MCB STRUCTURED SOLUTIONS LTD

ANNUAL REPORT

FOR THE YEAR ENDED

JUNE 30, 2025

MCB STRUCTURED SOLUTIONS LTD
ANNUAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS

NOTICE

Unless otherwise stated, all references to Acts and Regulations in this Annual Report relate to legislations issued in the Republic of Mauritius.

MCB STRUCTURED SOLUTIONS LTD

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED JUNE 30, 2025

The Directors are pleased to present the Annual Report of MCB Structured Solutions Ltd for the year ended June 30, 2025.

This report was approved by the Board of Directors on September 23, 2025.

…………………………………………	…………………………………
Mr Vimal ORI	Mr Krishen PATTEN
Director	**Director**

MCB STRUCTURED SOLUTIONS LTD

SECRETARY'S CERTIFICATE
FOR YEAR ENDED JUNE 30, 2025

We certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Companies Act 2001.

For and on behalf of

MCB Group Corporate Services Ltd
Company Secretary

Date: September 23, 2025

MCB STRUCTURED SOLUTIONS LTD

STATUTORY DISCLOSURES - Section 221 of the Companies Act 2001
FOR THE YEAR ENDED JUNE 30, 2025

Principal activity

MCB Structured Solutions Ltd (the "Company" or "MCBSS") is a public Company limited by shares and is wholly-owned by MCB Capital Markets Limited ("MCBCM"). The Company's objects are to offer, structure and engineer any type of structured products and to do all such other things as are necessary, ancillary or incidental to, or as the Company may think conducive for, the conduct, promotion or attainment of its business.

The Company has no employees. Its day-to-day operations are outsourced to subsidiaries of the MCB Group.

Composition of the board

Ms AUMEERALLY Feriel (up to April 2025)
Mr IP MIN WAN Robert
Mr LAM YAN FOON Ronald
Mr ORI Vimal
Mr PATTEN Krishen
Mr YEN Bernard (as from December 2024)
Ms JOWAHEER Anbar (as from July 2025)

Directors' interests in shares

The Directors have no interests in the securities of the Company directly or through any associate (as defined under the Listing Rules of the Stock Exchange of Mauritius).

Directors' service contracts

There are no fixed term contracts or service contracts between the Company and the Directors.

Directors' remuneration

Amount paid to the Directors during the year ended June 30, 2025 and June 30, 2024 are as follows:

Non-Executive Director	2025	2024
	Rs.'000	Rs.'000
Ms AUMEERALLY Feriel	**76**	16
Mr IP MIN WAN Robert	**76**	16
Mr LAM YAN FOON Ronald	-	-
Mr PATTEN Krishen	-	-
Mr ORI Vimal	-	-
Mr YEN Bernard	**37**	-

Non-Executive Directors who also hold an executive position within the MCB Group do not receive additional remuneration as Board members, in line with group policy. The Non-Executive Directors have not received remuneration in the form of share options or bonuses associated with organisational performance.

MCB STRUCTURED SOLUTIONS LTD

STATUTORY DISCLOSURES - Section 221 of the Companies Act 2001
FOR THE YEAR ENDED JUNE 30, 2025

Contract of significance

The Directors have no contract of significance with the Company and its subsidiary.

Major transaction

No major transaction as defined under section 130(2) of the Act was undertaken.

Auditors' fees

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

	2025	2024
	Rs.'000	Rs.'000
Audit fees - BDO & Co:	**246**	235

The external auditors did not carry out non-audit services for the Company during the financial year under review.

Charitable donation

The Company made no donation during the period under review.

Political donation

The Company made no political donation during the period under review.

MCB STRUCTURED SOLUTIONS LTD

STATUTORY DISCLOSURES - Section 221 of the Companies Act 2001
FOR THE YEAR ENDED JUNE 30, 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors collectively as a Board acknowledge their responsibilities for the following and state that:

(i) the financial statements fairly present the state of affairs of the Company as at the end of the financial year and the result of operations and cash flows for the period;
(ii) adequate accounting records and effective internal control systems and risk management have been maintained;
(iii) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;
(iv) the financial statements have been prepared in accordance with the IFRS Accounting Standards, International Accounting Standard (IAS), the Companies Act 2001 and the Financial Reporting Act 2004;
(v) the financial statements have been prepared on a going concern basis;
(vi) they are responsible for safeguarding the assets of the Company;
(vii) they are responsible for leading and controlling the organisation and meeting all legal and regulatory requirements;
(viii) they have taken reasonable steps for the prevention and detection of fraud and other irregularities;
(ix) they regularly reassess the requirements of the Code to ensure that the Company remains compliant thereto in all material aspects.

