

Summary Note

Dated 6 October 2014

This Summary Note is issued in accordance with the provisions of Chapter 4 of the Listing Rules issued 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 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.

SANTUMAS SHAREHOLDINGS P.L.C.

A PUBLIC LIMITED LIABILITY COMPANY REGISTERED IN MALTA
WITH COMPANY REGISTRATION NUMBER C 35

ISIN: MT0000290115

Legal Counsel

Sponsor

CAMILLERI PREZIOSI
ADVOCATES

 RIZZO FARRUGIA
YOUR INVESTMENT CONSULTANTS

THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THESE SECURITIES 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 THE 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 SECURITIES.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN ACQUIRING THE SECURITIES OF THE COMPANY AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISOR.

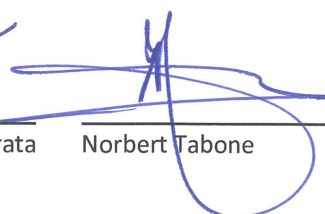
THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OF SHARES TO THE PUBLIC, BUT DESCRIBES THE SHARES WHOSE ADMISSION TO LISTING HAS BEEN APPROVED BY THE LISTING AUTHORITY.



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



Christopher Testaferrata
Moroni Viani



Norbert Tabone



Edward Firman

IMPORTANT INFORMATION

THIS SUMMARY NOTE CONSTITUTES PART OF A PROSPECTUS AND CONTAINS INFORMATION ON SANTUMAS SHAREHOLDINGS P.L.C. AND BUSINESS OF THE GROUP, AND INCLUDES INFORMATION GIVEN IN COMPLIANCE WITH: (A) THE LISTING RULES OF THE LISTING AUTHORITY, THE COMPANIES ACT (CAP. 386 OF THE LAWS OF MALTA) AND 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 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); AND (B) THE RULES AND REGULATIONS APPLICABLE TO THE ADMISSION OF SECURITIES ON THE OFFICIAL LIST OF THE MSE.

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 THIS 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.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE 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.

THE COMPANY IS NOT MAKING ANY PUBLIC OFFER OF SHARES AND, ACCORDINGLY, THIS PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SHARES ISSUED BY THE COMPANY 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 THE SHARES ADMITTED TO TRADING ON THE MSE TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS FOR ANY SHARES ADMITTED TO TRADING ON THE MSE BY THE COMPANY SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF ACQUIRING ANY SUCH SHARES AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES 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.

A COPY OF THIS DOCUMENT HAS BEEN REGISTERED WITH THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES, THE MSE IN SATISFACTION OF THE MSE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES, IN ACCORDANCE WITH THE ACT. APPLICATION HAS ALSO BEEN MADE TO THE MSE FOR THE SHARES TO BE ADMITTED TO THE OFFICIAL LIST OF THE MSE AS A PROPERTY HOLDING COMPANY. **A PROSPECTIVE SHAREHOLDER SHOULD BE AWARE OF THE POTENTIAL RISKS IN ACQUIRING SHARES IN THE COMPANY AND SHOULD MAKE THE DECISION TO MAKE SUCH ACQUISITION ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISOR.**

THE CONTENTS OF THE COMPANY'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE COMPANY'S WEBSITE DO NOT FORM PART OF THIS DOCUMENT. ACCORDINGLY NO RELIANCE OUGHT TO BE MADE BY ANY SHAREHOLDER OR POTENTIAL SHAREHOLDER ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO ACQUIRE ANY OF THE SHARES OF THE COMPANY.

THE VALUE OF INVESTMENTS CAN RISE OR FALL AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. IF YOU NEED ADVICE YOU SHOULD CONSULT A LICENSED STOCKBROKER OR AN INVESTMENT ADVISOR LICENSED UNDER THE INVESTMENT SERVICES ACT, CAP. 370 OF THE LAWS OF MALTA.

