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*Excelsior United  
Development  
Companies Limited*

**PROPOSED CAPITAL REDUCTION**

CIRCULAR TO SHAREHOLDERS

## **EXCELSIOR UNITED DEVELOPMENT COMPANIES LIMITED**

(Incorporated and registered in Mauritius under the Companies Act on 9<sup>th</sup> October 1974 with business registration number C06002404)

### **CIRCULAR TO SHAREHOLDERS**

in respect of the reduction of the stated capital of Excelsior United Development Companies Limited

## **THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

This circular (the “Circular”) is issued for the purpose of providing information to the shareholders of Excelsior United Development Companies Limited (“EUDCOS” or the “Company”) in respect of the proposed reduction of the stated capital of the Company (the “Capital Reduction”).

The Board proposes to reduce the capital of the Company by returning available surplus cash of MRS157,889,227.60 to the shareholders, equivalent to MRS1.30 per share. The proposal will be submitted to the shareholders of EUDCOS for approval at a forthcoming annual meeting of the shareholders of EUDCOS scheduled on Thursday 30<sup>th</sup> December 2021 at 14hrs.

The directors consider the proposed capital reduction to be in the best interests of the Company and its shareholders as a whole. Accordingly, the directors unanimously recommend to all shareholders to vote in favour of the resolution to be proposed at the Annual Meeting as set out in the notice of meeting.

If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to consult immediately a person who specialises in advising on the acquisition and disposal of shares and other securities. The contents of this document are not to be construed as legal, business or tax advice. Each shareholder should consult his, her or its own legal adviser, independent financial adviser or tax adviser for legal, financial or tax advice. Shareholders should rely only on the information in this document. No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied on as having been authorised by the Company.

29<sup>th</sup> November 2021

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## 1 Introduction

On 29<sup>th</sup> November 2021, the Board of EUDCOS issued a communiqué and a notice informing the Company's shareholders and the public in general that it intends to put forward a proposal for the reduction of the company's stated capital (the "Capital Reduction") for approval by shareholders at the Annual Meeting of shareholders. The purpose of this circular is to provide you with information relating to details of the Capital Reduction.

## 2 Rationale and steps involved

EUDCOS was incorporated and registered under the Companies Act 2001 ("CA") in Mauritius as a public company on 9<sup>th</sup> October 1974 and is quoted on the Development and Enterprise Market (DEM) of the Stock Exchange of Mauritius (SEM).

After having satisfied the conditions laid down by the Competition Commission, EUDCOS was able to dispose in October 2021 of half of its shareholding in Medine Distillery for a consideration of MRs122.5m. The disposal proceeds along with funds not reinvested from a capital distribution effected by an investee have resulted in the Company having available surplus cash. The directors have therefore decided to return excess funds to shareholders by way of a reduction of its capital as, the level of activity of EUDCOS no longer warrants its current capital base.

The steps are set out below:

**Table 1: Step for Capital Reduction**

After the proposed reduction of the stated capital, the adjusted capital and reserves of the company will be as shown below.

	Unaudited	Reduction	Adjusted after
	30 Sep 21	of capital	reduction of
MRs000			capital
	30 Sep 21		30 Sep 21
<b>Total Assets</b>	2,532,027	(157,889)	2,374,138
<b>Equity and Liabilities</b>			
<b>Capital and reserves</b>			
Share capital	121,453	(115,380)	6,073
Share premium	13,830	(13,830)	-
Revaluation and other reserves	1,629,343	-	1,629,343
Retained earnings	723,172	(28,679)	694,493
Owner's interest	2,487,798	(157,889)	2,329,909
Total liabilities	44,229	-	44,229
<b>Total equity and liabilities</b>	2,532,027	(157,889)	2,374,138

In determining the amount of capital to be returned, the directors have taken into consideration the group's expected future capital requirements. As a result, they have determined that a capital distribution of MRs157,889,227.60 is appropriate.

The board is therefore proposing the following:

- Conversion of the existing 121,453,252 shares of ONE RUPEE (MRs1.00) each into 121,453,252 shares of NO PAR VALUE pursuant to Section 47(3) of the Companies Act 2001;
- A reduction of the share capital from MRs121,453,252.00 to MRs6,072,662.60 pursuant to Section 62 of the Companies Act 2001 ("CA") which provides for the possibility for a company to reduce its stated capital that is not represented by the value of its assets. The said reduction shall not affect the number of ordinary shares in issue. The new stated capital of the company shall be MRs 6,072,662.60 consisting of 121,453,252 ordinary shares of NO PAR VALUE.
- Elimination of the share premium account amounting to MRs13,830,277;
- The difference of MRs28,678,361.20 to be taken out of the retained earnings of the company.

