

CM Diversified Credit Ltd

Circular Notice dated 8th December 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 Portfolio Review whereby additional Reference Underlyings are proposed to be added to the Reference Portfolio, as described below and in an annex to this Circular Notice (the “**Annex**”), (ii) the proposed issue of additional Notes by the Issuer, (iii) the proposed change in the stated capital of the Issuer, (iv) a revised Interest Rate, (v) 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.

- 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
Interest Rate	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 th September 2023 (the “ Initial Date ”) and ending on (but excluding) the date on which the Circular Notice immediately following the Initial Date is issued	Higher of 4.40% 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 December 2023 (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 December 2023	29 March 2024
Maturity Date	10 August 2037	18 December 2038

- The duration of Interest Period is 91 days.

3. In furtherance to the approval received from The Stock Exchange of Mauritius Ltd (the “SEM”), the Issuer will issue and list up to 92,076 New Notes on the SEM on the 29th December 2023. These New Notes will be issued through a preferential offer, at a nominal amount of MUR 1,000 each, to certain eligible investors (as per the relevant offer memorandum). The proceeds raised, together with cash balances held by the Issuer following the capital repayment of part of the OHTE’s notes in accordance with the terms of issue of OHTE’s notes, shall be used to acquire (i) senior secured notes issued by Officea Company Limited (the “**Officea Notes**”) and (ii) secured floating rate notes issued by ENL Limited (the “**ENL Notes**”).
4. Pursuant to the terms of the Listing Particulars, the Issuer’s board of directors has approved an increase in its stated capital from MUR 173,282,000 to MUR 181,000,000 through a rights issue of 7,718 new ordinary shares at a price of MUR 1,000 each. Upon this Circular Notice becoming effective, the Credit Enhancement Amount shall amount to MUR 181,000,000.
5. On 29th December 2023, the Reference Portfolio, following the addition of (i) MUR 100,000,000 Officea Notes and (ii) up to MUR 24,000,000 ENL Notes, shall be as follows:

Amendment to	Current Terms*#	Proposed Amended Terms*
Reference Portfolio	<ul style="list-style-type: none"> • MUA: MUR 511 million (18.6%) • ENL: MUR 761 million (27.8%) • CIEL: MUR 365 million (13.3%) • OHTE: MUR 194 million (7.1%) • ASCENCIA: MUR 200 million (7.3%) • CIPF: MUR 150 million (5.5%) • CFL: MUR 160 million (5.8%) • OFICEA: MUR 400 million (14.6%) 	<ul style="list-style-type: none"> • MUA: MUR 511 million (18.1%) • ENL: MUR 785 million (27.7%) • CIEL: MUR 365 million (12.9%) • OHTE: MUR 162 million (5.7%) • ASCENCIA: MUR 200 million (7.1%) • CIPF: MUR 150 million (5.3%) • CFL: MUR 160 million (5.6%) • OFICEA: MUR 500 million (17.6%)

*Rounded to nearest integer

The current Reference Portfolio also includes cash balance of MUR 400

6. In the event that the Issuer does not acquire up to MUR 24m of ENL notes, any residual amounts shall be kept into Bank Deposits or Sovereign Securities.
7. As per the circular notice dated 12th September 2023, the Issuer shall pay an interest rate of 4.00% p.a. to its Noteholders on 29th December 2023.
8. The Annex to this Circular Notice contains additional important information in relation to the Reference Portfolio.
9. 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 10 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.
10. 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 8th December 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.”

11. The amendments specified in this Circular Notice and the Annex shall take effect on 29th December 2023.
12. 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.
13. The governing law and jurisdiction clauses of the Listing Particulars shall apply to this Circular Notice.

8th December 2023

ANNEX – SUPPLEMENTAL INFORMATION ON THE REFERENCE PORTFOLIO
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.	16.3%
	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.	10.6%
	RU-ENL 03	CARE MAU A+ (stable)	A pledge of shares in Rogers and Company Limited at a minimum valuation of 1.3x the aggregate nominal amount of the ENL Limited’s notes. Thereafter, on 30 June 2024, the pledge will be substituted with a first rank mortgage over certain plots of land for at least 1.2x the aggregate nominal amount of the ENL Limited’s notes.	0.8%
CIEL Ltd	RU-CIEL 02	CARE MAU AA (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	6.9%
	RU-CIEL 03	CARE MAU AA (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	6.0%
MUA Ltd	RU-MUA 01	CARE MAU AA- (stable)	None	16.3%
	RU-MUA 02	CARE MAU AA- (Stable)	None	1.8 %
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 	5.7%
Ascencia Ltd	RU-ASC 01	CARE MAU AA- (stable)	A first rank pari-passu floating charge on the assets of Ascencia Ltd	7.1%
Commercial Investment Property Fund Limited	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	2.6%
	RU-CIPF 03		• A debt service reserve guarantee (3 months of interest payments)	0.9%

Reference Entity	Reference underlying reference	Rating	Security	Weight in reference portfolio
CIEL Finance Limited	RU-CFL 01	CARE MAU A (stable)	<ul style="list-style-type: none"> A first rank floating charge on all the assets, present and future, of the CFL 	1.6%
	RU-CFL 02			1.9%
	RU-CFL 03			0.4%
	RU-CFL 04			1.8%
Oficea Company Limited	RU-OFI 01	CARE MAU A (stable)	<ul style="list-style-type: none"> A fixed charge on certain assets of Oficea and a floating charge on all assets of Oficea Another fixed charge on new immovable properties of Oficea A pledge on the general bank account of the Oficea Debt service reserve account pledge (covering at least the interest amount over each forthcoming interest period) 	1.8%
	RU-OFI 02			1.8%
	RU-OFI 03			5.2%
	RU-OFI 04			5.2%
	RU-OFI 05			3.5%

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 FY 2023, CIEL Ltd (on a group basis) generated revenues of MUR 35.4bn and, a normalised EBITDA of MUR 7.1bn and a group profit after tax of MUR 4.3bn.

- 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 FY 2023, ENL Ltd (on a consolidated basis) generated revenues of MUR 20.9bn, an operating profit of MUR 3.5bn and a group profit after tax of MUR 3.0bn.

- 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 nine months ended 30 September 2023, MUA earned gross premium of MUR 5.7bn and a group profit after tax of MUR 129m.

- 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 FY 2023, Ascencia generated a total revenue of MUR 1.7bn, an operating profit of MUR 1.5bn, 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 2023, CIPF generated an annual rental revenue of MUR 175.9m from an asset base valued at MUR 1.8bn.

- **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. For FY 2023, CFL on a consolidated basis reported revenues of MUR 5.1bn, an EBITDA of MUR 1.6m with an all-time high PAT of 1.1bn.

- **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.