UNITED DOCKS LTD

Prospectus and Listing Particulars

Prospectus

Deemed Listing Particulars in respect of a Rights Issue of 6,034,285 new ordinary shares at a price of MUR 50.00 for a total amount of MUR 301,714,250

AND

Listing Particulars in respect of the listing of up to 250,000 new ordinary shares offered exclusively to Management of United Docks Ltd at a price of MUR 50.00 for a total amount of MUR 12,500,000

Date: 28 February 2020

Reference: LEC/RI/01/2020

IF YOU ARE A SHAREHOLDER OF UNITED DOCKS LTD, THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This document serves as a Prospectus (as defined in the Securities Act 2005), and is deemed to be a Listing Particulars pursuant to the Listing Rules of the Stock Exchange of Mauritius Ltd ("SEM"). It is issued in compliance with the rules and regulations of the SEM, the Securities Act 2005 and the Securities (Public Offers) Rules 2007 for the purpose of giving information to the shareholders of United Docks Ltd ("the "Company" or the "Issuer") and the public at large with regards to the Rights Issue.

A copy of this Prospectus has been registered with the Financial Services Commission ("FSC"). This Prospectus is not an invitation to the public to subscribe for shares in the Company and securities shall not be issued under this Prospectus more than 6 months after the date the Prospectus is granted effective registration.

This Prospectus also serves as Listing Particulars (as defined in the Listing Rules (the "Listing Rules") of the SEM and includes information given in compliance with the relevant chapters of the Listing Rules with regards to the Rights Issue.

This document also serves as Listing Particulars in respect of the issue and listing of up to 250,000 new ordinary shares to be offered for subscription exclusively to Management of the Company at a price of MUR 50.00 per share for a total amount of MUR 12,500,000.

The new ordinary shares to be offered for subscription have been granted approval with regard to their admission to listing on the Official List of the SEM. This document has been approved by the Listing Executive Committee ("LEC") of the SEM in conformity with the Listing Rules on 28 February 2020 and bears registration number LEC/RI/01/2020.

For a full appreciation of this document, it should be read in its entirety. If you are in any doubt about the action you should take, you should consult your financial advisor, your investment dealer or any other independent advisor.

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The SEM, the LEC and the FSC do not vouch for the financial soundness of the Company or for the correctness of any statements made or opinions expressed with regard to it.

Contents

1.0 GLOSSARY

In this document, where the context permits, the expressions set out below bear the following meanings:

Board	The Board of Directors of United Docks Ltd
CDS	The Central Depository & Settlement Co. Ltd
Company or the Issuer	United Docks Ltd
Form A	“Application Form A” : Acceptance Form (full or partial) and Application for Excess Shares
Form B	“Form B – Sale of Rights”: Instruction to sell Rights on the Stock Exchange of Mauritius
Form C	“Form C – Renunciation and Transfer of Rights” to Related Party as defined under paragraph 4.6.5 of the Prospectus
Form D	“Form D – Purchase of Rights – Subscription Form” available upon request from investment dealer
FSC	Financial Services Commission of Mauritius
IFRS	International Financial Reporting Standards
KPMG	KPMG Advisory Services Ltd
LEC	Listing Executive Committee of the SEM
Listing Particulars	This document prepared pursuant to the Listing Rules of the SEM for the purpose of listing the new ordinary shares
Listing Rules	The rules constituted by the SEM governing the listing of securities on the Official Market
MUR	Mauritian Rupees
NAV	Net Asset Value
New Ordinary Share	New ordinary shares of United Docks Ltd issued in context of the Rights issue, ranking pari passu with the existing ordinary shares. New ordinary shares of the Company offered exclusively to Management of the Company, ranking pari passu with the existing ordinary shares.
Offer Letter	Letter issued by the Company Secretary on behalf of the Company to the shareholders offering to subscribe to the Rights Issue.
Prospectus	This document issued in compliance with the Securities Act 2005 and the Securities (Public Offers) Rules 2007, also serving as the Listing Particulars.
SEM	The Stock Exchange of Mauritius Ltd
Rights issue	The issue of 6,034,285 new ordinary shares of the Company of nominal value of MUR 10.00 each, at an issue price of MUR 50.00 each, to the shareholders of the Company.
Record Date	19 March 2020
UDL	United Docks Ltd

2.0 DECLARATION AND STATEMENT BY THE DIRECTORS

2.1 DECLARATION BY THE DIRECTORS

This Prospectus, deemed Listing Particulars pursuant to the Listing Rules of the Stock Exchange of Mauritius, has been prepared in compliance with the Securities Act 2005, the Securities (Public Offers) Rules 2007 and with the Listing Rules governing the listing of securities on the Official Market of the SEM.

The directors of United Docks Ltd (the "Directors"), whose names appear in Section 9, collectively and individually accept full responsibility for the accuracy and completeness of the information contained in this Prospectus and confirm, having made all reasonable enquiries that, to the best of their knowledge and belief, there are no facts, the omission of which, would make any statement herein misleading.

In a cautionary announcement dated 29 October 2019, the Board of Directors of United Docks Ltd (the "Board") informed the shareholders of United Docks Ltd ("UDL") and the public in general, that it has, subject to approval of the shareholders of UDL and regulatory authorities, resolved to proceed with a Rights Issue of 6,034,285 new ordinary shares of UDL at a price of MUR 50.00 per share for a total amount of MUR 301,714,250 (the "Rights Issue") to be offered to all its shareholders so as to finance a real estate project in Caudan. At a Special Meeting of the Company held on 19 December 2019, the Company has obtained the approval of the shareholders for the Rights Issue. The shareholders further approved that, subject to approval of the regulatory authorities, 250,000 new ordinary shares to be issued at a price of MUR 50.00 per share for subscription exclusively to UDL's Management.

The Board intends to proceed with the Rights Issue even if the new ordinary shares to be issued pursuant thereto are not fully subscribed. The Rights Issue will not be underwritten. Any new ordinary share not subscribed for will be allotted by the Board to applicants for excess new ordinary shares on a pro rata basis, based on a shareholder's rights entitlement. After allocation of new ordinary shares to meet applications for excess new ordinary shares, any new ordinary shares not applied for shall remain under the control of the Board, which shall offer and allocate the said shares to any person it deems fit.

The Directors confirm that the historical financial information included in this document have been extracted from audited and consolidated annual reports for the years ended 30 June 2019, 2018 and 2017, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") and in compliance with the Companies Act 2001 and the Financial Reporting Act 2004. The Directors accept responsibility for the said financial information.

The Directors declare that, to the best of their knowledge and belief, and after having made reasonable enquiries, in relation to the period after 30 June 2019, the date to which the last audited financial statements of UDL have been prepared, to the date of this document:

- There has been no material adverse change in the financial or trading position of UDL;
- They do not contemplate any change in the nature of the business of UDL; and
- The working capital available to UDL is sufficient for at least twelve (12) months from the date of the issue of this document.

2.2 STATEMENT BY THE DIRECTORS PURSUANT TO SECTION 71(2) (B) OF THE SECURITIES ACT 2005

The Directors accept responsibility for the contents of the Prospectus and declare that, to the best of their knowledge and belief, and after making reasonable inquiries, the Prospectus complies with the Securities Act 2005, any regulations made under this Act or any FSC Rules.

Approved by the Board of UDL and signed on its behalf by:

Bhoonesh Pandea Director	K.H. Bernard Wong Ping Lun Director

Date: 28 February 2020

3.0 SALIENT FEATURES OF THE RIGHTS ISSUE

Issuer	United Docks Ltd ("UDL")
Rights Issue	Issue of up to 6,034,285 new ordinary shares of UDL of nominal value of MUR 10.00 each, at an issue price of MUR 50.00 per share, to the shareholders of the Company.
Terms of the Rights Issue	Each shareholder of UDL will be entitled to subscribe to four (4) new ordinary shares for every seven (7) ordinary shares registered in her/his name on 19 March 2020, rounded down to the nearest integer when fractions occur.
Amount to be raised under the Rights Issue	MUR 301,714,250
Purpose of the Rights Issue	The purpose of the Rights Issue is to raise capital for UDL to finance the construction of an office building in Caudan.
Underwriting	The Rights Issue will not be underwritten. The Rights Issue is subject to a minimum proceeds of MUR 150,000,000. In case the minimum proceeds is not achieved, UDL will cancel the Rights Issue and refund the shareholders who have subscribed.
Opening of rights subscription	27 March 2020
Closing of rights subscription	17 April 2020
Trading of rights	Shareholders of UDL who opt not to take up their rights to subscribe for the new ordinary shares may trade their rights on SEM as from 09 April 2020 to 15 April 2020.
Excess entitlement	Shareholders of UDL who subscribe for all new ordinary shares to which they are entitled under the Rights Issue may also apply, on the same terms and conditions, for new ordinary shares in excess of their entitlement.
Payment terms	Payment for the new ordinary shares must be made at latest on 17 April 2020 at 16:00 hours.
Issue date	11 May 2020
Listing of the New Ordinary Shares	Fully paid new ordinary shares will be listed and traded on the Official List of the SEM as from 12 May 2020. The Listing Executive Committee of SEM has approved the listing on 28 February 2020.

3.1 SALIENT FEATURES OF THE ISSUE OF SHARES EXCLUSIVELY TO MANAGEMENT

Issuer	United Docks Ltd ("UDL")
Issue	Issue of up to 250,000 new ordinary shares of UDL of nominal value of MUR 10.00 each, at an issue price of MUR 50.00 per share, to the Management of the Company.
Amount to be raised under the Issue	MUR 12,500,000
Purpose of the Issue	The purpose of the Issue is to raise capital for UDL to finance the construction of an office building in Caudan.
Underwriting	The Issue will not be underwritten.
Opening of subscription	27 March 2020
Closing of subscription	17 April 2020
Payment terms	Payment for the new ordinary shares must be made at latest on 17 April 2020 at 16:00 hours.
Issue date	11 May 2020
Listing of the New Ordinary Shares	Fully paid new ordinary shares will be listed and traded on the Official List of the SEM as from 12 May 2020. The Listing Executive Committee of SEM has approved the listing on 28 February 2020.

4.0. PARTICULARS OF THE ISSUE

4.1 Background

In a cautionary announcement dated 29 October 2019, the Board informed the shareholders of UDL and the public in general, that it has, subject to approval of the shareholders of UDL and regulatory authorities, resolved to proceed with the Rights Issue to be offered to all its shareholders so as to finance a real estate project in Caudan. At a Special Meeting of the Company held on 19 December 2019, the Company has obtained the approval of the shareholders for the Rights Issue. The shareholders further approved that, subject to approval of the regulatory authorities, 250,000 new ordinary shares be issued at a price of MUR 50.00 per share for subscription exclusively to UDL's Management.

4.2 Regulatory approvals

A copy of this Prospectus, deemed to be Listing Particulars pursuant to the Listing Rules, has been submitted and registered with the FSC on 18 February 2020.

An application has been filed to the LEC of the SEM and registered with FSC for the issue and listing of the new ordinary shares.

