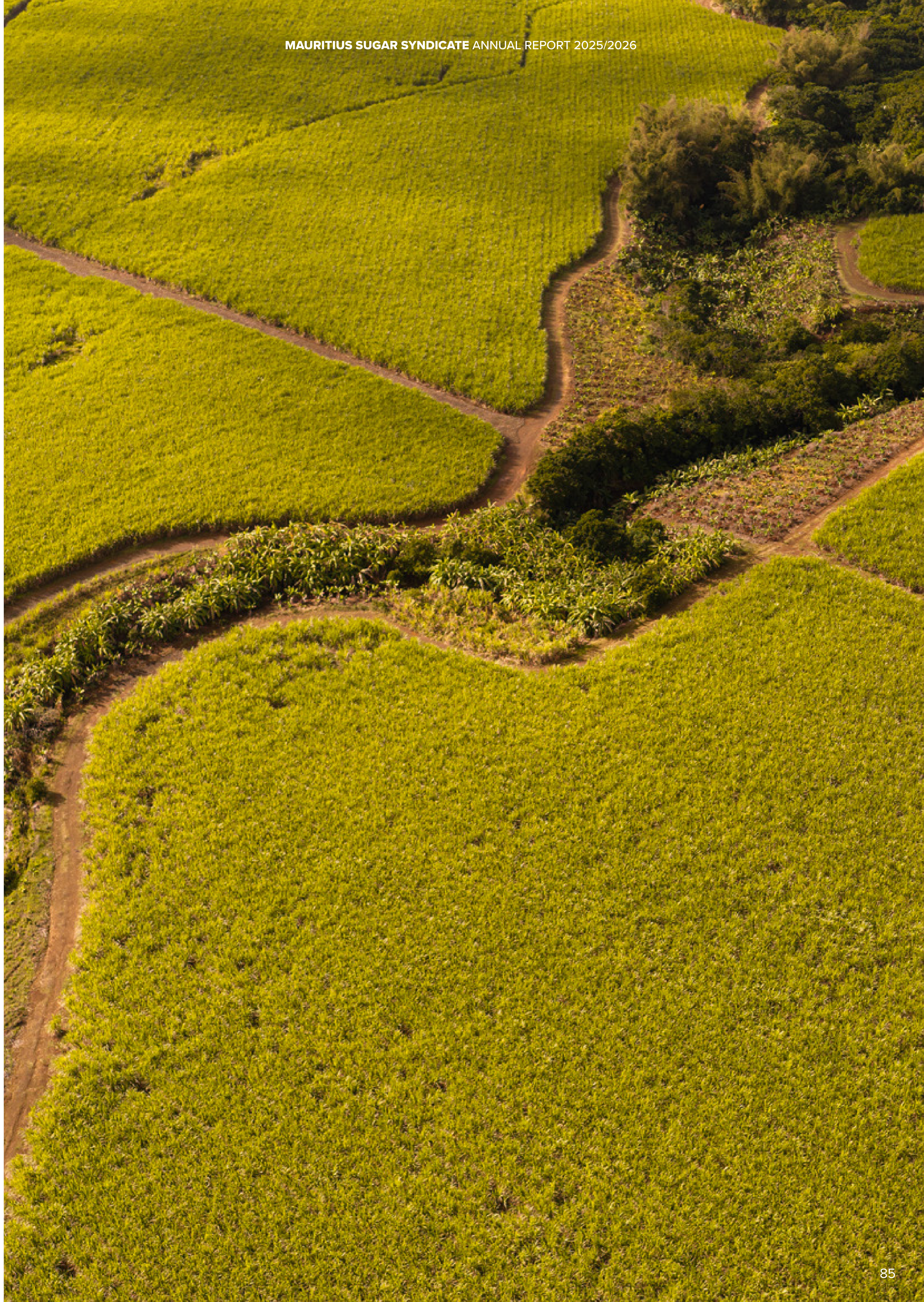
Revenue Stream	Planters Producing up to 60 Tons of Sugar	Planters (> 60 MT)	Corporate Planters	Millers
Sugar *(Rs per ton of sugar)*	24,094.51	24,094.51	24,094.51	24,094.51
Bagasse *(Rs per ton of sugar)*	3,087.05	3,087.05	3,087.05	3,087.05
Molasses and Distiller-Bottler levy *(Rs per ton of molasses)*	5,125.08	5,125.08	5,125.08	-
Government Financial Support *(Rs per ton of sugar)*	5,392.90	-	-	-

Table 2: Revenue Streams Expressed on a Sugar-Equivalent Basis

Revenue Stream	Planters Producing up to 60 Tons of Sugar	Planters (> 60 MT)	Corporate Planters	Millers
Sugar	24,094.51	24,094.51	24,094.51	24,094.51
Bagasse	3,087.05	3,087.05	3,087.05	3,087.05
Molasses and Distiller-Bottler levy	2,425.54	2,425.54	2,425.54	-
Government Financial Support	5,392.90	-	-	-
Gross Revenue	35,000.00	29,607.10	29,607.10	27,181.56

Key Government Measures for the Sugar Cane Industry

- Minimum guaranteed price of Rs 35,000 per ton sugar for planters producing up to 60 tons.
- **SIFB Premium Waiver:** The Sugar Insurance Fund Board (SIFB) premium for Crop 2025 has been borne entirely by Government for planters producing up to 60 tons of sugar.
- **National Biomass Framework:** As from 1 July 2025, the cost associated with the remuneration of bagasse supplied for electricity generation under the National Biomass Framework is borne directly by the Central Electricity Board (CEB), thereby safeguarding the continued payment of bagasse revenue to producers.
- **Cane Replantation Schemes:** Enhanced financial support has been made available under cane replantation schemes and revolving funds to encourage field renewal and improve productivity.
- **Fertilizer Subsidy Scheme:** Continued assistance is being provided toward the procurement of fertilizers for planters cultivating less than 100 hectares.



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Our Financial Performance

Disciplined financial management, informed decision-making and clear focus on value creation...

Since its inception, the Mauritius Sugar Syndicate has remained committed to optimizing producers' revenue, turning every decision into an opportunity to drive return and secure a prosperous future.

