INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ENL LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of ENL Limited (the "Company") and its subsidiaries (altogether, the "Group") set out on pages 102 to 227 which comprise the consolidated and separate statements of financial position as at 30 June 2021, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Group and Company as at 30 June 2021, and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001 and the Financial Reporting Act 2004.

Basis for Opinion

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

Key Audit Matters

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

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in the audit
Valuation of land and buildings classified under Property, plant and equipment and investment properties As at 30 June 2021, included in Property, Plant and Equipment the Group and the Company held land and buildings amounting to Rs29.2 billion and Rs636.4 million respectively (see Note 5 to the financial statements). The Group has a policy of recording land and buildings at revalued amount and in the case of buildings, less accumulated depreciation and impairment. Valuations are undertaken with sufficient regularity (i.e., between 1 to 3 years) by an external independent valuation specialist. The corresponding gains on revaluation reported in other comprehensive income for the Group and Company amounted to Rs 253.0 million and Nil respectively, for the year ended 30 June 2021. The Group and the Company have investment properties amounting to Rs20.5 billion and Rs13.0 billion respectively, which are carried at fair value with the gains and losses recognised in profit or loss. Disclosures around the fair valuation of investment properties are set out in Note 6 to the financial statements. The fair value of land and buildings classified as Property, Plant and Equipment or Investment Properties are determined by an external independent valuation specialist and management using valuation techniques which involve significant judgements and assumptions.	**Our audit procedures included the following:** • Obtained, read, and understood the reports from the independent valuation specialist. Tested the mathematical accuracy of the reports and evaluated the valuation methodology used by the external independent valuation specialist; • Involved our valuation specialist in validating the appropriateness of the methodology and assumptions used; • Assessed the competence, qualifications, experience, and independence of the external independent valuation specialist; • Held discussions with management, challenging key assumptions adopted in the valuations, including discount rates and reversionary rates, and comparing them with historical rates and other available market data; • Reviewed the forecasted data used in the valuations and corroborated the major inputs used in the forecasts such as rental income and operating costs by comparing the actual tenancy information in the underlying contracts and by comparing actual and historical operating costs; • Considered the reasonableness of the inputs and assumptions used in the context of the COVID-19 pandemic; and • Reviewed the disclosures about significant estimates and critical judgements made by management in the financial statements in respect of valuation of properties and ensured that all the relevant disclosures are in accordance with IAS 16 Property, Plant and Equipment, IAS 40 Investment Property and IFRS 13 Fair Value Measurements.

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

The Key Audit Matters applies equally to the audit of the consolidated and separate financial statements (Continued).

