

# **ABACUS ROYAL ESTATE LTD**

A public company limited by shares incorporated in the Republic of Mauritius on 24 August 2022

Business Registration Number: C22190055

Company Number: I90055

Registered Office: 33, Labourdonnais Street, Port-Louis, Mauritius

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## **ADMISSION DOCUMENT**

In respect of listing of 200,000 Bonds of a nominal value of MUR 1,000 each by way of placing on the Development and Enterprise Market (“**DEM**”) of the Stock Exchange of Mauritius Ltd (“**SEM**”).

The DEM is a market designed to include emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. The DEM securities are not admitted to the Official Market of the SEM. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with a professional financial adviser.

**LEC Reference: LEC/P/03/2024**

**Admission Document dated 24 June 2024**

## IMPORTANT NOTICE

THIS DOCUMENT IS ISSUED BY ABACUS ROYAL ESTATE LTD (THE “**COMPANY**”, OR THE “**ISSUER**”), A COMPANY INCORPORATED AND REGISTERED IN THE REPUBLIC OF MAURITIUS PURSUANT TO THE COMPANIES ACT 2001 ON 24 AUGUST 2022 IN CONNECTION WITH THE LISTING OF THE FIXED RATE SECURED BONDS AS FURTHER DETAILED HEREIN (THE “**BONDS**”).

THIS ADMISSION DOCUMENT (“**ADMISSION DOCUMENT**”) CONTAINS PARTICULARS GIVEN IN COMPLIANCE WITH THE RULES OF THE STOCK EXCHANGE OF MAURITIUS LTD GOVERNING THE LISTING OF SECURITIES ON THE DEM (“**DEM RULES**”) FOR THE PURPOSES OF PROVIDING INFORMATION WITH REGARDS TO THE ISSUER.

AN APPLICATION FOR THE LISTING OF THE BONDS BY WAY OF PLACING HAS BEEN MADE TO THE STOCK EXCHANGE OF MAURITIUS UNDER THE DEM RULES ON 18 APRIL 2023. THE BONDS WERE OFFERED AND ISSUED BY WAY OF A PRIVATE PLACEMENT TO INVESTORS WHO ARE KNOWLEDGEABLE AND UNDERSTAND THE RISKS OF INVESTING IN DEBT INSTRUMENTS.

PERMISSION HAS BEEN GRANTED BY THE LISTING EXECUTIVE COMMITTEE ON 24 JUNE 2024 FOR THE BONDS TO BE ADMITTED FOR LISTING ON THE DEM.

UNDER THIS ADMISSION DOCUMENT, INITIALLY TWO APPLICABLE PRICING SUPPLEMENTS ARE BEING ISSUED BY THE ISSUER IN RELATION TO THE ISSUE AND AN OFFER BY WAY OF PRIVATE PLACEMENT OF THE BONDS, FOR AN AGGREGATE AMOUNT OF MUR 200,000,000 IN ONE TRANCHE NAMELY:

- APPLICABLE PRICING SUPPLEMENT DATED 26 JUNE 2023 RELATING TO A TRANCHE OF BONDS FOR AN AGGREGATE VALUE OF MUR 200,000,000, COMPRISING OF 200,000 BONDS HAVING A NOMINAL VALUE OF MUR 1,000 EACH.

THE COMPANY HAS NOT AND DOES NOT INTEND TO APPLY FOR LISTING OF THE BONDS ON ANY OTHER SECURITIES EXCHANGES IN MAURITIUS OR ABROAD. ON THE FIRST DAY OF LISTING AND TRADING OF THE BONDS ON THE DEM, THE ISSUER UNDERTAKES TO MAKE AVAILABLE 1000 BONDS FOR TRADING AT AN INDICATIVE PRICE OF MUR 1000.00 ON THE FIRST DATE OF TRADING.

A COPY OF THIS ADMISSION DOCUMENT AND THE APPLICABLE PRICING SUPPLEMENTS WILL BE FILED WITH THE FSC FOR INFORMATION PURPOSES ONLY WITHIN TEN (10) DAYS FROM THE ISSUE DATE.

NEITHER THE LISTING EXECUTIVE COMMITTEE OF THE STOCK EXCHANGE OF MAURITIUS LTD (THE “**LEC**”), NOR THE STOCK EXCHANGE OF MAURITIUS LTD (THE “**SEM**”), NOR THE FINANCIAL SERVICES COMMISSION (THE “**FSC**”) ASSUME ANY RESPONSIBILITY FOR THE CONTENTS OF THIS ADMISSION DOCUMENT. THE LEC, SEM AND THE FSC MAKE NO REPRESENTATION AS TO THE ACCURACY OR COMPLETENESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS ADMISSION DOCUMENT AND EXPRESSLY DISCLAIM ANY LIABILITY WHATSOEVER FOR ANY LOSS ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART THEREOF. THE LEC, SEM AND THE FSC DO NOT VOUCH FOR THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY STATEMENTS MADE OR OPINIONS EXPRESSED WITH REGARD TO IT.

NEITHER THIS ADMISSION DOCUMENT NOR ANY INFORMATION CONTAINED HEREIN RELATING TO THE BONDS MAY BE TREATED AS A PROSPECTUS FOR THE PURPOSES OF THE SECURITIES ACT 2005 OR BE RELEASED TO THE PUBLIC. ACCORDINGLY, NOTHING IN THIS DOCUMENT SHALL BE CONSTRUED AS AN OFFER TO SELL BONDS TO THE PUBLIC.

THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, A SECURITY IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL TO MAKE SUCH OFFER OR TO ANY PERSONS TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION IN SUCH JURISDICTION.

ANY INFORMATION ON TAXATION CONTAINED IN THIS DOCUMENT IS A SUMMARY OF CERTAIN TAX CONSIDERATIONS BUT IS NOT INTENDED TO BE A COMPLETE DISCUSSION OF ALL TAX

CONSIDERATIONS. THE CONTENTS OF THIS ADMISSION DOCUMENT ARE NOT TO BE CONSTRUED AS INVESTMENT, LEGAL OR TAX ADVICE. MOREOVER, INVESTMENT IN BONDS ENTAILS A NUMBER OF RISKS, A NON-EXHAUSTIVE LIST OF WHICH IS DESCRIBED IN THIS DOCUMENT.

THIS DOCUMENT DOES NOT PURPORT TO BE ALL-INCLUSIVE OR TO CONTAIN ALL THE INFORMATION THAT A PROSPECTIVE INVESTOR MAY DESIRE IN EVALUATING THE ISSUER. AN INVESTOR SHOULD MAKE ITS OWN INDEPENDENT INVESTIGATION

AND APPRAISAL OF THE FINANCIAL CONDITION AND AFFAIRS, AND OF THE CREDITWORTHINESS OF, THE ISSUER, AND THE TERMS OF THE OFFERING. THE ANALYSIS AND FORECASTS CONTAINED IN THIS DOCUMENT ARE BASED ON ASSUMPTIONS BELIEVED TO BE REASONABLE IN LIGHT OF THE INFORMATION PRESENTLY AVAILABLE. SUCH ASSUMPTIONS (AND THE RESULTING ANALYSES AND FORECASTS) MAY REQUIRE MODIFICATION AS ADDITIONAL INFORMATION BECOMES AVAILABLE AND AS ECONOMIC AND MARKET DEVELOPMENTS WARRANT. ANY MODIFICATION COULD BE EITHER FAVOURABLE OR ADVERSE. AS A RESULT, THE ESTIMATES MAY BE MATERIALLY DIFFERENT FROM ACTUAL RESULTS AND EVENTS. THERE CAN BE NO ASSURANCE THAT ANY ESTIMATED PROJECTED RETURNS CAN BE REALIZED OR THAT THE ACTUAL RETURNS WILL NOT BE MATERIALLY LOWER THAN THOSE ESTIMATED IN THIS DOCUMENT.

FOR A FULL APPRECIATION OF THE PRESENT DOCUMENT, THE DOCUMENT SHOULD BE READ IN ITS ENTIRETY ALONG WITH THE BUSINESS PLAN. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS DOCUMENT, YOU SHOULD CONSULT AN INDEPENDENT QUALIFIED PERSON WHO MAY ADVISE YOU ACCORDINGLY.

CERTAIN INFORMATION CONTAINED HEREIN HAS BEEN OBTAINED FROM INDUSTRY SOURCES AND OTHER PUBLISHED SOURCES PREPARED BY THIRD PARTIES OR MAKE REFERENCE TO INFORMATION ON THIRD PARTY WEBSITES. THE BOARD HAS NOT INDEPENDENTLY VERIFIED AND CANNOT ASSURE THE ACCURACY OF ANY DATA OBTAINED FROM SUCH SOURCES OR WEBSITES. WHILE SUCH SOURCES ARE BELIEVED TO BE RELIABLE, NEITHER THE ISSUER NOR ITS DIRECTORS ASSUMES ANY RESPONSIBILITY FOR THE ACCURACY OF SUCH INFORMATION.

THERE HAVE BEEN NO MATERIAL ADVERSE CHANGE, FROM THE ISSUE DATE UNTIL THE DATE HEREOF, IN THE FINANCIAL OR TRADING POSITION OF THE ISSUER.

THE DIRECTORS OF THE COMPANY, WHOSE NAMES APPEAR IN SECTION 4, COLLECTIVELY AND INDIVIDUALLY ACCEPT RESPONSIBILITY FOR THE CONTENT AND COMPLETENESS OF THE INFORMATION CONTAINED IN THIS ADMISSION DOCUMENT AND CONFIRM, TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, AND AFTER MAKING REASONABLE ENQUIRIES, THAT THE DOCUMENT COMPLIES WITH THE DEM RULES, THE SECURITIES ACT 2005, OR ANY RULES OR REGULATIONS MADE UNDER THE ACT (TO THE EXTENT APPLICABLE).

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## I. DEFINITIONS AND INTERPRETATION

### I.1 DEFINITION

Defined terms shall have the meaning set out in this Clause I.1, except that where any term is defined within a particular Clause, that term shall bear the meaning ascribed to it in that Clause wherever it is used in this document.

