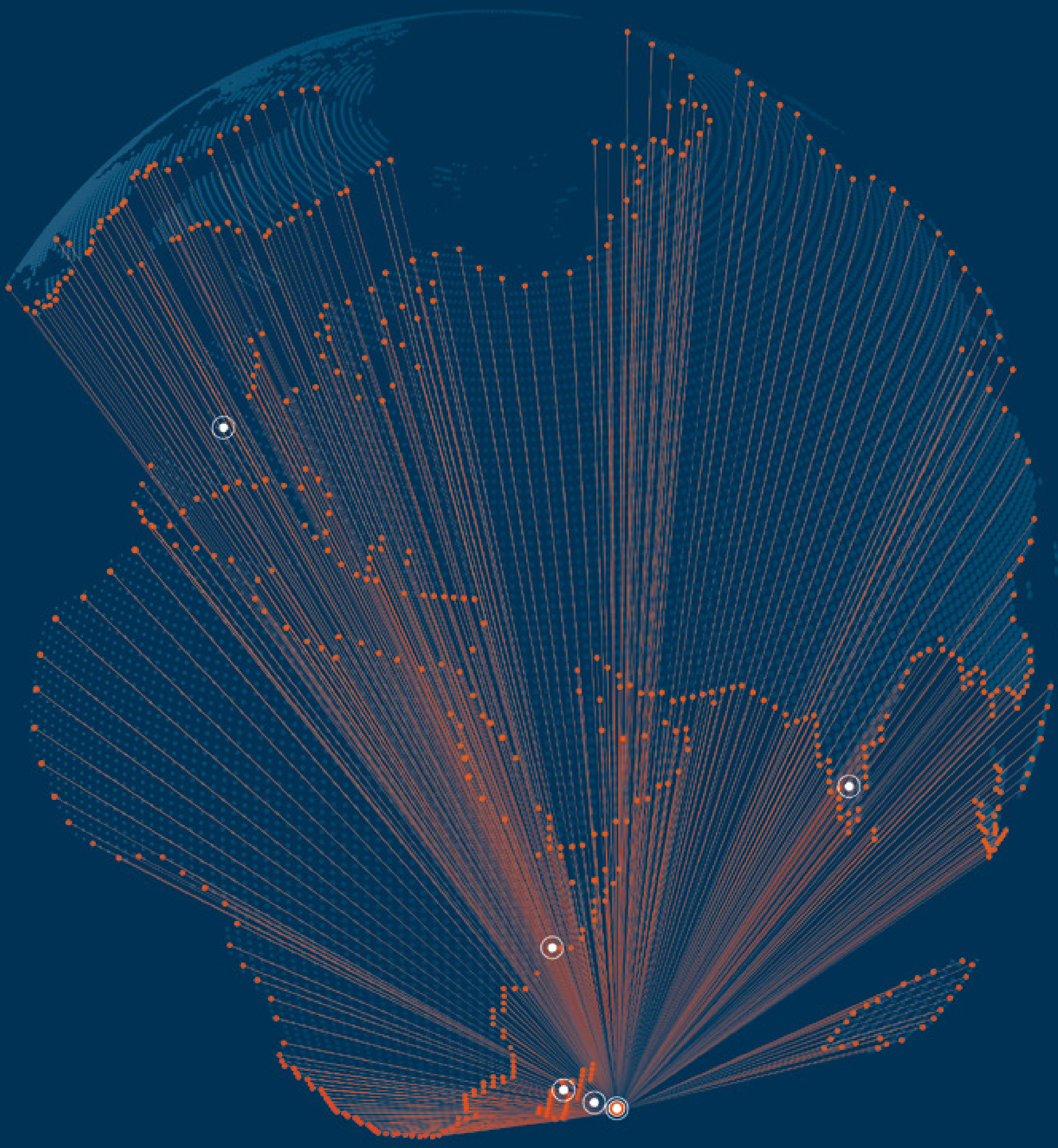
INTEGRATED REPORT 2023

Expanding horizons, Inspiring growth



Rogers Logistics

VELOGIC
Trade it easy

Expanding horizons, inspiring growth

In a world of ever-growing goods exchanges, Velogic stands at the forefront, dedicated to bridging distances between bustling cities and distant shores — making trade easier and more accessible. Through our 60-year strong expertise and global network of partners, we offer limitless opportunities for our clients to explore untapped markets and thrive to new heights.

The artistry of string art used across this report brings Velogic's mission to life. The intricate string patterns visually represent how Velogic seamlessly navigates the complex network of supply chains, weaving and intertwining businesses worldwide. The strings depict the efficient flow of goods and information across destinations, where precision, agility and collaboration converge to make international trade flourish.

Dear Shareholder,

Your Board of Directors is proud to share the Integrated Report of Velogic Holding Company Limited for the year ending on 30 June 2023.

The report was approved by the Board on 28 September 2023.

We would like to invite you to the Annual Meeting of Shareholders of the Company on:

Date: 15 November 2023

at: 11:30 AM, Le Sirius, Labourdonnais Waterfront Hotel, Le Caudan Waterfront, Caudan, Port Louis

We are looking forward to your presence at the meeting.

Sincerely,

Philippe Espitalier-Noël
Chairman

Nayendranath Nunkoo
Chief Executive Officer

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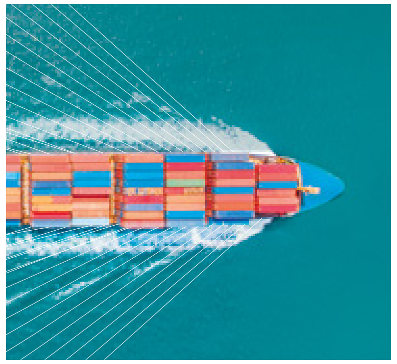

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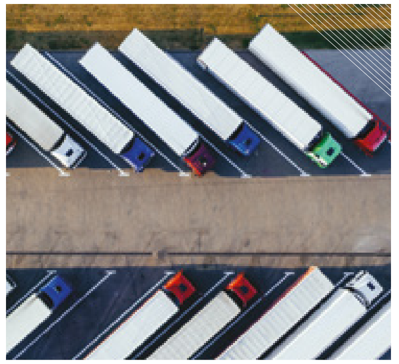

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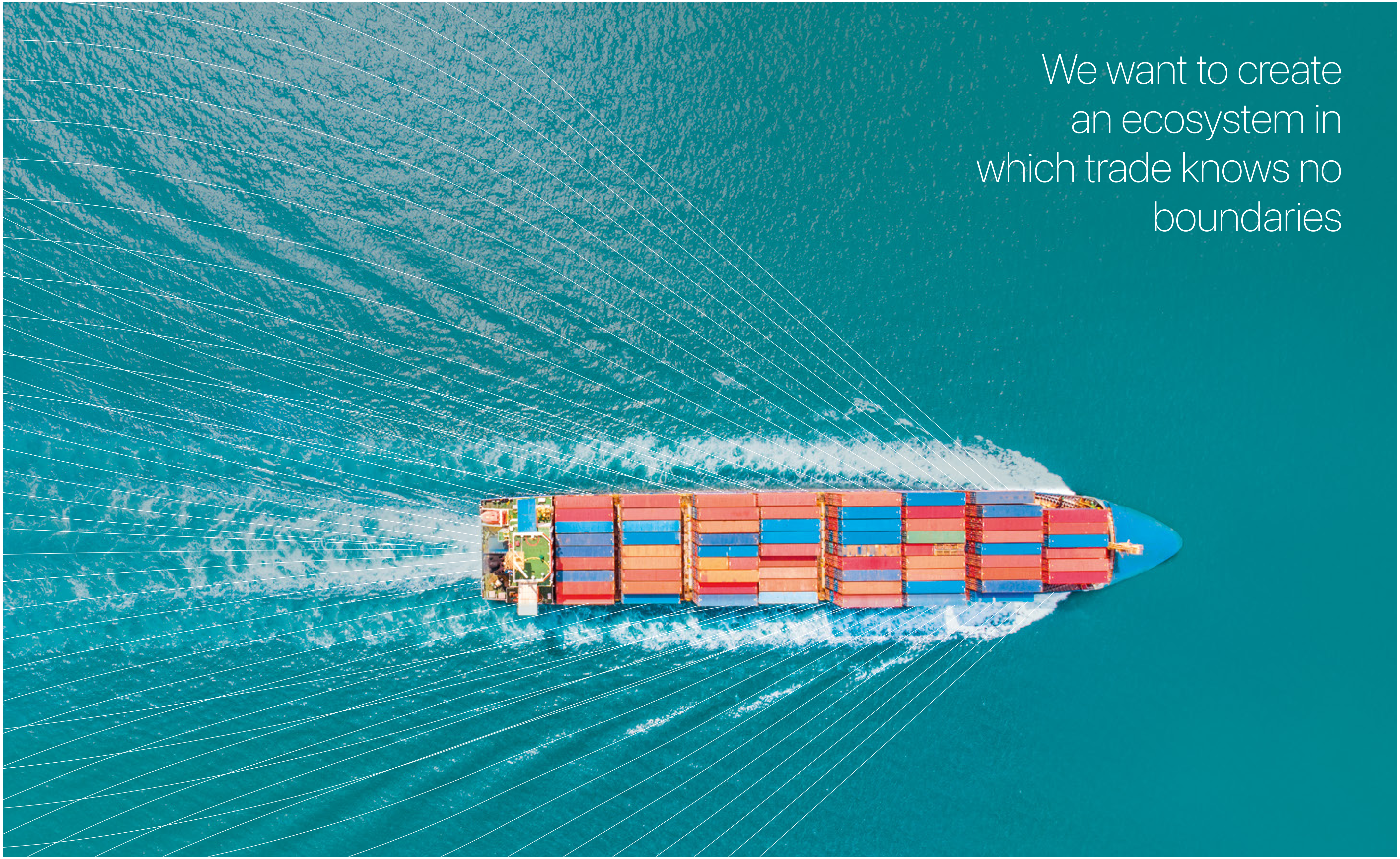

We want to create an ecosystem in which trade knows no boundaries

Reporting Principles

Towards Integrated Reporting

This Annual Report serves as a comprehensive disclosure for our esteemed shareholders, encompassing the intricacies of Velogic's business model, strategic direction, operational framework, performance metrics, risk mitigation strategies, corporate governance protocols, and financial metrics for the fiscal year culminating on June 30, 2023.

Board Responsibility Statement

The Board of Directors of Velogic acknowledges and embraces its paramount responsibility in upholding the integrity of this integrated report. Drawing upon our collective acumen, Board asserts that this comprehensive report meticulously addresses all pivotal concerns, portraying a harmonious perspective of our strategic pursuits and their resonance with the organisation's ability to foster value. The report adequately tackles the use and effects of our diverse capitals to influence Velogic's strategy and business paradigm.

Forward-Looking Statements

This integrated report may contain forward-looking declarations. Words such as 'believe,' 'endeavour,' 'may,' 'expect,' 'anticipate,' 'aspire,' and analogous terminologies are intended to earmark such anticipatory statements. Nonetheless, these terminologies do not exclusively delineate such assertions. While these forward-looking statements encapsulate our expectations, they remain subject to an array of risks, uncertainties, and other important factors that might diverge the actual evolution and outcomes from our expectations.

Frameworks, Standards and Principles

This report diligently adheres to the comprehensive integrated reporting framework set forth by the IIRC (International Integrated Reporting Council), encompassing the GRI (Global Reporting Initiative) benchmarks and fundamental alternatives, intertwined with all pertinent regulatory requisites. The GRI standards epitomise the pioneering global benchmarks for the domain of sustainability reporting, effectively fostering the articulation of organisations' influences on pressing issues like climate change, human rights and corruption.

This report, therefore, follows all four principles of GRI Standards, namely Stakeholder Inclusiveness, Sustainability Context, Materiality and Completeness.

The quality of the report is ensured by following the principles of Accuracy, Balance, Clarity, Comparability, Reliability and Timeliness.

Feedback

Your feedback is important to us and will help us enhance our reporting processes and ensure that we report on issues that matter to you. We encourage you to write to us at investors@velogic-mu.com with your insights, suggestions and recommendations to improve our reporting.

Integrated Reporting

This comprehensive report follows the essence of integrated reporting, where we spotlight the diverse capitals pivotal to our endeavours, facilitating the overall understanding of the Company.

The following capitals have been reported:

- Social and Relationship Capital
- Intellectual Capital
- Human Capital
- Natural Capital
- Financial and Manufactured Capital (elaborated extensively in the CFO's Report)

This integrated report also contains the following:

- A Risk Management Report, providing our holistic Risk Management Framework and an intricate scrutiny of our strategic, financial, operational and compliance risks.
- A Corporate Governance Report, describing the Corporate Governance structure, committees, board performances, compensation strategies, and other matters relevant to sound corporate governance practices.
- Group Annual Financial Statements (a detailed set of Audited Group Financial Statements).
- The Notice of Annual Meeting of Shareholders, together with a proxy form, corporate resolutions, and pertinent guidelines to enable our shareholders' active involvement in the annual meeting of shareholders

This report represents a thorough account of our organisation's environmental and social performance, diligently crafted in alignment with the GRI standards It is also driven by the United Nations Sustainable Development Goals (SDGs), which help to identify how our business influences the economy, environment and society.

Our Capitals

- Natural capital
- Intellectual capital
- Financial capital
- Social & relationship capital
- Manufactured capital
- Human capital

Glossary of terms

AML/CFT	Anti-Money Laundering/Combating the Financing of Terrorism
AMS	Annual Meeting of Shareholders
BCG	Boston Consulting Group
bn	Billion
BRC	British Retail Consortium
BSc	Bachelor of Sciences
BTS	Brevet de technicien supérieur
BU	Business Unit
CEB	Central Electricity Board
CEO	Chief Executive Officer
CFA	Chartered Financial Analyst
CFS	Container Freight Station
CGC	Corporate Governance Committee
CIMA	Chartered Institute of Management
CNIS	Carbon Neutral Industrial Sector
CO_2	Carbon Dioxide
CSR	Corporate Social responsibility
DEM	Development & Enterprise Market
DESS	Diplôme d'études supérieures spécialisées
DPS	Dividend per Share
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ED	Executive Director
EPS	Earnings Per Share
ESG	Environmental, Social, and Governance
FCA	Fellow of the Institute of Chartered Accountants
FCCA	Fellow of the Association of Chartered Certified Accountants
FCIM	Fellow of the Chartered Institute of Marketing
FCL	Full Container Load
FVOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
FY	Financial Year
g	Gram
GBP	British pound sterling
GOH	Garments on Hangers
GRI	Global Reporting Initiative
GWAS	Government Wage Assistance Scheme
ha	hectare
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IATA	International Air Transport Association
ICSA	Institute of Chartered Secretaries and Administrators
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standard
IIA	Institute of Internal Auditors
IIRC	International Integrated Reporting Council
INED	Independent Non-Executive Director
IPPF	International Professional Practices Framework
ISO	International Organization for Standardization
JEC	Joint Economic Council
K TEU	1,000 TEUs
kg	Kilogram
KPI	Key Performance Indicator
LCL	Less than Container Load
LNA	Learning Needs Analysis
Ltd	Limited
M or m	Millions
M&A	Mergers and acquisitions
MCCI	Mauritius Chamber of Commerce and Industry
MDP	Management Development Programme
MLRO	Money Laundering Reporting Officer
MQA	Mauritius Qualifications Authority
MSc	Masters of Sciences
MUR	Mauritian Rupees
NAV	Net Asset Value
NAVPS	Net Asset Value Per Share
NED	Non-Executive Director
NGO	Non-governmental organization
OCI	Other comprehensive income
OECD	Organization for Economic Cooperation and Development
Oprs	Operatives
PAT	Profit After Taxation
PIE	Public Interest Entity
PV	Photovoltaic
RIDS	Rogers International Distribution Services
RISE	Relationship Influence Service Excellence
RMAC	Risk Management and Audit Committee
ROA	Return on Asset
ROE	Return on Equity
Rs	Mauritian Rupees
SAS	Société par actions simplifiée
SDGs	Sustainable Development Goals
SEM	Stock Exchange of Mauritius
SIC	Sustainability and Inclusiveness Committee
TEU	Twenty-foot Equivalent Unit - standard unit for counting containers and for describing the capacity of container ships or terminals. One 20 foot container equals to 1 TEU. One 40 foot container equals to 2 TEUs
UK	United Kingdom
UPS	United Parcel Service
USA	United States of America
USP	Unique Selling Proposition
WMS	Warehouse Management System

About Velogic

Guided by its purpose to Make Trade Easy, Velogic has been committed to simplifying the complexities of international trade and logistics for nearly 60 years. From its beginnings as Rogers Group's freight forwarding arm in 1964, Velogic has progressively grown into a one-stop-shop logistics solutions provider and became the first international logistics player to be listed on the Development & Enterprise Market of Mauritius in 2021.

Headquartered in Mauritius, Velogic operates 42 offices strategically located in major cities in Mauritius, Reunion, Madagascar, India, Kenya and France. It offers clients fully-integrated services, from origin to destination, encompassing Cross-Border Logistics, Landside Logistics and Packing & Shipping activities. Through a proactive and strong customer-centric philosophy, and backed by a global network of over 300 agents and partners, Velogic addresses the most complex needs of customers worldwide, spanning diverse sectors of economic activity. Its holistic approach ensures that clients rely on a single source for all their logistical needs, making Velogic a preferred partner for businesses looking to trade seamlessly across borders.

Drawing on its in-depth expertise and track record of consistently delivering solid financial performances, Velogic has expanded its operations into new markets in the Indian Ocean and beyond through an ambitious growth strategy, positioning itself as a leader in its industry in Mauritius and an important logistics player on the regional stage.

42
Offices

+300
Agents across the world

6
Territories

INDIA: 13

New Delhi
Mumbai
Chennai
Tirupur
Tuticorin
Bangalore
Nhava Sheva
Ahmedabad
Hyderabad
Kolkata
Kanpur
Gandhidham
Pune

KENYA: 3

Nairobi
Mombasa
Rongai

MADAGASCAR: 9

Antananarivo (3)
Antsirabe
Toamasina
Mahajanga
Fort Dauphin
Toliara
Sambava

REUNION: 2

Le Port
Sainte Marie

MAURITIUS: 11

Mer Rouge (3)
Plaisance (2)
Riche Terre (4)
Rodrigues (2)

FRANCE: 4

Paris (Roissy)
Dunkirk
Lille
Lyon

Certifications and industry standards*

International Air Transport Association

International Federation of Freight Forwarders Associations

Authorized Economic Operator France

AJA Europe™
ISO 9001-2015, 14001-2015 and 45001-2018

* Certifications are country specific

Vision & Mission

To be the regional logistics leader enabling trade sustainably.

Our Purpose Statement

Our purpose is to make trade easy by enabling our clients to get the best possible logistics solutions, providing them proactively with relevant information and helping them to grow their business. Together, we make it happen for our success and growth.

Agility

Our ability to anticipate and adapt to changes by finding the right solutions

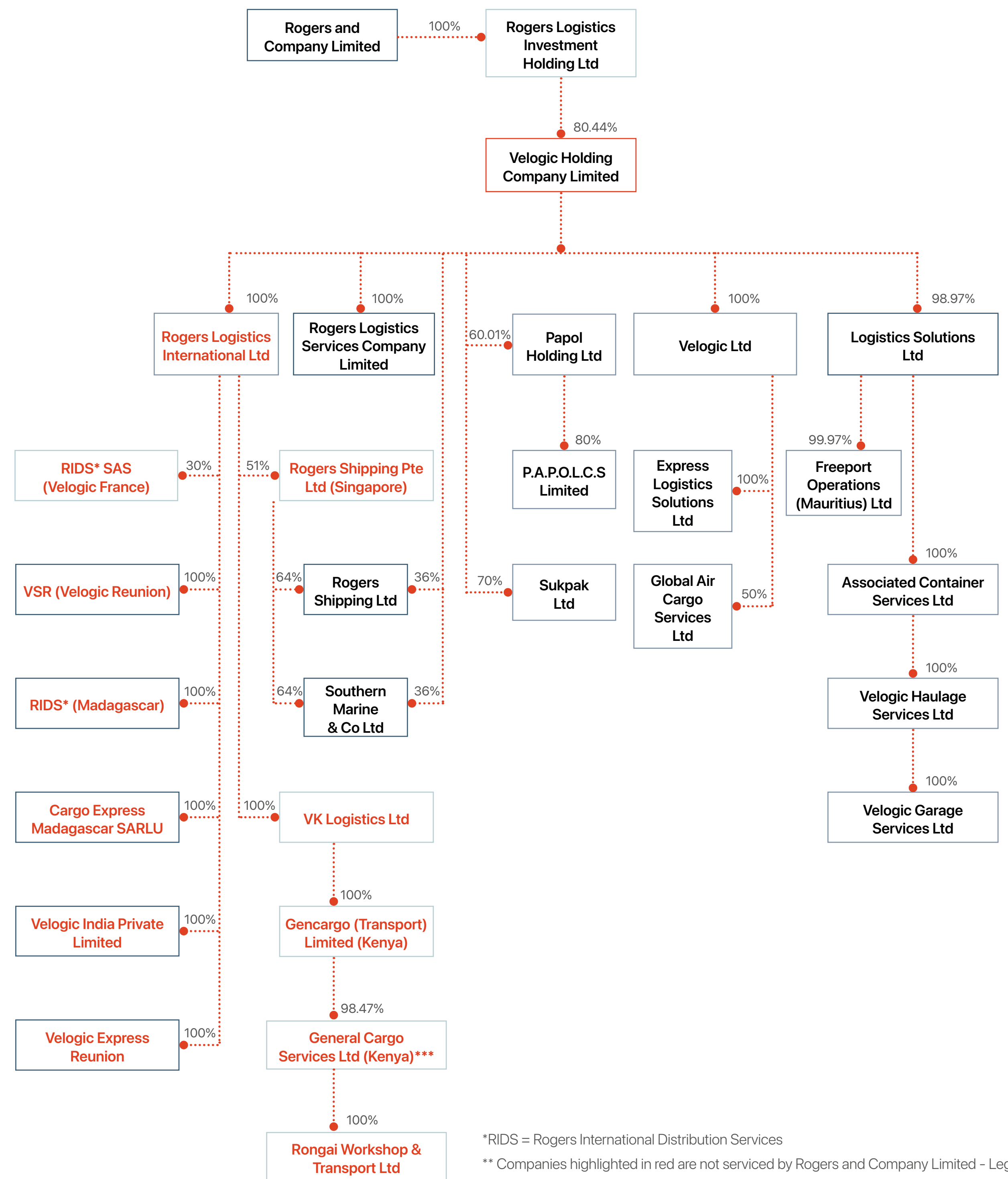
Customer-Centricity

Our commitment to keep creating value for our customers.

Team Spirit

Our drive to unite and collaborate towards shared goals.

Shareholding structure



*RIDS = Rogers International Distribution Services

** Companies highlighted in red are not serviced by Rogers and Company Limited - Legal

***Mehul Bhatt holds 1.53% of the shareholding of Gencargo Services Ltd (Kenya)

Velogic in numbers

60 Years
of experience in the logistics industry

6 Territories

1,500 Professionals
driven by a strong customer focus

42 Own Offices
Worldwide

Performance
for the year ended 30 June 2023

FINANCIAL **

**Revenue (MUR)
3,378 m
vs 3,658 m
▼ -8%

EBITDA (MUR)
514 m
vs 481 m
▲ 7%

***PAT (MUR)
222 m
vs 191 m
▲ 16%

Net cashflow from operating activities (MUR)
394 m
vs MUR 352 m
▲ 18%

NAVPS (MUR)
18.88
vs MUR 17.58
▲ 7%

Dividend (MUR)
112 m
vs 67 m
▲ +67.16%

OPERATIONAL*

Cross-Border Logistics

Air Freight (Tons)	Sea Freight (TEUs)	Express Courier (No. of shipments)
3,994	10,321	106,287
Jun 22: 4,791	Jun 22: 9,585	Jun 22: 118,574

Landside Logistics

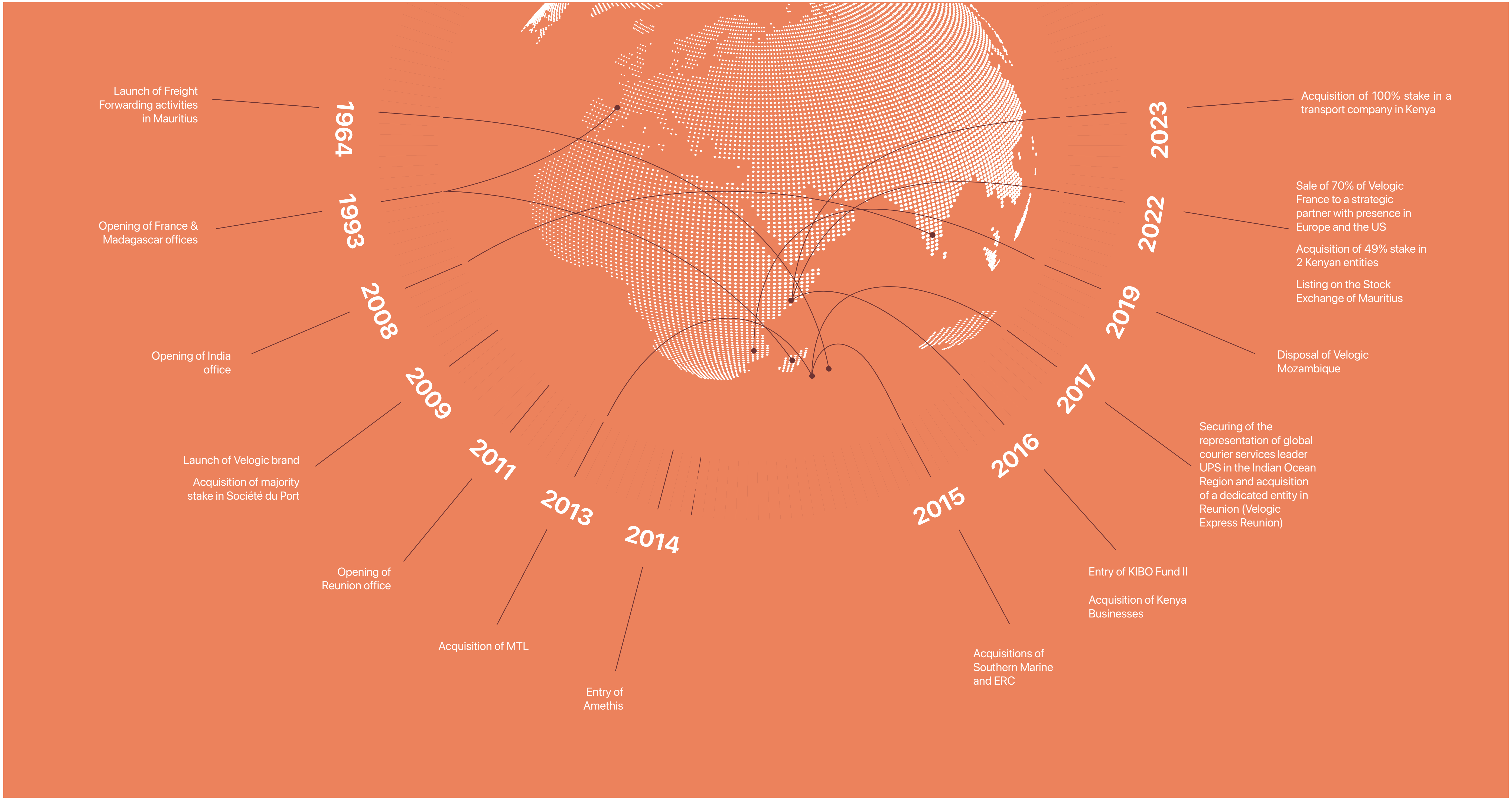
Container Storage (K TEU Days)	Container Transport (No. of Trips)	Sugar Transportation (Tons)
389	79,007	449,029
Jun 22: 722	Jun 22: 71,817	Jun 2022: 479,947

Packing

Sugar Packing (Tons)
6,365
Jun 22: 7,712

* Cross-border logistics covers freight forwarding, customs brokerage and courier services. Landside logistics covers road haulage, warehousing and container depot activities.
** Financial and operational KPIs relate to continuing operations only.
*** PAT is the Profit After Taxation from Continuing Operations before gain on business combinations.

Track record & key milestones



A one-stop shop offer, from origin to destination

Velogic addresses the unique needs of its customers by offering fully-integrated logistics services, from the point of origin all the way to the final destination. We skilfully manage the movement of goods by offering solutions that cover three segments:

We leverage our USPs and specialised capabilities in **Service Excellence, Technology, Relationships & Brands** and **Sustainability** to offer the most cost-effective, tailor-made and seamless experience, aimed at helping our clients grow their existing markets, tap into new ones and realise their growth ambitions.

Our Brands

Velogic has a strong reputation and a powerful brand. This is supported by a portfolio of strong brands to conduct its cross border, landside and shipping & packing activities.

Origin services

Management of the whole range of activities at source, prior to the shipment departing the point of origin

- Vendor pick-up
- Transport
- Container services
- Warehousing
- Consolidation (air, sea and road)
- Customs declaration

Freight forwarding

Coordination and shipment of goods by air, sea and road freight forwarding for both inbound and outbound traffic

- Booking of space
- Documentation
- Tracking

Destination services

Management of the whole range of activities at destination, including delivery to end customer

- Customs brokerage
- Warehousing
- Deconsolidation (air, sea and road)
- Transport
- Customer delivery

Overview of our sectors of activity

Cross-Border Logistics

Ensuring the end-to-end efficient flow of goods as they pass from country to country

Sea freight

- Full Container Load (FCL)
- Less than Container Load (LCL)
- Consolidation and deconsolidation
- Provision of dry, reefer and open-top containers
- Project cargo
- Full documentation services
- Garments on Hangers (GOH)
- Personal belongings

Air freight

- Consolidation and deconsolidation
- Triangular trade shipments and/or transshipment
- Full documentation services
- Project and general cargo
- Perishables, temperature-controlled and hazardous goods
- Garments on Hangers (GOH)
- Personal belongings and unaccompanied luggage

Brokerage

- Customs Clearance
- Permits Processing
- Application for import and/or export certificates (e.g. AGOA, COMESA, EUR1, etc...)

Express Courier

- Express courier service through UPS (Authorised Service Contractor)

Landside Logistics

Land transportation solutions to ensure the secure movement of any size, shape or quantity

Freeport operations

- Storage and handling (warehousing)
- Cross-docking facilities
- Container Freight Station (CFS)
- Reefer container storage and plugging
- Processing zones

Container services

- Container storage and handling
- Repairs and maintenance
- Container modifications and verifications
- Sales and rentals
- Preparation of containers for 'Food Grade'
- Preparation of containers for Garments on Hangers

Transport and projects

- Transport of containers and bulk
- In-house garage service
- Container handling for Rodrigues

Packing & Shipping

Sophisticated ship agency services to a highly demanding clientele in the maritime industry

Packing (through Sukpak)

- Packaging of sugars for international brands for export.

Shipping (through Rogers Shipping and Southern Marine)

- Ship chartering
- Bulk shipping
- Ship agency services
- Surveys and claims handling
- Maritime security crew transfers
- Specialised logistics operations in association with Grindrod (South Africa)
- Stevedoring (Rodrigues)

USPs

IATA accreditation

Fully-integrated freight forwarder

International logistics platform since **1997**

8.5 ha site at Mer Rouge

Warehouse Management System (WMS)

Diversified in agriculture transport and project logistics

100 years of shipping experience

Certified for food safety by the British Retail Consortium (BRC) and recognised by BRC for our packaging converting unit

Deep dive into our sectors of activity

Cross-Border Logistics

Full Container Load (FCL)

- Container loads in which the entire cargo relates to a single order in a single container

Less than Container Load (LCL)

- Container loads that are filled by multiple orders in a single container

Consolidation

- Combining several small packages or shipments into one big shipment, aiding to lower shipping costs and transit / lead times

Deconsolidation

- Breaking down one big shipment into smaller packages, to be sent to their final destination

Project cargo

- The domestic or international transportation of large, heavy-duty, high value, or complex pieces of equipment.

Full documentation services

- Handling and centralisation of all important logistics documentation (Bill of Ladings, Airway Bills, Customs Declaration, Permits, etc)

Garments on Hangers (GOH)

- Shipment of high-quality garments, through a string or bar system

Personal belongings

- Transportation of personal effects and household goods

Triangular trade and/or cross trade shipments

- Shipment between three parties, three ports or three countries where the first party is neither the origin nor the destination.

Perishables, temperature-controlled and hazardous goods

- The transportation of time and/or temperature sensitive items as well as regulated items, supported by specific know-how

Express Courier

- Delivery of parcels via an express courier network using air transportation

Landside Logistics

Storage and handling (warehousing)

- Overall activities in warehouses and logistics centres, such as loading and unloading cargo, sorting, etc.

Cross-docking facilities

- Unloading materials from a manufacturer or mode of transportation directly to the customer, or another mode of transportation, with no storage in between

Container Freight Station (CFS)

- a station or warehouse where a number goods or products are stored to be shipped together in one or more containers.

Reefer container storage and plugging

- Refrigerated container is fitted with a power plug cable that can be plugged into a vessel, a terminal, or the genset on a truck

Container repairs and maintenance

- All aspects of container care carried out in our in-house workshop (from minor repairs to major overhauls),

Container Modifications

- Transforming containers into houses, offices or storage units. This includes mixing different container sizes to have personalised solutions.

Sales and rentals

- Sales or rental of empty container units

Transport of containers and bulk

- The transportation of goods in large quantities, without packing or packaging, that do not fit in standard size containers

Packing & Shipping

Packaging of unrefined special sugars

- Specialised in the packing of special unrefined sugars into retail packs varying from 250g to 25kg

Ship chartering

- Hiring of shipping vessels for specific voyages

Ship agency services

- Acting as port agent on behalf of owners for vessels calling at a port

Surveys and claims handling

- Careful inspection of the transport, cargo and integrity of the packaging, as well as the handling of claims on the best terms possible

Maritime security crew transfers

- Carrying out crew change for shipping vessels requiring maritime security guards onboard.

Specialised logistics operations in association with Grindrod (South Africa)

- The transportation of a range of non-standard goods, including oversized, heavy weight or project-related cargo

Stevedoring (Rodrigues)

- Loading and offloading cargo from to and/ or from a ship

60 years of paving the way for businesses to connect across continents

Interview with our Chairman

Velogic's regional expansion plans are progressing well, with our overseas operations contributing over 50% to our bottom line.

Philippe Espitalier-Noël
Chairman

What is your assessment of Velogic's performance in FY 2023?

The financial year 2023 was a year of major developments by many standards, whether from a geopolitical perspective for the markets in which Velogic operates, or in terms of the considerable progress made in executing our strategy. I am pleased to share that Velogic sustained the upswing experienced in FY 2022 and achieved commendable results across most markets, further anchoring its presence in Mauritius, and overseas.

Global supply chains have been tested by unique scenarios over the past few years. While port congestion, capacity issues and record-high freight rates were the major challenges plaguing the industry between 2020 and 2022, market conditions made a sharp reversal in early 2023, with global freight rates declining quickly. What began as a problem of scarcity has transformed into a problem of plenty. This comes largely as a result of demand-supply imbalances: a surge in energy prices has contributed to inflation across Europe and the USA, leading to shrinking demand for goods on the back of a high stock level. At the same time, vessel and container capacities are on the rise, creating an oversupply and overcapacity of equipment.

Yet, Velogic ended the financial year with a strong performance and much to be proud of. I see this as a confirmation of three things: first, of the agility of Velogic's teams, who have proven their ability to go beyond formulaic approaches to design new supply chain strategies and solutions for customers; second, that strong relationships with our trusted network agents and service partners are paramount in maintaining organisational flexibility and responding quickly to new circumstances; and third, that the Company's diversified portfolio across service lines, economic sectors and geographies has provided Velogic with diversified exposure and a solid foundation to capture growth opportunities in all its markets.

What value has been created for Velogic's shareholders since the Company's admission on the Development & Enterprise Market (DEM)?

Now in its second year of trading on the DEM, Velogic is well-capitalised and on strong financial footing. This confirms our conviction, and the confidence of our shareholders, in the unique value proposition and capabilities the Company has to offer. This milestone is strengthening our profile towards investors and accelerating the execution of our growth strategy, which as you know is driven by international expansion.

In this context, I am pleased to announce that the quality of our results has enabled us to deliver on our promise to shareholders. Once again, Velogic's performance exceeded the forecasts announced in the Admission Document, enabling us to uphold our tradition of consistently distributing dividends. We declared total dividends of Rs 1.20 per share (up from Rs 0.72 per share in 2022), generating a commendable 5.2% yield on the closing share price.

Adhering to sound financial principles, prudent risk management and a targeted growth strategy has served Velogic well and should continue to generate interesting shareholder returns.

Interview with our Chairman (cont.)

How is Velogic's strategy unfolding? What key achievements were made in laying the groundwork for its ambition?

Velogic's regional expansion plans are progressing well, with our overseas operations contributing over 50% to our bottom line. Two years ago, this contribution was only around 40%. We integrated the acquisition of Rongai Workshop and Transport Limited, a well-reputed road transport company with 75 years of presence in Kenya and expertise in tea transportation. In addition to generating significant economies of scale, this integration is set to deliver further synergies in FY 2024 as Velogic widens its client base and deepens its presence in the region.

Likewise, Madagascar delivered a very strong performance. Velogic Madagascar has set up its ninth office there to support its diversification into sectors beyond the textile industry.

Velogic India was impacted by reduced exports and the decline in freight rates, which opened the door to even more competition. However, our coverage and network are continuing to expand. We opened a new office in Gujarat in a strategic location near Mundra, home to India's largest commercial port and a major economic getaway catering to major cities in the north of the country. With state-of-the-art and all-weather infrastructure, Mundra offers faster cargo evacuation and minimal turnaround times, with a capacity to move more than 8.5 million TEU and accommodate the largest container ships in the world. This milestone marks Velogic's 13th office in India alone, extending our own network to 42 offices worldwide.

Closer to home, in Mauritius, we maintained our leadership position and improved profitability through a combination of growth in the economy and heightened operational efficiency. Our fleet optimisation measures delivered upsides for our Landside Logistics services - which account for around 20% of Velogic's revenues, - offsetting the decline in sugar packaging activities. Velogic Mauritius stands out as a successful model of a streamlined and lean business, where continuous investments in our talents, process re-engineering and digital solutions have enabled it to branch out into every node of the supply chain and offer fully integrated logistics solutions. The objective is to roll out this model in Velogic's foreign subsidiaries to achieve equally cost-efficient and high-performing operations.

What measures were taken to strengthen corporate governance practices?

Sound governance practices are the cornerstone of our business. Guided by its Board Charter and Constitution, Velogic is committed to leading with ethics, transparency, and integrity and promoting these values to all Velogic employees and collaborators along its value chain.

Several changes were made during the year to strengthen the Board's stewardship role. Mr Damien Mamet (Chief Finance Executive of Rogers & Co. Ltd.) was appointed as a Non-Executive Director, adding to the overall balance of background and knowledge of our already diverse Board. We have also set up our own Risk Management and Audit Committee (RMAC) to ensure that Velogic's governance structure supports its development and that risks are managed in an effective and agile way.

An evaluation was carried out by the Boston Consulting Group to assess the effectiveness of the Board, revealing areas of strength, as well as areas of improvement with respect to skills diversity and gender balance. In line with our commitment to continuously improve our practices, and to ensure the Board represents the long-term interests of the Company, the recommendations are being implemented.

In last year's report, you expressed Velogic's strong commitment to making logistics greener. What progress was made on this front?

The logistics industry is facing high expectations on the environmental front, for obvious reasons. As an intermediary and facilitator of the movement of goods, Velogic's sphere of influence lies mainly within the haulage business, which is the largest contributor to its carbon footprint. Good progress is being made in this regard, through several projects focusing on fuel efficiency, smart metering and waste management. Additionally, a major PV project under the CEB's Carbon Neutral Industrial Sector (CNIS) Scheme will be implemented in FY 2024. Having obtained the approval in July 2023, Velogic is set to participate in renewable energy power generation, and support the island in its quest to have 60% renewable energy in the national electricity grid by 2030.

Velogic continues to align its efforts with the five priority areas developed by Business Mauritius under the SigneNatir Pact, which combine both environmental and social dimensions as a vehicle to transition to a greener, more inclusive future. Besides the initiatives described in the Social & Relationship Capital section on page 46, we are proud that Velogic Ltd has received the internationally-recognised Integrated Management System certification, which combines several standards in the fields of quality, environment and safety (ISO 9001: Quality Management Systems, ISO 14001: Environmental Management Systems, and ISO 45001: Health and Safety Management Systems). Adding another feather to our cap, we are proud to announce that Velogic was awarded the PwC Sustainability Award 2023 in the Transportation and Logistics category — an accolade that recognises our efforts in sustainability and innovation, and that motivates us to go even further on this path.

Velogic has also made it its mission to use its core expertise to make Meaningful Change, which is central to the Rogers Group's purpose. Its enterprise of repurposing containers into affordable and sustainable homes started in 2007, and has progressively been extended to new uses, such as offices and storage spaces. Sukpak has implemented a zero-waste to landfill approach, intended to address the sustainable management of solid waste. This one-of-a-kind project within the Group is now being replicated in other business units. The active involvement and participation of Velogic's employees in our conservation efforts is equally praiseworthy and has been instrumental in making our Sustainable and Inclusive Development agenda palpable throughout the Company.

We recognise that our business and social licence to operate are deeply tied to the communities surrounding us. Velogic's efforts have been focused on supporting the Fam-Unie Foundation, an independent organisation which aims to uplift the women of Cité La Cure, a region that is socially and economically disadvantaged. Our contributions went towards setting up a community centre that has already empowered 60 women and 25 children towards autonomy and economic independence. We also pursued our initiatives to raise awareness of the fragility of Mauritius' biodiversity among the youth.

What will be the key factors driving Velogic's growth in FY 2024 and in the years ahead?

The ongoing war in Ukraine continues to be a cause for concern. Freight rates are expected to remain subdued and an eventual economic slowdown in developed markets, including China, would inevitably impact developing economies.

Notwithstanding these factors, and any other emerging risks in our operating environment, we are confident in our development strategy and on track for another year of profitable growth. Most of this growth will come from a focused expansion in our emerging markets of East Africa, India and Madagascar. In our more mature markets, Mauritius and Reunion, sustained operational efficiencies and meaningful cost improvements in the transport business are likely to deliver improved margins. The sugar packaging segment is also expected to turn around, boosted by a gradual comeback in consumption.

As we look to the future, delivering on our ESG priorities is of critical importance and will be a major driving force in the years ahead. Velogic has always been thoughtful and deliberate in setting its strategies, and our ESG pathway will be no different. We understand that this pursuit will require ongoing adaptation and collaboration, and we remain steadfast in continuing to refine our strategy to make logistics more sustainable in all the geographies in which we are present.

Do you have a closing message for your stakeholders?

I am pleased to share that the Board of Velogic welcomes two incoming Directors, Hanjali Permalloo and Soorya Oogarah, whose extensive experience in operational excellence, strategic planning and people development will no doubt bring fresh perspectives to the Board. This also enables us to reach the threshold of having 25% female representation on our Board, a national decision we have wholeheartedly embraced.

We also bid farewell to our outgoing Non-Executive Director, Gilbert Espitalier-Noël, who resigned from his role on 11 September 2023. His invaluable insights during his 12-year tenure at Velogic have greatly shaped our strategic discussions.

The Board joins me in extending our deepest gratitude for the extraordinary efforts and agility of our 1,479 colleagues in serving customers, whilst upholding the strong customer-centric philosophy that runs in our DNA.

I would also like to thank our customers for their continued trust and for making Velogic an integral part of their supply chains. This reaffirms our purpose and motivates us to enhance the value that we bring to their business.

Lastly, I would also like to express my heartfelt appreciation to Velogic's Board of Directors for their valued guidance and unwavering support. And to our leadership team, under the stewardship of the CEO Vishal Nunkoo, thank you for your efforts towards realising Velogic's vision and creating an environment of excellence.

CEO's report

Dear shareholders,

I am pleased to report that during the year, Velogic pursued its growth momentum, delivering double-digit growth in profitability and further consolidating its footprint in East Africa. After a very eventful couple of years, the road to normalcy was fraught with new challenges, which we managed to overcome successfully.