The LEC has approved the application on 28 February 2020 bearing registration number LEC/RI/01/2020.

4.3 Terms of the issue

4.3.1 Nature and amount of the issue of shares

The Rights Issue will consist of the issue of 6,034,285 new ordinary shares of nominal value MUR 10.00 each at an issue price of MUR 50.00 per share and fully payable on application. The shareholders of UDL registered at close of business on 19 March 2020, shall have the right to subscribe to four (4) new ordinary shares for every seven (7) ordinary shares held at that date. The new ordinary shares will rank in all respect pari passu with the ordinary shares of UDL currently in issue. There are neither conversion rights nor option warrants attached to the new ordinary shares. There are no pre-emptive rights on the issue of the new ordinary shares of UDL. The new ordinary shares will be listed and traded on the Official Market of the SEM as from 12 May 2020.

Shareholders of UDL who opt not to take up their rights to subscribe to the new ordinary shares to which they are entitled under the Rights Issue may trade their rights on the Official Market of the SEM as from 9 April 2020 to 15 April 2020.

Shareholders of UDL who subscribe for all new ordinary shares to which they are entitled under the Rights Issue may also apply, on the same terms and conditions, for new ordinary shares in excess of their entitlement.

All the new ordinary shares offered shall be in registered form and the register shall be kept by the Registrar and Transfer Office, SBM Fund Services, Level 10, Hennessy Tower, Pope Hennessy Street, Port-Louis, Mauritius

4.3.2 Issue price

The Board has determined the issue price for the new ordinary shares at MUR 50.00 per share, equivalent to a discount of approximately 33.3% to the share price, on the last dealing date before the Rights Issue was made public by the Cautionary Announcement of the 29 October 2019.

The Board has resolved that in its opinion the issue price of MUR 50.00 per share and the terms of the issue are fair and reasonable to the Company and all its existing shareholders as required by the Constitution of the Company and Section 56(1) of the Companies Act 2001.

4.3.3 Approval by shareholders

At a Special Meeting of the Company held on 19 December 2019, the Company has obtained the approval of the shareholders for the Rights Issue.

4.4. Equity dilution impact

As of the date of this document, the stated capital of UDL is made up of 10,560,000 fully paid up ordinary shares. Upon completion of the Rights Issue and the issue of the new ordinary shares to Management, UDL is expected to have a stated capital made up of 16,844,285 fully paid up ordinary shares.

	Number of ordinary shares	Shareholding (%)
Existing shares	10,560,000	62.7%
New ordinary shares under the Rights Issue	6,034,285	35.8%
New ordinary shares offered exclusively to Management	250,000	1.5%
Total	16,844,285	100.0%

The maximum dilution for a shareholder who does not subscribe to the Rights Issue is estimated at 35.8%. The maximum dilution as a result of the issue of new ordinary shares to Management of the Company is estimated at 1.5%.

4.5 Calendar of events

First day for shares of the Company to trade cum rights	02 March 2020
Last day to deposit share certificate at CDS for first day of trading of rights for the New Ordinary Shares	11 March 2020
Last day for shares of the Company to trade cum rights	16 March 2020
Shares of the Company trade ex-rights	17 March 2020
Record Date for shareholders to subscribe to New Ordinary Shares	19 March 2020
Send by post the offer letter to subscribe to New ordinary shares to shareholders as at Record Date	26 March 2020
Opening of subscription to the Rights Issue	27 March 2020
First day to deposit allotment letters at CDS for trading of rights	02 April 2020
Last day to deposit allotment letters at CDS for trading of rights	08 April 2020
First day for trading of rights for the New Ordinary Shares	09 April 2020
Last day for trading of rights for the New Ordinary Shares	15 April 2020
Closure of subscription for the Rights Issue and last day for payment	17 April 2020
Communique on the results of the Rights Issue	04 May 2020
Sending share certificates to shareholders and crediting of CDS accounts	11 May 2020
First day of trading of the New Ordinary Shares	12 May 2020

4.6 Procedures for the Rights Issue

4.6.1 Offer period

The offer will open at 10:00 hours on 27 March 2020 and will close at 16:00 hours on 17 April 2020. If the rights have not been exercised during this period by one or more shareholders, it shall be deemed that the offer has lapsed in respect of those shareholders.

An offer letter detailing the application procedures along with the Application Forms A, B, and C will, on or about 26 March 2020, be sent to the shareholders of UDL registered at close of business on 19 March 2020 (the "Record Date").

4.6.2 Acceptance of subscription

Acceptances are irrevocable and cannot be withdrawn. Shareholders may accept, wholly or partly, to subscribe for new ordinary shares offered under the Rights Issue by completing and returning a signed Application Form A.

The original application form must be returned with full payment for the new ordinary shares subscribed to the Registrar and Transfer Office, SBM Fund Services, Level 10, Hennessy Tower, Pope Hennessy Street, Port-Louis, Mauritius, not later than 17 April 2020 at 16:00 hours, Mauritius time.

A shareholder will be deemed to have declined the offer to subscribe for the new ordinary shares offered under the Rights Issue if he / she fails to meet the above deadline. Incomplete applications will be rejected.

4.6.3 Application of excess New Ordinary Shares

Shareholders who subscribe in full for the new ordinary shares may also apply for new ordinary shares in excess of their entitlement (the "Excess Shares") on the same terms and conditions, by completing section 2 of Application Form A.

The original application form must be returned with full payment for the shares subscribed to the Registrar and Transfer Office, SBM Fund Services, Level 10, Hennessy Tower, Pope Hennessy Street, Port-Louis, not later than 17 April 2020 at 16:00 hours, Mauritius time.

A separate cheque or bank transfer should be made for an application for Excess Shares. Any new ordinary share not subscribed for will be allotted by the Board to applicants for Excess Shares on a pro rata basis, based on a shareholder's existing shareholding at the Record Date. No interest will be paid on monies received in respect of applications for Excess Shares.

Refunds in respect of unsuccessful applications shall be made by cheque, posted to the shareholder's address within one month of the end of the offer period.

4.6.4 Renunciation and trading of rights of new ordinary shares

Shareholders who do not wish to subscribe to any or part of the new ordinary shares offered under the Rights Issue may renounce their rights or trade them by completing and signing Application Form B.

The rights may then be negotiated through a licensed investment dealer and traded on the Official Market from 09 April 2020 to 15 April 2020.

4.6.5 Transfer of rights to a related party

The right of a shareholder to subscribe for new ordinary shares may be transferred to a related party by completing Form C in accordance with the instructions contained therein.

The transfer of rights will only be accepted if made between spouses, an ascendant to a descendant, or by way of a succession. A certified true copy of the document evidencing such a relationship must be submitted together with the duly completed and signed Form C (for example, birth certificate, marriage certificate or affidavit).

A duly completed and signed Form C must be remitted with full payment for the new ordinary shares to the Registrar and Transfer Office, SBM Fund Services, Level 10, Hennessy Tower, Pope Hennessy Street, Port-Louis, Mauritius, not later than 17 April 2020 at 16:00 hours, Mauritius time.

4.6.6 Purchase of rights to subscribe for new ordinary share

For those persons who have purchased the right to subscribe for new ordinary shares on the Official Market, a completed Application Form D with full payment for the new ordinary shares need to be remitted to the Registrar and Transfer Office, SBM Fund Services, Level 10, Hennessy Tower, Pope Hennessy Street, Port-Louis, Mauritius, not later than 17 April 2020 at 16:00 hours, Mauritius time. Application Form D, for the purchase of the right to subscribe for new ordinary shares, will be made available to investment dealers upon request from investment dealers.

Those persons who have purchased the right to subscribe for new ordinary shares will not be entitled to apply for Excess Shares, unless they are existing shareholders of UDL at the Record Date whereby they will be allocated the excess pro rata their existing shareholding in UDL at the Record Date.

4.6A Procedures for the issue of shares to Management of UDL

The offer of new ordinary shares to Management of UDL will open at 10:00 hours on 27 March 2020 and will close at 16:00 hours on 17 April 2020. If the offer have not been accepted during this period by one or more members of Management, it shall be deemed that the offer has lapsed in respect of those members of Management.

An offer letter detailing the application procedures along with an application form will, on or about 26 March 2020, be sent to the members of Management of UDL.

Acceptances are irrevocable and cannot be withdrawn. Members of Management of UDL may accept new ordinary shares by completing and returning the signed application form.

The original application form must be returned with full payment for the new ordinary shares subscribed to the Registrar and Transfer Office, SBM Fund Services, Level 10, Hennessy Tower, Pope Hennessy Street, Port-Louis, Mauritius, not later than 17 April 2020 at 16:00 hours, Mauritius time.

4.7 Methods of payment

Payment for new ordinary shares can be made by bank transfer to the bank account of UDL, detailed as follows:

Bank Account Name:	SBM FUND CLIENT ACCOUNT - UNITED DOCKS LTD RIGHTS ISSUE
Bank Name:	SBM Bank (Mauritius) Ltd
MUR Account Number:	50300000507079
IBAN:	MU62STCB1170000000507079000MUR

The shareholder ID (as mentioned in the offer letter) must be quoted in the bank transfer transaction and bank transfer receipt. A copy of the bank transfer receipt must be enclosed with the application form.

Payment can also be made by way of crossed cheque(s), drawn to the order of SBM FUND CLIENT ACCOUNT - UNITED DOCKS LTD RIGHTS ISSUE, for the full amount payable and must reach the Registrar and Transfer Office, SBM Fund Services, Level 10, Hennessy Tower, Pope Hennessy Street, Port-Louis, Mauritius, not later than 17 April 2020 at 16:00 hours Mauritius time, together with the completed and signed application form(s).

A separate cheque or bank transfer should be made for an application for Excess Shares.

Should a cheque forwarded in payment of an application for new ordinary shares offered under the Rights Issue be dishonoured by the drawer's bank or where bank transfers have failed, the application will be rejected. No cash, nor any other form of payment, will be accepted. All payments received will be banked by UDL as and when received during the offer period.

4.8 Refunds

No interest will be paid on monies received in respect of applications for new ordinary shares and/ or Excess Shares.

All refunds in respect of unsuccessful applications shall be made by cheque, within one (1) month of the end of the offer period.

4.9 New ordinary shares not subscribed for

Any new ordinary share in respect of which no duly completed and signed application form(s) and/ or relevant full payment have been received at the closure of subscription will be allotted by the Board to applicants for excess new ordinary shares on a pro rata basis, based on a shareholder's existing shareholding at the Record Date. After allocation of new ordinary shares to meet applications for excess new ordinary shares, any new ordinary share(s) not applied for shall remain under the control of the Board, which shall offer and allocate the said share(s) to any person, partnership or company, even not being a shareholder of the Company at a price not lower than the issue price of MUR 50.00 per share and under the same terms and conditions as offered to the existing shareholders.

The Rights Issue will not be underwritten. The Board intends to proceed with the Rights Issue even if the shares are not fully subscribed, subject to achieving the minimum proceeds of MUR 150,000,000.