**Table 2: Pro-forma balance sheet after the Capital Reduction**

	Unaudited	Adjusted after
	30 Sep 21	reduction of capital 30 Sep 21
MRs000		
<b>Total Assets</b>	2,532,027	2,374,138
<b>Equity and liabilities</b>		
<b>Capital and reserves</b>		
Share capital	121,453	6,073
Share premium	13,830	-
Revaluation and other reserves	1,629,343	1,629,343
Retained earnings	723,172	694,493
Owner's interest	2,487,798	2,329,909
Total liabilities	44,229	44,229
<b>Total equity and liabilities</b>	2,532,027	2,374,138
<b>Net assets per share (MRs)</b>	<b>20.48</b>	<b>19.18</b>

### 3 Process for the Capital Reduction

The reduction of capital must be approved by special resolution.

EUDCOS has no secured creditors.

On the 29<sup>th</sup> November 2021, the directors have approved a capital repayment of MRs157,889,227.60 equivalent to MRs1.30 per share and have signed a solvency test certificate.

The reduction of capital will involve a repayment of capital by EUDCOS and will thus reduce the underlying net assets of EUDCOS as shown in Table 2 above.

## 4 Timetable of principal events

	Date
Announcement of Capital Reduction	29 <sup>th</sup> November 2021
Publication of notice	29 <sup>th</sup> November 2021
Dispatch of Circular to EUDCOS shareholders	9 <sup>th</sup> December 2021
Annual Meeting of shareholders convened to vote on the proposal to reduce the stated capital of EUDCOS	30 <sup>th</sup> December 2021

## 5 Selected financial information

### 5.1 Financial performance of EUDCOS

The tables set out extracts from the audited income statements and statements of financial positions for the three years ended 30<sup>th</sup> June 2019, 30<sup>th</sup> June 2020 and 30<sup>th</sup> June 2021 and the unaudited income statements and the statements of financial positions for the quarters ended 30<sup>th</sup> September 2020 and 2021.

**Table 3: EUDCOS Income Statements**

MRs000	UNAUDITED				AUDITED
	3 months to 30 Sep 21	3 months to 30 Sep 20	Year to 30 Jun 21	Year to 30 Jun 20	Year to 30 Jun 19
<b>Continuing operations</b>					
Turnover	27,637	26,655	99,599	131,519	121,455
Operating expenses	(1,326)	(1,288)	(5,258)	(6,449)	(14,979)
Operating profit	26,311	25,367	94,341	125,070	106,476
Other income	-	-	-	22	68
Other gains/(losses)	-	-	344,741	(5,059)	(7,535)
Net foreign exchange (loss)/ gain	(142)	-	2,864	-	-
Profit before finance income	26,169	25,367	441,946	120,033	99,009
Finance income from an effective interest rate	147	388	749	2,654	3,112
Finance costs	(272)	(46)	(379)	(1,815)	(1,273)
Profit before Tax	26,044	25,709	442,316	120,872	100,848
Income tax	45	(138)	(448)	30	(699)
<b>Profit after Tax</b>	<b>26,089</b>	<b>25,571</b>	<b>441,868</b>	<b>120,902</b>	<b>100,149</b>

**Table 4: EUDCOS Statements of Financial Position**

MRs000	UNAUDITED				AUDITED
	30 Sep 21	30 Sep 20	30 Jun 21	30 Jun 20	30 Jun 19
<b>Assets</b>					
Non-current assets	2,352,695	2,114,895	2,230,241	2,105,506	2,053,787
Current assets	56,832	46,915	100,407	113,317	70,222
Assets classified as held-for-sale	122,500	19,570	122,500	19,570	-
<b>Total assets</b>	<b>2,532,027</b>	<b>2,181,380</b>	<b>2,453,148</b>	<b>2,238,393</b>	<b>2,124,009</b>
<b>Equity and liabilities</b>					
Equity holders' interests	2,487,798	2,164,168	2,394,999	2,129,196	2,054,515
Non-current liabilities	3,127	3,340	3,196	3,387	3,084
Current liabilities	41,102	13,872	54,953	105,810	66,410
<b>Total equity and liabilities</b>	<b>2,532,027</b>	<b>2,181,380</b>	<b>2,453,148</b>	<b>2,238,393</b>	<b>2,124,009</b>
<b>Net assets per share (MRs)</b>	<b>20.48</b>	<b>17.82</b>	<b>19.72</b>	<b>17.53</b>	<b>16.92</b>

There has not been any significant negative change in the financial position of EUDCOS from the date the interim results were published to the date of this document.

