

SUMMARY NOTE

This Summary Note is issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and 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, Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 and Commission Delegated Regulation (EU) No. 2016/301 of 30 November 2015.

Dated 30 October 2017

In respect of an issue of €12,750,000 3.75% Unsecured Bonds 2027
of a nominal value of €100 per Bond issued at par by

BORTEX GROUP FINANCE PLC

a public limited liability company registered in Malta with registration number C 82346

Guaranteed by

BORTEX GROUP HOLDINGS COMPANY LIMITED

a private limited liability company registered in Malta with registration number C 4863

ISIN: MT0001641209

Prospective investors are to refer to the Guarantee contained in Annex A of the Securities Note forming part of the Prospectus for a description of the scope, nature and term of the Guarantee. Reference should also be made to the sections entitled "Risk Factors" contained in this Summary Note, the Registration Document and the Securities Note for a discussion of certain risk factors which should be considered by prospective investors in connection with the Bonds and the Guarantee provided by Bortex Group Holdings Company Limited.

THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THESE SECURITIES AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT THE SAID INSTRUMENT IS 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 HOWSOEVER 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 INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISER.

APPROVED BY THE DIRECTORS OF THE ISSUER



Peter Borg



Karen Bugeja



Peter Borg & Karen Bugeja for and on behalf of:
Christine Demicoli, David Debono, Emanuel Ellul & Joseph Cachia

Legal Advisers

MAEMPELS



Sponsor, Manager & Registrar



IMPORTANT INFORMATION

THIS SUMMARY NOTE CONSTITUTES PART OF A PROSPECTUS AND CONTAINS INFORMATION ABOUT BORTEX GROUP FINANCE PLC IN ITS CAPACITY AS ISSUER, BORTEX GROUP HOLDINGS COMPANY LIMITED IN ITS CAPACITY AS GUARANTOR, THEIR SUBSIDIARIES, AFFILIATES AND THE BUSINESS OF THE GROUP, AND INCLUDES INFORMATION GIVEN IN COMPLIANCE WITH: (A) THE LISTING RULES OF THE LISTING AUTHORITY, THE COMPANIES ACT (CHAPTER 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, COMMISSION DELEGATED REGULATION (EU) NO. 382/2014 OF 7 MARCH 2014 AND COMMISSION DELEGATED REGULATION (EU) NO. 2016/301 OF 30 NOVEMBER 2015) (THE “REGULATION”); AND (B) THE RULES AND REGULATIONS APPLICABLE TO THE ADMISSION OF SECURITIES ON THE OFFICIAL LIST OF THE MALTA STOCK EXCHANGE.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER, THE GUARANTOR OR THEIR RESPECTIVE DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SALE OF SECURITIES OF THE ISSUER OTHER THAN THOSE CONTAINED IN THIS SUMMARY NOTE 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 ISSUER, THE GUARANTOR OR THEIR RESPECTIVE DIRECTORS OR ADVISERS.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR AND MAKES NO REPRESENTATIONS AS TO THE CONTENTS, ACCURACY OR COMPLETENESS OF THE PROSPECTUS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS.

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES ISSUED BY THE ISSUER BY ANY PERSON 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. THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

THE PROSPECTUS AND THE OFFERING, SALE OR DELIVERY OF ANY BONDS MAY NOT BE TAKEN AS AN IMPLICATION: (I) THAT THE INFORMATION CONTAINED IN THE PROSPECTUS IS ACCURATE AND COMPLETE SUBSEQUENT TO ITS DATE OF ISSUE; OR (II) THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN THE FINANCIAL POSITION OF THE ISSUER OR THE GUARANTOR SINCE SUCH DATE; OR (III) THAT ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS IS ACCURATE AT ANY TIME SUBSEQUENT TO THE DATE ON WHICH IT IS SUPPLIED OR, IF DIFFERENT, THE DATE INDICATED IN THE DOCUMENT CONTAINING THE SAME.

IT IS THE RESPONSIBILITY OF ANY PERSONS IN POSSESSION OF THIS DOCUMENT AND ANY PERSONS WISHING TO APPLY FOR ANY SECURITIES ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF SO APPLYING AND OF ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXATION IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SAVE FOR THE PUBLIC OFFERING IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE BONDS 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.

IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA) WHICH HAS IMPLEMENTED THE 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 (THE “**PROSPECTUS DIRECTIVE**”) OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF THE PROSPECTUS DIRECTIVE, THE BONDS CAN ONLY BE OFFERED TO “QUALIFIED INVESTORS” (AS DEFINED IN THE PROSPECTUS DIRECTIVE), AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS DIRECTIVE.

A COPY OF THE PROSPECTUS HAS BEEN SUBMITTED TO THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES, 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 COMPANIES ACT. APPLICATION HAS ALSO BEEN MADE TO THE MALTA STOCK EXCHANGE FOR THE BONDS TO BE ADMITTED TO ITS OFFICIAL LIST.

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. 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 ADVISERS.

UNLESS OTHERWISE STATED, THE CONTENTS OF THE ISSUER’S OR GUARANTOR’S WEBSITES OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER’S OR GUARANTOR’S WEBSITES 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 BONDS.

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 BONDS PURSUANT TO THE PROSPECTUS SHALL SUBMIT TO THE JURISDICTION OF THE MALTESE COURTS, WITHOUT LIMITING IN ANY MANNER THE RIGHT OF THE ISSUER TO BRING ANY ACTION, SUIT OR PROCEEDING IN ANY OTHER COMPETENT JURISDICTION, ARISING OUT OF OR IN CONNECTION WITH ANY PURCHASE OF BONDS, OR AGREEMENT, ACCEPTANCE OR CONTRACT RESULTING HEREFROM, OR THE PROSPECTUS AS A WHOLE.

