

Ciel Textile

**REPLY**  
document

**Private and Confidential**

Issued under Rule 18 of the Securities (Takeover) Rules 2010, in reply to the Offer Document issued by CIEL Limited dated 16 May 2017 to the attention of the shareholders of CIEL Textile Limited.

This Reply Document should not be read or otherwise construed as an investment advice. If you are in any doubt about the Reply Document or its contents or what action you should take, you are recommended to seek financial advice immediately from an independent adviser.

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## To the shareholders of CIEL Textile Limited

Dear Shareholder,

**Re: Reply Document made pursuant to Rule 18 of the Securities (Takeover) Rules 2010 (the “Rules”)**

### I. Introduction

The Board of Directors (the “Board”) of CIEL Textile Limited (“CTL” or the “Offeree”) was notified by CIEL Limited (“CIEL” or the “Offeror”), on 25 April 2017, of its firm intention to acquire, through a Voluntary Takeover Scheme, all the ordinary shares held by the minority shareholders of CTL currently in issue and representing 44,475,582 ordinary shares, for a cash and share consideration. The total consideration is MUR. 50.00 per share, made up of 50% consideration in cash and 50% consideration in ordinary shares of CIEL, being MUR. 25.00 and 3.472 ordinary shares of CIEL (based on trading date of 21 April 2017 of MUR. 7.20) for every CTL ordinary share (the “Offer”).

A public announcement dated 26 April 2017 was forthwith published in the press to that effect as detailed in Annexure A.

Subsequently, on 26 May 2017, the Board received a copy of the Offer Document of CIEL detailing the Offer and specifying that the Offer will be open as from 01 June 2017 and shall remain open for acceptance for a period of 50 days until the close of business on 20 July 2017 at 17h00 Mauritius Time.

Pursuant to Rule 18 of the Rules, this Reply Document is being issued by the Board to the shareholders registered on the share register at close of business as at 09 May 2017 and to whom the Offer Document was addressed. The Reply Document is provided for your benefit and that of your advisers in order to allow you to make an informed decision about the Offer. It may not be disclosed to, or relied upon, by any other person or used for any other purpose.

If you have since sold or otherwise transferred your shares in CTL, you should send the Reply Document, as soon as possible, to the purchaser or transferee or to the agent through whom the sale or transfer was executed for onward transmission to the purchaser or transferee.

## II. Views of the Board of CTL

### A. Recommendation of the directors on the offer

Following receipt of CIEL's Offer Document, the Board has examined the Offer and hereby draws the attention of the shareholders of CTL to the following salient features to be noted with respect thereto:

- (i) the new ordinary shares to be issued by CIEL as share consideration are subject to the approval of the relevant authorities and shareholders of CIEL;
- (ii) the offer price of MUR. 50.00 per CTL share complies with Rule 14 (2) (c) of the Rules, which is the average of the weekly high (MUR. 42.46) and low (MUR. 42.23) of the closing prices of the ordinary shares of CTL over the previous 6 months. The average of the weekly high and low of closing prices of the shares of the Offeree was MUR. 42.35. A premium of 18% has been applied thereon; and
- (iii) the Offeror has not been allotted any share under a preferential allotment during the 12 months' period up to the date of the closure of the Offer.

Pursuant to Rule 21 of the Rules and in the interest of the shareholders of CTL, the Board has appointed Ernst & Young Ltd as independent adviser ("Adviser") to:

- carry out the valuation of CTL as at 31 December 2016;
- advise the Board as to whether the Offer made by CIEL to acquire the ordinary shares of CTL at MUR. 50.00 per share, is fair and reasonable; and
- submit to the Board a written report with respect to (i) and (ii) above.

The Adviser submitted its report to the Board on 19 May 2017.

**After examination of the terms of the Offer and based on the Adviser's report, the Board is of the opinion that the Offer is fair and reasonable and recommends that the shareholders of CTL accept the Offer.**

The Board reached this conclusion on the basis of the following, based on the Adviser's report:

- CTL share is valued at MUR. 39.84 on a minority marketable basis, being MUR. 49.80 less 20% minority discount;
- CIEL's Offer is at MUR. 50.00 per CTL share, which represents a premium of 25.5% to the Adviser's independent valuation;
- the consideration is made up of half in cash and half in shares of CIEL, at MUR. 7.20 which was the latest market price prior to the announcement of this transaction. The value of the shares of CIEL approximates fair value; and
- the Offer of CIEL at MUR. 50.00 per CTL share is fair and reasonable to the minority shareholders of CTL.

## II. Views of the board of CTL (Cont'd)

A copy of the Adviser's summary report dated 19 May 2017 is attached herewith as Annexure B.

The full valuation report of the Adviser is available for consultation at the registered office of CTL, 5<sup>th</sup> Floor, Ebène Skies, Rue de l'Institut, Ebène, upon request by any shareholder of CTL or any person authorised in writing by a shareholder of CTL.

**The Directors of CTL, whose names appear in Section III of this document and who hold shares in CTL directly have confirmed their intention to accept the Offer.**

### B. Board's proceedings

The decision leading to the recommendation in Section II A. above was approved at the Board meeting held on 26 May 2017.

In a spirit of good governance, the Board has decided to appoint a sub-committee composed of Independent Directors to review the Adviser's report and advise the Board accordingly. Further, the Executive Directors have not taken part in the vote.

## III. Directors' interests in CTL and CIEL

The aggregate shareholdings of ordinary shares in CTL and CIEL as at 31 March 2017 in which the Directors of CTL have an interest are as follows:

Directors of CTL	CTL		CIEL	
	Direct Holding	Indirect Holding	Direct Holding	Indirect Holding
P. Arnaud DALAIS	1.78	1.52	0.04	5.46
Jean-Pierre DALAIS	2.47	1.22	1.16	1.22
Antoine DELAPORTE	-	-	-	-
L. J. Jérôme DE CHASTEAUNEUF	0.15	-	0.04	-
Henri DE SIMARD DE PITRAY	-	-	-	-
Eric DORCHIES	1.77	0.20	-	-
Roger ESPITALIER-NOËL	0.01	0.14	0.00	0.11
J. Harold MAYER	0.99	0.00	0.00	0.00
Alain REY	0.00	-	-	-
Eddy YEUNG KAN CHING	0.01	0.00	0.00	0.00

## IV. Dealings by directors in shares of CTL

The Directors of CTL have not dealt in the shares of CTL within six months prior to the public announcement of the Offer.