Meeting our strategic objectives

This performance comes on the back of persisting volatility in the macro environment. In a battle against high inflation, interest rates worldwide were increased significantly to curb demand. In parallel, cargo capacity shortages eased. This created an overcapacity on the freight market, resulting in a massive drop in rates and gross profits in the Freight Forwarding industry. The invasion of Ukraine caused fuel costs to skyrocket at the beginning of the financial year, which massively impacted the cost of operations, putting pressure on our bottom line. While Mauritius' recovery has been largely boosted by the rebound in tourism and infrastructure projects, the looming threat of a recession led to reduced orders from key export markets, such as Europe and the USA, but also, reduced consumption in Kenya. Export volumes from India predominantly, and to some extent Mauritius and Madagascar, were impacted during the second half of the financial year.

Velogic's ability to increase Profit after Tax by 16%, even under these testing circumstances, can be attributed to our many years of organic and acquisitive growth, as well as the agility of our teams to adapt to the rapidly changing environment. In addition, the acquisition of Rongai Workshop & Transport in November 2022 also allowed the company to extract value through synergies and economies of scale in our transport business in Kenya.

This integration has grown our fleet in Kenya almost threefold to more than 160 vehicles, surpassing that of Mauritius, and bridged our capability gaps in the haulage business. It has also enabled us to significantly expand both our customer base and distribution network across the country. With road transport poised to remain a major means of delivering goods in East Africa in the coming years, Velogic is now better positioned to leverage its deeper market knowledge and Kenya's strong links to other major regional hubs. Together with our diversification across logistics services and geographies, which naturally hedge us against risks, we are in good stead to seize the opportunities presented by the buoyant East African region.

A strong performance across our served markets

With a 60-year strong presence in Mauritius, Velogic enjoys a leading position in the local market as one of the rare logistics players to offer the full spectrum of logistics services, from origin to destination. Our home market is relatively limited in size and scope, and relies heavily on local consumption trends. The 15% growth in profitability was mainly driven by improved warehousing and haulage activities as a result of increased imports in the country following the economic recovery.

With the limited scope of growth in Mauritius, Velogic has sought to bolster its expansion over time. We have gradually diversified our activities and continued to push back geographic boundaries, with increasing contributions coming from our international markets. In 2023, overseas activities contributed over 50% of total Group performance, the biggest share stemming from Madagascar and Kenya.

In Madagascar, operational profitability grew by about around 40%, fuelled by increased import volumes from key customers and improved business from the mining sector. The export sector remained relatively resilient.

Results in Reunion Island improved likewise but from a relatively lower base. Freight Forwarding activities experienced a higher growth in profitability than courier activities, as ocean freight volumes increased at the back of enhanced available capacity.

In Kenya, profitability was comparable to the previous year despite a drop in local consumption, and therefore, lower imports. This was achieved as a result of synergies derived, during the second half of the financial year, from the acquisition of Rongai Workshop & Transport.

Activities in India were impeded by economic contractions and reduced consumption in Europe and in the US, two of India's large export markets. Falling export volumes from India led to a 70% decrease in profitability compared to an exceptional previous financial year, due to as much as tenfold increases in freight rates. It must also be noted that India is an intensely competitive and highly fragmented market, with a multitude of different-sized players. To further its growth, Velogic India opened two new offices in 2023 and expanded its well-oiled network of agents, whose reliability and trustworthiness have proven to be strong drivers of customer satisfaction and differentiation. Looking ahead, Velogic India stands to benefit from enabling policies and investments as the country sets its eyes on making the logistics industry a crucial driver of trade competitiveness and economic growth.

Our investment in France through our associated company where we hold 30% broke even in a continuing difficult market.

Our expanding presence in East Africa, India and the Indian Ocean will serve as a springboard for further opportunities in the coming years, especially as Mauritius endeavours to become the key regional logistics hub due to its ideal location on the maritime route between Asia and Africa.

CEO's report (cont.)

We are strongly positioned to continue meeting our customers' current needs, as well as their future needs for more transparent, resilient and sustainable logistics solutions

Customer centricity meets operational efficiency

Much of our performance can be credited to our mindset and ways of working. I firmly believe that it is our agility, operational efficiency and endeavour for surpassing customers' expectations that have enabled us to remain a preferred partner to our clients and transform into the fully-integrated business we are today.

As a service provider, we cannot exist without our customers. This philosophy is deeply embedded in how we interact with them. We are in an interesting time for our industry, where customers are increasingly viewing logistics as a matter of strategic importance for their business. This became even more evident during the pandemic, when essential goods such as medical supplies and food products, among others, continued to flow to millions of people around the world. At the same time, customers have never had more choice. Providing value-for-money tailored customer service is how Velogic distinguishes itself. Our conversations with our customers are partnership-based, where we work closely together to address their specific needs. We help them navigate the complexities of different jurisdictions, stringent regulations, and any special handling or delivery requirements; and we implement solutions that not only cater to their most unique requests, but that are also designed to drive their business forward. This attentive and personalised approach has earned us a high customer retention rate in Mauritius, which stood at 86% for the year.

This is not a one-off initiative, but a process of continuous improvement and adaptation. Our teams undergo continuous training to develop the agility and skills required to deliver the service levels that are expected of us, always applying their learnings from each experience to refine and improve the process. We keep communication channels open and transparent to gather relevant feedback and identify areas of improvement.

Technology is another way we try to pave the way for more responsive and personalised service, not only with customers, but also with our extensive network of offices, agents and partners. Our digital platform offers a cohesive and centralised medium to manage our cross-border deliveries efficiently, gives us visibility into the supply chain, facilitates the flow of information between our global teams and has driven important productivity gains since its implementation.

Digitalisation is also helping us build a leaner, more agile business that is more resilient to industry dynamics. In fact, we are working on transforming our Mauritian subsidiary into a business process hub that will drive cost efficiencies across our overseas operations. The centralisation of this Business Process Outsourcing (BPO) platform in Mauritius to service higher-cost countries, has provided us with major cost benefits, while aligning customer-facing procedures.

In parallel, we pursued the development of TrackRight in Kenya, our last-mile logistics app that is helping customers simplify and automate their supply chains with real-time tracking, data analytics and integration capabilities. There is also a feature that calculates the carbon footprint of each vehicle after every trip, enabling companies to track their CO_2 emissions and take remedial actions to decarbonise their operations.

Towards more sustainable supply chains

As we work towards making our operations more resilient, we aim to do so without sacrificing sustainability. We are aware that the logistics industry is, by its nature, a large contributor to carbon emissions, and Velogic is strongly committed to doing its part to reduce its carbon footprint. Since we do not own airlines or shipping lines, whose emissions we cannot control, we have developed a clear sustainable road haulage management strategy, which aims to lower carbon emissions through reduced fuel consumption from our trucks. Drivers are trained to drive 'fuel efficiently' and the best achievers are rewarded. Work-from-home practices, which started during the pandemic, are still well encouraged where possible in an attempt to reduce employee commuting to work. We also continue to carry out initiatives in the areas of climate, biodiversity, inclusive development and the circular economy, as explained in the Natural Capital section of this report (page 52).

To ensure our actions are delivering the desired positive impact, we strengthened our governance of environmental and social matters by forming a specialised committee in September 2022. Alongside this, we are currently undertaking the feasibility of a PV project in Mauritius. It entails the consumption of electricity which we will produce ourselves, under the Carbon Neutral Industrial Sector (CNIS) Scheme, which I hope to share with you in next year's report.

Outlook and opportunities ahead

Looking back at the milestones achieved over the past year, and the opportunities that lay before us, I am filled with prudent optimism for 2024 despite challenges that will crop up, as growth is dampened due to high interest rates. We expect our momentum to pursue its trajectory, especially as we move past the transition phase of our acquisition in Kenya and reap a full year of synergistic benefits of this integration.

Exercising prudence is a natural course of action, given that the global economy is still highly volatile and uncertain, and that our performance is closely tied to consumption and investments in infrastructure projects.

As we enter a new year, we are strongly positioned to continue meeting our customers' current needs, as well as their future needs for more transparent, resilient and sustainable logistics solutions. Since our beginnings as a freight forwarding company in the 1960s, we have invested heavily in growing our core business, thoughtfully vertically integrated activities, and ventured on a progressive geographic expansion. Today, the outcome is visible. We have a well-diversified revenue base and portfolio of logistics services with good scope for growth, and a distribution network spanning more than 300 agents globally.

Appreciation

Financial results aside, what truly stands out when looking at FY 2023 is the strong leadership of our Group's executive and management team, as well as the hard work of our team members all over the world. I am wholeheartedly thankful to all my colleagues for their support and especially, for their dedication to the Company.

I am grateful for the stewardship of the Chairman and Board of Directors during another unusual year, as well as the continued support of all our customers and partners who have expressed their desire to do more business with us.

Nayendranath (Vishal) Nunkoo
Chief Executive Officer

CFO's report

PAT growth of 16% in an unstable environment

Market Conditions and Overall Performance

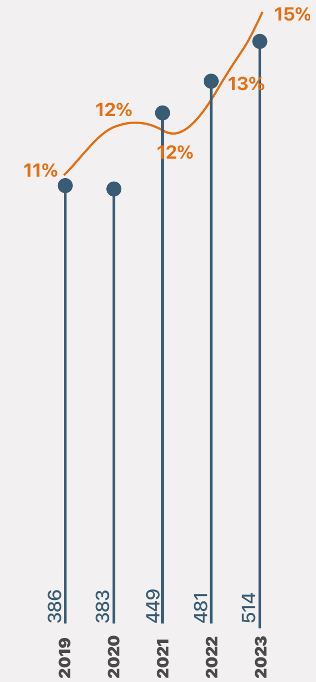
The financial year 2023 was riddled with challenges, characterised by a volatile freight market, geopolitical unrest and rising interest rates to fight-off historically high inflation rates. All of these left their mark on various parts of the transport and logistics sector. We witnessed a significant shift in market dynamics for air and ocean freight, which resulted in a gradual decline in freight rates towards the end of the first quarter, as capacity constraints loosened. Despite these unprecedented conditions, Velogic delivered robust performances, both in Mauritius and overseas, more particularly in Madagascar and Kenya.

Profit for the year excluding gain on business acquisition increased to MUR 222 m (2022: MUR 191 m). With the exceptional item on purchase arising from the Kenya acquisition below NAV, profit for the year stood at MUR 275 m (compared to MUR 216 m in 2022 after including MUR 22 m derived from the sale of 70% stake of the subsidiary in France).

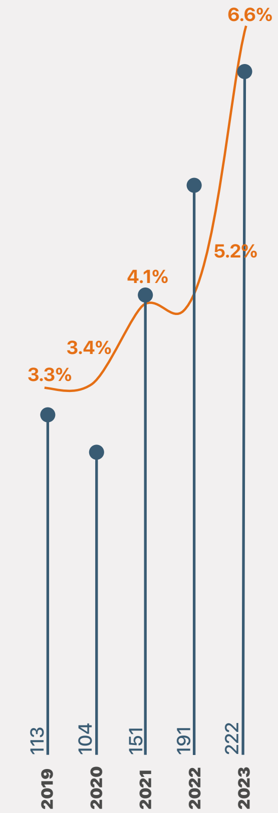
Earnings per share increased to MUR 2.8 (2022: MUR 2.1). The company also improved its free cash flow from MUR 134 m to MUR 343 m, enabling it to deleverage its balance sheet and increase dividends per share for the year from MUR 0.72 to MUR 1.2.

Despite these unprecedented conditions, Velogic delivered robust performances, both in Mauritius and overseas, more particularly in Madagascar and Kenya.

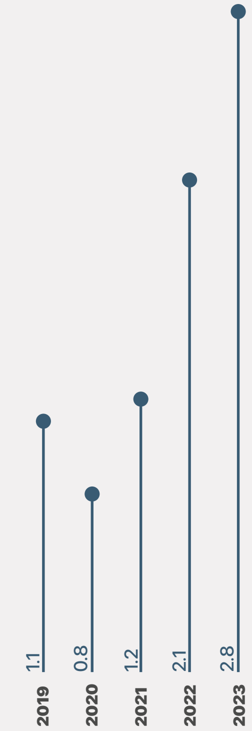
**PAT includes continuing and discontinued operations*



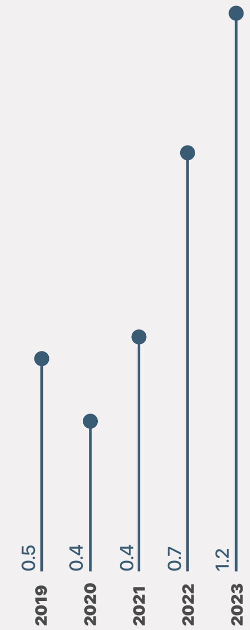
EBITDA (on continuing operations before gain on business acquisition)



PAT (on continuing operations before gain on business acquisition)



EPS



DPS

CFO's report (cont.)

Extract of Statement of Profit and Loss Figs in MUR m	2023	2022
Continuing Operations		
Revenue from Sales of Services	**3,378**	3,659
Gross Profit	**1,267**	1,221
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	**514**	481
Depreciation and Amortisation	**(172)**	(178)
Finance Costs	**(45)**	(38)
Profit Before Taxation and Gain on Business Acquisition	**297**	265
Gain on Business Acquisition	**53**	-
Profit Before Taxation	**350**	265
Taxation	**(75)**	(74)
Profit after Taxation from continuing operations	**275**	191
Discontinued Operations		
Revenue from Sale of Services	**-**	968
Gross profit	**-**	116
EBITDA	**-**	9
Profit/(Loss) from Discontinued Operations before Profit on Disposal of Subsidiary	**-**	3
Profit on disposal of subsidiary	**-**	22
Profit for the year from discontinued operations	**-**	25
Profit for the Year	**275**	216
Attibutable to:		
Owners of parent	**265**	199
Non-Controlling interests	**10**	17
	275	216
Key Ratios		
Gross Profit Margin (%)	**38%**	33%
Gearing Ratio (%)	**24%**	34%
Net Asset Value (Equity owners of Parent) MUR'm	**1,766**	1,644
Return on Equity (%)	**12%**	11%
Number of Ordinary Shares in Use for Calculations	**93,515,565**	93,515,565
NAV Per Share	**18.9**	17.6

Revenues

3.4 bn

2022: MUR 3.7 bn

Gross Profit

1.3 bn

2022: MUR 1.2 bn

EBITDA

514 m

2022: MUR 481 m

PAT*

222 m

2022: MUR 191 m

NAV

1,766 bn

2022: MUR 1,644 bn

Comments on Key Financials (Continuing Operations)

Revenues

Revenues decreased by 8% to MUR 3.4 bn (2022: MUR 3.7 bn), mainly attributable to the significant decline in freight rates in Cross-Border Logistics. Air and sea volumes were also impacted from decreases in exports to our key markets, driven by the slowdown in consumption as a result of rising interest rates to curb inflation. This shortfall was mitigated by the upsides in (i) Landside Logistics, which included seven (7) months of revenues for the Kenya acquisition; (ii) the pick-up in warehousing and containerised transport volumes in Mauritius related to higher import levels; (iii) diversification of non-textile related activities in Madagascar.

Gross Profit

Gross Profit increased by 3.8% from MUR 1.2 bn to MUR 1.3 bn despite the drop in revenue. The Cross-Border Logistics entities remained resilient and generated higher gross profits, except for India, which experienced heightened competition due to falling freight rates and textile export volumes in a deeply fragmented market. The strong performances of the haulage operations in Mauritius, coupled with the synergies derived from the enlarged Kenya set-up, also generated upsides. The warehousing business contributed positively to the increase with better capacity utilisation. Gross Margin was higher at 38% compared to 33% in the previous year.

EBITDA

EBITDA grew by 6.8% to MUR 514 m, up from MUR 481 m in the previous financial year. Although overhead costs increased by 6.9% predominantly as a result of the Kenya acquisition, costs were maintained at the same level as last year on a like-for-like basis. Tight cost control measures were applied across all geographies to keep costs below the inflationary increases. Productivity gains were also achieved in the Mauritius haulage operations following its fleet optimisation initiatives, which strongly contributed to our improved bottom line.

There were also favourable upsides on foreign exchange gains in Madagascar and Kenya of MUR 12 m and MUR 7 m respectively, due to the positive impact on the translation of receivables and cash balances. However, the depreciation of the Kenyan Shillings compared to the Mauritian Rupees has negatively impacted the profitability by MUR 5.5m.

Depreciation and Amortisation

Overall, Depreciation and Amortisation decreased by 3.3% as the amounts relating to rights-of-use assets diminished over time, partly offset by an increase in the depreciation of equipment in Kenya due to the new haulage operation.

Finance Costs

Finance costs from third party borrowings increased by 21% due to an increase in the average cost of borrowing from 4.5% in July 2022 to 6.75% in December 2022. This increase had a negative impact of MUR 8 m on the bottom-line, but was partly mitigated by savings of MUR 2 m achieved on loan repayments. The interest cover ratio remained high at 7.7 times versus 7.5 times in the previous financial year.

**PAT includes continuing operations before gain on business acquisition*

CFO's report (cont.)

Performance by geography

Mauritius

The overall profitability for the year was higher than last year by 15%, standing at MUR 104 m (2022: MUR 91 m). Cross-Border Logistics benefitted from upsides on sea import shipments, related to the growth of the Mauritian economy, following the pick-up in the hospitality and infrastructure projects. On the downside, this was partly offset by weaker exports to Europe and USA. In parallel, there was also a decline in express courier volumes, due to a fall in ecommerce compared to last year, as consumers started to travel abroad again to do their shopping. That said, volumes related to e-commerce transactions were still higher than pre-Covid levels.

Landside Logistics saw an improved performance with the increase in import levels, which favoured the haulage and warehousing activities. Operational cost reductions in haulage also impacted the bottom-line positively. The improved performance in this segment was offset by a drop-in the container depot result, which was adversely affected by lower storage volumes.

The Sugar Packaging segment was affected by lower orders for special sugars as a direct result of the fall in consumption in the UK and the depreciation of the British Pound against the Mauritian Rupee by 5%, compared to the same period last year. Shipping activity also experienced a downside due to lower levels of vessel surveys.

Overseas

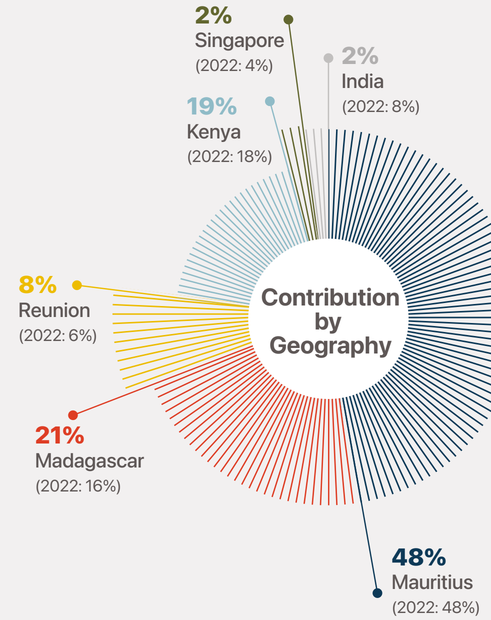
As mentioned earlier, our overseas operations delivered a solid performance, spearheaded by Kenya and Madagascar. Despite facing low import levels, as a result of a drop-in consumption, Kenya delivered higher profits, mainly owing to the synergistic benefits and subsequent operational efficiencies derived from the integration of the haulage company.

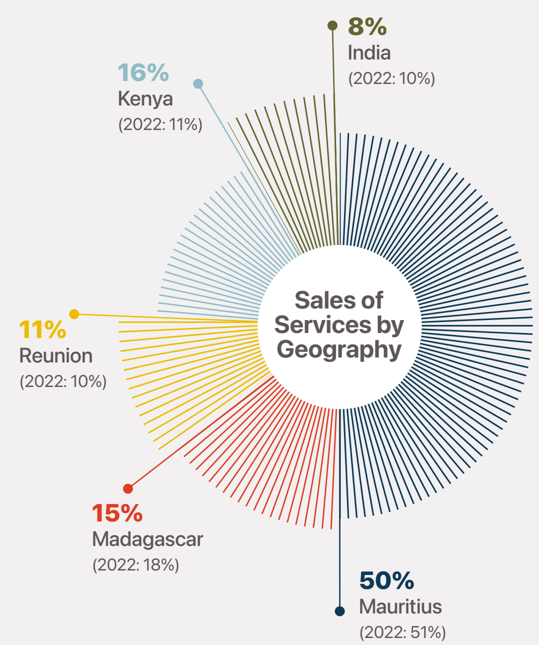
Madagascar benefitted from an increase in its gross profit, despite decreases in its air and sea freight volumes, thanks to better yields achieved in cross-border activities. There was also upsides from new customer acquisition in non-textile activities, coupled with foreign exchange gains.

The Reunion business also benefitted from improved margins in Cross-Border Logistics, which led to higher profitability. The Courier segment's performance improved, with higher shipment levels from existing and new customers.

India's profitability, however, was affected by the fall in air volumes and reduced gross profit per unit in an intensely competitive market.

Bulk shipping activities were mainly affected by reduced commissions following the decrease in the charter rate.





This sustained strong performance in Velogic's overseas operations generated over 50% of the Company's profit contribution.

Segment Analysis	THE GROUP					
	Continuing Activities		Discontinuing Activities		Total	
	Audited year ended 30 June 2023	Audited year ended 30 June 2022	Audited year ended 30 June 2023	Audited year ended 30 June 2022	Audited year ended 30 June 2023	Audited year ended 30 June 2022
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
REVENUE						
Mauritius						
Cross-border logistics	**963,886**	1,124,184	**-**	-	**963,886**	1,124,184
Landside logistics	**597,322**	575,560	**-**	-	**597,322**	575,560
Packing & Shipping	**144,220**	169,650	**-**	-	**144,220**	169,650
Sub-total Mauritius	**1,705,428**	1,869,394	**-**	-	**1,705,428**	1,869,394
Overseas						
Cross-border logistics	**1,241,247**	1,518,756	**-**	968,058	**1,241,247**	2,486,814
Landside logistics	**430,931**	270,417	**-**	-	**430,931**	270,417
Packing & Shipping	**-**	-	**-**	-	**-**	-
Sub-total Overseas	**1,672,178**	1,789,173	**-**	968,058	**1,672,178**	2,757,231
Revenue from sale of services	**3,377,606**	3,658,567	**-**	968,058	**3,377,606**	4,626,625
Profit Ater Tax						
Mauritius						
Cross-border logistics	**58,509**	53,597	**-**	-	**58,509**	53,597
Landside logistics	**34,967**	12,399	**-**	-	**34,967**	12,399
Packing & Shipping	**10,636**	24,599	**-**	-	**10,636**	24,599
Sub-total Mauritius	**104,112**	90,595	**-**	-	**104,112**	90,595
Overseas						
Cross-border logistics	**58,923**	42,875	**-**	2,731	**58,923**	45,606
Landside logistics	**53,075**	45,254	**-**	-	**53,075**	45,254
Packing & Shipping	**6,286**	12,194	**-**	-	**6,286**	12,194
Sub-total Overseas	**118,284**	100,323	**-**	2,731	**118,284**	103,054
	222,396	190,918	**-**	2,731	**222,396**	193,649

CFO's report (cont.)

Cash flow

Cash flow from Operating Activities

Net cash flow from operating activities increased from MUR 352 m to MUR 394 m mainly due to an improved working capital movements related to better collections in Mauritius, Madagascar and Kenya.

Free Cash Flow

Free cash flow increased from MUR 134 m to MUR 343 m compared to last year mainly due to the lower capital expenditure. As a reminder, FY 2022 included an additional investment of MUR 95 m for the construction of the new garage facility in Riche Terre.

	FY 23	FY 22
Operating Activities	**394**	352
Investing Activities	**-23**	-183
Financing Activities	**-320**	-168
Closing Cash and Cash Equivalents	**466**	409
Free Cash Flow	**343**	134

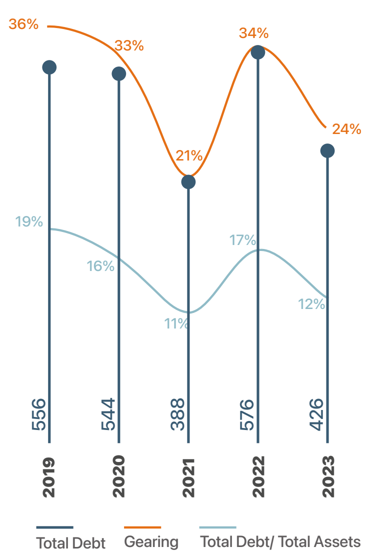
Capital Structure and Solvency

During the year, we reduced the level of third-party debt from MUR 576 m to MUR 426 m. The free cash flow was utilised to make MUR 46m in early loan repayments in addition to the scheduled repayments. As a result, the gearing ratio dropped from 34% to 24% and the debt to total asset ratio decreased from 17% to 12%. This puts Velogic's a good position to finance future investment opportunities.

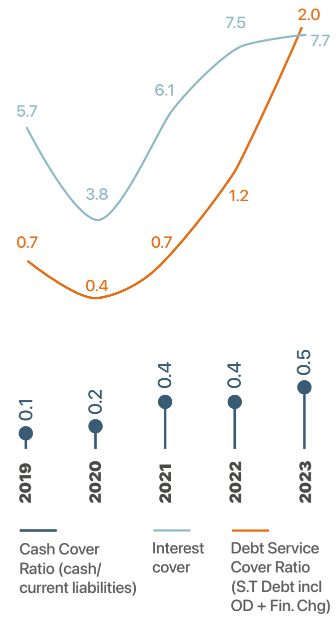
Liquidity Ratios

The current ratio has remained at 1.5, which underlines the company's strength in meeting its short term obligations from its current assets.

3rd Party Debt & Key Ratios



Coverage Ratios



Dividends

The generation of strong cash flow during the year also enabled Velogic to significantly increase the dividends pay-out from 38% to 53%, and the dividend yield from 2.9% to 5.2%.

MUR'm	FY 21	FY 22	FY 23
Interim	22.0	27.1	**37.4**
Final	19.0	40.2	**74.8**
Total	41.0	67.3	**112.2**
Dividend Payout	36%	38%	**53%**
Dividend Yield	2.6%	2.9%	**5.2%**

Outlook

As we move into FY 2024, the probability of a return to a high-freight environment seems unlikely and the logistics industry can expect to benefit from competitive rates. Nevertheless, a recovery in global trade is contingent on the economic performance of Europe and the US.

Despite these prevailing uncertain macroeconomic and geopolitical conditions, Velogic is poised to pursue profitability growth in FY 2024. The Company will focus on its planned expansions in its emerging markets and further consolidation in its mature markets. Cost control measures will be maintained across all served markets by continuing to improve productivity through the digitalisation of operational and administrative processes.

The recovery trend in Mauritius is expected to be upheld, underpinned by resilient demand in tourism and the execution of infrastructure projects. This is expected to benefit our Cross-Border and Landside Logistics activities.

With respect to our overseas markets, Kenya and Madagascar are expected to remain the key contributors to the bottom line. In Kenya, expansion will come from the synergistic benefits of the new acquisition which the company will benefit for the full financial year, coupled with organic growth in the Customs Brokerage and Distribution segments. Madagascar, for its part, should derive benefits from initiatives to tap into new verticals.

India is expected to deliver an improved performance as it aims to strengthen its sales capabilities, leverage its well-developed agents' network in key regions worldwide and also, capitalise on the geographic coverage of its offices to create hubs.

Looking ahead, Velogic can rely on solid fundamentals to pursue its expansion. We will actively scan the market for appropriate opportunities and intend to leverage Velogic's strong balance sheet to finance potential investments. Cash flow is also expected to remain healthy to allow the planned dividend payments in the forthcoming year and sustained shareholder value.

Naveen Sangeelee
Chief Finance and Investment Officer


Seamless exchange of goods, services, ideas and opportunities

Our Strategy

OUR CORE PURPOSE

Together
we make trade easy

OUR VISION

To be the regional logistics leader enabling trade sustainably

OUR CORE VALUES

- AGILITY
- CUSTOMER-CENTRICITY
- TEAM SPIRIT

As one of the regional logistics leaders with a solid footprint and expertise, Velogic has the ambition to grow trade sustainably with its partners and clients. It will continue to leverage its unique capabilities to provide an integrated logistics solution to customers.

Velogic's key strategic goals are to:

- Consolidate its position in mature markets with productivity gains and market share acquisition
- Capitalise on strong growth opportunities in emerging markets
- Expand inorganically with proper arbitrage on opportunities
- Develop a sustainable business model with more focus on the environment, social and governance aspects

To realize these ambitious strategies, we will direct our attention towards several crucial facets:

Growing People:
Focus on the enhancement of the management and leadership skills of its people while simultaneously nurturing emerging talents.

Further digitalise:
Intensify its ongoing initiatives to digitalise key business processes in order to further simplify the customer experience.

Strategic allocation of funds:
With a robust financial foundation, Velogic is well-positioned to underpin strategic expansion efforts, ultimately aiming to improve future returns for its shareholders.

Operational Efficiency:
We will continue to update our operational and administrative processes in order to improve productivity and customer experience.

Internationalisation:
We aim to sustain our overseas expansion by leveraging on our experience and presence.

Sustainable Value Creation:
We are committed to incorporating climate and social actions in our value creation plan. We will also adhere to the best governance practices.

Overseas activities driving growth

Profitability Split

	Post Covid		Resilience in Motion	Expanding Horizons, Inspiring Growth
	FY21	FY22	FY23	FY24-FY26
Mauritius	56%	48%	48%	±40%
Overseas	44%	52%	52%	±60%

Value creation model

Customer Centricity • Team Spirit • Agility •

OUR CORE VALUES

OUR PURPOSE STATEMENT

Our purpose is to make trade easy by enabling our clients to get the best possible logistics solutions, providing them proactively with relevant information and helping them to grow their business. Together, we make it happen for our success and growth.

OUR CAPITALS

- Financial capital
- Natural capital
- Intellectual capital
- Social & relationship capital
- Manufactured capital
- Human capital

OUR VISION

To be the regional logistics leader enabling trade sustainably

OUR SECTORS

- Cross-Border Logistics
- Landside Logistics
- Packing & Shipping

OUR TERRITORIES

Mauritius
India
Madagascar
France
Reunion
Kenya

FINANCIAL YEAR 2023 OUTPUTS

- Revenue **MUR 3,378 m**
- PAT* **MUR 222 m**
- Grew own **office** network to **42**
- Acquisition of **Rongai Workshop & Transport**
- High **Customer retention** rate across geographies (86%)
- **Reduced** level of third-party **debts**
- **95% Appreciation Rate** for Trackright
- **5.2%** dividend yield
- Increase in free cash flow
- Contribution of **+50%** from **overseas** activities
- Achieved **zero-waste** to landfill status at Sukpak
- Obtained approval for a **PV project** under the CEB's Carbon Neutral Industrial Sector Renewable Energy scheme

**Profit after tax excluding gain on business acquisition*

STRATEGIC OUTCOMES

- **Strengthening our presence** in well-established markets by enhancing productivity and securing greater market share.
- Pursuing **organic growth** within emerging markets.
- Broadening our reach through **mergers and acquisitions**, leveraging carefully identified opportunities.
- Enhancing customer trading experiences by embracing **digitalisation and operational excellence**.
- Fostering a **workplace** that encourages active participation, cultivates managerial proficiency, nurtures leadership abilities, and supports talent growth.
- Crafting a **viable business model** that places increased emphasis on environmental, social, and governance considerations.

Social and relationship capital

Velogic leverages the profound potential of its Social and Relationship Capital, a priceless asset rooted in strong relationships and an unwavering commitment to our stakeholders. Transparent communication and trust form the bedrock of our Corporate brand, infusing credibility into our endeavours. As a Customer brand, Velogic fosters loyalty and long lasting connections with our customers, achieved by delivering bespoke experiences that address their requests. As an Employer brand, a continued focus on our employees cultivates a thriving work environment, enabling us to continue attracting talent. By upholding responsible practices, Velogic's Investor brand appeals to investors seeking opportunities with the potential to generate sustainable returns. The stewardship, assumed by the Board of Directors, ensures that Velogic maintains its reputation and a competitive edge across our global operations.

Customer retention rates by geography

Country	Retention rate
Mauritius	93%
Kenya	83%
Madagascar	80%
India	70%
Reunion	88%
France	86%

No. of meetings for Welfare Committees and "Comité D'Entreprise"

24

No of Shareholders

915

	GOAL	HOW?	PERFORMANCE IN FY 2023	OUTLOOK FOR FY 2024
CORPORATE	Building trust through transparency and excellence	• Implement clear and open communication channels with all stakeholders • Establish and adhere to strong ethical standards and business practices • Regularly engage with stakeholders to understand their needs and expectations • Deliver on promises and commitments consistently	• Successfully implemented an enhanced communication system with stakeholders. • Improved transparency and stronger relationships by frequently communicating in the printed media and across social platforms.	• Further strengthen stakeholder relationships by exploring new communication channels and engaging stakeholders more proactively
CUSTOMER	Exceeding expectations and fostering loyal relationships	• Interact closely with customers to understand their evolving needs and expectations • Implement a customer-centric approach across all departments, ensuring all processes and decisions revolve around customer needs • Continuously innovate and optimise services to provide tailored solutions and value-added offerings to customers	• Achieved high levels of customer retention through customer service and support • Actively encouraged customer feedback, resulting in continuous improvements to offerings, and more relevant solutions, based on customer input	• Build on the high customer retention rates by continuously monitoring customer preferences and industry trends, and responding to them with adequate solutions
EMPLOYER	Empowering talent and cultivating growth	• Provide opportunities for skill development and career advancement • Foster a diverse and inclusive workplace culture that values and rewards employee contributions • Implement employee wellness programmes to support work-life balance	• Provided ample opportunities for employees to hone their skills and progress in their roles and careers. • Continued to nurture a diverse and inclusive workplace culture, fostering an environment where our talents are engaged and productive. • Created and published a series of employee spotlight videos titled "People of Velogic". [See Human Capital on Page 50 for more details]	• Pursue ongoing initiatives to foster an inclusive and diverse workplace culture, celebrating employees' contributions and encouraging collaboration
INVESTOR	Offering responsible investments and sustainable returns	• Publish transparent and comprehensive financial reports • Clearly communicate the company's long-term strategy and vision to investors • Demonstrate a commitment to environmental, social, and governance (ESG) factors • Engage with investors regularly to address their concerns and provide updates on performance	• Published the Integrated Report both in printed and digital formats • Held Investors' meetings • Organised Shareholders' meetings • Issued press releases covering material events • Communicated financial results through quarterly Abridged Statements, as well as statutory publications	• Further improve the transparency of financial reporting, providing investors with a more comprehensive view of Velogic's strategy, performance and practices

Intellectual capital

Intellectual capital contributes to the creation of organisational value. At Velogic, we rely on our experienced global personnel and flexible network of partners, who combine nearly 60 years of experience and in-depth expertise in logistics. These intangible assets - which include our systems, processes, collective know-how, knowledge, reputation and goodwill - are key to our innovation capacity, agility and dynamism which, in turn, enable us to deliver great tailor-made customer experiences and lend us our competitive advantage. Our intellectual capital covers three distinct areas:

Human resources

Digitalisation

Process Optimization

9 critical processes reviewed during the year to improve productivity

95% appreciation rate of Trackright application in Kenya

300+ overseas agents

179 years of collective key management experience

Integrated Management System
ISO 9001-2015, 14001-2015 and 45001-2018

GOAL		HOW?	PERFORMANCE IN FY 2023	OUTLOOK FOR FY 2024
HUMAN RESOURCES	Building a solid knowledge base and agility	Our trained staff are able to craft tailor-made solutions by: • leveraging our diversified service portfolio and global reach • sharing best practices and knowledges across BUs • nurturing our core values based on Agility, Customer Centricity and Team Spirit • continuously upgrading the knowledge bank through our MQA-approved training centre in Mer Rouge	• Annual network meeting regrouping leaders across the Group • Enhanced Senior Management profile analysis for peer interactivity • Ongoing nurturing of talents for senior positions (See human capital)	• Focus on a talent retention programme, aimed at steering best performers to leadership roles ; This also acts as a succession plan initiative.
DIGITALISATION	Integrating digital solutions and platforms	Explore the use of digital solutions to improve customer centricity by: • making trade easier for our customers by having one connection point to manage their orders from multiple suppliers and geographies • integrating global and local platforms to help shipment follow-ups • focusing on cybersecurity requirements to safeguard information and systems	• Developed customer dashboards to manage orders • 23% increase in the number of trips completed in Kenya as a result of reduced turnaround time with TrackRight • Carried out a cybersecurity review to identify areas of weakness and better protect our networks	• We are currently further developing our internal operational system to automate all updates and follow ups from our various partners, hence providing vital information to our customers.
PROCESS OPTIMIZATION	Gaining efficiency by being more agile	Enhance operational and administrative efficiency through: • efficient data analysis and customisation capabilities using BI tools • clear Standard Operating Procedures to align processes and interactions • business process capabilities in operations and accounting for our local and international entities • movement efficiency in terms of routes and fuel use with TrackRight	• Developed a platform for sugar cane transportation, which has generated great efficiencies for Velogic and the customer • Improved the finance and operations processes for more efficiency	• Increase the level of Business Process Outsourcing for our outstations

Human capital

Our Human Capital function brings together Velogic's individual and collective skills, knowledge and innovation capacity. Targeted and continuous investments in our talent pool enables us to enhance our core competencies and develop the agility we need to address the most complex requirements of our customers, thereby making trade easier for them. The metrics we use to monitor and measure our progress in this area are tied to Velogic's business objectives.

68
sessions completed, representing 92% of planned training, covering 3,702 hours

70%
Learning Needs Analysis (LNA) completed based on training requirements

Human Capital

Mauritius	Managers - 63 Staff - 266 Operatives - 422	Total - 751
Madagascar	Managers - 2 Staff - 83 Operatives - 45	Total - 130
India	Managers - 11 Staff - 54 Operatives - 10	Total - 75
Kenya	Managers - 34 Staff - 115 Operatives - 340	Total - 489
Reunion	Managers - 6 Staff - 28	Total - 34
Velogic	Managers - 116 Staff - 546 Operatives - 817	Total - 1479

Generation

11% (1944-1964) Baby Boomers
37% (1965 - 1979) Gen X
41% (1980-1994) Millennial
10% (1995-2015) Gen Z

Gender diversity

26% Female
74% Male

Training

782 Employees trained
23% Attrition Rate
462 Number of training Days
84% Engagement Score

GOAL		HOW?	PERFORMANCE IN FY 2023	OUTLOOK FOR FY 2024
AGILITY	Building a resilient workforce	• We nurture the competencies of our employees to anticipate and adapt to changes and find adequate solutions • We strive to decide and act swiftly, with the objective of providing a seamless service to our customers • We offer on- and off-the-job training to develop our employees' ability to find opportunities to grow our business in partnership with our stakeholders • We endeavour to develop an environment that fosters continuous improvement, trust, and transparency by encouraging and recognising employees for their contributions	• Carried our training sessions for 416 employees to improve agility across all functions	• Set up a structured talent management programme for succession planning • Implement a Manager capability programme to improve management and leadership skills • Emphasise the career development of Velogic's young graduates e.g. Rogers Ascend programme • Enrol key personnel in the Management Development Programme (MDP) and Relationship Influence Service Excellence Programme (RISE)
CUSTOMER CENTRICITY	Building strong relationships	• We promote a strong culture of empathy to enhance our understanding of customer needs • We have an inherent work ethic to offer tailor-made solutions • We focus on creating a positive customer experience at every stage of the customer journey • We capitalise on our diversified portfolio of services and geographic reach to provide end-to-end proposals to our customers	• Held seven (17) Customer Centricity workshops covering 257 employees over a period of five months	• Set up focus groups aiming to better understand the needs & expectations of internal customers • Enhance Velogic's work environment through an Open Door Policy
TEAM SPIRIT	Building strong and collaborative teams	We foster a strong team spirit through: • opportunities to learn and grow together through group learning sessions • emphasis on collaboration across departments and roles through outdoor activities • a work environment that encourages the sharing of different ideas and perspectives • We leverage our global network of agents and employees	• Created the ACT platform to facilitate the exchange of ideas • Created a Values booklet which was distributed to all employees. This value booklet is also handed to new recruits as part of their induction pack to disseminate Velogic's values from the onset • Pursued calendar of activities to engage employees and strengthen wellbeing. This includes work-life balance workshops, with a range of wellness activities	• Action planning process following the engagement surveys • Continue to strengthen team cohesion through team-building activities and a wellness calendar of events • Implement recognition programmes for high performers

Natural capital

Velogic defines sustainability as the ability to meet the needs of the present without compromising the ability of future generations to meet their own needs (Brundtland Report, 1987). We are committed to the SigneNatir Pact, which aims to help businesses in Mauritius to place environment and social considerations at the heart of their decisions. In FY 2023, we accelerated the execution of our Sustainability and Inclusiveness agenda, working to embed a more sustainable culture within our daily operations as we work towards a resource-efficient and decarbonised future.

695
man-hours spent on training on Sustainability & Inclusiveness

Achieved
zero-waste
to landfill status at Sukpak

54 tonnes
of waste sent for recycling and upcycling

65 m^3
of rainwater used for washing of trucks at Velogic Haulage Services Ltd

2 m^3
and 0.5 m^3 of waste lube oil sent for recycling from Velogic Garage Services Ltd and Papol C.S. respectively

52
employees benefitted from Educ-Help at Sukpak

GOAL		HOW?	PERFORMANCE IN FY 2023		OUTLOOK FOR FY 2024
NURTURE A CULTURE OF SUSTAINABILITY	Embedding sustainability as a mindset	Nurture a culture in which sustainability is embedded as a golden thread and mindset, through: • training, awareness sessions and workshops • encouraging employee participation in Velogic's environmental initiatives	• Integrated sustainability in induction process for new employees • Focused training for Sustainability and Inclusiveness champions in Mauritius • Carried out training and sensitisation campaigns around the following themes: marine biodiversity, plastic pollution, wellbeing, as well as road safety	• Pursued our collaboration with Reef Conservation, Link to Life, Counselling and Mindfulness, Shoals Rodrigues, Road Safety Academy. (see more in Human Capital section) • Obtained triple certifications for Integrated Management System, namely: ISO 9001, ISO 14001 and ISO 45001, enabling the Group to achieve best-in-class in sustainability performances • Carbon footprint for FY 2022 revealed emissions of 22,012 T CO_2eq	• Embark on a Sustainable Procurement journey • Use the results of our FY 2022 carbon footprint assessment as a baseline to set up action plans for improvement • Pursue efforts in biodiversity awareness and restoration
MOVE TOWARDS ZERO WASTE	Reducing waste across the value chain	Transition towards zero waste across our value chain through: • recycling, reusing and repurposing • exploring solutions in circular economy	• Implemented Sustainable Solid Waste Management practices across our operations in Mauritius • Ongoing collaboration with local recyclers, such as Surfrider Ltd, Scott Ltd, Virgin Oil Ltd, Bioil Ltd, Ecofuel Ltd, MAFTA, and NGOs (Global Rainbow Foundation)	• Diverted 54 tonnes of waste from the landfill for recycling (against 9 tonnes in 2022) and achieved zero-waste status at Sukpak • Upcycled used containers into urban landscaping, counting over 800 projects to date • Reduced carbon footprint by 30 tonnes through the introduction of reusable pallet wrap at Sukpak • Sent around 1.5 tonnes of sugar waste to local beekeepers	• Implement solid waste projects across our other subsidiaries
WATER AND ENERGY EFFICIENCY	Regulating the use of natural resources	Reduce our consumption of natural resources through: • the optimal use of water and energy • the integration of renewable resources in our operations, as much as possible	• Implemented rainwater harvesting for the washing of trucks in Mauritius	• Obtained approval for a PV project under the CEB's Carbon Neutral Industrial Sector Renewable Energy scheme, enabling the Group to participate in the production of renewable energy • Set up the 'Drivers' League' for truck drivers to improve fuel efficiency and reward drivers who successfully reduce fuel consumption through best driving practices	• Following the approval from the CEB, we aim to install PV panels • Set up smart metering monitoring • Measure and monitor fuel consumption periodically to improve our metrics
VIBRANT COMMUNITY AND INCLUSIVE DEVELOPMENT	Supporting socio-economic growth	Contribute to the country's socioeconomic development through: • financial and non-financial support • initiatives within vulnerable communities • partnership with key institutions and NGOs	• Carried out a community-based blood donation campaign, collecting 101 pints • Reached 60 women and 25 children through the implementation of a community centre through the NGO FAM-Unie	• Provided support to 200 direct beneficiaries through the NGO CEDEM • Sponsored 10 cyclists, 7 athletes for para-athletics, and athletes for basketballs and tennis • Supported 52 employees with Educ-Help at Sukpak • Carried out a walk in nature for employees at Rochester Falls, during which 30 kg of plastic waste was collected	• Develop community-based projects on road safety and poverty alleviation

In a world that grows ever more connected, Velogic stands at the forefront

Shareholder information

Share Price Development

Marking its official entry into the Development & Enterprise Market (DEM) on 15 December 2021, Velogic embarked on its trading journey, setting an introductory per-share value of MUR 25.00. The fiscal year's closure saw Velogic shares finding equilibrium at MUR 23.30, a reflection of market dynamics at play.