The external auditor is responsible for reporting on whether the financial statements are fairly presented.

Having taken all the matters considered by the Board and brought to the attention of the Board during the year into account, we are satisfied that the annual report and accounts taken as a whole are fair, balanced and understandable.

Signed for and on behalf of the Board of Directors.

....

Director **Director**

Date: September 23, 2025

This page has been left intentionally blank.

Tel : +230 202 3000
Fax: +230 202 9993
www.bdo.mu

10, Frère Félix de Valois Street
Port Louis, Mauritius
P.O. Box 799

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of MCB Structured Solutions Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MCB Structured Solutions Ltd (the "Company"), set out on pages 7 to 27 which comprise the statement of financial position as at June 30, 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity 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 give a true and fair view of the financial position of the Company as at June 30, 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and comply with the Mauritian Companies Act 2001.

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 Company 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.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report including Report of the Directors, Secretary's Certificate and Statutory Disclosures but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholder of MCB Structured Solutions Ltd (Continued)

Responsibilities of Directors for the Financial Statements

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

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

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholder of MCB Structured Solutions Ltd (Continued)

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

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.

Report on Other Legal and Regulatory Requirements

Mauritian Companies Act 2001

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

- We have no relationship with, or interests in, the Company, other than in our capacity as auditor, and dealings in the ordinary course of business.
- We have obtained all information and explanations we have required.
- In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Other Matter

This report is made solely to the Company's Shareholder, as a body, in accordance with Section 205 of the Mauritian Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's Shareholder those matters we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

BDO & Co

BDO & Co
Chartered Accountants

Pravesh Mogun, FCCA
Licensed by FRC

Port Louis,
Mauritius

September 23, 2025

MCB STRUCTURED SOLUTIONS LTD

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

	Notes	2025	2024
		Rs. '000	Rs. '000
ASSETS			
Non current assets			
Financial assets at fair value through profit or loss	5	-	5,531
Financial assets at amortised cost	6	-	330,046
Deferred tax asset	17	**118**	-
		118	335,577
Current assets			
Prepayments	7	**104**	125
Financial assets at fair value through profit or loss	5	**2,883**	-
Financial assets at amortised cost	6	**337,530**	2,345
Cash and cash equivalents	19(c)	**43,001**	41,412
		383,518	43,882
Total assets		**383,636**	379,459
EQUITY AND LIABILITIES			
Capital & reserves			
Share capital	8	**10**	10
Retained earnings		**40,934**	41,932
Total equity		**40,944**	41,942
Non current liability			
Other financial liabilities	9	-	329,414
Current liabilities			
Other payables	10	**1,559**	1,243
Current tax liabilities	18	-	416
Other financial liabilities	9	**341,133**	6,444
		342,692	8,103
Total liabilities		**342,692**	337,517
Total equity and liabilities		**383,636**	379,459

These financial statements have been approved for issue by the Board of Directors on September 23, 2025.

)
) **DIRECTORS**
)

The notes on pages 11 to 27 form an integral part of these financial statements.
Independent Auditor's report on pages 6 to 6(b).

MCB STRUCTURED SOLUTIONS LTD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	Notes	2025	2024
		Rs. '000	Rs. '000
Interest income	11	**17,021**	24,854
Interest expense	12	**(12,063)**	(15,877)
Net interest income		**4,958**	8,977
Operating expenses	13	**(2,804)**	(3,380)
Operating profit		**2,154**	5,597
Administrative expenses	14	**(2,660)**	(2,617)
Foreign exchange (losses)/gains		**(554)**	2,139
Net gain on sale of securities		**-**	254
Net expense from financial instruments carried at fair value through profit or loss	15	**(1)**	(22)
(Loss)/Profit before tax		**(1,061)**	5,351
Income tax credit/(charge)	18(b)	**63**	(470)
(Loss)/Profit for the year		**(998)**	4,881
Other comprehensive income		**-**	-
Total comprehensive income for the year		**(998)**	4,881
(Loss)/Earnings per share	16	**Rs.(998)**	Rs.4,881

The notes on pages 11 to 27 form an integral part of these financial statements.
Independent Auditor's report on pages 6 to 6(b).

MCB STRUCTURED SOLUTIONS LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2025

	Share Capital	Retained Earnings	Total
	Rs. '000	Rs. '000	Rs. '000
Balance at July 01, 2024	**10**	**41,932**	**41,942**
Loss for the year	-	**(998)**	**(998)**
Other comprehensive income for the year	-	-	-
Balance at June 30, 2025	**10**	**40,934**	**40,944**
Balance at July 01, 2023	10	37,051	37,061
Profit for the year	-	4,881	4,881
Other comprehensive income for the year	-	-	-
Balance at June 30, 2024	10	41,932	41,942

The notes on pages 11 to 27 form an integral part of these financial statements.
Independent Auditor's report on pages 6 to 6(b).