Financial Review

Highlights:
2025/26

Total Sugar Sales Revenue

Rs 10,351 M

2024/25: Rs 11,037 M

Originating Sugar Sales Revenue

(**Excluding white sugar** processed from imported raw sugar)

Rs 7,958 M

2024 – 25: Rs 8,328 M

Net Revenue Distributed to Producers

Rs 5,324 M

2024/25: Rs 6,237 M

Total Expenditure Excluding cost of imported sugar

(for OMOL Refining)

Rs 2,783 M

2024 – 25: Rs 2,371 M

Sales Volume (Including white sugar processed from Imported Raw Sugar Feedstock)

310,135 MT

2024/25: Rs 309,813 MT

Ex- Syndicate Price

Rs 24,095

Per ton Sugar

2024 – 25: Rs 27,478
Per ton Sugar

Performance

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

	Crop 2025	Crops 2024
	Rs M	**Rs M**
Revenue	**10,399**	11,117
Expenditure		
Direct operating costs	**4,522**	4,497
Other operating costs	**590**	492
	5,112	4,989
Net Revenue before Net FInance costs	**5,287**	6,128
Net Finance costs	**183**	178
Gain on exchange	**(220)**	(287)
Net Revenue to distribute to Producers	**5,324**	6,237
Production - Pol Basis - MT	**220,949**	226,972
Ex-Syndicate Price - Rs / MT	**24,095**	27,478

Sales Volume & Revenue Analysis

		Crop 2025	Crops 2024
Sales Volume			
Special Sugars	MT	**131,707**	118,471
White Reined Sugar	MT	**178,428**	191,342
		310,135	309,813
Sales Revenue			
Special Sugars	RS M	**5,234**	5,034
White Refined Sugar	Rs M	**5,117**	6,003
		10,351	11,037

+Total sales revenue generated from **Crop 2025 sugars**, including revenue derived from imported raw sugar feedstock, amounted to **Rs 10.4 billion,** compared with Rs **11.12 billion** in the previous financial year, representing a decline of 5**.8%.** Total sales volumes reached 3**10,135 metric tons,** remaining broadly in line with the prior year's level.

The contraction in revenue was primarily attributable to the decline in international sugar prices during the period under review, which adversely impacted export realizations despite stable sales volumes.

Financial review (Cont'd)

Total operating expenditure increased by **3.8%** compared with the previous year. This increase was mainly driven by the reimposition of global Cess for financing of the MCIA expenses, which is equivalent to **4% of the ex-Syndicate sugar price.**

MSS continued to exercise stringent cost discipline across its operations. As a result, **administrative and other operating expenses** decreased by **16%** to **Rs 88.7 million**, principally due to a reduction in retirement benefit obligations recognized during the year.

Net finance costs increased marginally by **2.8%** to **Rs 183 million**, reflecting the combined impact of higher interest rates and increased borrowings required to finance crop advances. Despite challenging market conditions, MSS's proactive treasury management strategy and disciplined foreign exchange risk management framework generated a **net foreign exchange gain of Rs 221 million**, mitigating the impact of higher financing costs and contributing positively to overall returns.

Against the backdrop of lower international sugar prices and a more challenging operating environment, the **ex-Syndicate price for Crop 2025** was finalized at **Rs 24,095 per ton of sugar**, representing a decrease of **12.3%** compared with the previous crop year.

Overall, Crop 2025 was characterized by resilient sales volumes, prudent cost management and effective treasury operations, which helped cushion the impact of weaker global sugar prices and a higher interest rate environment.

Treasury Management and Borrowings

A key component of the MSS's mandate is to ensure timely cash flow support to sugar producers through the provision of crop advances. At the start of each crop season, advance payments representing between **60% and 80% of the estimated ex-Syndicate sugar price** are made to producers to facilitate their operational and financial requirements.

As at **30 June 2026**, total advances disbursed to producers amounted to **Rs 4.9 billion**. These advances were financed through a combination of established credit facilities with commercial banks and funding support from the Sugar Insurance Fund Board.

MSS continues to actively manage its borrowing portfolio, seeking competitive financing terms to minimize finance costs whilst ensuring adequate liquidity throughout the crop cycle. Nonetheless, financing expenses remain sensitive to movements in prevailing market interest rates.

During the period under review, the monetary policy environment tightened further. The **Bank of Mauritius Key Rate**, which stood at **4.50%** at the commencement of the 2025 crop year, was increased by **25 basis points to 4.75% on 20 May 2026**. This adjustment is expected to translate into higher borrowing costs and, consequently, increase the financing cost associated with advance payments to producers over the following crop.

Foreign Exchange Receipts and Hedging Activities

Total sugar sales revenue for Crop 2025 amounted to **Rs 10.3 billion**, of which **Rs 1.2 billion** was generated from the domestic market. Export proceeds totaled **Rs 9.1 billion** and were denominated in the following currencies with corresponding shares:

- **USD:** 48%
- **EUR:** 40%
- **GBP:** 12%

Given the significant exposure to foreign currency receipts, the MSS continued to implement a disciplined foreign exchange risk management strategy under the guidance of its FOREX Committee.

The hedging program for Crop 2025 commenced in **May 2025**, at a time when the EUR exchange rate was trading around USD 1.13 and the Mauritian Rupee was quoted at approximately **Rs 51.00 per EUR, Rs 45.25 per USD and Rs 60.50 per GBP**.

Foreign Exchange Market Environment

The period under review was characterized by heightened volatility across global currency markets. Since July 2025, the Mauritian Rupee has depreciated against the major trading currencies, particularly the US Dollar and, by end of June 2026, it has increased from approximately **Rs 45.00 to Rs 47.50**, representing a depreciation of around **5-6%**. During the same period, the EUR traded within a range of **Rs 51.81 to Rs 54.48**, whilst GBP fluctuated between **Rs 59.07 and Rs 63.16**.