The following terms shall have the meanings assigned to them hereunder and cognate expressions shall have corresponding meanings, namely:

<b>Abacus</b>	ABACUS ROYAL ESTATE LTD.
<b>Act</b>	The Companies Act 2001.
<b>Agency Agreement</b>	The agency agreement dated 19 June 2023 entered between the Issuer and the Agent, as may be amended from time to time.
<b>Agent</b>	The entity acting as registrar, transfer agent, paying agent, and calculation agent from time to time, which, at the Issue Date, is MCB Registry & Securities Ltd.
<b>Applicable Pricing Supplement</b>	In relation to a Tranche of Bonds, the pricing supplement completed and signed by the Issuer setting out the additional and/or other terms and conditions as are applicable to the said Bonds.
<b>Board</b>	The board of directors of the Issuer.
<b>Bondholders</b>	The holders of Bonds as recorded in the Register kept by the Agent as per the terms and conditions;
<b>Bondholders' Agency Agreement</b>	The agreement entered into in respect of the Bonds dated 26 June 2023 between the Issuer and the Bondholders' Representative with the aim of providing for the protection of the rights and entitlements of Bondholders.
<b>Bondholders' Representative</b>	SBM Fund Services Ltd or such other person duly authorised to act on behalf of a Bondholder and appointed pursuant to the Bondholders' Agency Agreement.
<b>Bonds</b>	The secured Bonds issued by the Issuer as per the terms and conditions of the Admission Document.
<b>Business Day</b>	A day (other than a Saturday or Sunday or public holiday in Mauritius) on which commercial banks settle MUR payments in Mauritius.
<b>Business Day Convention</b>	If a date on which any amount in respect of the Bonds is to be paid, would otherwise fall on a day that is not a Business Day, such date shall be postponed to the following Business Day.
<b>CDS</b>	The Central Depository & Settlement Co Ltd established pursuant to the Securities (Central Depository, Clearing and Settlement) Act 1996.

<b>Company</b>	Means ABACUS ROYAL ESTATE LTD.
<b>Day Count Fraction</b>	Means, in respect of the calculation of the applicable Interest Amount for any Interest Period, the actual number of days in the relevant Interest Period divided by 365.
<b>Default Interest Rate</b>	In relation to overdue amounts, 100 basis points per annum which applies over and above the Interest Rate.
<b>Directors</b>	The directors of the Issuer, whose names appear in clause 4.1.
<b>Event of Default</b>	Any event specified in clause 7.6.
<b>First Interest Payment Date</b>	28 December 2023.
<b>Interest Amount</b>	Has meaning set out in clause 7.5.
<b>Interest Commencement Date</b>	Means the Issue Date.
<b>Interest Payment Date</b>	Has meaning set out in clause 7.5.1.3.
<b>Interest Period</b>	The period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including the applicable Interest Payment Date and ending on but excluding the next succeeding applicable Interest Payment Date.
<b>Interest Rate</b>	8.00% per annum.
<b>Issue Date</b>	Means the date on which the Bonds will be issued in accordance with the relevant Applicable Pricing Supplement.
<b>Issue Price</b>	Means the issue price of the Bonds as specified in the relevant Applicable Pricing Supplement
<b>Issuer</b>	Means ABACUS ROYAL ESTATE LTD.
<b>LEC</b>	Listing Executive Committee of the SEM.
<b>M</b>	Millions.
<b>Maturity Date</b>	In respect of a Tranche of the Bonds, the date upon which the Bonds are to be finally redeemed and all amounts due on the Bonds are to be repaid by the Issuer as set out in the Applicable Pricing Supplement.
<b>Material Adverse Effect</b>	means any event, condition or change which materially and adversely affects or could reasonably be expected to materially and adversely affect: <ul style="list-style-type: none"> <li>(a) the ability of the Issuer to perform its obligations under the Bonds;</li> <li>(b) the validity or enforceability of the Bonds or any of the Security Documents.</li> </ul>
<b>MUR</b>	Mauritian Rupees.

<b>Nominal Amount</b>	The total amount, excluding interest and any adjustments on account of any formula, owing by the Issuer under a Bond.
<b>p.a.</b>	Per annum.
<b>Permitted Investment</b>	Means investments made by the Company and approved by its Directors to optimise its interest income. These investments shall: <ul style="list-style-type: none"> <li>(c) not exceed a maturity of six (6) months or shall be callable by the Issuer within six (6) months; and</li> <li>(d) be limited to Government of Mauritius Securities or Treasury bills or short-term Mauritian Rupee denominated debt instruments with a rating of CARE MAU A2 (or equivalent) or above; and</li> <li>(e) not exceed a total outstanding amount of MUR 200,000,000 at any one time.</li> </ul>
<b>Principal Amount</b>	MUR 1,000.00 per Note.
<b>Project</b>	Following the acquisition of the land at Royal Park, BalACLava, the Issuer intends to develop the land into a residential morcellement. The proposed residential estate will consist of 287 plots of land ranging from 128 toises to 197 toises. The development will be done over three phases, starting in late 2023 and ending in early 2026.
<b>Property</b>	Means the plots of freehold land bearing the following PIN Numbers: <ul style="list-style-type: none"> <li>I. 1201090516</li> <li>II. 1201090288</li> <li>III. 1201091570</li> <li>IV. 1201091250</li> <li>V. 1201091707</li> <li>VI. 1201091243</li> </ul> situated in the district of Pamplemousses, place called "BalACLava" on the which the Project will be developed. The Title deeds for the Property have been registered under the following TV Numbers: <ul style="list-style-type: none"> <li>I. TV202311/001255</li> <li>II. TV202311/001540</li> </ul>
<b>Register</b>	Means the register of Bondholders.
<b>Security Agent</b>	Means SBM Fund Services Ltd.
<b>Security Document</b>	Means any document creating a Security Interest in favour of the Bondholders' Representative for the benefit of the Bondholders including a first rank fixed charge agreement granted by the Issuer over the Property.



**Security Interest**

Any mortgage, charge, encumbrance, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement (whether conditional or otherwise) having or intended to have a similar effect including those granted pursuant to the Security Document.

**SEM**

**Tranche**

The Stock Exchange of Mauritius Ltd.

in relation to any particular series, all Bonds which are identical in all respects.

## **I.2 INTERPRETATION**

Unless inconsistent with the context or save where the contrary is expressly specified in the Admission Document:

- I.2.1 The reference to a Clause is to a clause of this Admission Document;
- I.2.2 Words denoting the singular only will include the plural also and vice versa, words denoting one gender only will include the other genders and words denoting persons only will include firms and corporations and vice versa;
- I.2.3 Any reference to days (other than a reference to Business Days), months or years will be a reference to calendar days, months or years, as the case may be;
- I.2.4 Headings and sub-headings are inserted for convenience only;
- I.2.5 References to enactments and to articles or sections of enactments shall include references to any modifications or re-enactments thereof for the time being in force.

## 2. EXECUTIVE SUMMARY

### 2.1 BOND STRUCTURE OF THE ISSUER

As part of its fund raising to purchase the Property, the Issuer is undertaking an issuance of Bonds of an aggregate Nominal Amount of MUR 200,000,000.

The application for listing is being made in respect of the Bonds. The board and the shareholder of the Issuer have approved respectively the issuance of the Bonds as well as all documents to be entered into in connection with the Bonds.

### 2.2 SALIENT FEATURES OF THE BONDS

The following is a general summary of the terms of the Bonds. This summary is derived from and should be read in conjunction with the remainder of this document and the Bondholders' Agency Agreement, which will prevail to the extent of any inconsistency with the terms set out in this summary.

<b>1 Issuer</b>	ABACUS ROYAL ESTATE LTD
<b>2 Nature of instrument</b>	Secured Fixed Rate Bonds
<b>3 Corporate Finance Advisor</b>	AXYS Corporate Advisory Ltd
<b>4 Currency</b>	Mauritian Rupees (MUR)
<b>5 Nominal Amount per Bond</b>	MUR 1,000
<b>6 Minimum Subscription Amount</b>	MUR 1,000,000
<b>7 Issuer Price Per Bond</b>	100% of the Nominal Amount
<b>Interest Rate</b>	8% p.a.
<b>8 Interest Payment Dates</b>	Interests shall be paid semi-annually on 28 June and 28 December of each year
<b>9 Key Dates</b>	
• Issue date	• See relevant Applicable Pricing Supplement
• Interest commencement date	• See relevant Applicable Pricing Supplement
• Listing date	• 28 <sup>th</sup> June 2024
• First date of trading	• 28 <sup>th</sup> June 2024
• Maturity date	• See relevant Applicable Pricing Supplement
<b>11 Nominal Amount Repayment Mechanism</b>	See relevant Applicable Pricing Supplement
<b>12 Early Redemption at the option of the Issuer</b>	As from the second anniversary of the Issue Date.
<b>13 Early Redemption at the option of Bondholders</b>	None
<b>14 Form of the Bonds</b>	The Bonds are in inscribed/registered form. No certificates will be issued. Bonds will not be issued in bearer form.
<b>15 Security</b>	The amount outstanding on the Bonds will be secured by the Security Interest.

<b>16 Calculation, Paying, &amp; Transfer Agent</b>	MCB Registry and Securities Ltd
<b>17 Bondholders' Representative</b>	SBM Fund Services Ltd
<b>18 Security Agent</b>	SBM Fund Services Ltd
<b>19 Taxation</b>	<p>The following would apply:</p> <ul style="list-style-type: none"> <li>• interest paid by the Issuer to a Bondholder which is a resident company is subject to income tax at the current rate of 15% p.a.</li> <li>• following a listing, interest paid by the Issuer to a Bondholder who is an individual, société, succession or non-resident company, is exempt from income tax.</li> <li>• where interest is paid to a Bondholder (other than an individual, société, succession or company), the Issuer will be required by the Income Tax Act 1995 to deduct income tax at source at the current rate of 15% p.a. (subject to any double taxation agreement in force between Mauritius and the foreign country where the Bondholder is resident).</li> </ul>
<b>20 Governing law</b>	The laws of the Republic of Mauritius
<b>21 Trading on the SEM</b>	Any holder of Bonds must deposit the Bonds with the CDS to be able to trade on the SEM.