ALL THE ADVISERS TO THE ISSUER AND THE GUARANTOR HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER AND THE GUARANTOR IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY 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 DIRECTORS OF THE ISSUER CONFIRM THAT WHERE INFORMATION INCLUDED IN THE PROSPECTUS HAS BEEN SOURCED FROM A THIRD PARTY, SUCH INFORMATION HAS BEEN ACCURATELY REPRODUCED, AND AS FAR AS THE DIRECTORS OF THE ISSUER 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 THEREIN.

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

Summaries are made up of disclosure requirements known as ‘Elements’. These elements are numbered in Sections A – E (A.1 – E.7) in the relative disclosure requirement checklist. This Summary Note contains all the Elements required to be included in a summary in connection with the securities being issued pursuant to the Prospectus and the Issuer. 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 securities being issued pursuant to the Prospectus and the Issuer, 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 this Summary Note with the mention of ‘*not applicable*’.

Except where the context otherwise requires, the capitalised words and expressions used in this Summary Note shall bear the meanings assigned to them in the Registration Document and the Securities Note forming part of the Prospectus, as the case may be.

1 SECTION A – INTRODUCTION AND WARNINGS

A.1 Prospective investors are hereby warned that:

- i. this Summary Note is being provided to convey the essential characteristics and risks associated with the Issuer, the Guarantor and the securities being offered pursuant to the Prospectus. 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 Note alone in making a decision as to whether to invest in the securities described in this document. Any decision to invest in the Bonds should be based on consideration of the Prospectus as a whole by the investor;
- ii. where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor 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 this Summary Note, including any translation thereof, and who applied for its notification, but only if this Summary Note, 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.

A.2 Consent required for use of the Prospectus during the Issue Period by Authorised Intermediaries: prospective investors are hereby informed that:

- i. for the purposes of any subscription for Bonds by Authorised Intermediaries during the Issue Period and any subsequent resale, placement or other offering of Bonds by Authorised Intermediaries in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Directive, the Issuer consents to the use of the Prospectus (and accepts responsibility for the information contained herein in accordance with the terms hereof) with respect to any such subsequent resale, placement or other offering of Bonds, provided this is limited only: (a) in respect of Bonds subscribed for through Authorised Intermediaries during the Issue Period; (b) to any resale, placement or other offering of Bonds subscribed for as aforesaid, taking place in Malta; and (c) to any resale, placement or other offering of Bonds subscribed for as aforesaid, taking place within the period of 60 days from the date of the Prospectus;
- ii. **in the event of a resale, placement or other offering of Bonds by an Authorised Intermediary, said Authorised Intermediary shall be responsible to provide information to prospective investors on the terms and conditions of the resale, placement or other offering at the time such is made;** and
- iii. any new information with respect to Authorised Intermediaries unknown at the time of the approval of the Prospectus will be made available through a company announcement which will also be made available on the Issuer's website: www.bortexgroup Holdings.com.

2 SECTION B – ISSUER AND GUARANTOR

B.1 The legal and commercial name of the Issuer is Bortex Group Finance plc (registration number C 82346).

The legal and commercial name of the Guarantor is Bortex Group Holdings Company Limited (registration number C 4863). Until 28 September 2017 the Guarantor was registered under the name Borchild Limited and upon said date changed its name to Bortex Group Holdings Company Limited.

B.2 The Issuer was registered in Malta in terms of the Act on 30 August 2017 as a public limited liability company and is domiciled in Malta.

The Guarantor was registered in Malta in terms of the Act on 6 February 1980 as a private limited liability company. The Guarantor is domiciled in Malta.

B.4b The principal object of the Issuer is to purchase or otherwise acquire, under any title whatsoever, to hold and manage, by any title, movable and immovable property or other assets, including but not limited to securities and other financial interests. The issue of bonds falls within the objects of the Issuer.

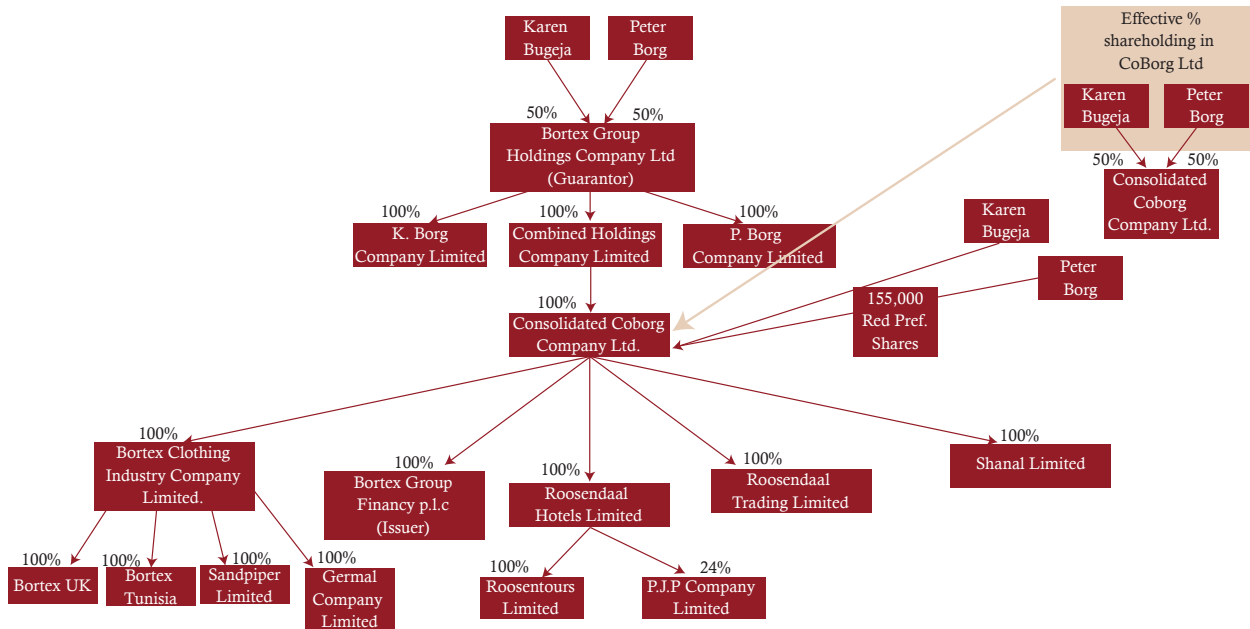
The principal object of the Guarantor is to purchase, acquire, hold and deal in any shares, debentures, stocks, bonds or other securities issued by any company or association, solely for and on behalf of the company. The Guarantor is also empowered in terms of its Memorandum and Articles of Association to secure or guarantee the payment of any sums of money or the performance of any obligation by any company, firm or person, including any parent, subsidiary, related company or joint venture, in such manner as may be necessary for carrying out the company's objects or any of them, even by the hypothecation of the Guarantor's property, whether present or future.

