

## CM Diversified Credit Ltd

### Circular Notice dated 12<sup>th</sup> September 2023

THIS CIRCULAR NOTICE CONSTITUTES, FOR THE PURPOSES OF THE LISTING RULES, A SUPPLEMENT TO THE LISTING PARTICULARS DATED 21 MARCH 2023, 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 revised Interest Rate, (ii) a revised Interest Reset Date, and (iii) such other changes to the Listing Particulars which will be amended by way of this Circular Notice. 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.

1. The terms and conditions applicable to the Interest Rate and the Interest Reset Date are amended as follows:

Amendment to	Current Terms	Proposed Amended Terms
<b>Interest Rate</b>	Higher of 5.15% 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 <sup>th</sup> June 2023 (the “ <b>Initial Date</b> ”) and ending on (but excluding) the date on which the Circular Notice immediately following the Initial Date is issued	Higher of 4.00% 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 <sup>th</sup> September 2023 (the “ <b>Initial Date</b> ”) and ending on (but excluding) the date on which the Circular Notice immediately following the Initial Date is issued
<b>Interest Reset Date (subject to Business Day Convention)</b>	29 September 2023	29 December 2023

2. The duration of Interest Period is 91 days and the Maturity Date remains at 10<sup>th</sup> August 2037.

3. On 29<sup>th</sup> September 2023, the Reference Portfolio shall remain unchanged and shall comprise the following Reference Entities:

Composition of the Reference Portfolio*#
<ul style="list-style-type: none"> <li>• MUA: MUR 511 million (18.6%)</li> <li>• ENL: MUR 761 million (27.8%)</li> <li>• CIEL: MUR 365 million (13.3%)</li> <li>• OHTE: MUR 194 million (7.1%)</li> <li>• ASCENCIA: MUR 200 million (7.3%)</li> <li>• CIPF: MUR 150 million (5.5%)</li> <li>• CFL: MUR 160 million (5.8%)</li> <li>• OFICEA: MUR 400 million (14.6%)</li> </ul>

\* Rounded to nearest integer

# The current Reference Portfolio also includes cash balance of MUR 200

4. However, the OHTE's outstanding nominal amount is expected to change due to a capital repayment (the "**Repayment Amount**") prior to the proposed next Interest Reset Date. The Repayment Amount shall be held as Bank Deposits and/or sovereign instruments. The weight of the OHTE's notes, and the Bank Deposits and/or sovereign instruments in the Reference Portfolio shall then be deemed amended accordingly.
5. As per the circular notice dated 8<sup>th</sup> June 2023, the Issuer shall pay an interest rate of 5.15% p.a. to its Noteholders on 29<sup>th</sup> September 2023.

For the Interest Period beginning on 29 September 2023 (and including) and ending on 29 December 2023 (but excluding), the Issuer is proposing an Interest Rate which will be the higher of 4.00% or  $R - 0.15\%$ , where  $R$  is defined in the table above. The Interest Rate of 4.00% p.a. reflects a higher spread than the historical margin of 60bps over the 91-day sovereign yield (around 3.15% at the date of this Circular Notice). While the Issuer shall continue to be data dependent in its rate setting decisions, it shall return to its standard margin over the upcoming Interest Reset Dates.

6. The Annex to this Circular Notice contains additional important information in relation to the Reference Portfolio.
7. 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 8 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.
8. 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 12<sup>th</sup> September 2023, 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."*

9. The amendments specified in this Circular Notice and the Annex shall take effect on 29<sup>th</sup> September 2023.
10. 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.