During the financial year, Velogic observed a robust trading activity, involving a significant trading volume of 1,537,995 shares. This translated into a total trading value of MUR 38,701,757.00. These figures reflect Velogic's notable presence in the market and its active engagement within the prevailing trading dynamics.

The culmination of efforts led Velogic to a market capitalisation of MUR 2.18 bn as of 30 June 2023, a milestone indicative of its expanding footprint and influence within the economic landscape.

Category of Shareholders

As of 30 June 2023, Velogic had a total of 93,515,565 issued shares, with the majority ownership being for Rogers Logistics Investment Holding Ltd, wielding a substantial stake of 80.4437%. Among the shareholder landscape, no other entities held a shareholding exceeding the threshold of 5% in Velogic.

Category	Number of Shareholders	Number of shares held	% Holding
Individual	779	6,674,237	7.1370%
Insurance and Assurance companies	9	535,720	0.5729%
Investments and Trust companies	23	76,258,434	81.5462%
Pensions and Provident funds	43	8,649,890	9.2497%
Other Corporate Bodies	61	1,397,284	1.4942%
Total	**915**	**93,515,565**	**100.0000%**

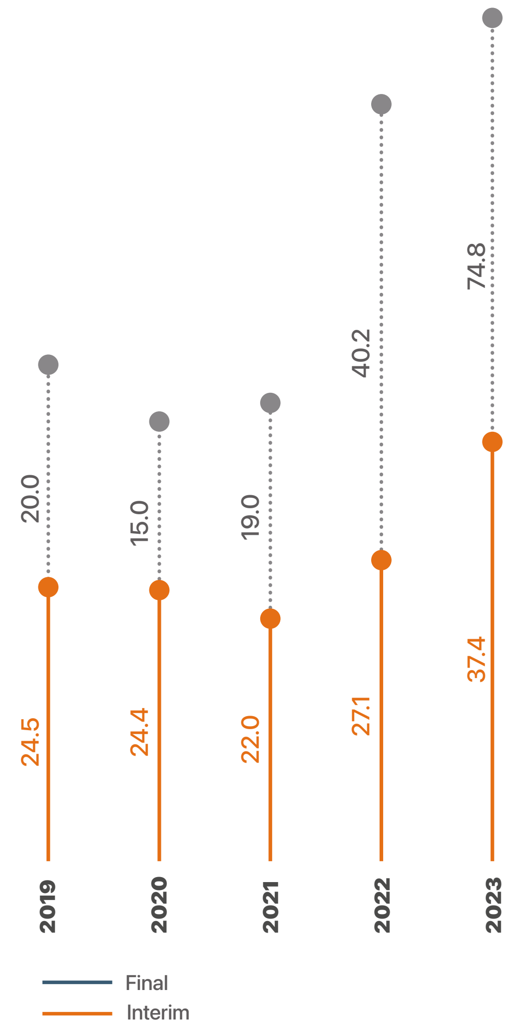
Note: The above number of shareholders is indicative, due to consolidation of multi portfolios for reporting purposes.

Source: MCB Capital Markets, September 2023

Dividends

For the financial year ending 30 June 2023, Velogic's Board of Directors declared an interim dividend of MUR 0.40, followed by a final dividend of MUR 0.80 per share, representing a noteworthy 5.2% dividend yield.

Dividend evolution (MUR m)



Investor Relations

Velogic remains steadfast in its commitment to provide investors and various stakeholders with timely insights into the latest developments. This commitment finds expression through channels such as the integrated report, investors' briefings, quarterly unaudited financial statements, shareholder meetings, press releases, engagement on social media platforms, and the corporate website.

For those seeking further information, the dedicated Investors' section can be accessed through the following link: https://www.velogic.net/investors/ .

Key Investor Ratios*

ROE (FY2023)
12.0%
(Average FY19-23: 8.0%)

ROA (FY2023)
6.4%
(Average FY19-23: 5.0%)

NAVPS (FY2023)
18.88
(Average FY19-23: 16.94)

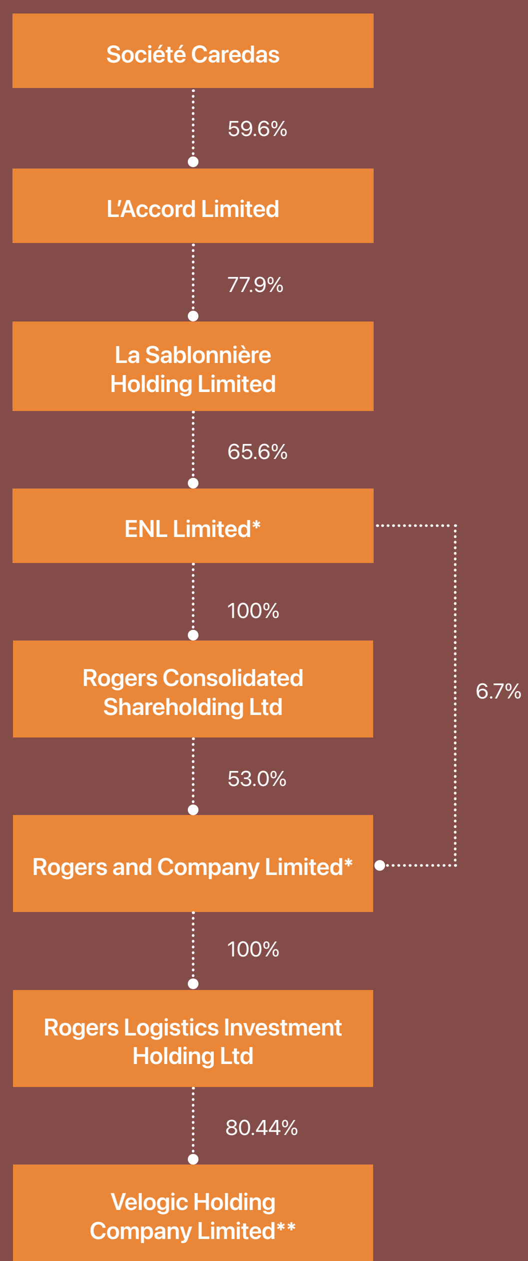
Dividend Payout (FY2023)
53.0%
(Average FY19-23: 45.0%)

Dividend Yield*
5.2%
(Average FY19-23: 3.0%)

* Dividend Yield is calculated using the Dividend Per Share (DPS) divided by the market price post listing and DPS divided by NAV attributable to owners of parent

Voting Rights

AS AT 30 JUNE 2023



* Listed on the Official List of the Stock Exchange of Mauritius Ltd ("SEM")

** Listed on the Development & Enterprise Market of SEM

Corporate Governance

Velogic Holding Company Limited (the "Company" or "Velogic") is a subsidiary of Rogers Logistics Investment Holding Ltd, which is itself a subsidiary of Rogers and Company Limited ("Rogers"). Velogic was listed on the Development & Enterprise Market ("DEM") on 15 December 2021. For the year under review, Velogic qualifies as a Public Interest Entity as defined by The Financial Reporting Act 2004 and is therefore required to apply the eight principles set out in the National Code of Corporate Governance for Mauritius (2016) ("the Code").

Principle 1 - Governance Structure

The Board assumes responsibility for leading and controlling the Company and is collectively responsible for its long-term success, reputation and governance, while meeting all legal and regulatory requirements. As a subsidiary of Rogers, Velogic has adopted its Code of Ethics, which is available on https://www.velogic.net/investors/corporate-governance/policies. Pursuant to its listing, the Board had adopted a Board Charter, which is reviewed and updated when material changes occur. On 13 September 2022, the Board reviewed and updated the said charter to reflect the setting up of the RMAC of Velogic.

Furthermore, on 23 February 2022, the shareholders of Velogic adopted a Constitution, to which no amendments have been made to date.

The main salient features of the Constitution are set out as follows:

Issue of shares

The Board may issue shares at any time, to any person and in any number, whether redeemable or not, and with such rights with regards to voting, dividend, distributions, or return of capital and in such classes as the Directors deem fit.

Pre-emptive rights

The pre-emptive rights on the issue of shares contained in section 55 of The Companies Act 2001 ("the Act") are hereby negated.

Shareholders Meetings

Annual Meeting of Shareholders

The Board shall call an Annual Meeting of Shareholders to be held:

a. not more than once in each year;

b. not later than six (6) months after the balance sheet date of the Company; and

c. not later than 15 months after the previous annual meeting.

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

a. the consideration and adoption of the audited financial statements;

b. the receiving of any auditor's report;

c. the consideration of the annual report; and

d. the appointment of any auditor pursuant to Section 200 of the Act.

Special Meeting of Shareholders

A special meeting of Shareholders entitled to vote on an issue:

a. may be called at any time by the Board; or

b. shall be called by the Board upon the written request of Shareholders holding Shares carrying, together, not less than 5% of the voting rights entitled to be exercised on the issue.

Resolution in lieu of meeting

A resolution in writing signed by not less than 75% of the Shareholders who would be entitled to vote on that resolution at a meeting of Shareholders who, together, hold not less than 75% of the votes entitled to be cast on that resolution is as valid as if it had been passed at a meeting of those Shareholders.

Notice of Meeting of Shareholders

Written notice of the time and place of a meeting of Shareholders shall be sent to every Shareholder and to every Director and the Secretary and the auditor of the Company not less than 21 days before the meeting.

Methods of holding meetings

A meeting of Shareholders may be held either:

a. by a number of Shareholders who constitute a quorum, being assembled together at the place, date and time appointed for the meeting; or

b. by means of audio, or audio and visual, communication by which all Shareholders participating and constituting a quorum can simultaneously hear each other throughout the meeting.

Quorum

A quorum for a meeting of Shareholders shall be present where two (2) Shareholders present or represented, are between them, able to exercise at least 40% of the votes to be cast on the business to be transacted at the meeting.

Voting Rights

a. The ordinary shares of the Company shall entitle the holders thereof to attend and vote at any of Shareholders and on any resolution;

b. The Shares of any other class shall not entitle the holders thereof to attend or vote at any meeting of Shareholders. The chairperson of a meeting of Shareholders shall be entitled to a casting vote;

c. No Shareholder shall be entitled to vote at any meeting of Shareholders unless all calls or other sums presently payable by him in respect of Shares in the Company have been paid; and

d. Where two (2) or more persons are registered as the holder of a Share, the vote of the person named first in the share register and voting on a matter shall be accepted to the exclusion of the votes of the other joint holders.

Proxies

A Shareholder may exercise the right to vote either by being present in person or by proxy.

Dividend

A dividend may be authorised and declared by the Board at such time and in such amount (subject to the solvency test) as it thinks fit and to any Shareholder as it thinks fit. For the purpose of Section 61 of the Act, the authorisation of the Shareholders shall not be needed for distributions to Shareholders.

Directors

Directors may be appointed from time to time by:

a. Ordinary Resolution, or

b. The Board

The Constitution and the Board Charter are available on https://www.velogic.net/investors/corporate-governance/constitution and https://www.velogic.net/investors/corporate-governance/board-charter/ respectively.

As a subsidiary of Rogers, Velogic had also adopted a number of policies, namely:

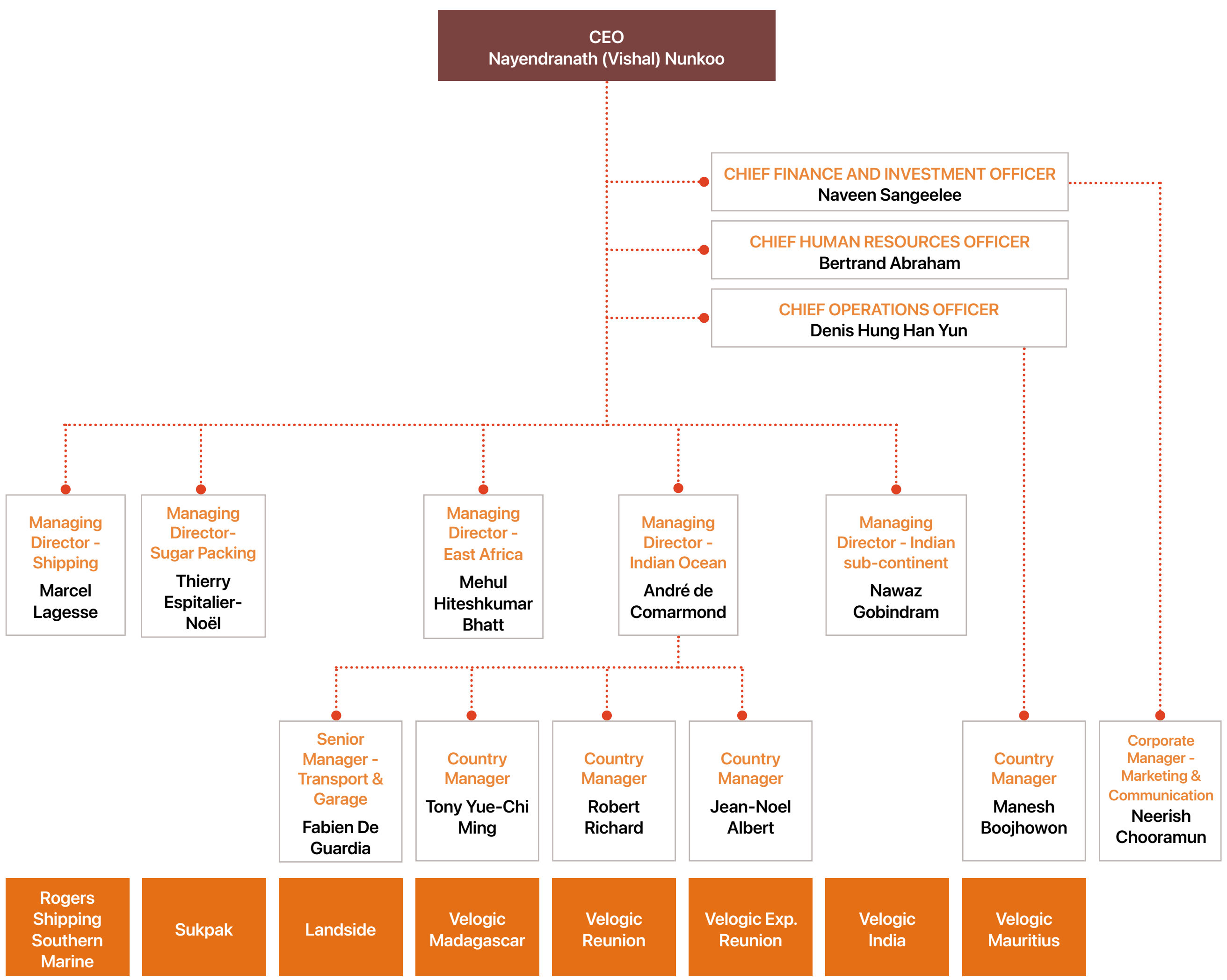
- Data Protection Policy, Data Protection Notice and Data Protection Manual;
- the Information, the Information Technology and Information Security Policy of Rogers;
- the Equal Opportunities Policy of Rogers; and
- the Malpractice Reporting Policy of Rogers.

These policies are available on https://www.velogic.net/investors/corporate-governance/policies.

Corporate Governance (cont.)

Principle 1 – Governance structure (cont'd)

The day-to-day operations of the Company are entrusted to the management team, under the responsibility of the Chief Executive Officer ("CEO"). The organisational chart of the Company is as follows:



The statement of accountability of the Company is available on https://www.velogic.net/what-we-do/freight-logistics-services/.

Whenever there is a change in the statement of accountability and statement of major accountabilities, the necessary approval is sought. The said documents are subsequently reviewed and updated.

The members of the Senior Management team are depicted in the table below. Each of them has a role profile as set out in their contract of employment. Furthermore, the position statement of Senior Governance positions is available at https://www.velogic.net/company/management-team/.

	Name	Position
1	Nayendranath (Vishal) Nunkoo	Chief Executive Officer
2	Naveen Sangeelee	Chief Finance and Investment Officer
3	Denis Hung Han Yun	Chief Operations Officer
4	Bertrand Abraham	Chief Human Resources Officer
5	André de Comarmond	Managing Director - Indian Ocean
6	Mehul Hiteshkumar Bhatt	Managing Director - East Africa
7	Nawaz Gobindram	Managing Director - Indian sub-continent
8	Marcel Lagesse	Managing Director - Shipping
9	Thierry Espitalier-Noël	Managing Director- Sugar Packing
10	Neerish Chooramun	Corporate Manager - Marketing & Communication
11	Manesh Boojhowon	Country Manager
12	Fabien De Guardia	Senior Manager - Transport & Garage/Depot & Workshop
13	Tony Yue Chi-Ming	Country Manager
14	Jean-Noel Albert	Country Manager
15	Robert Richard	Country Manager Velogic Reunion (VSR – Freight Forwarding)

The profiles of the members of the Senior Management team are available below.

Profile of Senior Management Team

Nayendranath (Vishal) Nunkoo

CHIEF EXECUTIVE OFFICER

Vishal is CEO of Velogic since 2011. He joined Rogers Group in 1993, where he held various positions within the Service Planning & Development, Aviation, Logistics and the Information Solutions business units. He holds an MBA in Finance and an MSc in Engineering.

Naveen Sangeelee

CHIEF FINANCE AND INVESTMENT OFFICER

Naveen was appointed CFO of Velogic in 2011. He is a Fellow of the Institute of Chartered Accountants in England & Wales and the Association of Chartered Certified Accountants. He also holds an MBA in Finance and a BSc (Hons) in Economics and Computing. Naveen has a rich international experience, having worked for blue chip companies in the U.K. for several years.

Denis Hung Han Yun

CHIEF OPERATIONS OFFICER

Denis was appointed COO in March 2017. He previously held the Chief Processes & Systems Officer / Country Manager (Mauritius) positions. Prior to joining Rogers Group at Cargo Express in 1999, he worked as a web developer as well as analyst programmer and systems analyst. Denis holds a Bachelor of Business Science in the field of Computer Science.

Bertrand Abraham

CHIEF HUMAN RESOURCES OFFICER

Bertrand was appointed Chief Human Resources Officer in 2011. Bertrand has 30 years' experience in the field of human resources, having worked in the textile and sugar industries before joining Rogers Group in 2004 and moving to the Logistics sector in 2008. He holds a Diploma in Personnel Management from the University of Mauritius MSc in Human Resources Management from the University of Surrey, UK.

Corporate Governance (cont.)

Principle 1 – Governance structure (cont'd)

Profile of Senior Management Team (cont'd)

André de Comarmond

MANAGING DIRECTOR - INDIAN OCEAN

André was appointed as Managing Director Indian Ocean in March 2017. He has more than 20 years of experience in sales & marketing. He took employment in the Shipping Division of Rogers, at Société du Port in 2007, before being appointed as Country Manager of Velogic Mauritius (2010) and then Regional Manager – Indian Ocean (2011). In 2011 he followed the Executive Training, Emerging Leaders Program, at the London Business School.

Mehul Hiteshkumar Bhatt

MANAGING DIRECTOR - EAST AFRICA

Mehul joined Velogic in 2015 and was responsible for driving the development and expansion of Velogic in Africa. He has previously worked for Chevron and A.P. Moller Maersk based in USA, Denmark and Africa and India. Mehul also has an MBA from London Business School.

Nawaz Gobindram

MANAGING DIRECTOR - INDIAN SUB-CONTINENT

Nawaz took over as Regional Manager – Indian Subcontinent in July 2011 before being appointed Managing Director – Indian sub-continent in 2017. He previously gained valuable experience in the logistics sector by serving successively as Deputy Country Manager in Madagascar and Country Manager in India. Nawaz holds a DESS in Management Logistique Ingénierie Transports and a MIAGE degree.

Marcel Lagesse

MANAGING DIRECTOR - SHIPPING

Marcel has over 29 years of experience in road transport and project cargo, having been the manager as well as one of the shareholders of MTL, a transport company which was subsequently acquired by Velogic in October 2012. He therefore initially joined Velogic as Manager Garage, Transport and Project Cargo as from October 2012 and was subsequently appointed Projects Manager responsible for Project Cargo and Shipping business in January 2014. Marcel was then appointed Managing Director of the Shipping Services in December 2014 where he is now leading the shipping activities of Rogers Shipping and Southern Marine, stevedoring of P.A.P.O.L.C.S Limited as well as Project Cargo of Velogic.

Thierry Espitalier-Noël

MANAGING DIRECTOR- SUGAR PACKING

Thierry has over 30 years of experience in the manufacturing field, half of which was spent overseas (South Africa and Madagascar). His expertise covers sectors like chemical processing, paper making, optical glasses & sunglasses, ice making and distribution, printing & packaging, baby diapers & sanitary napkins. Thierry holds an Executive MBA (Heriot Watt, Scotland) and a Higher Diploma in Chemical Engineering (SA). He was appointed Operations Manager at Sukpak in March 2020 and is now the Managing Director of the sugar packing activities.

Neerish Chooramun

CORPORATE MANAGER - MARKETING & COMMUNICATION

Neerish joined Velogic in November 2018, taking on the role of Corporate Manager - Projects and Business Development. His primary mandate was to establish and develop the marketing function and strategy within the organisation. In January 2020, his role evolved, and he assumed the position of Corporate Manager - Marketing & Communication. Holder of an MBA with specialisation in Marketing Management, a BSc in Entrepreneurial Management, and an Associate Degree in E-Technology Computing, Neerish brings a wealth of knowledge to his role. Furthermore, he is a Fellow of the Chartered Institute of Marketing, UK. He is also a member of the American Marketing Association and the

Principle 1 – Governance structure (cont'd)

Profile of Senior Management Team (cont'd)

Mauritius Institute of Directors. Neerish's expertise extends beyond his role at Velogic; he also serves as a visiting faculty member and advisory committee member in various tertiary and private institutions.

His professional journey spans over 19 years, with prior experience gained at the IBL and Celero groups. Prior to joining Velogic, he was employed at the Celero Group since its inception and served as Manager - Corporate Services in his last tenure.

Manesh Boojhowon

COUNTRY MANAGER

Manesh joined Velogic on 18 January 2021 as Country Manager Designate and was appointed Country Manager in July 2021.

Manesh holds a Professional Diploma in Network Centered Computing (NIIT) and has a wide experience in the shipping, ocean freight and sales activities.

Before joining us, he was employed at Safmarine and Maersk line Mauritius from 2005 to 2020, where he occupied the posts of Sales Executive, Sales Manager before being promoted Country Manager in January 2019, responsible for Mauritius, Seychelles and Comoros Island.

Fabien De Guardia

SENIOR MANAGER - TRANSPORT & GARAGE / DEPOT & WORKSHOP

Fabien joined Velogic Haulage as Senior Manager – Transport Division on 15 March 2021. He also took over the Depot and Workshop activities as from January 2023.

Fabien holds a diploma in Business Management from MCCI and a certificate in Management Development from Charles Telfair Institute.

Fabien has worked for Velogic over the period 2008 to 2018 where he successively headed the 2 above mentioned departments. Before joining us, Fabien was employed as General Manager – Logistics at Omnicane Logistic Operations Ltd.

Tony Yue Chi-Ming

COUNTRY MANAGER

Tony joined Cargo Express as Accounts Clerk on 01 November 1991. He was posted in Madagascar in January 2001 and has subsequently occupied the posts of Accounts Supervisor/Operations under Cargo Express.

He was then transferred to Velogic where he subsequently occupied the posts Operations Manager, Manager Finance and Administration and Acting Country Manager before being appointed as Country Manager RIDS – Madagascar on 01 January 2013.

Jean-Noel Albert

COUNTRY MANAGER

Jean-Noel is the Country Manager of Velogic Express Reunion since 2017. Jean-Noel launched his own Courier Express company (JNA Express) in Reunion when he obtained the franchise of UPS in 1997. The company was then sold to IBL Reunion in 2009 before being taken over by Velogic in 2017. He has nearly 40 years of experience in Transport/Freight and Logistics having also worked as deck officer in the merchant navy for Rogers Shipping, operations manager for MSC France S.A. (Reunion). He holds a BTS Transport & Logistics and is a qualified Professional in road Cargo Transport as well as Commissioner of Transport in Reunion.

Robert Richard

COUNTRY MANAGER VELOGIC REUNION (VSR – FREIGHT FORWARDING)

Robert is the Country Manager of Velogic Reunion (Freight Forwarding) since 2017. He joined Velogic Reunion in 2013 as Sales Manager. Robert has been in the Maritime and logistics field for more than 25 years' where he developed his experience in import and export activities. Before joining Velogic Reunion he was Agency Manager for CMA CGM Reunion and Trade and Traffic Manager for Höegh Autoliners covering Africa & Indian Ocean based in Reunion Island. He holds a BTS in Communication and is a Commissioner of Transport in Reunion Island.

Leadership Team

1. **Naveen Sangeelee** | CHIEF FINANCE AND INVESTMENT OFFICER 2. **Thierry Espitalier-Noël** | MANAGING DIRECTOR - SUGAR PACKING
3. **Denis Hung Han Yun** | CHIEF OPERATIONS OFFICER 4. **Mehul Hiteshkumar Bhatt** | MANAGING DIRECTOR - EAST AFRICA
5. **Nawaz Gobindram** | MANAGING DIRECTOR - INDIAN SUB-CONTINENT

6. **Bertrand Abraham** | CHIEF HUMAN RESOURCES OFFICER 7. **Nayendranath (Vishal) Nunkoo** | CHIEF EXECUTIVE OFFICER
8. **Marcel Lagesse** | MANAGING DIRECTOR - SHIPPING 9. **Marie Maurice André de Comarmond** | MANAGING DIRECTOR - INDIAN OCEAN

Board of Directors

1. **Nayendranath (Vishal) Nunkoo** | EXECUTIVE DIRECTOR, CHIEF EXECUTIVE OFFICER
2. **Vincent Jean Pierre Barbier** | INDEPENDENT DIRECTOR 3. **Naveen Sangeelee** | EXECUTIVE DIRECTOR, CHIEF FINANCE AND INVESTMENT OFFICER 4. **Jean Evenor Damien Mamet** | NON-EXECUTIVE DIRECTOR
5. **Marie Edouard Gilbert Espitalier-Noël** | NON-EXECUTIVE DIRECTOR

6. **Gianduth (Alvin) Jeeawock** | NON-EXECUTIVE DIRECTOR 7. **Belinda Wong-Vacher** | NON-EXECUTIVE DIRECTOR
8. **Marie Hector Philippe Espitalier-Noël** | CHAIRMAN, NON-EXECUTIVE DIRECTOR
9. **Mehul Hiteshkumar Bhatt** | NON-EXECUTIVE DIRECTOR 10. **Radhakrishna Chellapermal** | INDEPENDENT DIRECTOR

Board of Directors (cont.)

Marie Hector Philippe ESPITALIER-NOËL
(58 years)

CHAIRMAN,NON-EXECUTIVE DIRECTOR

NATIONALITY: **MAURITIAN** | RESIDENCY: **MAURITIUS**

DATE OF APPOINTMENT: **08/10/2004**

Qualifications
- BSc in Agricultural Economics (University of Natal, South Africa); and
- MBA (London Business School);

Continuing professional development
- Refresher workshop on duties and responsibilities of Directors of Public Interest Entities (PIEs).

Professional journey
- Worked for CSC Index in London as Management Consultant from 1994 to 1997;
- Joined Rogers in 1997; and
- Was appointed Chief Executive Officer of the Rogers Group in 2007.

Skills
- Strong knowledge in mergers, acquisitions, and business transformation, with decades of experience in the field;
- Sound executive leadership and a considered approach to strategy development and implementation;
- Proactive approach to addressing stakeholder priorities from a post-pandemic economic recovery perspective;
- Detailed understanding of the external context, particularly in relation to the climate change imperatives; and
- Deep understanding of effective management techniques to support future growth, focusing on people development, culture shaping and digital enablement.

Directorships in other listed entities

Name of Company	Directorship type
Swan Life Ltd	Non-Executive Director
Swan General Ltd	Non-Executive Director
Rogers and Company Limited	Executive Director
Ascencia Limited	Chairman and Non-Executive Director

Nayendranath (Vishal) NUNKOO
(54 years)

EXECUTIVE DIRECTOR, CHIEF EXECUTIVE OFFICER

NATIONALITY: **MAURITIAN** | RESIDENCY: **MAURITIUS**

DATE OF APPOINTMENT: **21/06/2011**

Qualifications
- MBA majoring in Finance; and
- MSc in Engineering.

Continuing Professional Development
- "Les nouvelles fractures géopolitiques mondiales";
- "Du management des situations de crise au management de la surprise";
- "La rencontre en 5 actes: le manager acteur";
- "Carbon economy: Opportunities for companies";
- "Déjouer les pièges de lamauvaise foi et des jeuxpsychologiques : du triangle dramatique au triangle compassionnel";
- "Facile: lire, comprendre et finalement vivre la lecture rapide intuitive";
- "Tendances émergeantes et innovantes : comment votre secteur s'adapte au monde de demain";
- "L'audace de faire face aux échecs et les transformer avec optimisme";
- "Team Cohesiveness Training - Travailler mieux ensemble";
- "Les mondes futurs et l'avenir du travail";
- "Jeu de go et management stratégique";
- "Réussir son opération de croissance externe du project d'acquisition à l'intégration des équipes, une aventure technique et humaine"; and
- Refresher workshop on duties and responsibiliti©es of Directors of Public Interest Entities(PIEs).

Professional Journey
- Joined Rogers Group in 1993 and worked in various positions, namely in the Planning & Development department, the Aviation and Logistics sectors;
- General Manager Software Services - Enterprise Information Solutions; and
- Corporate Manager – Strategic Planning at the Head Office of Rogers and Company Limited.

Skills
- Significant experience in General Management in the Logistics and IT sectors;
- Broad experience in the strategic and business development field; and
- Strong managerial and financial skills

Directorships in other listed entities

None

Marie Edouard Gilbert ESPITALIER-NOËL
(59 years)

NON-EXECUTIVE DIRECTOR

NATIONALITY: **MAURITIAN** | RESIDENCY: **MAURITIUS**

DATE OF APPOINTMENT: **18/07/2011**
DATE OF RESIGNATION: **11/09/2023**

Qualifications

BSc (University of Cape Town, South Africa);
- BSc (Hons) (Louisiana State University, USA); and
- MBA (INSEAD Fontainebleau, France)

Continuing Professional Development
- Cybersecurity Workshops.

Professional Journey
- Joined Food and Allied Group in 1990 and was appointed Group Operations Director in 2000;
- Joined the ENL Group in February 2007;
- Was Chief Executive of ENL Property Ltd;
- Currently CEO of New Mauritius Hotels Ltd; and
- Past President of various private sector institutions, including MCCI, JEC.

Skills
- Detailed knowledge of the Group;
- Broad experience in the hospitality sector;
- Experienced non-executive director in several sectors;
- Significant M&A experience locally and regionally; and
- Well versed in Corporate Governance.

Directorships in other listed entities

Name of Company	Directorship type
Rogers and Company Limited	Non-Executive Director
ENL Limited	Non-Executive Director (upto 30 June 2023)
New Mauritius Hotels Limited	Executive Director
Semaris Ltd	Executive Director
Beachcomber Hospitality Investment Ltd	Non-Executive Director
Livestock Feed Limited	Non-Executive Director
Ascencia Limited	Non-Executive Director

Board of Directors (cont.)

Naveen Sangeelee

(55 years)

EXECUTIVE DIRECTOR, CHIEF FINANCE AND INVESTMENT OFFICER

NATIONALITY: **MAURITIAN** | RESIDENCY: **MAURITIUS**

DATE OF APPOINTMENT: **29/08/2018**

Qualifications:

- Fellow of the Institute of Chartered Accountants in England & Wales (FCA);
- Fellow of the Association of Chartered Certified Accountants (FCCA);
- MBA – Finance; and
- BSc (Hons) in Economics and Computing.

Continuing Professional Development:

- Feb 2019 – Blue Ocean Strategy with INSEAD;
- Dec 2013 - Financing the Entrepreneurial Business with London Business School; and
- June 2023- Refresher workshop on duties and responsibilities of Directors of Public Interest Entities(PIEs).

Professional Journey

- Previously Senior Manager at Warner Bros. Inc & UPS Inc (London); and
- Appointed Chief Finance Officer at Velogic, effective since May 2011.

Skills:

- Rich accounting and finance experience at international level;
- Proven track record in M&A;
- Strong managerial and financial skills; and
- Well versed in Corporate Governance.

Directorships in other listed entities

None

Mehul Hiteshkumar Bhatt

(43 years)

NON-EXECUTIVE DIRECTOR

NATIONALITY: **INDIAN** | RESIDENCY: **MAURITIUS**

DATE OF APPOINTMENT: **27/02/2020**

Qualifications

- MBA from London Business School (UK);
- Bachelor's in Nautical Science from BITS, Pilani (India); and
- Fellow of Institute of Chartered Shipbrokers (UK), and Associate Fellow of Nautical Institute (UK).

Continuing Professional Development

- YPO Member

Professional Journey

- Started career in Merchant Marine at the age of 18 with Chevron, an oil major based out of San Ramon, USA;
- Worked across US, Denmark, East Africa, UK and India prior to moving to Mauritius in 2019; and
- Worked with international groups like A. P. Moller-Maersk and Chevron in various strategy, finance, general management, performance management, operations and commercial roles.

Skills

- Over 20 years in shipping and logistics;
- People and organizational leadership experience since 2010; and
- Currently also heads strategy, sustainability and International Development for Rogers Group.

Directorships in other listed entities

None

Vincent Jean Pierre Barbier

(57 years)

INDEPENDENT DIRECTOR

NATIONALITY: **SLOVAK AND FRENCH** | RESIDENCY: **MAURITIUS**

DATE OF APPOINTMENT: **25/08/2021**

Qualifications

- General Engineer E.N.S.E.M. (National School of Electricity and Mechanics) – Nancy in France, Electricity and Mechanics, specialised in thermal engineering and fluid mechanics;
- CEFA-MBA, Reims Management School (CEFA) in France, MBA Degree at the Superior School of Commerce. Specialised in international trade; and
- English Language Programs, Berkeley (California), upgrading the English language in United States.

Continuing Professional Development

- APM, Association pour le Progrès du management.

Professional Journey

- Founder of KORSO, development and management of projects with a special focus in energy and environment activities;
- Former CEO of VEOLIA ENERGIE CESKA REPUBLIKA and SLOVAKIA; and
- Former CEO of DALKIA.

Skills

- Strong managerial and leadership skills; and
- Significant experience in the strategic, business development and commercial field.

Directorships in other listed entities:

None

Radhakrishna Chellapermal

(67 years)

INDEPENDENT DIRECTOR

NATIONALITY: **MAURITIAN** | RESIDENCY: **MAURITIUS**

DATE OF APPOINTMENT: **25/08/2021**

Qualifications

- Fellow of the Association of Chartered Certified Accountants (FCCA).

Continuing Professional Development

- Refresher workshop on duties and responsibilities of Directors of Public Interest Entities(PIEs).

Professional Journey

- Current chairperson of the Central Electricity Board;
- Former deputy financial secretary at the Ministry of Finance - Mauritius; and
- 37-year career in the Ministry of Finance - Mauritius.

Skills

- Strong accounting and leadership skills; and
- Significant experience in the strategic development and planning

Directorships in other listed entities

Name of Company
Les Moulins de la Concorde Ltee

Board of Directors (cont.)

Belinda Wong-Vacher
(38 years)

NON-EXECUTIVE DIRECTOR

NATIONALITY: **MAURITIAN** | RESIDENCY: **MAURITIUS**

DATE OF APPOINTMENT: **13/04/2022**

Qualifications

- LL.M. International Business Law, Université Paris II, Panthéon-Assas;
- Strategy Execution for Business Leaders, INSEAD, France;
- Financing the Entrepreneurial Business Programme, London Business School, UK;
- Master's in business administration, University of Mauritius;
- Certificate in Business Accounting, Chartered Institute of Management Accountant, UK; and
- BSc (Hons) Finance, University of Mauritius.

Continuing Professional Development

- Refresher workshop on duties and responsibilities of Directors of Public Interest Entities(PIEs).

Professional Journey

- Currently Chief Finance Officer at Harel Mallac & Co. Ltd;
- Chief Fund Management Executive, Rogers & Co Ltd upto end of March 2023
- Fund Manager and Executive Director of Ascencia Ltd (Listed Company since 2008);
- Member of Risk Management & Audit Committee of Ascencia Ltd; and
- Fellow Member – Mauritius Institute of Directors.

Skills

- Strong expertise and experience across all arrays of corporate finance, finance modelling, business valuation, deal structuring and investment appraisal (specialisation in M&A);
- Excellent network for fund raising (both equity & debt) and proven track record; and
- Experience in other domains such as company listing, compliance and relevant governance, risk management, strategic planning, due diligence, investor relations, communication strategy and implementation of branding and marketing.

Directorships in other listed entities

Name of Company	Directorship type
Ascencia Limited	Non-Executive Director

Gianduth (Alvin) Jeeawock
(39 years)

NON-EXECUTIVE DIRECTOR

NATIONALITY: **MAURITIAN** | RESIDENCY: **MAURITIUS**

DATE OF APPOINTMENT: **13/04/2022**

Qualifications

- Executive MBA (jointly by Paris Dauphine and Sorbonne Business School);
- Obtained Chartered Financial Analyst (CFA) designation; and
- Graduated with second class first division of bachelor's in finance from University of Mauritius.

Continuing Professional Development

- Continuous development as per CFA requirements.

Professional Journey

- Currently Chief Operations Officer of Swan Capital Solutions Ltd.

Skills

- Stakeholder management skills;
- Highly skilled in managing and interpreting financial data; and
- Excellent collaborative leadership skills.

Directorships in other listed entities

Name of Company	Directorship Type
Oceanarium (Mauritius) Ltd	Non- Executive Director
Constance Hotels Services Ltd	Non- Executive Director
Tropical Paradise Co Ltd	Non- Executive Director

Jean Evenor Damien MAMET
(46 years)

NON-EXECUTIVE DIRECTOR

NATIONALITY: **MAURITIAN** | RESIDENCY: **MAURITIUS**

DATE OF APPOINTMENT: **22/08/2022**

Qualifications

- Member of the Institute of Chartered Accountants in England and Wales;
- Executive Programmes (London Business School); and
- INSEAD Business School, Singapore.

Continuing Professional Development

- IFRS 9 - Financial Instruments & IFRS 16 - Lease workshop crafting a compelling strategy for a Sustainable Future
- Workers' Right Act 2019 workshop; and
- Strengthening the Digital, Strategy and People Agenda within the organisation – 2022

Skills

- Extensive knowledge of financial markets as leader of Rogers's financial strategy;
- Experienced in significant corporate projects and major transactions, including Rogers's approach to investments, divestments and partnering;
- Oversees appropriate governance in the management of the Group risk environment;
- Deep appreciation of shareholder views and related ESG; and
- Practical regulatory insight and Board oversight of Rogers's networks businesses.

Directorships in other listed entities

Name of Company	Directorship type
Rogers and Company Limited	Executive Director
Ascencia Limited	Non-Executive Director

Corporate Governance (cont.)

Principle 2 – The structure of the Board and its committees

Structure of the Board

As at 30 June 2023, the Company was headed by a unitary Board comprising ten (10) directors. The Board is made up of two (2) Executive Directors, six (6) Non-Executive Directors and two (2) Independent Non-Executive Directors, under the Chairmanship of Mr. Philippe Espitalier-Noël, who is a Non-Executive Director. Moreover, the functions and responsibilities of the Chairman and the Chief Executive Officer are distinct and separate.

The Analysis of the composition of the Board as at 30 June 2023 is as follows:

Composition of Board	
Non-Executive Director ("NED")	6
Executive Director ("ED")	2
Independent Non-Executive Director ("INED")	2

Residency	
Mauritian Resident	9
Non-Mauritian Resident	1

Gender	
Male	9
Female	1

Age profile	
Below 40 years	2
Between 41 to 50 years	2
Between 51 to 60 years	5
Above 60 years	1

Length of Tenure	
Less than 2 years	6
Between 2 to 5 years	2
More than 10 years	2
More than 15 years	1

The profiles of the Directors, including their qualifications and nationality, are available on pages 68 to 73. The balance of skills of the Board is set out at page 195 . Moreover, the list of directorships of each Director will be made available upon request from the Company Secretary.

A minimum of four (4) Board meetings are held annually. In the event that Board meetings cannot be held, the relevant matters are approved by way of written resolution of the Directors, alongside the supportive documentation for their consideration. The attendance of the Directors at the Board meetings of the Company for the period from 01 July 2022 to 30 June 2023 is set out in the table below.

Date of Board meetings	Attendance at Board meetings	Remuneration and benefits
Mr. Marie Hector Philippe ESPITALIER-NOËL	4/4	Nil
Mr. Vincent Jean Pierre BARBIER	4/4	MUR 240,000
Mr. Mehul Hiteshkumar BHATT	4/4	Nil
Mr. Radhakrishna CHELLAPERMAL	4/4	MUR 340,000
Mr. Marie Edouard Gilbert ESPITALIER-NOËL	2/4	Nil
Mr. Nayendranath (Vishal) NUNKOO	4/4	Nil
Mr. Naveen SANGEELEE	4/4	Nil

Principle 2 – The structure of the Board and its committees (cont'd)

Date of Board meetings	Attendance at Board meetings	Remuneration and benefits
Mrs. Belinda WONG-VACHER*	4/4	MUR 85,000
Mr. Gianduth (Alvin) JEEAWOCK	4/4	Nil
Mr. Jean Evenor Damien MAMET (appointed on 22 August 2022)	3/4	Nil

The definitions of NED, ED and INED are in line with the criteria of the Code and The Companies Act 2001.

Mr. Gianduth (Alvin) Jeeawock has been appointed to the Board by virtue of a Shareholders' Agreement between two current shareholders of the Company, namely Rogers Logistics Investment Holding Ltd and Swan Life Ltd.

*Mrs. Belinda Wong-Vacher resigned as an employee of Rogers on 31 March 2023.

** Mr. Marie Edouard Gilbert Espitalier-Noël resigned as director of the Company on 11 September 2023.

Directors' remuneration

Furthermore, as a principle, the Executive and Non-Executive Directors of the Company who are employed by either the Rogers Group or its associates are not entitled to any Directors' fees while serving on the Board of Velogic and its subsidiaries. The Independent Non-Executive Directors of Velogic perceive a fee as follows:

- Fixed monthly fee of MUR 15,000; and
- Attendance fee of MUR 20,000 per Board attendance.

Board committees

Prior to the listing of Velogic on DEM, its Board had resolved that its governance matters, as well as risk management, internal control and audit matters, be overseen by the Corporate Governance Committee ("CGC") and Risk Management and Audit Committee of Rogers. For the purpose of the listing, the Board of Velogic agreed that such governance structure operates well and there will be no change thereto. Further, the Sustainability and Inclusiveness Committee ("SIC") of Rogers assists the Directors of the Company in the performance of their duties. Moreover, the Chief Executive Officer of Velogic has a standing invitation to attend the meetings of the SIC and CGC of Rogers.

In view of Velogic's significant growth in size, the Company has resolved to set up its own Risk Management and Audit Committee ("RMAC") on 22 August 2022, Mr. Naveen Sangeelee, the Chief Finance and Investment Officer of Velogic, is a permanent attendee of the RMAC. For the year under review, Mr. Thierry Hugnin, who is a member of Rogers RMAC, was appointed as an observer to the RMAC of Velogic. This appointment was to facilitate the understanding and reporting of information between both RMACs.

The roles and responsibilities of the RMAC are outlined in its charter and the same has been published on the website of Velogic: https://www.velogic.net/investors/corporate-governance/rmac-charter/.

The Company Secretaries of Rogers and Velogic further coordinate to ensure the timely flow of information between the CGC and SIC of Rogers, and the Board and RMAC of Velogic. Board and Committee materials are circulated at least four (4) days before the holding of such meetings.

Corporate Governance (cont.)

Principle 2 – The structure of the Board and its committees (cont'd)

The attendance to CGC, RMAC and SIC meetings for the period 01 July 2022 to 30 June 2023 is shown below.

