

OMNICANE LIMITED

SUBSTANTIAL TRANSACTION CIRCULAR TO SHAREHOLDERS

A circular to the shareholders of Omnicane Limited in relation to the sale of 'Assets', as described in this circular, by Omnicane Limited to the Mauritius Investment Corporation Ltd for a total consideration of MUR 4.45 billion, which constitutes a substantial transaction under Chapter 13 of the Listing Rules of the Stock Exchange of Mauritius Limited.

Date: 11 February 2022

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

For a full appreciation of this Circular (as defined hereinafter), the document should be read in its entirety.

If you are in any doubt about the action you should take, you should consult your financial advisor, your investment dealer or any other independent advisor immediately.

This Circular is not a prospectus and does not constitute an offer or invitation to any person to subscribe to the shares of Omnicane Limited. This Circular has been prepared for the purpose of complying with the laws of Mauritius and the Listing Rules issued by The Stock Exchange of Mauritius Ltd (as defined below), more specifically Chapter 13 of the Listing Rules.

A Cautionary Announcement followed by a Communiqué were published on 31 March 2021 and 14 June 2021, respectively to inform the shareholders of Omnicane Limited and the public at large of the Transaction (as defined hereinafter) and in accordance with Chapter 13 of the Listing Rules, this Circular has been submitted to the SEM for approval prior to its issue.

This Circular includes particulars given in compliance with the SEM Rules governing the Official Listing of Securities for the purpose of giving information with regard to the issuer. The Directors (as defined hereinafter) of Omnicane Limited, whose names appear in 6.1 of this Circular, collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and confirm, having made all reasonable enquiries, that, to the best of their knowledge and belief, there are no other facts, the omission of which, would make any statement herein misleading.

This Circular is issued by Omnicane Limited, bearing Registration number C386 and having its registered office at Omnicane House, Mon Trésor Business Gateway, New Airport Access Road, Plaine Magnien 51521.

DISCLAIMER

The Stock Exchange of Mauritius accepts no responsibility for the content of this Circular, makes no representation as to the accuracy or completeness of any of the statements made or opinions or reports expressed herein and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon the whole or any part of this Circular.

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1. DEFINITION

In this Circular, the following words and expressions shall bear the meanings hereunder ascribed to them, unless the context otherwise requires:

Assets	(i) Plots of land belonging to Omnicane Limited situated in the regions of Mon Trésor, Plaine Magnien and Britannia as detailed in Section 3.4(a)(ii) below; (ii) 26,951,072 ordinary shares of no par value, representing 100% of the shareholding of Omnicane Limited, in Mon Tresor Smart City Ltd.
B	Billion
Board	The board of Directors of Omnicane Limited
Circular	This document prepared in accordance with the Listing Rules issued by the Stock Exchange of Mauritius Ltd
CA01	The Companies Act 2001
Directors	The members of the board of directors of Omnicane Limited
DOS	Deed of Sale in respect of part (i) of the Assets as defined above
FYE	For the financial year ended
Group	Omnicane Limited and its subsidiaries
Independent Valuer	Messrs Noor Dilmohamed & Associates Ltd
Listing Rules	The rules governing securities listed on the official market of the Stock Exchange of Mauritius Ltd
Management Contract	A management contract entered into between Omnicane (as defined below) and OMCL (as defined below)
MIC	Mauritius Investment Corporation Ltd
MUR	Mauritian Rupee
Omnicane or the Company	Omnicane Limited
Omnicane Holdings	Omnicane Holdings Limited
OMCL	Omnicane Management & Consultancy Limited (a wholly-owned subsidiary of the controlling shareholder, Omnicane Holdings)
SPA	The Sale and Purchase Agreement in respect of part (ii) of the Assets as defined above
Purchase Consideration	Total gross consideration of MUR 4.45 billion
SEM	The Stock Exchange of Mauritius Ltd
Mon Tresor Smart City or MTSC	Mon Tresor Smart City Ltd
The Transaction	Sale of the Assets to the MIC for a total gross consideration of MUR 4.45 billion.
Summary of Valuation Report	The summary of the valuation report of the Independent Valuer dated 5 March 2021.

2. DECLARATION BY DIRECTORS OF OMNICANE LIMITED

This document constitutes the Circular to the shareholders of Omnicane and includes particulars given in compliance with SEM rules governing the Official Listing of Securities, CA01, the Securities Act 2005 and applicable rules and regulations made thereunder.