The Guarantor is the parent company of the Group, which is principally engaged, through several subsidiaries that operate in various jurisdictions, in the business of manufacturing garments for its own label, Gagliardi, and other private labels, marketing and retailing garments; and developing high quality property developments, as well as owning and managing hotels and residential properties in Malta.

The Group's operations are, and have been for a number of years, divided into two principal segments – garment manufacturing and retailing on the one hand; and property development and hotel operations on the other. Although the core business of the Group knows its origins in the garment manufacturing sector, and the eventual retailing of those garments, it has also established itself in the hospitality sector and more recently has moved into the boutique hotel sector, through the refurbishment of a historical property in Valletta, Malta, intended to open its doors in 2018.

B.5

The Issuer is, except for one share which is held by Mr Peter Borg and another share held by Ms Karen Bugeja, a fully-owned subsidiary of the Guarantor, which latter entity is the parent company of the Group. The Issuer is a special purpose vehicle set up to act as a financing company for the needs of the Group and, as such, it is dependent on the business prospects and operating results of Group entities. As the holding company of the Group, the Guarantor is, likewise, ultimately dependent on the operations and performance of its subsidiaries. The organisational structure of the Group as at the date of the Prospectus is illustrated in the diagram below:



- B.9 *Not Applicable:* the Registration Document does not contain any profit forecasts or estimates.
- B.10 *Not Applicable:* the Issuer was registered and incorporated on 30 August 2017 and since incorporation to the date of the Prospectus no financial statements have been prepared.
- B.12 The Issuer was set up on 30 August 2017 and since incorporation to the date of the Prospectus no financial statements have been prepared. There has not been any significant change in the financial or trading position of the Issuer which has occurred since the Company's date of incorporation. The Guarantor's historical financial information for the three financial years ended 31 October 2014, 2015 and 2016, as audited by PricewaterhouseCoopers, is set out in the audited consolidated financial statements of the Guarantor. Such audited consolidated financial statements are available at the Issuer's registered office.
- There were no significant changes to the financial or trading position of the Guarantor or the Group since the end of the financial period to which the Guarantor's afore-mentioned last audited consolidated financial statements relate. Furthermore, the Issuer and the Guarantor hereby confirm that there has been no material change or recent development which could adversely affect potential investors' assessments in respect of the Bonds, other than the information contained and disclosed in the Prospectus.
- Extracts of the historical consolidated financial information of the Guarantor referred to above are set out below:

Guarantor's Condensed Income Statement	FY14	FY15	FY16
	€'000	€'000	€'000
Revenue	25,091	21,722	20,621
Cost of sales	(18,284)	(14,662)	(13,486)
Gross Profit	6,807	7,060	7,136
Operating costs	(5,790)	(6,376)	(6,603)
Operating Profit	1,017	684	532
Other income	286	409	46
Finance costs (net of finance income)	(164)	(181)	(229)
Profit before tax	1,139	912	349
Tax	(27)	(57)	(47)
Profit for the period	1,112	855	302

Guarantor's Condensed Consolidated Statement of Comprehensive Income	FY14	FY15	FY16
	€'000	€'000	€'000
Profit for the year	1,112	855	302
Other comprehensive income			
<i>Items that will not be classified to profit or loss:</i>			
Revaluation surplus, net of deferred tax	-	-	4,623
Movement in deferred tax liability on revaluation	-	132	8
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Gains from changes in fair value	12	176	15
Reclassifications for net gains included in profit/loss upon disposal	(80)	(271)	-
Currency translation differences	-	98	(240)
Total comprehensive income for the year	1,044	990	4,708

Guarantor's Condensed Consolidated Statement of Financial Position	31-Oct-14	31-Oct-15	31-Oct-16
	€'000	€'000	€'000
ASSETS			
Non-current assets	14,785	15,173	19,230
Current assets	16,026	19,656	20,949
Non-current assets classified as held for sale	1,916	243	258
Total assets	32,727	35,072	40,437
EQUITY			
Total equity	23,151	23,960	28,055
LIABILITIES			
Non-current liabilities	3,136	2,543	3,783
Current liabilities	6,440	8,569	8,598
Total liabilities	9,576	11,112	12,381
Total equity and liabilities	32,727	35,072	40,437

