

## Securities Note

This document is a Securities Note issued in accordance with the provisions of Chapter 4 of the Listing Rules published by the Listing Authority and in accordance with the provisions of Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended by Commission Delegated Regulation (EU) No 486/2012 of the 30 March 2012, Commission Delegated Regulation (EU) No 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No 759/2013 of 30 April 2013 and Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014. This Securities Note contains information about the Shares being issued by Santumas Shareholdings p.l.c. Application has been made for the admission to listing and trading of the Shares on the Official List of the Malta Stock Exchange. This Securities Note should be read in conjunction with the most updated Registration Document issued from time to time containing information about the Company.

Dated 6 October 2014

## Securities Note

### Santumas Shareholdings p.l.c.

(a public limited liability company registered under the laws of Malta  
with registration number C 35)

ISIN:- MT 0000290115

### Legal Counsel

**CAMILLERI PREZIOSI**  
ADVOCATES

### Sponsor

 **RIZZO FARRUGIA**  
YOUR INVESTMENT CONSULTANTS

THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THESE SHARES AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT THE SAID INSTRUMENTS ARE IN COMPLIANCE WITH THE REQUIREMENTS AND CONDITIONS SET OUT IN THE LISTING RULES. IN PROVIDING THIS AUTHORISATION, THE LISTING AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENT AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENT.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS INCLUDING ANY LOSSES INCURRED BY INVESTING IN THESE SHARES.

A PROSPECTIVE SHAREHOLDER SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO ACQUIRE ANY SHARES. A PROSPECTIVE SHAREHOLDER SHOULD BE AWARE OF THE POTENTIAL RISKS IN ACQUIRING THE SHARES OF THE COMPANY AND SHOULD MAKE THE DECISION TO ACQUIRE THE SHARES ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISER.

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OF SHARES TO THE PUBLIC, BUT DESCRIBES THE SHARES WHOSE ADMISSION TO LISTING HAS BEEN APPROVED BY THE LISTING AUTHORITY.



Peter Paul Testaferrata  
Moroni Viani (in his name  
and on behalf of Anthony  
Demajo)



Christopher  
Moroni Viani



Norbert Tabone



Edward Firman

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## IMPORTANT INFORMATION

THIS SECURITIES NOTE CONTAINS INFORMATION ON THE SHARES ADMITTED TO TRADING OF SANTUMAS SHAREHOLDINGS PLC (THE “COMPANY”) IN ACCORDANCE WITH ANNEX III OF THE COMMISSION REGULATION (EC) NO 809/2004 OF 29 APRIL 2004 IMPLEMENTING DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AS REGARDS INFORMATION CONTAINED IN PROSPECTUSES AS WELL AS THE FORMAT, INCORPORATION BY REFERENCE AND PUBLICATION OF SUCH PROSPECTUSES AND DISSEMINATION OF ADVERTISEMENTS. NO OFFER OF SHARES IS BEING MADE BY THE COMPANY AND, ACCORDINGLY, THE INFORMATION CONTAINED IN THIS PROSPECTUS IS MERELY RELATED TO THE COMPANY’S SHARES ADMITTED TO TRADING ON THE MALTA STOCK EXCHANGE.

THIS SECURITIES NOTE CONTAINS INFORMATION ABOUT THE COMPANY AND ITS SHARES ADMITTED TO TRADING ON THE MALTA STOCK EXCHANGE IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES, THE ACT AND THE REGULATION, AND SHOULD BE READ IN CONJUNCTION WITH THE REGISTRATION DOCUMENT ISSUED BY THE COMPANY.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE COMPANY OR ITS DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE ADMISSION TO TRADING OF THE SHARES OF THE COMPANY OTHER THAN THOSE CONTAINED IN THE PROSPECTUS AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE COMPANY OR ITS DIRECTORS OR ADVISORS.

GIVEN THAT THE COMPANY IS NOT MAKING ANY PUBLIC OFFER OF SHARES, THIS PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SHARES BY ANY PERSON IN ANY JURISDICTION, PARTICULARLY IN ANY JURISDICTION (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION.

