

QUALITY BEVERAGES LIMITED

MARGARGINE INDUSTRIES LIMITED

BRN: C06000885

BRN: C06001524

JOINT CAUTIONARY ANNOUNCEMENT

AND

PUBLIC NOTICE

Following the Communiqué dated 27 May 2019, the respective Board of Directors of Quality Beverages Limited (“QBL”) and Margarine Industries Limited (“MIL”) wish to inform their Shareholders and the public at large that they have on 06th August 2019 approved the Amalgamation of MIL into QBL, on the terms and subject to the conditions set out in the Amalgamation Proposal.

The Listing Executive Committee of the Stock Exchange of Mauritius (“SEM”) has approved the Further Admission Document and Amalgamation Proposal in relation to the proposed Amalgamation of MIL into QBL and for the listing of up to 14,411,472 new ordinary shares of QBL, as the amalgamated company, on the Development & Enterprise Market (“DEM”) of the SEM, subject to the Amalgamation being approved by the shareholders of QBL and MIL.

The Board of Directors of QBL and MIL have approved the share exchange ratio of 48 new ordinary shares of QBL for every one (1) ordinary share of MIL, based on an independent valuation prepared by Grant Thornton, appointed jointly by QBL and MIL.

The Amalgamation is a significant and related party transaction for QBL and MIL under Rules 12 and 13 as defined in the DEM Rules by virtue of Currimjee Industries Limited (“CIND”) being the controlling shareholder of both QBL and MIL. CIND presently owns 75.32% and 75% in QBL and MIL respectively.

The Amalgamation will be effected in accordance with Sections 245 and 246 of the Companies Act 2001. Subject to the satisfaction of certain conditions precedent set out in the Amalgamation Proposal including, *inter alia*, the timely approval of the Shareholders of QBL and MIL, the Amalgamation will become effective on 1 October 2019 when all the ordinary shares of MIL will be cancelled and the Shareholders of MIL will, in exchange, receive ordinary shares in QBL.

As a result of the Amalgamation, MIL will cease to exist as a separate legal entity and will be removed from the register of the Registrar of Companies.

The Board of Directors of QBL and MIL are of the opinion that the Amalgamation is in the best interests of both companies under reference and are satisfied that QBL, as the amalgamated company shall, immediately after the Amalgamation becomes effective, satisfy the solvency test.

Shareholders of QBL and MIL will be convened to a Special Meeting on 06 September 2019 for the purposes of approving the Amalgamation.

Pending the approval of the Amalgamation, Shareholders of QBL and MIL, and the public at large are advised to exercise caution when dealing in the shares of QBL and MIL and will be kept informed of any developments.

By Order of the Boards of QBL and MIL

Date: 07th August 2019

Currimjee Secretaries Limited - the Secretary
Per Ramanuj Nathoo

Copies of the Amalgamation Proposal and the Independent Valuation Report are available for inspection by any shareholder or creditor of QBL and MIL or any person to whom QBL and MIL is under an obligation at the registered office at 38, Royal Street, Port Louis, during normal business hours, until 01 September 2019. A shareholder or creditor of QBL and MIL or any person to whom QBL and MIL are under an obligation will be supplied free of charge with a copy of the Amalgamation Proposal and Further Admission Document upon request.

This announcement is issued pursuant to DEM Rules 12, 13 & 21, Section 246 (4) (b) of the Companies Act 2001 and Section 87 of the Securities Act 2005. The Board of Directors of QBL and MIL accept full responsibility for the accuracy of the information contained in this announcement.