Guarantor's Condensed Consolidated Cash Flow Statement	FY14	FY15	FY16	Total FY14-FY16
	€'000	€'000	€'000	€'000
Cash flows from operating activities	3,097	(3,086)	1,900	1,911
Cash flows (used in)/from investing activities	(545)	462	(1,199)	(1,282)
Cash flows (used in)/from financing activities	(192)	(649)	227	(614)
Movement in cash and cash equivalents	2,360	(3,273)	928	15
Opening cash and cash equivalents	(4,014)	(1,635)	(4,854)	(4,014)
Effects of currency translation on cash and cash equivalents	19	53	(99)	(26)
Closing cash and cash equivalents	(1,635)	(4,854)	(4,024)	(4,024)

Extracts from the unaudited interim consolidated financial information of the Guarantor for the six months ended 30 April 2016 and 30 April 2017 are set out below:

Guarantor's Consolidated Income Statement for the six months ended	30-Apr-16	30-Apr-17
	€'000	€'000
Revenue	10,820	9,808
Cost of sales	(7,257)	(6,478)
Gross Profit	3,563	3,330
Operating costs	(3,161)	(3,925)
Operating Profit	402	(594)
Other income	(2)	(0)
Finance costs (net of finance income)	(99)	(69)
Profit before tax	301	(664)
Tax (expense)/income	(23)	1,497
Profit for the period	278	833

Guarantor's Consolidated Statement of Financial Position as at	31-Oct-16	30-Apr-17
	€'000	€'000
ASSETS		
Non-current assets	19,230	19,902
Current assets	20,949	22,143
Non-current assets classified as held for sale	258	255
Total assets	40,437	42,300
EQUITY		
Total equity	28,055	28,830
LIABILITIES		
Non-current liabilities	3,783	4,117
Current liabilities	8,598	9,354
Total liabilities	12,381	13,471
Total equity and liabilities	40,437	42,300

Guarantor's Consolidated Cash Flow Statement for the six months ended	30-Apr-16	30-Apr-17
	€'000	€'000
Cash flows from operating activities	569	475
Cash flows used in investing activities	(400)	(561)
Cash flows from financing activities	851	253
Movement in cash and cash equivalents	1,020	167
Cash and Cash equivalents at beginning of interim period	(4,854)	(4,024)
Effects of currency translation on cash and cash equivalents	(113)	(56)
Cash and Cash equivalents at end of interim period	(3,948)	(3,913)

- B.13 In the short to medium term future the Group intends to invest in each of the following proposed projects: (i) refurbishment and extension of the newly branded Hotel 1926 in Sliema, Malta; (ii) development of TEN Apartments in Sliema, Malta; (iii) international retail expansion strategy, particularly via the opening of Gagliardi retail outlets overseas; (iv) development of a mixed-use complex in Mriehel, Malta; (v) redevelopment of the Group's existing retail outlet in Mosta, Malta; and (vi) refurbishment of PJP Boutique Suites in Valletta, Malta, which property is currently being extensively refurbished as an 8-roomed boutique hotel. The Group intends to raise funds for the financing and refinancing of these projects partially through the Bond Issue, with the remaining capital expenditure being funded by bank finance and own funds.

Save for the above, the Group is not party to any other material investments, and has not entered into or committed for any principal investments subsequent to 31 October 2016, being the date of the latest audited consolidated financial statements of the Guarantor, and the Guarantor is not aware of any recent events which are, to a material extent, relevant to the evaluation of its solvency.

- B.14 The Issuer is not intended to undertake any trading activities itself apart from the raising of capital and the advancing thereof to members of the Group. Accordingly, the Issuer is economically dependent principally on the financial and operating performance of the businesses of Group entities, comprising the business of garment manufacturing, retail, real estate development and hospitality.

The Issuer does not have any substantial assets and is essentially a special purpose vehicle set up to act as a financing company. The Issuer is, therefore, intended to serve as a vehicle through which the Group will continue to finance its future projects, principally and in the immediate future the projects identified in Element B.13 immediately above, as well as other projects that may be undertaken by its subsidiary companies.

The Guarantor is the parent company of the Group, the operations of which have, to date, been largely divided into two principal segments – garment manufacturing and retailing on the one hand; and property development and hotel operations on the other.

- B.15 The Issuer was set up and established to act as a finance company. In terms of its Memorandum of Association, the main object for which the Issuer is constituted is to purchase or otherwise acquire, under any title whatsoever, to hold and manage, by any title, movable and immovable property or other assets, including but not limited to securities and other financial interests.

The Guarantor, as the parent company of the Group, is principally engaged, through several subsidiaries that operate in various jurisdictions, in the business of manufacturing garments for its own label, Gagliardi, and other private labels, marketing and retailing garments; and developing high quality property developments, as well as owning and managing hotels and residential properties in Malta. In terms of its Memorandum of Association, the Guarantor is, amongst other things, empowered to secure or guarantee the payment of any sums of money or the performance of any obligation by any company, firm or person, including any parent, subsidiary, related company or joint venture, in such manner as may be necessary for carrying out the company's objects or any of them, even by the hypothecation of the Guarantor's property, whether present or future.

- B.16 The Issuer's current authorised and issued share capital is €250,000 divided into 250,000 ordinary shares of €1 each, all fully paid up. The Guarantor holds 249,998 ordinary shares of €1 each, Mr Peter Borg holds 1 ordinary share of €1 and Ms Karen Bugeja holds 1 ordinary share of €1.