THIS DOCUMENT AND ALL AGREEMENTS, ACCEPTANCES AND CONTRACTS RESULTING THEREFROM SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF MALTA, AND ANY PERSON ACQUIRING ANY SHARES PURSUANT TO THE PROSPECTUS SHALL SUBMIT TO THE JURISDICTION OF THE MALTESE COURTS, WITHOUT LIMITING IN ANY MANNER THE RIGHT OF THE COMPANY TO BRING ANY ACTION, SUIT OR PROCEEDING, IN ANY OTHER COMPETENT JURISDICTION, ARISING OUT OF OR IN CONNECTION WITH ANY PURCHASE OF SHARES, OR AGREEMENT, ACCEPTANCE OR CONTRACT RESULTING HEREFROM, OR THE PROSPECTUS AS A WHOLE.

ALL THE ADVISORS TO THE COMPANY HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE COMPANY IN RELATION TO THIS ADMISSIBILITY TO TRADING ON THE MSE AS A PROPERTY HOLDING COMPANY AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY SHAREHOLDER, POTENTIAL SHAREHOLDER OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

THE DIRECTORS OF THE COMPANY CONFIRM THAT WHERE INFORMATION INCLUDED IN THIS PROSPECTUS HAS BEEN SOURCED FROM A THIRD PARTY, SUCH INFORMATION HAS BEEN ACCURATELY REPRODUCED, AND AS FAR AS THE DIRECTORS OF THE COMPANY ARE AWARE AND ARE ABLE TO ASCERTAIN FROM INFORMATION PUBLISHED BY THAT THIRD PARTY, NO FACTS HAVE BEEN OMITTED WHICH WOULD RENDER THE REPRODUCED INFORMATION INACCURATE OR MISLEADING.

STATEMENTS MADE IN THIS DOCUMENT ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THERETO.

This Summary Note is prepared in accordance with the requirements of the Regulation, 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.

Summaries are made up of disclosure requirements known as ‘Elements’. These elements are numbered in Sections A – E (A.1– E.7). This summary contains all the Elements required to be included in a summary for these type of shares and the Company. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of shares and the Company, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of ‘not applicable’.

In this Summary Note the following words and expressions shall bear the following meaning except where the context otherwise requires:

| | |
|---|--|
| Act | the Companies Act (Cap. 386 of the laws of Malta); |
| Company | Santumash 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; |
| CSD | the Central Securities 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; |
| Directors or Board | the directors of the Company whose names are set out in sub-section 3.1 (“ <i>Directors</i> ”) in the Registration Document; |
| Euro or € | the lawful currency of the Republic of Malta; |
| Exchange, Malta Stock Exchange or MSE | 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; |
| Listing Authority | 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; |
| Listing Rules | the listing rules of the Listing Authority, as may be amended from time to time; |
| Memorandum and Articles of Association or M&As | the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus; |
| MEPA | the Malta Environment and Planning Authority, incorporated in terms of the Malta Environment and Planning Authority Act (Cap. 504 of the laws of Malta); |
| MFSA | the Malta Financial Services Authority, incorporated in terms of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta); |
| Property Valuation Report | the report issued by Building and Design Consultants in terms of Chapter 7 of the Listing Rules; |

| | |
|----------------------------------|--|
| Prospectus | collectively, the Registration Document, the Securities Note and the Summary Note; |
| Prospectus Directive | Directive 2003/71/EC of the European Parliament and of the Council of 4 November, 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as may be amended from time to time; |
| Registration Document | the registration document issued by the Company dated 6 October 2014, forming part of the Prospectus; |
| Regulation | 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 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 securities; 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; |
| Securities Note | the securities note issued by the Company dated 6 October 2014, forming part of the Prospectus; |
| Shares | the shares of the Company listed and traded on the Malta Stock Exchange; |
| Shareholder/s or Investor | a holder of Shares; |
| Summary Note | this document in its entirety; |

1. SECTION A - INTRODUCTION AND WARNINGS

A.1 Prospective Investors are hereby warned that:

- i. this summary is being provided to convey the essential characteristics and risks associated with the Company and the Shares admitted to trading on the MSE pursuant to this document. This part is merely a summary and therefore should only be read as an introduction to the Prospectus. It is not and does not purport to be exhaustive and investors are warned that they should not rely on the information contained in this summary in making a decision as to whether to acquire the Shares described in this document. Any decision to acquire the Shares should be based on consideration of the Prospectus as a whole by the investor;
- ii. where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff Shareholder might, under the national legislation of Malta, have to bear the costs of translating the Prospectus before legal proceedings are initiated; and
- iii. civil liability attaches only to those persons who have tabled the summary including any translation thereof, and who applied for its notification, but only if the summary, when read together with the other parts of the Prospectus: is misleading, inaccurate or inconsistent; or does not provide key information in order to aid investors when considering whether to invest in such securities.