The Directors, whose names appear under section 6.1, collectively and individually accept full responsibility for the accuracy and completeness of the information contained in this Circular. They have been guided by an expert independent professional adviser. They furthermore confirm, having made reasonable enquiries that, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

The Directors of Omnicane hereby state that:

- (i) There has been no material adverse change in the financial or trading position of the Group since the interim statement of the quarter ended 30 September 2021;
- (ii) The working capital available to the Company is sufficient for at least the next twelve months;
- (iii) As at 30 September 2021:
 - (a) The total debt securities of Omnicane amounted to MUR 2.2B;
 - (b) The total borrowings of Omnicane amounted to MUR 8,368,008,000 of which MUR 8,086,601,629 is secured and MUR 281,406,371 is unsecured.
 - (c) The total contingencies and/or guarantees of Omnicane amounted to MUR 3,795,044,891.

For and on behalf of the Board of Directors of Omnicane.



Harold Mayer
Chairman



Jacques M. d'Unienville
Director

Date: 11 February 2022

3. SUMMARY DESCRIPTION OF THE TRANSACTION

3.1. Background on the Company and Mon Tresor Smart City

Omnicanne is a public limited liability company incorporated and domiciled in Mauritius. The holding company is Omnicane Holdings, a private company incorporated in Mauritius. The registered office of Omnicane is Omnicane House, Mon Trésor Business Gateway, New Airport Access Road, Plaine Magnien 51521.

Omnicanne was incorporated on 15 September 1926 and is listed on the official list of the SEM.

The principal activities of the Group are the production of electricity, raw sugar, refined sugar, ethanol, hospitality and logistics while the Company is engaged in sugarcane, other food crop cultivation as well as investment activities.

Mon Tresor Smart City was incorporated on 9 October 2015 and obtained a smart city certificate on 8 September 2016.

Mon Tresor Smart City is engaged in the development of real estate projects in the south of Mauritius and is involved in the sale of residential units and serviced lands. Mon Tresor Smart City also offers a range of land and business investment opportunities in the southern region. It owns various plots of residential and commercial plots of land in the regions of Mon Trésor under a smart city scheme which have been valued by the Independent Valuer at fair value.

Due to a lack of visibility following the Covid-19 pandemic, it has been decided to suspend all residential development within the MTSC.

3.2. The Transaction

(a) Background to & Purpose of the Transaction

On 23 April 2021, the Board approved the sale of the Assets to the MIC against payment of the Purchase Consideration, such that Omnicane entered into an SPA and a DOS with the MIC.

The net proceeds shall contribute to strengthen the balance sheet of Omnicane, in order to meet its financial obligations and face future uncertainties and challenges.

(b) Substantial Transaction

Under Listing Rule 13.9, a substantial transaction is an acquisition or realisation of assets by a listed company where the value of the assets acquired or realised represents 50% or more of the consolidated net assets of the acquiring or realising group. In the present case, there is a realisation of assets representing 67% of the net assets of the Company, hence the Transaction qualifies as a substantial transaction under Chapter 13 (a) and (c) of Listing Rule 13.9.

3.3. Rationale of the Transaction

Omnicanne is a well-established company, the core business activities of which revolve around the production of refined sugar, ethanol, electricity, property development and hospitality, which altogether has a valuable contribution to the local economy in terms of foreign currency inflow and employment, both direct and indirect. During the recent years, Omnicane has invested massively in

its core business activities and notably for the sugar reform and is today a systemic industrial player in the Mauritian economy.

The outbreak of the Covid-19 pandemic has resulted in an unprecedented health and economic crisis with much uncertainty remaining as to when the economic activities will return to the pre-pandemic level. The business activities, notably, the property and hospitality segments of the Group, have been negatively impacted. Within the Group, various measures have been implemented to minimise the short-term impact of the crisis through cost optimisation, renegotiating terms of existing debts, optimising production and renegotiating contracts with suppliers.

Nevertheless, the context remains volatile for the foreseeable future and in particular for the property sector where sales of residential units and serviced land have dropped drastically. This downward trend shall persist and affect the future of real estate development on which the Group was relying as part of its deleveraging plan. The Board concluded that the downturn in the property sector would affect the Company's capacity to meet its financial obligations and would put increasing pressure on the cash flows of the Company.

The Board has hence approached the MIC for financial assistance, pursuant to which, the MIC has agreed to acquire the Assets, which were already earmarked to be realised as part of the deleveraging plan of the Company.

3.4. Information on the Transaction

After completion of the Transaction, Omnicane will no longer be the shareholder of Mon Trésor Smart City and the rights to the immovable properties shall belong to the MIC.

The Purchase Consideration shall be settled in cash.

Omicane has sold the Assets free from any encumbrance and on the terms and conditions defined in the SPA and DOS.