MCB STRUCTURED SOLUTIONS LTD

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Notes	2025	2024
		Rs. '000	Rs. '000
Cashflow from operating activities			
Cash used in operations	19(a)	**(5,127)**	(10,423)
Interest received		**17,595**	18,486
Interest paid		**(10,154)**	(9,668)
Tax paid	18(a)	**(471)**	(156)
Net cash generated from/ (used in) operating activities		**1,843**	(1,761)
Cashflow from investing activities			
Proceeds from sale of financial assets at FVTPL		**-**	59,531
Redemption of financial assets at amortised cost	6	**-**	308,808
Net cash generated from investing activities		**-**	368,339
Cashflow from financing activities			
Redemption of notes		**-**	(348,849)
Net cash used in financing activities		**-**	(348,849)
Net increase in cash and cash equivalents		**1,843**	17,729
Movement in cash and cash equivalents			
At the beginning of the reporting year		**41,412**	21,627
Increase		**1,843**	17,729
Effects of foreign exchange rate changes		**(254)**	2,056
At the end of the reporting year	19(c)	**43,001**	41,412

The notes on pages 11 to 27 form an integral part of these financial statements.
Independent Auditor's report on pages 6 to 6(b).

1 GENERAL INFORMATION

MCB Structured Solutions Ltd is a public company limited by shares, incorporated on January 23, 2013 and domiciled in Mauritius. Its main activity consists of structuring, engineering and offering structured products through the issue of debt or equity securities (or otherwise). Its registered address is 9 - 15 Sir William Newton Street, Port Louis.

The financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of Shareholders of the Company.

2 ACCOUNTING POLICIES

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

(a) Basis of preparation

The financial statements of MCB Structured Solutions Ltd comply with the Companies Act 2001 and have been prepared in accordance with IFRS Accounting Standards. These financial statements are that of an individual entity. The financial statements are presented in Mauritian Rupees and all values are rounded to the nearest thousand (Rs. 000), except where otherwise indicated. Where necessary, comparative figures have been amended to conform with the change in presentation in the current year. The financial statements are prepared under the historical cost convention, except that financial assets at fair value through profit or loss and relevant financial assets and liabilities are stated at their fair value.

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

IAS 1 Presentation of Financial Statements

Classification of Liabilities as Current or Non-current: Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current. The amendments have no impact on the Company's financial statements.

Non-current Liabilities with Covenants: Subsequent to the release of amendments to IAS 1 Classification of Liabilities as Current or Non-Current, the IASB amended IAS 1 further in October 2022. If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current. The amendments have no impact on the Company's financial statements.

IAS 7 Statement of Cash Flows & IFRS 7 Financial Instruments: Disclosures

Supplier Finance Arrangements: The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. The amendments have no impact on the Company's financial statements.

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, 2025 or later periods, but which the Company has not early adopted.

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

Effective date January 1, 2025

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.

2 ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation

Standards, Amendments to published Standards and Interpretations issued but not yet effective (Cont'd)

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.

The effective date of this amendment has 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.

Where relevant, the Company is still evaluating the effect of these Standards, Amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

2 ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

(b) Revenue recognition

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(c) Financial assets

Categories of financial assets

The Company classifies financial assets in the following categories: financial assets through profit or loss and financial assets at amortised cost. The classification depends on the purpose for which the investments were acquired. The Company determines the classification of investments at initial recognition.

(i) Financial assets at fair value through profit or loss

The Company classifies the financial assets namely derivative financial instruments not designated as hedging instrument, as fair value through profit or loss at inception if so designated by the Directors. Changes in fair value are recognised in the profit or loss.

(ii) Amortised cost

These assets arise principally from financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for expected credit losses.

Provisions for expected credit losses, using the general approach, on financial assets at amortised cost are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Impairment of financial assets

In assessing whether the credit risk on financial instruments has increased significantly since initial recognition, the Company compares the risk of default occurring on the financial instruments at the reporting date with the risk of default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

2 ACCOUNTING POLICIES (CONT'D)

(c) Financial assets (Cont'd)

Impairment of financial assets (Cont'd)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating.
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the counterparty's ability to meet its debt obligations.
- An actual or expected significant deterioration in the operating results of the counterparty.
- Significant increases in credit risk on other financial instruments of the same counterparty.
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the counterparty that results in a significant decrease in the tenant's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Internal credit risk rating grade of the Company is as follows:

Category	Description	Basis for recognising expected credit losses
Performing	The counterparty has a low risk of default and does not have any past due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime-ECL not credit impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime-ECL credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery.	Amount is written off

The gross carrying amount of a financial asset is written off when the Company have no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually make an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expect no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

The Company determine that a financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

2 ACCOUNTING POLICIES (CONT'D)

(c) Financial assets (Cont'd)

Impairment of financial assets (Cont'd)

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the debtor;
- a breach of contract such as a default or being past due the agreed credit term; or
- it is probable that the debtor will enter bankruptcy or other financial reorganisation.