The authorised and issued share capital of the Guarantor is €46,587.46 divided into (i) 5,100 ordinary shares of €2.329373 each, fully paid up and held by Mr Peter Borg, (ii) 5,100 ordinary shares of €2.329373 each, fully paid up and held by Ms Karen Bugeja, (iii) 4,900 ordinary shares of €2.329373 each, fully paid up and held by P.Borg Company Ltd (C 13314) and (iv) 4,900 ordinary shares of €2.329373 each, fully paid up and held by K.Borg Company Limited (C 13315).

The Issuer and the Guarantor are, therefore, ultimately owned as to 50% by Mr Peter Borg and as to 50% by Ms Karen Bugeja.

- B.17 *Not Applicable:* neither the Issuer nor the Guarantor have sought the credit rating of an independent rating agency and there has been no assessment by any independent rating agency of the Bonds issued by the Issuer.

- B.18 For the purposes of the Guarantee, the Guarantor stands surety with the Issuer and irrevocably and unconditionally undertakes to affect the due and punctual performance of all the payment obligations undertaken by the Issuer under the Bonds if the Issuer fails to do so. Accordingly, until such time as the Bonds remain in issue, the Guarantor undertakes to pay on an on-going basis, interest which may become due and payable during the term of the Bonds and the principal amount of the Bonds on the Redemption Date should the Issuer default in paying the Bondholders under the Bonds. The Guarantor's obligations under the Guarantee shall remain in full force and effect until no sum remains payable to any Bondholder pursuant to the issue of the Bonds.

3 SECTION C - SECURITIES

- C.1 The Issuer shall issue an aggregate of €12,750,000 in unsecured Bonds 2027 having a nominal value of €100 per Bond, subject to a minimum subscription of €2,000 in Bonds and multiples of €100 thereafter. The Bonds will be issued in fully registered form and will be represented in an uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. On admission to trading the Bonds will have the following ISIN number MT0001641209. The Bonds shall bear interest at the rate of 3.75% per annum and shall be repayable in full upon maturity unless they are previously re-purchased and cancelled. The Bond Issue is guaranteed by the Guarantor.

- C.2 The Bonds are denominated in Euro (€).
- C.5 The Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in whole (in multiples of €100) in accordance with the rules and regulations of the MSE applicable from time to time.
- C.8 Investors wishing to participate in the Bonds will be able to do so by duly executing the appropriate Application Form in relation to the Bonds. Execution of the Application Form will entitle such investor to: (i) the payment of interest; (ii) the payment of capital; (iii) ranking with respect to other indebtedness of the Issuer in accordance with the status of the Bonds, as follows: *“the Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, guaranteed by the Guarantor, and shall at all times rank pari passu, without any priority or preference among themselves and with other outstanding and unsecured debt of the Issuer and the Guarantor, present and future”*; (iv) attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond Issue; and (v) enjoy all such other rights attached to the Bonds emanating from the Prospectus.

The Group's indebtedness as at 30 April 2017 amounted in aggregate to €8.2 million (€7.5 million at 31 October 2016), including bank loans and overdrafts. The relative bank borrowings are secured by privileges and hypothecs and, therefore, the indebtedness being created by the Bonds ranks after these bank borrowings. The Bonds would also rank after any future debts which may be secured by a cause of preference such as a privilege and/or a hypothec.

- C.9 The Bonds shall bear interest from and including 1 December 2017 at the rate of 3.75% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 1 December 2018 (covering the period 1 December 2017 to 30 November 2018). For Bonds issued at the Bond Issue Price, the gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds at Redemption Date is 3.75%. The Bonds will mature on 1 December 2027.

The remaining component of Element C.9 is not applicable, given that no representative of debt security holders has been appointed.

- C.10 *Not Applicable*: there is no derivative component in the interest payments on the Bonds.

- C.11 The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 30 October 2017. Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Prospectus to be listed and traded on its Official List. The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 4 December 2017 and trading is expected to commence on 5 December 2017. Dealing may commence prior to notification of the amount allotted being issued to Applicants.

4 SECTION D – RISKS

Holding of a bond involves certain risks. Prospective investors should carefully consider, with their own independent financial and other professional advisers, the following risk factors and other investment considerations, as well as all the other information contained in the Prospectus before deciding to acquire the Bonds. Prospective investors are warned that by investing in the Bonds they may be exposing themselves to significant risks that may have the consequence of losing a substantial part or all of their investment.

The Prospectus contains statements that are, or may be deemed to be, "forward-looking statements", which relate to 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 and assumptions and important factors that could cause actual risks to differ materially from the expectations of the Issuer's and Guarantor's respective directors. No assurance is given that the future results or expectations will be achieved.

In so far as prospective investors seek advice from Authorised Intermediaries concerning an investment in the Bonds, Authorised Intermediaries are to determine the suitability of prospective investors' investment in the Bonds in the light of said prospective investors' own circumstances. The Bonds may not be a suitable investment for all investors. In

particular, Authorised Intermediaries should determine whether each prospective investor: (i) has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in the Prospectus or any applicable supplement; (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of his/her/its particular financial situation, an investment in the Bonds and the impact the Bonds will have on his/her/its overall investment portfolio; (iii) has sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the prospective investor's currency; (iv) understands thoroughly the terms of the Bonds and is familiar with the behaviour of any relevant indices and financial markets; and (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect his/her/its investment and his/her/its ability to bear the applicable risks.

Below is a summary of the principal risks associated with an investment in the Issuer and the Bonds – there may be other risks which are not mentioned in this summary. Investors are, therefore, urged to consult their own financial or other professional advisers with respect to the suitability of investing in the Bonds.