The Board also wishes to draw the shareholders' attention with regards to the following:

(a) Details of the Assets

(i) Shares of MTSC

Assets	Number of Ordinary Shares
Shares of MTSC	26,951,072

(ii) Plots of Land

Plots of Land	Arpents	Type of Land
Mon Trésor	282.95	Agricultural/Residential
Britannia	178.08	Agricultural
Plaine Magnien	42.49	Agricultural
Total	503.52	

(b) Disposal of Assets at Fair Value

Assets	Fair Value (MUR)	Gross Consideration (MUR)	(Loss)/Profit (MUR)
26,951,072 Shares of MTSC and 503.52 arpents of Land in the regions of Mon Trésor, Britannia and Plaine Magnien	4,451,399,468	4,451,399,468	0

3.5. Basis of Determination of the Purchase Consideration

In order to determine the Purchase Consideration, the Board was guided by the Independent Valuer. The valuation was based on the open market value approach.

In order to determine the Purchase Consideration, the Independent Valuer used a market-based approach and compared the value of the Assets based on nearby land sale realised within an acceptable prescribed time frame adjusting for time value.

It is also found that the ill effects of Covid-19 pandemic are likely to continue for quite some time in the future and therefore, the Independent Valuer has considered that for real property assets which, before the pandemic were already marked with low or negligible returns, especially when large extents of land are concerned, their marketability would be affected and has adjusted the open market value downwards by 15 per cent to allow for current market risks.

Taking into account the available set of data and the estimates received from the Independent Valuer, the Directors took the decision to proceed with the Transaction.

3.6. Statement from the Independent Valuer

The Independent Valuer states that:

- It does not hold shares in Omnicane and/or its subsidiaries and/or in the MIC and/or has the right to nominate persons to subscribe to the shares held in Omnicane and/or its subsidiaries and/or in the MIC;
- It has given and has not withdrawn its consent to the form and content of the Summary of the Valuation Report; and
- The statement set out above was made on the 5 April 2021 for incorporation in this Circular.

3.7. Date of the Transaction

The Transaction was completed on 3 February 2022.

4. FINANCIAL INFORMATION OF OMNICANE

To help the shareholders of Omnicane assess the impact of the Transaction on the Group, a statement of financial position as at 1 January 2021 has been prepared and compared to that of the audited statement of financial position as at 31 December 2020 based on the assumption that the Transaction occurred on 1 January 2021:

Statement of Financial Position	Pre-Transaction (MUR M) As at 31 December 2020	Post-Transaction (MUR M) as at 01 January 2021
ASSET EMPLOYED		
Non-current assets		
Property, plant and equipment	14,076	12,182
Investment property	2,394	-
Other non-current assets	1,401	1,401
	<u>17,871</u>	<u>13,583</u>
Current assets	4,494	4,332
Non-current assets classified as held for sale	-	-
Total assets	<u>22,365</u>	<u>17,915</u>
EQUITY AND LIABILITIES		
Capital and reserves	7,400	7,400
Non-current liabilities		
Borrowings	3,304	3,304
Other non-current liabilities	1,171	1,171
	<u>4,475</u>	<u>4,475</u>
Current Liabilities		
Bank overdraft	1,291	1,291
Borrowings	6,121	1,671
Other current liabilities	3,078	3,078
	<u>10,490</u>	<u>6,040</u>
Total equity and liabilities	<u>22,365</u>	<u>17,915</u>
Gearing	61.33%	47.82%

The debt service cover ratio will be improved through a reduction in the annual finance cost which shall be around MUR 277M.

5. FINANCIAL INFORMATION OF MON TRESOR SMART CITY

Currency (MUR M)	FYE 31 December 2020	Restated FYE 31 December 2019	Restated FYE 31 December 2018
Revenue	-	-	43
EBITDA	(282)	(93)	110
Operating profit/(losses)	(57)	(96)	(164)
Profit/ (Loss) after tax	(312)	(112)	103
Total assets	3,002	3,121	3,073
Total liabilities	663	443	294

6. STATEMENT OF DIRECTORS

The Board has approved the Transaction on 23 April 2021 and further to Rule 13.10 of the Listing Rules of the SEM, the Board has sought the approval of Omnicane Holdings, which is the shareholder holding more than 50% in nominal value of the securities giving the right to attend and vote at a meeting of shareholders.

The Directors of Omnicane who have approved the Transaction have relied on expert independent professional advice and, based on the same, are of the view that the Transaction is in the best interest of the Company and its shareholders.