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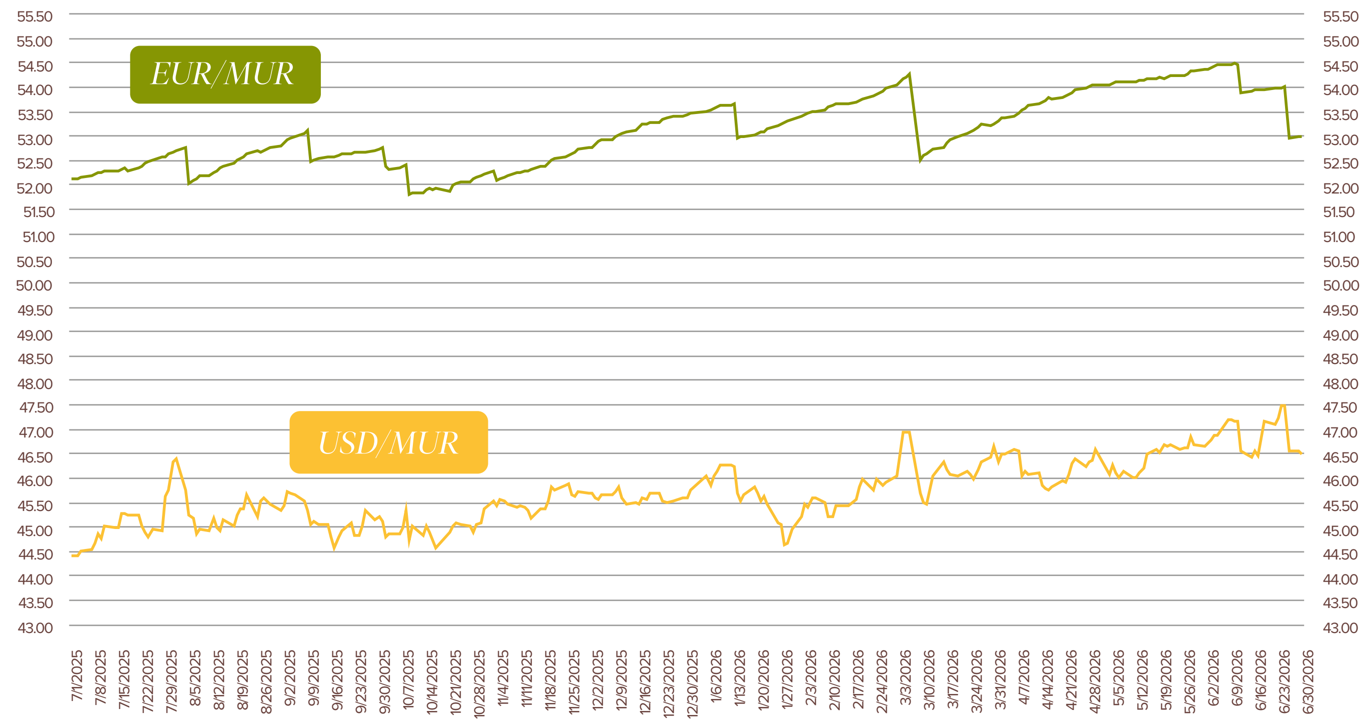
The weakening of the Mauritian Rupee largely reflected sustained demand for foreign currency to meet import requirements, overseas travel expenditure and external debt servicing obligations.

To support orderly market conditions and ensure the availability of foreign currency, the **Bank of Mauritius intervened actively in the domestic market**, conducting **16 foreign currency sales operations** during the period and injecting approximately **USD 235 million** at an average exchange rate of **Rs 45.86 per USD**.

EUR/MUR AND USD/MUR Exchange Rate Movements



Evolution of the EUR/USD Currency Pair

The evolution of the EUR/USD currency pair from July 2025 to June 2026 has been defined by a clear transition from Euro dominance to a powerful resurgence of the US Dollar. As a result, the EUR/USD exchange rate declined to around 1.14 by June 2026. Exchange rate movements were influenced by several macroeconomic and geopolitical factors, including:

- Diverging monetary policy trajectories between the European Central Bank and the US Federal Reserve;
- Persistent inflationary pressures in both economic regions;
- Changes in global capital allocation and interest rate expectations; and,
- Heightened geopolitical tensions, particularly in the Middle East.

By the close of the financial year, the US Dollar had reasserted itself as the preferred safe-haven currency, supported by relatively high US interest rates and stronger capital inflows. Consequently, the EUR/USD currency pair stabilized within the **1.1340–1.1400 range**.

Financial review (Cont'd)

EVOLUTION OF THE EUR/USD PAIR

Foreign Exchange Risk Management and Hedging Performance

In accordance with the foreign exchange policy approved by the FOREX Committee, MSS implemented a combination of hedging instruments and market execution strategies to manage exchange rate exposure arising from export receipts.

The primary objectives of the hedging program were to:

- Protect producers against adverse currency fluctuations;
- Enhance revenue visibility and predictability;
- Reduce earnings volatility; and,
- Optimize exchange conversion rates over the crop cycle.

These strategies proved effective in a market environment characterized by elevated volatility and uncertain macroeconomic conditions.

The average exchange rates achieved by MSS compared favorably with prevailing market averages during the crop year.

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Average Exchange Rates Achieved

Currency	Average Spot Rate (Jul 2025 – Jun 2026)	Average Rate Achieved - Crop 2025	Average Rate Achieved - Crop 2024
EUR/MUR	53.10	54.30	50.95
USD/MUR	45.70	47.49	47.61
GBP/MUR	61.09	63.99	61.02

The hedging program enabled MSS to outperform average market rates across all major currencies, thereby delivering additional value to producers.

Historical Hedging Performance

The sustained application of disciplined foreign exchange risk management practices has delivered consistent benefits over successive crop years.

Hedging Performance History

Crop Year	Annual Gain on Exchange (Rs'000)	Gain per Metric Ton (Rs/T)
2025	220,243	996.80
2024	287,478	1,266.58
2023	338,696	1,411.17

While gains generated in Crop 2025 were lower than the exceptionally strong outcomes recorded in the preceding two years, the hedging program continued to provide meaningful protection against market volatility and delivered additional value of **Rs 220.2 million** to producers.

MSS remains committed to maintaining a prudent and disciplined foreign exchange management framework, ensuring that export proceeds are optimized while safeguarding stakeholders against adverse market developments.