## V. Management incentive scheme

In line with the intention of the Offeror to strengthen CTL's ability to expand geographically and outperform in a highly competitive environment, CTL Directors intend to implement a new senior management incentive scheme, in terms of convertible redeemable ordinary B shares which the Directors believe will continue to incentivise the CTL senior management team to deliver strong performance.

## VI. Shareholdings in CIEL

Neither CTL nor its subsidiary own shares in CIEL.

Neither CTL nor its subsidiaries have dealt in the shares of CIEL within six months prior to the public announcement of the Offer.

## VII. Stated capital of CTL

The stated capital of CTL as at 31 March 2017 is MUR. 685,865,000 constituting of 101,807,589 ordinary shares of no par value.

Each ordinary share confers to its holder:

- the right to vote at meetings of Shareholders and on a poll to cast one vote for each share held;
- subject to the rights of any Class of shares, the right to an equal share of dividends and other distribution made by the company;
- subject to the rights of any Class of shares, the right to an equal share in the distribution of the surplus of assets of the company on its liquidation.

The ordinary shares are listed on the Development and Enterprise Market of the Stock Exchange of Mauritius Ltd.

No share of CTL has been issued since the end of the last financial year.

## VIII. Financial information

### A. Audited financial statements

Copies of the audited financial statements of CTL for the last three years are available on demand and may be requested from the Company Secretary, CIEL Corporate Services, 5<sup>th</sup> Floor, Ebène Skies, Rue de l'Institut, Ebène.

## VIII. Financial information (Cont'd)

### B. Interim statements and announcements

All interim statements and announcements made by CTL since the last published audited accounts are included in Annexure C.

### C. Material changes

No material change has occurred in the financial or trading position or prospects of CTL since the last published accounts.

### D. Accounting policies

The significant accounting policies are included in the audited financial statements of CTL referred to in (a) above. There has been no change in the accounting policy of CTL

### E. Financial highlights section

A summary of the financial highlights of CTL and the evolution of CTL's share price evolution over the last 6 months are provided in the following tables:

#### CTL FINANCIAL RESULTS

Financial results Currency: MUR. 'M	The Group			The Company		
	FY 14	FY 15	FY 16	FY 14	FY 15	FY 16
Revenue	9,565	10,119	10,482	208	260	337
Profit before taxation	674	857	862	204	255	385
Income tax (expense)/credit	(99)	(95)	(158)	(0.04)	0.8	0.4
Profit for the year	551	762	704	204	256	385

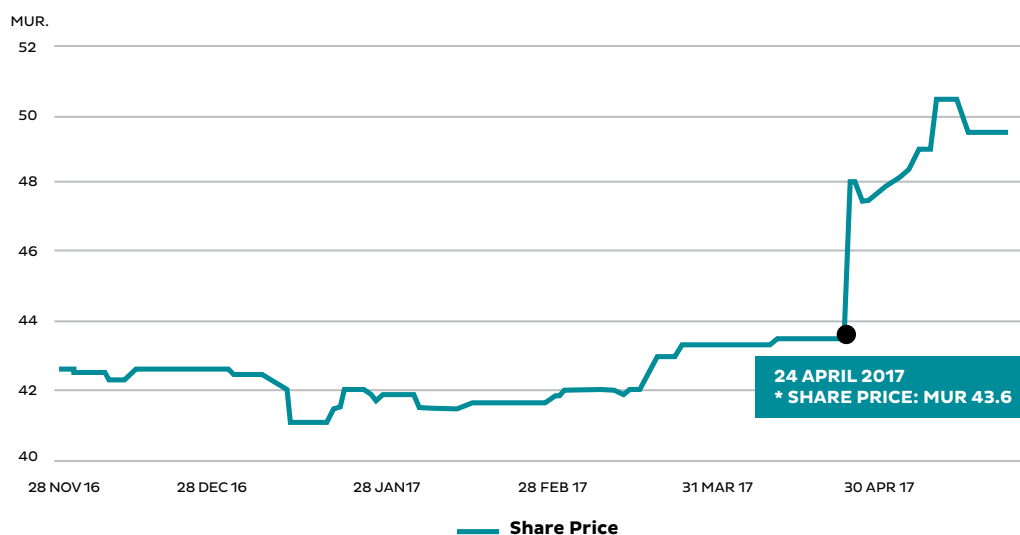
#### Key financial ratios

Currency: MUR.

Earnings per share	5.08	6.90	6.15	2.00	2.51	3.78
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#### CTL SHARE PRICE EVOLUTION

##### SHARE PRICE EVOLUTION OVER PREVIOUS 6 MONTHS



\* 24 April 2017 refers to the date the Firm Intention was received from the Offeror.

## IX. Material contracts

No material contracts have been entered into by CTL and its subsidiaries more than 2 (two) years before the date of the Offer other than contracts entered into in the ordinary course of business.

## X. Arrangements affecting directors

CTL does not anticipate any grant of benefit to Directors as compensation for loss of office or otherwise in connection with the Offer.

There is no agreement between any Director of CTL and any other person that is conditional on the outcome of the Offer or otherwise is connected with the Offer.

In the context of the Offer, there are no material contracts entered into by CIEL in which a Director of CTL has any interest.

## XI. Directors' service agreement

The executive Directors of CTL hold service contracts with CTL with no expiry terms.

## XII. The directors statement

The Board of CTL accepts full responsibility for the correctness of the information contained in this Reply Document, and having made all reasonable enquiries, states that, to the best of its knowledge and belief, there are no material facts, the omission of which would make any statement herein, whether of fact or opinion, misleading.

