

## **CAUTIONARY ANNOUNCEMENT**

We refer to the Cautionary Announcement issued on 27 September 2018 whereby the shareholders of The Mauritius Chemical and Fertilizer Industry Limited ("MCFI" or the "Offeror") were informed of the firm intention of the Board of Directors ("the Board") to: (a) acquire 100% of the issued share capital of Bychemex Limited ("Bychemex") representing 5,000,000 ordinary shares currently in issue (the "Bychemex Shares"), and (b) acquire 93.47% of the issued share capital of Chemco Limited ("Chemco") representing 5,803,398 ordinary shares currently in issue (the "Chemco Shares"), in order to hold 100% of the share capital of Bychemex and 100% of the share capital of Chemco (the two aforementioned offers hereinafter referred to individually and indistinctly as well as collectively as the "Offer").

The offer document to be issued to the shareholders of Bychemex and Chemco will adjust the offer price contained in the firm intention of MCFI issued on 26 September 2018 for tick size as per Rule 4.6 of the Trading Procedures of The Stock Exchange of Mauritius Ltd to a price of MUR 7.04 and MUR 22.60 per ordinary share respectively from MUR 7.03 and MUR 22.59.

Depending on the level of acceptances received, the Offer may qualify as a substantial and related party transaction for MCFI under Chapter 13 of the Listing Rules in as much as Harel Mallac & Co. Ltd is the immediate holding company of MCFI and holds 44.91% in Bychemex and 54.68% in Chemco. Consequently, a Chapter 13 Circular has been prepared and the shareholders of MCFI will be called upon to vote on the Offer.

## **RATIONALE FOR THE OFFER**

MCFI's intention of acquiring Bychemex Shares and Chemco Shares would be to align the ownership and the management of the MCFI, Bychemex and Chemco in order to benefit from potential synergies between the companies that currently share a core competence.

## **PRICE CONSIDERATION**

The Offer Price has been determined in accordance with Rule 14(2)(c) of the Securities (Takeover) Rules 2010. The total consideration for Bychemex Shares is MUR 35.2 Million and for Chemco Shares is MUR 131.2 Million.

The Offer Price was determined by the Board based on the valuation exercise carried out jointly by PricewaterhouseCoopers and Deloitte Mauritius, the independent valuers appointed by MCFI.

## **CONDITIONS TO THE OFFER**

The Offer is subject to the prior approval of the Financial Services Commission and guidance by the Competition Commission of Mauritius. The Offer is also conditional upon the approval by the shareholders of MCFI.

Should either of the Financial Services Commission, the Competition Commission of Mauritius or shareholders of the Offeror not approve the Offer, the Offeror will be under no obligation whatsoever to proceed with the Offer.

The Substantial and Related Party Transaction Circular to the shareholders of MCFI has been prepared in accordance with Chapter 13 of the Listing Rules and has been duly approved by the Stock Exchange of Mauritius Ltd.

**By order of the Board  
HM SECRETARIES LTD.  
24 December 2018**

*Copies of the Circular to the shareholders of The Mauritius Chemical and Fertilizer Industry Limited and the Independent Valuation Report are available for inspection by the shareholder at its registered office 18, Edith Cavell Street, Port Louis until 22 January 2019.*

*This notice is issued pursuant to Listing Rules 11.3, 13.15(b) and Section 87 of the Securities Act 2005.*

*The Board of Directors of MCFI accepts full responsibility for the accuracy of the information contained in this cautionary announcement.*