Independent Auditors' Report

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 96 to 222 which comprise the statement of financial position as at 30 June 2026, 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 2026 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").* We have fulfilled our other ethical responsibilities in accordance with the IESBA Code. 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 105-page document titled "Mauritius Sugar Syndicate – Audited Financial Statements for the year ended 30 June 2026", which includes Introduction, The year in perspective, Our History & Terroir, People & Operators, Our Sugars and their uses, Sustainability, Corporate Governance & Payment to Producers and Financial Review. The other information does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the 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 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 related 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.

MAURITIUS SUGAR SYNDICATE ANNUAL REPORT 2025/2026

Independent Auditors' Report

To the Members of the Mauritius Sugar Syndicate

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 auditors' 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 judgment 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.
- Conclude on the appropriateness of 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 Main Committee's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Syndicate to cease to continue as a going concern.

We communicate with those charged with governance 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.

Other Matter

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 auditors' 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.

BDO & Co
Chartered Accountants
Port Louis,
Mauritius

Lilawattee Tarachand, FCA, FCMA
Licensed by FRC

Statement of Financial Position

For the Year Ended 30 June 2026

	Notes	2026 Rs'000	2025 Rs'000
ASSETS			
NON-CURRENT ASSETS			
Equipments and motor vehicles	4	**10,142**	15,536
Intangible assets	5	**3,213**	6,490
		13,355	22,026
CURRENT ASSETS			
Inventories	6	**515,272**	224,931
Trade and other receivables	7	**3,044,540**	4,841,818
Cash and cash equivalents	8	**504,459**	317,386
		4,064,271	5,384,135
TOTAL ASSETS		**4,077,626**	5,406,161
LIABILITIES			
NON-CURRENT LIABILITY			
Employee benefit liabilities	9	**1,843**	20,750
		1,843	20,750
CURRENT LIABILITIES			
Borrowings	10	**2,550,000**	3,733,096
Trade and other payables	11	**1,525,783**	1,652,315
		4,075,783	5,385,411
TOTAL LIABILITIES		**4,077,626**	5,406,161

These financial statements have been approved by the Committee for issue on 3 September 2026

Devesh Dukhira
Chief Executive Officer

Rajendra Puddoo
Chief Financial Officer

The notes on pages 99 to 122 form an integral part of these financial statements.

Independent auditors' report on pages 94 and 95.

MAURITIUS SUGAR SYNDICATE ANNUAL REPORT 2025/2026

Statement of Cash Flows

For the Year Ended 30 June 2026

	Notes	2026 Rs'000	2025 Rs'000
Operating activities			
Net revenue distributable to all producers as Ex-Syndicate price		**5,323,662**	6,236,680
Adjustments for:			
Profit on disposal of equipment	13	**-**	(1,239)
Interest expense	18	**185,779**	179,627
Interest income	18	**(3,174)**	(1,348)
Depreciation of equipment	4	**5,861**	6,883
Amortisation of intangible assets	5	**3,277**	3,371
Employee benefit liabilities	9(vi)	**(18,907)**	7,183
Exchange Difference		**71,777**	106,311
Operating profit before working capital changes		**5,568,275**	6,537,468
(Increase)/Decrease in inventories	6	**(290,340)**	368,659
Decrease/(Increase) in trade and other receivables	7	**1,797,278**	(1,032,811)
Decrease in trade and other payables		**(126,532)**	(767,553)
Amount payable to producers/planters not yet paid in cash		**(445,248)**	(946,723)
Cash generated from operations		**6,503,433**	4,159,040
Payment made to producers/planters		**(4,878,414)**	(5,289,957)
Interest paid		**(185,779)**	(179,627)
Net cash generated/(used in) from operating activities		**1,439,240**	(1,310,544)
Investing activities			
Purchase of equipment	4	**(468)**	(16,589)
Purchase of intangible assets	5	**-**	(9,124)
Proceeds from disposal of equipment	13	**-**	1,239
Interest received		**3,174**	1,348
Net cash generated/(used in) from investing activities		**2,706**	(23,126)
Financing activities			
Loan received	10	**8,921,581**	10,265,666
Loans repaid	10	**(10,104,677)**	(9,482,286)
Net cash (used in)/generated from financing activities		**(1,183,096)**	783,380
Net Increase/(Decrease) in cash and cash equivalents		**258,850**	(550,290)
Movement in cash and cash equivalents			
At July 1,		**317,386**	973,987
Net (decrease)/increase in cash and cash equivalents		**258,850**	(550,290)
Exchange Difference		**(71,777)**	(106,311)
At June 30	8	**504,459**	317,386

The notes on pages 99 to 122 form an integral part of these financial statements.

Independent auditors' report on pages 94 and 95.

Statement of Income and Expenditure

For the Year Ended 30 June 2026

		2025 - 2026 Crop			2024 - 2025 Crop		
MT OF SUGAR ACCRUING		**220,949**			226,972		
	Note	**Rs'000**	**Rs per MT**	%	Rs'000	Rs per MT	%
Originating Sugar Operations:							
REVENUE							
Sales proceeds	25	**7,957,849**	**36,017**	**99.41%**	8,329,213	36,697	99.05%
Other income	25	**47,504**	**215**	**0.59%**	79,712	351	0.95%
		8,005,353	**36,232**	**100.00%**	8,408,925	37,048	100.00%
Direct operating costs	14 & 25	**(2,215,284)**	**(10,024)**	**(27.67%)**	(1,907,747)	(8,405)	(22.69%)
Storage charges	25	**(206,605)**	**(935)**	**(2.58%)**	(230,054)	(1,014)	(2.74%)
Administrative and other charges	16 & 25	**(22,518)**	**(102)**	**(0.29%)**	(105,420)	(464)	(1.26%)
MCIA Levy and CESS	25	**(338,171)**	**(1,532)**	**(4.22%)**	(128,028)	(565)	(1.52%)
TOTAL EXPENDITURE		**(2,782,578)**	**(12,593)**	**(34.76%)**	(2,371,249)	(10,448)	(28.21%)
Finance income - net	25	**75,883**	**343**	**0.95%**	174,904	771	2.08%
Net Revenue from Originating Sugar Operations		**5,298,658**	**23,982**	**66.19%**	6,212,580	27,371	73.87%
Non-Originating Sugar Operations:							
Sales proceeds	25	**2,393,340**	**10,832**	**29.90%**	2,707,890	11,931	32.20%
Expenditure	25	**(2,330,090)**	**(10,546)**	**(29.11%)**	(2,618,085)	(11,535)	(31.13%)
Finance costs	25	**(38,246)**	**(173)**	**(0.48%)**	(65,705)	(289)	(0.78%)
Net Revenue from Non-Originating Sugar Operations		**25,004**	**113**	**0.31%**	24,100	107	0.29%
NET REVENUE DISTRIBUTABLE TO ALL PRODUCERS AS EX-SYNDICATE PRICE		**5,323,662**	**24,095**	**66.50%**	6,236,680	27,478	74.16%
MT of Non Originating Sugar Operations				**93,770**			86,515

The notes on pages 99 to 122 form an integral part of these financial statements.