2. SECTION B - COMPANY

- B.1 The legal and commercial name of the Company is Santumas Shareholdings p.l.c. (registration number C 35).
- B.2 The Company was registered in Malta in terms of the Act on 18 May 1965 as a public limited liability Company, and is domiciled in Malta.
- B.3 The principal object of the Company is to carry on the business of a holding and investment company and as such to hold such investments in securities, real-estate, and other assets or business as the Directors may from time determine as being in the interests of the Company. The principal market in which the Company operates is the local market, both with respect to its real estate investments as well as its securities investments.
- B.4a The Company currently owns on a freehold basis several large tracts of land in Marsascala, including a number of plots which are within the current building scheme for the area. Such property is held for long term investment value with the possibility, if the directors consider it to be in the interests of the Company, of being developed by the Company at a later stage rather than being sold. The Company's revenue is generated principally from investment income, which is generated principally from dividend income received from the Company's securities portfolio.
- B.5 Not Applicable: the Company does not form part of any group of companies.
- B.6 The Company has issued only one class of ordinary Shares, and, in terms of Article 9.2 of the Company's Articles of Association, each fully paid up Ordinary Share gives the right to one vote at any General Meeting of the Company. Mercury p.l.c., a company incorporated in Malta with company number C-27497, currently holds 649,696 of the Company's entire 1,831,716 ordinary Shares in issue, thus constituting 35.5% of the Company's share capital. In terms of

the Memorandum and Articles of Association, any member holding not less than 5% of the total number of the Company's Shares is entitled to nominate a person for appointment as a Director of the Company. The major shareholder of the Company is therefore placed in a position to appoint a majority of the Directors of the Company and accordingly has control over the management and operations of the Company.

As at the date of this Prospectus, there are no arrangements by the Company with its major shareholder the operations of which may at a subsequent date result in a change in control of the Company. The Issuer adopts measures in line with the Code of Corporate Governance to ensure that the relationship with Mercury p.l.c. is retained at arm's length, including adherence to Rules on Related Party Transactions requiring the sanction of the Audit Committee, the Chairman of which is an independent Non-Executive Director of the Company.

B.7 The following table is an extract from the audited financial statements of the Company for the three financial years ended 30 April 2012, 2013 and 2014 are set out below:

STATEMENT OF FINANCIAL POSITION as at 30 April

| | 2014 EUR | 2013 EUR | 2012 EUR |
|---|------------------|-------------|-------------|
| ASSETS | | | |
| Non-current assets | | | |
| Investment properties | 3,097,200 | 2,456,160 | 2,429,086 |
| Property, plant and equipment | 95,800 | 99,158 | 93,313 |
| Financial assets at fair value through profit or loss | 3,918,368 | 3,635,626 | 2,416,066 |
| | 7,111,368 | 6,190,944 | 4,938,465 |
| Current assets | | | |
| Receivables | 61,608 | 59,175 | 63,140 |
| Income tax recoverable | - | 39,249 | 40,314 |
| Cash at bank | 681,486 | 1,026,829 | 2,022,032 |
| | 743,094 | 1,125,253 | 2,125,486 |
| TOTAL ASSETS | 7,854,462 | 7,316,197 | 7,063,951 |
| EQUITY AND LIABILITIES | | | |
| Capital and reserves | | | |
| Issued capital | 969,704 | 969,704 | 969,704 |
| Share premium | 262,746 | 262,746 | 262,746 |
| Revaluation reserve | 51,213 | 51,356 | 43,398 |
| Dividend reserve | - | 100,000 | - |
| Other reserves | 2,672,324 | 2,288,451 | 2,213,770 |
| Retained earnings | 3,343,011 | 3,149,339 | 2,797,351 |
| | 7,298,998 | 6,821,596 | 6,286,969 |

| | | | |
|-------------------------------------|------------------|-----------|-----------|
| Non-current liabilities | | | |
| Deferred tax liability | 362,418 | 323,275 | 318,825 |
| Current liabilities | | | |
| Interest-bearing borrowings | 19,491 | 21,790 | 305,812 |
| Payables | 163,133 | 149,536 | 152,345 |
| Income tax payable | 10,422 | - | - |
| | 193,046 | 171,326 | 458,157 |
| Total liabilities | 555,464 | 494,601 | 776,982 |
| Total equity and liabilities | 7,854,462 | 7,316,197 | 7,063,951 |
| Net asset value per share | 4.383 | 4.097 | 3.776 |

