Petite Rivière Investments Ltd

25 August 2025

Rating

Facilities/Instruments	Amount (MUR Million)	Rating[1]	Rating Action
Bond Issue	**MUR 230 million**	**CARE MAU BBB+; Stable**	Reaffirmed

Rating Rationale

The rating assigned to the bond issue of Petite Rivière Investments Ltd ("PRIL") continues to derive strength from the experienced promoters with satisfactory track record in lease rental income generating properties, the strategic location of the property, the stable occupancy rate of 85% with high retention of tenants, the reputed lessee profile with 79% of rental income coming from group companies and the steady demand for offices . The rating also draws strength from the comfortable gearing, debt coverage ratios, low Loan to Value (LTV) and moderate Weighted Average of Lease Expiry (WALE).

The rating is however constrained by the project execution risk for the extension phase, which is primarily debt funded, delay in completion leading to delay in commencement of the cashflow, the lower tenure of WALE vis-à-vis bond tenure, the renewal risk of the lease from the client outside the group and competition from the new office and warehouse developments in the pipeline in Ebene and Port Louis.

Rating Sensitivities:

Positive factors that could, individually or collectively, lead to positive rating action/upgrade:

- Timely completion of the extension project within estimated cost and receipt of rentals in a timely manner
- Ability to improve occupancy rate above 90% of the Gross Lettable Area (GLA)

Negative factors that could, individually or collectively, lead to negative rating action/downgrade:

- Non-renewal of lease agreement from non-group entities leading to decline in occupancy level below 80%
- Additional debt taken by the company leading to overall gearing above 1.25x.
- Significant delay in completion of the expansion and cash flow generation to meet the repayment obligations

BACKGROUND

Incorporated on May 14, 2010, Petite Rivière Investments Ltd ("PRIL") is a subsidiary of ATS Limited (with 33.3% holdings), KASA Holdings Ltd rated CARE MAU A+; Stable (with 33.3% holdings), and Rey & Lenferna Limited (with 33.3% holdings). PRIL is an investment property company, engaged in real estate activities with owned and leased properties. The main source of revenue for PRIL is derived from the renting of premises for warehousing, offices, and manufacturing operations out of which around 79% of its rental income is derived from tenants within the group or related companies.

As on June 2025, Petite Rivière Investment building has a total gross lettable area (GLA) of 24,900 sqm with 85% occupancy generating a rental of around MUR 32 million annually. The tenants are Rey & Lenferna Ltd, Ducray Lenoir Ltd, ATS Manufacturing Co. Ltd, Impact Production Ltd and Real Garments Ltd. The Weighted Average Lease Expiry for the

[1]Complete definitions of the ratings assigned are available at www.careratingsafrica.com.

property is 5.36 years as of June 2025. PRIL is expanding the existing building to generate an additional GLA of 7,862 sqm at a total cost of MUR 200 million. The project completion date was initially scheduled for December 31st, 2024; however, it faced some delays due to change in contractor from Stallion Construction Co Ltd to China Jiangsu and technical issues related to electricity installation by the CEB. The extension phase is about 95% completed with only fit out work being carried out. There is no cost overrun and the extension phase is expected to be completed by the end of October 2025.

Management: PRIL is a professionally run organization led by an experienced management team and overseen by a five-member Board of Directors. Mr. Dominique Galea is the Chairman and Mr. Paul Ah Leung, Managing Director of Rey and Lenferna Ltd, is also the Managing Director of PRIL. He is a member of the Chartered Institute of Marketing (UK). He is assisted by Mr. Jean Alain Douce, Chief Financial Officer of Rey & Lenferna Ltd and PRIL. He is a fellow member of the Association of Chartered Certified Accountants (FCCA) and he holds an MBA from Paris Dauphine-Pantheon Sorbonne. He has over 20 years of working experience. Mr. Paul Ah Leung and Mr. Jean Alain Douce are assisted by a team of qualified professionals.

Financial Performance in FY24: PRIL achieved a year-over-year growth of 21% in total income, from MUR 32 million in FY23 to MUR 39 million in FY24, resulting from interest income of MUR 5.6 million on loans provided to group companies and the 5% yearly escalation in rental income. Accordingly, EBITDA increased from MUR 25 million in FY23 to MUR 28 million in FY24 and PAT by 29% from MUR 17 million in FY23 to MUR 22 million in FY24. A portion of the interest expense on the bond has been capitalised, leading to an overall reduction in the interest cost. In FY24, PRIL posted a GCA of MUR 22 million and declared a dividend of MUR 9 million.

Total debt amounted to MUR 230 million and overall gearing was 0.61 times as of December 31, 2024. Interest coverage was 11.92 times while the cash coverage ratio was 9.90 times for FY24. The occupancy rate as of December 2024 was 85%, which remained unchanged as of June 30, 2025, and WALE was 5.36 years at the same period.

Annexure I

Rating Symbols
Long /Medium-term Instruments

Symbols	Rating Definition
CARE MAU AAA	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry lowest credit risk.
CARE MAU AA	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry very low credit risk.
CARE MAU A	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry low credit risk.
CARE MAU BBB	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry moderate credit risk.
CARE MAU BB	Instruments with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations, in Mauritius.
CARE MAU B	Instruments with this rating are considered to have high risk of default regarding timely servicing of financial obligations, in Mauritius.
CARE MAU C	Instruments with this rating are considered to have very high risk of default regarding timely servicing of financial obligations, in Mauritius.
CARE MAU D	Instruments with this rating are in default or are expected to be in default soon.

Modifiers {"+" (plus) / "-"(minus)} can be used with the rating symbols for the categories CARE MAU AA to CARE MAU C. The modifiers reflect the comparative standing within the category.

Rating Outlook

The rating outlook can be 'Positive', 'Stable' or 'Negative'.

A 'Positive' outlook indicates an expected upgrade in the credit ratings in the medium term on account of expected positive impact on the credit risk profile of the entity in the medium term.

A 'Negative' outlook would indicate an expected downgrade in the credit ratings in the medium term on account of expected negative impact on the credit risk profile of the entity in the medium term.

A 'Stable' outlook would indicate expected stability (or retention) of the credit ratings in the medium term on account of stable credit risk profile of the entity in the medium term.

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