Independent auditors' report on pages 94 and 95.

Notes to the Financial Statements

For the Year Ended 30 June 2026

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.

(b) Standards, Amendments to published Standards and Interpretations effective in the reporting period

IAS 21 *The Effects of Changes in Foreign Exchange Rates*

Lack of Exchangeability: *The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.*

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2026 or later periods, but which the Group/Company has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

Notes to the Financial Statements

For the Year Ended 30 June 2026

2 **MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

Standards, Amendments to published Standards and Interpretations issued but not yet effective (continued)

Effective date January 1, 2026

IFRS 9 *Financial Instruments & IFRS 7 Financial Instruments: Disclosures*

Classification and Measurement of Financial Instruments: The amendments clarify that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date. Other clarifications include the classification of financial assets with ESG linked features via additional guidance on the assessment of contingent features. Clarifications have been made to non-recourse loans and contractually linked instruments. Also, additional disclosures have been introduced for financial instruments with contingent features and equity instruments designated at fair value through other comprehensive income.

Contracts Referencing Nature-dependent Electricity: The amendments clarify how IFRS 9 should be applied to power purchase agreements with specific characteristics. The amendments include clarification on the application of the 'own-use' requirements and permitting hedge accounting if these contracts are used as hedging instruments. New disclosure requirements have also been included to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

Effective date January 1, 2027

IFRS 18 *Presentation and Disclosure in Financial Statements*

Presentation and disclosure in financial statements: IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals presented within the statement of profit or loss within one of the following five categories – operating, investing, financing, income taxes, and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, it brings about consequential amendments to other accounting standards. This standard replaces IAS 1 - Presentation of Financial Statements.

IFRS 19 *Subsidiaries without Public Accountability: Disclosures*

Subsidiaries without Public Accountability: Disclosures: IFRS 19 is a non-mandatory standard. It specifies the disclosure requirements that eligible subsidiaries are permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards. It allows eligible entities to benefit from reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. Subsidiaries are eligible to apply IFRS 19 if they do not have public accountability and their parent, intermediate parent or ultimate parent company produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

IAS 28 *Investments in Associates and Joint Ventures*

Amendments to the Fair Value Option for Investments in Associates and Joint Ventures: Narrow scope amendments to clarify which investments in associates and joint ventures a company is eligible to measure using the fair value option in IAS 28 - Investments in Associates and Joint Ventures. The amendments clarify that entities that have a main business activity of investing in particular types of assets are eligible to use the fair value option for such investments. The amendments are effective in the period in which an entity first applies IFRS 18 - Presentation and Disclosure in Financial Statements.

Effective date January 1, 2029

IFRS 20 *Regulatory Assets and Regulatory Liabilities*

Regulatory Assets and Regulatory Liabilities: IFRS 20 requires requires entities subject to rate regulation to recognise regulatory assets and regulatory liabilities for timing differences between when goods or services are supplied and when amounts are included in regulated rates. Companies that supply vital services such as electricity, water and gas are often subject to this type of regulation. The Standard introduces a comprehensive measurement and presentation model, including specific disclosure requirements to explain the nature and financial effects of rate regulation. This standard replaces IFRS 14 - Regulatory Deferral Accounts and supplements the information a company provides when applying IFRS 15 - Revenue from Contracts with Customers.

MAURITIUS SUGAR SYNDICATE ANNUAL REPORT 2025/2026

Notes to the Financial Statements

For the Year Ended 30 June 2026

2 **MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

Standards, Amendments to published Standards and Interpretations issued but not yet effective (continued)

The effective date of the following amendments have been deferred indefinitely until further notice

IFRS 10 *Consolidated Financial Statements*

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

IAS 28 *Investments in Associates and Joint Ventures*

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

(c) Equipments and Motor Vehicles

Equipments and motor vehicles are stated at cost less accumulated depreciation and impairment loss, if any. Depreciation is recognised 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:

	%
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 2026

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 based on 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.

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.

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Notes to the Financial Statements

For the Year Ended 30 June 2026

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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

(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.

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.

(iv) 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 2026

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.

(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.

MAURITIUS SUGAR SYNDICATE ANNUAL REPORT 2025/2026

Notes to the Financial Statements

For the Year Ended 30 June 2026

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(j) Inventories (continued)

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).

(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.

<u>Defined Contribution Plan</u>

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.

<u>Defined Benefit Plan</u>

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.

<u>Termination benefits</u>

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 Workers' Rights Act.

Notes to the Financial Statements

For the Year Ended 30 June 2026

2 **MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

(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.

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.

(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 special sugars at time of finalising the Income and Expenditure Account, have been adjusted downwards by 5% and 10% for unshipped contracted and uncontracted sugars respectively. 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.

MAURITIUS SUGAR SYNDICATE ANNUAL REPORT 2025/2026

Notes to the Financial Statements

For the Year Ended 30 June 2026

2 **MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

(m) Revenue recognition (continued)

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 10 % 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.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2026

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

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.

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 as 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.