Key Audit Matter	How the matter was addressed in the audit
Inappropriate estimates made in the valuation of the land and buildings and investment properties may result in a material misstatement: 1. in the carrying amount of the properties and; 2. in profit or loss for the year in the case of investment properties and in other comprehensive income in the case of property, plant and equipment. Consequently, the valuation of land and buildings classified under property, plant and equipment and investment properties has been identified to be a key audit matter.	• With regards to the Impairment of property, plant and equipment, specifically relating to the hospitality sector of the Group in the context of the pandemic, the following additional procedures have been performed: - Obtained an understanding of the methodology applied by management in performing its impairment test for each of the relevant cash generating units (CGUs) and walked through the controls over the process; - For all CGUs, the component auditors performed stress tests by calculating the degree to which key inputs and assumptions would need to fluctuate before any impairment is triggered and considered the likelihood of such events and the available headroom; - Involved the valuation specialist team to validate the appropriateness of the methodology and assumptions used; - For CGUs where there were indicators of impairment or low levels of headroom, a detailed testing was performed to critically assess and corroborate the key inputs; - Evaluated managements' ability to make forecasts by comparing last year's forecast to this year's actual results; - Assessed the adequacy of the disclosures made in the consolidated and separate financial statements.
Valuation of Investment in subsidiaries and associated companies As at 30 June 2021, the Company held unquoted investments comprising of investments in subsidiaries amounting to Rs 14.3 billion and investments in associated companies amounting to Rs 51.2 million out of Rs742.2 million which are both carried at fair value. These investments are valued using different methods ranging from Discounted cash flow techniques, EBITDA multiple and revalued net asset valuation. Valuation techniques for these underlying investments can be subjective in nature and require significant management estimates including financial forecasts, discount factors, growth rates and market multiples amongst others. The actual results could differ from the estimates. The ongoing COVID-19 pandemic encompasses uncertainties regarding its duration and the timing of recovery which eventually cause additional uncertainties on the projections of cash flows. Management has disclosed the estimates and judgements made for the fair valuation of investments in note 9 and 10 to the financial statements. Due to the significance of these balances in the financial statements, and the significant judgements applied by management in the fair value assessment, the valuation of investment in subsidiaries and investment in associated companies were considered as a key audit matter.	**Our audit procedures included the following:** • Obtained an understanding of the process and controls in place in the fair valuation of the investment in subsidiaries and associated companies. • Engaged with our internal valuation specialist to review the appropriateness of the valuation methodology (ensuring whether they are in line with generally acceptable valuation guidelines and principles) and to validate the key assumptions such as WACC or other key inputs. • Evaluated the assessment made by management with respect to the selection of appropriate comparable listed companies and adjustments to the valuation multiples, such as illiquidity and size of holdings, where comparable market multiples were used. • The following procedures were performed where cash flow techniques were used: - verified the mathematical accuracy of the cash flow model used and checked the internal inconsistency of the models; - assessed management's ability to make forecasts by comparing historical forecasts prepared by management against actual realised amounts; assessed the reasonableness of the significant inputs and assumptions used in the discounted cash flow such as growth rates and discount rates; and - challenged the key judgements by management with reference to historical trends, our own expectations based on our own industry knowledge and management's strategic plans. • Reviewed the disclosures about significant estimates and critical judgements made by management in the financial statements in respect of valuation of investment in subsidiaries and investment in associated companies to ensure that the disclosures are in accordance with IFRS 9 Financial instruments and IFRS 13 Fair Value Measurements.

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

The Key Audit Matters applies equally to the audit of the consolidated and separate financial statements (Continued).