Corporate Governance Committee of Rogers	Attendance
Names of members	
Jean Pierre MONTOCCHIO (Chairman)	3\3
Marie André Eric ESPITALIER-NOËL	3\3
Marie Hector Philippe ESPITALIER-NOËL	3\3
Guy ADAM	3\3

Sustainability and Inclusiveness Committee of Rogers	Attendance
Name of members	
Deonanan (Raj) MAKOOND (Chairman)	2\2
Marie Hector Philippe ESPITALIER-NOËL	2\2
Mehul Hiteshkumar BHATT	2\2
Celine GUILLOT-SESTIER	2\2
Mickaël APAYA (appointed on 11 May 23)	N/A
Rebecca ESPITALIER-NOËL (appointed on 11 May 23)	N/A
Cathie HANNELAS (resigned on 31 Jan 23)	1\1
Christian NANON (resigned on 03 Apr 23)	1\1
Alexandre PIAT (resigned on 19 Apr 23)	2\2
Thierry SAUZIER (resigned on 19 Apr 23)	2\2
Jean Evenor Damien MAMET (resigned on 19 Apr 23)	2\2
Audrey D'HOTMAN DE VILLIERS (resigned on 19 Apr 23)	2\2
Sandra FAYOLLE (resigned on 04 Apr 23)	1\1

Risk Management and Audit Committee of Velogic	Attendance
Name of members	
Belinda WONG-VACHER	4/4
Jean Evenor Damien MAMET	2/4
Radhakrishna CHELLAPERMAL (Chairman)	4/4

The membership and terms of reference of the SIC and CGC are available on https://www.rogers.mu.

The terms of reference of the RMAC of Velogic is available on https://www.velogic.net/investors/corporate-governance/rmac-charter/.

Principle 3 – Directors' appointment procedures

On 22 August 2022, Mr. Jean Evenor Damien Mamet was appointed as Non-Executive Director of the Company.

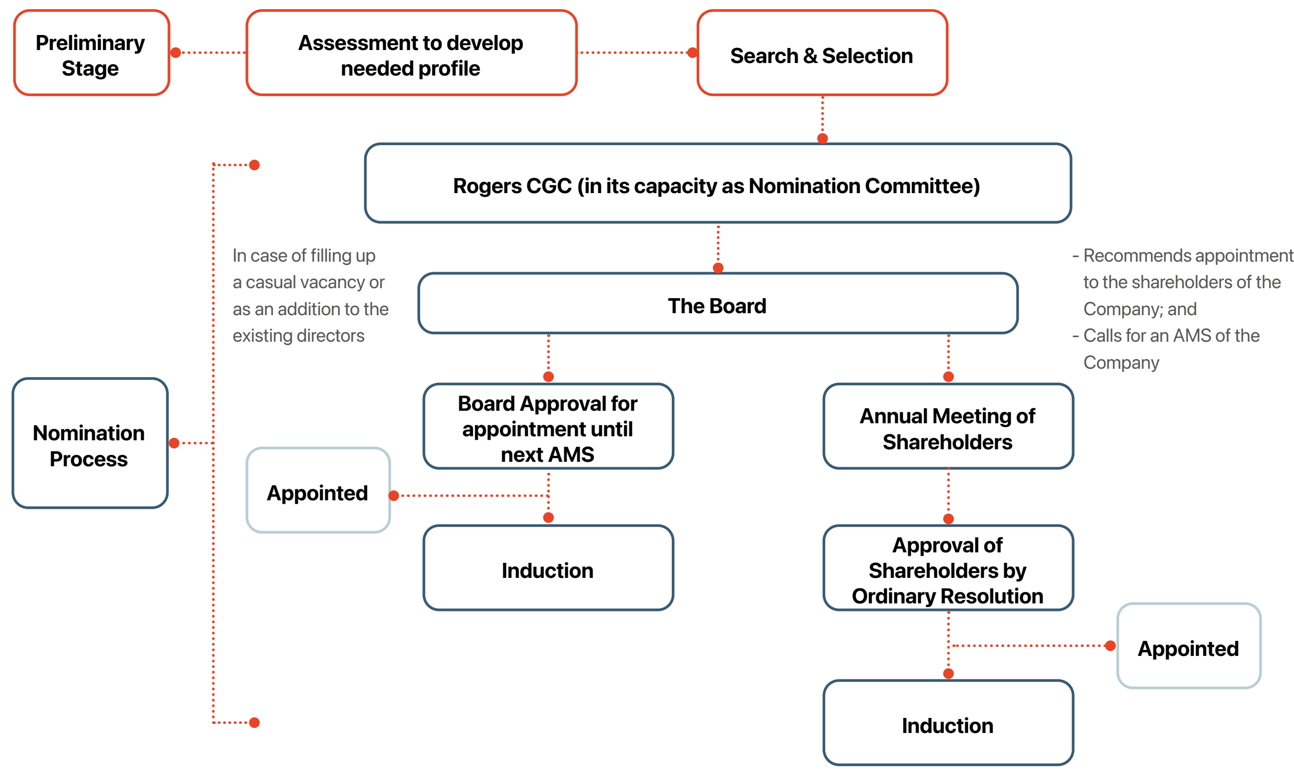
At the time of approving this report, Mrs. Soorya Devi Ramchurn-Oogarah and Mrs. Hanjali Devi Permalloo-Le Roux were appointed as Non-Executive Directors of the Company effective 01 September 2023.

The Board is satisfied that the newly appointed Non-Executive Director will contribute to the success of the Company given their skills and experience.

The Board assumes the responsibilities for succession planning and for the appointment and induction of new Directors to the Board.

The Corporate Governance Committee of Rogers, acting in its capacity as Nomination Committee, recommends the appointment of new Directors for approval by the Board. When appointing Directors, the Board takes cognisance of its needs in terms of skills, experience, diversity and size.

The appointment process of the Directors is in line with the Constitution of the Company and is presented below.



Notes:

1. CGC means the Rogers Corporate Governance Committee
2. Board means the Board of Velogic Holding Company Limited
3. AMS means Annual Meeting of Shareholders

Corporate Governance (cont.)

Principle 3 – Directors' appointment procedures (cont'd)

All Directors stand for election and/or re-election at the Annual Meeting of Shareholders of the Company.

All new Directors, upon joining the Board, attend and participate in an induction and orientation process. They also receive a comprehensive induction pack from the Company Secretaries. Directors are further encouraged to attend courses to refresh their knowledge and to keep abreast of latest developments relating to their duties, responsibilities, powers and potential liabilities. Both the Company Secretaries of Velogic are ICSA qualified.

The position statements of the Company Secretaries are available on http://www.velogic.net/investors/corporate-governance/. All Directors have access to the advice and services of the Company Secretaries, who then provide guidance to the Directors on their statutory duties, ethics and good governance.

The following documents are available on the website of the Company:

Short biography of the Company Secretaries, including their experience, skills, expertise and continuing professional development	http://www.velogic.net/investors/corporate-governance/
Short biographies of each Director, including their experience, skills, expertise, skills, expertise and continuing professional development	http://www.velogic.net/board-of-directors/
Nomination and appointment process	http://www.velogic.net/investors/corporate-governance/director-appointment

Principle 4 – Directors' duties, remuneration and performance

All Directors are familiar with their legal duties. They are required to exercise that degree of care, skill and diligence which a reasonably prudent and competent Director in his or her position would exercise. A Director may seek independent professional or legal advice, at the expense of the Company, in respect of any aspect of their duties. For the year under review, an in-house refresher course on the duties and responsibilities of Directors of Public Interest Entities was organised by the Legal team of Rogers for the Directors to continue contributing effectively towards their duties as laid out under the various legislations that Velogic is required to comply with.

Dealing in the shares

Upon its listing on the DEM and pursuant to The Securities Act 2005, Velogic qualified as a reporting issuer. Accordingly, the officers of the Company and those of its subsidiaries are qualified as officers. More so, the Directors of Velogic are also officers of the Company and are, in turn, required to comply with Appendix 6 - Model Code For Securities Transactions (the "Securities Code") by Directors of Listed Companies. The Securities Code provides guidance in respect of the dealing in shares of the Company.

The absolute prohibitions are as follows:

- A Director should not deal in any of the securities of the issuer at any time when he is in possession of unpublished price-sensitive information in relation to those securities.
- A Director should not deal in the securities of any other listed issuer when by virtue of his position as a Director of his own company, he is in possession of unpublished price-sensitive information in relation to those securities.

For the period under review, the Directors' interest in Velogic and its subsidiaries were as follows:

Name of Directors	Direct Interest
Mr. Marie Hector Philippe ESPITALIER-NOËL	Nil
Mr. Vincent Jean Pierre BARBIER	Nil
Mr. Mehul Hiteshkumar BHATT	Nil
Mr. Radhakrishna CHELLAPERMAL	Nil
Mr. Marie Edouard Gilbert ESPITALIER-NOËL	Nil
Mr. Nayendranath (Vishal) NUNKOO	0.0064%
Mr. Naveen SANGEELEE	0.0009%
Mrs. Belinda WONG-VACHER	Nil
Mr. Gianduth (Alvin) JEEAWOCK	Nil
Mr. Jean Evenor Damien MAMET (appointed on 22 August 2022)	Nil

Save for Mr. Mehul Hiteshkumar Bhatt who holds a direct interest of 1.53% in General Cargo Services Ltd (Kenya), the other Directors of the Company do not hold any direct interest in the shareholdings of the subsidiaries of the Company.

Corporate Governance (cont.)

Principle 4 – Directors' duties, remuneration and performance (cont'd)

Interests of Directors and conflicts of interest

Any instances where Directors are conflicted are noted by the Company Secretaries, who maintain a conflict of interests register, as well as an interests register. The latter is available to Shareholders for consultation, upon written request to the Company Secretaries.

The conflict of interest register records all potential conflicts of interest between any Director's duties to the Company and their private interests and/or other duties. Any instances where Directors of Velogic are conflicted are noted by the Company Secretaries. Furthermore, a Director who is interested in a transaction entered into, or to be entered into, by the Company, may not vote on any matter relating to the transaction; and if he/she does cast a vote, his/her vote shall not count. As at 30 June 2023, there was no conflict of interest entered in the said register.

Related party transactions

The Company applies the requirements of the DEM rules pertaining to the disclosure of corporate transactions, including related party transactions. Related party transactions are adequately addressed through proper monitoring, approval and disclosure, in line with the related party transaction approval process of the Company. The said approval process can be consulted on the Company's website. All related party transactions are recorded in the related party transaction register of the Company. For the year under review, there was no related party transaction to that end.

During the period under review, there was no related party transactions

Information technology, security and policy

The Company is a registered controller with the Data Protection Office. In keeping with The Data Protection Act 2017, the Company has endeavoured to reinforce the safety and security measures in place to protect the personal data it collects, stores and processes. It has thus adopted the following documents:

- A Data Protection Policy, which summarises the principles applied by the Company when processing data;
- A Data Protection Notice, which provides to data subjects a detailed explanation of the purpose for and manner in which the Company processes data, as well as the rights of data subjects relating to the data processed; and
- An Information, Information Technology and Information Security policy which sets out the IT safeguards which have been put in place to ensure the security of data.

The Company has also adopted a Data Protection Compliance manual, which describes the comprehensive approach of the Company to personal data protection. Regular audits and training of the personnel will be carried out to ensure compliance with the said manual.

The Board monitors and evaluates the significant expenditure on Information Technology. Technology has allowed the Company to gather data in real time, making it possible to react to customer trends and new habits immediately. The need to be agile and to embrace change are considered vital for the Company, in keeping with its customer promise.

Principle 4 – Directors' duties, remuneration and performance (cont'd)

Board evaluation

During the year under review, an externally facilitated evaluation was conducted by Boston Consulting Group Ltd ("BCG"), a well-placed independent sounding board to the process. A one-to-one interview was held between the representative of BCG and each Director, covering both Board-related and strategy-related matters.

The evaluation concluded that the areas of strength related to:

- efficient tackling of business challenges
- effective Board meetings, with a clear structure and decision-making focus
- a broad range of topical logistics expertise
- adequate independent Directors on the Board of Velogic.

The areas of development/enhancement were as follows:

- additional focus on strategic discussions
- succession planning in key roles
- additional diversity to the Board skills matrix.

The findings of the evaluation were considered by the CGC of Rogers, which oversees the governance matters of Velogic. At the time of approving this report, the following appropriate recommendations were made to the Board of Velogic:

(1) an externally-facilitated Board effectiveness evaluation be carried out at least every three years.

(2) the Board of Velogic is to be reviewed to ensure an adequate balance of skills, gender and cognitive diversity.

Corporate Governance (cont.)

Principle 5 – Risk governance and internal control

The Board is responsible for the system of internal control and the governance of risks of Velogic. It is committed to continuously maintaining adequate control procedures, with a view to safeguard the assets and reputation of Velogic. It also ensures that Velogic develops and executes a robust system of risk management whereby areas with high residual risks are continuously reviewed and assessed by the RMAC of Rogers with the assistance of the Risk and Audit department of Rogers. The RMAC of Rogers has allocated time, on a quarterly basis, for the oversight of risk management and internal controls of Velogic.

Management is accountable to the Board for the design, implementation and enforcement of internal controls, ensuring that the associated processes and systems are operating satisfactorily. The Board derives assurance that the internal control systems are effective through the lines of defence and risk management processes as described in the Risk Management report on pages 92 to 101. In the design of the internal risk control system, entities are encouraged to have the right level of internal controls whereby the costs and time involved in operating these controls is balanced against the nature and significance of the risks they mitigate. The Board also recognises that any system of internal control is designed to understand and manage rather than eliminate.

The Group reporting malpractice policy sets out the process whereby information relating to questionable practices within the Group is disclosed in good faith by employees. They are encouraged to raise such questionable practices to their direct reporting manager or if this is considered inappropriate, the issue should be raised with the Chief Human Resources Executive at the Corporate office. The latter will consequently report to the Chief Executive Officer of Rogers Group.

For more information on the Company's risk governance practices and internal controls, please refer to pages 92 to 94 of the Integrated Report.

Principle 6 – Reporting with integrity

In line with its Board Charter and Terms of Reference of the RMAC, the main deliberations during the year under review were as follows:

Main deliberations of the Board	
Date	**Matters**
15 June 2022	Approval of the final acquisition of Rongai Workshop and Transport Limited Approval of the declaration of final dividend of Rs 0.80 per share Approval of the budget for FY 2023 Consideration of setting up of its own RMAC
13 September 2022	Approval of Abridged Audited Financial Statements for the year ended 30 June 2022 Consideration of the Annual Report for the year ended Approval of three-year audit plan (FY 2022 to 2024) Approval of amendments to the Board Charter Approval of terms of reference of Risk Management and Audit Committee Approval of the Customer Data Governance Policy Framework Approval of the calendar of meetings for the year 2023 Approval of the risk management report
07 November 2022	Approval of the declaration of interim dividend of Rs 0.40 per share Approval of Abridged Unaudited Financial Statements as at 30 September 2022
09 February 2023	Approval of Abridged Unaudited Financial Statements as at 31 December 2022 Approval of Mrs. Heena Anauth-Oodunt as additional Company Secretary Approval of change in auditors of the overseas subsidiaries of the Company
10 May 2023	Approval of Abridged Unaudited Financial Statements as at 31 March 2023 Approval of three-year strategic plan Approval of e-communication consent form to Shareholders Approval of external audit fees for the financial year 2023

Corporate Governance (cont.)

Principle 6 – Reporting with integrity (cont'd)

Main Deliberations of RMAC of Velogic	
Date	**Matters**
07 September 2022	Review of the terms of reference of the RMAC Review of the management letter for financial year ended 30 June 2022 ("management letter") Review of Abridged Audited Financial Statements for the year ended 30 June 2022 Review of Audited Financial Statements for the year ended 30 June 2022 Review of health and safety updates Review of internal control and risk management report
01 November 2022	Review of management letter Review of internal audit report Review of health and safety updates Review of Audited Financial Statements for the period ended 30 September 2022
03 February 2023	Review the updates on management letter Review the progress of implementation of internal audit report Review Abridged Audited Financial Statements for the quarter ended 31 December 2022 Review health and safety matters Review change in auditors of subsidiaries Review change in depreciation policy

The Corporate and Social Responsibilities of the Company are aligned with the Rogers Group's engagement of "making the world a better place than the one we inherited". Velogic's actions and initiatives revolve around three main themes, namely:

1. Waste management with the 3Rs (Reduce, Reuse, Recycle);

2. Renewable energy (rain water harvest, study on installation of solar panels and fuel efficiency); and

3. Education (continuous defensive driving for our lorry drivers and sensitisation on the importance of cleaning the planet).

An Environmental policy, as well as Procurement policies which include environmental criteria, are also in place. Please refer to the Natural Capital section on page 52 for more details on Velogic's environmental commitments and achievements.

Moreover, the Company did not make any political donations for the year under review.

Please refer to the Social and Relationship Capital section on page 46 for more details on Velogic's community-driven initiatives.

For further information, please visit our website at: https://www.velogic.net/sustainability/

Principle 7 – Audit

Internal Audit

The internal audit team from Rogers provides independent assurance that the governance, risk management and internal control processes operate effectively. Internal audit engagements are carried out according to Rogers' Internal Audit Methodology based on the International Professional Practices Framework (IPPF) of the IIA. Areas covered by internal audit during the financial year under review are detailed in the Risk Management report on page 92. Internal auditors present their reports and the status of implementation of past recommendations to the RMAC and the Board of Directors of Velogic. Through discussions on the reports received, the RMAC evaluates the effectiveness of the internal audit function on an ongoing basis. Following an assessment, the RMAC of Rogers is satisfied of the independence of the internal audit function.

The internal audit team consists of qualified and partly qualified accountants, with an average experience of eight (8) years in audit and related fields, which includes the logistics sector. They have unlimited access to Velogic's management, employees and records. They are not involved in management activities that may threaten their independence and objectivity.

External Audit

Appointment

Ernst and Young was appointed as external auditors for the current financial year at the Annual Meeting of Shareholders.

Effectiveness

The external audit process, planning, observations, recommendations and accounting principles are evaluated and discussed with the RMAC. The external auditors have direct access to the RMAC, should they wish to discuss any matter in the absence of Management.

Non-audit services

During the year under review, Ernst and Young performed the review of the fair value of Velogic's investment. The charge for such review was MUR 500, 000.

Corporate Governance (cont.)

Principle 8 – Relations with shareholders and other key stakeholders

The shareholding structure of Velogic Holding Company Limited as at 30 June 2023 is set out on page 11.

The Annual Meeting of Shareholders is held annually, in compliance with the Constitution of the Company and The Companies Act 2001. At the annual meetings, Shareholders are encouraged to ask questions.

The Company is in a constant dialogue with its shareholders and stakeholders through:

- Investors' Briefing;
- Quarterly Unaudited Financial Statements;
- Meeting of Shareholders;
- Press communiques;
- Social Media; and
- Its website.

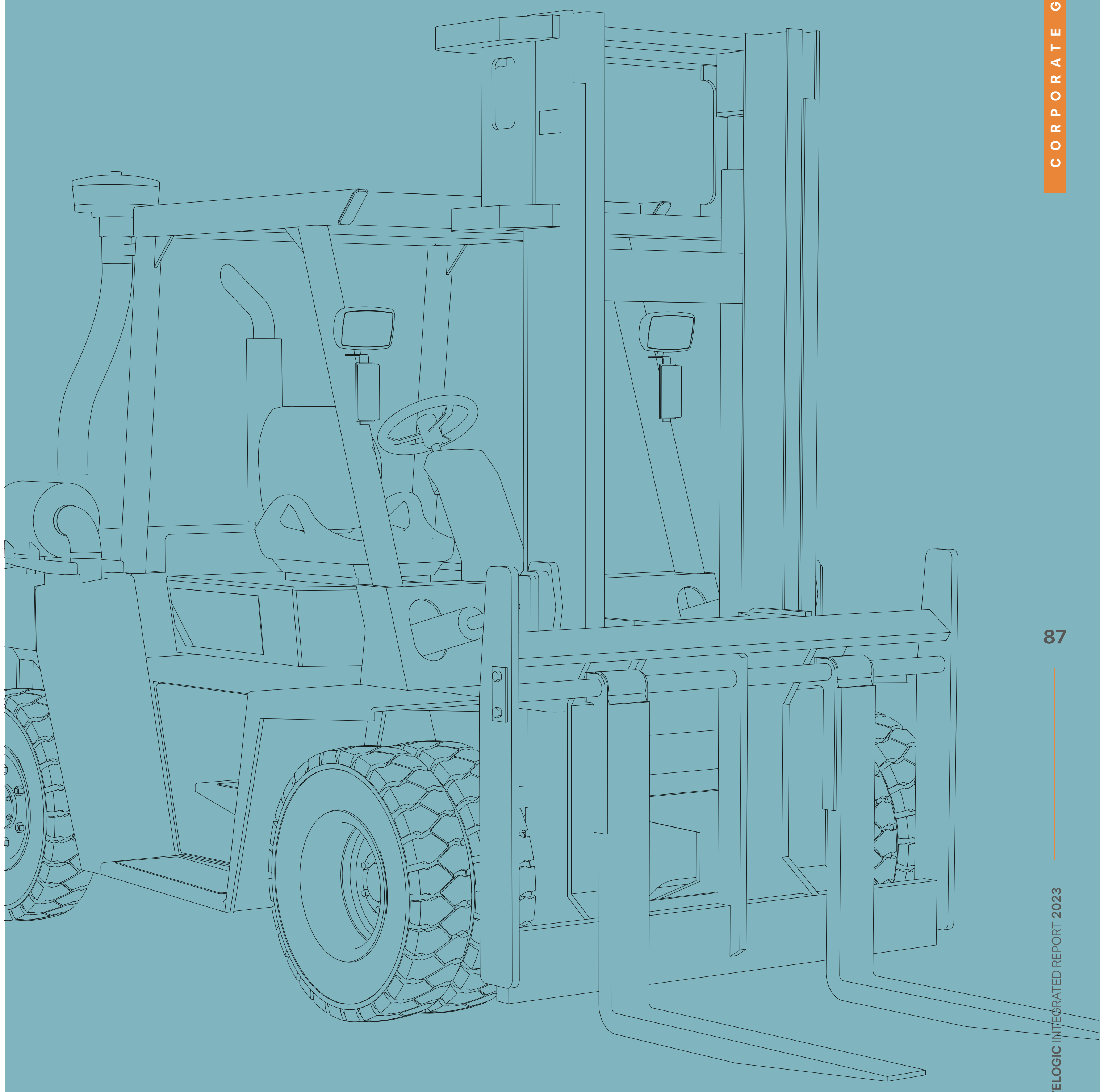
The calendar of important events of Velogic are as follows:

Month	Event
February	Publication of second quarter results
May	Publication of third quarter results
June	Declaration of final dividend*
July	Payment of final dividend
September	Approval of audited financial statements
November	Publication of first quarter results
	Annual Meeting of Shareholders
	Declaration of interim dividend*
December	Payment of interim dividend

* Subject to the Company satisfying the solvency test.

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

A copy of the Annual Report will be published on the website of the Company.



Board of Directors' Statements

1. Other Statutory disclosures

(Pursuant to Section 221 of The Companies Act 2001 and Section 88 of The Securities Act 2005)

Directors' Service Contracts

None of the Directors of the Company and of the Subsidiaries have service contracts that need to be disclosed under Section 221 of The Companies Act 2001.

Directors' Remuneration & Benefits

	The Group	
Remuneration and benefits paid by the Company and subsidiary companies to:	2023	2022
	Rs 000	Rs 000
Executive Director	7,890	6,568

Donations and Social Contributions

	The Group		The Company	
Donations made during the year:	2023	2022	2023	2022
	Rs 000	Rs 000	Rs 000	Rs 000
Corporate Social Responsibility (2%)	2,715	2,623	0	63
Voluntary	55	116	0	0

Auditor's Remuneration

	The Group		The Company	
	2023	2022	2023	2022
Audit Fees paid to:	Rs 000	Rs 000	Rs 000	Rs 000
Ernst and Young	7,500	6,500	1,450	1,300
Other	5,401	4,549	0	0

Fees paid for other services provided by:				
Ernst and Young	0	0	500	1,200

Major Transactions

No major transaction to be disclosed under this Section of The Companies Act 2001 for financial year end 30 June 2023.

2. Statement of Directors' Responsibilities

Directors acknowledge their responsibilities for:

(i) adequate accounting records and maintenance of effective internal control systems;

(ii) the preparation of financial statements which fairly present the state of affairs of the Company as at the end of the financial year, the results of its operations and the cash flows for the year and which comply with International Financial Reporting Standard (IFRS), International Accounting Standards and The Companies Act;

(iii) the selection of appropriate accounting policies supported by reasonable and prudent judgements and estimates.

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

The Directors report that:

(i) adequate accounting records and an effective system of internal control and risk management have been maintained while an internal audit function has been established;

(ii) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;

(iii) International Financial Reporting Standards have been adhered to. Any departure has been disclosed, explained and quantified in the interest of fair presentation; and

(iv) the National Code of Corporate Governance for Mauritius (2016) has been adhered to in all material aspects.

3. Statement of Compliance

Section 75 (3) of The Financial Reporting Act

Name of Public Interest Entity (PIE): Velogic Holding Company Limited ("the Company")

Reporting Period: **01 July 2022 to 30 June 2023**

We, the Directors of Velogic Holding Company Limited ("VHCL"), confirm that, to the best of our knowledge, the Company has complied with the National Code of Corporate Governance for Mauritius (2016) ("the Code").

The Company has applied all of the principles set out in the Code and explained how these principles have been applied.

Signed by:

Philippe Espitalier-Noël
Chairman

Nayendranath Nunkoo
Chief Executive Officer

Date: 28 September 2023

Bridging distances and defying the limitations of geography

Risk Management Report

1. Overview

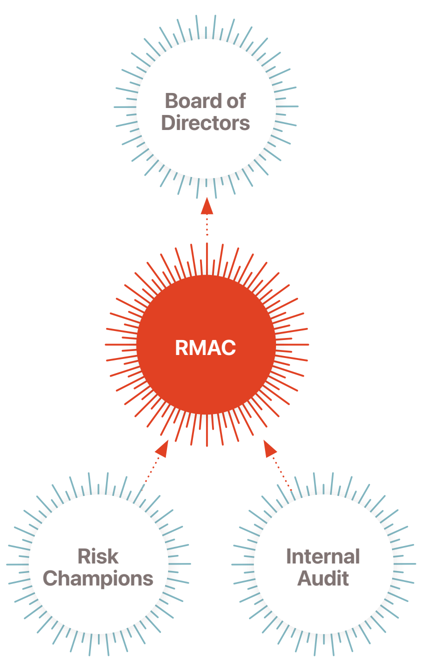
1.1 Introduction

During FY 2023, the risk landscape continued to undergo major shifts, with geopolitical tensions, slow economic recovery and the effects of climate change presenting major challenges to the logistic business. Velogic successfully navigated these uncertainties through its effective strategic and operational measures. Risk management was also improved by consolidating the governance structure with the establishment of a dedicated risk oversight committee.

1.2 Risk Management Framework

The Board of Directors is responsible for risk governance and recognises the importance of a robust risk management framework to properly identify, evaluate and mitigate key risks. A dedicated Risk Management and Audit committee (RMAC) was constituted in September 2022 to provide oversight of risk management across the Group. The RMAC is governed by its dedicated charter which is aligned to the guidelines set out in the National Code of Corporate Governance. The charter can be consulted at: https://www.velogic.net/investors/corporate-governance/rmac-charter/).The Risk Governance structure in place at Velogic is as follows:

Risk Governance Structure



The three lines model

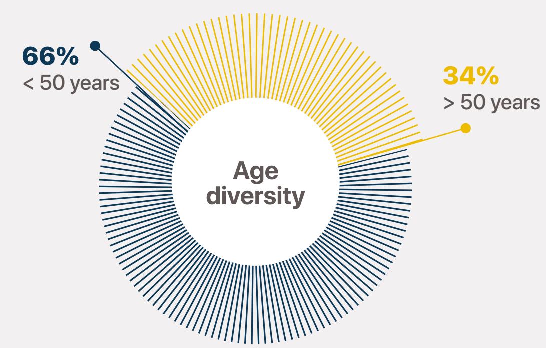
Velogic adheres to the Rogers Group guidelines and policies, and its risk management framework, which are applied across all Group subsidiaries. The framework is structured according to the three lines model as follows:

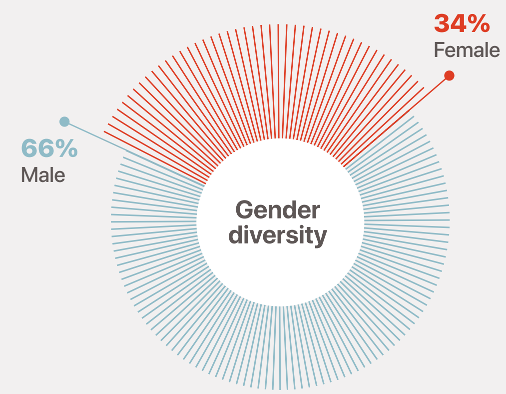
People, process & technology	Management oversight	Internal Audit
1st Line	2nd Line	3rd Line
Responsible for implementing an effective internal control system, as well as identification and management of risk daily. It includes controls operated by employees.	Officers conduct health & safety checks. Monitors of performance and KPIs by Business Unit managers and Senior Management.	Provides independent assurance on the effectiveness of governance, risk management and internal control system. It reports to the RMAC.

External service providers
Provide additional assurance to satisfy regulatory expectations.

Composition of the RMAC

The RMAC is composed of an independent Chairman and two non-executive directors with a strong financial background. The committee is well diverse in terms of age and gender, as follows:

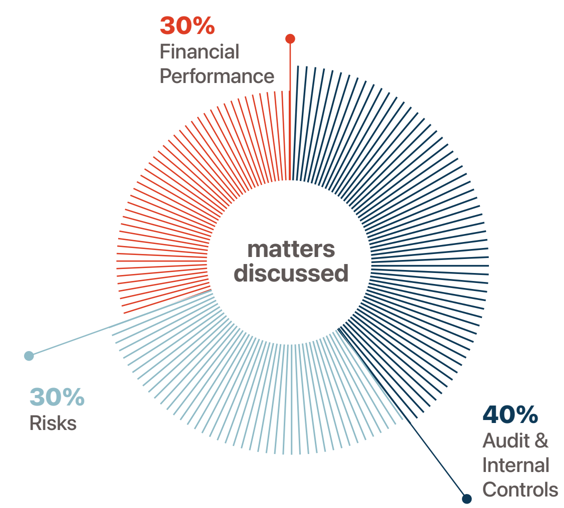




Focus areas of the RMAC in FY 2023

Financial Performance	Abridged quarterly results and annual financial statements. Assessment of quarterly financial performance of the Group and individual business units against budget.
Risks	Evaluation and discussion of risks that may significantly impact the business.
Audit & Internal Ccontrols	Internal Audit reports on internal controls and their implementation progress. External Audit reports on key audit matters and areas of improvement relating to internal control.

The RMAC met 4 (four) times during the financial year and the main matters discussed were as follows:



1.3 Risk Management Journey

A risk management approach is implemented to ensure that the risk management process is carried out efficiently. Nonetheless, in line with Velogic's continuous improvement mindset, areas for improvement have been identified, prompting management to review and adjust their plan accordingly. One of the biggest accomplishments in FY 2023 was the integration of risk management into the strategic process. Significant risks with the potential to impact strategic objectives were evaluated, and the strategic plan was adjusted accordingly. KPIs have been defined to ensure risks are being measured and monitored on a regular basis. To further improve this journey, tolerable levels of risk will be reviewed in different business units to ensure their alignment with the Risk Appetite.

Risk Management Report (cont.)

2. Risk Management Process

Velogic's risk management process is well established, as outlined below.

The CEO is the owner of risks and is assisted by the leadership team for the management of significant risks. The leadership team manages significant risks relevant to their functions/business units based on the potential probability and potential impact of these risks.

The risk management process includes the following steps:

Identification	Risks are identified through regular meetings and at the time of preparation of the budget/strategic plan.
Analysis & Evaluation	Risks are described, categorised, analysed in terms of root causes, and evaluated based on their probability and impact on the risk register. Main controls and responses are evaluated to determine the residual level. If residual risks are higher than the desired/tolerable level, then mitigation strategies/ actions are discussed and evaluated.
Treatment	Depending on the findings of the analysis and evaluation, risks are either reduced to an acceptable level, transferred, tolerated or terminated.
Monitoring	Key performance indicators are used for monitoring purposes at the following frequencies: **Strategic** Quarterly/half yearly and annually. **Financial** Weekly, monthly, quarterly and annually, depending on the nature of the risks. **Operational** Daily, weekly, monthly and quarterly. **Compliance** As and when needed.
Reporting	Significant risks are reported to the RMAC by the CFO and Head of Risk (on a quarterly basis) and CEO (on an annual basis).

2.1 Internal Controls

Management is primarily responsible for the design, implementation and enforcement of internal controls. It makes use of the Rogers Group's Guidelines and policy manuals, and the Group's Standard Operating Procedures as primary documents.

The significant areas are covered by internal controls, which are reviewed independently by Internal and External Auditors on a regular basis. Their findings and recommendations are reported to the RMAC and the Board. No major deficiencies were reported by management and auditors during the year.

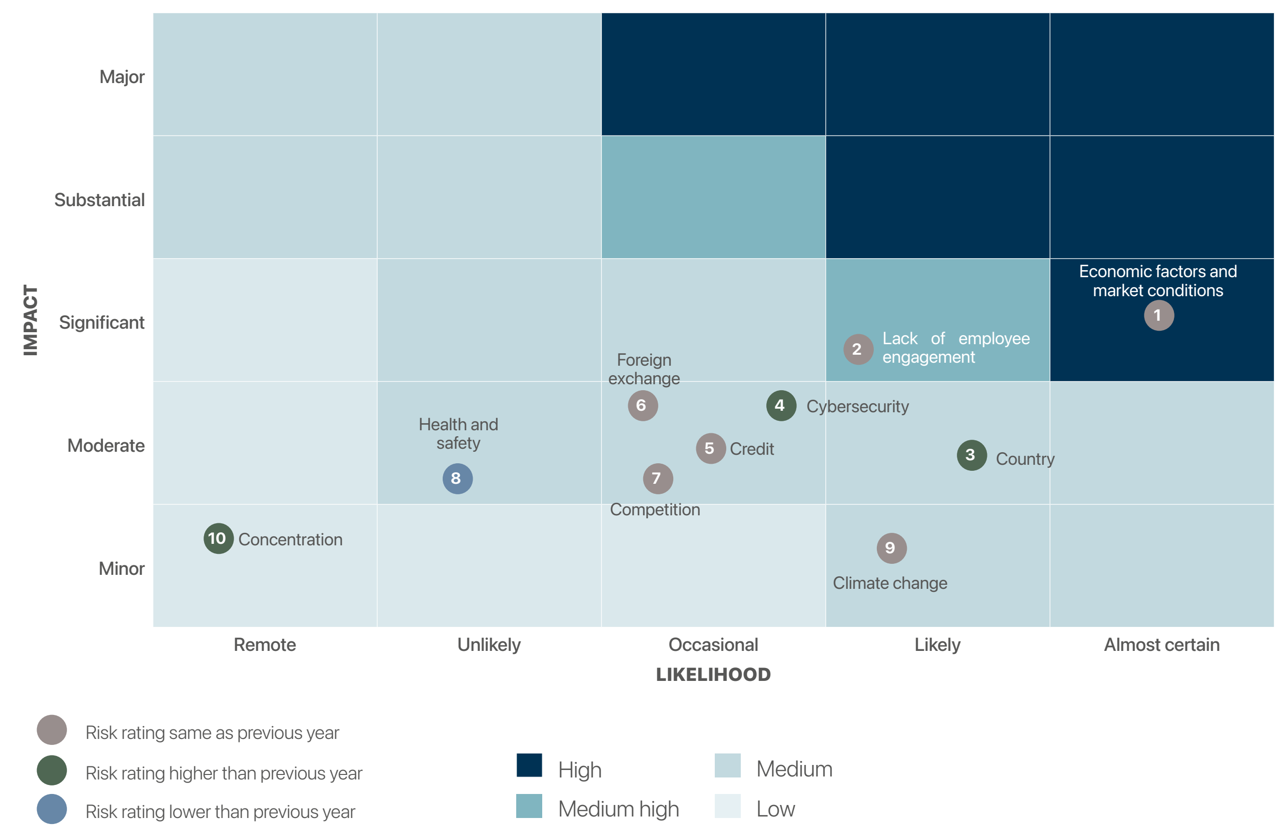
3. Principal risks

Velogic prioritised the significant inherent risks to which the Group is exposed. It evaluated the strategic responses and implemented mitigation measures in accordance with its risk appetite. A risk assessment was carried out with the risk owners of main business units, whereby 20 risks were analysed in terms of their likelihood/impact and appropriate mitigating actions were implemented. The risk management team of Rogers acted as a facilitator for the risk assessment exercise, and each business unit evaluated its own risks using detailed risk registers and heat maps. The principal residual risks that pose a threat to the business over a time horizon of one to two years were reviewed thoroughly by the members of the leadership team. Risks that may be critical to the business over the longer term, or that could not be assessed in the short term due to uncertainty or due to their nature (eg. an emerging risk), were not included on the heat map.

Risk trends (main changes)

The assessment indicates that talent attraction, engagement and succession have become significant risks for the Group. Indeed, in line with the global trend, the recruitment and retention of talent is increasingly challenging due to the combined effect of increased mobility and a lack of talent on the market. In turn, this poses a threat to service levels and, consequently, client satisfaction for the Group.

3.1. Top 10 residual risks – short term



Risk Management Report (cont.)

Risks	Level of inherent risk	Strategic response	Level of residual risk	Capital impacted
STRATEGIC				
1. Economic factors and market conditions › As a result of global/local inflationary pressures: i. The profitability of activities may be impacted as follows: - Rise in cost of operations. - Decrease in consumption, leading to reduced volume of activities. ii. Low employee morale because of the decrease in purchasing power. › Decrease in freight rates globally may lead to a decrease in the profit margin of freight forwarding activities.	High	› Overall monitoring of this risk through review of results. › Review of pricing policies. › Cost containment measures already implemented. › Compensation to employees.	High	
2. Country › Political instability or elections in countries (Madagascar & Kenya) where Velogic operates may lead to: - Slowdown in activities. - Street protests, leading to potential riots or social unrest. › A shift from the manufacturing to the service sector in Mauritius will reduce exports and the demand for freight forwarding services. › Social tensions in the country may slow down activities.	Medium/ High	› Appropriate insurance cover applied for assets & employees. › Business continuity and crisis management plans activated. › Work-from-home arrangements implemented and monitoring of the social situation. › Proper evaluation of investment strategy into other countries in East African countries.	Medium	
3. Competition › Shipping lines offering more logistic services. › Smaller entities with less overheads in Mauritius and Reunion. › Price war in warehousing and express courier businesses.	Medium	› Adequate market coverage through increased frequency of customer contact. › Pricing mechanism adapted to strategic commercial direction, based on different market segments.	Medium	
4. Concentration › Loss of key customers or shipping lines in businesses where there is high concentration may lead to significant impact on the business.	Medium	› Diversification strategy defined for the customer base. › Monitoring of the effectiveness of the sales teams through regular reports on leads and quotations.	Low	

Natural capital | Intellectual capital | Financial capital | Social & relationship capital | Manufactured capital | Human capital

Risks	Level of inherent risk	Strategic response	Level of residual risk	Capital impacted
FINANCIAL				
5. Foreign exchange › Exposure to volatility in exchange rates in countries where the Group operates. Depreciation of currencies to which Velogic is exposed due to activities like sugar packaging (GBP), business units in Reunion (Euro), Madagascar (Ariary) and Kenya (Kenya Shillings).	Medium	› Natural hedge for currencies. › Monitoring of level of exposure and use of currency forwards where relevant.	Medium	
6. Credit › Difficult economic conditions may impact the solvency and liquidity of customers.	Medium High	› Application of tight credit control procedures. › Credit protection insurance where feasible.	Medium	
OPERATIONAL				
7. Lack of employee engagement › Lack of engagement and high staff turnover, (eg India) which may impact the quality of service. › Ageing workforce impacting continuity.	High	› Salary benchmarking carried out to remain competitive in the job market. › Regular update and improvement of the employee value proposition. › Monitoring of employee engagement through surveys. › Identification of key talents for succession.	Medium High	
8. Cybersecurity › Information systems may be vulnerable to threats, or other unauthorised attempts by third parties, to tamper with proprietary and personal information.	Medium High	› Implementation of security policy and close monitoring of cyber threats. › Cybersecurity audit performed by specialist and road map agreed upon for implementation.	Medium	
9. Climate change › Extreme weather conditions causing disruption of operations of haulage services. For example, in Kenya, drought affects agricultural production and thus, demand for haulage services.	Medium	› Diversification of transport cargo type from tea to containerised cargo. › Disaster recovery plans in place. › Cyclone and flash flood procedures in place.	Medium	
10. Health and safety › Hazards relating to the handling of dangerous cargo, such as chemical products or liquefied petroleum gas cylinders. › Road accidents may result in human injuries and environmental damage should lorries carrying fuel be involved in the accidents.	Medium High	› Risk assessments and continuous checks carried out by Health and Safety officers, followed by recommendations on best practices. › Road safety management system developed. › Adequate insurance in place.	Medium	

Natural capital | Intellectual capital | Financial capital | Social & relationship capital | Manufactured capital | Human capital

Risk Management Report (cont.)

3.2 Emerging Risks

Velogic looks beyond the horizon and identifies emerging risks, defined as risks that require a certain degree of monitoring, but whose potential impact is not fully known and difficult to assess. This enables Velogic to identify threats and opportunities to long-term value drivers in a timely manner. The potential implications of such risks for Velogic are discussed below:

- Merger or acquisition

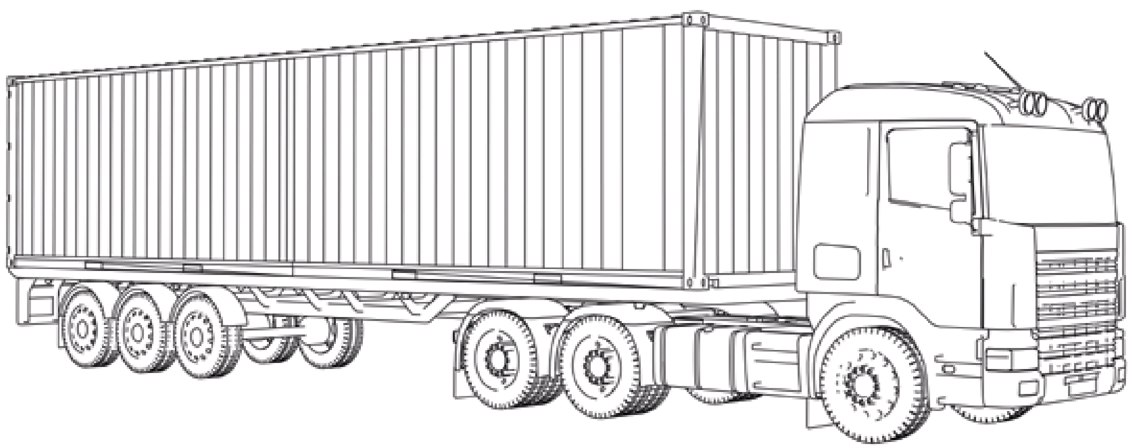
  The Group has witnessed changes within the market landscape, such as the merger of strategic partners with competitors, resulting in a loss of business. Should this trend continue, the risk of losing market share will increase.

- Efficiency of port services

  The Group's turnover may be impacted by the decrease in volume of freight transiting in Mauritius due to the lack of efficiency in port services and the modernisation of competing larger ports in the region.

- Social media influence

  Negative reviews on social media may lead to reputational damage and the loss of clients.



4. Audit

4.1 Internal Audit

a. The Internal Audit Model, Size and Composition

Independent internal audit services are provided by the audit department of Rogers (Velogic's parent company). The Internal Audit department includes 5 (five) qualified and 3 (three) partly qualified certified accountants with a broad range of audit and industry experience. They are provided with learning and development opportunities in technical and soft skills, such as internal audit techniques, presentation, communication, leadership and sustainability risks.

b. Internal Audit Scope and Methodology

The Internal Audit function provides assurance to the RMAC on the adequacy and operational effectiveness of risk management and internal control processes. Its methodology, based on the standards of the Institute of Internal Auditors, requires the Internal Audit department to monitor threats to its objectivity, such as pressure, personal relationships and familiarity, and inform the RMAC of any such occurrences. The Internal Audit function has no limitation in scope and no access restriction to management, employees and records of the Group.

The risk-based internal audit plan covers a three-year period and is reviewed and approved by the RMAC on an annual basis. The RMAC assesses the effectiveness of the Internal Audit function on an ongoing basis.