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS DOCUMENT AND ANY PERSON WISHING TO ACQUIRE SHARES ADMITTED TO TRADING BY THE COMPANY TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE APPLICANTS FOR ANY SHARES THAT ARE ADMITTED TO TRADING ON THE MSE BY THE COMPANY SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH SHARES AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRY OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

THE COMPANY IS NOT MAKING ANY PUBLIC OFFER OF SHARES AND NO ACTION HAS BEEN OR WILL BE TAKEN BY THE COMPANY THAT WOULD PERMIT A PUBLIC OFFERING OF SHARES OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED.

THE SHARES HAVE NOT BEEN NOR WILL THEY BE REGISTERED UNDER THE UNITED STATES SHARES ACT, 1933 AS AMENDED, OR UNDER ANY FEDERAL OR STATE SHARES LAW AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA, ITS TERRITORIES OR POSSESSIONS, OR ANY AREA SUBJECT TO ITS JURISDICTION (THE “U.S.”) OR TO OR FOR THE BENEFIT OF, DIRECTLY OR INDIRECTLY, ANY U.S. PERSON (AS DEFINED IN REGULATION “S” OF THE SAID ACT). FURTHERMORE THE COMPANY WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT, 1940 AS AMENDED AND INVESTORS WILL NOT BE ENTITLED TO THE BENEFITS SET OUT THEREIN.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES AND TO THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES IN ACCORDANCE WITH THE ACT.

**STATEMENTS MADE IN THE PROSPECTUS ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THEREIN.**

THE CONTENTS OF THE COMPANY’S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE COMPANY’S WEBSITE DO NOT FORM PART OF THE PROSPECTUS. ACCORDINGLY NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE SHARES.

ALL THE ADVISORS TO THE COMPANY NAMED IN THE PROSPECTUS UNDER THE HEADING “*ADVISORS TO THE COMPANY*” UNDER SUB-SECTION 3.2 OF THE REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE COMPANY IN RELATION TO THIS ADMISSION TO TRADING AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS BEFORE DECIDING TO ACQUIRE ANY OF THE SHARES ADMITTED TO TRADING.

## 1. DEFINITIONS

Words, expressions and capitalised terms used in this Securities Note shall, except where the context otherwise requires and except where otherwise defined herein, bear the same meaning as the meaning given to such words, expressed and capitalised terms as indicated in the Registration Document forming part of the Prospectus. Additionally, the following words and expressions as used in this Securities Note shall bear the following meanings whenever such words and expressions are used in their capitalised form, except where the context otherwise requires:

|   |   |
|---|---|
| <b>Act</b>  | the Companies Act (Cap. 386 of the laws of Malta);  |
| <b>Business Day</b>                                       | any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;   |
| <b>Company</b>  | Santumas Shareholdings p.l.c., a company registered under the laws of Malta with company registration number C 35 and having its registered office at 9, Britannia House, Flat 1, Old Bakery Street, Valletta, VLT 1450, Malta;   |
| <b>CSD</b>  | the Central Shares Depository of the Malta Stock Exchange established pursuant to Chapter 4 of the Malta Stock Exchange Bye-Laws, having its address at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;   |
| <b>Directors or Board</b>                                 | the directors of the Company whose names and addresses are set out in section 3.1 (" <i>Directors</i> ") of the Registration Document;  |
| <b>Euro or €</b>  | the lawful currency of the Republic of Malta;   |
| <b>Exchange, Malta Stock Exchange or MSE</b>              | Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap. 345 of the Laws of Malta), having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta, and bearing company registration number C 42525; |
| <b>Listing Authority</b>                                  | the MFSA, appointed as Listing Authority for the purposes of the Financial Markets Act (Cap. 345 of the Laws of Malta) by virtue of Legal Notice 1 of 2003;   |
| <b>Listing Rules</b>                                      | the listing rules of the Listing Authority, as may be amended from time to time;  |
| <b>Memorandum and Articles of Association or M&amp;As</b> | the memorandum and articles of association of the Company in force at the time of publication of the Prospectus;  |
| <b>MFSA</b>   | the Malta Financial Services Authority, incorporated in terms of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta);  |
| <b>Official List</b>                                      | the list prepared and published by the Malta Stock Exchange as its official list in accordance with the Malta Stock Exchange Bye-Laws;  |
| <b>Prospectus</b>   | Collectively, the Registration Document, Summary Note and this Securities Note (each as defined in this Securities Note);   |