MAURITIUS SUGAR SYNDICATE ANNUAL REPORT 2025/2026

Notes to the Financial Statements

For the Year Ended 30 June 2026

4. EQUIPMENTS AND MOTOR VEHICLES

	Offsite Equipment	Computer Equipment	Furniture and Equipment	Motor Vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST					
At July 01, 2025	57,814	5,244	19,124	4,697	86,879
Additions	-	468	-	-	468
Disposals	-	-	-	-	-
At June 30, 2026	**57,814**	**5,712**	**19,124**	**4,697**	**87,347**
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, 2025	50,939	4,357	15,151	896	71,343
Charge for the year	3,173	382	1,410	896	5,861
Disposals	-	-	-	-	-
At June 30, 2026	**54,112**	**4,739**	**16,561**	**1,792**	**77,205**
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, 2026	**3,702**	**973**	**2,563**	**2,905**	**10,142**
At June 30, 2025	6,875	887	3,973	3,801	15,536

Depreciation charge of Rs'000 2,688 (2025: Rs'000 2,470) has been charged to administrative and other charges (note 16) and depreciation charge of Rs'000 3,173 (2025: Rs'000 4,412) on Offsite equipment has been charged to direct operating costs (note 14).

Notes to the Financial Statements

For the Year Ended 30 June 2026

5. INTANGIBLE ASSETS

	Computer software
	Rs'000
COST	
At July 01, 2025	15,777
Addition	-
At June 30, 2026	**15,777**
At July 01, 2024	6,653
Addition	9,124
At June 30, 2025	15,777
AMORTISATION	
At July 01, 2025	**9,287**
Charge for the year	**3,277**
At June 30, 2026	**12,564**
At July 01, 2024	5,916
Charge for the year	3,371
At June 30, 2025	9,287
NET BOOK VALUE	
At June 30, 2026	**3,213**
At June 30, 2025	6,490

(a) Amortisation charge of Rs'000 3,277 (2025: Rs'000 3,371) has been charged to administrative and other charges (note 16).

6. INVENTORIES

	2026	2025
	Rs'000	Rs'000
At Cost		
Bags, steel bars and liners	**66,862**	45,220
Non Originating Sugar	**448,410**	179,711
	515,272	224,931

Short term loans and money market lines 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).

MAURITIUS SUGAR SYNDICATE ANNUAL REPORT 2025/2026

Notes to the Financial Statements

For the Year Ended 30 June 2026

7. TRADE AND OTHER RECEIVABLES

	2026	2025
	Rs'000	Rs'000
Trade Receivables		
Shipped sugar	**1,657,059**	2,344,404
Provision for bad debts	**-**	(3,579)
Unshipped sugars - Contracted	**683,924**	1,392,775
Unshipped sugars - Non Contracted	**381,090**	-
	2,722,073	3,733,600
Staff loans	**52**	804
Receivables from producers/planters	**18,081**	3,516
Prepayments	**66,207**	871,356
Other receivables	**238,127**	232,542
	3,044,540	4,841,818

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 79% (2025 : 41%) in value of its shipped sugar 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 2026 (note 12), an amount of Rs'000 761,017 was realised in June 2026 (2025 : Rs'000 774,456) 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.

	2026	2025
	Rs'000	Rs'000
Provision for bad debts	**-**	3,579

As of June 30, 2026, trade receivables of Rs'000 124,427 (2025: Rs'000 625,645) were past due but not impaired. The Syndicate has recovered 53% (2025 : 7%) at the date of approval of these financial statements.

	2026	2025
	Rs'000	Rs'000
Balance due current	**1,469,480**	1,189,878
Balance due for 30 to 90 days	**50,779**	505,135
Balance due for 91 to 120 days	**12,373**	23,746
Balance due above 121 days	**124,427**	625,645
	1,657,059	2,344,404

Notes to the Financial Statements

For the Year Ended 30 June 2026

7. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

	2026	2025
	Rs'000	Rs'000
Mauritian Rupee	259,427	154,727
US Dollar	1,928,849	2,788,858
Euro	674,761	1,483,358
GBP	181,503	414,875
	3,044,540	4,841,818

8. CASH AND CASH EQUIVALENTS

	2026	2025
	Rs'000	Rs'000
Cash at Bank	504,424	317,377
Cash in hand	35	9
Bank and cash balances	504,459	317,386

The Syndicate considers that its cash at bank have negligible credit risk based on the external credit ratings of the counter parties (ranging from Baa2 to Baa3 for both 2026 and 2025).

The resulting expected credit loss is considered as immaterial.

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

	2026	2025
Bank and cash balances	Rs'000	Rs'000
Mauritian Rupee	64,162	63,022
US Dollar	343,517	77,664
Euro	79,191	128,168
GBP	17,589	48,532
	504,459	317,386

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.

(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, 2026 by Actuarix Consulting Limited (formerly known as 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:

	2026	2025
	Rs'000	Rs'000
Present value of funded obligations	169,818	167,138
Fair value of plan assets	(167,975)	(146,388)
Liabilities recognised in the statement of financial position	1,843	20,750

Notes to the Financial Statements

For the Year Ended 30 June 2026

9. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

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

	2026	2025
At July 1,	20,750	13,567
Recognised in the income and expenditure	(14,707)	8,378
Employer's contributions paid	(4,200)	(1,195)
At June 30,	1,843	20,750

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

	2026	2025
	Rs'000	Rs'000
At July 1,	167,138	163,671
Current service cost	3,554	3,956
Past service cost	-	-
Employees' contributions	324	53
Interest costs	9,702	8,481
Benefits paid	(10,073)	(7,374)
Liability experience (gain)/ loss	(5,768)	9,295
Liability loss/(gain) due to change in financial assumptions	4,941	(10,944)
At June 30,	169,818	167,138

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

	2026	2025
	Rs'000	Rs'000
At July 1,	146,388	150,104
Interest income	8,623	7,796
Employer's contributions	4,200	1,195
Employees' contributions	324	53
Benefits paid	(10,073)	(7,374)
Return on plan assets excluding interest income	18,513	(5,386)
At June 30,	167,975	146,388

(vi) Amounts recognised in the statement of income and expenditure:

	2026	2025
	Rs'000	Rs'000
Current service cost	3,554	3,956
Net interest on net defined benefit liability	1,079	685
Actuarial (gain)/loss	(19,340)	3,737
Employer's contributions	(4,200)	(1,195)
Total included in employee benefit expense	(18,907)	7,183

Notes to the Financial Statements

For the Year Ended 30 June 2026

9. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

	2026	2025
	Rs'000	Rs'000
Return on plan assets excluding interest income	18,513	(5,386)
Interest Income	8,623	7,796
Actual return and interest income on plan assets	27,136	2,410

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

	2026	2025
	%	%
Discount rate	5.70	6.00
Future salary increases	4.00	4.00
Rate of pension increases	0.0	0.0
Average retirement age (ARA)	60/65	60/65

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

	2026	2025
	Rs'000	Rs'000
Increase due to 1% decrease in discount rate	18,277	18,008
Decrease due to 1% increase in discount rate	(15,408)	(15,198)

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 occuring 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 weighted average duration of the defined benefit obligation is 10 years at the end of the reporting period.