Following each internal audit assignment, a report indicating an overall opinion on the quality of internal controls is issued, and each recommendation is assigned a risk-based grading. Prior to circulation to the RMAC, the audit reports are presented to the Chief Executive Officer, Chief Finance Officer, Chief Operations Officer and the relevant Business Unit managers. Follow-ups are then performed at predetermined intervals to ensure that recommendations are implemented in a timely manner. The Head of Internal Audit has direct access to the Chairman of the RMAC in cases where significant matters need to be discussed.

c. Internal Audit Plan

The three-year Internal audit plan integrates the following risks and areas:

- Cybersecurity
- Inflation
- Credit
- Foreign exchange
- Country (Madagascar & Kenya)
- Concentration
- Health & Safety

Risk Management Report (cont.)

4.1 Internal Audit (cont.)

c. Internal Audit Plan (cont.)

During the financial year under review, assignments performed covered the following activities and areas:

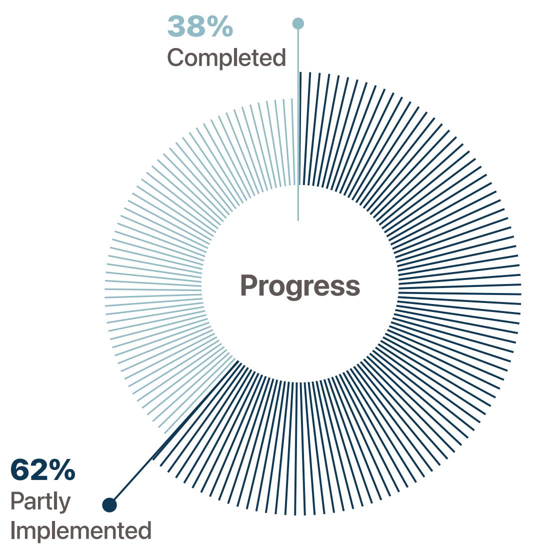
Activities	Areas
Freight Forwarding	Debtors
Express Courier	Procurement
Container services	Bank Reconciliation & cash
Sugar Packing	Invoicing

Implementation of internal audit recommendations

Progress

Recommendations, along with target dates, are determined in consultation with management, considering the significance of the associated risks. The internal audit team monitors the progress and the level of implementation at the end of each financial year. Management has targeted to complete the remaining recommendations within agreed timeframe.

In FY 2023, the progress made was as follows:



4.2 External Audit

1. Appointment

Ernst & Young was appointed as the external auditor for the current financial year at the annual meeting of shareholders.

2. Effectiveness

The external audit process, planning, observations, recommendations and accounting principles are evaluated and discussed with the RMAC.

Reports from external auditors on improvement areas were discussed and the implementation was subsequently followed up by an Internal audit.

The external auditors have direct access to the RMAC should they wish to discuss any matters in the absence of management.

3. Non-audit Services

During the year under review, Ernst & Young performed the review of the fair valuation as disclosed on page 85.

Explore untapped markets and thrive to new heights

Company Secretary's Certificate

FOR THE YEAR ENDED 30 JUNE 2023

For the year ended 30 June 2023, we certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required for the Company under The Companies Act 2001.

Signed by:

Company Secretary
Heena Anauth- Oodunt

Date: 28 September 2023

Independent Auditor's Report

TO THE MEMBERS OF VELOGIC HOLDING COMPANY LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the Consolidated and separate financial statements of Velogic Holding Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 113 to 186 which comprise the consolidated and separate statements of financial position as at 30 June 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and the Company as at 30 June 2023, and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001 and the Financial Reporting Act 2004.

Basis for Opinion

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

Key Audit Matters

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

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

Independent Auditor's Report

TO THE MEMBERS OF VELOGIC HOLDING COMPANY LIMITED

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

Key Audit Matter	How the matter was addressed in the audit
Valuation of investment in subsidiaries As at 30 June 2023, the Company held investments in subsidiaries amounting to Rs 3,389.9 million which are carried at fair value and which are all unquoted. Disclosures around the investment in subsidiaries and cash generating units ("CGU") are set out in note 8 of the financial statements. These investments are valued using different methods ranging from discounted cash flow techniques and market multiples approach. Valuation techniques for these underlying investments can be subjective in nature and require significant judgement, management estimates including financial forecasts, discount factors and growth rates. The actual results could differ from the estimates. Variations in the estimates and assumptions may result in significant impact on the reported results and relevant assets. Due to the significant judgments that need to be applied, we have considered the investments in subsidiaries as a key audit matter.	We obtained an understanding, evaluated the design and the operating effectiveness of controls over the fair valuation of the investment in subsidiaries. Our audit procedures included challenging management on the appropriateness of the fair valuation model and reasonableness of the assumptions used through performing the following: • We assessed management's ability to make forecasts by comparing historical forecasts prepared by management against actual realised amounts challenging growth rates; • We verified the mathematical accuracy of each cash flow model used and checked the internal inconsistency of the models; • With the involvement of our valuation specialists, we appraised the method used, the value in use computation, the discount factor used, the forecasts used, the market multiples used and the other assumptions adopted therein; • We verified the forecasts used by management with reference to historical data and market developments, challenging growth sales; • We performed a sensitivity analysis on the significant inputs to assess the range of acceptable valuations in each CGU; • We considered the impact of any external factor throughout the procedures performed on the valuation by challenging whether the valuation methodologies and assumptions used remained appropriate; and • We assessed the adequacy of the disclosures made in the financial statements in accordance with IFRS 9 Financial instruments and IFRS 13 Fair Value Measurements.

Independent Auditor's Report

TO THE MEMBERS OF VELOGIC HOLDING COMPANY LIMITED

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

Key Audit Matter	How the matter was addressed in the audit
Impairment of goodwill The carrying amount of goodwill recognised at Group level amounted to Rs 458.8 million as at 30 June 2023. Disclosures around the impairment assessment of goodwill and cash generating units are set out in note 7 of the financial statements. A cash generating unit ("CGU") to which goodwill has been allocated must be tested for impairment at least annually in accordance with IAS 36 Impairment of Assets, by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the unit. The determination of the recoverable amount, being the higher of value-in-use and fair value less costs to sell, requires judgement on the part of management in both identifying and then valuing the relevant CGUs. There is the risk that management may influence the significant judgements and estimations in respect of business valuations in order to meet market expectations of the overall Net Asset Value of the Group. Variations in the estimates and assumptions may result in significant impact on the reported results and the carrying amount of relevant assets. Due to the significant judgments that need to be applied, we have considered the impairment of goodwill as a key audit matter.	We evaluated the operation of the management's controls over the impairment assessment process. Our audit procedures included challenging management on the appropriateness of the impairment model and reasonableness of the assumptions used through performing the following: • We reviewed management determination of CGUs for impairment assessment purpose; • We obtained management's impairment assessment and tested the arithmetical accuracy of the computations; • With the involvement of our valuation specialists, we appraised the method used, the value in use computation, the discount factor used, the forecasts used, the market multiples used and the other assumptions adopted therein; • We verified the forecasts used by management with reference to historical data and market developments, challenging growth rates; • We performed a sensitivity analysis on the significant inputs to assess the range of acceptable valuations in each CGU; • We considered the impact of external factors throughout the procedures performed on the valuation by challenging whether the valuation methodologies and assumptions used remained appropriate; and • We assessed the adequacy of the disclosures made in the financial statements.

Independent Auditor's Report

TO THE MEMBERS OF VELOGIC HOLDING COMPANY LIMITED

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

Other Information

The directors are responsible for the other information. The other information comprises the annual report other than the consolidated and separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

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

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

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

Independent Auditor's Report

TO THE MEMBERS OF VELOGIC HOLDING COMPANY LIMITED

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

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

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

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

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

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

Independent Auditor's Report

TO THE MEMBERS OF VELOGIC HOLDING COMPANY LIMITED

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

Use of our report

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Financial Reporting Act 2004

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

Companies Act 2001

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

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

ERNST & YOUNG
Ebène, Mauritius

THIERRY LEUNG HING WAH, F.C.C.A.
Licensed by FRC

Date: 28th September 2023

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Statements of Financial Position

JUNE 30, 2023

	Notes	THE GROUP 2023	THE GROUP 2022	THE COMPANY 2023	THE COMPANY 2022
		Rs'000	Rs'000	Rs'000	Rs'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	**1,087,314**	1,061,693	**-**	-
Right-of-use assets	6(a)	**253,941**	234,795	**-**	-
Intangible assets	7	**574,158**	578,991	**-**	-
Investment in subsidiaries	8	**-**	-	**3,389,854**	3,096,900
Investment in associate	9	**7,835**	8,018	**-**	-
Other financial assets at fair value through other comprehensive income	10	**3,320**	3,199	**-**	-
Loans and other receivables	11	**-**	-	**168,097**	207,111
Deferred tax assets	12	**14,242**	20,140	**-**	-
		1,940,810	1,906,836	**3,557,951**	3,304,011
Current assets					
Inventories	13	**52,094**	29,965	**-**	-
Trade receivables	14	**721,549**	834,357	**-**	-
Contract assets	15	**27,723**	34,074	**-**	-
Loans and other receivables	11	**171,049**	78,011	**36,412**	55,169
Other assets	16	**36,630**	77,917	**74,675**	47,350
Current tax assets	17	**43,540**	17,204	**-**	-
Cash and cash equivalents	32(b)	**489,068**	440,518	**7,888**	1,233
		1,541,653	1,512,046	**118,975**	103,752
Total assets		**3,482,463**	3,418,882	**3,676,926**	3,407,763
FINANCED BY					
Capital and reserves					
Share capital	18	**1,019,294**	1,019,294	**1,019,294**	1,019,294
Other reserves	19	**201,532**	232,630	**2,290,593**	1,997,639
Retained earnings		**545,008**	392,291	**29,838**	47,860
Equity attributable to equity holders of the parent		**1,765,834**	1,644,215	**3,339,725**	3,064,793
Non-controlling interests		**45,806**	44,651	**-**	-
Total equity		**1,811,640**	1,688,866	**3,339,725**	3,064,793
Non-current liabilities					
Borrowings	20	**283,647**	393,078	**190,451**	228,367
Lease liabilities	6(b)	**216,846**	190,856	**-**	-
Deferred tax liabilities	12	**83,000**	82,865	**-**	-
Retirement benefits obligations	21	**53,171**	57,471	**-**	-
		636,664	724,270	**190,451**	228,367
Current liabilities					
Trade and other payables	22	**735,295**	702,134	**6,630**	8,817
Contract liabilities	23	**26,196**	19,797	**-**	-
Current tax liabilities	17	**13,869**	14,646	**94**	612
Borrowings	20	**118,434**	161,945	**65,214**	64,963
Lease liabilities	6(b)	**65,162**	61,635	**-**	-
Dividend payable	24(a)	**75,203**	45,589	**74,812**	40,211
		1,034,159	1,005,746	**146,750**	114,603
Total liabilities		**1,670,823**	1,730,016	**337,201**	342,970
Total equity and liabilities		**3,482,463**	3,418,882	**3,676,926**	3,407,763

These financial statements have been approved by the Board of Directors on 28 September 2023 and signed on its behalf by:

Mr. Philippe Espitalier-Noël
Chairman

Mr. Nayendranath Nunkoo
Executive Director and Chief Executive Officer

The notes on pages 120 to 186 form an integral part of these financial statements.

Auditor's report on pages 106 to 111.

Statements of Profit or Loss

YEAR ENDED JUNE 30, 2023

	Notes	THE GROUP 2023 Rs'000	THE GROUP 2022 Rs'000	THE COMPANY 2023 Rs'000	THE COMPANY 2022 Rs'000
CONTINUING OPERATIONS					
Revenue from contract with customers	25	**3,377,606**	3,658,567	-	-
Direct costs	26	**(2,110,344)**	(2,437,925)	-	-
		1,267,262	1,220,642	-	-
Commission and other income		**94,580**	73,234	**1,722**	-
Dividend income		-	-	**101,659**	104,237
Interest income		**5,746**	3,694	**14,327**	8,388
		1,367,588	1,297,570	**117,708**	112,625
Employee benefit expense	27	**(678,432)**	(640,675)	**(597)**	(427)
Depreciation of:					
- property, plant and equipment	5(e)	**(92,302)**	(94,521)	-	-
- right-of-use assets	6(e)	**(71,232)**	(73,114)	-	-
Amortisation of intangible assets	7(c)	**(8,357)**	(10,087)	-	-
Net impairment loss on financial assets	14(a)	**(1,981)**	(5,415)	-	-
Other expenses	26	**(211,186)**	(187,957)	**(7,419)**	(10,317)
Net foreign exchange transactions gains/(losses)		**38,078**	17,867	**112**	(418)
Finance costs	28	**(44,483)**	(38,560)	**(15,608)**	(8,488)
Share of loss of associate	9	**(183)**	(339)	-	-
Profit before gain on business acquisition and before tax		**297,510**	264,769	**94,196**	92,975
Gain on business acquisition	35	**52,973**	-	-	-
Profit before tax	29	**350,483**	264,769	**94,196**	92,975
Taxation	17(b)	**(75,114)**	(73,851)	-	(567)
Profit for the year from continuing operations		**275,369**	190,918	**94,196**	92,408
DISCONTINUED OPERATIONS					
Profit after tax for the year from discontinued operations	30(a)	-	2,731	-	-
Profit on disposal of subsidiary	30(c)	-	21,944	-	-
Profit for the year from discontinued operations		-	24,675	-	-
Profit for the year		**275,369**	215,593	**94,196**	92,408
Profit attributable to:					
Equity holders of the parent		**264,935**	198,270	**94,196**	92,408
Non-controlling interests		**10,434**	17,323	-	-
		275,369	215,593	**94,196**	92,408
Earnings per share (Rs.)	31	**2.83**	2.12		

The notes on pages 120 to 186 form an integral part of these financial statements.

Auditor's report on pages 106 to 111.

Statements of Other Comprehensive Income

YEAR ENDED JUNE 30, 2023

	Notes	THE GROUP 2023 Rs'000	THE GROUP 2022 Rs'000	THE COMPANY 2023 Rs'000	THE COMPANY 2022 Rs'000
Profit for the year		**275,369**	215,593	**94,196**	92,408
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Gain on revaluation of land and buildings	5	**37,349**	-	-	-
Change in fair value of investment in subsidiaries	8	-	-	**292,954**	46,500
Change in fair value of equity instruments at fair value through OCI	10	**121**	-	-	-
Remeasurement of post employment benefit obligations	21	**3,089**	(1,571)	-	-
Related tax	12(b)	**(2,264)**	188	-	-
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations		**(69,592)**	(14,994)	-	-
Exchange differences on disposal of foreign operations		-	(10,283)	-	-
Other comprehensive (loss)/income for the year, net of tax		**(31,297)**	(26,660)	**292,954**	46,500
Total comprehensive income for the year		**244,072**	188,933	**387,150**	138,908
Total comprehensive income attributable to:					
Equity holders of the parent		**233,837**	171,914	**387,150**	138,908
Non-controlling interests		**10,235**	17,019	-	-
		244,072	188,933	**387,150**	138,908

The notes on pages 120 to 186 form an integral part of these financial statements.

Auditor's report on pages 106 to 111.

Statements of Changes in Equity

YEAR ENDED JUNE 30, 2023

(a)	THE GROUP	Notes	Attributable to the equity holders of the parent: Share capital	Other reserves	Retained earnings	Total	Non-controlling interests (NCI)	Total
			Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(i)	**2023**							
	Balance at July 1, 2022		**1,019,294**	**232,630**	**392,291**	**1,644,215**	**44,651**	**1,688,866**
	Profit for the year		**-**	**-**	**264,935**	**264,935**	**10,434**	**275,369**
	Other comprehensive loss for the year		**-**	**(31,098)**	**-**	**(31,098)**	**(199)**	**(31,297)**
	Total comprehensive (loss)/income for the year		**-**	**(31,098)**	**264,935**	**233,837**	**10,235**	**244,072**
	Transactions with owners of the Company							
	Dividends	24	**-**	**-**	**(112,218)**	**(112,218)**	**(9,080)**	**(121,298)**
	Balance at June 30, 2023		**1,019,294**	**201,532**	**545,008**	**1,765,834**	**45,806**	**1,811,640**

The notes on pages 120 to 186 form an integral part of these financial statements.

Auditor's report on pages 106 to 111.

Statements of Changes in Equity

YEAR ENDED JUNE 30, 2023

(a)	THE GROUP	Notes	Attributable to the equity holders of the parent: Share capital	Other reserves	Retained earnings	Total	Non-controlling interests (NCI)	Total
			Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(ii)	2022							
	Balance at July 1, 2021		1,019,294	260,004	318,031	1,597,329	213,429	1,810,758
	Profit for the year		-	-	198,270	198,270	17,323	215,593
	Other comprehensive loss for the year		-	(26,356)	-	(26,356)	(304)	(26,660)
	Total comprehensive (loss)/income for the year		-	(26,356)	198,270	171,914	17,019	188,933
	Transactions with owners of the Company							
	Issue of share capital		-	-	-	-	26	26
	Acquisition of non-controlling interests	35(b)	-	(1,018)	(56,679)	(57,697)	(170,560)	(228,257)
	Dividends	24	-	-	(67,331)	(67,331)	(15,263)	(82,594)
	Balance at June 30, 2022		1,019,294	232,630	392,291	1,644,215	44,651	1,688,866

The notes on pages 120 to 186 form an integral part of these financial statements.

Auditor's report on pages 106 to 111.

Statements of Changes in Equity

YEAR ENDED JUNE 30, 2023

(b) THE COMPANY	Notes	Share capital	Other reserves	Retained earnings	Total
		Rs'000	Rs'000	Rs'000	Rs'000
(i) 2023					
Balance at July 1, 2022		**1,019,294**	**1,997,639**	**47,860**	**3,064,793**
Profit for the year		**-**	**-**	**94,196**	**94,196**
Other comprehensive income for the year		**-**	**292,954**	**-**	**292,954**
Total comprehensive income for the year		**-**	**292,954**	**94,196**	**387,150**
Dividends	24	**-**	**-**	**(112,218)**	**(112,218)**
Balance at June 30, 2023		**1,019,294**	**2,290,593**	**29,838**	**3,339,725**
(ii) 2022					
Balance at July 1, 2021		1,019,294	1,951,139	22,783	2,993,216
Profit for the year		-	-	92,408	92,408
Other comprehensive income for the year		-	46,500	-	46,500
Total comprehensive income for the year		-	46,500	92,408	138,908
Dividends	24	-	-	(67,331)	(67,331)
Balance at June 30, 2022		1,019,294	1,997,639	47,860	3,064,793

The notes on pages 120 to 186 form an integral part of these financial statements.

Auditor's report on pages 106 to 111.

Statements of Cash Flows

YEAR ENDED JUNE 30, 2023

	Notes	THE GROUP 2023	THE GROUP 2022	THE COMPANY 2023	THE COMPANY 2022
		Rs'000	Rs'000	Rs'000	Rs'000
Cash flows from operating activities					
Cash generated from/(absorbed in) operations	32(a)	**500,529**	455,147	**(8,286)**	(14,304)
Interest paid		**(28,036)**	(21,390)	**(14,386)**	(4,829)
Interest received		**5,746**	3,694	**14,327**	8,388
Income tax refunded	17(a)	**5,489**	-	**-**	-
Income tax paid	17(a)	**(89,312)**	(85,005)	**(518)**	(262)
Net cash generated from/ (absorbed in) operating activities		**394,416**	352,446	**(8,863)**	(11,007)
Cash flows from investing activities					
Acquisition of subsidiary, net of cash acquired	35(iii)	**17,753**	-	**-**	-
Purchase of property, plant and equipment	5	**(48,812)**	(218,075)	**-**	-
Proceeds on sale of property, plant and equipment		**11,117**	50,284	**-**	-
Purchase of intangible assets	7(a)	**(2,620)**	(2,343)	**-**	-
Disposal of subsidiary, net of cash	30(d)	**-**	(12,498)	**-**	-
Dividends received		**-**	-	**74,227**	81,890
Loans granted to related parties		**-**	-	**(3,000)**	(240,126)
Loan repayments received from related parties		**-**	-	**60,795**	3,065
Net cash (used in)/from investing activities		**(22,562)**	(182,632)	**132,022**	(155,171)
Cash flows from financing activities					
Proceeds from borrowings	32(c)	**29,964**	529,521	**-**	205,041
Payments of borrowings	32(c)	**(174,788)**	(212,753)	**(42,833)**	(10,707)
Loan received from related parties	32(c)	**-**	-	**9,000**	15,000
Loan repaid to related parties	32(c)	**-**	(111,738)	**(4,333)**	(2,000)
Principal paid on lease liabilities	32(c)	**(68,544)**	(71,493)	**-**	-
Interest paid on lease liabilities	32(c)	**(14,993)**	(14,939)	**-**	-
Issue of share capital to non-controlling interests		**-**	26	**-**	-
Acquisition of non-controlling interests	35(b)	**-**	(228,257)	**-**	-
Dividends paid to company's shareholders	24	**(77,617)**	(46,120)	**(77,617)**	(46,120)
Dividends paid to non-controlling interests	24	**(14,067)**	(11,841)	**-**	-
Net cash (used in)/from financing activities		**(320,045)**	(167,594)	**(115,783)**	161,214
Net increase/(decrease) in cash and cash equivalents		**51,809**	2,220	**7,376**	(4,964)
Movement in cash and cash equivalents					
At July 1,		**408,587**	433,084	**512**	6,085
Increase/(decrease)		**51,809**	2,220	**7,376**	(4,964)
Effect of foreign exchange rate changes		**5,667**	(26,717)	**-**	(609)
At June 30,	32(b)	**466,063**	408,587	**7,888**	512

The notes on pages 120 to 186 form an integral part of these financial statements.

Auditor's report on pages 106 to 111.

1. GENERAL INFORMATION

Velogic Holding Company Limited is a limited liability company incorporated in the Republic of Mauritius on September 30, 2004 as a management and investment company for the Logistics Autonomous Division of Rogers & Company Limited. The immediate holding company is Rogers and Company Limited, the intermediate holding is Rogers Consolidated Shareholding Limited and its ultimate holding company is Société Caredas, all companies are incorporated in the Republic of Mauritius. Its registered office is situated at No.5 President John Kennedy Street, Port Louis.

2. SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The financial statements of Velogic Holding Company Limited comply with the Mauritius Companies Act 2001, the Financial Reporting Act 2004 and have been prepared in accordance with International Financial Reporting Standards (IFRS) under the going concern basis.

The financial statements include the consolidated financial statements of the parent company and its subsidiaries (The Group) and the separate financial statements of the parent company (The Company).

The financial statements are presented in Mauritian Rupees and all values are rounded to the nearest thousand (Rs'000), except when otherwise indicated.

The financial statements are prepared under the historical cost convention, except that:

(i) land and building included under property, plant and equipment are carried at revalued amounts;

(ii) investment in subsidiaries in the separate financial statements are stated at fair value;

(iii) retirement benefit obligations are carried at fair value; and

(iv) relevant financial assets and financial liabilities are stated at their fair value.

The accounting policies apply to both the Group and the Company unless otherwise stated.

(a) ***Amendments to published Standards effective in the reporting period***

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

In May 2020, the IASB issued Property, Plant and Equipment - Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss. The amendments have no impact on the Group's financial statements.

Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments have no impact on the Group's financial statements.

Reference to the Conceptual Framework (Amendments to IFRS 3)

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments have replaced a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately. At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements. The amendments have no impact on the Group's financial statements.

Annual Improvements 2018-2020

- IFRS 1 - permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. An entity applies the amendment for annual reporting periods beginning on or after January 1, 2022.
- IFRS 9 - clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. An entity applies the amendment for annual reporting periods beginning on or after January 1, 2022.
- Illustrative Examples accompanying IFRS 16 Leases - removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.
- IAS 41 - removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41. An entity applies the amendment to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022.

The amendments listed above did not have any impact on the Group's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

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

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2023 or later periods, but which the Group has not early adopted.

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

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. In June 2020, the IASB issued amendments to IFRS 17. These amendments included changing the effective date to 2023. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after January 1, 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements (the PS), in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies; and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendment is effective for reporting periods beginning on or after January 1, 2023. Earlier application of the amendments to IAS 1 is permitted as long as this fact is disclosed.

Definition of accounting estimates (Amendments to IAS 8)

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a new definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendment is effective for reporting periods beginning on or after January 1, 2023.

Deferred tax related to assets and liabilities arising from a single transaction (IAS 12)

In May 2021, the IASB issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and apply prospectively.

International tax reform - pillar two model rules (IAS 12)

In May 2023, the IASB issued amendments to IAS 12, which introduce a mandatory exception in IAS 12 from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively. The amendments require an entity to disclose that it has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon issue of the amendments. The other disclosure requirements are effective annual periods beginning on or after January 1, 2023.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

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

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification
- Disclosures

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and apply prospectively. Early application is permitted and must be disclosed. However, an entity that applies the 2020 amendments early is also required to apply the 2022 amendments, and vice versa.

Leases on sale and leaseback (IFRS 16)

In September 2022, the IASB issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16). The amendment to IFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

A seller-lessee applies the amendment to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted and that fact must be disclosed. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application (i.e., the amendment does not apply to sale and leaseback transactions entered into prior to the date of initial application). The date of initial application is the beginning of the annual reporting period in which an entity first applied IFRS 16.

Supplier finance arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 (with transitional reliefs in the first year). Early adoption is permitted, but will need to be disclosed.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively.

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

2.2 Property, plant and equipment

Land and buildings, held for use in the production or supply of goods or for administrative purposes, are stated at its fair value based on periodic, but at least triennial valuations, by external independent valuers, less subsequent depreciation for buildings. All other property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairments. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

At the date of revaluation, the net amount is restated to the revalued amount of the asset. A revaluation surplus is recorded in other comprehensive income (OCI) and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

Depreciation is calculated on the straight-line method to write off the cost of the assets to their residual values over their estimated useful lives. It is applied at the following useful lives:

Freehold buildings and buildings and yards on leasehold land	7 - 50 years
Plant and equipment	5 - 12 years
Motor vehicles	4 - 5 years
Furniture, fixtures and equipment	4 - 6.67 years

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Property, plant and equipment (cont'd)

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in profit or loss. On disposal of revalued assets, the amounts included in revaluation surplus are transferred to retained earnings.

2.3 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of the initial measurement of the lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 2.16 Impairment of non-financial assets.

(b) *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are disclosed in note 6(b).

(c) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.4 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Intangible assets (cont'd)

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

(a) *Goodwill*

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 2.5) less accumulated impairment losses, if any.

Goodwill has been assessed as an intangible asset with indefinite life and is tested annually for impairment.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gains and losses on disposal.

(b) *Computer software*

Acquired computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software and are amortised using the straight line method over their estimated useful lives (3 - 5 years). Impairment of computer software has been assessed as an asset with definite life. Note 2.16(b) provides further information of impairment of asset with definite life.

(c) *Concession rights*

Concession rights acquired by the Group are initially recorded at cost and amortised over their estimated useful lives (7 - 60 years). Impairment of concession rights has been assessed as an asset with definite life. Note 2.16(b) provides further information of impairment of asset with definite life.

(d) *Customer related intangibles*

Customer related intangibles acquired by the Group are initially measured at fair value at the date of acquisition and amortised cost over their estimated useful lives (7-10 years). Impairment of customer related intangibles has been assessed as an asset with definite life. Note 2.16(b) provides further information of impairment of asset with definite life.

2.5 Investment in subsidiaries

Separate financial statements of the Company

In the separate financial statements of the Company, investment in subsidiaries are carried at fair value. Gains and losses are recognised in other comprehensive income, are not recycled to profit or loss and are not subject to an impairment assessment.

Consolidated financial statements

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at June 30, 2023. 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
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and 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(s) 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 included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of 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 in 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.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Investment in subsidiaries (cont'd)

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss or a direct transfer from revaluation surplus to retained earnings. Any investment retained is recognised at fair value.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.6 Investment in associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

The Group's investment in its associate are accounted for using the equity method.

The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of profit of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Financial instruments

(a) *Recognition and initial measurement*

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

(b) *Classification and subsequent measurement*

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost and fair value through other comprehensive income (FVOCI) - equity investment.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income (OCI). This election is made on an investment-by-investment basis.

Financial assets - Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice.

These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets:

- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Financial instruments (cont'd)

(b) *Classification and subsequent measurement (cont'd)*

Financial assets - Subsequent measurement and gains and losses

Trade receivables, contract assets and loans and other receivables

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never recycled to profit or loss and are not subject to an impairment assessment.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(c) *Derecognition*

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d) *Borrowings*

Borrowings are recognised initially at fair value being their issue proceeds net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after end of reporting period.

(e) *Trade and other payables*

Trade and other payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

2.8 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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Fair value measurement (cont'd)

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

2.9 Current and deferred income tax expense

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met as per below:

(i) the Group has a legal right to offset; and

(ii) the Group intends to settle on a net basis.

An entity will normally have a legally enforceable right to set off a current tax asset against a current tax liability when they relate to income taxes levied by the same taxation authority and the taxation authority permits the entity to make or receive a single net payment.

Corporate Social responsibility (CSR)

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

The CSR charge for the current year 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.

COVID-19 Levy

A levy has been imposed by the Mauritian government on companies that have benefited from the wage assistance subsidy programme (GWAS) to assist companies to pay the salaries of their full-time or part-time employees as follows:

For the first year of tax assessment the levy is payable on the lower of:

1. the amount received under the Wage Assistance Scheme; and
2. 15% of the tax adjusted profit for the year before deducting any tax loss brought forward.

Whereas for the second applicable year of assessment, the amount received under the Wage Assistance Scheme is more than the first payment of COVID-19 Levy or no payment has been made, the COVID-19 Levy is payable on the lower of:

1. the amount received under the Wage Assistance Scheme less the COVID-19 Levy paid for the first year of assessment; and
2. 15% of the tax adjusted profit for the year before deducting any tax loss brought forward.

The Group has accounted for the COVID-19 Levy under income tax expense and current tax liabilities.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Notes to the Financial Statements
YEAR ENDED JUNE 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Current and deferred income tax expense (cont'd)

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authorities on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

2.11 Contract liabilities/contract assets

(a) A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

(b) A contract asset is initially recognised for revenue earned from services because the receipt of consideration is conditional on successful completion of the services. Upon completion of the services and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in note 2.16.

2.12 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

2.13 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from proceeds.

2.14 Retirement benefit obligations

(a) *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.

Payments to defined contribution plans are recognised as an expense when employees have rendered service that entitle them to the contributions.

(b) *Defined benefit plans*

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statements of financial position in respect of defined benefit pension plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), is recognised immediately in other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income shall not be reclassified to profit or loss in subsequent period.

The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined liability/(asset), taking into account any changes in the net defined liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense/(income) is recognised in profit or loss. Service costs comprising current service cost, past service cost, as well as gains and losses on curtailments and settlements are recognised immediately in profit or loss.

(c) *Unfunded pensioners*

For pensioners (former employees) who are not covered under any pension plan, the net present value of pension payable as per the terms of the contractual agreement is calculated by a qualified actuary and provided for.

(d) *Termination benefits*

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Retirement benefit obligations (cont'd)

(e) *Gratuity on retirement*

The Company is required under The Workers' Rights Act 2019 ("the WRA") to make a statutory gratuity payment to employees retiring after continuous employment with the Company for a period of 12 months or more. The employee need to have reached retirement age as prescribed by the WRA to be eligible for the gratuity payment.

The Company calculates its net obligations in respect of defined benefit pension plans arising from the WRA for employees by estimating the amount of future benefit that its employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine the present value. The discount rate is the yield at the end of the reporting period.

The net present value of gratuity on retirement payable under the WRA is calculated by a qualified actuary (AON Hewitt) using the projected unit credit method on a yearly basis.

The company is eligible to deduct employer's share of contributions from the above defined contribution plans maintained by the Company to the extent as prescribed by the WRA, which may or may not leave residual liability to be provided for in the financial statements. The obligations arising under this item are not funded.

In accordance with the Workers' Rights Act 2019, the amounts deductible are:

- half the lump sum payable from the defined contribution scheme, based on employer's contribution;
- five times the amount of any annual pension payable at the retirement age due from the defined contribution, based on employer's contribution;
- any other gratuity granted at the retirement age; and
- ten times the amount of any annual pension granted at the retirement age.

(f) *State plan*

Contributions to the "Contribution Sociale Généralisée" are expensed to the profit or loss in the year in which they fall due.

(g) *Short-term employee benefits*

Short-term employee benefits are those expected to be settled wholly before twelve months after the end of the annual reporting period during which employee services are rendered, but do not include termination benefits. Examples include wages, salaries, profit-sharing and bonuses and non-monetary benefits paid to current employees.

The undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in an accounting period is recognised in that period. The expected cost of short-term compensated absences is recognised as the employees render service that increases their entitlement or, in the case of non accumulating absences, when the absences occur, and includes any additional amounts an entity expects to pay as a result of unused entitlements at the end of the period.

2.15 Foreign currencies

(a) *Functional and presentation currency*

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

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

(c) *Group companies*

The results and financial position of all group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the exchange rate at the date of that statement of financial position;

(ii) income and expenses for each statement representing profit or loss and other comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions);

(iii) exchange differences on inter-company balances are recognised in profit or loss; and

(iv) exchange differences arising on retranslation of foreign subsidiaries are recognised in other comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Foreign currencies (cont'd)

(c) *Group companies (cont'd)*

On consolidation, exchange differences from monetary items that form part of a net investments in subsidiary companies are recognised in other comprehensive income and reclassified to profit and loss on disposal of the net investment.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to Non Controlling Interest.

Goodwill and fair value adjustments arising on acquisition, are translated into euro at the exchange rates at the reporting date.

2.16 Impairment of non-derivative financial assets and non-financial assets

(a) **Non-derivative financial assets**

Financial instruments and contract assets

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due. An assessment is done for group companies and a repayment plan is agreed amongst parties.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 360 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 360 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Impairment of non-derivative financial assets and non-financial assets (cont'd)

(b) **Non-financial assets**

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.17 Revenue recognition

(a) *Revenue from contracts with customers*

Performance obligations and timing of revenue recognition

Revenue is derived from sale of services with revenue recognised at a point in time. This is generally when the services are rendered to the customer.

Revenue is also derived from selling goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the Group no longer has physical possession, usually will have a present right to payment and retains none of the significant risks and rewards of the goods in question.

The Group provides freight forwarding, courier services, packing of special sugars, port related and transport services, shipping services and warehousing. Customers are normally given one month to settle their invoices.

TYPE OF PRODUCT / SERVICE CROSS BORDER LOGISTICS	REVENUE RECOGNITION POLICIES
Sea export, Air export & courier export	Revenue is recognised when goods are shipped/exported.
	Hence, upon issuance of the Air Waybill (for Air Export) and Fiata Bill of lading - FBL (for Sea Export), revenue is recognised as the service has been rendered reaching the end of the agreed transaction term.
Sea import, Air import & courier import	Revenue is recognised upon issue of notice of arrival that is as soon as the plane/ship leaves port and the service has been rendered reaching the end of the agreed transaction term.
Custom clearance and brokerage	Revenue is recognised when custom clearance has been obtained.
Packing of special sugar	Revenue is recognised when goods are shipped/exported.
Landside logistics	
Storage and handling of empty container	Revenue is recognised over time and invoiced at end of each month until last day of storage.
Rental of containers and reefers (refrigerated containers)	Revenue is recognised over time and invoiced at end of each month until last day of rental.
Repairs and modification of containers	Revenue is recognised over time and invoiced at end of repairs and modification.
Rental of warehouse	Revenue is recognised over time and invoiced at end of each month until last day of storage of goods.
Port services - Rodrigues	Revenue is recognised upon arrival of vessel at port for each month.
Sales of container	Revenue is recognised upon delivery of container.
Transport services for carrying coal, sugarcane and petroleum products	Revenue is derived from selling transport services with revenue recognised at a point in time when control of the services has transferred to the customer. This is generally when the services are delivered to the customer.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Revenue recognition (cont'd)

(a) *Revenue from contracts with customers (cont'd)*

Performance obligations and timing of revenue recognition (cont'd)

TYPE OF PRODUCT / SERVICE	REVENUE RECOGNITION POLICIES
Shipping	
Shipping	Revenue is recognised when goods are shipped/exported.
Warehousing	
Rental and storage	Billings are issued at the earlier of:
	- the end of each month; and
	- end of the contract, i.e. end of rental/storage.

Determining the transaction price

Revenue is derived from the fixed price for each contract and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

Allocating amounts to performance obligations

For most contracts, there is a fixed unit price for each service rendered, with reductions given for bulk orders placed at a specific time. Therefore, there is no judgement involved in allocating the contract price to each service ordered in such contracts (it is the total contract price divided by the type of services rendered). Customers are given one month to settle their invoices.

Practical Exemptions

The Group has taken advantage of the practical exemptions:

- not to account for significant financing components where the time difference between receiving consideration and transferring control of goods (or services) to its customer is one year or less; and
- expense the incremental costs of obtaining a contract when the amortisation period of the asset otherwise recognised would have been one year or less.

(b) *Other income*

Other revenues earned by the Group and the Company are recognised on the following bases:

- Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).
- Other income is recognised as it accrues unless collectability is in doubt.
- Dividend income - when the shareholder's right to receive payment is established.

2.18 Dividend

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are declared.

2.19 Discontinued operations

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

Additional disclosures are provided in note 30.

2.20 Finance costs

The Group's finance costs include interest expense. Interest expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the amortised cost of the financial liability.

In calculating interest expense, the effective interest rate is applied to the gross carrying amount of the amortised cost of the liability.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial Risk Factors

The Group's activities expose it to a variety of financial risk factors, including:

(a) market risk (including cash flow and fair value interest rate risk);

(b) credit risk; and

(c) liquidity risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effect on the Group's financial performance.

Risk management is carried out by treasury department under policies approved by the Board of Directors. Treasury identifies, evaluates and hedges financial risks in close cooperation with the operating units. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and non-derivative financial instruments and investment of excess liquidity.

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

(a) <u>Market risk</u>

Market risk is the risk that changes in market prices - e.g. currency risk and price risk - will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) **Currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Euro, Kenya Shilling and US Dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Management has set up a policy to require the Group to manage its foreign exchange risk exposure with treasury. The Group also manages the exposure to currency variations by matching receipts and disbursements.

The Group has investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

Currency profile

The currency profile of the Group and the Company's financial assets and liabilities is summarised below:

THE GROUP	2023		2022	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	Rs'000	Rs'000	Rs'000	Rs'000
Rupee	**411,580**	**662,820**	399,954	819,278
Euro	**256,040**	**254,724**	250,510	298,230
US Dollar	**233,723**	**99,535**	278,920	150,300
Great Britain (GB) Pound	**19,441**	**3,169**	35,430	85
Kenya Shilling	**315,991**	**248,296**	276,499	105,354
Indian Rupee	**51,534**	**50,290**	41,152	39,826
Malagasy Ariary	**124,400**	**126,746**	107,694	116,372
	1,412,709	**1,445,580**	1,390,159	1,529,445

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

(a) <u>Market risk (cont'd)</u>

(i) **Currency risk (cont'd)**

THE COMPANY	2023		2022	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	Rs'000	Rs'000	Rs'000	Rs'000
Rupee	**3,602,251**	**262,295**	3,360,413	302,147

Sensitivity analysis

At the end of reporting date, if the rupee had weakened/strengthened against the following currencies with all the variables remaining constant, the impact on the post-tax profit and total equity for the period would have been as shown in the table below, mainly as a result of foreign exchange gains/losses on translation of foreign currency denominated financial assets and liabilities.

THE GROUP	2023			2022		
	% change	Impact on post-tax profit and total equity		% change	Impact on post-tax profit and total equity	
		Financial assets	Financial liabilities		Financial assets	Financial liabilities
		Rs'000	Rs'000		Rs'000	Rs'000
Euro	**7%**	**17,923**	**17,831**	13%	22,546	26,841
US Dollar	**3%**	**7,012**	**2,986**	6%	11,157	6,012
GB Pound	**7%**	**1,361**	**222**	20%	3,189	8
Kenya Shilling	**13%**	**41,079**	**32,278**	5%	13,825	5,268
Indian Rupee	**1%**	**515**	**503**	1%	412	398
Malagasy Ariary	**7%**	**8,708**	**8,872**	1%	1,076	1,164
		76,598	**62,692**		52,205	39,691

(ii) <u>Cash flow and fair value interest rate risk</u>

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

The Group has an interest rate policy which aims at minimising the annual interest costs and reduce volatility. The cost of debt is managed by effective negotiation directly with banks and other financial institutions.

<u>THE GROUP</u>

At the end of reporting date, if interest rates on borrowings had been 50 basis points higher/lower with all variables held constant, pre-tax profit and total equity for the year would have been Rs 2.280 million (2022: Rs 2.930 million) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

Sensitivity analysis

<u>THE COMPANY</u>

At the end of reporting date, if interest rates on borrowings had been 50 basis points higher/lower with all variables held constant, pre-tax profit and total equity for the year have been Rs 0.859 million lower/higher (2022: Rs 0.801 million), mainly as a result of higher/lower interest expense on floating rate borrowings.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

(b) **Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk arises from loans and other receivables, trade receivables, contract assets and cash and cash equivalents.

Credit risk is managed on a Group basis. For banks and financial institutions, only independently rated parties are accepted. The main bank has been rated by the leading independent agency namely Moody's as baa3.

The Group's exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Loans and other receivables	**171,049**	78,011	**204,509**	262,280
Trade receivables	**721,549**	834,357	**-**	-
Contract assets	**27,723**	34,074	**-**	-
Cash and cash equivalents	**489,068**	440,518	**7,888**	1,233
	1,409,389	1,386,960	**212,397**	263,513

Loans are advanced to related parties after a careful analysis of the financial soundness of the counterparties. Obligations of the counterparties are monitored closely. As of date, there is no indication that the subsidiaries will not be able to repay the loan on due date.

Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set out based on internal or external ratings in accordance with limits set by the Board. The compliance with credit limits by customers is regularly monitored by line management.

Sales to customers on credit are made after a careful analysis of the financial soundness of the counterparties. Obligations of the counterparties are monitored closely.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

More information of loss allowance as at June 30, 2023 and June 30, 2022 has been disclosed in note 14(a).

The Group has adopted the general approach for measuring ECL for financial assets at amortised cost.

Under the general approach, the Expected Credit Losses (ECL) is measured as below:

$ECL = PD \times LGD \times EAD$

Where:

- ECL refers to the Expected Credit Losses;
- PD - This is the Probability of Default currently defined as the probability that the receivable will remain outstanding for more than 90 days;
- LGD - Loss Given Default denotes the share of losses, that is, the actual receivable loss in the event of customer default, or what is expected to be irrecoverable from among the assets in insolvency proceedings; and
- EAD - Exposure at Default is the amount outstanding at the reporting date.

The directors have considered the probability of default over 12 months derived from public available credit rating such as Moody's and Standard & Poor's. The expected loss given default has been derived using the Basel III Guidelines for uncollaterised asset. The ECL model resulted in an immaterial impairment.

(c) **Liquidity risk**

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

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market position.

The Group aims at maintaining flexibility in funding by keeping committed credit lines available.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

(c) **Liquidity risk (cont'd)**

The table below analyses the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting date to the contractual maturity date.

	Contractual cash flows					
THE GROUP	Carrying amount	Within 1 year	1-2 years	2-5 years	Later than 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2023						
Trade and other payables	**735,295**	**735,295**	**-**	**-**	**-**	**735,295**
Contract liabilities	**26,196**	**26,196**	**-**	**-**	**-**	**26,196**
Bank loans	**375,365**	**113,534**	**80,508**	**166,803**	**92,435**	**453,280**
Other loans	**3,711**	**91**	**3,620**	**-**	**-**	**3,711**
Lease liabilities	**282,008**	**76,381**	**42,047**	**78,702**	**227,095**	**424,225**
Bank overdrafts	**23,005**	**23,005**	**-**	**-**	**-**	**23,005**
	1,445,580	**974,502**	**126,175**	**245,505**	**319,530**	**1,665,712**
2022						
Trade and other payables	702,134	702,134	-	-	-	702,134
Contract liabilities*	19,797	19,797	-	-	-	19,797
Bank loans	514,259	141,557	112,318	215,377	121,408	590,660
Other loans	8,833	4,867	3,966	-	-	8,833
Lease liabilities	252,491	75,634	64,637	63,756	206,323	410,350
Bank overdrafts	31,931	31,932	-	-	-	31,932
	1,529,445	975,921	180,921	279,133	327,731	1,763,706

- Contract liabilities have been disclosed for prior year and no other items have been affected in the audited financial statements.