## 5.2 Share capital of EUDCOS

EUDCOS has in issue 121,453,252 shares of MRs1.00 each. The table below shows the shareholders holding 5% or more of EUDCOS as at 30<sup>th</sup> September 2021.

**Table 5: Shareholders owning more than 5% in the share capital of EUDCOS**

<b>Shareholding over 5%</b>	<b>Number of shares held</b>	<b>% Holding</b>
Promotion and Development Ltd *	30,860,477	25.4094
Mr Pierre Doger de Spéville **	18,023,147	14.8396

\* The shareholding of Promotion and Development Ltd is inclusive of that of its 100 per cent subsidiary, The Commercial Holding Company Limited (898,859 shares/0.7401%).

\*\* The shareholding of Mr Pierre Doger de Spéville is inclusive of that of his wholly owned Société Sperry & Cie (6,837,340 shares/5.6296%).



## 6 Corporate information on EUDCOS

### Company legal and commercial name

Excelsior United Development Companies Limited

### ISIN

EUDC.I0000

### Type of Company

Public company limited by shares incorporated under the Companies Act 2001

### Auditor

Ernst & Young  
9<sup>th</sup> Floor, NeXteracom Tower 1  
CyberCity  
Ebène  
Republic of Mauritius

### Date of incorporation

9<sup>th</sup> October 1974

### Country of incorporation

Mauritius

### Registrar and Transfer Agent

MCB Registry & Securities Ltd  
Raymond Lamusse Building  
Sir William Newton Street  
Port Louis  
Republic of Mauritius

### Business Registration Number

C06002404

### Registered Address

c/o Promotion and Development Ltd  
8<sup>th</sup> Floor, Dias Pier  
Le Caudan Waterfront  
Port Louis

### Banker

The Mauritius Commercial Bank Ltd  
Sir William Newton Street  
Port Louis

### Company Secretary

Executive Services Limited  
2<sup>nd</sup> Floor, Les Jamalacs Building  
Vieux Conseil Street  
Port Louis

## 7 Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours at the registered office of the Company at C/O Promotion and Development Ltd, 8<sup>th</sup> Floor, Dias Pier, Le Caudan Waterfront, Port-Louis, namely:

- The Constitution of EUDCOS;
- The audited financial statements of EUDCOS for the past three years; and
- Copies of this Circular.

## 8 Responsibility statement

This Circular, for which the Directors collectively and individually accept full responsibility includes information with regard to the Company and to the planned Capital Reduction. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Circular misleading.

Approved by the Board of EUDCOS on 29<sup>th</sup> November 2021 and signed on its behalf by:

*René Leclézio*  
Chairman

*Jocelyne Martin*  
Director

## 9 Glossary

Term	Definition
<b>Annual Meeting</b>	Annual meeting of the shareholders of EUDCOS scheduled on Thursday 30 <sup>th</sup> December 2021 at 14hrs to vote on the Capital Reduction
<b>Board</b>	The Board of Directors of EUDCOS
<b>CA</b>	The Companies Act 2001
<b>Capital Reduction</b>	The proposed reduction of the stated capital of EUDCOS
<b>Circular</b>	Circular dated to provide information to the shareholders of EUDCOS in relation to the Capital Reduction
<b>DEM</b>	Development & Enterprise Market
<b>Directors</b>	The Directors of EUDCOS
<b>EUDCOS</b>	Excelsior United Development Companies Limited
<b>ISIN</b>	International Security Identification Number
<b>MRs</b>	Mauritian rupees
<b>SEM</b>	Stock Exchange of Mauritius Ltd

≡UDCOS

**EXCELSIOR UNITED DEVELOPMENT COMPANIES LIMITED**

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