The net asset value of the Shares of the Company increased from €3.776 per share in April 2012 to €4.383 in April 2014, aided primarily by the increase in the value of investment property that the Company owned throughout the periods under review, as well as retained earnings not distributed as profits.

In addition, the following table shows the statement of comprehensive income of the Company for the years ended 30 April 2012, 30 April 2013 and 30 April 2014:

| | 2014 EUR | 2013 EUR | 2012 EUR |
|--|--------------------|--------------------|--------------------|
| REVENUE | | | |
| Investment income | 360,650 | 242,586 | 256,626 |
| Increase/(decrease) in fair values of financial assets | 134,242 | 434,929 | (426,093) |
| Increase in fair value of investment properties | 327,364 | 27,074 | 79,557 |
| Total revenue | 822,256 | 704,589 | (89,910) |
| EXPENSES | | | |
| Administrative expenses | 107,240 | 108,742 | 110,494 |
| Finance costs | 447 | 2,672 | 1,932 |
| Total expenses | 107,687 | 111,414 | 112,426 |
| Profit before tax | 714,569 | 593,175 | (202,336) |
| Income tax expense | (145,815) | (78,200) | (88,349) |
| Profit/(loss) for the year | 568,754 | 514,975 | (290,685) |

Other comprehensive income not to be reclassified to profit or loss in subsequent periods

| | | | |
|--|----------------|---------|-----------|
| Revaluation of property, net of tax | 1,127 | 9,228 | - |
| Total comprehensive income for the year | 569,881 | 524,203 | (290,685) |
| Profit/(loss) per share | 0.342 | 0.309 | (0.175) |

The Company's revenue is generated principally from investment income, which is generated principally from dividend income that in the financial year end 2014 constituted around 76% of the total investment income compared to circa 71% in financial year 2013 and 65% in financial year 2012. This increase is principally due to an increased holding of stocks listed on the MSE and from the fact that in the year ending April 2014 the Company benefited from having held these stocks for a full year resulting in an increased dividend income for the year.

The Company also reports that:

- (i) its revenue changes according to the fair values of its financial assets. The total fair value of its financial assets as at 30 April 2014 amounted to €3,918,368, as at 30 April 2013 amounted to €3,635,626 and as at 30 April 2012 amounted to €2,416,066. The increase in fair values of such financial assets is principally due to an increase in the value of several blue chip stocks listed on the MSE in which the Company had, and still has, a significant investment and a reversal of unrealised losses suffered by the Company in previous years on these same stocks; and
- (ii) its revenue changes according to changes in the fair values of its investment properties (which, in financial year 2014 amounted to €327,364, in financial year 2013 €27,074 and in financial year 2012 €79,557). These are taken on the basis of the values of land and buildings owned by the Company and ground rents capitalisation.

- B.8 Not Applicable: the Registration Document forming part of the Prospectus does not contain any selected key pro forma financial information.
- B.9 Not Applicable: the Registration Document forming part of the Prospectus does not contain any profit forecasts or estimates.
- B.10 Not Applicable: the audit reports on the audited financial statements for the years ended 30 April 2012, 2013 and 2014 do not contain any qualifications.
- B.11 Not Applicable: the Company's working capital is sufficient for the Company's present requirements.

3. SECTION C - SECURITIES

- C.1 The Shares admitted to trading are ordinary shares and, subject to admission to listing of the Shares of the Company as a property holding company on the MSE, the Shares are expected to be assigned with ISIN MT 0000290115.

- C.2 The currency of the Shares is Euro (€).
- C.3 The Shares are ordinary shares in the Company having a nominal value of €0.55 per Share. Prior to the date of this Prospectus and as from 12th 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 constitute the entire issued share capital of the Company as at the date of this Prospectus. Subject to admission to listing of the Shares of the Company as a property holding company on the MSE, the Shares are expected to be assigned with ISIN MT 0000290115.
- C.4 The Shares form part of one class of ordinary shares in the Company and they carry the right to participate in any distribution of capital made, whether on a winding up or otherwise, and rank *pari passu* with all other shares of the same class. Each Share is entitled to one vote at the meetings of Shareholders.