26 May 2017

Signed for and on behalf of the Board of CTL



**Henri DE SIMARD DE PITRAY**  
Director



**Alain REY**  
Director



# Annexure A – Public announcement

Dated 26 April 2017



## PUBLIC ANNOUNCEMENT

The Board of Directors ("the Board") of CIEL Textile Limited ("CTL" or the "Offeree") wishes to inform its shareholders and the public in general that, on April 25, 2017, it has received a firm intention from the Board of CIEL Limited ("CIEL" or the "Offeror"), subject to the approval of all the relevant authorities, to acquire all the ordinary shares of CTL not already held by the Offeror, representing 44,475,582 ordinary shares (the "CTL Minority Shares") for a total consideration of MUR. 50.00 per share; made up of 50% consideration in cash and 50% consideration in ordinary shares of the Offeror, being MUR. 25.00 in cash and 3.472 ordinary shares of the Offeror (based on latest trading date, April 21, 2017 of MUR. 7.20) for every CTL ordinary share (the "Offer").

The Offeror is the existing majority shareholder of CTL and holds 57,332,007 ordinary shares of CTL, representing 56.31% of the share capital of and voting rights in CTL.

The Offer is expected to open on June 01, 2017 and shall remain open for acceptance for 50 days, i.e., closing on July 20, 2017.

The Board of the Offeror has further confirmed that:

- sufficient financial resources are available to the Offeror to satisfy in full all acceptances in respect of this Offer and that all reasonable measures have been taken to secure full payment of the CTL Minority Shares to be acquired;
- there exists no agreement between the Offeror and CTL in relation to the Offer; and
- the Offer is not subject to any condition. The Offeror being the holder of more than 50% of the voting shares of the Offeree satisfies the requirements of Rule 31 of the Takeover Rules.

The Offeror shall submit an offer document to the minority shareholders of CTL, following which the Board of CTL will communicate to its shareholders a reply document to enable them to reach an informed decision on the Offer.

The shareholders and the investing public are advised to exercise caution when dealing in the shares of CTL and will be kept informed of further developments in respect of this matter.

By order of the Board

CIEL Corporate Services Ltd  
Company Secretary

April 26, 2017

This announcement is issued pursuant to DEM Rules 21 and Rule 12(1)(a) of the Securities (Takeover) Rules 2010. The Board of CTL accepts full responsibility for the accuracy of the information contained in this announcement.

**BRN : C06001871**

# Annexure B – Summarised valuation report of the adviser

## A. Summary of the independent adviser's report

Ernst & Young Ltd was requested to complete an independent valuation as at 31 December 2016 to determine whether the Offer was fair and reasonable to the shareholders of CIEL Textile Limited ("CTL"). They have adopted the Income approach, Market approach and Net asset valuation methodologies, to value CTL and CIEL Limited ("the Companies") and its investee companies and based their conclusion on the following, but not limited to, sources of information:

- Audited financial statements of the Companies and its investee companies for the years ended 30 June 2015 and 30 June 2016;
- Management accounts of the Companies and its investee companies for the half year ended 31 December 2016;
- Management forecasts and business plans of the Companies and its investee companies for the years ended 30 June 2017 to 30 June 2021;
- Discussions with management of Companies and its investee companies;
- Website of the Bank of Mauritius "BOM" and the Stock Exchange of Mauritius ("SEM"); and
- Other publicly available information that was considered to be relevant to the valuation exercise, including information obtained from Capital IQ. Capital IQ is multinational financial information provider delivering insights on industry segments, country reports and financial information of global public and private companies.

The valuation report of the Independent Adviser is available for consultation at the registered office of CTL, c/o 5<sup>th</sup> floor, Ebene Skies, Rue de L'Institut, Ebene, upon request by any shareholder of CTL or by any person authorised in writing by a shareholder.

## B. Opinion of the independent adviser

The opinion of the independent Adviser was extracted from the independent Adviser's report.

- "EY valued CTL share at Rs39.84 on a minority marketable basis, being MUR. 49.80 less 20.0% minority discount.
- CIEL's offer is at Rs50.00, which represents a premium of 25.5% to EY's independent valuation.
- The consideration is made up of half in cash and half in shares of CIEL, at Rs7.20 which was the latest listed market price prior to announcement of this transaction. We have assessed the value of the shares of CIEL and concluded that it approximates fair value.
- On the basis of the above, we are of the opinion that the offer of CIEL is fair and reasonable to the minority shareholders of CTL."

## Annexure B – Summarised valuation report of the adviser (cont'd)

### C. Qualifications, expertise and independence of the independent adviser

Ernst & Young Ltd (“EY”) is a professional services firm registered with the Stock Exchange of Mauritius as an independent valuer. Most of EY’s professional staff are members of the Association of Chartered Certified Accountants (ACCA) or the Institute of Chartered Accountants in England and Wales (ICAEW). EY is a member firm of Ernst & Young Global Limited.

EY has advised on numerous independent valuation assignments both locally and overseas, in respect of mergers and acquisitions, takeovers and other prominent transactions.

#### Recent independent valuations performed by EY include:

Entities valued	Context	Year
Tropical Paradise Co. Ltd	Mandatory Takeover	2017
Ireland Blyth Limited and GML Investissement Ltée	Amalgamation	2016
ENL Land Limited and ENL Investment Limited	Amalgamation	2016
Constance Hotels Services Limited	Valuation	2014
Sun Resorts Limited	Mandatory Takeover	2014
Deep River Investment Limited and CIEL Investment Limited	Amalgamation	2013
Blue Life Limited and IOREC Limited	Amalgamation	2013
CargoHub Capital Limited	IPO	2013

EY confirmed it is independent and has no conflict of interest that could affect its ability to provide an unbiased report.

EY confirmed that, while the entire valuation report of the Independent Adviser should be read for a full understanding of their findings, advice and terms and conditions, the above Summary of the Independent Adviser’s Report and Opinion of the Independent Adviser, is fair and not misleading.