4.10 Fractional shares

UDL will not issue fractional shares. The number of new ordinary shares will be rounded down to the nearest integer when fractions occur.

4.11 Allotment of new ordinary shares

The allotment of new ordinary shares will be effected by 11 May 2020. A letter of allotment will be sent by the Registrar and Transfer Office to all subscribers confirming the number of new ordinary shares allotted to them. CDS account holders will have their respective accounts credited with the number of new ordinary shares issued and allotted to them by 11 May 2020.

4.12 Description of the rights attached

The new ordinary shares shall rank pari passu with the existing ordinary shares of UDL and accordingly shall have the rights set forth in UDL's constitution.

There are neither conversion rights nor options warrants attached to the new ordinary shares. There are no pre-emptive rights on the issue of the new ordinary shares of UDL.

Relevant extracts from UDL's constitution relating to the rights attached to the ordinary shares are set out in section 10.

4.13 Listing of new ordinary shares

The new ordinary shares will be listed and traded on the Official Market as from 12 May 2020.

4.14 Theoretical ex-rights price

The theoretical ex-rights price is based on the share price of UDL at 11 February 2020, being the last practicable date prior to the publication of this document.

Theoretical Ex Rights Price Calculation	
Last price quoted prior to the issue (MUR) – 11 February 2020	61.00
Number of shares in issue	10,560,000
Market capitalisation prior to the issue (MUR)	644,160,000
Rights issue price (MUR)	50.00
Number of shares to be issued	6,034,285
Value of shares to be issued (MUR)	301,714,250
Capitalisation following the issue (MUR)	945,874,250
Number of shares following the issue of New Ordinary Shares	16,594,285
Theoretical ex-rights price following the issue (MUR)	57.00
Rounded to nearest tick size (MUR)	57.00

4.15 Share Price History

The market values of UDL's shares and SEMDEX on the first dealing day in each of the six (6) months preceding the date of this Prospectus / Listing Particulars are disclosed below:

Date	Share Price (MUR)	SEMDEX
03 June 2019	90.00	2,132.19
01 July 2019	86.50	2,133.92
01 August 2019	85.00	2,168.89
02 September 2019	82.50	2,163.41
01 October 2019	80.00	2,135.66
01 November 2019	74.50	2,124.59

The share price of UDL on 28 October 2019 being the last trading date before the cautionary announcement of the Rights Issue made on 29 October 2019 was MUR 75.00. The SEMDEX stood at 2,124.97.

On 11 February 2020, being the latest practicable date preceding the date of this Prospectus / Listing Particulars, the share price of UDL was MUR 61.00. The SEMDEX stood at 2,221.04.

4.16 Proceeds from the issue

4.16.1 Estimated net proceeds

Proceeds	MUR
Gross proceeds from the issue of up to 6,034,285 New Ordinary Share	301,714,250
Gross proceeds from the issue of up to 250,000 New Ordinary Share exclusively to Management	12,500,000
Less: Estimated expenses	2,396,000
Estimated net proceeds	**311,818,250**

The estimated expenses associated with the issue are shown in the table below. These expenses will be borne by the Company:

Details of estimated expenses	MUR
Professional fees	1,500,000
SEM listing fee	185,000
FSC application fee	100,000
CDS fee	75,000
Printing, stationery and postage	536,000
Total estimated expenses	**2,396,000**

4.16.2 Use of proceeds

The net proceeds will be used to finance an office building which will be constructed in Caudan on a leasable area of 5,072 square metres. The construction of the project is planned to start in July 2020, with the completion of construction planned for December 2021 and occupancy to start as from January 2022.

Details of the building	
Offices	8 Floors
Parking	2 Floors
No. of covered parking	40
No. of external parking	30

The project cost which are to be borne by the proceeds of the Rights Issue is estimated at MUR 341,837,040. Any additional funding, if required, will be financed through bank loans.

5.0 ABOUT UDL

5.1 Description of the business

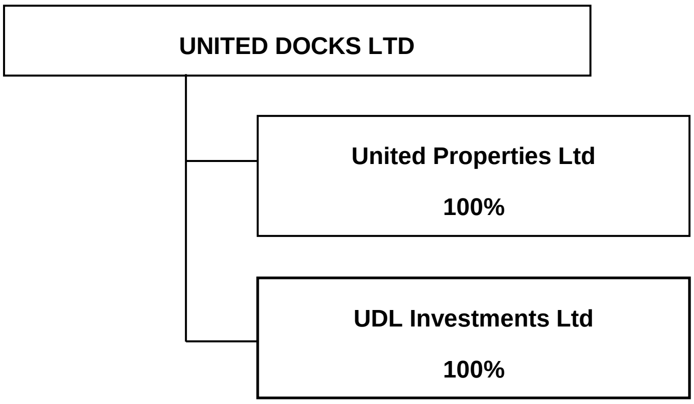
UDL is a public company limited by shares incorporated in Mauritius on 1st October 1991 under the Companies Act 1984 and is now regulated by the Companies Act 2001.

UDL has a rich history which started in 1874 as a leading operator in port and logistics services. Since 1991, UDL is listed on the Official Market of the Stock Exchange of Mauritius Ltd with a NAV to the tune of MUR 2.1 billion and a market capitalisation of MUR 1.1 billion as at August 2019.

UDL is involved in different segments of real estate which include business parks, office buildings, warehousing and industrial buildings and mixed-use developments.

5.2 Group Structure

The figure below shows the group structure of UDL and its subsidiaries:



UDL is not under the direct or indirect control of any person or company.

5.3 Stated Capital

The stated capital of UDL as at 30 June 2019 amounted to MUR 105,600,000 represented by 10,560,000 ordinary shares of par value MUR 10.00 each. All issued shares are fully paid. No part of the capital of UDL is under option or agreed conditionally or unconditionally to be put under option.

The stated capital of UDL is made up of only one class of shares as mentioned above.

5.4 Substantial shareholders

The list of shareholders holding more than 5% of the share capital of UDL as at 30 June 2019 is given below.

Shareholders	Number of shares held	% held
Horus Ltée	1,929,760	18.27%
Ducray Lenoir (Investments) Ltd	1,400,853	13.27 %
Terra Mauricia Ltd	638,204	6.04 %
Total	**3,968,817**	**37.48%**

6.0 FINANCIAL SUMMARY

6.1 Financial highlights

The table below summarises the group financial performance of UDL over the last three (3) financial years ended 30 June 2019 ("FY19"), 2018 ("FY18") and 2017 ("FY17").

Income Statement in MUR'000	**FY19**	**FY18**	**FY17**
Revenue	55,880	31,391	35,679
Other income	29	748	467
Operating expenses	(70,293)	(26,345)	(28,344)
(Loss)/Profit from operations	**(14,384)**	**5,794**	**7,802**
Net gain in fair value of investment properties	50,698	35,267	91,643
Finance costs	(19,884)	(14,876)	(11,274)
Profit before tax	**16,430**	**26,185**	**88,171**
Income tax expense	-	-	-
Profit for the year	**16,430**	**26,185**	**88,171**

Statement of financial position in MUR'000	**FY19**	**FY18**	**FY17**
Non-current assets	2,470,256	2,364,444	2,252,739
Current assets	22,963	22,845	29,100
Total assets	**2,493,219**	**2,387,289**	**2,281,839**
Non-current liabilities	181,359	159,900	104,264
Current liabilities	240,323	151,328	127,504
Total liabilities	**421,682**	**311,228**	**231,768**
Equity	2,071,537	2,076,061	2,050,071
Total equity and liabilities	**2,493,219**	**2,387,289**	**2,281,839**

6.1.1 Recent developments

UDL has consolidated its activities around real estate holdings and development, management of investments and property rental. Furthermore, additional revenue streams have been created which include property management, parking and events.

In 2019, UDL witnessed significant growth in the different core activities of the Company, namely property rental, property management and parking management. The occupancy rates of United Docks Business Park reached 100%. In addition, the renovation works at Fanfaron Quays and United Docks House were completed, resulting in an increase in occupancy rate of 7% from 83% to 90%. Revenue from property rental increased by 30% in 2019.

As for the Park and Ride Services, the occupancy rates reached 96%, translating an increase in revenue from MUR 5m to MUR 8.1m, representing 59% growth.

The net gain in fair value of investment properties is mainly due to the recent investment in infrastructure and renovation works in Caudan and Trou Fanfaron.

In 2018, UDL completed the renovation of United Docks House with a total of 2,100 square metres of leasable area. UDL also completed the development of Dock's Lounge comprising a fine-dining restaurant, a Quick Bite corner, a Bar and a Pizzeria. UDL launched the Park and Ride facility which provides parking with full-day shuttle services. Park and Ride provides 625 parking bays with full-day shuttle to Caudan Waterfront and to Port Louis City Centre.

UDL implemented a regeneration plan for Albion Docks South which has 18,000 square metres of leasable space available for different uses which include warehousing, light engineering, office and commercial activities. This development was rebranded as Fanfaron Quays.

6.2 Dividend policy

The payment of dividends is subject to the performance of the Company, its cash flow and investments requirements. UDL does not expect to pay dividends for the year 2019/20.

UDL does not expect to pay any dividends prior to or immediately after the issue of shares contemplated under this prospectus.

6.3 Financial ratios

The financial ratios for the last three (3) financial years are shown below. The data below excludes the effect of the new issue of ordinary shares.

	FY 19	FY 18	FY 17
Amount in MUR			
EPS	1.56	2.48	8.35
NAV	196	197	194
Dividend per share	Nil	Nil	Nil

6.4 Property valuation

The investment properties of UDL have been independently valued in conformity with International Financial Reporting Standards (IFRS) as detailed in the table below.

Details of Investment Property	Amount as per valuation (MUR)	Valuation date
Albion Docks 1st lot	427,175,563	24 July 2019
Albion Docks 2nd lot	431,908,656	24 July 2019
Cerne Docks	51,950,000	24 July 2019
Farquhar Street	37,500,000	24 July 2019
Caudan	1,279,626,332	24 July 2019

6.5 Consolidated borrowings as at 30 June 2019

As at 30 June 2019, the borrowings of UDL on a consolidated basis were as follows:

	Amount in MUR
Bank loans	243,974,694
Bank overdrafts	112,213,670
Obligations under finance lease	Nil
Total	356,188,364

The bank loans are secured by fixed and floating charges on the properties of UDL and its subsidiaries. The bank overdrafts are secured by floating charges on the assets of UDL.

The mortgages and charges of UDL and its subsidiaries amounted to MUR 204,160,000. UDL and its subsidiaries have no debt securities or unsecured borrowings as at FY2019.

6.6 Contingent liabilities as at 30 June 2019

UDL has no contingent liabilities as at 30 June 2019.

6.7 Financial prospects

UDL is a key player in the real-estate development in the capital city of Port-Louis. UDL is focused and will continue to pursue its efforts to develop premium office infrastructure to provide smart solutions to companies in the services sector.

The financial outlook of UDL is improving. Together with the recent projects and future projects in the pipeline, UDL is committed to continuously come up with innovative projects that are adapted to the current market conditions so as to unlock value and increase returns for its shareholders.