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. 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.

The Shares are not redeemable and not convertible into any other form of security.

- C.5 The Shares are freely transferable in accordance with the rules and regulations of the MSE applicable from time to time.
- C.6 Prior to the date of this Prospectus, the Shares of the Company were already admitted to trading on the MSE. The status of the Company was a collective investment scheme set up in terms of Cap. 370 of the laws of Malta. In view of recent changes in the regulatory framework applicable to collective investment schemes and their licensing, the Company no longer fell within the definition of a "collective investment scheme" in terms of Cap. 370 of the laws of Malta. Accordingly, following discussion with its regulator, on the 24th 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. Accordingly, the Company converted its listing status on the 6 October 2014 and as from the 9 October 2014, the Shares of the Company as a property holding company are expected to be listed on the MSE and are expected to commence trading on the 10 October 2014.
- C.7 The Shares carry the right to participate in any distribution of dividend declared by the Company and rank *pari passu* with all other shares in the same class.

4. SECTION D - RISKS

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.

This Prospectus 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.

Below is a summary of the principal risks associated with the Shares in the Company– there may be other risks which are not mentioned in this summary. Investors are therefore urged to consult their own financial or other professional advisors with respect to the suitability of acquiring any of the Shares. The following is a summary of the principal risk factors:

D.1 Essential information on the key risks specific to the Company and its business:

- i. The Company’s main activity is that of a holding company that invests principally in real estate and in equity and debt securities on the local market. The Company’s ability to generate revenues depends on: (i) its ability to identify and acquire suitable investments; (ii) the revenue generation capacity of the underlying investments and (iii) particularly in the case of real estate, its ability to dispose of properties on favourable terms.
- ii. Revenue earned by the Company depends on the revenue generated by its investments, and may be adversely affected by a number of factors.
- iii. Changes in laws and regulations relevant to the Company’s business and to the business and operations of entities in which the Company invests could be enacted that may have an adverse impact on the Company’s business, results of operations, financial condition or prospects.
- iv. The Company’s operating and other expenses could increase without a corresponding increase in revenue. The factors which could materially increase operating and other expenses include (a) unforeseen increases in the costs of maintaining its real estate investments; and (b) material increases in operating costs that may not be fully recoverable. Such increases could have a material adverse effect on the Company’s financial position and its ability to make distributions to its Shareholders.
- v. All dividends or other distributions will be made at the discretion of the Directors of the Company. The payment of any dividend and the sustainability of future dividends and possible increases in dividend distributions to Shareholders will depend upon a number of factors, including the Company’s operating results and financial conditions, the successful management of the Company’s existing properties, the yields on properties, interest costs, performance on contracts and profits on sale of properties, the dividends or other income received from its securities portfolio, and legal and regulatory restrictions . There is no guarantee that any dividends will be paid.

There are specific risks relating to the investments by the Company in real estate:

- i. The valuations of property and property-related assets are inherently subjective as they are intended to determine value in a given set of future economic circumstances and market conditions that may not in fact materialise. As a result, valuations are typically subject to uncertainty. Moreover, all property valuations, including the valuation reports referred to in the Prospectus are made on the basis of a number of assumptions which may, in future, not materialise. There can be no assurance that the