### **3. THE ISSUER'S BUSINESS OVERVIEW**

#### **3.1 HISTORY & BACKGROUND**

- 3.1.1 ABACUS ROYAL ESTATE LTS is a public company limited by shares incorporated on 24 August 2022 in the Republic of Mauritius under the Companies Act 2001, with company number C22190055. The registered office of the Issuer is situated at 33, Labourdonnais Street, Port-Louis, Mauritius.
- 3.1.2 The Issuer has been set up as a special purpose vehicle for the sole purpose of implementing the Project consisting of the development of residential morcellement in the Royal Park, Balaclava. The proposed residential estate will consist of 287 plots of land ranging from 128 toises to 197 toises. The development will be done over three phases, starting in late 2023 and ending in early 2026.
- 3.1.3 Its registered office of the Issuer is situated at 33, Labourdonnais Street, Port-Louis, Mauritius.

#### **3.2 THE ISSUER'S BUSINESS MODEL**

- 3.2.1 The Issuer's business model is to be yielding property vehicle deriving revenue from the sale of residential plots of land to prospective landowners after transforming the property into a vibrant and mature gated morcellement. As such, it will aim to pay out an attractive coupon to its investors. The Issuer has no employees but has appointed key service providers for its day-to-day operations.

##### Overview of the Project

#### **3.2.2 Location Description**

Royal Park, Balaclava opens its doors to its community. This breath-taking gated community is ideal of young families offering all types of facilities. At the heart of the development is a 25 acre thoughtfully laid out park designed by internationally acclaimed landscape architect Colin Okashimo. Landscaped with indigenous trees, plants, and water features, it provides a beautiful and soothing space in which to relax, play and admire nature at work.

##### Property Details:

- 287 lots
- Sizes from 105 toises to 197 toises.
- Phase I of 3, already sold out.
- House Plans available for Phase I
- Mature gated community
- Park and Clubhouse
- Security
- Ready to Build Project
- No Agent Fee.

#### **3.3 KEY MILESTONES OF THE COMPANY**

- 3.3.1 The key milestones of the Project are as follows:

- 3.3.1.1 Incorporation of the Issuer as a Private Company on 24 August 2022;

- 3.3.1.2 The Board approved capital raise of up to MUR 300 million on 18 November 2022;
- 3.3.1.3 The Board approved appointment of AXYS Corporate Advisory as Corporate Finance Advisor for the capital raise of up to MUR 300 million on 19 November 2022;
- 3.3.1.4 The Board on 6 February 2023, signed agreement with the receiver manager of Royal Park Balaclava Ltd for acquisition of the Property;
- 3.3.1.5 The Board on 24 October 2023, by way of a written resolution, authorised the purchase of the Property;
- 3.3.1.6 ABACUS Royal Estate Ltd concluded the purchase of the Property on 3 November 2023, 9 November 2023, and 14 November 2023;
- 3.3.1.7 The Board on 29 November 2023, by way of a written resolution, authorised ABACUS ROYAL ESTATE LTD to make an application to the SEM for the admission of 200,000 Bonds of a nominal value of MUR 1,000 each by way of placing on the DEM of the SEM.

### 3.4 DEVELOPMENT BUDGET

- 3.4.1 The development budget for the Project is estimated to be MUR 200,000,000. A summary of the development budget is included in the table below.

Purchase price of the Property	186,400,000
Acquisition costs (including land registration)	10,420,768
Working capital of the Company	3,179,232
<b>Total Project costs</b>	<b>200,000,000</b>

- 3.4.2 The Issuer has executed “Articles 15 – CLAUSE DE DEBIT ET OPTION D’ACHAT DU CONTRACT DE PROMOTION IMMOBILIERE ENTRE ROYAL PARK BALACLAVA LTD (in receivership) et ABACUS ROYAL ESTATE LTD to acquire the Property. Consequently, in November 2023, the Issuer finalised the purchase of the Property for the Project.
- 3.4.3 As mentioned in Clause 8 (Risk Factors), the Project shall be exposed to development risk. The Issuer has taken the following non-exhaustive steps to mitigate against those risks:
  - 3.4.3.1 The Issuer entered into an agreement for the purchase of the Property;
  - 3.4.3.2 A reputable firm will be appointed to provide advisory services for the development of the Property into a residential morcellement;
  - 3.4.3.3 Escalation and contingencies provisions are being provided for.

### 3.5 DEMOGRAPHICS: A KEY PERFORMANCE DRIVER

- 3.5.1 The Issuer has identified the following as key targets for the gated community project at Royal Park, Balaclava.
  - 3.5.1.1 Upper and Middle-class Millennials: In 2016, there were roughly 338,000 persons aged 18-25 representing 27% of the overall population in Mauritius. Currently 6 out of 10 millennials are living with their parents and only 3 out of 10 millennials are already homeowners. Moreover, 55% of this market intends to purchase a plot of land and 9 out of 10 millennials find their ideal home in gated morcellement. Interestingly, the government backed Home Ownership Refund Scheme provides additional incentive to this target market to take on

leverage to finance their land purchase and construction. Usually, investments around MUR 7-9 million are attractive for them as a working couple to settle down and have a family.

- 3.5.1.2 Baby Boomers and Gen X as investment opportunity: Firstly, this age-class are actively looking for yield assets and are tapping into alternative asset rather than traditional asset classes such as stocks and bonds. The Royal Park development therefore presents itself as a yielding investment instrument to this audience given that it is naturally inflation hedge, a stable store of value and finally as an asset that could be given as inheritance to their children and grandchildren. Secondly, this age-class would be retiring in the next 10-15 years. As such the Royal Park gated development possesses the security, hassle-free and privacy attributes that retirees would be keen to enjoy in their old-age lifestyle.

### **3.6 DOCUMENTS AVAILABLE FOR INSPECTION**

- 3.6.1 The following documents shall be made available to investors for inspection at the office of the Issuer for a period of 14 days from the date of this documents, during office hours (09.00 to 17.00):

- 3.6.1.1 The Bondholders' Agency Agreement;
- 3.6.1.2 The Security Agency Agreement; and
- 3.6.1.3 The title deeds of the Property.

## 4. THE ISSUER'S BUSINESS CORPORATE INFORMATION

### 4.1 THE BOARD OF THE ISSUER

4.1.1 The Company is managed by its board of directors of the Company. A background on the Directors is provided in the table below. The Directors have been appointed by the shareholders of the Issuer.

Name & Position	Biography	Address & Nationality	Age
Mr. AH-SONG AH-CHIN (Bobby)  (Director)	<p>Bobby is a successful entrepreneur with a proven track record of founding and growing businesses. He founded Precifab Engineering Workshop in 1993 and successfully sold the enterprise in 2007 before retiring. He is also a Senior Manager in network marketing in Forever Living Products. In 2013, he joined forces with the founder of El Mondo Pizza, has built a successful chain of 5 outlets in various locations across Mauritius.</p> <p>Other Directorships: Alpacebo companies (El Mondo restaurants), ABACUS PROPERTY LTD</p>	<p>Lot No.31, Gentilly Moka, Mauritius</p> <p>Nationality: Mauritian</p>	56 Years
Mr. FONG WAI CHIN CHY CHONG (George)  (Director)	<p>George is one of the beneficial owners of HAPPY HOUSE LTD, the authorised importer &amp; distributor of LEGRAND branded products. He has been a director of NEW GOODWILL INVESTMENT COMPANY LIMITED for more than 30 years. He also has shareholding in Villa Plus Ltd which is involved in real estate activities. George has wealth of experience in management, directorship, and entrepreneurship.</p> <p>Other Directorships: NEW GOODWILL INVESTMENT COMPANY LIMITED, INTERNATIONAL DISTILLERS (MAURITIUS) LTD, MEDINE DISTILLERY COMPANY LIMITED, HAPPY HOUSE LTD, VILLA PLUS LTD, ABACUS PROPERTY LTD</p>	<p>Apt No.4 La Ravin III, Bagatelle, Mauritius</p> <p>Nationality: Mauritian</p>	62 Years



<p>Mr. LI CHUNG JACQUES LAVAL (Director)</p>	<p>Jacques is a Fellow Member of Association of Chartered Certified Accountants (FCCA). He is also Partner at Valor Associates Ltd which is an accounting and audit firm and his also owner of the chain of pubs, and restaurant. He brings to the Company is long standing track record in the financial management and his experience in the entertainment and F&amp;B sector.</p> <p>Other directorships: GOLDEN JAR LTD, MAGIC SAKE LTD, Valor Associates Ltd, ABACUS PROPERTY LTD</p>	<p>33, Labourdonnais Street, Port Louis, Mauritius</p> <p>Nationality : Mauritian</p>	<p>52 Years</p>
<p>Mr. WONG CHEONG JEAN ERIC (Director)</p>	<p>Jean Eric is a serial entrepreneur with more than 28 years of experience in the food retail and property sector. He has successfully led ventures such as La Friandise, a popular pastry business specialising in cake making and snacks and L'Arabica, a popular coffee chain. He also has a wide experience in the property development having successfully delivered the Landstone Building in La Gare Victoria, Bagatelle Les Residences which consisted of 37 apartments, Bagatelle Les Villas and has recently embarked on the development Unit 64 in the heart of Telfair at Moka Smart City</p> <p>Other Directorships: L.V.M.C RESORTS LTD, WALLSTONE CAPITAL LTD, WONG CHEONG PROPERTY LTD</p>	<p>51, Royal Road, Gentilly Estates, Gentilly, Moka, Mauritius</p> <p>Nationality: Mauritian</p>	<p>49 Years</p>
<p>Mr. WONG CHEONG JEAN FRANCOIS ALFRED (Director)</p>	<p>Alfred is an entrepreneur in the construction and F&amp;B sector. He is also the founder of El Mondo chain of pizzerias and has in past led successful ventures such as Rodeo Chicken, a fried chicken fast shop business. He is also the pioneer of the KOTO building system in Mauritius, which is a method of construction that is faster, more affordable and more versatile. He has since</p>	<p>Lot 55, Morc Gentilly, Moka, Mauritius</p> <p>Nationality Mauritian</p>	<p>45 Years</p>

	<p>then, successfully built and delivered many villas around the island using this technique. Examples include the Oak Ridge Project in Moka, Bagatelle Apartments, numerous residential units in Ebene, Tombeau Bay and Helvetia, Reefscape Beachfront Apartments in Trou aux Biches and Northfields Private School.</p> <p>Other Directorships: Koto Building System Ltd, ABACUS PROPERTY LTD, Alpacebo companies (El Mondo restaurants)</p>		
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#### 4.1.2 Material Interest

The table below sets out the interests of the Directors or their associates in the equity or debt securities of the Company.