The Company's financial assets measured at amortised cost comprise of fixed deposits, corporate bonds and cash and cash equivalents in the statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(d) Financial liabilities

(i) Financial liabilities at fair value through profit or loss

Financial liabilities are classified as fair value through profit or loss when the financial liability is either held for trading or it is designated as fair value through profit or loss.

A financial liability may be designated as fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis;
- it forms part of a contract containing one or more embedded derivatives.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item. Fair value is determined in the manner described in note 3(c).

(ii) Other financial liabilities

The Company's capital protected notes were initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Trade payables and other short-term monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

2 ACCOUNTING POLICIES (CONT'D)

(d) Financial liabilities (Cont'd)

(iii) **Derivatives**

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rates, including interest rate swaps. Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently measured at fair value through profit or loss at each reporting date. The resulting gain or loss is recognised in profit or loss immediately. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company obligations are discharged, cancelled or they expire.

(e) Foreign currencies

(i) Functional and Presentation Currency

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

(ii) Transactions and Balances

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

Foreign exchange gains and losses that relate to cash and cash equivalents and all other foreign exchange gains and losses are presented in profit or loss within 'foreign exchange gains'.

Non-monetary items 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.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss.

(f) Current Income Tax

The tax expense for the period comprises of current tax, Corporate Social Responsibility (CSR) levy and Corporate Climate Responsibility (CCR) levy. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly to equity.

In line with the definition within the Income Tax Act 1995, CSR and CCR are regarded as a tax and are therefore subsumed into income tax shown in profit or loss and the income tax liability on the statement of financial position.

The Company is subject to the Advanced Payment System whereby it pays income tax on a quarterly basis.

The current income tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period.

3 FINANCIAL RISK MANAGEMENT

(a) Financial Risk Factors

The Company's activities expose it to a variety of financial risks, including:

- Foreign currency risk
- Liquidity risk
- Credit risk
- Price risk

A description of the significant risk factors is given below together with the risk management policies applicable.

Foreign currency risk

The Company operates in Mauritius and is exposed to foreign exchange risk arising from currency exposure primarily with respect to US Dollars and Euros.

Included in the table below are the Company's financial assets and financial liabilities at carrying amounts classified by currency.

As at June 30, 2025	Rupees	US Dollars	Euros	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Financial assets				
Financial assets at fair value through profit or loss	-	2,876	7	2,883
Financial assets at amortised cost	160,000	-	177,530	337,530
Cash and cash equivalents	14,258	16,738	12,005	43,001
Total financial assets	**174,258**	**19,614**	**189,542**	**383,414**
Financial liabilities				
Other payables	1,559	-	-	1,559
Other financial liabilities	157,950	2,876	180,307	341,133
Total financial liabilities	**159,509**	**2,876**	**180,307**	**342,692**

As at June 30, 2024	Rupees	US Dollars	Euros	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Financial assets				
Financial assets at fair value through profit or loss	-	4,721	810	5,531
Financial assets at amortised cost	160,000	-	172,391	332,391
Cash and cash equivalents	15,958	17,327	8,127	41,412
Total financial assets	175,958	22,048	181,328	379,334
Financial liabilities				
Other payables	1,243	-	-	1,243
Other financial liabilities	155,859	4,720	175,279	335,858
Total financial liabilities	157,102	4,720	175,279	337,101

At June 30, 2025, if the rupee weakens/strengthens by 10% against foreign currencies, with other variables held constant, the effect on profit/(loss) would have been as follows:

	Impact on (loss)/profit before taxation	
	2025	2024
	Rs. '000	Rs. '000
Rupee strengthens by 10%	**(2,597)**	(2,338)
Rupee weakens by 10%	**2,597**	2,338

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset.

MCB STRUCTURED SOLUTIONS LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

3 FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Financial Risk Factors (Cont'd)

Liquidity risk (Cont'd)

Prudent liquidity risk management implies maintaining sufficient cash to enable the Company to meet its liabilities. Management monitors the liquidity situation to ensure that the Company meets its obligations when required.

The tables below show the maturity analysis of the financial assets and financial liabilities of the Company.