6.8 Capital expenditure

For the financial year ending 30 June 2020, the Board has approved capital expenditure of around MUR 12 million for the refurbishment of existing properties.

7.0 RISKS FACTORS

The Board recognises that it is responsible for the Group's system of internal control, which includes financial controls, operational controls and risk management, and for reviewing its effectiveness at regular intervals. The Board is considering outsourcing the internal audit function in view of further reinforcing controls and also the forthcoming projects.

The key features identified by the Audit & Risk Committee to provide an objective overview of the operational effectiveness of the Group's system of internal control and reporting include:

- Reviewing adequacy of corrective action taken in response to internal control weaknesses identified;
- Ensuring the maintenance of proper and appropriate accounting records;
- Ensuring the maintenance of a comprehensive system of financial reporting and forecasting;
- Safeguarding the Group's assets against unauthorised use of disposal;
- Establishing an organisational structure with clearly-defined levels of authority and division of responsibilities. The organisational structure is available on the Company's website; and
- Meeting the Chief Executive Officer and heads of departments to review all operational aspects of the business and risk management systems.

Management also assists the Board in implementing, operating and monitoring the internal control systems which manage the risks of calamities and failure to achieve business objectives, and provide reasonable but not absolute safeguards against material misstatements or losses. The systems of internal controls put in place by Management include:

- The maintenance of proper accounting records;
- The implementation of the policies and strategies approved by the Board;
- The regular assessment of specific risk managements such as – market risks, credit risks, liquidity risks, operation risks, commercial risks, technological risks, compliance risks and human resource risks; and
- The overseeing and reviewing on an ongoing basis of the risks associated with occupational health and safety, as well as environmental issues.

The Audit & Risk Committee identified the following major risks:

- Interest risks – the risk that the value of a financial instrument will fluctuate because of changes in market interest rate;
- Currency risk – the risk that the value of a financial instrument will fluctuate due to an exposure to changes in foreign exchange;
- Price risk – the risk that the value of a financial instrument will fluctuate as a result of changes in market prices;
- Credit risk – the risk that customers default on payment; and
- Treasury risk – the risk that the group is faced with cash flow pressure

<table>
<tr><th>RISK DEFINITION</th><th>RISK DESCRIPTION</th><th>RISK MITIGATION</th></tr>
<tr><td rowspan="4">Business risk</td><td>Tenants may not settle rental payments in time or due to legal disputes.</td><td>Close monitoring of rental dues.</td></tr>
<tr><td rowspan="3">Company is highly dependent on few tenants.</td><td>Review of rental agreements to ensure that terms and conditions are adequate.</td></tr>
<tr><td>Monitoring of court cases.</td></tr>
<tr><td>Diversify client's portfolio.</td></tr>
<tr><td>Interest rate risk</td><td>Increasing interest rate will increase costs of borrowings.</td><td>Renegotiate loan interest with banks.</td></tr>
<tr><td rowspan="2">Liquidity risk</td><td rowspan="2">Inability to raise funds to meet financial commitments.</td><td>Close monitoring of debtors.</td></tr>
<tr><td>Ensure having enough overdraft facilities with bank.</td></tr>
<tr><td rowspan="3">Strategic risk</td><td>Delay in the realisation of projects.</td><td>Close monitoring of projects.</td></tr>
<tr><td rowspan="2">Limited capital resources.</td><td>Align strategic plan with market trends.</td></tr>
<tr><td>Negotiate credit facilities with banks.</td></tr>
<tr><td>Regulatory risk</td><td>The risk that changes in legislation or regulations can impact negatively on the Group's operations.</td><td>Close monitoring of changes in legislation or regulations and review business plans accordingly.</td></tr>
</table>

8.0 CORPORATE INFORMATION

8.1 Company Information

Name of Issuer	United Docks Ltd
Date of incorporation	01 October 1991
Place of incorporation	Mauritius
Business Registration Number	C07009846
Registered Office	United Docks Business Park, Caudan, Port Louis, Republic of Mauritius

8.2 Third Party Information

Company Secretary	ECS Secretaries Ltd 3rd Floor, Labama House, Sir William Newton Street, Port Louis
Registrar and Transfer Office	SBM Fund Services Level 10, Hennessy Tower, Pope Hennessy Street Port Louis
Principal Bankers	Mauritius Commercial Bank
Auditors	Ernst & Young Level 9, NeXTeracom Tower 1 Cybercity Ebene
Transaction Advisor	KPMG KPMG Centre 31 Cybercity, Ebene
Legal Advisor	Benoit Chambers Level 9, Orange Tower Cybercity, Ebene

9.0 DIRECTORS

9.1 Directors' profile

	Qualification	Skills & Experience	Address
M.H. Dominique GALEA (Resident of Mauritius)			
Date of Birth: 3rd November 1952 Date of Appointment: 17th October 2006 Current Status: Non-Executive Director & Chairman	Hautes Etudes Commerciales (HEC) Degree	Mr Galea started his career in the textile industry in the early 1980's by setting up an agency business, Kasa Textile & Co Ltd. He has since diversified his activities by acquiring stakes in companies in various sectors of the economy.	16, Avenue Lucien de Chazal, Vacoas
Nicolas Marie Edouard MAIGROT (Resident of Mauritius)			
Date of Birth: 15th March 1968 Date of Appointment: 1st January 2016 Current Status: Non-Executive Director	Degree in Management Sciences (LSE)	Mr Maigrot has acquired, during his career, a rich experience at executive levels. He operated in various manufacturing industries, as well as in the areas of finance and services. Throughout his career, he had various leadership positions such as Chief Executive Officer of Ciel Textile Ltd, Knitwear & Knits Ltd and Ireland Blyth Limited.	Lot A3 Hilltop Butte aux Papayes, Belle Vue, Mapou
Bhoonesh PANDEA (Resident of Mauritius)			
Date of Birth: 29th November 1979 Date of Appointment: 1st February 2015 Current Status: Executive Director and Chief Executive Officer	BA(Hons) Economics MSc E-Business Fellow of the Association of the Chartered Certified Accountants (FCCA)	Mr Pandea started his career in the banking sector prior to joining Board of Investment (BOI), the national investment promotion agency of Mauritius, where he worked for more than 12 years and occupied the position of Senior director. He has also followed an Advanced Management Programme from ESSEC Business School and is a member of the Mauritius Institute of Professional Accountants.	A16, River Island Residence, Rue Vendome, Residence Trianon
J.Alexis HAREL (Resident of Mauritius)			
Date of Birth: 26th April 1962 Date of Appointment: 17th October 2010 Current Status: Non-Executive Director	Bachelor Degree in Business Administration (Accounting)	Mr Harel started his career in the audit department of De Chazal du Mée, Chartered Accountants, and then occupied managerial positions in the industrial and IT sectors. He joined Grays & Co Ltd in 1992 and presently occupies the position of Managing Director.	Coastal Road, Pointe aux Canonniers 30521
Nadeem LALLMAMODE (Resident of Mauritius)			
Date of Birth: 30th March 1980 Date of Appointment: 23rd September 2015 Current Status: Independent Non-Executive Director	Law Degree University of Wolverhampton Master's Degree in International Commercial Law University of Nottingham Bar at Law	He was admitted to the Bar in Mauritius in 2006 and is a member of Clarel Benoit Chambers, a leading company law, financial services, and commercial litigation set in Mauritius. Nadeem focuses on fund work, financial services and securities law, intellectual property and competition law. He has also lectured in company law, insolvency and bankruptcy for the Law Practitioners Vocational Course.	Apartment E4.6 Hillcrest Park, Syed Hossen Road, Phoenix
L.M.C Michele LIONNET (Resident of Mauritius)			
Date of Birth: 5th March 1953 Date of Appointment: 29th December 2006 Current Status: Independent Non-Executive Director	Diploma in Business Management University of Surrey (UK)	Mrs Lionnet currently acts as Executive Director of Junior Achievement in Mauritius. She started her career in a private commercial firm in which she occupied the position of Administrative Manager during 15 years. She then occupied executive managerial and marketing positions in organisations located both in Mauritius and Madagascar.	12, Le Belvédère, La Hausse de la Louvière Street, Floréal
Nicolas EYNAUD (Resident of Mauritius)			
Date of Birth: 15th March 1967 Date of Appointment: 21st April 2017 Current status: Non-Executive Director	National Diploma in Land Surveying (South Africa)	Mr Eynaud started his career in 1991 at SDDSR (Land Surveyors), where he became a partner in 1995. There, he was involved in an extensive range of projects for the island's major estates and corporate bodies, in the fields of building, engineering and cadastral surveying. In 2001 he joined Espral, a service company providing full land management &	5, General Decaen Street, Forest Side

		commercial support to all land-based assets owned by the ENL Group. He was appointed General Manager of Espral in 2009, a position which he held until 2013. After spending some two years as Group Property Manager at Compagnie de Beau Vallon, Nicolas Eynaud joined Terra in January 2016 as Real Estate Development Executive.	
Ismael Ibrahim BAHEMIA (Resident of Mauritius)			
Date of Birth: 22nd September 1947 Date of Appointment: 9th May 2012 Current Status: Independent Non-Executive Director	Fellow of the Institute of Chartered Accountants in England & Wales (ICAEW)	Mr Bahemia is registered as professional accountant and public accountant in practice with the Mauritius Institute of Professional Accountants. He is presently the CEO of Fideco Global Business Services Ltd, a company licensed by the Financial Services Commission to operate as an Offshore Management Company. Mr. Bahemia retired from IBL in 2007 after serving the company for over 31 years. He occupied managerial positions in the financial and commercial sectors and was responsible for the Group taxation. He was a past president at the Society of Chartered Accountant in Mauritius.	47,Bussawon Bikoo Street, Mare Gravier, Beau Bassin
K.H. Bernard WONG PING LUN (Resident of Mauritius)			
Date of Birth: 9th March 1955 Date of Appointment: 17th October 2006 Current Status: Non-Executive Director	BSC (Economics) FCCA	Mr. Wong Ping Lun is currently the Financial Director of a number of private companies.	Dr Lallah St, Floreal
Mushtaq OOSMAN (Resident of Mauritius)			
Date of Birth: 8th October 1954 Date of Appointment: 22nd June 2017 Current Status: Independent Non-Executive Director	Fellow of the Institute of Chartered Accountants in England & Wales (ICAEW)	Mr Oosman was a Partner in PwC Mauritius since 01 July 1991. He was Assurance Partner and responsible for Business Recovery Services as well as the Chief Operating Partner for Mauritius. He has served on the Africa Central Governance Board and is well versed with the working and responsibilities of a Governance Board. He has over 25 years professional experience in audit and financial advice, with a diversified portfolio of clients in sectors such as banking, insurance, manufacturing, sugar companies, the hospitality industry, betting operator, textiles and trading. Mr. Oosman trained and qualified as a Chartered Accountant with Sinclairs in the UK. He joined Roger de Chazal & Partners (founders of Price Waterhouse in 1988 in Mauritius) and have been with PwC since then.	37 Avenue Kiwi Sodnac, Quatre Bornes
Antoine GALEA (Resident of Mauritius)			
Date of Birth: 16th October 1986 Date of Appointment: 22nd June 2017 Current status: Non-Executive Director	Bachelor of Business & Administration in Marketing & Finance.	Mr Galea, born in 1986, is Managing Director at Watertech Ltd. Before joining Rey & Lenferna, he occupied from 2012 to 2016 various positions at Labelling Industries Ltd, Berque Ltée and Narrow Fabrics Ltd, such as Operations Manager, Sales Manager and Supply Chain Manager. Mr Galea also worked for Ernst and Young Mauritius in the Audit team from 2009 to 2012.	60 Rue du Vigilant, Domaine de Demont Calme, Tamarin

9.1.1 Nature of relationships between the directors of UDL

Mr Antoine Galea is the son of Mr Dominique Galea.