Directors	Direct interest		Indirect interest	
	Shares	%	Shares	%
Mr. AH-SONG AH-CHIN	20	20	NIL	NIL
Mr. FONG WAI CHIN CHY CHONG	20	20	NIL	NIL
Mr. LI CHUNG JACQUES LAVAL	20	20	NIL	NIL
Mr. WONG CHEONG JEAN ERIC	20	20	NIL	NIL
Mr. WONG CHEONG JEAN FRANCOIS ALFRED	20	20	NIL	NIL

There are no outstanding loans to Directors or guarantees provided to the directors by the Company. The Directors have no conflict of interest between their private interests and their duties towards to board.

#### 4.1.3 Remuneration & Benefits in kind to the Directors

Given that the Company was not in operation for the last financial year, no remuneration was paid, and no benefits in kind were granted, to the Directors of the Company in their capacity as directors of the Company.

## 4.2 ISSUER SHAREHOLDING

The Company is not part of a group. The shareholding in the Company as at the date of this document is set out in the table below:

Major shareholders	Holding (%)
Mr. AH-SONG AH-CHIN	20
Mr. FONG WAI CHIN CHY CHONG	20
Mr. LI CHUNG JACQUES LAVAL	20
Mr. WONG CHEONG JEAN ERIC	20
Mr. WONG CHEONG JEAN FRANCOIS ALFRED	20

## 4.3 LEGAL AND ARBITRATION PROCEEDINGS

- 4.3.1 There are no legal or arbitration proceedings (including such proceedings which are threatened of which the Issuer is aware) which may have or have had in the past 12 months from the date of this document, a significant effect on the Issuer's financial position.

## 4.4 EXPENSES OF THE LISTING

Expenses	MUR
SEM FEES	125,000
LEGAL FEES	270,000
TRANSACTION ADVISORY FEES	9,000,000
OTHER PROFESSIONAL FEES	2,100,000

## 5. THE ISSUER'S CAPITAL STRUCTURE

### 5.1 ISSUER SHAREHOLDING

5.1.1 To finance the Project, the Company is raising capital through the issue of Bonds of MUR 200,000,000

5.1.2 The capital structure of the Company for the purpose of implementing the project can be summarised as follows:

Capital Structure	
Type of Funding	Amount (MUR)
Bonds	200,000,000
Ordinary Shares	1,000
<b>Total</b>	<b>200,001,000</b>

5.1.3 The Bonds will be listed on the DEM.

5.1.4 By virtue of DEM Rule 7 (Lock-ins for new businesses), the Company will ensure that all related parties and applicable employees as at the date of admission agree not to dispose of any interest in its securities for one year from the admission of its securities.

5.1.5 In relation to the Bonds, the security package granted in favour of the Bondholders thereof can be summarised as follows:

5.1.5.1 the amount outstanding under the Bonds are secured by the Security Interest created under the Security Document including a first rank fixed charge agreement over the Property in favour of the Bondholders' Representative for the benefits of the Bondholders.

5.1.6 In relation to the funding described in Clause 5.1.2 above, the waterfall structure can be summarised as follows:

5.1.6.1 the Ordinary Shares rank junior in all aspects to the Bonds.

### 5.2 USE OF PROCEEDS FROM THE FUNDS

5.2.1 The issue of the Bonds will provide the Company with the necessary capital to implement the Project. The Issuer may utilise any part of the proceeds of the Bonds credited in the Issuer's bank account and which is awaiting deployment into the Project, to make Permitted Investments.

## 6. THE ISSUER'S FINANCIALS & FORECAST

### 6.1 REVENUES

6.1.1 The Company will generate revenue from the sale of 287 residential plots. The main determinant of the revenue generating capacity of the capital is the price per toise at which the plots will be offered to the market at three different phases.

6.1.1.1 Phase 1, the starting point of the project, will last for around 19 months and will include 105 lots of an average size of 128 toises. The selling price per toises for the 105 lots of the first phase will be Rs 24,219. The 105 lots included in Phase I of the development have already been marketed by the Issuer through their network of real estate agent. The entirety of the lots in Phase I have been reserved by prospective buyers. The total sales revenue to be earned from the sale of Phase I is estimated at Rs 325,000,000.

6.1.1.1.1 Timeline of Events:

- i. Estimated Starting Date: October 2024
- ii. Call of funds to start in October 2024
- iii. Infrastructural work to start in January 2025
- iv. 60% of Call of funds to be completed before March 2025
- v. 100% of Call of funds to be completed before June 2025

6.1.1.2 Phase 2, which will be commercialised 6 months after Phase 1, will include 98 lots of an average size of 197 toises. The selling price per toises for the 98 lots of the second phase will be Rs 30,000. The total sales revenue to be earned from the sale of Phase 2 is estimated at Rs 580,590,000.

6.1.1.2.1 Timeline of Events:

- i. Estimated Starting Date: October 2024
- ii. Call of Funds to start in March 2025
- iii. Infrastructural works to start in March 2025
- iv. 30% of Call of funds to be completed by June 2025
- v. 80% of Call of funds to be completed by September 2025
- vi. 100% of Call of funds to be completed by December 2025

6.1.1.3 Phase 3, which will be commercialised 5 months after Phase 2, will include 84 lots of an average size of 115 toises. The selling price per toises for the 84 lots of the third and final phase will be Rs 30,000. The total sales revenue to be earned from the sale of Phase 3 is estimated at Rs 290,280,000.

6.1.1.3.1 Timeline of Events:

- i. Estimated Starting Date: March 2025
- ii. Call of Funds to start in June 2025
- iii. Infrastructural works to start in July 2025
- iv. 10% of Call of funds to be completed by July 2025
- v. 70% of Call of funds to be completed by March 2026
- vi. 100% of Call of funds to be completed by June 2026

### 6.2 COSTS

6.2.1 The costs that will be incurred by the Company have been estimated by the project manager and quantity surveyor. These base prices have been benchmarked on Builder's and Infrastructure Works as of July 2022 and refreshed in November 2023. These costs include a Pre-Construction Escalation of 3% per annum for six months and Post-Construction Escalation of 3% per annum with a 0.4 cashflow factor. The Issuer will also face fixed costs such as Registration charges, Professional fees and others.

### **6.3 DEBT SERVICING**

- 6.3.1 The interest of the Bonds as well as the capital prepayments and repayment of final principal will be paid through the revenue of the Issuer generated from the sales receipts derived from the disposal of the residential plots.
- 6.3.2 The Directors hereby confirm that the forecasts, estimates and projection have been made after due and careful enquiry. However, the above figures have not been audited and are based on a number of assumptions which may not realise and as such there can be no assurance that the above will be achieved.
- 6.3.3 The provisions of Clauses 6.1 to 6.5 represent the key assumptions which could have a material effect on the achievement of the forecast, estimate or projection contained in this Admission Document.

## 6.4 ISSUER'S UNAUDITED FINANCIALS AS AT 30 JUNE 2023

### INCOME STATEMENT

	Unaudited Jun-23 MUR
<b>Income</b>	
Land Sales	-
Cost of Land Sold	-
Other costs related to Land Sale	-
<b>Gross Profit from Land Sales</b>	-
<b>Expenses</b>	
Estimated Infrastructure Work Expenses	-
Professional Fees	-
Development Services Costs	-
Costs for Taxes, Permits and Clearances	-
<b>Operating Expenses</b>	-
Property Acquisition Costs	-
Lead Advisory Fees	-
Bond Charges	-
<b>Administrative Expenses</b>	-
<b>Profit Before Interest, Tax and Depreciation</b>	-
Financial Charges	-
<b>Profit Before Tax</b>	-
Taxation	-
<b>Profit after Tax</b>	-

**STATEMENT OF FINANCIAL POSITION****Unaudited  
Jun-23  
MUR****Assets****Non-Current Asset**

Land -

**Total non-current asset -****Current Assets**

Land Inventory -

WIP Inventory -

Cash and Cash Equivalents 200,000,000

VAT Refundable -

Receivable from Shareholders 1,000

**Total Current Assets 200,001,000****Total Assets 200,001,000****Equity and Liabilities****Equity**

Stated Capital 1,000

Retained Earnings -

**Total Equity 1,000****Liability****Current Liability**

Tax Liabilities -

**Total Current Liability -****Non-Current Liabilities**

Shareholders Loan -

Deferred income -

3Y Redeemable Notes 200,000,000

**Total Non-Current Liabilities 200,000,000****Total Liabilities 200,000,000****Total Equity and Liabilities 200,001,000**



**STATEMENT OF CASH FLOWS****Unaudited  
Jun-23  
MUR****Cash Flow from Operations**

Profit Before Tax	-
Tax Paid during year	-
VAT Paid during the year	-
VAT Refund during the year	-
Adjustment for Financial Charges	-
<i>Changes in Working Capital</i>	
Land Inventory	-
WIP	-
Deferred income	-

