



CAUTIONARY ANNOUNCEMENT

The Board of Directors (the “Board”) of Harel Mallac & Co. Ltd (the “Company”) is pleased to announce that on 13 March 2023, it has decided to proceed with a restructuring of its activities through the carve-out of its investments in Attitude Hospitality Management Ltd (20.0% ownership interest), Water Sports Village Limited (24.5% ownership interest) and Zilwa Resort Ltd (24.0% ownership interest) (together the “Hospitality Shares”) from Harel Mallac Group (the “Restructuring”).

As part of the Restructuring, the Company will

- incorporate a new wholly-owned subsidiary, Cavell Touristic Investments Ltd (the “New Subsidiary”),
- transfer its investments in Hospitality Shares to the New Subsidiary through an intra-group transfer,
- cause the ordinary shares of the New Subsidiary to be listed on the Development & Enterprise Market (the “DEM”) of the Stock Exchange of Mauritius (the “SEM”), and
- distribute the ordinary shares of the New Subsidiary to its shareholders in the ratio of one ordinary share of the New Subsidiary for every share held in the Company. The distribution will relate to the 11,259,388 shares constituting 100% of the share capital of the New Subsidiary (the “Distribution”).

Subject to and conditional to the approval of shareholders, the regulatory approval for the listing of the ordinary shares of the New Subsidiary on the DEM and compliance with any relevant legislation, the Board hereby declares a special dividend in specie of one ordinary share of no par value of the New Subsidiary, for every ordinary share of the Company (“Special Dividend”) to its shareholders registered in the books of the Company at close of business on 27 April 2023. The shares of the Company will be traded cum-dividend up to the market day of 24 April 2023 and ex-dividend on 25 April 2023. Upon receiving the necessary approvals, the Board will confirm the date on which the Distribution will be effected.

The Board is of the view that the Restructuring will enable the Company to focus on its core operations and unlock value for its shareholders as the fair value of its non-core activities is not reflected in its share price. The New Subsidiary and the Company will be managed independently and will be in a better position to optimise returns for shareholders.

The shareholders of the Company and the investing public are advised to exercise caution when dealing in the shares of the Company and will be kept informed of future developments in due course.

By Order of the Board
HM SECRETARIES LTD
Company Secretary

This Cautionary Announcement is issued pursuant to Listing Rule 11.3, Rule 5 of the Securities (Disclosure Obligations of the Reporting Issuer) Rules 2007 and the Securities Act 2005. The Board accepts full responsibility for the completeness and accuracy of the information contained in this Cautionary Announcement