(xi) 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 1,065 for the year ended 30 June 2026 (2025: Rs'000 1,161).

(xii) 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 2026, the contribution included in the Income and Expenditure amounted to Rs'000 250 (2025 : Rs'000 161).

(xiii) The company operates a final salary defined benefit pension or retirement plan for employees and the assets are held separately from the company.

The plan exposes the company to normal risks associated with defined benefit pension plans such as investment, interest, longevity and salary risks.

Investment Risk: The plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan assets is below this rate, it will create a plan deficit and if it is higher, it will create a plan surplus.

Interest Risk: A decrease in the bond interest rate will increase the plan liability; however, this may be partially offset by an increase in the return on the plan's debt investments and a decrease in inflationary pressures on salary and pension increases.

Longevity Risk: The plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan liability.

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Notes to the Financial Statements

For the Year Ended 30 June 2026

10. BORROWINGS

	2026	2025
	Rs'000	Rs'000
Current		
Banks & Institutional loans	2,550,000	3,733,096
	2,550,000	3,733,096
Total borrowings	2,550,000	3,733,096

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.

Reconciliation of liabilities arising from financing activities

	At July 1, 2025	Additions	Repayments	At June 30, 2026
	Rs'000	Rs'000	Rs'000	Rs'000
Short-term borrowings	3,733,096	8,921,581	(10,104,677)	2,550,000

	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

(a) The interest rates on bank loans and institutional loans are secured and varied from 3.75 % to 5.00 % per annum on Mauritian Rupees accounts (2025: 3.50 % to 5.05 %) and from 3.70% to 5.50% per annum on USD accounts (2025: 5.00% to 6.35%) while no loan in Euros was taken for year ended 30 June 2026 and 30 June 2025.

(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:

	2026	2025
	Rs'000	Rs'000
Mauritian Rupee	2,550,000	2,863,591
US Dollar	-	869,505
	2,550,000	3,733,096

11. TRADE AND OTHER PAYABLES

	2026	2025
	Rs'000	Rs'000
Amount payable to producers	445,248	946,723
Trade payables	327,854	272,221
Accrued expenses	-	257,638
Provisions and other payables	752,681	175,733
	1,525,783	1,652,315

Notes to the Financial Statements

For the Year Ended 30 June 2026

11. TRADE AND OTHER PAYABLES (CONTINUED)

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

(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:

	2026 Rs'000	2025 Rs'000
Mauritian Rupee	**1,023,740**	995,621
US Dollar	**477,782**	572,974
Euro	**22,626**	72,650
GBP	**1,635**	11,015
ZAR	**-**	55
	1,525,783	1,652,315

12. SALES PROCEEDS

	2026 Rs'000	2025 Rs'000
Sugar exports	**8,143,983**	7,644,348
Unshipped sugar - Local Market	**4,997**	111,651
Unshipped sugar - Exports	**1,060,017**	2,055,582
	9,208,997	9,811,581
Sales of Sugar on local market	**1,142,192**	1,225,522
Total sales proceeds	**10,351,189**	11,037,103

13. OTHER INCOME

	2026 Rs'000	2025 Rs'000
Insurance claim received	**15,586**	-
Profit on disposal of motor vehicle	**-**	1,239
Miscellaneous income	**31,918**	78,473
	47,504	79,712

14. DIRECT OPERATING COSTS

	2026 Rs'000	2025 Rs'000
Sugar processing fees and packing cost	**1,259,771**	1,202,813
Profit payable to OMOL on NOS operations	**244,888**	236,495
Freight and export charges	**588,957**	527,675
Bags and other related charges	**272,915**	189,166
Cost of imports for local market and re-export	**2,062,727**	2,263,385
Depreciation of offsite equipment (note 4)	**3,173**	4,412
Other costs	**90,197**	73,387
	4,522,628	4,497,333

Cost of imports

Costs of imports for local market and re-export are calculated on a landed basis for 102,834MT (2025: 95,454MT) of white refined sugar and raw sugar feedstock.

Notes to the Financial Statements

For the Year Ended 30 June 2026

15. STORAGE CHARGES

	2026 Rs'000	2025 Rs'000
MCIA (Ex-BSSD)	**140,200**	130,800
Other warehousing costs	**89,151**	127,753
	229,351	258,553

16. ADMINISTRATIVE AND OTHER CHARGES

	2026 Rs'000	2025 Rs'000
Depreciation on equipment (note 4)	**2,688**	2,470
Amortisation of intangible assets (note 5)	**3,277**	3,371
Rental of office	**4,425**	4,059
Salary and related expenses	**39,328**	56,549
Overseas representation and mission expenses	**5,541**	5,158
Professional fees including subscriptions	**6,245**	6,561
Other miscellaneous	**(38,986)**	27,252
	22,518	105,420
Salary and related expenses comprise of the following:-		
Wages and salaries	**43,634**	36,778
Travel and other allowances	**7,274**	7,235
Pension & medical contributions	**7,327**	5,353
Movement in Employee benefit liability	**(18,907)**	7,183
	39,328	56,549

17. SERVICE PROVIDING INSTITUTIONS AND MCIA LEVY

	2026 Rs'000	2025 Rs'000
CESS at 4%	**221,819**	-
Levy on local sales	**116,352**	128,028
	338,171	128,028

The levy on local sales 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 2026