**Net Cash Flow from Operations -****Cash Flow from Investing Activities**

Acquisition of Land	-
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**Net Cash Flow from Investing Activities -****Cash Flow Financing Activities**

Proceeds from Bond	200,000,000
Bond Repayment	-
Interest Paid	-
Shareholders Loan	-
Repayment of Shareholders Loan	-

**Net Cash Flow from Financing Activities 200,000,000****Opening Cash and Cash Equivalent -**

Net change in Cash and Cash Equivalent	200,000,000
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**Closing Cash and Cash Equivalent 200,000,000**

## 6.5 ISSUER'S FINANCIAL FORECASTS

### FORECASTED INCOME STATEMENT

	Forecast Jun-24 MUR	Forecast Jun-25 MUR	Forecast Jun-26 MUR
<b>Income</b>			
Land Sales	-	325,000,000	870,870,000
Cost of Land Sold	-	(51,746,515)	(120,738,242)
Other costs related to Land Sale	-	(29,250,000)	(78,378,300)
<b>Gross Profit from Land Sales</b>	-	<b>244,003,485</b>	<b>671,753,458</b>
<b>Expenses</b>			
Estimated Infrastructure Work Expenses	-	(133,467,578)	(306,190,326)
Professional Fees	-	(13,346,758)	(30,619,034)
Development Services Costs	-	(322,992)	(740,981)
Costs for Taxes, Permits and Clearances	-	(26,026,919)	(56,576,076)
<b>Operating Expenses</b>	-	<b>(173,164,247)</b>	<b>(394,126,417)</b>
Property Acquisition Costs	-	(2,892,910)	(6,749,921)
Lead Advisory Fees	-	(9,750,000)	(26,126,100)
Bond Charges	(9,000,000)	-	-
<b>Administrative Expenses</b>	<b>(9,000,000)</b>	<b>(12,642,910)</b>	<b>(32,876,021)</b>
<b>Profit Before Interest, Tax and Depreciation</b>	<b>(9,000,000)</b>	<b>58,196,328</b>	<b>244,751,020</b>
Financial Charges	(16,000,000)	(14,720,000)	(13,440,000)
<b>Profit Before Tax</b>	<b>(25,000,000)</b>	<b>43,476,328</b>	<b>231,311,020</b>
Taxation	-	(3,140,976)	(39,322,873)
<b>Profit after Tax</b>	<b>(25,000,000)</b>	<b>40,335,352</b>	<b>191,988,147</b>

## FORECASTED STATEMENT OF FINANCIAL POSITION

	Forecast Jun-24 MUR	Forecast Jun-25 MUR	Forecast Jun-26 MUR
<b>Assets</b>			
<b>Non-Current Assets</b>			
Land	14,693,180	14,693,180	14,693,180
<b>Total non-current assets</b>	<b>14,693,180</b>	<b>14,693,180</b>	<b>14,693,180</b>
<b>Current Assets</b>			
Land Inventory	172,484,757	120,738,242	-
WIP Inventory	202,770,844	318,402,887	-
Cash and Cash Equivalents	149,865,069	365,459,864	195,646,346
VAT Refundable	22,163,650	39,622,654	11,306,847
Receivable from Shareholders	1,000	1,000	1,000
<b>Total Current Assets</b>	<b>547,285,320</b>	<b>844,224,648</b>	<b>206,954,193</b>
<b>Total Assets</b>	<b>561,978,500</b>	<b>858,917,828</b>	<b>221,647,373</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Stated Capital	1,000	1,000	1,000
Retained Earnings	(25,000,000)	15,335,352	207,323,499
<b>Total Equity</b>	<b>(24,999,000)</b>	<b>15,336,352</b>	<b>207,324,499</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Tax Liabilities	-	3,140,976	39,322,873
<b>Total Current Liabilities</b>	<b>-</b>	<b>3,140,976</b>	<b>39,322,873</b>
<b>Non-Current Liabilities</b>			
Shareholders Loan	4,772,500	4,772,500	-
Deferred income	398,205,000	667,668,000	-
3Y Redeemable Notes	184,000,000	168,000,000	(25,000,000)
<b>Total Non-Current Liabilities</b>	<b>586,977,500</b>	<b>840,440,500</b>	<b>(25,000,000)</b>
<b>Total Liabilities</b>	<b>586,977,500</b>	<b>843,581,476</b>	<b>14,322,873</b>
<b>Total Equity and Liabilities</b>	<b>561,978,500</b>	<b>858,917,828</b>	<b>221,647,373</b>

## FORECASTED STATEMENT OF CASH FLOWS

	Forecast Jun-24 MUR	Forecast Jun-25 MUR	Forecast Jun-26 MUR
<b><u>Cash Flow from Operations</u></b>			
Profit Before Tax	(25,000,000)	43,476,328	231,311,020
Tax Paid during year	-	-	(3,140,976)
VAT Paid during the year	(22,163,650)	(39,622,654)	(11,306,847)
VAT Refund during the year	-	22,163,650	39,622,654
Adjustment for Financial Charges	16,000,000	14,720,000	13,440,000
<i>Changes in Working Capital</i>			
Land Inventory	(172,484,757)	51,746,515	120,738,242
WIP	(202,770,844)	(115,632,044)	318,402,887
Deferred income	398,205,000	269,463,000	(667,668,000)
<b>Net Cash Flow from Operations</b>	<b>(8,214,251)</b>	<b>246,314,795</b>	<b>41,398,982</b>
<b><u>Cash Flow from Investing Activities</u></b>			
Acquisition of Land	(14,693,180)	-	-
<b>Net Cash Flow from Investing Activities</b>	<b>(14,693,180)</b>	<b>-</b>	<b>-</b>
<b><u>Cash Flow Financing Activities</u></b>			
Proceeds from Bond	-	-	-
Bond Repayment	(16,000,000)	(16,000,000)	(193,000,000)
Interest Paid	(16,000,000)	(14,720,000)	(13,440,000)
Shareholders Loan	4,772,500	-	-
Repayment of Shareholders Loan	-	-	(4,772,500)
<b>Net Cash Flow from Financing Activities</b>	<b>(27,227,500)</b>	<b>(30,720,000)</b>	<b>(211,212,500)</b>
<b>Opening Cash and Cash Equivalent</b>	<b>200,000,000</b>	<b>149,865,069</b>	<b>365,459,864</b>
Net change in Cash and Cash Equivalent	(50,134,931)	215,594,795	(169,813,518)
<b>Closing Cash and Cash Equivalent</b>	<b>149,865,069</b>	<b>365,459,864</b>	<b>195,646,346</b>

## **6.6 DIVIDEND POLICY**

No dividend will be declared during term of the Bonds. As a result, the shareholders of the Company will be entitled to no income until such time as the Bonds are repaid. Instead, any residual cash flows after debt servicing will be used towards debt reduction.

## **6.7 WORKING CAPITAL**

Given the business model of the Company, working capital requirements are negligible. The directors of the Company are of the opinion that the working capital available is sufficient for its requirements for at least the next twelve months from the date of issue of this Admission Document.

## **7. TERMS AND CONDITIONS OF THE BONDS**

*The terms and conditions of all of the Bonds issued by the Issuer are set out in the Bondholders' Agency Agreement and are incorporated by reference into each Bond. Copies of the Bondholders' Agency Agreement are available for inspection at the registered office of the Issuer. The Bondholders are deemed to have notice of, and are entitled to the benefit of, and are subject to, all the provisions of the Bondholders' Agency Agreement.*

***The following sets out a summary of the terms and conditions attributable to the Bonds.***

### **7.1 ISSUE OF BONDS**

7.1.1 The Issuer has issued 200,000 Bonds with an aggregate Nominal Amount of MUR 200,000,000.

The Bonds will be issued in one tranche, for an aggregate amount of MUR 200,000,000, comprising of 200,000 bonds having a nominal value of MUR 1,000 each as per the relevant Applicable Pricing Supplement.

7.1.2 The Bonds have been issued by the Issuer in denominations of MUR 1,000.

7.1.3 The Bondholders are, by virtue of their subscription for or purchase of the Bonds, deemed to have notice of, and are entitled to the benefit of, and are subject to, all the provisions of the Bondholders' Agency Agreement.

### **7.2 FORM, DENOMINATION AND TITLE**

7.2.1 The Bonds have been issued in MUR and in inscribed form. No certificates have been issued in respect of the Bonds. No bearer Bonds have been issued.

7.2.2 Upon the admission of Bonds on the DEM, the Issuer and Agent shall recognise a Bondholder as the sole and absolute owner of the Bonds registered in that Bondholders' name in the book entries of the CDS as reflected in the Register.

### **7.3 STATUS OF THE BONDS**

7.3.1 Rank senior to holders of all classes of share capital of the Issuer;

7.3.2 Rank senior to unsecured creditors;

7.3.3 Rank *pari passu* without any preference among themselves;

### **7.4 SECURITY**

7.4.1 Subject to the priorities of Clause 7.3, the Bonds have the benefit of the applicable Security Interest created under the Security Document as security for the Issuer's payment obligations and the performance of the Issuer's obligations in respect of the Bonds.

7.4.2 The following Security Interests have been granted by the Issuer:

7.4.2.1 In respect of the Bond, the Security Interest in the form of a first rank fixed charge agreement over the Property created under the Security Document in favour of the Bondholders' Representative for the benefit of the Bondholders, as security for the payment of all amounts due under the Bonds.