THE COMPANY	Contractual cash flows					
	Carrying amount	Within 1 year	1-2 years	2-5 years	Later than 5 years	Total
2023	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Trade and other payables	**6,630**	**6,630**	**-**	**-**	**-**	**6,630**
Bank loans	**180,881**	**33,506**	**32,049**	**87,144**	**73,799**	**226,498**
Loan from related parties	**74,784**	**40,249**	**6,072**	**16,835**	**21,008**	**84,164**
	262,295	**80,385**	**38,121**	**103,979**	**94,807**	**317,292**
2022						
Trade and other payables	8,817	8,817	-	-	-	8,817
Bank loans	222,492	37,778	34,479	94,235	96,930	263,422
Loan from related parties	70,117	34,049	2,993	16,968	26,142	80,152
	301,426	80,644	37,472	111,203	123,072	352,391

3.2 Capital risk management

The Group's and the Company's objectives when managing capital are:

- to safeguard the Group's and the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by providing products and services commensurately with the level of risk.

The Group and the Company set the amount of capital in proportion to risk. The Group and the Company manage the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.2 Capital risk management (cont'd)

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Consistently with others in the industry, the Group and the Company monitor capital on the basis of the debt-to-equity ratio. This ratio is calculated as net debt adjusted capital. Net debt is calculated as total debt (as shown on the statements of financial position) less cash and cash equivalents. Total equity comprises all components of equity i.e. share capital, other reserves, non-controlling interests and retained earnings.

The debt-to-equity ratios at June 30, 2023 and at June 30, 2022 were as follows:

	THE GROUP		THE COMPANY	
	2023	**2022**	**2023**	**2022**
	Rs'000	Rs'000	Rs'000	Rs'000
Lease liabilities (note 6(b))	**282,008**	252,491	**-**	-
Borrowings (note 20)	**402,081**	555,023	**255,665**	293,330
Total debts	**684,089**	807,514	**255,665**	293,330
Less: cash and cash equivalents	**(489,068)**	(440,518)	**(7,888)**	(1,233)
Net debt	**195,021**	366,996	**247,777**	292,097
Total equity	**1,811,640**	1,688,866	**3,339,725**	3,064,793
Debt-to-equity ratio	**11%**	22%	**7%**	10%

The net debt to equity ratio changed from 22% at June 30, 2022 to 11% at June 30, 2023 for the Group and the net debt to equity ratio changed from 10% at June 30, 2022 to 8% at June 30, 2023 for the Company due to repayment of bank loans during the year.

There were no changes in the Group's approach to capital risk management during the year.

3.3 Fair value estimation

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Accounting classification and fair values

A number of the Group's and the Company's accounting policies and disclosures requires the measurement of fair values, for both financial and non-financial assets and liabilities.

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.3 Fair value estimation (cont'd)

Accounting classification and fair values (cont'd)

	Carrying Value			Fair Value			
THE GROUP	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income	Financial liabilities at amortised cost	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2023							
Financial assets measured at fair value							
Other financial assets at fair value through other comprehensive income	-	3,320	-	-	-	3,320	3,320
Financial assets not measured at fair value							
Trade receivables	721,549	-	-	-	-	-	-
Contract assets	27,723	-	-	-	-	-	-
Loans and other receivables	171,049	-	-	-	-	-	-
Cash and cash equivalents	489,068	-	-	-	-	-	-
	1,409,389	3,320	-	-	-	3,320	3,320
Financial liabilities not measured at fair value							
Borrowings - non current	-	-	283,647	-	-	-	-
Borrowings - current	-	-	118,434	-	-	-	-
Leases - non current	-	-	216,846	-	-	-	-
Leases - current	-	-	65,162	-	-	-	-
Contract liabilities	-	-	26,196	-	-	-	-
Trade and other payables	-	-	735,295	-	-	-	-
	-	-	1,445,580	-	-	-	-

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.3 Fair value estimation (cont'd)

Accounting classification and fair values (cont'd)

THE GROUP	Carrying Value			Fair Value			
	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income	Financial liabilities at amortised cost	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2022							
Financial assets measured at fair value							
Other financial assets at fair value through other comprehensive income	-	3,199	-	-	-	3,199	3,199
Financial assets not measured at fair value							
Trade receivables	834,357	-	-	-	-	-	-
Contract assets	34,074	-	-	-	-	-	-
Loans and other receivables	78,011	-	-	-	-	-	-
Cash and cash equivalents	440,518	-	-	-	-	-	-
	1,386,960	3,199	-	-	-	3,199	3,199
Financial liabilities not measured at fair value							
Borrowings - non current	-	-	393,078	-	-	-	-
Borrowings - current	-	-	161,945	-	-	-	-
Leases - non current	-	-	190,856	-	-	-	-
Leases - current	-	-	61,635	-	-	-	-
Contract liabilities*	-	-	19,797	-	-	-	-
Trade and other payables	-	-	702,134	-	-	-	-
	-	-	1,529,445	-	-	-	-

* Contract liabilities have been disclosed for prior year and no other items have been affected in the audited financial statements.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.3 Fair value estimation (cont'd)

Accounting classification and fair values (cont'd)

THE COMPANY	Carrying Value			Fair Value			
	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income	Financial liabilities at amortised cost	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2023							
Financial assets measured at fair value							
Investment in subsidiaries	**-**	**3,389,854**	**-**	**-**	**35,929**	**3,353,925**	**3,389,854**
Financial assets not measured at fair value							
Loans and other receivables - Non current	**168,097**	**-**	**-**	**-**	**-**	**-**	**-**
Loans and other receivables - Current	**36,412**	**-**	**-**	**-**	**-**	**-**	**-**
Cash and cash equivalents	**7,888**	**-**	**-**	**-**	**-**	**-**	**-**
	212,397	**3,389,854**	**-**	**-**	**35,929**	**3,353,925**	**3,389,854**
Financial liabilities not measured at fair value							
Borrowings	**-**	**-**	**255,665**	**-**	**-**	**-**	**-**
Trade and other payables	**-**	**-**	**6,630**	**-**	**-**	**-**	**-**
	-	**-**	**262,295**	**-**	**-**	**-**	**-**
2022							
Financial assets measured at fair value							
Investment in subsidiaries*	-	3,096,900	-	-	48,887	3,048,013	3,096,900
Financial assets not measured at fair value							
Loans and other receivables - Non current	207,111	-	-	-	-	-	-
Loans and other receivables - Current	55,169	-	-	-	-	-	-
Cash and cash equivalents	1,233	-	-	-	-	-	-
	263,513	3,096,900	-	-	48,887	3,048,013	3,096,900
Financial liabilities not measured at fair value							
Borrowings	-	-	293,330	-	-	-	-
Trade and other payables	-	-	8,817	-	-	-	-
	-	-	302,147	-	-	-	-

* Prior year figures within the fair value hierarchy have been updated to align with amount disclosed in note 8.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

The Group made the following estimates and judgements:

(a) **Estimate of recoverable amount of CGUs to assess the impairment of goodwill**

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.4(a). These calculation require the use of estimates as stated in note 7(g).

(b) **Pension benefits**

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate. Any change in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 21.

(c) **Revaluation of property, plant and equipment**

The Group carries its land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. The Group engaged independent valuation specialists to determine fair value as at June 30, 2023. The key valuation technique assumptions used to determine the fair value of property, plant and equipment are further explained in note 5.

(d) **Impairment of financial assets**

The loss allowance for financial assets as discussed in note 3(b) are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The forward looking overlay used was GDP. Elements of the ECL models that are considered as accounting judgements and estimates include mainly the development of ECL models including the various formulas and the choice of input which normally include determination of associations between macro economics scenarios and economic inputs such as gross domestic products rate and collateral values and probability of default (PPD), Exposure At Default (EAD).

(e) **Asset lives and residual values**

Property, plant and equipment (note 2.2) and intangible assets (note 2.4) are depreciated/amortised over their useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

The directors therefore make estimates based on historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

(f) **Impairment of non-financial assets**

Property, plant and equipment (note 5) and intangible assets (note 7) are considered for impairment if there is a reason to believe that impairment may be necessary and at the end of every reporting period. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself.

Future cash flows expected to be generated by the assets or cash-generating units are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are impaired to the present value. The impairment loss is first allocated to goodwill and then to the other assets of a cash-generating unit.

Cash flows which are utilised in these assessments are extracted from formal five-year business plans which are updated annually. The Group utilises the valuation model to determine asset and cash-generating unit values supplemented, where appropriate, by discounted cash flow and other valuation techniques.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(g) **Leases - Estimating the incremental borrowing rate**

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities (note 6). The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

(h) **Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group has Rs 74.158 million (2022: Rs 90.621 million) of tax losses carried forward. These losses relate to subsidiaries that have a history of losses, do not expire, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

If the Group was able to recognise all unrecognised deferred tax assets, profit and equity would have increased by Rs 12.607 million (2022: Rs 15.406 million). Further details on taxes are disclosed in Note 12.

(i) **Consolidation of entities in which the Group holds less than a majority of voting rights (de facto control)**

The Group considers that it controls P.A.P.O.L.C.S Limited even though it owns less than 50% of the voting rights. This is because the Group is the single largest shareholder of P.A.P.O.L.C.S Limited with the Group holding 60% in Papol Holding Limited and the latter holding 80% of P.A.P.O.L.C.S Limited. Hence the indirect ownership interest of the Group is 48%. The remaining 40% of the equity shares in Papol Holding Limited and 20% of the equity shares in P.A.P.O.L.C.S Limited are held by different shareholders. Since acquisition of P.A.P.O.L.C.S Limited, there is no history of the other shareholders collaborating to exercise their votes collectively or to outvote the Group.

(j) **Determination of significant influence over associate**

The Group determines whether an entity significant influence over another entity for all entities with a shareholding between 20% and 50% of the voting rights. In considering the classification management considers whether control exists, the nature and structure of the relationship and other facts and circumstances. In making their judgement, the directors and management considered the Group's absolute size of holding and the relative size and dispersion of the shareholdings owned by the other investors.

(k) **Fair value of investment in subsidiaries**

The fair value of investment in subsidiaries is determined using valuation techniques as they are not traded in an active market including third party transaction values, multiple earnings, net asset value, cost, dividend or discounted cash flows, whichever is considered to be appropriate. The Company would exercise judgement and estimates on the quality and quantity of pricing sources used. For details of the key assumptions used and the impact of changes to these assumptions see note 8(c).

(l) **Limitation of sensitivity analysis**

The sensitivity analysis in respect of market risk in note 3(a) demonstrate the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should be noted that these sensitivities are non-linear and larger or smaller impacts should be interpolated or extrapolated from these results.

The sensitivity analysis do not take into consideration that the Group's assets and liabilities are actively managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Group's views of possible near-term market changes that cannot be predicted with any certainty.

(m) **Going concern**

The Group made an assessment of its ability to continue as going concern and it satisfy that it has the resources to continue its business for the foreseeable future. The financial statement have thus been prepared on a going concern basis. Refer to note 38 for further details.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

5. PROPERTY, PLANT AND EQUIPMENT

(a) THE GROUP

	Freehold land and yard	Freehold buildings	Buildings and yard on leasehold land	Plant and equipment	Furniture, fixtures and equipment	Motor vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(i) 2023							
COST OR VALUATION							
At July 1, 2022	163,108	48,949	530,715	818,345	157,489	65,796	1,784,402
Additions	-	227	3,718	25,974	14,198	4,695	48,812
Disposals	-	-	-	(27,446)	(5,667)	(16,564)	(49,677)
On acquisition of subsidiary (note 35(a)(ii))	-	-	31,552	151,492	6,784	10,430	200,258
Revaluation adjustment	656	(12,486)	6,391	-	-	-	(5,439)
Transfer	-	94,930	(94,930)	-	-	-	-
Transfer from right-of-use assets (note 6(a))	-	-	-	17,580	-	9,653	27,233
Exchange differences	(4,125)	(4,614)	(2,829)	(40,079)	(2,244)	(2,434)	(56,325)
At June 30, 2023							
- valuation	159,639	127,006	474,617	-	-	-	761,262
- cost	-	-	-	945,866	170,560	71,576	1,188,002
	159,639	127,006	474,617	945,866	170,560	71,576	1,949,264
DEPRECIATION							
At July 1, 2022	-	1,095	26,363	521,334	127,087	46,830	722,709
Charge for the year (note 5(e))	-	3,691	12,528	57,064	10,878	8,141	92,302
Disposal adjustments	-	-	-	(23,087)	(4,413)	(15,574)	(43,074)
On acquisition of subsidiary (note 35(a)(ii))	-	-	3,836	128,511	5,459	9,516	147,322
Revaluation adjustment	-	(3,898)	(38,890)	-	-	-	(42,788)
Transfer from right-of-use assets (note 6(a))	-	-	-	13,624	-	5,335	18,959
Exchange differences	-	(303)	(344)	(29,482)	(1,347)	(2,004)	(33,480)
At June 30, 2023	-	585	3,493	667,964	137,664	52,244	861,950
NET BOOK VALUES							
At June 30, 2023	159,639	126,421	471,124	277,902	32,896	19,332	1,087,314

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) THE GROUP

	Freehold land and yard	Freehold buildings	Buildings and yard on leasehold land	Plant and equipment	Furniture, fixtures and equipment	Furniture, fixtures and equipment	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(ii) 2022							
COST OR VALUATION							
At July 1, 2021	164,718	50,734	427,867	830,006	159,618	76,141	1,709,084
Additions	-	-	102,864	92,318	11,806	11,087	218,075
Disposals	-	-	-	(104,379)	(12,396)	(29,120)	(145,895)
On disposal of subsidiary (note 30(b))	-	-	-	(7,525)	-	(622)	(8,147)
Transfer from right-of-use assets (note 6(a))	-	-	-	16,803	-	8,817	25,620
Exchange differences	(1,610)	(1,785)	(16)	(8,878)	(1,539)	(507)	(14,335)
At June 30, 2022							
- valuation	163,108	48,949	530,715	-	-	-	742,772
- cost	-	-	-	818,345	157,489	65,796	1,041,630
	163,108	48,949	530,715	818,345	157,489	65,796	1,784,402
DEPRECIATION							
At July 1, 2021	-	436	12,125	534,568	124,457	61,525	733,111
Charge for the year (note 5(e))	-	706	14,254	63,408	11,347	5,908	95,623
Disposal adjustments	-	-	-	(77,738)	(7,533)	(28,633)	(113,904)
On disposal of subsidiary (note 30(b))	-	-	-	(5,022)	-	(407)	(5,429)
Transfer from right-of-use assets (note 6(a))	-	-	-	12,099	-	8,813	20,912
Exchange differences	-	(47)	(16)	(5,981)	(1,184)	(376)	(7,604)
At June 30, 2022	-	1,095	26,363	521,334	127,087	46,830	722,709
NET BOOK VALUES							
At June 30, 2022	163,108	47,854	504,352	297,011	30,402	18,966	1,061,693

5. **PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

(b) The Group's land and building were last revalued at June 30, 2023 by independent valuers. The revaluation net of applicable deferred income taxes was credited to revaluation surplus in shareholders' equity (note 19).

Details of the Group's land and building measured at revalued amounts and information about the fair value hierarchy are as follows:

	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000
2023			
Freehold land and yard	**159,639**	**-**	**159,639**
Freehold buildings	**-**	**126,421**	**126,421**
Buildings and yard on leasehold land	**-**	**471,124**	**471,124**
	159,639	**597,545**	**757,184**
2022			
Freehold land and yard	163,108	-	163,108
Freehold buildings	-	47,854	47,854
Buildings and yard on leasehold land	-	504,352	504,352
	163,108	552,206	715,314

There were no transfers between level 2 and 3 during the year.

The fair value of the freehold land was derived using the sales comparison approach. Sales prices of comparable land in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square metre.

The fair value of the freehold buildings, buildings and yard on leasehold land were determined using the cost approach that reflects the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence. The most significant input into this valuation approach is cost per square metre.

Significant unobservable valuation input:

Price/cost per square metre	Level 2	Level 3	Level 3
	Freehold land and yard	Freehold buildings	Buildings and yard on leasehold land
	Rs.	Rs.	Rs.
2023	**3,650 - 21,000**	**13,000 - 27,000**	**7,000 - 52,500**
2020 (year of last revaluation)	3,650 - 21,000	13,000 - 16,500	24,000 - 47,500

Effect of 10% increase/(decrease) in estimated price per square metre in isolation	Level 2	Level 3	Level 3
	Freehold land and yard	Freehold buildings	Buildings and yard on leasehold land
	Rs'000	Rs'000	Rs'000
2023	**16,309**	**15,049**	**47,341**
2020 (year of last revaluation)	16,309	4,658	42,617

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

5. **PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

The reconciliation of buildings measured at revalued amounts using significant unobservable inputs are as follows:

	Freehold buildings	Building and yard on leasehold land	Total
	Rs'000	Rs'000	Rs'000
2023			
At July 1, 2022	**47,854**	**504,352**	**552,206**
Additions	**227**	**3,718**	**3,945**
On acquisition of subsidiary	**-**	**27,716**	**27,716**
Depreciation charged to profit or loss	**(3,691)**	**(12,528)**	**(16,219)**
Transfer	**94,930**	**(94,930)**	**-**
Revaluation adjustment	**(8,588)**	**45,281**	**36,693**
Exchange differences	**(4,311)**	**(2,485)**	**(6,796)**
At June 30, 2023	**126,421**	**471,124**	**597,545**
2022			
At July 1, 2021	50,298	415,742	466,040
Additions	-	102,864	102,864
Depreciation charged to profit or loss	(706)	(14,254)	(14,960)
Exchange differences	(1,738)	-	(1,738)
At June 30, 2022	47,854	504,352	552,206

(c) If the land and buildings were stated on the historical cost basis, the amounts would be as follows:

	THE GROUP	
	2023	**2022**
	Rs'000	Rs'000
Cost	**291,439**	282,582
Accumulated depreciation	**(66,222)**	(57,501)
Net book value	**225,217**	225,081

(d) Bank borrowings are secured by floating charges on the assets of the Group including property, plant and equipment for the value of Rs 186.700 million (2022: Rs 212.795 million).

(e) Depreciation was charged as follows:

	THE GROUP	
	2023	**2022**
	Rs'000	Rs'000
Continuing operations	**92,302**	94,521
Discontinued operations (note 30(a))	**-**	1,102
	92,302	95,623

6. **RIGHT-OF-USE ASSETS/LEASE LIABILITIES**

THE GROUP

(a) **Right-of-use assets**

	Leasehold land	Buildings	Plant & equipment	Motor vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(i) 2023					
COST					
At July 1, 2022	82,366	214,855	68,488	51,294	417,003
Additions	51,824	26,993	5,018	14,962	98,797
Effect of modification to lease terms	-	1,571	-	-	1,571
Terminated leases		(21,099)	(3,723)	-	(24,822)
Transfer to property, plant and equipment (note 5)	-	-	(17,580)	(9,653)	(27,233)
Exchange difference	-	(914)	-	317	(597)
At June 30, 2023	134,190	221,406	52,203	56,920	464,719
DEPRECIATION					
At July 1, 2022	9,145	100,849	43,422	28,792	182,208
Charge for the year	5,396	46,432	11,243	8,161	71,232
Terminated leases	-	(20,639)	(2,009)	-	(22,648)
Transfer to property, plant and equipment (note 5)	-	-	(13,624)	(5,335)	(18,959)
Exchange difference	(158)	(983)	3	83	(1,055)
At June 30, 2023	14,383	125,659	39,035	31,701	210,778
NET BOOK VALUES					
At June 30, 2023	119,807	95,747	13,168	25,219	253,941
(ii) 2022					
COST					
At July 1, 2021	82,366	178,295	88,541	59,108	408,310
Additions	-	54,957	9,757	11,187	75,901
Effect of modification to lease terms	-	274	-	(3,899)	(3,625)
Terminated leases		(6,402)	(13,007)	-	(19,409)
On disposal of subsidiary	-	(8,059)	-	(5,419)	(13,478)
Transfer to property, plant and equipment (note 5)	-	-	(16,803)	(8,817)	(25,620)
Exchange difference	-	(4,210)	-	(866)	(5,076)
At June 30, 2022	82,366	214,855	68,488	51,294	417,003

6. **RIGHT-OF-USE ASSETS/LEASE LIABILITIES (CONT'D)**

(a) **Right-of-use assets (cont'd)**

	Leasehold land	Buildings	Plant & equipment	Motor vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(ii) 2022 (cont'd)					
DEPRECIATION					
At July 1, 2021	6,731	57,377	53,836	34,921	152,865
Charge for the year	2,414	50,726	11,234	11,028	75,402
Effect of modification to lease terms	-	-	-	(3,558)	(3,558)
Terminated leases	-	(2,612)	(9,549)	-	(12,161)
On disposal of subsidiary	-	(3,035)	-	(4,107)	(7,142)
Transfer to property, plant and equipment (note 5)	-	-	(12,099)	(8,813)	(20,912)
Exchange difference	-	(1,607)	-	(679)	(2,286)
At June 30, 2022	9,145	100,849	43,422	28,792	182,208
NET BOOK VALUES					
At June 30, 2022	73,221	114,006	25,066	22,502	234,795

(b) **Lease liabilities**

	Leasehold land	Buildings	Plant & equipment	Motor vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(i) **2023**					
THE GROUP					
At July 1, 2022	83,389	123,905	21,650	23,547	252,491
Additions	51,824	26,993	5,018	14,962	98,797
Effect of modification to lease terms	-	1,571	-	-	1,571
Terminated leases	-	(485)	(1,762)	-	(2,247)
Interest expense	6,768	6,023	930	1,272	14,993
Foreign exchange movements	(114)	(213)	-	267	(60)
Lease payments	(6,936)	(52,155)	(11,555)	(12,891)	(83,537)
At June 30, 2023	134,931	105,639	14,281	27,157	282,008
Analysed as follows:					
Non-current	134,931	58,485	4,953	18,477	216,846
Current	-	47,154	9,328	8,680	65,162
	134,931	105,639	14,281	27,157	282,008

6. RIGHT-OF-USE ASSETS/LEASE LIABILITIES (CONT'D)

(b) **Lease liabilities (cont'd)**

	Leasehold land	Buildings	Plant & equipment	Motor vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(ii) 2022					
At July 1, 2021	82,899	128,848	28,060	25,961	265,768
Additions	-	54,957	9,757	11,187	75,901
Effect of modification to lease terms	-	274	-	(341)	(67)
Terminated leases	-	(4,082)	(3,636)	-	(7,718)
On disposal of subsidiary	-	(5,110)	-	(1,358)	(6,468)
Interest expense	4,736	7,694	1,331	1,178	14,939
Foreign exchange movements	-	(3,122)	-	(310)	(3,432)
Lease payments	(4,246)	(55,554)	(13,862)	(12,770)	(86,432)
At June 30, 2022	83,389	123,905	21,650	23,547	252,491
Analysed as follows:					
Non-current	83,389	81,159	10,961	15,347	190,856
Current	-	42,746	10,689	8,200	61,635
	83,389	123,905	21,650	23,547	252,491

(c) **Nature of leasing activities (in the capacity as lessee)**

Freeport Operations (Mauritius) Limited, a subsidiary, leases a plot of land from the Mauritius Ports Authority. The lease agreement expires on March 30, 2056. The lease contract provides for payments to increase every ten years by 50%.

Another subsidiary, Associated Container Services Limited, leases a plot of land in Rodrigues from the Mauritius Ports Authority which expires on April 2, 2030.

The Group leases various buildings for office space as well as certain items of plant & equipment and motor vehicles. The leases comprise only fixed payments over their respective lease terms. There is no impact on the carrying amount of lease liabilities and right-of-use assets on the reporting date as the Group is not subject to lease payments that are variable. There are no extension and termination options included in leases across the Group. The Group did not provide residual value guarantees in relation to leases.

(d) **Other information**

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
Lease payments	**68,544**	71,493
Interest expense (included in finance cost) (note 28)	**14,993**	14,939
	83,537	86,432
'Expense relating to short-term leases (note 29)	**4,589**	8,824
Total cash outflows for leases	**88,126**	95,256

(e) Depreciation was charged as follows:

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
Continuing operations	**71,232**	73,114
Discontinued operations	**-**	2,288
	71,232	75,402

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

6. RIGHT-OF-USE ASSETS/LEASE LIABILITIES (CONT'D)

(f) The land and buildings of one of its subsidiaries (Freeport Operations Ltd) were revalued in June 2023 by independent valuers and leasehold rights valued at Rs 508.5 million were not included in the statement of financial position. Had the leasehold rights been included, the net assets value and total equity would have increased by Rs 508.5 million.

7. INTANGIBLE ASSETS

THE GROUP	Customer related intangibles	Concession rights	Goodwill	Computer software	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(a) **2023**					
COST					
At July 1, 2022	**41,402**	**180,000**	**458,794**	**81,766**	**761,962**
Addition	**-**	**-**	**-**	**2,620**	**2,620**
Fully amortised assets	**(27,683)**	**-**	**-**	**-**	**(27,683)**
Exchange differences	**-**	**-**	**-**	**(1,061)**	**(1,061)**
At June 30, 2023	**13,719**	**180,000**	**458,794**	**83,325**	**735,838**
AMORTISATION					
At July 1, 2022	**37,341**	**79,642**	**-**	**65,988**	**182,971**
Charge for the year	**2,690**	**3,000**	**-**	**2,667**	**8,357**
Fully amortised assets	**(27,683)**	**-**	**-**	**-**	**(27,683)**
Exchange differences	**-**	**-**	**-**	**(1,965)**	**(1,965)**
At June 30, 2023	**12,348**	**82,642**	**-**	**66,690**	**161,680**
NET BOOK VALUE					
At June 30, 2023	**1,371**	**97,358**	**458,794**	**16,635**	**574,158**

	Customer related intangibles	Concession rights	Goodwill	Computer software	Total
(b) 2022	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST					
At July 1, 2021	41,402	180,000	458,794	81,657	761,853
Addition	-	-	-	2,343	2,343
Disposal of subsidiary	-	-	-	(1,697)	(1,697)
Exchange differences	-	-	-	(537)	(537)
At June 30, 2022	41,402	180,000	458,794	81,766	761,962
AMORTISATION					
At July 1, 2021	32,014	76,642	-	66,480	175,136
Charge for the year	5,327	3,000	-	1,787	10,114
Disposal of subsidiary	-	-	-	(1,697)	(1,697)
Exchange differences	-	-	-	(582)	(582)
At June 30, 2022	37,341	79,642	-	65,988	182,971
NET BOOK VALUE					
At June 30, 2022	4,061	100,358	458,794	15,778	578,991

INTANGIBLE ASSETS (CONT'D)

7c) Amortisation was charged as follows:

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
Continuing operations	**8,357**	10,087
Discontinued operations	-	27
	8,357	10,114

(d) The carrying amount at June 30, 2023 does not include internally generated goodwill (2022: Nil).

(e) The remaining amortisation period for Concession right was 32.5 years at June 30, 2023 (2022: 33.5 years).

(f) The carrying amount of goodwill are allocated to the following CGUs:

	THE GROUP
	Rs'000
Velogic Ltd	202,000
Associated Container Services Ltd	97,881
General Cargo Services Ltd	72,900
Southern Marine Ltd	28,931
Velogic Haulage Services Ltd	21,649
Others (immaterial in relation to the total goodwill)	35,433
	458,794

(g) *Impairment test for goodwill*

Impairment test for goodwill is allocated to the Company's cash-generating units (CGU) identified according to the country of operation and business segment.

At the end of the reporting period, the Group has assessed the recoverable amount of goodwill and determined that there is no impairment of goodwill.

For the purpose of impairment testing, goodwill has been allocated to the Group's CGUs (subsidiaries). The recoverable amounts for the cash generating units were based on their value in use, determined at June 30, 2023 by qualified independent professional valuers. Note 8(c) discloses the main assumptions used to determine the value in use of the various CGUs.

8. **INVESTMENT IN SUBSIDIARIES**

	THE COMPANY	
	2023	2022
(a) **AT FAIR VALUE**	Rs'000	Rs'000
At July 1,	**3,096,900**	3,050,400
Change in fair value	**292,954**	46,500
At June 30,	**3,389,854**	3,096,900

(b) The fair value of investment in subsidiary companies was determined at June 30, 2023 by qualified independent professional valuers. The valuation methodology for each subsidiary was either a market approach or on a discounted cash flow basis.

The hierarchy level of fair value of the Company's investment in subsidiary companies are as follows:

	THE COMPANY	
	2023	2022
	Rs'000	Rs'000
Level 2	**35,929**	48,887
Level 3	**3,353,925**	3,048,013
	3,389,854	3,096,900

8. **INVESTMENT IN SUBSIDIARIES (CONT'D)**

(c) The table below sets out information about significant unobservable inputs used at June 30, 2023 in measuring investment in subsidiaries.

Valuation techniques and key inputs

	Fair value		Inputs	Range	
	2023	2022		2023	2022
	Rs'000	Rs'000			
Valuation technique					
Discounted cash flow	**3,353,925**	3,048,013	Discount rate	8.87% - 22.60%	7.41% - 17.42%
Market approach	**35,929**	48,887	Multiples	4.4x-5.5x	5.7x-6.4x
	3,389,854	3,096,900			

The table below shows the sensitivity of the fair value of investment in subsidiaries to a reasonably possible change in the inputs that management consider to be most significant. The sensitivity assumes that the changes in one input are in isolation to other inputs.

	Change in inputs	Effect on fair value	
		2023	2022
		Rs'000	Rs'000
Discount rate	+0.50 bps	**(111,522)**	(165,738)
	-0.50 bps	**123,029**	189,337
Market approach	+1.0x	**8,335**	7,381
	-1.0x	**(8,335)**	(7,381)

(d) In 2022, the Company contracted a bank loan and pledged all the shares held by Rogers Logistics International Ltd in VK Logistics Ltd as security. The outstanding balance on the loan at June 30, 2023 was Rs 180.881 million.

(e) Details of the subsidiaries are as follows:

Name of company	Class of shares held	Financial year end	Stated capital	Proportion of ownership interest Direct	Indirect	Proportion of ownership interest held by non-controlling interests	Country of incorporation and operation	Main business activity	Fair value of investment 2023	Fair value of investment 2022
			Rs'000	%	%	%			Rs'000	Rs'000
Logistics Solutions Ltd *	Ordinary	June 30,	525,690	98.97	-	1.03	Mauritius	Investment holding	**1,288,997**	1,247,600
Papol Holding Limited *	Ordinary	June 30,	100	60.00	-	40.00	Mauritius	Investment holding	**5,400**	11,600
Rogers Logistics International Ltd	Ordinary	June 30,	156,352	100.00	-	-	Mauritius	Investment holding	**1,520,253**	1,185,000
Rogers Logistics Services Company Limited	Ordinary	June 30,	100	100.00	-	-	Mauritius	Freight forwarding	**2,000**	2,200
Rogers Shipping Ltd *	Ordinary	June 30,	721	36.00	32.60	31.40	Mauritius	Shipping	**24,600**	25,200
Southern Marine Ltd*	Ordinary	June 30,	500	36.00	32.60	31.40	Mauritius	Shipping agency	**32,213**	25,200
Sukpak Ltd*	Ordinary	June 30,	1,200	70.00	-	30.00	Mauritius	Sugar Packaging	**57,924**	102,200
Velogic Ltd	Ordinary	June 30,	83,384	100.00	-	-	Mauritius	Freight forwarding	**458,467**	497,900
									3,389,854	3,096,900

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

(e) Details of the subsidiaries are as follows: (cont'd)

Name of company	Class of shares held	Financial year end	Stated capital	Proportion of indirect ownership interest	Proportion of ownership interest held by non-controlling interests	Country of incorporation and operation	Main business activity
			Rs'000	%	%		
Rogers Logistics International Ltd holds the following subsidiaries:							
Cargo Express Madagascar S.A.R.L	Ordinary	June 30,	168	100.00	-	Madagascar	Freight forwarding
Rogers IDS Madagascar SARL	Ordinary	June 30,	8	100.00	-	Madagascar	Freight forwarding
Rogers Shipping Pte Ltd *	Ordinary	June 30,	11,021	51.00	49.00	Republic of Singapore	Shipping
Velogic Express Reunion	Ordinary	June 30,	8,341	100.00	-	Reunion Island	Courier Services
Velogic India Private Ltd**	Ordinary	March31,	11,156	100.00	-	India	Freight forwarding
Velogic Sea Frigo R'Frigo SA	Ordinary	June 30,	4,085	100.00	-	Reunion Island	Freight forwarding
VK Logistics Ltd	Ordinary	June 30,	163,814	100.00	-	Mauritius	Investment holding
Logistics Solutions Ltd holds the following subsidiaries:							
Associated Container Services Ltd *	Ordinary	June 30,	93,877	98.97	1.03	Mauritius	Port Services
Freeport Operations (Mauritius) Ltd *	Ordinary	June 30,	178,429	98.97	1.03	Mauritius	Port Services
Associated Container Services Ltd holds the following subsidiary:							
Velogic Haulage Services Ltd *	Ordinary	June 30,	31,514	98.97	1.03	Mauritius	Transport Services
Velogic Haulage Services Ltd holds the following subsidiary:							
Velogic Garage Services Limited *	Ordinary	June 30,	10,999	98.97	1.03	Mauritius	Garage Services
Papol Holding Limited holds the following subsidiary:							
P.A.P.O.L.C.S Limited****	Ordinary	June 30,	100	48.00	52.00	Mauritius	Stevedoring

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

(e) Details of the subsidiaries are as follows: (cont'd)

Name of company	Class of shares held	Financial year end	Stated capital	Proportion of indirect ownership interest	Proportion of ownership interest held by non-controlling interests	Country of incorporation and operation	Main business activity
			Rs'000	%	%		
Velogic Ltd holds the following subsidiary:							
Express Logistics Solutions Ltd	Ordinary	June 30,	1	100.00	-	Mauritius	Dormant
Global Air Cargo Services Ltd	Ordinary	June 30,	433	50.00	50.00	Mauritius	Freight forwarding
VK Logistics Ltd holds the following subsidiary:							
Gencargo Transport Limited	Ordinary	June 30,	889	98.50	1.50	Kenya	Freight forwarding
Gencargo Transport Limited holds the following subsidiary:							
General Cargo Services Ltd	Ordinary	June 30,	1,422	98.50	1.50	Kenya	Port services
Rongai Workshops & Transport Limited**/****	Ordinary	December 31,	3,605	98.50	1.50	Kenya	Transport Services

* The non-controlling interest are not material to the entity.

** The companies having as year end March 31, 2023 and December 31 ,2022 have been consolidated for the 12 months up to June 30, 2023, to be coterminous with the financial year end of the Group.

*** Papol Holding Limited holds 80% of P.A.P.O.L.C.S Limited and the indirect ownership interest of Velogic Holding Company Limited is 48%.

**** On November 30, 2022, Gencargo Transport Limited acquired 100% share in Rongai Workshops & Transport Limited (note 35). Velogic Holding Company Limited holds 98.5% in Gencargo Transport Limited, through VK Logistics Ltd, thus effectively holding 98.5% in Rongai Workshops & Transport Limited.

9. INVESTMENT IN ASSOCIATE

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
At July 1, 2022	8,018	-
Additions (note 9(a) and note 30(c))	-	8,357
Group's share of loss for the year/period	(183)	(339)
At June 30, 2023	7,835	8,018

(a) In May 2022, the Group disposed of 70% of its investments in Rogers IDS SAS (France) and the remaining 30% interest was recognised as investment in associate at its fair value. Rogers IDS SAS (France), which is involved in Freight forwarding in France, is a private entity that is not listed on any public exchange.

The Group's interest in Rogers IDS SAS (France) is accounted for using the equity method in the consolidated financial statements. At the end of the reporting period, the Group has assessed the recoverable amount of investment in associate and determined that there was no impairment.

(b) The following table illustrates the summarised financial information of the Group's investment in Rogers IDS SAS (France):

	2023	2022
	Rs'000	Rs'000
Current assets	114,645	193,559
Non-current assets	7,949	9,774
Current liabilities	(104,579)	(183,778)
Non-current liabilities	(4,313)	(5,241)
Equity	13,702	14,314
% holding	30%	30%
Group's share in equity	4,111	4,294
Goodwill	3,724	3,724
Group's carrying amount of the investment	7,835	8,018

	2023	2022
	Rs'000	Rs'000
Revenue from contracts with customers	697,950	79,598
Cost of sales	(572,410)	(65,708)
Other expenses	(126,149)	(15,020)
Loss before tax	(609)	(1,130)
Income tax expense	-	-
Loss for the year/period	(609)	(1,130)
Other comprehensive income	-	-
Total comprehensive loss for the period	(609)	(1,130)
Group's share of loss for the year/period	(183)	(339)

The associate requires the Group's consent to distribute its profits. The Group does not foresee giving such consent at the reporting date.

The associate had no contingent liabilities or capital commitments as at June 30, 2023.

10. OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(a) Equity investments at fair value through other comprehensive income

	THE GROUP	
	2023	2022
Level 3	Rs'000	Rs'000
At July 1,	3,199	3,209
Increase in fair value credited to other comprehensive income	121	-
Exchange differences	-	(10)
At June 30,	3,320	3,199

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YEAR ENDED JUNE 30, 2023

10. OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONT'D)

(b) Fair value through other comprehensive income financial assets include the following:

	THE GROUP	
	2023	2022
Unquoted:	Rs'000	Rs'000
Mexa (Mtius) Investment Ltd	723	723
Les Lycees Associes Ltee	816	706
Prokid	1,139	1,139
Others	642	631
	3,320	3,199

(c) Financial assets measured at fair value through other comprehensive income include the Group's equity investments not held for trading. The Group has made an irrevocable election to classify the equity investments at fair value through other comprehensive income rather than through profit or loss because this is considered to be more appropriate for these investments.

(d) The table below sets out information about significant unobservable inputs used in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

	Valuation technique				
Name of investee	2023	2022	Unobservable inputs	Range	Sensitivity to changes in significant unobservable inputs
Mexa (Mtius) Investment Ltd	NAV	NAV	N/A	N/A	N/A
Les Lycees Associes Ltee	NAV	NAV	N/A	N/A	N/A
Prokid	NAV	NAV	N/A	N/A	N/A

NAV - Net assets value, N/A - Not applicable

(e) Other financial assets at fair value through other comprehensive income are denominated in Mauritian rupees.

11. LOANS AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
Non-current	Rs'000	Rs'000	Rs'000	Rs'000
Loan to Rogers Logistics International Ltd (interest rate: 7.15% p.a)	-	-	168,097	207,111
Current				
Loan to Rogers and Company Limited (interest rate: 4.65% p.a)	20,000	-	-	-
Loan to Rogers Logistics International Ltd (interest rate: 7.15% p.a)	-	-	24,731	26,583
Loan to Velogic Ltd (interest rate: 4.5% p.a)	-	-	7,318	20,110
Loan to Associated Container Services Ltd (interest rate: 4.5% p.a)	-	-	3,000	-
Other receivables	1,432	2,312	1,363	8,476
	21,432	2,312	36,412	55,169
External parties				
Other receivables	149,617	75,699	-	-
	171,049	78,011	36,412	55,169
Total	171,049	78,011	204,509	262,280

11. LOANS AND OTHER RECEIVABLES (CONT'D)

(a) *Other receivables*

These amounts generally arise from transactions outside the usual operating activities of the Group. It includes inter alia disbursements made on behalf of customers, loan to employees, deposits with suppliers and loans to corporate entities. Collateral is not normally obtained.

(b) Long term loan is receivable from Rogers Logistics International Ltd (a subsidiary) is unsecured, carries interest at the rate of 7.15% (2022: 4.5%) p.a, repayable twice yearly and will be fully repaid in January 2031. Loan to Rogers and Company Limited, Velogic Ltd and other short term loans are unsecured and are repayable within 12 months.

(c) *Fair values of loans and other receivables*

Due to the nature of loans and other receivables, their carrying amount is considered to the same as their fair value.

(d) *Impairment and risk exposure*

Loans and other receivables did not include any loss allowance at June 30, 2023 (2022: nil). Other receivables include items which are aged less than three months.

(e) The carrying amounts of the loans and other receivables are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Rupee	64,486	28,646	204,509	262,280
Euro	3,501	2,033	-	-
US Dollar	22,827	20,894	-	-
Kenya Shilling	57,904	6,033	-	-
Indian Rupee	12,316	3,624	-	-
Malagasy Ariary	10,015	16,781	-	-
	171,049	78,011	204,509	262,280

12. DEFERRED INCOME TAX

Deferred income taxes are calculated on all temporary differences under the liability method at 17% (2022: 17%).

(a) There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax assets and liabilities when the deferred income taxes relate to the same fiscal authority on the same entity.

The following amounts are shown in the statements of financial position:

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
Deferred tax assets	14,242	20,140
Deferred tax liabilities	(83,000)	(82,865)
	(68,758)	(62,725)

(b) The movement on the deferred income tax account is as follows:

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
At July 1,	(62,725)	(64,882)
(Charged)/credited to profit or loss (note 17(b))	(4,498)	1,821
(Charged)/credited to other comprehensive income	(2,264)	188
On acquisition of subsidiary (note 35(a)(ii))	288	-
Exchange differences	441	148
At June 30,	(68,758)	(62,725)

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YEAR ENDED JUNE 30, 2023

12. DEFERRED INCOME TAX (CONT'D)

(c) The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same fiscal authority on the same entity, is as follows:

(i) Deferred tax assets

	THE GROUP				
	Retirement benefit obligations	Right-of-use assets	Inventories	ECL on financial assets	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At July 1, 2021	7,919	2,009	974	11,096	21,998
(Charged)/credited to profit or loss	(468)	1,429	(205)	(2,427)	(1,671)
Credited to other comprehensive income	188	-	-	-	188
Exchange differences	3	(404)	-	26	(375)
At June 30, 2022	7,642	3,034	769	8,695	20,140
Credited/(charged) to profit or loss	154	189	(94)	(4,065)	(3,816)
Charged to other comprehensive income	(558)	-	-	-	(558)
On acquisition of subsidiary	-	-	-	(669)	(669)
Exchange differences	1	56	-	(912)	(855)
At June 30, 2023	7,239	3,279	675	3,049	14,242

(ii) Deferred tax liabilities

	THE GROUP				
	Accelerated tax depreciation	Revaluation of assets	Customer related goodwill	Concession rights	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At July 1, 2021	(16,853)	(50,175)	(2,281)	(17,571)	(86,880)
Credited to profit or loss	1,563	-	1,419	510	3,492
Exchange differences	523	-	-	-	523
At June 30, 2022	(14,767)	(50,175)	(862)	(17,061)	(82,865)
(Charged)/credited to profit or loss	(1,821)	-	629	510	(682)
Credited to other comprehensive income	-	(1,706)	-	-	(1,706)
On acquisition of subsidiary	957	-	-	-	957
Exchange differences	1,296	-	-	-	1,296
At June 30, 2023	(14,335)	(51,881)	(233)	(16,551)	(83,000)

(d) Unrecognised deferred tax assets

Deferred tax assets are recognised only to the extent that the related tax benefit is probable. No deferred tax is recognised on the tax losses given that there is a time barred to utilise these tax losses. However, deferred tax assets have been recognised on accelerated tax depreciation and provisions given that they can be carried forward indefinitely. Based on an internally approved five-year cash flow forecast, the Group concluded that it has sufficient taxable profit to offset against the deductible temporary differences.

12. DEFERRED INCOME TAX (CONT'D)

(d) *Unrecognised deferred tax assets (cont'd)*

The tax losses expire as follows:

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
2023	-	14,071
2024	13,553	15,945
2025	13,631	13,631
2026	13,294	13,294
2027	16,371	16,371
2028	16,498	16,498
Tax losses which do not expire	811	811
Unused tax losses available to offset against future profits	74,158	90,621

Tax losses expire on a rolling basis over 5 years. Tax losses on capital allowance do not expire.

13. INVENTORIES

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
(a) Raw material	9,492	8,977
Spare parts and consumables	31,802	11,207
Containers	10,800	9,781
	52,094	29,965

(b) All inventories are stated at cost. There was no inventory write down in the year ended June 30, 2023 (2022: Nil).

(c) The cost of inventories recognised as expense and included in cost of sales amounted to Rs 257.917 million (2022: Rs 144.357 million) for the Group.

(d) Inventories with a carrying amount of Rs 15.777 million (2022: Rs 13.111 million) have been pledged as security for certain of the Group's borrowings (note 20).

