

5 August 2015

TO

The Special Administrators
Iframac Limited (trading as 'Courts')
C/o PricewaterhouseCoopers
18 Cybercity Ebene

COPY:

The Hon Minister of Finance and Economic Development Government House Port Louis Mauritius	The Hon Minister of Financial Services and Corporate Governance SICOM Tower Cybercity Ebene	The Chairman Financial Services Commission FSC House Cybercity, Ebene
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PRIVILEGED AND CONFIDENTIAL

Dear Sirs

Award of 'Courts' bid to David Isaacs Consortium

It is with great shock that we have come across a press statement made by the Honourable Minister of Financial Services and Corporate Governance that a consortium led by David Isaacs has been selected by the Financial Services Commission (the "FSC") as the selected bidder, instead of Courts Asia Limited ("**Courts Asia**") for the taking over of the retail business (the "**Business**") of Iframac Limited, trading as 'Courts' in Mauritius ("**Courts Mauritius**").

Over the past couple of weeks, we understood that we were the exclusive party dealing with the special administrators, who we understood had the ability to control / sell / deal with the assets of Courts Mauritius. We were informed by the special administrators that our subsidiary company, Hillbrow (Mauritius) Ltd ("**Hillbrow**"), was the preferred bidder selected for the sale of the Business. Enclosed as Annexure A is a copy of the letter addressed to us by the special administrators that Hillbrow is the preferred bidder. We have also been given to understand that Hillbrow was the only bidder to have held meetings with the special administrators from the date it was informed that it was the preferred bidder. A copy of an email sent by the special administrators stating that no other bidder other than Hillbrow was being considered by the special administrators is herewith enclosed as Annexure B. Further, the Courts Asia team, together with their lawyers and financial advisers, have met with the special administrators on several occasions from the date we were informed that Hillbrow was the preferred bidder to exchange information, engage in extensive negotiations and draft and agree on the transaction documents to be submitted to the FSC.

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The transaction agreements were in agreed form on 31st July 2015 and the documents were sent to the FSC on the same day for their consent. We have taken cognizance of the letter, a copy of which has been provided to us and annexed to this letter as Annexure C which expressly provides "*We are of the opinion that HML's bid remain the most favourable to the Company.*"

We are not clear as to the circumstances surrounding the David Isaacs's deal, especially given the special administrators' undertakings that Hillbrow was the exclusive party, or the capacity of the Mauritius Government to declare a selected bidder. Given this, we are surprised by the announcement made by the Honourable Minister of Financial Services and Corporate Governance. If a second bid appears to have been considered by the FSC and the Minister of Financial Services and Corporate Governance, meaning that a parallel bidding process was being run, Courts Asia ought to have been made aware of same and been given the opportunity to participate in that process.

We have, since the submission of our bid on 19th June 2015, always indicated that we would retain at least 77% of the total employees employed in the Business. In practice, based on our strategic plans for the Business, we envisage that we would retain at least 85% of the employees for the business operations. It also goes without saying that Hillbrow has duly complied with all the conditions of the bid submitted to the special administrators and has repeatedly stated its desire and commitment to revamp the Business once it takes over the Business.

We remain open for further discussions on our bid for the Business and would like to seek urgent clarifications from you as the special administrators of Courts Mauritius, the position of Courts Asia / Hillbrow being selected as the preferred bidder. We request that you clarify within one day from the date of this letter, the status of the bid submitted by Hillbrow. We reserve our rights to take such actions as may be appropriate to protect our interests and rights, in particular, given our transparency and efforts to date.

Regards

A handwritten signature in black ink, appearing to be "Terry O'Connor".

Terry O'Connor
Group CEO
Courts Asia Limited

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