Mr Bernard Wong Ping Lun is an employee of Ducray Lenoir Limited, in which Mr Dominique Galea is a majority shareholder.

Messrs. Nicolas Maigrot, Alexis Harel and Nicolas Eynaud are employees of Terra Group.

Mr Mushtaq Oosman is an independent director on the Board of Rey and Lenferna Limited, in which Mr Dominique Galea is a majority shareholder.

Mr Mushtaq Oosman is an independent director on the Board of Watertech Limited, which is controlled by Mr Dominique Galea.

9.2 Director's interest

The Board adheres to the principles of the Listing Rules and The Companies Act 2001 in respect of share dealings. The Company Secretary keeps the directors apprised of closed periods and of their responsibilities in respect of the above rules.

Names of Directors	Designation	Directorship(s) in other listed companies	Interest in shares			
			Direct		Indirect	
			# shares	% holding	# shares	% holding
M.H. Dominique GALEA	Non-Executive Director & Chairman	Forges Tardieu Limited, MUA Ltd, Ascencia	8,200	0.08	2,493,638	23.69
Nicolas M. E. MAIGROT	Non-Executive Director	Swan General Ltd, Terra Mauricia Ltd				
Bhoonesh PANDEA	Executive Director and Chief Executive Officer	None	100	0.00		
J.Alexis HAREL	Non-Executive Director	Terra Mauricia Ltd				
Nadeem Lallmamode	Independent Non-Executive Director	None				
L.M.C Michele LIONNET (Mrs)	Independent Non-Executive Director	None	86,876	0.87	770	0.01
Nicolas EYNAUD	Non-Executive Director	None				
Ismael Ibrahim BAHEMIA	Independent Non-Executive Director	None			520	0.00
K.H Bernard WONG PING LUN	Non-Executive Director	Forges Tardieu Ltd				
M.O.N. Mushtaq OOSMAN	Independent Non-Executive Director	ENL Land Ltd, MUA Ltd, Automatic Systems ltd	4,700	0.05		
Antoine GALEA	Non-Executive Director	None				

9.3. Directors' service contracts

There is no contract of significance with UDL in which a director is materially interested directly or indirectly.

9.4. Directors' remuneration and benefits

The total remuneration and benefits paid to the directors of UDL were as follows:

	FY 2020E (MUR)	FY 2019A (MUR)	FY2018A (MUR)
Executive directors	5,964,800	5,842,400	4,721,440
Non-executive directors	918,750	978,125	853,125
Total	6,883,550	6,820,525	5,574,565

The non-executive directors have not received remuneration in the form of share options or bonuses associated with organisational performance.

10.0 EXTRACT OF CONSTITUTION

The contents of this section have been extracted from UDL's constitution and relate to the rights attached to the shares being listed. In this section, "the Act" refers to the Companies Act 2001.

10.1 SHARES

10.1.1 Rights of existing shares

Each share will confer upon its holder the rights set out in section 46(2) of the Act together with any other rights conferred by this Constitution.

The rights conferred by section 46(2) of the Act are the following:-

- The right to one vote on a poll at a meeting of the Company on any resolution;
- The right to an equal share in dividends authorised by the Board; and
- The right to an equal share in the distribution of surplus assets of the Company.

10.1.2 Variation of class rights

If at any time the share capital of the Company is divided into different classes of shares, The Company, conformably to the provisions of section 114 of the Act, shall not take any action which varies the rights attached to a class of shares unless that variation is approved by a special resolution, passed at a separate meeting of the shareholders of that class or by consent in writing of the holders of seventy-five per cent (75%) of the shares of the said class. To any such meeting, all provisions of this Constitution relative to general meetings shall apply "mutadis mutandis".

10.2 ISSUING OF FURTHER SHARES

10.2.1 Board may issue Shares

(a) Subject to the Act, this Constitution, the approval of an ordinary resolution and the terms of issue of any existing shares, the Board may issue shares (and rights or options to acquire shares) of any class at any time, to any person and in such numbers as the Board thinks fit.

(b) Notwithstanding section 55 of the Act and unless the terms of issue of any class of shares specifically provide otherwise, the Board may, if approved by the shareholders by ordinary resolution, issue shares that rank (as to voting, distribution or otherwise) equally with or in priority to, or in subordination to the existing shares without any requirement that the shares be first offered to existing shareholders.

(c) If the Board issues shares which do not carry voting rights the words "non-voting" shall appear in the designation of such shares, and if the Board issue shares with different voting rights, the designation of each class of shares, other than those with most favourable voting rights, shall include the words "restricted voting" or "limited voting".

10.2.2 Consideration for issue of Shares

a) Subject to clause 10.2 (b), before the Board issues shares it must:

(i) Determine the amount of the consideration for which the shares will be issued and the terms on which they will be issued;

(ii) If the shares are to be issued for consideration other than cash, determine the reasonable present cash value of the consideration for the issue and ensure that the present cash value of that consideration is fair and reasonable to the Company and is not less than the amount to be credited in respect of the shares; and

(iii) Resolve that, in its opinion, the consideration for the shares and their terms of issue are fair and reasonable to the Company and to all existing shareholders.

(b) Clause 10.2 (a) shall not apply to the issue of shares on the conversion of any convertible securities; or the exercise of any option to acquire shares in the Company.

10.2.3 Fractional Shares

The Board may resolve to issue fractions of shares which shall have corresponding fractional liabilities, limitations, preferences, privileges qualifications, restrictions, rights and other attributes as those which relate to the whole share of the same class or series of shares.

10.3 TRANSFER AND TRANSMISSION OF SHARES

10.3.1 Freedom to transfer is unlimited

There shall be no restrictions on the transfer of fully paid up shares in The Company and transfers and other documents relating to or affecting the title to any shares shall be registered with The Company without payment of any fee.

10.3.2 Execution of Transfer

(a) The instrument of transfer of any share or debenture shall be executed by or on behalf of the transferor and the transferee and the transferor shall be deemed to remain the holder of the share or debenture (as the case may be) until the transferee is entered in the register in respect thereof.

(b) A transfer of the share, debenture or other interest of a deceased Shareholder made by his heir or by the curator appointed under the Curatelle Act shall, subject to any enactment relating to stamp duty or registration dues, be as valid as if he had been such a shareholder at the time of the execution of the instrument of transfer, even if the heir or the curator is not himself a shareholder.

(c) Before entering a transfer made under clause 14.2 (b) in the share register or the register of debenture holders, the directors of the Company may require production of proper evidence of the title of the heir or, in the case of the curator, of the vesting order.

10.3.3 Transmission

Shares of The Company depending from the estate of a deceased shareholder shall be transferred by The Board to the said shareholder's heirs, legatees, widow or widower, as the case may be, on The Board being satisfied that the party applying for the transfer is entitled thereto; likewise, shares of The Company depending from the bankruptcy or insolvency of a shareholder, or from its winding up, or from a reduction of its share capital, if such shareholder is a company or a partnership, shall be transferred to such persons who shall satisfy The Board of their right to have such transfer in their names.

Pending the division of shares of The Company depending from the estate and succession of a deceased shareholder, or from the bankruptcy, or insolvency, or winding up or reduction of capital of a shareholder, and the registration thereof in the share register in the name of the party or in the names of the parties respectively entitled thereto, such party or parties shall have to appoint an agent for the purpose of receiving all dividends declared on such shares and of acting as their representative at all meetings of The Company.

10.3.4 Transfer of shares in pledge

Any share or debenture may be given in pledge in all civil and commercial transactions in accordance with the Code Civil Mauricien;

The Company shall keep a register in which:

- The transfer of shares or debentures given in pledge may be inscribed; and
- It shall be stated that the pledgee holds the share or debenture not as owner but in pledge of a debt the amount of which shall, in the case of a civil pledge, be mentioned.

A pledge shall be sufficiently proved by a transfer inscribed in the register.

The transfer shall be signed by the pledger and by the pledgee and by the Secretary of The Company.

10.4 ACQUISITION OF COMPANY'S OWN SHARES

The Company is hereby expressly authorised to purchase or otherwise acquire its shares in accordance with, and subject to, sections 68-74, 106 and 108 to 110 of the Act, and may hold the acquired shares in accordance with section 72 of the Act.

10.4.1 Special Resolutions

When shareholders exercise a power to approve any of the following, that power may only be exercised by a special resolution:

(a) An alteration to or revocation of this Constitution or the adoption of a new Constitution;

(b) A Major Transaction;

(c) An Amalgamation; and

(d) The liquidation of the Company.

Any decision made by special resolution pursuant to this clause may be rescinded only by a special resolution, provided that a resolution to put the Company into liquidation cannot be rescinded.

10.4.2 Management review by Shareholders

(a) The chairperson of any general meeting shall give the shareholders a reasonable opportunity to discuss and comment on the management of the Company;

(b) A general meeting may pass a resolution which makes recommendations to the Board on matters affecting the management of the Company; and

(c) A resolution relating to the management of the Company passed at a general meeting in accordance with clause 21.3(b) is not binding the Board, unless it is carried as a special resolution.

10.5 GENERAL MEETINGS

10.5.1 Annual Meetings

(a) The Board shall call an annual meeting of shareholders to be held:

(i) Not more than once in each year;

(ii) Not later than six (6) months after the balance sheet date of the Company; and

(iii) Not later than fifteen (15) months after the previous annual meeting.

(b) The business to be transacted at an annual meeting shall, unless already dealt with by the Company, include:

(i) The consideration and approval of the financial statements;

(ii) The receiving of any auditor's report; and

(iii) The consideration of the annual report.

(iv) The appointment of any director including those whose annual appointment is required by the Act.

(v) The appointment of any auditor pursuant to section 195 of the Act.

(vi) The remuneration of the auditors pursuant to section 195 of the Act.

(vii) The remuneration of the directors, had the Board taken no decision to approve same as provided in clause 26.1.

10.5.2 Special Meetings

A special meeting may be called at any time by the Board and shall be called to be held within two (2) months on the written request of shareholders holding shares carrying together not less than five per cent (5%) of the voting rights entitled to be exercised on the issue.