EY gave its consent to include the above summary of the valuation report in the Reply Document.

# Annexure C - All interim statements and announcements made by CTL since the last published audited accounts

CIEL Textile limited and its subsidiaries

Unaudited condensed financial statements for the nine months and quarter ended 31 March 2017

## CONDENSED INCOME STATEMENTS

	THE GROUP			
	9 Months ended 31 Mar 2017	9 Months ended 31 Mar 2016	Quarter ended 31 Mar 2017	Quarter ended 31 Mar 2016
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
	Rs '000	Rs '000	Rs '000	Rs '000
<b>Revenue</b>	<b>7,895,371</b>	7,911,457	<b>2,453,159</b>	2,374,409
<b>Earnings before interest, tax, depreciation and amortisation</b>	<b>724,221</b>	751,561	<b>190,742</b>	182,368
Depreciation and amortisation	(186,364)	(162,543)	(64,003)	(58,522)
<b>Earnings before interest and tax</b>	<b>537,857</b>	589,018	<b>126,739</b>	123,846
Net finance costs	(58,999)	(37,591)	(18,400)	(13,320)
<b>Profit before taxation</b>	<b>478,858</b>	551,427	<b>108,339</b>	110,526
Income tax expense	(90,674)	(101,555)	(28,500)	(33,847)
<b>Profit for the period</b>	<b>388,184</b>	449,872	<b>79,839</b>	76,679
<b>Attributable to:-</b>				
Owners of the Company	<b>312,933</b>	405,592	<b>57,206</b>	57,865
Non-Controlling Interests	<b>75,251</b>	44,280	<b>22,633</b>	18,814
	<b>388,184</b>	449,872	<b>79,839</b>	76,679
<b>Earnings per Share</b>				
Earnings attributable to Owners of the Company (Rs '000)	<b>312,933</b>	405,592	<b>57,206</b>	57,865
Number of shares used in calculation ('000)	<b>101,808</b>	101,808	<b>101,808</b>	101,808
Earnings per Share (Rs/Cs)	<b>3.07</b>	3.98	<b>0.56</b>	0.57

## CONDENSED STATEMENTS OF FINANCIAL POSITION

	THE GROUP	
	As at 31 March 2017	As at 30 June 2016
	UNAUDITED	AUDITED
	Rs '000	Rs '000
<b>ASSETS EMPLOYED</b>		
<b>Non Current Assets</b>		
Property, Plant and Equipment	<b>3,955,835</b>	3,608,366
Investments and Others	<b>103,732</b>	113,416
	<b>4,059,567</b>	3,721,782
<b>Current Assets</b>	<b>5,566,655</b>	6,054,750
<b>TOTAL ASSETS</b>	<b>9,626,222</b>	9,776,532
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Share Capital	<b>685,865</b>	685,865
Revaluation and Other Reserves	<b>781,852</b>	785,185
Retained Earnings	<b>3,093,986</b>	2,922,721
<b>Owners' Interests</b>	<b>4,561,703</b>	4,393,771
Non Controlling Interests	<b>328,703</b>	329,916
<b>Total Equity</b>	<b>4,890,406</b>	4,723,687
<b>Non Current Liabilities</b>	<b>575,991</b>	597,449
<b>Current Liabilities</b>	<b>4,159,825</b>	4,455,396
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>9,626,222</b>	9,776,532
<b>Net Assets Value per Share (Rs/cs)</b>	<b>44.81</b>	43.16
<b>Net Interest Bearing Debts</b>	<b>2,105,645</b>	2,160,430

## CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

	THE GROUP			
	9 Months ended 31 Mar 2017	9 Months ended 31 Mar 2016	Quarter ended 31 Mar 2017	Quarter ended 31 Mar 2016
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
	Rs '000	Rs '000	Rs '000	Rs '000
<b>Profit for the period</b>	<b>388,184</b>	449,872	<b>79,839</b>	76,679
<b>Other comprehensive income:</b>				
Amount recognised in cash flow hedge reserve net of deferred tax	(24,858)	32,562	43,007	(65,426)
Exchange differences on retranslation of foreign subsidiaries	30,251	(23,757)	24,255	(13,375)
<b>Other comprehensive income/(loss) for the period</b>	<b>5,393</b>	8,805	<b>67,262</b>	(78,801)
<b>Total comprehensive income/(loss) for the period</b>	<b>393,577</b>	458,677	<b>147,101</b>	(2,122)
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the Company	<b>309,600</b>	422,553	<b>119,408</b>	(14,616)
Non Controlling Interests	<b>83,977</b>	36,124	<b>27,693</b>	12,494
	<b>393,577</b>	458,677	<b>147,101</b>	(2,122)

## CONDENSED STATEMENTS OF CASH FLOWS

	THE GROUP	
	9 Months ended 31 Mar 2017	9 Months ended 31 Mar 2016
	UNAUDITED	UNAUDITED
	Rs '000	Rs '000
Net Cash generated from Operating Activities	<b>1,045,258</b>	1,273,603
Net Cash used in Investing Activities	<b>(553,406)</b>	(799,447)
Net Cash used in Financing Activities	<b>(385,351)</b>	(453,355)
<b>Increase in Cash and Cash Equivalents</b>	<b>106,501</b>	20,801
Opening Cash and Cash Equivalents	<b>(368,849)</b>	(219,648)
<b>Closing Cash and Cash Equivalents</b>	<b>(262,348)</b>	(198,847)