|                                    |  |
|------------------------------------|--|
| <b>Prospectus Directive</b>        | Directive 2003/71/EC of the European Parliament and of the Council of 4 November, 2003 on the prospectus to be published when Shares are offered to the public or admitted to trading and amending Directive 2001/34/EC, as may be amended from time to time;  |
| <b>Registration Document</b>       | the registration document issued by the Company dated 6 October 2014, forming part of the Prospectus;  |
| <b>Regulation</b>                  | Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements, as amended by: Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012 amending Regulation (EC) No. 809/2004 as regards the format and the content of the prospectus, the base prospectus, the summary and the final terms and as regards the disclosure requirements; Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012 amending Regulation (EC) No. 809/2004 as regards information on the consent to use of the prospectus, information on underlying indexes and the requirement for a report prepared by independent accountants or auditors; Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 amending Regulation (EC) No. 809/2004 as regards the disclosure requirements for convertible and exchangeable debt Shares; and Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 as regards to regulatory technical standards for publication of supplements to the prospectus; |
| <b>Securities Note</b>             | this document in its entirety;   |
| <b>Shares</b>                      | the shares of the Company listed and traded on the Malta Stock Exchange;   |
| <b>Shareholder/s or Investor/s</b> | a holder of Shares;  |
| <b>Sponsor</b>                     | Rizzo, Farrugia & Co (Stockbrokers) Ltd. of Airways House, Third Floor, High Street, Sliema, SLM1549, Malta, an authorised financial intermediary licensed by the MFSA and a Member of the MSE;  |
| <b>Summary Note</b>                | the summary note issued by the Company dated 6 October 2014, forming part of the Prospectus;   |

## 2. RISK FACTORS

### 2.1 General

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AN INVESTMENT IN THE SHARES INVOLVES CERTAIN RISKS INCLUDING THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER, WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS BEFORE DECIDING TO ACQUIRE THE SHARES. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCES.

NEITHER THIS SECURITIES NOTE, NOR ANY OTHER PARTS OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE SHARES: (i) IS INTENDED TO PROVIDE THE BASIS OF ANY ACQUISITION OR OTHER EVALUATION OR (ii) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE COMPANY OR THE SPONSOR THAT ANY RECIPIENT OF THIS SECURITIES NOTE OR ANY OTHER PART OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS OR ANY SHARES, SHOULD PURCHASE ANY SHARES.

ACCORDINGLY PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS DOCUMENT.

### 2.2 Forward Looking Statements

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This Securities Note may contain “forward looking statements” which include, among others, statements concerning matters that are not historical facts and which may involve projections of future circumstances. These forward looking statements are subject to a number of risks, uncertainties, assumptions and important factors that could cause actual risks to differ materially from the expectations of the Company’s Directors. No assurance is given that future results or expectations will be achieved.

### 2.3 Risks Relating to the Shares

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- The existence of an orderly and liquid market for the Shares depends on a number of factors, including but not limited to the presence of willing buyers and sellers of the Company’s Shares at any given time and the general economic conditions in the market in which the Shares are traded. Such factors are dependent upon the individual decisions of Shareholders and the general economic conditions of the market, over which the Company has no control. Accordingly, there can be no assurance that an active secondary market for the Shares will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that a Shareholder will be able to sell or otherwise trade in the Shares at all.
- Investment in the Shares involves the risk that subsequent changes in market interest rates may adversely affect the value of the Shares.
- A Shareholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Share (€) and the Shareholder’s currency of reference, if different.
- The Shares represent equity interests in the Company that entitle the holder to rank *pari passu* with all other holders of ordinary Shares in the Company upon any distribution of assets in a winding up. The ordinary Shares of the Company are subordinated to any preference Shares issued by the Company and any bonds and other debt instruments in the Company’s capital structure, and will therefore be subject to greater credit risk than preferred Shares or debt instruments of the Company.