Maturity of assets and liabilities
As at June 30, 2025

	Within 1 year	Between 1 to 5 years	Between 5 to 10 years	On Demand	Total
Financial assets	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Financial assets at fair value through profit or loss	2,883	-	-	-	2,883
Financial assets at amortised cost	337,530	-	-	-	337,530
Cash and cash equivalents	-	-	-	43,001	43,001
Total financial assets	340,413	-	-	43,001	383,414
Financial liabilities					
Other payables	1,559	-	-	-	1,559
Other financial liabilities	341,133	-	-	-	341,133
Total financial liabilities	342,692	-	-	-	342,692

Maturity of assets and liabilities
As at June 30, 2024

	Within 1 year	Between 1 to 5 years	Between 5 to 10 years	On Demand	Total
Financial assets	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Financial assets at fair value through profit or loss	-	4,721	810	-	5,531
Financial assets at amortised cost	-	160,000	172,391	-	332,391
Cash and cash equivalents	-	-	-	41,412	41,412
Total financial assets	-	164,721	173,201	41,412	379,334
Financial liabilities					
Other payables	1,243	-	-	-	1,243
Other financial liabilities	-	160,579	175,279	-	335,858
Total financial liabilities	1,243	160,579	175,279	-	337,101

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company, resulting in a financial loss to the Company. It arises principally from financial assets at amortised cost and cash and cash equivalents.

The Company's policy over credit risk is to minimise its exposure to counterparties with perceived higher risk of default by dealing only with counterparties having good credit standards. The credit ratings of the investments are monitored for credit deterioration. The Company has investment in listed companies with default rate being near to zero.

Financial assets at amortised cost consist of local corporate bonds in Mauritian Rupees and Euro. At the reporting date, there are no significant concentrations of credit risk for financial assets at amortised cost.

3 FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Financial Risk Factors (Cont'd)

Credit risk (Cont'd)

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

Financial Instruments by Category	Fair Value through profit or loss		Amortised Cost	
	2025	2024	2025	2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Financial assets				
Financial assets at fair value through profit or loss	**2,883**	5,531	**-**	-
Financial assets at amortised cost	**-**	-	**337,530**	332,391
Cash and cash equivalents	**-**	-	**43,001**	41,412
Total financial assets	**2,883**	5,531	**380,531**	373,803
Financial liabilities				
Financial liabilities at fair value through profit or loss	**2,883**	5,529	**-**	-
Financial liabilities at amortised cost	**-**	-	**338,250**	330,329
Other payables	**-**	-	**1,559**	1,243
Total financial liabilities	**2,883**	5,529	**339,809**	331,572

Price risk

The Company is exposed to price risk arising from uncertainties about future prices of warrants which are held and classified at fair value through profit or loss. The table below summarises the impact of increases/decreases in fair value of the investments on the Company's equity. The analysis is based on the assumption that the fair value had increased/decreased by 5%, based on historical observations.

	Impact on Equity	
	2025	2024
	Rs. '000	Rs. '000
Financial assets at fair value through Profit or Loss	**144**	277

(b) Capital Risk Management

The Company's objective is to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

(c) Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of each reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions in the normal course of business. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily quoted investments classified as financial assets at fair value through profit or loss.

3 FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Fair value estimation (Cont'd)

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flow analysis, dividend yield and earnings basis, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade and other receivables and payables are assumed to approximate their fair values. The carrying amounts of financial assets approximate their fair values.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to this carrying amounts of assets and liabilities within the next financial year are discussed in appropriate notes.

Impairment Testing of Financial Assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

There were no other major estimates and assumptions made during the year that have a significant risk of causing material adjustments to the carrying amounts of the Company's assets and liabilities within the next financial year.

Limitation of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and the other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets held for trading:	2025 Rs. '000	2024 Rs. '000
Derivatives - warrants	**2,883**	5,531

A warrant is a derivative financial instrument which gives the right, but not the obligation to buy or to sell a specific amount of a given stock, currency, index or debt, at a specified price (the strike price) during a specified period or on a specified date. The fair value of listed warrants are included in derivatives held for trading classified as financial assets at fair value through profit or loss.