# Annexure C - All interim statements and announcements made by CTL since the last published audited accounts (Cont'd)

## CIEL Textile limited and its subsidiaries

### Unaudited condensed financial statements for the nine months and quarter ended 31 March 2017

#### CONDENSED SEGMENTAL RESULTS - BY CLUSTER

##### THE GROUP

	9 Months ended 31 March 2017			9 Months ended 31 March 2016		
	Knitwear, Knits and Retail	Woven	Total	Knitwear, Knits and Retail	Woven	Total
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
<b>Revenue</b>	3,210,715	4,684,656	<b>7,895,371</b>	3,799,917	4,111,540	<b>7,911,457</b>
<b>Earnings before interest and tax</b>	(14,694)	552,551	<b>537,857</b>	208,380	380,638	<b>589,018</b>
Net finance costs	(41,270)	(17,729)	<b>(58,999)</b>	(30,294)	(7,297)	<b>(37,591)</b>
<b>(Loss)/Profit before taxation</b>	(55,964)	534,822	<b>478,858</b>	178,086	373,341	<b>551,427</b>
Income tax expense	(16,466)	(74,208)	<b>(90,674)</b>	(23,669)	(77,886)	<b>(101,555)</b>
<b>(Loss)/Profit after taxation</b>	(72,430)	460,614	<b>388,184</b>	154,417	295,455	<b>449,872</b>
Non-controlling interests	-	(75,251)	<b>(75,251)</b>	-	(44,280)	<b>(44,280)</b>
<b>(Loss)/Profit attributable to Owners of the Company</b>	(72,430)	385,363	<b>312,933</b>	154,417	251,175	<b>405,592</b>

	Quarter ended 31 March 2017			Quarter ended 31 March 2016		
	Knitwear, Knits and Retail	Woven	Total	Knitwear, Knits and Retail	Woven	Total
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
<b>Revenue</b>	835,869	1,617,290	<b>2,453,159</b>	946,318	1,428,091	<b>2,374,409</b>
<b>Earnings before interest and tax</b>	(51,561)	178,300	<b>126,739</b>	(5,271)	129,117	<b>123,846</b>
Net finance costs	(10,729)	(7,671)	<b>(18,400)</b>	(13,335)	15	<b>(13,320)</b>
<b>(Loss)/Profit before taxation</b>	(62,290)	170,629	<b>108,339</b>	(18,606)	129,132	<b>110,526</b>
Income tax expense	(2,109)	(26,391)	<b>(28,500)</b>	(4,016)	(29,831)	<b>(33,847)</b>
<b>(Loss)/Profit after taxation</b>	(64,399)	144,238	<b>79,839</b>	(22,622)	99,301	<b>76,679</b>
Non-controlling interests	-	(22,633)	<b>(22,633)</b>	-	(18,814)	<b>(18,814)</b>
<b>(Loss)/Profit attributable to Owners of the Company</b>	(64,399)	121,605	<b>57,206</b>	(22,622)	80,487	<b>57,865</b>

#### CONDENSED STATEMENTS OF CHANGES IN EQUITY

	THE GROUP					
	Share Capital	Revaluation and Other Reserves	Retained Earnings	Sub Total	Non Controlling Interests	Total
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
At 1 July 2016	685,865	785,185	2,922,721	<b>4,393,771</b>	329,916	<b>4,723,687</b>
Profit for the period	-	-	312,933	<b>312,933</b>	75,251	<b>388,184</b>
Other comprehensive income for the period	-	(3,333)	-	<b>(3,333)</b>	8,726	<b>5,393</b>
Ordinary Dividends paid by holding company	-	-	(127,259)	<b>(127,259)</b>	-	<b>(127,259)</b>
Ordinary Dividends paid by Foreign Subsidiary	-	-	-	-	(70,781)	<b>(70,781)</b>
Foreign Tax paid on dividends by Foreign Subsidiary	-	-	(14,409)	<b>(14,409)</b>	(14,409)	<b>(28,818)</b>
<b>At 31 March 2017</b>	<b>685,865</b>	<b>781,852</b>	<b>3,093,986</b>	<b>4,561,703</b>	<b>328,703</b>	<b>4,890,406</b>
At 1 July 2015	685,865	768,082	2,627,546	<b>4,081,493</b>	261,197	<b>4,342,690</b>
Profit for the period	-	-	405,592	<b>405,592</b>	44,280	<b>449,872</b>
Other comprehensive income for the period	-	16,961	-	<b>16,961</b>	(8,156)	<b>8,805</b>
Ordinary Dividends paid by holding company	-	-	(127,259)	<b>(127,259)</b>	-	<b>(127,259)</b>
<b>At 31 March 2016</b>	<b>685,865</b>	<b>785,043</b>	<b>2,905,879</b>	<b>4,376,787</b>	<b>297,321</b>	<b>4,674,108</b>

#### Comments on the Condensed Unaudited Financial Statements for the nine months and quarter ended 31 March 2017

##### Results

CIEL Textile posted a profit after tax of Rs 388.2m for the nine months period under review compared to Rs 449.9m for last year's corresponding nine months.

The Woven Cluster recorded a solid performance for the quarter under review as a result of very good order books and operational efficiencies.

The Knitwear Cluster experienced a difficult third quarter as a result of lower sales and margins, while the newly set up operations of the Knits Cluster in India continued to impact negatively on the cluster's performance.

##### Outlook

Despite ongoing challenging market conditions, the last quarter of the current financial year should be more favourable than previous reported quarters. However, we expect the net profit for the Group to be lower than that of the previous year.