- 7.4.3 The rights of the Bondholders to the Security Interest granted under this Clause 7.4 are vested in the Bondholders' Representative for the benefit of the Bondholders and the Bondholders' Representative will administer and enforce those Security Interest in accordance with the provisions of the Bondholders' Agency Agreement.
- 7.4.4 The Bondholders' Representative has entered into the Bondholders' Representative Agency Agreement which sets out, amongst other things, the conditions upon which the Bondholders' Representative will be able to enforce and apply proceeds of enforcement of the Security Document.
- 7.4.5 The Security Interest created under the Security Document will be released and/or partially released as soon as reasonably practicable upon the earlier of the date on which:
- 7.4.5.1 The Bonds are redeemed in full. In such a situation, the Security Agent shall have the power to take all necessary actions and sign agreements to the full release the Security Interest or;
- 7.4.5.2 Alternatively, at the request of the Issuer (and after the Issuer has provided substance and evidence that the sale of certain plots of the Property will be concluded and that the proceeds receivable from the sale will be solely used for payment of outstanding interest and principal owed to the Bondholders at that material time and held in an escrow account managed by the Security Agent), the Security Agent shall have the power to take all necessary actions and sign agreements to the release and/or partial release of the Security Interest to permit the sale of certain plots of the Property in furtherance of the Project.

## 7.5 INTEREST

- 7.5.1 Until the Bonds are repaid until redeemed by the Issuer, in each case in accordance with the provisions of this Clause 7.5.1, the Bonds will bear interest on their outstanding Nominal Amount from and including the Interest Commencement Date as follows:
- 7.5.1.1 The Bonds shall bear interest at: 8.00% p.a. until repaid, called or until redeemed, starting from the Interest Commencement Date as per the relevant Applicable Pricing Supplement;
- 7.5.1.2 Interest will be payable semi-annually in arrears on 28 June and 28 December, in each year, subject to adjustment in accordance with the Business Day Convention (each date on which interest is paid is referred to as an "**Interest Payment Date**") and based on the outstanding nominal amount;
- 7.5.1.3 The first payment of interest will be made on 28 December 2023.
- 7.5.2 Interest on the Bonds will be payable on the Interest Payment Dates in each year and on the Maturity Date if such date does not fall on an Interest Payment Date.
- 7.5.3 Interest will be paid on each Interest Payment Date to Bondholders on the Register on the date falling 3 days prior to the relevant Interest Payment Date in respect of the period ending on that Interest Payment Date.
- 7.5.4 Interest shall accrue at the default interest rate of one percent (1.00%) over and above the rate stated in clause 7.5.1.1. on any amount which is due but remained unpaid.
- 7.5.5 The default interest rate shall be applicable for the entire period in which the default has occurred and for the period till the any amount which is unpaid is paid.

- 7.5.6 The amount of interest payable (“**Interest Amount**”) in respect of the Bonds for any Interest Period shall be calculated by the Agent by multiplying the Day Count Fraction by the product of the Interest Rate and the outstanding Nominal Amount of such Bonds.
- 7.5.7 Each Bond will cease to bear interest from and including its due date for redemption unless payment of the principal in respect of the Bond is improperly withheld or refused or unless default is otherwise made in respect of payment. In such event, interest will continue to accrue at the applicable interest rate (set out in Clause 7.5) until the date on which all amounts due in respect of such Bond have been paid.

## 7.6 EVENT OF DEFAULT

- 7.6.1 Upon the occurrence of an Event of Default which is continuing, the Bondholders’ Representative:
- 7.6.1.1 at its sole discretion may, and if so requested in writing by the Bondholders holding not less than one-fourth in Nominal Amount of the Bonds outstanding; or
  - 7.6.1.2 will, if so directed by a Special Resolution (subject in each case to being indemnified and/or secured to its satisfaction), give notice to the Issuer that the Bonds are, and shall immediately become, due and repayable at their Nominal Amount together with any accrued interest.
- 7.6.2 The rights of the Bondholders’ Representative and of the Bondholders are subject:
- 7.6.2.1 to the terms of the Bondholders’ Agency Agreement; and
  - 7.6.2.2 the terms and conditions of the Bonds.
- 7.6.3 An Event of Default shall arise if any one or more of the following events (each an “**Event of Default**”) shall have occurred and be continuing:
- 7.6.3.1 Non-Payment: the failure by the Issuer to pay the principal of or any premium or interest on any of the Bonds within ten (10) Business Days when due; or
  - 7.6.3.2 Security Interest in respect of the Bonds: at any time any Security Interest is or becomes unlawful, or is not, or ceases to be legal, valid, binding or enforceable or otherwise for any reasons ceases to be in full force or effective or is claimed to be unlawful, unenforceable, invalid or not in full force or effective; or
  - 7.6.3.3 Breach of Other Obligations: failure by the Issuer to perform or comply with any one or more of its other obligations in the Bonds, the Bondholders’ Agency Agreement or the Security Documents (other than a default or breach elsewhere specifically dealt with in Clause 7.6) and such default or breach (if capable of remedy) is not remedied within 30 days (or such longer period as the Bondholders’ Representative may reasonably determine) after written notice of such default shall have been given to the Issuer by the Bondholders’ Representative, provided that no Event of Default will be triggered where the Issuer is unable to fulfil the Clause 7.9.1.1 relating to listing on SEM of the Bonds; or
  - 7.6.3.4 Cross-Default:
    - 7.6.3.4.1 any default on the Bond; or
    - 7.6.3.4.2 any other present or future indebtedness of the Issuer in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and



payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or

7.6.3.4.3 any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period; or

7.6.3.5 *Winding up/Insolvency:*

7.6.3.5.1 any proceeding (or any similar action) is commenced against the Issuer seeking (i) its bankruptcy, reorganization, liquidation, dissolution, arrangement or winding up, or similar relief, (ii) the appointment of an insolvency administrator, receiver, interim receiver or trustee (or any person performing similar functions) in respect of itself or of all or any substantial part of its property, or (iii) the seizure or the attachment of, or the enforcement of remedies on, any part of its property having a value of more than MUR 10,000,000, and, in each case, such proceeding (or similar action) is not dismissed or withdrawn after a period of thirty (30) days;

7.6.3.5.2 the Issuer (i) applies for or consents to or is the subject of an order for the appointment of an insolvency administrator, receiver, interim receiver or trustee (or any person performing similar functions) in respect of itself or of all or a substantial part of its property, (ii) makes a general assignment for the benefit of its creditors, (iii) takes advantage of any law relating to bankruptcy, insolvency, reorganization, liquidation, dissolution, arrangement or winding up, or (iv) takes any action for the purpose of effecting any of the foregoing;

provided that no liquidation, winding-up, dissolution, administration or similar proceeding shall constitute an Event of Default if it is for purposes of effecting an amalgamation, merger, demerger, consolidation, reorganisation or other similar arrangement, the terms of which were approved by Special Resolution of each class of Bondholders before such event; or

7.6.3.6 *Authorisation and Consents:* any action, condition or thing (including the obtaining of any consent, licence, approval or authorisation) now or hereafter necessary to enable the Issuer to comply with its obligations under the Bonds and the Security Documents, to which it is a party, is not taken, fulfilled or done, or any such consent, licence, approval or authorisation shall be revoked, modified, withdrawn or withheld or shall cease to remain in full force and effect, resulting in the Issuer being unable to perform any of its payment or other obligations in terms of the Bonds; or

7.6.4 For the purposes of this Clause 7.6 and unless otherwise provided, an Event of Default is continuing if it has not been remedied within 30 days (or such other extended period as approved by the Bondholders' Representative in writing) of occurrence of such Event of Default.

7.6.5 If the Issuer becomes aware of the occurrence of any Event of Default, the Issuer shall forthwith notify the Bondholders or the Bondholders' Representative.

## **7.7 REDEMPTION AND PURCHASE**

7.7.1 *Redemption at Maturity:* Unless previously redeemed or purchased and cancelled as provided herein, the Issuer will redeem each Bond at its Nominal Amount together with any accrued and unpaid interest thereon on the Maturity Date. The Issuer may not redeem the Bonds at its option prior to that date except as provided in Clause 7.7.2 (but without prejudice to Clause 7.6).

- 7.7.2 **Redemption at the Option of the Issuer:** The Issuer shall have the option of redeeming the Bondholders at its sole discretion in whole or in part at any time after the second anniversary of the Issue Date provided that:
- 7.7.2.1 A thirty (30) days' notice shall be served by the Issuer to the Bondholders' Representative and the Bondholders in accordance with Clause 7.14;
  - 7.7.2.2 Any such redemption of Bonds shall be at their Nominal Amount together, if appropriate, with accrued interest.
  - 7.7.2.3 Any partial redemption of the Bonds will be effected on a pro-rata basis, being in that percentage which the amount available for the partial redemption bears to the aggregate amount outstanding on the Bonds.
- 7.7.3 **Purchase:** The Issuer may, subject to applicable laws and regulations, at any time and from time-to-time purchase Bonds at any price in the open market or otherwise.
- 7.7.4 **Cancellation:** All Bonds which are redeemed, converted, or purchased by the Issuer, will forthwith be cancelled, and will not be reissued or resold.

## 7.8 COVENANTS

- 7.8.1 **Covenant to Pay:** Unless the Bonds have been redeemed or converted earlier, the Issuer must repay in full the outstanding Nominal Amount and pay all other amounts, including accrued interest, owing under the Bonds on the Maturity Date in accordance with the conditions attached to the Bonds.
- 7.8.2 **Covenant to report:** The Issuer agrees to provide its unaudited management accounts to the Bondholders' Representative every 4 months, within forty (40) days of the end of the quarter.
- 7.8.3 **Covenant to value:** The Issuer agrees to provide a valuation report of the property at end of each financial year till the Bonds are fully redeemed
- 7.8.4 **Negative Covenants:** The Issuer covenants and agrees that:
- 7.8.2.1 **Negative Pledge:** It will not create, assume or suffer to subsist, any guarantees or any Security Interest on their property except the Security Interest under the Security Documents.
  - 7.8.2.2 **Indebtedness:** It will not create, assume or permit to subsist, any indebtedness other than:
    - 7.8.2.2.1 indebtedness under the Bonds;
    - 7.8.2.2.2 trade accounts payable, deferred taxes, obligations under operating leases, obligations under existing capital leases and other accrued obligations incurred in the ordinary course of business; and
    - 7.8.2.2.3 loans from any governmental entity or agency on the condition that such loans carry no interest expense.
  - 7.8.2.3 **Limitations on Fundamental Changes:** It will not:
    - 7.8.2.3.1 enter into any transaction of merger, demerger, corporate reorganisation, consolidation or amalgamation, or liquidate, wind up or dissolve itself, except where approved by the Special Resolution of each class of Bondholders, or if not less than twenty (20) days prior notice of the merger or amalgamation is given to the Bondholders' Representative and provided that the following conditions are fulfilled:

7.8.2.3.2 unless the prior approval of the Bondholders Representative has been sought and obtained, sell, lease, transfer or otherwise dispose of, in one transaction or a series of transactions to any person all or any substantial part of its business or property, except inventory sold in the ordinary course of business and provided further that the Issuer is authorised to make Permitted Investments with any unutilised portion of the proceeds of the Bonds and which is awaiting deployment into the acquisition of the Property or the Project;

(i) no Event of Default exists or occurs as a result of the merger or amalgamation; and

(ii) the surviving or amalgamated entity must execute and deliver to the Bondholders' Representative all such documents as may be necessary or advisable to confirm that such entity is bound as successor of the initial entities by all relevant finance documents to which such entities were party;

7.8.2.3.3 carry on any business, directly or indirectly, other than the business currently carried on by it and activities ancillary or reasonably related to that business.

