

Date: 27 August 2015

Mr M Yacoob Ramtoola, FCA
Special Administrator
Essar House
10, Frère Félix de Valois Street
Port Louis

Copy:
The Chairman
The Financial Services Commission
FSC House
54 Cybercity
Ebene

Copy:
The Director
Mr David Isaacs
Mammouth (Mauritius) Ltd
Suite 309
Chancery House
Lislet Geoffroy Street
Port Louis

PRIVILEGED AND CONFIDENTIAL

Dear Mr Ramtoola

Re: Sale of Courts Mauritius

1. I write on behalf of Courts Asia Limited (“**Courts Asia**”) and its wholly owned subsidiary, Hillbrow (Mauritius) Ltd (“**Hillbrow**”), with reference to the Communique issued on 26th August 2015 by the Financial Services Commission (“**FSC**”) informing of your appointment as Special Administrator in replacement of Mr Yogesh Bageet ACA to BAI Co (Mtius) Ltd and any of its related companies. I assume that it includes Iframac Limited (Special Administrator Appointed). I also refer to your public statement to the media that you will execute your duties in accordance with the law. I further assume that you are aware of your duties under the Insolvency Act and other applicable laws and regulations.

Courts Asia Limited
50 Tampines North Drive 2 Singapore 528766

Tel 1800 222 6868
Fax 65 6784 8076

www.courts.com.sg
Co.Reg.No.201001347K

2. I draw your attention to the letter addressed to the Special Administrators to Iframac Limited with regard to the retail business trading as “Courts” (the “**Business**”), dated 5th August 2015, (the “**5 August Letter**”) and copied *inter alia* to the Chairman of the FSC. Hillbrow also addressed a letter to the FSC and copied to the Special Administrator of Iframac Limited with regard to the sale of the Business on 13th August 2015 (the “**13 August Letter**”). A copy of the 5 August Letter and the 13 August Letter is attached and marked as Annexure 1 and Annexure 2 for ease of reference. To date, we have received no reply to the 5 August Letter and the 13 August Letter, no clarification concerning our position as preferred bidder in the bidding process to acquire the Business, and no confirmation of the press reports that the FSC has selected a certain consortium led by Mr David Isaacs to acquire the Business. All we can gather from press reports is that the bidding process for the disposal of the Business has lamentably derailed.

3. The purpose of this letter is to put you **ON NOTICE** that Courts Asia and Hillbrow has a claim in damages calculated at this date as amounting to USD \$13,590,000 (i) for flagrant breach by Iframac Limited (Special Administrator Appointed) of its obligations under the bidding process to the prejudice of Courts Asia and Hillbrow; (ii) for unfair and discriminatory treatment; (iii) for abuse of rights in terminating negotiations, (iv) for *mala fide* and undue disruption of the bidding process; and (v) for conspiring with others to defeat the legitimate conduct and outcome of a bidding process.

4. You are further put **ON NOTICE AND WARNED** that as contingent creditors, Courts Asia and Hillbrow will initiate court actions in due course aiming towards avoiding any transaction, in particular disposal or transfer of assets into a subsidiary, through a hive-down for onward transfer to a third party or otherwise, by Iframac Limited (Special Administrator Appointed) under the provisions of the Insolvency Act.

5. You are further put **ON NOTICE AND WARNED** that knowingly disregarding this letter will lead to the necessary inference that you are intent on acting in *bad faith* and consequently render yourself to be **PERSONALLY** liable in damages for any prejudice to Courts Asia and Hillbrow.

6. So that Mr David Isaacs, the Consortium of Mr David Isaacs, and Mammouth (Mauritius) Ltd do not plead ignorance, a copy of this letter is being served at its registered address.

Under all legal reservations.

Yours sincerely

A handwritten signature in black ink, appearing to read "Terry O'Connor". The signature is stylized and cursive.

Terry O'Connor
Group CEO
Courts Asia Limited