7. CORPORATE INFORMATION

7.1. Directors as at 30 September 2021

NAMES	DESIGNATION
Harold Mayer	Non-Executive Chairperson
Jacques M. d'Unienville, GOSK	Chief Executive Officer
Bertrand Thévenau	Non-Executive Director
Nelson Mirthil	Chief Finance Officer
Pierre M. d'Unienville	Non-Executive Director
Didier Maigrot	Non-Executive Director
Preetam Boodhun	Non-Executive Director
Jimmy Tong Sam	Non-Executive Director
Bertrand Boule	Non-Executive Director
Dineshraj Babajee	Non-Executive Director

7.2. Directors' Interests

The directors and officers of Omnicane having direct and/or indirect interests in the ordinary shares of the Company as at 31 December 2020 were as follows:

	Direct	Indirect	Total	%
Harold Mayer (Chairman)	Nil	Nil	----	----
Didier Maigrot	Nil	Nil	----	----
Jacques M. d'Unienville	67,000	Nil	67,000	0.099
Pierre M. d'Unienville	Nil	Nil	----	----
Nelson Mirthil	Nil	Nil	----	----
Bertrand Thevenau	Nil	Nil	----	----
Preetam Boodhun	Nil	Nil	----	----
Jimmy Tong Sam	Nil	Nil	----	----
Bertrand Boulle	Nil	Nil	----	----
Dinesh Rao Babajee	Nil	Nil	----	----
Bojrazsingh Boyramboli	Nil	Nil	----	----

7.3. Share Capital

The current share capital of the Company is MUR 502,593,030 comprised of 67,012,404 ordinary shares of MUR 7.50 per share.

7.4. Other Company Information

Managers & Secretaries	Omnicanne Management & Consultancy Limited
Registered Office	Omnicanne House, Mon Trésor Business Gateway, New Airport Access Road, Plaine Magnien 51521
Telephone	660 0600
Telefax	211 7093
E-mail	info@omnicane.com
Transfer Secretaries	Harel Mallac, Corporate Services Ltd, 1 st Floor – Harel Mallac Building, 18 Edith Cavell Street, Port Louis
Auditors	Deloitte
Legal Advisers	ENSAfrica (Mauritius), Benoit Chambers and Juristconsult Chambers
Bankers	Afrasia Bank Limited, ABC Banking Corporation Ltd, Bank One Limited, Absa Bank (Mauritius) Limited, Bank of Baroda, BCP Bank (Mauritius) Ltd, Habib Bank Limited, MauBank Ltd, Standard Bank (Mauritius) Limited, SBI (Mauritius) Ltd, SBM Bank (Mauritius) Ltd, HSCB Bank (Mauritius) Limited, The Mauritius Commercial Bank Limited, European Investment Bank
Corporate Advisors	Ernst & Young, Pricewaterhouse Coopers
Notary	Etude Maigrot

7.5. Legal or Arbitration Proceedings

Omnicanne has no legal or arbitration proceedings during the previous twelve (12) months which may have, or have had in the recent past, significant effect on its financial position or profitability.

8. OTHER MATTERS

8.1. Directors' Contracts

None of the directors of Omnicane has any service contracts with Omnicane or any of its subsidiaries.

8.2. Contract of Significance

The Company has a management contract with OMCL (dated 27 June 2005) for the provision of management services.

8.3. Other Material Contracts

Save for the Management Contract, no other material contracts were entered into by Omnicane or any of its subsidiaries, other than in the ordinary course of business, in the two years prior to the date of this Circular, that constitutes a restrictive funding arrangement or that contains an obligation or settlement that is material to the Group.

8.4. Remuneration and Benefit in Kind to Directors

The aggregate of remuneration paid and benefits in kind granted to the directors of Omnicane for the year ended 31 December 2020 amount to MUR 3,397,500.

The Directors' remuneration and benefits in kind for 31 December 2021 is estimated to be around MUR 3,400,900.

9. SHAREHOLDERS' APPROVAL

On 10 June 2021, the shareholders of Omnicane who, together hold more than 50% in nominal value/value of the securities giving the right to attend and vote at a meeting of shareholders, have given a written approval for the Transaction, in accordance with Listing Rule 13.10. The table below shows the shareholders who gave their approval:

Shareholder	Represented By	Number of Shares	% Holding
Omnicanne Holdings	Messrs Bertrand Thévenau and Jacques M d'Unienville	47,074,792	70.249

10. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection during normal business hours at the registered offices of Omnicane until 28 February 2022.

- the Summary of the Valuation Report prepared by the Independent Valuer;
- Omnicane's audited financial statements for the years ended 31 December 2018, 2019 and 2020;
- The Constitution of Omnicane;
- Original of this Circular;
- Original of the written approval of Omnicane Holdings.