7.8.2.4 *Distributions*: It will not make any Distribution until all obligations under the Bonds have been paid in full unless otherwise permitted by a Special Resolution of each class of Bonds.

## 7.9 UNDERTAKINGS

7.9.1 Subject to provisions of Clause 7.9.2 and so long as any Bond remains outstanding, the Issuer undertakes:

7.9.1.1 to Bondholders: that it will initiate a listing of the Bonds on the SEM but it is acknowledged that the listing, being subject to the approval of the Listing Executive Committee of the SEM, is not guaranteed;

7.9.1.2 To all Bondholders that:

7.9.1.2.1 It will promptly notify the Bondholders' Representative of any Event of Default;

7.9.1.2.2 It will promptly finalise the acquisition of the Property after the issue date of the Bonds.

7.9.1.2.3 It will redeem the Bonds at par plus any accrued interest and refund Bondholders if the acquisition of the Property is not finalised within five (5) months from the Issue Date.

7.9.1.2.4 It will promptly deliver the Security Inter to the Bondholders' Representative after the Property has been acquired.

7.9.1.2.5 it will not, without the consent of the Bondholders, create or issue debt securities other than as specified in Clause 7.8.2.2;

7.9.1.2.6 it will not, by way of action or inaction, allow anything which would have a Material Adverse Effect on the Security Interest granted under the Security Documents and shall take all necessary steps and actions that may be required to perfect and maintain such Security Interest;

- 7.9.1.2.7 it will comply with any law, rule, regulation, judgment, order, authorisation of any government, governmental or regulatory body or court, having jurisdiction over the Issuer or any of their respective assets and properties, except for such non-compliance which would not have, singly or in aggregate, a material adverse effect upon the condition (financial or otherwise), prospects, results of operations, shareholders' equity, business or general affairs of the Issuer which is material in the context of the Bonds.
- 7.9.1.2.8 as soon as the Issuer becomes aware of any delay on the construction of the Project, the Issuer will provide the Bondholders with a plan setting out (i) the duration and expected costs of such delays. The plan will need to be approved by a Special Resolution of each class of Bonds.
- 7.9.2 To the extent not already specified in Clause 7.9.1, the Issuer may derogate or be waived from the undertakings set out in Clause 7.9.1 by the approval of a Special Resolution of the relevant Bondholders, or with the approval of the Bondholders' Representative where, in the opinion of the Bondholders' Representative, it is not materially prejudicial to the interests of Bondholders to give such approval.

## **7.10 REPRESENTATIONS AND WARRANTIES**

- 7.10.1 The Issuer hereby certifies and warrants that all acts and conditions required to be done and performed and to have happened prior to the creation and issuance of each Bond and to constitute the same as the legal, valid and binding obligations of the Issuer enforceable in accordance with their terms, if any, have been done and performed and have happened in due compliance with all applicable law.

## **7.11 REGISTER AND TRANSFER OF BONDS**

- 7.11.1 The Issuer hereby certifies and warrants that all acts and conditions required to be done and performed and to have happened prior to the creation and issuance of each Bond and to constitute the same as the legal, valid and binding obligations of the Issuer enforceable in accordance with their terms, if any, have been done and performed and have happened in due compliance with all applicable law.
- 7.11.1.1 shall be kept at the office of the Issuer and the Agent or such other person as may be appointed for the time being by the Issuer to maintain the Register;
- 7.11.1.2 shall contain the names and address of the Bondholders;
- 7.11.1.3 shall contain the total Nominal Amount of the Bonds held by the Bondholders;
- 7.11.1.4 shall show the dates upon which each of the Bondholders was registered as such;
- 7.11.1.5 shall be closed from the Last Day to Register until each payment date of principal and interest in respect of the Bonds, as the case may be.
- 7.11.1.6 shall be open for inspection during the normal business hours of the Issuer to any Bondholder or any person authorised in writing by any Bondholder.
- 7.11.2 The Agent shall alter the Register in respect of any change of name or address of any of the Bondholders upon receipt of notification from the Bondholder.

7.11.3 Except as provided for in the terms of the Bonds or as required by law, the Issuer:

- 7.11.3.1 will not be bound to enter any trust in the Register or to take notice of or to accede to the execution of any trust (express, implied or constructive).
- 7.11.3.2 will only recognise a Bondholder as the owner of the Bonds registered in that Bondholder's name as per the Register.
- 7.11.3.3 if the Bonds are listed, shall only recognize a Bondholder as the owner of the Bonds registered in that Bondholder's name as per the book entries recorded by the CDS as reflected in the Register.

7.11.4 Transfer

- 7.11.4.1 The Bonds are freely transferrable.
- 7.11.4.2 In order for any transfer of Bonds to be effected through the Register, and for the transfer to be recognised by the Issuer, each transfer of a Bond:
  - 7.11.4.2.1 requires the prior permission of the Issuer, unless such Bond is listed on DEM. Such consent shall not be unreasonably withheld by the Issuer;
  - 7.11.4.2.2 must be embodied in a transfer form approved by the Registrar of Companies of Mauritius (which may be obtained from the office of the Agent);
  - 7.11.4.2.3 must be signed by the relevant Bondholder and the transferee, or any representatives of that registered Bondholder and/or the transferee; and
  - 7.11.4.2.4 must be made by way of the delivery of the transfer form to the Agent.
  - 7.11.4.2.5 The transferor of any Bonds registered in the Register shall remain the owner thereof until the transferee is registered in the Register as the holder thereof.
  - 7.11.4.2.6 Before any transfer is registered, all relevant transfer taxes (if any) must have been paid and such evidence must be furnished as the Issuer may reasonably require as to the identity and title of the transferor and the transferee.
  - 7.11.4.2.7 No transfer will be registered while the Register is closed.
- 7.11.4.3 Upon the admission on the DEM, title to the Bonds shall pass in accordance with the rules, regulations and procedures of the CDS, unless the applicable law provides otherwise or provides for additional formalities for transfer of title.

## 7.12 TAXATION

- 7.12.1 All payments in respect of the Bonds will be made without withholding or deducting for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ('Taxes') imposed or levied by, or on behalf of Mauritius, (or any political subdivision of) or any authority in, or of, Mauritius having power to tax, unless such withholding or deduction of Taxes is required by law.

## **7.13 PAYMENT**

- 7.13.1 The Issuer covenants to pay all amounts of principal, interest (including default interest) and any other amounts due under the Bond
- 7.13.2 Payment of the principal and interest will be made:
- 7.13.3 to Bondholders registered on the Register on the Last Day to Register;
- 7.13.4 by the Issuer or, on the Issuer's behalf, by the Agent via electronic funds transfer
  - 7.13.4.1 to the account designated for that purpose in writing by the Bondholder, and
  - 7.13.4.2 in the case of joint Bondholders, to the account of the Bondholder first named in the Register. Payment by electronic transfer to the Bondholder first named in the Register shall discharge the Issuer of its relevant payment obligations under the Bonds.
- 7.13.5 Following admission of the Bonds on the DEM, payments shall be credited as per prevailing instructions on the CDS account of the Bondholder. Where an invalid bank account is attached to the CDS account, the Bondholder shall make the necessary arrangements to provide a valid bank account upon being notified that the interest is being held with the Agent. No interest will be payable on such Interest Amount held with the Agent.
- 7.13.6 All payments made under the Bonds shall be made without set off or counterclaim and without any withholding or deduction for or on account of tax other than as required from time to time by law.
- 7.13.7 If the date for payment of any amount in respect of any Bond is not a Business Day, the holder thereof shall not be entitled to payment until the next following Business Day in the relevant place for payment and shall not be entitled to further interest or other payment in respect of any such delay.

## **7.14 NOTICE**

- 7.14.1 All notices to Bondholders shall be sent by registered mail or email to their respective addresses appearing in the Register. Any notice by registered mail will be deemed to have been given on the seventh (7th) day after the day on which it is mailed and any notice by email will be deemed duly served, if sent during normal business hours, then at the time of transmission and, if sent outside normal business hours, then on the next following Business Day.
- 7.14.2 If any notice is given to Bondholders, a copy thereof shall be delivered to the Bondholders' Representative.
- 7.14.3 Any notice by a Bondholder to the Issuer shall be deemed to have been received by the Issuer, if delivered to the registered office of the Issuer on the date of delivery and, if sent by registered mail, on the seventh day after the day on which it is sent.

## **7.15 BONDHOLDERS' RIGHTS, BONDHOLDERS' REPRESENTATIVE AND MEETINGS**

- 7.15.1 Bondholders' Representative:
  - 7.15.1.1 The Bondholders' Representative has been appointed under the Bondholders' Agency Agreement with the aim, inter alia, of providing for the protection and enforcement of the rights and entitlements, and the implementation of the obligations, of the Bondholders.