By order of the Board

**CIEL Corporate Services Ltd**  
Secretaries

9 May 2017

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BRN : C06001871

# Annexure C - All interim statements and announcements made by CTL since the last published audited accounts (Cont'd)

## CIEL Textile limited and its subsidiaries

Unaudited condensed financial statements for the half year and quarter ended 31 December 2016

### CONDENSED INCOME STATEMENTS

	THE GROUP			
	Half Year ended 31 Dec 2016 UNAUDITED	Half Year ended 31 Dec 2015 UNAUDITED	Quarter ended 31 Dec 2016 UNAUDITED	Quarter ended 31 Dec 2015 UNAUDITED
	Rs '000	Rs '000	Rs '000	Rs '000
<b>Revenue</b>	<b>5,442,212</b>	5,537,048	<b>2,415,407</b>	2,528,436
<b>Earnings before interest, tax, depreciation and amortisation</b>	<b>533,479</b>	569,193	<b>263,477</b>	272,423
Depreciation and amortisation	<b>(122,361)</b>	(104,021)	<b>(62,552)</b>	(53,269)
<b>Earnings before interest and tax</b>	<b>411,118</b>	465,172	<b>200,925</b>	219,154
Net finance costs	<b>(40,599)</b>	(24,271)	<b>(25,497)</b>	(11,390)
<b>Profit before taxation</b>	<b>370,519</b>	440,901	<b>175,428</b>	207,764
Income tax expense	<b>(62,174)</b>	(67,708)	<b>(22,519)</b>	(43,753)
<b>Profit for the period</b>	<b>308,345</b>	373,193	<b>152,909</b>	164,011
<b>Attributable to:-</b>				
Owners of the Company	<b>255,727</b>	347,727	<b>125,262</b>	142,696
Non-Controlling Interests	<b>52,618</b>	25,466	<b>27,647</b>	21,315
	<b>308,345</b>	373,193	<b>152,909</b>	164,011
<b>Earnings per Share</b>				
Earnings attributable to Owners of the Company (Rs '000)	<b>255,727</b>	347,727	<b>125,262</b>	142,696
Number of shares used in calculation ('000)	<b>101,808</b>	101,808	<b>101,808</b>	101,808
Earnings per Share (Rs/Cs)	<b>2.51</b>	3.42	<b>1.23</b>	1.40

### CONDENSED STATEMENTS OF FINANCIAL POSITION

	THE GROUP	
	As at 31 Dec 2016 UNAUDITED	As at 30 June 2016 AUDITED
	Rs '000	Rs '000
<b>ASSETS EMPLOYED</b>		
<b>Non Current Assets</b>		
Property, Plant and Equipment	<b>3,751,267</b>	3,608,366
Investments and Others	<b>119,464</b>	113,416
	<b>3,870,731</b>	3,721,782
<b>Current Assets</b>	<b>5,530,350</b>	6,054,750
<b>Total Assets</b>	<b>9,401,081</b>	9,776,532
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Share Capital	<b>685,865</b>	685,865
Revaluation and Other Reserves	<b>719,650</b>	785,185
Retained Earnings	<b>3,036,780</b>	2,922,721
<b>Owners' Interests</b>	<b>4,442,295</b>	4,393,771
Non Controlling Interests	<b>301,010</b>	329,916
<b>Total Equity</b>	<b>4,743,305</b>	4,723,687
<b>Non Current Liabilities</b>	<b>571,317</b>	597,449
<b>Current Liabilities</b>	<b>4,086,459</b>	4,455,396
<b>Total Equity and Liabilities</b>	<b>9,401,081</b>	9,776,532
<b>Net Interest Bearing Debts</b>	<b>2,291,496</b>	2,160,430
<b>Net Assets Value per Share (Rs.cs)</b>	<b>43.63</b>	43.16

### CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

	THE GROUP			
	Half Year ended 31 Dec 2016 UNAUDITED	Half Year ended 31 Dec 2015 UNAUDITED	Quarter ended 31 Dec 2016 UNAUDITED	Quarter ended 31 Dec 2015 UNAUDITED
	Rs '000	Rs '000	Rs '000	Rs '000
<b>Profit for the period</b>	<b>308,345</b>	373,193	<b>152,909</b>	164,011
<b>Other comprehensive income:</b>				
Amount recognised in cash flow hedge reserve net of deferred tax	<b>(67,865)</b>	97,988	<b>(24,955)</b>	44,331
Exchange differences on retranslation of foreign subsidiaries	<b>5,996</b>	(10,382)	<b>(18,591)</b>	(3,961)
<b>Other comprehensive (loss) /income for the period</b>	<b>(61,869)</b>	87,606	<b>(43,546)</b>	40,370
<b>Total comprehensive income for the period</b>	<b>246,476</b>	460,799	<b>109,363</b>	204,381
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	<b>190,192</b>	437,169	<b>81,513</b>	178,881
Non Controlling Interests	<b>56,284</b>	23,630	<b>27,850</b>	25,500
	<b>246,476</b>	460,799	<b>109,363</b>	204,381

### CONDENSED STATEMENTS OF CASH FLOWS

	THE GROUP	
	Half Year ended 31 Dec 2016 UNAUDITED	Half Year ended 31 Dec 2015 UNAUDITED
	Rs '000	Rs '000
Net Cash generated from Operating Activities	<b>593,663</b>	851,463
Net Cash used in Investing Activities	<b>(281,675)</b>	(412,812)
Net Cash used in Financing Activities	<b>(347,610)</b>	(116,643)
<b>(Decrease)/Increase in Cash and Cash Equivalents</b>	<b>(35,622)</b>	322,008
Opening Cash and Cash Equivalents	<b>(368,849)</b>	(219,648)
<b>Closing Cash and Cash Equivalents</b>	<b>(404,471)</b>	102,360

# Annexure C - All interim statements and announcements made by CTL since the last published audited accounts (Cont'd)

## CIEL Textile limited and its subsidiaries

### Unaudited condensed financial statements for the half year and quarter ended 31 December 2016

#### Condensed segmental results - by cluster

##### THE GROUP

	Half Year ended 31 Dec 2016			Half Year ended 31 Dec 2015		
	Knitwear, Knits and Retail	Woven	Total	Knitwear, Knits and Retail	Woven	Total
	UNAUNDAITED	UNAUNDAITED	UNAUNDAITED	UNAUNDAITED	UNAUNDAITED	UNAUNDAITED
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
<b>Revenue</b>	2,374,846	3,067,366	5,442,212	2,853,599	2,683,449	5,537,048
<b>Earnings before interest and tax</b>	36,867	374,251	411,118	213,651	251,521	465,172
Net finance costs	(30,541)	(10,058)	(40,599)	(16,959)	(7,312)	(24,271)
<b>Profit before taxation</b>	6,326	364,193	370,519	196,692	244,209	440,901
Income tax expense	(14,357)	(47,817)	(62,174)	(19,653)	(48,055)	(67,708)
<b>(Loss)/Profit after taxation</b>	(8,031)	316,376	308,345	177,039	196,154	373,193
Non-controlling interests	-	(52,618)	(52,618)	-	(25,466)	(25,466)
<b>(Loss)/Profit attributable to Owners of the Company</b>	(8,031)	263,758	255,727	177,039	170,688	347,727