10.5.3 Resolution in lieu of meeting

Anything that may be done by the Company in general meeting (other than an annual meeting) under the Act of this Constitution may be done by a resolution in lieu of meeting in the manner provided for by section 117 of the Act.

10.5.4 Notice of General Meeting

Of meeting in the manner provided for by section 117 of the Act.

(a) Written notice of the time and place of a general meeting shall be sent to every shareholder entitled to receive notice of the general meeting and to every director, secretary and auditor of the Company not less than fourteen (14) days before the general meeting.

(b) The notice shall state:

(i) The nature of the business to be transacted at the General Meeting in sufficient detail to enable a Shareholder to form a reasoned judgment in relation to it; and

(ii) The text of any special resolution to be submitted to the general meeting.

(c) Any irregularity in a notice of a general meeting shall be waived where all the shareholders entitled to attend and vote at the general meeting attend the general meeting without protest as to the irregularity, or where all such shareholders agree to the waiver.

(d) Any accidental omission to give notice of a general meeting to, or the failure to receive notice of a general meeting by, a shareholder shall not invalidate the proceedings at that general meeting.

(e) The chairperson may, or where directed by the general meeting, shall, adjourn the general meeting from time to time and from place to place, but no business shall be transacted at any adjourned general meeting other than the business left unfinished at the general meeting from which the adjournment took place.

(f) When a general meeting is adjourned for more than seventy-two hours' notice of the adjournment shall be given by press communiqué.

(g) Notwithstanding clauses 22.5 (a), (b) and (c), it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned general meeting.

10.5.5 Quorum

(a) Where a quorum is not present, no business shall, subject to clause 22.7 (c), be transacted at a general meeting.

(b) There shall be a quorum for holding a general meeting where ten (10) Shareholders holding at least one fifth (1/5) of the share capital are present or represented or have cast postal votes.

(c) Where a quorum is not present within thirty (30) minutes after the time appointed for the general meeting:

(i) In the case of a general meeting called under section 118(1) (b) of the Act, the general meeting shall be dissolved;

(ii) in the case of any other general meeting, the general meeting shall be adjourned to the same day in the following week at the same time and place, or to such other date, time and place as the directors may appoint; and

(iii) Where, at the adjourned general meeting, a quorum is not present within thirty (30) minutes after the time appointed for the general meeting, the shareholders or their proxies present shall be a quorum.

10.6 Appointment and removal of directors

10.6.1 Number of directors

The board should consist of a minimum of six (6) and a maximum of fifteen (15) directors. Unless and until otherwise resolved by the directors, the board shall consist of ten (10) directors.

10.6.2 Appointment of directors

(a) In addition to the appointment of directors under clause 23.3, the directors are appointed by an ordinary resolution.

(b) A resolution to appoint two or more may be voted on one resolution without each appointment being voted individually.

(c) A person who has been proposed to be a director of the Company in accordance with clause 22.12 (a) of the constitution, shall not be eligible for appointment unless a notice in writing signed by the person to be proposes of his willingness to be elected, be lefts at the registered office of the Company at the same time as the notice referred to in clause 22.12.

10.6.3 Disqualification and removal of directors

A person will be disqualified from holding the office of director if he:

(a) Is removed by ordinary resolution passed at a general meeting called for that purpose; or

(b) Resigns in writing and is not reappointed in accordance with the constitution; or

(c) Has been adjudged to be unsound mind; or

(d) Is (or, would, but the repeal of section 117 of the Companies Act 1984, be) prohibited from being a director or promoter of or being concerned with or taking part in the management of a company under section 337 or 338 of the Act; or

(e) Dies, or

(f) Attains or is over the age of seventy (70) years (but subject always to section 138 of the Act); or

(g) Is under eighteen (18) years of age; or

(h) Is an undischarged bankrupt.

10.6.4 Alternate directors

Any director may from time to time, appoint any director or appoint any other person who is approved by the majority of the directors, to be an alternate director. The appointee, while he holds office as an alternate director, shall be entitled to notice of meetings of the directors, and to attend and vote as a director at any such meeting at which the director appointing him is not present and generally in the absence of his appointer to perform all the functions of his appointer as a director. An alternate director may be appointed on a board's committee even if the director appointing him is not a member of that committee.

An alternate director shall not be entitled to receive any remuneration from the company otherwise that out of the remuneration of the director appointing him or as a member of a committee. A director who is also an alternate director shall be entitled, in addition to his own vote, to a separate vote on behalf of the director he is representing. Any appointment so made may be revoked at any time by the appointer. An alternate director may be removed from office by resolution of the board and shall "ipso facto" cease to be an alternate director, if his appointer ceases for any reason to be a director. All appointments, revocations, and removals of alternate directors made by any director in pursuance of the provisions of this clause shall be in writing under the hand of the director making the same and left at the registered office of the company or addressed thereto.

A director may not appoint more than one person as his alternate.

A person may act as an alternate director to a maximum of two directors.

10.6.5 Powers of the board

(a) Subject to any restrictions in the Act or this constitution, the business and affairs of the Company shall be managed by or under the direction or supervision of the board.

(b) The Board shall have all the powers necessary for managing, and for directing and supervising the management of, the business and affairs of the Company except to the extent that this constitution or the Act expressly requires those powers to be exercised by the shareholders or any other person.

(c) The Board shall moreover have all the powers of the Company as expressed in section 27 of the Act and clause 7 of this constitution, including, but not limited to, the power to purchase and sell property, to borrow money and to mortgage, pledge or create charges on its assets and to issue debentures and other securities, whether outright or as security for any debt, liability, or obligation of the Company or of any third party.

10.6.6 Authority to remunerate directors

(a) The shareholders by ordinary resolution, or the board if it is satisfied that to do so is fair to the Company, shall approve:

(i) The payment of remuneration (or the provision of other benefits) by the Company to a director for his services as a director, or the payment of compensation for loss of office; and

(ii) The making of loans by the Company to a director in accordance with section 159 (6) of the Act.

(b) The Board shall ensure that, forthwith after authorising any payment under clause 26.1 (a) (ii), particulars of such payment are entered in the interests register.

10.6.7 Notice of Interest to be given

(a) A director shall, forthwith after becoming aware of the fact that he is interested in a transaction or proposed transaction with the Company, cause to be entered in the interests register, where it has one, and, where the Company has more than one director, disclose to the board of the Company;

(i) Where the monetary value of the director's interest is able to be quantified, the nature and monetary value of that interest; or

(ii) Where the monetary value of the director's interest cannot be quantified, the nature and extent of that interest.

(b) A director shall not be required to comply with clause 26.3 (a) where:

(i) The transaction or proposed transaction is between the director and the Company; and

(ii) The transaction or proposed is or is to be entered into the ordinary course of the Company's business and on usual terms and conditions.

(c) For the purposes of clause 26.3 (a), a general notice entered in the interests register, where there is one, or disclosed to be the board to the effect that a director is a shareholder, director, officer, or trustee of another Company or other person and is to be regarded as interested in any transaction which may, after the date of the entry or disclosure, be entered onto with that Company or person, is a sufficient disclosure of interest in relation to that transaction.

10.6.8 Interested Director

A director shall not be entitled to vote on any contract or arrangement or any other proposal in which he or his associate is interested unless his interest is in respect of the following matters:

(a) The giving of any security or indemnity either;

(i) To the director in respect of money let or obligations incurred or undertaken by him at the request of or for the benefit of the Company or any of its subsidiaries; or

(ii) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the director has himself assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security.

(b) Any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other Company which the Company may promote or be interested in for subscription or purchase where the director is or is to be interested as a participant in the underwriting or sub-underwriting of the offer.

(c) Any proposal concerning any other Company in which the director is interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the director is beneficially interested in shares of that Company, provided that he, together with any of his associates, is not beneficially interested in five per cent (5%) or more of the issued shares of any class of such Company (or of any third Company through which his interest is derived) or of the voting rights.

(d) Any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:

(I) The adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which he may benefit; or

(II) The adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to directors and employees of the Company or any of its subsidiaries and does not provide in respect of any director as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and

(e) Any contract or arrangement in which the director is interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his interest in shares or debentures or other securities of the Company.

10.7 Winding up

10.7.1 Distribution of surplus assets

Subject to the terms of issue of any shares, upon the liquidation of the Company, any assets of the Company remaining after payment of the debts and liabilities of the Company and the costs of liquidation shall be distributed among the holders of shares in proportion to their shareholding, provided however that a holder of shares not fully paid up shall receive only a proportionate share of his entitlement being an amount which is in proportion to the amount paid to the Company in satisfaction of the liability of the shareholder to the Company in respect of the shares.

10.7.2 Division in kind

(a) When assets are distributed, the liquidator may, with the sanction of a special resolution, divide in kind amongst the shareholders the assets of the Company, whether they consist of property of the same kind or not, and may for that purpose set such value as he shall deem fair upon any property to be divided and may determine how the vision shall be carried out as between the shareholders or different classes of shareholders.

(b) The liquidator may, with the like sanction, vest any such assets in such persons for the benefit of contributories as the liquidator, with the like sanction, shall think fit.

(c) Nothing in this clause shall require a shareholder to accept any share or other security on which there is any liability.

11.0 ADDITIONAL INFORMATION

11.1 Legal and arbitration proceedings

For the last 12 months period, there are 2 major disputes pending before the Supreme Court of Mauritius.

The first dispute pertains to the shareholding of the UDL Group in Société Libra. The UDL Group is seeking the dissolution of Société Libra.

The second dispute (initiated by Société Pronéma) relates to the entitlement of the UDL Group to maintain its shareholding in Société Libra and also to the UDL Group's right and ability to appoint administrators (gérants).

As at date, there is no progress regarding the above court cases. The outcome of those cases may have a significant effect on the UDL Group's consolidated financial position.

There are also 3 tenancy related cases for which judgement is pending. The cases essentially deal with arrears in respect of unpaid rent, illegal occupancy and eviction.

11.2 Number of people employed

UDL employed 24 employees as at 30 June 2019 and employs 27 employees as at the date of this Prospectus.

11.3 Material contracts

UDL has no material contracts as at 30 June 2019.

11.4 Statement of dependence

There is reliance on laws and regulations generally applicable to real estate development, including dependence on the relevant authorities for licences, permits, authorisations or approvals.

12.0 DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of UDL for 14 business days as from the date of this document, during normal working hours:

- This Prospectus deemed Listing Particulars;
- The constitution of UDL;
- The audited financial statements of UDL and its subsidiaries for the financial years ended 30 June 2017, 2018 and 2019;
- Auditor's report for each of the financial year covered;
- Consent letter from the auditors;
- Complete list of directorships held by each director of UDL;
- Valuation reports on investment properties;
- Receipt witnessing payment of the appropriate initial listing fee;
- Shareholder's register;
- the Board resolution of UDL authorising any alterations in the stated capital of UDL within a period of three (3) years preceding the date of UDL's application for listing; and
- A list of legal cases and proceedings for the last 12 months.