11. The governing law and jurisdiction clauses of the Listing Particulars shall apply to this Circular Notice.

**12<sup>th</sup> September 2023**

**ANNEX – SUPPLEMENTAL INFORMATION ON THE REFERENCE PORTFOLIO**
**PART I: REFERENCE UNDERLYINGS**

Reference Entity	Reference underlying reference	Rating	Security	Weight in reference portfolio
<b>ENL Limited</b>	RU-ENL 01	CARE MAU A+ (stable)	A first rank share pledge on ENL Property Ltd (“ <b>ENLP</b> ”). The shares pledged by ENL Limited and shall carry a minimum valuation of 1.3x of the ENL Limited’s exposure.	16.8%
	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.	11.0%
<b>CIEL Ltd</b>	RU-CIEL 02	CARE MAU AA- (stable)	A first rank share pledge (shared pari passu with all noteholders) on Alteo Ltd (ISIN: MU0368N00004) (“ <b>Alteo Shares</b> ”) and SUN Limited (ISIN: MU0016N00009) shares (“ <b>SUN Shares</b> ”). The Alteo Shares and the Sun Shares pledged carry a minimum valuation of 1.25x of the CIEL’s exposure	7.1%
	RU-CIEL 03	CARE MAU AA- (stable)	A first rank share pledge on CIEL Textile Limited Shares (“ <b>CTL Shares</b> ”). The CTL Shares pledged shall carry a minimum valuation of 1.5x of the CIEL’s exposure	6.2%
<b>MUA Ltd</b>	RU-MUA 01	CARE MAU AA- (stable)	None	16.8%
	RU-MUA 02	CARE MAU AA- (Stable)	None	1.8%
<b>OHTE Ltd</b>	RU-OHTE 01	CARE MAU A- (stable)	<ul style="list-style-type: none"> <li>A pledge of bank accounts of the Reference Entity</li> <li>A first rank share pledge of the Omnicane Thermal Energy Operations (La Baraque) Ltd shares held by Omnicane Ltd</li> </ul>	7.1%
<b>Ascencia Ltd</b>	RU-ASC 01	CARE MAU AA- (stable)	A first rank pari-passu floating charge on the assets of Ascencia Ltd	7.3%
<b>Commercial Investment Property Fund Limited</b>	RU-CIPF 01	CARE MAU A- (stable)	• A first rank fixed on certain assets of CIPF and a floating charge on all the assets of CIPF	1.8%
	RU-CIPF 02		• An assignment of rental proceeds	2.8%
	RU-CIPF 03		• A debt service reserve guarantee (3 months of interest payments)	0.9%
<b>CIEL Finance Limited</b>	RU-CFL 01	CARE MAU A (stable)	• A first rank floating charge on all the assets, present and future, of the CFL	1.6%
	RU-CFL 02			2.0%
	RU-CFL 03			0.4%
	RU-CFL 04			1.8%
<b>Oficea Company Limited</b>	RU-OFI 01	CARE MAU A (stable)	• A fixed charge on certain assets of Oficea and a floating charge on all assets of Oficea	1.8%
	RU-OFI 02		• Another fixed charge on new immovable properties of Oficea	1.8%
	RU-OFI 03			5.5%

Reference Entity	Reference underlying reference	Rating	Security	Weight in reference portfolio
	RU-OFI 04		<ul style="list-style-type: none"> <li>A pledge on the general bank account of the Officea</li> <li>Debt service reserve account pledge (covering at least the interest amount over each forthcoming interest period)</li> </ul>	5.5%

## 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 2023, CIEL Ltd (on a group basis) generated revenues of MUR 26.8bn and, a normalised EBITDA of MUR 5.1bn and a profit after tax of MUR 2.8bn.

- **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 nine months ended 31 March 2023, ENL Ltd (on a consolidated basis) generated revenues of MUR 15.3bn, an operating profit of MUR 1.8bn and a profit after tax of MUR 1.6bn.

- **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 2022, MUA earned gross premium of MUR 7.6bn and a group profit after tax of MUR 338m.”

- **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 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. For the nine months ended 31 March 2023, Ascencia generated a total revenue of MUR 1.3bn, an operating profit of MUR 749m, and a profit after tax of MUR 466m.

- **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 2022, CIPF generated an annual rental revenue of MUR 119.4m from an asset base valued at MUR 1.7bn.”*

- **CIEL Finance Limited**

*Ciel Finance Limited (CFL) is the financial services cluster of CIEL Ltd. CFL is actively involved in 4 sectors of the financial services industry: banking, fiduciary services and companies, asset management and private equity. Through its subsidiaries and affiliates, CFL operates in more than half a dozen countries and employs more than 1,400 employees. The majority of CFL’s revenues stems from dividend income which it receives from Bank One Limited and BNI Madagascar amongst others.*

- **Oficea Company Limited**

*Oficea Company Limited (“Oficea”) is a subsidiary of ENL Property Ltd. Oficea is specialised in the development and rental of unique portfolio of Grade A office spaces in various locations of Moka Smart City including Vivea, Bagatelle and Telfair. For year ended 30 June 2022, Oficea (on a group basis) generated revenues of MUR 204.7m, an operating profit of MUR 118.0m and a profit after tax of MUR 87.0m*