D.2 Essential information on the key risks specific to the Issuer, the Guarantor, the Group and its business: Since the Issuer was incorporated on 30 August 2017, it has no trading record or history of operations. Furthermore, the Issuer itself does not have any substantial assets and is essentially a special purpose vehicle set up to act as a financing company solely for the needs of the Group and, as such, its assets are intended to consist primarily of loans issued to Group companies. The Issuer is dependent on the business prospects of the Group and, consequently, the operating results of the Group have a direct effect on the Issuer's financial position. Accordingly, the risks of the Issuer are indirectly those of the Group and, in turn, all risks relating to the Group are the risks relevant to the Guarantor.

The operations of the Group and its operating results are subject to a number of factors that could adversely affect its business and financial condition, some of which are beyond the Group's control:

- i. The Group has a long trading history in the garment manufacturing and retail industries, as well as in real estate developments that consist principally of hotels and residential property. All of said industries globally are characterised by strong and increasing competition. Severe competition in certain countries and changes in economic and market conditions could adversely affect the Group's business and operating results;
- ii. The health of the retail market may be affected by a number of factors, including, *inter alia*, consumer demand, tastes, preferences, trends, inflation, fluctuation in interest rates, exchange rates, direct and indirect taxation, regulations, energy and fuel costs, unemployment, wage rates, availability of credit, government spending and budget priorities, and other general market and economic conditions. Adverse factors could cause customers and potential customers to postpone or reduce spending on products or services or put downward pressure on prices, which could have an adverse effect on the Group's business, results of operations or cash flows, consequently adversely impacting the Issuer;
- iii. The Group competes with store-based retailers, as well as e-commerce and online retailers, for customers, employees, locations and other important aspects of its retail business. This level of competition may increase, which may limit the future ability of the Group to maintain its market share and revenue level;
- iv. The retail and fashion industry is subject to rapidly evolving fashion trends and shifting consumer demands. The success of each brand sold by Group entities and, in turn, the success of the Group's outlets in Malta, is dependent upon both the priority customers place on fashion and the Group's ability to anticipate, identify and capitalise upon emerging fashion trends. If the Group fails to anticipate, identify or react appropriately, or in a timely manner, to fashion trends, the Group's outlets could experience reduced customer acceptance of their products, resulting in decreased sales volumes and lower product margins;
- v. Tunisia, from where the Group operates part of its garment manufacturing business, is regarded as being susceptible to political, economic or social risks not normally encountered in more developed countries. Accordingly, the Group is, in part, susceptible to the political and economic risks that may from time to time influence Tunisia's prospects. Negative political or economic factors and trends in or affecting Tunisia could have a material impact on the business of the Group;
- vi. The Group may not be able to realise the benefits it expects from investments made in its properties under development for reasons including cost overruns, insufficiency of resources to complete the projects, sale or rental transactions not being effected at the prices and within the timeframes envisaged, or delays or refusals in obtaining the necessary planning permissions or other building and other required permits and authorisations;

- vii. The Group may not be able to obtain the capital it requires for development or improvement of existing or new investments on commercially reasonable terms, or at all, besides exposure to risks associated with increases in borrowing costs or decreases in loan funding, also taking into account the need, from time to time, for the Group's properties to undergo renovation, refurbishment or other improvements;
- viii. The Group may be exposed to environmental liabilities attaching to real estate property, such as costs for the removal, investigation or remediation of any hazardous or toxic substances that may be located on or in, or which may have migrated from, a property owned or occupied by it, which costs may be substantial;
- ix. The value of the Group's property portfolio may fluctuate as a result of factors outside the Group's control, such as changes in regulatory requirements and applicable laws (including in relation to taxation and planning), political conditions, the condition of financial markets, potentially adverse tax consequences, and interest and inflation rate fluctuations. The valuation of property and property-related assets is inherently subjective, due to, among other things, the individual nature of each property and the assumptions upon which valuations are carried out. There is no assurance that valuations of Group properties and property-related assets will reflect actual market values that could be achieved upon a sale;
- x. The hotel industry may be adversely affected by natural disasters, terrorist activity and war, which could directly or indirectly affect travel patterns and reduce the number of business and leisure travellers and reduce the demand for hotel accommodation at the Group's hotels;
- xi. The Group's financial gearing levels will increase further to the Bond Issue. The Group's gearing ratio (net debt / total funding), which stood at 19.1% as at 31 October 2016, would increase to a peak of 35.1% as at 31 October 2018. The increase in the level of financial gearing gives rise to all risks typically associated with higher leverage, including lower asset cover and lower debt service cover levels;
- xii. In view of the fact that the Group is, in part, a property holding organisation, coupled with the fact that property is a relatively illiquid asset, such illiquidity may affect the Group's ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely manner and at satisfactory prices in response to changes in economic, real estate, market or other conditions;
- xiii. All industries, including the manufacturing, retail, hospitality and real estate industries, are subject to legal claims, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit;
- xiv. If one or more of the key personnel of the Group were unable or unwilling to continue in their present position, they may not be replaceable within the short term, which could have an adverse effect on the Group's business, financial condition and results of operations; and
- xv. Historically, the Group has maintained insurance at levels determined by the Group to be appropriate in light of the cost of cover and the risk profiles of the businesses in which the Group operates. With respect to losses for which the Group is covered by its policies, it may be difficult and may take time to recover such losses from insurers. In addition, the Group may not be able to recover the full amount from the insurer.

D.3

Essential information on the key risks specific to the Bonds:

An investment in the Bonds involves certain risks, including those set out below in this section. In deciding whether to make an investment in the Bonds, prospective investors are advised to carefully consider, with their own independent financial and other (including tax, accounting, credit, legal and regulatory) professional advisers, the following risk factors (not listed in order of priority) and other investment considerations, together with all the other information contained in the Prospectus.