The movements in financial assets at fair value through profit or loss are as follows:

	2025 Rs. '000	2024 Rs. '000
At the beginning of the reporting year	**5,531**	68,615
Disposals	-	(18,416)
Fair value adjustments	**(2,648)**	2,055
Fair value release on disposal	-	(46,723)
At the end of the reporting year	**2,883**	5,531

At the end of the reporting period financial assets were measured at fair value, using the following inputs:

Observable Price (Level 2)	**2,883**	5,531

	2025 Rs. '000	2024 Rs. '000
Analysed as:		
Current	**2,883**	-
Non-current	-	5,531
	2,883	5,531

6 FINANCIAL ASSETS AT AMORTISED COST

	2025 Rs. '000	2024 Rs. '000
At the beginning of the reporting year	**332,391**	629,514
Net redemptions	-	(308,808)
Interest income	**(574)**	6,371
Foreign exchange difference	**5,713**	5,314
At the end of the reporting year	**337,530**	332,391

Financial assets at amortised cost consist of Corporate bonds in Mauritian Rupees and Euro carrying interests of c. 4% per annum and maturing in between June 2028 and July 2029.

The counterparty has a low risk of default and does not have any past due amounts. The internal credit risk rating grade of the above financial assets has therefore been categorised as performing.

The carrying value of the financial assets at amortised cost approximate their fair values.

	2025 Rs. '000	2024 Rs. '000
Analysed as:		
Current	**337,530**	2,345
Non-current	-	330,046
	337,530	332,391

Given that the secured credit-linked notes (see Note 9) are maturing within one year, the above corresponding financial assets have been classified as current.

7 PREPAYMENTS

	2025	2024
	Rs. '000	Rs. '000
Prepayments	**104**	125

Prepayments are denominated in Mauritian Rupees. As a result, there is no exposure to foreign currency risk. Due to the short-term nature of prepayments, their carrying amount is considered to be the same as their fair values.

8 SHARE CAPITAL

	2025	2024
(i) Issued share capital (Rs. '000)	**10**	10
(ii) Issued ordinary shares of no par value (Number of shares)	**1,000**	1,000

9 OTHER FINANCIAL LIABILITIES

	Note	2025	2024
		Rs. '000	Rs. '000
Financial liabilities at fair value through profit or loss (Level 2: Observable Price)	(a)	**2,883**	5,529
Other financial liabilities	(b)	**338,250**	330,329
		341,133	335,858
Analysed as:			
Current		**341,133**	6,444
Non-current		**-**	329,414
		341,133	335,858

(a) The movement on financial liabilities at fair value through profit or loss is as follows:

		2025	2024
At the beginning of the reporting year		**5,529**	68,349
Disposal		**-**	(59,034)
Fair value adjustments		**(2,646)**	(3,786)
At the end of the reporting year		**2,883**	5,529

(b) The movement on other financial liabilities is as follows:

	Note	2025	2024
At the beginning of the reporting year		**330,329**	608,543
Redemption		**-**	(289,815)
Interest expense	12	**12,063**	15,838
Interest paid		**(10,154)**	(9,668)
Foreign exchange difference		**6,012**	5,431
At the end of the reporting year		**338,250**	330,329

Other financial liabilities consists of two distinct obligations for the Company:

(i) The capital protection and minimum return element of the notes have been classified under other financial liabilities at amortised cost using the effective interest rate method.

(ii) The second element, being the participation to the recorded performance of a reference index, has been classified as financial liabilities designated as fair value through profit or loss.

(c) The Company has entered into a 4-year interest rate swap with a related party in order to pay applicable Key Repo Rate and receive a fixed rate in return. The fair value of the derivatives is not considered to be material at June 30, 2025.

10 OTHER PAYABLES

	2025	2024
	Rs. '000	Rs. '000
Other payables	**322**	279
Amount due to related parties (Note 20(g))		
Entities under common control	**87**	8
Fellow subsidiaries	**1,150**	956
	1,559	1,243

The carrying amounts of other payables approximate their fair values.

11 INTEREST INCOME

	2025	2024
	Rs. '000	Rs. '000
Interest Income on financial asset at amortised cost	**17,021**	24,854

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

12 INTEREST EXPENSE

	Note	2025	2024
		Rs. '000	Rs. '000
Interest payable to noteholders	9(b)	**12,063**	15,838
Interest on loan from holding company		-	39
		12,063	15,877

Interest expense on financial liabilities measured at amortised cost is calculated using the effective interest rate method.

13 OPERATING EXPENSES

	2025	2024
	Rs. '000	Rs. '000
Product administration fee	**862**	1,027
Trailer fee	**1,625**	2,067
Other operating expenses	**317**	286
	2,804	3,380

14 ADMINISTRATIVE EXPENSES

	2025	2024
	Rs. '000	Rs. '000
Audit and taxation fees	**276**	264
Director fees	**188**	32
Licences	**230**	540
Management charge	**1,368**	1,309
Other administrative expenses	**598**	472
	2,660	2,617

15 NET EXPENSE FROM FINANCIAL INSTRUMENTS

	2025	2024
	Rs. '000	Rs. '000
Fair value adjustments on financial assets at fair value through profit or loss	**(2,647)**	(3,808)
Fair value adjustments on financial liabilities at fair value through profit or loss	**2,646**	3,786
	(1)	(22)