14. TRADE RECEIVABLES

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
Trade receivables	816,246	922,064
Expected credit loss allowance	(94,697)	(87,707)
Trade receivables - net	721,549	834,357

(a) *Impairment of trade receivables*

The Group applies the IFRS 9 simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based in the payment profiles of sales over a period of 3 years and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomics factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP to be the most relevant factor, and accordingly adjusts the historical rates based on expected changes in these factors. The gross domestic product used for 2023 is -0.3% to 5.9% (2022: 4.35% to 10.44%) and is based on jurisdiction. The forward-looking overlay for 2024 is 0.1% to 27.1% (2022: forward looking overlay for 2023: 2.3% to 8.5%). The loss rates differ from the prior year due to the change in the macroeconomic variable factor (GDP percentage change) as per the IMF World Economic Outlook.

14. TRADE RECEIVABLES (CONT'D)

(a) *Impairment of trade receivables (cont'd)*

This has been used to reflect difference between economic conditions during the period over which the historical data has been collected, current conditions and the Groups view of economic conditions over the expected lives of the receivables. The measurement of the expected credit losses excludes trade receivables which are insured and/or are based on internal or external ratings.

The carrying value of trade receivables have been analysed as follows:

		THE GROUP		
Number of days carrying value of trade receivables have been past due	ECL Rate	Estimated total gross carrying amount	Less ECL Allowance	Trade net of ECL
	(%)	Rs'000	Rs'000	Rs'000
2023				
Not yet been past due	3.82%	418,903	(15,990)	402,913
Less than 30 days	4.27%	134,652	(5,746)	128,906
Between 30 to 60 days	8.93%	56,099	(5,007)	51,092
Between 60 to 90 days	6.65%	62,451	(4,156)	58,295
Between 90 to 180 days	12.15%	41,606	(5,054)	36,552
Between 180 to 360 days	39.67%	51,982	(20,620)	31,362
More than 360 days	75.41%	50,553	(38,124)	12,429
		816,246	(94,697)	721,549
2022				
Not yet been past due	2.22%	540,015	(11,976)	528,039
Less than 30 days	2.96%	134,444	(3,976)	130,468
Between 30 to 60 days	4.95%	64,170	(3,175)	60,995
Between 60 to 90 days	3.39%	61,000	(2,068)	58,932
Between 90 to 180 days	33.63%	29,960	(10,075)	19,885
Between 180 to 360 days	36.10%	38,803	(14,008)	24,795
More than 360 days	79.05%	53,672	(42,429)	11,243
		922,064	(87,707)	834,357

The closing loss allowances for trade receivables reconcile to the opening loss allowances as follows:

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
At July 1,	87,707	124,717
Loss allowance recognised in profit or loss of:		
-Continuing operations	1,981	5,415
-Discontinued operations	-	2,442
On acquisition/(disposal) of subsidiary	12,154	(40,761)
Receivable written off during the year as uncollectible	(3,712)	(454)
Exchange differences	(3,433)	(3,652)
At June 30,	94,697	87,707

The acquisition of Rongai Workshops & Transport Limited in November 2022 resulted in an increase in the ECL allowance recognised at June 30, 2023. Additional disclosures about credit risk of trade receivables has been given in note 3.1(b).

14. TRADE RECEIVABLES (CONT'D)

(b) The carrying amounts of trade receivables are denominated in the following currencies:

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
Rupee	182,246	276,301
Euro	114,979	126,495
US Dollar	96,379	96,884
Great Britain Pound	16,737	20,536
Kenya Shilling	232,683	211,348
Indian Rupee	38,884	36,980
Malagasy Ariary	39,641	65,813
	721,549	834,357

(c) The maximum exposure to the credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold any collateral as security.

15. CONTRACT ASSETS

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
At July 1,	34,074	46,441
Transfers in the period from contract assets to trade receivables	(34,074)	(46,441)
Excess of revenue recognised over cash (or rights to cash) being recognised during the year	27,723	34,074
At June 30,	27,723	34,074

(a) Contract assets relate to revenue recognised from freight forwarding services which have not yet been invoiced. As such, the balances of this account vary and depend on the number of ongoing services at the end of the year.

(b) Items included in contract assets are aged less than 90 days at June 30, 2023 (2022: less than 90 days). The Group did not recognise any expected credit loss at June 30, 2023 (2022: Nil).

16. OTHER ASSETS

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Prepayments (note 16(a))	36,630	77,917	26	158
Dividend receivable	-	-	74,649	47,192
	36,630	77,917	74,675	47,350

(a) Prepayments consists of expenses prepaid for inter alia road taxes, software licences, insurances, bank guarantees fees, subscriptions fees, rentals and other advance payments.

17. TAXATION

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
(a) Statements of financial position				
At July 1,	2,558	(5,962)	(612)	(307)
Current tax on the adjusted results for the year	(65,779)	(68,735)	-	(596)
(Under)/over provision in previous years	(274)	125	-	29
Corporate social responsibility	-	(2,439)	-	-
COVID-19 levy	-	(1,721)	-	-
Withholding tax	(4,563)	(2,902)	-	-
Exchange differences	(1,865)	(813)	-	-
On acquisition of subsidiary (note 35(a)(ii))	15,771	-	-	-
Tax refunded	(5,489)	-	-	-
Tax paid	89,312	85,005	518	262
At June 30,	29,671	2,558	(94)	(612)
Disclosed as:				
Current tax assets	43,540	17,204	-	-
Current tax liabilities	(13,869)	(14,646)	(94)	(612)
	29,671	2,558	(94)	(612)

(b) Statements of profit or loss	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Current tax on the adjusted results for the year	65,779	68,735	-	596
(Under)/over provision in previous years	274	(125)	-	(29)
Corporate social responsibility	-	2,439	-	-
COVID-19 levy	-	1,721	-	-
Withholding tax	4,563	2,902	-	-
	70,616	75,672	-	567
Deferred tax charge / (credit) (note 12(b))	4,498	(1,821)	-	-
Tax charge	75,114	73,851	-	567

17. TAXATION (CONT'D)

(c) The tax on the Group's and the Company's profit before tax differs from the theoretical amount that would arise using the basis tax rate of the Company as follows:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Profit before taxation:				
-from continuing operations	**350,483**	264,769	**94,196**	92,975
-discontinued operations (note 30(a))	**-**	2,731	**-**	-
	350,483	267,500	**94,196**	92,975
Tax calculated at 15% (2022: 15%)	**52,572**	40,125	**14,129**	13,946
Effect of different tax rate	**24,709**	17,591	**-**	-
Income not subject to tax (note (i))	**(32,079)**	(6,953)	**(15,323)**	(15,652)
Expenses not deductible for tax purposes (note (ii))	**28,306**	20,023	**836**	2,302
Tax losses for which no deferred income tax was recognised	**615**	2,639	**358**	-
Utilisation of previously unrecognised tax losses	**(1,681)**	(1,561)	**-**	-
Under / (over) provision in previous years	**274**	(125)	**-**	(29)
Corporate social responsibility	**-**	2,439	**-**	-
COVID-19 levy	**-**	1,721	**-**	-
Withholding tax	**4,563**	2,902	**-**	-
Foreign tax credit	**(2,165)**	(4,950)	**-**	-
Tax charge	**75,114**	73,851	**-**	567
Analysed as follows:				
Continuing operations	**75,114**	73,851	**-**	567
Discontinued operations	**-**	-	**-**	-
	75,114	73,851	**-**	567
Effective tax rate	**21%**	28%	**0%**	1%

(i) Income not subject to tax includes annual allowances, balancing allowance, foreign exchange gain on bank balance and lease rental payments.

(ii) Expenses not deductible for tax purposes include depreciation and amortisation charge, employee benefit expense, interest on leases, bad debts written off and provision for impairment losses.

18. SHARE CAPITAL

	2023	2022	2023	2022
THE GROUP AND THE COMPANY	Number of shares	Number of shares	Amount	Amount
			Rs'000	Rs'000
Authorised, issued and fully paid - No Par Value Shares				
As at June 30, 2022 and June 30, 2023	**93,515,565**	93,515,565	**1,019,294**	1,019,294

Fully paid ordinary shares carry one vote per share and carry a right to dividends.

19. OTHER RESERVES

(a) THE GROUP

	Attributable to the equity holders of the parent			
	Revaluation surplus	Translation reserves	Actuarial gains	Total
	Rs'000	Rs'000	Rs'000	Rs'000
(i) **2023**				
At July 1, 2022	**292,094**	**(83,052)**	**23,588**	**232,630**
Other comprehensive income for the year	**35,086**	**(68,713)**	**2,529**	**(31,098)**
At June 30, 2023	**327,180**	**(151,765)**	**26,117**	**201,532**
(ii) 2022				
At July 1, 2021	292,094	(56,717)	24,627	260,004
Other comprehensive income for the year	-	(26,335)	(1,039)	(27,374)
At June 30, 2022	292,094	(83,052)	23,588	232,630

(b) THE COMPANY

	Investment fair value reserve	Amalgamation reserve	Total
	Rs'000	Rs'000	Rs'000
(i) **2023**			
At July 1, 2022	**2,055,686**	**(58,047)**	**1,997,639**
Change in fair value of investment in subsidiaries (note 8(a))	**292,954**	**-**	**292,954**
At June 30, 2023	**2,348,640**	**(58,047)**	**2,290,593**
(ii) 2022			
At July 1, 2021	2,009,186	(58,047)	1,951,139
Change in fair value of investment in subsidiaries (note 8(a))	46,500	-	46,500
At June 30, 2022	2,055,686	(58,047)	1,997,639

Financial assets at FVOCI reserve

Gains/losses arising on other financial assets at fair value through other comprehensive income.

Revaluation surplus

The revaluation surplus arises on the revaluation of land and building.

Translation reserves

The translation reserve comprise all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Company's net investment in a foreign operations.

Actuarial gains

The actuarial gains reserve represents the cumulative remeasurement of defined benefit obligation recognised.

Investment fair value reserve

Gains/losses arising on investment in subsidiaries at fair value through other comprehensive income.

20. BORROWINGS

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Non-current				
Bank loans	**280,027**	389,112	**154,000**	190,583
Loan from related parties (note 34)	**-**	-	**36,451**	37,784
Other loans	**3,620**	3,966	**-**	-
	283,647	393,078	**190,451**	228,367
Current				
Bank overdrafts	**23,005**	31,931	**-**	721
Bank loans	**95,338**	125,147	**26,881**	31,909
Loan from related parties (note 34)	**-**	-	**38,333**	32,333
Other loans	**91**	4,867	**-**	-
	118,434	161,945	**65,214**	64,963
Total borrowings	**402,081**	555,023	**255,665**	293,330

(a) The borrowings include secured liabilities (bank loans and borrowings with other financial institutions) amounting to Rs 398.371 million (2022: Rs 546.190 million) for the Group and Rs 180.881 million for the Company (2022: Rs 223.213 million). The bank borrowings are secured by floating charges on the assets of the Group including property, plant and equipment, investments and inventories (note 5, note 8 and 13).

Other loans comprise mainly of loans from minority shareholders of subsidiaries. The loans are unsecured and interest free (2022: Nil).

(b) The exposure of the Group and the Company's borrowings to interest-rate changes and the contractual repricing dates are as follows:

THE GROUP	2 months or less	2-12 months	1-5 years	Over 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At June 30, 2023					
Total borrowings	**44,713**	**73,721**	**200,980**	**82,667**	**402,081**
At June 30, 2022					
Total borrowings	51,798	110,147	282,856	110,222	555,023

THE COMPANY	2 months or less	2-12 months	1-5 years	Over 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At June 30, 2023					
Total borrowings	**53,547**	**11,667**	**105,385**	**85,066**	**255,665**
At June 30, 2022					
Total borrowings	46,325	18,638	116,956	111,411	293,330

20. BORROWINGS (CONT'D)

(c) The maturity of borrowings is as follows:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Non-current:				
1-2 years	**65,029**	98,069	**26,346**	27,500
2-5 years	**135,952**	184,787	**79,039**	89,456
More than five years	**82,666**	110,222	**85,066**	111,411
	283,647	393,078	**190,451**	228,367
Current:				
2 months or less	**44,713**	51,798	**53,547**	46,325
2-12 months	**73,721**	110,147	**11,667**	18,638
	118,434	161,945	**65,214**	64,963
Total borrowings	**402,081**	555,023	**255,665**	293,330

(d) Loan from related parties are unsecured and bear an interest of 4.50%-7.15% (2022: 3.50%-4.50%) p.a.

(e) The effective interest rates at the end of reporting period were as follows:

	2023	2022
	%	%
Bank loans - MUR	**6.75**	3.10-5.10
Bank loans - EURO	**3.90**	3.36-3.90
Bank loans - Kenya Shilling	**12.50-15.50**	-
Loans from related companies	**4.50-7.15**	3.50-4.50
Bank overdrafts	**6.75-11.50**	4.75-9.35

(f) The carrying amounts of the Group's and the Company's borrowings are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Rupee	**311,002**	381,642	**255,665**	293,330
Euro	**29,045**	54,309	**-**	-
US Dollar	**15,084**	67,754	**-**	-
Kenya Shilling	**38,843**	36,864	**-**	-
Indian Rupee	**8,107**	14,454	**-**	-
	402,081	555,023	**255,665**	293,330

(g) The carrying amounts of borrowings are not materially different from the fair value.

21. RETIREMENT BENEFIT OBLIGATIONS

Amount recognised in the statements of financial position as non-current liabilities:

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
Defined pension benefits (note 21(a)(ii))	**23,850**	28,764
Other post retirement benefits (note 21(b)(i))	**29,321**	28,707
	53,171	57,471
Amount charged to profit or loss:		
Defined pension benefits (note 21(a)(iii))	**1,712**	1,579
Other post retirement benefits (note 21(b)(v))	**5,890**	4,451
	7,602	6,030

21. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

Amount charged/(credited) to other comprehensive income:

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
Defined pension benefits (note 21(a)(vii))	(4,250)	3,277
Other post retirement benefits (note 21(b)(vi))	1,161	(1,706)
	(3,089)	1,571

(a) **Defined pension benefits**

(i) The Group contributes a defined contribution plan, the Rogers Pension Fund (RPF) (previously known as Rogers Money Purchase Retirement Fund (RMPRF)) which is governed by the employment laws of Mauritius, to which have been transferred the pension benefits of all employees who were members of a self-administered defined benefit superannuation fund (DBSF). These employees contributing regularly to the RMPRF, have been given the guarantee by their respective employers that their benefits at the age of sixty, under the RMPRF would not be less than the benefits provided under the ex DBSF. The potential liability under the above guarantee is funded by additional employers' contributions and has been included in the provision made for retirement benefit obligations.

In addition to the above, three subsidiaries have defined benefit plans which are funded and where the plan assets are held by Swan Life Ltd.

The most recent actuarial valuations of the plan assets and the present value of the defined benefit obligations were carried out at June 30, 2023 by AON Hewitt Ltd (Actuarial Valuer). The present value of the defined benefit obligations, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(ii) The amounts recognised in the statements of financial position are as follows:

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
Present value of defined benefit obligations	32,668	37,470
Fair value of plan assets	(8,818)	(8,706)
Liability in the statements of financial position	23,850	28,764

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

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
At July 1,	28,764	28,456
Charged to profit or loss	1,712	1,579
(Credited)/charged to other comprehensive income	(4,250)	3,277
Employer contributions	(2,376)	(4,548)
At June 30,	23,850	28,764

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

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
At July 1,	37,470	35,988
Current service cost	498	345
Interest expense	1,600	1,574
Benefits paid	(1,983)	(4,850)
Liability experience loss/(gain)	1,553	(239)
Liability (gain)/loss due to change in financial assumptions	(6,476)	459
Liability loss due to change in demographic assumptions	6	4,193
At June 30,	32,668	37,470

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21. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) **Defined pension benefits (cont'd)**

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

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
At July 1,	8,706	7,532
Interest income	386	340
Employer contributions	413	2,335
Benefits paid	(20)	(2,637)
Return on plan assets excluding interest income	(667)	1,136
At June 30,	8,818	8,706

(vi) The amounts recognised in profit or loss are as follows:

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
Current service cost	498	345
Net interest on net defined benefit liability	1,214	1,234
Total included in "employee benefit expense" (note 27)	1,712	1,579
Actual return on plan assets	(281)	1,476

(vii) The amounts recognised in other comprehensive income are as follows:

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
Return on plan assets above interest income	667	(1,136)
Liability experience (gain)/loss	1,553	(239)
Liability (gain)/loss due to change in financial assumptions	(6,476)	459
Liability loss due to change in demographic assumptions	6	4,193
Total included in other comprehensive income	(4,250)	3,277

(viii) The allocation of plan assets at the end of the reporting period for each category, is as follows:

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
Equity - overseas quoted	1,848	1,546
Equity - local quoted	2,463	2,859
Local - unquoted	71	77
Debt - overseas unquoted	1,232	1,236
Debt - local quoted	-	464
Debt - local unquoted	1,617	1,082
Property - local	154	155
Cash and other	1,433	1,287
Total	8,818	8,706

21. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) **Defined pension benefits (cont'd)**

(ix) The principal actuarial assumptions used for the purposes of the actuarial valuations were:

	THE GROUP	
	2023	**2022**
Discount rate	**5.1%-5.6%**	3.9%-5.3%
Future salary increases	**0%-3%**	0.0%-3.0%
Future pension increases	**0%-1%**	1.0%
Average retirement age (ARA)	**60-65 years**	60-65 years
Average life expectancy for:		
-Male at ARA (years)	**17.4-19.5**	17.4-19.5
-Female at ARA (years)	**18.3-24.2**	18.3-24.2

(x) Sensitivity analysis on defined benefit obligations at the end of the reporting date:

	THE GROUP			
	2023		**2022**	
	Increase	Decrease	Increase	Decrease
	Rs'000	Rs'000	Rs'000	Rs'000
Discount rate (1% movement)	**12,548**	**5,219**	15,912	6,896

An increase/decrease of 1% in other principal actuarial assumptions would not have a material impact on defined benefit obligations at the end of the reporting period.

The sensitivity above has been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The present value of the defined benefit obligation has been calculated using the projected unit credit method.

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(xi) The defined benefit pension plan exposes the Group to actuarial risks such as investment risk, interest risk, longevity risk and salary risks.

Investment risk

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

Interest risk

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

21. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) **Defined pension benefits (cont'd)**

(xi) The defined benefit pension plan exposes the Group to actuarial risks such as investment risk, interest risk, longevity risk and salary risks. (cont'd)

Longevity risk

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

Salary risk

The plan liability is calculated by reference to the future projected salaries of plan participants. As such, an increase in the salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

(xii) The funding requirements are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan. The funding policy is to pay contributions to an external legal entity at the rate recommended by the entity's actuaries.

(xiii) Expected contributions to post-employment benefit plans for the next financial year are Rs 3.306 million (2022: Rs 3.090 million) for the Group.

(xiv) The weighted average duration of the defined benefit obligation ranges between 3-10 years at the end of the reporting period.

(b) **Other post retirement benefits**

Other post retirement benefits comprise mainly of gratuity on retirement payable under The Workers' Rights Act 2019 and other benefits.

(i) The amounts recognised in the statements of financial position are as follows:

	THE GROUP	
	2023	**2022**
	Rs'000	Rs'000
Present value of other post retirement benefits	**32,324**	30,011
Fair value of plan assets	**(3,003)**	(1,304)
Liability in the statements of financial position	**29,321**	28,707

(ii) The reconciliation of the opening balances to the closing balances is as follows:

	THE GROUP	
	2023	**2022**
	Rs'000	Rs'000
At July 1,	**28,707**	29,631
Charged to profit or loss	**5,890**	4,451
Charged/(credited) to other comprehensive income	**1,161**	(1,706)
Employer contributions	**(6,437)**	(3,669)
At June 30,	**29,321**	28,707

21. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(b) **Other post retirement benefits (cont'd)**

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

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
At July 1,	**30,011**	29,631
Current service cost	**3,028**	3,125
Interest expense	**1,237**	1,325
Past service cost	**1,719**	1
Liability experience loss	**7,546**	2,529
Liability experience gain due to change in demographic assumptions	**(3,201)**	(5,411)
Liability (gain)/loss due to change in financial assumptions	**(3,278)**	1,176
Benefits paid	**(4,738)**	(2,365)
At June 30,	**32,324**	30,011

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

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
At July 1,	**1,304**	-
Interest income	**94**	-
Employer contributions	**5,223**	1,819
Benefits paid	**(3,524)**	(515)
Return on plan assets excluding interest income	**(94)**	-
At June 30,	**3,003**	1,304

(v) The amounts recognised in profit or loss are as follows:

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
Current service cost	**3,028**	3,125
Past service cost	**1,719**	1
Net interest expense	**1,143**	1,325
Total included in "employee benefit expense" (note 27)	**5,890**	4,451

(vi) The amounts recognised in other comprehensive income are as follows:

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
Return on plan assets excluding interest income	**94**	-
Liability experience loss	**7,546**	2,529
Liability experience gain due to change in demographic assumptions	**(3,201)**	(5,411)
Liability (gain)/loss due to change in financial assumptions	**(3,278)**	1,176
Total included in other comprehensive income	**1,161**	(1,706)

(vii) The principal actuarial assumptions used for the purposes of the actuarial valuations were:

	THE GROUP	
	2023	2022
Discount rate	**5.1%-5.8%**	3.6%-5.3%
Future salary increases (staff/workers)	**3.0%**	3.0%
Future pension increases	**0.0%-1.0%**	0.0%-1.0%
Average retirement age (ARA)	**65 years**	65 years
Average life expectancy for:		
-Male at ARA (years)	**15.9**	15.9
-Female at ARA (years)	**17.6-20**	17.6-20

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YEAR ENDED JUNE 30, 2023

21. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(b) **Other post retirement benefits (cont'd)**

(viii) Sensitivity analysis on defined benefit obligations at the end of the reporting date:

	THE GROUP			
	2023		2022	
	Increase	Decrease	Increase	Decrease
	Rs'000	Rs'000	Rs'000	Rs'000
Discount rate (1% movement)	**3,220**	**2,844**	3,623	3,040

An increase/decrease of 1% in other principal actuarial assumptions would not have a material impact on the retirement gratuity at the end of the reporting period.

The sensitivity above has been determined based on a method that extrapolates the impact on the retirement gratuity as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The present value of the retirement gratuity has been calculated using the projected unit credit method.

The sensitivity analysis may not be representative of the actual change in the retirement gratuity as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(ix) The Other post retirement benefits exposes the Group to actuarial risks such as investment risk, interest risk, longevity risk and salary risks. The risks have been disclosed in note (a)(xi) above.

(x) The funding policy is to pay contributions to an external legal entity at the rate recommended by the entity's actuaries. Expected contributions to post-employment benefit plans for the next financial year are **Rs 3.686 million** (2022: Rs 4.243 million) for the Group.

(xi) The weighted average duration of the retirement gratuity ranges between 4-24 years at the end of the reporting period.

22. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Trade payables	**301,927**	378,288	**-**	-
Accruals	**251,177**	229,422	**5,293**	6,941
Other payables	**145,865**	93,936	**634**	1,173
Amount payable on purchase of subsidiary (note 35(a)(i))	**35,878**	-	**-**	-
Amounts due to related parties (note 34)	**448**	488	**703**	703
	735,295	702,134	**6,630**	8,817

(a) The carrying amounts of trade and other payables approximate their fair values.

(b) Amount due to related parties are unsecured, free of interest and repayable on demand.

(c) Accruals and other payables include provision for end of year bonus, performance bonus and VAT payable.

23. CONTRACT LIABILITIES

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
At July 1,	**19,797**	14,897
Amounts included in contract liabilities that was recognised as revenue during the year	**(19,797)**	(14,807)
Cash received in advance of performance and not recognised as revenue during the year	**26,196**	19,707
At June 30,	**26,196**	19,797

Contract liabilities include advances received for port services, packing, shipping and freight forwarding services for which performance obligations were not yet satisfied at end of the reporting period. The outstanding balances of these accounts increased as at June 2023 as more advances were received from customers.

24. DIVIDENDS

(a) The movement in the statements of financial position is as follows:

(i) **2023**	Equity holders	Non-controlling interests	Total
	Rs'000	Rs'000	Rs'000
Balance at July 1, 2022	**40,211**	**5,378**	**45,589**
Dividend declared during the year	**112,218**	**9,080**	**121,298**
Dividend paid	**(77,617)**	**(14,067)**	**(91,684)**
Balance at June 30, 2023	**74,812**	**391**	**75,203**

(ii) 2022	Equity holders	Non-controlling interests	Total
	Rs'000	Rs'000	Rs'000
Balance at July 1, 2021	19,000	1,956	20,956
Dividend declared during the year	67,331	15,263	82,594
Dividend paid	(46,120)	(11,841)	(57,961)
Balance at June 30, 2022	40,211	5,378	45,589

(b) Amounts recognised as distributions to equity holders in the year:

	THE GROUP AND THE COMPANY	
	2023	2022
	Rs'000	Rs'000
Interim dividend for the year ended June 30, 2023 of Rs 0.40 per share (2022: Rs 0.29)	**37,406**	27,120
Final dividend for the year ended June 30, 2023 of Rs 0.80 (2022: Rs 0.43) per share	**74,812**	40,211
	112,218	67,331

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25. REVENUE FROM CONTRACT WITH CUSTOMERS

(a) Disaggregation of revenue

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
Sale of services:	Rs'000	Rs'000	Rs'000	Rs'000
Cross-border logistics	**2,205,133**	3,610,998	**-**	-
Landside logistics	**1,001,469**	811,492	**-**	-
Packing & shipping	**144,220**	169,650	**-**	-
	3,350,822	4,592,140	**-**	-
Sale of goods:				
Containers	**26,784**	34,485	**-**	-
Revenue from contract with external customers	**3,377,606**	4,626,625	**-**	-
Analysed as follows:				
Continuing operations	**3,377,606**	3,658,567	**-**	-
Discontinued operations	**-**	968,058	**-**	-
	3,377,606	4,626,625	**-**	-

(b) Timing of revenue recognition

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
At a point in time	**3,377,606**	4,626,625	**-**	-
Over time	**-**	-	**-**	-
	3,377,606	4,626,625	**-**	-

26. EXPENSES BY NATURE

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Cost of services rendered	**1,852,427**	3,246,409	**-**	-
Raw materials and consumables used	**257,917**	43,149	**-**	-
Total direct costs	**2,110,344**	3,289,558	**-**	-
IT expenses	**16,321**	13,492	**9**	49
Telecommunication expenses	**9,716**	11,478	**-**	-
Advertising and promotion	**8,588**	2,496	**1,785**	52
Professional fees	**35,457**	33,472	**3,697**	7,204
Rental expense	**4,589**	8,824	**-**	-
Rates, taxes and licences	**8,673**	9,798	**518**	454
Insurance	**16,070**	16,254	**-**	-
Office supplies	**10,046**	9,539	**-**	-
Overseas travelling - Business	**5,644**	5,164	**-**	-
Commissions payable	**1,408**	1,452	**-**	-
Irrecoverable VAT	**2,028**	5,697	**790**	2,194
Miscellaneous expenses	**92,646**	100,249	**620**	364
Total direct costs and other expenses	**2,321,530**	3,507,473	**7,419**	10,317
Analysed as follows:				
Direct costs				
Continuing operations	**2,110,344**	2,437,925	**-**	-
Discontinued operations	**-**	851,633	**-**	-
	2,110,344	3,289,558	**-**	-
Other expenses				
Continuing operations	**211,186**	187,957	**7,419**	10,317
Discontinued operations	**-**	29,958	**-**	-
	211,186	217,915	**7,419**	10,317
Total direct costs and other expenses	**2,321,530**	3,507,473	**7,419**	10,317

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27. EMPLOYEE BENEFIT EXPENSE

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Wages and salaries	**650,707**	682,085	**597**	427
Termination benefits	**1,833**	8,380		
Pension costs - defined contribution plans	**18,290**	14,139	**-**	-
Pension costs - defined benefit plans (note 21(a)(vi))	**1,712**	1,579	**-**	-
Pension costs - other post retirement benefits (note 21(b)(v)	**5,890**	4,451	**-**	-
	678,432	710,634	**597**	427
Analysed as follows:				
Continuing operations	**678,432**	640,675	**597**	427
Discontinued operations	**-**	69,959	**-**	-
	678,432	710,634	**597**	427

28. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Interest expense:				
- Bank overdraft	**(1,600)**	(9,191)	**-**	-
- Loans from holding company	**-**	(1,340)	**-**	-
- Loan from subsidiary companies	**-**	-	**(3,794)**	(1,850)
- Bank loans repayable by instalments	**(27,890)**	(15,707)	**(11,814)**	(6,638)
	(29,490)	(26,238)	**(15,608)**	(8,488)
- Leases (note 6(d))	**(14,993)**	(14,939)	**-**	-
	(44,483)	(41,177)	**(15,608)**	(8,488)
Analysed as follows:				
Continuing operations	**(44,483)**	(38,560)	**(15,608)**	(8,488)
Discontinued operations	**-**	(2,617)	**-**	-
	(44,483)	(41,177)	**(15,608)**	(8,488)

29. PROFIT BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
Profit before taxation is arrived at after:	Rs'000	Rs'000	Rs'000	Rs'000
Crediting:				
Profit on disposal of property, plant and equipment	**4,514**	18,293	**-**	-
and charging:				
Impairment of financial assets (note 14(a))	**1,981**	5,415	**-**	-
Lease rentals (note 6(d))	**4,589**	8,824	**-**	-
Depreciation on:				
-property, plant and equipment (note 5(e))	**92,302**	95,623	**-**	-
-right-of-use assets (note 6(e))	**71,232**	75,402	**-**	-
Amortisation of intangible assets (note 7(c))	**8,357**	10,114	**-**	-
Employee benefit expense (note 27)	**678,432**	710,634	**597**	427

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30. DISCONTINUED OPERATIONS

Rogers IDS SAS (France), a wholly owned subsidiary, has a solid reputation in the textile sector and treats with the large buying houses. In order to maintain its competitive position in a market that depends on aggressive pricing, a strategic partnership has been made to derive economies of scale and lower operational costs. Thus, in May 2022, the Group disposed 70% of its investment in Rogers IDS SAS (France) and its results was presented as discontinued operations.

(a) The results of Rogers IDS SAS (France) for the year are presented below:

	THE GROUP
	2022
	Rs'000
Revenue from sale of services	968,058
Direct costs	(851,633)
	116,425
Employee benefit expense	(69,959)
Depreciation of:	
-property, plant and equipment	(1,102)
-right-of-use assets	(2,288)
Amortisation of intangible assets	(27)
Net impairment loss on financial assets	(2,442)
Other expenses	(29,958)
Operating profit	10,649
Net foreign exchange transactions losses	(5,301)
Finance costs	(2,617)
Profit before tax	2,731
Taxation	-
Profit for the year	2,731

The net cash flows incurred by Rogers IDS SAS (France) are, as follows:

	THE GROUP
	2022
	Rs'000
Operating activities	8,084
Investing activities	(14,186)
Financing activities	(2,243)
Net cash outflow	(8,345)

(b) **Analysis of assets and liabilities over which control was lost at the date of disposal is as follows:**

	2022	2022
	Rs'000	Rs'000
Non-current assets		
Property, plant and equipment	**2,718**	
Right-of-use assets	**6,336**	9,054
Current assets		
Trade receivables	**131,169**	
Contract assets	**1,950**	
Loans and other receivables	**20,016**	
Other assets	**12,209**	
Cash in hand and at bank	**32,113**	197,457
Total assets carried forward		206,511

30. DISCONTINUED OPERATIONS (CONT'D)

(b) **Analysis of assets and liabilities over which control was lost at the date of disposal is as follows: (cont'd)**

	2022	2022
	Rs'000	Rs'000
Total assets brought forward		206,511
Non-current liabilities		
Lease liabilities		(6,278)
Current liabilities		
Trade and other payables	(183,732)	
Bank overdraft	(116)	
Lease liabilities	(190)	(184,038)
Net assets disposed		16,195

(c) Gain on disposal of subsidiary

	2022
	Rs'000
Consideration received for 70% of the shares of Rogers IDS SAS (France)	19,499
Fair value of remaining 30% - accounted as investment in associate (note 9)	8,357
	27,856
Net assets disposed	(16,195)
Release of translation reserves	10,283
Gain on disposal	21,944

The gain on disposal is included in profit or loss from discontinued operations in the consolidation statement of profit or loss for the year ended June 30, 2022.

(d) Net cash outflow on disposal of subsidiary

	2022
	Rs'000
Cash consideration received in cash and cash equivalents	19,499
Less cash and cash equivalents balances disposed of:	
Cash in hand and at bank	(32,113)
Bank overdraft	116
	(31,997)
Net cash outflow	(12,498)

31. EARNINGS PER SHARE

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
Profit attributable to the equity holders of the parent:		
- Continuing operations and discontinued operations	**264,935**	198,270
- Continuing operations	**264,935**	173,595
- Discontinued operations	**-**	24,675

31. EARNINGS PER SHARE (CONT'D)

		THE GROUP	
		2023	2022
Weighted average number of shares in issue		**93,515,565**	93,515,565
Earnings per share:			
- Continuing operations and discontinued operations	Rs.	**2.83**	2.12
- Continuing operations	Rs.	**2.83**	1.86
- Discontinued operations	Rs.	**-**	0.26

There is no dilutive instruments at June 30, 2023 (2022: none).

32. NOTES TO THE STATEMENTS OF CASH FLOWS

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
(a) **Cash generated from/(absorbed in) operations**				
Profit before taxation from continuing operations	**350,483**	264,769	**94,196**	92,975
Profit before taxation from discontinued operations	**-**	24,675	**-**	-
Adjustments for:				
Depreciation on property, plant and equipment (note 5)	**92,302**	95,623	**-**	-
Profit on disposal of property, plant and equipment	**(4,514)**	(18,293)	**-**	-
Depreciation on right-of-use assets (note 6)	**71,232**	75,402	**-**	-
Gain on disposal of right-of-use assets	**(73)**	(470)	**-**	-
Amortisation of intangible assets (note 7)	**8,357**	10,114	**-**	-
Share of loss of associate (note 9)	**183**	339	**-**	-
Retirement benefit obligations	**(1,211)**	(2,187)	**-**	-
Dividend income	**-**	-	**(101,659)**	(104,237)
Profit on disposal of subsidiary (note 30(c))	**-**	(21,944)	**-**	-
Release of translation reserve (note 30(c))	**-**	10,283	**-**	-
Net impairment loss on financial assets (note 14(a))*	**1,981**	5,415	**-**	-
Gain on business acquisition (note 35(a)(ii))	**(52,973)**	-	**-**	-
Net foreign exchange differences**	**(53,059)**	8,951	**(49)**	-
Interest income	**(5,746)**	(3,694)	**(14,327)**	(8,388)
Interest expense (note 28)	**44,483**	41,177	**15,608**	8,488
	451,445	490,160	**(6,231)**	(11,162)
Changes in working capital:				
- increase in inventories	**(14,358)**	(4,714)	**-**	-
- decrease/(increase) in trade receivables*	**146,998**	(121,066)	**-**	-
- decrease in contract assets	**6,351**	10,417	**-**	-
- (increase)/decrease in loans and other receivables	**(90,443)**	45,954	**-**	-
- decrease/(increase) in prepayments	**41,287**	(5,184)	**132**	(31)
- (decrease)/increase in trade and other payable	**(47,150)**	34,680	**(2,187)**	(3,111)
- increase in contract liabilities	**6,399**	4,900	**-**	-
Cash generated from/(absorbed in) operations	**500,529**	455,147	**(8,286)**	(14,304)

* Net impairment loss on financial assets were previously included as part of the working capital movement for trade receivables. This has been disclosed separately for better presentation.

** Net foreign exchange differences previously disclosed as part of Working capital movement for trade receivables have been disclosed separately in the notes to the statement of cash flows for better presentation.

32. NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

(b) **Cash and cash equivalents**

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Cash in hand and at bank	489,068	440,518	7,888	1,233

Cash and cash equivalents and bank overdraft include the following for the purpose of the statements of cash flows.

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Cash and cash equivalents	489,068	440,518	7,888	1,233
Bank overdrafts	(23,005)	(31,931)	-	(721)
	466,063	408,587	7,888	512

(c) Reconciliation of liabilities arising from financing activities:

THE GROUP	Bank and other loans	Loan from related parties	Lease liabilities	Total
	Rs'000	Rs'000	Rs'000	Rs'000
(i) **2023**				
At July 1, 2022	523,092	-	252,491	775,583
Cash flows - Proceeds	29,964	-	-	29,964
Cash flows - Capital payments	(174,788)	-	(68,544)	(243,332)
Cash flows - Interest payments	-	-	(14,993)	(14,993)
Non-cash changes:				
- additions (note 6(b)(i))	-	-	98,797	98,797
- interest accrued (note 6(b)(i))	1,454	-	14,993	16,447
- foreign exchange movements (note 6(b)(i))	(646)	-	(60)	(706)
- terminated leases (note 6(b)(i))	-	-	(2,247)	(2,247)
- effect of modification to lease terms (note 6(b)(i))	-	-	1,571	1,571
At June 30, 2023	379,076	-	282,008	661,084
(ii) 2022				
At July 1, 2021	209,635	111,738	265,768	587,141
Cash flows - Proceeds	529,521	-	-	529,521
Cash flows - Capital payments	(212,753)	(111,738)	(71,493)	(395,984)
Cash flows - Interest payments	-	-	(14,939)	(14,939)
Non-cash changes:				
- additions (note 6(b)(ii))	-	-	75,901	75,901
- interest accrued (note 6(b)(ii))	4,848	-	14,939	19,787
- foreign exchange movements (note 6(b)(ii))	(8,159)	-	(3,432)	(11,591)
- terminated leases (note 6(b)(ii))	-	-	(7,718)	(7,718)
- on disposal of subsidiary (note 6(b)(ii))	-	-	(6,468)	(6,468)
- effect of modification to lease terms (note 6(b)(ii))	-	-	(67)	(67)
At June 30, 2022	523,092	-	252,491	775,583

32. NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

(c) Reconciliation of liabilities arising from financing activities: (cont'd)

THE COMPANY	Bank and other loans	Loan from related parties	Total
	Rs'000	Rs'000	Rs'000
(iii) **2023**			
At July 1, 2022	222,492	70,117	292,609
Cash flows - Proceeds	-	9,000	9,000
Cash flows - Capital payments	(42,833)	(4,333)	(47,166)
Non-cash changes:			
- interest accrued	1,222	-	1,222
At June 30, 2023	180,881	74,784	255,665

	Bank and other loans	Loan from related parties	Total
	Rs'000	Rs'000	Rs'000
(iv) 2022			
At July 1, 2021	25,108	57,117	82,225
Cash flows - Proceeds	205,041	15,000	220,041
Cash flows - Capital payments	(10,707)	(2,000)	(12,707)
Non-cash changes:			
- interest accrued	3,659	-	3,659
- foreign exchange movements	(609)	-	(609)
At June 30, 2022	222,492	70,117	292,609

33. BUSINESS SEGMENTS

Operating segments are components of the Group about which separate financial information is available. They are reported in a manner consistent with the internal reporting provided to the Chief Executive Officers, for both performance measuring and resource allocation.

Operating segments that do not meet any of the quantitative thresholds of 10% reported revenue or profit or assets are included as management determined these segments are based on major product lines.

There are three main reportable segments:

- Cross-border logistics (previously disclosed as Freight forwarding) - freight forwarding services, custom brokerage and courier services;
- Landside logistics (previously disclosed Port services) - port related, transport services and warehousing; and
- Packing & shipping - packing of special sugars and shipping services.

Packing & shipping has been aggregated as they are considered by management to be immaterial individually and does not involve any judgement.

The Group evaluates performance on the basis of profit or loss and account for inter-segment sales and transfers as if the sales or transfer were to third parties, that is, at current market prices.

33. BUSINESS SEGMENTS (CONT'D)

	Continuing operations			
	Cross-border logistics	Landside logistics	Packing & shipping	Total
	Rs'000	Rs'000	Rs'000	Rs'000
(a) 2023				
Total segment revenues	2,310,401	1,284,193	157,114	3,751,708
Inter-segment revenues	(105,268)	(255,940)	(12,894)	(374,102)
Revenues from contract with customers	2,205,133	1,028,253	144,220	3,377,606
Gross profit	688,380	481,306	97,576	1,267,262
Profit before finance costs, tax, depreciation and amortisation	271,898	209,771	32,215	513,884
Depreciation and amortisation	(65,963)	(95,693)	(10,235)	(171,891)
Finance costs	(24,894)	(17,202)	(2,387)	(44,483)
Profit before gain on business acquisition and before tax	181,041	96,876	19,593	297,510
Gain on business acquisition	52,973	-	-	52,973
Profit before tax	234,014	96,876	19,593	350,483
Taxation	(63,609)	(8,834)	(2,671)	(75,114)
Profit for the year	170,405	88,042	16,922	275,369
Assets	1,700,083	1,625,595	156,785	3,482,463
Liabilities	1,033,383	502,191	135,249	1,670,823
Capital expenditure:				
-property, plant and equipment	8,584	38,186	2,042	48,812
-intangible assets	2,450	-	170	2,620
Depreciation of:				
-property, plant and equipment	28,348	62,587	1,367	92,302
-right-of-use assets	25,524	36,876	8,832	71,232
Amortisation of intangible assets	3,933	3,448	976	8,357

33. BUSINESS SEGMENTS (CONT'D)

	Continuing operations				Discontinued operations	
	Cross-border logistics	Landside logistics	Packing & shipping	Total	Cross-border logistics	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(b) 2022						
Total segment revenues	2,996,996	973,816	182,684	4,153,496	1,131,518	5,285,014
Inter-segment revenues	(354,056)	(127,839)	(13,034)	(494,929)	(163,460)	(658,389)
Revenues from contract with customers	2,642,940	845,977	169,650	3,658,567	968,058	4,626,625
Gross profit	657,364	454,406	108,872	1,220,642	116,425	1,337,067
Profit before finance costs, tax, depreciation and amortisation*	244,138	181,327	55,586	481,051	8,765	489,816
Depreciation and amortisation	(62,550)	(105,770)	(9,402)	(177,722)	(3,417)	(181,139)
Finance costs	(21,747)	(14,310)	(2,503)	(38,560)	(2,617)	(41,177)
Profit before tax	159,841	61,247	43,681	264,769	2,731	267,500
Taxation	(63,369)	(3,594)	(6,888)	(73,851)	-	(73,851)
Profit after tax	96,472	57,653	36,793	190,918	2,731	193,649
Profit on disposal of subsidiary	-	-	-	-	21,944	21,944
Profit for the year	96,472	57,653	36,793	190,918	24,675	215,593
				-		
Assets	1,749,829	1,477,471	191,582	3,418,882	-	3,418,882
Liabilities	1,065,449	535,021	129,546	1,730,016	-	1,730,016
Capital expenditure:						
-property, plant and equipment	43,857	169,647	4,571	218,075	-	218,075
-intangible assets	2,319	24	-	2,343	-	2,343
Depreciation of:						
-property, plant and equipment	27,784	65,537	1,200	94,521	1,102	95,623
-right-of-use assets	28,216	36,746	8,152	73,114	2,288	75,402
Amortisation of intangible assets	5,605	3,489	993	10,087	27	10,114

* Profit before finance costs, tax, depreciation and amortisation has been re-aligned for better presentation.

33. BUSINESS SEGMENTS (CONT'D)

(c) **Geographical information**

	Revenue		Profit after tax*	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Mauritius				
Cross-border logistics	**963,886**	1,124,184	**58,509**	53,597
Landside logistics	**597,322**	575,560	**34,967**	12,399
Packing & shipping	**144,220**	169,650	**10,636**	24,599
	1,705,428	1,869,394	**104,112**	90,595
Overseas				
Cross-border logistics	**1,241,247**	2,486,814	**58,923**	45,606
Landside logistics	**430,931**	270,417	**53,075**	45,254
Packing & shipping	**-**	-	**6,286**	12,194
	1,672,178	2,757,231	**118,284**	103,054
Total				
Cross-border logistics	**2,205,133**	3,610,998	**117,432**	99,203
Landside logistics	**1,028,253**	845,977	**88,042**	57,653
Packing & shipping	**144,220**	169,650	**16,922**	36,793
	3,377,606	4,626,625	**222,396**	193,649

* Profit after tax excludes gain on business acquisition of Rs 52.973 million for the year 2023.

