

CM Diversified Credit Ltd

Circular Notice dated 12th September 2022

THIS CIRCULAR NOTICE CONSTITUTES, FOR THE PURPOSES OF THE LISTING RULES, A SUPPLEMENT TO THE LISTING PARTICULARS DATED 23 MARCH 2022, AS AMENDED FROM TIME TO TIME (“**LISTING PARTICULARS**”) IN RELATION TO THE SECURED CREDIT-LINKED NOTES OF CM DIVERSIFIED CREDIT LTD (THE “**ISSUER**”).

Unless otherwise defined, words and expressions used in this Circular Notice shall bear the same meanings as in the Listing Particulars.

This Circular Notice is issued pursuant to the Listing Particulars in relation to (i) a Portfolio Review, as described below and in an annex to this Circular Notice (the “**Annex**”), (ii) a revised Interest Rate, (iii) a revised Interest Reset Date, (iv) a revised duration of Interest Period, and (v) a revised Maturity Date. Any investment decision in respect to the Notes shall be based on careful consideration of this Circular Notice (including the Annex) and the Listing Particulars as a whole.

- The terms and conditions applicable to the Interest Rate, Interest Reset Date, Duration of Interest Period and Maturity Date are amended as follows:

Amendment to	Current Terms	Proposed Amended Terms
Interest Rate	Higher of 1.55% p.a. and R – 15 bps p.a.	Higher of 1.85% p.a. and R – 15 bps p.a.
	where R is the weighted (by amount allocated at each auction) average of the highest 91-day Government of Mauritius or Bank of Mauritius (as the case may be) bill yields accepted on primary auctions held during the period beginning on (and including) 29 th June 2022 (the “ Initial Date ”) and ending on (but excluding) the date on which the Circular Notice immediately following the Initial Date is issued	where R is the weighted (by amount allocated at each auction) average of the highest 91-day Government of Mauritius or Bank of Mauritius (as the case may be) bill yields accepted on primary auctions held during the period beginning on (and including) 29 th September 2022 (the “ Initial Date ”) and ending on (but excluding) the date on which the Circular Notice immediately following the Initial Date is issued
Interest Reset Date (subject to Business Day Convention)	29 September 2022	29 December 2022
Duration of Interest Period	92 days	91 days
Maturity Date	18 th March 2037	10 th August 2037

- The Issuer shall make a preferential offer of up to 100,000 New Notes at a nominal amount of MUR 1,000 each to certain eligible investors (as per the relevant offer memorandum). The New Notes will be issued and listed on the 29th September 2022. The proceeds raised shall be used to acquire secured notes issued by ENL Limited (the “**ENL Notes**”).

3. Portfolio Review: On the 29th September 2022, the Issuer shall add the ENL Notes to its Reference Portfolio. Following this addition, the Reference Portfolio shall be as follows:

Amendment to	Current Terms	Proposed Amended Terms
Reference Portfolio	<ul style="list-style-type: none"> • MUA: MUR 511 million (24.1%) • ENL: MUR 661 million (31.3%) • CIEL: MUR 365 million (17.2%) • OHTE: MUR 229 million (10.8%) • ASCENCIA: MUR 200 million (9.5%) • CIPF: MUR 150 million (7.1%) 	<ul style="list-style-type: none"> • MUA: MUR 511 million (23.1%) • ENL: MUR 761 million (34.3%) • CIEL: MUR 365 million (16.5%) • OHTE: MUR 229 million (10.3%) • ASCENCIA: MUR 200 million (9.0%) • CIPF MUR 150 million (6.8%)

4. The OHTE outstanding amount is expected to decrease following a capital repayment prior to the next Interest Rest Date. Any amount repaid shall held as Bank Deposits. Following this repayment, (i) the weight of each Reference Entity in the Reference Portfolio shall be adjusted, and (ii) the Reference Portfolio shall comprise Bank Deposits. Paragraph A of the Annex contains additional important information in relation to the Reference Portfolio.
5. In accordance with the terms of the Listing Particulars, you may exercise your Put Option by replying to this email and quoting the text specified in paragraph 6 below within three (3) Business Days of the date hereof. We remind you that, unless waived by the Issuer, a Put Option Notice sent to the Issuer shall be irrevocable.
6. In the event you wish to exercise your Put Option, please reply to the email notice and quote therein verbatim (save for the number of notes to be edited as applicable) the following text, which shall, for the purposes of the Listing Particulars, constitute the Put Option Notice:
- “Further to the Circular Notice dated 12th September, 2022, I hereby unconditionally and irrevocably request you to redeem, purchase, or arrange for the purchase of, [all]/[insert number] Notes and to credit the Put Proceeds into the relevant bank account.”*
7. The amendments specified in this Circular Notice and the Annex shall take effect on 29th September 2022.
8. Except as amended pursuant to this Circular Notice, all the other terms and conditions set out in the Listing Particulars shall remain in full force and effect.
9. The governing law and jurisdiction clauses of the Listing Particulars shall apply to this Circular Notice.

12th September 2022

ANNEX – SUPPLEMENTAL INFORMATION ON VARIATION OF TERMS AND AMENDMENT TO LISTING PARTICULARS
A. Portfolio Review

Pursuant to Clause 3.2 of the Listing Particulars, the provisions of Schedule II (The Reference Portfolio) of the Listing Particulars should be repealed and replaced by the below new provisions.