16 (LOSS)/EARNINGS PER SHARE

	2025	2024
(Loss)/Profit for the year (Rs. '000)	(998)	4,881
Number of shares in issue	1,000	1,000
(Loss)/Earnings per share (Rs.)	(998)	4,881

17 DEFERRED INCOME TAX

Defered income tax is calculated on all temporary differences under the liability method at 19% (2024:Nil)

The movement on the deferred income tax asset account is as follows:

	2025 Rs. '000	2024 Rs. '000
Tax losses		
At the beginning of year	-	-
Credited to profit or loss	118	-
At the end of year	118	-
Deferred tax asset	118	-

Deferred income tax assets are recognised only to the extent that realisation of the related tax benefit is probable. The Company had tax losses of Rs.622,822 at Jun 30, 2025. (2024: Nil).

18 INCOME TAX

	2025 Rs. '000	2024 Rs. '000
(a) In the Statement of Financial Position		
Current tax liability at the beginning of the reporting year	416	102
Income tax on adjusted profit for the year at 15% (2024: 15%)	-	415
Tax paid	(471)	(156)
Corporate climate responsibility levy FY2024	55	55
Current tax liability at the end of the reporting year	-	416

	2025 Rs. '000	2024 Rs. '000
(b) In the Statement of Profit or Loss		
Income tax on adjusted profit for the year at 15% (2024: 15%)	-	415
Corporate climate responsibility levy FY2024	55	55
Deferred tax credit	(118)	-
Tax (credit)/charge	(63)	470

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

	2025 Rs. '000	2024 Rs. '000
(Loss)/Profit before tax	(1,061)	5,351
Tax calculated at a rate of 15% (2024: 15%)	(159)	803
Tax effect on:		
Income not subject to tax	(2,346)	(3,679)
Expenses not deductible for tax purposes	2,505	3,291
Deferred tax credit	(118)	-
Corporate climate responsibility levy FY2024	55	55
Tax (credit)/charge	(63)	470

19 NOTES TO THE STATEMENT OF CASH FLOWS

	2025	2024
	Rs. '000	Rs. '000
(a) Reconciliation of (loss)/profit for the year to cash used in operations:		
(Loss)/Profit before tax	**(1,061)**	5,351
Adjustments for:		
Interest income	**(17,021)**	(24,854)
Interest expense	**12,063**	15,877
Foreign exchange gains	**554**	(2,139)
Net Gain on disposal of securities	-	(254)
Net expense from financial instruments carried at fair value through profit or loss	**1**	22
	(5,464)	(5,997)
Changes in working capital:		
- Prepayments	**21**	129
- Other payables	**316**	(4,555)
Cash used in operations	**(5,127)**	(10,423)

(b) Reconciliation of liabilities arising from financing activities:

OTHER FINANCIAL LIABILITIES	2024	Cash flows	Interest amortised	Foreign exchange difference	Fair value adjustment	2025
			Non-cash transactions			
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Financial liabilities designated at fair value through profit or	**5,529**	-	-	-	**(2,646)**	**2,883**
Other financial liabilities	**330,329**	**(10,154)**	**12,063**	**6,012**	-	**338,250**
	335,858	**(10,154)**	**12,063**	**6,012**	**(2,646)**	**341,133**

OTHER FINANCIAL LIABILITIES	2023	Cash flows	Interest amortised	Foreign exchange difference	Fair value adjustment	2024
			Non-cash transactions			
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Financial liabilities designated at fair value through profit or	68,349	(59,034)	-	-	(3,786)	5,529
Other financial liabilities	608,543	(299,483)	15,838	5,431	-	330,329
	676,892	(358,517)	15,838	5,431	(3,786)	335,858

(c) Cash & cash equivalents	2025	2024
	Rs. '000	Rs. '000
Cash at bank held with The Mauritius Commercial Bank Ltd	**43,001**	41,412

The Company considers that its cash at bank have negligible credit risk based on the external credit ratings of the counterparties (2025: Baa3 and 2024 : Baa3). The resulting expected credit loss is considered as immaterial.

