

CM Diversified Credit Ltd

Circular Notice dated 8th June 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 an additional Reference Underlying is 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 (vi) 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 5.10% 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 March 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 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 th June 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 June 2023	29 September 2023

- The duration of Interest Period is 92 days and the Maturity Date remains at 10th August 2037.
- Subject to the approval received from The Stock Exchange of Mauritius Ltd (the “**SEM**”), the Issuer will issue and list up to 200,000 New Notes on the SEM on 29th June 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). Following such issue, the Aggregate Nominal Amount shall increase from MUR 2,540,996,000 to MUR 2,740,996,000. The proceeds raised from the issue of these New Notes, shall be used to acquire (i) MUR 150,000,000 senior secured

notes issued by Oficea Company Limited (the “**Oficea Notes**”) and (ii) MUR 50,000,000 secured notes issued by CIEL Finance Limited (the “**CFL 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 158,282,000 to MUR 173,282,000 through a rights issue of 15,000 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 173,282,000.
5. On 29th June 2023, the Reference Portfolio, following the addition of (i) MUR 150,000,000 Oficea Notes and (ii) MUR 50,000,000 CFL Notes, shall be as follows:

Amendment to	Current Terms*#	Proposed Amended Terms*
Reference Portfolio	<ul style="list-style-type: none"> • MUA: MUR 511 million (20.1%) • ENL: MUR 761 million (29.9%) • CIEL: MUR 365 million (14.4%) • OHTE: MUR 194 million (7.6%) • ASCENCIA: MUR 200 million (7.9%) • CIPF: MUR 150 million (6.0%) • CFL: MUR 110 million (4.3%) • OFICEA: MUR 250 million (9.8%) 	<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%)

* Rounded to nearest integer

The current Reference Portfolio also includes cash balance of MUR 200

6. As per the circular notice dated 9th March 2023, the Issuer shall pay an interest rate of 5.10% p.a. to its Noteholders for the period ending on (and including) 28th June 2023.
7. Paragraph A of the Annex contains additional important information in relation to the Reference Portfolio.
8. 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 9 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.
9. 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 June 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.”
10. The amendments specified in this Circular Notice and the Annex shall take effect on 29th June 2023.
11. 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.
12. The governing law and jurisdiction clauses of the Listing Particulars shall apply to this Circular Notice.

8th June 2023

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.	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%
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	7.1%
	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	6.2%
MUA Ltd	RU – MUA 01	CARE MAU AA- (stable)	None	16.8%
	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 	7.1%
Ascencia Ltd	RU – ASC 01	CARE MAU AA- (stable)	A first rank pari-passu floating charge on the assets of Ascencia Ltd	7.3%
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	2.8%
	RU-CIPF 03		A debt service reserve guarantee (3 months of interest payments)	0.9%
CIEL Finance Limited	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%

Reference Entity	Reference underlying reference	Rating	Security	Weight in reference portfolio
Oficea Company Limited	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		• A pledge on the general bank account of the Oficea	5.5%
	RU-OFI 04		• Debt service reserve account pledge (covering at least the interest amount over each forthcoming interest period)	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 (“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. 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