	Quarter ended 31 Dec 2016			Quarter ended 31 Dec 2015		
	Knitwear, Knits and Retail	Woven	Total	Knitwear, Knits and Retail	Woven	Total
	UNAUNDAITED	UNAUNDAITED	UNAUNDAITED	UNAUNDAITED	UNAUNDAITED	UNAUNDAITED
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
<b>Revenue</b>	897,883	1,517,524	2,415,407	1,101,483	1,426,953	2,528,436
<b>Earnings before interest and tax</b>	(40,364)	241,289	200,925	58,206	160,948	219,154
Net finance costs	(17,431)	(8,066)	(25,497)	(6,649)	(4,741)	(11,390)
<b>(Loss)/Profit before taxation</b>	(57,795)	233,223	175,428	51,557	156,207	207,764
Income tax expense	(5,265)	(17,254)	(22,519)	(9,985)	(33,768)	(43,753)
<b>(Loss)/Profit after taxation</b>	(63,060)	215,969	152,909	41,572	122,439	164,011
Non-controlling interests	-	(27,647)	(27,647)	-	(21,315)	(21,315)
<b>(Loss)/Profit attributable to Owners of the Company</b>	(63,060)	188,322	125,262	41,572	101,124	142,696

#### Condensed statements of changes in equity

	THE GROUP					
	Share Capital	Revaluation and Other Reserves	Retained Earnings	Sub Total	Non Controlling Interests	Total
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
At 1 July 2016	685,865	785,185	2,922,721	4,393,771	329,916	4,723,687
Profit for the period	-	-	255,727	255,727	52,618	308,345
Other comprehensive (loss)/income for the period	-	(65,535)	-	(65,535)	3,666	(61,869)
Ordinary Dividends paid by holding company	-	-	(127,259)	(127,259)	-	(127,259)
Ordinary Dividends paid by foreign subsidiary	-	-	-	-	(70,781)	(70,781)
Foreign Tax paid on dividends by foreign subsidiary	-	-	(14,409)	(14,409)	(14,409)	(28,818)
<b>At 31 December 2016</b>	<b>685,865</b>	<b>719,650</b>	<b>3,036,780</b>	<b>4,442,295</b>	<b>301,010</b>	<b>4,743,305</b>
At 1 July 2015	685,865	768,082	2,627,546	4,081,493	261,197	4,342,690
Profit for the period	-	-	347,727	347,727	25,466	373,193
Other comprehensive income for the period	-	89,442	-	89,442	(1,836)	87,606
Ordinary Dividends	-	-	(127,259)	(127,259)	-	(127,259)
<b>At 31 December 2015</b>	<b>685,865</b>	<b>857,524</b>	<b>2,848,014</b>	<b>4,391,403</b>	<b>284,827</b>	<b>4,676,230</b>

#### Comments on the Condensed Unaudited Financial Statements for the half year and quarter ended 31 December 2016

##### Results

CIEL Textile posted a profit after tax of Rs 308.3m for the half-year under review compared to Rs 373.2m in the previous year.

The Woven cluster remained the main contributor to the Group's profitability with good performances noted in the region as well as in India.

The Knits and Knitwear cluster experienced a difficult semester due to continuously evolving market conditions, the launch of the Knits operations in India, and the restructuring costs of the Knitwear activities in the region.

##### Outlook

Our order book for the second semester is showing a marginal improvement compared to last year. CIEL Textile's results for the second semester will therefore be closely linked to our operational effectiveness.

By Order of the Board

**CIEL Corporate Services Ltd**  
Secretaries

14 February 2017

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The Board of Directors of CIEL Textile Limited accepts full responsibility for the accuracy of the information contained in the report.

BRN : C06001871

# Annexure C - All interim statements and announcements made by CTL since the last published audited accounts (Cont'd)

CIEL Textile limited and its subsidiaries

Unaudited condensed financial statements for the quarter ended 30 September 2016

## Condensed income statements

	THE GROUP	
	UNAUDITED 30 September 2016	UNAUDITED 30 September 2015
	Rs '000	Rs '000
<b>Revenue</b>	<b>3,026,805</b>	3,008,612
<b>Earnings before interest, tax, depreciation and amortisation</b>	<b>270,002</b>	296,770
Depreciation and amortisation	(59,809)	(50,752)
<b>Earnings before interest and tax</b>	<b>210,193</b>	246,018
Net finance costs	(15,102)	(12,881)
<b>Profit before taxation</b>	<b>195,091</b>	233,137
Income tax expense	(39,655)	(23,955)
<b>Profit for the period</b>	<b>155,436</b>	209,182
<b>Attributable to:-</b>		
Owners of the Company	130,465	205,031
Non-controlling Interests	24,971	4,151
	<b>155,436</b>	209,182
<b>Earnings per Share</b>		
Number of shares used in calculation ('000)	101,808	101,808
Earnings per Share (Rs.Cs)	1.28	2.01

## Condensed statements of financial position

	THE GROUP	
	UNAUDITED 30 September 2016	AUDITED 30 June 2016
	Rs '000	Rs '000
<b>ASSETS EMPLOYED</b>		
<b>Non Current Assets</b>		
Property, Plant and Equipment	3,706,248	3,608,366
Investments and Others	110,560	113,416
	<b>3,816,808</b>	3,721,782
Current Assets	5,917,289	6,054,750
<b>TOTAL ASSETS</b>	<b>9,734,097</b>	9,776,532
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Share Capital	685,865	685,865
Revaluation and Other Reserves	763,399	785,185
Retained Earnings	3,053,186	2,922,721
Owners' Interests	4,502,450	4,393,771
Non Controlling Interests	358,350	329,916
<b>Total Equity</b>	<b>4,860,800</b>	4,723,687
Non Current Liabilities	581,047	597,449
Current Liabilities	4,292,250	4,455,396
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>9,734,097</b>	9,776,532
<b>Interest Bearing Debt (Rs '000)</b>	<b>2,326,564</b>	2,160,430
<b>Debt to Capital Employed</b>	<b>32%</b>	31%
<b>Net Assets Value per Share (Rs.cs)</b>	<b>44.22</b>	43.16