- The terms and conditions of the admission to trading of the Shares are based on Maltese law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Maltese law or administrative practice after the date of this Prospectus.
- No prediction can be made about the effect which any future public offerings of the Company's Shares, or any takeover or merger activity involving the Company, will have on the market price of the Shares prevailing from time to time.
- In the event that the Company wishes to amend any of the rights of Shareholders it shall call a meeting of Shareholders in accordance with the Company's Memorandum and Articles of Association. These provisions permit defined majorities to bind all Shareholders including Shareholders who did not attend and vote at the relevant meeting and Shareholders who voted in a manner contrary to the majority.
- Application has been made to seek a listing of the Shares on the Malta Stock Exchange, which is a smaller market and less liquid than the more developed stock markets in Europe and the United States.
- The limited liquidity of the market for the Shares could increase the price volatility of the Shares and may impair the ability of a holder of Shares to sell such Shares in the market in the amount and at the price and time such holder wishes to do so.
- The price at which the Shares will be traded, as well as the sales volume of the Shares traded, will be subject to fluctuations. These movements may not necessarily be caused by the Company's business activity or its results of operations. It is also possible that the Company's results of operations or its business outlook may fall short of expectations, in which case the price of the Shares could be negatively affected.
- An investment in the Company may not be suitable for all recipients of this Prospectus and prospective Shareholders are urged to consult their advisers as to the suitability or otherwise of acquiring the Shares before such acquisition.
- Due to the size of their shareholding in the Company, Mercury p.l.c. (the Company's major Shareholder) shall be in a position to control and decisively influence matters that require approval of the general body of Shareholders of the Company, including resolutions regarding dividends and other important measures. The interests of Mercury as major Shareholder of the Company may not necessarily coincide with the interests of other Shareholders of the Company.
- The Company's results can fluctuate and its ability to pay dividends is dependent on, amongst other things, it achieving sufficient profits. The Company may not pay dividends if the Directors believe this would cause the Company to be less adequately capitalised or that there are otherwise insufficient distributable reserves or for various other reasons. Future dividends will depend on, among other factors, the Company's future profits, financial position, working capital requirements, general economic conditions and other factors that the Directors deem significant from time to time. The prospective dividend policy set out in section 18 of the Registration Document should be read accordingly.

### 3. PERSONS RESPONSIBLE

This document includes information given in compliance with the Listing Rules for the purpose of providing prospective Shareholders with information with regard to the Company. All of the directors of the Company, whose names appear under the sub-heading “*Directors*” under the heading “*Identity of Directors, Senior Management, Advisors and Auditors of the Company*” in section 3 of the Registration Document, accept responsibility for the information contained in this Securities Note.

To the best of the knowledge and belief of the Directors of the Company, who have taken all reasonable care to ensure that such is the case, the information contained in this Securities Note is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors of the Company accept responsibility accordingly.

### 4. KEY INFORMATION

#### 4.1 Working Capital

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After reasonable inquiry, the Directors of the Company are of the opinion that the working capital available is sufficient for the Company’s present business requirements.

#### 4.2 Capitalization and indebtedness

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The day to day financing and the funding of any proposed investments is undertaken by the Company from internally generated sources of income. The current principle sources of cash flow generation are dividend and interest income from locally quoted companies and income from ground rents. The Company currently has a very low level of gearing or borrowing as its cash position is deemed sufficient for its present needs.

The following table shows the capitalisation and indebtedness of the Company as at 31 August 2014:

|  |                  |
|--|------------------|
| <b>Total Current debt</b>  | <b>18,265</b>    |
| - <i>Guaranteed</i> .....  | 0                |
| - <i>Secured</i> .....   | 0                |
| - <i>Unguaranteed/ Unsecured</i> .....   | 18,265           |
| <b>Total Non-Current debt<br/>(excluding current portion of long –term debt)</b> | <b>0</b>         |
| - <i>Guaranteed</i> .....  | 0                |
| - <i>Secured</i> .....   | 0                |
| - <i>Unguaranteed/ Unsecured</i> .....   | 0                |
| <b>Shareholder’s equity:</b>   |                  |
| a..... <i>Share capital</i> .....  | 969,704          |
| b..... <i>Legal Reserve</i> .....  | 0                |
| c..... <i>Other Reserves</i> .....   | 3,027,608        |
| (exclude Retained Earnings)  |                  |
| <b>Total</b>   | <b>3,997,312</b> |