Key Audit Matter	How the matter was addressed in the audit
Assessment of impairment of goodwill The carrying amount of goodwill recognised at Group level amounted to Rs878.1 million as at 30 June 2021 and an impairment of Rs8.8 million was recognised in the statements of profit or loss during the year under review. A cash generating unit ("CGU") to which goodwill has been allocated must be tested for impairment at least annually in accordance with IAS 36 Impairment of Assets, by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the unit. The determination of recoverable amount, being the higher of value-in-use and fair value less costs to sell, requires judgement on the part of management in both identifying and then valuing the relevant CGUs. The value-in-use calculations use discounted cash flow (DCF) projections based on financial budgets which involve judgement by management, such as determining the appropriate weighted average cost of capital (WACC), revenue growth rates, gross margins, and operating margins. The ongoing COVID-19 pandemic encompasses uncertainties regarding its duration and the timing of recovery which eventually cause uncertainties on the projections of cash flows and assumptions including growth rate and discount rate. These factors have made the timing and amount of future cash flows more uncertain, when they were already inherently uncertain. Management has disclosed the accounting judgements and estimates relating to goodwill impairment review in note 8 to the financial statements. These assumptions and estimates can have a material impact on the impairment figure reflected in the consolidated financial statements of the Group. Accordingly, the impairment assessment of goodwill was considered as a key audit matter.	**Our audit procedures included the following:** • Obtained an understanding, evaluated the design and the operating effectiveness of selected key controls over projections of future income, terminal growth rate assumptions, and discount rates related to the impairment of goodwill. • Involved our independent valuation specialists in validating the appropriateness of the methodology and assumptions used; • In relation to the above, our substantive testing procedures included the following: • Corroborated the justification of the CGUs defined by management for goodwill allocation. • Obtained the Group's discounted cash flow model that supports the value-in-use calculations and assessed the following: - the appropriateness of the methodology applied in the Group's annual impairment assessment; - the assumptions used including projections on future income, terminal growth rate assumptions, discount rates and sensitivity analysis to determine the impact of those assumptions; the management's ability to make forecasts by comparing last year's forecast to this year's actual results; • Verified the mathematical accuracy of the cash flow models used; • Challenged the key judgements by management with reference to historical trends, our own expectations based on our industry knowledge and management's strategic plans given the continuing impact of COVID-19 on the economy; and • Assessed the appropriateness and completeness of the related disclosures in note 8 to the financial statements in terms of IAS 36 Impairment of assets.
Valuation of employee benefits liabilities The employee benefits liabilities/assets of the Group and the Company which are set out in note 26 are as follows: The Group has employee benefit assets of Rs 35.5 million comprising of present value of funded obligations of Rs 2.4 billion and the fair value of plan assets of Rs 2.5 billion with an impact of minimum funding requirement of Rs 74.2 million. The Group and the Company also have net defined benefit liabilities of Rs 566.5 million and Rs 283.7 million respectively. These comprise of the following: At Group level: Funded obligations: Rs 1.2 billion Unfunded obligations: Rs 2.6 million Fair value of plan assets: Rs 700.1 million	**Our audit procedures included the following:** • Assessed the competence, and objectivity of management's independent actuary and verified his qualification; • Assessed and challenged the assumptions made in determining the present value of the liabilities and fair value of plan assets such as discount rate, future salary increase and withdrawal rate by performing sensitivity analysis. Our internal pension specialist team was involved on that process; • In assessing the reasonableness of the discount rate, we have compared same with the yield from long term government bonds. As for salary increase and withdrawal rates, we have compared these to historical trends. • Cross checked the source data used by the actuary with the client's payroll report for completeness and accuracy; and • Ensured reasonableness of the plan assets by obtaining independent confirmation from the fund administrators. • Enquired with the actuary on how the assumptions were determined and obtained explanations on the movement in assumptions used and the employee benefit liabilities as compared to prior year.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ENL LIMITED

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

The Key Audit Matters applies equally to the audit of the consolidated and separate financial statements (Continued).

Key Audit Matter	How the matter was addressed in the audit
Valuation of employee benefits liabilities (Continued) At Company level: Funded obligations: Rs 461.2 million Fair value of plan assets: Rs 177.5 million The Group and the Company have other post-retirement benefits that comprise retirement gratuity and other benefits amounting to Rs 440.9 million and Rs 64.9 million respectively. Management has applied judgement in determining the employee benefits liabilities and has involved an actuary to assist with the computation of IAS 19 provisions and disclosures. The recent Covid-19 pandemic has heightened the level of uncertainty in the economic environment thus requiring even more judgement to be applied in determining key assumptions such as the discount rates, salary increases and pension increases. As the setting of the assumptions for the computation is complex and requires significant judgement and as changes in these assumptions could lead to a material movement in the financial statements of the Group and the Company, we have considered this as a key audit matter. A sensitivity analysis on key assumptions is set out in note 26 to the financial statement. Employee benefits liabilities are considered a key audit matter due to the significance of the balance to the financial statements as a whole and due to the judgement associated with determining the amount of provision.	

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "ENL Limited Integrated Report for the year ended 30 June 2021", which includes the Corporate Governance Report, the Board of Directors' statement and the Company Secretary's Certificate as required by the Companies Act 2001. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

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

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

Corporate Governance Report

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2001 and the Financial Reporting Act 2004, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ENL LIMITED
REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

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

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

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

Use of our report

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

Other matter

The financial statements of ENL Limited (the "Company") and its subsidiaries (the "Group") for the year ended 30 June 2020 were audited by another auditor who expressed an unmodified opinion on those statements on 30 March 2021.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Companies Act 2001

We have no relationship with or interests in the Company other than in our capacities as auditor, tax advisor and dealings in the ordinary course of business.

We have obtained all the 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.

Ernst & Young

ERNST & YOUNG

Ebène, Mauritius

Date: 18 March 2022

Andre Lai Wan Loong

ANDRE LAI WAN LOONG, F.C.A.

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