

The Board of Directors (“the Board”) of Harel Mallac & Co. Ltd (“HMC”) wishes to inform its shareholders and the public in general that at a special meeting held on 13 March 2019, the shareholders of HMC have unanimously accepted the voluntary offers made by The Mauritius Chemical and Fertilizer Industry Limited to purchase the 2,245,483 ordinary shares of Bychemex Limited (“Bychemex”) and the 3,394,707 ordinary shares of Chemco Limited (“Chemco”) held by HMC, for a total consideration of MUR 92,528,579 (before brokerage fees).

The main activity of Bychemex consists of the trading of specialised chemical products for textile industry and that of Chemco is the trading of chemicals and general goods.

By two offer documents both dated 29 January 2019, MCFI offered to the shareholders of Bychemex and Chemco respectively (including HMC) to (a) acquire 100% of the issued share capital of Bychemex representing 5,000,000 ordinary shares currently in issue for MUR 7.04 per share and (b) acquire 93.47% of the issued share capital of Chemco representing 5,803,398 ordinary shares currently in issue for MUR 22.60 per share (those two offers are referred to below as the “Transactions”).

In reaching their decisions, the shareholders of HMC considered the following during the special meeting:

1. Section 2 of the Offer Documents identified that the offers of MUR7.04/share for Bychemex and MUR22.60/share for Chemco represent a premium of 36% and 19% respectively on the average of the weekly high and low of closing prices of the share of Bychemex and Chemco as listed on the Development & Enterprise Market of the Stock Exchange of Mauritius (“DEM”), being MUR 5.17 and MUR18.95 respectively over the previous 6 months preceding the date of announcement of the intention of MCFI to make the Offer.
2. Section 4 of the circular sent by MCFI to its shareholders identified that the offers represent value for money based on the independent valuations carried out by PwC and Deloitte on a controlling and marketable basis.
3. Section 2 of the Reply Documents which Bychemex and Chemco issued to their shareholders reported that KPMG valued Bychemex and Chemco on a marketable minority basis at MUR4.63/share and MUR18.58/share respectively and that the offers are fair and reasonable.
4. The Bychemex and Chemco share prices have traded below the Offer Price of MUR7.04/share and MUR22.60 respectively for at least the last three years to 1 March 2019.
5. Section 3 of the Offer Document where MCFI has clearly stated its intention to delist Bychemex and Chemco from the DEM which is likely to make it more difficult for remaining shareholders to trade their shares at a later stage.

The offers opened on 4 February 2019 and remain open for acceptance until 5.00 pm Mauritius time on 4 April 2019. The offers are conditional upon MCFI, as the Offeror, having received acceptances in respect of voting shares which, together with voting shares acquired or agreed to be acquired before or during the takeover offer, will result in the Offeror and any person acting in concert with MCFI holding more than 50% of the voting shares of the Offerees.

The shareholders of HMC and the public at large are advised to exercise caution when dealing in the shares of HMC and will be kept informed of any developments.

**By order of the Board**  
**HM SECRETARIES LTD.**

**14 March 2019**

*This Communiqué is issued pursuant to Listing Rule 11.3, Rules 5 and 9 of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007. The Board of HMC accepts full responsibility for the accuracy of the information contained in this Communiqué.*