

# Letter to **shareholders**

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Dear shareholder,

I am pleased to enclose for your attention the “Amalgamation Proposal” in respect of the proposed amalgamation of ENL, ENL Finance, ENL Land and ENL Commercial with and into La Sablonniere. It is intended that the amalgamated company will be renamed ENL Limited and be listed on the Official Market of the Stock Exchange of Mauritius Limited (“SEM”).

This Amalgamation will result in a single listed entity, aligning the interests of all shareholders, which will carry a clearer and stronger ENL brand in a more focused manner. The new ENL will be a well-diversified group associating the buoyant cashflows of its operating entities with the strong asset base of its land assets. This combination will enable the group to optimise its growth potential by leveraging this strong asset base to spur the development of its operating segments.

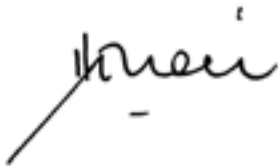
On the other hand, all the ENL entities have suffered from an inadequate free float of shares resulting in a suboptimal market valuation; the new structure will greatly enhance free float notwithstanding that control will remain with the ENL family holdings.

The stronger brand, more diverse portfolio, larger free float and better focus should result in the amalgamated company's shares trading much closer to fair value for the benefit of all shareholders.

I have no doubt that the new ENL will shine high on the SEM 10 list of companies and be better equipped to carry out its policy of transforming its strong asset base into cash generating assets, sustainably.

I seize this opportunity to assure you of my total dedication to the group's success and strongly invite you to support this major value enhancing initiative at the special meetings of shareholders being convened for that purpose.

Sincerely yours

A handwritten signature in black ink, appearing to read 'Hector', with a long, sweeping horizontal line extending to the left.

Hector Espitalier-Noël

CEO of ENL Group

# Executive summary

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## Details of the Amalgamation

When the Amalgamation takes effect:

- La Sablonniere, ENL, ENL Finance, ENL Land and ENL Commercial will amalgamate and La Sablonniere, as the Amalgamated Company will continue as the surviving entity;
- La Sablonniere will be renamed 'ENL Limited';
- all property, rights, powers, privileges, liabilities and obligations of ENL, ENL Finance, ENL Land and ENL Commercial shall become the property, rights, powers, privileges, liabilities and obligations of the Amalgamated Company;
- ENL, ENL Finance, ENL Land and ENL Commercial will cease to exist;
- the shareholders of ENL, ENL Finance, ENL Land and ENL Commercial, will receive Ordinary A Shares of the Amalgamated Company as provided herein and their ENL, ENL Finance, ENL Land and ENL Commercial shares will be cancelled;
- La Sablonniere ordinary shares and La Sablonniere preference shares held by the shareholders of La Sablonniere will be converted into ordinary A shares of the Amalgamated Company; and
- the shares of one of the amalgamating companies held by another amalgamating company will be cancelled without payment or the provision of other consideration when the Amalgamation becomes effective in accordance with section 245(3) of Companies Act 2001.

## Share ratio

La Sablonniere, as the amalgamated company, will issue new ordinary A shares to shareholders of the Amalgamating Companies upon Amalgamation. The share exchange ratio has been determined by the Directors based on the valuation exercise carried out by EY (Mauritius), the Independent Valuer jointly appointed by the Amalgamating Companies.

The share exchange ratio for shareholders of the Amalgamating Companies is as follows:

- 383.6061 new ordinary A shares for conversion of each La Sablonniere ordinary share;
- 0.6575 new ordinary A shares for conversion of each La Sablonniere preference share;
- 1.2186 new ordinary A shares for each ENL ordinary share;
- 1.1617 new ordinary A shares for each ENL preference share;
- 1.3724 new ordinary A shares for each ENL Land ordinary share;
- 0.6678 new ordinary A shares for each ENL Commercial ordinary share.

No fractional shares will be issued by La Sablonniere to the shareholders of the Amalgamating Companies. Cash in lieu of fractional shares will be paid, where applicable.

## Valuation Report

The valuation report prepared by the Independent Valuer is available for inspection during normal business hours at the registered offices of La Sablonniere, ENL, ENL Finance, ENL Land and ENL Commercial until 06 December 2018.

## Calendar

The Amalgamation will be subject to the approval by the shareholders of the Amalgamating Companies by special resolution at special meetings to be held at ENL House, Vivéa Business Park as follows:

Companies	Class of shares	Date	Time
ENL Land	Ordinary	06 December 2018	09h00
ENL Commercial	Ordinary	06 December 2018	14h00
ENL	Ordinary	07 December 2018	09h00
ENL	Preference	07 December 2018	10h00
La Sablonniere	Ordinary	07 December 2018	14h15* (presentation at 13h30)
La Sablonniere	Preference	07 December 2018	15h00** (presentation at 13h30)
ENL Finance	Ordinary	07 December 2018	16h30

\* or immediately after conclusion of the presentation meeting

\*\* or immediately after conclusion of the Special Meeting of the ordinary shareholders of the Company

### Proposed calendar for the Amalgamation

Last trading session of ENL preference shares on the DEM and suspension of dealings of ENL preference shares on the DEM	26 December 2018
Last trading session of ENL Land ordinary shares on the official market of the SEM and suspension of dealings of ENL Land ordinary shares on the official market of the SEM	26 December 2018
Last trading session of ENL Commercial ordinary shares on the official market of the SEM and suspension of dealings of ENL Commercial ordinary shares on the official market of the SEM	26 December 2018
Record date for shareholders of ENL, ENL Finance, ENL Land and ENL Commercial to receive shares in the Amalgamated Company	31 December 2018
Record date for shareholders of La Sablonniere entitled to conversion of their La Sablonniere ordinary shares and La Sablonniere preference shares into ordinary A shares	31 December 2018
Effective Date of the Amalgamation	01 January 2019
Issue of new ordinary A shares of the Amalgamated Company to the shareholders of the amalgamating companies	14 January 2019
First day of listing and trading of the ordinary A shares of the Amalgamated Company on the official market of the SEM	23 January 2019

For more information on this project, please visit ENL's website: [www.enl.mu/investors](http://www.enl.mu/investors)

Contact Sandra Lincoln on 404 9500 or on [investors@enl.mu](mailto:investors@enl.mu)