The auditors have given their written consent to include their report, in the form and context in which it appears, in the Prospectus, and have not withdrawn their consent as at the date of the Prospectus. Such consent has been filed with the FSC and the SEM.

The auditors have also confirmed that they are not shareholders of the Issuer nor do they have the right to subscribe for shares in the Issuer.

13.0 FINANCIAL INFORMATION

The financial information for the years ended 30 June 2017, 2018 and 2019 set out below has been extracted from the financial statements of UDL and which have been audited by Ernst & Young.

13.1 Auditor's report

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31.

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

TO THE MEMBERS OF UNITED DOCKS LTD

Opinion

The summary financial statements, which comprise the summary statements of financial position as at 30 June 2019, 30 June 2018 and 30 June 2017, the summary statements of profit or loss, summary statements of changes in equity and summary statements of cash flows for the years then ended, and related notes, are derived from the audited financial statements of United Docks Ltd for the years ended 30 June 2019, 30 June 2018 and 30 June 2017.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, on the basis described in the basis of preparation note.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Framework. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and audited financial statements do not reflect the effect of events that occurred subsequent to the date of our audit report on the audited financial statements.

The Audited Financial Statements and Our Report Thereon

We expressed a qualified audit opinion on the audited financial statements in our report for the years ended 30 June 2019, 30 June 2018 dated 25 September 2019, 28 September 2018 and 28 September 2017 respectively.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements on the basis described in the basis of preparation note.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

Basis of Accounting and Restriction on Distribution

We draw attention to section 13.2 of the Offering Document, which describes the criteria applied in preparation of the summary financial statements. As a result, the summary financial statements may not be suitable for another purpose. Our report is intended solely for inclusion in the Offering Document and should not be distributed or read outside of this context. Our opinion is not modified in respect of this matter.

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

TO THE MEMBERS OF UNITED DOCKS LTD

Report on other legal and regulatory requirements

Listing Rules of The Stock Exchange of Mauritius Ltd

During the years ended 30 June 2019, 30 June 2018 and 30 June 2017, we have not been an associate, as defined in the Listing Rules, of any directors or shareholders holding more that 5% of the shares issued by United Docks Ltd.

We are the auditors the subsidiaries of United Docks Ltd.

ERNST & YOUNG
Ebène, Mauritius

DARYL CSIZMADIA, C.A. (S.A)
Licensed by FRC

Date: 5 DEC 2019

13.1.1 Audited Statement of Financial Position for FY 2017, FY 2018 & FY 2019

Audited Statement of Financial Position						
	The Group			The Company		
	2019	2018	2017	2019	2018	2017
Amount in MUR						
Assets						
Non-current assets						
Property, plant and equipment	2,134,474	2,276,343	2,494,115	2,134,474	2,276,343	2,494,115
Investment properties	2,228,160,551	2,105,364,330	1,993,178,395	948,534,218	887,935,000	841,750,000
Investment in subsidiaries	-	-	-	50,000	50,000	50,000
Available-for-sale investments	-	256,803,966	257,066,689	-	121,806,060	122,068,783
Financial assets at fair value through other comprehensive income	239,960,997	-	-	104,963,091	-	-
	2,470,256,022	2,364,444,639	2,252,739,199	1,055,681,783	1,012,067,403	966,362,898
Current assets						
Trade and other receivables	22,937,110	22,822,496	29,071,020	1,044,656,466	992,657,060	943,346,808
Cash at bank and on hand	25,608	22,711	29,246	14,647	11,186	15,897
	22,962,718	22,845,207	29,100,266	1,044,671,113	992,668,246	943,362,705
Total Assets	**2,493,218,740**	**2,387,289,846**	**2,281,839,465**	**2,100,352,896**	**2,004,735,649**	**1,909,725,603**
Equity and Liabilities						
Equity						
Stated Capital	105,600,000	105,600,000	105,600,000	105,600,000	105,600,000	105,600,000
Share premium	24,631,914	24,631,914	24,631,914	24,631,914	24,631,914	24,631,914
Other reserves	84,790,096	101,633,065	101,895,788	84,790,096	101,633,065	101,895,788
Retained earnings	1,856,514,998	1,844,196,672	1,817,943,303	1,463,770,995	1,471,575,591	1,455,762,555
Total Equity	**2,071,537,008**	**2,076,061,651**	**2,050,071,005**	**1,678,793,005**	**1,703,440,570**	**1,687,890,257**
Liabilities						
Non-current liabilities						
Employee benefits liability	4,422,183	1,754,954	1,380,318	4,422,183	1,754,954	1,380,318
Interest-bearing loans and borrowings	176,936,872	158,145,322	102,883,613	176,936,872	158,145,322	102,883,613
	181,359,055	159,900,276	104,263,931	181,359,055	159,900,276	104,263,931
Current Liabilities						
Trade and other payables	59,468,317	48,513,387	17,935,385	59,346,476	38,580,271	8,002,271
Interest bearing loans and borrowings	179,251,492	101,211,664	107,966,276	179,251,492	101,211,664	107,966,276
Dividend payable	1,602,868	1,602,868	1,602,868	1,602,868	1,602,868	1,602,868
	240,322,677	151,327,919	127,504,529	240,200,836	141,394,803	117,571,415
Total Liabilities	**421,681,732**	**311,228,195**	**231,768,460**	**421,559,891**	**301,295,079**	**221,835,346**
Total Equity and Liabilities	**2,493,218,740**	**2,387,289,846**	**2,281,839,465**	**2,100,352,896**	**2,004,735,649**	**1,909,725,603**

13.1.2 Audited Statement of Profit or Loss and Other Comprehensive Income for FY 2017, FY 2018 & FY 2019

Audited Statement of Profit or Loss and Other Comprehensive Income						
	The Group			The Company		
	2019	2018	2017	2019	2018	2017
Amount in MUR						
Revenue	55,879,536	31,390,717	35,678,749	55,879,536	31,390,717	35,678,749
Other income	29,291	748,214	467,664	29,291	748,214	467,664
Operating expenses	(70,292,567)	(26,345,105)	(28,344,355)	(56,938,552)	(26,108,530)	(28,129,166)
Operating (loss)/profit	(14,383,740)	5,793,826	7,802,058	(1,029,725)	6,030,401	8,017,247
Net gain in fair value of investment properties	50,698,178	35,267,407	91,643,223	17,221,241	24,590,499	57,891,315
Finance costs	(19,884,445)	(14,876,355)	(11,274,454)	(19,884,445)	(14,876,355)	(11,274,454)
Profit/(loss) before tax	16,429,993	26,184,878	88,170,827	(3,692,929)	15,744,545	54,634,108
Income Tax expense	-	-	-	-	-	-
Profit/(loss) for the year	**16,429,993**	**26,184,878**	**88,170,827**	**(3,692,929)**	**15,744,545**	**54,634,108**
Other comprehensive income						
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):						
Net (loss)/gain in fair value of available-for-sale investments	-	(262,723)	434,912	-	(262,723)	434,912
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	-	(262,723)	434,912	-	(262,723)	434,912
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:						
Net loss on financial assets at fair value through other comprehensive income	(16,842,969)	-	-	(16,842,969)	-	-
Re-measurement gain/(loss) on defined benefit plans	(1,988,065)	68,491	166,102	(1,988,065)	68,491	166,102
Net other comprehensive income not being reclassified to profit or loss in subsequent periods	(18,831,034)	68,491	166,102	(18,831,034)	68,491	166,102
Other comprehensive income/(loss), net of tax	(18,831,034)	(194,232)	601,014	(18,831,034)	(194,232)	601,014
Total comprehensive income, net of tax	**(2,401,041)**	**25,990,646**	**88,771,841**	**(22,523,963)**	**15,550,313**	**55,235,122**
Earnings / (loss) per share (Basic and diluted)	1.56	2.48	8.35	(0.35)	1.49	5.17

13.1.3 Audited Statement of Changes in Equity for FY 2017, FY 2018 & FY 2019

Audited Statement of Changes in Equity for the Group					
	Stated capital	Share premium	Other reserves	Retained earnings	Total equity
Amount in MUR					
As at July 1 2018	105,600,000	24,631,914	101,633,065	1,844,196,672	2,076,061,651
Impact on adoption of IFRS 9	-	-	-	(2,123,602)	(2,123,602)
As at July 1 2018 (restated)	105,600,000	24,631,914	101,633,065	1,842,073,070	2,073,938,049
Other comprehensive loss for the year	-	-	(16,842,969)	(1,988,065)	(18,831,034)
Profit for the year	-	-	-	16,429,993	16,429,993
Total comprehensive (loss)/income for the year, net of tax	-	-	(16,842,969)	14,441,928	(2,401,041)
As at June 30 2019	**105,600,000**	**24,631,914**	**84,790,096**	**1,856,514,998**	**2,071,537,008**
As at July 1 2017	105,600,000	24,631,914	101,895,788	1,817,943,303	2,050,071,005
Other comprehensive (loss)/income for the year	-	-	(262,723)	68,491	(194,232)
Profit for the year	-	-	-	26,184,878	26,184,878
Total comprehensive (loss)/income for the year, net of tax	-	-	(262,723)	26,253,369	25,990,646
As at June 30 2018	**105,600,000**	**24,631,914**	**101,633,065**	**1,844,196,672**	**2,076,061,651**
As at July 1 2016	105,600,000	24,631,914	101,460,876	1,729,606,374	1,961,299,164
Other comprehensive income for the year	-	-	434,912	166,102	601,014
Profit for the year	-	-	-	88,170,827	88,170,827
Total comprehensive income for the year, net of tax	-	-	434,912	88,336,929	88,771,841
As at June 30 2017	**105,600,000**	**24,631,914**	**101,895,788**	**1,817,943,303**	**2,050,071,005**

Audited Statement of Changes in Equity for the Company					
	Stated capital	Share premium	Other reserves	Retained earnings	Total equity
Amount in MUR					
As at July 1 2018	105,600,000	24,631,914	101,633,065	1,471,575,591	1,703,440,570
Impact on adoption of IFRS 9	-	-	-	(2,123,602)	(2,123,602)
As at July 1 2018 (restated)	105,600,000	24,631,914	101,633,065	1,469,451,989	1,701,316,968
Other comprehensive loss for the year	-	-	(16,842,969)	(1,988,065)	(18,831,034)
Loss for the year	-	-	-	(3,692,929)	(3,692,929)
Total comprehensive loss for the year, net of tax	-	-	(16,842,969)	(5,680,994)	(22,523,963)
As at June 30 2019	**105,600,000**	**24,631,914**	**84,790,096**	**1,463,770,995**	**1,678,793,005**
As at July 1 2017	105,600,000	24,631,914	101,895,788	1,455,762,555	1,687,890,257
Other comprehensive (loss)/income for the year	-	-	(262,723)	68,491	(194,232)
Profit for the year	-	-	-	15,744,545	15,744,545
Total comprehensive (loss)/income for the year, net of tax	-	-	(262,723)	15,813,036	15,550,313
As at June 30 2018	**105,600,000**	**24,631,914**	**101,633,065**	**1,471,575,591**	**1,703,440,570**
As at July 1 2016	105,600,000	24,631,914	101,460,876	1,400,962,345	1,632,655,135
Other comprehensive income for the year	-	-	434,912	166,102	601,014
Profit for the year	-	-	-	54,634,108	54,634,108
Total comprehensive income for the year, net of tax	-	-	434,912	54,800,210	55,235,122
As at June 30 2017	**105,600,000**	**24,631,914**	**101,895,788**	**1,455,762,555**	**1,687,890,257**