- i. The existence of an orderly and liquid market for the Bonds depends on a number of factors including, but not limited to, the presence of willing buyers and sellers of the Issuer's Bonds at any given time. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market in which the Bonds are traded, over which the Issuer has no control. Many other factors over which the Issuer has no control may affect the trading market for, and trading value of, the Bonds, including the time remaining to the maturity of the Bonds, the outstanding amount of the Bonds and the level, direction and volatility of market interest rates, generally. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. There can be no assurance that an investor will be able to sell or otherwise trade in the Bonds at or above the Bond Issue Price, or at all;
- ii. Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds;

- iii. A Bondholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder's currency of reference, if different;
- iv. No prediction can be made about the effect which any future public offerings of the Issuer's securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Bonds prevailing from time to time;
- v. The Bonds shall constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall be guaranteed in respect of both the interest due and the principal amount under the said Bonds by the Guarantor, and shall at all times rank *pari passu*, without any priority or preference among themselves and, save for such exceptions as may be provided by applicable law, shall rank without priority and preference with all other present and future unsecured obligations of the Issuer and the Guarantor. The Bonds will, however, rank subordinate to the present and future secured creditors of the Issuer and the Guarantor. In view of the fact that the Bonds are being guaranteed by the Guarantor, Bondholders are entitled to request the Guarantor to pay both the interest due and the principal amount under the said Bonds if the Issuer fails to meet any amount, when due. The strength of this undertaking on the part of the Guarantor is directly linked to the financial position and solvency of the Guarantor;
- vi. Even after the Bonds are admitted to trading on the MSE, the Issuer is required to remain in compliance with certain requirements relating, *inter alia*, to the free transferability, clearance and settlement of the Bonds in order to remain a listed company in good standing. Moreover, the Listing Authority has the authority to suspend trading or listing of the Bonds if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or the integrity or reputation of the market. The Listing Authority may discontinue the listing of the Bonds on the MSE. Any such trading suspensions or listing revocations / discontinuations could have a material adverse effect on the liquidity and value of the Bonds;
- vii. In the event that the Issuer wishes to amend any of the Terms and Conditions of issue of the Bonds it shall call a meeting of Bondholders. The provisions relating to meetings of Bond holders permit defined majorities to bind all Bondholders, including Bondholders who do not attend and vote at the relevant meeting and Bondholders who vote in a manner contrary to the majority; and
- viii. The Bonds and the Terms and Conditions of the Bond Issue are based on the requirements of the Listing Rules, the Companies Act and the Regulation in effect as at the date of the Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in law or administrative practice after the date of the Prospectus.

5 SECTION E – OFFER

E.2b

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €12,400,000, will be used by the Issuer for the following purposes, in the following amounts and order of priority: (i) an amount of €5,400,000 of the net Bond Issue proceeds shall be advanced, pursuant to a loan agreement, by the Issuer to Roosendaal Hotels Limited in connection with the refurbishment and extension of the Hotel 1926 and beach club development project in Sliema, Malta; (ii) an amount of €800,000 of the net Bond Issue proceeds shall be advanced, pursuant to a loan agreement, by the Issuer to Roosendaal Trading Limited in connection with the redevelopment of the Group's existing retail outlet in Mosta, Malta, including the extension of existing retail areas and the addition of a catering establishment; (iii) an amount of €2,000,000 of the net Bond Issue proceeds shall be advanced, pursuant to a loan agreement, by the Issuer to Roosendaal Trading Limited in connection with the development of a plot of land in Mriehel, Malta into a mixed-use complex with a Bortex outlet on the lower levels and office space on the upper levels; (iv) an amount of €1,800,000 of the net Bond Issue proceeds shall be advanced, pursuant to loan agreements, by the Issuer to Group companies for the purpose of part-funding the opening of Gagliardi retail outlets in a number of overseas territories in line with the Group's international retail expansion strategy, particularly concerning the internationalisation of its own private Gagliardi label; (v) an amount of €1,400,000 of the net Bond Issue proceeds shall be used to carry into effect a repayment and refinancing of part of the Group's existing bank facilities taken out in connection with the financing of properties owned by the Group, thereby freeing the Group of part of its secured debts owed to third party institutions; and (vi) the remaining balance of the net Bond Issue proceeds in an amount of €1,000,000 shall be used for the Group's general corporate funding requirements in Malta, including operational costs. In the event that the Bond Issue is not fully subscribed, the Issuer will proceed with the listing of the amount of Bonds subscribed for and the proceeds from the Bond Issue shall be applied in the manner and order of priority set out above. Any residual amounts required by the Issuer for the purposes of the uses specified above which shall not have been raised through the Bond Issue shall be financed from the Group's general cash flow and/or bank financing.

E.3 The Bonds are open for subscription to Preferred Applicants and to Authorised Intermediaries through an Intermediaries' Offer.

The Issuer has reserved an aggregate amount of Bonds amounting to €500,000 for subscription by Preferred Applicants. The remaining balance of €12,250,000 of Bonds is being reserved for subscription by Authorised Intermediaries participating in the Intermediaries' Offer. In this regard, the Issuer shall enter into conditional subscription agreements with a number of Authorised Intermediaries for the subscription of Bonds, whereby it will bind itself to allocate Bonds thereto up to the total amount of €12,250,000 (or a higher amount in the event that the aggregate amount of €500,000 reserved for the Preferred Applicants is not fully taken up) as aforesaid during the Intermediaries' Offer. In terms of each subscription agreement entered into with an Authorised Intermediary, the Issuer will be conditionally bound to issue, and each Authorised Intermediary will bind itself to subscribe for, a number of Bonds subject to the Bonds being admitted to trading on the Official List. Authorised Intermediaries subscribing for Bonds may do so for their own account or for the account of underlying customers, including retail customers, and shall, in addition, be entitled to distribute any portion of the Bonds subscribed for upon commencement of trading.