Accordingly, all such rights, entitlements and obligations of the Bondholders shall be protected, enforced and implemented, as the case may be, through the office of the Bondholders' Representative.

7.15.1.2 The Bondholders are deemed to have notice of, are entitled to the benefit of, and are subject to, all the provisions of the Bondholders' Agency Agreement.

#### 7.15.2 Bondholders' Meetings:

7.15.2.1 The Bondholders' Agency Agreement contains the rights and powers of the Bondholders, the duties and powers of the Bondholders' Representative and provisions for convening meetings of the Bondholders to consider any matter affecting their interests. Such meetings may be convened by the Issuer or Bondholders holding not less than twenty percent (20%) in Nominal Amount of the Bonds in issue, in accordance with the Bondholders' Agency Agreement.

7.15.2.2 The Issuer may at any time convene a meeting of the Bondholders, subject to prior written notice to such Bondholders in accordance with the Bondholders' Agency Agreement. This notice is required to be given in terms of Clause 7.14. Such notice shall specify the date, place and time of the meeting to be held, which place shall be in Mauritius.

7.15.2.3 The quorum for the meeting shall be any such number of Bondholders representing at least 50% of the total Nominal Value of Bonds in issue.

7.15.3 Bondholder's Rights: In addition to the other rights attached to the Bonds (including Clause 7.9), the Bondholders' Agency Agreement contains the rights of the Bondholders which include the following approval matters:

7.15.3.1 to sanction any scheme of arrangement of the Issuer or for the amalgamation of the Issuer;

7.15.3.2 to remove the Bondholders' Representative;

7.15.3.3 to agree to any variation or modification of any of the rights of the Bondholders, in each case subject to the consent or concurrence of the Issuer;

7.15.3.4 to bind the Bondholders to any compromise or arrangement to be made between the Issuer and the Bondholders or any of them;

7.15.3.5 to discharge or exonerate the Agent from liability in respect of any specific breach of its obligations under the Bondholders' Agency Agreement.

7.15.4 A Special Resolution of a class of Bondholders passed at any meeting of the class of the Bondholders shall be binding on all the Bondholders of that class, whether or not they are present at the meeting.

## 7.16 AMENDMENTS

7.16.1 No amendments of the provisions attached to the Bonds may be effected without the written agreement of the Issuer.

7.16.2 The Issuer may effect, without the consent of the Bondholders, any amendment of the terms of the Bonds which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated and the governing law in accordance with which Bonds are issued. Any such

modification shall be binding on the Bondholders and any such modification shall be notified to the Bondholders in accordance with Clause 7.14 (Notices) as soon as practicable thereafter.

7.16.3 Save as provided in Clause 7.16.2, no modification of the terms of the Bonds may be effected unless:

7.16.3.1 in writing and signed by or on behalf of the Issuer and by or on behalf of the Bondholders holding not less than seventy five percent (75%), in Nominal Amount, of the Bonds for the time being outstanding; or

7.16.3.2 sanctioned by a Special Resolution of the concerned class of Bondholders.

## **7.17 AGENT**

The Issuer is entitled to vary or terminate the appointment of the Agent and/or appoint additional or other agents and/or approve any change in the specified office through which any such agent acts on the terms of the Agency Agreement, provided that there will at all times be an Agent with an office in such place as may be required by the applicable procedures.

## **7.18 PRESCRIPTION**

Where after five (5) years from the date of redemption of the Bonds, any payment of redemption proceeds has not been claimed, such redemption proceeds will revert to the Issuer and the relevant Bondholders shall have no right whatsoever thereto.

## **7.19 GOVERNING LAW**

The terms attached to the Bonds, the Bondholders' Agency Agreement, the Agency Agreement and all rights and obligations to the Bonds, are governed by, and shall be construed in accordance with, the laws of Mauritius.

## **7.20 JURISDICTION**

Any dispute arising in connection with the present contract shall be settled under the Mediation Rules of the Arbitration and Mediation Centre of the Mauritius Chamber of Commerce and Industry. In the event that no settlement is thereby reached within thirty (30) days of the commencement of the mediation, or such further period as the parties shall agree in writing, the dispute shall be finally settled under the Arbitration Rules of the Arbitration and Mediation Centre of the Mauritius Chamber of Commerce and Industry, by one arbitrator appointed in accordance with the said rules. The seat, or legal place, of the arbitration shall be Port-Louis, Republic of Mauritius.



## 8. RISK FACTORS

An investment in the Bonds involves some degree of risk and should be made only after consulting with independent, qualified sources of investment, legal, tax, accounting and other advice. A selection of the substantial risks to which investors are exposed by investing in the Bonds are listed below. Investors should not regard this list an exhaustive list of all risks that could impact negatively on the performance of the Company. Also, other risks and uncertainties that the Issuer presently is not aware of or such risks that the Board of Directors deems as insignificant can come to have an adverse effect on the Company's operations, earnings, or financial position.

### 8.1 RISK RELATING TO THE COMPANY

- 8.1.1 *Risk associated with a fall in real estate markets:* Real estate markets are cyclical. A fall in real estate prices in Mauritius (for example, due to adverse economic conditions) will likely impact the value of the real estate owned by the Issuer. As the Issuer's real estate will be used towards collateral for debt, a fall in real estate prices may result in both negative equity and a breach of covenants.
- 8.1.2 *Risk associated with the sale of the residential plots:* The residential plots may not be sold in the time frame or at the pricing levels envisaged. The inability to sell the apartments or any delays in selling those apartments could materially affect the Issuer's financial results, and accordingly, its debt servicing ability.
- 8.1.3 *Risks associated with changes in laws or regulations:* Risks associated with changes in laws or regulations: Any change in the tax status of the Company, or in real estate policies (including without limitation to RES Schemes, PDS Schemes) or in taxation legislation in Mauritius or such other jurisdiction that may affect, in quantum, value or otherwise, may directly or indirectly affect income to be derived by the Company.
- 8.1.4 *Material Adverse Effects:* There are certain unforeseen events which, being beyond the control of the Issuer, may have a material impact on the ability of the Issuer to generate adequate revenues. Such events may further result in a significant fall in value of the real estate value owned by the Issuer.
- 8.1.5 *The Issuer's business environment:* The investments, business, profitability, and results of operations of the Issuer may be adversely affected as a result of the difficult conditions in the Issuer operating environment.
- 8.1.6 *Litigation risk:* The Issuer, in its normal course of business, may be subject to litigation, claims from tax authorities or claims arising from the conduct of its business. The occurrence of potential proceedings, or other claims leading to a substantial legal liability could have a material adverse effect on the Issuer's business, results, operations, reputation and financial condition.

### 8.2 RISK RELATING TO THE BONDS:

- 8.2.1 *An active trading market for the Bonds may not develop:* There can be no assurance as to the liquidity of the Bonds or that an active trading market will develop in terms of the Bonds. If such a market were to develop, the Bonds could trade at prices that may be higher or lower than the initial issue price depending on many factors, including prevailing interest rates, our operations and the market for similar securities.
- 8.2.2 *Liquidity Risk:* The Bonds are designed to be held till maturity and as such investors will not be able to redeem their investment before the Maturity Date.

## 8.2 GENERAL RISKS

- 8.3.1 *Changes in Laws and Regulations:* The Bonds are governed by, and will be construed in accordance with, the Mauritian law in effect as at the date. No assurance can be given as to the impact of any possible judicial decision or change to Mauritian law or administrative practice after the date of the terms attached to the Bonds. Legal and regulatory changes could occur that may adversely affect, in quantum, value or otherwise, any pay out or such other income that may be or become payable in respect of the Bonds.
- 8.3.2 *Changes in Taxation Legislation:* Any change in the tax status of the Issuer, or in taxation legislation in Mauritius or such other jurisdiction may affect, in quantum, value or otherwise, any pay out or such other income that may be or become payable in respect of the Bonds. Investors are urged to consult their own tax advisers with respect to their particular tax situations and the tax effects of an investment in the Bonds.
- 8.3.3 *Forward Looking Statements:* This document may contain certain forward-looking statements and descriptions of returns to be achieved. Although these forward-looking statements and objectives are based upon assumptions and research that the Issuer believes are reasonable, actual results of operations and achievements may differ materially from the statements and objectives set forth in this document.

**THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS INVOLVED IN THIS OFFERING. POTENTIAL INVESTORS MUST READ THE ENTIRE DOCUMENT BEFORE DETERMINING TO INVEST IN THE BONDS. ALL POTENTIAL INVESTORS MUST OBTAIN PROFESSIONAL GUIDANCE FROM THEIR ADVISORS IN EVALUATING ALL OF THE IMPLICATIONS AND RISKS INVOLVED IN INVESTING IN THE BONDS.**

## 9. DIRECTORY

### **THE COMPANY**

### **ABACUS ROYAL ESTATE LTD**

Registered office: 33, Labourdonnais Street, Port-Louis, Mauritius

### **COMPANY SECRETARY**

### **BUSINESS ALLIANCE LTD**

OFFICE 103B, Royal Road, Moka Business Centre, Moka, Mauritius

### **REGISTRAR AND TRANSFER AGENT**

### **MCB REGISTRY & SECURITIES LTD**

Sir William Newton Street, Port Louis, Mauritius

### **INDEPENDENT FINANCIAL ADVISOR**

### **BDO & Co Ltd**

10 Frère Félix de Valois, Port Louis, Mauritius

### **CORPORATE FINANCE ADVISOR**

### **AXYS Corporate Advisory Ltd**

6th Floor, Dias Pier Building, Le Caudan Waterfront, Caudan, Port Louis, Mauritius

### **LEGAL ADVISER AND LEGAL ADVISER TO THE LISTING**

### **LX Legal**

Suite 401, St James Court, St Denis Street, Port Louis, Mauritius

### **BONDHOLDERS' REPRESENTATIVE AND SECURITY AGENT**

### **SBM Fund Services Ltd**

Level 10, Hennessy Tower, Pope Hennessy Street, Port-Louis, Mauritius