Cautionary Announcement

The Board of Directors ("the Board") of CIEL Limited ("CIEL" or "the Offeror") wishes to inform its shareholders and the public in general that, subject to the approval of all the relevant authorities, CIEL proposes to make a voluntary offer ("the Offer") to acquire all the ordinary shares of CIEL Textile Limited ("CTL" or the "Offeree") not already held by the Offeror, representing 44,475,582 ordinary shares (the "CTL Minority Shares").

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

Pursuant to Rule 9 of the Securities (Takeover) Rules 2010 (the "Takeover Rules"), the Board of CIEL will notify the Board of CTL of its firm intention to make an Offer to acquire the CTL Minority Shares. The takeover price ("Offer Price") per share is MUR 50.00, payable 50% in cash and 50% in ordinary shares of CIEL, being MUR 25.00 and 3.472 ordinary share(s) of CIEL (based on latest trading date, April 21, 2017 of MUR 7.20) for every CTL ordinary share. The Offer Price has been determined in accordance with Rule 14(2)(c) of the Takeover Rules as at the date of this announcement.

CIEL believes in the long-term potential of the textile industry and therefore intends to increase its direct investment in CTL, thereby strengthening CTL's ability to expand geographically and outperform in a highly competitive environment. The Offer is designed to be value-creating and beneficial for both CIEL and CTL shareholders:

a. Shareholders of CTL are offered a 15% premium to the closing price of CTL on April 21, 2017. The Offer price also represents a 21% premium to the 12 months' average share price of MUR 41.47 of CTL.

b. Shareholders of CTL are also given the opportunity to own shares and participate directly in the development strategy of CIEL across diversified industries and regions, while retaining an indirect exposure to CTL and its future growth: CTL represented nearly 20% of CIEL's Net Asset Value as at December 31, 2016. CTL shareholders can therefore expect to benefit from any future value increase in CIEL's shares resulting from CIEL's strategic achievements.

c. By owning CIEL shares, CTL shareholders will become investors in an entity that is listed on the official market of the Stock Exchange of Mauritius ("SEM") with a market capitalisation of MUR 11.3 billion which is nearly 2.6 times the market capitalisation of CTL as at to date. CIEL shares are also significantly more liquid than those of CTL which are traded on the Development & Enterprise Market ("DEM").

d. Furthermore, shareholders who accept the Offer shall still be entitled to the final dividend declared by CTL for the year ending June 30, 2017.

The Board of CIEL 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 exist no agreements between CIEL and CTL in relation to the Offer;
- 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; and
- 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 transaction may be a disclosable transaction under Chapter 13 of the Listing Rules of the Stock Exchange of Mauritius depending on the number of acceptances of the Offer.

By order of the Board

CIEL Corporate Services Ltd
Company Secretary

April 24, 2017

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

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