13.1.4 Audited Statement of Cash Flows for FY 2017, FY 2018 & FY 2019

Audited Statement of Cash flows	The Group			The Company		
	2019	2018	2017	2019	2018	2017
Amount in MUR						
Operating activities						
Adjustments for:						
Profit/(loss) before tax	16,429,993	26,184,878	88,170,827	(3,692,929)	15,744,545	54,634,108
Adjustments for:						
Depreciation of property, plant and equipment	489,610	544,960	618,002	489,610	544,960	618,002
Profit on disposal of property, plant and equipment			(6,957)			(6,957)
Defined benefit plan	679,164	443,127	287,897	679,164	443,127	287,897
Finance cost	19,884,445	14,876,355	11,274,454	19,884,445	14,876,355	11,274,454
Dividend income	(14,537,600)	(760,000)	(16,131,091)	(14,537,600)	(760,000)	(16,131,091)
Expected credit losses	24,467			24,467		
Increase in fair value of investment properties	(50,698,178)	(35,267,407)	(91,643,223)	(17,221,241)	(24,590,499)	(57,891,315)
	(27,728,099)	6,021,913	(7,430,091)	(14,374,084)	6,258,488	(7,214,902)
Working capital adjustments:						
Decrease in trade and other receivables	10,937,317	(9,264,849)	(6,035,819)	(40,947,474)	(64,823,625)	(46,975,013)
Increase in trade and other payables	10,954,930	30,578,002	14,398,569	20,766,204	30,578,000	4,598,305
	(5,835,852)	27,335,066	932,659	(34,555,354)	(27,987,137)	(49,591,610)
Income tax refund		528,284	885,641		528,284	885,641
Net cash flows generated/(used in) from operating activities	**(5,835,852)**	**27,863,350**	**1,818,300**	**(34,555,354)**	**(27,458,853)**	**(48,705,969)**
Investing activities						
Additions to investment properties	(72,098,043)	(76,918,528)	(50,520,508)	(43,377,977)	(21,594,501)	
Acquisition of property, plant and equipment	(347,741)	(327,188)	(672,281)	(347,741)	(327,188)	(672,281)
Dividend received	1,337,600	15,745,090	1,146,001	1,337,600	15,745,090	1,146,001
Proceeds from disposal of property, plant and equipment			6,957			6,957
Net cash flows used in investing	**(71,108,184)**	**(61,500,626)**	**(50,039,831)**	**(42,388,118)**	**(6,176,599)**	**480,677**
Financing activities						
Proceeds from borrowings	87,294,985	62,493,257	84,212,522	87,294,985	62,493,257	84,212,522
Repayment of loans	(8,354,142)	(12,252,033)	(9,987,468)	(8,354,142)	(12,252,033)	(9,987,468)
Repayment of finance lease liability		(74,776)	(188,084)		(74,776)	(188,084)
Interest paid	(19,884,445)	(14,876,355)	(11,274,454)	(19,884,445)	(14,876,355)	(11,274,454)
Net cash flows generated from financing activities	**59,056,398**	**35,290,093**	**62,762,516**	**59,056,398**	**35,290,093**	**62,762,516**
Net (decrease)/increase in cash and cash equivalents	**(17,887,638)**	**1,652,817**	**14,540,985**	**(17,887,074)**	**1,654,641**	**14,537,224**
At July 1	(94,300,424)	(95,953,241)	(110,494,226)	(94,311,949)	(95,966,590)	(110,503,814)
At June 30	**(112,188,062)**	**(94,300,424)**	**(95,953,241)**	**(112,199,023)**	**(94,311,949)**	**(95,966,590)**

13.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of the Summary Consolidated Financial Statements

The summary consolidated financial statements set out below are prepared in pursuance with the requirements of the Listing Rules of the Stock Exchange of Mauritius Ltd. The Directors considered that the presentation of the consolidated statements of financial position, statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows are appropriate.

The summary consolidated financial statements do not include all the information required by IFRS for full financial statements and are not a substitute for the full financial statements from which they have been extracted. The accounting policies applied in the preparation of the full financial statements, from which the summary consolidated financial statements were derived, are in terms of IFRS.

The summary consolidated financial statements are themselves not audited, but are extracted from audited information. The directors take full responsibility for the preparation of summary consolidated financial statements and the correct extraction of financial information from the underlying audited financial statements.

Basis of consolidation

The financial statements comprise the financial statements of UDL and its subsidiaries as at 30 June 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

• Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

• Exposure, or rights, to variable returns from its involvement with the investee, and

• The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

• The contractual arrangement with the other vote holders of the investee

• Rights arising from other contractual arrangements

• The Group’s voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are consolidated from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

• Derecognises the assets (including goodwill) and liabilities of the subsidiary;

• Derecognises the carrying amount of any non-controlling interests;

• Derecognises the cumulative translation differences recorded in equity;

• Recognises the fair value of the consideration received;

• Recognises the fair value of any investment retained;

• Recognises any surplus or deficit in profit or loss; and

• Reclassifies the parent's share of components previously recognised in OCI to profit or loss, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Property, plant and equipment

Property, plant and equipment is recorded at cost net of accumulated depreciation and accumulated impairment losses, if any. Such costs include the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognised in profit or loss as incurred.

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date or when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of property, plant and equipment and any significant part initially recognised, is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in profit or loss when the asset is derecognised.

Depreciation is calculated on the straight line method to write off the cost of each asset to their residual values over their estimated useful lives. The useful life, residual value and method of depreciation of an item of property, plant and equipment is reviewed at each financial year end and adjusted prospectively if appropriate. The annual rates of depreciation are as follows:

Improvement to buildings -1% - 10%

Furniture and office equipment -7.5% - 20%

Motor vehicles - 20%

Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in fair value of investment properties are included in profit or loss in the year in which they arise, including the corresponding tax effect. Fair values are determined based on evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee ("IVSC").

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

No assets held under operating lease have been classified as investment property.

Investments in subsidiaries

In the Company's separate financial statements investments in subsidiary companies are carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investments. The impairment loss is taken to profit or loss.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets – policy as from 1 July 2018

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon de-recognition (equity instruments); and
- Financial assets at fair value through profit or loss.

Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost includes trade and other receivables and cash and cash equivalents.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its listed and non-listed equity investments under this category.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognized (i.e., removed from the Group's statements of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the

Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in three stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For lease receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities - policy as from 1 July 2018

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group’s financial liabilities include trade and other payables and interest-bearing loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Financial assets – policy prior to 1 July 2018

Initial recognition and measurement

Financial assets are classified at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale investments or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include cash and cash equivalents, trade and other receivables, and unquoted financial instruments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described below:

Available-for-sale financial assets

Available-for-sale financial investments consist of equity investments. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss.

After initial recognition available-for sale financial assets are subsequently measured at fair value with unrealised gains or losses being recognised as other comprehensive income in the available for sale reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired at which time the cumulative gain or loss previously reported in other comprehensive income is recycled to profit or loss in operating expenses.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in profit or loss.

Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of provision is recognised in profit or loss.

Financial liabilities – policy prior to 1 July 2018

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings. The Group determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognised initially at fair value and in case of loans and borrowings, directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, dividend payable, bank overdraft and loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification as described below:

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process. Amortised cost is calculated taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance cost in profit or loss.

De-recognition of financial assets and liabilities

Financial assets

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

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognised an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets – policy prior to 1 July 2018

The Group assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired as a result of one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Available-for-sale financial assets

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of comprehensive income – is removed from other comprehensive income and recognised in profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised directly in other comprehensive income.

Financial asset at amortised cost

For financial assets at amortised cost, the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment for impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income (recorded as finance income in profit or loss continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other income in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations are recognised in profit or loss in expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less. Cash and cash equivalents are measured at amortised cost.

For the purpose of the consolidated statements of cash flows, cash and cash equivalents consist of cash and short term deposits with deposits with a maturity of three months or less as defined above, net of outstanding bank overdrafts.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Employee benefit liabilities

Defined benefits schemes

The Group operates a defined benefit plan for some of its employees. The cost of providing benefits is determined using the projected unit credit method, so as to spread the regular cost over the service lives of employees in accordance with the advice of (qualified) actuaries who carry out a full valuation of plans every year.

Re-measurements, comprising of actuarial gains and losses and the effect of the asset ceiling, excluding net interest are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under ‘employee benefit expense’ in consolidated statement of profit or loss (by function):

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements;
- Net interest expense or income.

Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group operates a defined contribution retirement benefit plan for all qualifying employees (and their dependents).

Payments to defined contribution retirement plans are charged as an expense as they fall due.

Retirement Gratuity

For employees who are not covered by the above pension plans, the net present value of Retirement Gratuity payable under the Employment Rights Act 2008 is determined and valued by the actuary and provided for. The obligations arising under this item are not funded. Actuarial gains or losses are recognised using the same policy as for a defined benefit scheme.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in profit and loss. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and it establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit, nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled, and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- When the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value added tax

Revenues, expenses and assets are recognised net of the amount of value added tax except:

- When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- When receivables and payables are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Corporate Social Responsibility

In line with the definition within the Income Tax Act 1995, Corporate Social Responsibility (CSR) is regarded as a tax and is therefore subsumed with the income tax shown within the statement of comprehensive income and the income tax liability on the statement of financial position.

The CSR charge for the current period is measured at the amount expected to be paid to the Mauritian tax authorities. The CSR rate and laws used to compute the amount are those charged or substantively enacted by the reporting date.

Revenue recognition under IAS 18

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured regardless of when the payment is being made. Revenue is recognised at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group has concluded that it is acting as a principal in all of its revenue arrangements.

The following specific criteria must also be met:

- Rental Income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

- Dividend from investment

Dividend income is recognised when the Group's right to receive payment is established.

Lease

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as lessee

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in profit or loss.

A leased asset is depreciated over the useful life of the asset. However, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Group as lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Segmental reporting

The Group presents segmented information using business segments and also present geographical segments. This is based on the internal management and financial reporting systems and reflects the risks and earnings structure of the Group.

Management monitors the operating results for its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

External valuers have been involved for valuation of significant assets, such as land and buildings in the current year. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group decides, after discussions with their external valuers, which valuation techniques and inputs to use for each case.

Acquisition of entities under common control

The Group uses the pooling of interests method for the amalgamation of subsidiaries. All assets and liabilities are transferred at their carrying values. No restatement of financial information in the consolidated financial statements for the periods prior to the combination under common control. The group will consistently apply its chosen accounting policy to account for acquisitions of entities under common control.