In the event that the aggregate amount of €500,000 reserved for the Preferred Applicants is not fully taken up, such unutilised portion shall also become available for subscription by Authorised Intermediaries through an Intermediaries' Offer. In the event that subscriptions by Preferred Applicants exceed the reserved portion of €500,000, the unsatisfied excess amounts of such Applications will automatically participate in the amount of Bonds available for subscription in the Intermediaries' Offer.

Applications for subscriptions to the Bonds may be made through the Authorised Intermediaries (which include the Sponsor, Manager & Registrar) during the Issue Period. The Issue Period shall close immediately upon attaining full subscription or on the last day of the Issue Period, whichever is the earliest. The Issuer will determine and announce the allocation policy for the Bonds within 5 Business Days of the closing of the Issue Period. The results of the offer, including the allocation policy, will be announced through a company announcement. It is expected that allotment letters will be dispatched to Bondholders within 5 Business Days of the date of the announcement of the allocation policy.

The following is a synopsis of the general terms and conditions applicable to the Bonds. A Bondholder is deemed to have invested only after having received, read and understood the contents of the Prospectus, including the full terms and conditions contained in the annexes thereto:

1. Form, Denomination and Title

The Bonds will be issued in fully registered form in denominations of any integral multiple of €100 provided that on subscription the Bonds will be issued for a minimum of €2,000 per individual Bondholder. Authorised Intermediaries subscribing to the Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €2,000 to each underlying client.

2. Redemption and Purchase

Unless previously purchased and cancelled, the Issuer hereby irrevocably covenants in favour of each Bondholder that the Bonds will be redeemed at their nominal value (together with accrued interest) on 1 December 2027. Subject to the provisions of this paragraph, the Issuer may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike. All Bonds so redeemed or purchased will be cancelled forthwith and may not be re-issued or re-sold.

3. Payments

Payment of the principal amount of the Bonds will be made within 7 days of the Redemption Date in Euro by the Issuer to the person in whose name such Bonds are registered, with interest accrued up to the Redemption Date, by means of direct credit transfer into such bank account as the Bondholder may designate from time to time. Payment of interest on a Bond will be made to the person in whose name such Bond is registered at the close of business 15 days prior to the Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate, from time to time. Such payment shall be effected within 7 days of the Interest Payment Date.

4. Events of Default

The Securities Note sets out a list of events of default the occurrence of which would result in the Bonds becoming immediately due and repayable at their principal amount, together with accrued interest.

5. Further Issues

The Issuer may, from time to time, without the consent of the Bondholders, create and issue further debentures, debenture stock, bonds, loan notes, or any other debt securities, either having the same terms and conditions as any outstanding debt securities of any series (including the Bonds) and so that such further issue shall be consolidated and form a single series with the outstanding debt securities of the relevant series (including the Bonds), or upon such terms as the Issuer may determine at the time of their issue.

6. Meetings of participation Bondholders

The Issuer may, from time to time, call meetings of Bondholders for the purpose of consultation with Bondholders or for the purpose of obtaining the consent of Bondholders on matters which in terms of the Prospectus require the approval of a Bondholders' meeting.

7. Governing Law and Jurisdiction

The Bonds have been created, and the Bond Issue relating thereto is being made, in terms of the Act. The Bonds, and all contractual arrangements arising therefrom, shall be governed by and shall be construed in accordance with Maltese law. Any legal action, suit or proceedings against the Issuer and/or the Guarantor arising out of or in connection with the Bonds and/or the Prospectus shall be brought exclusively before the Maltese courts and the Bondholder shall be deemed to acknowledge that it is submitting to the exclusive jurisdiction of such courts.

- E.4 Save for the possible subscription for Bonds by Authorised Intermediaries (which include the Sponsor, Manager & Registrar) and any fees payable to Calamatta Cuschieri Investment Services Limited as Sponsor, Manager & Registrar in connection with the Bond Issue, so far as the Issuer is aware no person involved in the Issue has a material interest in the Bond Issue.
- E.7 Professional fees and costs related to publicity, advertising, printing, listing, registration, sponsor, management, selling commission and other miscellaneous costs incurred in connection with this Bond Issue are estimated not to exceed €350,000 and shall be borne by the Issuer.

6 EXPECTED TIMETABLE

1	Application Forms made available	1 November 2017
2	Preferred Applicants offer period	9 November 2017 (from 08:30 CET) - 14 November 2017 (by 12:00 CET)
3	Intermediaries' Offer period	15 November 2017 (from 08:30 CET) - 30 November 2017 (by 12:00 CET)
4	Announcement of basis of acceptance	1 December 2017
5	Issue date of the Bonds	1 December 2017
6	Commencement of interest	1 December 2017
7	Expected date of admission of the Bonds to listing	4 December 2017
8	Expected dispatch of allotment advices and refunds (if any)	5 December 2017
9	Expected date of commencement of trading in the Bonds	5 December 2017

The Issuer reserves the right to close the offer of Bonds before 30 November 2017 at 12:00 CET in the event that the Bonds are fully subscribed prior to said date and time. In such eventuality the events set out in step 5 and in steps 7 to 9 above shall be brought forward, although the number of workings days between the respective events shall not also be altered.