|  |                 |
|--|-----------------|
| A. Cash .....  | 744,374         |
| B. Cash equivalent (Detail) .....                            | 0               |
| C. Trading securities .....                                  | 0               |
| <b>D. Liquidity (A) + (B) + (C)</b>                          | <b>744,374</b>  |
| E. Current Financial Receivable .....                        | 47,499          |
| F. Current Bank debt .....                                   | 18,265          |
| G. Current portion of non-current debt .....                 | 0               |
| H. Other current financial debt .....                        | 0               |
| <b>I. Current Financial Debt (F) + (G) + (H)</b>             | <b>18,265</b>   |
| <b>J. Net Current Financial Indebtedness (I) - (E) - (D)</b> | <b>-773,608</b> |
| K. Non-current Bank loans .....                              | 0               |
| L. Bonds Issued .....  | 0               |
| M. Other non-current loans .....                             | 0               |
| <b>N. Non-current Financial Indebtedness (K) + (L) + (M)</b> | <b>0</b>        |
| <b>O. Net Financial Indebtedness (J) + (N)</b>               | <b>-773,608</b> |

### 4.3 Interest of Natural and Legal Persons Involved in the Issue/Offer

Given that no issue/offer of securities is being made, this section is inapplicable. Reference, however is made to section 10.1.4 of the Registration Document outlining conflicts of interests of the management and related parties.

## 5. INFORMATION CONCERNING THE SHARES ADMITTED TO TRADING

### 5.1 General

- 5.1.1 For reasons outlined in section 4.1.2. of the Registration Document, following discussion with its regulator, on the 24<sup>th</sup> September 2014, the Company resolved to: (i) surrender its licence as a collective investment scheme; (ii) apply to the Listing Authority in order to de-list its shares as a collective investment scheme; and (iii) subject to the Listing Authority accepting such de-listing application to, simultaneously, apply to list its Shares as a property holding company in terms of Chapter 7 of the Listing Rules.
- 5.1.2. The Shares are ordinary Shares in the Company having a nominal value of €0.55 Eurocents per Share. Prior to the date of this Prospectus and as from 12<sup>th</sup> December 2003 the Shares were already listed on the MSE when the Company admitted its shares to trading as a collective investment scheme. All 1,831,716 Shares being admitted for trading on the MSE by the Company as a property holding company constitute the entire issued share capital of the Company as at the date of this Prospectus. Subject to admission to the listing of the Shares on the MSE, the Shares are expected to be assigned with ISIN MT 0000290115.

- 5.1.2 The Shares have been created in terms of the Companies Act, Cap. 386 of the laws of Malta.
- 5.1.3 The shares are de-materialised and held in book entry form at the Central Securities Depository of the Malta Stock Exchange.
- 5.1.4 The currency of the Shares is Euro (€).
- 5.1.5 Expected Date of conversion of the Shares: 6 October 2014 (Listing of the new Shares is expected to happen on 9 October 2014, while trading is expected to commence on 10 October 2014).

## 5.2 Rights Attached to the Shares

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The Shares form part of one class of ordinary Shares in the Company and shall accordingly have the same rights and entitlements. The following are highlights of the rights attaching to the Shares:

|                        |   |
|------------------------|---|
| Dividends:             | the Shares shall carry the right to participate in any distribution of dividends declared by the Company <i>pari passu</i> with all other shares in the same class;   |
| Voting Rights:         | each Share shall be entitled to one vote at meetings of Shareholders;   |
| Capital Distributions: | the Shares shall carry the right for the holders thereof to participate in any distribution of capital made whether on a winding up or otherwise, <i>pari passu</i> with all other Shares of the same class;  |
| Transferability:       | the Shares are freely transferable in accordance with the rules and regulations of the MSE applicable from time to time;  |
| Pre-Emption:           | In accordance with article 88 of the Act and article 8 of the Company's Articles of Association, should Shares of the Company be proposed for allotment for consideration in cash, those Shares must be offered on a pre-emptive basis to Shareholders in proportion to the share capital held by them. A copy of any offer of subscription on a pre-emptive basis indicating the period within which this right must be exercised must be delivered to the Registrar of Companies. The right of pre-emption must be exercised in accordance with the terms and conditions set out in the Articles of Association of the Company. This right of pre-emption may be withdrawn by an extraordinary resolution of the general meeting, in which case, the Directors will be required to present to that general meeting a written report indicating the reasons for restriction/withdrawal of the said right and justifying the issue price; |
| Other:                 | The Shares are not redeemable and not convertible into any other form of security.  |

## 5.3 Transferability of the Shares

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- 5.3.1 The Shares are freely transferable in whole in accordance with the rules and regulations of the MSE applicable from time to time.
- 5.3.2 All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Shares and to any applicable laws and regulations.

- 5.3.4 The cost and expenses of effecting any registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Company shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the Company.

## **6. TAXATION**

### ***6.1 General***

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Investors and prospective Investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation which may be applicable to them in respect of the Shares, including their acquisition, holding and disposal as well as any income/gains derived therefrom or made on their disposal. The following is a summary of the anticipated tax treatment applicable to Shareholders in so far as taxation in Malta is concerned. This information does not constitute legal or tax advice and does not purport to be exhaustive.

The information below is based on an interpretation of tax law and practice relative to the applicable legislation, as known to the Company at the date of the Prospectus, in respect of a subject on which no official guidelines exist. Investors are reminded that tax law and practice and their interpretation as well as the levels of tax on the subject matter referred to in the preceding paragraph, may change from time to time.

This information is being given solely for the general information of investors who do not deal in the acquisition and disposal of securities in the course of their normal trading activity. The precise implications for Shareholders will depend, among other things, on their particular circumstances and on the classification of the Shares from a Maltese tax perspective, and professional advice in this respect should be sought accordingly.

### ***6.2 Taxation of the Company***

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Article 56 (6) of the Income Tax Act provides that any chargeable income derived by a company should be subject to tax at the rate of thirty-five percent (35%). However, exceptions to this default rule apply for some sources of income, including the following. Income that for the purposes of Articles 33 to 41 of the Income Tax Act is treated as investment income is taxed at 15%.

The Company will be liable to pay property transfers tax on transfers of any immovable property situated in Malta in terms of Article 5A of the Income Tax Act. Generally, property transfers tax is levied at the rate of twelve percent (12%) of the higher of the market value of that immovable property and the consideration paid but exceptions are envisaged. In certain cases, the company will have the right to opt-out of the property transfers tax and pay tax on the profit either in terms of Article 5 (Capital gain) or Article 4 (Trading income).

Income from foreign sources (including capital gains, dividends, interest and any other income) are also subject to tax in Malta at the rate of 35% but relief for taxation paid abroad, if any, may be claimed by the Company against its income tax liability as determined in terms of the provisions of Part X of the Income Tax Act.

### 6.3 Taxation of Shareholders

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#### 6.3.1 Income tax on acquisition of Shares

The acquisition of Shares in the Company is outside the scope of the Income Tax Act and therefore the acquisition thereof will not entail any immediate income tax implications for the investor acquiring the Shares in the Company.

#### 6.3.2 Income tax on dividends arising from the holding of Shares

In general, dividends distributed by a company to its shareholders are not subject to any further tax but an exception is contemplated. When dividends are distributed from the Untaxed Account and the receiver thereof falls under the definition of recipient, the dividend would be subject to a withholding tax at the rate of fifteen percent (15%). Article 61 of the Income Tax Act defines “recipient” as:

- (i) a person, other than a company, resident in Malta in the year in which a dividend is received by him or by any person on his behalf; or
- (ii) a non-resident person (including a non-resident company) who is owned and controlled by, directly or indirectly, or who acts on behalf of, an individual who is ordinarily resident and domiciled in Malta; or
- (iii) a trustee of a trust where the beneficiaries of such trust are persons referred to in subparagraphs (i) and (ii); or
- (iv) an EU/EEA individual (and his or her spouse where applicable) in the circumstances envisaged by the first and second provisos to Article 56(1)(c);

#### 6.3.3 Income tax on capital gains on transfer of the Shares

In general, capital gains derived from the disposal of Shares in the Company would be exempt from tax in the hands of the investor in terms of Article 5(6)(b) of the Income Tax Act.

