

ABACUS ROYAL ESTATE LTD

Issue of MUR 200,000,000 Aggregate Nominal Amount of Bonds under its MUR 200,000,000 Bond Issue

This document constitutes the Pricing Supplement relating to the issue of Bonds described herein. Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the “**Terms and Conditions**”) set forth in the Admission Document dated 24th June 2024 (the “**Admission Document**”), as updated, and amended from time to time. The Bonds described in this Pricing Supplement are subject to the Terms and Conditions in the Admission Document and this Pricing Supplement must be read in conjunction with the Admission Document. To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Admission Document, the provisions of this Pricing Supplement shall prevail.

I. DESCRIPTION OF NOTES	
I.1. Issuer	ABACUS ROYAL ESTATE LTD
I.2. Arranger	AXYS Corporate Advisory Ltd
I.3. Type of securities	Fixed Rate Secured Bonds
I.4. Specified Currency	Mauritian Rupees
I.5. Aggregate Nominal Amount	MUR 200,000,000
I.6. Purpose	To finance the acquisition of Property at Balaclava.
I.7. Property	<p>Means the plots of freehold land bearing the following PIN Numbers:</p> <ul style="list-style-type: none">I. 1201090516II. 1201090288III. 1201091570IV. 1201091250V. 1201091707VI. 1201091243 <p>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:</p> <ul style="list-style-type: none">I. TV202311/001255II. TV202311/001540

I.8. Project	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.
I.9. Nominal Amount Per Note	MUR 1,000
I.10. Issue Price	100% of the Nominal Amount of per Bond
I.11. Issue Date	28th June 2023
I.12. Interest Commencement Date	28th June 2023
I.13. Maturity of Notes	3 years after Issue Date
I.14. Maturity Date	28th June 2026
I.15. Nominal Amount Repayment	<ul style="list-style-type: none"> • 28th June 2024 – MUR 16,000,000 • 28th June 2025 – MUR 16,000,000 • 28th June 2026 – MUR 168,000,000
I.16. Interest Rate	8.00% per annum
I.17. Interest Frequency	Semi Annual
I.18. Day Count Fraction	Actual/365 (Fixed)
I.19. Issuing and Paying Agent	MCB REGISTRY & SECURITIES LTD
I.20. Bondholders' Representative	SBM Fund Services Ltd
I.21. Security Agent	SBM Fund Services Ltd
I.22. Early Redemption of Bonds	Optional early redemption, as from the second anniversary for the Bonds, at the Issuers discretion.
I.23. Security Interest	First-rank mortgage on the Property pledged in favour of the Bondholders' Representative for the benefit of the Bondholders.
I.24. Governing law	The laws of the Republic of Mauritius

2. RELEASE OF THE SECURITY INTEREST

2.1. 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:

2.1.1. 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

2.1.2. 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.

2.2. Mechanism for erasure of charge:

- A plot of land has been identified by a prospective buyer for purchase.
- This plot of land is burdened by fixed charge inscribed by the Security Agent.
- The Issuer write to the Security Agent and ask for permission from the latter to commit to a partial erasure on this specific plot of land.
- The Security Agent agrees, subject to a list of conditions imposed to the Issuer, including the balance which needs to be kept in an escrow account under the purview of the Security Agent.
- After the Issuer has fulfilled the conditions imposed by the Security Agent, the latter will write to the Conservator of Mortgages to effectively erase its charge on this plot of Land.

3. PROJECT UPDATE

3.1. In August 2023, ABACUS Royal Estate Ltd closed its capital raise of Rs 200 million through the issue of secured bonds by way of private placement.

3.2. The acquisition of the Property which was initially scheduled for October 2023 has been delayed for 2 months for reasons beyond control of the Issuer, as Ernst & Young Ltd, the Receiver Manager of the Royal Balaclava Ltd, had to transfer the roads and reserves of the current Royal Park Morcellement to the Association Syndicale Royal Park before proceeding with the sale of the Property.

3.3. In November 2023, and after the completion of 3.2, the Issuer successfully completed the purchase of the Property.

3.4. In March 2024, after receiving the title deeds from the notary, SBM Fund Services Ltd acting as Security Agent inscribed the fixed charge on the Property on behalf of the Bondholders.

3.5. Since then, ABACUS appointed Mr David Cieslik as Project Manager for the development of the Project.

3.6. The Project masterplan was further modified following purchase of the Land to include post budgetary amendments. The masterplan is expected to be completed soon which will allow the promotor to submit the relevant permits applications.

- 3.7. Although, the Issuer acquisition of the Property was slightly delayed, the development of Phase I, which will be under the co-ownership regime (i.e Regime de copropriété), is underway with delivery of the plots expected by June-25. The reservations for Phase I have not yet been converted into title deeds and are still at this stage classified as non-binding. However, they received extremely positive responses from family, friends and clients with more than 75 non-binding reservations out of the 48 plots available of Phase I – Part 1. Surplus reservations from Phase I – Part 1 will be proposed the plots in Phase I – Part 2. Professional and targeted marketing will further help in the sale of Phase I.
- 3.8. In the event that the delivery of Phase I is delayed, shareholders of ABACUS undertake to secure the required funding to make sure that the debt commitment amounting to MUR 30.7 million for the financial year ending 30 June 2025 is settled as and when required.
- 3.9. Development of Phase 2 and Phase 3 will follow Phase I and are expected to be delivered by December 2025 and June 2026 respectively.

4. TIMELINE OF EVENTS	
4.1. Phase I	<ul style="list-style-type: none"> 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
4.2. Phase 2	<ul style="list-style-type: none"> 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
4.3. Phase 3	<ul style="list-style-type: none"> 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

5. RISK RELATING TO THE COMPANY

5.1. 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.
5.2. 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 plots or any delays in selling those plots could materially affect the Issuer's financial results, and accordingly, its debt servicing ability.
5.3. 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.
5.4. 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.
5.5. 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.
5.6. 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.

<p>5.7. Risks associated with obtention of related developments permits</p>	<p>The relevant permits for the development of the Project may not be received in the timeframe envisaged. Any delays in obtaining those permits could materially affect the Issuer's financial results, and accordingly, its debt servicing ability.</p> <p>As at June 2024, no permits have been received by the promotor due to delays encountered in the purchase of the Land. However, for Phase I the following permits have been applied:</p> <ul style="list-style-type: none"> • Land Conversion Permit • Building and Land Use Permit <p>With regards to Phase 2 and Phase 3, the following permits will be applied after completion of the masterplan:</p> <ul style="list-style-type: none"> • Land Conversion Permit • Building and Land Use Permit • Morcellement Permit
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6. RISK RELATING TO THE BONDS	
<p>6.1. An active trading market for the Bonds may not develop</p>	<p>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.</p>
<p>6.2. Liquidity Risk</p>	<p>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.</p>

Responsibility

The Issuer certifies that, to the best of its knowledge and belief, there are no facts that have been omitted which would make any statements in the Admission Document and this Pricing Supplement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that the Admission Document and this Pricing Supplement contains all information required by law.

The Issuer shall accept full responsibility for the accuracy of the information contained in the Admission Document, this Pricing Supplement, any other applicable pricing supplements and the annual report or the amendments to the annual report, except as otherwise stated therein.

DATED 24th June 2024

ABACUS ROYAL ESTATE LTD