20 RELATED PARTY TRANSACTIONS

The transactions of the company with related parties during the year are as follows:

	Notes	2025	2024
		Rs. '000	Rs. '000
(a) *Interest income*			
Entities under common control		**11,117**	18,902
Ultimate holding company		**5,904**	5,952
		17,021	24,854
(b) *Interest expense*			
Fellow subsidiaries		**129**	130
Holding company		**-**	39
		129	169
(c) *Operating expenses*			
Entities under common control		**5**	19
Fellow subsidiaries		**2,710**	3,273
		2,715	3,292
(d) *Administrative expenses*			
Entities under common control		**461**	370
Fellow subsidiaries		**1,421**	1,356
		1,882	1,726
(e) *Key management personnel compensation (including directors)*		**188**	32

Outstanding balances as at the end of the reporting year are as follows:

	Notes	2025	2024
		Rs. '000	Rs. '000
(f) *Financial assets at amortised cost*	6		
Entities under common control		**177,531**	172,391
Ultimate holding company		**160,000**	160,000
		337,531	332,391
(g) *Payables to related parties*	10		
Entities under common control		**87**	8
Fellow subsidiaries		**1,150**	956
		1,237	964
(h) *Other Financial liabilities*			
Fellow subsidiaries		**8,429**	8,429
(i) *Bank balances*	19(c)		
Entities under common control		**43,001**	41,412

All the above transactions have been carried out at least under market terms and conditions. There has been no pledge provided or received for any related party receivables or payables. As at June 30, 2025, the amounts owed by related parties were not impaired.

Outstanding balances at year end, excluding financial assets at amortised cost and other financial liabilities, are unsecured and interest-free. Settlement occurs in cash. The Company has made an impairment assessment by considering the previous repayment behaviours and the future cash flow forecasts covering the contractual period of receivables from related parties. The Company does not expect any default from them and is certain of their ability to pay their debts as they become due in the normal course of business and/or in any adverse economic and business conditions. Consequently, the probability of default is therefore negligible and the Company has not accounted for any impairment loss.

The terms in respect of the outstanding balances at year end in financial assets at amortised cost and other financial liabilities are disclosed in note 6 and 9(b), respectively.

21 ULTIMATE HOLDING COMPANY

The holding company of MCB Structured Solutions Ltd is MCB Capital Markets Ltd and the ultimate holding company is MCB Group Limited. Both companies are incorporated in Mauritius.

22 EVENTS AFTER REPORTING PERIOD

The 3,380 secured credit-linked notes issued by the Company on September 7, 2022 matured on September 6, 2025. In line with the Company's agreement with MCB Securities Ltd, as its underwriter, the latter is committed to purchase the Reference Underlying classifed under financial assets at amortised cost. As a result, the corporate bonds linked to the 3,380 secured credit-linked notes are currently being purchased by MCB Securities Ltd to fund the repayment of notes. These financial assets at amortised cost are thus being classified as current as at June 30, 2025.

On August 09, 2025, subsequent to the reporting period, the Finance Act 2025 was promulgated into law and introduced significant amendments to the tax legislation, including but not limited to:

Alternative Minimum Tax (AMT):

A 10% minimum tax on adjusted book profits applicable to companies in specific sectors (e.g., hotels; insurance; financial intermediaries; real estate; and telecommunications) where the normal tax payable is less than 10% of adjusted book profit. The AMT will not be applicable to (i) companies holding a Global Business Licence; and (ii) companies exempt from payment of income tax or which have been granted tax holidays. Companies will not be allowed to offset any tax credits such as the foreign tax credit against the AMT payable.

Qualified Domestic Minimum Top-up Tax (QDMTT):

Imposed on resident subsidiaries and holding companies of Multinational Enterprises (MNEs) resident in Mauritius with consolidated revenue of at least EUR 750 million. A minimum tax of 15% is levied on income derived as from July 01, 2025.

Fair Share Contribution for Companies:

A Fair Share Contribution ranging from 2% to 5% has been introduced under the Value Added Tax Act (VAT) and is applicable to companies with annual supplies exceeding MUR 24 million or those required to be VAT registered and having annual chargeable income exceeding MUR 24 million. This contribution is payable on a quarterly basis under a system similar to the Advance Payment System under corporate tax and is not deductible against other tax credits. Specific caps apply to banks and telecommunication companies to ensure the total tax burden does not exceed 35% of chargeable income. The contribution will be applicable to income derived as from the 1st of July 2025 and will be imposed for 3 consecutive years, i.e., up to the June 30, 2028.

Payment of Tax in Foreign Currency:

Effective October 01, 2025, companies deriving more than 50% of their annual gross income in specified foreign currencies (e.g., USD; EUR; GBP) are required to pay income tax in that currency. Banks must also pay tax in foreign currency for income arising from transactions with non-residents and Global Business Entities.

These changes were enacted after the reporting period ending June 30, 2025 and therefore represent non-adjusting events in accordance with IAS 10.22(h). As such, the financial effects of these changes have not been reflected in the financial statements for the year ended June 30, 2025.

The Company is currently evaluating the potential impact of these legislative changes on its future financial performance and tax obligations.