“PART I: REFERENCE UNDERLYINGS

Reference Entity	Reference underlying reference	Rating	Security	Weight in reference portfolio
ENL Limited	RU – ENL 01	CARE MAU A (stable)	A first rank share pledge on ENL Property Ltd (“ENLP”). The shares pledged by ENL Limited and shall carry a minimum valuation of 1.3x of the ENL Limited’s exposure.	20.8%
	RU- ENL 02	CARE MAU A (stable)	A first rank fixed charge on certain lands of ENL Limited. The minimum valuation of the said lands shall be 1.2x the aggregate nominal amount of the ENL Limited’s notes.	13.5%
CIEL Ltd	RU – CIEL 02	CARE MAU A+ (stable)	A first rank share pledge (shared pari passu with all noteholders) on Alteo Ltd (ISIN: MU0368N00004) (“Alteo Shares”) and SUN Limited (ISIN: MU0016N00009) shares (“SUN Shares”). The Alteo Shares and the Sun Shares pledged carry a minimum valuation of 1.25x of the CIEL’s exposure	8.8%
	RU – CIEL 03	CARE MAU A+ (stable)	A first rank share pledge on CIEL Textile Limited Shares (“CTL Shares”). The CTL Shares pledged shall carry a minimum valuation of 1.5x of the CIEL’s exposure	7.7%
MUA Ltd	RU – MUA 01	CARE MAU AA- (stable)	None	20.8%
	RU – MUA 02	CARE MAU AA- (Stable)	None	2.3%
OHTE Ltd	RU – OHTE 01	CARE MAU A- (stable)	<ul style="list-style-type: none"> A pledge of bank accounts of the Reference Entity A first rank share pledge of the Omnicane Thermal Energy Operations (La Baraque) Ltd shares held by Omnicane Ltd 	10.3% ¹
Ascencia Ltd	RU – ASC 01	CARE MAU AA- (stable)	A first rank pari-passu floating charge on the assets of Ascencia Ltd	9.0%
Commercial Investment Property Fund Limited	RU-CIPF 01	CARE MAU A- (stable)	<ul style="list-style-type: none"> A first rank fixed and floating charge on all the assets of CIPF 	2.3%
	RU-CIPF 02		<ul style="list-style-type: none"> An assignment of rental proceeds 	3.4%
	RU-CIPF 03		<ul style="list-style-type: none"> A debt service reserve guarantee (3 months of interest payments) 	1.1%

¹ Please note that the amount invested in OHTE will be changed due to a capital repayment (“Repayment Amount”) in accordance with the terms of issue of the OHTE’s notes prior to the proposed next Interest Rest Date. Accordingly, the weight of the OHTE’s notes in the Reference Underlyings will then be amended. The amount received as the Repayment Amount will be held as Bank Deposits.

PART II: REFERENCE ENTITIES

- **CIEL Ltd**

CIEL Ltd is a diversified Mauritian based investment company with operations across Africa, Asia, and Mauritius. CIEL Ltd, listed on the SEM, operates across 5 major clusters: Textile, Agro & Property, Hotels & Resorts, Healthcare, and Finance. For the nine months ended 31 March 2022, CIEL Ltd (on a group basis) generated revenues of MUR 20.4bn and, a normalised EBITDA of MUR 3.4bn and a profit after tax of MUR 1.4bn.

- **ENL Limited**

ENL Ltd is a diversified investment company listed on the SEM operating across 7 segments of land & investments, agro-industry, real estate, commerce & industry, hospitality, logistics and fintech. For the nine months ended 31 March 2022, ENL Ltd (on a consolidated basis) generated revenues of MUR 13.4bn, an operating profit of MUR 1.1bn and a profit after tax of MUR 608m.

- **MUA Ltd**

MUA was incorporated in 1948. It has been listed on the Official Market of the Stock Exchange of Mauritius Ltd since 1993. MUA operates within the financial services industry specialising in Insurance, Corporate Pension Schemes, Investment and Loans for both individuals and corporates. For the year ended 31 December 2021, MUA earned gross premium of MUR 6.7bn and a group profit after tax of MUR 414m.”

- **OHTE**

OHTE is a wholly owned subsidiary of Omnicane Limited and is the majority shareholder (60%) of Omnicane Limited’s main power plant, Omnicane Thermal Energy Operations (La Baraque) Ltd (“OTEOLB”). OTEOLB has signed a 20-year Power Purchase Agreement (“PPA”) with the Central Electricity Board (“CEB”), which will expire in July 2027, and which requires OTEOLB to be available to the CEB for a minimum of 8,000 hours annually. Whilst OTEOLB exports the majority of the electricity it produces on-demand to the CEB throughout the year, the power plant also supplies both electricity and low-pressure steam to Omnicane Milling Operations Limited (“OMOL”) during the harvest season.

- **Ascencia Ltd**

Ascencia is the leading mall owner and operator in Mauritius. Its prime assets include Bagatelle, the busiest mall in the country, and ‘Jumbo’ Phoenix Mall. As at 30 June 2022, Ascencia generated a total revenue of MUR 1.6bn, an operating profit of MUR 1.4bn, and a profit after tax of MUR 1bn.

- **Commercial Investment Property Fund Limited**

Commercial Investment Property Fund (“CIPF”) is a property fund owning commercial and industrial assets in Mauritius leased to companies forming part of the ENL Group. In January 2017, CIPF has entered into 20 years lease agreement with all the tenants. The tenants have established track record of operations of over 15 years having business interest in diverse industries including automobile dealership, eyewear manufacturing and construction. As at 30 June 2021, CIPF generated an annual revenue of MUR 76.4m, an operating profit of MUR 58.2m and a profit after tax of MUR 28.9m.”