- valuations of the properties and property-related assets will reflect actual sale prices even where any such sales occur shortly after the relevant valuation date.
- ii. Real estate assets such as those in which the Company invests are relatively illiquid. Such illiquidity may affect the Company's ability to adjust its portfolio or dispose of or liquidate part of its portfolio in a timely fashion and at satisfactory prices in response to changes in economic, real estate market or other conditions. This could have an adverse effect on the Company's financial condition and results of operations, with a consequential adverse effect on the market value of the Company's Shares or on the Company's ability to make distributions to its Shareholders.
 - iii. Property investments are subject to varying degrees of risks. Rents receivable on real estate and the capital values of property investments are affected (among other things) by changing demand for different types of real estate, changes in general economic conditions, changing supply with a particular area of competing space and attractiveness of real estate relative to other investment alternatives. The value of any property portfolio may also fluctuate as a result of other factors outside the owner's control.
 - iv. The Company's financial performance could also be adversely affected by a downturn in the property market in terms of capital values. In addition, the Company risks losing its investments in the event that the real estate is damaged due to extraordinary circumstances including any situations known to be as "acts of God."
 - v. The Company's real estate portfolio is located in Malta and accordingly is susceptible to adverse economic developments and trends locally. Negative local economic factors and trends could have a material impact on the business of the Company generally, and may adversely affect rental revenues, property values and results of operations. In addition, the Company may be impacted by increased competition from other similar developments and rising operating costs.
 - vi. The health of the property and commercial rental market may be affected by a number of factors such as national economy, political developments, government regulations, changes in planning or tax laws, interest rate fluctuations, inflation, the availability of financing and yields of alternative investments. An increase in the supply of real estate, particularly of the same type or nature as that owned by the Company could impact negatively upon capital values and income streams of the property.

There are specific risks relating to the investments by the Company in equity and bond securities:

- i. The Company has an exposure to a portfolio of local investments which are all subject to general economic conditions in Malta. A downturn in the Maltese economic conditions could have a material impact on the underlying companies in which the Company invests. In addition, the revenues of the Company depend on the performance of each of the companies in which it invests which is subject to the general economic and sector specific market conditions relevant to each of the underlying companies.
- ii. The Company invests in equity securities, which investment is subject to certain risks attributable to general market and economic conditions. Furthermore, equity investment is also subject to firm-specific risk which reflects the risk peculiar to an individual firm or entity in which the Company invests. The Company invests directly in equity securities and it is therefore exposed to both market and firm-specific risk.
- iii. The Company is exposed to significant geographic risk since all its equity investments consist in holdings in Maltese companies and, in most cases, companies that have their operations and sources of revenue principally dependant on the local market. In the event of a serious downturn in general economic conditions in Malta the operations

and performance of each investment can be materially adversely affected which can indirectly have adverse consequences on the Company's ability to make distributions to its Shareholders and the overall capital value of its investment portfolio.

- iv. The Company's securities portfolio also consists of debt instruments and fixed income securities, the pricing of which is typically less volatile than that of equity securities but are generally inversely correlated to changes in interest rates and, therefore, are still subject to a degree of risk of market price fluctuations. Their value may furthermore be affected by changes in the credit rating, liquidity or financial condition of the issuer of such debt securities.
- v. The Company invests in securities traded on the Malta Stock Exchange, which is a small market and is less liquid than the more developed stock markets in Europe and the United States. The limited liquidity of the market for these securities could increase their price volatility and may impair the ability of the Company to sell such securities in the market in the amount and at the price and time the Company wishes to do so.

D.3 Risks relating to the Shares

- i. 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.
- ii. Investment in the Shares involves the risk that subsequent changes in market interest rates may adversely affect the value of the Shares.
- iii. 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.
- iv. 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.
- v. 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.
- vi. 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.
- vii. 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 M&As. 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.

- viii. 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.
- ix. 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.
- x. 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.
- xi. 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.
- xii. 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.
- xiii. 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.

5. SECTION E - OFFER

- E.1 Not Applicable - given that there is no issue or offer of Shares pursuant to this Prospectus, no proceeds will be received from any such issue.
- E.2a Not Applicable –there is no new offer or issue of Shares pursuant to this Prospectus, and therefore no reasons for the offer/issue is described in the Securities Note.
- E.3 Not Applicable - there is no new offer or issue of Shares pursuant to this Prospectus, and therefore are no terms and conditions of any offer described in the Securities Note.
- E.4 Not Applicable - there is no new offer or issue of Shares pursuant to this Prospectus, and therefore there is no description of any interest material to the issue/offer in the Securities Note.
- E.5 Not Applicable - there is no new offer or issue of Shares pursuant to this Prospectus, and therefore there are no details of the person offering to sell the Shares, or any lock-up agreements, in the Securities Note.
- E.6 Not Applicable – there is no new offer or issue of Shares pursuant to this Prospectus, and therefore there are no dilution details provided in the Securities Note.
- E.7 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.

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