18. FINANCE INCOME - NET

	2026 Rs'000	2025 Rs'000
Finance income		
Interest income	**3,174**	1,348
Finance costs		
Interest payable on :		
- Foreign currency loans	**(35,752)**	(25,553)
- Bank overdraft	**(200)**	(688)
- Money market instruments	**(24,603)**	(65,752)
- Mauritian rupee loans	**(125,224)**	(87,634)
Total Finance costs	**(185,779)**	(179,627)
Net foreign exchange gain	**220,243**	287,478
	34,464	107,851
Finance income - net	**37,638**	109,199

19. RELATED PARTY TRANSACTIONS

	2026 Rs'000	2025 Rs'000
Key management personnel remuneration	**22,786**	18,764

Revenue Streams to Planters

	2026 Rs'000	2025 Rs'000
Sugar proceeds paid	**4,878,414**	5,289,957
Bagasse	**682,084**	677,412
Molasses / Distillers Bottlers	**418,497**	372,344
Sugar proceeds payable	**445,248**	946,723

Sugar: Proceeds represent net income from the sale of sugar on both domestic and export markets, after deduction of operational costs, administrative expenses and CESS of 4%

Bagasse: Revenue Proceeds are 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.

Notes to the Financial Statements

For the Year Ended 30 June 2026

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 mainly 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, Audit and Risk Management Committee and the FOREX Management Committee. These Committees are independent bodies that monitor risks and policies implemented to mitigate risk exposures.

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 2026	**217,275,000**	**206,545,000**	**10,730,000**
Level 2 - at 30 June 2025	1,504,140,000	1,482,065,000	22,075,000

<u>Market risk</u>

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	
	2026 Rs'000	2025 Rs'000	2026 Rs'000	2025 Rs'000
Mauritian Rupees	**323,589**	217,685	**3,573,740**	3,859,212
US Dollar	**2,206,158**	1,995,230	**477,782**	1,442,479
Euro	**753,952**	1,611,526	**22,626**	72,650
GBP	**199,092**	463,407	**1,635**	11,015
ZAR	**-**	-	**-**	55
	3,482,791	4,287,848	**4,075,783**	5,385,411

Financial Assets exclude prepayments and advanced payments of Rs'000 66,208 (2025: Rs'000 871,356).

Notes to the Financial Statements

For the Year Ended 30 June 2026

20. FINANCIAL INSTRUMENTS (CONTINUED)

Financial Risk Management (Continued)

Market risk (Continued)

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	
	2026	2025	**2026**	2025
	Rs'000	Rs'000	**Rs'000**	Rs'000
Impact on net revenue before distribution to producers:				
US Dollar	**110,308**	99,761	**23,889**	72,124
Euro	**37,698**	80,576	**1,131**	3,633
GBP	**9,955**	23,170	**82**	551
ZAR	**-**	-	**-**	3
	157,961	203,507	**25,102**	76,311

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, 2026 was as follows:

	2026	2025
	% per annum	% per annum
Bank Loans:		
MUR accounts	3.75% to 5.00%	3.50% to 5.05%
USD accounts	3.70% to 5.50%	5.00% to 6.35%

At June 30, 2026, 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 12,750,000 (2025: Rs 18,665,480) 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 aresettled 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.

Notes to the Financial Statements

For the Year Ended 30 June 2026

20. FINANCIAL INSTRUMENTS (CONTINUED)

Maturity analysis of financial liabilities

	Less than 1 year	**Total**
	MUR	**MUR**
2026		
Borrowings	**2,550,000**	**2,550,000**
Trade and Other payables	**1,525,783**	**1,525,783**
Total financial liabilities	**4,075,783**	**4,075,783**
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

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 2026 (2025 Rs 10,000) for a water still.

23. SUBSEQUENT EVENT

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

Statement of Income and Expenditure

For the Year Ended 30 June 2026

24. SEGMENTAL INCOME AND EXPENDITURE

	Notes	2025 - 2026 Crop					2024 - 2025 Crop				
		Originating Sugar Operations		Non-Originating Sugar Operations		TOTAL	Originating Sugar Operations		Non-Originating Sugar Operations		TOTAL
		Rs'000	%	Rs'000	%	Rs'000	Rs'000	%	Rs'000	%	Rs'000
MT OF SUGAR ACCRUING				220,949					226,972		
REVENUE											
Sales proceeds	12	7,957,849	99.41%	2,393,340	100.00%	10,351,189	8,329,213	99.40%	2,707,890	100.00%	11,037,103
Other income	13	47,504	0.59%	-	0.00%	47,504	79,712	0.60%	-	0.00%	79,712
		8,005,353	100.00%	2,393,340	100.00%	10,398,692	8,408,925	100.00%	2,707,890	100.00%	11,116,815
EXPENDITURE											
Direct operating costs	14	(2,215,284)	(27.67%)	(2,062,456)	(86.17%)	(4,277,740)	(1,907,747)	(22.69%)	(2,353,091)	(86.90%)	(4,260,838)
Profit payable on NOS Operations	14	-	0.00%	(244,888)	(10.23%)	(244,888)	-	0.00%	(236,495)	(8.73%)	(236,495)
Storage charges	15	(206,605)	(2.58%)	(22,746)	(0.96%)	(229,351)	(230,054)	(2.74%)	(28,499)	(1.06%)	(258,553)
Administrative and other charges	16	(22,518)	(0.28%)	-	0.00%	(22,518)	(105,420)	(1.25%)	-	0.00%	(105,420)
MCIA Levy and CESS	17	(338,171)	(4.22%)	-	0.00%	(338,171)	(128,028)	(1.52%)	-	0.00%	(128,028)
TOTAL EXPENDITURE		(2,782,578)	(34.75%)	(2,330,090)	(97.36%)	(5,112,668)	(2,371,249)	(28.20%)	(2,618,085)	(96.69%)	(4,989,334)
Finance income - net	18	75,883	0.95%	(38,246)	(1.60%)	37,638	174,904	2.08%	(65,705)	(2.43%)	109,199
NET REVENUE DISTRIBUTABLE TO ALL PRODUCERS AS EX-SYNDICATE PRICE		5,298,658	66.20%	25,004	1.04%	5,323,662	6,212,580	73.88%	24,100	0.88%	6,236,680

Notes

Notes

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