

DEEP RIVER INVESTMENT LIMITED

Communiqué

Further to the Cautionary Announcement issued by Deep River Investment Limited ("DRI") dated July 8, 2013 relating to the discussions as regards the purchase of the participation of IP Textile Holding Ltd ("IPTH") in CIEL Textile Limited ("CTL"), DRI now wishes to inform its shareholders and the shareholders of CTL that following the CIL Transaction and the DRI Transaction (as hereinafter described), DRI will be making a Mandatory Offer under the Securities (Takeover) Rules 2010 to the shareholders of CTL:

Prior to the 19th July 2013, DRI already had an effective interest of 28.09% in CTL through its own direct holding of 25.7% and that of its investee company, namely CIEL Investment Ltd ("CIL"), of 6.25%.

THE CIL TRANSACTION

The Board of Directors of DRI ("the Board") has been apprised and taken note of the acquisition by CIL, on the 19th July 2013, of 8.03% of the total stated capital of CTL, from IPTH ("**the CIL Transaction**"), thereby bringing the holding of CIL in CTL to 14.28% and DRI's effective holding in CTL to 31.15%.

The CIL Transaction thereby gives DRI effective control over CTL. Effective control is defined in Rule 2 of the Securities (Takeover) Rules 2010 as the holding of securities by any person which will result in that person having the right to exercise more than 30 percent of the rights attached to the voting shares of the company.

THE DRI TRANSACTION

The Board has further approved the acquisition of a 100% stake in IPTH ("**the DRI Transaction**") to be effected on the 25th of July 2013, which transaction will thereby increase DRI's effective control over CTL to 42.92%.

MANDATORY OFFER

Following the CIL Transaction and the DRI Transaction, DRI will have an effective interest of 42.92% in CTL and Rule 33 (1) (b) of the Securities (Takeover) Rules 2010 will be triggered accordingly.

Rule 33 (1) (b) states that a person ("the offeror") shall make an offer to acquire all voting rights of the offeree (CTL in this case) that are not already held by the offeror where that person, either individually or together with a person acting in concert, acquires effective control of a company.

OFFER PRICE AND DURATION OF OFFER

The mandatory takeover price ("Offer Price") will be determined according to Rule 14 (3) (c) of the Securities (Takeover) Rules 2010 which stipulates that the Offer Price shall be the sum of any premium and of the highest of either the price paid by the offeror or a person acting in concert for any acquisition during the 6 months preceding the date of public announcement (i.e. the date of this Communiqué) or the average of the weekly high and low of the closing prices of the shares of the offeree as listed on the securities exchange where the shares of the offeree are most frequently traded during the 6 months preceding the date of the public announcement.

Shareholders and the public are informed that the Board of DRI shall within the next 2 months make an offer to the shareholders of CTL, which offer should normally remain open for a period of about 35 days. The Offer Price will be Rs 23.56, being the price determined in accordance with Rule 14 (3) (c) of the Securities (Takeover) Rules 2010.

The Board of DRI further confirms that it has sufficient financial resources available to satisfy the acceptance of the offer.

Shareholders of DRI and of CTL and the public at large will be kept informed of any further development and are advised to be cautious and seek professional advice when dealing in the shares of DRI and/or CTL.

By Order of the Board

CIEL Corporate Services Ltd
Company Secretary

19th July 2013

This Communiqué is issued pursuant to DEM Rule 21 made by the Stock Exchange of Mauritius Ltd and Rule 12 of the Securities (Takeover) Rules 2010. The Board of Directors of Deep River Investment Limited accepts full responsibility for the accuracy of the information contained in this Communiqué.

BRN : C06000717