#### 6.3.4 Duty on documents and transfers

Rule 2 (g) of Subsidiary Legislation 364.01 – Exemption from Payment of Duty on Documents and Transfers Order provides that the acquisition and disposal of Shares in Company after its admission to listing on the Malta Stock Exchange should be exempt from the payment of duty as prescribed by the Duty on Documents and Transfers Act.

**SHAREHOLDERS AND PROSPECTIVE SHAREHOLDERS ARE URGED TO SEEK PROFESSIONAL ADVICE AS REGARDS BOTH MALTESE AND ANY FOREIGN TAX LEGISLATION APPLICABLE TO THE ACQUISITION, HOLDING AND DISPOSAL OF SHARES AS WELL AS DIVIDEND PAYMENTS MADE BY THE COMPANY. THE ABOVE IS A SUMMARY OF THE ANTICIPATED TAX TREATMENT APPLICABLE TO THE SHARES AND TO SHAREHOLDERS. THIS INFORMATION, WHICH DOES NOT CONSTITUTE LEGAL OR TAX ADVICE, REFERS ONLY TO SHAREHOLDERS WHO DO NOT DEAL IN SHARES IN THE COURSE OF THEIR NORMAL TRADING ACTIVITY.**

## 7. TERMS AND CONDITIONS OF THE OFFER

No offer of securities is being made pursuant to this document.

## 8. ADMISSION TO TRADING

- 8.1 The Listing Authority has authorised the Shares as admissible to listing as a property holding company rather than as a collective investment scheme pursuant to the Listing Rules by virtue of a letter dated 6 October 2014.

- 8.2 Application has been made to the Malta Stock Exchange for the Shares being issued pursuant to the Prospectus to be listed and traded on the Official List of the Malta Stock Exchange as a property holding company. The shares were already listed on the Malta Stock Exchange as from 12<sup>th</sup> December 2003, when the Company was licensed as a collective investment scheme. The Listing Authority also approved the change in listing status of the Company, i.e. from that of a collective investment scheme to an ordinary property holding company, and consequently the Company will be de-listed from the Official List of the Malta Stock Exchange as a collective investment scheme and simultaneously re-listed as an ordinary property holding company once the conversion process is completed.
- 8.3 The Shares are expected to be admitted to and listed on the Malta Stock Exchange as Shares in a property holding company rather than in a collective investment scheme with effect from 9 October 2014 and trading is expected to re-commence on 10 October 2014.

## **9. SELLING SECURITIES HOLDERS**

None of the current Shareholders are making an offer for sale of any part of their existing holdings of Shares.

## **10. EXPENSES OF THE ADMISSION TO TRADING OF THE SHARES**

Professional fees and costs related to publicity, advertising, printing, listing, registration, sponsor, management, and other miscellaneous expenses in connection with the admissibility to trading of the Shares are estimated to be in the region of €60,000. There is no particular order of priority with respect to such expenses.

## **11. DILUTION**

There is no offer of securities by current Shareholders nor the issue and offer of new Shares in the Company, and accordingly, there is no dilution of the current shareholdings in the Company.

## **12. ADDITIONAL INFORMATION**

All the Advisors to the Company named in the Registration Document under the heading “*Advisors to the Company*” in sub-section 3.2 of the Registration Document have acted and are acting exclusively for the Company in relation to this admission to listing and trading and have no contractual, fiduciary or other obligation towards any other person and will accordingly not be responsible to any investor or any other person whomsoever in relation to the transactions proposed in the Prospectus.

The Company confirms that the information sourced from third parties and contained or referred to in this Prospectus has been accurately reproduced, and that there are no facts of which the Company is aware that have been omitted, and which would render the reproduced information inaccurate or misleading.