34. RELATED PARTY TRANSACTIONS

(a) THE GROUP	Sale of goods or services	Purchases of goods or services	Management fees	Finance costs	Amount owed by related parties	Amount owed to related parties	Loan receivables
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(i) **2023**							
Trading transactions							
Holding company	**-**	**-**	**39,259**	**712**	**-**	**-**	**20,000**
Fellow subsidiaries	**53,140**	**14,661**	**-**	**-**	**1,432**	**448**	**-**
	53,140	**14,661**	**39,259**	**712**	**1,432**	**448**	**20,000**
(ii) 2022							
Trading transactions							
Holding company	-	-	36,046	1,881	-	-	-
Fellow subsidiaries	38,267	14,902	-	-	2,312	488	-
	38,267	14,902	36,046	1,881	2,312	488	-

(b) THE COMPANY	Interest income	Dividend income	Finance costs	Amount owed by related parties	Amount owed to related parties	Loan payable
(i) **2023**	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Trading transactions						
Subsidiary companies	**14,327**	**101,659**	**(3,794)**	**204,509**	**703**	**74,784**
	14,327	**101,659**	**(3,794)**	**204,509**	**703**	**74,784**
(ii) 2022						
Trading transactions						
Subsidiary companies	8,388	104,237	(1,850)	262,280	703	70,117
	8,388	104,237	(1,850)	262,280	703	70,117

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

34. RELATED PARTY TRANSACTIONS (CONT'D)

(c) **Key management personnel compensation**

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
Salaries and short term employee benefits	**134,454**	122,985
Post-employment benefits	**17,575**	20,916
	152,029	143,901

(d) For the year ended June 30, 2023, the Company has not recorded any impairment of receivable relating to amounts owed by related parties (2022: nil).

35. BUSINESS COMBINATION

(a) ***Acquisition of subsidiary - 2023***

On November 30, 2022, a fellow subsidiary, General Cargo Services Ltd, acquired 100% of the share capital of Rongai Workshops & Transport Limited for Rs 62.907 million and obtained the control of Rongai Workshops & Transport Limited. Velogic Holding Company Limited holds 98.5% in Gencargo Transport Limited, through VK Logistics Ltd, thus effectively holding 98.5% in Rongai Workshops & Transport Limited. Its principal activity is the provision of logistics, trucking and transport services within Kenya. As a result of the acquisition, the Group is expected to increase its presence in the market in Kenya. It also expects to reduce costs through economies of scale. On acquisition of Rongai Workshops & Transport Limited, inventory counts of property, plant and equipment were performed and all identifiable assets were recorded at their fair value and land and building were revalued by an independent valuer. These resulted in an increase in assets acquired and to a gain on bargain purchase.

(i) **Consideration**	THE GROUP
	Rs'000
Consideration - Cash	(28,944)
Consideration payable* (note 22)	(35,878)
Total consideration (inclusive of transfer taxes of Rs 1.915 million)	(64,822)

* Includes consideration payable deferred until November 30, 2024 amounting to Rs 8.357 million payable in two equal instalments.

(ii) **Recognised amounts of identifiable assets acquired and liabilities assumed**	THE GROUP
	Rs'000
Property, plant and equipment	52,935
Deferred tax assets (note 12(b))	288
Inventories	7,771
Trade receivables	36,171
Other receivables	2,595
Current tax assets	15,771
Cash and cash equivalents	46,697
Trade and other payables	(44,433)
Total identifiable net liabilities	117,795
Gain on business acquisition	52,973

The fair value of the trade receivables amounts to Rs 36.171 million. The gross amount of trade receivables is Rs 48.325 million and it is expected that the full contractual amounts can be collected.

(iii) **Net cash outflow on acquisition of subsidiary**	THE GROUP
	Rs'000
Consideration paid in cash	(28,944)
Less: cash and cash equivalents balances acquired	46,697
	17,753

35. BUSINESS COMBINATION (CONT'D)

(iv) From the date of acquisition, Rongai Workshops & Transport Limited contributed Rs 255.054 million of revenue and Rs 30.274 million to profit before tax from continuing operations of the Group. If the combination had taken place at the beginning of the year, revenue would have been Rs 388.277 million and profit before tax would have been Rs 13.100 million.

(b) ***Acquisition of additional interest in VK Logistics Ltd (note 8(e)) - 2022***

On July 1, 2021, Rogers Logistics International Ltd, a subsidiary, acquired 49% interest in VK Logistics Ltd, increasing its ownership from 51% to 98.5%. The carrying amount of VK Logistics Ltd's net assets in the consolidated financial statements on the date of acquisition was Rs 357.798 million. The Group recognised a decrease in non-controlling interest of Rs 170.560 million. The purchase consideration paid was of Rs 228.257 million.

The following summarises the effect of changes in the Group's ownership interest in VK Logistics Ltd:

	THE GROUP
	2022
	Rs'000
Parent's ownership interest at beginning of period	182,477
Effect of increase in parent's ownership interest	170,560
Parent's ownership interest at end of period	353,037

36. CONTINGENT LIABILITIES

At June 30, 2023, the Group had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities would arise. The Group has given guarantees in the ordinary course of business, amounting to Rs 722.532 million (2022: Rs 681.573 million) to third parties.

37. COMMITMENTS

Capital expenditure for property, plant and equipment contracted for at the end of the reporting period but not yet incurred for the Group was Rs 8.567 million (2022: Rs 3.537 million). The Company did not have any commitment at end of the reporting period (2022: nil).

38. GOING CONCERN

The Group and the Company have generated a profit of Rs 275.369 million and Rs 94.196 million respectively for the year ended June 30, 2023 (2022: Rs 215.593 million for the Group and Rs 92.408 million for the Company). As at that date, the Group and the Company have positive net assets of Rs 1.812 billion and Rs 3.340 billion respectively (June 30, 2022: Rs 1.689 billion for the Group and Rs 3.065 billion for the Company). On the other hand, as at June 30, 2023, the Company's current liabilities exceeded its current assets by Rs 27.775 million (June 30, 2022: Rs 10.851 million). Included in the current liabilities are amount due to related parties amounting to Rs 39.036 million (2022: Rs 33.036 million). The amount due to related parties will not be recalled within the next financial year. However, the Group's current assets exceeds its current liabilities at June 30, 2023.

The main source of revenues to the Company is dividend income which is sustainable due to the profitability situation of the subsidiaries. Moreover, the expenses of the Company are not significant and the Company has the resources available to settle its current and future debts.

Based on this evaluation, the directors have made assessment of the Company's ability to continue as a going concern taking into account all available information about the future, which is at least, but not limited to, twelve months from the date of approval of these financial statements and confirm that they have not identified events or conditions that may cast significant doubt in the Company's ability to continue as a going concern.

Cash flow and liquidity

The Group debt to Equity ratio was 11% at June 30, 2023 compared to 22% at June 30, 2022. The Group has improved its cash flow and liquidity management through the following measures:

- Regular committee meetings ensure that the working capital is well managed, especially debtors' collection and creditors payment due dates;
- The team of debt collectors monitor all the outstanding debts closely;
- Credit insurance is taken to protect from the non-recoverability of debtors; and
- The Group has well established procedures to grant credit facilities as well as a robust KYC and vetting process.

The above measures taken will reduce liquidity issues and increase resilience. They will help the Group invest in businesses for long term growth.

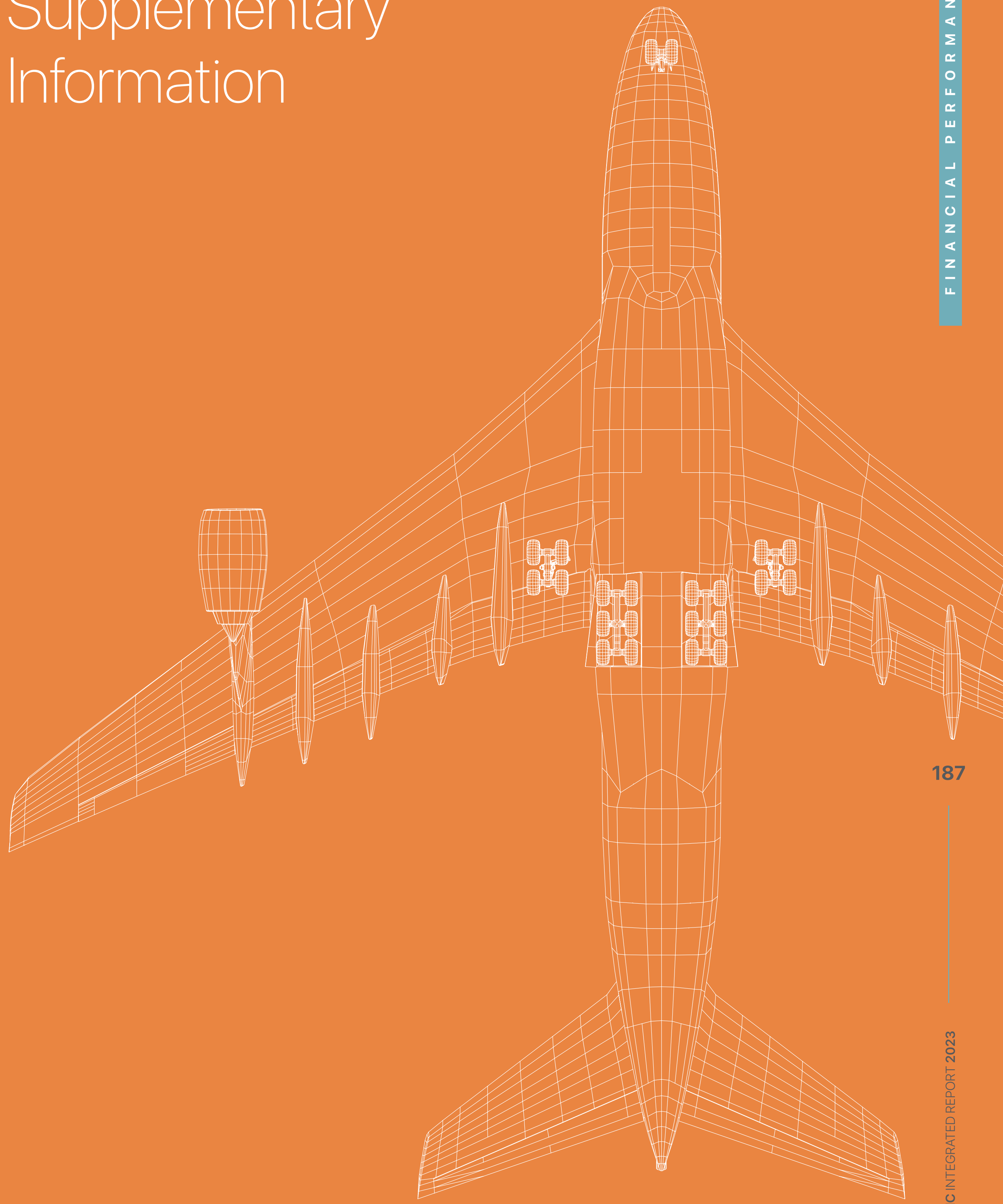
In addition, the Company operates a group treasury function which helps in managing its cost of debt by utilising the excess cash deposited by its subsidiaries on an at call basis.

39. EVENTS AFTER REPORTING DATE

There were no material event after the reporting date to the date that these financial statements were authorised for issue that warrants adjustments or disclosures in these financial statements, except as disclosed below:

- On July 1, 2023, Velogic Ltd, a subsidiary of Velogic Holding Company Limited, amalgamated with its wholly owned subsidiary, Express Logistics Solutions Ltd, with Velogic Ltd being the surviving company. The transaction has no impact on the Group.
- The Finance (Miscellaneous Provisions) Act 2022 amended The Workers' Rights Act 2019 in July 2023. The impact of this change is being assessed by the Group.

Supplementary Information



GRI & SDG Disclosure Index

Statement of use

Velogic Holding Company Limited has reported the information cited in this GRI (Global Reporting Initiative) content index for the period July 2022 to June 2023 with reference to the GRI Standards.

GRI disclosures: Each business unit prioritised the economic, social and environmental impacts of their activities from a sustainability point of view (short and long-term), based on GRI Disclosures. This included both negative impacts and their main contributions towards the United Nations Sustainable Development Goals.

Link to SDGs: Each section identified how their sustainability topics supported the SDGs.

GRI General Disclosures	Disclosures	IR Section	SDG	Pages
GRI 2: General Disclosures 2021	2-1 Organizational details	Glossary of Terms; About Velogic		7, 8
	2-2 Entities included in the organization's sustainability reporting	Shareholding structure		11
	2-3 Reporting period, frequency and contact point	Financial Performance		112-187
	2-4 Restatements of information	Financial Performance		112-187
	2-5 External assurance	Independent Auditor's Report		106-111
	2-6 Activities, value chain and other business relationships	Vision & Mission; Shareholding Structure; One-Stop-Shop Offer; Interview with our Chairman; CEO's Report; CFO's Report		10, 11, 16, 24 - 39
	2-7 Employees	Human Capital	8,10	50-51
	2-8 Workers who are not employees	Human Capital	8,10	50-51
	2-9 Governance structure and composition	Corporate Governance		58-86
	2-10 Nomination and selection of the highest governance body	Corporate Governance	5	58-86
	2-11 Chair of the highest governance body	Corporate Governance		58-86
	2-12 Role of the highest governance body in overseeing the management of impacts	Risk Management		92-101
	2-13 Delegation of responsibility for managing impacts	Risk Management		92-101
	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance		58-86
	2-15 Conflicts of interest	Corporate Governance		58-86
	2-16 Communication of critical concerns	Corporate Governance		58-86
	2-17 Collective knowledge of the highest governance body	Corporate Governance		58-86
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance		58-86
	2-19 Remuneration policies	Corporate Governance		58-86
	2-20 Process to determine remuneration	Corporate Governance		58-86
	2-22 Statement on sustainable development strategy	Interview with our Chairman; CEO's Report		24-39
	2-23 Policy commitments	Corporate Governance, Risk Management		58-101
	2-24 Embedding policy commitments	Risk Management		92-101
	2-25 Processes to remediate negative impacts	CEO's report, CFO's report, Sustainable Value Creation, Financial Performance		28-39, 42-53, 112-187
	2-26 Mechanisms for seeking advice and raising concerns	Available on website www.velogic.net (Code of Ethics)		
	2-28 Membership associations	Social and relationship capital		46-47
	2-29 Approach to stakeholder engagement	Social and relationship capital		46-47

GRI & SDG Disclosure Index

GRI General Disclosures	Disclosures	IR Section	SDG	Pages
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Reporting Principles		6
	3-2 List of material topics	Corporate Governance		58
	3-3 Management of material topics	Risk Management		92
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	CEO's report, CFO's report	8, 9	28-39
	201-2 Financial implications and other risks and opportunities due to climate change	Risk Management	13	92-101
	201-3 Defined benefit plan obligations and other retirement plans	Notes to the Financial Statements		120
	201-4 Financial assistance received from government	Notes to the Financial Statements		120
GRI 207: Tax 2019	207-1 Approach to tax	Financial Performance		112
	207-2 Tax governance, control, and risk management	Financial Performance		112
	207-3 Stakeholder engagement and management of concerns related to tax	Financial Performance		112
	207-4 Country-by-country reporting	Notes to the Financial Statements		120
GRI 302: Energy 2016	302-4 Reduction of energy consumption	Natural Capital		52-53
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Natural Capital		52-53
	303-2 Management of water discharge-related impacts	Natural Capital		52-53
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Natural Capital	3, 6, 12	52-53
	306-2 Management of significant waste-related impacts	Natural Capital	3, 6, 12	52-53
	306-3 Waste generated	Natural Capital	3, 6, 12	52-53
	306-4 Waste diverted from disposal	Natural Capital	3, 6, 12	52-53
	306-5 Waste directed to disposal	Natural Capital	3, 6, 12	52-53
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Human Capital	5, 8, 10	50-51
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human Capital	5, 8	50-51
	401-3 Parental leave	Corporate Governance		58
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Risk Management	8	92-101
	403-2 Hazard identification, risk assessment, and incident investigation	Risk Management	8	92-101
	403-4 Worker participation, consultation, and communication on occupational health and safety	Human Capital	8	50-51
	403-5 Worker training on occupational health and safety	Human Capital	8	50-51
	403-6 Promotion of worker health	Natural Capital; Human Capital		50-53
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Risk Management		92-101
	403-8 Workers covered by an occupational health and safety management system	Intellectual Capital		48-49
	403-9 Work-related injuries	Risk Management		92-101
	403-10 Work-related ill health	Risk Management		92-101

GRI & SDG Disclosure Index

GRI General Disclosures	Disclosures	IR Section	SDG	Pages
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	50-53	4, 8, 10	50
	404-2 Programs for upgrading employee skills and transition assistance programs	Human Capital	4, 8, 10	50
	404-3 Percentage of employees receiving regular performance and career development reviews			50
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	50, 58-86	5, 8, 10	50, 58
	405-2 Ratio of basic salary and remuneration of women to men	No difference		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	No incident		
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Risk Management		92
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	No child labour		92
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Risk Management		92
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social and relationship capital		46-47
	413-2 Operations with significant actual and potential negative impacts on local communities	Risk Management		92
GRI 415: Public Policy 2016	415-1 Political contributions	No contribution	GRI 416: Customer Health and Safety 2016	
	Available from statutory reporting			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Available on website www.velogic.net		
	417-2 Incidents of non-compliance concerning product and service information and labeling	No incident		
	417-3 Incidents of non-compliance concerning marketing communications	No incident		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No complaint		

SDG

Board Skills Matrix

	NAME OF DIRECTORS									
SKILLS	Marie Hector Philippe Espitalier-Noël	Nayendranath (Vishal) Nunkoo	Naveen Sangeelee	Mehul Hiteshkumar Bhatt	Gianduth Jeeawock	Belinda Wong-Vacher	Vincent Jean Pierre Barbier	Radhakrishna Chellapermal	Marie Edouard Gilbert Espitalier-Noël	Jean Evenor Damien Evenor
Mergers and acquisitions	X					X			X	X
Strategy development	X	X		X		X	X	X		X
Business development	X	X					X			X
Property Develoment	X									
International development				X						
Sustainability				X						
Commercial	X						X			
FinTech	X									
Hospitality	X								X	
IT		X								
Logistics	X	X		X						X
Property	X									
Corporate Governance & Governance	X		X			X			X	X
Accounting			X					X		X
Leadership	X			X	X		X	X		
Finance		X	X		X	X				X
Management	X	X	X		X		X			X
Risk management				X	X	X				X
Fund raising						X				
Communication Strategy						X				
Branding and marketing						X				
Broad board experience across sectors									X	X
Deep knowledge in shipping				X						
Compliance						X				

Directors of Subsidiary Companies

	Abraham Bertrand Denis	Arrowsmith Sarah Carmen	Babajee Dineshrao	Bahal Ritu	Barbier Vincent Jean Pierre	Bayrajee Ryad Mohammas	Bhatt Mehul Hiteshkumar	Brewis Martin John	Cargill Christopher	Chellapermal Radhakrishna	De Comarmond Marie Maurice André	Driver H. W. Anthony	Elysee David	Espitalier-Noël M.E. Gilbert	Espitalier-Noël M. H. Philippe	Espitalier-Noël H. J. Thierry	Evans Vanessa Jane	Gobindram Shah Nawaz	Hughin Thierry	Hung Han Yun Denis	Jeeawock Gianduth	Lagesse Marcel Ernest Clement	Lalsing Krishnajee	Mamet Jean Evenor Damien	Noel Alexandre Jospeth Raoul	Nunkoo Nayendranath	Sangeelee Naveen	Wong-Vacher Belinda	Yue Chi Ming Tony
Associated Container Services Limited											X															C	X		
Cargo Express Madagascar S.A.R.L.											X																		X
Express Logistics Solutions Ltd	X										X									X						X	X		
Freeport Operations (Mauritius) Ltd	X										X									X						X	X		
Gencargo (Transport) Limited (Kenya)							X																			X	X		
General Cargo Services Limited (Kenya)							X																			X	X		
Global Air Cargo Services Ltd									A		R									X						C			
Logistics Solutions Ltd														X	C									X		X	X		
P.A.P.O.L.C.S. Limited			A									X										X	R			C	X		
Papol Holding Ltd												X	X													X	X		
Rogers IDS Madagascar SA											X																		X
Rogers Logistics International Ltd															X											X	X		
Rogers Logistics Services Company Ltd	X										X									X						X	X		
Rogers Shipping Ltd																						X				X	X		
Rogers Shipping PTE Ltd														X	X										X	X			
Rongai Workshop and Transport Limited				X		X	X										X									X	X		
Southern Marine & Co Ltd																						X				X	X		
Sukpak Ltd		X						X							C	X										X	X		
Velogic Express Reunion SAS											X															X	X		
Velogic Garage Services Ltd	X										X									X						X	X		
Velogic Haulage Services Ltd	X										X															X	X		
Velogic Holding Company Limited					X		X			X				X	C						X			A		X	X	X	
Velogic India Private Limited																		X								X	X		
Velogic Ltd											X									R						X	X		
VK Logistics Ltd							X												X							X	X		
VSR (Velogic Reunion)																											X		

C- Chairman

X-In office as director

A-Appointed as director

R-Resigned as director

Notice of Annual Meeting of Shareholders

Notice is hereby given that the Annual Meeting of Shareholders ("AMS") of **Velogic Holding Company Limited** (the "Company") will be held at Le Sirius, Labourdonnais Waterfront Hotel, Caudan on Wednesday 15 November 2023 at 11hr30 to transact the following business:

1. To consider the 2023 Annual Report of the Company.

2. To receive the report of Messrs Ernst & Young, the auditor of the Company.

3. To consider and approve the Audited Financial Statements of the Company for the year ended 30 June 2023.

Ordinary Resolution I

"Resolved that the audited financial statements of the Company for the year ended 30 June 2023 be hereby approved."

4. To appoint Mrs. Soorya Devi Ramchurn-Oogarah[1] who has been appointed as Director of the Company.

Ordinary Resolution II

"**Resolved that** Mrs. Soorya Devi Ramchurn-Oogarah be appointed as Director of the Company."

5. To appoint Mrs. Hanjali Permalloo-Le Roux [2] who has been appointed as Director of the Company.

Ordinary Resolution III

"**Resolved that** Mrs. Hanjali Permalloo-Le Roux be appointed as Director of the Company."

6. To re-elect the following persons[3] as Directors of the Company by way of separate ordinary resolutions: Messrs. Marie Hector Philippe Espitalier-Noël, Nayendranath Nunkoo, Naveen Sangeelee, Mehul Hiteshkumar Bhatt, Radhakrishna Chellapermal, Vincent Jean Pierre Barbier, Gianduth Jeeawock, Jean Evenor Damien Mamet and Mrs. Belinda Wong Vacher.

Ordinary Resolutions IV to XII

"**Resolved that** Mr./Mrs [*] be hereby re-elected as Director of the Company."

IV Marie Hector Philippe Espitalier-Noël

V Nayendranath Nunkoo

VI Naveen Sangeelee

VII Mehul Hiteshkumar Bhatt

VIII Radhakrishna Chellapermal

IX Vincent Jean Pierre Barbier

X Gianduth Jeeawock

XI Jean Evenor Damien Mamet

XII Belinda Wong Vacher

7. To appoint Messrs. Ernst and Young as auditor of the Company to hold office until the next Annual Meeting of Shareholders and that the Board of Directors of the Company be hereby authorised to fix the auditor's remuneration for the financial year 2023/2024.

Ordinary Resolution XIII

"Resolved that Messrs. Ernst and Young be appointed as auditor of the Company to hold office until the next Annual Meeting of Shareholders and that the Board of Directors of the Company be hereby authorised to fix the auditor's remuneration for the financial year 2023/2024."

8. Shareholders' question time.

By order of the Board

Heena Anauth-Oodunt

Company Secretary

28 September 2023

Note 1. Your vote counts. A Shareholder of the company entitled to attend and vote at this meeting may appoint a proxy by way of the proxy form (in the case of an individual Shareholder) or a representative by way of a corporate resolution (in the case of a Shareholder company), whether a Shareholder of the Company or not, to attend and vote on his/her/its behalf.

Note 2. A proxy form and corporate resolution are enclosed in the 2023 Annual Report.

1 The profile and category of Mrs. Soorya Devi Ramchun Oogarah proposed for appointment is set out at Note 4 of this Note.
2 The profile and category of Mrs. Hanjali Permalloo-Le Roux proposed for appointment is set out at Note 4 of this Note.
3 The profiles and categories of directors proposed for re-election are set out at pages 68-73 of the 2023 Annual Report of the Company.

Notice of Annual Meeting of Shareholders

Note 3. The proxy form appointing a proxy or the corporate resolution appointing a representative should reach the Company Secretary, Velogic Holding Company Limited, 5th floor, Rogers House, No. 5, President John Kennedy Street, Port Louis by Tuesday 14 November 2023 at 11hr30.

Note 4. On 16 August 2023 upon the recommendation of the Nomination Committee, the Board of the Company nominated Mrs. Soorya Devi Ramchurn-Oogarah and Hanjali Permalloo-Le Roux as Directors of the Company. The Board is recommending their appointments as it is satisfied that they will contribute to the success of the Company given their skills and experience. The short profiles of Mrs. Soorya Devi Ramchurn-Oogarah and Hanjali Permalloo-Le Roux are set out as follows:

Mrs. Soorya Devi Ramchurn-Oogarah (51 years old)

- Managing Director at Rogers Aviation & Travel Services
- Master/DESS in 'PME/PMI' at Université de Paris XII-Val De Marne
- Masters/DESS in Innovative Projects at the 'Institut de la Francophonie' (IFE), Mauritius
- Post Graduate in International Business & Finance, University of Surrey, U.K
- BSc. Honours in Industrial & Business Economics, London School of Economics & Political Science(LSE), UK

Mrs. Hanjali Permalloo-Le Roux (49 years old)

- Chief Officer Operational Excellence at Rogers Capital Corporate Services Ltd
- MBA International Paris at IAE Paris/Sorbonne Business School
- MSc in Information Management at University Lancaster, UK
- BSc (Hons) in Management Studies at University of Mauritius

Note 5. The Directors of the Company have resolved that, for the purposes of this Annual Meeting of Shareholders and in compliance with Section 120(3) of the Companies Act 2001, only those Shareholders whose names are registered in the share register of the Company as at Monday 16 October 2023 would be entitled to receive this Notice and would accordingly be allowed to attend and vote at this meeting.

Note 6. The minutes of an annual meeting of Shareholders held on 16 November 2022 are available free of charge on request. Kindly contact the Company Secretary at the email address rogerscosec@rogers.mu.

Note 7. Resolutions I to XIII are proposed as ordinary resolutions, entailing that for each of the resolutions to be passed, the majority of the votes cast at the meeting must be in favour of the resolution.

Note 8. Items 1 to 7 of the agenda are required to be considered and/or approved (where applicable) pursuant to section 115(4) of The Companies Act 2001.

Note 9. Appointment and remuneration of auditor: At every annual meeting of Shareholders ("AMS"), the Company is required to appoint an auditor to serve from the end of the AMS until the next AMS. Messrs. Ernst and Young have indicated that they are willing to continue as the Company's auditor for the financial year 2023/2024. The Risk Management and Audit Committee of the Company has reviewed the auditor's effectiveness and recommends that they hold office until the next AMS and that the board of Directors of the Company be hereby authorised to fix the auditor's remuneration for the financial year 2023/2024.

Note 10. In accordance with The National Code of Corporate Governance for Mauritius (2016), all Directors of the Company are submitting themselves for re-election. Biographical details and relevant skills of all Directors are set out on pages 68-73 of the 2023 Annual Report and are also available on https://www.velogic.net/board-of-directors. The Board is satisfied that each of the Directors standing for re-election continues to perform effectively and demonstrates commitment to his or her role in the long-term success of the Company.

Note 11. In accordance with The National Code of Corporate Governance for Mauritius (2016), the proxy report and voting results for this meeting will be published on the website of the Company on 15 November 2023 or as soon as reasonably practicable thereafter.

Note 12. In the event that this Annual Meeting of Shareholders cannot be held on 15 November 2023 due to (i) a cyclone warning class III or IV being in force in Mauritius; (ii) an extreme weather event[1]; (iii) heavy rain[2]; (iv) an intense tropical cyclone[2]; (v) a moderate tropical storm[2]; (vi) a severe tropical storm[2]; (vii) strong wind[2]; (viii) swell wave[2]; (ix) torrential rain[2]; (x) a tropical cyclone[2]; or (xi) a very intense tropical cyclone[2]; the meeting shall be postponed to a later date. The Board will communicate such date through the media.

Note 13. Should there be any restriction as may be imposed by the authorities, no physical AMS will be held on 15 November 2023. The AMS will then be conducted via an online platform. Shareholders are invited to write to MCB Registry & Securities Ltd on the email address contact.rs@mcbcm.mu to obtain the online details to join the meeting via the online platform. Any Shareholder who did not receive access details 24 hours before the start of the meeting, should call MCB Registry & Securities Ltd on 202-5640 or send an email on contact.rs@mcbcm.mu.

4 Pursuant to section 2 of The Mauritius Meteorological Services Act 2019, as amended from time to time,"extreme weather events"- (a) means tropical storm, tropical cyclone, heavy rain, torrential rain, flood, flash flood, high waves, storm surge and drought; and (b) includes any other weather condition likely to endanger life or property;"

5 As defined in The Mauritius Meteorological Services Regulations (Warning) 2023.

Corporate Resolution

NAME OF SHAREHOLDER COMPANY

....

WRITTEN RESOLUTION IN LIEU OF HOLDING A BOARD MEETING [IN ACCORDANCE WITH ARTICLE .... OF THE CONSTITUTION OF THE COMPANY AS PER SECTION 7 OF THE EIGHT SCHEDULE OF THE COMPANIES ACT 2001] – DATED THIS .... 2023.

We,theundersigned,beingdirectorsof..

[Name of the shareholder company], who at the date of this written resolution are entitled to attend and vote at a board meeting of the company, hereby certify that the following written resolutions for entry in the Minutes Book of the company have been delivered to and approved by us.

Resolved that Mr/Mrs/Ms ....

failing him/her, the Chairman of the Annual Meeting of Shareholders of Velogic Holding Company Limited (the "Company") to be held at Le Sirius, Labourdonnais Waterfront Hotel, Caudan on Wednesday 15 November 2023 at 11h30 and any adjournment thereof, be authorised to act as the representative of the shareholder company and to vote on its behalf at the said Annual Meeting of Shareholders and at any adjournment thereof and that its vote on the resolutions set out below be cast as follows

RESOLUTIONS	For	Against	Abstain
I. Resolved that the audited financial statements of the Company for the year ended 30 June 2023 be hereby approved.			
II. Resolved that Mrs. Soorya Devi Ramchurn-Oogarah[1] be hereby appointed as Director of the Company.			
III. Resolved that Mrs. Hanjali Devi Permalloo-Le Roux[2] be hereby appointed as Director of the Company.			
IV. Resolved that Mr. Marie Hector Philippe Espitalier- Noël be hereby re-elected as Director of the Company.			
V. Resolved that Mr. Nayendranath Nunkoo be hereby re-elected as Director of the Company.			
VI. Resolved that Mr. Naveen Sangeelee be hereby re-elected as Director of the Company.			
VII. Resolved that Mr. Mehul Hiteshkumar Bhatt be hereby re-elected as Director of the Company.			
VIII. Resolved that Mr. Radhakrishna Chellapermal be hereby re-elected as Director of the Company.			
IX. Resolved that Mr. Vincent Jean Pierre Barbier be hereby re-elected as Director of the Company.			
X. Resolved that Mr. Gianduth Jeeawock be hereby re-elected as Director of the Company.			
XI. Resolved that Mr. Jean Evenor Damien Mamet be hereby re-elected as Director of the Company.			
XII. Resolved that Mrs. Belinda Wong-Vacher be hereby re-elected as Director of the Company.			
XIII. Resolved that Messrs. Ernst and Young be appointed as auditor of the Company to hold office until the next Annual Meeting of Shareholders and that the Board of directors of the Company be hereby authorised to fix the auditor's remuneration for the financial year 2023/2024.			

Director: .... Director: ....

Director: .... Director: ....

Director: .... Director: ....

1 The profile and category of Mrs. Soorya Devi Ramchurn Oogarah proposed for appointment is set out at Note 4 of this Note.
2 The profile and category of Mrs. Hanjali Devi Permalloo-Le Roux proposed for appointment is set out at Note 4 of this Note.

Note 1. Your vote counts. A shareholder of the Company entitled to attend to and vote at this meeting may appoint a proxy by way of the proxy form (in the case of an individual shareholder) or a representative by way of a corporate resolution (in the case of a shareholder company), whether a shareholder of the Company or not, to attend and vote on his/her/its behalf.

Note 2. A proxy form and corporate resolution are enclosed in the 2023 Annual Report.

Note 3. The proxy form appointing a proxy or the corporate resolution appointing a representative should reach the Company Secretary, Velogic Holding Company Limited, 5th floor, Rogers House, No. 5, President John Kennedy Street, Port Louis by Tuesday 14 November 2023 at 11h30.

Note 4. On 16 August 2023 upon the recommendation of the Nomination Committee, the Board of the Company nominated Mrs. Soorya Devi Ramchurn-Oogarah and Hanjali Devi Permalloo-Le Roux as Directors of the Company. The Board is recommending their appointments as it is satisfied that they will contribute to the success of the Company given their skills and experience. The short profiles of Mrs. Soorya Devi Ramchurn-Oogarah and Hanjali Devi Permalloo-Le Roux are set out as follows:

Mrs. Soorya Devi Ramchurn-Oogarah (51 years old)

- Managing Director at Rogers Aviation & Travel Services
- Master/DESS in 'PME/PMI' at Université de Paris XII-Val De Marne
- Masters/DESS in Innovative Projects at the 'Institut de la Francophonie' (IFE), Mauritius
- Post Graduate in International Business & Finance, University of Surrey, U.K
- BSc. Honours in Industrial & Business Economics, London School of Economics & Political Science(LSE), UK

Mrs. Hanjali Devi Permalloo-Le Roux (49 years old)

- Chief Officer Operational Excellence at Rogers Capital Corporate Services Ltd
- MBA International Paris at IAE Paris/Sorbonne Business School
- MSc in Information Management at University Lancaster, UK
- BSc (Hons) in Management Studies at University of Mauritius

Note 5. The directors of the Company have resolved that, for the purposes of this Annual Meeting of Shareholders and in compliance with Section 120(3) of The Companies Act 2001, only those shareholders whose names are registered in the share register of the Company as at Monday 16 October 2023 would be entitled to receive this Notice and would accordingly be allowed to attend and vote at this meeting.

Note 6. The minutes of an Annual Meeting of Shareholders held on 16 November 2022 are available free of charge on request. Kindly contact the Company Secretary at the email address rogerscosec@rogers.mu

Note 7. Resolutions I to XIII are proposed as ordinary resolutions, entailing that for each of the resolutions to be passed, the majority of the votes cast at the meeting must be in favour of the resolution.

Note 8. Items 1 to 7 of the agenda are required to be considered and/or approved (where applicable) pursuant to section 115(4) of The Companies Act 2001.

Note 9. Appointment and remuneration of auditor: At every Annual Meeting of Shareholders ("AMS"), the Company is required to appoint an auditor to serve from the end of the AMS until the next AMS. Messrs. Ernst and Young have indicated that they are willing to continue as the Company's auditor for the financial year 2023/2024. The Risk Management and Audit Committee of the Company has reviewed the auditor's effectiveness and recommends that they hold office until the next AMS and that the board of directors of the Company be hereby authorised to fix the auditor's remuneration for the financial year 2023/2024.

Note 10. In accordance with The National Code of Corporate Governance for Mauritius (2016), all directors of the Company are submitting themselves for re-election. Biographical details and relevant skills of all directors are set out on pages 68-73 of the 2023 Annual Report and are also available on https://www.velogic.net/board-of-directors. The Board is satisfied that each of the directors standing for re-election continues to perform effectively and demonstrates commitment to his or her role in the long-term success of the Company.

Note 11. In accordance with The National Code of Corporate Governance for Mauritius (2016), the proxy report and voting results for this meeting will be published on the website of the Company on 15 November 2023 or as soon as reasonably practicable thereafter.

Note 12. In the event that this Annual Meeting of shareholders cannot be held on 15 November 2023 due to (i) a cyclone warning class III or IV being in force in Mauritius; (ii) an extreme weather event1; (iii) heavy rain2; (iv) an intense tropical cyclone2; (v) a moderate tropical storm2; (vi) a severe tropical storm2; (vii) strong wind2; (viii) swell wave2; (ix) torrential rain2; (x) a tropical cyclone2; or (xi) a very intense tropical cyclone2; the meeting shall be postponed to a later date. The Board will communicate such date through the media.

Note 13. Should there be any restriction as may be imposed by the authorities, or any other restriction as may be imposed by the authorities, no physical AMS will be held on 15 November 2023. The AMS will then be conducted via an online platform. Shareholders are invited to write to MCB Registry & Securities Ltd on email address contact.rs@mcbcm.mu to obtain the online details to join the meeting via the online platform. Any shareholder who did not receive access details 24 hours before the start of the meeting, should call MCB Registry & Securities Ltd on 202-5640 or send an email on contact.rs@mcbcm.mu

1 Pursuant to section 2 of The Mauritius Meteorological Services Act 2019, as amended from time to time, "extreme weather events"- (a) means tropical storm, tropical cyclone, heavy rain, torrential rain, flood, flash flood, high waves, storm surge and drought; and (b) includes any other weather condition likely to endanger life or property;"

2 As defined in The Mauritius Meteorological Services Regulations (Warning) 2023.

Proxy Form

I/We of

....

being a shareholder/shareholders of Velogic Holding Company Limited (the "Company") hereby appoint

Mr/Mrs/Ms ....

of ....

or failing him/her the Chairman of the Annual Meeting of Shareholders of the Company as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual Meeting of Shareholders of the Company to be held at Le Sirius, Labourdonnais Waterfront Hotel, Caudan on Wednesday 15 November 2023 at 11h30 in (to be confirmed) and any adjournment thereof.

I/We desire my/our vote(s) to be cast on the resolutions set out below as follows:

RESOLUTIONS	For	Against	Abstain
I. Resolved that the audited financial statements of the Company for the year ended 30 June 2023 be hereby approved.			
II. Resolved that Mrs. Soorya Devi Ramchurn-Oogarah[1] be hereby appointed as Director of the Company.			
III. Resolved that Mrs. Hanjali Devi Permalloo-Le Roux[2] be hereby appointed as Director of the Company.			
IV. Resolved that Mr. Marie Hector Philippe Espitalier-Noël be hereby re-elected as Director of the Company.			
V. Resolved that Mr. Nayendranath Nunkoo be hereby re-elected as Director of the Company.			
VI. Resolved that Mr. Naveen Sangeelee be hereby re-elected as Director of the Company.			
VII. Resolved that Mr. Mehul Hiteshkumar Bhatt be hereby re-elected as Director of the Company.			
VIII. Resolved that Mr. Radhakrishna Chellapermal be hereby re-elected as Director of the Company.			
IX. Resolved that Mr. Vincent Jean Pierre Barbier be hereby re-elected as Director of the Company.			
X. Resolved that Mr. Gianduth Jeeawock be hereby re-elected as Director of the Company.			
XI. Resolved that Mr. Jean Evenor Damien Mamet be hereby re-elected as Director of the Company.			
XII. Resolved that Mrs. Belinda Wong-Vacher be hereby re-elected as Director of the Company.			
XIII. Resolved that Messrs. Ernst and Young be appointed as auditor of the Company to hold office until the next Annual Meeting of Shareholders and that the Board of directors of the Company be hereby authorised to fix the auditor's remuneration for the financial year 2023/2024.			

Signed this .... day of ....

Signature(s)..

1 The profile and category of Mrs. Soorya Devi Ramchurn-Oogarah proposed for appointment is set out at Note 4 of this Note.

2 The profile and category of Mrs. Hanjali Devi Permalloo-Le Roux proposed for appointment is set out at Note 4 of this Note.

Note 1. Your vote counts. A shareholder of the Company entitled to attend to and vote at this meeting may appoint a proxy by way of the proxy form (in the case of an individual shareholder) or a representative by way of a corporate resolution (in the case of a shareholder company), whether a shareholder of the Company or not, to attend and vote on his/her/its behalf.

Note 2. A proxy form and corporate resolution are enclosed in the 2023 Annual Report.

Note 3. The proxy form appointing a proxy or the corporate resolution appointing a representative should reach the Company Secretary, Velogic Holding Company Limited, 5th floor, Rogers House, No. 5, President John Kennedy Street, Port Louis by Tuesday 14 November 2023 at 11h30.

Note 4. On 16 August 2023 upon the recommendation of the Nomination Committee, the Board of the Company nominated Mrs. Soorya Devi Ramchurn-Oogarah and Hanjali Devi Permalloo-Le Roux as Directors of the Company. The Board is recommending their appointments as it is satisfied that they will contribute to the success of the Company given their skills and experience. The short profiles of Mrs. Soorya Devi Ramchurn-Oogarah and Hanjali Devi Permalloo-Le Roux are set out as follows:

Mrs. Soorya Devi Ramchurn-Oogarah (51 years old)

- Managing Director at Rogers Aviation & Travel Services
- Master/DESS in 'PME/PMI' at Université de Paris XII-Val De Marne
- Masters/DESS in Innovative Projects at the 'Institut de la Francophonie' (IFE), Mauritius
- Post Graduate in International Business & Finance, University of Surrey, U.K
- BSc. Honours in Industrial & Business Economics, London School of Economics & Political Science(LSE), UK

Mrs. Hanjali Devi Permalloo-Le Roux (49 years old)

- Chief Officer Operational Excellence at Rogers Capital Corporate Services Ltd
- MBA International Paris at IAE Paris/Sorbonne Business School
- MSC in Information Management at University Lancaster, UK
- BSc (Hons) in Management Studies at University of Mauritius

Note 5. The directors of the Company have resolved that, for the purposes of this Annual Meeting of Shareholders and in compliance with Section 120(3) of The Companies Act 2001, only those shareholders whose names are registered in the share register of the Company as at Monday 16 October 2023 would be entitled to receive this Notice and would accordingly be allowed to attend and vote at this meeting.

Note 6. The minutes of an Annual Meeting of Shareholders held on 16 November 2022 are available free of charge on request. Kindly contact the Company Secretary at the email address rogerscosec@rogers.mu.

Note 7. Resolutions I to XIII are proposed as ordinary resolutions, entailing that for each of the resolutions to be passed, the majority of the votes cast at the meeting must be in favour of the resolution.

Note 8. Items 1 to 7 of the agenda are required to be considered and/or approved (where applicable) pursuant to section 115(4) of The Companies Act 2001.

Note 9. Appointment and remuneration of auditor: At every Annual Meeting of Shareholders ("AMS"), the Company is required to appoint an auditor to serve from the end of the AMS until the next AMS. Messrs. Ernst and Young have indicated that they are willing to continue as the Company's auditor for the financial year 2023/2024. The Risk Management and Audit Committee of the Company has reviewed the auditor's effectiveness and recommends that they hold office until the next AMS and that the board of directors of the Company be hereby authorised to fix the auditor's remuneration for the financial year 2023/2024.

Note 10. In accordance with The National Code of Corporate Governance for Mauritius (2016), all directors of the Company are submitting themselves for re-election. Biographical details and relevant skills of all directors are set out on pages 68-73 of the 2023 Annual Report and are also available on https://www.velogic.net/board-of-directors. The Board is satisfied that each of the directors standing for re-election continues to perform effectively and demonstrates commitment to his or her role in the long-term success of the Company.

Note 11. In accordance with The National Code of Corporate Governance for Mauritius (2016), the proxy report and voting results for this meeting will be published on the website of the Company on 15 November 2023 or as soon as reasonably practicable thereafter.

Note 12. In the event that this Annual Meeting of shareholders cannot be held on 15 November 2023 due to (i) a cyclone warning class III or IV being in force in Mauritius; (ii) an extreme weather event1; (iii) heavy rain2; (iv) an intense tropical cyclone2; (v) a moderate tropical storm2; (vi) a severe tropical storm2; (vii) strong wind2; (viii) swell wave2; (ix) torrential rain2; (x) a tropical cyclone2; or (xi) a very intense tropical cyclone2; the meeting shall be postponed to a later date. The Board will communicate such date through the media.

Note 13. Should there be any restriction as may be imposed by the authorities, or any other restriction as may be imposed by the authorities, no physical AMS will be held on 15 November 2023. The AMS will then be conducted via an online platform. Shareholders are invited to write to MCB Registry & Securities Ltd on email address contact.rs@mcbcm.mu to obtain the online details to join the meeting via the online platform. Any shareholder who did not receive access details 24 hours before the start of the meeting, should call MCB Registry & Securities Ltd on 202-5640 or send an email on contact.rs@mcbcm.mu.

1 Pursuant to section 2 of The Mauritius Meteorological Services Act 2019, as amended from time to time, "extreme weather events"- (a) means tropical storm, tropical cyclone, heavy rain, torrential rain, flood, flash flood, high waves, storm surge and drought; and (b) includes any other weather condition likely to endanger life or property;"

2 As defined in The Mauritius Meteorological Services Regulations (Warning) 2023.

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