## Condensed statements of comprehensive income

	THE GROUP	
	UNAUDITED 30 September 2016	UNAUDITED 30 September 2015
	Rs '000	Rs '000
<b>Profit for the period</b>	<b>155,436</b>	209,182
<b>Other comprehensive income:</b>		
Amount recognised in cash flow hedge reserve net of deferred tax	(42,910)	53,657
Exchange Differences on retranslation of foreign subsidiaries	24,587	(6,421)
<b>Other comprehensive income for the period</b>	<b>(18,323)</b>	47,236
<b>Total comprehensive income for the period</b>	<b>137,113</b>	256,418
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	108,679	258,288
Non Controlling Interests	28,434	(1,870)
	<b>137,113</b>	256,418

## Condensed statements of cash flows

	THE GROUP	
	UNAUDITED Quarter ended 30 September 2016	UNAUDITED Quarter ended 30 September 2015
	Rs '000	Rs '000
Net Cash generated from Operating Activities	166,765	569,519
Net Cash used in Investing Activities	(125,214)	(152,458)
Net Cash used in Financing Activities	(279,354)	(139,078)
<b>(Decrease)/Increase in Cash and Cash Equivalents</b>	<b>(237,803)</b>	277,983
Opening Cash and Cash Equivalents at 1 July,	(368,849)	(167,463)
<b>Closing Cash and Cash Equivalents</b>	<b>(606,652)</b>	110,520



# Annexure C - All interim statements and announcements made by CTL since the last published audited accounts (Cont'd)

## CIEL Textile limited and its subsidiaries

### Unaudited condensed financial statements for the quarter ended 30 September 2016

#### CONDENSED SEGMENTAL RESULTS - BY CLUSTER

THE GROUP	30 September 2016			30 September 2015		
	Knitwear, Knits and Retail	Woven	Total	Knitwear, Knits and Retail	Woven	Total
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
<b>Revenues from external customers</b>	1,476,963	1,549,842	<b>3,026,805</b>	1,752,116	1,256,496	<b>3,008,612</b>
<b>Earnings before interest and tax</b>	77,231	132,962	<b>210,193</b>	155,445	90,573	<b>246,018</b>
Net finance costs	(13,110)	(1,992)	<b>(15,102)</b>	(10,310)	(2,571)	<b>(12,881)</b>
<b>Profit before taxation</b>	64,121	130,970	<b>195,091</b>	145,135	88,002	<b>233,137</b>
Income tax expense	(9,092)	(30,563)	<b>(39,655)</b>	(9,668)	(14,287)	<b>(23,955)</b>
<b>Profit after taxation</b>	55,029	100,407	<b>155,436</b>	135,467	73,715	<b>209,182</b>
Non-controlling interests	-	(24,971)	<b>(24,971)</b>	-	(4,151)	<b>(4,151)</b>
<b>Profit attributable to owners of the parent</b>	55,029	75,436	<b>130,465</b>	135,467	69,564	<b>205,031</b>

#### CONDENSED STATEMENTS OF CHANGES IN EQUITY

	THE GROUP					
	Share Capital	Revaluation and Other Reserves	Retained Earnings	Sub Total	Non Controlling Interests	Total
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
At 1 July 2016	685,865	785,185	2,922,721	<b>4,393,771</b>	329,916	<b>4,723,687</b>
Profit for the period	-	-	130,465	<b>130,465</b>	24,971	<b>155,436</b>
Other comprehensive income	-	(21,786)	-	<b>(21,786)</b>	3,463	<b>(18,323)</b>
<b>At 30 September 2016</b>	<b>685,865</b>	<b>763,399</b>	<b>3,053,186</b>	<b>4,502,450</b>	<b>358,350</b>	<b>4,860,800</b>
At 1 July 2015	685,865	768,082	2,627,546	<b>4,081,493</b>	261,197	<b>4,342,690</b>
Profit for the period	-	-	205,031	<b>205,031</b>	4,151	<b>209,182</b>
Other comprehensive income	-	53,258	-	<b>53,258</b>	(6,021)	<b>47,237</b>
<b>At 30 September 2015</b>	<b>685,865</b>	<b>821,340</b>	<b>2,832,577</b>	<b>4,339,782</b>	<b>259,327</b>	<b>4,599,109</b>

#### Comments on the Condensed Unaudited Financial Statements for the period ended 30 September 2016

##### Results

CIEL Textile achieved a reduced profit after tax of Rs 155.4m (2015 : Rs 209.2m) for the quarter under review.

The Knitwear Cluster has experienced a significant drop in profitability as a result of lower sales volumes, drop in margins and reorganisation costs incurred both in Mauritius and Madagascar.

The Knits Cluster has performed slightly below expectations as it is still being impacted by the start of its operations in India.

The Woven Cluster continues to show strong operational results, with improved performance from its operations in India. The cluster remains the main contributor to the Group's results.

##### Outlook

On the operational side, much focus is being placed on achieving steady progress towards operational excellence in our new factories in India (Knits Cluster) and Madagascar (Knitwear Cluster).

The current international retail environment remains challenging especially in UK, notably with the recent Brexit referendum. Strong sales and marketing initiatives, combined with aggressive cost management, remain key priorities across all our clusters.

By order of the Board

**CIEL Corporate Services Ltd**  
Secretaries

9 November 2016

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BRN : C06001871

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Business Registration Number : C06001871